

Bridgepoint Group plc
(the “Company”)

Strong performance and well placed for continued growth

Bridgepoint Group plc today announces full year results ahead of expectations and key targets set at the time of IPO with fundraising for BE VII completing soon and on target.

Summary highlights:

Bridgepoint Standalone:

- 7% organic increase in AUM to €41 billion
- 10% increase in management fees to £265 million
- 28% increase in underlying FRE to £95 million and PRE of £55 million
- 12% increase in underlying pre-tax profit to £134 million
- Fundraising for BE VII soon to close at €7 billion, with fundraising for BDC V and BDL IV under way

Including ECP:

- 62% year on year increase in AUM to €62 billion post combination with ECP
- ECP transaction expected to close in Q2 and fundraising for ECP V, which has a target of €4 billion, is set to close in April
- Bridgepoint remains well positioned to deliver 2024 performance in line with current expectations

Raoul Hughes, Chief Executive said:

“2023 has been a very strong year for Bridgepoint with underlying profit growth of 12% year-on-year, on the back of robust investment returns, strong progress on fundraising and fund deployment, and good cost control. 2024 has started equally strongly with fundraising shortly to close for BE VII with commitments on target at €7 billion.

“Importantly, Bridgepoint’s strong transaction origination capability and disciplined investment approach continues to deliver high quality returns with all funds remaining on or above plan in both deployment and performance and with a healthy exit pipeline at year end, despite M&A transaction volumes being down globally in 2023.

“The addition of ECP to the Group, expected to occur in Q2 2024 subject to receipt of the final regulatory clearance, will represent a major step forward in implementing the strategy set out at IPO, adding energy transition infrastructure alongside our private equity and credit businesses. ECP V, which has a target of €4 billion, is set to close in April.

“Looking ahead, we will continue to drive growth in the Group and are currently investigating opportunities for further expansion amid industry consolidation. To support this work, as previously announced we have recently taken steps to further strengthen our balance sheet with a US\$430 million US private placement. With a diversified investment approach and a strong pipeline of investment and exit activity, Bridgepoint is well placed to navigate 2024 and beyond with confidence.”

Financials

- Fee paying assets under management (“**Fee paying AUM**”) of €26 billion, an 11% increase vs. FY 2022 FPAUM of €23 billion;
- Management fees increased by 10% to £265 million (2022: £242 million), including £6.7 million of catch-up fees from BE VII;

- PRE of £55 million for the full year following a step up in activity in H2 (2022: £65 million);
- Underlying costs were £171 million (2022: £168 million), due to cost control and the deliberate phasing of recruitment through the M&A cycle. When combined with growth in management fees, this resulted in 28% growth in underlying fee related earnings (“FRE”) to £95 million (2022: £74 million);
- Underlying EBITDA was 7% higher at £149 million (2022: £139 million);
- Underlying profit before tax increased by 12% to £134 million (2022: £120 million), giving underlying EPS of 14.9p (2022: 13.8p);
- Profit after tax of £70.7 million and EPS of £8.7p, which includes the impact of costs incurred in the ECP transaction; and
- Total assets under management (“AUM”) of €41 billion, an increase of 7% from FY 2022 and 52% since IPO (FY 2020).

Fundraising

- Fundraising on track with BE VII soon to close on target at €7 billion of capital commitments;
- Fundraises for BDL III and BCO IV closed in 2023, positioning the credit business to take advantage of the favourable interest rate environment;
- BDC V and BDL IV fundraises commenced early in 2024, with BDC V expected to start paying management fees from Q1 2025; and
- BCO V, BG II and CLO 6 have begun or will begin fundraising later in the year.

Fund performance

- Bridgepoint’s middle market focus and value driving investment approach continues to deliver high quality returns, with all funds remaining on or above plan in both deployment and performance;
- After a strong year of deployment, BE VII is now 31% deployed, BDC IV is at 79%, BDL III is at 79%, BCO IV is at 85% and two new CLOs were launched in the year;
- The most recent fully invested funds, BE VI and BDC III, remain top quartile for their vintages with value driven by strong underlying company trading performance derived from carefully focused sector driven investment; and
- In Bridgepoint Credit, BDL III and BCO IV both remained on plan with net IRRs of 10.4% and 13.8% respectively.

ECP update

- The combination with ECP will create a leading global private asset growth investor focused on the middle market;
- The transaction is expected to close in Q2 2024, subject to the final regulatory clearance, and will accelerate the enlarged Bridgepoint group’s growth ambitions and significantly diversify the group’s income streams;
- ECP is closing ECP V shortly, and ECP’s Forestar strategy has begun fundraising; and
- ECP had standalone AUM and Fee paying AUM of €21 billion and €11 billion respectively at year end.

Dividend and outlook

- Final dividend proposed of 4.4p per share, subject to approval at annual general meeting;

- Combined with capital return of 7.6p per share through the share buyback and the interim dividend of 4.4p per share paid in September 2023, total capital return to shareholders in 2023 of 16.4p more than double that in 2022 (8.0p); and
- Bridgepoint remains well positioned to deliver 2024 performance in line with current market expectations.

Presentation and Q&A

Management will hold a webcast to answer questions from analysts and investors at 8:30 a.m. UK time on Thursday, 14 March:

Join via weblink:

<https://www.lsegissuerservices.com/spark/BRIDGEPOINTGROUP/events/7dff9724-602b-4acf-b189-3271df565e92>

Register for conference call:

[Bridgepoint Group plc 2023 Full Year Results Registration Page! \(registrations.events\)](#)

The slides from this presentation will be available on the company's website:

[Financial Information - Bridgepoint](#)

FINAL DIVIDEND PAYMENT TIMETABLE

The timetable for the payment of the interim dividend of 4.4 pence per share announced today is as follows:

| | |
|-------------------|---------------|
| Ex-dividend date: | 18 April 2024 |
| Record date: | 19 April 2024 |
| Payment date: | 21 May 2024 |

ENQUIRIES

Bridgepoint

| | |
|--|--|
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Abbreviated income statement

| £ million | Year ended 31 December 2023 | Year ended 31 December 2022 | Change (%) |
|---|-----------------------------------|-----------------------------------|----------------|
| Management and other fees | 265.3 | 241.5 | 9.9% |
| PRE | 55.3 | 64.9 | (14.8)% |
| Total operating income | 321.6 | 307.4 | 4.6% |
| Total expenses* | (224.5) | (171.4) | 31.0% |
| Total expenses (excluding exceptional expenses and adjusted items)* | (171.3) | (168.2) | 1.8% |
| EBITDA* | 97.1 | 136.0 | (28.6)% |
| Underlying EBITDA* | 148.8 | 139.2 | 6.9% |
| Underlying FRE* | 95.0 | 74.3 | 27.9% |

| | | | |
|---|--------------|--------------|----------------|
| Depreciation and amortisation | (18.7) | (18.3) | 2.2% |
| Net finance and other income* | 7.6 | 9.7 | (21.6)% |
| Net finance other income/(expenses) (excluding exceptional net other income)* | 0.7 | (3.9) | (117.9)% |
| Underlying profit before tax | 133.8 | 120.0 | 11.5% |
| Reported profit before tax | 86.0 | 127.4 | (32.5)% |
| Tax | (15.3) | (6.8) | 125.0% |
| Reported profit after tax | 70.7 | 120.6 | (41.4)% |

* 2022 has been restated to move non-operating foreign exchange gains from total expenses to net other income. EBITDA and FRE subtotals have been restated as a result.

Consolidated balance sheet

| Summarised consolidated statement of financial position (statutory basis) £ million | As at 31 December 2023 | As at 31 December 2022 | Change (%) |
|--|------------------------------|------------------------------|---------------|
| Assets | | | |
| Non-current assets | 582.2 | 540.0 | 7.8% |
| Current assets | 1,795.5 | 1,247.8 | 43.9% |
| Total Assets | 2,377.7 | 1,787.8 | 33.0% |
| Liabilities | | | |
| Non-current liabilities | 1,318.8 | 757.1 | 74.2% |
| Current liabilities | 337.7 | 258.0 | 30.9% |
| Total Liabilities | 1,656.5 | 1,015.1 | 63.2% |
| Net Assets | 721.2 | 772.7 | (6.7)% |
| Equity | | | |
| Share capital and premium | 289.9 | 289.9 | 0.0% |
| Other reserves | 12.6 | 9.1 | 38.5% |
| Retained earnings | 418.7 | 473.7 | (11.6)% |
| Total Equity | 721.2 | 772.7 | (6.7)% |

Financial summary

| | Year ended 31 December 2023 | Year ended 31 December 2022 | Change (%) |
|---|-----------------------------------|-----------------------------------|---------------|
| Total AUM (€bn) | 40.5 | 38.0 | 6.6% |
| Fee Paying AUM (€bn) | 26.0 | 23.4 | 11.1% |
| Management fee margin on Fee Paying AUM (%) | 1.12% | 1.16% | (0.04)ppt |
| Management and other fees (£m) | 265.3 | 241.5 | 9.9% |
| PRE (£m) | 55.3 | 64.9 | (14.8)% |
| Total operating income (£m) | 321.6 | 307.4 | 4.6% |
| Total expenses (excluding exceptional expenses and adjusted items) (£m) | (171.3) | (168.2) | 1.8% |
| Underlying EBITDA (£m) | 148.8 | 139.2 | 6.9% |
| Underlying EBITDA margin (%) | 46.3% | 45.3% | 1.0ppt |
| Underlying FRE (£m) | 95.0 | 74.3 | 27.9% |
| Underlying FRE margin (%) | 35.7% | 30.6% | 5.1ppt |
| Underlying profit before tax (£m) | 133.8 | 120.0 | 11.5% |
| Reported profit before tax (£m) | 86.0 | 127.4 | (32.5)% |

| | | | |
|--|-------------|-------|---------|
| Reported profit after tax (£m) | 70.7 | 120.6 | (41.4)% |
| Reported basic and diluted EPS (pence) | 8.7 | 14.6 | (40.3)% |
| Underlying basic and diluted EPS (pence) | 14.9 | 13.8 | 8.5% |

Reconciliation between statutory and underlying income statements

| £ million | Year ended 31 December 2023 | | | Year ended 31 December 2022 | | |
|---|-----------------------------|----------------|----------------|-----------------------------|----------------|----------------|
| | Underlying | Excluded items | Reported | Underlying | Excluded items | Reported |
| Management and other fees | 265.3 | - | 265.3 | 241.5 | - | 241.5 |
| PRE | 55.3 | - | 55.3 | 64.9 | - | 64.9 |
| Other operating income | 1.0 | - | 1.0 | 1.0 | - | 1.0 |
| Total operating income | 321.6 | - | 321.6 | 307.4 | - | 307.4 |
| Personnel expenses | (127.6) | (4.9) | (132.5) | (125.8) | (1.1) | (126.9) |
| Other operating expenses | (45.2) | (46.8) | (92.0) | (42.4) | (2.1) | (44.5) |
| Total expenses including investment linked bonuses | (172.8) | (51.7) | (224.5) | (168.2) | (3.2) | (171.4) |
| EBITDA | 148.8 | (51.7) | 97.1 | 139.2 | (3.2) | 136.0 |
| <i>EBITDA Margin</i> | <i>46%</i> | | <i>30%</i> | <i>45%</i> | | <i>44%</i> |
| FRE | 95.0 | (51.7) | 43.3 | 74.3 | (3.2) | 71.1 |
| <i>FRE Margin</i> | <i>36%</i> | | <i>16%</i> | <i>31%</i> | | <i>29%</i> |
| Depreciation and amortisation | (15.7) | (3.0) | (18.7) | (15.3) | (3.0) | (18.3) |
| Net other income/(expense) | 0.7 | 6.9 | 7.6 | (3.9) | 13.6 | 9.7 |
| Profit Before Tax | 133.8 | (47.8) | 86.0 | 120.0 | 7.4 | 127.4 |
| Tax | (15.3) | - | (15.3) | (6.8) | - | (6.8) |
| Profit After Tax | 118.5 | (47.8) | 70.7 | 113.2 | 7.4 | 120.6 |

Chief Executive's statement

Raoul Hughes

Raoul is the Chief Executive of Bridgepoint Group plc and Chair of Bridgepoint's Group Management and Operating Committees. He joined the firm in 1988.

Bridgepoint is a global leader in value-add growth investing with €62 billion of AUM across private equity, credit, and following the ECP transaction, infrastructure. The Group's strong local presence in Europe, North America and Asia, combines global reach with local insight, and sector expertise, enabling strong returns to be delivered consistently through cycles.

2023 was no exception, with the Group's strong set of financial results exceeding expectations, driven by solid fund performance across strategies and further progress on fundraising.

Financial performance ahead of expectations

In 2023, Bridgepoint grew AUM organically by 7% to €41 billion, contributing to a 10% increase in management fees year-on-year to £265 million, and a 28% increase in underlying FRE to £95 million. As guided in our interim results exits, particularly within the firm's SMID Cap strategy, were concentrated towards the second half of the year. This, along with the growth of Bridgepoint's portfolios overall, delivered PRE of £55 million. Consequently, underlying EBITDA and underlying profit before tax increased by 7% and 12% respectively to £149 million and £134 million and underlying earnings per share grew to 14.9 pence per share.

Fundraising approaching completion for flagship fund

The strong story continued on fundraising, with BE VII expected to close this quarter with €7 billion of capital commitments. In relation to ECP, ECP V, which has a fund target of \$4 billion, is set to close at the end of April. Appetite for Bridgepoint's private credit funds remains robust, supported by a strong performance in 2023, with a total of €0.7 billion raised for the Bridgepoint Direct Lending and Credit Opportunities strategies, alongside the pricing of two CLOs. Fundraising for BDC V is underway, with an expected transition from BDC IV to BDC V by Q1 2025.

To support future growth further investment in Bridgepoint's global coverage team has been made, with important senior coverage hires in North America, Asia and the DACH region in Europe. This enables the firm to continue to raise increasing amounts of capital from a broadening range of investors and to expand the Group's product offering.

Delivering high-quality returns through disciplined investment

Bridgepoint's investment strategies aim to deliver absolute returns for fund investors through a disciplined approach, characterised by measured diversification across sectors, geographies and deployment timelines. This approach proved instrumental in driving performance in 2023, with all funds remaining on or ahead of plan.

Private equity

In 2023, 13 platform investments were made through Bridgepoint's private equity strategies, deploying €2.7 billion. BE VII committed €1.7 billion in capital to 5 acquisitions, and has now committed 31% of its primary capital. BE VII deployment remains on track, with a four-year investment period expected before transitioning to BE VIII. BDC IV also had a strong year with eight acquisitions, taking total commitments to 79% of primary capital. BDC III made notable progress, with the Multiple on Invested Capital rising from 3.0x at the end of 2022 to 3.8x at the end of 2023. During the year, €1.1 billion was also returned to private equity fund investors.

Infrastructure

The addition of ECP marks a major step forward in Bridgepoint's strategy as set out at IPO, adding an energy transition infrastructure business to the firm's private equity and credit businesses. ECP's leading position in the energy transition market positions the Company well in the global drive for decarbonisation and enhanced energy security, as reflected in its fund performance in 2023. With the transaction on track to complete in the first half of 2024, we look forward to driving growth in the enlarged group.

With Bridgepoint and ECP being people-centred companies, the importance of cultural compatibility cannot be overstated. After a year of extensive collaboration, it's clear that both firms share a common ethos, with a focus on long-term talent retention, team collaboration and prioritising investors. Personally, I'm hugely excited about leading the firm in the next chapter of this combined story.

Private credit

The credit market in 2023 offered favourable conditions, with Bridgepoint Credit funds benefiting from higher interest rates. This, coupled with disciplined credit decision-making, is driving enhanced fund performance. Over the year, Bridgepoint's Direct Lending and Credit Opportunities strategies deployed approximately €1.3 billion of capital, demonstrating a compelling track record of delivering consistently strong risk-adjusted returns. For example, in aggregate as of Q4 2023, the BDL funds delivered impressive gross and net IRRs of 9% and 8% respectively and a gross cash yield of 10%, with no realised losses in their portfolios.

This success is attributed to BDL's rigorous asset selection, targeting businesses in resilient sectors with strong credit fundamentals, and a thorough due diligence approach that leverages the Bridgepoint Group's extensive knowledge and experience. In terms of fundraising, BDL III and BCO IV were successfully closed in 2023, along with two CLOs. Fundraising for BDL IV and BCO V has been launched, while CLO 6 is in its warehousing phase, with pricing anticipated in the summer.

Deepening the platform's leadership as it scales

In line with Bridgepoint's broadened platform, a new management structure has been put in place to support the firm's medium-term priorities and help enable the growth and diversification of the platform. Boards have been

established for the firm's private equity and credit businesses, and comparable board will be established for ECP when it joins the Group. Each board is led by a senior team responsible for growing their respective product areas while continuing to focus on their core investment activities.

At the Group level, a Group Management Committee has been established, which is responsible for the delivery of the Group's strategy. It will include members from both Bridgepoint and, following the ECP transaction, the ECP investment businesses. A Group Operating Committee has also been established, responsible for the day-to-day operations of the Group, ensuring that central functions efficiently support each business unit and the Group's expansion.

These committees bring together a dedicated and highly experienced management team to drive growth and enhance shareholder value. I look forward to seeing the results of their combined efforts.

Looking to the future with confidence

Bridgepoint's diversified investment strategies and healthy pipeline of potential investments and exits position the firm well to navigate the year ahead with confidence.

Amid ongoing industry consolidation, opportunities for inorganic growth and expansion into new asset classes are being actively explored, alongside continued scaling of Bridgepoint's current strategies and broadening product offerings.

We are ambitious and confident in the Group's ability to deliver continued growth and value creation.

I'd like to thank all colleagues working at Bridgepoint for their dedication and hard work. It is thanks to them that the business is in such a strong position today.

Raoul Hughes

Chief Executive

CFO statement

The Group's financial performance in 2023 delivers profits which are ahead of expectations due to careful cost management, fees which are in line with expectations and investment income modestly outperforming expectations despite the more challenging, but improving, market conditions. Fundraising for BE VII is completing soon (and on target), with the completion of the ECP transaction expected in the second quarter, which together means the Group is positively positioned at the start of 2024.

Group financial performance in 2023 was driven by 6.6% growth in Total AUM to reach €40.5 billion and an 11.1% increase in Fee Paying AUM to €26.0 billion at year end. This increase drove a £23.8 million or 9.9% increase in management and other fees (including the recognition of £6.7 million of late fees relating to BE VII). When combined with careful cost management, personnel investment phased to fundraising progress, and a lower bonus pool reflecting the reduced numbers of exits compared to prior periods, this helped deliver a 27.9% increase in underlying FRE, and a 5.1 percentage point increase in underlying FRE margin to 35.7%.

Investment performance delivered £55.3 million of PRE despite volatile and uncertain markets delaying exits. Whilst PRE is not linear and was materially weighted to the second half as advised at our 2023 interim results, our second half performance does reflect improving economic conditions compared with the first half of the year.

PRE, in combination with Underlying FRE, delivered Underlying EBITDA of £148.8 million, an increase of £9.6 million or 6.9%.

Underlying profit before tax of £133.8 million was £13.8 million or 11.5% higher than the previous year, primarily driven by the full year impact of BE VII and growth of Fee Paying AUM in our credit business, with good momentum on deployment and the de-risking of carried interest through fund performance, partially offset by modest cost growth and slightly lower investment returns.

Reported profit after tax of £70.7 million includes the impact of costs incurred in the ECP transaction.

The pending ECP transaction, expected to complete in Q2, is a major step in delivering on the strategy set out at the time of the IPO, adding Infrastructure as a significant third pillar alongside our private equity and credit businesses. The transaction positions the Group well for future growth and diversification and will be immediately accretive to FRE and earnings per share.

During 2023, we completed an initial share buyback programme of £50.0 million and in October 2023 announced a second programme committing up to a further £50.0 million, reflecting the confidence we have in the resilience of our business and the attractive fundamental value and prospects of the Company. At 31 December 2023, £10.2 million of the second £50.0 million had been used to repurchase shares.

The Group was well-capitalised at year end with a net cash position of £238.8 million (excluding cash belonging to consolidated CLOs) alongside undrawn revolving credit banking facility of £250.0 million.

We also recently priced \$430.0 million of US private placement notes. This new financing further strengthens the balance sheet and provides the Group with further resources to continue our strategic growth plans, as well as an amount which will be used to refinance part of the debt which will transfer with ECP.

Adam Jones

Group Chief Financial Officer
and Chief Operating Officer

Guidance

- **Fundraising**
 - BE VII on track to close in line with expectations, with an average fee rate of 1.4%
 - expect to raise more than €20 billion across the wider platform during the next range of fund cycles
- **Credit deployment:** average increase in Fee Paying AUM of €1 billion a year from 2024 to 2026
- **PRE:**
 - expect H2 weighting in 2024 (c. 2/3) reflecting exit pipeline (in line with 2023)
 - expected to be at the upper end of our normal range of between 20% and 25% of total income
- **Cost:** excluding the impact of ECP, total costs in 2024 likely to represent mid to high single digit compound growth from 2022
- **Underlying FRE margin:**
 - expected to be around 30% to 35% in 2024 (including ECP)
 - medium term guidance of around 35% until BE VIII starts to generate fees
- **Group financing:** additional \$430 million financing will pay fixed coupon of 6.17%
- **Tax:** blended Group underlying tax rate expected to be around 15% following ECP transaction

Summary

Financial summary

| | Year ended 31 December 2023 | Year ended 31 December 2022 | Change (%) |
|---|-----------------------------------|-----------------------------------|------------|
| Total AUM (€bn) | 40.5 | 38.0 | 6.6% |
| Fee Paying AUM (€bn) | 26.0 | 23.4 | 11.1% |
| Management fee margin on Fee Paying AUM (%) | 1.12% | 1.16% | (0.04)ppt |

| | | | |
|--|----------------|---------|---------|
| Management and other fees (£m) | 265.3 | 241.5 | 9.9% |
| PRE (£m) | 55.3 | 64.9 | (14.8)% |
| Total operating income (£m) | 321.6 | 307.4 | 4.6% |
| Total expenses (excluding exceptional expenses and adjusted items) (£m)* | (171.3) | (168.2) | 1.8% |
| Underlying EBITDA (£m)* | 148.8 | 139.2 | 6.9% |
| Underlying EBITDA margin (%)* | 46.3% | 45.3% | 1.0ppt |
| Underlying FRE (£m)* | 95.0 | 74.3 | 27.9% |
| Underlying FRE margin (%)* | 35.7% | 30.6% | 5.1ppt |
| Underlying profit before tax (£m) | 133.8 | 120.0 | 11.5% |
| Reported profit before tax (£m) | 86.0 | 127.4 | (32.5)% |
| Reported profit after tax (£m) | 70.7 | 120.6 | (41.4)% |
| Reported basic and diluted EPS (pence) | 8.7 | 14.6 | (40.3)% |
| Underlying basic and diluted EPS (pence) | 14.9 | 13.8 | 8.5% |

* 2022 comparative information has been restated to exclude non-operating foreign exchange gains and losses.

Fundraising

Private Equity AUM at 31 December 2023 amounted to €28.1 billion.

The BE VII strategy is expected to hold its final close in March, with €7 billion of commitments.

Bridgepoint Direct Lending (“BDL”) III concluded fundraising in May 2023. In total, including separately managed accounts, the strategy raised over €3.4 billion of investable capital. The second half of 2023 saw Bridgepoint Credit Opportunities (“BCO”) IV holding its final closing, the launch of CLO 5 and CLO 6 entering warehousing. As a result of these fundraisings, Credit AUM ended the year at €12.4 billion.

Fundraising for Bridgepoint Development Capital (“BDC”) V and BDL IV are now well underway, alongside other funds entering the market in 2024.

ECP AUM at 31 December 2023 amounted to \$23.3 billion. Fundraising for ECP V is almost complete with commitments expected in excess of the \$4 billion target we shared in September. Fundraising for ECP Forestar Credit Fund and related separately managed accounts remains in progress with a target of over \$2 billion.

Overall, we expect to raise c. €20 billion across the Group, including ECP, weighted towards the ECP VI and BE VIII raises in the next fundraising cycle.

Total AUM development during the year

| € billion | Private equity | Credit | Total |
|-------------------------|----------------|-------------|-------------|
| 31 December 2022 | 26.8 | 11.2 | 38.0 |
| Fundraising | 1.1 | 1.6 | 2.7 |
| Divestments | (1.1) | (0.8) | (1.9) |
| Revaluations | 1.3 | 0.4 | 1.7 |
| 31 December 2023 | 28.1 | 12.4 | 40.5 |

Total AUM at 31 December 2023 was €40.5 billion compared to €38.0 billion at the end of 2022. The 6.6% increase is primarily due to additional commitments raised for BE VII, BDL III, BCO IV and the impact of valuation growth of fund investments.

ECP AUM at 31 December 2023 was €21.1 billion.

Fee Paying AUM development during the year

| € billion | Private equity | Credit | Total |
|---|----------------|--------|-------|
| 31 December 2022 | 16.4 | 7.0 | 23.4 |
| Fundraising: fees on committed capital | 1.4 | – | 1.4 |
| Deployment of funds: fees on invested capital | 0.2 | 1.8 | 2.0 |
| Realisations | (0.2) | (0.6) | (0.8) |

| | | | |
|-------------------------|-------------|------------|-------------|
| 31 December 2023 | 17.8 | 8.2 | 26.0 |
|-------------------------|-------------|------------|-------------|

Fee Paying AUM at 31 December 2023 was €26.0 billion compared to €23.4 billion at the end of 2022, with the 11.1% increase in 2023 primarily due to additional BE VII commitments and an increase in invested capital in our Credit strategies. In aggregate our Credit business added €1.2 billion of Fee Paying AUM during 2023, including the launch of new CLOs.

ECP Fee Paying AUM at 31 December 2023 was €10.7 billion.

Abbreviated income statement

| £ million | Year ended 31 December 2023 | Year ended 31 December 2022 | Change (%) |
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| Net finance and other income/(expenses) (excluding exceptional net other income)** | 0.7 | (3.9) | (117.9)% |
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| Reported profit before tax | 86.0 | 127.4 | (32.5)% |
| Tax | (15.3) | (6.8) | 125.0% |
| Reported profit after tax | 70.7 | 120.6 | (41.4)% |

* 2022 comparative information has been restated to exclude non-operating foreign exchange gains and losses.

** 2022 net other income and net other expenses (excluding exceptional net other income) have been restated to include non-operating foreign exchange gains and losses.

The Group's consolidated income statement has two key components: the first is the income generated from management and other fees, which are from long-term fund management contracts. The second component is the variable income from investments in funds and carried interest, or PRE. Underlying FRE is management and other fees plus other operating income less costs excluding exceptional expenses, bonuses linked to investment returns and the costs associated with certain employee share schemes. PRE together with FRE forms the EBITDA of the business.

Exceptional items are items of income or expense that are material by size and/or nature and are not considered to be incurred in the normal course of business. Exceptional items are classified as "exceptional" within the Group Consolidated Statement of Profit or Loss are disclosed separately to give a clearer presentation of the Group's results. In the year ended 31 December 2023, exceptional expenses within EBITDA were predominantly relating to transaction costs incurred in the acquisition of ECP. Exceptional other income outside of EBITDA relates to the remeasurement and revaluation of a deferred consideration payable to EQT. In the year ended 31 December 2022, exceptional expenses included costs related to the acquisition of the EQT Credit business and other potential acquisitions. Further explanation of these items is included within note 8 of the financial statements.

Underlying profit before tax excludes the aforementioned exceptional items, costs relating to certain employee share schemes and the amortisation of intangible assets arising from the acquisition of EQT Credit. Further explanation of these items is included within note 8 of the financial statements.

Total operating income

| £ million | Year ended 31 December 2023 | Year ended 31 December 2022 | Change (%) |
|---------------------------|-----------------------------------|-----------------------------------|---------------|
| Management and other fees | 265.3 | 241.5 | 9.9% |
| PRE | 55.3 | 64.9 | (14.8)% |

| | | | |
|-------------------------------|--------------|-------|------|
| Other operating income | 1.0 | 1.0 | 0.0% |
| Total operating income | 321.6 | 307.4 | 4.6% |

Total operating income increased by 4.6% from £307.4 million in 2022 to £321.6 million in 2023 reflecting higher management fees offset by reduction in fair value remeasurement of investments.

Management and other fees increased by £23.8 million, or 9.9%, from £241.5 million for the year ended 31 December 2022 to £265.3 million for the year ended 31 December 2023, and was attributable to the below reporting segments in the year.

| £ million | Year ended 31 December 2023 | Year ended 31 December 2022 | Change (%) |
|----------------------------------|-----------------------------------|-----------------------------------|---------------|
| Private equity | 205.0 | 187.8 | 9.2% |
| Credit | 56.5 | 50.8 | 11.2% |
| Central | 3.8 | 2.9 | 31.0% |
| Management and other fees | 265.3 | 241.5 | 9.9% |

The increase in fees was primarily due to a full year of BE VII fee paying commitments recognised by the private equity business in 2023, plus fees on increased levels of invested capital in BDL III and BCO IV and the launch of new CLOs in the credit business. These increases were partially offset by declining fees on older funds which are in their divestment phase, where fees are based upon the remaining invested capital and reduce when investments are sold.

Income from the Group's share of carried interest reflects the continued growth in the value of the fund portfolios in 2023, along with the de-risking of carry receipts from exit activity and improved economic conditions. The income of £30.0 million is earned primarily from the BDC III portfolio and the initial recognition of carried interest from the BG I fund during the year.

Income recognised as a result of increases in the value of co-investments was £25.3 million. This reflected smaller valuation increases across the private equity fund range, in part due to lower levels of exits.

Operating expenses

| £ million | Year ended 31 December 2023 | Year ended 31 December 2022* | Change (%) |
|--|-----------------------------------|------------------------------------|---------------|
| Personnel expenses (excluding exceptional expenses and adjusted items) | (126.1) | (125.8) | 0.2% |
| Other operating expenses (excluding exceptional expenses) | (45.2) | (42.4) | 6.6% |
| Total expenses (excluding exceptional expenses and adjusted items)* | (171.3) | (168.2) | 1.8% |
| Certain share-based payments | (4.0) | – | n/a |
| Investment linked bonuses | (1.5) | – | n/a |
| Exceptional expenses | (47.7) | (3.2) | 1,390.6% |
| Total expenses* | (224.5) | (171.4) | 31.0% |

* 2022 comparative information has been restated to exclude non-operating foreign exchange gains and losses.

Personnel expenses (excluding exceptional expenses and adjusted items) increased by 0.2%, from £125.8 million in 2022 to £126.1 million in 2023, reflecting deliberate phasing of investment team hires to match fundraising progress and timing of replacement hires for natural attrition. 2023 costs also reflect a lower bonus expense associated with a lower number of investment exits during the year.

In the year ended 31 December 2023, reported personnel costs included £1.5 million of investment linked bonuses (2022: £nil) and £4.0 million of share-based payments (2022: £nil) excluded from underlying metrics for the reasons explained in the APM definitions.

Personnel expenses (excluding exceptional expenses and adjusted items) as a percentage of total operating income was 39.2% for the year ended 31 December 2023, compared to 40.9% for the year ended 31 December 2022. The improvement in the ratio in 2023 was primarily due to an increase in total operating income.

Other operating expenses (excluding exceptional expenses) as a percentage of total operating income remained broadly consistent at 14.1% for the year ended 31 December 2023, compared to 13.8% for the year ended 31

December 2022. Other operating expenses (excluding exceptional expenses) increased by 6.6% from £42.4 million in 2022 to £45.2 million in 2023 driven by higher fundraising costs and higher levels of travel activity.

EBITDA

| £ million | Year ended 31 December 2023 | Year ended 31 December 2022* | Change (%) |
|------------------------------------|-----------------------------------|------------------------------------|---------------|
| Underlying EBITDA* | 148.8 | 139.2 | 6.9% |
| Exceptional expenses within EBITDA | (47.7) | (3.2) | 1,390.6% |
| Certain share-based payments | (4.0) | – | n/a |
| EBITDA* | 97.1 | 136.0 | (28.6)% |

* 2022 comparative information has been restated to exclude non-operating foreign exchange gains and losses.

Underlying EBITDA increased to £148.8 million in 2023 from £139.2 million in 2022, excluding exceptional expenses and adjusted items. Whilst investment returns were lower than 2022 due to delayed exits across the private equity market, this was offset by higher management and other fees and prudent cost control.

Exceptional expenses within EBITDA of £47.7 million in 2023 primarily related to £43.5 million of transaction costs relating to the acquisition of ECP.

EBITDA, inclusive of exceptional expenses, adjusted items and other M&A due diligence costs, decreased by 28.6% primarily due to the increase in exceptional expenses due to the ECP transaction.

Depreciation and amortisation expense

| £ million | Year ended 31 December 2023 | Year ended 31 December 2022 | Change (%) |
|--|-----------------------------------|-----------------------------------|---------------|
| Depreciation | (14.9) | (15.3) | (2.6)% |
| Amortisation of intangibles | (3.8) | (3.0) | 26.7% |
| Total depreciation and amortisation expense | (18.7) | (18.3) | 2.2% |

Depreciation and amortisation expense increased by 2.2% from £18.3 million in 2022 to £18.7 million in 2023. This increase was primarily due to the cessation of legacy leases in London following the move to 5 Marble Arch, offset by higher lease costs associated with new offices in Frankfurt and Amsterdam during 2023. The amortisation of intangibles acquired with the EQT Credit business (fund customer relationships) of £3.0 million in both 2022 and 2023 respectively have been excluded from the underlying profitability measures in order to enable a clearer analysis of the business's performance.

Finance and other income or expenses

| £ million | Year ended 31 December 2023 | Year ended 31 December 2022* | Change (%) |
|--|-----------------------------------|------------------------------------|---------------|
| Net finance and other income/(expense), excluding exceptional items | 0.7 | (3.9) | (117.9)% |
| Exceptional other income | 6.9 | 13.6 | (49.3)% |
| Net finance and other income, including exceptional items | 7.6 | 9.7 | (21.6)% |

2022 comparative information has been restated to exclude non-operating foreign exchange gains and losses.

Finance and other income or expenses includes interest income from cash deposits and interest cost on bank facilities, lease liabilities and finance expense on amounts payable to related party investors, along with non-operating foreign exchange gains and losses.

Net finance and other income, excluding exceptional items, increased by £4.6 million to income of £0.7 million, compared to a net expense of £3.9 million for the year ended 31 December 2022. These movements are principally due to increased interest income from cash on deposit. Net finance and other expenses will increase in 2024 as a result of the US private placement financing undertaken by the Group, along with the borrowings transferring with ECP.

Exceptional other income of £6.9 million (2022: £13.6 million) relates to remeasurement and revaluation of the deferred contingent consideration payable to EQT AB in relation to the acquisition of EQT Credit in 2020, and the

associated unwind of discounting. The deferred consideration was settled during the year for a final amount of £9.4 million.

Profit before tax

| £ million | Year ended 31 December 2023 | Year ended 31 December 2022 | Change (%) |
|---|-----------------------------------|-----------------------------------|---------------|
| Underlying profit before tax | 133.8 | 120.0 | 11.5% |
| Exceptional expenses | (47.7) | (3.2) | 1,390.6% |
| Exceptional other income | 6.9 | 13.6 | (49.3)% |
| Certain share-based payments | (4.0) | – | n/a |
| Amortisation of acquisition related intangible assets | (3.0) | (3.0) | 0.0% |
| Reported profit before tax | 86.0 | 127.4 | (32.5)% |
| Underlying profit before tax margin | 41.6% | 39.0% | 2.6ppt |

Underlying profit before tax increased by 11.5% from £120.0 million in 2022 to £133.8 million in 2023. The underlying profit before tax margin increased from 39.0% for the year ended 31 December 2022 to 41.6% for the year ended 31 December 2023.

Reported profit before tax decreased by 32.5% from £127.4 million in 2022 to £86.0 million in 2023, reflecting the transaction costs associated with the ECP acquisition.

Tax

| £ million | Year ended 31 December 2023 | Year ended 31 December 2022 | Change (%) |
|------------|-----------------------------------|-----------------------------------|---------------|
| Tax | (15.3) | (6.8) | 125.0% |

The tax charge increased from £6.8 million in 2022 to £15.3 million in 2023. The effective tax rate for the year ended 31 December 2023 was 17.8% compared to 5.4% for the year ended 31 December 2022. This was primarily due to an increase in deferred tax liabilities which reflect the lower level of fund exits, and the exceptional transaction costs relating to the ECP transaction. Adjusting for these transaction costs, the underlying effective tax rate is 11.4%.

As detailed in note 11 to the financial statements, the Group has a lower effective tax rate than the UK statutory rate. This is largely driven by timing differences on the taxation of management fee income and significant tax loss carry-forwards in the UK due to certain forms of income that are not subject to UK corporation tax.

Profit after tax

| £ million | Year ended 31 December 2023 | Year ended 31 December 2022 | Change (%) |
|-------------------------|-----------------------------------|-----------------------------------|---------------|
| Profit after tax | 70.7 | 120.6 | (41.4)% |

Profit after tax decreased by 41.4% from £120.6 million in 2022 to £70.7 million in 2023, reflecting the transaction costs associated with the ECP acquisition and the higher tax charge for the year.

Earnings per share and dividend per share

| £ pence | Year ended 31 December 2023 | Year ended 31 December 2022 | Change (pence) |
|---|-----------------------------------|-----------------------------------|-------------------|
| Reported basic and diluted earnings per share | 8.7 | 14.6 | (5.9) |
| Underlying basic and diluted earnings per share | 14.9 | 13.8 | 1.1 |
| Interim dividend per share | 4.4 | 4.0 | 0.4 |
| Final dividend per share | 4.4 | 4.0 | 0.4 |

Underlying earnings per share grew by 1.1 pence per share, reflecting the increase in underlying profit after tax. An interim dividend of £35.3 million, or 4.4 pence per share, was paid on 25 September 2023.

The Directors are proposing a final dividend of 4.4 pence per share in respect of the second half of 2023.

Consolidated balance sheet

| Summarised consolidated statement of financial position (statutory basis) £ million | As at 31 December 2023 | As at 31 December 2022 | Change (%) |
|--|------------------------------|------------------------------|---------------|
| Assets | | | |
| Non-current assets | 582.2 | 540.0 | 7.8% |
| Current assets | 1,795.5 | 1,247.8 | 43.9% |
| Total Assets | 2,377.7 | 1,787.8 | 33.0% |
| Liabilities | | | |
| Non-current liabilities | 1,318.8 | 757.1 | 74.2% |
| Current liabilities | 337.7 | 258.0 | 30.9% |
| Total Liabilities | 1,656.5 | 1,015.1 | 63.2% |
| Net Assets | 721.2 | 772.7 | (6.7)% |
| Equity | | | |
| Share capital and premium | 289.9 | 289.9 | 0.0% |
| Other reserves | 12.6 | 9.1 | 38.5% |
| Retained earnings | 418.7 | 473.7 | (11.6)% |
| Total Equity | 721.2 | 772.7 | (6.7)% |

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

Non-current assets increased by 7.8% from £540.0 million at 31 December 2022 to £582.2 million at 31 December 2023 and current assets increased by 43.9% from £1,247.8 million at 31 December 2022 to £1,795.5 million at 31 December 2023, primarily due to the impact of the build-up of the CLO 5 portfolio following its launch and the warehousing of assets in CLO 6. The balance sheet now includes the full consolidation of the assets and liabilities of CLOs 1, 3, 4, 5 and 6, which are required under IFRS to be presented gross on the balance sheet.

At 31 December 2023, the Group had cash of £238.8 million (including amounts in money market funds, but excluding cash belonging to the consolidated CLOs).

Total liabilities increased by 63.2% from £1,015.1 million at 31 December 2022 to £1,656.5 million at 31 December 2023. Non-current liabilities increased from £757.1 million at 31 December 2022 to £1,318.8 million at 31 December 2023, primarily due to an increased level of liabilities owed by consolidated CLOs. Current liabilities increased by 30.9% from £258.0 million at 31 December 2022 to £337.7 million at 31 December 2023. Excluding the impact of consolidated CLOs, non-current liabilities remained relatively stable, increasing by 4.5%.

Total equity reflects the 2023 profit, offset by dividends paid, the cost of the share buyback programme and a decrease in other reserves due to movements in fair value of hedging instruments, which is partially offset by foreign exchange movements. These resulted in total equity of £721.2 million at 31 December 2023, down from £772.7 million at 31 December 2022.

The consolidation of certain CLOs 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 31 December 2023 was £96.3 million (2022: £60.3 million).

In addition, a summarised consolidated balance sheet on a non-statutory basis, excluding third-party CLO assets and liabilities, is included below.

| Summarised consolidated statement of financial position (excluding third party CLO assets and liabilities, non-statutory) ¹ £ million | As at 31 December 2023 | As at 31 December 2022 | Change (%) |
|---|------------------------------|------------------------------|---------------|
| Assets | | | |
| Non-current assets | 663.3 | 585.2 | 13.3% |
| Current assets | 370.7 | 481.9 | (23.1)% |
| Total Assets (excluding third-party CLO assets) | 1,034.0 | 1,067.1 | (3.1)% |
| Liabilities | | | |
| Non-current liabilities | 166.8 | 159.6 | 4.5% |

| | | | |
|--|--------------|-------|--------|
| Current liabilities | 146.0 | 134.8 | 8.3% |
| Total Liabilities (excluding third-party CLO liabilities) | 312.8 | 294.4 | 6.3% |
| Net Assets (excluding third-party CLO assets and liabilities) | 721.2 | 772.7 | (6.7)% |

1 A full non-statutory consolidated statement of financial position excluding third-party CLO assets and liabilities (unaudited) is included in this announcement.

Liquidity

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.

Total financial debt and net cash position

| £ million | As at 31 December 2023 | As at 31 December 2022 | Change (%) |
|--|------------------------|------------------------|------------|
| Bank borrowings | – | – | –% |
| Cash and cash equivalents (excluding CLO cash) | 238.8 | 196.0 | 21.8% |
| Term deposits with original maturities of more than three months | – | 100.0 | (100.0)% |
| Net cash (excluding consolidated CLO cash) | 238.8 | 296.0 | (19.3)% |

At 31 December 2023, the Group had net cash of £238.8 million compared with net cash of £296.0 million at 31 December 2022.

Prior to the ECP transaction, the Group has no debt and had in place the undrawn £250 million revolving credit facility and the undrawn £75 million acquisition bridge facility (up-sized to £125 million subsequently to the year-end).

As announced recently, the Group recently priced \$430.0 million of US private placement notes. The proceeds will be used to provide additional resources to deliver the Group's strategic growth plans and be used to refinance any amount of ECP debt which requires refinancing on the completion of the ECP change of control process. The new notes will be structured in four tranches with maturities of 3, 5, 7 and 10 years and an average coupon of 6.17 per cent. The closing of the new notes is expected during Q2 2024, subject to the completion of the ECP transaction and customary conditions.

As at 31 December 2023, in addition to the liabilities shown on the balance sheet, the Group had approximately £257.0 million and £30.3 million of remaining undrawn capital commitments to the Bridgepoint funds in each of the private equity and private credit segments, respectively.

Consolidated cash flows

| Summarised consolidated cash flow statement (statutory basis) £ million | Year ended 31 December 2023 | (Restated) Year ended 31 December 2022 | Change (%) |
|---|-----------------------------|---|------------|
| Net cash flows from operating activities | 147.8 | 33.9 | 336.0% |
| Net cash flows from investing activities | (372.8) | (57.3) | 550.6% |
| Net cash flows from financing activities | 325.6 | (86.6) | % |
| | | | (191.5) |
| Net increase/(decrease) in cash and cash equivalents | 100.6 | (110.0) | % |
| Total cash and cash equivalents at beginning of the year | 220.6 | 327.3 | (32.6)% |
| | | | (293.9) |
| Effect of exchange rate changes | (6.4) | 3.3 | % |
| Total cash and cash equivalents at the end of the year | 314.8 | 220.6 | 42.7% |
| of which: cash and cash equivalents at the end of the year (for use within the Group) | 238.8 | 196.0 | 21.8% |
| of which: CLO cash (restricted for use within relevant CLO) | 76.0 | 24.6 | 208.9% |
| Total cash and cash equivalents at the end of the year | 314.8 | 220.6 | 42.7% |

Net cash flows from operating activities for the year ended 31 December 2023 were £147.8 million. The increase of £113.9 million in the net cash flows from operating activities compared to the year ended 31 December 2022 was due to the receipt of deferred proceeds from the sale of the Group's investment in Bridgepoint Credit II and favourable movements in the Group's working capital. Operating cash flows, excluding the impact of the receipt of the deferred proceeds from BC II and the payment of exceptional costs relating to the ECP transaction, represented 124.2% of FRE demonstrating the strong cash generation of the business (2022: 48.0% due to the delayed receipt in the collection of certain management fees, accumulation of fundraising costs recoverable from funds and timing differences on fund related payments).

Net cash flows from investing activities include proceeds from carried interest and investment income, which is driven by the timing of investments into, and receipts from divestments from, the underlying Bridgepoint funds. Net cash flows from investing activities for the year ended 31 December 2023 were £372.8 million; this was made up of investments of £449.9 million relating to consolidated CLOs, which includes the impact of the launch of CLO 5 and the warehousing of CLO 6 (which are both consolidated), and the receipt of £100.0 million redeemed from cash held in term deposits with an original maturity of more than three months which was classified separately from cash and cash equivalents at 31 December 2022 under accounting rules.

Net cash flows from financing activities include cash drawn from and repaid to consolidated CLO investors, dividend payments to shareholders and other transactions with shareholders. For the year ended 31 December 2023 net cash flows from financing activities totalled £325.6 million, which primarily related to net inflow of CLO cash from investors in CLO 4 and 5 (which are consolidated) of £576.2 million, offset by dividends paid to shareholders of £68.0 million and payments to acquire shares as part of the share buyback programme, which totalled £60.2 million by the end of the year.

In addition to £238.8 million of its own cash at 31 December 2023, the Group had £76.0 million recorded on the balance sheet as consolidated CLO cash which was held by the consolidated CLO vehicles, 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 in respect of the consolidated CLOs, and cash held at 31 December 2023 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 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) ¹ £ million | Year ended | (Restated) Year ended | Change (%) |
|---|---------------------|--------------------------|---------------|
| | 31 December 2023 | 31 December 2022 | |
| Net cash flows from operating activities (excluding consolidated CLOs) | 147.8 | 33.9 | 336.0% |
| Net cash flows from investing activities (excluding consolidated CLOs) | 41.5 | (93.7) | (144.3)% |
| Net cash flows from financing activities (excluding consolidated CLOs) | (140.8) | (69.6) | 102.3% |
| Net increase in cash and cash equivalents (excluding consolidated CLOs) | 48.5 | (129.4) | (137.5)% |
| Cash and cash equivalents at beginning of the year (excluding consolidated CLOs) | 196.0 | 323.1 | (39.3)% |
| Effect of exchange rate changes on cash and cash equivalents (excluding consolidated CLOs) | (5.7) | 2.3 | (347.8)% |
| Cash and cash equivalents at the end of the year (excluding consolidated CLOs) | 238.8 | 196.0 | 21.8% |
| Add back: investment in term deposits with original maturities of more than three months | – | 100.0 | (100.0)% |
| Net cash at the end of the year (excluding consolidated CLOs) | 238.8 | 296.0 | (19.3)% |

¹ A full non-statutory consolidated cash flow statement excluding third-party CLO assets and liabilities (unaudited) is included in this announcement.

Alternative performance measures

These full-year results include several measures which are not defined or recognised under International Financial Reporting Standards (“IFRS”), including financial and operating measures relating to the Group such as EBITDA, Underlying EBITDA, Underlying EBITDA margin, Underlying profit before tax, Underlying FRE, Underlying FRE margin, PRE, Fee Paying AUM and Total AUM, all of which the Group considers to be alternative performance measures (“APMs”). These are reconciled to the statutory results in the table below.

These APMs and KPIs are used by the Board and management to analyse the Group's business and financial performance, track the Group's progress and help develop long-term strategic plans. These APMs are presented to provide additional information to investors and enhance their understanding of the Group's results and operations. Furthermore, the Board believes that these APMs are widely used by certain investors, securities analysts and other interested parties as supplemental measures of performance and liquidity. However, as these measures are not determined in accordance with IFRS or any generally accepted accounting standards, and are thus susceptible to varying calculations, they may not be comparable to other similarly titled measures used by other companies and have limitations as analytical tools. In particular, there are no generally accepted principles governing the calculation of these measures and the criteria on which these measures are based can vary from company to company, which means that other companies may define and calculate such measures differently from the Group.

In addition, as the Group is required by IFRS to consolidate certain Collateralised Loan Obligations ("**CLOs**") which are managed by the Group and in which the Group has an investment, and so the consolidated statement of financial position includes the assets and liabilities and the consolidated statement of cash flows includes the gross cash inflows and outflows for the period for those consolidated CLOs.

The consolidation of these CLOs could distort how a reader of the financial statements interprets the balance sheet and cash flows of the Group, therefore the CFO statement includes a summarised non-statutory balance sheet and cash flow statement which exclude the third-party CLO assets and liabilities. Such measures are also APMs. Full versions of these statements can be found in this announcement.

APMs should not be considered in isolation and investors should not consider such information as alternatives to total operating income, profit before tax or cash flows from operating activities calculated in accordance with IFRS, as indications of operating performance or as measures of the Group's profitability or liquidity. Such financial information must be considered only in addition to, and not as a substitute for or superior to, financial information prepared in accordance with IFRS included elsewhere in this announcement.

| 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 operating expenses. | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|---|--|--------|-------------|------|--|-----------|-----|-----------------------|--|--|-------------------|--------------|-------|---|---------------|--------|---|---------------|--------|---|---------------|--------|---------------------------------|--------------|-------|------------------------------|--------------|-------|
| Underlying EBITDA | <p>Calculated by excluding exceptional items and certain share-based payments from EBITDA. Exceptional items are items of income or expense that are material by size and/or nature and are not considered to be incurred in the normal course of business.</p> <p>The excluded share-based payments relate to awards that were granted following the IPO to a targeted group of employees with the aim of increasing employee ownership in the Group. The awards are not considered to be an alternative to cash-based compensation, are not included in the cost-base when considering operating segment performance and will cease to be a reconciling item once the awards issued as part of the strategy are fully vested. The share-based payment expenses related to the executive director Restricted Share Plan, and any share-based payment charges on awards made prior to the IPO are included in underlying costs.</p> <p>A breakdown of exceptional items within EBITDA is included within note 8 of the financial statements.</p> | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | <table border="1"> <thead> <tr> <th></th> <th style="text-align: right;">2023</th> <th style="text-align: right;">2022</th> </tr> <tr> <th></th> <th style="text-align: right;">£m</th> <th style="text-align: right;">£m*</th> </tr> </thead> <tbody> <tr> <td>Underlying EBITDA</td> <td></td> <td></td> </tr> <tr> <td>EBITDA</td> <td style="text-align: right;">97.1</td> <td style="text-align: right;">136.0</td> </tr> <tr> <td>Add back: exceptional items within EBITDA</td> <td style="text-align: right;">47.7</td> <td style="text-align: right;">3.2</td> </tr> <tr> <td>Add back: certain share-based payments</td> <td style="text-align: right;">4.0</td> <td style="text-align: right;">–</td> </tr> <tr> <td>Underlying EBITDA</td> <td style="text-align: right;">148.8</td> <td style="text-align: right;">139.2</td> </tr> </tbody> </table> | | 2023 | 2022 | | £m | £m* | Underlying EBITDA | | | EBITDA | 97.1 | 136.0 | Add back: exceptional items within EBITDA | 47.7 | 3.2 | Add back: certain share-based payments | 4.0 | – | Underlying EBITDA | 148.8 | 139.2 | | | | | | |
| | 2023 | 2022 | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | £m | £m* | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Underlying EBITDA | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| EBITDA | 97.1 | 136.0 | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Add back: exceptional items within EBITDA | 47.7 | 3.2 | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Add back: certain share-based payments | 4.0 | – | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Underlying EBITDA | 148.8 | 139.2 | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 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. | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | <table border="1"> <thead> <tr> <th></th> <th style="text-align: right;">2023</th> <th style="text-align: right;">2022</th> </tr> <tr> <th></th> <th style="text-align: right;">£m</th> <th style="text-align: right;">£m*</th> </tr> </thead> <tbody> <tr> <td>Underlying FRE</td> <td></td> <td></td> </tr> <tr> <td>Underlying EBITDA</td> <td style="text-align: right;">148.8</td> <td style="text-align: right;">139.2</td> </tr> <tr> <td>Less: carried interest</td> <td style="text-align: right;">(30.0)</td> <td style="text-align: right;">(24.2)</td> </tr> <tr> <td>Less: fair value remeasurement of investments</td> <td style="text-align: right;">(25.3)</td> <td style="text-align: right;">(40.7)</td> </tr> <tr> <td>Add back: investment linked bonuses</td> <td style="text-align: right;">1.5</td> <td style="text-align: right;">–</td> </tr> <tr> <td>Underlying FRE</td> <td style="text-align: right;">95.0</td> <td style="text-align: right;">74.3</td> </tr> </tbody> </table> | | 2023 | 2022 | | £m | £m* | Underlying FRE | | | Underlying EBITDA | 148.8 | 139.2 | Less: carried interest | (30.0) | (24.2) | Less: fair value remeasurement of investments | (25.3) | (40.7) | Add back: investment linked bonuses | 1.5 | – | Underlying FRE | 95.0 | 74.3 | | | |
| | 2023 | 2022 | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | £m | £m* | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Underlying FRE | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Underlying EBITDA | 148.8 | 139.2 | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Less: carried interest | (30.0) | (24.2) | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Less: fair value remeasurement of investments | (25.3) | (40.7) | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Add back: investment linked bonuses | 1.5 | – | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Underlying FRE | 95.0 | 74.3 | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Underlying FRE margin | Underlying FRE as a percentage of total operating income excluding carried interest and income from the fair value remeasurement of investments. | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | <table border="1"> <thead> <tr> <th></th> <th style="text-align: right;">2023</th> <th style="text-align: right;">2022</th> </tr> <tr> <th></th> <th style="text-align: right;">£m</th> <th style="text-align: right;">£m*</th> </tr> </thead> <tbody> <tr> <td>Underlying FRE margin</td> <td></td> <td></td> </tr> <tr> <td>Underlying FRE</td> <td style="text-align: right;">95.0</td> <td style="text-align: right;">74.3</td> </tr> <tr> <td>Total operating income</td> <td style="text-align: right;">321.6</td> <td style="text-align: right;">307.4</td> </tr> <tr> <td>Less: carried interest</td> <td style="text-align: right;">(30.0)</td> <td style="text-align: right;">(24.2)</td> </tr> <tr> <td>Less: fair value remeasurement of investments</td> <td style="text-align: right;">(25.3)</td> <td style="text-align: right;">(40.7)</td> </tr> <tr> <td>Adjusted total operating income</td> <td style="text-align: right;">266.3</td> <td style="text-align: right;">242.5</td> </tr> <tr> <td>Underlying FRE margin</td> <td style="text-align: right;">35.7%</td> <td style="text-align: right;">30.6%</td> </tr> </tbody> </table> | | 2023 | 2022 | | £m | £m* | Underlying FRE margin | | | Underlying FRE | 95.0 | 74.3 | Total operating income | 321.6 | 307.4 | Less: carried interest | (30.0) | (24.2) | Less: fair value remeasurement of investments | (25.3) | (40.7) | Adjusted total operating income | 266.3 | 242.5 | Underlying FRE margin | 35.7% | 30.6% |
| | 2023 | 2022 | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | £m | £m* | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Underlying FRE margin | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Underlying FRE | 95.0 | 74.3 | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Total operating income | 321.6 | 307.4 | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Less: carried interest | (30.0) | (24.2) | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Less: fair value remeasurement of investments | (25.3) | (40.7) | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Adjusted total operating income | 266.3 | 242.5 | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Underlying FRE margin | 35.7% | 30.6% | | | | | | | | | | | | | | | | | | | | | | | | | | |

PRE Performance Related Earnings is calculated by adding the fair value remeasurement of investments to carried interest income.

| | 2023 | 2022 |
|---|-------------|------|
| | £m | £m |
| PRE | | |
| Carried interest | 30.0 | 24.2 |
| Fair value remeasurement of investments | 25.3 | 40.7 |
| PRE | 55.3 | 64.9 |

* 2022 comparative information has been restated to exclude non-operating foreign exchange gains and losses.

Underlying profit before tax Calculated by excluding exceptional items, certain share-based payments and the amortisation of acquisition related intangible assets from within profit before income tax.

| | 2023 | 2022 |
|---|--------------|--------|
| | £m | £m |
| Underlying profit before tax | | |
| Profit before tax | 86.0 | 127.4 |
| Add back: exceptional items within EBITDA | 47.7 | 3.2 |
| Add back: amortisation of acquisition related intangible assets | 3.0 | 3.0 |
| Add back: certain share-based payments | 4.0 | – |
| Less: exceptional other income | (6.9) | (13.6) |
| Total underlying profit before tax | 133.8 | 120.0 |

Underlying profit before tax margin Underlying operating profit before tax as a percentage of total operating income.

Underlying profit after tax margin Underlying profit after tax as a percentage of total operating income.

Underlying 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 at the period end.

| | 2023 | 2022 |
|---|--------------|--------|
| | £m | £m |
| Underlying basic and diluted EPS | | |
| Profit after tax | 70.7 | 120.6 |
| Add back: exceptional items within EBITDA | 47.7 | 3.2 |
| Add back: amortisation of acquisition related intangible assets | 3.0 | 3.0 |
| Add back: certain share-based payments | 4.0 | – |
| Less: exceptional other income | (6.9) | (13.6) |
| Total underlying profit after tax | 118.5 | 113.2 |
| Number of shares at year end (m) | 794.6 | 823.3 |
| Underlying basic and diluted EPS (£) | 0.15 | 0.14 |

Cash conversion ratio Calculated by dividing cash generated from operations (excluding exceptional and adjusted items) by underlying FRE.

| | 2023 | 2022 |
|--|---------------|------|
| | £m | £m* |
| Cash conversion ratio | | |
| Cash generated from operations | 152.5 | 35.6 |
| Exceptional and adjusted items within cash flows from operations | (34.5) | 0.1 |
| Adjusted cash generated from operations | 118.0 | 35.7 |

| | | |
|------------------------------|---------------|-------|
| Underlying FRE | 95.0 | 74.3 |
| Cash conversion ratio | 124.2% | 48.0% |

| | | | |
|--|---|--------------|-------|
| Non-current assets (excluding third-party CLO assets) | Calculated by excluding consolidated third-party CLO non-current assets from total non-current assets as defined by IFRS, and adding back the investment into CLOs on a non-consolidated basis. | | |
| | Non-current assets (excluding third-party CLO assets) | 2023 | 2022 |
| | | £m | £m |
| | Total non-current assets | 582.2 | 540.0 |
| | Add: investment in CLOs on a non-consolidated basis | 81.1 | 45.2 |
| | Non-current assets (excluding third-party CLO assets) | 663.3 | 585.2 |

* 2022 comparative information has been restated to exclude non-operating foreign exchange gains and losses.

| | | | |
|--|---|------------------|---------|
| Current assets (excluding third-party CLO assets) | Calculated by excluding consolidated third-party CLO current assets from total current assets as defined by IFRS. | | |
| | Current assets (excluding third-party CLO assets) | 2023 | 2022 |
| | | £m | £m |
| | Total current assets | 1,795.5 | 1,247.8 |
| | Less: consolidated CLO assets | (1,348.8) | (741.3) |
| | Less: consolidated CLO cash | (76.0) | (24.6) |
| | Current assets (excluding third-party CLO assets) | 370.7 | 481.9 |

| | | | |
|--|---|------------------|---------|
| Non-current liabilities (excluding third-party CLO liabilities) | Calculated by excluding consolidated third-party CLO non-current liabilities from total non-current liabilities as defined by IFRS. | | |
| | Non-current liabilities (excluding third-party CLO liabilities) | 2023 | 2022 |
| | | £m | £m |
| | Total non-current liabilities | 1,318.8 | 757.1 |
| | Less: fair value of consolidated CLO liabilities | (1,152.0) | (597.5) |
| | Non-current liabilities (excluding third-party CLO liabilities) | 166.8 | 159.6 |

| | | | |
|--|---|----------------|---------|
| Current liabilities (excluding third-party CLO liabilities) | Calculated by excluding consolidated third-party CLO current liabilities from total current liabilities as defined by IFRS. | | |
| | Current liabilities (excluding third-party CLO liabilities) | 2023 | 2022 |
| | | £m | £m |
| | Total current liabilities | 337.7 | 258.0 |
| | Less: consolidated CLO liabilities | (14.9) | (2.6) |
| | Less: consolidated CLO purchases awaiting settlement | (176.8) | (120.6) |
| | Current liabilities (excluding third-party CLO liabilities) | 146.0 | 134.8 |

Fee Paying AUM Assets under management upon which management fees are charged by the Group, including CLOs. 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.

Fee Paying AUM in 2023 is €26.0 billion, or €36.7 billion pro forma for the ECP transaction.

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.

Total AUM in 2023 is €40.5 billion, or €61.6 billion pro forma for the ECP transaction.

Management fee margin on Fee Paying AUM

The underlying management fee rate in the Bridgepoint funds, calculated as the weighted average management fee rate for all Bridgepoint funds contributing to Fee Paying AUM as at the end of the accounting period.

Key risks

The Group's risk management framework is designed to identify a broad range of risks and uncertainties which it believes could adversely impact the stability and financial prospects of the Group. A similar process is undertaken with respect to risks specifically facing the funds managed by the Group and as required by applicable regulatory regimes. As part of each of these frameworks and processes, ESG-related risks are actively considered.

The following sections set out the Group's key risks identified and the primary mitigating actions, controls or monitors implemented for each risk as well as the change in that risk during the course of 2023 compared to 2022.

The key risks are described based on the Group's combined assessment of the likelihood and impact of each risk eventuating after the Group's controls and mitigants, as well as the speed to impact of that risk.

Additional risks and uncertainties that the Group may face, including those that are not currently known or that the Group currently deems immaterial, may individually or cumulatively also have a material effect on the Group's business, results of operations and/or financial condition.

Fundraising challenges

Description

The current Bridgepoint funds have a finite life and a finite amount of commitments from fund investors. Once a fund nears the end of its investment period, the Group raises additional or successor funds in order to keep making investments and, over the long-term, earn management fees (although funds and investment vehicles continue to earn management fees after the expiration of their investment periods, they generally do so at a reduced rate).

The alternative investment management sector is intensely competitive, with the Group competing with a number of other persons for investor capital, including sponsors of public and private investment funds. Fundraising markets remained congested in 2023. If market conditions for competing investment products result in a greater number of competing products promoting similar or higher rates of return than those achieved by the Bridgepoint funds, the attractiveness of Bridgepoint funds to investors could decrease and Bridgepoint could experience reduced investor commitments.

The inability to raise additional or successor funds (or raise successor funds of a comparable size to predecessor funds), or a change in the terms on which investors are willing to invest, could have a material adverse impact on the Group's business, revenue, net income, cash flows or the ability to retain employees.

Mitigation

The Group's capital raising efforts are supported by an in-house global investor services team, which utilises the Group's data and technology capabilities.

The Group has made efforts to broaden its investor base, both in terms of the number of investors across the platform and the geographic spread of such investors, helping to alleviate competitive pressures. In particular, the introduction of new products and strategies to Bridgepoint (through growth or acquisition) helps to broaden the investor base by investor type, geography and investment strategy.

As a leading middle market investor, the Group offers investors a differentiated approach arising from its global reach and ability to deploy capital across middle market strategies. This differentiation insulates the Group, to some extent, against the competitive pressures arising in respect of attracting fund investors.

Law and regulation

Description

The international nature of the Group's business, with corporate and fund entities located in multiple jurisdictions and a diverse investor base, makes it subject to a wide range of laws and regulations. It is supervised by a number of regulators, including the Financial Conduct Authority in the UK, the Securities and Exchange Commission in the United States, the Autorité des Marchés Financiers in France and the Commission de Surveillance du Secteur Financier in Luxembourg. Failure to comply with these laws and regulations may put the Group at risk of fines, lawsuits or reputational damage. The failure of the Group to comply with the rules of professional conduct and relevant laws and regulations could expose the Group to regulatory scrutiny, including penalties or enforcement actions.

Increased law and regulation may impact the Group's operating entities, funds, and the markets and sectors in which the Group's investment strategies invest or from which capital is raised.

Mitigation

The Group is supported by dedicated Legal and Compliance functions that provide guidance to the business on its regulatory and legal obligations. These functions work with colleagues in other central functions and in local offices to monitor regulatory and legislative changes in the jurisdictions in which the Group operates and interact with regulators and industry bodies to stay informed of regulatory changes. They also proactively take actions across the business to comply with any changes in law or regulation.

Employees of the Group are provided with periodic training on the laws and regulations relevant to the Group.

Changes in macroeconomic environment**Description**

Macroeconomic events may contribute to volatility in financial markets which can adversely impact the Group's business by reducing the value or performance of the investments made by Bridgepoint's funds. These pressures may result in challenges in finding investment opportunities for funds as well as challenges in exiting existing investments to realise value for investors. This could in turn affect the Group's ability to raise new funds and materially reduce its profitability.

For example, rising interest rates may adversely impact multiples and discount rates used for investment valuations. Higher interest rates may also reduce our ability to secure favourable financing for fund transactions, impacting fund returns. Higher interest rates may also impact the cost of financing under Group facilities, or the availability of such financing. Furthermore, unhedged foreign exchange rate movements impact total returns and fund net asset values.

Mitigation

The Group's business model is predominantly based on illiquid, closed-end funds which allow investment teams to remain disciplined throughout economic cycles. A range of approaches are used to inform strategic planning and risk mitigation across such cycles, including active management of the Group's fund portfolios, profitability and balance sheet scenario planning, treasury management, and stress testing to ensure resilience across a range of macroeconomic outcomes.

Operating products in different asset classes can also help to mitigate the impact of macroeconomic change, for example higher interest rates may benefit the Group's private credit strategy.

Senior management of the Group regularly updates the business on economic trends and outlooks to aid investment teams and corporate functions to anticipate and proactively address macroeconomic risks.

Fund underperformance

Description

In the event that certain of the Bridgepoint funds were to perform unsatisfactorily, in particular if this were the case for a larger Bridgepoint fund (for example, the current private equity flagship fund, Bridgepoint Europe VII or its successors), this may adversely affect the Group's business, brand and reputation and lead to difficulties for the Group in attracting fund investors and raising capital for new funds in the future.

Mitigation

The Group has in place a robust and disciplined investment process where investments are analysed and selected by the Group's Operating Committees and Investment Advisory Committees. Portfolio Management and Portfolio Review Committees regularly monitor investment performance and delivery of investment objectives. Any 'at risk' investments are subject to a detailed review by a Portfolio Working Group or receive other specialist attention.

Investment processes not only evaluate and mitigate the risks inherent in particular investments or divestments, but also ensure that all investment decisions are taken in accordance with the relevant fund's investment strategy.

The Group limits fund exposure to individual investments, and diversifies investments in terms of sector, vintage and geography.

The deal flow of Bridgepoint funds is driven by the Group's sector strategy which is continually refined to exploit market conditions, including changes in competitive pressures. The Group's investment approach has evolved through different economic cycles, helping it to resist temporary pressures.

The introduction of new products and strategies to Bridgepoint (through growth or acquisition) also helps to reduce dependence on performance of any individual fund.

Decreased pace or size of investments made by Bridgepoint funds**Description**

The Group's revenue is driven in part by the pace at which the Bridgepoint funds make investments and the size of those investments, and a decline in the pace or the size of such investments may reduce the Group's revenue.

Many factors could cause a decline in the pace of investment, including the inability of the Group's investment professionals to identify attractive investment opportunities, decreased availability of capital on attractive terms and the failure to consummate identified investment opportunities because of business, regulatory or legal complexities, new regulations, guidance provided or other actions taken by regulatory authorities, or uncertainty and adverse developments in the global economy or financial markets.

The Group competes for investment opportunities for the Bridgepoint funds, and such competition is based primarily on the pricing, terms and structure of a

Mitigation

The rate of investment is kept under review by senior management to ensure that it is maintained at an acceptable level.

The Group has ongoing dialogue with its investors and is sensitive to their concerns regarding investment and realisation pace. These concerns are taken into consideration when setting the short and long-term strategy of a fund, and where necessary consent is sought to modify investment periods to align with the pace of investment that is reasonably and responsibly achievable.

proposed investment and certainty of execution. The market for private equity transactions has at times been characterised by relatively high prices, which can make the deployment of capital more difficult.

A failure to deploy committed capital in a timely manner may have a negative impact on investment performance and the ability to raise new funds.

Personnel and key people

Description

The Group's personnel, including its investment professionals and specialist teams, are highly important to the Group's business and its strategy implementation, and the market for such persons is highly competitive. The Group's continued success is therefore dependent upon its ability to retain and motivate its personnel and to strategically recruit new talented professionals.

In particular, the Group depends on the efforts, skill, reputations and business contacts of its executive management and other key senior team members and the information and deal flow they generate.

Mitigation

The Group has competitive reward schemes in place for all employees, with rewards weighted towards performance and long-term alignment with fund investors, driving value for the Group. For senior management, these include a blend of short and long-term incentives.

The Group performs ongoing succession planning and invests in leadership development.

Information technology and cyber security

Description

The Group relies on the secure processing, storage and transmission of confidential and other information in Bridgepoint computer systems and networks. Cyber-security incidents and cyber-attacks have been occurring globally at a more frequent and severe level and will likely continue to increase in frequency in the future. As an increasingly global business, the Group faces various cyber-security threats on a regular basis, including ongoing cyber-security threats to, and attacks on, information technology infrastructure that are intended to gain access to proprietary information, destroy data or disable or degrade or sabotage systems.

Cyber-security failures, technology failures or data security breaches could result in the confidentiality, integrity or availability of data being negatively affected, causing disruption or damage to the Group's business.

Mitigation

The Group has in place an internal vulnerability management programme, as well as critical asset processes to patch critical vulnerabilities. Phishing testing is performed at least quarterly, and penetration testing is undertaken annually.

The Group has a disaster recovery plan in place, and all key systems are hosted in the cloud, providing an inherent level of resilience.

Third-party service providers

Description

Certain of the Group's funds and Group activities depend on the services of third-party service providers, including those providing banking and foreign exchange, professional advisory services, information technology, insurance broking, depository and alternative investment management services. The Group is subject to the risk of errors, failure, or regulatory non-compliance by such persons, which may be attributed to the Group and subject it or the Bridgepoint funds to reputational damage, business disruption, penalties or losses.

Mitigation

The Group ensures appropriate due diligence is undertaken in respect of third-party service providers prior to appointment, and appropriate monitoring and oversight of appointed third-party service providers is undertaken on a periodic basis.

Financial information

Consolidated Statement of Profit or Loss

for the year ended 31 December

| | Note | 2023 £ m | (Restated) 2022** £ m |
|---|------|--------------|-----------------------------|
| Management and other fees | 5 | 265.3 | 241.5 |
| Carried interest | 5 | 30.0 | 24.2 |
| Fair value remeasurement of investments | 5 | 25.3 | 40.7 |
| Other operating income | | 1.0 | 1.0 |
| Total operating income | | 321.6 | 307.4 |
| Personnel expenses | 6 | (132.5) | (126.9) |
| Other operating expenses | 7 | (92.0) | (44.5) |
| EBITDA* | | 97.1 | 136.0 |

| | | | |
|---------------------------------------|----|---------------|--------|
| Depreciation and amortisation expense | 9 | (18.7) | (18.3) |
| Finance and other income | 10 | 16.7 | 17.6 |
| Finance and other expenses | 10 | (9.1) | (7.9) |
| Profit before tax* | | 86.0 | 127.4 |
| Tax | 11 | (15.3) | (6.8) |
| Profit after tax | | 70.7 | 120.6 |

Attributable to:

| | | | |
|------------------------------|--|-------------|-------|
| Equity holders of the parent | | 70.7 | 120.6 |
|------------------------------|--|-------------|-------|

| | | | |
|---|-----------|-------------|-------------|
| | | £ | £ |
| Basic and diluted earnings per share | 12 | 0.09 | 0.15 |

* Exceptional expenses of £47.7m (2022: £3.2m) are included in EBITDA. Profit before tax includes exceptional expenses of £47.7m (2022: £3.2m) and exceptional income of £6.9m (2022: £13.6m). Details of exceptional items are included in note 8.

** The Group has changed the presentation of the Consolidated Statement of Profit or Loss for the year ended 31 December 2022 to reclassify foreign exchange gains and losses from EBITDA to finance and other income and expenses with nil impact in profit before tax or profit after tax. Further details are provided in note 1.

The notes to the accounts form an integral part of these financial statements.

Consolidated Statement of Comprehensive Income

for the year ended 31 December

| | Note | 2023 £ m | 2022 £ m |
|---|--------|--------------|-------------|
| Profit after tax | | 70.7 | 120.6 |
| Items that may be reclassified to the statement of profit or loss in subsequent years: | | | |
| Exchange differences on translation of foreign operations | | (5.8) | 11.3 |
| Change in the fair value of hedging instruments | 20 (b) | 8.6 | (10.5) |
| Change in the time value of foreign exchange options | 20 (b) | 0.1 | – |
| Reclassifications to the Consolidated Statement of Profit or Loss | 20 (b) | 1.3 | (5.9) |
| Total tax on components of other comprehensive income | 11 (c) | (2.2) | 3.3 |
| Other comprehensive income/(loss) net of tax | | 2.0 | (1.8) |
| Total comprehensive income net of tax | | 72.7 | 118.8 |
| Total comprehensive income attributable to: | | | |
| Equity holders of the parent | | 72.7 | 118.8 |

The notes to the accounts form an integral part of these financial statements.

Consolidated Statement of Financial Position

as at 31 December

| | Note | 2023 £ m | 2022 £ m |
|--|-------------|----------------|----------------|
| Assets | | | |
| Non-current assets | | | |
| Property, plant and equipment | 13 | 73.7 | 85.5 |
| Goodwill and intangible assets | 14 | 116.6 | 119.6 |
| Carried interest receivable | 15 | 67.3 | 42.0 |
| Fair value of fund investments | 16 (a), (b) | 301.4 | 273.0 |
| Trade and other receivables | 16 (a), (f) | 23.2 | 19.9 |
| Total non-current assets | | 582.2 | 540.0 |
| Current assets | | | |
| Consolidated CLO assets* | 16 (a), (d) | 1,348.8 | 741.3 |
| Trade and other receivables | 16 (a), (f) | 118.2 | 184.9 |
| Derivative financial assets | 16 (a), (e) | 6.2 | 1.0 |
| Other investments | 16 (a), (c) | 7.5 | – |
| Cash and cash equivalents | 16 (a), (g) | 238.8 | 196.0 |
| Term deposits with original maturities of more than three months | 16 (g) | – | 100.0 |
| Consolidated CLO cash* | 16 (a), (g) | 76.0 | 24.6 |
| Total current assets | | 1,795.5 | 1,247.8 |
| Total assets | | 2,377.7 | 1,787.8 |
| Liabilities | | | |
| Non-current liabilities | | | |
| Trade and other payables | 17 (a), (b) | 13.1 | 13.6 |
| Other financial liabilities | 17 (a), (d) | 50.1 | 49.5 |
| Fair value of consolidated CLO liabilities* | 17 (a), (e) | 1,152.0 | 597.5 |
| Lease liabilities | 17 (a), 18 | 69.7 | 77.1 |
| Deferred tax liabilities | 22 | 33.9 | 19.4 |
| Total non-current liabilities | | 1,318.8 | 757.1 |
| Current liabilities | | | |
| Trade and other payables | 17 (a), (b) | 132.5 | 115.5 |
| Lease liabilities | 17 (a), 18 | 11.9 | 6.1 |
| Derivative financial liabilities | 17 (a), (g) | 1.6 | 13.2 |
| Consolidated CLO liabilities* | 17 (a), (e) | 14.9 | 2.6 |
| Consolidated CLO purchases awaiting settlement* | 17 (a), (f) | 176.8 | 120.6 |
| Total current liabilities | | 337.7 | 258.0 |
| Total liabilities | | 1,656.5 | 1,015.1 |
| Net assets | | 721.2 | 772.7 |
| Equity | | | |
| Share capital | 21, 23 (a) | 0.1 | 0.1 |
| Share premium | 21, 23 (a) | 289.8 | 289.8 |
| Retained earnings | | 418.7 | 473.7 |

| | | | |
|---------------------|------------|--------------|--------------|
| Other reserves** | 21, 23 (c) | 12.6 | 9.1 |
| Total equity | | 721.2 | 772.7 |

* Details of the Group's interest in consolidated Collateralised Loan Obligations ("CLOs") are included in note 16 (d). The equity holders' exposure in the consolidated CLOs is £81.1m at 31 December 2023 (2022: £45.2m). The Group's investment in CLOs which are not consolidated is £15.2m (2022: £15.1m) and are included within fair value of fund investments. A non-statutory Consolidated Statement of Financial Position, excluding consolidated CLOs is presented in this announcement.

** The Group has changed the presentation of equity to aggregate other reserves. A breakdown of other reserves is included in note 23 (c).

Consolidated Statement of Changes in Equity

for the year ended 31 December

| | Note | Share capital £ m | Share premium £ m | Other reserves* £ m | Retained earnings £ m | Total equity £ m |
|-----------------------------|--------|----------------------|----------------------|------------------------|--------------------------|---------------------|
| At 1 January 2023 | | 0.1 | 289.8 | 9.1 | 473.7 | 772.7 |
| Profit for the year | | – | – | – | 70.7 | 70.7 |
| Other comprehensive income | | – | – | 4.2 | (2.2) | 2.0 |
| Total comprehensive income | | – | – | 4.2 | 68.5 | 72.7 |
| Vested share-based payments | 23 (c) | – | – | (4.7) | 4.7 | – |
| Share-based payments | 6 (a) | – | – | 4.0 | – | 4.0 |
| Share buyback | 23 (c) | – | – | – | (60.2) | (60.2) |
| Dividends | 24 | – | – | – | (68.0) | (68.0) |
| At 31 December 2023 | | 0.1 | 289.8 | 12.6 | 418.7 | 721.2 |

| | Note | Share capital £ m | Share premium £ m | Other reserves* £ m | Retained earnings £ m | Total equity £ m |
|----------------------------|-------|----------------------|----------------------|------------------------|--------------------------|---------------------|
| At 1 January 2022 | | 0.1 | 289.8 | 13.8 | 412.6 | 716.3 |
| Profit for the year | | – | – | – | 120.6 | 120.6 |
| Other comprehensive loss | | – | – | (5.1) | 3.3 | (1.8) |
| Total comprehensive income | | – | – | (5.1) | 123.9 | 118.8 |
| Share-based payments | 6 (a) | – | – | 0.4 | – | 0.4 |
| Dividends | 24 | – | – | – | (62.8) | (62.8) |
| At 31 December 2022 | | 0.1 | 289.8 | 9.1 | 473.7 | 772.7 |

* The Group has changed the presentation of equity to aggregate other reserves. A breakdown of other reserves is included in note 23 (c).

The notes to the accounts form an integral part of these financial statements.

Consolidated Statement of Cash Flows

for the year ended 31 December

| | Note | 2023 £ m | 2022 £ m |
|--|------------|----------------|---------------|
| Cash flows from operating activities | | | |
| Cash generated from operations | 25 (a) | 152.5 | 35.6 |
| Tax paid | | (4.7) | (1.7) |
| Net cash inflow from operating activities | | 147.8 | 33.9 |
| Cash flows from investing activities | | | |
| Investment in term deposits with original maturities of more than three months | 16 (g) | 100.0 | (100.0) |
| Receipts from investments (non-CLO) | | 30.8 | 74.3 |
| Purchase of investments (non-CLO) | | (46.9) | (41.2) |
| Purchase of other investments (non-CLO) | 15, 16 (b) | (7.5) | – |
| Interest received (non-CLO) | | 8.5 | 3.3 |
| Payment for foreign exchange option premium | | (3.8) | – |
| Investments in non-consolidated CLOs | | – | (8.7) |
| Cash acquired on consolidation of intermediate fund holding entities | | – | 1.2 |
| Receipts from investments (consolidated CLOs) | | 302.0 | 156.9 |
| Purchase of investments (consolidated CLOs) | | (751.9) | (166.1) |
| Cash movements from the consolidated CLOs | | – | 45.6 |
| Payments for property, plant and equipment and intangible assets | 13 | (4.0) | (22.6) |
| Net cash (outflow) from investing activities | | (372.8) | (57.3) |
| Cash flows from financing activities | | | |
| IPO costs | | – | (1.8) |
| Dividends paid to shareholders of the Company | 24 | (68.0) | (62.8) |
| Share buyback | 23 (c) | (60.2) | – |
| Drawings from related party investors in intermediate fund holding entities | | 1.2 | 3.8 |
| Principal elements of lease payments | | (6.6) | (4.1) |
| Drawn funding (consolidated CLOs) | | 148.7 | – |
| Repayment of CLO borrowings (consolidated CLOs) | | (258.5) | (15.3) |
| Cash from/(paid to) CLO investors (consolidated CLOs) | | 576.2 | (1.7) |
| Interest paid (non-CLO) | | (7.2) | (4.7) |
| Net cash inflow/(outflow) from financing activities | | 325.6 | (86.6) |
| Net increase/(decrease) in cash and cash equivalents | | 100.6 | (110.0) |
| Total cash and cash equivalents at the beginning of the year | | 220.6 | 327.3 |
| Effect of exchange rate changes on cash and cash equivalents | | (6.4) | 3.3 |
| Total cash and cash equivalents at the end of year | | 314.8 | 220.6 |
| Cash and cash equivalents (for use within the Group) | 16 (g) | 238.8 | 196.0 |
| Consolidated CLO cash (restricted for use within relevant CLO) | 16 (g) | 76.0 | 24.6 |
| Total cash and cash equivalents at the end of year | | 314.8 | 220.6 |

1. The Consolidated Statement of Cash Flows includes the cash flows of consolidated CLOs. A non-statutory Consolidated Statement of Cash Flows excluding the impact of consolidating CLOs, which has not been audited, is included in this announcement.

The notes to the accounts form an integral part of these financial statements.

Company Statement of Financial Position

as at 31 December

| | Note | 2023 £ m | 2022 £ m |
|--|-------------|----------------|----------------|
| Assets | | | |
| Non-current assets | | | |
| Investments in subsidiaries and other Group affiliates | 28 | 1,026.9 | 1,023.0 |
| Deferred tax assets | 22 | – | 0.4 |
| Total non-current assets | | 1,026.9 | 1,023.4 |
| Current assets | | | |
| Trade and other receivables | 16 (a), (f) | 8.4 | 20.3 |
| Cash and cash equivalents | 16 (a), (g) | 139.7 | 114.0 |
| Derivative financial assets | 16 (a), (e) | 3.9 | – |
| Term deposits with original maturities of more than three months | 16 (a), (g) | – | 50.0 |
| Total current assets | | 152.0 | 184.3 |
| Total assets | | 1,178.9 | 1,207.7 |
| Liabilities | | | |
| Current liabilities | | | |
| Trade and other payables | 17 (a), (b) | 131.7 | 1.1 |
| Total liabilities | | 131.7 | 1.1 |
| Net assets | | 1,047.2 | 1,206.6 |
| Equity | | | |
| Share capital | 23 (a) | 0.1 | 0.1 |
| Share premium | 23 (a) | 289.8 | 289.8 |
| Retained earnings | | 182.9 | 341.7 |
| Other reserves* | 23 (c) | 574.4 | 575.0 |
| Total equity | | 1,047.2 | 1,206.6 |

* The Company has changed the presentation of equity to aggregate other reserves. A breakdown of other reserves is included in note 23 (c).

The Company's total loss for the year was £35.3m (2022: profit of £2.9m), reflecting the exceptional transaction costs associated with the ECP acquisition. Details of exceptional items are included in note 8 in this announcement.

The notes to the accounts form an integral part of these financial statements.

Company Statement of Changes in Equity

for the year ended 31 December

| | Note | Share capital £ m | Share premium £ m | Other reserves* £ m | Retained earnings £ m | Total equity £ m |
|-----------------------------|--------|----------------------|----------------------|------------------------|--------------------------|---------------------|
| At 1 January 2023 | | 0.1 | 289.8 | 575.0 | 341.7 | 1,206.6 |
| Loss for the year | | – | – | – | (35.3) | (35.3) |
| Other comprehensive income | 20 (b) | – | – | 0.1 | – | 0.1 |
| Total comprehensive loss | | – | – | 0.1 | (35.3) | (35.2) |
| Share-based payments | 6 (a) | – | – | 4.0 | – | 4.0 |
| Vested share-based payments | 23 (c) | – | – | (4.7) | 4.7 | – |
| Share buyback | 23 (c) | – | – | – | (60.2) | (60.2) |
| Dividends | 24 | – | – | – | (68.0) | (68.0) |
| At 31 December 2023 | | 0.1 | 289.8 | 574.4 | 182.9 | 1,047.2 |

| | Note | Share capital £ m | Share premium £ m | Other reserves* £ m | Retained earnings £ m | Total equity £ m |
|----------------------------|-------|----------------------|----------------------|------------------------|--------------------------|---------------------|
| At 1 January 2022 | | 0.1 | 289.8 | 574.6 | 401.6 | 1,266.1 |
| Profit for the year | | – | – | – | 2.9 | 2.9 |
| Other comprehensive income | | – | – | – | – | – |
| Total comprehensive income | | – | – | – | 2.9 | 2.9 |
| Share-based payments | 6 (a) | – | – | 0.4 | – | 0.4 |
| Dividends | 24 | – | – | – | (62.8) | (62.8) |
| At 31 December 2022 | | 0.1 | 289.8 | 575.0 | 341.7 | 1,206.6 |

* The Company has changed the presentation of equity to aggregate other reserves. A breakdown of other reserves is included in note 23 (c).

The notes to the accounts form an integral part of these financial statements.

Company Statement of Cash Flows

for the year ended 31 December

| | Note | 2023 £ m | 2022 £ m |
|--|--------|----------------|-------------|
| Cash flows from operating activities | | | |
| Cash generated from operations | 25 | 107.2 | 66.3 |
| Net cash inflow from operating activities | | 107.2 | 66.3 |
| Cash flows from investing activities | | | |
| Investment in term deposits with original maturities of more than three months | 16 (g) | 50.0 | (50.0) |
| Interest received (non-CLO) | | 4.7 | 1.5 |
| Payment for foreign exchange option premium | | (3.8) | – |
| Net cash inflow/(outflow) from investing activities | | 50.9 | (48.5) |
| Cash flows from financing activities | | | |
| Dividends paid to shareholders of the Company | 24 | (68.0) | (62.8) |
| Share buy-back | 23 (c) | (60.2) | – |
| Interest paid | | (1.0) | – |
| Net cash (outflow) from financing activities | | (129.2) | (62.8) |
| Net increase/(decrease) in cash and cash equivalents | | 28.9 | (45.0) |
| Cash and cash equivalents at the beginning of the year | | 114.0 | 159.0 |
| Effect of exchange rate changes on cash and cash equivalents | | (3.2) | – |
| Cash and cash equivalents at the end of year | 16 (g) | 139.7 | 114.0 |

The notes to the accounts form an integral part of these financial statements.

Notes to the consolidated and Company financial statements

1 General information and basis of preparation

General information

Bridgepoint Group plc (the “**Company**”) is a public company limited by shares, incorporated, domiciled and registered in England and Wales. The Company’s registration number is 11443992 and the address of its registered office is 5 Marble Arch, London, W1H 7EJ.

The financial information set out in this preliminary announcement does not constitute the Company's statutory accounts for the years ended 31 December 2023 or 31 December 2022. The financial information for 2022 is derived from the statutory accounts for that year which have been delivered to the Register of Companies. The auditors reported on those accounts: their report was unqualified, did not draw attention to any matters by way of emphasis and did not contain a statement under s498(2) or (3) of the Companies Act 2006. The audit of the statutory accounts for the year ended 31 December 2023 is substantially complete. These accounts will be finalised on the basis of the financial information presented by the directors in this results announcement and will be delivered to the Registrar of Companies following the Company's annual general meeting.

The principal activity of the Company and entities controlled by the Company (collectively, the “**Group**”) is to act as a private equity and credit fund manager.

Basis of preparation

The consolidated financial statements for the year ended 31 December 2023 comprise the financial statements of the Group and the Company.

The consolidated financial statements of the Group and the Company’s financial statements have been prepared in accordance with UK-adopted international accounting standards and in conformity with the requirements of the Companies Act 2006, as applicable to companies reporting under those standards. The financial statements have been prepared on a historical cost basis, except for financial instruments measured at fair value through profit and loss.

The principal accounting policies applied in the preparation of the financial statements are set out within note 2. These policies have been consistently applied to all the periods presented, unless otherwise stated.

The preparation of the financial statements in conformity with international accounting standards requires the use of certain critical accounting estimates. It also requires management to exercise judgement in the process of applying the Group’s accounting policies. Details of the critical judgements and key sources of estimation uncertainty are set out in note 3. Actual results may differ from these estimates.

The financial statements are presented in pound sterling and all values are rounded to the nearest £0.1m except where otherwise indicated.

Adoption of new and amended standards and interpretations

Standards, interpretations and amendments to published standards effective for the year ended 31 December 2023

The following new and amended standards do not have a material impact on the Group or Company’s financial statements:

| International accounting standards and interpretations | Effective date |
|--|----------------|
| Amendments to IAS 1 “Presentation of Financial Statements” and IFRS Practice Statement 2 “Disclosure of Accounting Policies” | 1 January 2023 |
| Amendments to IAS 8 “Definition of Accounting Estimates” | 1 January 2023 |
| IFRS 17 “Insurance Contracts” | 1 January 2023 |
| Amendments to IAS 12 “Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction” | 1 January 2023 |
| International Tax Reform – Pillar Two Model Rules – Amendments to IAS 12 | 23 May 2023 |

Standards, interpretations and amendments to published standards which are not yet effective

New and amended standards that have been issued, but are not yet effective, up to the date of the Group's financial statements are disclosed below. The Group plans to adopt these, if applicable, when they become effective. The following do not have a material impact on the Group or Company's financial statements:

| International accounting standards and interpretations | Effective date |
|--|----------------|
| Amendments to IFRS 16 "Leases": lease liability in a sale and leaseback | 1 January 2024 |
| Amendments to IAS 1 non-current liabilities with covenants and classification of liabilities as current or non-current | 1 January 2024 |

Changes to comparative period financial information

The presentation of foreign exchange gains and losses has been changed in the Consolidated Statement of Profit or Loss as it primarily relates to non-operating activities. As a result, the comparative information for the affected line items for the year ended 31 December 2022 has been restated to reclassify foreign exchange gains of £1.1m into finance and other income. The restatement also impacts the comparative period EBITDA and FRE metrics throughout this announcement. There is no impact on net profit in either year.

Going concern

The consolidated financial statements have been prepared on a going concern basis. The Directors have a reasonable expectation that the Group and Company have adequate resources to continue in operational existence for a period of at least 12 months from the date of issue of these financial statements. In forming this conclusion the Directors have assessed the business risks, financial position and resources of both the Group and Company.

Company financial statements

As permitted by section 408 of the Companies Act 2006, the Company Statement of Profit or Loss and the Statement of Comprehensive Income are not presented as part of these financial statements. The Company's loss for the year amounted to £35.3m (2022: profit of £2.9m).

2 Accounting policies

(a) Consolidation

The consolidated 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. Uniform accounting policies have been adopted across the Group.

Assessment of control

The Group controls an investee (entity) if, and only if, the Group has all of the following:

- power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);
- exposure, or rights, to variable returns from its involvement with the investee; and
- ability to use its power over the investee to affect its returns.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Group holds less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Group considers all relevant facts and circumstances in assessing whether or not the Group's voting rights in an investee are sufficient to give it power, including:

- the size of the Group's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Group, other vote holders or other parties;
- rights arising from other contractual arrangements; and

- any additional facts and circumstances that indicate that the Group has, or does not have, the current ability to direct the relevant activities at the time when decisions need to be made, including voting patterns at previous shareholders' meetings.

The assessment of control is based on all relevant facts and circumstances and the Group reassesses its conclusion if there is an indication that there are changes in facts and circumstances.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control over the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the Consolidated Statement of Comprehensive Income from the date the Group gains control until the date when the Group ceases to control the subsidiary. All intra-group balances and transactions with subsidiaries are eliminated upon consolidation.

When the Group consolidates an entity which has an interest held by a third party, it assesses whether the third party's interest represents equity or a financial liability. To determine this classification, the substance of the contractual terms of the financial instrument is taken as an indicator of whether the third party's interest is debt or equity. If a pre-agreed profit share percentage that is contractually defined within relevant limited partnership agreements is present, the Group recognises a contractual obligation to settle in cash and, therefore, the interest is classified as debt and fair valued through profit and loss. In the case where the contract results in a residual interest in the assets of the investee after deducting all of the investee's liabilities, a non-controlling interest is recognised within equity.

(b) Foreign currencies

Presentation currency

The financial statements are presented in pound sterling, which is the Company's functional currency and also the presentational currency for the Company and Group.

Foreign currency transactions

Foreign currency transactions are translated into the functional currency using the opening spot exchange rate for the month in which the transaction occurs as an approximate for the actual rate at the date of the transaction.

Foreign exchange gains and losses resulting from the settlement of such transactions, and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates, are generally recognised in profit or loss.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are translated to the functional currency at the applicable foreign currency exchange rate on the date the fair value was determined. Non-monetary items in a foreign currency that are measured in terms of historical cost are translated using the exchange rate on the date of the transaction.

Foreign operations

The results and financial position of foreign operations that have a functional currency different from the presentational currency are translated into the presentational currency of the Group as follows:

- assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position;
- income and expenses for each statement of profit or loss presented are translated at opening spot rate for the month; and
- all resulting exchange differences are recognised in other comprehensive income.

(c) Operating income

Operating income primarily comprises management and other fees, carried interest income and investment income from the management of investment in private equity and credit fund partnerships. The parties to agreements for fund management services comprise the Group and the investors of each fund as a body. Accordingly, the group of investors of each fund are identified as a customer for accounting purposes.

Income is measured based on the consideration specified in the contracts and exclude amounts collected on behalf of third parties, discounts and value added taxes.

Management and other fees

The Group earns management fees from its provision of various investment management services to funds, which are treated as a single performance obligation.

Management fees are recognised over the life of each fund, generally 10 to 12 years, occasionally subject to an extension, if agreed with the investors of that fund.

Management fees are based on an agreed percentage of either committed or invested capital, depending on the fund and its life stage. Fees are billed in accordance with the relevant limited partnership agreement and are either billed semi-annually or quarterly in advance or arrears.

Other fees may also comprise fees and commissions relating to provision of services to third parties.

Carried interest

The Group receives a share of fund profits through its holdings in founder partnerships as variable consideration dependent on the level of fund returns. The entitlement to carried interest and the amount is determined by the level of accumulated profits exceeding an agreed threshold (the “hurdle”) over the life-time of each fund. The carried interest income is only recognised to the extent it is highly probable that there would not be a significant reversal of any accumulated revenue recognised on the completion of a fund. The reversal risk due to uncertainty of future fund performance is managed through the application of discounts. This is explained further within note 3.

The carried interest receivable represents a contract asset under IFRS 15 “Revenue from Contracts with Customers”. Amounts are typically presented as non-current assets unless they are expected to be received within the next 12 months.

Investment income

Investment income consists primarily of fair value remeasurement of the Group’s investments in private equity and credit funds. Details of the valuation of such investments is explained further within note 3.

Other operating income

Other operating income includes fees and commissions receivable by the Group’s procurement consulting business, PEPCo Services LLP.

It also includes income earned from other investments including, but not limited to, loans made to fund portfolio companies. Interest income is accrued on the principal amount of the loans based on the contractual interest rate.

Amounts are recognised in the Consolidated Statement of Profit or Loss on an accruals basis.

(d) Deferred acquisition costs

Professional costs, particularly legal and other adviser costs, are incurred when raising a new fund. The limited partnership agreement of each fund dictates the aggregate expense that can be recharged to the fund investors on the close of a new fund. Costs in excess of the cap and any fees paid to placement agents are capitalised as a current or non-current asset.

The benefit of the incurred costs for private equity funds is primarily considered to be attributable to the period when the primary fund investment activity is carried out. Therefore, the useful life of the asset is aligned to the investment period of the fund which is between three and five years for private equity funds.

For credit funds, the period of portfolio construction is typically longer, therefore a five-year useful life is used, which correlates with the period over which the management fees build up to a maximum level.

Details are provided within note 16 (f).

(e) Personnel benefits

Short-term employee benefits

Short-term employee benefits, which include employee salaries and bonuses, are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Group has a present or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Accumulated holiday balances are accrued at each period end, if an employee’s entitlement is not used in full.

Long-term employee benefits

Long-term employee benefits, which are those that are not expected to be settled wholly before 12 months after the period end in which the employee renders the service that gives rise to the benefit, include certain long-term bonuses. An expense is recognised over the period in which the related service is provided. A liability is recognised for the amount expected to be paid if the Group has a present or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Defined contribution pensions

Amounts payable in respect of employers' contributions to the Group's defined contribution pension scheme are recognised as employee expenses as incurred. The assets of the scheme are held separately from those of the Group in an independently administered fund.

Share-based payments

The Group enters into both equity-settled and cash-settled share-based payment arrangements with certain employees as compensation for the provision of their services.

1) Equity-settled share-based payments

The cost of equity-settled share-based payments with employees is measured by reference to the fair value at the date at which the awards are granted and is recognised as an expense on a straight-line basis over the vesting period, based on an estimate of the number of equity instruments that will eventually vest. A corresponding credit is made to the share-based payment reserve within equity.

In valuing equity-settled transactions, no account is taken of any non-market based vesting conditions and no expense or investment is recognised for awards that do not ultimately vest as a result of a failure to satisfy a non-market based vesting condition.

At each reporting date, the Group revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in the Consolidated Statement of Profit or Loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to equity.

Upon vesting of an equity instrument, the cumulative cost in the share-based payments reserve is reclassified to retained earnings in equity.

2) Cash-settled share-based payments

The cost of cash-settled transactions is measured at fair value. Fair value is estimated initially at the grant date and at each balance sheet date thereafter until the awards are settled. Market based performance conditions are taken into account when determining fair value. At each balance sheet date, the liability recognised is based on the fair value of outstanding awards (ignoring non-market based vesting conditions), along with any employment tax to be incurred by the Group, at the balance sheet date, the period that fell prior to the balance sheet date and management's estimate of the likelihood and extent of non-market based vesting conditions being achieved.

Changes in the carrying amount of the liability are recognised in the Consolidated Statement of Profit or Loss for the period.

(f) EBITDA

EBITDA means earnings before interest, taxes, depreciation and amortisation. It is used to provide an overview of the profitability of the Group's business and segments. Underlying EBITDA is calculated by deducting from within EBITDA exceptional items and employee share-based payments granted to a targeted group of employees to increase employee ownership in the Group post-IPO.

EBITDA and Underlying EBITDA are alternative performance measures and non-IFRS measures.

The Group uses Underlying EBITDA as exceptional income or expenditure could distort an understanding of the performance of the Group. Details of exceptional expenses are set out in note 8.

(g) Leases

Group as lessee

The Group has applied IFRS 16 "Leases" where the Group has right-of-use of an asset under a lease contract for a period of more than 12 months. Such contracts represent leases of office premises where the Group is a tenant.

The lease liability is initially measured at the net present value of future lease payments that are not paid at the commencement date discounted using the Group's incremental borrowing rate ("IBR") as the discount rate as the implicit rate is not readily determinable for the rented office premises. The IBR reflects the rate that the Group

would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment within similar terms, security and conditions.

The lease liability is subsequently measured at amortised cost using the effective interest method. Lease payments due within the next 12 months are recognised within current liabilities. Payments due after 12 months are recognised within non-current liabilities.

Right-of-use assets are recorded initially at cost and depreciated on a straight-line basis over the length of the contractual lease term.

Cost is defined as the lease liabilities recognised plus any initial costs and dilapidation provisions less any incentives received. Right-of-use assets are included within property, plant and equipment in the Consolidated Statement of Financial Position.

Group as lessor

Where the Group acts as an intermediate lessor by entering into a subletting agreement and has transferred substantially all the risks and rewards incidental to ownership of the underlying asset, the Group accounts for these subleases as finance leases under IFRS 16 "Leases". Such contracts represent subleases of office premises.

At commencement of the lease term, the Group derecognises the right-of-use asset relating to the head lease and recognises the net investments in the sublease as a receivable. The difference between the right-of-use asset and the net investment in the sublease is recognised in profit and loss. The Group uses the IBR used for the head lease to measure the net investment in the lease (adjusted for any initial direct costs associated with the sublease).

During the term of the sublease, the Group recognises both finance income on the sublease and finance expense on the head lease.

Short-term leases and leases of low-value assets

The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term within operating expenses.

(h) Finance and other income and expense

Finance and other income comprises interest earned on cash and term deposits, finance income on sublease agreements and amounts receivable from related party investors, foreign exchange gains and the impact of the remeasurement of the deferred contingent consideration.

Finance and other expenses comprise interest on interest-bearing liabilities, finance expenses on lease liabilities, foreign exchange losses and amounts due to related party investors.

Interest income and expense is recognised using the effective interest rate method. Recurring fees and charges levied on committed bank facilities are charged to the Consolidated Statement of Profit or Loss as accrued. Credit facility arrangement fees are capitalised and amortised to the Consolidated Statement of Profit or Loss using the effective interest method over the term of the facility.

(i) Exceptional items

Items of income and expense that are material by size and/or nature and are not considered to be incurred in the normal course of business are classified as 'exceptional' within the Consolidated and Company Statement of Profit or Loss and disclosed separately to give a clearer presentation of the Group's underlying financial performance. In considering the nature of an exceptional item, management's assessment includes, both individually and collectively, each of the following:

- whether the item is outside of the principal activities of the business;
- the specific circumstances which have led to the item arising;
- the likelihood of recurrence; and
- if the item is likely to recur, whether the item is unusual by virtue of its size.

(j) Taxation

Taxation expense for the period comprises current and deferred tax recognised in the reporting period.

Current tax

Current tax is the amount of corporation tax payable in respect of the taxable profit for the current or prior reporting periods. Tax is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the period end. Current tax is recognised in the Consolidated Statement of Profit or Loss, except to the extent that it relates to items recognised in other comprehensive income, or directly in equity. In this case, current tax is also recognised in other comprehensive income or directly in equity accordingly.

Deferred tax

Deferred tax arises from temporary differences at the reporting date between the carrying amounts of assets and liabilities and the amounts used for taxation purposes.

Deferred tax is not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition of other assets and liabilities in a transaction, other than a business combination, that affects neither the tax nor the accounting profit.

Deferred tax liabilities are recognised for all taxable temporary differences.

Unrelieved tax losses and other deferred tax assets are only recognised when it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits will be available against which the deferred tax assets can be utilised.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to be applied to their respective period of realisation, provided they are enacted or substantively enacted at the reporting date. Deferred tax assets and liabilities are offset when there is a legally enforceable right of set off, when they relate to income taxes levied by the same tax authority and the Group intends to settle on a net basis. Changes in deferred tax assets or liabilities are recognised as a component of tax expense in the Consolidated Statement of Profit or Loss, except where they relate to items that are charged or credited in other comprehensive income or directly to equity, in which case the related deferred tax is also charged or credited directly to equity, or to other comprehensive income.

Current or deferred taxation assets and liabilities are not discounted.

(k) Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and any provision for impairment. The cost includes the purchase price as well as expenditure directly attributable to put the asset in place and order to be used in accordance with the purpose of the acquisition. Assets are depreciated to a residual value on a straight-line basis, over their estimated useful lives as follows:

| Asset class | Useful life |
|--------------------------------|--|
| Computers, furniture and other | 3 to 6 years |
| Leasehold improvements | Over the shorter of their useful economic life or the lease term |
| Property right-of-use assets | Over the contractual lease term |

The loss to reduce the carrying amount of any assets that are impaired is recognised within the Consolidated Statement of Profit or Loss and reversed if there are indications that the need for impairment is no longer present. The carrying amount of an item of property, plant and equipment is derecognised from the Consolidated Statement of Financial Position at disposal or when no future economic benefits are expected from the use or disposal of the asset.

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

(l) Intangible assets**Customer relationship intangible assets**

Customer relationship intangible assets acquired from a business combination are initially recognised at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following the initial recognition, intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses.

Intangible assets are annually assessed for impairment when there are indicators of impairment.

Amortisation is calculated using the straight-line method, to allocate the depreciable amount of the assets to their residual values over their estimated useful lives up to 7 years. The amortisation is included within “Depreciation and amortisation expense” in the Consolidated Statement of Profit or Loss.

Computer software

Acquired computer software licenses are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. Software recognised as an asset is carried at cost less accumulated amortisation and impairment losses.

Software-as-a-Service (“SaaS”) contracts are only classified as intangible assets when the recognition criteria are fulfilled; otherwise they are classified as service contracts, for which costs are expensed as incurred.

Capitalised computer software is amortised over its estimated useful economic lives up to 5 years.

(m) Business combinations and goodwill

Business combinations are accounted for by applying the acquisition method. The cost of a business combination is the fair value of the consideration given, liabilities incurred or assumed and of equity instruments issued. Costs attributable to the business combination are expensed in the Consolidated Statement of Profit or Loss.

On acquisition of a business, fair values are attributed to the identifiable assets, liabilities, and contingent liabilities. Intangible assets are only recognised separately from goodwill where they are separable and arise from contractual or other legal rights. Where the fair value of contingent liabilities cannot be reliably measured, they are disclosed on the same basis as other contingent liabilities.

Contingent consideration is recognised at the acquisition date. It is classified as a financial liability and subsequently remeasured to fair value, with changes in fair value recognised in the Consolidated Statement of Profit or Loss.

Goodwill recognised represents the excess of the fair value of the purchase consideration over the fair values to the Group’s interest in the identifiable assets, liabilities and contingent liabilities acquired.

Goodwill is assessed for impairment annually or more frequently if events or changes in circumstances indicate potential impairment loss. Any identified impairment is charged to the Consolidated Statement of Profit or Loss. No reversals of impairment are recognised. Impairment triggers could include the loss of a fund management contract or a failure to raise a new fund.

Third party interest arises when the Group’s interest only constitutes a portion of the total with the remaining portion being profit share that the Group owes the other related parties. The profit share is calculated based on a contractually defined and pre-agreed percentage which is set out within relevant limited partnership agreements. The Group has considered factors such as the substance of the legal contractual agreement and the lack of discretion the Group has regarding the residual payments to third parties. Therefore, third party interest is classified as a financial liability and measured at fair value through profit and loss with the corresponding assets being measured at fair value.

(n) Financial instruments

Financial assets

The Group’s financial assets consist of fund investments, investments made by Collateralised Loan Obligations (“CLOs”) consolidated by the Group, derivative financial instruments, other investments, accounts receivable and other receivables, and cash and cash equivalents.

The Company’s financial assets consist of accounts receivable and other receivables, derivative financial instruments, cash and cash equivalents.

1) Recognition and measurement

A financial asset is recognised when the Group or Company becomes party to the contractual provisions of the instrument, which is generally on trade date.

The Group’s financial assets are initially classified into one of three measurement categories. The classification depends on how the asset is managed (business model) and the characteristics of the asset’s contractual cash flows. The measurement categories for financial assets are as follows:

- fair value through profit or loss;
- fair value through other comprehensive income; and

- amortised cost.

2) Fair value through profit or loss

The Group's fund investments and the majority of the consolidated CLO assets are measured at fair value through profit or loss as such assets are held for investment returns. Gains or losses arising from changes in fair value are recognised through fair value remeasurement of investments within the Consolidated Statement of Profit or Loss along with interest received on the consolidated CLO assets. Financial assets at fair value through profit or loss are recognised when the Group enters into contracts with counterparties.

Derivative financial instruments are initially measured at fair value determined using independent third-party valuations or quoted market prices on the date on which the derivative contract is entered into and are subsequently measured at fair value at each reporting date. The accounting policy for derivative financial instruments is further discussed in the derivative instruments and hedge accounting section below. Prior to their settlement, derivatives are carried as a financial asset when the fair value is positive and as a financial liability when fair value is negative.

3) Amortised cost

Financial assets are measured at amortised cost only if both of the following criteria are met:

- the asset is held within a business model whose objective is to collect the contractual cash flows; and
- the contractual terms give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The Group's trade and other receivables are short-term receivables relating to non-financing transactions and are therefore subsequently measured at amortised cost using the effective interest rate method. Receivables due in more than one year are initially discounted to their present value using an equivalent rate of interest that would be due on borrowings. The discount is released over time to the Consolidated Statement of Profit or Loss.

Amounts receivable for sales of consolidated CLO assets awaiting settlement are measured at amortised cost and recognised at the point at which the CLO has a contractual right to exchange cash.

The Group accounts for regular way amortised cost financial instruments using trade date accounting.

Cash and cash equivalents and term deposits with original maturities of more than three months are measured at amortised cost.

4) Impairment

Expected credit losses are calculated on financial assets measured at amortised cost and are recognised within the Consolidated Statement of Profit or Loss. For trade and other receivables (including lease receivables) the Group and Company apply the simplified approach and the practical expedient permitted by IFRS 9 "Financial Instruments". The allowance is based on historic experience of collection rates over the expected life of trade receivables, adjusted for forward looking factors specific to each counterparty and the economic environment at large, to create an expected loss matrix.

5) Derecognition

A financial asset is derecognised when the contractual rights to the cash flows from the asset expire, or when the Group or Company transfers the rights to receive the contractual cash flows in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. On derecognition of a financial asset in its entirety, the difference between the asset's carrying value amount and the sum of the consideration received and receivable is recognised in the Consolidated Statement of Profit or Loss.

Financial liabilities

1) Fair value through profit or loss

Derivative financial liabilities are initially recognised and subsequently measured at fair value at each reporting date.

The majority of liabilities of CLOs consolidated by the Group are designated as financial liabilities measured at fair value through profit or loss. Financial liabilities at fair value through profit or loss related to CLOs are initially recognised and subsequently measured at fair value on a recurring basis with gains or losses arising from changes in fair value recognised through the fair value remeasurement of investments line within the Consolidated Statement of Profit or Loss along with interest paid on the CLO financial liabilities. The effect of the Group's own

credit risk on liabilities of the consolidated CLOs is not recognised in other comprehensive income as the effect would create an accounting mismatch in profit or loss.

Deferred contingent consideration payable relating to business combinations is measured at fair value through profit or loss with gains or losses from fair value remeasurement recognised in finance and other income.

CLO repurchase agreements and other amounts payable to related party investors which represent the residual profits due to third party investors are held at fair value through profit and loss with the corresponding assets being measured at fair value.

2) Amortised cost

Borrowings are initially recognised as the amount of cash received from the lender, less separately incurred transaction costs. They are subsequently measured at amortised cost using the effective interest rate method.

Amounts payable for purchases of consolidated CLO assets awaiting settlement are measured at amortised cost and recognised at the point at which the CLO has a contractual obligation to exchange cash.

3) Derecognition

The Group and Company derecognise financial liabilities when, and only when, the Group's or Company's obligations are discharged, cancelled or expire.

Derivative instruments and hedge accounting

For derivatives designated as a hedging instrument in cash flow hedges, during the hedging relationship the effective portion of the fair value movements on the hedging instrument is recognised in other comprehensive income and within other reserves within equity. Any ineffective portion is recognised immediately in profit or loss as a gain or loss within finance and other income or expenses. If the hedged item does not lead to the recognition of a non-financial asset or liability, accumulated amounts recognised in equity are reclassified to profit or loss when the hedged future cash flows affect profit or loss. If the hedged item subsequently results in the recognition of a non-financial asset or liability, the accumulated amounts in equity are removed from equity and incorporated directly as a basis adjustment to the carrying amount.

For derivatives that are not designated as cash flow hedges, all fair value movements are recognised in the Consolidated Statement of Profit or Loss. Where a derivative relates to a hedge of investments in foreign currencies, the profit or loss on the revaluation of the hedging instrument is recognised together with the investment returns in the Consolidated Statement of Profit or Loss.

(o) Investment in subsidiaries

Investments in subsidiaries in the Company Statement of Financial Position are recorded at cost less provision for impairments. All transactions between the Company and its subsidiary undertakings are classified as related party transactions for the Company accounts and are eliminated on consolidation for the Group.

(p) Investments in associates

Associates are entities such as funds or carried interest partnerships in which the Group has an investment and over which it has significant influence, but not control, through participation in the financial and operating policy decisions.

The investments in associates are designated at fair value through profit or loss. The investments are recorded at fair value of fund investment or carried interest receivable within the Group Consolidated Statement of Financial Position. Any gains or losses are recognised within fair value remeasurement of investments in the Consolidated Statement of Profit or Loss.

(q) Cash and cash equivalents

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 other operating activities. Term deposits with original maturities of three months are not included in cash equivalents and are presented separately on the Consolidated and Company Statement of Financial Position.

(r) Dividends

Dividends and other distributions to the Company's shareholders are recognised in the period in which the dividends and other distributions are declared and, if relevant, approved by the shareholders. These amounts are recognised in the Statement of Changes in Equity.

(s) Own shares

Own shares are recorded by the Group when ordinary shares are purchased through special purpose vehicles which have the purpose of purchasing and holding shares of the Company from employees who have left the employment of the Group or for other reasons. The special purpose vehicles include Atlantic SAV Limited, Atlantic SAV 2 Limited and the Bridgepoint Group plc Employee Benefit Trust. These entities are aggregated together within the financial statements of the Company and are consolidated within the Group financial statements.

Own shares are held at cost and their purchase reduces the Group's net assets by the amount spent. They are recognised as a deduction from retained earnings.

When shares vest or are cancelled, they are transferred from own shares to the retained earnings reserve at their weighted average cost.

No gain or loss is recognised on the purchase, sale, issue or cancellation of the Company's own shares.

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

The judgements and other key sources of estimation uncertainty at the reporting date, which may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are summarised below. The Group's estimates and assumptions are based on historical experience and expectation of future events and are reviewed periodically. The actual outcome may be materially different from that anticipated.

(a) Judgements**Consolidation of fund investments**

The Directors have considered whether the Group should consolidate investments in funds into the results of the Group. Control is determined by the extent of decision-making authority, rights held by other parties, remuneration and exposure to returns.

The Directors have assessed the legal nature of the relationships between the Group, the relevant fund and fund investors and have determined that as the manager, the Group has the power to influence the returns generated by the fund, but that the Group's interests typically represent only a small proportion of the total capital within each fund (c. 2% of commitments). The Directors have therefore concluded that the Group acts as an agent which is primarily engaged to act on behalf, and for the benefit, of the fund investors rather than act for its own benefit.

Bridgepoint funds are not consolidated into the results of the Group.

Consolidation of CLOs

The Group holds investments in the senior and subordinated notes of CLOs that it manages, predominantly driven by risk-retention regulations. As the Group has power as the asset manager to impact the returns of the vehicles, the level of exposure to variable returns from its involvement as an investor in the notes requires assessment to whether this indicates that the Group has a principal or agent relationship and therefore whether the CLO should be consolidated under IFRS 10 "Consolidated Financial Statements". The subordinated notes of CLOs 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 Group's consideration of exposure to variable returns focuses on its interest in the equity tranches.

The assets and liabilities of the CLO are held within separate legal entities and, as a result, the liabilities of the CLO are non-recourse to the Group. The consolidation of the CLO results in a significant gross-up on the Group's assets and liabilities, which is shown gross on the face of the Consolidated Statement of Financial Position and Consolidated Statement of Cash Flows as separate lines but has no net effect on the profit or loss or net assets.

Details of the assets and liabilities are included in notes 16 and 17 and a non-statutory and unaudited Consolidated Statement of Financial Position and Consolidated Statement of Cash Flows excluding the consolidation of CLOs is included in this announcement.

| Name of CLOs | Bridgepoint interest in the subordinated notes | Bridgepoint share of CLO | Consolidation treatment at YE23 | Nature of the entity |
|------------------------|--|--------------------------|---------------------------------|--|
| Bridgepoint CLO 1 DAC | 55.2% | 5.0% | Consolidated | Subordinated notes in the residual class |
| Bridgepoint CLO 2 DAC | 5.0% | 5.0% | Not consolidated | Subordinated notes in the residual class |
| Bridgepoint CLO 3 DAC | 51.0% | 8.9% | Consolidated | Subordinated notes in the residual class |
| Bridgepoint CLO IV DAC | 61.0% | 7.0% | Consolidated | Subordinated notes in the residual class |
| Bridgepoint CLO V DAC | 51.8% | 5.1% | Consolidated | Subordinated notes in the residual class |
| Bridgepoint CLO VI DAC | 50.0% | 50.0% | Consolidated | Warehouse entity |

The Group consolidates Bridgepoint CLO 1 DAC (“**CLO 1**”), Bridgepoint CLO 3 DAC (“**CLO 3**”), Bridgepoint CLO IV DAC (“**CLO 4**”) and Bridgepoint CLO V DAC (“**CLO 5**”) as the Group has exposure to variable returns as an investor in the subordinated notes. The Group holds the majority of the subordinated notes in CLO 1, CLO 3, CLO 4 and CLO 5 and the Directors have therefore concluded that the Group acts as principal and should consolidate. The construction of Bridgepoint CLO VI DAC (“**CLO 6**”) commenced during the year and remained in warehousing as at 31 December 2023. As the Group held a majority interest in the warehouse equity, the Group also fully consolidates CLO 6.

Bridgepoint CLO 2 DAC (“**CLO 2**”) is not consolidated in the financial statements of the Group at 31 December 2023 as the Group’s exposure to variable returns is only 5% of the subordinated notes.

The Group designates the amounts attributable to the third-party investors as financial liabilities at fair value through profit and loss.

Consolidation of Carried Interest Partnerships

As a fund manager to its private equity and credit funds, the Group participates in Carried Interest Partnerships (“**CIP**”), the participants of which are the Group, certain Group employees and others connected to the underlying fund. These vehicles have two purposes: to facilitate payments of carried interest from the fund to carried interest participants, and to facilitate individual co-investment into the funds.

The Directors have undertaken a control assessment of each CIP in accordance with IFRS 10 “Consolidated Financial Statements” to consider whether they should consolidate the CIP.

The Directors have considered the contractual nature of the relationships between the relevant fund, the CIP and the CIP participants. The purpose and design of the CIP and the carry rights in the fund are generally determined at the outset by the fund’s limited partnership agreement (“**LPA**”) which requires investor agreement and incentivises individuals to enhance performance of the underlying fund in line with investor expectations.

The Group has limited power over the Adjudication Committees of the CIP, which makes decisions about allocation of the carried interest, but these powers do not give the Group control.

In addition, the Directors have also considered the variability of returns of the CIP. The variable returns are shared between the carried interest participants and the Group is exposed to limited variable returns of below 50%.

The Directors concluded that the Group does not control the CIP because of the predetermined contractual nature of the CIP, the Group’s limited powers over the Adjudication Committees and limited exposure to the variable returns of the CIP. However, when the Group has a share of 20% or more of the rights to the carried interest, the Group is considered to have significant influence and in this case the CIP is accounted for as an associate. Details of the associates are set out within note 28 (d).

Consolidation of employee share partnership

On listing, the founder employee shareholders created a separate ring-fenced vehicle, Burgundy Investments Holdings LP (the “**Burgundy Partnership**”). The Burgundy Partnership is a pool of assets, comprising the Company’s shares. The shares were contributed by founder employee shareholders electing to donate a portion of their shares to the partnership. This pool is ring-fenced for allocation to current and future partners in the

business, as a means of allowing them to build a meaningful long-term shareholding in Bridgepoint and reflect the opportunities that previous partners were offered. The existing employee shareholders prior to listing, and certain employee partners, will wholly own the interest in the Burgundy Partnership.

The Group does not have any direct economic interest in the Burgundy Partnership, and awards of new points to existing and future employees will be made by the Advisory Committee of the Burgundy Partnership, which is made up of some of the largest founder employee shareholders. As such, the Group does not have power over the allocation of the points and to affect those returns through its power.

The Directors have considered the requirements of IFRS 10 “Consolidated Financial Statements” to determine whether they should consolidate the Burgundy Partnership. As the Group does not have power over the Burgundy Partnership and no exposure to variable returns from its involvement with the Burgundy partnership, the Directors have concluded that the Burgundy Partnership should not be consolidated.

(b) Estimates

Recognition and measurement of carried interest revenue

Carried interest revenue is only recognised to the extent it is highly probable that there would not be a significant reversal of any accumulated revenue recognised on the completion of a fund.

In determining the amount of revenue to be recognised the Group is required to make assumptions and estimates when determining 1) whether or not revenue should be recognised and 2) the timing and measurement of such amounts.

The Group bases its assessment on the best available information pertaining to the funds and the activity of the underlying assets within that fund. This includes the current fund valuation and internal forecasts on the expected timing and disposal of fund assets.

For private equity funds, the constraints on estimating the revenue are incorporated through the application of discounts of 15% to 40% (2022: 30% to 50%) to the unrealised fair values of investments where the cumulative value of the distributions to investors and unrealised fair value of investments of a fund exceeds the relevant carried interest hurdle (being the contractual minimum return for fund investors).

For credit funds, which are more sensitive to the performance of individual investments within the portfolio, only funds that have either reached their hurdle or are expected to do so imminently are modelled on the same basis.

The discount applied for each fund depends on the stage and maturity profile of each fund, and therefore recognises the de-risking of the income over time, taking into account diversity of assets, whether there has been a recent market correction (and whether this has been already factored into the valuation of the fund) and the expected average remaining holding period. Reasons for a higher discount may include where the fund has not yet completed its construction, has not yet returned its original capital commitments and there is the potential for the hurdle to grow further, or there is a higher level of perceived risk (fund specific or macro-economic). Reasons for a lower discount include where a fund has returned its capital commitments and the hurdle has stopped or where the fund has already started to pay carry. The levels of discounts applied are reassessed annually.

The weighted average discount at 31 December 2023 to the notional carried interest due to the Group based on unrealised fair value of investments in relevant funds is 51% (2022: 62%) resulting in a carried interest receivable of £67.3m (2022: £42.0m). If the same weighted average discount of 62% from 2022 had been applied to the notional carried interest receivable at 31 December 2023, the carried interest receivable asset would be £53.0m.

If the average discount was to increase by 10% this would reduce carried interest income by £13.2m. If the average discount was to decrease by 10% this would increase carried interest income by £13.2m.

Valuation of fund investments at fair value

Fund investments at fair value consist of investments in private equity and credit funds. The investments are fair valued using the net asset value of each fund, determined by the fund manager. These funds are invested into direct and indirect equity and debt investments.

Portfolio assets within each fund are stated at fair value as determined in good faith by the fund manager in accordance with the terms of the LPA of each fund and the International Private Equity and Venture Capital Valuation Guidelines (“IPEV”) and are reviewed and approved by the relevant Bridgepoint Valuation Committee. The valuations provided by the fund manager typically reflect the fair value of the Group’s proportionate share of the capital account balance of each investment as at the reporting date or the latest available date.

The market approach is typically used for the valuation of the assets held by the funds. This comprises valuation techniques such as market comparable companies and multiples. A market comparable approach uses quoted market prices or third-party quotes for similar instruments to determine the fair value of a financial asset. A multiples approach can be used in the valuation of less liquid securities, which typically form the majority of assets within a private equity or credit fund.

Comparable companies and multiples techniques assume that the valuation of unquoted direct investments can be assessed by comparing performance measure multiples of similar quoted assets for which observable market prices are readily available. Comparable public companies are selected based on factors such as industry, size, stage of development and strategy. The most appropriate performance measure for determining the valuation of the relevant investment is selected (which may include EBITDA, price/earnings ratios for earnings or price/book ratios for book values). Trading multiples for each comparable company identified are calculated by dividing the value of the comparable company by the defined performance measure. The relevant trading multiples might be subject to adjustment for general qualitative differences such as liquidity, growth rate or quality of customer base between the valued direct investment and the group of comparable companies. The fair value of the direct investment is determined by applying the relevant adjusted trading multiple to the identified performance measure of the valued company. Where available, valuation techniques use market-observable assumptions and inputs. If such information is not available, inputs may be derived by reference to similar assets and active markets, from recent prices for comparable transactions or from other observable market data. When measuring fair value, the fund manager selects the non-market-observable inputs to be used in its valuation techniques based on a combination of historical experience, deviation of input levels based upon similar investments with observable price levels and knowledge of current market conditions and valuation approaches.

Within its valuation techniques the fund manager typically uses different unobservable input factors. Significant unobservable inputs include EBITDA multiples (based on budget/forward-looking EBITDA or historical EBITDA of the issuer and EBITDA multiples of comparable listed companies for an equivalent period), discount rates, price/earnings ratios and enterprise value/sales multiples. The fund manager also considers the original transaction prices, recent transactions in the same or similar instruments and completed third party transactions in comparable instruments and adjusts the model as deemed necessary.

The fund manager takes into account ESG related factors such as climate change into the valuation of investments and, to the extent necessary, makes adjustments to earnings and multiples where demand or costs for a portfolio company could be impacted.

Debt instruments may be valued using the market approach, independent loan pricing sources or at amortised cost, which requires the determination of the effective interest rate from a number of inputs, including an estimation of the expected maturity of each loan.

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 in a fund, fund investments at fair value are classified as level 3 financial assets under IFRS 13 "Fair Value Measurement".

Further detail on the valuation methodologies, inputs and the number of fund investments valued using each technique, along with a sensitivity analysis of the impact of a change in the fair value of fund investments is included within note 19 (d) and (e).

Valuation of CLO assets and liabilities

The consolidated CLO assets consisting of loans are valued using independent loan pricing sources. To the extent that the significant inputs are observable, the Group categorises these investments as level 2. The valuation methodology for the Group's investment in the various notes of CLOs is based upon 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 they are therefore considered level 3 financial assets.

The consolidated CLO liabilities consisting of the notes issued to third-party investors are valued in line with the fair value of the CLOs' loan asset portfolios. The CLO designated activity vehicles which are consolidated are set up to distribute all proceeds generated from the assets of the CLO to the note holders of the CLO and thus the entity itself does not generate any residual profit. The valuations of the consolidated liabilities are therefore measured at par and are adjusted in order to match the value of the asset portfolio, with any adjustment applied to the note liabilities in order of ascending seniority.

The Group's investments in CLO notes of consolidated CLO vehicles are eliminated based on the valuation of the investments as determined by the discounted cash flow models as described above. A sensitivity analysis has been included within note 19 (e).

Measurement of intangible assets, useful lives and impairment

A customer relationship asset was recognised following the Group's acquisition of EQT Credit in October 2020, to reflect the value of current investor relationships to the Group in the future.

At the time of the acquisition, the cost of the acquired customer relationship was measured at fair value by discounting estimated contractual future cash flows over a period in which the customer was expected to remain invested within the Group's funds. Key assumptions in the model included forecast earnings for 2021 to 2025, a growth rate applied from 2025 onwards which was based upon the long-term operating plan for the business, an investor reinvestment rate from one fund to another, and a pre-tax discount rate of 10.5% which was calculated by using comparable company information.

The useful life of the intangible assets arising from this transaction has been determined as seven years, which represents the period over which the net present value of cash flows from the acquired customer relationships reduce to nil.

The customer relationship asset is assessed for impairment when there are indicators of impairment. Such indicators would include fundraising being lower than targets. No impairment has been identified.

Goodwill is assessed for impairment annually or more frequently if events or changes in circumstances indicate potential impairment loss. Goodwill arose from the acquisition of EQT Credit. It is the Group's judgement that the lowest level of cash generating unit ("CGU") used to determine impairment is the credit business segment for the purposes of monitoring and assessing goodwill for impairment. In performing the impairment test, management prepares a calculation of the recoverable amount of the goodwill, using the value-in-use approach and compares this to the carrying value. In order to validate this, a value-in-use forecast based on approved budgets has been prepared by management to compare the forecast of the Credit business segment to the carrying amount of the goodwill. Key assumptions in the forecast include forecast earnings for 2024 to 2028 (2022: 2023 to 2027), including new fundraising, and a pre-tax discount rate of 16.1% (2022: 15.0%), which was calculated by using comparable company information.

A sensitivity analysis of goodwill and the intangible asset has been included within note 14.

4 Operating segments

Operating segments are the components of the Group whose results are regularly reviewed by the Group's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance.

The Executive Directors are considered to be the chief operating decision maker of the Group, which is divided into operating segments based on how key management reviews and evaluates the operation and performance of the business.

The Group's operations are divided into two groups, the Core business, consisting of the Private Equity and Private 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 Private Credit. The operations of both business segments consist of providing investment management services to the relevant funds and their investors. The investment management services comprise 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.

Segmental income and profit before tax analysis

The Executive Directors assess the operating segments based on the line items below, primarily on operating income and underlying EBITDA. The EBITDA for each segment, together with depreciation and amortisation and net finance and other income or expenses, forms profit before tax. Depreciation, finance and other income, finance and other expenses, exceptional items and the share-based payment expenses excluded from underlying EBITDA are not allocated to operating segments and are included in the Group total.

Group

| Year ended 31 December 2023 | Private Equity £ m | Private Credit £ m | Central £ m | Total Core £ m | Total Other £ m | Total Group £ m |
|--|--------------------------|--------------------------|----------------|----------------------|-----------------------|-----------------------|
| Management and other fees | 205.0 | 56.5 | 3.8 | 265.3 | – | 265.3 |
| Carried interest | 30.0 | – | – | 30.0 | – | 30.0 |
| Fair value remeasurement of investments | 17.3 | 8.0 | – | 25.3 | – | 25.3 |
| Other operating income | 0.2 | – | – | 0.2 | 0.8 | 1.0 |
| Total operating income | 252.5 | 64.5 | 3.8 | 320.8 | 0.8 | 321.6 |
| Personnel expenses | (69.3) | (21.3) | (36.0) | (126.6) | (1.0) | (127.6) |
| Other operating expenses | (18.3) | (8.8) | (18.0) | (45.1) | (0.1) | (45.2) |
| Underlying EBITDA (excluding exceptional expenses and certain share-based payment expenses) | 164.9 | 34.4 | (50.2) | 149.1 | (0.3) | 148.8 |
| Exceptional expenses | | | | | | (47.7) |
| Certain excluded share-based payment expenses | | | | | | (4.0) |
| EBITDA | | | | | | 97.1 |
| Depreciation and amortisation | | | | | | (18.7) |
| Finance and other income and expenses | | | | | | 7.6 |
| Profit before tax | | | | | | 86.0 |

Group

| Year ended 31 December 2022 | (Restated) | | Central £ m | Total Core £ m | Total Other £ m | Total Group £ m |
|--|--------------------------|--------------------------|----------------|----------------------|-----------------------|-----------------------|
| | Private Equity £ m | Private Credit £ m | | | | |
| Management and other fees | 187.8 | 50.8 | 2.9 | 241.5 | – | 241.5 |
| Carried interest | 24.2 | – | – | 24.2 | – | 24.2 |
| Fair value remeasurement of investments | 32.1 | 8.6 | – | 40.7 | – | 40.7 |
| Other operating income | 0.2 | – | – | 0.2 | 0.8 | 1.0 |
| Total operating income | 244.3 | 59.4 | 2.9 | 306.6 | 0.8 | 307.4 |
| Personnel expenses | (67.6) | (21.2) | (35.9) | (124.7) | (1.1) | (125.8) |
| Other operating expenses | (16.2) | (8.4) | (17.6) | (42.2) | (0.2) | (42.4) |
| Underlying EBITDA* (excluding exceptional expenses) | 160.5 | 29.8 | (50.6) | 139.7 | (0.5) | 139.2 |
| Exceptional expenses | | | | | | (3.2) |
| EBITDA* | | | | | | 136.0 |
| Depreciation and amortisation | | | | | | (18.3) |
| Finance and other income and expenses* | | | | | | 9.7 |
| Profit before tax | | | | | | 127.4 |

* 2022 finance and other income and expenses, EBITDA and Underlying EBITDA have been restated to include or exclude non-operating foreign exchange gains and losses.

Geographical analysis and customer concentrations

The Group's income from funds is earned from funds entirely domiciled within Europe. The Group's operating expenses are incurred in the locations where the Group has offices in identifying and supporting portfolio companies which are unconnected to the domicile of the fund or the location of the fund investors. Therefore, the Group's operating results cannot be analysed in a meaningful way by geography.

No single fund investor constitutes more than 10% of assets under management.

Assets and liabilities analysis

The Group's Consolidated 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, carried interest receivable and other investments, which can be split between Private Equity and Private Credit (further split between investments attributable to the Group and to third party investors).

| | Group | |
|---|----------------|----------------|
| | 2023 | 2022 |
| | £ m | £ m |
| Investments: | | |
| Private Equity | 260.9 | 241.3 |
| Private Equity - other investments | 7.5 | – |
| Private Credit (assets attributable to the Group) | 121.6 | 76.9 |
| Private Credit (CLO assets attributable to third-party investors) | 1,267.7 | 696.1 |
| Total investments | 1,657.7 | 1,014.3 |
| Carried interest receivable: | | |
| Private Equity | 64.7 | 39.4 |
| Private Credit | 2.6 | 2.6 |
| Total carried interest receivable | 67.3 | 42.0 |

5 Operating income

Operating income primarily comprises management and other fees, carried interest income and investment income from the management of, and investment in, private equity and credit fund partnerships.

Management and other fees

Management and other fees are presented net of the profit or loss impact of the settlement of foreign exchange hedging used to limit the volatility of foreign exchange on fees earned in euros.

| | Group | |
|--|--------------|--------------|
| | 2023 | 2022 |
| | £ m | £ m |
| Management and other fees before settlement of foreign exchange hedges | 264.2 | 239.1 |
| Settlement of foreign exchange hedges | 1.1 | 2.4 |
| Total management and other fees | 265.3 | 241.5 |

Carried interest

The amount of carried interest recognised in operating income and the carrying value of the related asset is sensitive to the fair value of unrealised investments within each fund. The reversal risk in carried interest income, which is accounted for under IFRS 15 "Revenue from Contracts with Customers", is managed through the application of discounts of 15% to 50% to the fair value of the fund investments and the later recognition of carried interest relating to credit funds.

A sensitivity analysis of the average discount rate on the carried interest income is included in note 3 (b).

Note 19 (e) includes a sensitivity analysis for co-investment valuations and the impact on profit or loss.

Fair value remeasurement of investments

Fair value remeasurement of investments consists of net changes in the fair value of the Group's investments in private equity and credit funds.

Fair value remeasurement of investments is presented net of the profit or loss impact of the remeasurement of foreign exchange hedging used to limit the volatility of foreign exchange on investment income earned in euros.

| | Group | |
|--|-------|------|
| | 2023 | 2022 |
| | £ m | £ m |

| | | |
|---|-------------|-------|
| Fair value remeasurement of investments before remeasurement of foreign exchange hedges | 23.8 | 47.0 |
| Remeasurement of foreign exchange hedges | 1.5 | (6.3) |
| Fair value remeasurement of investments | 25.3 | 40.7 |

Fair value remeasurement of investments includes the remeasurement of the fair value of investments in CLOs which are fully consolidated by the Group. The CLO investment expense is the amount of investment income due to third-party note holders who have invested in the CLOs which are fully consolidated by the Group.

| | Group | |
|-----------------------------------|---------------|--------|
| | 2023 | 2022 |
| | £ m | £ m |
| CLO investment income | 66.7 | 14.9 |
| CLO investment expense | (58.5) | (13.0) |
| CLO investment income, net | 8.2 | 1.9 |

The table above excludes the fair value remeasurement of sale and repurchase arrangements of the Group's interests in CLOs 2 and 3. Further details are set out in note 17 (d).

6 Personnel expenses

Aggregate personnel expenses (including Directors' remuneration) in each year were as follows:

| | Group | |
|---------------------------------|--------------|-------|
| | 2023 | 2022 |
| | £ m | £ m |
| Wages and bonuses | 95.7 | 97.6 |
| Social security | 19.2 | 16.1 |
| Pensions | 1.9 | 2.0 |
| Share-based payments | 4.5 | 0.4 |
| Other employee expenses | 11.2 | 10.8 |
| Total personnel expenses | 132.5 | 126.9 |

Total personnel expenses include £0.9m (2022: £1.1m) of exceptional expenses, and accordingly are excluded from the calculation of underlying profitability measures. See note 8 for further details.

a) Share-based payments

The total charge to the Consolidated Statement of Profit or Loss for the year was £4.5m (2022: £0.4m) and this was credited to the share-based payments reserve in equity for an equity-settled award or recognised as a liability for a cash-settled award. £4.0m of the total share-based payment expenses are excluded from underlying metrics for the reasons explained in the APMs definitions.

A3 share award

In June 2021, the Company issued A3 ordinary shares of £0.01 nominal value to certain employees for consideration of £1.50 per share. The A3 shares would vest on the fifth anniversary of their issue provided that the shareholder remained an employee throughout this period. As part of the Company's share reorganisation, the A3 shares were converted into ordinary shares. The fair value of the share issued was calculated as £3.96 per share as was determined by a third-party valuation. The expenses relating to the A3 shares are included in underlying profitability measures.

| Group and Company | A3 Share Award | | A3 Share Award (£ per share) | |
|--------------------------------|-----------------|----------|------------------------------|------|
| | 2023 | 2022 | 2023 | 2022 |
| Opening | 528,975 | 602,000 | 3.96 | 3.96 |
| Vested | (56,550) | (60,200) | 3.96 | 3.96 |
| Forfeited | (32,025) | (12,825) | 3.96 | 3.96 |
| Outstanding at year end | 440,400 | 528,975 | 3.96 | 3.96 |

Long-term incentive plans

Awards under new long-term incentive plan (“LTIP”) were granted to qualifying employees on 31 March 2023. The total fair value of the awards on the grant date was estimated at £5.6m. The Group will settle the awards, vesting over the period 30 June 2023 to 31 March 2025, either in the Company’s shares or with an equivalent cash payment where local laws restrict the grant of shares in foreign corporations, with no consideration paid by the participants. As the LTIP awards vest subject to the achievement of certain service conditions, namely continued employment in the Group, they are accounted for as either equity-settled or cash-settled share-based payment transactions under the Group’s accounting policy in line with IFRS 2 “Share-based Payment”. The scheme was implemented to increase employee ownership in the Group for a targeted group of employees post-IPO. The awards are not considered an alternative to cash-based compensation, are not included in the cost-base when considering operating segment performance and will cease to be a reconciling item once the awards issued as part of the strategy are fully vested.

| Group and Company | Number of shares | | Weighted average fair value per share granted (£) | |
|---|------------------|----------|---|----------|
| | 2023 | 2022 | 2023 | 2022 |
| Rights outstanding at beginning of the period | – | – | N/A | N/A |
| Granted | 2,619,773 | – | 2.15 | – |
| Granted - dividend equivalents | 75,571 | – | 2.17 | – |
| Forfeited | (91,298) | – | 2.17 | – |
| Forfeited - dividend equivalents | (1,225) | – | 2.17 | – |
| Vested | (730,302) | – | 2.17 | – |
| Vested - dividend equivalents | (13,171) | – | 2.17 | – |
| Rights outstanding (unvested) at the end of the period | 1,859,348 | – | 2.14 | – |

Restricted Share Plan

On 31 March 2023, a Director of the Company was granted a conditional share award of 114,953 shares at a value of £2.17 per share, with total value £250,000, vesting on 31 March 2026. This was in addition to an award of the same value made on 31 March 2022. The restricted share plan is a constituent part of the total compensation for directors of the Company and so is considered an alternative to cash-based compensation. As such, the cost for the year of £0.2m is included in underlying profitability measures.

b) Other employee expenses

Other employee expenses include insurance, healthcare, training and recruitment costs.

Staff numbers

The monthly average number of persons, including Directors, employed by the Group during the year split by geography was as follows:

| | Group | |
|--------------|-------------|-------------|
| | 2023 No. | 2022 No. |
| UK | 226 | 221 |
| Other | 152 | 145 |
| Total | 378 | 366 |

The Company has five employees (2022: four).

7 Other operating expenses

Other operating expenses include expenditure on IT, travel and legal and professional fees. Other operating expenses also include fees paid to the auditors for the audit of the Group and relevant subsidiary financial statements and other fees for other services.

In 2023, exceptional expenses of £46.8m are included in the Group’s other operating expenses. Further details provided in note 8 (b).

Expenditure relating to low-value asset leases is required to be disclosed separately and is set out below.

a) Auditor's remuneration

During the year, the Company and the Group received the following services from its external auditor, Mazars LLP. The table below sets out fees earned by Mazars LLP in relation to the year ended 31 December 2023.

| | Group | |
|---|------------|------------|
| | 2023 | 2022 |
| | £ m | £ m |
| Audit fees | | |
| Fees payable to the external auditor for the audit of the Company and the consolidated financial statements | 0.5 | 0.5 |
| Fees payable to the external auditor for the audit of the accounts of the Company's consolidated subsidiaries | 0.9 | 0.9 |
| Total audit fees | 1.4 | 1.4 |
| Non-audit fees | | |
| Audit-related assurance services | 0.2 | 0.2 |
| Other non-audit services | 0.3 | – |
| Total non-audit fees | 0.5 | 0.2 |
| Total auditor's remuneration | 1.9 | 1.6 |

b) Low-value asset leases

| | Group | |
|---|-------|------|
| | 2023 | 2022 |
| | £ m | £ m |
| Expense relating to low-value asset leases | | |
| Low-value asset leases | 0.4 | 0.3 |

8 Exceptional items

Exceptional items in the year ended 31 December 2023 principally relate to costs associated with the Group's acquisition of EQT Credit and costs incurred in relation to the acquisition of Energy Capital Partners Holdings LP and affiliated entities ("ECP"). Exceptional other income relates to the remeasurement and revaluation of the EQT deferred consideration payable.

| | Group | |
|---|---------------|--------------|
| | 2023 | 2022 |
| | £ m | £ m |
| Personnel expenses | (0.9) | (1.1) |
| Other operating expenses | (46.8) | (2.1) |
| Total exceptional expenses within EBITDA | (47.7) | (3.2) |
| Finance and other expenses | – | – |
| Total exceptional expenses | (47.7) | (3.2) |

| | Group | |
|---------------------------------|------------|-------------|
| | 2023 | 2022 |
| | £ m | £ m |
| Finance and other income | 6.9 | 13.6 |
| Total exceptional income | 6.9 | 13.6 |

a) Exceptional personnel expenses

In 2023 and 2022, exceptional personnel expenses include deferred transaction related bonuses and associated social security costs from the acquisition of EQT Credit in 2020. Specific bonus payments payable to employees in relation to the EQT acquisition are exceptional as such awards were only granted once. The awards incentivise employees to align their goals with those of the business through being awarded over multiple periods, hence such expenses will continue to be recognised until 2025.

b) Exceptional other operating expenses

In 2023, exceptional other operating expenses include costs incurred in relation to the acquisition of ECP. Costs include completion fees for the sponsoring banks on the transaction, structuring and other accounting and tax advisory costs, documentation costs and costs associated with the preparation of the shareholder circular in respect of the ECP transaction and audit of the associated workstreams. Such costs would have not been incurred if no transaction had taken place and therefore have been classified as exceptional. See note 30 (a) for further details of the ECP transaction.

2022 exceptional other operating expenses relate to costs incurred in relation to other potential acquisitions.

c) Exceptional other income

Exceptional other income of £6.9m (2022: £13.6m) relates to the remeasurement and revaluation of the deferred contingent consideration payable and unwind of discount of the associated liability to EQT AB in relation to the acquisition of EQT Credit in 2020. The deferred consideration was settled on 13 September 2023 for an amount of £9.4m or €11.0m and was based on the outcome of certain fundraisings.

The deferred consideration payable was recognised upon acquisition and is considered exceptional as there are no similar contractual liabilities to EQT AB. Due to the contractual arrangement underlying the deferred consideration, there have been exceptional items related to the valuation in multiple periods.

9 Depreciation and amortisation

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

| | Group | |
|--|-------------|-------------|
| | 2023 | 2022 |
| | £ m | £ m |
| Depreciation on property, plant and equipment | 14.9 | 15.3 |
| Amortisation of intangible assets | 3.8 | 3.0 |
| Total depreciation and amortisation expense | 18.7 | 18.3 |

The charge of £3.8m includes £3.0m amortisation of customer relationship intangible assets acquired from the acquisition of EQT Credit and £0.8m amortisation of computer software (2022: £3.0m only includes amortisation of customer relationship).

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

10 Net finance and other income or expenses

| | Group | |
|---|--------------|--------------|
| | 2023 | 2022 |
| | £ m | £ m |
| Interest income on term deposits | 9.0 | 2.3 |
| Finance income on subleases | 0.7 | 0.6 |
| Net foreign exchange gains | – | 1.1 |
| Finance income on amounts receivable from related party investors | 0.1 | – |
| Other income | 6.9 | 13.6 |
| Total finance and other income | 16.7 | 17.6 |
| Interest expense on bank overdrafts and borrowings | (1.8) | (1.3) |
| Interest expense on lease liabilities | (3.5) | (3.4) |
| Net foreign exchange losses | (2.4) | – |
| Finance expense on amounts payable to related party investors | (0.4) | (2.3) |
| Other expenses | (1.0) | (0.9) |
| Total finance and other expenses | (9.1) | (7.9) |
| Net finance and other income, including exceptional items | 7.6 | 9.7 |

a) Other income

Other income in 2023 primarily relates to the remeasurement and revaluation of the deferred contingent consideration payable and associated unwind of discount to EQT AB of £6.9m (2022: £13.6m). Further detail is included in note 8 (c).

This income is considered exceptional income, and accordingly is excluded from the calculation of underlying profitability measures.

b) Other expenses

In 2023, other expenses of £1.0m include borrowing facility fees for a new revolving credit facility which are being amortised over the three-year term and fees for an additional borrowing facility in connection with the ECP transaction which are being amortised for a year. It also includes the accelerated amortisation of a previously capitalised borrowing facility fee, which related to a pre-existing facility, and was terminated on the commencement of the new facility. Further detail is included in note 17 (c).

Other expenses of £0.9m in 2022 relate to the amortisation of a previously capitalised borrowing facility fee.

c) Finance income and expenses on amounts payable to related party investors

Finance income and expenses represent amounts due to or from related party investors in Opal Investments LP, BE VI (French) Co-Invest LP, Maple Tree VII LP and BDC IV (French) Co-Investment LP (2022: Opal Investments LP and BE VI (French) Co-Invest LP) under the relevant limited partnership agreement.

11 Tax expense

(a) Tax expense

Tax charged in the Consolidated Statement of Profit or Loss:

| | Group | |
|-----------------------------------|-------------|------------|
| | 2023 | 2022 |
| | £ m | £ m |
| Current taxation | | |
| Current tax – current year | 3.2 | 3.4 |
| Current tax – prior year | (0.2) | 0.4 |
| Total current tax expense | 3.0 | 3.8 |
| Deferred tax | | |
| Deferred tax – current year | 14.9 | 4.7 |
| Deferred tax – prior year | (2.6) | (1.7) |
| Total deferred tax expense | 12.3 | 3.0 |
| Total tax expense for the year | 15.3 | 6.8 |

(b) Reconciliation of tax expense

The effective tax rate for the year ended 31 December 2023 is 17.8% (2022: 5.4%). The tax on profit before tax is different to the standard rate of corporation tax in the UK of 23.5% (2022: 19.0%) primarily due to timing differences on taxation of management fee income and tax losses carried forward in the UK due to certain forms of income that are not subject to UK corporation tax.

| | Group | |
|--|--------|--------|
| | 2023 | 2022 |
| | £ m | £ m |
| Profit before tax | 86.0 | 127.4 |
| Tax on profit before taxation at the standard rate of corporation tax in the UK of 23.5% (2022: 19.0%) | 20.2 | 24.2 |
| Non-taxable and non-deductible items | 11.4 | (23.7) |
| Deferred tax adjustments regarding management fee income and investments | (16.2) | 2.5 |
| Effect of foreign tax rates | (1.1) | 0.2 |
| Deferred tax not recognised | 3.8 | 5.0 |
| Prior year adjustment | (2.8) | (1.4) |

| | | |
|---------------------------------------|-------------|-----|
| Total tax expense for the year | 15.3 | 6.8 |
|---------------------------------------|-------------|-----|

(c) Tax on amounts recognised directly in other comprehensive income

Tax on amounts recognised in other comprehensive income relate to deferred tax timing differences on foreign exchange forward contracts used for hedging purposes.

| | Group | |
|---|--------------|------|
| | 2023 | 2022 |
| | £m | £m |
| Tax on amounts recognised in other comprehensive income | (2.2) | 3.3 |

(d) Tax losses not recognised

The Group has carried forward losses of £487.5m (2022: £498.8m) as at 31 December 2023 which have not been recognised due to the uncertainty of future taxable profits against which the asset can be utilised.

The Group has an asset of £50.0m (2022: £33.4m) and the Company an asset of £nil (2022: £0.4m) that have been recognised where there is an expectation that the tax losses can be utilised against future profits. See note 22 for further detail on deferred tax assets recognised.

12 Earnings per share

| | Group | |
|--|--------------|-------|
| | 2023 | 2022 |
| Profit attributable to equity holders of the Company (£ m) | 70.7 | 120.6 |
| Weighted average number of ordinary shares for purposes of basic and diluted EPS (m) | 808.5 | 823.3 |
| Basic and diluted earnings per share (£) | 0.09 | 0.15 |

The adjusted earnings per share on underlying profit after tax of £118.5m (2022: £113.2m) based on the number of shares in issue at 31 December 2023 is £0.15 (2022: £0.14 on underlying profit after tax of £113.2m based on the number of shares in issue at 31 December 2022).

The underlying profit after tax is calculated by excluding exceptional items and the amortisation of intangible assets from within profit after tax. The number of ordinary shares included in the calculation of earnings per share excludes shares held by the Group itself and those subject to the ongoing share buyback programme. Further detail is included in note 23.

13 Property, plant and equipment

| | Group | | | |
|---|---------------------|------------------------|--------------------------------|---------------|
| | Right-of-use assets | Leasehold improvements | Computers, furniture and other | Total |
| | £ m | £ m | £ m | £ m |
| Cost | | | | |
| Balance at 1 January 2023 | 73.1 | 29.8 | 10.5 | 113.4 |
| Foreign exchange | – | (0.2) | (0.1) | (0.3) |
| Additions | 5.0 | 0.9 | 2.3 | 8.2 |
| Disposals | (6.2) | (0.3) | (0.7) | (7.2) |
| Balance at 31 December 2023 | 71.9 | 30.2 | 12.0 | 114.1 |
| Accumulated depreciation | | | | |
| Balance at 1 January 2023 | (17.6) | (4.2) | (6.1) | (27.9) |
| Foreign exchange | – | 0.1 | 0.1 | 0.2 |
| Depreciation | (9.6) | (3.4) | (1.9) | (14.9) |
| Disposals | 1.2 | 0.3 | 0.7 | 2.2 |
| Balance at 31 December 2023 | (26.0) | (7.2) | (7.2) | (40.4) |
| Carrying value at 31 December 2023 | 45.9 | 23.0 | 4.8 | 73.7 |

| | Group | | | Total £ m |
|---|--------------------------------|----------------------------------|---|---------------|
| | Right-of- use assets £ m | Leasehold improvements £ m | Computers, furniture and other £ m | |
| Cost | | | | |
| Balance at 1 January 2022 | 77.4 | 15.2 | 10.8 | 103.4 |
| Foreign exchange | – | 0.4 | 0.1 | 0.5 |
| Additions | 3.4 | 18.9 | 3.4 | 25.7 |
| Disposals | (7.7) | (4.7) | (3.8) | (16.2) |
| Balance at 31 December 2022 | 73.1 | 29.8 | 10.5 | 113.4 |
| Accumulated depreciation | | | | |
| Balance at 1 January 2022 | (14.2) | (5.6) | (7.8) | (27.6) |
| Foreign exchange | – | (0.1) | (0.1) | (0.2) |
| Depreciation | (10.6) | (2.7) | (2.0) | (15.3) |
| Disposals | 7.2 | 4.2 | 3.8 | 15.2 |
| Balance at 31 December 2022 | (17.6) | (4.2) | (6.1) | (27.9) |
| Carrying value at 31 December 2022 | 55.5 | 25.6 | 4.4 | 85.5 |

The Company has no plant, property or equipment at 31 December 2023 (2022: nil).

14 Goodwill and intangible assets

| | Group | | Total £ m |
|--|-----------------|--|--------------|
| | Goodwill £ m | Customer relationship asset £ m | |
| Cost | | | |
| Balance at 1 January 2023 | 105.1 | 21.2 | 126.3 |
| Balance at 31 December 2023 | 105.1 | 21.2 | 126.3 |
| Accumulated amortisation and impairment | | | |
| Balance at 1 January 2023 | – | (6.7) | (6.7) |
| Amortisation | – | (3.0) | (3.0) |
| Balance at 31 December 2023 | – | (9.7) | (9.7) |
| Carrying value | | | |
| Balance at 1 January 2023 | 105.1 | 14.5 | 119.6 |
| Balance at 31 December 2023 | 105.1 | 11.5 | 116.6 |

| | Group | | Total £ m |
|--|-----------------|--|--------------|
| | Goodwill £ m | Customer relationship asset £ m | |
| Cost | | | |
| Balance at 1 January 2022 | 105.1 | 21.2 | 126.3 |
| Balance at 31 December 2022 | 105.1 | 21.2 | 126.3 |
| Accumulated amortisation and impairment | | | |
| Balance at 1 January 2022 | – | (3.7) | (3.7) |

| | | | |
|------------------------------------|-------|-------|-------|
| Amortisation | – | (3.0) | (3.0) |
| Balance at 31 December 2022 | – | (6.7) | (6.7) |
| Carrying value | | | |
| Balance at 1 January 2022 | 105.1 | 17.5 | 122.6 |
| Balance at 31 December 2022 | 105.1 | 14.5 | 119.6 |

(a) Impairment of goodwill

The goodwill arose following the acquisition of EQT Credit in 2020. All goodwill is attributable to the Credit operating segment.

Goodwill is required to be assessed for impairment annually or more frequently if events or changes in circumstances indicate potential impairment loss. In performing the impairment test, management prepares a calculation of the recoverable amount of goodwill using the value-in-use approach and compares this to the carrying value. The value-in-use is determined by discounting the expected future cash flows generated from the continuing use of the Credit operating segment and is based on the following key assumptions:

- The cash flows are projected based on the actual operating results and a five-year estimate from 2024 to 2028. Cash flows for the time thereafter are taken into account by calculating a terminal value based on the discount factor applied by the Group.
- Operating profits are based on management approved income, future fundraising, deployment of capital and costs of the business, taking into account growth plans for the Credit business as well as past experience.
 - A pre-tax discount rate of 16.1% (2022: 15.0%), which is based on the Group's weighted average cost of capital, is applied in determining the recoverable amount.
 - A long-term growth rate of 1.4% (2022: 4.1%), which is based on an assessment of the private debt industry rates of growth, and management's experience, is applied to the terminal value.

As at 31 December 2023 significant headroom is noted, and therefore no impairment is identified (2022: nil). The Credit business would need to fall short of its projected profit margins by over 23.5% (2022: 58.5%) over the period 2024 to 2028 (2022: 2023 to 2027) for the goodwill to be impaired.

(b) Impairment of intangible assets

Intangible assets that have a finite useful life are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recovered. Intangible assets are also reviewed annually for indicators of impairment at each balance sheet date.

The customer relationship that is included as an intangible asset arose as part of the acquisition of EQT Credit. In assessing indication of impairment, management uses indicators such as Credit business profit margins, size of funds, level of reinvestment and attrition in new funds and the discount rate applied to the projections.

No indicators of impairment were identified in 2023.

The Company has no goodwill or intangibles assets.

15 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 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.

| | Group | |
|---|--------------|------|
| | 2023 | 2022 |
| | £ m | £ m |
| Opening balance | 42.0 | 38.9 |
| Income recognised in the year | 29.8 | 23.1 |
| Foreign exchange movements recognised as profit or loss | (0.4) | 1.1 |

| | | |
|---|-------------|-------------|
| Foreign exchange movements recognised as other comprehensive income | (0.1) | 0.1 |
| Receipts of carried interest | (4.0) | (21.2) |
| Closing balance | 67.3 | 42.0 |

The Company has no carried interest receivable.

16 Financial assets

(a) Classification of financial assets

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

| | Group | | | | |
|----------------------------------|--|----------------------------|---|--|----------------|
| | 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 31 December 2023 | | | | | |
| Fair value of fund investments | 301.4 | – | – | – | 301.4 |
| Consolidated CLO assets | 1,313.0 | – | 35.8 | – | 1,348.8 |
| Trade and other receivables | – | – | 124.4 | 17.0 | 141.4 |
| Derivative financial instruments | – | 6.2 | – | – | 6.2 |
| Other investment | – | – | 7.5 | – | 7.5 |
| Cash and cash equivalents | – | – | 238.8 | – | 238.8 |
| Consolidated CLO cash | – | – | 76.0 | – | 76.0 |
| Total | 1,614.4 | 6.2 | 482.5 | 17.0 | 2,120.1 |

| | Group | | | | |
|--|--|----------------------------|---|--|----------------|
| | 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 31 December 2022 | | | | | |
| Fair value of fund investments | 273.0 | – | – | – | 273.0 |
| Consolidated CLO assets | 726.3 | – | 15.0 | – | 741.3 |
| Trade and other receivables | – | – | 181.6 | 23.2 | 204.8 |
| Derivative financial instruments | – | 1.0 | – | – | 1.0 |
| Cash and cash equivalents | – | – | 196.0 | – | 196.0 |
| Term deposits with original maturities of more than three months | – | – | 100.0 | – | 100.0 |
| Consolidated CLO cash | – | – | 24.6 | – | 24.6 |
| Total | 999.3 | 1.0 | 517.2 | 23.2 | 1,540.7 |

| | Company | | | | |
|----------------------------------|--|----------------------------|---|--|--------------|
| | 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 31 December 2023 | | | | | |
| Trade and other receivables | – | – | 8.0 | 0.4 | 8.4 |
| Cash and cash equivalents | – | – | 139.7 | – | 139.7 |
| Derivative financial instruments | – | 3.9 | – | – | 3.9 |
| Total | – | 3.9 | 147.7 | 0.4 | 152.0 |

| | Company | | | | Total £ m |
|--|--|-------------------------------|--|---|--------------|
| | Fair value through profit or loss £ m | Hedging derivatives £ m | Financial assets at amortised cost £ m | Assets which are not financial assets £ m | |
| As at 31 December 2022 | | | | | |
| Trade and other receivables | – | – | 20.3 | – | 20.3 |
| Cash and cash equivalents | – | – | 114.0 | – | 114.0 |
| Term deposits with original maturities of more than three months | – | – | 50.0 | – | 50.0 |
| Total | – | – | 184.3 | – | 184.3 |

(b) Fair value of fund investments

The investments primarily consist of loans or commitments made in relation to Bridgepoint Europe VII, VI and V, Bridgepoint Europe Portfolio IV, Bridgepoint Development Capital IV and III, and the Bridgepoint Credit Opportunities IV fund.

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.

| | Group | |
|---|---------------|-------------|
| | 2023 £ m | 2022 £ m |
| Opening balance | 273.0 | 313.7 |
| Additions | 36.3 | 38.5 |
| Change in fair value | 18.5 | 32.9 |
| Foreign exchange movements recognised in profit or loss | (1.3) | 5.8 |
| Foreign exchange movements recognised in other comprehensive income | (5.1) | 8.2 |
| Disposals | (20.0) | (126.1) |
| Closing balance | 301.4 | 273.0 |

The Company has no investment in funds at 31 December 2023 (2022: nil).

(c) Other investments

Other investments include, but are not limited to, loans made to fund portfolio companies. Other investments (with the exception of certain other investments designated as fair value through profit or loss) that are held to collect contractual cash flows and which contain contractual terms that give rise on specified dates to cash flows that are solely payments of principal and interest are measured at amortised cost.

The Company has no other investments at 31 December 2023 (2022: nil).

(d) CLO assets

The balance shown includes the gross value of the assets held by CLO 1, CLO 3, CLO 4, CLO 5 and CLO 6 (2022: CLO 1, CLO 3 and CLO 4), which are consolidated by the Group, but of which the Group only holds the right and liabilities in relation to a small portion. The CLO assets are primarily 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.

| | Group | |
|---|------------------|-------------|
| | 2023 £ m | 2022 £ m |
| Consolidated CLO assets held by the Group | 1,424.8 | 765.9 |
| Consolidated CLO assets attributable to third-party investors | (1,343.7) | (720.7) |
| Group's exposure to consolidated CLO assets | 81.1 | 45.2 |

The Company has no investments in CLO assets at 31 December 2023 (2022: nil).

(e) Derivative financial assets

| | Group | |
|--|-------------|-------------|
| | 2023 £ m | 2022 £ m |
| Derivative financial assets | | |
| Forward contracts | 2.3 | 1.0 |
| Foreign currency options | 3.9 | – |
| Total derivative financial assets | 6.2 | 1.0 |

The derivative financial instruments relate to forward contracts and foreign exchange options that are used to hedge foreign exchange risk. Further detail on the hedging programme is set out in note 20 (b).

The Company has foreign exchange options of £3.9m at 31 December 2023 (2022: nil).

(f) Trade and other receivables

| | Group | | Company | |
|--|--------------|--------------|-------------|-------------|
| | 2023 £ m | 2022 £ m | 2023 £ m | 2022 £ m |
| Non-current | | | | |
| Prepayments | 1.7 | 1.6 | – | – |
| Trade and other receivables | 21.5 | 18.3 | – | – |
| | 23.2 | 19.9 | – | – |
| Current | | | | |
| Trade receivables | 17.5 | 12.2 | 4.7 | – |
| Accrued income | 20.6 | 19.0 | – | – |
| Prepayments | 11.4 | 6.2 | – | – |
| Deferred investment receipts | – | 52.8 | – | – |
| Other receivables | 68.7 | 94.7 | 3.7 | 20.3 |
| | 118.2 | 184.9 | 8.4 | 20.3 |
| Total trade and other receivables | 141.4 | 204.8 | 8.4 | 20.3 |

There are no material differences between the above amounts for trade and other receivables and their fair value as these do not contain any significant financing components.

i) Other receivables

Other receivables primarily relate to amounts to be invoiced to funds managed by the Group and their portfolio companies in relation to costs incurred on their behalf. Such costs include deal and fundraising expenditure. Amounts receivable from the funds at year end were £41.2m (2022: £49.7m). Amounts receivable from portfolio companies of the funds at the end of the year were £3.8m (2022: £2.7m).

ii) Cost of acquisition

Trade and other receivables also include the deferred cost of acquisition and consist of expenditure in excess of the cap within the LPA and fees paid to placement agents. Such costs are capitalised as a non-current asset and amortised between three and five years. The movement in the capitalised costs of acquisition is set out in the following table.

| | Group | |
|------------------------|-------------|-------------|
| | 2023 £ m | 2022 £ m |
| Opening balance | 2.8 | 0.1 |
| Additions | 4.0 | 3.6 |
| Amortisation | (1.9) | (0.9) |
| Closing balance | 4.9 | 2.8 |

iii) Lease receivables

Non-current and current trade and other receivables include lease receivables on sublet office premises. Two of the subleases run until the end of the related head lease and expire on 31 December 2027. The third sublease runs for 10 years and expires on 16 August 2031. The undiscounted cash flows for these lease receivables during the year ended 31 December 2023 were £2.5m (2022: £1.4m). The finance income earned on the subleases during the year ended 31 December 2023 was £0.7m (2022: £0.6m).

The following table sets out the maturity analysis of lease receivables, showing undiscounted lease payments to be received after the reporting date.

| | Group | |
|--|-------------|-------------|
| | 2023 £ m | 2022 £ m |
| Lease receivables | | |
| Due within 1 year | 3.1 | 2.5 |
| Due between 1 and 2 years | 3.6 | 2.5 |
| Due between 2 and 3 years | 3.6 | 2.5 |
| Due between 3 and 4 years | 3.6 | 2.5 |
| Due between 4 and 5 years | 2.0 | 2.5 |
| Due after more than 5 years | 6.0 | 5.2 |
| Total undiscounted lease payments receivables | 21.9 | 17.7 |
| Unearned finance income | (3.4) | (2.3) |
| Net investment in leases | 18.5 | 15.4 |
| Current | 2.2 | 2.0 |
| Non-current | 16.3 | 13.4 |
| | 18.5 | 15.4 |

The Company has no lease receivables at 31 December 2023 (2022: nil).

(g) Cash and term deposits

| | Group | | Company | |
|--|--------------|-------------|--------------|-------------|
| | 2023 £ m | 2022 £ m | 2023 £ m | 2022 £ m |
| Cash at bank and in hand | 67.0 | 78.3 | 4.7 | 1.4 |
| Money market funds | 170.9 | 17.7 | 135.0 | 12.6 |
| Term deposits with original maturities of less than three months | 0.9 | 100.0 | – | 100.0 |
| Total cash and cash equivalents | 238.8 | 196.0 | 139.7 | 114.0 |
| Term deposits with original maturities of more than three months | – | 100.0 | – | 50.0 |
| Consolidated CLO cash | 76.0 | 24.6 | – | – |
| Total cash and term deposits | 314.8 | 320.6 | 139.7 | 164.0 |

Consolidated CLO cash is cash held by CLO vehicles consolidated by the Group and is not available for the Group's operating activities.

There are no material differences between the carrying amounts and fair values of cash and cash equivalents, term deposits with original maturities of more than three months and consolidated CLO cash.

17 Financial liabilities

(a) Classification of financial liabilities

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

| As at 31 December 2023 | Group |
|------------------------|-------|
|------------------------|-------|

| | 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 |
|--|--|----------------------------|--|--|----------------|
| Trade and other payables | – | – | 47.6 | 98.0 | 145.6 |
| Other financial liabilities | 50.1 | – | – | – | 50.1 |
| Lease liabilities | – | – | 81.6 | – | 81.6 |
| Derivative financial instruments | – | 1.6 | – | – | 1.6 |
| Consolidated CLO liabilities | 1,152.0 | – | 14.9 | – | 1,166.9 |
| Consolidated CLO purchases awaiting settlement | – | – | 176.8 | – | 176.8 |
| Total | 1,202.1 | 1.6 | 320.9 | 98.0 | 1,622.6 |

| | Group | | | | |
|--|--|----------------------------|--|--|--------------|
| | 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 31 December 2022 | | | | | |
| Trade and other payables | 16.7 | – | 51.8 | 60.6 | 129.1 |
| Other financial liabilities | 49.5 | – | – | – | 49.5 |
| Lease liabilities | – | – | 83.2 | – | 83.2 |
| Derivative financial instruments | – | 13.2 | – | – | 13.2 |
| Consolidated CLO liabilities | 597.5 | – | 2.6 | – | 600.1 |
| Consolidated CLO purchases awaiting settlement | – | – | 120.6 | – | 120.6 |
| Total | 663.7 | 13.2 | 258.2 | 60.6 | 995.7 |

| | Company | | | | |
|------------------------------------|--|----------------------------|--|--|--------------|
| | 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 31 December 2023 | | | | | |
| Trade and other payables | – | – | 112.2 | 19.5 | 131.7 |
| Total financial liabilities | – | – | 112.2 | 19.5 | 131.7 |

| | Company | | | | |
|------------------------------------|--|----------------------------|--|--|--------------|
| | 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 31 December 2022 | | | | | |
| Trade and other payables | – | – | 1.1 | – | 1.1 |
| Total financial liabilities | – | – | 1.1 | – | 1.1 |

(b) Trade and other payables

| | Group | | Company | |
|---|-------------|-------------|-------------|-------------|
| | 2023 £ m | 2022 £ m | 2023 £ m | 2022 £ m |
| Amounts due in more than one year: | | | | |
| Management incentive scheme | 12.6 | 12.9 | – | – |
| Accrued expenses | 0.5 | 0.7 | – | – |
| | 13.1 | 13.6 | – | – |

| Amounts due within one year: | | | | |
|---|--------------|--------------|--------------|------------|
| Trade payables | 9.1 | 1.3 | – | – |
| Deferred contingent consideration payable | – | 16.7 | – | – |
| Accrued expenses | 110.9 | 77.7 | 25.5 | 1.1 |
| Amounts due to related parties | – | 1.3 | 106.0 | – |
| Social security and other taxes | 2.9 | 2.8 | – | – |
| Other payables | 9.6 | 15.7 | 0.2 | – |
| | 132.5 | 115.5 | 131.7 | 1.1 |
| Total trade and other payables | 145.6 | 129.1 | 131.7 | 1.1 |

There are no material differences between the above amounts for trade and other payables and their fair value as these do not contain any significant financing components.

i) Deferred contingent consideration

The deferred contingent consideration was payable to EQT AB and relates to the outcome of certain fundraisings that were completed during 2023. On 13 September 2023, the Group remeasured the final liability at that point, which equated to a release of £6.9m, through the Consolidated Statement of Profit or Loss and made a final payment of £9.4m to EQT AB. Further details of the corresponding income relating to the re-measurement are included in note 8 (c).

ii) Management incentive scheme

In April 2021, a subsidiary company, Bridgepoint Credit Holdings Limited, issued shares to certain employees of the Group as part of a management incentive scheme. The shares are subject to a put and call option, whereby the participating employees have the option to sell and the Group has the option to buy back the shares in the future based upon a pre-determined formula which considers the amount of funds raised and the resulting management fees over a five-year period. The scheme has been accounted for as an other long-term employment benefit under IAS 19 “Employment Benefits” as it is not linked to the value of the equity of Bridgepoint Credit Holdings Limited or equity instruments of other Group members, but is based on the revenue generated by major funds managed by the Group.

As at 31 December 2023, the expense and corresponding liability has been based upon funds raised and expected management fees which exceed the targets at that date.

iii) Accrued expenses and deferred income

Accrued expenses and deferred income include amounts that have been incurred, but not yet invoiced, employee bonuses and amounts that have been received in relation to fund management activity for services that have not been provided, but are owed to the Bridgepoint funds.

The accrued expenses at 31 December 2023 mainly relate to the transaction costs related to the acquisition of ECP.

iv) Other payables

Other payables include tax and other provisions.

(c) Borrowings

On 1 June 2023, the Company entered into a new borrowing facility agreement for £200m for a period of three years. On 29 December 2023, the Company exercised an option to increase the facility by a further £50m to a total of £250m. At 31 December 2023, there were no drawn amounts on this facility (2022: nil).

On 22 September 2023, in connection with the ECP transaction, the Company entered into an additional borrowing facility agreement for £75m for one year, with the opportunity to extend by two further six-month periods. On 21 February 2024, the facility was expanded by a further £50m to a total of £125m. At 31 December 2023, there were no drawn amounts on the facility (2022: nil).

The Company has no drawn borrowings at 31 December 2023 (2022: nil).

(d) Other financial liabilities

| | Group | |
|--|-------|------|
| | 2023 | 2022 |
| | £ m | £ m |
| | | |

| Liabilities held at fair value through profit and loss: | | |
|---|-------------|------|
| CLO repurchase agreements | 28.5 | 28.1 |
| Amount payable to related party investors in Opal Investments LP | 8.4 | 10.0 |
| Amount payable to related party investors in intermediate fund holding entities | 13.2 | 11.4 |
| Total | 50.1 | 49.5 |

i) CLO repurchase agreements

The Group has entered into an arrangement to sell and repurchase interests in CLOs 2 and 3. For CLO 2, the repurchase liability is £12.6m (€14.6m) and will be repaid at face value as at the scheduled repurchase date of 15 April 2035, unless an earlier date is agreed as per the agreement. For CLO 3, the repurchase liability is £15.9m (€18.3m) and will be repaid at face value as at the scheduled repurchase date of 15 January 2036, unless an earlier date is agreed as per the agreement. The interest payable over the life of the repurchase is equal to any distributions received by the relevant notes to which the repurchase agreement relates.

ii) Amounts payable to related party investors in Opal Investments LP

The Group has an investment in Opal Investments LP, which is an investor in the Bridgepoint Europe V fund partnerships. Under the relevant limited partnership agreement, related party investors have the right to receive 15% of the residual profits, which are classified as a financial liability payable to related party investors. Due to the nature of this agreement, being a contractually agreed profit share to related party investors, the Group recognises their interest as a financial liability which is fair valued through profit and loss at each reporting date.

iii) Amount payable to related party investors in intermediate fund holding entities

The Group consolidates a number of limited partnerships through which some of the Group's investment in funds is held. The Group's interest only constitutes a portion of the total and therefore other financial liabilities include the fair value of the amounts due to external parties, who are related party investors, under the limited partnership agreement. Due to the nature of this agreement, being a contractually agreed profit share to related party investors, the Group recognises their interest as a financial liability which is fair valued through profit and loss at each reporting date.

The Company has no other financial liabilities at 31 December 2023 (2022: nil).

(e) Consolidated CLO liabilities

| | Group | |
|---|----------------|-------|
| | 2023 | 2022 |
| | £ m | £ m |
| Liabilities of CLOs consolidated by the Group (non-current) | 1,152.0 | 597.5 |
| Liabilities of CLOs consolidated by the Group (current) | 14.9 | 2.6 |
| Total | 1,166.9 | 600.1 |

Non-current CLO liabilities are designated as financial liabilities at fair value through profit and loss.

Consolidated CLO liabilities represent notes issued by CLOs which are consolidated by and have been originated by the Group.

(f) Consolidated CLO purchases awaiting settlement

| | Group | |
|--|--------------|-------|
| | 2023 | 2022 |
| | £ m | £ m |
| Consolidated CLO purchases awaiting settlement | 176.8 | 120.6 |

Amounts payable for purchases of CLO assets awaiting settlement are recognised at the point at which the CLO has a contractual obligation to exchange cash.

(g) Derivative financial liabilities

| | Group | |
|--|-------------|------|
| | 2023 | 2022 |
| | £ m | £ m |
| Derivative financial liabilities: | | |
| Forward contracts | 1.6 | 13.2 |

The derivative financial instruments relate to forward contracts that are used to hedge foreign exchange risk. Further detail on the Group's hedging programme is set out in note 20 (b).

(h) Commitments

The Group's undrawn capital commitments to the Bridgepoint funds at period end are shown in the table below. Capital commitments are called over time, typically between one to five years following the entry into the commitment. Capital commitments are not a financial liability, and the Group does not have an obligation to pay cash until the capital is called. Commitments may increase where distributions made by the fund are callable.

| | Group | |
|--------------------------|--------------|--------------|
| | 2023 £ m | 2022 £ m |
| Private equity funds | 257.0 | 255.3 |
| Credit funds | 30.3 | 34.4 |
| Total commitments | 287.3 | 289.7 |

18 Lease liabilities

| | Group | |
|--------------------------|-------------|-------------|
| | 2023 £ m | 2022 £ m |
| Lease liabilities | | |
| Current | 11.9 | 6.1 |
| Non-current | 69.7 | 77.1 |
| Total | 81.6 | 83.2 |

The lease liabilities relate to rental payments in respect of the Group's rented offices. The lease contracts range from 5 to 10 years.

The lease contracts include either inflationary increases to the rent payable or periodic review of the rent payable. The liability has been determined at each period end, based upon expected changes in the contractual rent payable, as well as any planned exercise of any break or early exit.

The lease liability is sensitive to assumptions relating to the selection and application of the IBR and those relating to the exercise or non-exercise of lease break clauses.

The determination of the lease term for each lease involves the Group assessing any extension and termination options, the enforceability of such options, and judging whether it is reasonably certain that they will be exercised. A number of leases contain such clauses. The Group periodically reassesses the lease term and this assessment is based on all relevant facts and circumstances. Should a change occur, the Group modifies the lease liability and associated right of use asset to reflect the remaining expected cash flows.

For each lease, a conclusion was reached on the overall likelihood of the option being exercised. The potential future cash outflows relating to extension options not included in the measurement of lease liabilities are approximately £3.3m (2022: £1.6m).

The IBR has been determined by combining the relevant reference risk free rate for each currency, consideration of adjustments for country specific risks and applying a financing spread observable to comparable companies. In order to validate the reasonableness of the IBR, it has been compared to the margin payable on the Group's revolving credit facility, and was found to be comparable. If the IBR had been 1% higher or lower, the impact on the lease liability would be:

| | Group | |
|----------------|-------------|-------------|
| | 2023 £ m | 2022 £ m |
| Increase of 1% | (2.5) | (3.0) |
| Decrease of 1% | 2.6 | 3.2 |

The lease payments are allocated between principal and finance expense. The finance expense is charged to the profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability.

The Consolidated Statement of Profit or Loss includes the following amounts relating to the lease liabilities:

| | Group | |
|-----------------------------|-------|------|
| | 2023 | 2022 |
| | £ m | £ m |
| Interest on lease liability | 3.5 | 3.4 |

The Company has no lease liabilities (2022: nil).

19 Fair value measurement

(a) Fair value hierarchy

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:

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

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

| Group | 2023 | | | | 2022 | | | |
|---|---------|---------|---------|---------|---------|---------|---------|---------|
| | Level 1 | Level 2 | Level 3 | Total | Level 1 | Level 2 | Level 3 | Total |
| Financial assets | | | | | | | | |
| Fair value of fund investments | – | – | 301.4 | 301.4 | – | – | 273.0 | 273.0 |
| Consolidated CLO assets | – | 1,313.0 | – | 1,313.0 | – | 726.3 | – | 726.3 |
| Derivative financial assets | – | 6.2 | – | 6.2 | – | 1.0 | – | 1.0 |
| Total | – | 1,319.2 | 301.4 | 1,620.6 | – | 727.3 | 273.0 | 1,000.3 |
| Financial Liabilities | | | | | | | | |
| Deferred contingent consideration payable | – | – | – | – | – | – | 16.7 | 16.7 |
| Other financial liabilities | – | – | 50.1 | 50.1 | – | – | 49.5 | 49.5 |
| Consolidated CLO liabilities | – | – | 1,152.0 | 1,152.0 | – | – | 597.5 | 597.5 |
| Derivative financial liabilities | – | 1.6 | – | 1.6 | – | 13.2 | – | 13.2 |
| Total | – | 1.6 | 1,202.1 | 1,203.7 | – | 13.2 | 663.7 | 676.9 |

There have not been any transfers between levels in the fair value hierarchy during the year.

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

| | 2023 | 2022 |
|--|------|------|
|--|------|------|

| Company | Level 1 | Level 2 | Level 3 | Total | Level 1 | Level 2 | Level 3 | Total |
|----------------------------------|---------|---------|---------|-------|---------|---------|---------|-------|
| Financial assets | | | | | | | | |
| Derivative financial assets | – | 3.9 | – | 3.9 | – | – | – | – |
| Total | – | 3.9 | – | 3.9 | – | – | – | – |
| Financial Liabilities | | | | | | | | |
| Derivative financial liabilities | – | – | – | – | – | – | – | – |
| Total | – | – | – | – | – | – | – | – |

(b) Reconciliation of level 3 fair value measurements of financial assets

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:

| Group | Group | |
|---|--------------|--------------|
| | 2023 £m | 2022 £m |
| Level 3 financial assets at fair value through profit or loss: | | |
| Opening balance | 273.0 | 313.7 |
| Additions | 36.3 | 38.5 |
| Change in fair value | 18.5 | 32.9 |
| Foreign exchange movements recognised as profit or loss | (1.3) | 5.8 |
| Foreign exchange movements recognised as other comprehensive income | (5.1) | 8.2 |
| Disposals | (20.0) | (126.1) |
| Transfer (to)/from level 1 or 2 | – | – |
| Closing balance | 301.4 | 273.0 |

The underlying assets in each fund consist of portfolios of controlling or minority stakes, typically in private companies, and investments in 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 19 (e).

(c) Reconciliation of level 3 fair value measurements of financial liabilities

The valuation methodology for valuing the consolidated CLO liabilities is 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.

Financial liabilities classified as level 3 under the fair value hierarchy consist of the deferred contingent consideration, consolidated CLO liabilities and other financial liabilities. The valuation of these liabilities is based on unobservable market data and therefore classified as level 3.

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

| | Group | |
|--|-------------|-------------|
| | 2023 £ m | 2022 £ m |
| Movement in CLO liabilities at fair value through profit or loss which are level 3: | | |
| Opening balance | 597.5 | 29.7 |
| On acquisition | – | 287.9 |
| Repayment | (52.6) | – |

| | | |
|----------------------------------|----------------|--------------|
| Drawn | 582.5 | 52.8 |
| Foreign exchange movements | (14.0) | 24.2 |
| Change in fair value | 38.6 | (9.0) |
| Transfers (to)/from level 1 or 2 | – | 211.9 |
| Closing balance | 1,152.0 | 597.5 |

The Company does not hold any liabilities at fair value at 31 December 2023 (2022: nil).

| | 2023 | 2022 |
|---|-------------|-------------|
| Movement in other financial liabilities at fair value through profit or loss which are level 3 | | |
| Opening balance | 21.4 | 9.1 |
| Additions | 1.3 | 11.1 |
| Change in fair value | 0.5 | 0.3 |
| Foreign exchange movements | (0.7) | 0.9 |
| Disposals | (0.9) | – |
| Transfers (to)/from level 1 or 2 | – | – |
| Closing | 21.6 | 21.4 |

A reconciliation is not provided for CLO repurchase agreements on the basis that the movements between 31 December 2022 and 31 December 2023 relate to remeasurement and revaluation.

A sensitivity analysis of a change in the value of CLO liabilities at fair value through profit or loss is set out in note 19 (e).

(d) Valuations

(i) Private equity fund investments:

Different valuation methodologies are used when valuing private equity fund investments:

Valuation Approach

| | |
|----------|---|
| Earnings | <p>The Group primarily uses an earnings approach where a set of relevant listed companies and precedent transactions are available.</p> <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. 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> |
|----------|---|

(ii) Private credit fund investments:

Different valuation methodologies are used when valuing private credit fund investments.

Valuation Approach

| | |
|--------------------------|---|
| Amortising to par method | Where a performing loan has been originated is valued based upon its amortised cost. Provided that there are no circumstances which indicate material underperformance or 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). |
| Market price | Where a loan is traded in the market, market prices can be obtained for use in pricing. 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 a market is active will depend on the 'depth' of the pricing (being the number of distinct price quotations available from different sources). Before the use of market pricing, consideration is given to anomalies or other inaccuracies in market pricing and whether there are other factors that should be considered (for example, recent transactions). |
| 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. 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. |
| Discounted cash flows | Where the Group holds an interest in the note of a CLO, a discounted cash flow analysis is used to determine the valuation. Inputs used in the discounted cash flow analysis include discount rates and those used to project the expected cash flows relating to the CLO's underlying asset portfolio including annual loan default rates and associated recovery rates, prepayment rates, reinvestment rates and spreads. |
| Other approaches | 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. |

(iii) Consolidated CLO assets

The consolidated CLO assets are priced using market price where a loan is traded in the market and market prices can be obtained for use in pricing. The inputs include market price aggregation services or broker quotes where there is an active market. The extent to which a market is active depends upon the 'depth' of the pricing (being the number of distinct price quotations available from different sources). Before the use of market pricing, consideration is given to identify anomalies or other inaccuracies in market pricing and whether there are other factors that should be considered (for example, recent transactions). As at 31 December 2023, 100% (2022: 100%) of the CLO fund assets were priced using market prices and classified as Level 2.

(iv) Consolidated CLO liabilities

Where the Group is required to consolidate the liabilities of a CLO, a net asset approach is used where the value of the liabilities is driven by the value of the consolidated loan asset portfolio and any residual cash, accrued interest and expenses contained within the vehicle. The Group deemed this financial liability to be Level 3.

(v) Deferred contingent considerations

The Group uses discounted cash flows to determine fair value of the deferred contingent consideration which was paid to EQT AB in relation to the acquisition of EQT Credit business. Inputs used in the calculation of the deferred consideration include estimated outcomes of certain fundraisings, minimum and maximum thresholds and payout ratio set out in the relevant sale and purchase agreement and discount rate. The Group deemed this financial liability to be Level 3.

(vi) CLO repurchase agreements

The Group is party to a sale and repurchase agreement relating to CLOs; a discounted cash flow analysis is used to determine the valuation. Unobservable inputs used in the discounted cash flow approach include discount rates and forecast cash flows relating to the CLO's underlying asset portfolio, including assumptions for annual loan default rates and associated recovery rates, prepayment rates, reinvestment rates and spreads. The Group deemed this financial liability to be Level 3.

(vii) Other financial liabilities

The Group enters a limited partnership agreement with related party investors to contractually share profits from those partnerships. The liabilities are calculated using a percentage outlined within the agreement multiplied by the profit from the partnerships. The valuation is derived from underlying value of the partnerships, which is based on the unobservable market data and therefore they are therefore classified as Level 3.

Derivatives used for hedging, which are fair valued, are classified as Level 2 fair values as the inputs are observable.

Further details on estimation uncertainty in the valuation of investments is set out in note 3 (b).

(e) Valuation inputs and sensitivity analysis

The number of unique investments represents the investments that the Group indirectly invests into through its investments in private equity and credit funds. The table below sets out information about significant unobservable inputs used at 31 December 2023 in measuring financial instruments categorised as level 3 in the fair value hierarchy.

| Description | Fair value at 31 December 2023 (£m) | Fair value at 31 December 2022 (£m) | Number of unique investments | Valuation technique | Significant unobservable inputs | Range | Sensitivity | Effective on fair value at 31 December 2023 (£m) |
|---|-------------------------------------|-------------------------------------|------------------------------|----------------------|---------------------------------|---------------|------------------------|--|
| Private equity fund investments | 260.9 | 241.3 | 69 | Market Approach | Earnings multiple | 3.7x – 19.5x | +10% Earnings multiple | 32.1 |
| | | | | | Revenue multiple | 3.1x – 8.8x | –10% Earnings multiple | (32.7) |
| Other private credit fund investments | 25.3 | 16.6 | 20 | Market Approach | Earnings multiple | 6.0x – 26.4x | +10% Earnings multiple | 0.2 |
| | | | | | Revenue multiple | 4.0x – 12.6x | –10% Earnings multiple | (0.2) |
| | | | 410 | Other | n/a | n/a | n/a | n/a |
| Group's investments in CLOs that are not consolidated * | 15.2 | 15.1 | 7 | Discounted Cash Flow | Discount rate | 1.8% – 18.0% | Upside case** | 0.9 |
| | | | | | Default rate | 2.0% | | |
| | | | | | Recovery rate | 35.0% – 65.0% | | |
| | | | | | Prepayment rate | 10.0% – 20.0% | Downside case** | (0.7) |
| | | | | | Reinvestment price | 99.0% | | |
| Spread | 4.5% | | | | | | | |
| Total assets | 301.4 | 273.0 | | | | | | |
| Consolidated CLO liabilities* | 1,152.0 | 597.5 | 30 | Discounted Cash Flow | Discount rate | 1.8% – 18.0% | Upside case** | 23.0 |
| | | | | | Default rate | 2.0% | | |
| | | | | | Recovery rate | 35.0% – 65.0% | | |
| | | | | | Prepayment rate | 10.0% – 20.0% | Downside case** | (18.5) |
| | | | | | Reinvestment price | 99.0% | | |
| Spread | 4.5% | | | | | | | |
| Deferred contingent consideration | – | 16.7 | n/a | Discounted Cash Flow | Payout ratio | n/a | n/a | n/a |
| | | | | | Discount rate | n/a | | |
| CLO repurchase agreements | 28.5 | 28.1 | 10 | Discounted Cash Flow | Discount rate | 1.75% – 11.0% | +10% discount rate | 0.3 |
| | | | | | | | –10% discount rate | (0.2) |
| Other financial liabilities | 21.6 | 21.4 | n/a | Other | Net asset value (NAV) | n/a | +10% of NAV | 2.5 |
| | | | | | | | –10% of NAV | (2.5) |

| | | |
|--------------------------|---------|-------|
| Total liabilities | 1,202.1 | 663.7 |
|--------------------------|---------|-------|

* The sensitivity analysis is performed on the portfolio of notes of CLO vehicles that that the Group has invested in, including £15.2m of investments in CLOs that are not consolidated (2022: £15.1m) and £81.1m of investments in CLOs that are consolidated (2022: £45.3m). The sensitivity analysis for the investments in the notes of CLOs that are consolidated impacts the value of the consolidated CLO liabilities (as these are eliminated from the overall balance) and are accordingly disclosed in this section of the table.

** The upside case is based on the key inputs used in the valuation model disclosed above, being favourably adjusted from their base value by a factor of 10%. The downside case adjusts these key inputs by a factor of 10% in the opposite direction

20 Financial risk management

In its activities, the Group is exposed to various financial risks: price/valuation risk, market risk (including exposure to interest rates and foreign currencies), liquidity risk and credit risk arising from financial instruments. The Group's senior management is responsible for the creation and management of an overall risk management policy in the Group.

The Group Consolidated Statement of Financial Position is made up predominately of investments into private equity and credit funds, consolidated CLO assets and liabilities, cash and cash equivalents, lease liabilities, CLO purchases awaiting settlement and other financial liabilities.

The assets of a private equity fund are controlling or minority stakes, typically in private companies, and debt in such companies. The assets of credit funds and the consolidated CLO vehicles are loans to private companies. The financial risks relating to such investments inherently vary, based on the nature of the investments (equity or debt), and recovery and returns from capital invested will depend upon the financial health and prospects of each underlying investee entity. As part of their construction, each fund is constructed as a diversified portfolio of assets, diversified by number of assets, industries and geographies.

Risk management policies are established to identify and analyse the risks faced by the Group and to set appropriate risk limits and controls. Policies are reviewed on a regular basis to reflect changes in the market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Company Statement of Financial Position is made up predominantly of investments in subsidiaries, cash and cash equivalents, and derivative financial instruments.

(a) Price and valuation risk

Price and valuation risk is the uncertainty about the difference between the reported value and the price that could be obtained on exit or maturity of an asset or liability. This principally relates to investments in funds, which hold portfolios of private equity and debt investments, investments held by consolidated CLOs, and notes issued by consolidated CLOs.

This uncertainty arises due to the use of unobservable inputs in the calculation of fair value, the performance and financial health of portfolio companies and, ultimately – in relation to investments in private equity – what a third party may be willing to pay for the relevant business. There is less uncertainty for investments in debt as the upside is capped to the maximum of the principal and interest receipts, whereas private equity investments have greater potential for larger changes in their valuation as the upside is not capped.

The Group monitors the performance of each investment closely. Portfolio monitoring is embedded and maintains focus throughout the investment life of each company. All investments are formally reviewed through dedicated Portfolio Monitoring Committees. The review process involves a rigorous assessment of the company's financial performance, financial health (including covenant coverage) and exit prospects. The Group values all investments in line with the IPEV Guidelines at least twice a year, and in most cases quarterly. Each investment undergoes the same detailed valuation process, in accordance with the Group's valuation policies. Completed valuations are presented and discussed at the relevant Bridgepoint Valuation Committee for approval. Valuation methodologies together with the significant unobservable inputs applied for the Group's financial assets and liabilities are included in note 19.

The Company has no significant exposure to price/valuation risk.

(b) Foreign exchange risk

Foreign exchange risk is the risk of losses or other adverse effects resulting from a change in a foreign exchange rate, or from other unfavourable changes in relation to a foreign currency. The Group is primarily exposed to two types of foreign exchange risk:

- **Transaction risk:** the adverse effect that foreign exchange rate fluctuations can have on a completed transaction prior to settlement. It is the exchange rate, or currency, risk associated specifically with the time delay between entering into a trade or contract and then settling it. As the majority of the Group's income is denominated in euro, this means that its income when recognised in pound sterling is subject to exposure to foreign exchange rate movements over time.
- **Translation risk:** the risk of adverse changes in the rates at which assets, liabilities, income or costs in foreign currencies are translated into the reporting currency. The Group holds financial assets and liabilities denominated in currencies other than pound sterling, the presentational currency of the Group. Consequently, the Group is exposed to currency risk since the value of financial assets and liabilities denominated in other currencies will fluctuate due to change in exchange rate.

Hedging of euro management fees

In order to hedge euro denominated management fee income, the Group has entered into a series of forward trades and swap agreements to sell euro and buy pounds sterling at various dates in the future to reduce the currency exposure of euro denominated income to future spot rate volatility. The level of hedging is determined with reference to the amount of pound sterling denominated costs and dividends. The level of hedging provides for almost full coverage in 2024, and reducing in 2025 and 2026, which will be increased and extended as part of the ongoing hedging strategy over time.

The nominal value of open trades at the year end date to match certain expected future cash flows is shown in the table below, along with the aggregate mark-to-market of the year end date.

| | Group | |
|---|-------|-------|
| | 2023 | 2022 |
| | £ m | £ m |
| Nominal value of forward trades and swap agreements in pound sterling | 362.7 | 294.2 |
| Mark-to-market value at year end | 0.2 | (9.6) |

These hedges are in place to match known future cash flows, and the Group has decided to use cash flow hedge accounting as allowed and determined under IFRS 9 "Financial Instruments".

The change in value that has been recognised as ineffective in the Consolidated Statement of Profit or Loss, the amount of the effective portion recognised within the cash flow hedge reserve and amounts released to the Consolidated Statement of Profit or Loss during the year are shown in the table below. There was no hedge ineffectiveness.

| | Group | |
|--|-------|--------|
| | 2023 | 2022 |
| | £ m | £ m |
| Ineffective portion recognised as profit or loss | – | – |
| Effective portion recognised as other comprehensive income | 8.6 | (10.5) |
| Reclassified to profit or loss upon settlement of hedges | 1.3 | (5.9) |

Hedge ineffectiveness could occur if the amount of hedging is more than the amount of the EUR denominated income and timing differences between receipt of the income and settlement of the hedge.

Hedging of euro investments

The Group's primary exposure to assets and liabilities in foreign currencies is to investments in funds and carried interest receivable, which are predominantly held in euro. In order to remove the risk of volatility in the Group's earnings on the translation of assets at each year end, the Group has entered into a series of forward trades and swap agreements to sell euro and buy pound sterling at various dates in the future that match the expected date of receipts from the underlying funds.

These hedges are in place to match expected future cash flows, and the Group has decided to use hedge accounting as allowed and determined under IFRS 9 “Financial Instruments”. The hedge ratio is tracked by comparing the nominal value of outstanding trades to the Group’s total exposure to fund investments and loans denominated in a foreign currency.

The Group’s exposure to euro investments and borrowings at each year end is summarised below, along with a sensitivity of the impact of a 5% change in the foreign exchange rate. This analysis excludes the consolidated CLO assets, which are attributable to third-party investors.

| | Group | |
|---|--------|---------|
| | 2023 | 2022 |
| Euro denominated investments (€m) | 400.7 | 330.7 |
| Borrowings (€m) | – | – |
| Investment hedges (€m) | (83.3) | (176.7) |
| EUR denominated investments, net (€m) | 317.4 | 154.0 |
| +/- 5% sensitivity (£m) impact on profit and net assets | 13.7 | 6.8 |

The nominal value of open trades at the year end date is shown in the table below, along with the aggregate mark-to-market.

| | Group | |
|---|-------|-------|
| | 2023 | 2022 |
| | £ m | £ m |
| Nominal value of forward trades and swap agreements in pound sterling | 74.7 | 156.7 |
| Mark-to-market value at year end | 0.6 | (2.6) |

The profit or loss on the revaluation of the hedging instrument is recognised together with the investment returns in the Consolidated Statement of Profit or Loss.

A change to foreign exchange rates will impact the fair value of derivative contracts, however an opposing movement will be seen in the hedged item.

Hedging of dollar cash consideration

On 6 September 2023, the Group announced a transaction to add ECP to the Group. As part of the transaction terms, the Group will deliver a \$293m up-front cash payment to the sellers. The cash consideration is funded partly by the Group’s cash resources in pound sterling and therefore the Company is exposed to foreign exchange risk until completion. In mitigation the Company is holding a certain amount of cash in dollars and has purchased foreign exchange options for the residual exposure, which give the Company, the right, but not the obligation, to sell pound sterling and purchase dollars at an agreed exchange rate on the expiry date.

The foreign exchange options have been designated as hedging instruments under IFRS 9 “Financial Instruments” and accordingly the Group uses cash flow hedge accounting.

The nominal value of the open trades at the year end date to match certain expected future cash flows is shown in the table below, along with the aggregate mark-to-market of the year end date.

| | Group and the Company | |
|---|-----------------------|------|
| | 2023 | 2022 |
| | £ m | £ m |
| Nominal value of foreign exchange options in pound sterling | 103.3 | – |
| Mark-to-market value at year end | 3.9 | – |

These foreign exchange options are in place to hedge foreign exchange risk to maintain the upside potential while protecting against adverse changes, and the Group uses cash flow hedge accounting as allowed and determined under IFRS 9 “Financial Instruments”. The Group designates only changes in the cash flows or fair value of the cash consideration below a specified rate (a ‘one-sided risk’). Only the intrinsic value of the foreign exchange options is designated in the hedging relationship and the time value of the foreign exchange options is excluded from the hedging relationship.

The change in intrinsic value of the foreign exchange options, to the extent that is effective, is recognised in other comprehensive income (“OCI”). As the time value is considered “aligned” time value, changes in time value of the foreign exchange options is also recognised in OCI time value. Subsequently the accumulated OCI time value and the amount deferred in the cash flow hedge reserve are moved directly as a basis adjustment in the purchase price allocation of ECP.

The change in value that has been recognised as ineffective in the Consolidated Statement of Profit or Loss, the amount of the effective portion recognised within the cash flow hedge reserve and OCI time value, and amounts moved to the initial cost as a basis adjustment during the year are shown in the table below.

There was no material hedge ineffectiveness noted during the year.

| | Group | |
|---|-------|------|
| | 2023 | 2022 |
| | £ m | £ m |
| Ineffective portion recognised as profit or loss | – | – |
| Effective portion recognised as cash flow hedge reserve in other comprehensive income | – | – |
| Effective portion recognised as time value in other comprehensive income | 0.1 | – |
| Reclassified as a basis adjustment | – | – |

Hedge ineffectiveness could occur if there are changes in timing of payment of the hedged item, a reduction in the total amount or prices of the hedged item or a change in the credit risk of the Company or the bank counterparties to the purchased options.

The Company has no other significant exposure to foreign currency risk.

(c) Interest rate risk

The Group’s income and operating cash flows are substantially independent of changes in market interest rates. The amounts drawn under the Group’s revolving credit agreements, however, bear interest at a floating rate that could rise and increase the Group’s interest cost and debt, although at 31 December 2023 the Group had no outstanding borrowings (2022: nil).

If interest rates were to change by 1%, the Group’s finance expense applied on the borrowings at year end would have increased or (decreased) by the amounts set out in the table below.

| | Group | |
|----------------------------|-------|-------|
| | 2023 | 2022 |
| | £ m | £ m |
| | (+/-) | (+/-) |
| Increase or decrease of 1% | – | – |

(d) Credit risk

Credit risk is the risk that a counterparty is unable to meet their contractual obligations in full when due. Potential areas of credit risk consist of cash and cash equivalents, term deposits, including deposits with banks and financial institutions, short-term receivables, lease receivables, investments in the CLOs and derivative financial instruments. The Company and the Group have not experienced any significant defaults in prior periods.

Group exposure

The Group’s exposure to credit risk is influenced mainly by the individual characteristics of each counterparty. Expected credit losses are calculated on all of the Group’s financial assets that are measured at amortised cost. Factors considered in determining whether a default has taken place include how many days past the due date a payment is, deterioration in the credit quality of a counterparty, and knowledge of specific events that could influence a counterparty’s ability to pay.

Expected credit losses are not expected to be material and there are no financial assets that are materially impaired.

Cash and cash equivalents

The Group limits its exposure in relation to cash and cash equivalents by only dealing with well-established financial institutions of high-quality credit standing. At each period end, the Group’s cash and cash equivalents were held with banks that were investment grade credit quality (BBB or higher).

Investments in CLOs

The Group is required to hold a 5% interest in such vehicles after they are launched under risk retention rules. Each CLO portfolio typically invests in 70-100 individual loans issued by private equity borrowers. The portfolios are highly diversified by geography, industry and sponsor. The Group's maximum exposure to loss associated with its interest in the CLOs is limited to the carrying amounts of the notes held by the Group, which at 31 December 2023 was £96.3m (2022: £60.3m).

At 31 December 2023, the Group fully consolidated CLOs 1, 3, 4, 5 and 6 (2022: CLO 1, 3 and 4). The Group's interests in CLOs 1, 3, 4 and 5 comprise interests in subordinated notes which incur the first loss if there is any default within the portfolio of assets by an individual borrower.

Whilst the Group has entered into sale and repurchase agreements for CLO 2 and CLO 3, it remains contractually exposed to the performance of the CLO, however as the interest is held vertically across all notes of the CLO, the holdings are more diversified than the Group's interest in CLOs 1, 4 and 5. Under the sale and repurchase agreements, the Group is subject to credit risk with the counterparty of £29.0m (2022: £29.7m), however it is holding cash collateral of £29.0m (2022: £29.7m), reducing the risk.

Investments in private equity and credit funds, including other investments

The Group's investments in private equity and credit funds indirectly expose it to credit risk via loans to investee entities. The maximum exposure to loss associated with funds is limited to the carrying value at 31 December 2023 which was £286.4m (2022: £257.9m).

Trade and other receivables (including lease receivables)

Trade and other receivables are primarily amounts due from funds or amounts due from portfolio companies. The funds are managed by the Group on behalf of investors, who have made commitments to the funds. Therefore, trade and other receivables from the funds are collateralised against unfunded investor commitments. These commitments can be drawn at any time. The Group therefore considers the probability of default to be remote. As such, the Directors consider the Group's credit exposure to trade and other receivables to be low.

As a lessor the Group has exposure to payments by lessees. The Group considers there to be a low risk of default due to the credit quality of the counterparties.

Carried interest receivable

The Group's carried interest receivable represents income expected from CIPs. The Group considers there to be a remote risk of default on these receivables on the basis that these amounts are due from the funds for reasons set out above (e.g. investor commitments).

Company exposure

Potential areas of credit risk for the Company consist of cash and cash equivalents, including deposits with banks and financial institutions, derivative instruments, term deposits and short-term receivables. The maximum exposure to credit risk at the year end of these financial assets is their carrying value. The Company seeks to reduce the credit risk relating to cash balances by only dealing with well-established financial institutions of high quality standing.

(e) Liquidity risk

Liquidity risk is the risk that the Group or Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The liquidity outlook is monitored at least monthly by management and regularly reviewed by the Board.

The timing of the Group's management fee receipts and operating expenditure are predictable. The timing, amount and profits from the Group's investments, into and divestments from, the funds are inherently less predictable, however a reasonable period of notice is given to all investors, including the Group, ahead of drawing of funds.

The Group's policy is to maintain sufficient amounts of cash and cash equivalents to meet its commitments at a given date, including for acquisitions and for refinancing maturing debt.

At 31 December 2023, the Group has the use of £250.0m of undrawn revolving credit facility which it uses to manage liquidity. Subsequent to the year-end, the Group priced \$430.0m of US private placement notes, subject

to the closing of the ECP transaction and customary conditions. The proceeds will be used to provide additional resources to deliver the Group's strategic growth plans and in part will be used to refinance certain ECP debt following the ECP transaction, which is subject to a change of control process. Further detail is included in note 30 (c).

In addition, at 31 December 2023, the Group had the use of £75.0m of undrawn bridge facility which was put in place in connection with the acquisition of ECP, which was increased to £125.0m subsequent to the year-end, which is available until the closing of the new US private placement notes.

Due to the long-term nature of the Group's assets, the Group seeks to ensure that the maturity of its debt instruments is matched to free cash generated from the business.

The Group's financing arrangements are subject to financial covenants. Further detail is included in note 21.

The Company has sufficient cash reserves to assist in managing liquidity. The risk is not considered to be material as the majority of the balances are held with Group companies.

The tables below summarise the Group and Company's financial liabilities by the time frame they are contractually due to be settled, undiscounted and including interest payable. This also excludes liabilities which are not financial liabilities (for example, deferred income).

| | Group | | | | Total £ m |
|--|--------------------------------|---|--|------------------------------------|----------------|
| | Due within 1 year £ m | Due between 1 and 2 years £ m | Due within 2 and 5 years £ m | Due more than 5 years £ m | |
| As at 31 December 2023 | | | | | |
| Other financial liabilities | – | 21.6 | – | 29.0 | 50.6 |
| Derivative financial liabilities | 1.2 | 0.4 | – | – | 1.6 |
| Trade and other payables | 47.6 | – | – | – | 47.6 |
| Lease liabilities | 15.0 | 14.1 | 38.7 | 25.7 | 93.5 |
| Consolidated CLO liabilities | 96.4 | 63.6 | 1,271.5 | – | 1,431.5 |
| Consolidated CLO purchases awaiting settlement | 176.8 | – | – | – | 176.8 |
| | 337.0 | 99.7 | 1,310.2 | 54.7 | 1,801.6 |

| | Group | | | | Total £ m |
|--|--------------------------------|---|--|------------------------------------|----------------|
| | Due within 1 year £ m | Due between 1 and 2 years £ m | Due within 2 and 5 years £ m | Due more than 5 years £ m | |
| As at 31 December 2022 | | | | | |
| Other financial liabilities | – | 21.4 | – | 29.7 | 51.1 |
| Derivative financial liabilities | 5.2 | 4.8 | 3.2 | – | 13.2 |
| Trade and other payables | 51.8 | – | – | – | 51.8 |
| Deferred contingent consideration | 16.7 | – | – | – | 16.7 |
| Lease liabilities | 9.4 | 13.6 | 39.7 | 34.9 | 97.6 |
| Consolidated CLO liabilities | 84.5 | 48.3 | 397.2 | 249.5 | 779.5 |
| Consolidated CLO purchases awaiting settlement | 120.6 | – | – | – | 120.6 |
| | 288.2 | 88.1 | 440.1 | 314.1 | 1,130.5 |

| | Company | | | | Total £ m |
|-------------------------------|--------------------------------|---|--|------------------------------------|--------------|
| | Due within 1 year £ m | Due between 1 and 2 years £ m | Due within 2 and 5 years £ m | Due more than 5 years £ m | |
| As at 31 December 2023 | | | | | |

| | | | | | |
|--------------------------|--------------|---|---|---|--------------|
| Trade and other payables | 131.7 | – | – | – | 131.7 |
|--------------------------|--------------|---|---|---|--------------|

| | Company | | | | Total £ m |
|--------------------------|--------------------------------|---|--|------------------------------------|--------------|
| | Due within 1 year £ m | Due between 1 and 2 years £ m | Due within 2 and 5 years £ m | Due more than 5 years £ m | |
| As at 31 December 2022 | | | | | |
| Trade and other payables | 1.1 | – | – | – | 1.1 |
| | 1.1 | – | – | – | 1.1 |

21 Capital management

The primary objective of the Group's capital management is to ensure that the Company and its subsidiaries have sufficient capital both now and in the future, having considered risks in the business and mitigants to those risks, while managing returns to the Group's shareholders. The Group also manages its capital position to ensure compliance with capital requirements imposed by the Financial Conduct Authority ("FCA") and other regulatory authorities on individual regulated entities.

The Investment Firms Prudential Regime ("IFPR") applies to Markets in Financial Instruments Directive ("MiFID") investment firms, collective portfolio management investment firms and regulated and unregulated holding companies of groups that contain one or more of the aforementioned firms. The Group and certain regulated subsidiaries report to the FCA on own funds, the own funds requirement and a basic liquid asset requirement.

The capital structure comprises cash and cash equivalents, borrowings and the capital and reserves of the Company. Capital and reserves comprise share capital, share premium, capital contributions, other reserves and retained earnings. These as set out below.

| | Group | |
|--|--------------|--------------|
| | 2023 £ m | 2022 £ m |
| Cash and cash equivalents (for use within the Group) | 238.8 | 196.0 |
| Term deposits with original maturities of more than three months | – | 100.0 |
| Net cash | 238.8 | 296.0 |
| Share capital | 0.1 | 0.1 |
| Share premium | 289.8 | 289.8 |
| Capital redemption reserve | 0.0 | – |
| Share-based payment reserve | 3.0 | 3.6 |
| Cash flow hedge reserve | 0.9 | (8.9) |
| Foreign exchange option time value reserve | 0.1 | – |
| Net exchange differences reserve | 8.6 | 14.4 |
| Retained earnings | 418.7 | 473.7 |
| Equity attributable to equity holders | 721.2 | 772.7 |

The Group's financing facilities are subject to financial covenants. The Group and the Company's borrowing facility agreements are subject to a ratio of adjusted EBITDA to net finance charges and ratio of total net debt to adjusted EBITDA on a rolling annual period.

During the year the Group and the Company were fully compliant with regulatory capital requirements and banking covenants.

22 Deferred tax

| | Group | |
|--|-------------|-------------|
| | 2023 £ m | 2022 £ m |
| | | |

| | | |
|-----------------------------------|----------------|--------|
| Deferred tax assets | 74.6 | 57.9 |
| Deferred tax liabilities | (108.5) | (77.3) |
| Net deferred tax liability | (33.9) | (19.4) |

| | Other timing differences | Management fee hedges | Losses carried forward | Total |
|---|-----------------------------|--------------------------|------------------------------|--------------|
| Deferred tax assets | | | | |
| As at 1 January 2022 | 22.8 | – | 25.0 | 47.8 |
| Credit to other comprehensive income | – | 2.0 | – | 2.0 |
| (Charge)/credit to the Consolidated Statement of Profit or Loss | (0.3) | – | 8.4 | 8.1 |
| As at 31 December 2022 | 22.5 | 2.0 | 33.4 | 57.9 |
| (Charge) to other comprehensive income | – | (2.0) | – | (2.0) |
| Credit to the Consolidated Statement of Profit or Loss | 2.1 | – | 16.6 | 18.7 |
| As at 31 December 2023 | 24.6 | – | 50.0 | 74.6 |

| | Other timing differences | Management fee hedges | Management fee income and investments | Capital allowance | Total |
|---|--------------------------------|--------------------------|---|----------------------|----------------|
| Deferred tax liabilities | | | | | |
| As at 1 January 2022 | (20.9) | (1.3) | (42.8) | (2.5) | (67.5) |
| Credit to other comprehensive income | – | 1.3 | – | – | 1.3 |
| (Credit)/charge to the Consolidated Statement of Profit or Loss | 1.9 | – | (10.8) | (2.2) | (11.1) |
| As at 31 December 2022 | (19.0) | – | (53.6) | (4.7) | (77.3) |
| (Charge) to other comprehensive income | – | (0.2) | – | – | (0.2) |
| Credit/(charge) to the Consolidated Statement of Profit or Loss | 4.7 | – | (37.4) | 1.7 | (31.0) |
| As at 31 December 2023 | (14.3) | (0.2) | (91.0) | (3.0) | (108.5) |

Deferred tax liabilities primarily represent a future tax on the Group's management fees income and a timing difference arising on the remeasurement of the fair value of investments. They unwind as management fees become taxable and investments are realised.

Deferred tax assets primarily relate to tax losses carried forward, to the extent that they can be utilised under relevant tax legislation.

Other timing differences primarily relate to a deferred tax asset on lease liabilities of £20.4m (2022: £20.8m) and a deferred tax liability on right-of-use assets amounting to £11.5m (2022: £13.9m). These will unwind over the period of the lease.

The Company has no deferred tax assets or liabilities (2022: deferred tax assets of £0.4m).

The deferred tax has been measured using the applicable tax rate expected at the point at which the income or cost will become taxable.

23 Equity

(a) Share capital and premium

Allotted, called up and fully paid shares

| | Company | | | |
|---------------------------|--------------------|---------------|-------------|--------|
| | 2023 | | 2022 | |
| | No. | £ | No. | £ |
| Ordinary of £0.00005 each | 794,637,730 | 39,732 | 823,268,774 | 41,163 |
| Deferred of £81 each | 500 | 40,500 | 500 | 40,500 |
| Deferred of £1 each | 1 | 1 | 1 | 1 |
| Deferred of £0.01 each | 1 | 1 | 1 | 0.01 |

| | | | | |
|--------------|--------------------|---------------|-------------|--------|
| Total | 794,638,232 | 80,234 | 823,269,276 | 81,664 |
|--------------|--------------------|---------------|-------------|--------|

Share capital represents the number of ordinary shares issued in the capital of the Company multiplied by their nominal value of £0.00005 each. Share premium substantially represents the aggregate of all amounts that have ever been paid above nominal value to the Company when it has issued ordinary shares.

The holders of the ordinary shares have the right to receive notice of and to attend and vote at any general meeting of the Company. The shares have one vote per share on a resolution.

Each ordinary share is eligible for ordinary course dividends and distributions on a liquidation, and is generally entitled to participate in a return of capital, in each case subject to the provisions set out in the Articles of the Company.

Deferred shares have no rights other than the right to receive their nominal value in a liquidation after all other shares have received £1.0m per share.

(b) Own shares

Own shares are recorded by the Group when ordinary shares are acquired by the Company and they are deducted from shareholders' equity. The Company held 171,096 ordinary shares and 501 deferred shares (2022: 886,484 ordinary shares; 501 deferred shares) within retained earnings as at 31 December 2023 at a cost of nil (2022: nil).

(c) Other reserves

The following table provides a breakdown of the reserves that are included in the Group and the Company's other reserves.

| | Group | | Company | |
|--|-------------|-------------|--------------|--------------|
| | 2023 £ m | 2022 £ m | 2023 £ m | 2022 £ m |
| Cash flow hedge reserve | 0.9 | (8.9) | – | – |
| Foreign exchange option time value reserve | 0.1 | – | 0.1 | – |
| Net exchange differences reserve | 8.6 | 14.4 | – | – |
| Share-based payment reserve | 3.0 | 3.6 | 2.9 | 3.6 |
| Merger reserve | – | – | 571.4 | 571.4 |
| Capital redemption reserve | 0.0 | – | – | – |
| Total | 12.6 | 9.1 | 574.4 | 575.0 |

(i) Cash flow hedge reserve

Hedge reserves consist of the cash flow hedge reserve and the costs of hedging reserve, such as the change in fair value related to forward points basis adjustment. The cash flow hedge reserve is used to recognise the effective portion of gains or losses on foreign exchange forward contracts that are designated and qualify as cash flow hedges, as described in note 20 (b).

(ii) Foreign exchange option time value reserve

Foreign exchange option time value reserve represents the time value of the foreign exchange options as only the intrinsic value of the foreign exchange options is designated as the hedging instrument. Further detail is included in note 20 (b).

(iii) Net exchange differences reserve

Other comprehensive income reported in the net exchange differences reserve comprises the net foreign exchange gains and losses on the translation of foreign operations.

(iv) Share-based payment reserve

The share-based payment reserve relates to the accumulated expense from the recognition of equity-settled share-based payments to employees.

During the year, a £4.7m transfer was made between share-based payment reserve and retained earnings which related to the full vesting of the IPO share award, A3 shares and LTIP awards.

(v) Merger reserve

The merger reserve relates to the fair value of shares issued by the Company as part of the restructuring ahead of the Company's IPO in 2021 at fair value.

(vi) Capital redemption reserve

On 24 January 2023, the Company announced an on-market share buyback programme of up to £50.0m. The sole purpose of the share buyback programme is to reduce the Company's share capital. The share buyback programme commenced on 24 January 2023 and completed on 11 October 2023 with £50.0m, or 23.6m ordinary shares bought back and cancelled.

On 2 October 2023, the Company announced a further buyback programme of up to £50.0m that commenced on 12 October 2023. As at 31 December 2023, in aggregate 5.0m ordinary shares within the second buyback programme have been bought back and cancelled for £10.2m pursuant to the second share buyback programme.

24 Dividends

The Company paid a final dividend of 4.0 pence per share, which equates to £32.7m, in May 2023 in respect of the second half of 2022.

An interim dividend of 4.4 pence per share, which equates to £35.3m was paid to shareholders in September 2023.

The directors have proposed a final dividend of 4.4 pence per share, to be paid in May 2024 to shareholders on the register as at 18 April 2024. This equates to £34.9 million, subject to the share buyback programme.

| | Company | | | |
|------------------------------|---------|-----------------|------|-----------------|
| | 2023 | | 2022 | |
| | £ m | Pence per share | £ m | Pence per share |
| Ordinary dividends | | | | |
| Prior interim dividends paid | 35.3 | 4.4 | 32.8 | 4.0 |
| Proposed final dividends | 34.9 | 4.4 | 33.0 | 4.0 |

25 Cash flow information

(a) Cash generated from operations

| | Group | | Company | |
|--|--------------|-------------|--------------|-------------|
| | 2023 £ m | 2022 £ m | 2023 £ m | 2022 £ m |
| Profit/(loss) before tax | 86.0 | 127.4 | (34.6) | 2.9 |
| Adjustments for: | | | | |
| Exceptional expenses | 3.3 | 3.2 | – | 0.1 |
| Share-based payments | 4.2 | 0.4 | – | – |
| Loss on disposal of right-of-use asset | 1.2 | 0.4 | – | – |
| Depreciation and amortisation expense | 17.5 | 18.3 | – | – |
| Net other (income) | (10.0) | (8.6) | (2.7) | (1.7) |
| Carried interest | (30.0) | (24.2) | – | – |
| Fair value remeasurement of investments | (25.3) | (40.7) | – | – |
| Net exchange losses/(gains) | 2.4 | (1.1) | 3.4 | 0.1 |
| Decrease/(increase) in trade and other receivables | 47.2 | (46.4) | 117.3 | 86.9 |
| Increase/(decrease) in trade and other payables | 56.0 | 6.9 | 23.8 | (22.0) |
| Cash generated from operations | 152.5 | 35.6 | 107.2 | 66.3 |

(b) Cash outflows from leases

| | Group | |
|----------------------------------|-------------|-------------|
| | 2023 £ m | 2022 £ m |
| Financing | 10.1 | 7.6 |
| Operating | 0.3 | 0.3 |
| Cash outflows from leases | 10.4 | 7.9 |

The Company has no leases (2022: nil).

(c) Reconciliation of liabilities arising from financing activities

| | Group | | | | | 31 December 2023 £ m |
|--|--------------------------|-------------------|--|--------------------------------|---|-------------------------------|
| | 1 January 2023 £ m | Cash flows £ m | Net additions / (disposals) £ m | Fair value movements £ m | Foreign exchange movements £ m | |
| Borrowings | – | – | – | – | – | – |
| Fair value of consolidated CLO liabilities | 597.5 | 466.4 | – | 88.1 | – | 1,152.0 |
| Lease liabilities | 83.2 | (10.2) | 8.6 | – | – | 81.6 |
| Total | 680.7 | 456.2 | 8.6 | 88.1 | – | 1,233.6 |

| | Group | | | | | 31 December 2022 £ m |
|--|--------------------------|-------------------|--|--------------------------------|---|-------------------------------|
| | 1 January 2022 £ m | Cash flows £ m | Net additions / (disposals) £ m | Fair value movements £ m | Foreign exchange movements £ m | |
| Borrowings | – | – | – | – | – | – |
| Fair value of consolidated CLO liabilities | 241.4 | – | 340.7 | (9.0) | 24.2 | 597.5 |
| Lease liabilities | 84.8 | (7.6) | 6.0 | – | – | 83.2 |
| Total | 326.2 | (7.6) | 346.7 | (9.0) | 24.2 | 680.7 |

The Company has no borrowings or lease liabilities (2022: nil).

26 Related party transactions

(a) Key management compensation

The Executive Directors are considered to represent the key management of the Group. The compensation paid or payable to the key management is set out in the table below.

| | Group | |
|----------------------------------|-------------|-------------|
| | 2023 £ m | 2022 £ m |
| Salary, bonus and other benefits | 1.9 | 1.6 |
| Total | 1.9 | 1.6 |

(b) Directors' emoluments

The directors of the Company since their appointment or the point of their resignation were remunerated by the Group as set out below. The aggregate value of remuneration expenses in relation to pensions and share based payments are less than £0.2m.

| | Group | |
|----------------------------------|-------------|-------------|
| | 2023 £ m | 2022 £ m |
| Salary, bonus and other benefits | 2.4 | 2.1 |
| Total | 2.4 | 2.1 |

(c) Transactions with Directors

On 31 March 2023, Adam Jones was granted a conditional share award of 114,953 shares at a value of £2.17 per share, with total value £250,000, vesting on 31 March 2026.

(d) Carried interest

Fund investors expect certain members of the Group's senior executive management to invest in carried interest and co-investment in the Group's third-party funds to demonstrate alignment of interest, and as such the directors of the Company have made significant personal commitments from their own resources to some of these third-party funds. The funds and CIPs (which are entitled to the carry) are not consolidated by the Group but are

related parties. The returns (in the form of investment income and capital appreciation) are fully dependent on the performance of the relevant fund and its underlying investments.

The Directors of the Company at 31 December 2023 have committed amounts from their personal resources across multiple funds totalling £21.4m (the Directors at 31 December 2022: £15.6m).

(e) Transactions with funds

The Bridgepoint funds are related parties of the Group. Amounts received as fees from and reimbursement of expenses paid on behalf of the funds during the year are shown in the table below, along with the amounts receivable at year end.

| | Group | |
|-------------------------------------|-------------|-------------|
| | 2023 £ m | 2022 £ m |
| Amounts received from funds | 298.2 | 264.3 |
| Amounts paid on behalf of the funds | 28.4 | 19.0 |
| Amounts receivable from funds | 41.2 | 49.7 |

27 Parent and ultimate controlling party

The Company is owned by a number of natural persons and corporates, none of whom own more than 20% of the issued share capital of the Company. Accordingly, there is no parent entity nor ultimate controlling party.

28 Subsidiaries and interests in other entities

The Group consists of the Company and entities controlled by the Company. This note sets out those subsidiary entities owned by the Company and that are consolidated, those which are not, and those structured entities which are consolidated in the financial statements.

| | Company | |
|---|----------------|----------------|
| | 2023 £ m | 2022 £ m |
| Balance as at 1 January | 1,023.0 | 1,022.6 |
| Increase in investment in subsidiary and other Group affiliates | 3.9 | 0.4 |
| At 31 December | 1,026.9 | 1,023.0 |

The Group holds a direct interest in Bridgepoint Group Holdings Limited as at 31 December 2023 representing 100% (2022: 100%).

Its registered office is referenced in the table below the list of subsidiaries.

(a) List of subsidiaries

| Name of subsidiary | Ref | Country of incorporation | Principal activity | Share class | Company's proportion of ownership interest |
|------------------------------------|-----|--------------------------|--------------------|-----------------|--|
| Bridgepoint Group Holdings Limited | 1 | UK | Holding company | Ordinary shares | 100% |

The table below shows details of subsidiaries owned directly or indirectly by Bridgepoint Group Holdings Limited as at 31 December 2023 and its ownership interest in each entity. The registered office of each subsidiary is referenced to a table below the list of subsidiaries. All subsidiaries operate in the countries where they are registered or incorporated and are stated at cost less, where appropriate, provision for impairment.

| Name of subsidiary | Ref | Country of incorporation | Principal activity | Share class | Company's proportion of ownership interest |
|------------------------------|-----|--------------------------|--------------------|-----------------|--|
| 101 Investments (GP) Limited | 1 | UK | General Partner | Ordinary shares | 100% |

| Name of subsidiary | Ref | Country of incorporation | Principal activity | Share class | Company's proportion of ownership interest |
|------------------------------------|-----|--------------------------|--------------------------|-----------------|--|
| Atlantic GP 1 Limited | 1 | UK | General Partner | Ordinary shares | 100% |
| Atlantic GP 2 Limited | 1 | UK | General Partner | Ordinary shares | 100% |
| Atlantic GP LLP | 1 | UK | General Partner | N/A | – |
| BBTPS GP Limited | 1 | UK | General Partner | Ordinary shares | 100% |
| BBTPS FP GP Limited | 2 | UK | General Partner | Ordinary shares | 100% |
| BBTPS Nominees Limited | 1 | UK | Nominee company | Ordinary shares | 100% |
| BC II FP Limited | 1 | UK | Dormant entity | Ordinary shares | 100% |
| BC II FP SGP Limited | 2 | UK | General Partner | Ordinary shares | 100% |
| BC GP 1 Limited | 1 | UK | General Partner | Ordinary shares | 100% |
| BC GP 2 Limited | 1 | UK | General Partner | Ordinary shares | 100% |
| BC II GP LLP | 2 | UK | General Partner | N/A | – |
| BC II GP LP | 2 | UK | General Partner | N/A | – |
| BC II MLP Limited | 1 | UK | Managing Limited Partner | Ordinary shares | 100% |
| BC MLP UK Limited | 1 | UK | Managing Limited Partner | Ordinary shares | 100% |
| BC SMA Carry GP S.à r.l. | 3 | Luxembourg | General Partner | Ordinary shares | 100% |
| BC SMA II Carry GP LLP | 2 | UK | General Partner | N/A | – |
| BC SMA II FP Limited | 1 | UK | Limited Partner | Ordinary shares | 100% |
| BCLO Credit Investments I S.à r.l. | 3 | Luxembourg | CLO management company | Ordinary shares | 100% |
| BCO II Carry GP LLP | 2 | UK | General Partner | N/A | – |
| BCO III Carry GP LLP | 2 | UK | General Partner | N/A | – |
| BCO IV Carry GP LLP | 2 | UK | General Partner | N/A | – |
| BCO IV FP Limited | 1 | UK | Limited Partner | Ordinary shares | 100% |
| BCO IV LORAC Limited | 1 | UK | Dormant entity | Ordinary shares | 100% |
| BDC GP LP | 2 | UK | General Partner | N/A | – |
| BDC II (SGP) Limited | 2 | UK | General Partner | Ordinary shares | 100% |
| BDC II FP GP Limited | 2 | UK | General Partner | Ordinary shares | 100% |
| BDC II GP LP | 2 | UK | General Partner | N/A | – |
| BDC II Limited | 1 | UK | Limited Partner | Ordinary shares | 100% |
| BDC II Nominees Limited | 1 | UK | Nominee company | Ordinary shares | 100% |
| BDC III GP 1 Limited | 1 | UK | General Partner | Ordinary shares | 100% |

| Name of subsidiary | Ref | Country of incorporation | Principal activity | Share class | Company's proportion of ownership interest |
|----------------------------|-----|--------------------------|--------------------------|-----------------|--|
| BDC III GP 2 Limited | 1 | UK | General Partner | Ordinary shares | 100% |
| BDC III GP LLP | 1 | UK | General Partner | N/A | – |
| BDC III Limited | 1 | UK | Limited Partner | Ordinary shares | 100% |
| BDC III Nominees Limited | 1 | UK | Nominee company | Ordinary shares | 100% |
| BDC III SFP GP Limited | 2 | UK | General Partner | Ordinary shares | 100% |
| BDC IV Nominees Limited | 1 | UK | Nominee company | Ordinary shares | 100% |
| BDC IV Limited | 1 | UK | Dormant entity | Ordinary shares | 100% |
| BDC GP 1 Limited | 1 | UK | General Partner | Ordinary shares | 100% |
| BDC IV GP 2 Limited | 1 | UK | General Partner | Ordinary shares | 100% |
| BDC IV MLP Limited | 1 | UK | Managing Limited Partner | Ordinary shares | 100% |
| BDC IV GP LLP | 2 | UK | General Partner | N/A | – |
| BDC IV GP LP | 2 | UK | General Partner | N/A | – |
| BDC IV SFP GP Limited | 2 | UK | General Partner | Ordinary shares | 100% |
| BDC V GP LLP | 1 | UK | General Partner | Ordinary shares | – |
| BDC V MLP Limited | 1 | UK | Managing Limited Partner | N/A | 100% |
| BDC V GP SCSp | 3 | Luxembourg | General Partner | Ordinary shares | – |
| BDC V GP 2 Limited | 1 | UK | General Partner | Ordinary shares | 100% |
| BDC Special 1 Limited | 2 | UK | General Partner | Ordinary shares | 100% |
| BDC Special 2 Limited | 2 | UK | General Partner | Ordinary shares | 100% |
| BDC Special GP LLP | 2 | UK | General Partner | N/A | – |
| BDCP II (Nominees) Limited | 1 | UK | Nominee company | Ordinary shares | 100% |
| BDCP II GP 1 Limited | 1 | UK | General Partner | Ordinary shares | 100% |
| BDCP II GP 2 Limited | 1 | UK | General Partner | Ordinary shares | 100% |
| BDCP II GP LLP | 2 | UK | General Partner | N/A | – |
| BDCP II GP LP | 2 | UK | General Partner | N/A | – |
| BDCP II Limited | 1 | UK | Dormant entity | Ordinary shares | 100% |
| BDCP II MLP Limited | 1 | UK | Managing Limited Partner | Ordinary shares | 100% |
| BDCP II SFP GP Limited | 2 | UK | General Partner | Ordinary shares | 100% |
| BDL I Carry GP LLP | 2 | UK | General Partner | N/A | – |
| BDL II Carry GP S.à r.l. | 3 | Luxembourg | General Partner | Ordinary shares | 100% |
| BDL III Carry GP LLP | 2 | UK | General Partner | N/A | – |

| Name of subsidiary | Ref | Country of incorporation | Principal activity | Share class | Company's proportion of ownership interest |
|---|-----|--------------------------|---------------------------------|-----------------|--|
| BDL III FP Limited | 1 | UK | Limited Partner | Ordinary shares | 100% |
| BDL III LORAC Limited | 1 | UK | Dormant entity | Ordinary shares | 100% |
| BEP IV (Nominees) Limited | 1 | UK | Nominee company | Ordinary shares | 100% |
| BEP IV FP Limited | 1 | UK | Limited Partner | Ordinary shares | 100% |
| BEP IV FP SGP Limited | 2 | UK | General Partner | Ordinary shares | 100% |
| BEP IV GP 2 Limited | 1 | UK | General Partner | Ordinary shares | 100% |
| BEP IV GP LLP | 2 | UK | General Partner | N/A | – |
| BEP IV GP LP | 2 | UK | General Partner | N/A | – |
| BEP IV MLP Limited | 1 | UK | Managing Limited Partner | Ordinary shares | 100% |
| BEV Germany GP Co Limited | 4 | Guernsey | General Partner | Ordinary shares | 100% |
| BEV FP Limited | 1 | UK | Limited Partner | Ordinary shares | 100% |
| BEV GP LLP | 1 | UK | General Partner | N/A | – |
| BEV FP SGP Limited | 2 | UK | General Partner | Ordinary shares | 100% |
| BEV GP 2 Limited | 1 | UK | General Partner | Ordinary shares | 100% |
| BEV GPC Limited | 1 | UK | General Partner | Ordinary shares | 100% |
| BEV MLP Limited | 1 | UK | Managing Limited Partner | Ordinary shares | 100% |
| BEV Nominees Limited | 1 | UK | Nominee company | Ordinary shares | 100% |
| BEV Nominees II Limited | 1 | UK | Nominee company | Ordinary shares | 100% |
| BE VI FP Limited | 1 | UK | Dormant entity | Ordinary shares | 100% |
| BE VI FP SGP Limited | 2 | UK | General Partner | Ordinary shares | 100% |
| BE VI GP 2 Limited | 1 | UK | General Partner | Ordinary shares | 100% |
| BE VI GP LLP | 2 | UK | General Partner | N/A | – |
| BE VI GP LP | 2 | UK | General Partner | N/A | – |
| BE VI MLP Limited | 1 | UK | Managing Limited Partner | Ordinary shares | 100% |
| BE VI Nominees Limited | 1 | UK | Nominee company | Ordinary shares | 100% |
| BE VI Nominees II Limited | 1 | UK | Nominee company | Ordinary shares | 100% |
| BE VII GP SCSp | 3 | Luxembourg | General Partner | Shares | – |
| BG II GP LLP | 1 | UK | General Partner | N/A | – |
| BG II Nominees Limited | 1 | UK | Nominee company | Ordinary shares | 100% |
| Bridgepoint Advisers Singapore Pte. Ltd | 16 | Singapore | Private equity advisory company | shares | 100% |

| Name of subsidiary | Ref | Country of incorporation | Principal activity | Share class | Company's proportion of ownership interest |
|--|-----|--------------------------|-----------------------------------|-----------------|--|
| | | | | Ordinary shares | |
| Bridgepoint AB | 5 | Sweden | Private equity advisory company | Ordinary shares | 100% |
| Bridgepoint Advantage Limited | 1 | UK | Dormant entity | Ordinary shares | 100% |
| Bridgepoint Advantage MLP Limited | 1 | UK | Managing Limited Partner | Ordinary shares | 100% |
| Bridgepoint Advantage FP Limited | 1 | UK | Dormant entity | Ordinary shares | 100% |
| Bridgepoint Advantage FP SGP Limited | 2 | UK | General Partner | Ordinary shares | 100% |
| Bridgepoint Advantage GP 2 Limited | 1 | UK | General Partner | Ordinary shares | 100% |
| Bridgepoint Advantage GP LLP | 2 | UK | General Partner | N/A | – |
| Bridgepoint Advantage GP LP | 2 | UK | General Partner | N/A | – |
| Bridgepoint Advantage Nominees Limited | 1 | UK | Nominee company | Ordinary shares | 100% |
| Bridgepoint Advisers Europe Limited | 1 | UK | Private equity advisory company | Ordinary shares | 100% |
| Bridgepoint Advisers Group Limited | 1 | UK | Investment holding company | Ordinary shares | 100% |
| Bridgepoint Advisers Holdings | 1 | UK | Investment holding company | Ordinary shares | 100% |
| Bridgepoint Advisers II Limited | 1 | UK | Private equity management company | Ordinary shares | 100% |
| Bridgepoint Advisers Limited | 1 | UK | Private equity management company | Ordinary shares | 100% |
| Bridgepoint Advisers UK Limited | 1 | UK | Private equity management company | Ordinary shares | 100% |
| Bridgepoint Capital (Doolittle) Limited | 1 | UK | Dormant entity | Ordinary shares | 100% |
| Bridgepoint Capital (Nominees) Limited | 1 | UK | Nominee company | Ordinary shares | 100% |
| Bridgepoint Capital Directorships Limited | 1 | UK | Dormant entity | Ordinary shares | 100% |
| Bridgepoint Capital General Partner LP | 2 | UK | General Partner | N/A | – |
| Bridgepoint Capital Group Limited Employee Benefit Trust | 1 | UK | Employee Benefit Trust | N/A | – |
| Bridgepoint Capital Scottish GP Limited | 2 | UK | General Partner | Ordinary shares | 100% |
| Bridgepoint Capital Partners Limited | 1 | UK | Dormant entity | Ordinary shares | 100% |
| Bridgepoint Capital Verwaltungs GmbH | 6 | Germany | General Partner | Ordinary shares | 100% |
| Bridgepoint Credit AD GP S.à r.l. | 3 | Luxembourg | General Partner | Ordinary shares | 100% |
| Bridgepoint Credit Advisers UK Limited | 1 | UK | Credit fund advisory company | Ordinary shares | 100% |
| Bridgepoint Credit BOCPIF GP S.à r.l. | 3 | Luxembourg | General Partner | Ordinary shares | 100% |
| Bridgepoint Credit Carry LP | 2 | UK | Investment holding company | N/A | – |

| Name of subsidiary | Ref | Country of incorporation | Principal activity | Share class | Company's proportion of ownership interest |
|--|-----|--------------------------|--------------------------------|-----------------|--|
| Bridgepoint Credit Carry GP LLP | 2 | UK | General Partner | N/A | – |
| Bridgepoint Credit CLO GP S.à r.l. | 3 | Luxembourg | General Partner | Ordinary shares | 100% |
| Bridgepoint Credit Co-Invest GP S.à r.l. | 3 | Luxembourg | General Partner | Ordinary shares | 100% |
| Bridgepoint Credit Empire GP S.à r.l. | 3 | Luxembourg | General Partner | Ordinary shares | 100% |
| Bridgepoint Credit France SAS | 12 | France | Credit fund management company | Ordinary shares | 100% |
| Bridgepoint Credit GP Verwaltungs GmbH | 13 | Germany | General Partner | Ordinary shares | 100% |
| Bridgepoint Credit Holdings Limited | 1 | UK | Investment holding company | Ordinary shares | 100% |
| Bridgepoint Credit Limited | 1 | UK | Credit fund management company | Ordinary shares | 100% |
| Bridgepoint Credit Management Limited | 1 | UK | Credit fund management company | Ordinary shares | 100% |
| Bridgepoint Credit MSPD GP S.à r.l. | 3 | Luxembourg | General Partner | Ordinary shares | 100% |
| Bridgepoint Credit MPD GP S.à r.l. | 3 | Luxembourg | General Partner | Ordinary shares | 100% |
| Bridgepoint Credit Nominees Limited | 1 | UK | Nominee company | Ordinary shares | 100% |
| Bridgepoint Credit Opportunities II GP Limited | 2 | UK | General Partner | Ordinary shares | 100% |
| Bridgepoint Credit Opportunities II GP LP | 2 | UK | General Partner | N/A | – |
| Bridgepoint Credit Opportunities II GP GmbH & Co. KG | 13 | Germany | General Partner | N/A | – |
| Bridgepoint Credit Opportunities III GP LP | 2 | UK | General Partner | N/A | – |
| Bridgepoint Credit Opportunities III GP Limited | 2 | UK | General Partner | Ordinary shares | 100% |
| Bridgepoint Credit Opportunities IV GP S.à r.l. | 3 | Luxembourg | General Partner | Ordinary shares | 100% |
| Bridgepoint Credit Opportunities SICAV GP S.à r.l. | 3 | Luxembourg | General Partner | Ordinary shares | 100% |
| Bridgepoint Credit Partners Limited | 1 | UK | Dormant entity | Ordinary shares | 100% |
| Bridgepoint Credit PPF GP S.à r.l. | 3 | Luxembourg | General Partner | Ordinary shares | 100% |
| Bridgepoint Credit PS GP S.à r.l. | 3 | Luxembourg | General Partner | Ordinary shares | 100% |
| Bridgepoint Credit Services S.à r.l. | 3 | Luxembourg | Credit fund advisory company | Ordinary shares | 100% |
| Bridgepoint Credit UK Limited | 1 | UK | Credit fund advisory company | Ordinary shares | 100% |
| Bridgepoint Debt Funding Limited | 1 | UK | Dormant entity | Ordinary shares | 100% |
| Bridgepoint Debt Management Limited | 1 | UK | Dormant entity | Ordinary shares | 100% |
| Bridgepoint Debt Managers Limited | 1 | UK | Dormant entity | Ordinary shares | 100% |

| Name of subsidiary | Ref | Country of incorporation | Principal activity | Share class | Company's proportion of ownership interest |
|--|-----|--------------------------|-----------------------------------|-----------------|--|
| Bridgepoint Development Capital Limited | 1 | UK | Dormant entity | Ordinary shares | 100% |
| Bridgepoint Development Capital V GP S.a r.l. | 3 | Luxembourg | General Partner | Ordinary shares | 100% |
| Bridgepoint Direct Lending II GP S.à r.l. | 3 | Luxembourg | General Partner | Ordinary shares | 100% |
| Bridgepoint Direct Lending III GP S.à r.l. | 3 | Luxembourg | General Partner | Ordinary shares | 100% |
| Bridgepoint Direct Lending IV GP S.à r.l. | 3 | Luxembourg | General Partner | Ordinary shares | 100% |
| Bridgepoint Europe (SGP) Ltd | 2 | UK | General Partner | Ordinary shares | 100% |
| Bridgepoint Europe III FP (GP) Limited | 2 | UK | General Partner | Ordinary shares | 100% |
| Bridgepoint Europe III (GP) Limited | 1 | UK | General Partner | Ordinary shares | 100% |
| Bridgepoint Europe III GP LP | 2 | UK | General Partner | N/A | – |
| Bridgepoint Europe IV (Nominees) 1 Limited | 1 | UK | Nominee entity | Ordinary shares | 100% |
| Bridgepoint Europe IV (Nominees) Limited | 1 | UK | Nominee entity | Ordinary shares | 100% |
| Bridgepoint Europe IV FP (GP) Limited | 2 | UK | General Partner | Ordinary shares | 100% |
| Bridgepoint Europe IV General Partner L.P. | 2 | UK | General Partner | N/A | – |
| Bridgepoint Europe IV General Partner 'F' L.P. | 2 | UK | General Partner | N/A | – |
| Bridgepoint Europe Limited | 1 | UK | Limited Partner | Ordinary shares | 100% |
| Bridgepoint Europe Managerial LLP | 1 | UK | Limited Partner | N/A | – |
| Bridgepoint Europe V Finance 1 Limited | 1 | UK | Dormant entity | Ordinary Shares | 100% |
| Bridgepoint Europe V Finance GP LLP | 1 | UK | General Partner | N/A | 100% |
| Bridgepoint Europe VII (GP) S.à r.l. | 3 | Luxembourg | General Partner | Ordinary shares | 100% |
| Bridgepoint Europe VII FP Limited | 1 | UK | Limited Partner | Ordinary shares | 100% |
| Bridgepoint Europe VII FP SGP Limited | 2 | UK | Dormant entity | Ordinary shares | 100% |
| Bridgepoint Europe VII GP 2 Limited | 1 | UK | General Partner | Ordinary shares | 100% |
| Bridgepoint Europe VII GP LLP | 1 | UK | General Partner | N/A | – |
| Bridgepoint Europe VII Nominees Limited | 1 | UK | Nominee company | Ordinary shares | 100% |
| Bridgepoint Europe VII MLP Limited | 1 | UK | Managing Limited Partner | Ordinary shares | 100% |
| Bridgepoint Finance Limited | 1 | UK | Dormant entity | Ordinary shares | 100% |
| Bridgepoint Fund Management S.à r.l. | 3 | Luxembourg | Private equity management company | Ordinary Shares | 100% |
| Bridgepoint GmbH | 6 | Germany | Private equity advisory company | Ordinary shares | 100% |

| Name of subsidiary | Ref | Country of incorporation | Principal activity | Share class | Company's proportion of ownership interest |
|--|-----|--------------------------|---------------------------------|-----------------|--|
| Bridgepoint GP2 LLP | 2 | UK | General Partner | N/A | – |
| Bridgepoint Growth I GP LLP | 1 | UK | General Partner | N/A | – |
| BDC V Nominees Limited | 1 | UK | Nominee entity | Ordinary shares | 100% |
| Bridgepoint Growth Limited | 1 | UK | Dormant entity | Ordinary shares | 100% |
| Bridgepoint Growth Nominees Limited | 1 | UK | Nominee company | Ordinary shares | 100% |
| Bridgepoint Holdco 1 Limited | 1 | UK | Dormant entity | Ordinary shares | 100% |
| Bridgepoint Holdings Group Limited | 1 | UK | Dormant entity | Ordinary shares | 100% |
| Bridgepoint Holdings Limited | 1 | UK | Dormant entity | Ordinary shares | 100% |
| Bridgepoint Infrastructure Advisers Limited | 1 | UK | Dormant entity | Ordinary shares | 100% |
| Bridgepoint Infrastructure Development Limited | 1 | UK | Dormant entity | Ordinary shares | 100% |
| Bridgepoint Infrastructure Limited | 1 | UK | Dormant entity | Ordinary shares | 100% |
| Bridgepoint International Limited | 1 | UK | Dormant entity | Ordinary shares | 100% |
| Bridgepoint Investment Consultants (Shanghai) Co Ltd | 8 | China | Private equity advisory company | Ordinary shares | 100% |
| Bridgepoint Loan Fund GP GmbH & Co. KG | 13 | Germany | General Partner | N/A | – |
| Bridgepoint Loan Fund GP S.à.r.l. | 3 | Luxembourg | General Partner | Ordinary shares | 100% |
| Bridgepoint Netherlands B.V. | 9 | Netherlands | Private equity advisory company | Ordinary shares | 100% |
| Bridgepoint OP GP Limited | 1 | UK | General Partner | Ordinary shares | – |
| Bridgepoint OP LP | 1 | UK | Investment holding partnership | N/A | – |
| Bridgepoint Partners Limited | 1 | UK | Dormant entity | Ordinary shares | 100% |
| Bridgepoint SAS | 7 | France | Private equity advisory company | Ordinary shares | 100% |
| Bridgepoint Services France SAS | 12 | France | Private equity advisory company | Ordinary shares | 100% |
| Bridgepoint Private Equity Group Limited | 1 | UK | Dormant entity | Ordinary shares | 100% |
| Bridgepoint Private Equity Growth Fund Limited | 1 | UK | Dormant entity | Ordinary shares | 100% |
| Bridgepoint Private Equity Limited | 1 | UK | Dormant entity | Ordinary shares | 100% |
| Bridgepoint Property Advisers Limited | 1 | UK | Dormant entity | Ordinary shares | 100% |
| Bridgepoint Property Development Limited | 1 | UK | Dormant entity | Ordinary shares | 100% |
| Bridgepoint Real Estate Advisers Limited | 1 | UK | Dormant entity | Ordinary shares | 100% |

| Name of subsidiary | Ref | Country of incorporation | Principal activity | Share class | Company's proportion of ownership interest |
|---|-----|--------------------------|---------------------------------|-----------------|--|
| Bridgepoint Real Estate Development Limited | 1 | UK | Dormant entity | Ordinary shares | 100% |
| Bridgepoint Real Estate Limited | 1 | UK | Dormant entity | Ordinary shares | 100% |
| Bridgepoint Real Limited | 1 | UK | Dormant entity | Ordinary shares | 100% |
| Bridgepoint SA | 10 | Spain | Private equity advisory company | Ordinary shares | 100% |
| Bridgepoint Services Sàrl | 3 | Luxembourg | Private equity advisory company | Ordinary shares | 100% |
| Bridgepoint Sp Zoo (in liquidation) | 11 | Poland | Private equity advisory company | Ordinary shares | 100% |
| Bridgepoint Sp Zoo sp.k (in liquidation) | 11 | Poland | General Partner | N/A | – |
| Bridgepoint Structured Credit Limited | 1 | UK | Dormant entity | Ordinary shares | 100% |
| Bridgepoint UK Holdco Limited | 1 | UK | Dormant entity | Ordinary shares | 100% |
| Bridgepoint UK Midco Limited | 1 | UK | Dormant entity | Ordinary shares | 100% |
| Bridgepoint US Holdings Limited | 1 | UK | Dormant entity | Ordinary shares | 100% |
| Bridgepoint US Holdco Limited | 14 | United States | Investment holding company | Ordinary shares | 100% |
| Bridgepoint US Holdco 2 Limited | 14 | United States | Investment holding company | Ordinary shares | 100% |
| Bridgepoint Ventures Limited | 1 | UK | Dormant entity | Ordinary shares | 100% |
| Bridgepoint, LLC | 14 | United States | Private equity advisory company | Ordinary shares | 100% |
| Burgundy GP LLP | 1 | UK | General Partner | N/A | – |
| Burgundy GP 2 Limited | 1 | UK | General Partner | Ordinary shares | 100% |
| GeorgeTown (Nominees) Limited | 1 | UK | Dormant entity | Ordinary shares | 100% |
| Horninghaven Limited | 1 | UK | Dormant entity | Ordinary shares | 100% |
| Horningway Limited | 1 | UK | General Partner | Ordinary shares | 100% |
| HPE II GP LP | 2 | UK | General Partner | N/A | – |
| HPE SGP Limited | 2 | UK | General Partner | Ordinary shares | 100% |
| LORAC 5 Limited | 1 | UK | Dormant entity | Ordinary shares | 100% |
| LORAC 6 Limited | 1 | UK | Dormant entity | Ordinary shares | 100% |
| LORAC BC Co-Investment Limited | 1 | UK | Dormant entity | Ordinary shares | 100% |
| LORAC BC II Limited | 1 | UK | Dormant entity | Ordinary shares | 100% |
| LORAC BDC III Limited | 1 | UK | Dormant entity | Ordinary shares | 100% |

| Name of subsidiary | Ref | Country of incorporation | Principal activity | Share class | Company's proportion of ownership interest |
|---|-----|--------------------------|----------------------------------|-----------------|--|
| LORAC BDC IV Limited | 1 | UK | Dormant entity | Ordinary shares | 100% |
| LORAC BDC Limited | 1 | UK | Dormant entity | Ordinary shares | 100% |
| LORAC BDCP II Limited | 1 | UK | Dormant entity | Ordinary shares | 100% |
| LORAC BEP IV Limited | 1 | UK | Dormant entity | Ordinary shares | 100% |
| LORAC BE VI Co-investment Limited | 1 | UK | Dormant entity | Ordinary shares | 100% |
| LORAC BG I Limited | 1 | UK | Dormant entity | Ordinary shares | 100% |
| LORAC Carry BC SMA II Limited | 1 | UK | Investment holding company | Ordinary Shares | 100% |
| LORAC Carry BCO IV Limited | 1 | UK | Investment holding company | Ordinary Shares | 100% |
| LORAC Carry BDL III Limited | 1 | UK | Investment holding company | Ordinary Shares | 100% |
| LORAC Eagle Limited | 1 | UK | Dormant entity | Ordinary shares | 100% |
| LORAC KITE Limited | 1 | UK | Dormant entity | Ordinary shares | 100% |
| New HPE II GP LP | 2 | UK | General Partner | N/A | – |
| Opal Investments LP | 2 | UK | Investment holding partnership | N/A | – |
| PEPCO Services LLP | 1 | UK | Collective purchasing negotiator | N/A | – |
| Ruby Investments (UK) Limited | 1 | UK | Dormant entity | Ordinary shares | 100% |
| Sapphire Investments (Guernsey) Limited | 4 | Guernsey | Investment holding company | Ordinary shares | 100% |
| Throttle Nominees Limited | 1 | UK | Nominee company | Ordinary shares | 100% |
| Vigny Advisory | 15 | France | Dormant entity | Ordinary shares | 100% |
| Vigny Participation | 15 | France | Dormant entity | Ordinary shares | 100% |
| Vigny Holding | 15 | France | Dormant entity | Ordinary shares | 100% |

| Ref | Registered office |
|-----|-------------------|
|-----|-------------------|

| | |
|---|--|
| 1 | 5 Marble Arch, London, W1H 7EJ, United Kingdom |
| 2 | 50 Lothian Road, Festival Square, Edinburgh, EH3 9WJ, Scotland, United Kingdom |
| 3 | 6B Rue du Fort Niedergrünwald, Luxembourg, L-2226, Luxembourg |
| 4 | 1 Royal Plaza, Royal Avenue, St Peter Port, Guernsey, GY1 2HL, Guernsey |
| 5 | Mäster Samuelsgatan 1, S-111 44 Stockholm, Sweden |
| 6 | Nextower, Thurn-und-Taxis-Platz 6, 60313 Frankfurt, Germany |
| 7 | 21 Avenue Kleber, 75116, Paris, France |
| 8 | Unit 2103-05, ONE ICC, No 999 Middle Huaihai Road, Shanghai, Xuhui District, China |

| | |
|----|--|
| 9 | Paulus Potterstraat 22A, 1071 DA, Amsterdam, Netherlands |
| 10 | Calle Rafael Calvo, 39A-4° - 28010 Madrid , Spain |
| 11 | ul. Rondo ONZ 1, 00-124, Warsaw, Poland |
| 12 | 21 rue La Pérouse, 75116, Paris, France |
| 13 | C/O Steigmaier Steuerberatungsgesellschaft mbH, Schleissheimer Str. 12, 85221, Dachau, Germany |
| 14 | 251 Little Falls Drive, City of Wilmington 19808, Country of New Castle |
| 15 | 21 rue La Pérouse, 75017, Paris, France |
| 16 | 10 Anson Road, #22-02, International Plaza, Singapore (079903) |

(b) Entities not consolidated

The table below shows entities that are indirect subsidiaries of the Company, but the Group does not have the power to direct activities or rights to variable returns from the entity and they are therefore not consolidated in the financial information.

| Name of subsidiary: | Ref | Country of incorporation | Principal activity | Share class | Proportion of ownership interest |
|-----------------------------|-----|--------------------------|----------------------------|-----------------|----------------------------------|
| Bridgepoint PE CI Limited | 1 | UK | Investment holding company | Ordinary shares | 49.1% |
| Sapphire Sub II A Limited* | 4 | Guernsey | Investment holding company | Ordinary shares | 100% |
| Sapphire Sub II B Limited* | 4 | Guernsey | Investment holding company | Ordinary shares | 100% |
| Sapphire Sub III A Limited* | 4 | Guernsey | Investment holding company | Ordinary shares | 100% |
| Sapphire Sub III B Limited* | 4 | Guernsey | Investment holding company | Ordinary shares | 100% |
| Sapphire Sub III C Limited* | 4 | Guernsey | Investment holding company | Ordinary shares | 100% |
| Sapphire Sub South Limited* | 4 | Guernsey | Investment holding company | Ordinary shares | 25% |

* Entities are in liquidation

The profit or loss for the above entities for the years ended 31 December 2023 and 2022 are not material.

(c) Consolidated structured entities

The table below shows details of structured entities that the Group is deemed to control and are consolidated within the financial statements for the periods referenced.

| Name of structured entities: | Country of incorporation | Group's proportion of ownership interest | Nature of interest | Periods consolidated |
|----------------------------------|--------------------------|--|---|-----------------------------|
| BE VI (French) Co-Invest LP | United Kingdom | 86.2% | Limited partner | All periods |
| BDC IV (French) Co-Investment LP | United Kingdom | 51.9% | Limited partner | All periods |
| Bridgepoint CLO 1 DAC | Ireland | 55.2% | Subordinated note in the residual class | All periods |
| Bridgepoint CLO 3 DAC | Ireland | 51.0% | Subordinated note in the residual class | All periods |
| Bridgepoint CLO IV DAC | Ireland | 61.0% | Subordinated note in the residual class | All periods |
| Bridgepoint CLO V DAC | Ireland | 51.8% | Subordinated note in the residual class | Year ended 31 December 2023 |

| | | | | |
|------------------------|----------------|--------|------------------|-----------------------------|
| Bridgepoint CLO VI DAC | Ireland | 50.0% | Warehouse entity | Year ended 31 December 2023 |
| Opal Investments LP | United Kingdom | 85.0% | Limited partner | All periods |
| Maple Tree VII LP | United Kingdom | 21.7%* | Limited partner | All periods |

* A control assessment of Maple Tree VII LP has been performed in accordance with the Group's accounting policies and concluded that the Group has power and exposure to variable returns in profit sharing. As a result, the Group consolidates the vehicle. Under the limited partnership agreement, third-party investors have the right to receive a minimum return on drawn commitments, along with a share of residual profits from the partnership. As at 31 December 2023, no commitment had been drawn from the third-party investors.

(d) Associates

Where the Group holds investments in funds or CIPs that give the Group significant influence, but not control, through participation in financial and operating policy decisions, the Group measures investments in associates at fair value through profit or loss. Information about the Group's associates measured at fair value is shown below. Where the Group holds an interest that is greater than 20% the Group is considered to have significant influence, but not control. These investments are recorded as financial assets or carried interest receivable within the Group Consolidated Statement of Financial Position.

Bridgepoint Growth I SFP LP

The Group has an interest in a CIP which has a share of 35.0% of the rights to the carried interest from the Bridgepoint Growth I fund partnership and is therefore considered to have significant influence.

| | 31 December | |
|-----------------------------------|-------------|-------|
| | 2023 | 2022 |
| | £ m | £ m |
| Carried interest receivable | 13.6 | – |
| Carried interest payable | (13.5) | – |
| Net assets | 0.1 | – |
| Result for the year | – | – |
| Group's interest in the associate | 35.0% | 35.0% |

The partnership's registered address is 50 Lothian Road, Edinburgh, EH3 9WJ, UK.

BDC III SFP LP

The Group has an interest in a CIP which has a share of 25.9% of the rights to the carried interest from the BDC III fund partnerships and is therefore considered to have significant influence. Accordingly, the BDC III carry scheme is considered an associate of the Group. Key financial information is set out in the table below.

| | 31 December | |
|-----------------------------------|-------------|------------|
| | 2023 | 2022 |
| | £ m | £ m |
| Carried interest receivable | 228.1 | 136.4 |
| Carried interest payable | (228.0) | (136.2) |
| Net assets | 0.1 | 0.2 |
| Result for the year | – | – |
| Group's interest in the associate | 25.9% | 25.9% |

The partnership's registered address is 50 Lothian Road, Edinburgh, EH3 9WJ, UK.

BEP IV SFP LP

Within investments in funds, the Group has an investment that has an entitlement of 49.7% of the limited partner commitments of BEP IV SFP LP, a partnership that is a co-investor into the BEP IV fund partnerships. The Group also holds 31.8% of the entitlement to the founder partner commitments of the entity, which currently has no value. Accordingly, BEP IV SFP LP is considered to be an associate of the Group. Key financial information about the fund is set out in the table below.

| | 31 December | |
|-----------------------------------|-------------|-------------|
| | 2023 | 2022 |
| | £ m | £ m |
| Investments at fair value | 35.7 | 39.5 |
| Other assets | 2.5 | 3.2 |
| Total liabilities | (2.5) | (2.1) |
| Net assets | 35.7 | 40.6 |
| Profit for the year | 1.9 | 0.7 |
| Group's interest in the associate | 49.7% | 49.7% |

The partnership's registered address is 50 Lothian Road, Edinburgh, EH3 9WJ, UK.

BE VI Co-Investment (Feeder) Partnership LP

The Group has an investment that has an entitlement of 45.2% of the limited partner commitments of BE VI Co-Investment (Feeder) Partnership LP. Accordingly, BE VI Co-Investment (Feeder) Partnership LP is considered to be an associate of the Group. Key financial information about the fund is set out in the table below.

| | 31 December | |
|-----------------------------------|-------------|-------------|
| | 2023 | 2022 |
| | £ m | £ m |
| Investments at fair value | 14.5 | 12.4 |
| Other assets | 0.1 | 1.5 |
| Total liabilities | (0.2) | (0.1) |
| Net assets | 14.4 | 13.8 |
| Profit for the year | 0.9 | 2.8 |
| Group's interest in the associate | 45.2% | 45.6% |

The partnership's registered address is 50 Lothian Road, Edinburgh, EH3 9WJ, UK.

Other associates

In addition to the associates listed above, there are four other entities where the Group considers itself to have significant influence with ownership above 20%. These are immaterial individually and in aggregate and have no balances or transactions associated with them for the years presented.

(e) Subsidiaries not audited

For the year ended 31 December 2023 the following UK subsidiaries were expected to be entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies:

| | | | |
|------------------------------|------------------------|------------------------|--|
| 101 Investments (GP) Limited | BDC III GP 2 Limited | BDCP II MLP Limited | Bridgepoint Europe III FP (GP) Limited |
| Atlantic GP 1 Limited | BDC III Limited | BDCP II SFP GP Limited | Bridgepoint Europe IV FP (GP) Limited |
| Atlantic GP LLP | BDC III SFP GP Limited | BE VI FP SGP Limited | Bridgepoint Europe Managerial LLP |
| BBTPS FP GP Limited | BDC IV MLP Limited | BE VI GP 2 Limited | Bridgepoint Europe VII FP Limited |
| BC GP 2 Limited | BDC IV SFP GP Limited | BE VI MLP Limited | Bridgepoint Europe VII FP SGP Limited |
| BC II FP SGP Limited | BDC Special 1 Limited | BEP IV FP SGP Limited | Bridgepoint Europe VII GP 2 Limited |
| BC II MLP Limited | BDC Special 2 Limited | BEP IV GP 2 Limited | Bridgepoint Europe VII MLP Limited |
| BDC II FP GP Limited | BDC Special GP LLP | BEP IV MLP Limited | Burgundy GP LLP |
| BDC II Limited | BDCP II GP 2 Limited | BEV FP SGP Limited | |

29 Unconsolidated structured entities

A structured entity is an entity that has been designed so that voting or similar rights are not the dominant factor in deciding who controls the entity, such as when any voting rights relate to administrative tasks only and the relevant activities are directed by means of contractual arrangements.

The Group has determined that where the Group holds an investment, loan, fee receivable, commitment with an investment fund or CIP with a right to carried interest, this represents an interest in a structured entity. Where the Group does not hold an investment in the structured entity, the Group has determined that the characteristics of control are not met. As set out in note 3 (a), CIPs that currently have value are those where the Group is exposed to variable returns of below 50% with the main beneficiaries of the CIP being the other participants.

The disclosure below includes CLO 2 for the years ended 31 December 2022 and 31 December 2023, which is not consolidated in either year, as explained in note 3 (a).

The Group acts in accordance with pre-determined parameters set out in various agreements and the decision-making authority is well defined, including third-party rights in respect of the investment manager. The agreements include management fees that are commensurate with the services provided and performance fee arrangements that are industry standard. As such the Group is acting as agent on behalf of these investors and therefore these entities are not consolidated into the Group's financial statements.

The Group's interest in, and exposure to, unconsolidated structured entities, including outstanding management fees, is detailed in the table below and recognised within trade and other receivables in the Consolidated Statement of Financial Position. The carried interest receivable is included within the Consolidated Statement of Financial Position.

| at 31 December | Value of the Group's co-investments at year end £ m | Typical Group commitment to the fund as % | Total investor commitments £ bn | Net asset value of the funds at year end £ bn | Management fees received by the Group £ m | Typical management fee range % | Carried interest rate % (where applicable) | Typical Group share of carried interest % | Group accrued carried interest receivable at year end £ m | Group maximum exposure to loss at year end £ m |
|----------------------|--|---|------------------------------------|--|--|-----------------------------------|---|--|--|---|
| 2023 | | | | | | | | | | |
| Private equity funds | 260.9 | <2% | 28.9 | 16.7 | 205.0 | 0.75 to 2.00% | Generally up to 20% of profits over threshold | Up to 35% | 64.7 | 325.6 |
| Credit funds | 121.6 | <9% | 6.9 | 4.4 | 56.5 | 0.50 to 1.75% | Generally up to 20% of profits over threshold | Up to 35% | 2.6 | 124.2 |
| | 382.5 | | 35.8 | 21.1 | 261.5 | | | | 67.3 | 449.8 |

| at 31 December | Value of the Group's co-investments at year end £ m | Typical Group commitment to the fund as % | Total investor commitments £ bn | Net asset value of the funds at year end £ bn | Management fees received by the Group £ m | Typical management fee range % | Carried interest rate % (where applicable) | Typical Group share of carried interest % | Group accrued carried interest receivable at year end £ m | Group maximum exposure to loss at year end £ m |
|----------------------|--|---|------------------------------------|--|--|-----------------------------------|---|--|--|---|
| 2022 | | | | | | | | | | |
| Private equity funds | 241.3 | <2% | 28.2 | 15.5 | 179.5 | 0.75 to 2.00% | Generally up to 20% of profits over threshold | Up to 35% | 39.4 | 280.7 |
| Credit funds | 76.9 | <9% | 6.0 | 2.8 | 50.8 | 0.50 to 1.75% | Generally up to 20% of profits over threshold | Up to 35% | 2.6 | 79.5 |
| | 318.2 | | 34.2 | 18.3 | 230.3 | | | | 42.0 | 360.2 |

30 Events after the reporting period

(a) ECP transaction

On 6 September 2023, the Group announced a transaction to add ECP to the Group to accelerate Bridgepoint's strategic diversification. The transaction establishes a third and complementary growth pillar for the Group. ECP is a leading North American infrastructure investor with a market-leading position in the highly sought-after energy transition and sustainability focussed investing ecosystem. Further details of the transaction were set out in the shareholder circular dated 2 October 2023, which can be found at our website: www.bridgepoint.eu/shareholders.

The transaction was approved by the Company's shareholders on 19 October 2023 and it was announced on 20 October 2023 that required investor consents to the transaction had been received in respect of ECP Fund III, IV and V. As announced on 4 March 2024, the sole outstanding regulatory clearance in respect of the transaction is a clearance applied for by ECP ControlCo, LLC from the Federal Energy Regulatory Commission, and closing of the transaction is expected to occur in Q2 2024.

As the transaction was not completed before 31 December 2023, the Group's Consolidated Statement of Profit or Loss for the year ended 31 December 2023 does not include any revenue, profit or loss relating to the ECP business, other than transaction costs of £43.5m incurred by the Group during the year, which have been incurred as other operating expenses and personnel expenses. Such transaction costs are classified as exceptional and so are excluded from underlying performance metrics. Further details exceptionals are included in note 8.

The Group will apply the acquisition method to account for the transaction in accordance with IFRS 3 "Business Combinations". The Group is required to determine what is part of the business combination transaction, to recognise and measure the identified net assets acquired, and to determine the consideration transferred. As the transaction had not yet completed when the Annual Report was authorised for issue, the Group is unable to reasonably estimate the fair value of net assets acquired, the fair value of consideration transferred and the resulting goodwill and intangible assets.

(b) Share buyback programme

On 2 October 2023, the Company announced a second share buyback programme of up to £50.0m. The share buyback programme commenced on 12 October 2023 following completion of the previous programme, and is expected to complete on or before 31 July 2024. Between 31 December 2023 and 12 March 2024, being the latest practicable date before the publication of these financial statements, a further 834,518 ordinary shares have been bought back in aggregate for £2.3m pursuant to the share buyback programme. Of these shares, in aggregate 834,518 have been cancelled as at 12 March 2024.

(c) US private placement notes

On 7 March 2024, the Group priced \$430.0m of new US private placement notes. The proceeds from the new notes will be used to provide additional resources to deliver the Group's strategic growth plans. The proceeds will also be used to refinance any portion of the \$225.0m private placement notes that will transfer to the Group as part of the ECP transaction perimeter. Under a change of control process in these existing notes, note holders can opt for repayment from completion of the ECP transaction. The new notes will be structured in four tranches with maturities of 3, 5, 7 and 10 years and an average coupon of 6.17 per cent. The receipt of funding for the new notes is expected during Q2 2024, subject to the completion of the ECP transaction and customary conditions.

There have been no other material subsequent events since 31 December 2023.

Non-statutory Consolidated Statement of Financial Position, excluding CLOs

as at 31 December

| | (Unaudited) 2023 £ m | (Unaudited) 2022 £ m |
|--------------------------------|----------------------------|----------------------------|
| Assets | | |
| Non-current assets | | |
| Property, plant and equipment | 73.7 | 85.5 |
| Goodwill and intangible assets | 116.6 | 119.6 |

| | | |
|--|----------------|----------------|
| Carried interest receivable | 67.3 | 42.0 |
| Fair value of fund investments* | 382.5 | 318.2 |
| Trade and other receivables | 23.2 | 19.9 |
| Total non-current assets | 663.3 | 585.2 |
| Current assets | | |
| Trade and other receivables | 118.2 | 184.9 |
| Derivative financial assets | 6.2 | 1.0 |
| Other investments, at fair value | 7.5 | – |
| Cash and cash equivalents | 238.8 | 196.0 |
| Term deposits with original maturities of more than three months | – | 100.0 |
| Total current assets | 370.7 | 481.9 |
| Total assets | 1,034.0 | 1,067.1 |
| Liabilities | | |
| Non-current liabilities | | |
| Trade and other payables | 13.1 | 13.6 |
| Other financial liabilities | 50.1 | 49.5 |
| Lease liabilities | 69.7 | 77.1 |
| Deferred tax liabilities | 33.9 | 19.4 |
| Total non-current liabilities | 166.8 | 159.6 |
| Current liabilities | | |
| Trade and other payables | 132.5 | 115.5 |
| Lease liabilities | 11.9 | 6.1 |
| Derivative financial liabilities | 1.6 | 13.2 |
| Total current liabilities | 146.0 | 134.8 |
| Total liabilities | 312.8 | 294.4 |
| Net assets | 721.2 | 772.7 |
| Equity | | |
| Share capital | 0.1 | 0.1 |
| Share premium | 289.8 | 289.8 |
| Retained earnings | 418.7 | 473.7 |
| Other reserves** | 12.6 | 9.1 |
| Total equity | 721.2 | 772.7 |

* The fair value of fund investments includes the Group's own exposures in consolidated CLOs 1, 3, 4, 5 and 6 of £81.1m (2022: CLOs 1, 3 and 4 of £45.2m) as at 31 December 2023.

** The Group has changed the presentation of equity to aggregate other reserves. A breakdown of other reserves is included in note 23 (c).

This unaudited non-statutory consolidated statement of financial position applies all of the measurement and recognition requirements of IFRS and the accounting policies of the Group, except for the requirement to consolidate CLOs. CLOs are presented as an investment held at fair value in line with how they are managed by the Group, rather than being consolidated in accordance with IFRS 10 "Consolidated Financial Statements".

Non-statutory Consolidated Statement of Cash Flows, excluding CLOs

for the year ended 31 December

| | Unaudited 2023 £ m | Unaudited 2022 £ m |
|--|--------------------------|--------------------------|
| Cash flows from operating activities | | |
| Cash generated from operations | 152.5 | 35.6 |
| Tax paid | (4.7) | (1.7) |
| Net cash inflow from operating activities | 147.8 | 33.9 |

| | | |
|--|----------------|---------|
| Cash flows from investing activities | | |
| Investment in term deposits with original maturities of more than three months | 100.0 | (100.0) |
| Receipts from investments | 30.8 | 74.3 |
| Purchase of investments | (46.9) | (41.2) |
| Purchase of other investments | (7.5) | – |
| Interest received | 8.5 | 3.3 |
| Payment for foreign exchange option premium | (3.8) | – |
| Investments in CLOs | (35.6) | (8.7) |
| Cash acquired on consolidation of intermediate fund holding entities | – | 1.2 |
| Payments for property, plant and equipment and intangible assets | (4.0) | (22.6) |
| Net cash flows from investing activities | 41.5 | (93.7) |
| Cash flows from financing activities | | |
| IPO costs | – | (1.8) |
| Dividends paid to shareholders of the Company | (68.0) | (62.8) |
| Share buyback | (60.2) | – |
| Drawings from related party investors in intermediate fund holding entities | 1.2 | 3.8 |
| Principal elements of lease payments | (6.6) | (4.1) |
| Interest paid | (7.2) | (4.7) |
| Net cash flows from financing activities | (140.8) | (69.6) |
| Net increase/(decrease) in cash and cash equivalents | 48.5 | (129.4) |
| Cash and cash equivalents at the beginning of the year | 196.0 | 323.1 |
| Effect of exchange rate changes on cash and cash equivalents | (5.7) | 2.3 |
| Cash and cash equivalents at the end of the year | 238.8 | 196.0 |

This unaudited non-statutory consolidated statement of cash flows applies all of the measurement and recognition requirements of IFRS and the accounting policies of the Group, except for the requirement to consolidate CLOs. Consolidated CLO cash is not presented in the opening or closing cash positions in this statement and all cash flows relate to the non-CLO activities of the Group.

Directors

The directors of Bridgepoint Group plc at 14 March 2023 are:

William Jackson
Raoul Hughes
Archie Norman
Adam Jones
Angeles Garcia-Poveda
Carolyn McCall
Tim Score
Cyrus Taraporevala

Forward Looking Statements

This announcement may include forward-looking statements. Forward-looking statements are statements that are not historical facts and may be identified by words such as "plans", "targets", "aims", "believes", "expects", "anticipates", "intends", "estimates", "will", "may", "continues", "should" and similar expressions. These forward-looking statements reflect, at the time made, the beliefs, intentions and current targets/aims of Bridgepoint Group plc (the "**Company**"). Forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. The forward-looking statements in this announcement are based upon various assumptions. Although the Company believes that these assumptions were reasonable when made, these assumptions are inherently subject to significant known and unknown risks,

uncertainties, contingencies and other important factors which are difficult or impossible to predict and are beyond its control. Forward-looking statements are not guarantees of future performance and such risks, uncertainties, contingencies and other important factors could cause the actual outcomes and the results of operations, financial condition and liquidity of the Company, its subsidiary undertakings or the industry to differ materially from those results expressed or implied in this announcement by such forward-looking statements. No representation or warranty, express or implied, is made that any of these forward-looking statements or forecasts will come to pass or that any forecast result will be achieved. Undue influence should not be given to, and no reliance should be placed on, any forward-looking statement. No statement in this announcement is intended to be nor may be construed as a profit forecast. Neither the Company, nor any of its subsidiaries nor any of their affiliates, nor any of its or their officers, employees, agents or advisers, undertake to publicly update or revise any such forward-looking statement, except to the extent required by applicable law.

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