INTERIM REPORT AND ACCOUNTS **2021** 







Apax Global Alpha Limited ("AGA", "Apax Global Alpha" or the "Company") is a closed-ended investment company that invests in a portfolio of private equity funds advised by Apax Partners LLP ("Apax"). It also holds debt and equity investments ("Derived Investments") which are identified as a direct result of the private equity investment process, insights, and expertise of Apax.

The Company has a Premium listing and is a constituent of the FTSE 250 Index (LSE: APAX).

ADJUSTED NAV1

€1.4bn

 Adjusted NAV is an Alternative Performance Measure ("APM"). It represents NAV of €1.384.8m adjusted for the performance fee reserve of €4.5m at 30 June 2021. Further details can be seen on page 22

#### OUR OBJECTIVE

Our objective is to provide shareholders with superior long-term returns through capital appreciation and regular dividends.

AGA aims to build and maintain a global portfolio of investments across four core sectors, delivering sustained value across economic cycles. Our unique business model allows shareholders to access high-quality companies in the Tech & Digital, Services, Healthcare and Internet/Consumer sectors through the private equity funds advised by Apax ("Apax Funds") as well as via direct investments.

TARGET ANNUALISED TOTAL NAV RETURN

12-15%

TARGET DIVIDEND YIELD P.A.

5% DE NAV

#### OUR INVESTMENT APPROACH

Our investment approach seeks to provide investors with access to Apax's different private equity funds across all stages of maturity. Leveraging Apax's insights derived from private equity activities, AGA also holds a focused portfolio of debt and equity investments that provides additional liquidity and flexibility for the Company with the aim of generating superior risk-adjusted returns.

**SECTORS** 

4

INVESTMENT ADVISOR INVESTING EXPERIENCE

nearly 50 years

## Apax Global Alpha Limited

provides shareholders with unique access to a diversified private equity portfolio across four core sectors, as well as a focused portfolio of debt and equity investments, derived from the insights gained by the Apax team.

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**INVESTMENT CASE** 



# >UNIQUE PRIVATE EQUITY ACCESS

AGA provides investors with access to a range of private equity funds advised by Apax, which contain an actively managed portfolio of investments. Value creation is achieved through sector focus, transformational ownership, and operational value-add

# SECTOR-DRIVEN STRATEGY

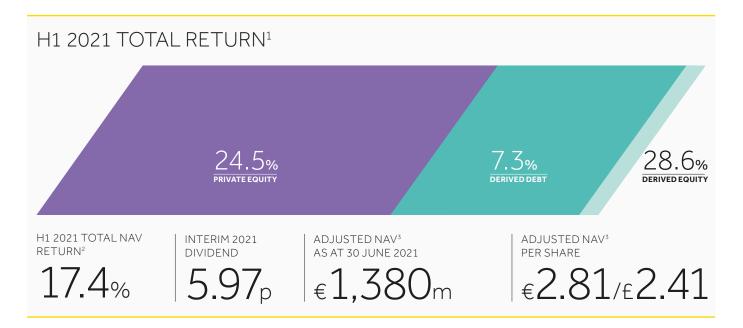
We focus on four attractively positioned and dynamic sectors, benefitting from accelerating changes in global trends: Tech & Digital, Services, Healthcare, and Internet/Consumer

### ATTRACTIVE NET RETURNS

AGA targets a Total NAV Return of 12-15%, including a dividend target of 5% of NAV per year, aiming to generate both capital appreciation and an attractive level of dividend income for investors DISTINCTIVE DERIVED INVESTMENT APPROACH

We employ a portfolio of debt and equity investments identified from the Apax team's insights in order to manage capital not invested in Private Equity, providing liquidity and flexibility for the portfolio while generating enhanced risk adjusted returns

#### **KEY HIGHLIGHTS**



#### INVESTMENT LIFECYCLE

**INVESTMENT TRANSFORMATION REALISATION PRIVATE EQUITY** 42.7% **NEW INVESTMENTS** LTM EBITDA GROWTH **FULL AND PARTIAL CLOSED EXITS** ▼ TECH & DIGITAL 7 ▼ TECH & DIGITAL 8 SERVICES 1 SERVICES 2 **▼** HEALTHCARE 1 **✓** HEALTHCARE ✓ INTERNET/CONSUMER ✓ INTERNET/CONSUMER LTM REVENUE GROWTH

#### **DERIVED INVESTMENTS**

13
NEW INVESTMENTS

DERIVED DEBT 13

DERIVED EQUITY -

6	
FULL EXITS	
✓ DERIVED DEBT	5
✓ DERIVED EQUITY	1

Total Return is an Alternative Performance Measure. It reflects the sub-portfolio performance on a stand-alone basis. It excludes items at overall AGA level such as cash, management fees and costs.
 For details of calculations used see the glossary on page 41

<sup>2.</sup> Total NAV Return is an APM. It means the return on the movement in the Adjusted NAV per share over the period plus any dividends. Further details can be seen on page 22

<sup>5.</sup> Adjusted NAV is an APM. It represents NAV of €1.385.6m adjusted for the performance fee reserve of €4.5m at 30 June 2021. Further details can be seen on page 22.

#### **CHAIRMAN'S STATEMENT**

# A strong start to 2021



The performance of the Company in the first half of 2021 underlines the quality of our portfolio and the benefits of our sector-led investment strategy.

#### **OVERVIEW**

The first half of 2021 continued to be dominated by the Covid-19 pandemic, with the emergence of new variants posing a new cause for concern. The successful rollout of effective vaccines in many developed countries has however brought a new sense of optimism, positively impacting consumer sentiment as many governments have gradually relaxed measures designed to slow the spread of the virus thus allowing economies to re-open. Growth has rebounded and economic activity is starting to return to pre-pandemic levels.

Despite a volatile start to the year, equity markets have performed strongly, and the volume and value of M&A transactions have been extremely robust. However, the difference in performance between sectors persisted, with leisure and travel still heavily impacted by lockdown measures, whilst technology, and the other sectors to which AGA has exposure, largely continued to excel.

#### RESULTS

The Company delivered a Total NAV Return of 17.4% in the first half of the year. Adjusted NAV per share increased from €2.45 (£2.19) to €2.81 (£2.41) and the Company's total Adjusted NAV grew to just under €1.4bn.

Following a strong first quarter, AGA saw continued robust performance in Q2 from Private Equity and, in particular, from the Apax VIII and Apax IX funds which are now in the harvesting and maturity phases of the investment lifecycle. As a whole, the Private Equity portfolio delivered a Total Return of 24.5% (21.9% in constant currency) for the first half of 2021 whilst Derived Investments achieved a Total Return of 9.8% (7.0% constant currency) in the same period.

#### **PORTFOLIO UPDATE**

Private Equity continues to make up just over two-thirds of the Invested Portfolio, although the high level of exit activity meant this proportion was lower than at the end of 2020. Private Equity exits, primarily in Apax IX. delivered record distributions. A total of €131m was returned to AGA in the period and, in line with our investment strategy, any cash not invested in Private Equity was deployed into Derived Debt, which increased to 29% of the Invested Portfolio as a result. The remaining 3% is  $invested \, in \, Derived \, Equity. \, High \, public \, market$ valuations in our target sectors meant that no attractive opportunities were identified for investment in this part of the portfolio.

Despite this persistent high valuation environment for quality companies, the Apax Funds were able to identify a number of attractive Private Equity opportunities, with AGA deploying €85.0m in eleven new investments in the first half of 2021, Thirteen new positions were acquired in Derived Debt with the focus remaining on liquid first and high yielding second lien loans.

COMMITMENT TO RESPONSIBLE INVESTING See page 6

PERFORMANCE REVIEW

See page 10



The portfolio sector split remained weighted towards Tech & Digital (45%), followed by Services (21%), Healthcare (20%) and the Internet/Consumer sector (14%). We have redesignated this sector to reflect the increased focus on digital consumer investments in the last few years, away from traditional "bricks-and-mortar" retail. Online Marketplace companies such as Baltic Classifieds Group, which recently listed on the London Stock Exchange, have also been moved from Services to Internet/Consumer which accounts for AGA's increased exposure to this sector compared to 31 December 2020.

## LIQUIDITY, COMMITMENTS, AND FUNDING

AGA's liquidity position remains healthy. Proceeds received from Private Equity exits were re-deployed into Derived Investments to minimise cash drag for investors. In addition to  ${\leqslant}439.2\text{m}\,\text{in}$  Derived Investments, AGA's net cash position after net liabilities at 30 June 2021 was  ${\leqslant}29.0\text{m}$ , and the  ${\leqslant}140.0\text{m}\,\text{evergreen}$  revolving credit facility remained undrawn.

This leaves AGA well-positioned to meet future Private Equity calls. Undrawn commitments, including recallable distributions from the Apax Funds, amounted to €419.2m at 30 June 2021, with the majority relating to Apax X.

During the period, AGA announced its intention to make a commitment of \$90m to the Apax Digital Fund II ("ADF II"). This is the successor fund to the successful Apax Digital Fund already held by AGA which invests in a balanced portfolio of minority equity and growth buyout opportunities in mid-market technology companies.

#### **DIVIDEND**

In line with AGA's dividend policy to distribute 5% of NAV each year to its shareholders, the Board has approved an interim dividend for 2021 of 5.97 pence per share. The dividend will be paid on 17 September 2021 to shareholders on the register of members on 27 August 2021. The shares will trade ex-dividend on 26 August 2021.

#### AGM VOTING RESULTS

As required by the Company's prospectus, a triennial discontinuation resolution was put forward to the Annual General Meeting on 4 May 2021. This was the second such resolution and the Directors were pleased that 99.8% of votes cast supported the continuation of the Company in its current form. All other resolutions received a similarly high level of support.

#### FIRST 10-YEAR LOCK-UP RELEASE

On the sixth anniversary of AGA's IPO on 15 June 2021, an additional tranche of 20% of the Company's ordinary shares held by senior Apax executives was released from lock-up. The staggered approach to the release of shares was designed to ensure that employees of AGA's Investment Adviser remain committed to the success of AGA in the long term, whilst the free float of AGA shares would also be able to grow over time.

#### **OUTLOOK**

The outlook is one of cautious optimism and uneven recovery, with growth prospects diverging across regions, countries, and sectors. Rising cost pressures may cause inflation to rise and, depending on the response of central banks, could have a negative impact on asset prices.

Meanwhile we should expect some permanent shifts in working, consumption and investment patterns following the pandemic and, in the longer term, from the consequences of government-imposed measures to meet ambitious climate goals.

Against this backdrop, AGA's established investment process and sector-based strategy should mean that the Company's portfolio remains resilient and well-positioned to take advantage of any emerging opportunities.

TIM BREEDON CBE Chairman

18 August 2021





Responsible investment is important to protect and create long-term investment value.



# Committed to delivering sustainable returns

The Board of Directors of Apax Global Alpha believes that approaching investing responsibly is important in protecting and creating long-term value. The Board relies upon its Responsible Investment policy and the practices of Apax to ensure it delivers returns ethically and responsibly. Delivering sustainable returns has been a key focus for Apax and the Apax Funds' portfolio companies for over a decade. Apax has a strong track record in responsible investing and has made a substantial effort and investment over time to measure the Apax Funds' impact on society and deliver sustainable financial returns while encouraging sustainable business practices. Across Apax and the portfolio companies, there is an enduring commitment to integrating Environmental, Social and Governance ("ESG") considerations into business processes. This has been recognised by many external stakeholders who endorse the Apax approach as industry-leading. The annual assessment by the Principles for Responsible Investment ("PRI") rates the Apax ESG programme as A+.

## RESPONSIBLE INVESTMENT HIGHLIGHTS H1 2021

In the first six months of 2021, AGA published its Responsible Investment policy, expanding the policy beyond the Private Equity portfolio to also include Derived Investments. In Q2 AGA also made available its ESG materials through the Association of Investment Companies ("AIC") as part of their project to increase transparency within the industry.

In March 2021, Apax published the 8th edition of its Annual Sustainability Report, which highlights the wide-ranging ESG initiatives undertaken at Apax and the Apax Funds' portfolio companies. One of the areas highlighted in the report is the work around climate action and, in July 2021, Apax reinforced its commitment to tackle climate change by becoming a signatory to the Initiative Climate International (iCl), a significant initiative for the Private Equity industry backed by the PRI, focused on cross-sector collaboration to share best practices for measuring, managing and reducing portfolio carbon emissions.

The most recent Sustainability Report and other relevant materials can be accessed on AGA's website (https://www.apaxglobalalpha.com/investment-portfolio/sustainability/) or via the Association of Investment Companies's website (https://www.theaic.co.uk/).



#### INTEGRATION OF THE SUSTAINABILITY FRAMEWORK INTO THE PRIVATE EQUITY INVESTMENT PROCESS

#### PRE-INVESTMENT

- Apax's teams undertake standard ESG due diligence for each new investment made by the Apax Funds
- Apax's Sustainability Committee reviews the findings of the ESG due diligence process and these are incorporated into the final Investment Committee documentation prior to each new commitment
- The objective is to create a high degree of awareness upfront with regard to potential ESG issues which can contribute to value creation at a very early stage



#### POST-INVESTMENT

- Pre-investment due diligence is backed up post-investment by an annual ESG KPI collection cycle
- Apax is able to capture the ESG footprint of the Apax Funds' portfolio companies and establish possible areas where the Apax investment teams together with the Apax Operational Excellence Practice can create value.
- The key goal of the data collection for Apax is to develop a better understanding of the materiality of certain ESG KPIs to the overall operations of a portfolio company



#### **ACTIVE OWNERSHIP**

- Apax has a well-defined Responsible Investment policy and has integrated ESG considerations into its investment processes and ownership practices relating to the Apax Funds' portfolio companies
- Apax coordinates its sustainability efforts through a Sustainability Committee which meets on a monthly basis

#### **INVESTMENT MANAGER'S REPORT**



#### REVIEW OF H1 2021

## COVID-19 AND MACROECONOMIC BACKDROP

2021 has so far been dominated by Covid-19 and the vaccine rollout. A global phenomenon, Covid-19 saw some 180m confirmed cases and c.4m reported fatalities as at 30 June 2021 according to the World Health Organization, figures which almost certainly understate the true scale of the pandemic.

While we are seeing new variants of the virus emerge, and the virus remains deadly in many parts of the world, the vaccine has proven to be effective in weakening the link between cases, hospitalisations and deaths. This has allowed many governments to gradually reopen their economies, in particular the US, the UK, Israel and a number of European countries.

As a result of economies re-opening, significant monetary and fiscal stimulus and pent-up demand, global GDP is forecast to grow by 6.7% in 2021 after a decline of 3.3% in 2020. The US and China are forecast to grow particularly strongly in 2021 at 6.9% and 8.5% respectively. However, the recovery is uneven with certain service sectors such as travel continuing to struggle whilst technology broadly continues to thrive.

#### **INFLATION**

This favourable macro-economic backdrop combined with loose monetary policy is now giving rise to concerns around inflation.

Whilst many argue that the current spike is transitory, should more structural inflation take hold, tightening monetary policies may lead to decreased market multiples, especially for long duration, high-growth assets without demonstrated pricing power.

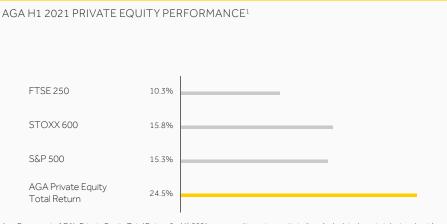
Given this environment, the current focus is to capitalise on high valuations to exit those investments that have completed their "good to great" transitions or re-rated to very high levels in the private equity portfolio. In terms of new investments, the Apax Funds seek—and continue to find—idiosyncratic situations within the target sectors and sub-sectors where opportunities exist to "transform" an asset and generate alpha by increasing its quality through business improvement.

#### **EQUITY MARKETS**

Following the dramatic swings in 2020, equity markets have performed strongly with the S&P up 15.3% and STOXX Europe 600 up 13.5% for the half year to 30 June 2021.

On the back of the macro-economic rebound, consensus corporate earnings are expected to grow strongly at over 30% for the S&P for 2021 and about 10% for 2022. However, price-to-earnings ratios remain at elevated levels, albeit are more reasonable on an equity risk premium basis given very low long-term bond yields.

Although there has been some recovery in more cyclical value stocks as investors anticipate the recovery, there continues to be a very significant divergence in performance between sectors and companies as investors differentiate between those that are likely to be long-term winners, and those that could be structurally challenged. This distinction is evident within the AGA portfolio as the core sectors to which the Apax Funds have exposure generally performed better than the market as a whole since the beginning of 2021, with the exception of the legacy "bricks-and-mortar" retail businesses. Further details on the portfolio are provided throughout the rest of this report.



1. Represents AGA's Private Equity Total Return for H1 2021 compared to major equity indices (calculated on a total return basis) Indices source: Bloomberg

#### PRIVATE EQUITY UPDATE

In private equity markets, the volume and value of transactions has been extremely robust in H1 2021.

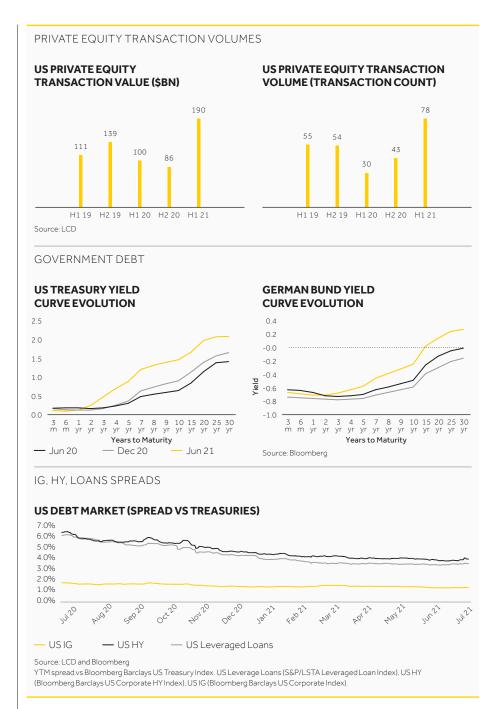
At the start of the crisis, transaction volumes were depressed. As confidence returned somewhat towards the end of Q2 2020 and financing for transactions became available, more traditional leveraged buyout transactions were completed which accelerated in H2 2020. This trend has continued into the first half of 2021.

#### **CREDIT MARKET UPDATE**

As the global economy has recovered, long-term government bond yields rose. Yields on 10 year treasuries increased from 0.5% at their lows in 2020 to 1.5% as at 30 June 2021 and German 10 year bund yields have also increased from (0.9%) at their lows in 2021 to (0.2%) as of 30 June 2021. The market is currently pricing in relatively benign long-term inflation. However, there is a tail risk that inflation overshoots, leading to materially higher short-term and long-term rates.

During the early phases of the crisis, credit spreads widened materially for investment grade, high yield and leveraged loans. In particular, high yield and loan markets dislocated severely, with prices for loans in high-quality companies dropping in line with the broader markets. However, from the second half of 2020, spreads tightened across the credit spectrum and have been stable in 2021 at relatively narrow levels. As in public equities, investors distinguished between what were perceived to be higher and lower quality sectors and companies.

As might be expected, new issuance volume for credit supporting leverage transactions was very low at the outset of the crisis, but rebounded strongly from H2 2020 and into 2021.



#### **OUTLOOK**

The economic outlook remains positive in the short term. In most developed markets, economies are growing strongly, driven by re-opening (particularly in the service sector), pent-up demand, and aggressive fiscal and monetary policy.

Valuation levels for both public and private equity markets are at elevated levels. Equity markets have been supported by very low bond yields and a lack of attractive liquid investment alternatives indicating that valuations may remain elevated for the foreseeable future.

While the market is pricing in relatively benign inflation, there is a tail risk of higher than expected inflation with knock-on implications for asset prices.

Valuations in both public and private markets will also likely continue to be materially superior for those companies viewed as better positioned for the long-term compared to those which are more impacted by the pandemic or structurally challenged.

#### **INVESTMENT MANAGER'S REPORT CONTINUED**



TOTAL NAV RETURN

17.4%

ADJUSTED NAV

€1,380m

ADJUSTED NAV PER SHARE

€2.81/€2.41

### Continued strong momentum across the portfolio

#### **PERFORMANCE HIGHLIGHTS**

AGA's sector-led strategy and the focus by the Apax Funds on transformational, "good-to-great" investment opportunities in private equity has continued to deliver strong results in the first six months of 2021.

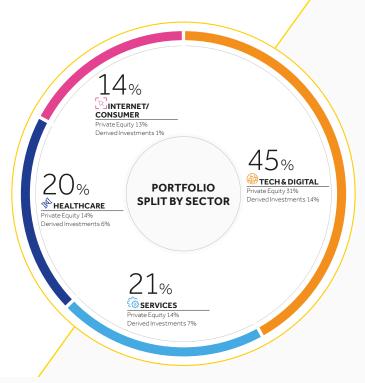
AGA's Total Adjusted NAV increased to €1,380.3m as at 30 June 2021 and Total NAV Return was 17.4% (14.9% constant currency) for the first six months of 2021. This reflects continued strong momentum in Q2, with AGA achieving a Total Return of 6.5% (7.2% constant currency) in the second quarter.

The Private Equity portfolio materially contributed to these strong results, delivering 24.5% Total Return (21.9% constant currency) in H1 2021.

Exit activity in the Private Equity portfolio in H1 2021 delivered €131.1m in distributions to AGA. This flow of realisations continued to complement income from the Derived Investments portfolio to support the Company's dividend policy to pay 5% of NAV each year, and dividends to shareholders totalled €30.0m in H1 2021.

As at 30 June 2021, AGA was 98% invested, with an Invested Portfolio of €1,355.8m.
The majority of the portfolio was invested in Private Equity (68%), with the Derived Investments portfolio representing 32%. Net current assets (inclusive of cash) represented €29.0m, or 2.1% of Adjusted NAV.





#### **PORTFOLIO HIGHLIGHTS**

AGA's overall portfolio continued to be weighted towards Tech & Digital which at 45% constituted the largest exposure, followed by Services at 21%, Healthcare at 20% and Internet/Consumer at 14%. The increased exposure to Internet/Consumer over the period is largely due to a reclassification of online marketplaces into this sector.

At 60%, the majority of AGA's overall geographic exposure continued to be to North America, followed by Europe at 17%. This is largely mirrored by the currency exposures of the Fund, with US dollar representing 65% and the euro representing 16% of the portfolio.

#### **▼ TECH & DIGITAL**

In Tech & Digital, valuations increased further in the first six months, particularly for tech-enabled services and software assets.

- There was significant investment activity, with seven new Private Equity investments and nine new positions in Derived Debt.
- Looking at the target sub-sectors, notable events in **tech-enabled services** included a new funding round for Thoughtworks which values the company at 8.2x MOIC as at 30 June 2021, and submission of a confidential draft registration statement to the SEC for the company's proposed IPO. Meanwhile, cybersecurity services firm Coalfire showed strong bookings momentum in H1 and, in June, it acquired Denim Group, an advanced application security solutions provider.
- In software, there were three new Private Equity investments, of which two were in the Apax Digital Fund.

Azentio, which was carved out from 3i Infotech in Q1, signed two new acquisitions in May and July, respectively, enhancing the company's presence in the Middle East and Africa. The Apax Funds also saw two significant partial realisations in the period, including the further selldown of shares in Duck Creek, and Genius Sports' SPAC merger which saw the company start trading on the NYSE. Post period end, Paycor went public and began trading on NASDAQ.

In **telecom**, Inmarsat has performed well, with some recovery in the aviation segment and particularly strong performance in the government segment.

#### **▼**SERVICES

There was good momentum across the Services portfolio.

- Among density-driven businesses,
  Private Equity portfolio company
  Authority Brands continued to add highquality franchised home service brands
  to its platform, completing its sixth addon acquisition since Apax IX's investment.
  ADCO's performance also continued to
  be strong in H1, following a good 2020.
- In outsourced sales and marketing, there was one new investment both in the Private Equity and the Derived Investments portfolios in PIB Group, an independent specialist insurance broker. The Apax Funds have significant experience with insurance brokers through the prior investments in Hub and Assured Partners. Following completion in Q1, the company is now focusing on M&A and accelerating international opportunities.

#### **▼**HEALTHCARE

All sub-sectors experienced increasing momentum in H1 2021, complemented by rising market multiples for certain sub-sectors.

- In medical technology, Private
  Equity portfolio company Candela
  returned to pre-Covid-19 top-line
  levels, supported by a rebound in
  Asia Pacific. Whilst Covid-19 related
  ventilator and consumables orders
  started to subside, Vyaire experienced
  continued demand for ventilator and
  respiratory diagnostic systems. The
  Apax Funds also made one new medical
  technology investment in the period
  in Rodenstock Group, a manufacturer
  of premium ophthalmic lenses.
- In healthcare services, Private Equity portfolio company InnovAge listed on the NYSE. Elsewhere Unilabs continued to benefit from strong demand for Covid-19 testing whilst also seeing a further rebound in non Covid-19 diagnostics including medical imaging.

#### **▼INTERNET/CONSUMER**

Online marketplaces experienced increasing market multiples whilst legacy retail/consumer and education businesses are still recovering from the Covid-19 pandemic at varying rates.

- Online marketplaces which make up 29% of the Internet/Consumer portfolio experienced strong performance in H1 2021. The Apax Funds sold Boats Group and Baltic Classifieds Group started trading on the London Stock Exchange. Elsewhere, Trade Me continued to show good growth in usage and engagement throughout the year.
- In consumer services Cadence, which operates pre-school education facilities in the US, has been rebounding, albeit is still below pre-Covid-19 levels. The company has however re-started acquisition activity.
- There was one new Private Equity investment in the consumer packaged goods sub-sector in Nulo, a high-growth pet food brand.
- Elsewhere in the Private Equity portfolio, while still below pre-Covid levels, Cole Haan is seeing increased gross margins and improved wholesale bookings.
- There was no deal activity in Derived Investments in the sector.

#### **INVESTMENT MANAGER'S REPORT CONTINUED**



#### PRIVATE EQUITY

# A sector-led investment strategy, underpinned by digital

#### **HIGHLIGHTS**

PRIVATE EQUITY TOTAL RETURN

24.5%

LTM EBITDA GROWTH

42.7%

% OF NAV

66%

TOTAL NEW INVESTMENT<sup>1</sup>

€85.0m

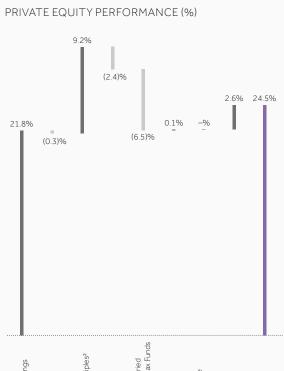
DISTRIBUTION FROM APAX FUNDS

€131.1m

AVERAGE UPLIFT ON EXITS<sup>2</sup>

25.7%

- AGA's investment cost on a look-through basis
- 2. See page 17 for further details



Movement in underlying portfolio companies' earnings
Movement in net debt¹
Movement in comparable companies' valuation multiples²
One-off and other³
Management fees and carried interest accrued by the Apax Funds
Movement in AEVII and AEVI carried interest value
Movement in performance fee reserve <sup>4</sup>
X
H1 Total Return

- 1. Represents movement in all instruments senior to equity
- Movement in the valuation multiples captures movement in the comparable companies valuation multiples. In accordance with International Private Equity and Venture Capital Valuation ("IPEV") guidelines, the Apax Funds use a multiple-based approach where an appropriate valuation multiple (based on both public and private market valuation comparators) is applied to maintainable earnings, which is often but not necessarily represented by EBITDA to calculate Enterprise Value
- ${\it 3.} \quad {\it Mainly dilutions from the management incentive plan as a result of growth in the portfolio's value}$
- Performance fee adjustment accounting for the movement in the performance fee reserve at 30 June 2021

#### **PERFORMANCE UPDATE**

Strong performance driven by earnings growth in the underlying portfolio and an increase in comparable multiples

The Private Equity portfolio delivered strong performance in the first six months of 2021, reflecting secular earnings growth, a rebound as Covid-related lockdowns started easing, and operational improvements in the underlying portfolio as well as premium valuations achieved on exits.

LTM EBITDA growth across the portfolio was 42.7% and the weighted average valuation multiple was 18.0x, reflecting the re-rating of public market valuations over the year.

During the period, there was a good pace of investment and, despite valuations for quality companies remaining high in H1 2021, the Apax Funds were able to identify attractive opportunities. On a look-through basis, AGA deployed €85.0m into eleven new investments which closed in the period.

The Apax Funds were able to execute an investment strategy with modest levels of financial leverage at entry, which on average was 4.2x net debt/EBITDA in Apax IX and 4.0x in Apax X as at 30 June 2021.

The Private Equity portfolio is now well diversified across fund vintages with 23% in the harvesting phase, 66% in the maturity phase, and 11% in the investment phase. In May, AGA announced a commitment of \$90m to the Apax Digital Fund II. The Fund will aim to continue the predecessor fund's strategy of investing in a balanced portfolio of minority equity and growth buyout opportunities in mid-market technology companies globally.

#### **NAV PERFORMANCE**

## Gains of €161.0m, reflecting strong performance in Apax IX and Apax VIII

Private Equity Adjusted NAV increased from €788.3m at 31 December 2020 to €916.6m at 30 June 2021, reflecting strong performance across the Apax Funds. In the period, AGA received €131.1m of distributions from exits, balanced with €78.7m of calls, mainly from Apax X (€70.0m) for investments.

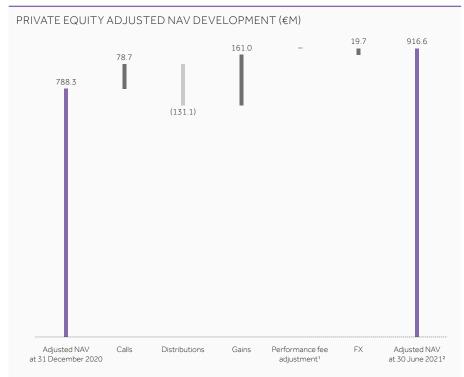
The strongest valuation gains during the first six months were in Global-e, Genius Sports, and Authority Brands. The largest valuation decline in the portfolio was from Cole Haan, followed by KAR Global and Max Stock, with the latter two investments reflecting share price volatility in the period.

# **INVESTMENT ACTIVITY** €85.0m deployed across eleven new investments

The Apax Funds closed eleven new investments in the first six months of 2021 with AGA investing €85.0m on a look-through basis. Additionally, Apax X and ADF signed three new deals which are expected to close in Q3. The majority of new deals were in the Tech & Digital sector, primarily in the techenabled services and software sub-sectors.

The new investments reflect the Apax Funds' sector-driven strategy with a continued focus on resilient and growth sub-sectors where Apax's "transformative" approach and "good to great" strategy can support operational improvements and generate significant value creation.

Turning to realisations, the Apax Funds made three full and nine significant partial exits in the period, primarily in Tech & Digital. Exits were achieved at an average uplift to previous Unaffected Valuations of 25.7%. Average Gross MOIC was 3.9x and average gross IRR was 52.4%. Strong public market valuations saw four public listings (InnovAge, Genius Sports, Global-e and Baltic Classifieds Group) in the period with Thoughtworks having also submitted a confidential draft registration statement to list in the US. Post period end, Apax IX portfolio company Paycor also started trading on the NYSE.



Performance fee adjustment accounting for the movement in the performance fee reserve at 30 June 2021
 Includes AGA's exposure to carried interest holdings in AEVII and AEVI which were respectively valued at €17.5m and €4.6m at 30 June 2021





# Baltic Classifieds | Partnering with the Group

#### **DATE OF INVESTMENT** 2019

**FUND** Apax IX

**SECTOR** Internet/Consumer

REGION **Baltics** 

**STATUS** Partially realised

**WEBSITE** www.balticclassifieds.com

- Gross IRR and Gross MOIC calculated based on the concurrent aggregate expected cash flows and remaining fair value in euro
- Data for FY April 2021
- Data from FY April 2019 to FY April 2021

# Baltic's leading classifieds group

Baltic Classifieds Group ("BCG") is the leading online classifieds group in the Baltic countries. BCG owns and operates a portfolio of twelve online classifieds portals in Lithuania, Estonia and Latvia, comprising eight vertical portals across automotive, real estate, and jobs and services, and four generalist portals. BCG's portals are some of the most visited websites in their respective countries, attracting more than 60m monthly visits on average<sup>2</sup>.

The Apax Funds have a long and successful track record of investing in online marketplace and classifieds businesses, including household names such as Auto Trader and idealista, and were able to identify BCG as a standout business with a market-leading position in several  $verticals, led \, by \, an \, excellent \, management \, team. \, After \, a \, period \, of \, robust \,$ due diligence, the Apax Funds invested in BCG in July 2019.

Under the Apax Funds' ownership, BCG has performed strongly with revenue growing at a 21% CAGR<sup>3</sup> and has increased its leadership position over the number two players. The Apax Funds worked closely with BCG's leadership team on several key initiatives to drive growth, including enhancing the monetisation of its core classifieds segments and facilitating the involvement of marketplace pioneers Ed Williams (former CEO of Rightmove) and Trevor Mather (former CEO of Auto Trader) as co-investors and board directors. The Apax Funds also assisted with BCG's M&A strategy, including working on the strategic acquisition of Auto24, the leading automotive classifieds portal in Estonia, which has a similar monetisation opportunity. These initiatives helped accelerate the company's already impressive growth trajectory as it worked towards an IPO.

In June 2021, BCG started conditional trading on the main market of the London Stock Exchange using the ticker symbol "BCG", priced at £1.65 per share. Having acquired the business at a substantial multiple discount to relevant peers, such was the transformation of the business under the Apax Funds' ownership, that it attained a premium to the same peers at IPO.

#### **DERIVED INVESTMENTS**

# Continued focus on Derived Debt investments

#### **HIGHLIGHTS**

DERIVED INVESTMENTS TOTAL RETURN

9.8%

DERIVED DEBT TOTAL RETURN

7.3%

DERIVED EQUITY TOTAL RETURN

28.6%

% OF NAV

32%

TOTAL NEW INVESTMENT

€161.3m

TOTAL DIVESTED

€69.8m

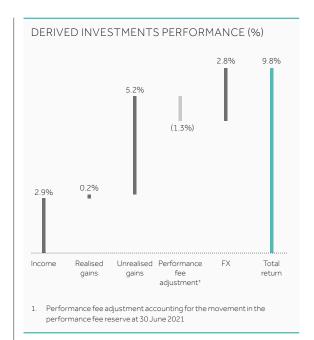
#### **DERIVED INVESTMENTS**

#### **PERFORMANCE UPDATE**

# Good performance across the portfolio

The Derived Investments portfolio achieved a Total Return of 9.8% (7.0% constant currency) in the first six months of 2021. Performance was primarily driven by Derived Debt, which made up 88% of the Derived Investments portfolio. The focus remained on investments in lower risk first and second lien loans where there is a high degree of visibility on cash flow, and in target sub-sectors where Apax has unique insights, gained from the team's private equity investment activity. Derived Debt generated a Total Return of 7.3% (4.5% constant currency), Derived Equity achieved a Total Return of 28.6% (25.0% constant currency) in the six months to 30 June 2021.

The Derived Debt portfolio experienced strong operational performance from underlying portfolio companies, as demonstrated by the LTM EBITDA growth from 26.2% at 31 December 2020 to 37.3% as at 30 June 2021. Reflecting the increased share of first lien loans in the portfolio, the overall yield to maturity of the portfolio reduced to 6.8% at 30 June 2021.



#### INVESTMENT ACTIVITY

## Significant investment activity, with €161.3m deployed in Derived Debt

The overall value of the Derived Investments portfolio increased from €319.4m at 31 December 2020 to €439.2m at 30 June 2021 as investment activity ramped up in Q2 to deploy the significant distributions received from realisations in the Private Equity portfolio. At period end, the Derived Investment portfolio represented 32% of the total invested portfolio.

All new investments in the period were in debt securities. With Apax X, the latest Private Equity buyout fund, now in full investment mode, the investment strategy took into account the overall risk and liquidity requirements of the portfolio to ensure flexibility for AGA to meet future calls from the Private Equity funds.

AGA was able to identify opportunities to invest in high-quality securities despite a competitive market environment and deployed €161.3m across thirteen new positions and made two add-on investments in Derived Debt in the first six months of 2021.

The majority of realisations were also in Derived Debt achieving a Gross IRR of 9.5% and MOIC of 1.2x on full exits in the first six months of 2021.

#### **INVESTMENT MANAGER'S REPORT CONTINUED**



### PRIVATE EQUITY

TOTAL NEW INVESTMENT<sup>1</sup>

€85.0m



NEW INVESTMENTS CLOSED	€M
নি) Tech & Digital	28.0
Azentio – AX Provider of critical, vertical-specific software products for customers in banking, financial services and insurance	5.8
Comax – AMI Provider of SaaS-based retail ERP system that primarily serves the food retail space in Israel	1.4
<b>Faculty</b> – <i>ADF</i> Al and machine learning ("ML") specialists	1.9
<b>Guesty</b> – ADF & AMI Provider of end-to-end solution for professional hosts and property management companies	2.0
<b>Herjavec Group</b> $-AX$ Provider of cybersecurity products and services to enterprise organizations	5.7
<b>Lutech</b> – <i>AX</i> IT services, software and technology company in Italy	8.8
Tide – ADF         The UK's leading business financial platform	2.4
	17.4
<b>Rodenstock</b> – AX Manufacturer of premium ophthalmic lenses in Germany	17.4
€ြို့ Services	19.5
PIB Group – AX Insurance advisory business	19.5
Internet/Consumer	20.1
<b>idealista</b> – AX Online real estate classifieds	9.9
<b>Nulo</b> – <i>AX</i> One of the fastest growing major pet food brands in the US pet specialty channel	10.2

GROSS MOIC ON REALISATIONS

3.9x

55% TECH & DIGITAL 5% SERVICES 40% INTERNET/CONSUMER

FULLEXITS	GROSS MOIC²	GROSS IRR²	UPLIFT <sup>3</sup>
Tech & Digital	3.9x	61.9%	22.7%
Signavio – ADF Next-gen business process management software platform	2.8x	98.1%	78.6%
<b>ZAP Group</b> – <i>AMI</i> Consumer internet business in Israel	2.4x	22.5%	14.1%
SIGNIFICANT PARTIAL EXITS / IPOS			
<b>Duck Creek</b> – AVIII  Provider of SaaS core systems solutions for P&C insurance carriers	8.3x	57.0%	6.9%
<b>Genius</b> – AIX Global leader in sports data technology	5.4x	84.1%	72.9%
Paycor – AIX Provider of SaaS payroll and human capital management software to small and medium- sized businesses in the			
United States	3.2x	53.4%	16.2%
<b>SoYoung</b> – <i>ADF</i> Largest online medical aesthetic marketplace in China	2.4x	30.2%	2.8%
Thoughtworks – AIX Digital transformation and software development company	8.2x	82.9%	15.3%
<b>TietoEVRY</b> – AVIII Nordic IT services business	2.7x	35.1%	(0.7%)
Services	0.9x	(1.4%)	14.2%
SIGNIFICANT PARTIAL EXITS			
<b>Psagot</b> – <i>AEVII</i> One of the largest asset management business in Israel	0.7x	(2.9%)	18.3%
<b>Boasso Global (Quality Distribution)</b> – <i>AVIII</i> Operates the largest bulk tank truck network in North America	1.2x	2.9%	13.8%
Internet/Consumer	3.7x	61.7%	51.2%
<b>Boats Group</b> – AIX Online marketplace and provider of software solutions for the recreational marine industry	4.2x	40.0%	40.9%
SIGNIFICANT PARTIAL EXITS/IPOS			
<b>Baltic Classifieds Group</b> – <i>AIX</i> Online classifieds group in Baltics	3.6x	92.9%	59.1%

#### **DERIVED INVESTMENTS**

TOTAL NEW INVESTMENT

€161.3m



13% HEALTHCARE
Derived Debt 13%
Derived Equity 0%

27% SERVICES
Derived Debt 27%
Derived Equity 0%

NEW INVESTMENTS	€M
নিট Tech & Digital	97.0
Aptean – Second lien term loan	
Provider of industry-specific ERP, supply chain and compliance	10.4
software	12.4
<b>Astra</b> – <i>First lien term loan</i> Mission-critical software for higher education institutions to	
manage the student lifecycle and data	14.0
HelpSystems – First lien term loan	
Provider of software solutions to IT departments	20.5
Mitratech – First lien term loan + Second lien term loan	
Provider of end-to-end software products for legal &	
compliance professionals	8.2
Therapy Brands – First lien term loan + Second lien term loan	
Provider of fully-integrated practice management and EHR	
solutions for mental and behavioral health providers	12.7
Infogain – First lien term loan	170
Global IT service provider	13.9
Precisely Software – First lien term loan	12.5
Provider of infrastructure software solutions	12.5
ADD-ON	
<b>EverCommerce</b> – <i>First lien term loan</i> Multi-vertical portfolio of marketing, business management	
and customer experience software solutions	1.2
Syndigo – Second lien term loan	
Provider of product content management solutions	1.6
	€M
Healthcare	20.6
AccentCare – First lien term loan	
Provider of post-acute healthcare services in the US	20.6
Services	43.7
Hightower – Senior unsecured note	.5.7
Provider of investment services	4.2
PIB – First lien term loan	
Insurance advisory business	22.9
<b>PSSI</b> – First lien term loan	
Provider of cleaning, sanitation, and compliance services to	
food processing plants	16.6

TOTAL DIVESTED

€69.8m

61% TECH & DIGITAL
Derived Debt 59%
Derived Equity 2%

30% HEALTHCARE
Derived Debt 30%
Derived Equity 0%

9% SERVICES
Derived Debt 2%
Derived Equity 7%

FULLEXITS	GROSS MOIC <sup>2</sup>	GROSS IRR²
ন্মি Tech & Digital	1.3x	10.6%
Astra – First lien term loan Mission-critical software for higher education institutions to manage the student lifecycle and data	1 0x	1.1%
Rocket Software – Second lien term loan Provider of legacy infrastructure software	1.2x	8.3%
<b>Syncsort</b> – Second lien term loan Provider of infrastructure software solutions	1.4x	12.2%
Healthcare	1.1x	4.8%
AccentCare – First lien term loan Provider of post-acute healthcare services in the US	1.1×	4.8%
Services	0.7x	(12.7%)
<b>Development Credit Bank</b> – <i>Listed equity</i> SME and retail focused private sector bank	0.6x	(13.1%)
Veritext – First lien term loan Provider of court reporting services for out-of-court depositions	1.0x	12.4%

- 1. Represents AGA's look-through cost to investments acquired by the Apax Funds during H12021
- For Private Equity, represents Gross IRR and Gross MOIC on full and partial exits calculated based on the concurrent aggregate expected cash flows and remaining fair value in euro across all funds signed, or an exit was sufficiently close to being signed that the Apax Funds incorporated the expected exit multiple into the quarter end valuation. For Derived Investments, represents Gross IRR and Gross MOIC calculated based on the aggregate concurrent euro cash flows since inception of deals fully realised during H1 2021
- 3. Uplift represents proceeds received (translated at FX rates received) or proceeds expected to be received for deals yet to sign (at period end FX rates) compared to their last Unaffected Valuation<sup>4</sup> at AGA level. For deals that were partially realised or IPO'd it includes proceeds received and the latest remaining fair value at 30 June 2021. For investments where there were subsequent partial realisations since December 2020, uplift calculated by taking proceeds received in H1 2021 plus remaining fair value at 30 June 2021 compared to fair value at 71 December 2020.
- 4. Unaffected Valuation is determined as the fair value in the last quarter before exit, when valuation is not affected by the exit process (i.e. because an exit was signed, or an exit was sufficiently close to being signed that the Apax Funds incorporated the expected exit multiple into the quarter end valuation)

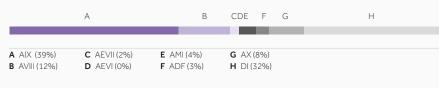
#### **INVESTMENT MANAGER'S REPORT CONTINUED**



## PRIVATE EQUITY PORTFOLIO AT 30 JUNE 2021

INVESTED PORTFOLIO

€916.6m



APAX IX	
AGA NAV:	€522.6m
Distributions <sup>1</sup> :	€121.3m
% of AGA PE portfolio:	57%
Vintage:	2016
Commitment:	€154.5m + \$175.0m
Invested and committee	d: 91%
Fund size:	\$9.5bn
APAX X	
AGA NAV:	€103.7m
Distributions <sup>1</sup> :	€0.0m
% of AGA PE portfolio:	11%
Vintage:	2020
Commitment:	€199.8m+\$225.0m
Invested and committee	d: 35%

\$11.7bn

Fund size:

#### TOP 30 PRIVATE EQUITY INVESTMENTS - AGA'S INDIRECT EXPOSURE

PORTFOLIO COMPANY	SECTOR	GEOGRAPHY	VALUATION €M	% OF NAV
Thoughtworks	Tech	North America	91.5	7%
Duck Creek Technologies	Tech	North America	66.9	5%
Unilabs	Healthcare	Europe	62.0	4%
Paycor <sup>2</sup>	Tech	North America	54.0	4%
Vyaire Medical <sup>2</sup>	Healthcare	North America	41.1	3%
Candela	Healthcare	North America	40.2	3%
Global-e	Tech	Israel	39.7	3%
Trade Me <sup>2</sup>	Internet/Consumer	Rest of world	38.6	3%
Authority Brands	Services	North America	38.4	3%
Genius Sports Group	Tech	United Kingdom	37.8	3%
Assured Partners	Services	North America	36.3	3%
InnovAge	Healthcare	North America	35.8	3%
Cole Haan	Internet/Consumer	North America	32.6	2%
Baltic Classifieds Group	Internet/Consumer	Europe	27.4	2%
Wehkamp	Internet/Consumer	Europe	27.0	2%
Tosca Services	Services	North America	25.0	2%
Safetykleen Europe	Services	United Kingdom	23.9	2%
ADCO Group	Services	Europe	20.9	2%
PIB Group <sup>2</sup>	Services	United Kingdom	20.7	1%
Inmarsat	Tech	Europe	19.0	1%
Rodenstock	Healthcare	Europe	17.4	1%
MatchesFashion	Internet/Consumer	United Kingdom	16.8	1%
Coalfire	Tech	North America	16.5	1%
Lexitas	Services	North America	16.2	1%
Fractal Analytics	Tech	India	16.0	1%
Boasso Global (Quality Distribution) <sup>2</sup>	Services	North America	15.8	1%
KAR Global	Internet/Consumer	North America	15.4	1%
Cadence Education	Internet/Consumer	North America	13.5	1%
MyCase	Tech	North America	12.8	1%
idealista	Internet/Consumer	Europe	12.4	1%
Total top 30 gross values			931.6	68%
Otherinvestments			229.8	17%
Carried interest			(153.0)	(11%)
Capital call facilities and other			(91.8)	(8%)
Total Private Equity			916.6	66%

APAX VIII	
AGA NAV:	€172.2m
Distributions <sup>1</sup> :	€520.0m
% of AGA PE portfolio:	19%
Vintage:	2012
Commitment:	€159.5m + \$218.3m
Invested and committee	d: 108%
Fund size:	\$7.5bn

APAX EUROPE VII	
AGA NAV:	€26.2m
Distributions <sup>1</sup> :	€89.4m
% of AGA PE portfolio:	3%
Vintage:	2007
Commitment:	€86.1m
Invested and committed:	108%
Fund size:	€11.2bn

APAX EUROPE VI	
AGA NAV:	€6.6m
Distributions <sup>1</sup> :	€8.1m
% of AGA PE portfolio:	1%
Vintage:	2005
Commitment:	€10.6m
Invested and committed:	107%
Fund size:	€4.3bn
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AMI	
AGA NAV:	€50.0m
Distributions <sup>1</sup> :	€13.2m
% of AGA PE portfolio:	5%
Vintage:	2015
Commitment:	\$30.0m
Invested and committed:	71%
Fund size:	\$0.5bn

APAX DIGITAL	
AGA NAV:	€35.3m
Distributions <sup>1</sup> :	€10.3m
% of AGA PE portfolio:	4%
Vintage:	2017
Commitment:	\$50.0m
Invested and committed:	74%
Fund size:	\$1.1bn

#### TOP 30 DERIVED INVESTMENTS HOLDINGS

	INSTRUMENT	SECTOR	GEOGRAPHY	VALUATION €M	% OF NAV
D3	Preferred shares	Tech	North America	<del></del>	
Paycor <sup>3</sup>				26.9	2%
PIB Group <sup>3</sup>	1L term loan	Services	United Kingdom	23.3	2%
AccentCare	1L term loan	Healthcare	North America	21.1	2%
HelpSystems	1L term loan	Tech	North America	21.1	1%
Exact Software	2L term loan	Tech	Europe	20.1	1%
Boasso Global (Quality Distribution) <sup>3</sup>	2L term loan	Services	North America	17.3	1%
Planview	2L term loan	Tech	North America	16.8	1%
PSSI	1L term loan	Services	North America	16.8	1%
EverCommerce	1L term loan	Tech	North America	16.6	1%
AmeriLife	2L term loan	Services	North America	15.2	1%
Neuraxpharm	1L term loan	Healthcare	Europe	15.2	1%
Vyaire Medical <sup>3</sup>	1L term loan	Healthcare	North America	14.3	1%
Astra	1L term loan	Tech	North America	14.3	1%
Infogain <sup>3</sup>	1L term loan	Tech	North America	14.0	1%
Airtel Africa	Listed equity	Tech	Rest of World	13.4	1%
Therapy Brands	1L + 2L term loan	Tech	North America	13.1	1%
WIRB-Copernicus Group	1L term loan	Healthcare	North America	12.7	1%
PowerSchool	2L term loan	Tech	North America	12.7	1%
Precisely Software	1L term loan	Tech	North America	12.7	1%
Aptean	2L term loan	Tech	North America	12.6	1%
Trade Me <sup>3</sup>	2L term loan	Internet/Consumer	Rest of World	12.6	1%
Alexander Mann Solutions	1L term loan	Services	United Kingdom	12.5	1%
Just Group	Listed equity	Services	United Kingdom	11.3	1%
PCI	1L term loan	Healthcare	North America	10.2	1%
Sinopharm Group	Listed equity	Healthcare	China	8.9	1%
Mitratech	1L + 2L term loan	Tech	North America	8.5	1%
Navicure	1L term loan	Healthcare	North America	8.4	<1%
Southern Veterinary Partners	2L term loan	Healthcare	North America	6.9	<1%
FullBeauty	Equity	Internet/Consumer	North America	5.8	<1%
Repco Home Finance	Listed equity	Services	India	5.6	<1%
Other				18.3	3%
Total Derived Investments				439.2	32%

- Represents distributions received by AGA since 15 June 2015
   Investments where AGA also holds Derived Investments
   Investments also held by Apax Funds
   1L: firstlien 2L: second lien

#### STRATEGIC REPORT\STATEMENT OF DIRECTORS' RESPONSIBILITIES

# Statement of principal risks and uncertainties

As an investment company with an investment portfolio comprising financial instruments, the principal risks associated with the Company's business largely relate to financial risks, strategic and business risks, and operating risks. A detailed analysis of the Company's principal risks and uncertainties is set out on pages 41 to 43 of the Annual Report and Accounts 2020 and they have not changed materially since the date of the report. The Company has not identified any material new risks that will impact the remaining six months of the financial year.

# Statement of Directors' responsibilities in respect of the Interim Report and Accounts

The Directors confirm that to the best of their knowledge:

- the condensed interim financial statements have been prepared in accordance with IAS 34 interim financial reporting as required by DTR4.2.4R;
- the Chairman's statement and Investment Manager's report (together constituting the Interim Management report), together with the statement of principal risks and uncertainties, include a fair review of the information required by DTR4.2.7R, being an indication of important events that have occurred during the period and their impact on these condensed interim financial statements; and a description of the principal risks and uncertainties for the remaining six months of the year; and
- the condensed interim financial statements provide a fair review of the information required by DTR4.2.8R, being related party transactions that have taken place in the first six months of the current financial year and that have materially affected the financial position or performance of the Company during that period, and any changes in the related party transactions described in the last annual report and accounts that could materially affect the financial position or performance of the Company during that period. Please refer to note 9 of the condensed interim financial statements.

Signed on behalf of the Board of Directors

BU

TIM BREEDON CBE Chairman

18 August 2021

18 August 2021

 $Signed \, on \, behalf \, of \, the \, Audit \, Committee \,$ 

SUSIE FARNON
Chairman of the Audit Committee

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in Guernsey governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

#### INDEPENDENT REVIEW REPORT

to Apax Global Alpha Limited

#### **CONCLUSION**

We have been engaged by Apax Global Alpha Limited (the "Company") to review the condensed set of financial statements in the half-yearly financial report for the six months ended 30 June 2021 of the Company which comprise the condensed statement of financial position, the condensed statement of profit or loss and other comprehensive income, the condensed statement of changes in equity, the condensed statement of cash flows and the related explanatory notes.

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the half-yearly financial report for the six months ended 30 June 2021 is not prepared, in all material respects, in accordance with IAS 34 *Interim Financial Reporting* as adopted by the EU and the Disclosure Guidance and Transparency Rules ("the DTR") of the UK's Financial Conduct Authority ("the UK FCA").

#### **SCOPE OF REVIEW**

We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410 *Review of Interim Financial Information Performed by the Independent Auditor of the Entity* issued by the Auditing Practices Board for use in the UK. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. We read the other information contained in the half-yearly financial report and consider whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements.

A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

#### **DIRECTORS' RESPONSIBILITIES**

The half-yearly financial report is the responsibility of, and has been approved by, the directors. The directors are responsible for preparing the half-yearly financial report in accordance with the DTR of the UK FCA.

As disclosed in note 2, the annual financial statements of the Company are prepared in accordance with International Financial Reporting Standards as adopted by the EU. The directors are responsible for preparing the condensed set of financial statements included in the half-yearly financial report in accordance with IAS 34 as adopted by the EU.

#### **OUR RESPONSIBILITY**

Our responsibility is to express to the Company a conclusion on the condensed set of financial statements in the half-yearly financial report based on our review.

# THE PURPOSE OF OUR REVIEW WORK AND TO WHOM WE OWE OUR RESPONSIBILITIES

This report is made solely to the Company in accordance with the terms of our engagement letter to assist the Company in meeting the requirements of the DTR of the UK FCA. Our review has been undertaken so that we might state to the Company those matters we are required to state to it in this report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company for our review work, for this report, or for the conclusions we have reached.



**Deborah Smith** for and on behalf of **KPMG Channel Islands Limited** Chartered Accountants, Guernsey 18 August 2021

#### **CONDENSED STATEMENT OF FINANCIAL POSITION**

At 30 June 2021 (Unaudited)

NOTI	30 JUNE 2021 S €′000	31 DECEMBER 2020 €'000
Assets		
Financial assets held at fair value through profit or loss ("FVTPL")	a) 1,355,786	1,107,723
Total non-current assets	1,355,786	1,107,723
Current assets		
Cash and cash equivalents	78,415	124,569
Investment receivables	1,047	1,338
Other receivables	-	
Total current assets	79,462	125,907
Total assets	1,435,248	1,233,630
Liabilities		
Investment payable <b>s</b>	48,630	30,965
Accrued expenses	1,811	1,481
Total current liabilities	50,441	32,446
Total liabilities	50,441	32,446
Capital and retained earnings		
Shareholders' capital	4 873,804	873,804
Retained earnings	506,537	327,380
Total capital and retained earnings	1,380,341	1,201,184
Share-based payment performance fee reserve 1	0 4,466	_
Total equity	1,384,807	1,201,184
Total shareholders' equity and liabilities	1,435,248	1,233,630

On behalf of the Board of Directors

TIM BREEDON Chairman

18 August 2021

Total NAV Return<sup>3</sup>

SUSIE FARNON

**Chair of the Audit Committee** 

17.4%

(0.5%)

18 August 2021

	30 JUNE 2021 €	30 JUNE 2021 £ EQUIVALENT¹	31 DECEMBER 2020 €	31 DECEMBER 2020 £ EQUIVALENT <sup>1</sup>
Net Asset Value ("NAV") ('000)	1,384,807	1,187,043	1,201,184	1,073,546
Adjusted NAV ('000) <sup>2</sup>	1,380,341	1,183,215	1,201,184	1,073,546
NAV per share	2.82	2.42	2.45	2.19
Adjusted NAV per share <sup>2</sup>	2.81	2.41	2.45	2.19
			SIX MONTHS ENDED 30 JUNE 2021 %	SIX MONTHS ENDED 30 JUNE 2020

 $<sup>1. \</sup>quad \text{The sterling equivalent has been calculated based on the GBP/EUR exchange rate at 30 June 2021 and 31 December 2020, respectively a support of the property of the pr$ 

 $The \, accompanying \, notes \, form \, an \, integral \, part \, of \, these \, condensed \, interim \, financial \, statements.$ 

 $<sup>2. \</sup>quad \text{Adjusted NAV represents NAV which is net of the share-based payment performance fee reserve. Adjusted NAV per share is calculated by dividing the Adjusted NAV by the total number of shares}$ 

<sup>3.</sup> Total NAV Return for the period means the return on the movement in the Adjusted NAV per share at the end of the period together with all the dividends paid during the period, to the Adjusted NAV per share at the beginning of the period. Adjusted NAV per share used in the calculation is rounded to 5 decimal places

#### CONDENSED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Six months ended 30 June 2021 (Unaudited)

	NOTES	SIX MONTHS ENDED 30 JUNE 2021 €'000	SIX MONTHS ENDED 30 JUNE 2020 €'000
Income			
Investment income		9,426	8,964
Net gains/(losses) on financial assets at FVTPL	8(b)	208,970	(6,259)
Net losses on financial liabilities at FVTPL	8(c)	-	(2,188)
Realised foreign currency (losses)/gains		(640)	308
Unrealised foreign currency gains/(losses)		779	(2,352)
Totalincome		218,535	(1,527)
Operating and other expenses			
Performance fee	10	(4,466)	(46)
Management fee	9	(1,980)	(1,400)
Administration and other operating expenses	6	(1,372)	(1,158)
Total operating expenses		(7,818)	(2,604)
Total income less operating expenses		209,317	(4,131)
Finance costs	11	(1,400)	(860)
Profit/(loss) before tax		209,205	(4,991)
Tax charge	7	(154)	(46)
Profit/(loss) after tax for the period		209,163	(5,037)
Other comprehensive income		-	_
Total comprehensive income/(loss) attributable to shareholders		209,163	(5,037)
Earnings/(Loss) per share (cents)	15		
Basic and diluted		42.59	(1.03)
Adjusted <sup>1</sup>		42.42	(1.03)

<sup>1.</sup> The Adjusted earnings per share has been calculated based on the profit attributable to ordinary shareholders adjusted for the total accrued performance fee at 30 June 2021 and 30 June 2020 respectively as per note 15 and the weighted average number of ordinary shares

 $The accompanying \ notes form \ an integral \ part \ of these \ condensed \ interim \ financial \ statements.$ 

## **CONDENSED STATEMENT OF CHANGES IN EQUITY** Six months ended 30 June 2021 (Unaudited)

FOR THE SIX MONTHS ENDED 30 JUNE 2021	NOTES	SHAREHOLDERS' CAPITAL €'000	RETAINED EARNINGS €′000	TOTAL CAPITAL AND RETAINED EARNINGS €'000	SHARE-BASED PAYMENT PERFORMANCE FEE RESERVE €'000	TOTAL €′000
Balance at 1 January 2021		873,804	327,380	1,201,184	_	1,201,184
Total comprehensive income attributable to shareholders		-	209,163	209,163	-	209,163
Share-based payment performance fee reserve movement	10	-	_	-	4,466	4,466
Dividends paid	16	_	(30,006)	(30,006)	_	(30,006)
Balance at 30 June 2021		873,804	506,537	1,380,341	4,466	1,384,807
FOR THE YEAR ENDED 31 DECEMBER 2020	NOTES	SHAREHOLDERS' CAPITAL €'000	RETAINED EARNINGS €'000	TOTAL CAPITAL AND RETAINED EARNINGS €'000	SHARE-BASED PAYMENT PERFORMANCE FEE RESERVE €'000	TOTAL €′000
Balance at 1 January 2020		873,804	218,272	1,092,076	6,893	1,098,969
Total comprehensive income attributable to shareholders		_	(5,037)	(5,037)	-	(5,037)
Share-based payment performance fee reserve movement	10	_	_	_	(6,893)	(6,893)
Dividends paid	16	_	(26,353)	(26,353)	-	(26,353)
Balance at 30 June 2020		873,804	186,882	1,060,686	_	1,060,686
Total comprehensive income attributable to shareholders		_	167,020	167,020		167,020
Share-based payment performance fee reserve movement	10	_	_	_	_	_
Dividends paid		_	(26,522)	(26,522)	-	(26,522)
Balance at 31 December 2020		873,804	327,380	1,201,184	_	1,201,184

 $The \, accompanying \, notes \, form \, an \, integral \, part \, of \, these \, condensed \, financial \, statements.$ 

## **CONDENSED STATEMENT OF CASH FLOWS**Six months ended 30 June 2021 (Unaudited)

NOTES	SIX MONTHS ENDED 30 JUNE 2021	SIX MONTHS ENDED 30 JUNE 2020
	€′000	€'000
Cash flows from operating activities	9.582	9.388
Interest received	- ,	
Interest paid	(372)	(43)
Dividends received	230	72
Operating expenses paid	(2,954)	(2,859)
Capital calls paid to Private Equity Investments	(78,682)	(20,671)
Capital distributions received from Private Equity Investments	131,122	61,795
Purchase of Derived Investments	(139,873)	(29,112)
Sale of Derived Investments	65,688	47,819
Net cash from operating activities	(15,259)	66,389
Cash flows used in financing activities		
Financing costs paid	(1,402)	(848)
Dividends paid	(30,272)	(25,715)
Purchase of own shares 10	_	(6,970)
Revolving credit facility drawn	_	6,106
Revolving credit facility repaid	_	(6,106)
Net cash used in financing activities	(31,674)	(33,533)
Cash and cash equivalents at the beginning of the period	124,569	3,277
Net (decrease)/increase in cash and cash equivalents	(46,933)	32,856
Effect of foreign currency fluctuations on cash and cash equivalents	779	(2,352)
Cash and cash equivalents at the end of the period	78,415	33,781

 $The \, accompanying \, notes \, form \, an \, integral \, part \, of \, these \, condensed \, financial \, statements.$ 

#### NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

#### **1 REPORTING ENTITY**

 $Apax \ Global \ Alpha \ Limited \ (the "Company" or "AGA") is a limited \ liability \ Guernsey \ company that \ was incorporated on 2 \ March 2015. The \ address \ of the \ Company's registered \ office is PO \ Box 656, East \ Wing, Trafalgar \ Court, Les \ Banques, St \ Peter \ Port, Guernsey \ GY1 \ 3PP. The \ Company invests in Private Equity funds, listed \ and \ unlisted \ securities including \ debt \ instruments.$ 

The Company's main corporate objective is to provide shareholders with capital appreciation from its investment portfolio and regular dividends. The Company's operating activities are managed by its Board of Directors and its investment activities are managed by Apax Guernsey Managers Limited (the "Investment Manager") under a discretionary investment management agreement. The Investment Manager obtains investment advice from Apax Partners LLP (the "Investment Advisor").

#### **2 BASIS OF PREPARATION**

#### Statement of compliance

These condensed interim financial statements have been prepared in accordance with IAS 34 "Interim Financial Reporting" as adopted by the European Union and should be read in conjunction with the Annual Report and Accounts 2020 which were prepared in accordance with International Financial Reporting Standards, as adopted by the European Union ("IFRS"). They do not include all the information required for a complete set of IFRS financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of changes in the Company's financial position and performance since the last annual financial statements.

These condensed interim financial statements were authorised for issue by the Company's Board of Directors on 18 August 2021.

#### **Basis of measurement**

The financial statements have been prepared on the historic cost basis except for financial assets and financial liabilities, which are measured at  $\mathsf{FVTPL}$ .

#### Going concern

The Directors consider that it is appropriate to adopt the going concern basis of accounting in preparing the financial statements. In reaching this assessment, the Directors have considered a wide range of information relating to present and future conditions (for at least 12 months from 18 August 2021, the authorisation date of these financial statements), including the statement of financial position, future projections (which include highly stressed scenarios), cash flows, revolving credit facility available, net current assets and the longer-term strategy of the Company. The impact of Covid-19 was also considered by the Directors; and whilst the long-term effect remains to be seen, it was noted that the impact on the Company has been limited to date, as the underlying portfolio is invested in sectors, such as Tech, which have been relatively less affected. The Directors are satisfied, based on their assessment of reasonably possible outcomes, that the Company has sufficient liquidity, including the undrawn revolving credit facility, to meet current and expected obligations up to the going concern horizon.

#### **3 ACCOUNTING POLICIES**

There are no new standards or changes to standards since the Annual Report and Accounts 2020 which significantly impact these condensed interim financial statements. The accounting policies applied by the Company in these condensed interim financial statements are consistent with those set out on pages 76 to 79 of the Annual Report and Accounts 2020.

#### **4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS**

In preparing these condensed interim financial statements, the Company makes judgements and estimates that affect the reported amounts of assets, liabilities, income and expenses. Actual results could differ from those estimates. Estimates and judgements are continually evaluated and are based on the Board of Directors and Investment Manager's experience and their expectations of future events. Revisions to estimates are recognised prospectively.

#### (i) Judgements

The judgement that has the most significant effect on the amounts recognised in the Company's condensed interim financial statements relates to investment assets and liabilities. These have been determined to be financial assets and liabilities held at FVTPL and have been accounted for accordingly.

#### (ii) Estimates

The estimate that has the most significant effect on the amounts recognised in the Company's financial statements relates to financial assets and financial liabilities held at FVTPL other than those traded in an active market

The Investment Manager is responsible for the preparation of the Company's valuations and meets quarterly to approve and discuss the key valuation assumptions. The meetings are open to the Board of Directors and the Investment Advisor to enable them to challenge the valuation assumptions and the proposed valuation estimates and for the external auditors to observe. On a quarterly basis, the Board of Directors review and approve the final NAV calculation before it is announced to the market.

The Investment Manager also makes estimates and assumptions concerning the future and the resulting accounting estimates, will by definition, seldom equal the related actual results. The assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities are outlined in note 13.

#### **5 SEGMENTAL ANALYSIS**

 $The segmental \ analysis \ of the \ Company's \ results \ and \ financial \ position \ is \ set \ out \ below. \ There \ have \ been \ no \ changes \ to \ reportable \ segments \ since$ those presented in the Annual Report and Accounts 2020.

Reportable	segments
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CONDENSED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE SIX MONTHS ENDED 30 JUNE 2021	PRIVATE EQUITY INVESTMENTS €'000	DERIVED INVESTMENTS €'000	CENTRAL FUNCTIONS¹ €'000	TOTAL €′000
Investment income	-	9,426	-	9,426
Net gains/(losses) on financial assets at FVTPL	180,697	28,273	_	208,970
Realised foreign exchange (losses)/gains	-	(376)	(264)	(640)
Unrealised foreign currency losses			779	779
Total income	180,697	37,323	515	218,535
Performance fees <sup>2</sup>	-	(4,466)	-	(4,466)
Management fees	(80)	(1,900)	_	(1,980)
Administration and other operating expenses	_	(86)	(1,286)	(1,372)
Total operating expenses	(80)	(6,452)	(1,286)	(7,818)
Total income less operating expenses	180,617	30,871	(771)	210,717
Finance costs	-	-	(1,400)	(1,400)
Profit/(loss) before tax	180,617	30,871	(2,171)	209,317
Tax charge	-	(154)	_	(154)
Total comprehensive income/(loss) attributable to shareholders	180,617	30,717	(2,171)	209,163
CONDENSED STATEMENT OF FINANCIAL POSITION AT 30 JUNE 2021	PRIVATE EQUITY INVESTMENTS €'000	DERIVED INVESTMENTS €'000	CASH AND OTHER NCAS³ €′000	TOTAL €′000
Total assets	916,548	440,285	78,415	1,435,248
Total liabilities	-	(48,630)	(1,811)	(50,441)
NAV	916,548	391,655	76,604	1,384,807
CONDENSED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE SIX MONTHS ENDED 30 JUNE 2020	PRIVATE EQUITY INVESTMENTS €'000	DERIVED INVESTMENTS €'000	CENTRAL FUNCTIONS¹ €'000	TOTAL €′000
Investment income	_	9,001	(37)	8.964
Net gains/(losses) on financial assets at FVTPL	19,557	(25,816)	_	(6,259)
Net losses on financial liabilities at FVTPL	(2,188)	_	-	(2,188)
Realised foreign exchange (losses)/gains	_	(277)	585	308
Unrealised foreign currency losses	_	_	(2,352)	(2,352)
Totalincome	17,369	(17,092)	(1,804)	(1,527)
Performance fees <sup>2</sup>	(46)	_	_	(46)
Management fees	(91)	(1,309)	_	(1,400)
Administration and other operating expenses		(145)	(1,013)	(1,158)
Total operating expenses	(137)	(1,454)	(1,013)	(2,604)
Total income less operating expenses	17,232	(18,546)	(2,817)	(4,131)
Finance costs	_	_	(860)	(860)
Profit/(loss) before tax	17,232	(18,546)	(3,677)	(4,991)
Tax charge	_	(46)	_	(46)
Total comprehensive income/(loss) attributable to shareholders	17,232	(18,592)	(3,677)	(5,037)
CONDENSED STATEMENT OF FINANCIAL POSITION AT 31 DECEMBER 2020	PRIVATE EQUITY INVESTMENTS €'000	DERIVED INVESTMENTS €'000	CASH AND OTHER NCAS³ €'000	TOTAL €′000
Total assets	788,307	320,754	124,569	1,233,630
Total liabilities	-	(32,446)	-	(32,446)
NAV	788,307	288,308	124,569	1,201,184
		·	-	

Central functions represents interest income earned on cash balances and general administration and finance costs that cannot be allocated to investment segments are contained from the cost of the

Represents the movement in each respective ports
 NCAs refers to net current assets of the Company  $Represents the \,movement in \,each \,respective \,portfolio's \,overall \,performance \,fee \,reserve$ 

#### NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS CONTINUED

#### **6 ADMINISTRATION AND OTHER OPERATING EXPENSES**

	SIX MONTHS ENDED 30 JUNE 2021 €'000	SIX MONTHS ENDED 30 JUNE 2020 €'000
Directors' fees	184	163
Administration and other fees	329	313
Corporate and investor relations services fee 9	256	185
Deal transaction, custody and research costs	86	146
General expenses	471	305
Auditors' remuneration		
Statutory audit	_	-
Other assurance services – interim review	46	46
Total administration and other operating expenses	1,372	1,158

The Company has no employees and there were no pension or staff cost liabilities incurred during the period.

#### **7 TAXATION**

The Company is exempt from taxation in Guernsey under the provisions of the Income Tax (Exempt Bodies) (Guernsey) Ordinance, 1989 and is charged an annual exemption fee of £1,200 (30 June 2020: £1,200).

The Company may be required, at times, to pay tax in other jurisdictions as a result of specific trades in its investment portfolio. During the period period in the period of the perended 30 June 2021, the Company had a net tax expense of €154k (30 June 2020: €46k), mainly related to the sale of listed equities in India and tax incurred on debt interest in the United Kingdom. No deferred income taxes were recorded as there are no timing differences.

#### 8 INVESTMENTS

(a) Financial instruments held at FVTPL		SIX MONTHS ENDED 30 JUNE 2021 €'000	YEAR ENDED 31 DECEMBER 2020 €'000
Private Equity Investments		916,548	788,307
Private Equity financial assets Private Equity financial liabilities		916,548 -	788,307 <b>-</b>
Derived Investments		439,238	319,416
Debt Equities		388,591 50,647	275,739 43,677
Closing fair value		1,355,786	1,107,723
Financial assets held at FVTPL Financial liabilities held at FVTPL		1,355,786 -	1,107,723 -
	SIX MONTHS ENDED 30 JUNE 2021 €'000	YEAR ENDED 31 DECEMBER 2020 €'000	SIX MONTHS ENDED 30 JUNE 2020 €'000
Opening fair value	1,107,723	1,108,477	1,108,477
Calls	78,679	55,651	20,671
			(64 04 5)
Distributions	(131,135)	(207,280)	(61,815)
Purchases	161,337	87,400	15,733
Purchases Sales	161,337 (69,788)	87,400 (90,043)	15,733 (50,591)
Purchases	161,337	87,400	15,733
Purchases Sales Net gains/(losses) on fair value on financial assets	161,337 (69,788)	87,400 (90,043)	15,733 (50,591) (6,259)

#### 8 INVESTMENTS CONTINUED

#### (b) Net gains/(losses) on financial assets at FVTPL

(-, game, (,	SIXMONTHS ENDED 30 JUNE 2021 €°000	SIX MONTHS ENDED 30 JUNE 2020 €'00
Private Equity financial assets		
Gross unrealised gains Gross unrealised losses	176,650 (14,716)	48,988 (29,431)
Net unrealised gains on Private Equity financial assets	161,934	19,557
Gross realised gains	18,763	-
Net realised gains on Private Equity financial assets	18,763	-
Net gains on Private Equity financial assets	180,697	19,557
Derived Investments Gross unrealised gains Gross unrealised losses	35,010 (527)	15,485 (44,063)
Net unrealised gains/(losses) on Derived Investments	34,483	(28,578)
Gross realised gains Gross realised losses	297 (6.507)	11,296 (8,534)
Net realised (losses)/gains on Derived Investments	(6,210)	2,762
Net gains/(losses) on Derived Investments	28,273	(25,816)
Net gains/(losses) on financial assets at FVTPL	208,970	(6,259)
(c) Net losses on financial liabilities at FVTPL	SIX MONTHS ENDED 30 JUNE 2021 6°000	SIX MONTHS ENDED 30 JUNE 2020 €'00
Private Equity financial liabilities		
Gross unrealised losses	-	(2,188)
Net unrealised losses on Private Equity financial liabilities		(2,188)
Net losses on financial liabilities at FVTPL	-	(2,188)

#### (d) Involvement with unconsolidated structured entities

The Company's investments in Private Equity funds are considered to be unconsolidated structured entities. Their nature and purpose is to invest capital on behalf of their limited partners. The funds pursue sector-focused strategies, investing in four key sectors: Tech, Services, Healthcare and Internet/Consumer. The Company commits to a fixed amount of capital, which may be drawn (and returned) over the life of the fund. The Company pays capital calls when due and receives distributions from the funds, once an asset has been sold. Note 12 summarises current outstanding commitments and recallable distributions to the seven underlying Private Equity Investments held. The fair value of these was \$916.6m at 30 June 2021 (30 June 2020: \$742.5m), whereas the total value of the Private Equity funds was \$21.9bn (30 June 2020: \$77.1bn). During the year, the Company did not provide financial support and has no intention of providing financial or other support to these unconsolidated structured entities.

#### 9 RELATED PARTY TRANSACTIONS

The Investment Manager was appointed by the Board of Directors under a discretionary Investment Management Agreement ("IMA") dated 22 May 2015 and amendments dated 22 August 2016 and 2 March 2020, which sets out the basis for the calculation and payment of the management fee.

Management fees earned by the Investment Manager increased in the period to €2.0m (30 June 2020: €1.4m), of which €0.8m was included in accruals at 30 June 2021. Following the amendment approved by the Board on 2 March 2020, the revised management fee is calculated in arrears at a rate of 0.5% per annum on the fair value of non-fee paying private equity investments and equity investments and 1.0% per annum on the fair value of debt investments. The Investment Manager is also entitled to a performance fee. The revised performance fee is calculated based on the overall gains or losses net of management fees and Direct Deal costs (being costs directly attributable to due diligence and execution of investments) in each financial year. When the Portfolio Total Return hurdle is met a performance fee is payable. Further details are included in note 10.

The IMA has an initial term of six years and automatically continues for a further three additional years unless prior to the fifth anniversary the Investment Manager or the Company (by a special resolution) serves written notice to terminate the IMA. The Company is required to pay the Investment Manager all fees and expenses accrued and payable for the notice period through to the termination date.

The Investment Advisor has been engaged by the Investment Manager to provide advice on the investment strategy of the Company. An Investment Advisory Agreement ("IAA"), dated 22 May 2015 and an amendment dated 22 August 2016, exists between the two parties. Though not legally related to the Company, the Investment Advisor has been determined to be a related party. The Company paid no fees and had no transactions with the Investment Advisor during the period (30 June 2020: €Nil).

#### NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS CONTINUED

#### 9 RELATED PARTY TRANSACTIONS CONTINUED

The Company has an Administration Agreement with Aztec Financial Services (Guernsey) Limited ("Aztec") dated 22 May 2015. Under the terms of the agreement, Aztec has delegated some of the Company's accounting and bookkeeping to Apax Partners Fund Services Limited ("APFS"), a related party of the Investment Advisor, under a sub-administration agreement dated 22 May 2015. A fee of  $\{0.2\text{m} (30 \text{ June } 2020: \{0.3\text{m}) \text{ was paid by the Company in respect of administration fees and expenses, of which } \{0.1\text{m} (30 \text{ June } 2020: \{0.2\text{m}) \text{ was paid to APFS.} Additionally, following the approval of the amended fee structure on 2 March 2020, with an effective date from 1 January 2020, the Company entered into a new service agreement with Apax Partners LLP and its affiliate, APFS, with a fee calculated as 0.04% of the Invested Portfolio per annum for corporate and investor services. During the period a fee of <math>\{0.3\text{m} (30 \text{ June } 2020: \{0.2\text{m}) \text{ was paid by the Company to APFS.}\}$ 

The table below summarises shares held by Directors:

2021	SHARES IN ISSUE	2020	SHARES IN ISSUE
Tim Breedon 70,000	0.014%	70,000	0.014%
Susie Farnon 43,600	0.009%	43,600	0.009%
Chris Ambler 27,191	0.006%	27,191	0.006%
Mike Bane 18,749	0.004%	18,749	0.004%
Stephanie Coxon 10,000	0.002%	10,000	0.002%
10 PERFORMANCE FEE	30 JUNE	31 DECEMBER	30 JUNE
	2021 €'000	2020 €'000	2020 €′000
Opening performance fee reserve	_	6,893	6,893
Performance fee charged to statement of profit or loss and other comprehensive income	4,466	46	46
Performance fee paid	_	(6,939)	(6,939)
Closing performance fee reserve	4,466	_	_

30 JUNE

% OF TOTAL

31 DECEMBER

% OF TOTAL

The performance fee is payable on an annual basis once the respective hurdle thresholds are met by eligible portfolios. Performance fees are only payable to the extent they do not dilute the returns below the required benchmark for each respective portfolio as detailed in the table below. Additionally net losses are carried forward and netted against future gains.

SUMMARY	NET PORTFOLIO TOTAL RETURN HURDLE <sup>1</sup>	PERFORMANCE FEE RATE
Derived Debt	6%	15%
Derived Equity	8%	20%
Eligible Private Equity	8%	20%

<sup>1.</sup> Net Portfolio Total Return means the sub-portfolio performance in a given period, is calculated by taking total gains or losses and dividing them by the sum of gross asset value at the beginning of the period and the time-weighted net invested capital. The time-weighted net invested capital is the sum of investments made during the period less realised proceeds received during the period, both weighted by the number of days the capital was at work in the portfolio. Net Portfolio Total Return is gross of performance fees but net of management fees and relevant Direct Deal costs

The performance fee is payable to the Investment Manager by way of ordinary shares of the Company. The mechanics of the payment of the performance fee are explained in the prospectus. In accordance with IFRS 2 "Share-based Payment", performance fee expenses are charged through the statement of profit or loss and other comprehensive income and allocated to a share-based payment performance fee reserve in equity.

In the six months ended 30 June 2021, no performance fee was paid as the closing reserve was nil at 31 December 2020 (30 June 2020: 6.9m).

 $At 30 \, June \, 2021, management's \, best \, estimate \, of \, the \, expected \, performance \, fee \, was \, calculated \, on \, the \, eligible \, portfolio \, on \, a \, liquidation \, basis.$ 

#### 11 REVOLVING CREDIT FACILITY AND FINANCE COSTS

On 19 January 2021, AGA amended the terms of its Revolving Credit Facility ("RCF") agreement with Credit Suisse AG, London Branch. The revised agreement converts the previous facility, which was due to expire on 5 November 2021, to an evergreen structure whereby either party is required to give 2 years notice to terminate the agreement. The amended revolving credit facility remains at €140.0m with the margin increasing from 210 bps to 230 bps (over Euribor or Libor depending on the currency drawn) and the non-utilisation fee decreasing to c.100 bps per annum on an initial blended basis from 120 bps per annum. Additionally, there was a one-off commitment fee of €0.7m incurred related to this refinancing.

Summary of finance costs are detailed below:

	SIXMONTHS ENDED 30 JUNE 2021 €°000	SIX MONTHS ENDED 30 JUNE 2020 €'000
Interest paid	_	6
Non-utilisation fee	699	854
Commitment fee	701	
Total finance costs	1,400	860

Under the Loan Agreement, the Company is required to provide Private Equity Investments as collateral for each utilisation. The loan-to-value must not exceed 35% of the eligible Private Equity NAV. As at 30 June 2021 the facility was unutilised.

#### 12 FINANCIAL RISK MANAGEMENT

The Company holds a variety of financial instruments under IFRS 7 in accordance with its Investment Management strategy. The investment portfolio comprises Private Equity Investments and Derived Investments as shown in the table below:

	30 JUNE 2021	31 DECEMBER 2020
Private Equity Investments	68%	71%
Private Equity financial assets Private Equity financial liabilities	68% 0%	71% 0%
Derived Investments	32%	29%
Debt Equities	29% 3%	25% 4%
Total	100%	100%

The Company's activities expose it to a variety of financial risks: liquidity risk, credit risk and market risk. There have been no material changes in the Company's exposure to liquidity risk or credit risk, whilst market risk changes were limited to changes in price risk component in the period since 31 December 2020.

#### Market risk

The Company summarises market risk into four main components; price risk, currency risk, interest rate risk and concentration risk. Currency movements were in favour of the Company during the period and though interest rates remained low, this had a limited impact on the Company, as the majority of the debt portfolio is held in floating rate notes with interest rate floors. The Invested Portfolio's concentration was in line with year end and remains diversified across four main sectors (Tech, Services, Healthcare and Internet/Consumer).

The Company is exposed to price risk on both its Private Equity Investments and Derived Investments and this exposure to price risk is actively monitored by the Investment Manager. The table below reflects the blended sensitivity of this price risk and the impact on NAV.

30 JUNE 2021	BASE CASE €'000	(+20%) €′000	(-20%) €′000
Financial assets	1,355,786	1,626,943	1,084,629
Change in NAV and profit		271,157	(271,157)
Change in NAV (%)		20%	-20%
Change in total income		124%	-124%
Change in profit for the period		130%	-130%

31 DECEMBER 2020	BASE CASE €′000	BULL CASE (+20%) €′000	BEAR CASE (-20%) €'000
Financial assets	1,107,723	1,329,268	886,178
Change in NAV and profit		221,545	(221,545)
Change in NAV (%)		18%	-18%
Change in total income		131%	-131%
Change in profit for the period		137%	-137%

#### NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS CONTINUED

## 12 FINANCIAL RISK MANAGEMENT CONTINUED Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. Such obligations are met through a combination of liquidity from the sale of investments, revolving credit facility as well as cash resources. In accordance with the Company's policy, the Investment Manager monitors the Company's liquidity position on a regular basis; the Board of Directors also reviews it, at a minimum, on a quarterly basis.

The Company invests in two portfolios, Private Equity Investments and Derived Investments. Each portfolio has a different liquidity profile.

Derived Investments in the form of listed securities are considered to be liquid investments that the Company may realise on short notice. These are determined to be readily realisable, as the majority are listed on major global stock exchanges. Derived Investments in the form of debt and unlisted equity have a mixed liquidity profile as some positions may not be readily realisable due to an inactive market or due to other factors such as restricted trading windows during the year. Debt investments held in actively traded bonds are considered to be readily realisable.

The Company's Private Equity Investments are not readily realisable although, in some circumstances, they could be sold in the secondary market, potentially at a discounted price. The timing and quantum of Private Equity distributions is difficult to predict, however, the Company has some visibility on capital calls as the majority of the underlying funds operate capital call facilities. These are typically drawn by the underlying funds for periods of c.12 months to fund investments and fund operating expenses, and provide the Company with reasonable visibility of calls for this period.

The table below summarises the maturity profile of the Company's financial liabilities at 30 June 2021 based on contractual undiscounted repayment obligations. The contractual maturities of most financial liabilities are less than three months, with the exception of the revolving credit facility and commitments to Private Equity Investments, where their expected cash flow dates are summarised in the tables below.

The Company does not manage liquidity risk on the basis of contractual maturity, instead the Company manages liquidity risk based on expected cash flows.

#### 30 June 2021

	UPTO3MONTHS €'000	3-12 MONTHS €'000	1-5 YEARS €'000	TOTAL €′000
Investment payables	48,630	_	_	48,630
Accrued expenses	1,811	_	_	1,811
Private Equity Investments outstanding commitments and recallable distributions	33,861	125,159	260,175	419,195
Derived Investments commitments <sup>1</sup>	-	12,289	-	12,289
Total	84,302	137,448	260,175	481,925

 $<sup>1. \</sup>quad {\sf Represents} \, the \, {\sf undrawn} \, {\sf amount} \, {\sf outstanding} \, {\sf on} \, {\sf anumber} \, {\sf of} \, {\sf delayed} \, draw \, {\sf debt} \, {\sf commitments} \, {\sf and} \, {\sf arevolving} \, {\sf credit} \, {\sf facility} \, {\sf position} \, {\sf outstanding} \, {$ 

#### 31 December 2020

	UPTO3MONTHS €'000	3-12 MONTHS €'000	1-5 YEARS €'000	TOTAL €′000
Investment payables	30,965	_	_	30,965
Accrued expenses	1,481	_	_	1,481
Private Equity Investments outstanding commitments and recallable distributions	53,543	60,590	344,698	458,831
Total	85,989	60,590	344,698	491,277

The Company's outstanding commitments and recallable distributions to Private Equity Investments are summarised below:

	30 JUNE 2021 €′000	31 DECEMBER 2020 €'000
Apax Europe VI	225	225
Apax Europe VII	1,030	1,030
Apax VIII	19,800	20,440
Apax IX	32,283	25,870
ApaxX	331,222	379,355
AMI Opportunities	11,844	11,457
Apax Digital Fund	22,791	20,454
Total	419,195	458,831

At 30 June 2021, the Company had undrawn Private Equity commitments and recallable distributions of  $\leqslant$ 419.2m (31 December 2020:  $\leqslant$ 458.8m), of which  $\leqslant$ 159.0m (31 December 2020:  $\leqslant$ 114.1m) is expected to be drawn within 12 months. The increase in expected calls due within 12 months is mainly due to Apax X, which closed 7 investments in the six months to 30 June 2021. Additionally, the Company expects draw downs of  $\leqslant$ 12.3m from Derived Investments in the next 12 months for delayed draw and revolving credit facility debt positions held.

The Company has access to a short-term revolving credit facility upon which it can draw up to  $\le$ 140.0m. The Company may utilise this facility in the short term to bridge Private Equity calls and ensure that it can realise the Derived Investments at the best price available. At 30 June 2021, the facility remained undrawn (31 December 2020:  $\le$ Nil).

At period end, the Company's investments are recorded at fair value. The remaining assets and liabilities are of a short-term nature and their fair values approximate their carrying values.

#### 13 FAIR VALUE ESTIMATION

#### (a) Financial instruments measured at fair value

IFRS 13 "Fair Value Measurement" ("IFRS 13") requires the Company to classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used to make those measurements. The fair value hierarchy has the following levels:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
- Valuation techniques based on observable inputs (other than quoted prices included within level 1), that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices). This category includes instruments valued using: quoted market prices in active markets for similar but not identical instruments; quoted prices for identical instruments in markets that are not considered to be active; and, other valuation techniques where all the significant inputs are directly or indirectly observable from market data (level 2).
- Valuation techniques for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

The level in the fair value hierarchy within which the fair value measurement is categorised in its entirety is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety. If a fair value measurement uses observable inputs that require significant adjustment based on unobservable inputs, that measurement is a level 3 measurement. Assessing the significance of a particular input to the fair value measurement in its entirety requires judgement, considering factors specific to the asset or liability.

The determination of what constitutes "observable" requires significant judgement by the Company. The Company considers observable data to be market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market. The Company also determines if there is a transfer between each respective level at the end of each reporting period based on the valuation information available.

The following table analyses within the fair value hierarchy the Company's financial assets and liabilities (by class) measured at fair value at 30 June 2021:

ASSETS	LEVEL 1 €'000	LEVEL2 €'000	LEVEL3 €'000	TOTAL €'000
Private Equity financial assets	-	_	916,548	916,548
Derived Investments	41,207	388,591	9,440	439,238
Debt	_	388,591	_	388,591
Equities	41,207	_	9,440	50,647
Total	41,207	388,591	925,988	1,355,786

The following table analyses within the fair value hierarchy the Company's financial assets and liabilities (by class) measured at fair value at 31 December 2020:

ASSETS	LEVEL1 €'000	LEVEL 2 €′000	LEVEL3 €'000	TOTAL €′000
Private Equity financial assets	_	_	788,307	788,307
Derived Investments	39,480	275,739	4,197	319,416
Debt	_	275,739	_	275,739
Equities	39,480	_	4,197	43,677
Total	39,480	275,739	792,504	1,107,723

IFRS13 requires the Company to describe movements in and transfers between levels of the fair value hierarchy. The Company determines if there is a transfer between each respective level at the end of each reporting period based on the valuation information available.

There were no transfers to or from level 1, level 2 or level 3 during the period.

#### NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS CONTINUED

#### 13 FAIR VALUE ESTIMATION CONTINUED

#### (b) Significant unobservable inputs used in measuring fair value continued

Movements in level 3 investments are summarised in the table below:

		SIX MONTHS ENDED 30 JUNE 2021			YEAR ENDED 31 DECEMBER 2020			
	PRIVATE EQUITY INVESTMENTS €'000	DERIVED INVESTMENTS €'000	TOTAL €′000	PRIVATE EQUITY INVESTMENTS €'000	DERIVED INVESTMENTS €'000	TOTAL €′000		
Opening fair value	788,307	4,197	792,504	766,278	2,554	768,832		
Additions	78,679	_	78,679	55,651	_	55,651		
Disposals and repayments	(131,135)	_	(131,135)	(207,280)	_	(207,280)		
Realised gains on financial assets	18,763	_	18,763	100,142	_	100,142		
Unrealised gains on financial assets	161,934	5,243	167,177	73,516	1,643	75,159		
Transfers into level 3	_	_	-	_	_	_		
Closing fair value	916,548	9,440	925,988	788,307	4,197	792,504		

The unrealised gains attributable to only assets and liabilities held at 30 June 2021 were €167.2m (31 December 2020: €75.2m).

The table below sets out information about significant unobservable inputs used in measuring financial instruments categorised as level 3 in the fair value hierarchy:

DESCRIPTION	VALUATION TECHNIQUE	SIGNIFICANT UNOBSERVABLE INPUTS	SENSITIVITY TO CHANGES IN SIGNIFICANT UNOBSERVABLE INPUTS	30 JUNE 2021 VALUATION €'000	31 DECEMBER 2020 VALUATION €′000
Private Equity financial assets	NAV adjusted for carried interest	NAV	The Company does not apply further discount or liquidity premiums to the valuations as these are already captured in the underlying valuation. This NAV is subject to changes in the valuations of the underlying portfolio companies. These can be exposed to a number of risks, including liquidity risk, price risk, credit risk, currency risk and interest rate risk.  A movement of 10% in the value of Private	916,548	788,307
			Equity Investments would move the NAV at the period end by 7.0% (31 December 2020: 6.6%).		
Equities	Comparable company earnings multiples and/or precedent transaction analysis	Comparable company multiples	The Company held 3 equity positions (31 December 2020: 3) of which 2 positions (31 December 2020: 3) were valued using comparable company multiples. The average multiple was 8.8x (31 December 2020: 9.0x).	9,440	4.197
			A movement of 10% in the multiple applied would move the NAV at period end by 0.1% (31 December 2020: 0.1%).		

#### 14 SHAREHOLDERS' CAPITAL

At 30 June 2021, the Company had 491,100,768 ordinary shares fully paid with no par value in issue (31 December 2020: 491,100,768 shares). All ordinary shares rank pari passu with each other, including voting rights and there has been no change since 31 December 2020.

The Company has one share class; however, a number of investors are subject to lock-up periods between five and ten years, which restricts them from disposing of ordinary shares issued at admission. For investors with five-year lock-up periods, 20% of ordinary shares are released from lock-up each year from the first anniversary of admission, 15 June 2016. As at 30 June 2021, all of these shares have been released following the fifth anniversary on the 15 June 2020. For investors with ten-year lock-up periods, 20% of ordinary shares were released from lock-up this year on 15 June 2021 with a further 20% being released annually until 15 June 2025.

#### 15 EARNINGS AND NAV PER SHARE

EARNINGS	SIX MONTHS ENDED 30 JUNE 2021	SIX MONTHS ENDED 30 JUNE 2020
Profit or loss for the year attributable to equity shareholders: €′000	209,163	(5,037)
Weighted average number of shares in issue		
Ordinary shares at end of year	491,100,768	491,100,768
Shares issued in respect of performance fee	-	
Total weighted ordinary shares	491,100,768	491,100,768
Dilutive adjustments	-	_
Total diluted weighted ordinary shares	491,100,768	491,100,768
Effect of performance fee adjustment on ordinary shares		
Performance shares to be awarded based on a liquidation basis <sup>1</sup>	1,943,385	_
Adjusted shares <sup>2</sup>	493,044,153	491,100,768
Earnings per share (cents)		
Basic	42.59	(1.03)
Diluted	42.59	(1.03)
Adjusted	42.42	(1.03)
	30 JUNE 2021	31 DECEMBER 2020
NAV €'000		
NAV at end of period	1,384,807	1,201,184
NAV per share (€)		
NAV per share	2.82	2.45
Adjusted NAV per share	2.81	2.45

The number of performance shares is calculated inclusive of deemed realised performance shares that would be issued utilising the theoretical performance fee payable calculated on a liquidation basis

At 30 June 2021, there were no items that would cause a dilutive effect on earnings per share. The adjusted earnings per share has been calculated based on the profit attributable to shareholders adjusted for the total accrued performance fee at year end over the weighted average number of ordinary shares. This has been calculated on a full liquidation basis inclusive of performance fee attributable to realised investments. Performance shares to be issued are calculated based on the trading price of shares and foreign exchange rate at close of business on 30 June 2021.

#### **16 DIVIDENDS**

	SIX MONTHS 30 JUNE 2		SIX MONTHS ENDED 30 JUNE 2020			
DIVIDENDS PAID TO SHAREHOLDERS	€,000 €,000					
Final dividend paid – 5.28 pence per share (31 December 2020: 6.11 cents per share)	30,006	25,930	26,353	22,983		
Total	30,006	25,930	26,353	22,983		
	SIX MONTHS 30 JUNE 2		YEAR ENDED 31 DECEMBER 2020			
DIVIDENDS PROPOSED	€	£	€	£		
Interim dividend per share	7.05c	5.97p	6.11c	5.28p		

On 2 March 2021, the Board approved the final dividend for 2020, 5.28 pence per share (6.11 cents euro equivalent). This represents 2.5% of the Company's euro NAV at 31 December 2020 and was paid on 2 April 2021.

On 18 August 2021, the Board approved an interim dividend for the six months ended 30 June 2021, 5.97 pence per share (7.05 cents euro equivalent). This represents 2.5% of the Company's euro NAV at 30 June 2021 and will be paid on 17 September 2021. The Board considered the Company's future liquidity position and ability to pay dividends and deemed it appropriate to maintain payment of the interim dividend.

#### 17 SUBSEQUENT EVENTS

On 18 August 2021, the Board approved an interim dividend for the six months ended 30 June 2021, 5.97 pence per share (7.05 cents euro equivalent). This represents 2.5% of the Company's euro NAV at 30 June 2021 and will be paid on 17 September 2021.

<sup>2</sup> The calculation of Adjusted Shares above assumes that new shares were issued by the Company to the Investment Manager in lieu of the performance fee. As per the prospectus, the Company may also purchase shares from the market if the Company is trading at a discount to its NAV per share. In such a case, the Adjusted NAV per share would be calculated by taking the NAV at the period adjusted for the performance fee reserve and then divided by the current number of ordinary shares in issue. At 30 June 2021, the Adjusted NAV per share for both methodologies resulted in an Adjusted NAV per share of €2.81 (31 December 2020: €2.45) respectively

#### **ADMINISTRATION**

#### **DIRECTORS (ALL NON-EXECUTIVE)**

Tim Breedon CBE (Chairman) Susie Farnon (Chair of the Audit Committee) Chris Ambler Mike Bane Stephanie Coxon

#### REGISTERED OFFICE OF THE COMPANY

PO Box 656 East Wing Trafalgar Court Les Banques St Peter Port Guernsey GY1 3PP Channel Islands

#### **INVESTMENT MANAGER**

Apax Guernsey Managers Limited Third Floor, Royal Bank Place 1 Glategny Esplanade St Peter Port Guernsey GY1 2HJ Channel Islands

#### INVESTMENT ADVISOR

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#### ADMINISTRATOR, COMPANY SECRETARY AND DEPOSITARY

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#### INDEPENDENT AUDITOR

KPMG Channel Islands Limited Glategny Court St Peter Port Guernsey GY1 1WR Channel Islands

#### ASSOCIATION OF INVESTMENT COMPANIES - AIC

The AIC is the trade body for closed-ended investment companies. It helps its member companies deliver better returns for their investors through lobbying, media engagement, technical advice, training, and events.

www.theaic.co.uk

#### **DIVIDEND TIMETABLE**

Announcement: 19 August 2021 Ex-dividend date: 26 August 2021 Record date: 27 August 2021 Payment date: 17 September 2021

#### **EARNINGS RELEASES**

Q3 2021 earnings release is expected to be issued on or around 4 November 2021.

#### STOCK SYMBOL

London Stock Exchange: APAX

#### **ENQUIRIES**

Any enquiries relating to shareholdings on the share register (for example, transfers of shares, changes of name or address, lost share certificates or dividend cheques) should be sent to the Registrars at the address given above. The Registrars offer an online facility at <a href="https://www.signalshares.com">www.signalshares.com</a> which enables shareholders to manage their shareholding electronically.

#### **INVESTOR RELATIONS**

Enquiries relating to AGA's strategy and results or if you would like to arrange a meeting, please contact:

Katarina Sallerfors Investor Relations – AGA Apax Partners LLP 33 Jermyn Street London SW1Y 6DN United Kingdom Tel: +44 (0)20 7872 6300

investor.relations@apaxglobalalpha.com

#### **INVESTMENT POLICY**

The Company's investment policy is to make (i) Private Equity Investments, which are primary and secondary commitments to, and investments in, existing and future Apax Funds and (ii) Derived Investments, which Apax will typically identify as a result of the process that Apax Partners undertakes in its private equity activities and which will comprise direct or indirect investments other than Private Equity Investments, including primarily investments in public and private debt. as well as limited investments in equity, primarily in listed companies. For the foreseeable future, the Board believes that market conditions and the relative attractiveness of investment opportunities in Private Equity will cause the Company to hold the majority of its investments in Private Equity assets. The investment mix will fluctuate over time due to market conditions and other factors, including calls for and distributions from Private Equity Investments, the timing of making and exiting Derived Investments and the Company's ability to invest in future Apax Funds. The actual allocation may therefore fluctuate according to market conditions, investment opportunities and their relative attractiveness, the cash flow requirements of the Company, its dividend policy and other factors.

#### **PRIVATE EQUITY INVESTMENTS**

The Company expects that it will seek to invest in any new Apax Funds that are raised in the future. Private Equity Investments may be made into Apax Funds with any target sectors and geographic focus and may be made directly or indirectly. The Company will not invest in third-party managed funds.

#### **DERIVED INVESTMENTS**

The Company will typically follow the Apax Group's core sector and geographical focus in making Derived Investments, which may be made globally. Derived Investments may include among others: (i) direct and indirect investments in equity and debt instruments, including equity in private and public companies, as well as in private and public debt which may include sub-investment grade and unrated debt instruments; (ii) co-investments with Apax Funds or third-parties; (iii) investments in the same or different types of equity or debt instruments in portfolio companies as the Apax Funds and may potentially include; (iv) acquisitions of Derived Investments from Apax Funds or third-parties; (v) investments in restructurings; and (vi) controlling stakes in companies.

#### INVESTMENT RESTRICTIONS

The following specific investment restrictions apply to the Company's investment policy:

- no investment or commitment to invest shall be made in any Apax Fund which would cause the total amounts invested by the Company in, together with all amounts committed by the Company to, such Apax Fund to exceed, at the time of investment or commitment, 25% of the Gross Asset Value; this restriction does not apply to any investments in or commitments to invest made to any Apax Fund that has investment restrictions restricting it from investing or committing to invest more than 25% of its total commitments in any one underlying portfolio company;
- not more than 15% of the Gross Asset Value may be invested in any one portfolio company of an Apax Fund on a look-through basis;
- not more than 15% of the Gross Asset Value may be invested in any one Derived Investment; and
- in aggregate, not more than 20% of the Gross Asset Value is intended to be invested in Derived Investments in equity securities of publicly listed companies. However, such aggregate exposure will always be subject to an absolute maximum of 25% of the Gross Asset Value.

The aforementioned restrictions apply as at the date of the relevant transaction or commitment to invest. Hence, the Company would not be required to effect changes in its investments owing to appreciations or depreciations in value, distributions or calls from existing commitments to Apax Funds, redemptions or the receipt of, or subscription for, any rights, bonuses or benefits in the nature of capital or of any acquisition or merger or scheme of arrangement for amalgamation, reconstruction, conversion or exchange or any redemption, but regard shall be had to these restrictions when considering changes or additions to the Company's investments (other than where these investments are due to commitments made by the Company earlier).

The Company may borrow in aggregate up to 25% of Gross Asset Value at the time of borrowing to be used for financing or refinancing (directly or indirectly) its general corporate purposes (including without limitation, any general liquidity requirements as permitted under its Articles of Incorporation), which may include financing short-term investments and/or buybacks of ordinary shares. The Company does not intend to introduce long-term structural gearing.

#### **QUARTERLY RETURNS SINCE 1Q18**

	TOTAL RETURN¹ (EURO)				RETURN ATTRIBUTION					
	PRIVATE EQUITY	DERIVED DEBT	DERIVED EQUITY	PRIVATE EQUITY	DERIVED DEBT	DERIVED EQUITY	PERFORMANCE FEE	OTHER <sup>2</sup>		TOTAL NAV RETURN
1Q18	0.0%	(1.7%)	(0.2%)	(0.3%)	0.0%	(0.1%)	0.2%	(0.4%)		(0.7%)
2Q18	11.0%	2.5%	(1.8%)	6.9%	0.7%	(0.2%)	(0.3%)	(0.1%)		6.9%
3Q18	5.4%	1.5%	(10.4%)	3.5%	0.2%	(1.8%)	0.1%	(0.2%)		1.8%
4Q18	(0.0%)	2.3%	(3.9%)	(0.0%)	0.2%	(0.7%)	(0.2%)	0.1%		(0.7%)
1Q19	12.3%	4.8%	1.2%	7.9%	0.9%	0.1%	0.0%	(0.2%)		8.7%
2Q19	7.1%	0.9%	(0.4%)	4.8%	0.2%	0.0%	(0.3%)	(0.2%)		4.4%
3Q19	6.9%	6.0%	(3.5%)	4.3%	1.4%	(0.4%)	(0.2%)	(0.2%)		4.9%
4Q19	3.0%	1.8%	14.9%	2.5%	0.1%	1.3%	(0.5%)	0.0%		3.4%
1Q20	(11.6%)	(7.7%)	(25.1%)	(8.0%)	(1.8%)	(1.8%)	0.0%	(0.3%)		(11.9%)
2Q20	16.0%	7.0%	14.8%	11.1%	1.6%	0.7%	0.0%	(0.2%)		13.3%
3Q20	12.4%	2.1%	(2.4%)	8.4%	0.4%	(0.1%)	0.0%	(0.3%)		8.5%
4Q20	8.7%	(0.1%)	36.1%	6.0%	0.0%	1.0%	0.0%	(0.1%)		6.9%
1Q21	13.7%	6.4%	18.3%	8.5%	1.6%	0.7%	(0.2%)	(0.2%)		10.4%
2Q21	9.5%	1.4%	8.2%	6.1%	0.4%	0.3%	(0.1%)	(0.2%)		6.5%
2010	17.40/	4.50/	(17.60/)	10.10/	1 20/	(7.00/)	0.20/	(4.40/)		7 10/
2018	17.4%	4.5%	(17.6%)	10.1%	1.2%	(3.0%)	0.2%	(1.4%)		7.1%
2019	33.9%	11.8%	9.1%	20.2%	2.7%	1.1%	(1.0%)	(0.3%)		22.7%
2020 1H21	25.4%	0.2% 7.3%	(3.8%)	15.9% 15.6%	1.5%	(0.2%)	(0.4%)	(0.9%)		14.8% 17.4%
1021										
	TOTAL RETURN¹ (CONSTANT CURRENCY)  PRIVATE DERIVED DERIVED			RETURN ATTRIBUTION  PRIVATE DERIVED DERIVED PERFORMANCE						TOTAL NAV
	EQUITY	DEBT	EQUITY	EQUITY	DEBT	EQUITY	FEE	OTHER <sup>2</sup>	FX <sup>3</sup>	RETURN
1Q18	1.3%	0.6%	2.4%	0.4%	0.4%	0.2%	0.3%	(0.3%)	(1.7%)	(0.7%)
2Q18	8.9%	(2.6%)	(3.9%)	5.8%	(0.2%)	(0.6%)	(0.3%)	(0.5%)	2.7%	6.9%
3Q18	5.5%	1.0%	(9.5%)	3.5%	0.1%	(1.7%)	0.2%	(0.2%)	(0.1%)	1.8%
4Q18	(0.3%)	1.3%	(4.9%)	(0.2%)	0.1%	(0.8%)	(0.3%)	0.0%	0.5%	(0.7%)
1Q19	10.0%	2.5%	(1.5%)	6.4%	0.5%	(0.2%)	0.0%	(0.2%)	2.2%	8.7%
2Q19	8.0%	2.3%	0.8%	5.3%	0.5%	0.1%	(0.3%)	(0.2%)	(1.0%)	4.4%
3Q19	4.8%	2.5%	(5.1%)	3.1%	0.6%	(0.6%)	(0.2%)	(0.3%)	2.3%	4.9%
4Q19	4.1%	3.7%	15.2%	3.2%	0.6%	1.3%	(0.5%)	0.0%	(1.2%)	3.4%
1Q20	(11.6%)	(8.6%)	(23.5%)	(7.9%)	(2.0%)	(1.7%)	0.0%	(0.2%)	(0.1%)	(11.9%)
2Q20	16.3%	8.4%	16.2%	11.4%	2.0%	0.8%	0.0%	(0.2%)	(0.6%)	13.3%
3Q20	15.9%	5.7%	(1.0%)	10.7%	1.2%	0.0%	0.0%	(0.2%)	(3.2%)	8.5%
4Q20	11.0%	3.0%	37.2%	7.6%	0.7%	1.1%	0.0%	(0.1%)	(2.4%)	6.9%
1Q21	9.6%	2.5%	14.1%	6.0%	0.7%	0.6%	(0.2%)	(0.2%)	3.5%	10.4%
2Q21	10.2%	1.9%	9.2%	6.6%	0.5%	0.4%	(0.1%)	(0.2%)	(0.7%)	6.5%
2018	15.9%	0.3%	(17.4%)	9.2%	0.4%	(2.9%)	0.2%	(1.5%)	1.7%	7.1%
2019	31.7%	9.6%	5.5%	19.3%	2.2%	0.7%	(0.7%)	(1.0%)	(2.2%)	22.7%
2020	32.6%	7.4%	2.5%	20.6%	1.7%	0.1%	0.0%	(0.8%)	(6.8%)	14.8%

21.9%  $NOTE: All \, quarterly \, information \, included \, in \, the \, tables \, above \, is \, unaudited \,$ 

1H21

13.4%

1.0%

1.3%

(0.4%)

(0.4%)

17.4%

2.5%

4.5%

25.0%

 $Total \,Return for each respective sub-portfolio \,has \,been \,calculated \,by \,taking \,total \,gains \,or \,losses \,and \,dividing \,them \,by \,the \,sum \,of \,Adjusted \,NAV \,at \,the \,beginning \,of \,the \,period \,and \,the \,Adjusted \,NAV \,at \,the \,beginning \,or \,the \,period \,and \,the \,Adjusted \,NAV \,at \,the \,beginning \,or \,the \,period \,and \,the \,Adjusted \,NAV \,at \,the \,Adjus$  $time-weighted \, net \, invested \, capital. \, The \, time-weighted \, net \, invested \, capital \, is \, the \, sum \, of \, investments \, made \, during \, the \, period \, less \, realised \, proceeds \, received \, during \, the \, period, \, both \, and \, continued a continued by a continued$ 

 $weighted \ by the number of days the capital was at work in the portfolio\\ Includes management fees and other general costs. It also includes FX on the euro returns table only a contract of the contract o$ 

Includes the impact of FX movements on investments and FX on cash held during each respective period

#### **PORTFOLIO ALLOCATION SINCE 1Q18**

		PORTFOLIO ALLOCATION <sup>1</sup>				PORTFOLIO N	NAV (EURO)			
	PRIVATE EQUITY	DERIVED DEBT	DERIVED EQUITY	NET CASH AND NCAS	PRIVATE EQUITY	DERIVED DEBT	DERIVED EQUITY	NET CASH AND NCAS	TOTAL NAV	TOTAL ADJUSTED NAV
1Q18	65%	15%	17%	3%	572.5	136.2	152.6	22.1	883.3	883.3
2Q18	67%	19%	17%	(4%)	638.8	184.3	160.6	(35.8)	947.8	943.9
3Q18	68%	17%	17%	(2%)	638.9	158.1	159.0	(16.3)	939.7	937.3
4Q18	64%	19%	15%	2%	591.5	178.3	142.3	18.7	930.8	930.8
1Q19	68%	18%	11%	3%	669.5	178.9	112	28.1	988.5	988.2
2Q19	56%	22%	12%	9%	582.9	232.1	123.3	96.2	1,034.5	1,031.9
3Q19	61%	24%	11%	4%	648.1	257.4	116.0	38.9	1,060.4	1,055.8
4Q19	70%	23%	8%	(1%)	766.3	252.5	89.7	(9.5)	1,099.0	1,092.1
1Q20	69%	23%	5%	3%	643.0	221.4	44.3	27.4	936.1	936.1
2Q20	70%	22%	5%	3%	742.5	230.8	50.7	36.7	1,060.7	1,060.7
3Q20	70%	22%	3%	5%	784.1	243.4	32.3	64.3	1,124.1	1,124.1
4Q20	66%	23%	3%	8%	788.3	275.7	43.7	93.5	1,201.2	1,201.2
1Q21	64%	25%	4%	7%	830.7	322.8	46.1	99.9	1,299.5	1,296.6
2Q21	66%	28%	4%	2%	916.6	388.6	50.6	29.0	1,384.8	1,380.3
2018	66%	18%	16%	0%	610.4	164.2	153.6	(2.8)	925.4	923.8
2019	64%	22%	11%	4%	666.7	230.3	110.2	38.4	1,045.6	1,042.0
2020	69%	23%	4%	5%	739.5	242.8	42.8	55.5	1,080.6	1,080.6
1H21	65%	26%	4%	4%	873.6	355.7	48.4	64.5	1,342.2	1,338.5

 $<sup>1. \</sup>quad \text{For annual periods the average weighting over four quarters used} \\$ 

#### **GLOSSARY**

**ADF** means the limited partnerships that constitute the Apax Digital Private Equity fund.

**Adjusted NAV** calculated by adjusting the NAV at reporting periods, by the estimated performance fee reserves.

**Adjusted NAV per share** calculated by dividing the Adjusted NAV by the number of shares in issue

**AEVI** means the limited partnerships that constitute the Apax Europe VI Private Equity fund

**AEVII** means the limited partnerships that constitute the Apax Europe VII Private Equity fund

**AGML or Investment Manager** means Apax Guernsey Managers Limited.

**AIX** means the limited partnerships that constitute the Apax IX Private Equity fund.

**AMI** means the limited partnerships that constitute the AMI Opportunities Fund focused on investing in Israel.

**Apax Global Alpha or Company or AGA** means Apax Global Alpha Limited.

**Apax Group** means Apax Partners LLP and its affiliated entities, including its sub-advisors, and their predecessors, as the context may require.

**Apax Partners or Apax or Investment Advisor** means Apax Partners LLP.

**Apax Private Equity Funds or Apax Funds** means Private Equity funds managed, advised and/or operated by Apax Partners.

**APFS** means Apax Partners Fund Services Limited

**APG** means Apax Partners Guernsey Limited.

**AVIII** means the limited partnerships that constitute the Apax VIII Private Equity fund.

**AX** means the limited partnerships that constitute the Apax X Private Equity fund.

**Aztec** means Aztec Financial Services (Guernsey) Limited

B2B means business to business.

**Brexit** refers to the exit of the UK from the EU following the invocation of Article 50 of the Treaty on the European Union on 29 March 2017

**Capital Markets Practice or CMP** consists of a dedicated team of specialists within the Apax Partners Group having in-depth experience of the leverage finance debt markets, including market conditions, participants and opportunities. The CMP was initially set up to support the investment advisory teams within the Apax Group in structuring the debt component of a private equity transaction. The CMP has over the years expanded its mandate to working alongside the investment advisory teams to advise on Derived Debt Investments.

**CEE** Central and Eastern Europe.

CSR Corporate social responsibility.

**Custody risk** is the risk of loss of securities held in custody occasioned by the insolvency or negligence of the custodian.

**Derived Debt Investments** comprise debt investments held within the Derived Investments portfolio.

**Derived Equity Investments** comprise equity investments held within the Derived Investments portfolio.

**Derived Investments** comprise investments other than Private Equity Investments, including primary investments in public and private debt, with limited investments in equity, primarily in listed companies. In each case, these are typically identified by Apax Partners as part of its private equity activities.

**Direct Deal costs** means costs directly attributable to the due diligence and execution of deals completed by the Company (such as broker fees and deal research costs). For avoidance of doubt it excludes taxes payables and general fund and administration costs.

**EBITDA** Earnings before interest, tax, depreciation and amortisation.

**Eligible Portfolio** means the Derived Debt, Derived Equity and Eligible Private Equity portfolios.

**Eligible Private Equity** means the Private Equity portfolio eligible for management fees and performance fee. It represents interests in Private Equity investments held that do not pay fees at the Apax Fund level.

ERP Enterprise resource planning.

 $\pmb{\mathsf{ESG}}\,\mathsf{Environmental}, \mathsf{social}\,\mathsf{and}\,\mathsf{governance}.$ 

**EV** Enterprise value.

**FVTPL** means fair value through profit or loss.

FX means foreign exchange.

**Gross Asset Value or GAV** means the Net Asset Value of the Company plus all liabilities of the Company (current and non-current).

Gross IRR or Internal Rate of Return means an aggregate, annual, compound, internal rate of return calculated on the basis of cash receipts and payments together with the valuation of unrealised investments at the measurement date. Foreign currency cash flows have been converted at the exchange rates applicable at the date of receipt or payment. For Private Equity Investments, IRR is net of all amounts paid to the underlying Investment Manager and/or general partner of the relevant fund, including costs, fees and carried interests. For Derived Investments, IRR does not reflect expenses to be borne by the relevant investment vehicle or its investors including, without limitation, performance fees, management fees, taxes and organisational. partnership or transaction expenses.

**Invested Portfolio** means the part of AGA's portfolio which is invested in Private Equity and Derived Investments, however excluding any other investments such as legacy hedge funds and cash.

**Investor relations team** means such investor relations services as are currently provided to AGA by the Investment Advisor.

IPO Initial public offering.

**KPI** Key performance indicator.

**LSE** London Stock Exchange.

LTM Last twelve months.

**Market capitalisation** is calculated by taking the share price at the reporting period date multiplied by the number of shares in issue. The euro equivalent is translated using the exchange rate at the reporting period date.

MOIC Multiple of invested capital.

NBFC Non-bank financial company.

**Net Asset Value or NAV** means the value of the assets of the Company less its liabilities as calculated in accordance with the Company's valuation policy. NAV has no adjustments related to the IPO proceeds or performance fee reserves

**NTM** Next twelve months.

#### Operational Excellence Practice or OEP

Professionals who support the Apax Funds' investment strategy by providing assistance to portfolio companies in specific areas such as devising strategies, testing sales effectiveness and cutting costs.

**OCI** Other comprehensive income.

OTC Over-the-counter.

PCV means PCV Lux S.C.A.

**PCV Group** means PCV Lux S.C.A. and its subsidiaries. PCV Group was established in August 2008. Irrespective of whether the text refers to AGA or PCV Group, references to trading or performance prior to the IPO on 15 June 2015 refer to trading as PCV Group.

P/E Price-to-earnings.

**Performance fee reserve** is the estimated performance fee reserve which commenced accruing on 1 January 2015 in line with the Investment Management Agreements of the PCV Group and AGA.

Portfolio Total Return means the subportfolio performance in a given period, is calculated by taking total gains or losses and dividing them by the sum of GAV at the beginning of the period and the time-weighted net invested capital. The time-weighted net invested capital is the sum of investments made during the period less realised proceeds received during the period, both weighted by the number of days the capital was at work in the portfolio. Portfolio Total Return is gross of performance fees but net of management fees and relevant Direct Deal costs.

**Private Equity Investments or Private Equity** means primary commitments to, secondary purchases of commitments in, and investments in, existing and future Apax Funds.

**Reporting period** means the period from 1 January 2021 to 30 June 2021.

SaaS Software as a service

**SMEs** Small and mid-sized enterprises.

**Total NAV Return** for a year/period means the return on the movement in the Adjusted NAV per share at the end of the period together with all the dividends paid during the period, to the Adjusted NAV per share at the beginning of the period/year. Adjusted NAV per share used in the calculation is rounded to five decimal points.

Total Return under the Total Return calculation, sub-portfolio performance in a given period can be evaluated by taking total net gains in the period and dividing them by the sum of the Adjusted NAV at the beginning of the period as well as the investments made during the period. However, in situations where realised proceeds are reinvested within the same period, performance under this calculation is, via the denominator, impacted by the reinvestment. Therefore, since 2017 the Investment Manager evaluates the subportfolio performance using this amended methodology. The revised methodology takes total gains or losses and divides them by the sum of Adjusted NAV at the beginning of the period and the time-weighted net invested capital. The time-weighted net invested capital is the sum of investments made during the period less realised proceeds received during the period, both weighted by the number of days the capital was at work in the portfolio. This provides a more reflective view of actual performance

**Total Shareholder Return or TSR** for the period means the net share price change together with all dividends paid during the period.

**Unaffected Valuation** is determined as the fair value in the last quarter before exit, when valuation is not affected by the exit process (i.e. because an exit was signed, or an exit was sufficiently close to being signed that the Apax Funds incorporated the expected exit multiple into the quarter end valuation).

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