

Condensed interim consolidated income statement

– unaudited

In millions of Swiss francs	Note	Six months ended 30 June	
		2021	2020
Management fees and other revenues, net		666.8	548.0
Performance fees, net		441.9	55.7
Revenues from management services, net	2.	1'108.7	603.7
Other operating income		20.9	18.9
Personnel expenses	3.1.	(382.1)	(178.3)
Other operating expenses	3.3.	(26.6)	(35.2)
EBITDA ¹⁾		720.9	409.1
Depreciation and amortization		(19.1)	(18.9)
EBIT ¹⁾		701.8	390.2
Finance income	4.1.	72.9	7.0
Finance expense	4.1.	(22.1)	(30.6)
Profit before tax		752.6	366.6
Income tax expense		(123.2)	(53.5)
Profit for the period		629.4	313.1
Profit for the period attributable to owners of the Company		629.4	313.1
Basic earnings per share (in Swiss francs)		23.88	11.71
Diluted earnings per share (in Swiss francs)		23.50	11.65

¹⁾ For definitions please refer to p. 23.

Condensed interim consolidated statement of comprehensive income – unaudited

In millions of Swiss francs	Six months ended 30 June	
	2021	2020
Profit for the period	629.4	313.1
Other comprehensive income:		
Exchange differences on translating foreign operations	57.3	(61.3)
Total other comprehensive income that may be reclassified to the income statement in subsequent periods	57.3	(61.3)
Net actuarial gains/(losses) from defined benefit plans	9.4	(3.3)
Tax impact on net actuarial gains/losses from defined benefit plans	(1.1)	0.4
Actuarial gains/(losses) from defined benefit plans, net of tax	8.3	(2.9)
Total other comprehensive income not being reclassified to the income statement in subsequent periods, net of tax	8.3	(2.9)
Total other comprehensive income for the period, net of tax	65.6	(64.2)
Total comprehensive income for the period, net of tax	695.0	248.9
Total comprehensive income attributable to owners of the Company	695.0	248.9

Condensed interim consolidated balance sheet

– unaudited

In millions of Swiss francs	Note	30 June 2021	31 December 2020
Assets			
Cash and cash equivalents		432.5	1'227.6
Trade and other receivables	4.4.	801.1	468.7
Short-term loans		1'117.3	673.5
Assets held for sale		42.1	305.7
Total current assets		2'393.0	2'675.5
Property, equipment and right-of-use assets			
Property, equipment and right-of-use assets		241.7	236.2
Intangible assets		70.0	62.3
Investments in associates	5.	22.8	25.0
Financial investments	4.2.	744.5	615.6
Other financial assets	4.4.	346.9	353.4
Employee benefit assets	3.2.	6.1	-
Deferred tax assets		86.3	64.0
Total non-current assets		1'518.3	1'356.5
Total assets		3'911.3	4'032.0

Condensed interim consolidated balance sheet

– unaudited

In millions of Swiss francs	Note	30 June 2021	31 December 2020
Liabilities and equity			
Liabilities			
Trade and other payables	4.5.	272.4	228.7
Income tax liabilities		71.5	46.2
Provisions		1.6	2.2
Employee benefit liabilities	3.2.	153.1	107.4
Liabilities held for sale		5.7	254.6
Total current liabilities		504.3	639.1
Employee benefit liabilities	3.2.	296.1	213.6
Provisions		6.8	6.8
Deferred tax liabilities		2.7	3.4
Long-term debt	6.	799.0	798.9
Lease liabilities		53.6	56.6
Other long-term liabilities		40.0	39.0
Total non-current liabilities		1'198.2	1'118.3
Total liabilities		1'702.5	1'757.4
Equity			
Share capital	7.	0.3	0.3
Treasury shares		(333.2)	(266.2)
Legal reserves		0.2	0.2
Other components of equity		2'541.5	2'540.3
Equity attributable to owners of the Company		2'208.8	2'274.6
Total liabilities and equity		3'911.3	4'032.0

Condensed interim consolidated statement of changes in equity – unaudited

In millions of Swiss francs	Equity attributable to owners of the Company						2021
				Other components of equity			
	Share capital	Treasury shares	Legal reserves	Cumulative translation adjustments	Retained earnings	Total other components of equity	Total
Balance as of 1 January	0.3	(266.2)	0.2	(223.6)	2'763.9	2'540.3	2'274.6
Transactions with owners of the Company, recorded directly in equity							
<i>Contributions by and distributions to owners of the Company:</i>							
Purchase of treasury shares		(114.2)					(114.2)
Disposal of treasury shares		47.2			(19.9)	(19.9)	27.3
Share-based payment expenses					31.8	31.8	31.8
Tax effect on share-based payment and treasury share transactions					18.9	18.9	18.9
Dividends paid to owners of the Company					(724.6)	(724.6)	(724.6)
Total contributions by and (distributions to) owners of the Company	-	(67.0)	-	-	(693.8)	(693.8)	(760.8)
Profit for the period					629.4	629.4	629.4
Total other comprehensive income for the period, net of tax	-	-	-	57.3	8.3	65.6	65.6
Total comprehensive income for the period, net of tax	-	-	-	57.3	637.7	695.0	695.0
Balance as of 30 June	0.3	(333.2)	0.2	(166.3)	2'707.8	2'541.5	2'208.8

Condensed interim consolidated statement of changes in equity – unaudited

In millions of Swiss francs	Equity attributable to owners of the Company						2020
	Share capital	Treasury shares	Legal reserves	Other components of equity			Total
				Cumulative translation adjustments	Retained earnings	Total other components of equity	
Balance as of 1 January	0.3	(212.9)	0.2	(129.4)	2'629.9	2'500.5	2'288.1
Transactions with owners of the Company, recorded directly in equity							
<i>Contributions by and distributions to owners of the Company:</i>							
Purchase of treasury shares		(173.0)					(173.0)
Disposal of treasury shares		28.1			(9.5)	(9.5)	18.6
Share-based payment expenses					24.5	24.5	24.5
Tax effect on share-based payment and treasury share transactions					(6.9)	(6.9)	(6.9)
Dividends paid to owners of the Company					(668.4)	(668.4)	(668.4)
Total contributions by and (distributions to) owners of the Company	-	(144.9)	-	-	(660.3)	(660.3)	(805.2)
Profit for the period					313.1	313.1	313.1
Total other comprehensive income for the period, net of tax	-	-	-	(61.3)	(2.9)	(64.2)	(64.2)
Total comprehensive income for the period, net of tax	-	-	-	(61.3)	310.2	248.9	248.9
Balance as of 30 June	0.3	(357.8)	0.2	(190.7)	2'279.8	2'089.1	1'731.8

Condensed interim consolidated statement of cash flows

– unaudited

In millions of Swiss francs	Note	Six months ended 30 June	
		2021	2020
Operating activities			
Profit for the period		629.4	313.1
<i>Adjustments:</i>			
Net finance (income) and expense	4.1.	(50.8)	23.6
Income tax expense		123.2	53.5
Depreciation and amortization		19.1	18.9
Share-based payment expenses		31.8	24.5
Change in provisions		(0.8)	(0.2)
Change in employee benefit assets/liabilities		120.2	(80.9)
Non-cash change in other financial assets		16.7	(101.8)
Non-cash change in other long-term liabilities		0.0	15.2
Operating cash flow before changes in working capital		888.8	265.9
(Increase)/decrease in trade and other receivables and short-term loans		(744.8)	481.9
Increase/(decrease) in trade and other payables		40.8	28.9
Finance expenses (other than interest) paid		(2.4)	(1.5)
Cash generated from/(used in) operating activities		182.4	775.2
Income tax paid		(99.1)	(41.7)
Net cash from/(used in) operating activities		83.3	733.5
Investing activities			
Purchase of property and equipment		(9.9)	(7.7)
Purchase of intangible assets		(14.4)	(4.3)
Purchase of financial investments & assets and liabilities held for sale		(73.1)	(39.2)
Proceeds on disposal of financial investments & assets and liabilities held for sale		48.8	41.3
Proceeds on disposal of investments in associates	5.	5.2	9.9
Purchase of other financial assets		-	(7.1)
Proceeds on disposal of other financial assets		0.4	0.6
Interest received ¹⁾	4.1.	1.8	2.0
Net cash from/(used in) investing activities		(41.2)	(4.5)

¹⁾ Excludes CHF 15.0 million (2020: 16.1 million) compensation from short-term loans (included in other operating income) that forms part of net cash from operating activities.

Condensed interim consolidated statement of cash flows – unaudited

In millions of Swiss francs	Note	Six months ended 30 June	
		2021	2020
Financing activities			
Repayments of credit facilities		-	(375.0)
Drawdowns from credit facilities		-	375.0
Payment of principal portion of lease liabilities		(5.7)	(6.8)
Interest paid		(3.7)	(4.0)
Dividends paid to shareholders of the Company	7.	(724.6)	(668.4)
Purchase of treasury shares		(114.2)	(173.0)
Disposal of treasury shares		27.3	18.6
Net cash from/(used in) financing activities		(820.9)	(833.6)
Net increase/(decrease) in cash and cash equivalents		(778.8)	(104.6)
Cash and cash equivalents as of 1 January		1'227.6	933.0
Exchange differences on cash and cash equivalents		(16.3)	(9.3)
Cash and cash equivalents as of 30 June		432.5	819.1

Notes to the condensed interim consolidated financial statements – unaudited

1. General information

Partners Group Holding AG ("the Company") is a company domiciled in Switzerland whose shares are publicly traded on the SIX Swiss Exchange. The address of the Company's registered office is Zugerstrasse 57, 6341 Baar-Zug, Switzerland. The condensed interim consolidated financial statements for the six months ended 30 June 2021 and 2020 comprise the Company and its subsidiaries (together referred to as "the Group") and the Group's interest in associates. The condensed interim consolidated financial statements were authorized for issue by the Board of Directors ("BoD") on 3 September 2021.

2. Segment information

The BoD has been identified as the chief operating decision-maker. The BoD reviews the Group's internal reporting in order to assess performance and allocate resources. Management has identified the following operating segments based on these reports:

- Private equity
- Private debt
- Private real estate
- Private infrastructure

In these operating segments, the Group provides its clients with investment management services in the private markets spectrum. These services comprise structuring and investment advisory in relation to direct investments in operating companies or assets and investments in third-party managed investment programs. As part of its management services, the Group offers diversified as well as more focused investment programs in relation to investment styles, industry and geography of the investments in private markets.

Notes to the condensed interim consolidated financial statements – unaudited

In millions of Swiss francs	Six months ended 30 June 2021						
	Operating segments						
	Private equity	Private debt	Private real estate	Private infrastructure	Total reportable segments	Unallocated	Total
Management fees and other revenues	481.6	93.1	97.5	97.4	769.6	-	769.6
Revenue deductions related to management fees and other revenues	(68.1)	(8.3)	(17.0)	(9.4)	(102.8)	-	(102.8)
Performance fees	413.2	35.9	4.4	8.4	461.9	-	461.9
Revenue deductions related to performance fees	(19.7)	(0.2)	(0.1)	(0.0)	(20.0)	-	(20.0)
Revenues from management services, net	807.0	120.5	84.8	96.4	1'108.7	-	1'108.7
Other operating income	8.0	0.7	5.1	4.7	18.5	2.4	20.9
Revenues and other operating income	815.0	121.2	89.9	101.1	1'127.2	2.4	1'129.6
Personnel expenses	(93.2)	(34.1)	(20.4)	(25.2)	(172.9)	(209.2)	(382.1)
Other operating expenses	(1.5)	(0.3)	(1.3)	(0.4)	(3.5)	(23.1)	(26.6)
Gross segment result before depreciation and amortization	720.3	86.8	68.2	75.5	950.8	(229.9)	720.9
Depreciation and amortization	-	-	-	-	-	(19.1)	(19.1)
Gross segment result	720.3	86.8	68.2	75.5	950.8	(249.0)	701.8
<i>Reconciliation to profit for the period:</i>							
Net finance income and expense							50.8
Income tax expense							(123.2)
Profit for the period							629.4

Notes to the condensed interim consolidated financial statements – unaudited

In millions of Swiss francs	Six months ended 30 June 2020						
	Operating segments						
	Private equity	Private debt	Private real estate	Private infrastructure	Total reportable segments	Unallocated	Total
Management fees and other revenues	359.7	85.6	112.8	83.4	641.5	-	641.5
Revenue deductions related to management fees and other revenues	(48.0)	(8.6)	(24.5)	(12.4)	(93.5)	-	(93.5)
Performance fees	50.4	5.2	-	3.4	59.0	-	59.0
Revenue deductions related to performance fees	(3.2)	(0.1)	-	-	(3.3)	-	(3.3)
Revenues from management services, net	358.9	82.1	88.3	74.4	603.7	-	603.7
Other operating income	7.4	1.8	5.0	4.6	18.8	0.1	18.9
Revenues and other operating income	366.3	83.9	93.3	79.0	622.5	0.1	622.6
Personnel expenses	(24.0)	(15.4)	(10.8)	(10.9)	(61.1)	(117.2)	(178.3)
Other operating expenses	(2.1)	(0.8)	(0.9)	(1.0)	(4.8)	(30.4)	(35.2)
Gross segment result before depreciation and amortization	340.2	67.7	81.6	67.1	556.6	(147.5)	409.1
Depreciation and amortization	-	-	-	-	-	(18.9)	(18.9)
Gross segment result	340.2	67.7	81.6	67.1	556.6	(166.4)	390.2
<i>Reconciliation to profit for the period:</i>							
Net finance income and expense							(23.6)
Income tax expense							(53.5)
Profit for the period							313.1

Management fees and other revenues

The Group earns investment management fees from discretionary investment programs, typically based on long-term contracts. The fees are often based on the investment exposure of investors in the investment structures and are often payable on a quarterly basis in advance. The performance obligation of the Group in respect of these fees is to manage the investment structures on an ongoing basis. Ongoing investment management fees including all non-performance related fees are recognized over time, based on the specific contracts.

In the process of structuring new products, the Group typically receives a fee for its services in connection with establishing investment programs and related legal and structuring work. These organizational fees are always one-off fees, which are typically received when a new investor commits into the structure. The structuring of the relevant investment programs represents a separate performance obligation of the Group, and therefore revenue is recognized at the point in time when the investor commits. Occasionally, the Group also receives transaction fee income relating to private markets transactions. These transaction fees are typically one-time occurring. The performance obligation of the Group is satisfied by the execution of the private markets transaction, and therefore revenue is recognized at the point in time when the execution of the transaction is completed.

Notes to the condensed interim consolidated financial statements – unaudited

Performance fees

Typically, performance fees are recognized to the extent that they do not exceed the portion of performance fees from realized investments and so that there is a sufficient cushion for any potential negative development on the remaining portfolio, therefore resulting in a very low probability that these fees are subject to a reversal in a potential claw-back situation.

Accordingly, the recognition of performance fees from investment programs with a claw-back is assessed based on a three-step approach once a pre-defined return hurdle has been exceeded: (1) the total proceeds from realized investments are determined and the corresponding costs of such realized as well as of fully written-off investments are deducted ("Net Proceeds"), (2) the net asset value ("NAV") of unrealized investments is determined. The respective NAV will be written down (in a so-called "Write-Down Test") to the extent that the probability of a future claw-back risk becomes minimal. Then, the corresponding costs of such unrealized investments are deducted, resulting in a "Write-Down NAV". This Write-Down NAV is added to the Net Proceeds. Finally, in the third step (3), performance fees to be recognized are calculated by multiplying the lower of (1) and (2) by the applicable performance fee rate, if the value is positive.

On a quarterly basis, the Write-Down Test is applied to all private markets investment programs with a claw-back. The discount applied in the Write-Down Test may vary from investment program to investment program and considers specific risk characteristics, including macroeconomic, (geo-)political and investment program-specific risk factors. The discount applied in the Write-Down Test is regularly assessed by the Group and reviewed by the Board of Directors. As of 30 June 2021, the applied discount was 50% (30 June 2020: 50%).

The Group updates its performance fee recognition on a quarterly basis to faithfully represent the circumstances present at that point in time. When the probability of previously recognized performance fees not being reversed is no longer considered to be highly probable, the Group recognizes the necessary reversals.

3. Remuneration and other operating expenses

3.1. Personnel expenses

In millions of Swiss francs	Six months ended 30 June	
	2021	2020
Salaries and cash bonus	(183.9)	(125.7)
Share-based payment expenses	(31.8)	(24.5)
Other long-term benefits (management carry program)	(99.6)	(6.2)
Retirement schemes - defined contribution plans	(8.8)	(8.6)
Retirement schemes - defined benefit plans	(2.4)	(2.3)
Other social security expenses	(47.0)	(3.1)
Other personnel expenses	(8.6)	(7.9)
Total personnel expenses	(382.1)	(178.3)

The average number of employees during the reporting period was 1'494 (six months ended 30 June 2020: 1'504), which is equivalent to 1'487 full-time employees (six months ended 30 June 2020: 1'492).

Notes to the condensed interim consolidated financial statements – unaudited

3.2. Employee benefits

In millions of Swiss francs	30 June 2021	31 December 2020
Net defined benefit asset	6.1	-
Total employee benefit asset	6.1	-
Net defined benefit liability	-	(2.4)
Accrued variable compensation (cash bonus)	(217.7)	(161.5)
Management Carry Plan	(212.6)	(142.6)
Other employee benefit liabilities	(18.9)	(14.5)
Total employee benefit liabilities	(449.2)	(321.0)
Current liabilities	(153.1)	(107.4)
Non-current liabilities	(296.1)	(213.6)
Balance as of end of period	(449.2)	(321.0)

Performance fee related compensation

Each year, the Nomination & Compensation Committee ("NCC") allocates up to 40% of recognized performance fees to the Performance Fee Compensation Pool which is then distributed to an eligible group of employees.

The promise represents a constructive obligation towards the eligible group of employees. The pool is allocated to the individual employees via the MCP and the MPP with the remainder, i.e. the difference between the Performance Fee Compensation Pool and the MCP/MPP allocations, being allocated via the Performance Fee Bonus Pool.

For the six months ended 30 June 2021, performance fees recognized in the condensed interim consolidated income statement amounted to CHF 441.9 million (six months ended 30 June 2020: CHF 55.7 million), of which CHF 105.8 million (six months ended 30 June 2020: CHF 7.4 million) was allocated via the MCP allocation (including social securities), CHF 10.5 million was reserved for the MPP (six months ended 30 June 2020: CHF 0.2 million) and CHF 60.5 million (six months ended 30 June 2020: CHF 14.6 million) was allocated via the Performance Fee Bonus Pool. For the six months ended 30 June 2021, the payout amounted to CHF 82.3 million for these schemes (six months ended 30 June 2020: CHF 94.6 million). Based on performance fees invoiced as of 30 June 2021, the Group expects a cash payout of CHF 65.5 million for these schemes in the second half of 2021.

3.3. Other operating expenses

In millions of Swiss francs	30 June 2021	30 June 2020
Third-party services	(8.4)	(9.1)
Property-related costs	(2.4)	(2.4)
Administrative expenses	(12.9)	(12.7)
Travel and representation expenses	(2.9)	(5.8)
Pandemic-related costs	-	(5.2)
Total other operating expenses	(26.6)	(35.2)

Notes to the condensed interim consolidated financial statements – unaudited

4. Finance result, financial investments, working capital, other financial assets and fair value measurement

4.1. Finance income and expense

In millions of Swiss francs	Note	Six months ended 30 June	
		2021	2020
Interest income calculated using the effective interest rate method		1.8	2.0
Net gains on fair value through profit or loss instruments		68.4	-
Share of results of associates (Pearl)	5.	2.7	-
Net exchange differences		-	5.0
Total finance income		72.9	7.0
Interest expense calculated using the effective interest rate method		(4.1)	(4.0)
Net losses on fair value through profit or loss instruments		-	(22.6)
Share of results of associates (Pearl)	5.	-	(2.5)
Other finance expense		(2.4)	(1.5)
Net exchange differences		(15.6)	-
Total finance expense		(22.1)	(30.6)
Total net finance income and (expense)		50.8	(23.6)

4.2. Financial investments

The Group holds financial investments in various investment programs that it manages. These financial investments typically account for a stake of one percent in an investment program. Within the investment programs, the Group typically performs investment management activities for the benefit of external investors under a predetermined investment policy and receives a predetermined management fee and, where applicable, a performance fee for its services which are presented as revenues from management services in the condensed interim consolidated income statement.

In millions of Swiss francs	30 June 2021	31 December 2020
Balance as of 1 January	615.6	605.3
Additions	50.4	53.8
Distributions/disposals	(42.0)	(65.7)
Transfers from assets and liabilities held for sale	38.4	-
Change in fair value of investments held at period end	62.5	45.8
Exchange differences	19.6	(23.6)
Balance as of end of period	744.5	615.6

Notes to the condensed interim consolidated financial statements – unaudited

As of the relevant balance sheet date, the Group held financial investments in investment programs, split into the following operating segments:

In millions of Swiss francs	30 June 2021	31 December 2020
Private equity	394.2	286.5
Private debt	225.9	224.9
Private real estate	61.4	54.8
Private infrastructure	63.0	49.4
Total financial investments	744.5	615.6

4.3. Capital commitments

As of 30 June 2021, the Group had capital commitment contracts of CHF 812.9 million (31 December 2020: CHF 747.8 million), of which CHF 304.4 million (31 December 2020: CHF 289.7 million) were not yet called by the relevant investment managers. Capital commitments are called over time, typically between one to five years following the subscription of the commitment. Capital commitments are not considered to be a financial liability as the commitments do not constitute an obligation to pay cash until the capital is called.

4.4. Trade and other receivables and other financial assets

Trade and other receivables

In millions of Swiss francs	30 June 2021	31 December 2020
Fees receivable	356.8	225.4
Other receivables	24.3	18.7
Accrued income	419.7	221.3
Derivative assets held for risk management	0.3	3.3
Total trade and other receivables - short term	801.1	468.7

Other financial assets

In millions of Swiss francs	30 June 2021	31 December 2020
Long-term accrued revenues	264.0	274.0
Long-term loans	78.2	76.4
Other	4.7	3.0
Total other financial assets	346.9	353.4

Notes to the condensed interim consolidated financial statements – unaudited

4.5. Trade and other payables

In millions of Swiss francs	Note	30 June 2021	31 December 2020
Trade payables		84.0	53.1
Goods and services received not yet invoiced		19.5	28.2
Derivative liabilities held for risk management		7.8	1.6
Accrued revenue deductions		132.8	104.3
Lease liabilities		9.7	10.3
Other payables		18.6	31.2
Total trade and other payables		272.4	228.7

4.6. Fair value measurement

Fair value is the price that would be received from selling an asset or paid to transfer a liability in an orderly transaction between knowledgeable market participants at the measurement date in the principal, or in its absence, the most advantageous market to which the Group has access to at that date. The fair value of a liability reflects its non-performance risk. The Group measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

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

The following table shows the fair value hierarchy of the Group's financial assets and liabilities that are measured at fair value:

In millions of Swiss francs	30 June 2021			
	Level 1	Level 2	Level 3	Total
Derivative assets held for risk management ¹⁾		0.3		0.3
Assets held for sale			42.1	42.1
Financial investments	0.0		744.5	744.5
Financial assets	0.0	0.3	786.6	786.9
Derivative liabilities held for risk management ²⁾		7.8		7.8
Liabilities held for sale			5.7	5.7
Other long-term liabilities			0.3	0.3
Financial liabilities	-	7.8	6.0	13.8

¹⁾ Presented in the line item trade and other receivables in the condensed interim consolidated balance sheet.

²⁾ Presented in the line item trade and other payables in the condensed interim consolidated balance sheet.

Notes to the condensed interim consolidated financial statements – unaudited

In millions of Swiss francs	31 December 2020			
	Level 1	Level 2	Level 3	Total
Derivative assets held for risk management ¹⁾		3.3		3.3
Assets held for sale			305.7	305.7
Financial investments	0.0		615.6	615.6
Financial assets	0.0	3.3	921.3	924.6
Derivative liabilities held for risk management ²⁾		1.6		1.6
Liabilities held for sale			254.6	254.6
Other long-term liabilities			0.3	0.3
Financial liabilities	-	1.6	254.9	256.5

¹⁾ Presented in the line item trade and other receivables in the condensed interim consolidated balance sheet.

²⁾ Presented in the line item trade and other payables in the condensed interim consolidated balance sheet.

The carrying amounts for cash and cash equivalents, trade and other receivables, short-term loans, and trade and other payables are expected to approximate their fair values given the short-term nature of these financial instruments. The carrying amounts for other financial assets and the remaining other long-term liabilities are expected to approximate their fair values since time values do not materially differ (level 3 input).

Assets and liabilities of two (2020: four) investment programs are classified and presented as assets and liabilities held for sale. The decrease of assets and liabilities held for sale compared to prior year end was driven by the change in the composition in investment programs classified as assets and liabilities held for sale.

The following table shows the reconciliation of all level 3 financial instruments:

In millions of Swiss francs	30 June 2021	
	Financial assets	Financial liabilities
Balance as of 1 January	921.3	254.9
Additions	73.1	-
Disposals	(304.8)	(256.0)
Change in fair value ¹⁾	68.4	0.0
Exchange differences	28.6	7.1
Balance as of 30 June	786.6	6.0

In millions of Swiss francs	31 December 2020	
	Financial assets	Financial liabilities
Balance as of 1 January	780.7	115.1
Additions	219.8	160.8
Disposals	(83.3)	(1.0)
Change in fair value ¹⁾	51.7	(0.0)
Exchange differences	(47.6)	(20.0)
Balance as of 31 December 2020	921.3	254.9

¹⁾ Presented in the line items finance income and finance expense in the condensed interim consolidated income statement.

There were no transfers between levels.

Notes to the condensed interim consolidated financial statements – unaudited

Sensitivity of fair values

From a Group perspective, the fair value of financial investments and assets and liabilities held for sale is typically dependent on the adjusted net asset values of the investment programs. A reasonably possible change in the adjusted net asset value would have the following effects on the fair value of these investments held by the Group with changes to be recognized in profit or loss:

In millions of Swiss francs	30 June 2021	31 December 2020
Adjusted net asset value (1% increase)	7.8	6.7

Although the Group believes that its estimates of fair values are appropriate, the use of different methodologies and different unobservable inputs, especially in the underlying investments of investment programs, could lead to different measurements of fair value of its financial investments and assets and liabilities held for sale. Due to the broad range and number of unobservable input factors used in the valuation of the investment programs' direct investments, particularly concerning the EBITDA multiple, a sensitivity analysis on these underlying unobservable input factors does not result in meaningful outcomes.

5. Investments in associates

The Group accounted for investments in associates as of 30 June 2021 as summarized below:

In millions of Swiss francs	Principal activity	Fair value	Carrying value	Ownership
Pearl Holding Limited, Guernsey ("Pearl")	Private equity investments	22.3	22.3	28%
LGT Private Equity Advisers, Liechtenstein ("LGT")	Asset management	0.5	0.5	40%
Total investments in associates			22.8	

In millions of Swiss francs	30 June 2021	31 December 2020
Balance as of 1 January	25.0	42.1
Redemption of shares (Pearl)	(5.2)	(17.5)
Share of results (Pearl)	2.7	0.7
Share of results (LGT)	0.0	0.0
Exchange differences	0.3	(0.3)
Balance as of end of period	22.8	25.0

Notes to the condensed interim consolidated financial statements – unaudited

Summary of financial information of the investments in associates - 100%:

In millions of Swiss francs	Pearl		LGT	
	30 June 2021	31 December 2020	30 June 2021	31 December 2020
Total assets	79.3	89.0	1.4	1.5
Total liabilities	0.1	2.2	0.2	0.3
Equity	79.2	86.8	1.2	1.2
Revenues and other operating income	10.7	7.3	0.7	1.4
Profit/(loss) for the period	9.8	2.7	0.0	0.0

The financial information is based on unaudited financial information as of the balance sheet date as received from Pearl and LGT.

6. Long-term debt

In millions of Swiss francs	30 June 2021	31 December 2020
Balance as of 1 January	798.9	798.6
Accreted interest	0.1	0.3
Balance as of end of period	799.0	798.9

The Group issued the following corporate bonds denominated in Swiss francs and listed on the SIX Swiss Exchange:

ISIN	Date of issue	Face value in millions of CHF	Coupon in %	Year of maturity	Issue price in %	Redemption price in %
CH0361532895	7 June 2017	300.0	0.150%	2024	100.052%	100.000%
CH0419041287	21 June 2019	500.0	0.400%	2027	100.098%	100.000%

The fair values of the corporate bonds as of 30 June 2021 were CHF 303.6 million and CHF 510.8 million, respectively (31 December 2020: CHF 302.3 million and CHF 512.0 million, respectively) and were determined by the quoted market price (level 1 input).

7. Share capital and reserves

In effective number of shares	30 June 2021	30 June 2020
Issued as of 1 January	26'700'000	26'700'000
Issued during the period	-	-
Issued as of 30 June - fully paid in	26'700'000	26'700'000

The issued share capital of the Company comprises 26'700'000 registered shares (30 June 2020: 26'700'000) at CHF 0.01 nominal value each. The shareholders are entitled to receive dividends, as declared from time to time, and are entitled to one vote per share at shareholder meetings of the Company.

Notes to the condensed interim consolidated financial statements – unaudited

Outstanding shares

The computation of the weighted average number of ordinary shares outstanding during the period is based on the following figures:

In effective number of shares	2021		
	Shares issued	Treasury shares	Shares outstanding
Balance as of 1 January	26'700'000	347'655	26'352'345
Purchase of treasury shares		92'586	(92'586)
Disposal of treasury shares		(59'944)	59'944
Balance as of 30 June	26'700'000	380'297	26'319'703
Weighted average number of shares outstanding during the period (180 days)			26'351'646

In effective number of shares	2020		
	Shares issued	Treasury shares	Shares outstanding
Balance as of 1 January	26'700'000	278'645	26'421'355
Purchase of treasury shares		236'463	(236'463)
Disposal of treasury shares		(36'404)	36'404
Balance as of 30 June	26'700'000	478'704	26'221'296
Weighted average number of shares outstanding during the period (180 days)			26'730'539

As of 30 June 2021, the Group had 1'408'089 options and non-vested shares outstanding (30 June 2020: 1'504'041). The treasury shares necessary to cover the obligation for non-vested shares have already been placed in separate escrow accounts in the names of the employees. Thus, the number of treasury shares is already net of non-vested shares outstanding.

Dividends

The Company pays an annual dividend following the approval of the appropriation of available earnings by the owners of the Company at the annual general meeting, typically held in May. The Company paid a dividend of CHF 27.50 per share on 19 May 2021 (19 May 2020: CHF 25.50). As the Company's treasury shares are not eligible for a dividend payment, the dividend distribution of CHF 734.3 million approved in May 2021 (May 2020: CHF 680.9 million) was not fully distributed, i.e. a total of CHF 724.6 million was paid out (May 2020: 668.4 million).

Notes to the condensed interim consolidated financial statements – unaudited

8. Subsequent events

No events took place between 30 June 2021 and 3 September 2021 that would require material adjustments to the amounts recognized in these condensed interim consolidated financial statements.

9. Summary of significant accounting policies

9.1. Basis of preparation

The unaudited condensed interim consolidated financial statements present a true and fair view of the Group's financial position, results of operations and cash flows in accordance with IAS 34 "Interim Financial Reporting" and comply with Swiss law. They do not include all the information and disclosures required in the annual consolidated financial statements and should be read in conjunction with the Group's annual consolidated financial statements for the year ended 31 December 2020.

Some note disclosures have been improved. Comparative amounts have been re-presented accordingly.

9.2. Standards, amendments and interpretations effective for the first time

The accounting policies applied for the period of the first six months of 2021 are consistent with those of the previous financial year. A number of new standards became effective on 1 January 2021 but they do not have a material effect on the Group's condensed interim consolidated financial statements.

Amendments and interpretations

The following amendments and interpretations have been applied for the first time but have no material impact on the Group's condensed interim consolidated financial statements:

- COVID-19-Related Rent Concessions (Amendment to IFRS 16)
- Interest Rate Benchmark Reform – Phase 2 (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16)

Notes to the condensed interim consolidated financial statements – unaudited

9.3. Standards, amendments and interpretations to existing standards that are not yet effective and might be relevant to the Group, but have not been early adopted

The following new and revised standards, amendments and interpretations have been issued by the date the condensed interim consolidated financial statements were authorized for issue, but are not yet effective and are not adopted early. Their impacts on the condensed interim consolidated financial statements of the Group have not yet been systematically analyzed. The expected impacts as disclosed in the table below reflect a first assessment by the Group's management.

Standard		Effective date	Planned adoption by the Group
New standards or interpretations			
IFRS 17, "Insurance Contracts"	*	1 January 2023	Reporting year 2023
Revision and amendments of standards and interpretations			
COVID-19-Related Rent Concessions beyond 30 June 2021 (Amendments to IFRS 16)	*	1 April 2021	Reporting year 2022
Onerous Contracts - Cost of Fulfilling a Contract (Amendments to IAS 37)	*	1 January 2022	Reporting year 2022
Annual Improvements to IFRS Standards 2018-2020	*	1 January 2022	Reporting year 2022
Property, Plant and Equipment: Proceeds before Intended Use (Amendments to IAS 16)	*	1 January 2022	Reporting year 2022
Reference to the Conceptual Framework (Amendments to IFRS 3)	*	1 January 2022	Reporting year 2022
Classification of liabilities as current or non-current (Amendments to IAS 1)	*	1 January 2023	Reporting year 2023
Amendments to IFRS 17	*	1 January 2023	Reporting year 2023
Disclosure of Accounting Policy (Amendments to IAS 1 and IFRS Practice Statement 2)	*	1 January 2023	Reporting year 2023
Definition of Accounting Estimate (Amendments to IAS 8)	*	1 January 2023	Reporting year 2023
Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction - Amendments to IAS 12 Income Taxes	*	1 January 2023	Reporting year 2023
Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28)	*	Available for optional adoption / effective date deferred indefinitely	

* No material impact is expected on the condensed interim consolidated financial statements of the Group.

Notes to the condensed interim consolidated financial statements – unaudited

9.4. Incorporation of new Group entities

Name	Incorporation date	Principal activity
Partners Group Investment Management S.à.r.l., Luxembourg	12 May 2021	Serve as manager to investment programs.
Partners Group Orbit S.à.r.l., Luxembourg	28 October 2020	Serve as manager to investment programs.
Planeta Industries S.A Compartment PGGLF Investment Holdings, Luxembourg	6 April 2020	Support the financing activities for the Group.

9.5. Applied foreign currency exchange rates

The Group applied the following currency exchange rates against the Swiss franc:

Year	Currency	Balance sheet rate 30 June 2021	Average rate Six months ended 30 June 2021
2021	EUR	1.0960	1.0943
	USD	0.9245	0.9083
	GBP	1.2772	1.2610
	SGD	0.6876	0.6816

Year	Currency	Balance sheet rate 31 December 2020	Average rate Six months ended 30 June 2020
2020	EUR	1.0812	1.0640
	USD	0.8838	0.9660
	GBP	1.2076	1.2179
	SGD	0.6686	0.6908