CVC Credit Partners European Opportunities Limited

Half Yearly Financial Report 30 June 2021

CVC CREDIT PARTNERS

WHY INVEST IN CVC CREDIT PARTNERS EUROPEAN OPPORTUNITIES?

Generating income and growing your capital

CVC Credit Partners European Opportunities Limited ("CCPEOL" or the "Company") is an investment fund that aims to provide shareholders with income and potential for capital upside by focusing on European performing credit as well as select opportunistic credit investments.

A part of the CVC Credit Platform, the CVC Credit Partners Investment Management Limited (the "Investment Vehicle Manager") has a strong track record in investing in these asset classes which provides CCPEOL's investors with stability and inflation protection. The key features of CCPEOL is its ability to provide attractive, risk-adjusted returns which includes a reliable income stream that allows the fund to enhance and preserve capital. The Company also offers investors additional liquidity through its quarterly tender mechanism.

What we offer

Reliable income

We seek to generate high cash income via a stable and attractive dividend, as well as offer the potential for capital appreciation. CCPEOL distributes quarterly dividends to shareholders based on a target of 5p / 5c per GBP and EUR share respectively per annum.

Strong track record

CCPEOL has a proven, long-term track record and has typically outperformed during periods of market volatility. Since the strategy's inception in 2009 and the subsequent listing in 2013, we have achieved a net total return of 9.17%[1] per annum.

Liquidity

In addition to the daily liquidity offered by the market, we offer investors liquidity via a quarterly tender mechanism that allows redemptions at NAV less 1p/1c per GBP/EUR share respectively.

Inflation protection

We mainly invest in loans, which are typically floating rate instruments, which allows CCPEOL to act as a hedge against inflation risk. We believe now more than ever, that it's the better place to be, due to heightened inflation risk and growing expectations of rising central bank interest rates.

Capital Preservation

Our focus is on downside protection and capital preservation. We invest primarily in senior secured credits at the top of the capital structure, increasing the chance of strong recoveries in the event of a rise in defaults, and our portfolio typically holds around 100 positions in large companies diversified by geography and sector across the UK, continental Europe and the US.

Stability

Offering more security and less volatility than equity markets, CCPEOL offers investors a way of accessing the European corporate credit loan markets, typically an asset class dominated by institutional investors. Since its establishment in 1998, the Credit Suisse Leveraged Loan Index has only had one down year, demonstrating the stability of the asset class.

Attractive, risk-adjusted returns even in the current low-income environment

CCPEOL targets attractive risk-adjusted returns for its shareholders and has a medium-term target return of 8% per annum. We rotate our portfolio between investing in senior secured loans and more opportunistic credit investments, meaning we're able to simultaneously target a reliable income while maintaining the potential to generate capital upside for our shareholders.

Part of the CVC Credit Platform

The Investment Vehicle is managed by CVC Credit, a leading global investment management firm with over $28bn in AUM across performing credit and private credit strategies, allowing shareholders the opportunity to gain exposure to institutional-quality credit investments. CVC Credit is part of the CVC platform, a world leader in private equity and credit with $114.8 billion of AUM, $162.7 billion of funds committed and a global network of 24 local offices.

In executing it's investment strategy, the Investment Vehicle utilises leverage and it's borrowings, as a percentage of the Company's NAV[2], as at 30 June 2021 stood at 30.60% (31 December 2020: 27.67%). The Investment Vehicle Manager is entitled to receive a management fee of between 0.75% to 0.90% of NAV[3] and a performance fee of 15% of performance that exceeds the higher of a 5% performance hurdle and a high water mark.

[1] up to June 2021

[2] Pro-rated for the Company's interest in the net assets of the Investment Vehicle of 60.17% as at 30 June 2021 (31 December 2020: 58.71%).

[3] The Investment Vehicle management fee 0.90%, which reduces by a further 5 basis points each time the Investment Vehicle's NAV exceeds €500m, €750m and €1bn, respectively, to a minimum of 0.75% per annum.

CONTENTS

FINANCIAL HIGHLIGHTS

During the period, the NAV total return of 8.31% (Euro) and 8.70% (Sterling) compared favourably with the Company's medium term average annualised total return target of +8%.

Euro Share Class

NAV total return[1]

30 June 2021: 8.31%
(31 December 2020: 1.71%)

Dividend Yield[2]

30 June 2021: 4.58%
(31 December 2020: 5.42%)

Discount[3]

30 June 2021: 6.60%
(31 December 2020: 6.80%)

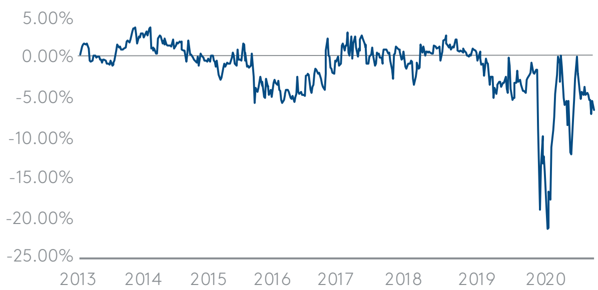
Share price[4,5]

30 June 2021: €0.9550
(31 December 2020: €0.9000)

NAV per Share

30 June 2021: €1.0225
(31 December 2020: €0.9657)

Premium / Discount[3]



Sterling Share Class

NAV total return[1]

30 June 2021: 8.70%
(31 December 2020: 2.80%)

Dividend Yield[2]

30 June 2021: 4.23%
(31 December 2020: 5.16%)

Discount[3]

30 June 2021: 5.58%
(31 December 2020: 8.34%)

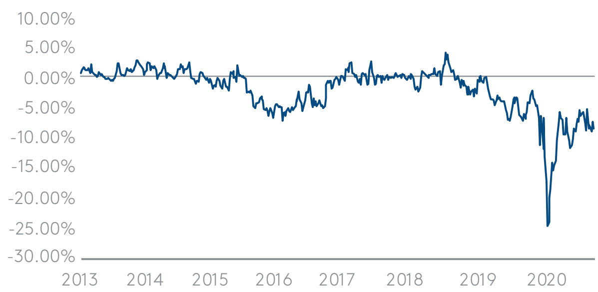
Share price[4,5]

30 June 2021: £1.0350
(31 December 2020: £0.9440)

NAV per Share

30 June 2021: £1.0961
(31 December 2020: £1.0299)

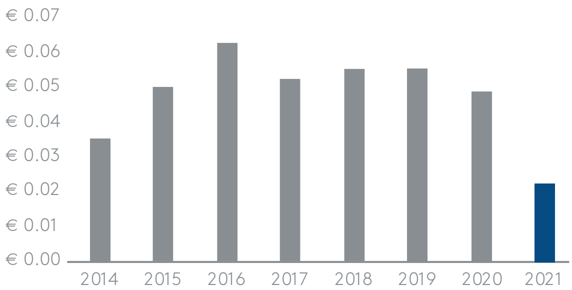
Premium / Discount[3]



FINANCIAL HIGHLIGHTS (CONTINUED)

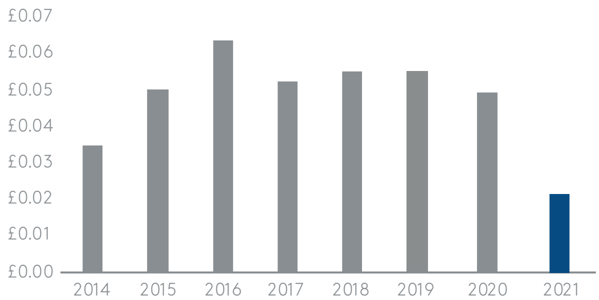
Euro Share Class

Dividend per Share[6]

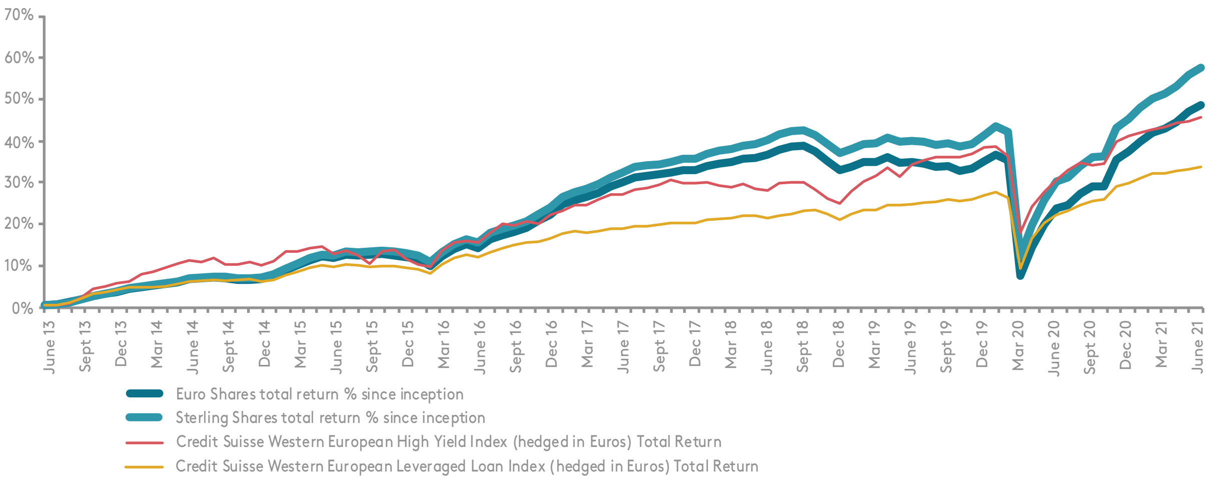


Sterling Share Class

Dividend per Share[6]



NAV vs Benchmark Total Return



For further information on the Company's dividend history and total return metrics, please refer to the supplementary financial information section on pages 50 to 51.

[1] NAV total return measures how the NAV per Euro Share and Sterling Share has performed over a period of time, taking into account both capital returns and dividends paid to shareholders. Refer to pages 50 to 52 for further details on how NAV total return is calculated.

[2] Dividend yield expresses the return dividends represent as a percentage of the Company's share price. Refer to page 52 for further details on dividend yield is calculated.

[3] The Company's discount or premium is calculated by expressing the difference between the share price (bid price) and its NAV per share as a percentage of its NAV per share.

[4] Bid price

[5] Source: Bloomberg

[6] 2021 reflects only dividends declared and paid during the six months ended 30 June 2021.

HALF YEARLY BOARD REPORT
CHAIRMAN'S STATEMENT

Introduction

I am pleased to have the opportunity to report to you on the Company's performance in respect of the half-year ended 30 June 2021.

Performance

Your board is very pleased with how the Company has performed since the turn of the year. It is clear that the Investment Vehicle Manager positioned the portfolio well into the year end to benefit from the recovery of leveraged loans from the somewhat indiscriminate markdowns that characterised the period subsequent to the immediate impact of the Covid-19 pandemic during 2020. Net asset value per share performance for the period was 6.43% for the GBP share class and 5.88% for the EUR share class, and the Company's shares moved commensurately, rising from £1.0299 to £1.0961 and €0.9657 to €1.0225 for the GBP and EUR classes respectively. Through August 2021, year to date net asset value per share performance has been 6.81% (GBP class) and 6.10% (EUR class), which compares favourably with our medium term average annualised total return target of +8%.

Current Market Conditions and Outlook

For some time, and indeed through the 2020 financial year end, our base case has been that monetary stimulus was expected to remain largely unchanged, as economies recovered from the impacts of the Covid-19 pandemic. This view is changing and doing so quite rapidly now that inflation effects are starting to flow through developed economies in particular, driven by a combination of expanding demand across business and retail sectors set against supply constraints of both physical goods and human capital. For the first time in a very long time, we are starting to see monetary policy tightening, and it is reasonable to assume that central bankers are feeling pressure to revise their expectations around both the speed of the current inflation shock, and its envisaged future high point. Many commentators and analysts have discussed the extent to which current inflationary effects are transitory or structural, and the balance of opinion seems to be moving towards the latter, at least in part. What all of this means, probably, is that higher levels of inflation that we are used to are here to stay, at least for the medium term. The consequence will inevitably be felt in equity markets through a slowing of the exceptional returns that have been seen through 2020/2021, and fixed rate products will naturally experience the impact of their inverse relationship with interest rates, but the board sees these developments as being particularly positive for the Company given the predominantly floating rate exposure of the underlying portfolio. Of course, increasing interest rates have the potential to put greater stress on issuers with weaker balance sheets and/or challenged business models, but we know that the Investment Vehicle Manager is very alive to this issue and we expect portfolio selection to take full account of the emerging macro environment. For the avoidance of doubt, we do not see any immediate risk of a pickup in default rates amongst issuers in the Company's chosen markets. The board will, of course, be closely monitoring this metric.

Corporate Activities & Liquidity

The Company's tender programme has continued to operate without any constraint derived from underlying markets during the period under review, and no change is envisaged to this environment. The Company's shares have continued to trade at a discount to net asset value, continuing a trend which started in Q2/2019. The Board does not regard the discount to net asset value as being appropriate, given the liquidity characteristics of the Company's shares and tender programme, and the positioning of the Company's portfolio, and is considering a number of steps which it anticipates will serve to diminish this discount over time.

HALF YEARLY BOARD REPORT (CONTINUED)
CHAIRMAN'S STATEMENT (CONTINUED)

Distribution Policy

The Company reviewed its distribution policy during Q2/2021, as foreshadowed in my previous report, and amended the policy so as to increase the annual dividend to 5p/5c per share. There is no present intention to consider a change to this policy position within the next 12 months.

Corporate Governance and Social Responsibility Considerations

The board continues to be active in sourcing portfolio data points to enable investor transparency, but this remains challenging given the nature of the asset class in which the Company invests. It is the board's intention to provide significantly enhanced reporting with effect from the 2022 annual report cycle. To that end, I am pleased to report that the board will shortly be announcing the appointment of two additional directors, one of whom will be mandated expressly to lead this reporting process. Shareholders will have noted that Company's announcement on 18 August 2021 that David Wood stepped down from this role as a non-executive director. David's expertise in credit markets and leveraged finance has been intrinsic to the success of the board's governance process since IPO in 2013, and our sincere thanks go to him for the time and energy that he has devoted to his role. Given the importance of credit market knowledge to our governance process, the board is targeting the appointment of an individual commensurate with that need. Shareholders may anticipate that these appointments will enable the Company to satisfy its stated objective of ensuring that the composition of the board of directors be at least 30% female.

As always, I would like to take the opportunity to thank my co-directors, the portfolio management team at the Investment Vehicle Manager, our advisors and investment bankers for their support during the period.

Richard Boléat
Chairman
29 September 2021

HALF YEARLY BOARD REPORT (CONTINUED)
INVESTMENT VEHICLE MANAGER'S REPORT

SUMMARY

Financial markets started 2021 on the same tone as they finished 2020, with a strong rally in risk assets. Corporate earnings rebounded sharply in H1 2021 as economies began to re-open and consumers, who had accumulated considerable savings during lockdown, changed their spending habits and bought goods rather than services. As the roll-out of the vaccination programs gathered pace globally – albeit at different paces – the pent-up demand for services such as travel and restaurants, amongst others, became apparent. On the back of the stronger than expected recovery, there was evidence of some inflationary pressures appearing across all major economies. Some of these are transitory in nature, as companies re-stock amidst supply chain issues and labour shortages caused by some of the remaining Covid-19 restrictions. Markets are trying to understand how much of the inflation that's being seen is transitory, and how much is permanent as a result of the large stimulus programs that were implemented on the back of the global pandemic. As most central banks believe that inflation is transitory, the need to reduce stimulus programs hasn't yet materialised. US equity markets ended the first half of the year at or near all-time highs, driven by the combination of central bank stimulus, a sharp rebound in corporate earnings, and visibility on a strong second half.

Looking into the second half of 2021, the Investment Vehicle Manager remains positive on the outlook for credit. The outlook for economic growth remains strong and default rates in the European sub investment grade markets remain low. The evidence from the UK suggests that vaccination programs are effective in breaking the link between new infections and hospitalisations/mortality, even with the new Delta variant. The downside risks for financial markets include new Covid-19 variants, China-US relations, central bank policy mistakes or higher than expected inflation, and potentially the German elections. However, at the time of writing, all of these appear manageable for the European market and these are factors that the Investment Vehicle Manager focuses heavily on in its underwriting process.

PORTFOLIO

As at 30 June 2021 the Investment Vehicle portfolio was invested in-line with the investment policy, was diversified with 103 issuers[1] (of which a range of 40 – 60 typically represent the core drivers of performance) (31 December 2020: 106) across 35 (31 December 2020: 24) different industries and 16 (31 December 2020: 13) different countries, and had exposure of no more than 4.7% (31 December 2020: 3.1%) to any single issuer.

PORTFOLIO STATISTICS[2]

	As at 30 June 2021	As at 31 December 2020
Percentage of Portfolio in Floating Rate Assets	76.7%	83.5%
Percentage of Portfolio in Fixed Rate Assets	22.2%	14.7%
Percentage of Portfolio in Other	1.1%	1.8%
Weighted Average Price[3]	96.5	93.6
Yield to Maturity ("YTM")	8.4%	7.0%
Current Yield	8.0%	6.6%
Weighted Average Fixed Rate Coupon	6.4%	7.5%
Weighted Average Floating Rate plus Margin	5.0%	5.2%

HALF YEARLY BOARD REPORT (CONTINUED)
INVESTMENT VEHICLE MANAGER'S REPORT (CONTINUED)

PORTFOLIO STATISTICS[2] (CONTINUED)

5 Largest Issuers as at 30 June 2021

Issuer	% of Gross	Industry	Country
Doncasters	4.7	Diversified/Conglomerate Manufacturing	UK
Colouroz	3.6	Chemicals, Plastics and Rubber	Germany
Civica	3.3	Electronics	UK
European Camping Group	2.5	Leisure	France
D&G	2.4	Financial Intermediaries	UK

5 Largest Issuers as at 31 December 2020

Issuer	% of Gross	Industry	Country
Colouroz	3.1	Chemicals, Plastics and Rubber	Germany
Civica	2.9	Electronics	UK
Keter Group	2.9	Chemicals, Plastics and Rubber	Netherlands
Concordia	2.6	Healthcare and Pharmaceuticals	UK
Doncasters	2.5	Diversified/Conglomerate Manufacturing	UK

5 Largest Industry Positions as at 30 June 2021[1]

Healthcare and Pharmaceuticals	16.5%
Hotels, Motels, Inns and Gaming	10.4%
Chemicals, Plastics and Rubber	7.5%
Electronics	6.0%
Finance	5.8%

5 Largest Industry Positions as at 31 December 2020[1]

Healthcare and Pharmaceuticals	15.0%
Hotels, Motels, Inns and Gaming	10.7%
Chemicals, Plastics and Rubber	10.1%
Retail Stores	7.6%
Telecommunications	6.3%

HALF YEARLY BOARD REPORT (CONTINUED)
INVESTMENT VEHICLE MANAGER'S REPORT (CONTINUED)

PORTFOLIO STATISTICS[2] (CONTINUED)

Geographical Breakdown by issuer country[1]

	As at 30 June 2021	As at 31 December 2020
UK	23.2%	27.2%
U.S.	18.8%	12.5%
Netherlands	17.0%	18.6%
Germany	11.4%	11.4%
France	9.2%	11.3%
Spain	4.1%	5.2%
Luxembourg	3.3%	3.1%
Sweden	2.7%	2.2%
Finland	2.6%	3.2%
Other	7.7%	5.3%

Currency Breakdown

	As at 30 June 2021	As at 31 December 2020
EUR	62.0%	66.2%
USD	21.7%	17.7%
GBP	16.3%	16.1%

Asset Breakdown

	As at 30 June 2021	As at 31 December 2020
Loans (1st Lien)	61.4%	68.5%
Senior Secured Bonds	19.9%	15.3%
Loans (2nd Lien)	5.6%	2.8%
Structured	4.7%	4.7%
Senior Unsecured Bonds	3.5%	2.6%
Cash	-1.9%	4.4%
Other	6.8%	1.7%

[1] Excludes 20 (31 December 2020: 23) structured finance positions.
[2] Note: all metrics exclude cash unless otherwise stated.
[3] Average market price of the portfolio weighted against the size of each position.

HALF YEARLY BOARD REPORT (CONTINUED)
INVESTMENT VEHICLE MANAGER'S REPORT (CONTINUED)

PERFORMANCE

The Euro Shares and Sterling Shares NAV total returns for H1 2021 were 8.31% (31 December 2020: 1.71%) and 8.70% (31 December 2020: 2.80%) respectively.

The performing credit segment of the portfolio returned 4.0% gross during H1 2021 (31 December 2020: 6.0%), while the credit opportunities segment returned 16.1% gross during H1 2021 (31 December 2020: 2.8%). Based on an average allocation of 47% (31 December 2020: 41%) to performing credit and 53% (31 December 2020: 59%) to credit opportunities, this resulted in a gross contribution of 1.8% (31 December 2020: 2.0%) from the performing credit segment and 8.6% (31 Dec 2020: 1.6%) from the credit opportunities segment.[4]

The Credit Suisse Western European Leveraged Loan Index, hedged to EUR, was up 2.91% for H1 2021, as compared to being up 2.38% for the year ended 31 December 2020. The Credit Suisse Western European High Yield Index, hedged to EUR, was up 3.26% for H1 2021, as compared to being up 1.95% for the year ended 31 December 2020.

[4] Excluding management and performance fees.

MARKET REVIEW

The European sub-investment grade markets had a strong H1 2021, similar to other asset classes. As noted above, the Credit Suisse Western European Leveraged Loan Index, hedged to EUR, returned +2.91% for the first half of the year. This performance was mainly driven by the strong outperformance of CCC ratings. BB ratings returned +1.28% in the first six months of the year and Bs returned +2.47%. CCCs returned +10.32% however as the combination of search for yield with improving fundamentals and low default rates made this sub segment of the market highly attractive.[5]

The CS Western European High Yield Index, hedged to EUR, returned +3.26% in H1 2021. Similar to the loan market, CCCs were the standout performer in the period with a total return of 9.89%, while BBs and Bs generated 2.34% and 3.57% respectively.[6]

Default rates in the European sub investment grade markets remain very low. The last twelve months ("LTM") default rate in the loan market is now 0.5%, down from 1.2% at the end of 2020 and in the high yield market is now 1.4%, down from 3.3% at the end of 2020.[7] With the outlook for economic growth still strong, the default rate is anticipated to remain low for the near term.

The first half of 2021 also saw record amounts of mergers and acquisitions, which resulted in record amounts of issuance in the loan market. Total issuance in Europe in H1 was €70bn, which is the same amount that was issued over the entire 2019 year. The record amount of issuance occurred in 2017 when just over €100bn was issued, and we are well on track to beat that record this year.[8]

There have been some positive developments seen in the sub investment grade markets on the ESG side. In the European leveraged loan market, there appears to be an increasing number of issuers coming to market with ESG ratchets, where the coupon of the loan can step up or down, depending on how a company performs against certain ESG criteria. The Investment Vehicle also invested in the first ever sustainability-linked bond, as well as the first ever blue bond. The sustainability-linked bond, issued by Public Power Corporation, has a 0.5% coupon step-up if the company does not cut its

HALF YEARLY BOARD REPORT (CONTINUED)
INVESTMENT VEHICLE MANAGER'S REPORT (CONTINUED)

MARKET REVIEW (CONTINUED)

CO_2 emissions by 40% over a 3-year time period.[9] The proceeds of the blue bond, issued by Seaspan, must be used by the company to finance eligible projects, which include amongst others decreased marine pollution, decarbonisation, ship recycling and accidental spill prevention.[10] This is the shipping equivalent of a green bond to reduce water pollution in the oceans.

PORTFOLIO OVERVIEW

The overall portfolio performed very well during the first half of the year. The performing segment of the portfolio generated returns in line with expectations. Given the large amount of loan supply we have seen this year, the Investment Vehicle Manager was able to continuously optimise the portfolio to target the best risk-adjusted returns within that segment.

As of June close, performing credit (including cash) was at 44.1% of the portfolio with a weighted average price of 99.8, trading at a YTM of 4.4%, delivering 4.4% cash yield to the portfolio.

We have seen considerable turnover in the credit opportunities segment of the portfolio, where some profits could be locked in or where a number of positions were repaid at par. The proceeds of these were deployed in new opportunities, thereby keeping the convexity in the portfolio to generate capital upside over time. As of June close, credit opportunities was at 55.9% of the portfolio, trading at a weighted average price of 93.9 and a YTM of 8.5%, whilst delivering a 7.3% cash yield to the portfolio.

Across the entire portfolio, as of June month end, the weighted average market price was 96.5, trading at a YTM of 8.4%, and delivering 8.0% cash yield (on a levered basis) versus a weighted average price of 93.6, YTM of 7.0% and cash yield of 6.6% as of December 2020. Floating rate instruments comprised 76.7% of the portfolio. Senior Secured 81.3%. The portfolio had a cash position of -1.9% (including leverage) with leverage at 1.3x assets.

CONCLUSION AND OUTLOOK

The Investment Vehicle Manager is pleased with the performance in H1 2021 and remains constructive on the outlook for credit into the second half of the year.

After the strong rally in credit markets, interesting opportunities for the credit opportunities segment of the portfolio are less abundant. However, as of the end of H1 2021, 55.9% of the portfolio was invested in credit opportunities and, with a yield to maturity of 8.4% on the blended portfolio, the Investment Vehicle Manager believes the portfolio is well positioned to deliver the target returns of 8% net through the cycle. Despite the market rally, there continues to be a large pipeline of opportunities that are being monitored, and on a year to date basis (through to 31 July 2021), the Investment Vehicle has deployed over €127m in opportunistic credit.

The Investment Vehicle Manager remains focused on actively identifying opportunistic investment that can create both income and capital upside, while actively looking at relative value opportunities to rotate the performing credit portfolio.

HALF YEARLY BOARD REPORT (CONTINUED)
INVESTMENT VEHICLE MANAGER'S REPORT (CONTINUED)

CVC Credit Partners Investment Management Limited
Investment Vehicle Manager

Pieter Staelens
Managing Director, Portfolio Manager
29 September 2021

Pieter joined CVC in 2018. He is a member of the Performing Credit team and based in London.

Prior to joining CVC, he worked at Janus Henderson Investors in London where he was involved in various high yield strategies and a credit long/short strategy.

Pieter is a graduate of the Université Catholique de Louvain in Belgium. He also holds an MSc in Finance, Economics and Econometrics from the Cass Business School and an MBA from the University of Pennsylvania.

Sources
[5] Credit Suisse Western European Leveraged Loan Index
[6] Credit Suisse Western European High Yield Index
[7] Credit Suisse Credit Strategy, Default Statistics – July 2021 and January 2021
[8] LCD, an offering of S&P Global Market Intelligence – July 2021
[9] Public Power Corporation S.A. preliminary offering memorandum – March 2021
[10] Seaspan Corporation preliminary offering memorandum – July 2021 and Seaspan Blue Transition Bond Framework - June 2021

Disclaimer:
Past performance is not indicative of future results. There can be no assurance that the Investment Vehicle will be able to implement its investment strategy, achieve its investment objective or avoid substantial losses.

The indices referred to herein (including the Credit Suisse Western European High Yield Index hedged to Euro and the Credit Suisse Western European Leveraged Loan Index hedged to Euro) are widely recognised, unmanaged indices of market activity and have been included as general indicators of market performance. The Credit Suisse Western European High Yield Index is a market cap weighted benchmark index designed as an objective proxy for the investable universe of the Western European high yield debt market. The Credit Suisse Western European Leveraged Loan indices are designed to mirror the investable universe of the Western European leveraged loan market. There are significant differences between the types of investments made or expected to be made by the Investment Vehicle and the investments covered by the indices, and the methodology for calculating returns. For example, the Credit Suisse Western European High Yield Index does not take transaction costs (bid-offer spreads) into account and for the month during which a coupon is paid, the cash flow is reinvested at a fixed money-market rate until the end of the month. Additionally, the Credit Suisse Western European Leveraged Loan Index assumes that coupon payments are reinvested into an index at the beginning of each period. In contrast, the Investment Vehicle Manager may have discretion whether to reinvest such payments during any relevant investment period. It should not be assumed that the Investment Vehicle will invest in any specific equity or debt investments, such as those that comprise the indices, nor should it be understood that there will be a correlation between the Investment Vehicle's returns and those of the indices. It should not be assumed that correlations to the indices based on historical returns will persist in the future. No representation is made that the Investment Vehicle will replicate the performance of any of the indices. The indices are included for general, background informational purposes only and recipients should use their own judgment to appropriately weight or discount their relevance to the Investment Vehicle.

HALF YEARLY BOARD REPORT (CONTINUED)
EXECUTIVE REPORT

This Executive Report is designed to provide information about the Company's business and results for the period ended 30 June 2021. It should be read in conjunction with the Chairman's Statement and the Investment Vehicle Manager's report which gives a detailed review of investment activities for the period and an outlook for the future.

Corporate summary

The Company is a closed-ended investment company limited by shares, registered and incorporated in Jersey under the Companies (Jersey) Law 1991 on 20 March 2013, with registration number 112635. The Company's Share capital consists of Euro Shares and Sterling Shares and is denominated in Euro and Sterling respectively. The Company's Euro Shares and Sterling Shares are listed on the Official List of the UK Listing Authority and admitted to trading on the Main Market of the London Stock Exchange. The Company also has two Management Shares in issue, which are unlisted. Details of the shares in issue are detailed on page 15.

The Company is self-managed and the Directors have invested the net proceeds from share issues into Compartment A of an existing European credit opportunities investment vehicle, CVC European Credit Opportunities S.à r.l. (the "Investment Vehicle"), managed by CVC Credit Partners Investment Management Limited (the "Investment Vehicle Manager").

The Company is a member of the Association of Investment Companies ("AIC") and is regulated by the Jersey Financial Services Commission ("JFSC").

Significant events during the six months ended 30 June 2021

Contractual quarterly tenders

The Company completed the following tenders under its Contractual Quarterly Tender mechanism during the period. All of the shares tendered were transferred into the Company's name and held in treasury.

Quarterly tender	Settlement date	Euro Shares tendered	Euro Share tender price	Sterling Shares tendered	Sterling Share tender price
December 2020	18/02/2021	4,804,474	€0.9557	23,256,443	£1.0199
March 2021	17/05/2021	5,926,910	€0.9832	8,710,330	£1.0521

On 14 May 2021, the Company announced that it had received tender applications in respect of the June 2021 tender for 3,468,577 Euro Shares and 1,732,113 Sterling Shares. Refer to note 14 for details regarding the settlement of the June 2021 tender.

A description of the contractual quarterly tender mechanism can be found on pages 44 and 45.

After further consideration, including the COVID-19 pandemic, the Board considered it prudent to include additional powers in respect of the Company's Contractual Quarterly Tenders to enable the Board to:

- Reduce the maximum number of shares that may be tendered for purchase in any quarter below the current limit of 24.99% of the shares in issue at the relevant tender record date;
- Alter the timetable or any part thereof prospectively in respect of any quarter or quarters at any time; and
- Suspend any Contractual Quarterly Tender or the completion of any Contractual Quarterly tender for one or more quarters at any time.

HALF YEARLY BOARD REPORT (CONTINUED)
EXECUTIVE REPORT (CONTINUED)

Significant events during the six months ended 30 June 2021 (continued)

Contractual quarterly tenders (continued)

These additional powers first received shareholder approval at the Company's 2020 AGM on 1 May 2020, in respect of the Company's Contractual Quarterly Tenders from June 2020 to March 2021. The same additional powers were put forward for, and received, shareholder approval at the Company's 2021 AGM on 22 April 2021, in respect of the Company's Contractual Quarterly Tenders from June 2021 to March 2022. The Board intends to only use these powers when it considers it appropriate and in response to the developing situation in connection with the COVID-19 pandemic. The Board has not exercised these additional powers to date.

Voluntary conversions

Following requests made by shareholders, the Company converted a total of 1,000,000 Euro Shares into 796,589 Sterling Shares and 6,351,933 Sterling Shares into 7,788,876 Euro Shares under the monthly conversion facility during the period ended 30 June 2021.

Dividend target

On 23 April 2021, the Company announced an increase to the Company's annual dividend from £0.045 per Sterling Share and €0.045 per Euro Share by £0.005 per Sterling Share and €0.005 per Euro Share to £0.05 per Sterling Share and €0.05 per Euro Share respectively. This will be effective for the next 12 months starting from the dividends for quarter ended 30 June 2021 which will be paid in Q3 2021. This announcement followed the conclusion of the review of the Company's dividend policy with the Investment Vehicle Manager described in the Company's 2020 Annual Report, with a key focus being the determination of a stable level of dividends that, based on current market conditions and the expected cash yield, could reasonably be declared without recourse to capital for a forward looking period of 12 months.

Refer to page 52 for dividend yield per Euro Share and Sterling Share as at 30 June 2021 and 31 December 2020.

Dividends

The Company announced and paid two quarterly dividends totalling €0.0225 and £0.0225 per Euro Share and Sterling Share respectively in the period ended 30 June 2021 (30 June 2020: €0.0275 and £0.0275). Refer to note 11 for full details of each quarterly dividend.

Share capital and voting rights

The Company has two classes of ordinary shares, being Euro Shares and Sterling Shares.
The Company held the following number of shares in treasury as at 30 June 2021:

31,330,155 Euro Shares (31 December 2020: 20,598,771 Euro Shares)

206,914,214 Sterling Shares (31 December 2020: 174,947,441 Sterling Shares)

Excluding shares held in treasury, the Company had the following number of shares in issue as at 30 June 2021:

120,826,246 Euro Shares (31 December 2020: 124,768,754 Euro Shares)

157,307,085 Sterling Shares (31 December 2020: 194,829,202 Sterling Shares)

Each Euro Share holds 1 voting right, and each Sterling Share holds 1.17 voting rights. As at 30 June 2021, the total number of voting rights of the Euro Shares of no par value is 120,826,246 (39.63%) (31 December 2020: 124,768,754) and of the Sterling Shares is 184,049,289 (60.37%) (31 December 2020: 227,950,166). The total number of voting rights in the Company is 304,875,535 (31 December 2020: 352,718,920).

HALF YEARLY BOARD REPORT (CONTINUED)
EXECUTIVE REPORT (CONTINUED)

Investment Vehicle Management Fee

On 23 April 2021, the Board announced a reduction in the Investment Vehicle Management Fee of 0.1%, taking the fee from 1% to 0.9% per annum of net asset value, effective from 1 May 2021. This revised fee structure offers scope for further step-down reductions based on the Investment Vehicle's total aggregate AUM. Under the revised fee structure, the Investment Vehicle Management Fee will be reduced by a further 5 basis points if the Investment Vehicle's total aggregate AUM increases to €500 million, €750 million and €1 billion, thereafter capped at 0.75% per annum of net asset value. Should one of the thresholds be met and subsequently the Investment Vehicle's total aggregate AUM decreases below the threshold (for example, due to investor redemptions), the Investment Vehicle Management Fee is subject to future increases.

Purpose

The Company is an investment company, and its scope is restricted to that activity. In that context, the Company's purpose is to provide investors with sustainable long term returns by investing in a diversified portfolio of principally European corporate debt. In fulfilling the Company's purpose, the Board seeks to consider the views of all stakeholders and is mindful of the impact that the Company has on wider society.

Investment Objective

The Company's investment objective is to provide shareholders with regular income returns and capital appreciation from a diversified portfolio of predominantly sub-investment grade European corporate debt instruments.

Investment Policy

The Company's investment policy is to invest predominantly in debt instruments issued by companies domiciled, or with material operations, in Western Europe across various industries. The Company's investments are focused on the senior secured obligations of such companies, but investments are also made across the capital structure of such borrowers.

The investment policy of the Investment Vehicle is subject to the following limits (the "investment limits"):

- A minimum of 50 per cent. of the Investment Vehicle's gross assets will be invested in senior secured obligations (which, for the purposes of this investment limit will include cash and cash equivalents).
- A minimum of 60 per cent. of the Investment Vehicle's gross assets will be invested in obligations of companies/borrowers domiciled, or with material operations, in Western Europe.
- A maximum of 7.5 per cent. of the Investment Vehicle's gross assets will be invested at any given time in obligations of a single borrower subject to a single exception at any one time permitting investment of up to 15 per cent. in order to participate in a loan to a single borrower, provided the exposure is sold down to a maximum of 7.5 per cent. within 12 months of acquisition.
- A maximum of 7.5 per cent. of the Investment Vehicle's gross assets will be invested in credit loan obligation securities.
- A maximum of 25 per cent. of the Investment Vehicle's gross assets will be invested in CVC Capital Portfolio Company debt obligations calculated as invested cost as a percentage of the Investment Vehicle's gross assets.

The Investment Vehicle is permitted to borrow up to an amount equal to 100 per cent of the NAV of the Investment Vehicle at the time of borrowing (the "borrowing limit"). The Investment Vehicle's borrowings as a percentage of the Company's NAV[1] as at 30 June 2021 stood at 30.60% (31 December 2020: 27.67%).

HALF YEARLY BOARD REPORT (CONTINUED)
EXECUTIVE REPORT (CONTINUED)

Investment Policy (continued)

General

The investment objective and investment policy of the Investment Vehicle are consistent with the investment objective and investment policy of the Company. In the event that changes are made to the investment objective or investment policy of the Company or of the Investment Vehicle (including the investment limits and/or the borrowing limit), the Directors will seek Shareholder approval for changes which are either (a) material in their own right or, (b) when viewed as a whole, together with previous non-material changes, constitute a material change from the published investment objective or policy of the Company.

Company borrowing limit

The Company may borrow up to 15 per cent. of the NAV of the Company for the sole purpose of purchasing or redeeming its own shares otherwise than pursuant to Contractual Quarterly Tenders. As at 30 June 2021, the Company did not have any borrowings (31 December 2020: no borrowings).

Investment strategy and approach

The Company has given effect to its investment policy by subscribing for Preferred Equity Certificates, (the "PEC's"), Series 4 and 5, issued by the Investment Vehicle. Series 4 and 5 PECs are denominated in Euro and Sterling respectively and are income distributing.

The Investment Vehicle Manager's investment strategy for the Investment Vehicle is to make investments across approximately 40 to 60 companies based on detailed fundamental analysis of the operations and market position of each company and its capital structure.

The Investment Vehicle Manager invests in the debt of larger companies and invests in companies with a minimum EBITDA of €50 million or currency equivalent at the time of investment. The Investment Vehicle Manager believes that the debt of larger companies offers a number of differentiating characteristics relative to the broader market:

(i) larger, more defensive market positions;
(ii) access to broader management talent;
(iii) multinational operations which may reduce individual customer, sector or geographic risk and provide diverse cash flow;
(iv) levers such as working capital and capital expenditure which can be managed in the event of a slowdown in economic growth; and
(v) wider access to both debt and equity capital markets.

Based on the market opportunity, the Investment Vehicle Manager invests in a range of different credit instruments across the capital structure of target companies (including, but not limited to, senior secured, second lien and mezzanine loans and senior secured, unsecured and subordinated bonds). Assets are sourced in both the new issue and secondary markets, using the sourcing networks of the Investment Vehicle Manager and in certain circumstances the CVC Group[2] more broadly. The Investment Vehicle Manager's access to deals is supported by the network of contacts and relationships of its leadership team and investment professionals, as well as the strong positioning of the CVC Group in the European leveraged finance markets. CVC Capital Portfolio Companies are one of the largest sponsor led issuers of leveraged loan deals in Europe[3].

Each investment considered by the Investment Vehicle Manager is built around an investment thesis and generally falls into one of two categories:

1. Performing Credit[4]; and
2. Credit Opportunities[5].

HALF YEARLY BOARD REPORT (CONTINUED)
EXECUTIVE REPORT (CONTINUED)

Investment strategy and approach (continued)

The Investment Vehicle Manager analyses the risk of credit loss for each investment on the basis it will be held to maturity but takes an active approach to the sale of investments once the investment thesis has been realised.

Further information in respect of the Investment Vehicle portfolio and performance as at 30 June 2021 can be found in the Investment Vehicle Manager's report on pages 8 to 13.

Director interests

Information on each Director is shown on page 34.

On 4 January 2021, Mr Boléat purchased 10,000 Sterling shares in the Company. No other Directors transactions took place during the period.

As at the date of approval of the Half Yearly Financial Report, each Director held the following shares in the Company:

Director	Sterling Shares held
Richard Boleat	20,000
Stephanie Carbonneil	22,200
Mark Tucker	30,000
David Wood*	14,492

* held as at 31 August 2021, being the date David Wood stepped down from the board of directors.

No Director has any other interest in any contract to which the Company is a party.

Principal Risks and Uncertainties

When considering the total return of the Company, the Directors take account of the risk which has been taken in order to achieve that return. The Directors have carried out a robust assessment of the principal risks facing the Company including those which would threaten its business model, future performance, solvency or liquidity.

The principal risks and uncertainties have not changed since the publication of the Company's Annual Financial Report for the year ended 31 December 2020. A summary of the principal risks and uncertainties is set out below. For information concerning the Company's emerging risks and how the Company mitigates both principal and emerging risks, please refer to pages 18 to 22 of the 31 December 2020 Annual Financial Report (https://www.ccpeol.com/media/1415/ccpeol-annual-financial-report-fy-2020.pdf).

Principal risks

Covid-19

The Company is exposed to financial losses stemming from the impact on the Investment Vehicle's Portfolio and on markets generally, arising from the spread of the COVID-19 disease and its subsequent effect on global economic activity, supply chain disruption, restrictions on human freedom of movement and consequential constraints on issuer liquidity and the availability of market financing.

Since the start of the COVID-19 pandemic, governments and central banks in Europe and the United States have engaged in a concerted series of policy steps which have sought to provide financial support to business. These steps have included further monetary policy loosening, provision of capital markets liquidity and direct and indirect support for business through subsidised and guaranteed

HALF YEARLY BOARD REPORT (CONTINUED)
EXECUTIVE REPORT (CONTINUED)

Principal risks (continued)

Covid-19 (continued)

lending schemes, grants to support employment and other measures. Any significant withdrawal of such features in the absence of a sustainable long-term solution to the impacts of the pandemic has the potential to cause material negative consequences on the financial condition of individual issuers and the liquidity of the markets in which the Company invests.

Supply and demand

The value of the investments in which the Company indirectly invests are affected by the supply of primary issuance and secondary paper on the one hand and the continued demand for such instruments from buy side market participants on the other. A change in the supply of, or demand for, underlying investments may materially affect the performance of the Company.

Credit risk

The Investment Vehicle invests in sub-investment grade European corporate issuers and therefore credit risk is greater than would be the case with investments in investment grade issuers.

Liquidity

The Company relies on the periodic redemption mechanism offered by the Investment Vehicle to realise its investment in PECs, and on that mechanism operating in a timely and predictable manner.

The Investment Vehicle's underlying investments are not inherently liquid. Investments are generally bought and sold by market participants on a bilateral basis and any reduction in liquidity caused by a reduction of demand or market dislocation may have a negative impact on the Company's ability to effectively conduct its Contractual Quarterly Tenders.

Foreign exchange risk

Foreign exchange risk is the risk that the values of the Company's and the Investment Vehicle's assets and liabilities are adversely affected by changes in the values of foreign currencies by reference to the Company's base currency, the Euro.

Macro-economic factors

Adverse macro-economic conditions may have a material adverse effect on the performance of the Investment Vehicle's underlying assets and liabilities and on the ability of underlying borrowers to service their ongoing debt obligations.

Capital management risks

Shareholders may seek to redeem their shareholdings in the Company using the Contractual Quarterly Tender facility, subject to restrictions as detailed in note 11, which could result in the NAV of the Company falling below €75 million and as such, triggering the requirement for the Directors to convene an extraordinary general meeting to propose an ordinary resolution that the Company continues its business as a closed-ended investment company. There is a risk that a continuation resolution will not be passed which could result in the redemption by the Company of its entire holding in the Investment Vehicle.

HALF YEARLY BOARD REPORT (CONTINUED)
EXECUTIVE REPORT (CONTINUED)

Emerging risks

Interest rates

The increasing preponderance of negative interest rates in developed economies is a new feature to which leveraged credit markets have not materially been exposed in the past, and the effect on market dynamics and demand for and supply of primary issuance and secondary paper in that context cannot be fully analysed. Consequently, the impact on shareholder returns cannot be properly analysed with any degree of certainty.

Environmental Social Governance (“ESG”)

Reputational damage stemming from the Company’s ESG-related activities and disclosures failing to meet the standard expected by shareholders.

Reputational damage stemming from the Company’s environmental footprint or from the Company’s deemed disregard of its use of social capital.

Financial losses stemming from climate-related factors adversely impacting the capital value of securities held within the Investment Vehicle portfolio and/or the ability of those companies whose securities are held to meet their financial obligations thereunder.

Reputational damage stemming from the Company’s association with companies whose securities are held within the Investment Vehicle portfolio and whose ESG policies, activities or disclosures fail to meet the standards expected by stakeholders.

Taxation

There is a risk that revisions to the taxation of the Investment Vehicle through the introduction and implementation of new or amended tax legislation will impact its ability to continue to deliver current after-tax returns to the Company.

The Company may be exposed to additional risks not disclosed above or within the Half Year Report as they are not considered by the Board to be principal or emerging risks. The Company assesses risks, and the mitigation thereof, on an ongoing basis and as part of its formal business risk assessment process

Going concern

Under the Listing Rules, the AIC Code of Corporate Governance ("AIC Code") and applicable regulations, the Directors are required to satisfy themselves that it is reasonable to assume that the Company is a going concern as at the date of approval of this Half Yearly Financial Report.

The Directors have given regard to the ongoing impact of Covid-19 and are actively monitoring its impact on the Company, the Investment Vehicle and the underlying portfolio. In performing the going concern assessment, the Directors have:

- Assessed the current position and performance of the Company;
- Assessed the impact of a reduction to investment income received from the Investment Vehicle;
- Assessed the effect of continuing to operate the Contractual Quarterly Tender mechanism; and
- Performed inquiries of the Investment Vehicle Manager, the Administrator and the Registrar on their ability to execute business continuity plans in order to continue providing services to the Company.

Based on the results of the above assessments and inquiries, the Directors do not believe Covid-19 creates a material uncertainty over the Company continuing as a going concern.

HALF YEARLY BOARD REPORT (CONTINUED)
EXECUTIVE REPORT (CONTINUED)

Going concern (continued)

In addition, after reviewing the Company's budget and cash flow forecast for the next twelve months, the Directors are satisfied that, at the time of approving these condensed financial statements, no material uncertainties exist that may cast significant doubt concerning the Company's ability to continue for the period to 30 September 2022, which is at least twelve months from the date of approval of the condensed financial statements.

The Directors consider it appropriate to adopt the going concern basis in preparing this Half Yearly Financial Report.

Future strategy

The Board continues to believe that the investment strategy and policy adopted by the Investment Vehicle is appropriate for and is capable of meeting the Company's objectives.

The overall strategy remains unchanged and it is the Board's assessment that the Investment Vehicle Manager's resources are appropriate to properly manage the Investment Vehicle's portfolio in the current and anticipated investment environment.

Please refer to the Investment Vehicle Manager's report for detail regarding performance of the Investment Vehicle's investments and the main trends and factors likely to affect the future development, performance and position of those investments.

Climate-related Financial Disclosures

The Company has been a formal supporter of the Task Force for Climate Related Financial Disclosures' ("TCFD") recommendations since 2018. The Company believes that climate change will have material impacts on the financial performance of companies in which the Investment Vehicle Manager invests and on the universe of companies in which the Investment Vehicle Manager may invest.

The Company is at the beginning of its TCFD implementation journey and it expects full implementation to be achieved through a multi-year process of collaboration with the Investment Vehicle Manager.

The Company plans to report on progress in this regard twice a year – through its Half Year and Annual Financial Reports.

Governance

The Company has integrated climate-related risks into its governance structure. The Company has continued is dialogue with the Investment Vehicle Manager and it is pleasing to see the inclusion within the Investment Vehicle portfolio of two bonds with enhanced ESG credentials. Details of these positions can be found within the Investment Vehicle Manager's Market Review on pages 11 to 12.

Strategy

The Investment Vehicle Manager uses ESG RepRisk ratings to benchmark issuers on ESG and business conduct related risks. The RepRisk rating takes the form of a letter rating from AAA to D; NR indicates exposure to issuers not currently monitored by RepRisk. This data is reported externally to stakeholders on a monthly basis via the Company's factsheet (https://www.ccpeol.com/news-documents/). As at 30 June 2021, the portfolio of the Investment Vehicle had the following RepRisk ratings:

HALF YEARLY BOARD REPORT (CONTINUED)
EXECUTIVE REPORT (CONTINUED)

Climate-related Financial Disclosures (continued)

Strategy (continued)

RepRisk ESG Rating	% of portfolio
AAA	44.5%
AA	31.7%
A	9.6%
BBB	6.4%
BB	1.9%
B	1.5%
CCC	0.1%
CC	0.0%
D	0.0%
NR	4.3%

The Company plans to continue its collaboration with the Investment Vehicle Manager and to encourage the Investment Vehicle Manager to collaborate with sponsors with a view to facilitating continual improvement in the quantity and quality of the Company's climate-related disclosures.

Risk Management

In mid-2020, the Company shared guidance and resources with the Investment Vehicle Manager. This included a discussion framework outlining a top-down approach to identify and better manage and disclose climate-related risks and opportunities at a sector level throughout the investment portfolio.

Metrics & Targets

The Company is working toward reporting and disclosing the proportional operational (Scope 1 and 2) greenhouse gas emissions of the investee companies that comprise the Investment Vehicle investment portfolio along with metrics that evidence an intention to reduce these emissions. The Company recognizes the importance of value chain (Scope 3) emissions; however due to the higher complexity of quantifying Scope 3, the Company will initially prioritise Scope 1 and 2.

Given the type and structure of the Company, the Company's own environmental impact is minimal.

During the period the Company engaged in an exercise to examine the climate-related disclosures of the sponsors of the issues represented within the investment portfolio of the Investment Vehicle. The Board determined that the Principles for Responsible Investment ("PRI") provided the most effective platform from which the Company could draw the most relevant climate-related data. An examination of that data, combined with the application of a proprietary scoring system, has allowed the Company to measure, on a look-through basis, its' compliance with the principles of responsible investing as prescribed by the PRI. The Company will keep these measures under review and expects to see increasing compliance over time. Should this not occur the Company will seek explanations, the results of which will be fed back to the Investment Vehicle Manager for incorporation into their decision-making processes.

HALF YEARLY BOARD REPORT (CONTINUED)
EXECUTIVE REPORT (CONTINUED)

Climate-related Financial Disclosures (continued)

Looking forward

The approach described above covers the assets of the Investment Vehicle. The Company recognises that enhancements to this approach will be needed in areas where the data to conduct the necessary analysis is currently limited, or where the tools available remain in a nascent stage of development. These are challenges the Company is working to resolve and progress over time will be reported in the Company's Annual and Half Year Financial Reports.

[1] Pro-rated for the Company's interest in the net assets of the Investment Vehicle of 60.17% as at 30 June 2021 (31 December 2020: 58.71%).

[2] CVC Group being the Investment Vehicle Manager and CVC Credit Partners Group Holding Foundation, together with its direct and indirect subsidiaries and their respective affiliates and excluding any funds managed and/or advised by the CVC Group.

[3] Source: S&P LCD, for the period between January 2017 and March 2021.

[4] "Performing Credit" generally refers to senior secured loans and senior secured high yield bonds sourced in both the primary and secondary markets. The investment decision is primarily driven by a portfolio decision around liquidity, cash yield and volatility.

[5] "Credit Opportunities" refers to investments where the Investment Vehicle Manager anticipates an event in a specific credit situation is likely to have a positive impact on the value of its investment. This may include events such as a repayment event before maturity, a deleveraging event, a change to the economics of the instrument such as increased margin and/or fees or fundamental or sentiment driven change in the value. The Investment Vehicle Manager seeks relative value opportunities which involve situations where market technicals have diverged from credit fundamentals often driven by selling by mandate constrained investors, CLO managers or hedge funds rebalancing their portfolios, macro views affecting different credit instrument types or sales by banks. The Investment Vehicle Manager has additional flexibility compared to mandate constrained capital and believes these assets have potential for capital gains and early cash flow generation based on the acquisition prices.

DIRECTORS' STATEMENT OF RESPONSIBILITIES

The Directors are responsible for preparing the Half Yearly Financial Report in accordance with applicable Jersey law and regulations.

The Directors confirm to the best of their knowledge that:

- the unaudited condensed financial statements within the Half Yearly Financial Report have been prepared in accordance with IAS 34 – Interim Financial Reporting, as adopted by the European Union ("EU") and gives a true and fair view of the assets, liabilities, financial position and profit or loss of the Company as at 30 June 2021, as required by the Financial Conduct Authority's ("FCA") Disclosure Guidance and Transparency Rule ("DTR") 4.2.4R; and

- the Chairman's Statement, the Investment Vehicle Manager's Report, the Executive Report and the notes to the condensed financial statements include a fair review of the information required by:

a) DTR 4.2.7R, being an indication of important events that have occurred during the six months ended 30 June 2021 and their impact on the unaudited condensed financial statements; and a description of the principal risks and uncertainties for the remaining six months of the year; and

b) DTR 4.2.8R, being related party transactions that have taken place during the six months ended 30 June 2021 and that have materially affected the financial position or performance of the Company during that period.

Richard Boléat
Chairman
29 September 2021

Mark Tucker
Audit Committee Chairman

INDEPENDENT REVIEW REPORT TO CVC CREDIT PARTNERS EUROPEAN OPPORTUNITIES LIMITED

Conclusion

We have been engaged by the Company to review the condensed set of financial statements in the half-yearly financial report for the six months ended 30 June 2021 which comprises the Condensed Statement of Comprehensive Income, the Condensed Statement of Financial Position, the Condensed Statement of Changes in Net Assets, the Condensed Statement of Cash Flows, and the related notes 1 to 15 to the Condensed Financial Statements. We have read the other information contained in the half-yearly financial report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements.

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 International Accounting Standard 34 "Interim Financial Reporting" as adopted by the European Union and the Disclosure Guidance and Transparency Rules of the United Kingdom's Financial Conduct Authority.

Basis for Conclusion

We conducted our review in accordance with International Standard on Review Engagements 2410 (UK and Ireland) "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Auditing Practices Board. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

As disclosed in note 2, the annual financial statements of the Company are prepared in accordance with IFRSs as adopted by the European Union. The condensed set of financial statements included in this half-yearly financial report has been prepared in accordance with International Accounting Standard 34, "Interim Financial Reporting" as adopted by the European Union.

Responsibilities of the directors

The directors are responsible for preparing the half-yearly financial report in accordance with the Disclosure Guidance and Transparency Rules of the United Kingdom's Financial Conduct Authority.

Auditor's Responsibilities for the review of the financial information

In reviewing the half-yearly financial report, we are responsible for expressing to the Company a conclusion on the condensed set of financial statements in the half-yearly financial report. Our conclusion, is based on procedures that are less extensive than audit procedures, as described in the Basis for Conclusion paragraph of this report.

Use of our report

This report is made solely to the Company in accordance with guidance contained in International Standard on Review Engagements 2410 (UK and Ireland) "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Auditing Practices Board. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company, for our work, for this report, or for the conclusions we have formed.

Ernst & Young LLP
London
30 September 2021

CONDENSED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2021

	Notes	Six months ended 30 June 2021 (Unaudited) €	Six months ended 30 June 2020 (Unaudited) €
Income			
Investment income	3	7,778,839	13,080,121
Tender fee income	3	475,676	1,091,101
Net gains/(losses) on financial assets held at fair value through profit or loss	7	18,853,412	(49,562,937)
Foreign exchange gain/(loss) on financial assets held at fair value through profit or loss	7	8,514,749	(19,412,317)
Foreign exchange (loss)/gain on ordinary shares	11	(8,639,869)	19,647,714
Other net foreign currency exchange gains/(losses) through profit or loss		113,382	(95,222)
		27,096,189	(35,251,540)
Expenses			
Operating expenses	4	(615,445)	(624,360)
		(615,445)	(624,360)
Profit/(loss) before finance costs and taxation		**26,480,744**	**(35,875,900)**
Finance costs			
Share issue costs	5	–	(3,524)
Dividends paid	5/11	(6,970,679)	(11,135,804)
Profit/(loss) before taxation		**19,510,065**	**(47,015,228)**
Taxation		–	–
Increase/(decrease) in net assets attributable to shareholders from operations		**19,510,065**	**(47,015,228)**
Basic and diluted profit/(loss) per Euro Share	11	€0.066965	(€0.121790)
Basic and diluted profit/(loss) per Sterling Share (Sterling equivalent)	11	£0.057491	(£0.110617)

All items in the above statement are derived from continuing operations.

The Company has no items of other comprehensive income, and therefore the decrease respectively in net assets attributable to ordinary shareholders for the period is also the total comprehensive loss.

The notes on pages 31 to 49 form an integral part of these condensed financial statements.

CONDENSED STATEMENT OF FINANCIAL POSITION

As at 30 June 2021

	Notes	30 June 2021 (Unaudited) €	31 December 2020 (Audited) €
Assets			
Financial assets held at fair value through profit or loss	7	321,373,018	341,742,461
Prepayments		71,472	45,421
Cash and cash equivalents		3,093,138	2,870,655
Total assets		**324,537,628**	**344,658,537**
Liabilities			
Payables	8	(142,342)	(118,290)
Total liabilities		**(142,342)**	**(118,290)**
Net assets attributable to shareholders	12	**324,395,286**	**344,540,247**

The condensed financial statements on pages 27 to 49 were approved by the Board of Directors on 29 September 2021 and signed on its behalf by:

Richard Boléat
Chairman

Mark Tucker
Audit Committee Chairman

The notes on pages 31 to 49 form an integral part of these condensed financial statements.

CONDENSED STATEMENT OF CHANGES IN NET ASSETS

For the six months ended 30 June 2021 (Unaudited)

	Note	Net assets attributable to shareholders €
As at 1 January 2021		**344,540,247**
Issuance and subscriptions arising from conversion of ordinary shares	11	8,533,895
Redemption payments arising on conversion and tender of ordinary shares	11	(56,828,790)
Increase in net assets attributable to shareholders from operations		19,510,065
Net foreign currency exchange gain on opening ordinary shares and ordinary shares issued during the period		8,639,869
As at 30 June 2021		**324,395,286**

For the six months ended 30 June 2020 (Unaudited)

	Note	Net assets attributable to shareholders €
As at 1 January 2020		**537,324,231**
Issuance and subscriptions arising from conversion of ordinary shares	11	2,400,315
Redemption payments arising on conversion and tender of ordinary shares	11	(116,332,359)
Decrease in net assets attributable to shareholders from operations		(47,015,228)
Net foreign currency exchange loss on opening ordinary shares and ordinary shares issued during the period		(19,647,714)
As at 30 June 2020		**356,729,245**

The notes on pages 31 to 49 form an integral part of these condensed financial statements.

CONDENSED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2021

	Notes	Six months ended 30 June 2021 (Unaudited) €	Six months ended 30 June 2020 (Unaudited) €
Cash flows from operating activities			
Profit/(loss) from ordinary activities before taxation[1]		19,510,065	(47,015,228)
Adjustments to reconcile profit/(loss) before tax to net cash flows:			
- Net (gain)/loss on financial assets held at fair value through profit or loss	7	(18,853,412)	49,562,937
- Foreign exchange (gain)/loss on financial assets held at fair value through profit or loss	7	(8,514,749)	19,412,317
- Foreign currency exchange loss/(gain) on ordinary shares	11	8,639,869	(19,647,714)
- Share issue costs	5	–	3,524
- Dividends paid	11	6,970,679	11,135,804
Changes in working capital:			
- Increase in prepayments		(26,051)	(6,795)
- Increase/(decrease) in payables		24,052	(2,205)
Net cash provided by operating activities		**7,750,453**	**13,442,640**
Cash flows from investing activities			
Purchase and subscriptions of financial assets held at fair value through profit or loss[2]	7	–	(348,681)
Proceeds from redemption of financial assets held at fair value through profit or loss[2]	7	47,634,932	112,624,622
Net cash provided by investing activities		**47,634,932**	**112,275,941**
Cash flows from financing activities			
Proceeds from issuance and/or subscription arising from conversion of ordinary shares[3]	11	–	352,205
Payments for redemption of ordinary shares[3]	11	(48,192,223)	(114,259,312)
Share issue costs paid	5	-	(3,524)
Dividends paid	5/11	(6,970,679)	(11,135,804)
Net cash used in financing activities		**(55,162,902)**	**(125,046,435)**
Net increase in cash and cash equivalents in the period		**222,483**	**672,146**
Cash and cash equivalents at beginning of the period		2,870,655	2,072,319
Cash and cash equivalents at the end of the period		**3,093,138**	**2,744,465**

[1] Includes investment income of €7,777,207 (30 June 2020: €13,080,121) and tender fee income of €475,676 (30 June 2020: €1,091,101).

[2] Cash flows arising from purchases and redemption of financial assets above does not include subscriptions and redemptions arising from conversion of €(8,533,895) (2019: €(2,048,110)) and €8,636,567 (30 June 2020: €2,073,047) respectively as these transactions have no associated cash flow.

[3] Cash flows arising from issuance and redemption of ordinary shares above does not include subscriptions and redemptions arising from conversion of €8,533,895 (2019: €2,048,110) and €(8,636,567) (30 June 2020: €(2,073,047)) respectively as these transactions have no associated cash flow.

The notes on pages 31 to 49 form an integral part of these condensed financial statements.

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

1. General information

The Company was incorporated on 20 March 2013 and is registered in Jersey as a closed-ended Investment Company. Euro Shares and Sterling Shares were admitted to the Official List of the UK Listing Authority ("UKLA") and admitted to trading on the Main Market of the London Stock Exchange on 25 June 2013.

The Company's registered address is IFC1, The Esplanade, St Helier, Jersey, JE1 4BP.

2. Accounting policies

The Annual Financial Report is prepared in accordance with the Disclosure Guidance and Transparency Rules of the Financial Conduct Authority ("FCA") and with International Financial Reporting Standards ("IFRS") as adopted by the European Union which comprise standards and interpretations approved by the International Accounting Standards Board, and interpretations issued by the International Financial Reporting Standards and Standing Interpretations Committee as approved by the International Accounting Standards Committee which remain in effect. The Half Yearly Financial Report has been prepared in accordance with International Accounting Standards (IAS) 34 – Interim Financial Reporting ("IAS 34"). They have also been prepared using the same accounting policies applied for the year ended 31 December 2020 Annual Financial Report, which was prepared in accordance with IFRS, except for new standards and interpretations adopted by the Company as set out below. The Company has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

Interest Rate Benchmark Reform – Phase 2: Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16

The amendments to the above standards provide temporary reliefs which address the financial reporting effects when an interbank offered rate is replaced with an alternative nearly risk-free interest rate. As the Company does not hold any instruments that reference interbank offered rates, these amendments had no impact on the condensed financial statements.

Several other amendments and interpretations became effective for the first time in 2021 however, they do not have an impact on the condensed financial statements.

2.1. Going concern

The Directors have given regard to the ongoing impact of Covid-19 and are actively monitoring its impact on the Company, the Investment Vehicle and the underlying portfolio. In performing the going concern assessment, the Directors have:

- Assessed the current position and performance of the Company;
- Assessed the impact of a reduction to investment income received from the Investment Vehicle;
- Assessed the effect of continuing to operate the Contractual Quarterly Tender mechanism; and
- Performed inquiries of the Investment Vehicle Manager, the Administrator and the Registrar on their ability to execute business continuity plans in order to continue providing services to the Company.

Based on the results of the above assessments and inquiries, the Directors do not believe Covid-19 creates a material uncertainty over the Company continuing as a going concern.

In addition, after reviewing the Company's budget and cash flow forecast for the next twelve months, the Directors are satisfied that, at the time of approving these condensed financial statements, no material uncertainties exist that may cast significant doubt concerning the Company's ability to continue for the period to 30 September 2022, which is at least twelve months from the date of approval of the condensed financial statements.

NOTES TO THE CONDENSED FINANCIAL STATEMENTS (CONTINUED)

2.2. Segmental reporting

The Directors view the operations of the Company as one operating segment, being the investment business. All significant operating decisions are based upon analysis of the Company's investments as one segment. The financial results from this segment are equivalent to the financial results of the Company as a whole, which are evaluated regularly by the chief operating decision-maker (the Board with insight from the Investment Vehicle Manager).

2.3. Seasonality of Operations

The Company's operations are not seasonal in nature. As such, its performance is not subject to seasonal fluctuations.

3. Investment income

	Six months ended 30 June 2021 (Unaudited) €	Six months ended 30 June 2020 (Unaudited) €
Investment income	7,778,839	13,074,831
Bank interest income	–	5,290
Total investment income	**7,778,839**	**13,080,121**

Tender fee income

The tender price pursuant to the Contractual Quarterly Tender facility is calculated based on the NAV per share (calculated as at the final business day in each quarter or such other date as the Directors in their absolute discretion may determine from time to time) less £0.01 or €0.01 per share respectively (being 1% of the original placing price of £1.00 and €1.00 per share (the "Original Placing Price")), which is retained by the Company. The Company recognises retained redemption proceeds of 1% and the administration fee as tender fee income.

During the period, 10,731,384 Euro Shares (30 June 2020: 4,260,209) and 31,966,773 Sterling Shares (30 June 2020: 91,667,625) have been tendered by shareholders which generated tender fee income of €475,676 (30 June 2020: €1,091,101).

Refer to note 11 for further details on the Contractual Quarterly Tender facility.

NOTES TO THE CONDENSED FINANCIAL STATEMENTS (CONTINUED)

4. Operating expenses

	Six months ended 30 June 2021 (Unaudited) €	Six months ended 30 June 2020 (Unaudited) €
Administration fees	125,599	88,268
Directors' fees (see note 6)	117,680	118,015
Advisor fees	72,569	68,216
Regulatory fees	38,195	44,427
Audit fees	35,889	27,867
Non-audit fees paid to the Auditor	11,639	9,800
Professional fees	32,780	132,735
Registrar fees	27,584	41,741
Brokerage fees	27,075	24,913
Trustee fees	10,959	–
Sundry expenses	115,476	68,378
Total operating expenses	**615,445**	**624,360**

Non-audit fees

Non-audit fees relate to interim review services amounting to €11,639 (30 June 2020: €9,800).

Advisor fees

CVC Credit Partners Investment Services Management Limited (the "Corporate Services Manager") agreed to provide the services of Mr. Justin Atkinson to assist with the marketing and promotion of the Company's shares (the "Advisor fees"). The Corporate Services Manager recharges the Company for a proportion of Mr. Atkinson's cost. During the period, Advisor fees incurred were €72,569 (30 June 2020: €68,216).

Trustee fees

Trustee fees relate to fees paid to the trustee of the Trust which facilitates the conversion of treasury shares as further described in note 11. As the Trust was not engaged to convert treasury shares during the period ended 30 June 2021, the Trust did not earn any commission fee income for providing such services. As such, the Board agreed to settle the expenses of the Trust, being trustee fees of £9,525 (€10,969) (30 June 2020: £nil (€nil)) which were paid to BNP Paribas Jersey Trust Corporation Limited during the period.

5. Finance costs

Share issue costs

The costs of the sale of treasury shares and placing of new ordinary shares have been expensed in the Statement of Comprehensive Income and amounted to a total of €nil (30 June 2020: €3,524).

Dividends paid

Refer to note 11 for further information on dividends paid.

NOTES TO THE CONDENSED FINANCIAL STATEMENTS (CONTINUED)

6. Directors' fees and interests

The Directors of the Company are remunerated for their services as follows:

Richard Boléat (Chairman)	- £65,000 (2020: £65,000) per annum
Mark Tucker	- £43,750 (2020: £43,750) per annum
Stephanie Carbonneil	- £42,500 (2020: £42,500) per annum
David Wood	- £42,500 (2020: £42,500) per annum

Mark Tucker in his capacity as the Chairman of the Audit Committee receives an additional £6,250 (2020: £6,250) per annum for his services in this role and Stephanie Carbonneil receives an additional £5,000 per annum for her services as Remuneration and Nomination Committee Chairwoman.

On 18 August 2021, the Company announced that David Wood, a Non-Executive Director of the Company, had given notice that, with effect from 31 August 2021, he would be stepping down from his role on the board of directors of the Company.

Refer to note 4 for details of total Directors fees during the period ended 30 June 2021 and 30 June 2020. Director's fees are paid gross of any taxes and expenses incurred by each Director are included within sundry expenses within note 4.

No pension contributions were payable in respect of any of the Directors.

The Company has no employees.

Richard Boléat acts as the Enforcer of the CCPEOL Purpose Trust. Please refer to note 13 for further detail.

On 4 January 2021, Richard Boléat purchased 10,000 Sterling Shares at a price of £0.9556, with a total market value of £9,556.

7. Financial assets held at fair value through profit or loss

	30 June 2021 (Unaudited) €	31 December 2020 (Audited) €
Preferred Equity Certificates ("PECs") - Unquoted investment	**321,373,018**	**341,742,461**

The PECs are valued taking into consideration a range of factors including the audited NAV of the Investment Vehicle as well as available financial and trading information of the Investment Vehicle and of its underlying portfolio; the price of recent transactions of PECs redeemed and advice received from the Investment Vehicle Manager; and such other factors as the Directors, in their sole discretion, deem relevant in considering a positive or negative adjustment to the valuation.

As at the period ended 30 June 2021, the Company held 119,554,092.47 Euro and 155,486,331.68 Sterling PECs (2020: 123,587,333.61 Euro and 193,056,156.64 Sterling PECs). Please refer below for reconciliation of PECs from 1 January 2020:

	Euro PECs	Sterling PECs
As at 1 January 2020	**130,144,171.50**	**324,425,319.07**
Subscriptions	346,649.89	-
Monthly conversions	7,564,999.22	(6,474,321.43)
Quarterly tenders	(14,468,487.00)	(124,894,841.00)
As at 31 December 2020	**123,587,333.61**	**193,056,156.64**
Subscriptions	-	-
Monthly conversions	6,587,997.86	(5,483,643.96)
Quarterly tenders	(10,621,239.00)	(32,086,181.00)
As at 30 June 2021	**119,554,092.47**	**155,486,331.68**

NOTES TO THE CONDENSED FINANCIAL STATEMENTS (CONTINUED)

7. Financial assets held at fair value through profit or loss (continued)

Fair value hierarchy

IFRS 13 'Fair Value Measurement' ("IFRS 13") requires an analysis of investments valued at fair value based on the reliability and significance of information used to measure their fair value.

The Company categorises its financial assets and financial liabilities according to the following fair value hierarchy detailed in IFRS 13, that reflects the significance of the inputs used in determining their fair values:

Level 1: Quoted market price (unadjusted) in an active market for an identical instrument.

Level 2: Valuation techniques based on observable inputs, either directly (i.e., as prices) or indirectly (i.e., derived from prices). This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques where all significant inputs are directly or indirectly observable from market data.

Level 3: Valuation techniques using significant unobservable inputs. This category includes all instruments where the valuation technique includes inputs not based on observable data and the unobservable variable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments where significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

As at 30 June 2021	Level 1 (Unaudited) €	Level 2 (Unaudited) €	Level 3 (Unaudited) €	Total (Unaudited) €
Financial assets				
Financial assets held at fair value through profit or loss	–	–	321,373,018	321,373,018
Financial liabilities				
Ordinary shares[1]	305,033,453	–	–	305,033,453

As at 31 December 2020	Level 1 (Unaudited) €	Level 2 (Unaudited) €	Level 3 (Unaudited) €	Total (Unaudited) €
Financial assets				
Financial assets held at fair value through profit or loss	–	–	341,742,461	341,742,461
Financial liabilities				
Ordinary shares[1]	317,655,573	–	–	317,655,573

[1] Please note for disclosure purposes only, ordinary shares have been disclosed at fair value using the quoted price in accordance with IFRS 13. As disclosed in note 2.4 of the 2020 Annual Financial Report, the Company classifies its ordinary shares as financial liabilities held at amortised cost.

NOTES TO THE CONDENSED FINANCIAL STATEMENTS (CONTINUED)

7. Financial assets held at fair value through profit or loss (continued)

Fair value hierarchy (continued)

The fair value of investments is assessed on an ongoing basis by the Board.

Level 3 reconciliation – Compartment A PECs

The following table shows a reconciliation of all movements in the fair value of financial assets held at fair value through profit or loss categorised within Level 3 between the beginning and the end of the reporting period.

	30 June 2021 (Unaudited) €
Balance as at 1 January 2021	**341,742,461**
Purchases	–
Subscriptions arising from conversion	8,533,895
Redemption proceeds arising from conversion	(8,636,567)
Redemption proceeds arising from quarterly tenders	(47,634,932)
Realised loss on financial assets held at fair value through profit or loss	(1,880,372)
Unrealised gain on financial assets held at fair value through profit or loss	20,733,784
Foreign exchange gain on financial assets held at fair value through profit or loss	8,514,749
Balance as at 30 June 2021	**321,373,018**

Net loss on financial assets held at fair value through profit or loss for the six month period ended 30 June 2021	**18,853,412**

During the six months ended 30 June 2021, there were no reclassifications between levels of the fair value hierarchy.

	31 December 2020 (Audited) €
Balance as at 1 January 2020	**535,409,935**
Purchases	348,681
Subscriptions arising from conversion	8,093,584
Redemption proceeds arising from conversion	(8,164,745)
Redemption proceeds arising from quarterly tenders	(156,419,064)
Realised loss on financial assets held at fair value through profit or loss	(13,454,903)
Unrealised loss on financial assets held at fair value through profit or loss	(8,226,597)
Foreign exchange gain on financial assets held at fair value through profit or loss	(15,844,430)
Balance as at 31 December 2020	**341,742,461**

Net loss on financial assets held at fair value through profit or loss for the year ended 31 December 2020	**(21,681,500)**

During the year ended 31 December 2020, there were no reclassifications between levels of the fair value hierarchy.

NOTES TO THE CONDENSED FINANCIAL STATEMENTS (CONTINUED)

7. Financial assets held at fair value through profit or loss (continued)

Quantitative information of significant unobservable inputs – Level 3 – PECs

Description	30 June 2021 (Unaudited) €	Valuation technique	Unobservable input	Range (weighted average)
PECs	321,373,018	Adjusted Net Asset Value	Discount for lack of liquidity	0-3%

Description	31 December 2020 (Audited) €	Valuation technique	Unobservable input	Range (weighted average)
PECs	341,742,461	Adjusted Net Asset Value	Discount for lack of liquidity	0-3%

The Board believes that it is appropriate to measure the PECs at the NAV of the investments held at the Investment Vehicle, adjusted for discount for lack of liquidity if necessary. The Board has concluded that no adjustment was necessary in the current period (31 December 2020: none).

The net asset value of the Investment Vehicle attributable to each PEC unit is €1.1685 (31 December 2020: €1.0793).

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

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

As at 30 June 2021 (Unaudited)

Description	Input	Sensitivity used	Effect on fair value €
PECs	Discount for lack of liquidity	3%	(9,641,191)

As at 31 December 2020 (Audited)

Description	Input	Sensitivity used	Effect on fair value €
PECs	Discount for lack of liquidity	3%	(10,252,274)

The sensitivity applied in the analysis above reflects the possible impact of the worst case scenario in the 0-3% (2020: 0-3%) range that is applicable to the discount for lack of liquidity. Please refer to note 2.4 of the 2020 Annual Financial Report for valuation methodology of PECs.

The following tables on pages 38 to 41, detail the investment holding of the Company at the Investment Vehicle level, categorising these assets according to the fair value hierarchy in accordance with IFRS 13 and detailing the quantitative information of significant unobservable inputs of the Level 3 investments held. The below disclosure has been included to provide an insight to shareholders of the asset class mix held by the Investment Vehicle portfolio. It is important to note that as at 30 June 2021, the Company held a 60.17% (31 December 2020: 58.71%) interest in the net assets of the Investment Vehicle. This disclosure has not been apportioned according to the Company's pro rata share of net assets, as the Board believes to do so would be misleading and not an accurate representation of the Company's investment in the Investment Vehicle.

NOTES TO THE CONDENSED FINANCIAL STATEMENTS (CONTINUED)

7. Financial assets held at fair value through profit or loss (continued)

The below information regarding the financial assets at fair value through profit or loss for the Investment Vehicle has been included for information purposes only.

Financial assets and liabilities at fair value through profit or loss – (for Investment Vehicle)

	30 June 2021 (Unaudited)			
Financial assets	Level 1 €'000	Level 2 €'000	Level 3 €'000	Total €'000
Equity securities				
Equities and warrants	–	–	7,955	**7,955**
Debt securities				
Corporate bonds and other debt securities	184,826	391,699	95,990	**672,515**
CLOs including ABSs	–	–	32,501	**32,501**
Derivative financial instruments				
Forward currency contracts	–	2,988	–	**2,988**
Total	**184,826**	**394,687**	**136,446**	**715,959**
Financial liabilities				
Corporate bonds and other debt securities sold short	–	–	–	**–**
Total	**–**	**–**	**–**	**–**

The carrying amounts of financial assets and financial liabilities at amortised cost and PECs continued to approximate their fair values as at 30 June 2021.

	31 December 2020 (Audited)			
Financial assets	Level 1 €'000	Level 2 €'000	Level 3 €'000	Total €'000
Equity securities				
Equities and warrants	–	–	12,304	**12,304**
Debt securities				
Corporate bonds and other debt securities	120,117	437,402	102,919	**660,438**
CLOs including ABSs	–	-	34,907	**34,907**
Forward currency contracts	–	4,599	–	**4,599**
Total	**120,117**	**442,001**	**150,130**	**712,248**
Financial liabilities				
Corporate bonds and other debt securities sold short	–	–	–	–
Total	**–**	**–**	**–**	**–**

The carrying amounts of financial assets and financial liabilities at amortised cost and PECs continued to approximate their fair values as at 31 December 2020.

NOTES TO THE CONDENSED FINANCIAL STATEMENTS (CONTINUED)

7. Financial assets held at fair value through profit or loss (continued)

Transfers between Level 2 and Level 3 – (for Investment Vehicle)

Overall, in the period to 30 June 2021, the Leveraged Loan and High Yield markets continued to function well. Despite the fact that COVID-19 was still impacting European economies, the Investment Manager did not identify any new or additional risks that could impact liquidity in the secondary market.

As of 30 June 2021, following further developments in the liquidity of certain debt securities, investments of the Investment Vehicle with a market value of EUR 3.2 million as at 31 December 2020 were reclassified from Level 2 to Level 3 (31 December 2020: EUR 50.2 million) and EUR Nil were reclassified from Level 1 to Level 3 (31 December 2020: EUR 9.5 million). There were also investments with a market value of EUR 20.5 million as at 31 December 2020 that were reclassified from Level 3 to Level 2 (31 December 2020: EUR 32.9 million).

Level 3 reconciliation – (for Investment Vehicle)

The following table shows a reconciliation of all movements in the fair value of financial instruments categorised within Level 3 between the beginning and the end of the reporting year.

	Equities and Warrants €'000	Corporate bonds and other debt securities €'000	CLOs (including ABSs) €'000	Total €'000
Balances as at 1 January 2020 (Audited)	**16,315**	**115,933**	**41,999**	**174,247**
Total (losses)/gains in Statement of Comprehensive Income during the year	(3,014)	(17,029)	(1,467)	(21,510)
Purchases/Subscriptions	3,696	45,938	19,205	68,839
Sales/Redemptions	(5,803)	(67,614)	(24,830)	(98,247)
Transfers into and out of Level 3	1,110	25,691	–	26,801
Balances as at 31 December 2020 (Audited)	**12,304**	**102,919**	**34,907**	**150,130**
Total (losses)/gains in Statement of Comprehensive Income during the year	2,015	17,780	826	20,621
Purchases/Subscriptions	76	33,878	6,099	40,053
Sales/Redemptions	(6,440)	(41,280)	(9,331)	(57,051)
Transfers into and out of Level 3	-	(17,307)	–	(17,307)
Balances as at 30 June 2021 (Unaudited)	**7,955**	**95,990**	**32,501**	**136,446**
Total unrealised losses and gains at 31 December 2020 included in Statement of Comprehensive Income for assets held at the end of the year	**(7,030)**	**(19,274)**	**1,918**	**(24,386)**
Total unrealised losses and gains at 30 June 2021 included in Statement of Comprehensive Income for assets held at the end of the year	**(1,159)**	**4,102**	**324**	**3,267**

NOTES TO THE CONDENSED FINANCIAL STATEMENTS (CONTINUED)

7. Financial assets held at fair value through profit or loss (continued)

Quantitative information of significant unobservable inputs – Level 3 – (for Investment Vehicle)

Description	30 June 2021 €'000	Valuation technique	Unobservable input	Range (weighted average
Equities and warrants	1,217	Market multiples	Average EBITDA multiple of peers including discount to average multiple	5.5x
Equities and warrants	3,431	Cash projection and net present value	Discount rate on projected cash	15%
Equities and warrants	3,307	Broker quotes/ other quotes	Specific valuations of the industry: expert valuation	N/A
Corporate bonds and other debt securities	95,990	Broker quotes/ Market multiples/ Discounted Cash Flow	Cost of market transactions/ Multiple of listed companies/ Management information	N/A
CLOs (including ABSs)	32,501	Broker quotes/ other methods	Specific valuations of the industry: expert valuation	N/A

Description	31 December 2020 €'000	Valuation technique	Unobservable input	Range (weighted average
Equities and warrants	1,500	Market multiples	Average EBITDA multiple of peers including discount to average multiple	5.7x
Equities and warrants	2,795	Cash projection- and net present value	Discount rate on projected cash	15%
Equities and warrants	8,009	Broker quotes/ other methods	Specific valuations of the industry: expert valuation	N/A
Corporate bonds and other debt securities	102,919	Broker quotes/ Market multiples/ Discounted Cash Flow	Cost of market transactions/ multiple of listed companies/ management information	N/A
CLOs (including ABSs)	34,907	Broker quotes/ other methods	Specific valuations of the industry: expert valuation	N/A

The board of the Investment Vehicle and the Investment Vehicle Manager have valued the CLO positions at bid-price as at 30 June 2021 and 31 December 2020, as they believe this is the most appropriate value for these positions. The board of the Investment Vehicle and the Investment Vehicle Manager believe that where certain credit facilities are classified as Level 3 due to limited number of broker quotes, there is still sufficient supporting evidence of liquidity to value these at an undiscounted bid price.

NOTES TO THE CONDENSED FINANCIAL STATEMENTS (CONTINUED)

7. Financial assets held at fair value through profit or loss (continued)

Sensitivity analysis to significant changes in unobservable inputs within Level 3 hierarchy – Level 3 – (for Investment Vehicle)

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

Description	Input	Sensitivity used	Effect on fair value in €'000 (Unaudited)
Equities and warrants	Average EBITDA multiple of peers including discount to average multiple	1x	2,591 / (1,217)
Equities and warrants	Discount rate on projected cash flows	1%	102 / (131)
Equities and warrants	Discount to broker quotes/valuation method	20%	661 / (661)
Corporate bonds and other debt securities	Discount to broker quotes/valuation method	10%	9,599/ (9,599)
CLOs (including ABSs)	Discount to broker quotes/other methods	20%	6,500/ (6,500)

The significant unobservable inputs used in the fair value measurement categorised within Level 3 of the fair value hierarchy together with a quantitative sensitivity analysis as at 31 December 2020 are as shown below:

Description	Input	Sensitivity used	Effect on fair value in EUR'000 (Audited)
Equities and warrants	Average EBITDA multiple of peers including discount to average multiple	1x	2,565 / (1,500)
Equities and warrants	Discount rate on projected cash flows	1%	96/(131)
Equities and warrants	Discount to broker quotes/valuation method	20%	1,386/(1,386)
Corporate bonds and other debt securities	Discount to broker quotes/valuation method	10%	10,292/(10,292)
CLOs (including Asset Backed Securities)	Discount to broker quotes/other methods	20%	6,981/(6,981)

NOTES TO THE CONDENSED FINANCIAL STATEMENTS (CONTINUED)

8. Payables

	30 June 2021 (Unaudited) €	31 December 2020 (Audited) €
Advisor fees	46,175	36,313
Auditor's fees	43,598	33,257
Administration fees	22,535	16,339
Other payables	30,034	32,381
Total payables	**142,342**	**118,290**

9. Contingent liabilities

As at 30 June 2021, the Company had no contingent liabilities or commitments (31 December 2020: none).

10. Stated capital

	Number of shares 30 June 2021 (Unaudited) €	Stated capital 30 June 2021 (Unaudited) €	Number of shares 30 June 2020 (Unaudited) €	Stated capital 30 June 2020 (Unaudited) €
Management Shares	2	–	2	–

Management Shares

Management Shares are non-redeemable, have no par value and no voting rights, and also no profit allocated to them for the earnings per share calculation.

11. Ordinary Shares

	Number of shares[1] 30 June 2021 (Unaudited) €	Stated capital 30 June 2021 (Unaudited) €	Number of shares[1] 30 June 2020 (Unaudited) €	Stated capital 30 June 2020 (Unaudited) €
Euro Shares	120,826,246	122,608,023	128,296,074	129,788,434
Sterling Shares	157,307,085	202,089,269	233,781,473	275,201,900
Total	**278,133,331**	**324,697,292**	**362,077,547**	**404,990,334**

[1] Excludes 31,330,155 (30 June 2020: 10,278,799) Euro Shares and 206,914,214 (30 June 2020: 141,774,763) Sterling Shares held as treasury shares.

NOTES TO THE CONDENSED FINANCIAL STATEMENTS (CONTINUED)

11. Ordinary Shares (continued)

	Total[1] (Unaudited) €
Balance as at 1 January 2021	**364,352,318**
Issue of ordinary shares	–
Subscriptions arising from conversion of ordinary shares	8,533,895
Redemption payments arising from conversion of ordinary shares	(8,636,567)
Redemption payments arising from quarterly tenders of ordinary shares	(48,192,223)
Foreign currency exchange loss on ordinary shares	8,639,869
Balance as at 30 June 2021	**324,697,292**

[1] Excludes treasury shares.

	Total[1] (Unaudited) €
Balance as at 1 January 2020	**538,570,092**
Issue of ordinary shares	352,205
Subscriptions arising from conversion of ordinary shares	2,048,110
Redemption payments arising from conversion of ordinary shares	(2,073,047)
Redemption payments arising from quarterly tenders of ordinary shares	(114,259,312)
Foreign currency exchange gain on ordinary shares	(19,647,714)
Balance as at 30 June 2020	**404,990,334**

[1] Excludes treasury shares.

The Company has two classes of ordinary shares, being Euro Shares and Sterling Shares.

Each Euro Share holds 1 voting right, and each Sterling Share holds 1.17 voting rights.

As at 30 June 2021, the Company had 152,156,401 (inclusive of 31,330,155 treasury shares) (31 December 2020: 145,367,525 (inclusive of 20,598,771 treasury shares)) Euro Shares and 364,221,299 Sterling Shares in issue (inclusive of 206,914,214 treasury shares) (31 December 2020: 369,776,643 (inclusive of 174,947,441 treasury shares)).

Sale of treasury shares

No treasury share sales were undertaken during the period ended 30 June 2021 (during the period ended 30 June 2020, the Company completed the sale of 350,000 Euro treasury shares generating gross proceeds of €352,205 and net proceeds of €348,681 after taking into account issue costs of €3,524).

NOTES TO THE CONDENSED FINANCIAL STATEMENTS (CONTINUED)

11. Ordinary shares (continued)

Voluntary conversion

The Company offers a monthly conversion facility pursuant to which holders of ordinary shares of one class may convert such shares into ordinary shares of any other class, subject to regulatory considerations.

Such conversion will be effected on the basis of the ratio of the NAV per class to be converted (calculated in Euro less the costs of effecting such conversion and adjusting any currency hedging arrangements and taking account of dividends resolved to be paid), to the NAV per class of the shares into which they will be converted (also calculated in Euro), in each case on the relevant conversion calculation date being the first business day of the month. During the period, 1,000,000 (30 June 2020: 729,704) Euro Shares were converted into 796,589 (30 June 2020: 602,084) Sterling Shares and 4,068,933 (30 June 2020: 1,355,238) Sterling Shares were converted into 4,942,957 (30 June 2020: 1,660,373) Euro Shares.

Treasury share convertor mechanism

At the 2016 Annual General Meeting the Company requested, and received, shareholder approval to create a mechanism whereby treasury shares held by the Company be converted from one currency denomination to another in accordance with the procedure set out in the Articles. As the conversion cannot take place while the treasury shares are held by the Company, it was proposed that a facility be created so that some or all of the treasury shares be sold to a related party, who would be willing to facilitate the conversion of the treasury shares from one currency denomination to another. The treasury share convertor mechanism was put in place to provide the Company with a means of converting one class into another to meet demand in the market from time to time.

Accordingly, on the 11 September 2017, the Company established the CCPEOL Purpose Trust (the "Trust"), a business purpose trust established under Jersey law. The purpose of the Trust is the facilitation of the conversion of the treasury shares by the incorporation of a company, the Conversion Vehicle, who would purchase treasury shares from the Company, convert them into shares of the other currency denomination and sell those converted shares back to the Company. The Chairman of the Company was appointed as the Enforcer of the Trust.

The treasury share convertor mechanism was not utilised during the periods ended 30 June 2021 or 30 June 2020.

Contractual Quarterly Tender facility

As the Company has been established as a closed-ended vehicle, there is no right or entitlement attaching to the ordinary shares that allows them to be redeemed or repurchased by the Company at the option of the shareholder.

The Company has, however, established a Contractual Quarterly Tender facility that enables shareholders to tender their shares in the Company in accordance with a stated contracted mechanism.

The Directors believe that the Company's Contractual Quarterly Tender facility provides shareholders with additional liquidity when compared with other listed closed-ended investment companies.

The offer of Contractual Quarterly Tenders is subject to annual shareholder approval and subject to the terms, conditions and restrictions as set out in the prospectus. The Company is subject to annual shareholder approval to tender each quarter for up to 24.99 per cent. of the shares of such class in issue at the relevant quarter record date, (being the date on which the number of shares then in issue will be recorded for the purposes of determining the restrictions), subject to a maximum annual limit of 50 per cent. of the shares of such class in issue.

NOTES TO THE CONDENSED FINANCIAL STATEMENTS (CONTINUED)

11. Ordinary shares (continued)

Contractual Quarterly Tender facility (continued)

After further consideration, including the COVID-19 pandemic, the Board considered it prudent to include additional powers in respect of the Company's Contractual Quarterly Tenders to enable the Board to:

- Reduce the maximum number of shares that may be tendered for purchase in any quarter below the current limit of 24.99% of the shares in issue at the relevant tender record date;
- Alter the timetable or any part thereof prospectively in respect of any quarter or quarters at any time; and
- Suspend any Contractual Quarterly Tender or the completion of any Contractual Quarterly tender for one or more quarters at any time.

These additional powers first received shareholder approval at the Company's 2020 AGM on 1 May 2020, in respect of the Company's Contractual Quarterly Tenders from June 2020 to March 2021. The same additional powers were put forward for, and received, shareholder approval at the Company's 2021 AGM on 22 April 2021, in respect of the Company's Contractual Quarterly Tenders from June 2021 to March 2022. The Board intends to only use these powers when it considers it appropriate and in response to the developing situation in connection with the COVID-19 pandemic. The Board has not exercised these additional powers to date.

It is important to note that Contractual Quarterly Tenders, if made, are contingent upon certain factors including, but not limited to, the Company's ability to finance tender purchases through submitting redemption requests to the Investment Vehicle to redeem a pro rata amount of Company Investment Vehicle Interests.

Factors, including restrictions at the Investment Vehicle level on the amount of PECs which can be redeemed, may mean that sufficient Company Investment Vehicle Interests cannot be redeemed and, consequently, tender purchases in any given quarter may be scaled back on a pro rata basis.

Shareholders should therefore have no expectation of being able to tender their shares to the Company successfully on a quarterly basis.

In addition to the Contractual Quarterly Tender facility, the Directors seek annual shareholder approval to grant them the power to make ad hoc market purchases of shares. If such authority is subsequently granted, the Directors will have complete discretion as to the timing, price and volume of shares to be purchased. Shareholders should not place any reliance on the willingness or ability of the Directors so to act.

In the absence of the availability of the Contractual Quarterly Tender facility shareholders wishing to realise their investment in the Company will be required to dispose of their shares on the stock market.

Accordingly, shareholders' ability to realise their investment at any particular price and/or time may be dependent on the existence of a liquid market in the shares.

Liquidity risks associated with the Contractual Quarterly Tender facility are set out in note 8.2 of the 2020 Annual Financial Report.

During the period 10,731,384 (30 June 2020: 4,260,209) Euro Shares and 31,966,773 (30 June 2020: 91,667,625) Sterling Shares were redeemed as part of the Contractual Quarterly Tender facility and subsequently held by the Company in the form of treasury shares. Refer to page 14 for details. Treasury shares do not carry any right to attend or vote at any general meeting of the Company. In addition, the Contractual Quarterly Tenders and the voluntary conversion facility are not available in respect of Treasury shares.

NOTES TO THE CONDENSED FINANCIAL STATEMENTS (CONTINUED)

11. Ordinary shares (continued)

Dividends

The ordinary shares of each class carry the right to receive all income of the Company attributable to such class of ordinary share, and to participate in any distribution of such income made by the Company and within each such class such income shall be divided pari passu among the shareholders in proportion to the shareholdings of that class.

Please refer below for amounts recognised as dividend distributions to ordinary shareholders in the periods ended 30 June 2021 and 31 December 2020.

	Ex-dividend date	Payment date	£ equivalent	€
Euro - €0.01125 per share[1]	04/02/2021	26/02/2021		1,371,742
Sterling - £0.01125 per share[1]	04/02/2021	26/02/2021	1,911,608	2,202,800
Euro - €0.01125 per share[1]	06/05/2021	28/05/2021		1,327,003
Sterling - £0.01125 per share[1]	06/05/2021	28/05/2021	1,795,612	2,069,134
				6,970,679
Euro - €0.01375 per share[2]	06/02/2020	28/02/2020		1,779,806
Sterling - £0.01375 per share[2]	06/02/2020	28/02/2020	3,422,457	3,850,776
Euro - €0.01375 per share[2]	14/05/2020	05/06/2020		1,773,850
Sterling - £0.01375 per share[2]	14/05/2020	05/06/2020	3,206,426	3,607,710
Euro - €0.01000 per share[2]	06/08/2020	28/08/2020		1,241,591
Sterling - £0.01000 per share[2]	06/08/2020	28/08/2020	2,063,199	2,321,408
Euro - €0.01125 per share[2]	12/11/2020	04/12/2020		1,372,756
Sterling - £0.01125 per share[2]	12/11/2020	04/12/2020	2,217,922	2,495,496
				18,443,393

Please refer to note 14 for further information subsequent to the reporting period.

[1] Recognised in the period ended 30 June 2021

[2] Recognised in the year ended 31 December 2020

NOTES TO THE CONDENSED FINANCIAL STATEMENTS (CONTINUED)

11. Ordinary shares (continued)

Dividends (continued)

Profit/(loss) per share

	30 June 2021 (Unaudited) £ equivalent	30 June 2021 (Unaudited) €	31 December 2020 (Unaudited) £ equivalent	31 December 2020 (Unaudited) €
Euro Shares				
Increase/(decrease) in net assets for the period	–	8,137,492	–	(15,802,414)
Basic and diluted profit/(loss) per share	–	0.066965	–	(0.121790)
Sterling Shares				
Increase/(decrease) in net assets for the period	9,763,543	11,372,574	(28,349,514)	(31,212,814)
Basic and diluted profit/(loss) per share	0.057491	0.066965	(0.110617)	(0.121790)

Profit/(loss) per share has been calculated on a weighted average basis. The weighted average number of ordinary shares held during the period ended 30 June 2021 was 291,346,915 (2020: 386,035,834), comprising 121,518,453 (2020: 129,751,531) Euro Shares and 169,828,461 (2020: 256,284,303) Sterling Shares.

There have been no new share issues of the Company's Euro or Sterling Shares between 30 June 2021 and 29 September 2021.

12. Net asset value per share

	30 June 2021 (Unaudited) £ equivalent	30 June 2021 (Unaudited) €	31 December 2020 (Audited) £ equivalent	31 December 2020 (Audited) €
Euro Shares				
NAV	–	123,548,339	–	120,487,361
NAV per ordinary share	–	1.0225	–	0.9657
Sterling Shares				
NAV	172,430,414	200,846,947	200,656,354	224,052,886
NAV per ordinary share	1.0961	1.2768	1.0299	1.1500
Net assets attributable to shareholders	**–**	**324,395,286**	**-**	**344,540,247**

NAV per share has been calculated based on the share capital in issue as at period end, excluding shares held in treasury. The issued share capital as at 30 June 2021 comprised of 120,826,246 Euro Shares (31 December 2020: 124,768,754) and 157,307,085 Sterling Shares (31 December 2020: 194,829,202).

NOTES TO THE CONDENSED FINANCIAL STATEMENTS (CONTINUED)

13. Related party disclosure

The Directors are entitled to remuneration for their services and all Directors hold Sterling shares in the Company. Please refer to note 6 for further detail.

No transactions between the Company and the Trust and Conversion Vehicle occurred during the period ended 30 June 2021.

Richard Boleat acts as the Enforcer of the Trust, a business purpose trust established under Jersey law and settled by the Company. The role has arisen as a result of the implementation of the resolution passed at the Company's Annual General Meeting on 4 April 2016 which authorised the Company to make arrangements to enable the conversion of treasury shares held by the Company from time to time from one currency denomination to another. The position is unremunerated and represents an alignment of interests with those of the Company.

14. Events after the reporting period

Management has evaluated subsequent events for the Company through 29 September 2021, the date the financial statements were available to be issued, and has concluded that the material events listed below do not require adjustment of the condensed financial statements.

June 2021 Contractual Quarterly Tender

In accordance with the announcement made on 14 May 2021 where the Company announced it had received applications from shareholders to tender 1,732,113 Sterling Shares and 3,468,577 Euro Shares under the June 2021 Contractual Quarterly Tender, the Company, on 21 July 2021, announced a tender price per share of £1.0861 and €1.0125 respectively. On 16 August 2021, the June 2021 Contractual Quarterly Tender completed with 1,732,113 Sterling Shares and 3,468,577 Euro Shares being repurchased and transferred into the Company's name and held as treasury shares.

September 2021 Contractual Quarterly Tender

On 11 August 2021, the Company announced it had received applications from shareholders to tender 290,323 Euro Shares and 9,402,308 Sterling Shares under the September 2021 Contractual Quarterly Tender.

Dividend declaration

On 29 July 2021, the Company declared a dividend of €0.01125 per Euro Share and £0.01125 per Sterling Share to shareholders on the register as at 27 August 2021, having an ex-dividend date of 6 August 2021.

July ordinary share conversion

On 18 June 2021, the Company announced it had received applications from shareholders to convert 545 Euro Shares into Sterling Shares on 30 July 2021. On 26 July 2021, the Company subsequently announced the applicable conversion ratio was 0.80 Sterling Shares per Euro Share and that an application will be made for the admission of 436 Sterling Shares to the Official List of the UKLA and to be admitted to trading on the main market of the London Stock Exchange. Dealings in the shares will commence on 30 July 2021.

NOTES TO THE CONDENSED FINANCIAL STATEMENTS (CONTINUED)

14. Events after the reporting period (continued)

August ordinary share conversion

On 20 July 2021, the Company announced it had received applications to convert 1,000,000 Euro Shares into Sterling Shares on 31 August 2021. On 24 August 2021, the Company subsequently announced the applicable conversion ratio was 0.795401 Sterling Shares per Euro Share and that an application will be made for the admission of 795,401 Sterling Shares to the Official List of the UKLA and to be admitted to trading on the main market of the London Stock Exchange. Dealing in the shares will commence on 31 August 2021.

September ordinary share conversion

On 18 August 2021, the Company announced it had received applications to convert 625,017 Euro Shares to Sterling Shares on 30 September 2021. On 22 September 2021, the Company subsequently announced the applicable conversion ratio was 0.798954 Sterling Shares per Euro Share and that an application will be made for the admission of 499,360 Sterling Shares to the Official List of the UKLA and to be admitted to trading on the main market of the London Stock Exchange. Dealings in the shares will commence on 30 September 2021.

Directorate Change

On 18 August 2021, the Company announced that David Wood, a Non-Executive Director of the Company, had given notice that, with effect from 31 August 2021, he would be stepping down from his role on the board of directors of the Company.

15. Controlling party

In the Directors' opinion, the Company has no ultimate controlling party.

SUPPLEMENTAL FINANCIAL INFORMATION

The below information details the information presented in charts and graphs on pages 4 and 5.

Dividend history

Year ended	Total dividend paid per Euro Share	Total dividend paid per Sterling Share
2014	€0.03500	£0.03500
2015	€0.05000	£0.05000
2016[1]	€0.06250	£0.06250
2017[2]	€0.05250	£0.05250
2018	€0.05500	£0.05500
2019	€0.05500	£0.05500
2020	€0.04875	£0.04875

The Company declared and paid dividends totalling €0.0225 per Euro Share and £0.0225 per Sterling Share during the six months ended 30 June 2021.

Alternative performance measures disclosure

In accordance with ESMA Guidelines on APMs the Board has considered what APMs are included in the Annual Financial Report and financial statements which require further clarification. An APM is defined as a financial measure of historical or future financial performance, financial position, or cash flows, other than a financial measure defined or specified in the applicable financial reporting framework. APMs included in the financial statements, which are unaudited and outside the scope of IFRS, are deemed to be as follows:

NAV total return vs benchmark

The NAV total return measures how the NAV per Euro Share and Sterling Share has performed over a period of time, taking into account both capital returns and dividends paid to shareholders. The Company quotes NAV total return as a percentage change from a certain point in time, such as the initial issuance of Euro and Sterling Shares or the beginning of the period, to the latest reporting date, being 30 June 2021 in this instance. It assumes that dividends paid to shareholders are reinvested back into the Company therefore future NAV gains are not diminished by the paying of dividends.

The Board monitors the Company NAV total return against the Credit Suisse Western European High Yield Index (hedged in Euros) Total Return and Credit Suisse Western European Leveraged Loan Index (hedged in Euros) Total Return. The total return results for both the Company's NAV and the benchmark over certain time periods are presented below:

Total Return	3 Months	6 Months	12 Months	Since inception
Euro NAV Total Return[3]	4.11%	8.31%	20.33%	48.71%
Sterling NAV Total Return[3]	4.28%	8.70%	21.40%	57.84%
Credit Suisse Western European High Yield Index (hedged in Euros) Total Return	1.63%	3.26%	11.72%	45.71%
Credit Suisse Western European Leveraged Loan Index (hedged in Euros) Total Return	1.16%	2.91%	9.52%	33.51%

SUPPLEMENTAL FINANCIAL INFORMATION (CONTINUED)

Alternative performance measures disclosure (continued)

NAV total return vs benchmark (continued)

The Company's Euro Share and Sterling Share NAV capital return is calculated by dividing the difference between the closing NAV per share and the opening NAV per share, divided by the opening NAV per share. The income return is calculated by adding each dividend paid back to the NAV per share on the ex-div date (being the date dividends are deducted from the NAV of the Company). This amplifies the value of each dividend paid by the capital return and demonstrates the effect of reinvesting dividends back into the Company at the ex-div date. The total return is then determined by adding the capital and income return. The total return calculations for 31 June 2021 and 31 December 2020 are presented below.

2021 Euro share	30 June 2021 dividend per share	
NAV per share as at 31 December 2020		€0.96570
NAV per share as at 30 June 2021		€1.02250
Capital return		5.88%
Income return	€0.02250	2.43%
Total return		**8.31%**
Sterling share		
NAV per share as at 31 December 2020		£1.02990
NAV per share as at 30 June 2021		£1.09610
Capital return		6.43%
Income return	£0.02250	2.27%
Total return		**8.70%**

2020 Euro share	2020 Annual dividend per share	
NAV per share as at 31 December 2019		€1.00127
NAV per share as at 31 December 2020		€0.96570
Capital return		(3.56)%
Income return	€0.04875	5.27%
Total return		**1.71%**
Sterling share		
NAV per share as at 31 December 2019		£1.05340
NAV per share as at 31 December 2020		£1.02990
Capital return		(2.23)%
Income return	£0.04875	5.03%
Total return		**2.80%**

SUPPLEMENTAL FINANCIAL INFORMATION (CONTINUED)

Alternative performance measures disclosure (continued)

NAV to market price discount

The NAV per share is the value of the Company's assets, less any liabilities it has, divided by the total number of Euro and Sterling Shares. However, because the Company ordinary shares are traded on the London Stock Exchange's Main Market, the share price may be higher or lower than the NAV. The difference is known as a premium or discount. The Company's premium or discount to NAV is calculated by expressing the difference between the period end respective share class price (bid price) and the period end respective share class NAV per share as a percentage of the respective NAV per share.

At 30 June 2021, the Company's Euro Shares and Sterling Shares traded at €0.9550 (2020: €0.9000) and £1.0350 (2020: £0.9440) respectively. The Euro Shares traded at a discount of 6.60% (2020: 6.80% discount) to the NAV per Euro Share of €1.0225 (2020: €0.9657) and the Sterling Shares traded at a discount of 5.58% (2020: 8.34% discount) to the NAV per Sterling Share of £1.0961 (2020: £1.0299).

Dividend yield

The dividend per Euro and Sterling Share is expressed as a percentage of the Euro and Sterling Share price (bid price).

	30 June 2021	31 December 2020
Euro Shares		
Annual dividend per Euro Share[4]	0.04375	0.04875
Share price (bid price)	0.9550	0.9000
Dividend yield	**4.58%**	**5.42%**
Sterling Shares		
Annual dividend per Sterling Share[4]	0.04375	0.04875
Share price (bid price)	1.0350	0.9440
Dividend yield	**4.23%**	**5.16%**

[1] – As a result of the Company amending the frequency of its dividend payments to a quarterly basis rather than a semi-annual basis during 2016, shareholders received an additional €0.0125 and £0.0125 dividend per Euro and Sterling Share respectively.

[2] – During 2017, the Company increased its target annual dividend to 5.5 cents per Euro Share and 5.5 pence per Sterling Share.

[3] – The NAV total return measures how the NAV per Euro Share and Sterling Share has performed over a period of time, taking into account both capital returns and dividends paid to shareholders. The Company quotes NAV total return as a percentage change of NAV from the start of the period to the end of the period. The calculation also includes dividends paid out to shareholders and calculates the effect of reinvesting those dividends back into the Company.

[4] – Annual dividend yield per Euro Share and Sterling Share as at 30 June 2021 and 31 December 2020 is based on the four quarterly dividends announced and paid by the Company during the 12 months prior to the period end/year end as applicable.

COMPANY INFORMATION

Directors
Richard Boléat (Chairman) (appointed 20 March 2013)
Mark Tucker (appointed 20 March 2013)
Stephanie Carbonneil (appointed 21 February 2019)
David Wood (appointed 20 March 2013) (resigned 31 August 2021)

Registered Office
IFC1, The Esplanade
St Helier, Jersey
JE1 4BP

Investment Vehicle Manager
CVC Credit Partners Investment Management Limited
111 Strand, London
WC2R 0AG

Advocates to the Company (as to Jersey law)
Bedell Cristin
26 New Street
St Helier, Jersey
JE2 3RA

Corporate Services Manager
CVC Credit Partners Investment Services Management Limited
1 Waverly Place, Union Street
St Helier, Jersey
JE1 1SG

Auditor
Ernst & Young LLP
25 Churchill Place
Canary Wharf
London, E14 5EY

Corporate Brokers
Goldman Sachs International
Peterborough Court, 133 Fleet Street
London
EC4A 2BB

Winterflood Securities Limited
The Atrium Building
Cannon Bridge House
25 Dowgate Hill
London
EC4R 2GA

Administrator and Company Secretary and Custodian
BNP Paribas Securities Services S.C.A., Jersey Branch
IFC1, The Esplanade
St Helier, Jersey
JE1 4BP

BNP Paribas Securities Services S.C.A. Jersey Branch is regulated by the Jersey Financial Services Commission.

Solicitors to the Company (as to English law)
Herbert Smith Freehills LLP
Exchange House
Primrose Street
London
EC2A 2EG

Registrar
Computershare Investor Services (Jersey) Limited
13 Castle Street
St Helier
Jersey
JE1 1ES

For Investors in Switzerland:
The Prospectus, the Memorandum and Articles of Association as well as the annual and Half Yearly Financial Reports of the Company may be obtained free of charge from the Swiss Representative. In respect of the Shares distributed in and from Switzerland to Qualified Investors, the place of performance and the place of jurisdiction is at the registered office of the Swiss Representative.

Swiss Representative: FIRST INDEPENDENT FUND SERVICES LTD., Klausstrasse 33, CH-8008 Zurich, Switzerland.

Swiss Paying Agent: Helvetische Bank AG, Seefeldstrasse 215, CH-8008 Zurich, Switzerland.