CVC Income & Growth Limited

(formerly known as CVC Credit Partners European Opportunities Limited)

Annual Financial Report 31 December 2022

CVC INCOME & GROWTH LIMITED

WHY INVEST IN CVC INCOME & GROWTH?

Generating income and growing your capital

CVC Income & Growth Limited (the "Company") aims to provide shareholders with income and capital upside from a diversified portfolio of predominantly sub-investment grade European corporate debt instruments. The Company's investment policy is to invest predominantly in debt instruments issued by companies domiciled in, or with material operations in Western Europe across various industries.

CVC Credit Partners Investment Management Limited (the "Investment Vehicle Manager") has a strong track record in investing in these asset classes, which provides the Company's investors with an opportunity to benefit from rising interest rates through the largely floating rate nature of the underlying investments. The key features of the Company are its ability to provide attractive, risk-adjusted returns which include a reliable income stream, with the opportunity for enhancement of capital. The Company also offers investors additional liquidity opportunities through its share tender mechanism.

What we offer

Reliable income

The Company seeks to generate regular cash income via a stable and attractive dividend, as well as offering the potential for capital appreciation. The Company currently distributes quarterly dividends to shareholders based on a target of 7.5p/7c per GBP and EUR share respectively per annum.

Strong track record

The Company has a proven long-term track record and, since the Company's listing in 2013, has achieved a net average total return per annum of 3.58%[1] and 4.39%[1] per Euro share and Sterling share respectively.

Liquidity

In addition to the daily liquidity offered by the stock market, the Company offers shareholders alternative liquidity via a share tender mechanism. A description of the current share tender mechanism can be found on pages 101 to 102. Refer to the Company's latest tender circular, available on the Company's website (ig.cvc.com), for the detailed terms and conditions of the tender mechanism.

Interest rate protection

The Company, via Compartment A of CVC European Credit Opportunities S.à r.l. (the "Investment Vehicle"), invests mainly in loans, which are typically floating rate instruments, which offer investors an opportunity to benefit from a rising interest rate environment. We continue to believe that floating rate assets are preferable to fixed rate due to the recently witnessed increase in inflation rates.

Capital preservation

The Company's focus is on downside protection and capital preservation. The Investment Vehicle invests primarily in senior secured loans at the top of the capital structure, increasing the chance of strong recoveries in the event of a rise in defaults. The portfolio typically comprises between 90 and 100 positions in large companies diversified by geography and sector predominantly in Western Europe as well as the US.

Stability

Offering more security and less volatility than equity markets, the Company offers investors a way of accessing the wholesale corporate credit markets, typically an asset class dominated by institutional investors. Since its establishment in 1998, the Credit Suisse Leveraged Loan Index, which represents the closest index analogy to the underlying portfolio, has only had two down years, demonstrating the stability of the asset class.

WHY INVEST IN CVC INCOME & GROWTH? (CONTINUED)

What we offer (continued)

Risk-adjusted returns

The Company targets attractive risk-adjusted returns for its shareholders and has a medium-term (3-5 years) average annualised target total return of 8% per annum. The Company seeks to allocate and reallocate capital to a mix of performing senior secured loans and to issuers where the Investment Vehicle Manager perceives there to be a market-driven mispricing opportunity based on fundamental credit assessment and technical market factors. The Investment Vehicle Manager seeks relative value opportunities, meaning it is able to simultaneously target a reliable income stream while maintaining the potential to generate capital upside for shareholders.

Part of the CVC Credit Platform

The Investment Vehicle is managed by CVC Credit Partners, a leading global investment management firm with over $38.7 billion in AUM across performing credit and private credit strategies[2], allowing shareholders the opportunity to gain exposure to institutional-quality credit investments. CVC Credit Partners is part of the CVC platform, a world leader in private equity and credit investment with $142.0 billion of AUM, $189.7 billion of funds committed and a global network of 25 local offices[3].

Environmental, Social and Governance Considerations (“ESG”)

The Company has identified the growing importance of responsible investment and integrating ESG considerations into the investment process.

On 24 January 2022, the Company established an ESG Committee to oversee the ESG policies and processes adopted by the Investment Vehicle Manager to enable the integration of ESG factors into the investment process and to oversee the Company’s ESG disclosures.

The ESG Committee closely follows regulatory and legislative developments in the area of Sustainability and ESG to ensure that the Company is continually working towards improvements in disclosure of relevant ESG metrics and targets for the benefit of investors.

The Investment Vehicle utilises leverage in executing its investment strategy. As at 31 December 2022, the Investment Vehicle’s borrowings as a percentage of its NAV stood at 35.01% (31 December 2021: 30.29%).

[1] From inception to 31 December 2022.

[2] All amounts as at 31 December 2022. Commitment figure used for pooled-closed end funds and separately managed accounts in ramping phase. Includes warehouse and drawn leverage facility figures for certain investment vehicles managed by CVC Credit entities. Underlying figures not in U.S. Dollars are converted using a spot rate as at 31 December 2022. Includes managed funds, securitisation vehicles, listed vehicles, separately managed accounts and CLOs managed by CVC Credit Partners Investment Management Limited, CVC Credit Partners LLC, CVC Credit Partners European Investment Fund Management Limited, CVC Credit Partners European CLO Management LLP and CVC Credit Partners U.S. CLO Management LLC, on a discretionary and non-discretionary basis.

[3] All amounts as at 31 December 2022 for both CVC Capital and CVC Credit entities.

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SUMMARY

Key performance indicators summary

As at 31 December 2022, the Company's Euro and Sterling NAV per share was €0.8902 and £0.9796, respectively, and Euro and Sterling share price (bid price)[1] was €0.8200 and £0.9200, respectively, representing a 7.88% discount and 6.08% discount to NAV. The Company's ongoing charges ratio increased to 1.78% for the year ended 31 December 2022 since year ended 31 December 2021 (ongoing charges for the year ended 31 December 2021: 1.61%[2]). The Company paid total dividends during the year of €0.05250 per Euro Share and £0.05250 per Sterling Share, increasing the Company's dividend from 5p per annum to 6p per annum with effect from the Company's Q3 2022 dividend.

Further information in respect of the Company's key performance indicators, some of which the Board considers to be its alternative performance measures ("APMs"), can be found in the Financial Highlights and Performance Summary section on page 4, within the Executive Report on pages 20 to 21 and within the Useful Information for Shareholders on pages 107 to 112.

Significant events during the year ended 31 December 2022

- New Director appointments
- Changes to the structure of the tender mechanism
- Change to the frequency of the Company's share conversions
- Change to the name of the Company
- Changes to the Company's investment policy
- Amendments to the Company's Articles of Association
- Granting of share issuance authority to the Board

Refer to pages 16 to 18 for details regarding the significant events summarised above.

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 the society in which it operates.

Investment objective, policy and strategy

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. The Company's investment policy is to invest predominantly in debt instruments issued by companies domiciled in, 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 companies. Refer to pages 18 to 20 for the Company's full investment objective, policy and strategy.

Going concern and viability

The Directors consider it appropriate to adopt the going concern basis in preparing the financial statements and have a reasonable expectation that the Company will continue to be viable for a period of at least three years from the date of this report. Refer to pages 22 to 23 for further details.

[1] Source: Bloomberg

[2] The Company's ongoing charges are considered to be APMs which are calculated according to the methodology outlined on page 109 and differ to the ongoing costs disclosed within the Company's Key Information Documents ("KID") which follows the methodology prescribed by EU rules. For example, the ongoing costs disclosed in the Company's KID include interest expense and are based on average ongoing charges over the past three years whereas the ongoing charges ratio disclosed in this report does not include interest expense and is based on ongoing charges incurred during the year ended 2022 only. The Company's most current KID and an accompanying explanatory note reconciling the two different ratios are available on the Company's website (https://ig.cvc.com/key-information-documents/).

SUMMARY (CONTINUED)

Investment Vehicle Manager's Report

Refer to pages 9 to 15 for the Investment Vehicle Manager's Report.

Directors' remuneration, Directors' Report and Report of the Audit Committee

Vanessa Neill, a specialist consultant on sustainability, joined the Board on 11 January 2022.

Esther Gilbert, a consultant specialising in product development and process enhancement for asset managers and asset owners, joined the Board on 23 September 2022.

Following Vanessa Neill's appointment on 11 January 2022, Ms Neill will receive £42,500 per annum, being the same base fee as the other Directors, and a fee of £5,000 per annum as the Chair of the Company's ESG Committee, established on 24 January 2022. Following Ms Gilbert's appointment on 23 September 2022, Ms Gilbert will receive £42,500 per annum, being the same base fee as the other Directors.

On 29 June 2022, the Directors approved one-off payments of £10,000 per Director and £15,000 for the Chair, at the recommendation of the Nomination & Remuneration Committee, for the Directors' additional work in conjunction with the Company's Strategic Review.

Other than one-off payments above, there has been no other changes to Directors' remuneration since 1 July 2015.

As a self-managed company, the Company requires substantial time commitment from the Directors. This was taken into account when determining the Directors' fixed remuneration.

Financial statements

The Company's full financial results can be found in the accompanying financial statements on pages 74 to 106.

FINANCIAL HIGHLIGHTS AND PERFORMANCE SUMMARY

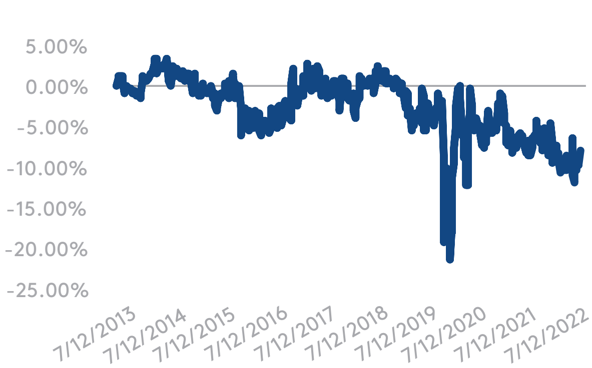
For the year under review, the NAV total return of (8.31)% (Euro) and (6.75)% (Sterling) were below the Company's medium-term average annualised total return target of +8%.

Euro Shares	Sterling Shares
NAV total return[1]	**NAV total return[1]**
31 December 2022: (8.31)%	**31 December 2022: (6.75)%**
(31 December 2021: 11.41%)	(31 December 2021: 12.17%)
Dividend Yield[2]	**Dividend Yield[2]**
31 December 2022: 6.40%	**31 December 2022: 5.71%**
(31 December 2021: 5.00%)	(31 December 2021: 4.57%)
Dividend Coverage ratio (PEC income)[3]	**Dividend Coverage ratio (PEC income)[3]**
31 December 2022: 1.07	**31 December 2022: 1.13**
(31 December 2021:1.01)	(31 December 2021:1.24)
Dividend Coverage ratio (Coupon income)[4]	**Dividend Coverage ratio (Coupon income)[4]**
31 December 2022: 1.57	**31 December 2022: 1.68**
(31 December 2021:1.49)	(31 December 2021:1.70)
Discount[5]	**Discount[5]**
31 December 2022: 7.88%	**31 December 2022: 6.08%**
(31 December 2021: 7.46%)	(31 December 2021: 5.95%)
Share price[6,7]	**Share price[6,7]**
31 December 2022: €0.8200	**31 December 2022: £0.9200**
(31 December 2021: €0.9500)	(31 December 2021: £1.0400)
NAV per Share	**NAV per Share**
31 December 2022: €0.8902	**31 December 2022: £0.9796**
(31 December 2021: €1.0266)	(31 December 2021: £1.1058)

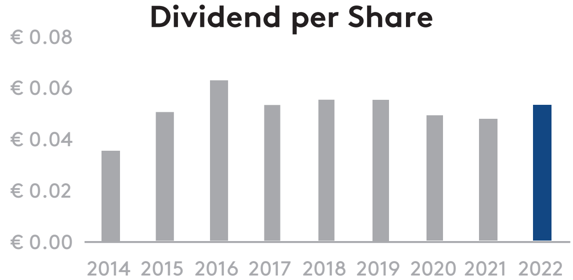
FINANCIAL HIGHLIGHTS AND PERFORMANCE SUMMARY (CONTINUED)

Euro Share Class

Premium / Discount[5]

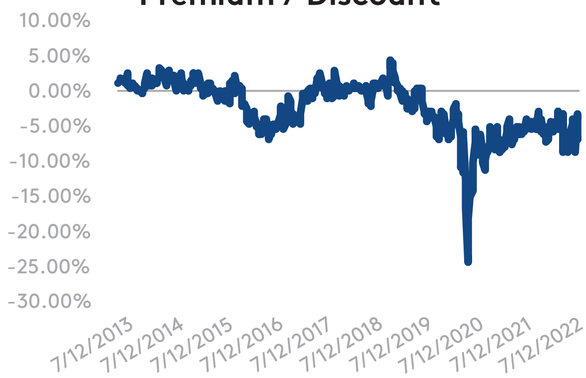


Dividend per Share

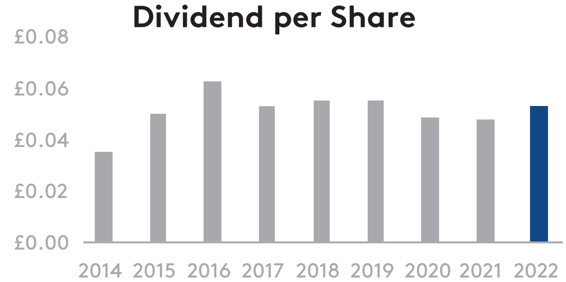


Sterling Share Class

Premium / Discount[5]

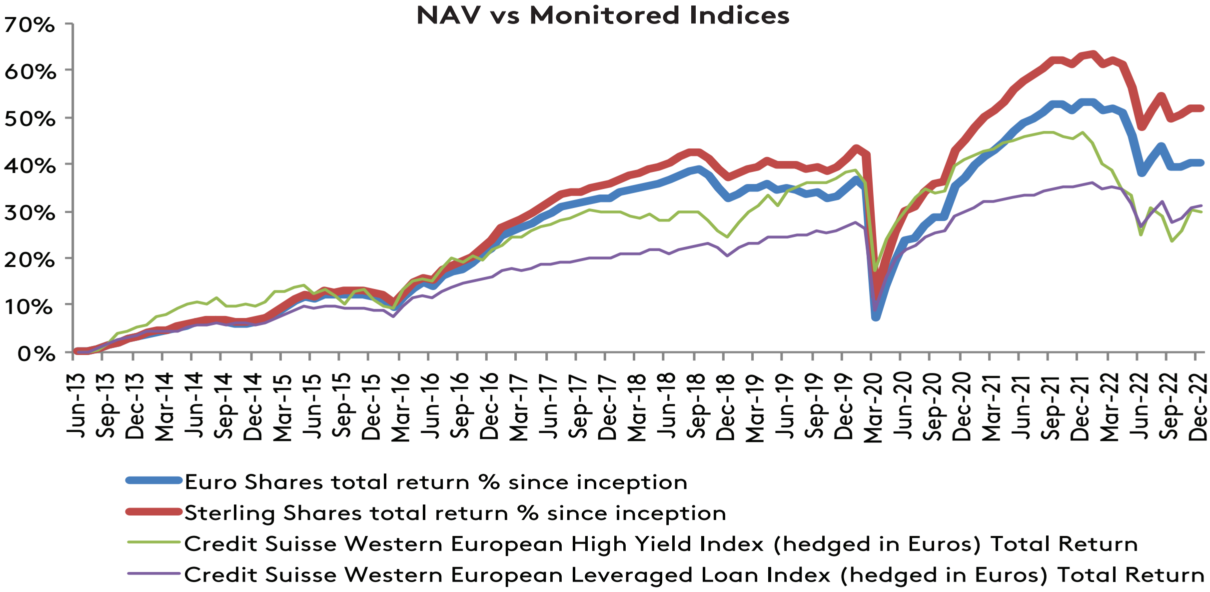


Dividend per Share



The average discount since inception in 2013 for the Euro share and Sterling share is 2.76% and 2.89% respectively.

NAV vs Monitored Indices



For further information on the Company's dividend history and total return metrics, please refer to the supplementary financial information section on page 107.

[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. This is a Key Performance Indicator ("KPI"), refer to page 20 for further details on how NAV total return is calculated.

[2] Dividend yield expresses the return that dividends represent as a percentage of the Company's share price. Refer to page 111 for further details on how dividend yield is calculated.

[3] Dividend cover ratio calculated as the PEC income per share divided by the dividend per Euro and Sterling Share expressed as a ratio.

[4] Dividend cover ratio calculated as the coupon income received by the Investment Vehicle for the Series 4 and 5 of Compartment A per share divided by the dividend per Euro and Sterling Share expressed as a ratio.

[5] 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. This is a KPI, refer to page 21 for further details on how the discount or premium is calculated.

[6] Bid price

[7] Source: Bloomberg

STRATEGIC REPORT
CHAIRMAN'S STATEMENT

Introduction

I am pleased to have the opportunity to report to you on the Company's performance and activities in respect of the year ended 31 December 2022, to look forward to 2023, and to provide some commentary on recent market events.

Performance

2022 was a difficult year for many risk asset classes as central banks entered a monetary policy tightening phase in response to accelerating and increasingly persistent inflation. The full year performance for the Euro and Sterling share classes showed net asset value per share declines of 11.41% and 13.29% respectively. The detailed background to those performance numbers is covered in great detail in the Investment Vehicle Manager's report, and I will not repeat that historic background here. The Company's shares responded accordingly, as shown in the below table:

	Euro Shares	Sterling Shares
Opening share price – 31 December 2021	0.9500	1.0400
Closing share price – 31 December 2022	0.8200	0.9200
Fall in nominal terms	0.1300	0.1200
Fall in percentage terms	13.68%	11.54%
Opening discount to NAV	7.46%	5.95%
Closing discount to NAV	7.88%	6.08%

Through February 2023, however, performance has been significantly positive, with year to date gains in net asset value per share at €0.0417 (4.68%) (EUR class) and £0.0404 (4.12%) (GBP class), with the Sterling share price discount to net asset value being largely eliminated. More on the reasons for this below.

Current Market Conditions and Outlook

As I indicated in my statement accompanying the semi-annual results to 30 June 2022, I believe the current market conditions are inherently attractive for the Company. I indicated that the combination of increased credit spreads, taken together with increasing risk free rates on offer by central banks, drive current yield on the underlying investment vehicle portfolio to levels not seen for many years. At 28th February 2023, being the most recent published data available, yield to maturity of the underlying Investment Vehicle portfolio was 17.3% (€ hedged) / 19.0% (GBP hedged) and running cash yields of 11.5% (EUR hedged) /13.1% (GBP hedged) are being achieved. These are very significant numbers. Floating rate instruments at that date comprised 83.2% of the portfolio. Current economic conditions and inflation data appear to indicate, both in Europe and the United States, a "higher for longer" expectation for risk free rates, thus indicating continual favourable conditions for the underlying portfolio as the Investment vehicle Manager continued to deploy capital to fresh positions with "built in" higher all-in rates.

Recent events in the banking sectors, both in the US and Europe, of course deserve special mention. The root causes of the failure of Silicon Valley Bank, and the difficulties faced by First Republic, are US centric, complex, technical and do not warrant comment here other than to note that we assess them as having no direct or indirect effect on the Investment Vehicle portfolio or our chosen asset class environment as a while. Credit Suisse's troubles are different, more driven by long terms problems in the senior management of the organisation, and whilst call into question the commercial viability of the organisation as a whole, do not call into question its solvency. So far so good. The difficulty, if there is one, is that banking sector stress generally drives tighter credit conditions. Tighter conditions are per se attractive for the Company, as they drive

STRATEGIC REPORT (CONTINUED)
CHAIRMAN'S STATEMENT (CONTINUED)

Current Market Conditions and Outlook (continued)

credit spreads higher, feeding through positively to the yield to maturity and running cash yields that I mentioned earlier. The inverse of this is that central bank reactions are naturally to adopt an easing bias when considering the direction of future risk-free rates. Currently, and has been observed by many economic commentators, central banks will struggle to position this way given that they have arguably fallen behind the curve in seeking to tame inflation through increases in risk-free rates, and would need to keep such rates higher for longer in order to have the desired monetary policy effects. Chris Giles wrote in the Financial Times just before Christmas that central bankers will, in 2023, need "nerves of steel and the hides of rhinos". They face significantly greater difficulties now.

I mention all of this because I am sure that investors in the Company will want to understand how the Board sees the short to medium term future given recent events. Our base case, which is that relevant risk-free rates will remain at or around current levels through 2022, and credit spreads will remain elevated, remains unchanged.

When I say "relevant", I exclude UK rates, which are likely to show a materially softer performance than other developed markets due to the ongoing damage caused by the effects of Brexit and government missteps, because the underlying portfolio's geographical exposure to the UK is only 28% of the whole, and in practice is even less than that, given that both Doncasters and Wella, being both UK issuers and totalling together 8.75% of the portfolio at 28th February 2023, are global businesses with only a small fraction of their revenues being earned in the UK.

A necessary caveat to our base case is that it would not be surprising to see further pockets of stress arising in other parts of the financial markets, particularly within more highly leveraged market participants, which could exacerbate the dilemmas facing central banks and upend markets again, with unforeseeable consequences. Investors should be alive to this and monitor markets carefully in order to ensure that their portfolios are properly positioned and nimble.

Corporate Activities & Liquidity

The Company's structural changes which were announced, voted on and implemented in the first half of 2022 have now bedded down and are operating as expected. No further material changes are envisaged, and no special business will be introduced at this year's Annual General Meeting.

Distribution Policy

Shareholders will have seen a number of recent announcements by the Company in relation to distribution policy. The continued positive trends in the yield metrics that I mentioned above have enabled the Board to again raise the Company's quarterly dividend and also to pay a specially enhanced dividend in respect of the fourth quarter of 2022. At the current nominal target dividend levels of 7.0c per Euro share and 7.5p per Sterling share for 2023, the Company's Euro and Sterling shares offer a cash yield of around 8% and 7.5% respectively. No changes to these levels are anticipated for at least the next 12 months.

Conclusion

These are very positive times for the Company, and the Board is excited by current prospects. That said, we are keeping a close eye on the financial system and its key actors.

Beyond what I have set out above, the Company's Directors have also been active, as always, in a number of key corporate areas, including enhancing the Company's approach to responsible investing, dealing with auditor tenders, and considering the current's Board's composition and tenure. I urge you to read the individual reports which cover these matters in more detail. I would like to take the opportunity to thank my co-Directors, the portfolio management team at the

STRATEGIC REPORT (CONTINUED)
CHAIRMAN'S STATEMENT (CONTINUED)

Conclusion (continued)

Investment Vehicle Manager, our advisors and investment bankers for their wise counsel, hard work, diligence and support during the year.

I look forward to providing shareholders with further updates, and invite the expression of views and opinions about the Company, to be directed to the usual contact points.

Richard Boléat
Chairman

STRATEGIC REPORT (CONTINUED)
INVESTMENT VEHICLE MANAGER'S REPORT

Summary

2022 was a tough year for most asset classes, with the S&P 500 recording its worst annual performance since 2008[a]. The traditional 60/40 portfolio, with 60% equities and 40% bonds, recorded a loss of 17% in 2022, the worst performance since at least 1999. The inverse correlation between equities and bonds broke down as both asset classes had negative returns in 2022[b]. There were a number of drivers behind this negative performance across the board. First of all, central banks worldwide acknowledged early on in 2022 that inflation was more than just transitory. Most central banks globally, including the Federal Reserve, European Central Bank ("ECB") and Bank of England ("BoE") were all behind the curve and had to hike interest rates aggressively during 2022 to fight high single digit/low double digit inflation. Secondly, the Russian invasion of Ukraine caused, on top of the human tragedy, an economic fall-out which mainly impacted Europe and Emerging Markets. Many countries were quick to impose sanctions on Russia, but as a large exporter of commodities (mainly food and energy), the situation drove global inflation to new highs. As tensions between Russia and Europe/US rose, the gas flows from Russia to Europe stopped, resulting in a large spike in European natural gas prices and driving Europe into an energy crisis. Finally, in Q4, the mini-budget in the UK led to more volatility in financial markets and the BoE had to step in to avert a systemic risk from spreading.

If we focus on the performance of European credit in general, we can see that leveraged loans held up very well compared to other asset classes. European investment grade returned (17.2)%[c] for the year while High Yield returned (11.6)%[d]. The European leveraged loan market returned (3.3)%[e] as the lack of duration and increasing coupon income drove the relative outperformance for loans. When we dig deeper into the performance of the Credit Suisse Western European Leveraged Loan Index ("CS WELLI"), hedged to EUR, we note that BB rated loans actually returned 0.42% for the year, while single B rated loans returned (3.2)% and CCC rated loans returned (20.94)%. The average price on the index dropped from 98.71 at the end of 2021 to 91.56 at the end of 2022, having hit a low of 89.98 at the end of September.

The sell-off we saw in the sub-investment grade market was partially a result of the deteriorating macro outlook, as described above, but also due to market technicals. Over the year, we saw forced selling from two corners of the market. On the back of 2021's significant mergers and acquisitions, banks came into 2022 with a large pipeline of underwritten bridge loans, which on internal estimates stood at €30-35bn at the time Russia invaded Ukraine. With collateralised loan obligations ("CLO") issuance grinding to a halt, and outflows from multi-asset funds occurring, demand for broadly syndicated loans dried up. Banks were forced to syndicate these bridge loans at material losses and this put pressure on secondary loan prices. Secondly, on the back of Kwasi Kwarteng's mini-budget in the UK, we saw forced selling from UK liability-driven investment ("LDI") pension funds of, amongst others, CLO liabilities, ranging all the way from AAAs to single B's. After a difficult few months on the back of the Russia-Ukraine conflict, the CLO market had found an equilibrium between supply and demand over the summer. However, this renewed volatility, driven by LDI sellers, yet again put a halt on CLO creation and hence loan buyers again backed away from the secondary market. To put this into context, pricing on AAA liabilities was in the 95-110 bps range at the end of January 2022, peaked at 225-275 bps just after the UK's mini-budget, and finished the year in the region of 180-210 bps[f].

On the fundamental side, we did see a marginal deterioration in credit quality, in particular for companies that struggled to pass on raw material/labour cost inflation. However, default rates remained very low with the CS WELLI recording 1.9% defaults at the end of 2022. With the index, hedged to EUR, showing an average cash price of 91.56 and a 3yr discount margin of 661 bps, the loan market has rarely been cheaper. Moreover, the increase in base rates we saw during 2022 provides investors with additional buffer in case defaults were to pick up in 2023. In July, 3 month Euribor went positive for the first time since early 2015, making the 0% floor, that most loans have, irrelevant for the first time in 7 years.

STRATEGIC REPORT (CONTINUED)
INVESTMENT VEHICLE MANAGER'S REPORT (CONTINUED)

Portfolio

As at 31 December 2022, the Investment Vehicle portfolio was invested in accordance with the investment policy, was diversified with 91 issuers[1] (31 December 2021: 107) across 26 (31 December 2021: 29) different industries and 14 (31 December 2021: 17) different countries, and had exposure of no more than 5.8% (31 December 2021: 5.3%) to any single issuer.

Portfolio Statistics[2]

		As at 31 December 2022	As at 31 December 2021
Percentage of Portfolio in Floating Rate Assets		85.6%	78.1%
Percentage of Portfolio in Fixed Rate Assets		11.3%	20.5%
Percentage of Portfolio in Other		3.1%	1.4%
Weighted Average Price[3]		83.6	96.5
Yield to Maturity ("YTM")	EUR	18.5%	7.0%
	GBP	20.2%	n/a[4]
Current Yield	EUR	11.5%	6.6%
	GBP	13.2%	n/a[4]
Weighted Average Fixed Rate Coupon		6.6%	6.3%
Weighted Average Floating Rate plus Margin		7.1%	4.9%

5 Largest Issuers as at 31 December 2022

Issuer	% of Gross Assets	Industry	Country
Doncasters	5.8	Diversified/Conglomerate Manufacturing	UK
Ekaterra	3.4	Beverage & Food	Netherlands
Civica	3.2	Software	UK
Wella	3.2	Non-Durable Consumer Goods	UK
Drive DeVilbiss	2.6	Healthcare & Pharmaceuticals	US

5 Largest Issuers as at 31 December 2021

Issuer	% of Gross Assets	Industry	Country
Doncasters	5.3	Diversified/Conglomerate Manufacturing	UK
Colouroz	3.7	Chemicals, Plastics and Rubber	Germany
Civica	3.4	Electronics	UK
D&G	2.5	Financial Intermediaries	UK
Douglas	2.4	Retail	Germany

STRATEGIC REPORT (CONTINUED)
INVESTMENT VEHICLE MANAGER'S REPORT (CONTINUED)

Portfolio Statistics[2] (continued)

5 Largest Industry Positions as at 31 December 2022[1]

Healthcare & Pharmaceuticals	12.5%
Beverage & Food	9.7%
Chemicals	8.4%
Travel & Leisure	7.8%
Business Services	6.7%

5 Largest Industry Positions as at 31 December 2021[1]

Healthcare & Pharmaceuticals	16.6%
Chemicals, Plastics and Rubber	9.7%
Hotels, Motels, Inns and Gaming	7.2%
Finance	5.7%
Diversified/Conglomerate Manufacturing	5.5%

Geographical Breakdown by issuer country[1]	As at 31 December 2022	As at 31 December 2021
UK	30.2%	25.4%
US	21.0%	20.9%
Netherlands	13.2%	11.0%
Germany	10.4%	13.5%
France	9.2%	11.6%
Luxembourg	4.8%	3.3%
Spain	3.8%	2.7%
Finland	1.6%	2.3%
Sweden	0.0%	0.7%
Other	5.8%	8.6%

Currency Breakdown	As at 31 December 2022	As at 31 December 2021
EUR	60.1%	60.3%
USD	20.3%	23.5%
GBP	19.6%	16.2%

STRATEGIC REPORT (CONTINUED)
INVESTMENT VEHICLE MANAGER'S REPORT (CONTINUED)

Portfolio Statistics[2] (continued)

Asset Breakdown	As at 31 December 2022	As at 31 December 2021
Loans (1st Lien)	62.3%	59.0%
Senior Secured Bonds	11.4%	19.1%
Loans (2nd Lien)	6.5%	7.7%
Structured	8.5%	3.7%
Senior Unsecured Bonds	2.6%	3.5%
Cash	(0.3)%	(0.3)%
Other	9.0%	7.3%

[1] Excludes 41 (31 December 2021: 18) 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.

[4] Limited interest rate differential between Euribor and SONIA in 2021, therefore no separate computation made for the GBP share class.

Performance

The Euro Shares and Sterling Shares NAV total returns for 2022 were (8.31)% (31 December 2021: 11.41%) and (6.75)% (31 December 2021: 12.17%), respectively.

The performing credit segment of the portfolio returned (6.64)% gross[5] during 2022 (31 December 2021: 6.23%), while the credit opportunities segment returned (7.05)% gross during 2022 (31 December 2021: 22.21%). Based on an average allocation of 49% (31 December 2021: 47%) to performing credit and 51% (31 December 2021: 53%) to credit opportunities, this resulted in a gross contribution of (3.09)% (31 Dec 2021: 2.85%) from the performing credit segment and (3.61)% (31 Dec 2021: 11.79%) from the credit opportunities segment.

The CS WELLI, hedged to EUR, was down (3.28)% for 2022, as compared to being up 4.63% for the year ended 31 December 2021. The Credit Suisse Western European High Yield Index ("CS WEHYI"), hedged to EUR, was down (11.64)% for 2022, as compared to being up 4.04% for the year ended 31 December 2021.

Market Review

The loan market experienced, similar to most other asset classes, heightened volatility during 2022. There were a number of drivers behind this volatility. In the early stages of 2022, central banks worldwide started turning more hawkish and guided towards considerable interest rate hikes during the year. This resulted in some risk reduction in the European High Yield market and some CLO managers saw this as an opportunity to sell loans and buy high yield bonds.

Towards the end of February, when Russia invaded Ukraine, the global macro outlook took a turn for the worse and the repercussions of the war were initially difficult to estimate, which resulted in loan managers selling some lower rated loans to switch into higher rated loans. At the time of the invasion, banks had a large underwritten pipeline of deals that they were planning to bring to market. While initially banks held this risk on their balance sheet, we started seeing some forced selling from banks as their risk departments forced them to reduce some of this risk ahead of their H1 2022 reporting. The same banks forced their loan market traders to reduce overall exposure to the European loan market, which resulted in further forced selling.

[5] Excluding management and performance fees.

STRATEGIC REPORT (CONTINUED)
INVESTMENT VEHICLE MANAGER'S REPORT (CONTINUED)

Market Review (continued)

Finally, the CLO market also saw increased volatility across all parts of the capital structure as per the table below. This volatility came from a combination of fears around rising defaults in Europe, but also from forced selling from UK pension funds on the back of the UK's mini budget in September 2022. With the CLO vehicles still accounting for the large majority of the buyer base in the European broadly syndicated loan market, the volatility in the liabilities meant CLO managers put their buying of loans on hold.

	2022 Tights	2022 Wides	2021 Tights	2021 Wides	2020 Wides	End of Feb 2020	2016 Wides	2018 Tights
AAA	95-110	225-275	105-120	125-145	300-400	130-150	175-200	50-75
AA	155-195	350-425	150-190	170-220	500-700	H100s	300a	L100s
A	195-260	525-625	190-245	240-290	650-850	M200s	400a	H100s
BBB	285-370	650-775	275-345	315-450	850-1000	L400s	550-700	200s
BB	540-670	1025-1225	515-635	575-750	1300-1500+	L600s-L800s	850-1050	400s

Spreads tracker (Morgan Stanley Trading Desk Source)
Morgan Stanley EU Leveraged Loan Review – End of Year 2022 Commentary – January 2023

The combination of rates-driven volatility in the European and US High Yield markets, a worsening macro environment, forced selling from banks (both on the primary and secondary side) and a lack of buyers due to volatility in the CLO market, meant that European loans had a much more volatile year than most investors had expected at the start of 2022.

However, actual default rates remained fairly benign in 2022. With yields on European loans having only been higher during the global financial crisis and briefly during the Covid sell-off of 2020, and an improving macro outlook, the Investment Vehicle Manager believes that European loans are attractive at the moment.

Portfolio Overview

The performance for 2022 was obviously disappointing with the first negative return since inception of the strategy in 2009. However, very few asset classes generated positive returns in 2022 given the heightened volatility described above.

The Investment Vehicle Manager focused mainly on higher quality businesses. The average EBITDA of the portfolio was €294m as the Investment Vehicle Manager believes that default rates amongst larger businesses should be lower than for smaller businesses. Larger businesses have more diversified sources of funding (banks, syndicated loans, high yield bond market both in Europe and the US), they tend to attract better management teams, are more geographically diversified and often have private equity owners with considerable dry powder to invest.

The split between performing credit and credit opportunities was around 50/50 for most of the year. With exceptionally wide spreads in performing credit and considerable macro uncertainty, there was no real need to increase exposure to credit opportunities materially. However, on the back of the UK's mini-budget, we saw some forced selling of CLO liabilities mainly from UK pension funds and used that market technical to increase exposure to this asset class from 4% at the end of 2021 to 9% at the end of 2022.

Across the entire portfolio, as of December month end, the weighted average market price was 83.6, trading at a YTM of 18.5% on the EUR share class and 20.2% on the GBP share class. This compares to a weighted average market price of 96.5 at the end of December 2021. Floating rate assets comprised 85.6% of the portfolio, and hence the YTM on both the EUR and GBP share class should continue to increase if, as anticipated, the ECB and BoE hike base rates further in 2023. At the end of December 2022, the fund had a cash position of (0.3)% with leverage (being market value of assets plus cash divided by the market value of assets plus cash less borrowings) of 1.38x,

STRATEGIC REPORT (CONTINUED)
INVESTMENT VEHICLE MANAGER'S REPORT (CONTINUED)

Portfolio Overview (continued)

up from 1.30x at the end of 2021, reflecting that the Investment Vehicle Manager marginally added some leverage given the positive outlook for loans into the end of 2022.

Environmental, Social and Governance ("ESG") Considerations

ESG remains a key focus for the Investment Vehicle Manager. CVC Group published its 2022 annual ESG report (www.cvc.com/responsibility/esg-reporting), thereby providing greater insight into how ESG is managed within the overall CVC group. The report looks at CVC's view on themes that are core to the evolving approach to sustainability and provides an update on progress over the last 12 months.

The Investment Vehicle Manager introduced its proprietary ESG scorecards in 2022. These ESG scorecards allow the Investment Vehicle Manager to better compare ESG metrics and characteristics across its investments.

The Investment Vehicle Manager also partnered with Sustainable Fitch. As of 31 December 2022, over half[6] of the Investment Vehicle's underlying investments were covered by Sustainable Fitch.

Conclusion and Outlook

2022 was one of the worst years for credit markets since the global financial crisis. Rampant inflation, geopolitical tensions and an energy crisis created high levels of uncertainty in financial markets and volatility spiked. Traditional correlations broke down and a considerable number of asset classes experienced their worst performance in many years.

With rising base rates, the Investment Vehicle Manager was well positioned with 78.1% of the portfolio in floating rate instruments at the start of 2022. However, when on 24 February 2022 Russian tanks crossed the Ukrainian border, both equities and credit were up for sale as uncertainty spiked. A full-blown war in such close proximity to Europe created several new unknowns that many investors had never had to contend with before.

There was significant volatility in European loans as investors repositioned their portfolios to move up in quality. However, actual default rates in Europe remained low at 1.90%[e] of the market.

At the time of writing, in February 2023, there remains a great deal of uncertainty. However, there are some green shoots. Inflation appears to have peaked in most developed countries. The pace of interest rate hikes has slowed in the last few months and Europe appears to have ample gas reserves to see through the winter. The combination of a relatively mild winter, new sources of gas supply (mainly liquefied natural gas), but additionally structural drivers such as demand curbs and large investments in renewable energy means that the outlook for Europe is likely better than a large number of people may have feared when Russia shut down gas supply to Germany.

European loans started 2023 at attractive valuations. The average cash price on the CS WELLI, hedged to EUR, was at 91.56, the 3yr discount margin was 661 bps and base rates were well into positive territory for the first time since 2015. In the last 10 years, the average cash price has only been lower during the global financial crisis and briefly during Covid in 2020, and hence the market is already discounting a material spike in default rates. In S&P's annual study, it found that recovery rates on first lien senior secured loans over the 2003-2021 period were 72.5%, while in 2021 the three-year rolling average recovery was about 70%[g]. This implies that the downside for first lien senior secured loans is fairly low even if there is an event of default. As a result, the Investment Vehicle Manager believes that leveraged loans are well positioned for a recovery in 2023.

[6] Excludes CLO positions and restructured equity and preferred equity.

STRATEGIC REPORT (CONTINUED)
INVESTMENT VEHICLE MANAGER'S REPORT (CONTINUED)

CVC Credit Partners Investment Management Limited

Investment Vehicle Manager

Pieter Staelens

Managing Director, Portfolio Manager
27 March 2023

Pieter Staelens 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.

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.

Sources

[a] Bloomberg
[b] Financial Times – 11 January 2023
[c] Bloomberg EuroAgg Index
[d] Credit Suisse Western European High Yield Index
[e] Credit Suisse Western European Leveraged Loan Index
[f] Morgan Stanley EU Leveraged Loan Review – End of Year 2022 Commentary – January 2023
[g] S&P Global - European Corporate Recoveries 2003-2021: Stability prevails despite the pandemic – 31 May 2022

STRATEGIC REPORT (CONTINUED)
EXECUTIVE REPORT

This Executive Report is designed to provide information about the Company's business and results for the year ended 31 December 2022. 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 year 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 which are 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 38.

The Company's assets are managed by its own Directors, thus self-managed. The Directors of the Company 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 the Investment Vehicle Manager.

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

Significant events during the year ended 31 December 2022

Director appointments

On 11 January 2022, Vanessa Neill was appointed as a Non-Executive Director of the Company. Ms Neill has since been appointed as Chair of the Company's ESG Committee established on 24 January 2022.

On 23 September 2022, Esther Gilbert was appointed as a Non-Executive Director of the Company.

Ms Neill's and Ms Gilbert's biographies can be found on pages 35 to 37.

AGM and strategic review update

On 9 March 2022, the Company announced that the Board was considering making certain changes that the Board believed would increase the Company's appeal to both existing shareholders and new investors, and that it intended to consult with shareholders through its advisers.

On 22 April 2022, the Company announced that following consultation with shareholders representing a significant proportion of the Company's shares, the Board had included the following proposals for the consideration and approval of shareholders at its AGM on 18 May 2022:

- **Tender mechanism:** changing the structure of the tender mechanism, moving from a quarterly to a semi-annual structure with a 25.00% annual limit and a 15.00% semi-annual limit, instead of a 50.00% annual limit and 24.99% quarterly limit as in previous years;
- **Share conversions:** changing the frequency of the Company's share conversions from monthly to semi-annual;
- **Company name:** changing the name of the Company to CVC Income & Growth Limited from CVC Credit Partners European Opportunities Limited;
- **Investment policy:** amending the Company's investment policy to increase the restriction on allocation to collateralised loan obligation securities from 7.50% to 20.00%;
- **Articles of Association (the "Articles"):** making certain amendments to the Company's Articles relating to Board composition; and

STRATEGIC REPORT (CONTINUED)
EXECUTIVE REPORT (CONTINUED)

Significant events during the year ended 31 December 2022(continued)

AGM and strategic review update (continued)

- **Share issuance authorities:** seeking authority to issue an additional 300 million shares, conditional on the launch of a share issuance programme, in addition to the usual authorities previously obtained.

On 18 May 2022, all of the resolutions proposed at the Company's AGM were duly passed. The change to the Company's name came into effect on 13 June 2022, as announced by the Company on this date.

Extraordinary General Meeting ("EGM")

On 19 August 2022 the Company published notice of an EGM that was to be held on 7 September 2022, together with an accompanying circular and new Articles being proposed for the approval of shareholders. The proposed new Articles primarily included amendments to, or the removal of, existing provisions within the Articles which were inconsistent with an amendment to the Articles approved at the AGM. The aforementioned amendment removed the prohibition on having a majority of UK tax resident Directors so as to enable the Company and its shareholders to appoint the most suitable candidates as Directors. The new Articles had been drafted to ensure that the Company is not unnecessarily restricted in circumstances where a majority of the Directors are resident in the UK and the Company holds meetings in the UK.

Tender mechanism

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

Contractual tender	Settlement date	Euro Shares tendered	Euro Share tender price	Sterling Shares tendered	Sterling Share tender price
December 2021	16/02/2022	6,167,976	€1.0166	10,918,578	£1.0958
March 2022	17/05/2022	852,436	€0.9979	3,490,001	£1.0789
September 2022	16/11/2022	2,658,322	€0.8884	4,049,381	£0.9705

At the Company's Annual General Meeting ("AGM") on 18 May 2022, shareholders approved a revised tender circular; refer to the 'AGM and Strategic Review Update' section on pages 16 to 17 which details the primary changes made.

A description of the current tender mechanism can be found on pages 101 to 102.

Share conversions

Following requests made by shareholders, the Company converted a total of 5,660,302 Euro Shares into 5,692,752 Sterling Shares and 295,233 Sterling Shares into 298,964 Euro Shares under the conversion facility during the year ended 31 December 2022.

Dividends

On 21 September 2022 the Board announced that the Company had increased its annual dividend by 20% to 6 pence per Sterling Share and 6 cents per Euro Share, with effect from the dividend payments for the quarter ended 30 September 2022. On 7 March 2023, the Board announced that the Company's annual dividend targets are being increased to 7.5p per ordinary Sterling Share and 7c per ordinary Euro Share with immediate effect. The Company's distribution policy is reviewed on an ongoing basis.

STRATEGIC REPORT (CONTINUED)
EXECUTIVE REPORT (CONTINUED)

Significant events during the year ended 31 December 2022(continued)

Dividends (continued)

The Company paid four dividends totalling €0.0525 and £0.0525 per Euro share and Sterling share, respectively, during the year ended 31 December 2022. Refer to note 12 for full details of each quarterly dividend (31 December 2021: €0.0475 and £0.0475).

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 companies.

The Company pursues its investment policy by investing all of its assets, save for a working capital balance, in the Investment Vehicle. The investment policy of the Investment Vehicle is subject to the following limits (the "Investment Limits"):

- A minimum of 50% of the Investment Vehicle's gross assets will be invested in senior secured obligations (which, for the purpose of this Investment limits will include cash and cash equivalents);
- A minimum of 60% 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% 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% in order to participate in a loan to a single borrower, provided the exposure is sold down to a maximum of 7.5% within 12 months of acquisition;
- A maximum of 20% of the Investment Vehicle's gross assets will be invested in collateralised loan obligation securities; and
- A maximum of 25% of the Investment Vehicle's gross assets will be invested in CVC Capital Portfolio Company[3] 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% of the NAV of the Investment Vehicle at the time of borrowing. The Investment Vehicle's borrowings as a percentage of the Investment Vehicle's NAV[1] as at 31 December 2022 stood at 35.01% (31 December 2021: 30.29%).

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

STRATEGIC REPORT (CONTINUED)
EXECUTIVE REPORT (CONTINUED)

Investment Policy (continued)

General (continued)

made to the investment objective or investment policy of the Company or of the Investment Vehicle (including the "Investment Limit" 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. This action was completed with the proposed change to the investment policy which received approval at the Company's AGM on 18 May 2022, as outlined on pages 16 to 17.

Company borrowing limit

The Company may borrow up to 15% of the NAV of the Company for the sole purpose of purchasing or redeeming its own shares otherwise than pursuant to its tender mechanism. As at 31 December 2022, the Company did not have any borrowings (31 December 2021: no borrowings).

Investment strategy and approach

The Company has given effect to its investment policy by subscribing for Preferred Equity Certificates, (the "PECs"), 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, including:

(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 cashflow;

(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 some of the largest sponsor-led issuers of leveraged loan deals in Europe[4].

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[5]; and
2. Credit Opportunities[6].

STRATEGIC 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 31 December 2022 can be found in the Investment Vehicle Manager's report on pages 9 to 15.

KPIs

The Board meets regularly to review performance and risk against a number of key measures. With the exception of dividends, the Company considers the below KPIs to be Alternative Performance Measures. Further details of these can be found on pages 107 to 112.

NAV total return

The Board regularly reviews and compares the NAV and share price of the Company. The Directors regard the Company's NAV total return as being the overall measure of value delivered to shareholders over the long-term.

Total return reflects both NAV growth of the Company and also dividends paid to shareholders.

The NAV total return for Euro Shares and Sterling Shares has increased by 40.26% (31 December 2021 52.97%) and 51.88% (31 December 2021 62.87%), respectively, from IPO. The Euro Shares and Sterling Shares NAV total return for the year ended 31 December 2022 was (8.31)% (31 December 2021: 11.41%) and (6.75)% (31 December 2021: 12.17%), respectively. Please refer to the Financial Highlights and Performance Summary on page 4 for the Euro Shares and Sterling Shares NAV total return analysis. The divergence in NAV per share performance between share classes principally derives from the risk-free rate differential between Euro and Sterling.

Dividends

The Company's annual dividend level at the year-end was €0.06000 and £0.06000 per Euro Share and Sterling Share, respectively. This Company's annual dividend targets have since been increased to £0.07500 per Sterling Share and €0.07000 per Euro Share with effect from 7 March 2023. During 2022, Shareholders received total dividends of €0.05250 and £0.0525 (2021: €0.04750 and £0.04750) per Euro Share and Sterling Share, respectively. Please refer to page 107 for the Company's dividend history from inception.

Ongoing charges

The Board reviews and compares the Company's operating expenses against budget on a monthly basis and performs an analysis of deviations.

The Company's ongoing charges for the year ended 31 December 2022 were 1.78% (ongoing charges 31 December 2021: 1.61%). The above ongoing charges figure includes the Company's pro-rata share of the Investment Vehicle management fee, custodian and administration expenses and other general expenses, but excludes interest costs and performance fees. The ongoing charges for the Company's Euro and Sterling share classes individually are approximate to each other and therefore the Company has chosen to disclose one ongoing charges figure.

In line with the recommended methodology for the calculation of an ongoing charges figure published by the AIC (and most recently updated in April 2022), the Board has also chosen to disclose an ongoing charges figure inclusive of the Investment Vehicle's performance fee. However, for the year ended 31 December 2022, there was no accrued performance fee. Additionally, the Company announced on 17 February 2023 that it was notified by the Investment Vehicle that the Investment Vehicle Manager had waived its future right to receive an Investment Vehicle performance fee with effect from 1 January 2023.

STRATEGIC REPORT (CONTINUED)
EXECUTIVE REPORT (CONTINUED)

KPIs (continued)

Ongoing charges (continued)

For the year ended 31 December 2022, the ongoing charges ratio was 1.80% for the Company's Euro Shares (31 December 2021: 2.86%) and 1.76% for the Company's Sterling Shares (31 December 2021: 2.72%).

Premium/discount

The Directors review the trading prices of the Company's Euro Shares and Sterling Shares and compare them against their respective NAVs to assess volatility in the discount or premium of the share prices to their NAVs. As at 31 December 2022, the Company's discount to NAV per Euro Share was 7.88% (2021: 7.46% discount) and discount to NAV per Sterling Share was 6.08% (2021: 5.95% discount), respectively. Please refer to the Financial Highlights and Performance Summary on page 4 for NAV and share price analysis.

Please refer to pages 107 to 112 for further information on the calculation methodology applied to these KPIs.

Other measures

In addition to the above KPIs, the Board meets regularly to review the performance and risk against the below other measures:

Diversification

The Directors review the geographical, industry, asset and currency diversification of the underlying Investment Vehicle to ensure that holdings are in line with the prospectus and also to monitor the diversification risk of the underlying portfolio. Please refer to the Investment Vehicle Manager's Report on pages 9 to 15 for analysis of the Investment Vehicle portfolio and note 8 for further details regarding the Investment Vehicle's risk diversification policies.

Default rates in Europe and US

The Directors regularly discuss historic and emerging default risk in Europe and the US with the Investment Vehicle Manager to help assess and understand the performance and prospective performance of the Company. Performance of the Company may be affected by the default or perceived credit impairment of investments held by the Investment Vehicle. A withdrawal of investment capital, an economic downturn and/or rising interest rates could severely disrupt the European and US markets which could impact the ability of issuers to repay principal and interest and could adversely affect the value of the Company's investment in the Investment Vehicle and by extension, the Company's NAV and/or the market price of the Company's shares. As indicated in the Investment Vehicle Manager's report on page 9, actual default rates in Europe remained low at 1.90% of the market. The Directors hold monthly discussions with representatives of the Investment Vehicle Manager to assist in monitoring the above indicator.

Life of the Company

The Company has an indefinite life. In accordance with the Articles of Association, the Directors are required to propose an Ordinary Resolution that the Company continues its business as a closed-ended investment company (the "Continuation Resolution") if the following occur:

(i) the Company NAV falls below €75 million; or

(ii) the Directors are required to convene "class closure meetings" for all classes of shares in issue. A class closure meeting is required if a share class is delisted for any reason, or, if in any rolling 12-month period, the average daily closing market price (as derived from the market data published by Bloomberg or any successor market data service thereto) of any class of shares during such 12-month period is 10% or more below the average NAV per share (calculated inclusive of current year income).

STRATEGIC REPORT (CONTINUED)
EXECUTIVE REPORT (CONTINUED)

Life of the Company (continued)

If a Continuation Resolution is not passed, the Directors are required to put forward proposals within six months for the reconstruction or reorganisation of the Company to the shareholders for their approval.

These proposals may or may not involve winding up the Company and, accordingly, failure to pass the Continuation Resolution will not necessarily result in the winding up of the Company. A failure to pass a Continuation Resolution may result in the redemption by the Company of its entire holding of PECs.

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 the financial statements.

In making this assessment, the Directors have reviewed the Company's budget and cash flow forecast for the next 12 months from the date of approval of the financial statements and also considered information regarding climate-related matters in conjunction with other uncertainties. On the basis of this review, and after making due enquiries, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the period to 27 March 2024, a period of twelve months form the date of approval of the financial statements. The Directors are also satisfied that no material climate-related matters or uncertainties exist that cast significant doubt over the Company's ability to continue as a going concern. In making this assessment, the Board have considered the impact that Covid-19 and the Russian invasion of Ukraine may have on the Company. Accordingly, they continue to adopt the going concern basis in preparing the interim condensed financial statements.

Viability Statement

Under the AIC Code, the Directors are required to make a Viability Statement which explains how they have assessed the prospects of the Company, over what period they have done so and why they consider that period to be appropriate, taking into account the Company's current financial position and principal risks. The principal risks faced by the Company are described on pages 26 to 29.

The prospects of the Company are driven by its investment objectives, investment policy and investment strategy as summarised on pages 18 to 20, and also by the conditions existing in the markets in which the Company's ordinary shares trade and in which the Investment Vehicle invests and financial markets generally.

In assessing the prospects of the Company, the Directors have, in addition to taking into account the principal and emerging risks facing the Company, taken into account the Company's current financial position. Their assessment has included a robust process encompassing an examination of the:

(i) Investment Vehicle Manager's view of the investment opportunity and the conditions existing in the markets in which the Investment Vehicle is exposed and financial markets generally, including scenario analysis, stress tests and volatility and return comparisons;

(ii) liquidity and fundamental prospects of the underlying positions of the Investment Vehicle;

(iii) extent to which the Company directly or indirectly uses gearing;

(iv) liquidity of the PECs in which the Company invests; and

(v) impact on the Company's viability under scenarios stemming from the application of the tender mechanism.

STRATEGIC REPORT (CONTINUED)
EXECUTIVE REPORT (CONTINUED)

Viability Statement (continued)

Based on the results of their assessment of the above processes, and in the absence of any unforeseen circumstances, the Directors have concluded that a period of three years from the date of this statement is an appropriate period over which to assess the prospects of the Company as the principal risks, mitigating controls and investment strategy and policy are not expected to materially change over this period. This period reflects the effect of significant redemption requests received from shareholders under the tender mechanism, coupled with no further issuances of ordinary shares by the Company, before a Continuation Resolution would be proposed as a result of the NAV falling below €75 million.

The Directors have a reasonable expectation that the Company will be able to continue in operation and meet its liabilities as they fall due within at least this period of assessment. The Directors are also of the opinion that given the information available to them at the date of these financial statements, the Company will be able to continue to conduct its commercial activities in a manner consistent with its investment objectives for the foreseeable future.

Social and environmental responsibility

The Board acknowledges that the Company, in addition to utilising financial capital, is also a user of social capital, particularly in Jersey, the jurisdiction in which the Company operates. The Board further acknowledges that the Company has an environmental footprint that is in addition to and distinct from that of the Investment Vehicle and its portfolio companies. The Directors have considered the Company's use of social capital and the environmental impact of the operation of the Company upon wider society and in response has commenced a programme of support in favour of the Jersey National Park as further described on page 33. The Board has also established an ESG Committee chaired by Vanessa Neill, details of which can be found on page 23.

Investment Vehicle Manager stewardship

Whilst the Investment Vehicle Manager does not formally commit to all 12 Principles of the FRC's Stewardship Code, certain aspects of the Code are crucial to its business activity.

Environmental, Social and Governance ("ESG") Approach

The Company has identified the growing importance of responsible investment and integrating ESG into the investment process. The Company recognises the importance of ESG and therefore engages with the Investment Vehicle Manager in order to better understand and monitor ESG-related risks and opportunities and to keep under review the Investment Vehicle Manager's ESG policies and practices.

Aware of evolving sustainability initiatives from European and UK regulators, legislation, industry associations and the harmonisation of frameworks; the Company has prioritised the continued progress in the development of its approach to ESG.

Governance

With effect from 24 January 2022 the Company established an ESG Committee, chaired by Ms Neill who joined the Board with effect from 11 January 2022. Guided by its Terms of Reference, the ESG Committee oversees the Company's ESG disclosures and the ESG policies and processes adopted by the Investment Vehicle Manager to enable the integration of ESG factors into the investment process.

The Company has integrated ESG risks into its governance structure and continues to:

- promote ESG as an item for Directors' continued professional development in-line with the Board's belief that ESG risks and opportunities are key developments in the credit industry that the Directors should keep up-to-date with;

STRATEGIC REPORT (CONTINUED)
EXECUTIVE REPORT (CONTINUED)

Environmental, Social and Governance ("ESG") Approach (continued)

Governance (continued)

- include ESG factors as a priority agenda topic in regular discussions with the Investment Vehicle Manager at each quarterly Board meeting;
- receive ESG policy and regulation updates from its legal advisors with a view to continually ensuring best practice.

ESG Strategy

The Investment Vehicle Manager's ESG and investment policies mandate that the investment management team includes material ESG considerations when reviewing an investment opportunity and throughout the lifecycle of an investment.

The following issues are examples of potential material ESG considerations the Investment Vehicle Manager takes into account throughout the investment process: environmental factors, including climate change risk, biodiversity risk and water use; social factors, including Diversity, Equity & Inclusion ("DEI"), health and safety practices, supply chain transparency and human rights; and governance factors, including transparency and disclosure, compliance with applicable laws and oversight bodies such as the FCA and European Commission. ESG and responsible investing factors are considered at the following stages:

- Investment selection – Consider high level and material ESG and responsible investing issues as part of the overall due diligence process.
- Investment Committee Process – ESG Considerations that are sufficiently material are referenced in the investment committee memo. Such memos may also include a review of environmental and social reports, of the issuers' ESG policy and website disclosures, site visits, management interviews, and discussions with key stakeholders noted during the diligence process when appropriate. Material ESG Considerations are reviewed internally by the respective Investment Committee, and as needed, the appropriate course of action related to a material ESG Consideration will be cooperatively determined by such Committee.

ESG Disclosure and Metrics

The EU Sustainable Finance Disclosures Regulation ("SFDR") requires managers to assess and disclose how sustainability risks are considered in their investment processes, and how they consider investment decisions that might result in negative effects on sustainability factors, known as Principal Adverse Impacts ("PAIs"). The EU SFDR does not have a direct impact in the UK due to Brexit, however, it applies to third-country products marketed in the EU. Whilst CVC Income & Growth Limited is a self-managed alternative investment fund ("AIF"), it is marketed in the EU by CVC Credit Partners and therefore; the following disclosures have been provided to comply with the high-level requirements of SFDR.

The Company continues to work 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 recognises 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.

The Company has been a formal supporter of the TCFD recommendations since 2018 and expects the companies in which the Investment Vehicle Manager invests to consider TCFD disclosures in jurisdictions where it is mandatory and to make improvements overtime where required.

Given the type and structure of the Company, the Company's own impact is minimal. However, the ESG Committee monitors the Company's carbon footprint, including travel.

STRATEGIC REPORT (CONTINUED)
EXECUTIVE REPORT (CONTINUED)

Environmental, Social and Governance ("ESG") Approach (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 that the Company is working in collaboration with the Investment Vehicle Manager to resolve and will continue to report on progress relating to ESG in the Company's Annual Report. In response to these challenges, the Company has laid out the following steps to take its commitment further:

- The Company has identified investors' initiatives, such as the PRI's Transition Pathway Initiative, Sustainability Fitch ESG Scores and ELFA's Industry ESG initiatives, to be important avenues to increase its understanding and deepen its risk mitigation strategy.
- The Company will continue to work with its external advisors as needed to continuously develop its ESG 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 current objectives.

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.

This Strategic Report was approved by the Board of Directors on 27 March 2023 and signed on its behalf by:

Richard Boléat	**Mark Tucker**
Chairman	Audit Committee Chairman

[1] Pro-rated for the Company's interest in the net assets of the Investment Vehicle of 52.04% as at 31 December 2022 (31 December 2021: 58.54%).

[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] CVC Capital Portfolio Company means a company in which one or more CVC Capital Partners Funds: (i) has board representation; (ii) holds more than 25 per cent of the share capital; or (iii) has an economic interest in excess of €100 million. CVC Capital Partners Fund means private equity funds that acquire controlling or significant minority interests in European, Asian and North American companies which CVC Capital Partners provides investment advisory and/or investment management services to.

[4] Source: Morningstar LCD European Loan Pipeline, for the period between January 2017 and March 2022.

[5] 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.

[6] 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.

STRATEGIC REPORT (CONTINUED)
PRINCIPAL RISKS AND UNCERTAINITIES

When considering the distribution policy and total return of the Company, the Directors take account of the risks which have been taken in order to achieve that return. The Directors have carried out a robust assessment of the principal and emerging risks facing the Company including those which would threaten its business model, future performance, solvency or liquidity. An overview of the principal and emerging risks and uncertainties is set out below:

Since the publication of the Company's Annual Financial Report for the year ended 31 December 2021, the key changes to the Company's principal risks and uncertainties are as follows:

- the removal of "Covid-19" as a principal risk, together with the removal of "Brexit", which the Company had included under the principal risk "Geopolitical factors"; and
- the reclassification of "Default risk", previously included as interest rate risk, and "ESG matters" as principal risks, both of which were previously classified as emerging risks.

Principal Risks	Mitigating Factors
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 and the continued demand for such instruments from buy side market participants. A change in the supply of, or demand for, underlying investments may materially affect the performance of the Company.	The Company has no control over the supply and demand characteristics of the leveraged finance markets. However, the Directors are in regular communication with the Investment Vehicle Manager and receive monthly performance reports and independent data to assist in monitoring the performance of the Investment Vehicle and the supply and demand characteristics of the asset class. It is the Investment Vehicle's performance which is the main driver of the Company's performance.
Credit risk The Investment Vehicle invests predominantly in sub-investment grade European corporate issuers and therefore credit risk is greater than would be the case with investments in investment grade issuers.	The Company and the Investment Vehicle have Investment Limits and risk diversification policies in place to mitigate individual issuer credit risk. Please refer to page 18 for details of the Investment Limits and the Investment Vehicle Manager's Report on pages 9 to 14 for analysis of the Investment Vehicle portfolio.
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 periodic redemption activities.	The Board holds periodic meetings at which extensive discussion of the Investment Vehicle's portfolio takes place. This includes consideration of portfolio liquidity. Please refer to note 8.2 for further details.

STRATEGIC REPORT (CONTINUED)
PRINCIPAL RISKS AND UNCERTAINITIES (CONTINUED)

Principal Risks	Mitigating Factors
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.	The effect of foreign exchange risk at the Investment Vehicle level is actively managed by the Board of the Investment Vehicle and its advisors through hedging arrangements as detailed in note 8.6. The Board monitors the NAV per share divergence between the Euro and Sterling share classes in order to identify the impacts of the foreign exchange movement and interest rate differentials between the two share classes.
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.	The Board is reliant on the active portfolio management of the Investment Vehicle Manager which monitors and manages each investment on an ongoing basis. Part of this monitoring includes considering macro-economic, credit specific, event-driven and environmental and social factors in respect of each investment. This analysis helps inform the Investment Vehicle Manager's decision to buy, sell or hold each investment. The Directors are in regular communication with the Investment Vehicle Manager and receive monthly performance reports to assist in monitoring these factors.
Changes in the level of short-term risk-free rates in the Company's chosen markets has a direct impact, both positively and negatively, on the performance of the Company, depending on the direction of such rates, given that the Investment Vehicle invests in predominantly floating rate assets.	The Company's investment policy is to invest in predominantly floating rate assets. As a result, the Company's performance will improve in absolute terms during times of rising interest rates and will decline during times of declining interest rates. The Investment Vehicle does not seek to speculate on the direction of such rates, or hedge its predominantly floating rate exposure, as this would be inconsistent with its and the Company's investment policy.

STRATEGIC REPORT (CONTINUED)
PRINCIPAL RISKS AND UNCERTAINITIES (CONTINUED)

Principal Risks	Mitigating Factors
Capital management risks Shareholders may seek to redeem their shareholdings in the Company using the Company's periodic redemption arrangements, subject to restrictions as detailed in note 12, 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.	The Company has placed restrictions within the tender mechanism that limit the amount of shares that shareholders can redeem at each tender (refer to note 12 for details of these restrictions). The Board performs an annual modelling exercise to determine whether consecutive tender requests would prompt a "Continuation Resolution" and actively monitors the level of tenders throughout the year. The Company engages with tendering shareholders to understand the rationale behind significant tender requests. The Board and representatives of the Investment Vehicle Manager proactively engage with current and prospective shareholders and seek to understand their views on the Company. The engagement and monitoring in place by the Board allows the Company to be proactive in identifying any common themes driving significant tender requests.
Geopolitical factors **- Russian Invasion of Ukraine** The ongoing Ukraine/Russia war continues to have the potential to destabilise global and regional geopolitics, the full effects of which cannot be fully ascertained at this time. In addition, the ongoing approach by western governments towards the Russian state continues to contribute to significant market dislocations in the supply and cost of petrochemicals. This impact has exacerbated increases in the rate of wholesale price appreciation in the Company's chosen markets, which are having significant impacts on the level of global interest rates and economic activity.	**The Company** At the date of the approval of this annual financial report the impact from the Russian invasion of Ukraine on the European economy and leveraged loan market appears contained; spot natural gas prices being below pre-war levels; and Europe successfully sourcing natural gas from sources alternative to Russia. In the absence of escalation we expect any impact on the Company from this war to be minimal. The Board will continue to monitor the effects of the war for direct or indirect impacts on the Company and its future prospects and will report any material change to its assessment as appropriate.

STRATEGIC REPORT (CONTINUED)
PRINCIPAL RISKS AND UNCERTAINITIES (CONTINUED)

Principal Risks	Mitigating Factors
Environmental, Social and Governance ("ESG") Matters	**The Company**
Reputational damage stemming from the Company's environmental footprint, deemed disregard of its use of social capital and related activities and disclosures failing to meet the standard expected by shareholders and regulators.	The Company continues with its programme to better understand the views and expectations of stakeholders in regard to ESG-related matters. This is aided by the appointment of Vanessa Neill to the Board. Ms Neill is a consultant specialising in sustainability and has been appointed as chair of the Company's ESG Committee as referred to in the Chairman's Statement. The Company has set up an ESG Committee, which interacts with the Investment Vehicle Manager on ESG matters. Additionally, the Investment Vehicle Manager considers ESG factors within the investment process and the use of the CVC Credit Partners proprietary ESG Scorecard during the due diligence process as well as ESG assessment from external providers such as Fitch.
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.	The consideration of such risks is embedded within the Investment Vehicle Manager's ESG policy.
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.	The Company engages with representatives of the Investment Vehicle Manager on a continual basis in order to ensure the policy is appropriate and is implemented appropriately.

Emerging Risk	Mitigating Factor
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 Board and the Investment Vehicle take ongoing advice on all tax compliance matters relating to the Company and the Investment Vehicle as necessary, and keep all such developments under review.

The Company may be exposed to additional risks not disclosed above or within the Annual Financial 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.

STRATEGIC REPORT (CONTINUED)
SECTION 172(1) STATEMENT

Through adopting the AIC Code, the Board acknowledges its duty to comply with section 172 of the UK Companies Act 2006 to act in a way that promotes the success of the Company for the benefit of its members as a whole, having regard to (amongst other things):

a) the consequences of any decision in the long-term;

b) the interests of the Company's employees;

c) the need to foster business relationships with suppliers, customers and others;

d) the impact on community and environment;

e) the maintaining of reputation for high standards of business conduct; and

f) acting fairly as between members of the Company

The Board considers this duty to be inherent within the culture the Company and a part of its decision-making process.

Information on how the Board has engaged with its stakeholders and promoted the success of the Company, through the decisions it has taken during the year, whilst having regard to the above, is outlined below.

The principal decisions section on pages 33 to 34 outlines decisions taken during the year which the Board believes has the greatest impact on the Company's long-term success. The Board considers the factors outlined under section 172 and the wider interests of stakeholders as a whole in all decisions it takes on behalf of the Company.

STRATEGIC REPORT (CONTINUED)
SECTION 172(1) STATEMENT (CONTINUED)

Stakeholder engagement

Who	Why we engage	How we engage	Outcome
Shareholders	Shareholders enable the Company to give effect to its purpose through the commitment of risk capital. Their continued support is imperative to the effective implementation of the Company's investment strategy, under the terms of the Company's prospectus as issued from time to time.	The Company's monthly fact sheets and market announcements are published on the Company's website (ig.cvc.com). More detailed communications are made to shareholders on a biannual basis through the publication of the half-yearly and annual financial reports. Representatives of the Investment Vehicle Manager hold regular meetings with both current and potential shareholders, whose views are communicated to the Board, and periodically host investor events. The Board, in conjunction with the input of the Corporate Brokers, has arranged, and will continue to periodically arrange, meetings with shareholders for the primary purpose of remaining cognisant of shareholder views on a wide range of topics relevant to their shareholding in the Company. As part of the Company's Strategic Review undertaken at the start of 2022 the Board held meetings with shareholders representing a significant proportion of the Company's shares regarding amending the Company's investment policy, increasing the Company's target dividend, amending its target total return, and the parameters of the Company's tender mechanism.	Shareholders receive relevant information allowing them to make informed decisions about their investments. Shareholders' views inform Board decisions. The Board also seeks to address pertinent shareholder queries in its half-year and annual financial reports, together with any other communications or events during the year. In 2022 the views of shareholders, communicated to the Board, informed the following changes: - The resolutions proposed to the Company's AGM on 18 May 2022, which all received approval.

STRATEGIC REPORT (CONTINUED)
SECTION 172(1) STATEMENT (CONTINUED)

Stakeholder engagement (continued)

Who	Why we engage	How we engage	Outcome
Investment Vehicle Manager	The Board needs to inform itself as to the effectiveness of the operation of the Investment Vehicle and its investment programme. In addition, the Investment Vehicle Manager provides investor relations support to the Company and the Board works with the Investment Vehicle Manager to support the investor relations function on a regular basis.	The Investment Vehicle Manager reports on the performance of the Investment Vehicle to the Board on a regular basis. In addition, the Board meets with representatives of the Investment Vehicle Manager on a regular basis in order to develop and monitor its sales and marketing strategy and to discuss strategic and market issues generally.	The Company is well managed, receives appropriate and timely advice and guidance and has an appropriate, open and transparent relationship with the Investment Vehicle Manager.
Association of Investment Companies ("AIC") and European Leveraged Finance Association (ELFA)	The Board is informed of the emerging legislative and regulatory developments, market conditions and ESG initiatives undertaken by the AIC and ELFA for their members. Additionally, the Company gets to interact with the wider investment community, thus identifying trends and potential opportunities.	The Company is an active member of the AIC and Board members regularly attend and actively participate in AIC sponsored events. Ms Neill is a member of the AIC's ESG Forum whose members are non-executive directors of investment companies and meets approximately three times a year. Ms Neill and Ms Gilbert are both members of ELFA's ESG Committee, which meets approximately four times a year. The Company and the Investment Vehicle Manager are both active members of ELFA and actively participate in ELFA sponsored events.	The Board and representatives of the Investment Vehicle Manager are well informed and positioned to identify market trends, opportunities and emerging risks as well as expand the network of the Company. The AIC is also positioned to support and promote investment companies including the Company. The AIC ESG Forum provides advice to the AIC on its ESG initiatives and projects; relevant ESG regulatory issues and ESG trends and developments, which could impact investment companies.
Third-party service providers	The Board receives operational, compliance and associated reports and gets satisfied as to the effective operation of the services, systems and internal controls operated by service providers on behalf of the Company.	The Board oversees the performance of third-party service providers. Refer to page 47 for further information.	The Company's operations and internal controls are effective, efficient and compliant.

STRATEGIC REPORT (CONTINUED)
SECTION 172(1) STATEMENT (CONTINUED)

Stakeholder engagement (continued)

Wider Society	As a responsible corporate citizen, the Company recognises that its operations have an environmental footprint and an impact on wider society.	The Board meets with stakeholders to remain current in their understanding of stakeholder views relating to environmental and social matters.	The Board has continued with its programme to offset the impact of the Company's operations on the community in which it operates, as demonstrated in the decision to engage with the Jersey National Park, having made a commitment to the value of £100,000 over a five-year period. Additionally the Board also held a volunteering day at the Jersey National Park in October 2022.

Principal decisions

Decision	Impact on long-term success	Stakeholder considerations
Dividend level changes	Delivering consistent income distributions to shareholders.	The Board understands that reliable income distributions through dividends are of significant importance to shareholders. The Board's dividend target at the start of the year under review was 5 cents per Euro Share / 5 pence per Sterling Share. On 21 September 2022, the Board announced that the Company had increased its annual dividend by 20% to 6 cents per Euro Share / 6 pence per Sterling Share, with effect from the dividend payments for quarter ended 30 September 2022. This change was made in the light of market conditions and, in particular, the rising risk-free rate environment. The dividend coverage ratio from coupon income, of 1.57x and 1.68x for the EUR and GBP share classes respectively, was a factor in the Board's decision to further increase the dividend target for the next twelve months as announced on 7th March 2023, to €0.070 and £0.075 for the EUR and GBP share classes respectively. The Company's distribution policy is reviewed on an ongoing basis, with a key focus being the determination of a stable level of dividends that, based on market conditions and expected cash yield, could reasonably be declared without recourse to capital for a forward-looking period of 12 months.

STRATEGIC REPORT (CONTINUED)
SECTION 172(1) STATEMENT (CONTINUED)

Principal decisions (continued)

Director Appointments	Appointment of Ms Neill and Ms Gilbert	The Board sought candidates with ESG and leveraged finance expertise to ensure a combination of skills, experience and knowledge, as assessed by the Company's Nomination & Remuneration Committee, and for the purpose of succession planning. The Company engaged Fletcher Jones to conduct this search and interviewed a shortlist of suitable candidates before appointing both Ms Neill and Ms Gilbert. The Board considers that Ms Neill and Ms Gilbert bring valuable skills to the role and have made a valuable contribution to the Board's discussions and decision making since their appointment.
Tender mechanism	Offering shareholders liquidity on a net asset value basis.	The Board is aware of the importance shareholders place on being able to realise a proportion of their shareholding on a net asset value basis. To ensure that the tender mechanism continues to be operated in a way that is in the best interests of the Company and the shareholder base as a whole, the Board sought and obtained shareholder approval to amend terms of the tender mechanism at its AGM on 18 May 2022. These changes encompassed the structure of the tender facility, moving from a quarterly to a semi-annual structure with a 25% annual limit and a 15% semi-annual limit, instead of a 50% annual limit and 24.99% quarterly limit as in previous years and changes to the tender record date to a year before the deadline for making a tender request. The Board believes that the shift to a semi-annual tender facility will be more cost effective for the Company to implement, while providing sufficient liquidity to Shareholders. The reduction of the annual restriction from 50% to 25% and the introduction of a semi-annual restriction of 15% reflects the amount of liquidity that the company can reasonably expect to create in respect of two contractual semi-annual tenders under normal market conditions. The Board believes that the changes to the tender record date should disincentivise short-term shareholders who seek to benefit from arbitrage between the price at which the company's shares trade from time to time and the tender price by taking part in the contractual semi-annual tenders.

Employee engagement

The Company has no employees.

Business relationships

The Board considers its business relationships with stakeholders to be important to the ongoing success of the Company and is proactive in fostering these relationships. For details on the nature of these relationships and how the Company fosters relationships with its stakeholders, refer to the "Stakeholder engagement" section on pages 31 to 33 above. The Board also considers the impact principal decisions have on its stakeholders, which is detailed in the "Principal decisions" section above.

BOARD MEMBERS

All the Directors are independent and non-executive.

CHAIRMAN

Richard Michael Boléat.

Appointed 20 March 2013.

Richard Boléat is a Fellow of the Institute of Chartered Accountants in England & Wales, having trained with Coopers & Lybrand in Jersey and the United Kingdom. After qualifying in 1986, he subsequently worked in the Middle East, Africa and the UK for a number of commercial and financial services groups before returning to Jersey in 1991. He was formerly a Principal of Channel House Financial Services Group from 1996 until its acquisition by Capita Group plc ('Capita') in September 2005. Richard led Capita's financial services client practice in Jersey until September 2007, when he left to establish Governance Partners, L.P., an independent corporate governance practice.

Alongside his role at the Company, he currently acts as: Senior Independent Director and Audit Committee Chairman of M&G Credit Income Investment Trust plc and a Non-Executive Director of Third Point Investors Limited, both of which are listed on the London Stock Exchange. He is regulated in his personal capacity by the Jersey Financial Services Commission.

BOARD MEMBERS (CONTINUED)

DIRECTORS

Mark Richard Tucker.

Appointed 20 March 2013.

In 1997 Mark joined Arborhedge Investments, Inc. (formally HFR Investments, Inc.) a Chicago based, boutique broker dealer specialising in the placement of hedge fund interests to institutions globally. Mark served as the President and Chief Executive Officer of Arborhedge until his return to Jersey in 2002, after which he remained a director and shareholder until 2012. Previously, Mark held a variety of retail and private banking roles in Jersey with both HSBC and Cater Allen Bank.

In 1988, Mark relocated first to London, where he joined GNI Limited in a financial futures business development role, and later to New York where he was responsible for the alternative investment programme of Gresham Asset Management, Inc. and later for the asset allocation and manager selection activities of Mitsui & Company.

Mark is personally regulated by the Jersey Financial Services Commission in the conduct of financial services business, is an Associate of the Chartered Institute of Bankers and a Chartered Fellow of the Chartered Institute for Securities and Investment. Mark also serves as a non-executive director to several other offshore structures.

Stephanie Carbonneil.

Appointed 21 February 2019.

Stephanie is a senior investment professional and is currently Head of Investment Trusts at Allianz Global Investors. She has experience in portfolio management specifically in institutional fund of funds and private wealth management. She also has broad experience in management of multi-asset funds and manager selection across European equities, US and Emerging equities, Global Emerging equities, High yield and European fixed income.

Stephanie has extensive knowledge of best practices in asset management through the implementation of a disciplined selection process and capital allocation to best-in-class managers. She has particularly strong experience in business development based on her combination of strong asset management technical expertise and experience as fund allocator. She also has been involved in implementing a diversity programme whilst in a previous role at Architas.

BOARD MEMBERS (CONTINUED)

Vanessa Neill.

Appointed 11 January 2022.

Vanessa is an independent consultant specialising in Sustainability and ESG. She advises global public and private companies on the integration of Environmental, Social and Governance (ESG) factors into their core business strategy and works with clients to support them in communicating the value and impact of their sustainability initiatives in a clear, transparent and authentic way. Vanessa currently advises companies across multiple sectors, with particular expertise in asset management and private equity.

Alongside her client work, Vanessa is currently undertaking an executive Postgraduate Masters Level Diploma at the Cambridge Institute for Sustainable Leadership (CISL), and in April 2021 successfully completed a Postgraduate Masters Level Certificate in Sustainable Business at the same institution.

Vanessa has had over 20 years of experience in strategic communications. She was formerly a Partner at Kekst CNC, a global leading strategic communications consultancy, where she co-led the firm's ESG and Sustainability Steering Group. Prior to that, she served as Head of Communications for the Investment Banking and Capital Markets Division at Credit Suisse from 2009 to 2018, where she supported the launch of the Impact Advisory and Finance Department.

Esther Gilbert.

Appointed 23 September 2022.

Esther is a consultant specialising in product development and process enhancement for asset managers and asset owners. She works with global companies to enhance their position in the UK market, particularly in relation to their strategy offering, ESG integration and research capabilities, across both public and private markets.

Esther has sixteen years of experience investing in fixed income and alternatives markets, most recently as Senior Fixed Income Analyst at Investec Wealth & Investment, a leading UK wealth manager, where she was integral to the development of the investment research process, including ESG integration, as well as fixed income portfolio construction.

Prior to that, she held roles as Portfolio Manager Analyst at AXA IM in London, and Fixed Income Portfolio Manager at Mitsubishi UFJ Asset Management (UK). Esther is a CFA Charter holder and holds the CFA Certificate in ESG Investing.

DIRECTORS' REPORT

The Directors present the Annual Financial Report for the Company for the year ended 31 December 2022. The results for the year are set out in these accounts.

Dividend Policy

The Company's dividend policy is to generate consistent income distributions to shareholders, at levels consistent with prevailing market conditions. This policy, as announced on 7 March 2023, is currently implemented by way of annual dividends of €0.07000/£0.07500 per Euro/Sterling share paid equally on a quarterly basis. The Company announced and paid four quarterly dividends totalling €0.05250 and £0.05250 (2021: €0.0475 and £0.0475) per Euro Share and Sterling Share respectively in 2022 which equates to a dividend yield based on year-end bid share price of 6.40% and 5.71% (2021: 5.00% and 4.57%), respectively.

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 31 December 2022:

44,767,789 Euro shares (31 December 2021: 35,089,055 Euro shares)
236,506,595 Sterling shares (31 December 2021: 218,048,635 Sterling shares)

Excluding shares held in treasury, the Company had the following number of shares in issue as at 31 December 2022:

105,076,336 Euro shares (31 December 2021: 120,016,565 Euro shares)
129,518,607 Sterling shares (31 December 2021: 143,874,174 Sterling shares)

Each Euro share holds 1 voting right, and each Sterling share holds 1.17 voting rights. As at 31 December 2022, the total number of voting rights of the Euro shares of no par value is 105,076,336 (40.95%) and of the Sterling shares is 151,536,770 (59.05%). The total number of voting rights in the Company is 256,613,106.

Borrowing limits

The Company does not have any external borrowings. The Directors may, if they feel it is in the best interest of the Company, borrow funds subject to the appropriate resolutions of shareholders. The Investment Vehicle holds external loans and borrowings as disclosed in note 7.

Acquisition of own shares

The Board has the authority to purchase its own shares under the terms and conditions of the tender mechanism as summarised in note 12. Details of the shares tendered and repurchased during the year are given in the Strategic Report on page 17.

To assist the Company to minimise the discount at which the shares trade relative to the net asset value per share, as well as reduce the volatility and increase liquidity in the shares, on 18 May 2022, the Company renewed the general authority to purchase in the market up to 14.99% of the shares in issue as at 18 May 2022. This authority expires on the date of the 2023 AGM scheduled for 2 May 2023. During the year the Company did not purchase any shares in the market.

The Directors will seek renewal of these authorities from shareholders at the Company's 2023 AGM.

DIRECTORS' REPORT (CONTINUED)

Directors' interests

As at 31 December 2022 and the date of approval of the annual financial report, directors held the following shares in the Company:

	Number of Sterling Shares held	
Director	**As at 31 December 2022**	**As at 27 March 2023**
Richard Boléat	30,000	30,000
Stephanie Carbonneil	22,200	22,200
Mark Tucker	50,000	50,000
Vanessa Neill	11,780	11,780
Esther Gilbert	7,273	7,273

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

Shareholders' interests

As at 31 December 2022, the Company had been notified in accordance with Chapter 5 of the Disclosure and Transparency Rules ("GDTRs") (which covers the acquisition and disposal of major shareholdings and voting rights), of the following shareholders that had an interest of greater than 5% in the Company's issued share capital.

	Percentage of total voting rights (%)
Investec Wealth & Investment Limited	9.60%
Brewin Dolphin Limited	8.07%
Mizrahi Tefahot Bank	8.04%
Canaccord Genuity Group Inc	5.55%
Fidelity Funds – Global Multi-Asset Income Fund	5.50%

Between 31 December 2022 and 27 March 2023 the Company did not receive any notifications.

Disclosures required under LR 9.8.4R

The Financial Conduct Authority's Listing Rule 9.8.4R requires that the Company includes certain information relating to arrangements made between a controlling shareholder and the Company, waivers of Director's fees, and long-term incentive schemes in force. The Directors confirm that there are no disclosures to be made in this regard.

Events after the reporting date

The Directors are not aware of any matters that might have a significant effect on the Company in subsequent financial periods not already disclosed in this report or the attached financial statements under note 16.

Statement as to disclosure of information to the auditor

The Directors who held office at the date of approval of this Directors' Report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditors are unaware and that they have taken the steps that they ought to have taken as Directors to

DIRECTORS' REPORT (CONTINUED)

Statement as to disclosure of information to the auditor (continued)

make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Fair, balanced and understandable

In assessing the overall fairness, balance and understandability of the Annual Financial Report, including the financial statement, the Board has performed a comprehensive review to ensure consistency and overall balance.

AGM

The Company will hold the 2023 AGM on or around 2 May 2023. The notice and details of the resolutions being proposed will be circulated in a separate letter and will be available shortly afterwards on the Company's website (ig.cvc.com).

All resolutions proposed at the 2022 AGM held on 18 May 2022 were passed without significant votes cast against any of the resolutions.

Corporate Governance Statement - Compliance with the AIC Code

The Company has a premium listing on the London Stock Exchange and is therefore required to report on how the principles of the UK Corporate Governance Code (the "UK Code") have been applied. By reporting against the AIC Code, the Company has met its obligations under the UK Code and the associated disclosure requirements under paragraph 9.8.6 of the Listing rules, and as such does not need to report further issues contained in the UK Code which are not applicable to the Company. Being an investment company, a number of the provisions of the UK Code are not applicable as the Company has no executive directors or internal operations.

The AIC Code is available on the AIC website www.theaic.co.uk. The Company has complied with all the principles and applicable provisions of the AIC Code during the year ended 31 December 2022.

As the Company is self-managed, provisions pertaining to the relationship with managers are not applicable to the Company. As the Company is not newly incorporated, provisions pertaining to new companies are not applicable. It is noted that Vanessa Neill and Esther Gilbert were appointed during the year, and relevant disclosures have been made in accordance with the AIC Code.

Set out below is where stakeholders can find further information within the Annual Financial Report about how the Company has complied with the various principles and provisions of the AIC Code.

1. Board Leadership and Purpose	
Purpose	Page 2
Strategy	Page 2
Values and culture	Page 42
Stakeholder Engagement	Pages 31 to 33

2. Division of Responsibilities	
Director Independence	Page 42
Board meetings	Pages 45 to 46
Management Engagement Committee	Page 44

DIRECTORS' REPORT (CONTINUED)

Corporate Governance Statement - Compliance with the AIC Code (continued)

This Directors' Report was approved by the Board of Directors on 27 March 2023 and signed on its behalf by:

Richard Boléat
Chairman

Mark Tucker
Audit Committee Chairman

BOARD AND COMMITTEES

Culture

The Company's culture is one of openness, transparency and inclusivity. Respect for the opinions of its diverse stakeholders features foremost as does its desire to implement its operations in a sustainable way, conducive to the long-term success of the Company.

The Board

The Board consists of five non-executive directors:

- Richard Boleat (Chairman);
- Mark Tucker (Audit Committee Chairman and Senior Independent Director);
- Stephanie Carbonneil (Nomination and Remuneration Committee Chair)
- Vanessa Neill (ESG Committee Chair, appointed 11 January 2022); and
- Esther Gilbert (appointed 23 September 2022).

All of the Directors are independent of the Investment Vehicle Manager. Please refer to pages 35 to 37 for the biographies and dates of appointment for all Directors.

Mark Tucker is the Senior Independent Director. In this role, he provides support to the Chairman and serves as an alternate point of contact for stakeholders.

Directors' appointment, retirement and rotation

Following Mr Wood's resignation in 2021, the Directors engaged Fletcher Jones, an external search consultancy, in their search for an additional Director. Fletcher Jones has no other connection to the Company or any individual Directors. The Nomination and Remuneration Committee prepared a candidate specification which included the Board's desire for an ESG specialist, and shortlisted and interviewed candidates before appointing Ms Neill. The Nomination and Remuneration Committee also prepared a candidate specification for a Director with leveraged finance expertise. The Committee then also shortlisted and interviewed candidates before appointing Ms Gilbert. Both Ms Neill and Ms Gilbert were appointed to enhance the Board's skillset.

Directors have agreed letters of appointment with the Company. No Director has a service contract with the Company and Directors' appointments may be terminated at any time by one month's written notice with no compensation payable at termination upon leaving office for whatever reason.

Subject to the Articles of Association, Directors may be appointed by the Board. In compliance with the AIC Code, the Board has resolved that all Directors will stand for re-election at each AGM, including the forthcoming AGM. Ms Gilbert's election will be proposed at the forthcoming AGM, this being the first AGM pursuant to Ms Gilbert's appointment.

Board diversity

Whilst the Company has not set a policy with prescriptive diversity metrics. In addition to the metrics prescribed by Listing Rule 9.8.6R (9)(a), the Board recognises that diversity, including gender and ethnic diversity, is of material importance to both its own shareholders and that of wider society, and both gender and ethnicity are key considerations of the board when appointing new members.

While the requirements of Listing Rule 9.8.6R (9)(a) are only applicable to financial years starting on or after 1 April 2022, the Board has decided to report early on how it meets the following targets on board diversity.

BOARD AND COMMITTEES (CONTINUED)

The Board (continued)

Board diversity (continued)

The tables below set out the Board's current composition against the targets prescribed by Listing Rule 9.8.6R (9) (a).

Number of board members	Percentage of the board	Number of senior positions on the Board (CEO, CFO, SID and Chair)*
Men: 2	40%	Chair – Richard Boléat Senior Independent Director (SID) – Mark Tucker
Women: 3	60%	Chair of the Nomination and Remuneration Committee – Stephanie Carbonneil Chair of the ESG Committee – Vanessa Neill

	Number of Board members	Percentage of the Board	Number of senior positions on the Board (CEO, CFO, SID and Chair)*
White British or other White (including minority-white groups)	5	100%	Chair – Richard Boléat SID and Chair of the Audit Committee – Mark Tucker Chair of the Nomination and Remuneration Committee – Stephanie Carbonneil Chair of the ESG Committee – Vanessa Neill
Mixed/Multiple Ethnic Groups	Nil	N/A	N/A
Asian/Asian British	Nil	N/A	N/A
Black/African/Caribbean/Black British	Nil	N/A	N/A
Other ethnic group, including Arab	Nil	N/A	N/A
Not specified/ prefer not to say	Nil	N/A	N/A

* The Company is a self-managed fund and does not have executive management.

At least one of the female directors needs to have a senior position within the Board. Vanessa Neill Chairs the ESG Committee and Stephanie Carbonneil chairs the Remuneration and the Nomination committee.

The Board recognises the importance of diversity and will continue to welcome applications from diverse candidates irrespective of their ethnicity or gender.

BOARD AND COMMITTEES (CONTINUED)

The Board (continued)

Board diversity (continued)

The table below sets out the Board skills matrix.

Director	Appointed	Experience	Qualification
Richard Boléat	2013	I,D,CG,AF	FCA ICAEW
Mark Tucker	2013	I,D,CG,AF	ACIB, Chartered FCSI
Stephanie Carbonneil	2019	I,D,CG	MA in Finance, French LLM in Contract Law, IMC
Vanessa Neill	2022	I,CG,ESG	Postgraduate Masters Certificate in Sustainable Business, Cambridge Institute for Sustainable Leadership (CISL)
Esther Gilbert	2022	I,CG,ESG	BA Mathematics with Finance, CFA, IMC, CFA ESG Investing

I Investment
D Distribution
CG Corporate Governance
AF Accounting and Finance
ESG ESG expertise

Committees

The Board has established three committees, namely the Audit Committee, the Nomination and Remuneration Committee and the ESG Committee. Items relevant to a management engagement committee were considered by the Board as a whole.

Audit Committee

The Audit Committee membership comprises all of the Directors. The Chairman of the Board is a member of this Committee (but he does not chair it) which is considered appropriate given that he is a Fellow of the Institute of Chartered Accountants in England and Wales and also has extensive knowledge of the financial services industry.

The report on the role and activities of this Committee and its relationship with the external auditor is set out in the Report of the Audit Committee on pages 50 to 53.

Nomination and Remuneration Committee

The Nomination and Remuneration Committee is comprised of Ms Carbonneil, Mr Tucker, Ms Neill and Ms Gilbert, and is chaired by Ms Carbonneil.

ESG Committee

The ESG Committee was formed on 24 January 2022, is chaired by Ms Neill and comprises all of the Directors. They can be found within the tab “Terms of Reference” within the “News & Documents” section of the Company’s website (ig.cvc.com).

Board and Committees evaluation

During the year, the Board engaged Boardroom Dialogue Group to carry out an external board evaluation. The Company does not have any other business relationships with Boardroom Dialogue Group. The evaluation considered guidance outlined in the AIC Code, with account taken of other best practice guidance, including the FRC publication, Guidance on Board Effectiveness, March 2018, and interviewed the Directors of the Company together with representatives of key service providers.

The results of the board evaluation were positive and a number of limited recommendations were made to further enhance the good governance of the Company. Some of the positive outcomes of the Board evaluation was that the Chairman provides strong leadership, and the

BOARD AND COMMITTEES (CONTINUED)

Committees (continued)

Board and Committees evaluation (continued)

skills makeup of the Board is appropriate, as well as the Board having a collegiate approach. One of the recommendations was the Board's continuing focus on succession planning. The Board has already implemented a number of the recommendations and the remaining recommendations have formed a part of the Board's rolling action plan.

Director Remuneration

In November 2022, the Nomination and Remuneration Committee undertook its annual review of the fees paid to the Directors and compared these with the fees paid by reasonably comparable listed companies. The committee concluded that the fees should remain unchanged.

Tenure and succession policy

The Board regularly and critically examines and evaluates its membership and that of its committees, and its succession requirements. In doing so, the Board takes into consideration: the duration of each member's appointment; their continued satisfactory performance; gender diversity; diversity of social and ethnic background; diversity of thought and previous experience; and continued prepossession of the skills identified by the Board as being essential to the Company's long-term success.

In addition, the Board recognises that to carry out its duties successfully and for the benefit of the Company's long-term success and its stakeholders, corporate knowledge of the type that is acquired over time, is beneficial to the Company and its stakeholders. It is against this backdrop that the policy adopted by the Company does not include fixed terms of service for non-executive directors, including the position of Chairman.

Whilst the Board shares the view of the AIC that long periods of service pose a risk to each Director's independence, the Board takes the view that tenure is not the sole determinant of independence. The Board believes that Mr Boléat and Mr Tucker demonstrate constructive challenge in their dealings with other Board members and the Investment Vehicle Manager, and that, notwithstanding the length of their tenure, Mr Boléat and Mr Tucker remain independent in character and judgement within their roles. The Board composition was refreshed in the past 18 months and given the complexity of the markets, the technicalities of a self-managed Company and the time it requires for new Non-Executive Directors to settle in, it is in the interest of shareholders to favour stability and continuity by ensuring that the Chair of the Audit Committee and the Chair remain on the Board to ensure a smooth transition.

Board succession planning is nevertheless discussed, and shareholders will informed as when there are further developments. It is also noted that changes to the Board and the Investment Vehicle Manager personnel have provided new perspectives within this business relationship.

In making Board appointments and developing a succession plan, the Board takes into consideration the above factors which are aligned with the principles, provisions and spirit of the AIC Code and targets prescribed by Listing Rule 9.8.6R (9)(a), and will ensure that any appointments to the Board follow a formal, rigorous and transparent process. This is with ultimate consideration to ensuring that the Board and all committees have an appropriate mix of skills and experience to best serve the Company.

The Board continues to welcome the views of major shareholders on the matter of Board tenure.

Board meetings

The Board meets periodically throughout the year. The Investment Vehicle Manager, together with the Company Secretary, also ensure that all Directors receive, in a timely manner, all relevant management, regulatory and financial information relating to the Company and the Investment Vehicle portfolio.

BOARD AND COMMITTEES (CONTINUED)

Board meetings (continued)

The Board applies its primary focus to the following:

- investment performance, ensuring that the investment objective and strategy of the Company are met;
- ensuring investment holdings are in line with the Company's prospectus;
- reviewing and monitoring financial risk management and operating cash flows, including cash flow forecasts and budgets for the Company; and
- reviewing and monitoring of the key risks to which the Company is exposed as set out in the Strategic Report.

At each relevant meeting, the Board undertakes reviews of key investment and financial data, transactions and performance comparisons, share price and NAV performance, marketing and shareholder communication strategies, peer group information and industry issues. The Board holds regular discussions with the Investment Vehicle Manager to discuss performance of the Investment Vehicle portfolio, whilst considering ways in which future share price and overall performance can be enhanced. The share tender mechanism impacts the number of units of PECs that are to be redeemed to provide the required liquidity for the shares tendered by shareholders and is therefore discussed only to that extent, with the Investment Vehicle Manager.

The Board considers whether the investment policy continues to meet the Company's objectives and notes the change to the Company's investment policy to enable a maximum of 20% of the Investment Vehicle's gross assets to be invested in collateralised loan obligation securities (increased from 7.5%) which was proposed to, and received approval at, the Company's AGM on 18 May 2022.

Attendance at 2022 scheduled meetings of the Board and its committees

Vanessa Neill joined the Board as a Non-Executive Director on 11 January 2022 and Esther Gilbert joined the Board as a non-Executive Director on 23 September 2022. Accordingly, their attendance is only reported in respect of the meetings following their appointments.

Director	Board Meetings	Audit Committee	Audit Sub-Committee	Committee of the Board (Share Conversions, Tenders, Dividends and Accounts Approval)	Nomination and Remuneration Committee	Strategy Meeting	ESG Committee
Richard Boléat	7/7	3/3	2/2	6/6	3/3	1/1	4/4
Stephanie Carbonneil	7/7	3/3	N/A**	N/A*	3/3	1/1	4/4
Mark Tucker	7/7	3/3	2/2	11/11	3/3	1/1	4/4
Vanessa Neill	7/7	3/3	N/A**	N/A*	3/3	1/1	4/4
Esther Gilbert	2/2***	N/A***	N/A**	N/A*	1/1***	1/1	1/1

* The Board has formed a committee of any one Jersey based Director to approve routine matters associated with the administration of the quarterly share conversion, tender and dividend meetings.

** The Audit Committee has formed a sub-committee of any two Jersey-based Directors for accounts approval.

*** Esther Gilbert was appointed to the Board on 23 September 2022 and was appointed to the Nomination & Remuneration Committee and to the ESG Committee following these committee meetings on 1 November 2022.

BOARD AND COMMITTEES (CONTINUED)

Monitoring and evaluation of service providers

The Board reviews the performance of the Company's third-party service providers (See "Company Information") together with their anti-bribery and corruption policies to ensure that they comply with the Corruption (Jersey) Law 2006, the Bribery Act 2010, the Criminal Finances Act 2017 and ensure their continued competitiveness and effectiveness and ensure that performance is satisfactory and in accordance with the terms and conditions of the respective appointments.

As part of the Board's ongoing evaluation of third-party service providers, it considers and reviews, on a periodic basis, contractual arrangements with the major service suppliers of the Company.

The Directors have adopted a procedure whereby they are required to report any potential acts of bribery and corruption in respect of the Company that come to their attention to the Company's Compliance Officer.

Shareholder communications

An analysis of the substantial shareholders of the Company's shares is provided to the Board on a quarterly basis, as applicable.

The Board views shareholder relations and communications as a high priority and the Board aims to have a thorough understanding of the views of shareholders. The Chairman and the Senior Independent Director are available for discussion about governance and strategy with major shareholders and they communicate shareholders' expressed views to the Board. Shareholders wishing to communicate with the Chairman, or the Senior Independent Director, may do so by any conventional means. The Directors welcome the views of all shareholders and place considerable importance upon them.

The main method of communication with shareholders is through the half-yearly and annual financial reports which aim to give shareholders a clear and transparent understanding of the Company's objectives, strategy and results. This information is supplemented by the publication of monthly fact sheets, and the weekly estimated and monthly NAV of the Company's Euro shares and Sterling shares on the London Stock Exchange, via a Regulatory Information Service.

The Company's website (ig.cvc.com) is regularly updated with monthly fact sheets and provides further information about the Company, including the Company's financial reports and announcements. The maintenance and integrity of the Company's website is the responsibility of the Directors. Legislation in Jersey governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

The Board believes that the AGM provides an appropriate forum for investors to communicate with the Board and encourages participation. The AGM will be attended by at least the Chairman of the Company and the Chairman of the Audit Committee.

The Board has also instigated a programme of quarterly investor calls, to allow investors and other interested parties to receive an update on the previous quarter's performance and market conditions. It also provides a forum for questions to be posed to the Chairman of the Board and representatives of the Investment Vehicle Manager.

Financial risk management objectives and policies

The Board is responsible for the Company's system of risk management and internal control and meets regularly in the form of periodic Board meetings to assess the effectiveness of such controls in managing and mitigating risk.

The Board confirms that it has reviewed the effectiveness of the Company's system of risk management and internal control for the year ended 31 December 2022, and to the date of approval of this Annual Financial Report. The Board has taken into consideration the Financial Reporting Council (FRC)'s, "Guidance on Risk Management, Internal Control and Related Financial

BOARD AND COMMITTEES (CONTINUED)

Financial risk management objectives and policies (continued)

and Business Reporting" to ensure that the Company's system of risk management and internal control is designed and operated effectively, in line with best practice guidance provided by the FRC.

The key financial risks that the Directors believe the Company is exposed to include credit risk, liquidity risk, market risk, interest rate risk, valuation risk and foreign currency risk. Please refer to note 8 for reference to financial risk management disclosures, which explains in further detail the above risk exposures and the policies and procedures in place to monitor and mitigate these risks

The Company has appointed BNP Paribas S.A., Jersey Branch (the "Administrator") to act as administrator. The Administrator has established an internal control framework to provide reasonable but not absolute assurance on the effectiveness of the internal controls operated on behalf of its clients. The effectiveness of these controls is assessed by the compliance and risk department of the Administrator on an on-going basis and by periodic review by external parties. The Company's Compliance Officer presents an assessment of their review to the Board in line with the compliance monitoring programme on a quarterly basis which has revealed no matters of concern.

AIFMD REPORT (UNAUDITED)

The Company (which is a non-European Union ("EU") Alternative Investment Fund ("AIF") for the purposes of the Alternative Investment Fund Manager ("AIFM") Directive and related regimes in European Economic Area ("EEA") member states) is a self-managed fund and therefore acts as the deemed AIFM of the Company. The Company is authorised as an Alternative Investment Fund Services Business as defined under Article 2(11) of the Financial Services (Jersey) Law 1998 and, as such, fulfils the role of Alternative Investment Fund Manager.

In 2014, the Company registered with the Jersey Financial Services Commission, being the Company's competent regulatory authority, as a self-managed non-EU Alternative Investment Fund (AIF), and has registered with the UK Financial Conduct Authority, under the relevant National Private Placement Regime ("NPPR").

In 2015, the Company registered with the Finnish Financial Supervisory Authority, Belgium Financial Services and Markets Authority, Danish Finanstilsynet, Luxembourg Commission de Surveillance du Secteur Finacier and Swedish Finansinspektionen, under the relevant NPPR of each jurisdiction.

In 2017, the Company registered with Central Bank of Ireland, under the relevant NPPR.

As the Company is non-EU domiciled, no depositary has been appointed in line with the AIFM Directive, however BNP Paribas S.A., Jersey Branch has been appointed to act as custodian.

Information relating to the current risk profile of the Company and the risk management systems employed by the Company to manage those risks, as required under paragraph 4(c) of Article 23 of the AIFM Directive, is set out in note 8 – financial risk management. Please refer to pages 26 to 29 for the Board's assessment of the principal risks and uncertainties facing the Company.

AIFM remuneration

The total fees paid to the Board by the Company are disclosed within the Directors' remuneration report on page 55 and disclosed in note 6.

Article 22(2)(e) and 22(2)(f) of the AIFM Directive is not deemed applicable as the AIFM has no staff. No other remuneration costs have been incurred with the exception of those costs incurred by the Board as referenced above.

REPORT OF THE AUDIT COMMITTEE

It is my pleasure to present this report describing the activities of the Audit Committee in respect of the 2022 financial year.

Membership

The Board appointed Audit Committee operates within clearly defined Terms of Reference which are reviewed regularly by the Committee and amended as required. They can be found within the tab "Terms of Reference" within the "News & Documents" section of the Company's website (ig.cvc.com).

The Audit Committee comprises all the Directors and each Committee member has recent and relevant financial experience. The Committee has competence relevant to the sector in which the Company operates.

During the year, the Committee formally convened on three occasions. The members' attendance record can be found on page 46 of this annual financial report.

Role of the Audit Committee

The main role of the Committee is to protect the interests of the Company's shareholders regarding the integrity of the half-yearly financial report and the annual financial report of the Company and manage the Company's relationship with the external auditor.

The Audit Committee's key duties are:

- to review and monitor the fairness and balance of the financial statements of the Company including its half-year financial report and annual financial report to shareholders, reviewing any significant financial reporting issues and judgements which they contain;
- to advise the Board on whether the Committee believes that the annual report and accounts, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's performance, position, business model and strategy;
- to identify and disclose those risks considered by the Committee to be significant to their financial reporting process;
- to consider and make recommendations to the Board in relation to the appointment, re-appointment and removal of the external Auditors and to negotiate their remuneration and terms of engagement on audit and non-audit work;
- to meet regularly with the external Auditor in order to review their proposed audit programme of work and the subsequent Audit Report and to assess the effectiveness of the audit process and the level of fees paid in respect of audit and non-audit work; and
- to annually assess the external Auditor's independence, objectivity, effectiveness, resources and expertise.

In last year's Audit Committee Report I reported that, after considering the tenure of the Company's Auditor, it was the intention of the Committee to conduct an audit services tender process to allow the Committee to ensure it selected the best auditor able to provide the robust audit approach the Company demanded. I am pleased to report that the tender process was undertaken during the year and the Committee's recommendation to the Board to reappoint Ernst & Young LLP as the Company's Auditor was accepted.

The audit services tender process involved a rigorous selection criteria and was a process in which each Committee member participated. I led the process, commencing with a desk-top review of potential audit service providers. I identified and discussed the Company's requirements with five potential audit firms, each of which possessed the resources and experience necessary to ensure an effective audit. Of the five, two were invited to formally express their interest via the

REPORT OF THE AUDIT COMMITTEE (CONTINUED)

Role of the Audit Committee(continued)

Company's Request For Proposal protocol which led to both firms being invited to attend formal interviews with the Committee. The Committee was delighted with the processes and experience demonstrated by both candidate firms throughout the tender process, ultimately concluding that the reappointment of Ernst & Young LLP as the Company's Auditor was in the best interests of the Company based on continuity, notwithstanding the risks of their reappointment to their independence.

The Committee was also involved in a project to oversee the redrafting of the Company's KID, a process made necessary by the divergence of post-Brexit regulations between the UK and the European Union and changes by the Financial Conduct Authority to the UK KID disclosure requirements. The Company has, as required, published four KID documents, being a KID document in respect of each of the Company's Sterling and Euro share classes in both UK and European mandated formats. The Company's KID documents can be found within the tab "Key Information Documents" within the "News & Documents" section of the Company's website.

The Committee was also instrumental in an exercise to support the Board in making the Viability Statement which appears within the Strategic Report, on pages 22 to 23 of this annual financial report.

Significant risks

The Committee view the below as significant risks to the financial statements:

Title to, and the existence of the Company's investments

Procedures to confirm the Company's title to, and the existence of, the Company's investments are embedded within the Company's share issuance, conversion, tender, and dividend declaration processes as they occur throughout the year and further processes during the preparation of the Company's half year and annual financial reports. These procedures are executed through the Company's Administrator, the Investment Vehicle Manager and the Administrator of the Investment Vehicle Manager. Accordingly, title to, and existence of the Company's investments are confirmed by the Board regularly.

Valuation of Investments

The risk of misstatement due to errors in the valuation of the Company's investments is an issue of significance to the Committee. This risk is mitigated by regular Board meetings in which a review of the valuation of the Company's investments is included. Additionally, the Committee regularly interviews representatives of the Investment Vehicle Manager in order to gain assurances as to the continued appropriateness of the valuation methodology.

External audit process

The Committee met formally with the Auditor prior to the commencement of the audit and agreed an audit plan that would adopt a risk-based approach. The Committee and the Auditor agreed that a significant portion of the Audit effort would include an examination of revenue recognition with respect to investment income and an examination of the procedures in place at the Administrator and at the Investment Vehicle Manager in respect of the valuation and existence of the Company's investments and the underlying portfolio assets respectively.

Upon completion of the audit, the Committee discussed the effectiveness of the audit and concluded that the audit had been effective on the grounds that:

- The audit plan had been met;
- The Auditor had demonstrated a good understanding of the Company's business;
- No risks to audit quality had been identified;

REPORT OF THE AUDIT COMMITTEE (CONTINUED)

External audit process (continued)

- The Auditor demonstrated a robustness of process and perceptiveness in handling key accounting issues and judgements; and
- All issues that arose during the audit were satisfactorily resolved.

Additionally, procedures employed by the Auditors, described above, are viewed by the Committee as being appropriate and sufficiently robust for the Committee to gain sufficient assurance as to the effectiveness of the audit.

Non-audit services

The Company has adopted a policy such that the provision of non-audit services by the Company's auditors is considered and approved by the Audit Committee on a case-by-case basis, taking into account relevant law, regulation, the Revised Ethical Standard 2019 and other applicable professional requirements.

The following factors are assessed when considering the provision of non-audit services by the Auditors:

- Threats to independence and objectivity resulting from the provision of such services and any safeguards in place to eliminate or reduce these threats to a level where they would not compromise the Auditor's independence and objectivity;
- The nature of the non-audit services;
- Whether the skills and experience of the audit firm makes it the most suitable supplier of the non-audit service; and
- The fees incurred, or to be incurred, for non-audit services both for individual services and in aggregate, relative to the audit fee, including special terms and conditions (for example, contingent fee arrangements).

During the course of the year the Auditor was engaged to conduct a review of the Company's half-yearly financial report for the six months ended 30 June 2022.

The fees for the year-end audit were €84,543 (£72,063) (2021: €81,118 (£69,727)). Fees for non-audit services were €12,442 (£10,100) (2021: €11,750 (£10,100)) for the review of the half year report.

Auditor independence

The Committee undertakes an annual assessment of the independence of the Auditor prior to the commencement of the audit, this includes:

- Discussing with the Auditor the threats to their independence and the safeguards applied to mitigate such threats;
- Considering all of the relationships between the Company and the Auditor;
- Reviewing and confirming no relationships between the Company and the Auditor which could impact independence and objectivity;
- Reviewing the level of fees paid by the Company in proportion to the overall fee income of the firm, office and partner; and
- Reviewing the Auditor's policies and processes for maintaining independence and monitoring compliance with relevant requirements.

Based on the above criteria the Committee was satisfied as to the independence of the Auditor during the year ended 31 December 2022 and throughout the course of the audit.

REPORT OF THE AUDIT COMMITTEE (CONTINUED)

Auditor appointment

The Company's current external Auditor is Ernst & Young LLP, who were appointed on 19 August 2013. During 2022 the Committee undertook an audit tender process as described above in the Audit Committee Report.

The Committee considers the reappointment of the external auditor, including the rotation of the audit engagement partner, each year. The external auditor is required to rotate the audit engagement partner responsible for the Company audit every five years. The current audit engagement partner was appointed by the Auditor prior to the commencement of the Company's 2020 half year review.

The Committee reviews a number of factors when considering proposing the re-appointment/ appointment of an auditor including:

- Effectiveness and quality of the previous audit (if applicable);
- Independence;
- Qualification, expertise and resources; and
- Consideration as to whether it would be appropriate to recommend an external audit tender be conducted earlier than the maximum best practice ten-year period.

After considering the above the Committee provided the Board with its recommendation to the shareholders on the reappointment of Ernst & Young LLP as external auditor for the year ending 31 December 2023.

Accordingly, a resolution proposing the reappointment of Ernst & Young LLP as the Company's Auditor will be put to shareholders at the AGM. There are no contractual obligations restricting the Committee's choice of external auditor and the Company does not indemnify its external auditor.

Internal control

The Board is responsible for ensuring that suitable systems of risk management and internal control are implemented by the third-party service providers to the Company, the Committee has reviewed the BNP Paribas Securities Services ISAE 3402 report (Report on the description of controls placed in operation, their design and operating effectiveness for the period from 1 October 2021 to 30 September 2022) on Fund Administration and are pleased to note that no significant issues were identified.

In accordance with the FRC's Internal Control: Guidance to Directors, and the FRC's Guidance on Audit Committees, the Board confirms that there is an on-going process for identifying, evaluating and managing the significant internal control risks faced by the Company.

As the Company does not have any employees it does not have a "whistle blowing" policy in place. The Company delegates its day-to-day administrative operations to third-party providers who are monitored by the Board and who report on their policies and procedures to the Board. Accordingly, the Board believes an internal audit function is not required.

I welcome feedback from all shareholders as to the form and content of this Annual Report.

For and on behalf of the Audit Committee,

Mark Tucker
Audit Committee Chairman
27 March 2023

DIRECTORS' STATEMENT OF RESPONSIBILITIES

The Directors are responsible for preparing the Annual Financial Report and financial statements in accordance with applicable Jersey law and International Financial Reporting Standards as adopted by the European Union (IFRS).

Jersey Law requires the Directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Company at the end of the year and of the profit or loss of the Company for that year.

In preparing these financial statements, the Directors should:

- select suitable accounting policies and apply them consistently;
- make judgments and estimates that are reasonable;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping proper accounting records that disclose, with reasonable accuracy at any time, the financial position of the Company and enable them to ensure that the financial statements comply with the Companies (Jersey) Law 1991. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

The Directors confirm to the best of their knowledge that:

- the financial statements, which have been prepared in accordance with IFRS, give a true and fair view of the assets, liabilities, financial position and profit of the Company; and
- the Strategic Report includes a fair review of the development and performance of the business and the position of the Company, together with a description of the principal risks and uncertainties that they face.

The Annual Report and financial statements, taken as a whole, are fair, balanced and understandable and provide the information necessary for shareholders to assess the Company's performance, position, business model and strategy.

Richard Boléat
Chairman
27 March 2023

Mark Tucker
Audit Committee Chairman

DIRECTORS' REMUNERATION REPORT

Table of Directors' Remuneration

Director	Annual Rate
Richard Boléat (Chairman)	
– Annual Fee	£65,000 (€76,257)
– One-off strategic review fee	£15,000 (€17,598)
Mark Tucker	
– Annual Fee	£43,750 (€51,327)
– Senior Independent Director	£1,250 (€1,467)
– Chairman of the Audit Committee	£5,000 (€5,866)
– One-off strategic review fee	£10,000 (€11,732)
Stephanie Carbonneil	
– Annual Fee	£42,500 (€49,860)
– Chair of the Nomination and Remuneration Committee	£5,000 (€5,866)
– One-off strategic review fee	£10,000 (€11,732)
Vanessa Neill*	
– Annual Fee	£42,500 (€49,860)
– Chair of the ESG Committee	£5,000 (€5,866)
– One-off strategic review fee	£10,000 (€11,732)
Esther Gilbert**	
– Annual Fee	£42,500 (€49,860)
All Directors	Reimbursement of ad hoc expenses

* appointed with effect from 11 January 2022

** appointed with effect from 23 September 2022

Directors receive the above annual fees for their commitment as Directors. All additional fees are for additional responsibilities and time commitments. The Directors are also reimbursed for their expenses on an ad hoc basis.

No other remuneration or compensation was paid or is payable by the Company during the period to any of the Directors. There has been no change to the Company's remuneration policy as detailed below.

The Company has no employees. Accordingly, there are no differences in policy on the remuneration of Directors and the remuneration of employees.

Remuneration policy

The determination of the Directors' fees is a matter for the Board. The Nomination and Remuneration Committee considers the remuneration policy annually to ensure that it remains appropriately positioned and makes recommendations to the Board as applicable. As part of this process, the Directors review the fees paid to the boards of directors of similar companies. No Director is involved in decisions relating to their own remuneration.

Directors are remunerated in the form of fees, payable quarterly in advance. No Director has any entitlement to a pension, and the Company has not awarded any share options or performance incentives to any of the Directors.

Directors are authorised to claim reasonable expenses from the Company in relation to the performance of their duties.

The Company's policy is that the fees payable to the Directors should reflect the time spent by the Board on the Company's affairs and the responsibilities borne by the Directors and should be sufficient to enable high calibre candidates to be recruited. The policy is for the Chairman of the Board and Chairs of Committees to be paid a higher fee than the other Directors in recognition of

DIRECTORS' REMUNERATION REPORT (CONTINUED)

Remuneration policy (continued)

their more onerous roles and more time spent. The Board may amend the level of remuneration paid within the limits of the Company's Articles of Association.

The Company's Articles of Association limit the aggregate fees payable to the Directors to a total of £426,193 (€500,000) per annum.

Statement of consideration of shareholder views

An ordinary resolution to ratify the Directors' remuneration report will be proposed at the forthcoming AGM scheduled to be held on 2 May 2023.

Stephanie Carbonneil

Nomination and Remuneration Committee Chair

27 March 2023

PROGRESS ON ENVIRONMENTAL, SOCIAL AND GOVERNANCE ("ESG") MATTERS

The Company has identified, through close monitoring of market and regulatory developments, the growing importance of responsible investment and integrating ESG considerations into the investment process.

CVC Credit Partners, which manages the Investment Vehicle, is a member of the United Nations Principles for Responsible Investment ("PRI").

On 24 January 2022, the Company established an ESG Committee, Chaired by Ms Neill, to provide the right governance structure for the Board to oversee disclosures the Company makes to its shareholders and to better understand the ESG policies and processes adopted by the Investment Vehicle Manager, which seek to incorporate ESG characteristics into the investment process. The Company's ESG Committee has engaged and collaborated with the Investment Vehicle Manager to better understand how ESG risk and in certain cases opportunities may be incorporated into the investment process. During the last year, a significant amount of progress has been made by the Investment Vehicle Manager with regard to further improving the assessment of ESG characteristics for new and existing investments. The manager has started collecting data as it pertains to E, S, and G characteristics and in the future, may be able to report on information that shareholders may find interesting and/or valuable. Additionally, in July 2022, CVC Credit Partners partnered with Sustainability Fitch, a provider of ESG scoring and analysis for issuers of debt instruments. Both these initiatives have helped to provide a more robust and evidenced-based process to the Investment Vehicle Manager's ESG due diligence process.

The Company participates in the ESG initiatives of the industry bodies, in order to inform its Directors of the latest regulatory and legislative developments relating to ESG as well as collaborative industry developments. It became a member of the European Leverage Finance Association ("ELFA") in July 2022 and both Ms Neill and Ms Gilbert are members of ELFA's ESG Committee. Ms Neill is also a member of the ESG Forum at the Association of Investment Companies ("AIC"). Participation in both these industry ESG forums provides useful insights on current ESG initiatives and issues in the investment trust sector and the debt, loan and CLO markets.

The Company is aware of current and upcoming sustainability and ESG regulations and has made the necessary disclosures in the Annual Report on pages 23 to 25 and on the Company's website (ig.cvc.com) as an Article 6 fund under Sustainable Finance Disclosures Regulation (SFDR).

The ESG Committee looks forward to continuing its' collaboration with the Investment Vehicle Manager in understanding the progress being made to the ESG strategy. The ESG committee will continue to monitor the regulations, legislation and frameworks such as the Sustainability Disclosure Requirements ("SDR"); the Task Force on Nature related Financial Disclosures ("TNFD"); and Corporate Sustainability Reporting Directive ("CSRD").

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CVC INCOME & GROWTH LIMITED

Opinion

We have audited the financial statements of CVC Income & Growth Limited (the "company") for the year ended 31 December 2022 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, and the Statement of Changes in Net Assets, the Statement of Cash Flows, and the related notes 1 to 17, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards as adopted by the European Union.

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2022 and of its loss for the year then ended;
- have been properly prepared in accordance with International Financial Reporting Standards as adopted by the European Union; and
- have been properly prepared in accordance with the requirements of the Companies (Jersey) Law 1991.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements, including the UK FRC's Ethical Standard as applied to listed public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

The non-audit services prohibited by the FRC's Ethical Standard were not provided to the company and we remain independent of the company in conducting the audit.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the directors' assessment of the company's ability to continue to adopt the going concern basis of accounting included:

- Ascertaining that the going concern assessment covers a period of at least twelve months from the date of approval of the financial statements. The directors' have performed an assessment to 27 March 2024 which is at least twelve months from the date of approval of the financial statements.
- Reviewing the cash flow and revenue forecasts which support the directors' assessment of going concern. This involved challenging the sensitivities and assumptions used in the forecasts.
- Reviewing the stress testing performed by the directors' and assessing whether the basis on which it was performed was appropriate and adequate, including validating assumptions used, that could have a material impact, by agreeing these to supporting documentation where possible.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CVC INCOME & GROWTH LIMITED(CONTINUED)

Conclusions relating to going concern (continued)

- Holding discussions with the directors' and the administrator to determine whether, in their opinion, there is any material uncertainty regarding the company's ability to pay liabilities and commitments as they fall due and challenging this assessment through our audit procedures over the assessment of the company's liquidity.
- Considering whether the directors' assessment of going concern, as included in the Annual Report, is consistent with the disclosure in the viability statement.
- Assessing whether the subsequent events identified by the directors impact the company's ability to continue as a going concern.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of twelve months from when the financial statements are authorised for issue.

In relation to the company's reporting on how they have applied the UK Corporate Governance Code, we have nothing material to add or draw attention to in relation to the directors' statement in the financial statements about whether the directors considered it appropriate to adopt the going concern basis of accounting.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern.

Overview of our audit approach

Key audit matters	• Risk of inappropriate revenue recognition with respect to investment revenue, including risk of management override • Risk of incorrect valuation of investments • Risk that investments do not exist, including incomplete and inaccurate investment transactions
Materiality	• Overall materiality of €2.4m which represents 1% of the net assets attributable to shareholders.

An overview of the scope of our audit

Tailoring the scope

Our assessment of audit risk, our evaluation of materiality and our allocation of performance materiality determine our audit scope for the company. This enables us to form an opinion on the financial statements. We take into account size, risk profile, the organisation of the company and effectiveness of controls, changes in the business environment and the potential impact of climate change when assessing the level of work to be performed.

Climate change

The company has determined that the most significant future impacts from climate change on its operations will be from 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. These are explained on page 26 to 29 in the principal risks and uncertainties, which form part of the "Other information," rather than the audited financial statements. Our procedures on

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CVC INCOME & GROWTH LIMITED(CONTINUED)

An overview of the scope of our audit (continued)

Climate change (continued)

these unaudited disclosures therefore consisted solely of considering whether they are materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appear to be materially misstated, in line with our responsibilities on "Other information".

Our audit effort in considering climate change was focused on evaluating management's assessment of the impact of climate risk, physical and transition, and ensuring that the effects of material climate risks disclosed in Note 2.1(d) have been appropriately reflected in the significant assumptions used in estimating the valuation of investments. Details of our procedures are included in our key audit matters below. We also challenged the directors' considerations of climate change in their assessment of going concern and viability and associated disclosures.

Based on our work we have not identified the impact of climate change on the financial statements to be a key audit matter.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in our opinion thereon, and we do not provide a separate opinion on these matters.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CVC INCOME & GROWTH LIMITED(CONTINUED)

Key audit matters (continued)

Risk	Our response to the risk	Key observations communicated to the Audit Committee
Risk of inappropriate revenue recognition with respect to investment revenue, including risk of management override *Refer to Accounting policy 2.9 (page 78) and Note 3 of the Financial Statements (page 79)* For the year ended 31 December 2022, the company recognised investment revenue of €14.9m (2021 €15.6m). The ability to generate dividend yield for shareholders that is funded from investment revenue (rather than capital gains arising on the disposal of investments) is a key strategic objective of the company. Investment revenue is primarily generated in the form of distributions from the Investment Vehicle (CVC European Credit Opportunities S.à.r.l.). Given the importance that the company's ability to generate a consistent level of investment revenue has on the company's dividend yield objectives, we consider that the recognition of investment revenue represents a fraud risk and thus a significant risk.	We have performed the following procedures: ● Updated our understanding of the nature of the investment revenue attributable to the company from the Investment Vehicle. ● Updated our understanding of how this risk is considered and managed by the directors, the Investment Vehicle Manager (CVC Credit Partners Investment Management Limited) and the administrator and performed a walkthrough to assess the design and implementation of controls. ● Traced the investment revenue received in the year to bank statements. ● Obtained income distribution notices from the administrator and agreed these to signed Board meeting minutes and the income recorded in the year. ● Recalculated the investment revenue attributable to the company from the Investment Vehicle based on the company's ownership of the Investment Vehicle and the income distributions made by the Investment Vehicle during the year and agreed to the audited financial statements of the Investment Vehicle. Performed recalculations of the foreign currency translations from Sterling to Euros.	Based on the work performed, we have no matters to report to the Audit Committee.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CVC INCOME & GROWTH LIMITED(CONTINUED)

Key audit matters (continued)

Risk	Our response to the risk	Key observations communicated to the Audit Committee
Risk of incorrect valuation of investments *Refer to the Report of the Audit Committee – per the financial statements (pages 50 to 53); Accounting policy 2.4 (pages 77 to 78); and Note 8.5 of the Financial Statements (page 97)*. At the year end, the company held 103,934,273.50 Euro Preferred Equity Certificates ('PECs') and 127,666,119.03 Sterling PECs (2021: 118,672,886.93 Euro PECs and 142,063,595.26 Sterling PECs) with a total value of €235.0m (2021: €309.7m). There is a risk that investment values are misstated or that valuations are incorrectly calculated through errors in the valuation of the PECs held by the company. The valuation of the PECs is dependent on a range of factors including the NAV of the Investment Vehicle and its underlying portfolio. The underlying portfolio includes level 3 securities valued by the Investment Vehicle Manager, and the directors of the company assess whether a liquidity adjustment should be taken on the NAV of the Investment Vehicle when arriving at the final valuations.	We have performed the following procedures: ● Updated our understanding of how this risk is considered and managed by the directors and the Investment Vehicle Manager by performing walkthrough procedures to assess the design and implementation of controls. ● Obtained an understanding of the administrator's systems and controls in respect of investment valuation and performed walkthrough procedures to confirm the design effectiveness of the process and key controls. ● Additionally, we obtained the ISAE 3402 report and the related bridging letter from the administrator to consider the impact of any significant deficiencies, identified in this report, to our audit. ● Confirmed our understanding, obtained through our walkthrough procedures, of the current valuation methodology used by the Investment Vehicle Manager through enquiries with the auditors of the Investment Vehicle. Reviewed minutes of meetings of the Board and the Valuation Committee to corroborate the valuation methodology and data inputs used and assessed whether the nature of the information and methodology utilised is appropriate.	Based on the work performed, we have no matters to report to the Audit Committee.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CVC INCOME & GROWTH LIMITED(CONTINUED)

Key audit matters (continued)

Risk	Our response to the risk	Key observations communicated to the Audit Committee
As the investment valuations are received directly from the Investment Vehicle Manager, who is remunerated by the Investment Vehicle in the form of management fees based on NAV, there is also a risk the Investment Vehicle Manager may influence the valuations to meet the expectations of investors. As such, this has been changed from a significant risk to a fraud and significant risk in the current year.	• Reviewed minutes of meetings of the Board and the Valuation Committee to corroborate the valuation methodology and data inputs used and assessed whether the nature of the information and methodology utilised is appropriate. • Agreed the valuation of the PECs to the audited financial statements of the Investment Vehicle, taking into account the ownership percentages. • Made enquiries of the Investment Vehicle's auditors in relation to the valuation of investments held by the Investment Vehicle to assess whether year-end valuations underlying the PECs held by the company are in accordance with IFRS 13: Fair value measurement. • We have considered the impart of climate change throughout the procedures performed on the valuation of investments by making enquiries of the Board of the Directors. • Considered and challenged whether the Board's assumptions around liquidity adjustments to NAV of the Investment Vehicle are appropriate by considering the historic trading and redemption activity in the Investment Vehicle and agreeing PEC redemptions to the bank statements.	

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CVC INCOME & GROWTH LIMITED(CONTINUED)

Key audit matters (continued)

Risk	Our response to the risk	Key observations communicated to the Audit Committee
Risk that investments do not exist, including incomplete and inaccurate investment transactions *Refer to the Report of the Audit Committee – per the financial statements (page 50 to 53); Accounting policy 2.4 (pages 77 to 78); and Note 7 of the Financial Statements (page 82).* At the year end, the company held 103,934,273.50 Euro and 127,666,119.03 Sterling PECs (2021: 118,672,886.93 Euro and 142,063,595.26 Sterling PECs) with a total value of €235.0m (2021: €309.7m). There is a risk that investments presented in the financial statements do not exist or the company does not have legal title to these. The individual investments are significant in value and the process that is involved in the completion of a purchase or a disposal of the PECs takes an extended period of time. As a result, there is a risk that incomplete or inaccurate transactional information with regards to the PECs would result in a material misstatement in the reported results and financial position of the company.	We have performed the following procedures: ● Updated our understanding of how this risk is considered and managed by the directors, the Investment Vehicle Manager and the administrator and performed walkthrough procedures to assess the design and implementation of controls. ● Obtained the PEC registers independently from the company Secretary of the Investment Vehicle ('SS&C') and agreed the holdings to those disclosed in the accounts. ● Agreed a sample of investment trades in the year to agreements and traced cash movements to bank statements. ● Reviewed the audited financial statements of the Investment Vehicle to check the existence and completeness of the company's investment in the PECs, and agreed the PEC units held by the company to the Series 4 and Series 5 PEC units disclosed in the audited financial statements of the Investment Vehicle. ● Reviewed minutes of Board meetings and other internal reports for indications of significant investment transactions not appropriately recorded.	Based on the work performed, we have no matters to report to the Audit Committee.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CVC INCOME & GROWTH LIMITED(CONTINUED)

Our application of materiality

We apply the concept of materiality in planning and performing the audit, in evaluating the effect of identified misstatements on the audit and in forming our audit opinion.

Materiality

The magnitude of an omission or misstatement that, individually or in the aggregate, could reasonably be expected to influence the economic decisions of the users of the financial statements. Materiality provides a basis for determining the nature and extent of our audit procedures.

We determined materiality for the company to be €2.4 million (2021: £3.1 million), which is 1% (2021: 1%) of the net assets attributable to shareholders. We believe that the net assets attributable to shareholders are the most important financial metric on which shareholders would judge the performance of the company.

Performance materiality

The application of materiality at the individual account or balance level. It is set at an amount to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds materiality.

On the basis of our risk assessments, together with our assessment of the company's overall control environment, our judgement was that performance materiality was 75% (2021: 75%) of our planning materiality, namely €1.8m (2021: €2.3m). We have set performance materiality at this percentage based on our understanding of the entity and past experiences with the audit.

Reporting threshold

An amount below which identified misstatements are considered as being clearly trivial.

We agreed with the Audit Committee that we would report to them all uncorrected audit differences in excess of €0.1m (2021: €0.2m), which is set at 5% of planning materiality, as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds.

We evaluate any uncorrected misstatements against both the quantitative measures of materiality discussed above and in light of other relevant qualitative considerations in forming our opinion.

Other information

The other information comprises the information included in the annual report pages 2 to 57 and 107 to 112, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CVC INCOME & GROWTH LIMITED(CONTINUED)

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Companies (Jersey) Law 1991 requires us to report to you if, in our opinion:

- proper accounting records have not been kept by the company, or proper returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the company's accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Corporate Governance Statement

We have reviewed the directors' statement in relation to going concern, longer-term viability and that part of the Corporate Governance Statement relating to the company's compliance with the provisions of the UK Corporate Governance Code specified for our review by the Listing Rules.

Based on the work undertaken as part of our audit, we have concluded that each of the following elements of the Corporate Governance Statement is materially consistent with the financial statements or our knowledge obtained during the audit:

- Directors' statement with regards to the appropriateness of adopting the going concern basis of accounting and any material uncertainties identified set out on page 22 of the annual financial report.
- Directors' explanation as to its assessment of the company's prospects, the period this assessment covers and why the period is appropriate set out on pages 22 to 23 of the annual financial report.
- Director's statement on whether it has a reasonable expectation that the company will be able to continue in operation and meets its liabilities set out on page 22 of the annual financial report.
- Directors' statement on fair, balanced and understandable set out on page 40 of the annual financial report.
- Board's confirmation that it has carried out a robust assessment of the emerging and principal risks set out on pages 26 to 29 of the annual financial report.
- The section of the annual report that describes the review of effectiveness of risk management and internal control systems set out on pages 47 to 48 of the annual financial report; and;
- The section describing the work of the Audit Committee set out on pages 50 to 51 of the annual financial report.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, as set out on page 50, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CVC INCOME & GROWTH LIMITED(CONTINUED)

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the company and management.

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the company and determined that the most significant are International Financial Reporting Standards as adopted by the European Union, the Companies (Jersey) Law 1991, UK Corporate Governance Code (taken in the context of the AIC Code), and the Listing Rules.
- We understood how the company is complying with those frameworks by making enquiries with the directors including the Chairman of the Audit Committee. We corroborated our understanding through our review of board minutes and board papers provided to the Audit Committee.
- We assessed the susceptibility of the company's financial statements to material misstatement, including how fraud might occur by considering the key risks impacting the financial statements. We identified fraud risks in relation to inappropriate revenue recognition with respect to investment revenue, including risk of management override in relation to inappropriate journal entries and risk of incorrect valuation of investments. Our audit procedures stated above in the 'Key audit matters' section of this Auditor's report, including test of journal entries, were performed to address these identified fraud risks.
- Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures involved journal entry testing, with a focus on manual journals, journals posted around the year end date and other focused testing procedures.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at https://www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CVC INCOME & GROWTH LIMITED(CONTINUED)

Other matters we are required to address

- Following the recommendation from the Audit Committee, we were re-appointed by the company on 18 November 2022 to audit the financial statements for the year ending 31 December 2023 and subsequent financial periods.

  The period of total uninterrupted engagement including previous renewals and reappointments is 9 years, covering the years ending 31 December 2014 to 31 December 2022.

- The audit opinion is consistent with the additional report to the Audit Committee.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Article 113A of the Companies (Jersey) Law 1991. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Denise Davidson
for and on behalf of Ernst & Young LLP
London
28 March 2023

STATEMENT OF COMPREHENSIVE INCOME

For the year from 1 January 2022 to 31 December 2022

	Notes	Year ended 31 December 2022 €	Year ended 31 December 2021 €
Income			
Investment revenue		14,901,667	15,609,665
Tender fee revenue	*3*	335,621	646,329
Bank interest revenue		22,771	-
Net (losses)/gains on financial assets held at fair value through profit or loss	*7*	(33,535,183)	21,595,428
Foreign exchange (loss)/gain on financial assets held at fair value through profit or loss	*7*	(8,497,450)	12,303,760
Foreign exchange gain/(loss) on ordinary shares	*12*	8,642,248	(12,484,070)
Other net foreign currency exchange (loss)/gain through profit or loss		(106,967)	168,957
		(18,237,293)	37,840,069
Expenses			
Operating expenses	*4*	(1,701,289)	(1,402,690)
		(1,701,289)	(1,402,690)
(Loss)/profit before finance costs and taxation		**(19,938,582)**	**36,437,379**
Finance costs			
Dividends paid	*5, 12*	(13,833,833)	(14,328,495)
Bank interest expense		-	(2,128)
(Loss)/profit before taxation		**(33,772,415)**	**22,106,756**
Taxation		-	-
(Decrease)/increase in net assets attributable to shareholders from operations		**(33,772,415)**	**22,106,756**
(Loss)/return per Euro Share	*12*	**€(0.14400)**	**€0.083772**
(Loss)/return per Sterling Share (Sterling equivalent)	*12*	**£(0.12750)**	**£0.070438**

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

The Company has no items of other comprehensive (loss)/income.

The notes on pages 74 to 106 form an integral part of these financial statements.

STATEMENT OF FINANCIAL POSITION

As at 31 December 2022

	Notes	31 December 2022 €	31 December 2021 €
Assets			
Financial assets held at fair value through profit or loss	*7*	234,969,326	309,706,971
Prepayments		50,374	78,382
Cash and cash equivalents		2,196,695	3,001,936
Total assets		**237,216,395**	**312,787,289**
Liabilities			
Payables	9	377,325	371,590
Total liabilities excluding net assets attributable to shareholders		**377,325**	**371,590**
Net assets attributable to shareholders	*13*	**236,839,070**	**312,415,699**
Total Liabilities		**237,216,395**	**312,787,289**

The financial statements on pages 70 to 106 were approved by the Board of Directors on 27 March 2023 and signed on its behalf by:

Richard Boléat
Chairman Audit

Mark Tucker
Audit Committee Chairman

The notes on pages 74 to 106 form an integral part of these financial statements.

STATEMENT OF CHANGES IN NET ASSETS

For the year ended 31 December 2022

	Note	Net assets attributable to shareholders 2022 €
As at 1 January 2022		**312,415,699**
Issuance and subscriptions arising from conversion of ordinary shares	*12*	5,991,717
Redemption payments arising on conversion and tender of ordinary shares	*12*	(39,153,683)
Decrease in net assets attributable to shareholders from operations		(33,772,415)
Net foreign currency exchange gain on opening ordinary shares	*12*	(8,642,248)
As at 31 December 2022		**236,839,070**

For the year ended 31 December 2021

	Note	Net assets attributable to shareholders 2021 €
As at 1 January 2021		**344,540,247**
Issuance and subscriptions arising from conversion of ordinary shares	*12*	14,795,161
Redemption payments arising on conversion and tender of ordinary shares	*12*	(81,510,535)
Increase in net assets attributable to shareholders from operations		22,106,756
Net foreign currency exchange loss on opening ordinary shares	*12*	12,484,070
As at 31 December 2021		**312,415,699**

The notes on pages 74 to 106 form an integral part of these financial statements.

STATEMENT OF CASH FLOWS

For the year ended 31 December 2022

	Note	Year ended 31 December 2022 €	Year ended 31 December 2021 €
Cash flows from operating activities			
(Loss)/profit before taxation[1]		(33,772,415)	22,106,756
Adjustments to reconcile (loss)/profit before tax to net cash flows:			
– Net losses/(gains) on investments held at fair value through profit or loss	*7*	33,535,183	(21,595,428)
– Foreign exchange loss/(gain) on financial assets held at fair value through profit or loss	*7*	8,497,450	(12,303,760)
– Foreign currency exchange (gain)/loss on ordinary shares	*12*	(8,642,248)	12,484,070
– Dividends paid	*12*	13,833,833	14,328,495
Changes in working capital:			
– Decrease/(increase) in prepayments		28,008	(32,961)
– Increase in payables		5,735	253,300
Net cash provided by operating activities		**13,485,546**	**15,240,472**
Cash flows from investing activities			
Proceeds from redemption of financial assets held at fair value through profit or loss[2]	*7*	32,741,194	65,870,004
Net cash provided by investing activities		**32,741,194**	**65,870,004**
Cash flows from financing activities			
Payments from redemption of ordinary shares[3]	*12*	(33,198,148)	(66,650,700)
Dividends paid	*12*	(13,833,833)	(14,328,495)
Net cash used in financing activities		**(47,031,981)**	**(80,979,195)**
Net (decrease)/increase in cash and cash equivalents in the year		**(805,241)**	**131,281**
Cash and cash equivalents at beginning of the year		3,001,936	2,870,655
Cash and cash equivalents at the end of the year		**2,196,695**	**3,001,936**

[1] Includes cash receipts relating to income distributions of €14,901,667 (2021: €15,609,665), interest revenue of €22,770 (2021: €(2,128)) and tender fee revenue of €335,621 (2021: €646,329).

[2] Cash flows arising from purchases and redemptions of financial assets above does not include subscriptions and redemptions arising from conversion of €(5,991,717) (2021: €(14,795,161)) and €5,955,535 (2021: €14,859,835, respectively, as these transactions have no associated cash flow.

[3] Cash flows arising from the issuance and redemption of ordinary shares above does not include subscriptions and redemptions arising from conversion of €5,991,717 (2021: €14,795,161) and €(5,955,535) (2021: €(14,859,835)), respectively, as these transactions have no associated cash flow.

The notes on pages 74 to 106 form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

1. General information

The Company was incorporated on 20 March 2013 and is registered in Jersey as a closed-ended investment company with registration number 112635. The Company's 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 principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to the years presented.

2.1 Basis of preparation

(a) Statement of Compliance

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 Interpretations Committee as approved by the International Accounting Standards Board which remain in effect. The financial statements give a true and fair view of the Company's affairs and comply with the requirements of the Companies (Jersey) Law 1991.

The liquidity method of presentation is followed in the Statement of Financial Position. Please refer to note 8.2 for maturity profiles.

(b) Basis of measurement

These financial statements have been prepared on the historical cost basis except for the revaluation of financial assets held at fair value through profit or loss and ordinary shares that are held at amortised cost.

(c) Functional and presentational currency

The Company's functional currency is the Euro, which is the currency of the primary economic environment in which it operates. The Company's performance is evaluated and its liquidity is managed in Euros. Therefore, the Euro is considered the currency that most faithfully represents the economic effects of the underlying transactions, events and conditions. The financial statements are presented in Euros, except where otherwise indicated, and are rounded to the nearest Euro.

(d) Critical accounting estimates and judgements

The preparation of financial statements in conformity with IFRS requires the Company to make judgements, estimates and assumptions that affect items reported in the Statement of Financial Position and Statement of Comprehensive Income and the disclosure of contingent liabilities at the date of the financial statements. It also requires management to exercise its judgement in the process of applying the Company's accounting policies.

Critical accounting judgements

Classification of ordinary shares as a financial liability

During the May 2022 AGM, shareholders reapproved a suspension restriction that allows the Directors, in their sole discretion, to alter or suspend the tender mechanism. This restriction allows the Directors to respond to sudden changes in market conditions and the macro-economic climate more generally. The Directors' power is limited by clauses in the circular which limit the

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

2. Accounting policies (continued)

2.1 Basis of preparation (continued)

Critical accounting judgements (continued)

Classification of ordinary shares as a financial liability (continued)

circumstances under which such discretion can be exercised only in relation to material and adverse changes in market conditions and the macroeconomic environment.

The Board believe it is appropriate to classify the ordinary shares as a financial liability under IAS 32 – Financial Instruments: Presentation ("IAS 32") rather than equity as their interpretation of 'suspend' is to delay the facility tenders, not to cancel or avoid them permanently. As such, the obligation to honour redemption requests is delayed rather than negated and the Company has a contractual obligation to deliver cash and does not have the unconditional right to avoid paying such cash.

This position has been further supported by legal correspondence whereby the Company's legal counsel has confirmed the Directors do not have unfettered ability to cancel a tender under the facility and could only use their powers in extreme circumstances (e.g. Covid-19 pandemic, Russia/Ukraine war, etc.) which would not violate the contract between the Directors and the shareholders in relation to the facility. In the circular, the Company has committed to the tender mechanism as a key feature and, therefore, if the Directors' powers are read in the context of the other representations in the documents, there is an obligation to deliver cash and the Directors do not have the unconditional right to avoid paying such cash. As such, classification of the ordinary shares as a liability is deemed appropriate.

Climate change

In preparing the financial statements, the Directors have considered the impact of climate change and have concluded that climate-related matters have no material financial impact on the Company's financial statements as there were no significant climate change related issues in any of the issuers in which the Investment Vehicle invests. The Directors will continue to monitor the reputational risks emanating from climate change identified in the principal risks and uncertainties section of the Strategic Report.

Critical accounting estimates

Valuation of financial assets

Valuation of financial assets is also considered a significant estimate and is monitored by the Board to ensure that judgements, estimates and assumptions made and methodologies applied are appropriate and in accordance with IFRS 13. 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, as the underlying investments held at the Investment Vehicle are held at fair value. As such the Board applies judgement to determine the liquidity adjustment necessary in the relevant financial period. Please refer to note 2.4(c) for details regarding fair value estimation of financial assets and note 7 for IFRS 13 disclosures.

The Board has concluded that no adjustment was necessary in the current year, given that the PECs have not been redeemed at a price below the NAV during current and prior periods.

As outlined above in note 2.1(c) the Directors have used their judgement to determine that the Company's presentational and functional currency is Euro.

Although these judgements, estimates and assumptions are based on best knowledge of current facts, circumstances and, to some extent, future events and actions, the actual results may ultimately differ from those estimates, possibly significantly.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

2. Accounting policies (continued)

2.1 Basis of preparation (continued)

(e) New standards, amendments and interpretations

The amendments have no impact on the financial statements.

(f) Standards, amendments and interpretations issued but not yet effective

Standards, amendments and interpretations that become effective in future accounting periods and have not been adopted by the Company:

International Financial Reporting Standards (IFRS)	Effective for periods beginning on or after
• IFRS 17 – Insurance Contracts	1 January 2023
• IAS 8 - Accounting Policies, Changes in Accounting Estimates and Errors - amendments regarding the definition of accounting estimates	1 January 2023

As the Company does not participate in insurance contracts in the normal course of its business, the Directors believe that the application of IFRS 17 – Insurance Contracts, will not have an impact on the Company's financial statements.

The amendments revise IAS 8 to replace the definition of a change in accounting estimates with a definition of accounting estimates and provide other clarifications to help entities distinguish accounting policies from accounting estimates. The Directors believe that the application of this amendment will not have an impact on the Company's financial statements.

A number of amendments and interpretations to existing standards have been issued, but are not yet effective, that are not relevant to the Company's operations. The Directors believe that the application of these amendments and interpretations will not impact the Company's financial statements when they become effective.

2.2 Going concern

The Directors have reviewed the Company's budget and cash flow forecast for the next 12 months from the date of approval of the financial statements and also considered information regarding climate-related matters in conjunction with other uncertainties. On the basis of this review, and after making due enquiries, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the period to 27 March 2024, a period of twelve months form the date of approval of the financial statements, being the period of assessment covered by the Directors. The Directors are also satisfied that no material climate-related matters or uncertainties exist that cast significant doubt over the Company's ability to continue as a going concern. In making this assessment, the Board have considered the impact that Russia's invasion of Ukraine may have on the Company. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

2.3 Foreign currency translations

Transactions in foreign currencies are translated to Euro at the foreign exchange rate on the transaction date. Monetary assets and liabilities denominated in foreign currencies at the Statement of Financial Position date are translated to Euro at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are recognised in the Statement of Comprehensive Income.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

2. Accounting policies (continued)

2.4 Financial instruments

Financial assets

(a) Classification

The Company classifies its investments as financial assets held at fair value through profit or loss. These financial assets do not possess contractual terms which give rise to cash flows on specified dates that are solely payments of principal and interest, and therefore these financial assets default to this classification. Financial assets also include cash and cash equivalents as well as other receivables which are measured at amortised cost.

(b) Recognition, measurement and derecognition

Purchases and sales of investments are recognised on the trade date – the date on which the Company commits to purchase or sell the investment. Financial assets at fair value through profit or loss are measured initially and subsequently at fair value. Transaction costs are expensed as incurred and movements in fair value are recorded in the Statement of Comprehensive Income.

Financial assets are derecognised when the rights to receive cash flows from the investments have expired or the Company has transferred substantially all risks and rewards of ownership.

(c) Fair value estimation

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Company holds PECs issued by the Investment Vehicle. These investments are not listed or quoted on any securities exchange and are not traded regularly and, on this basis, no active market exists.

(d) Valuation process

The Company relies on the Board of the Investment Vehicle making fair value estimates of an equivalent basis to those that would be made under IFRS. As at 31 December 2022, the Directors reviewed documentary evidence of the valuation of Investment Vehicle investments and scrutinised fair value estimates used to gain assurances as to the appropriateness and robustness of the valuation methodology applied by the Investment Vehicle to its underlying portfolio assets and hence to the Company investments in the Investment Vehicle. Being satisfied by the appropriateness and robustness of the valuation methodology applied by the Investment Vehicle, the Directors then incorporated those fair value estimates into the Company's Statement of Financial Position without adjustment.

The Directors interviewed representatives of the Investment Vehicle Manager in order to verify how the PECs are valued and the composition of the NAV of the PECs as of the date of the Statement of Financial Position.

The Directors are in regular communications with the Investment Vehicle Manager and receive monthly performance reports from the Investment Vehicle Manager in respect of the Investment Vehicle and its underlying investments, which are presented to the Directors by the Investment Vehicle Manager and discussed by these parties.

The Directors consider the impact of general credit conditions on the valuation of both the PECs and Investment Vehicle portfolio, as well as specific credit events in the European corporate environment. The Directors also analyse the Investment Vehicle portfolio in terms of both investment mix and fair value hierarchy.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

2. Accounting policies (continued)
2.4 Financial instruments (continued)

Financial Liabilities

(a) Classification

As disclosed in note 2.7, the Company classifies its ordinary shares as financial liabilities held at amortised cost. Financial liabilities also include payables, excluding accruals, which are also held at amortised cost.

(b) Recognition, measurement and derecognition

Financial liabilities are recognised initially at fair value plus any directly attributable incremental costs of acquisition or issue and are subsequently carried at amortised cost. Financial liabilities are derecognised when the obligation specified in the contract is discharged, cancelled or expires.

Ordinary shares are carried at amortised cost, being the redemption value that an investor can partially tender their shareholding at, in accordance with the Company's tender mechanism.

2.5 Operating expenses, placing programme costs and share issue costs

Operating expenses, placing programme costs and share issue costs are recognised on an accruals basis and are recognised in the Statement of Comprehensive Income.

2.6 Dividends payable

Dividends are recognised as finance costs in the Statement of Comprehensive Income on the record date.

2.7 Ordinary shares

In accordance with IAS 32 – Financial Instruments: Presentation, the ordinary shares are classified as a financial liability rather than equity due to the redemption mechanism of the ordinary shares, in addition to there being two share classes which have different characteristics. Refer to note 2.1(d) for detail on critical accounting judgements regarding the classification of ordinary shares as a financial liability and note 12 for detail on the characteristics of the two share classes.

2.8 Management shares

The management shares are non-redeemable and the most subordinate share class. Therefore, management shares are classified as equity. Please refer to note 11 for further detail.

2.9 Investment revenue

Investment revenue primarily relates to quarterly income distributions received from the Investment Vehicle based on income returns and capital appreciation from a diversified portfolio of sub-investment grade debt instruments. The Company is entitled to receive income distributions every quarter, which will equate to not less than 75% of the net income of the Company's investment in the Investment Vehicle. Investment revenue is recognised in the Statement of Comprehensive Income when the Company's right to such income is established.

2.10 Cash and cash equivalents

Cash and cash equivalents include cash in hand and deposits held at call with banks. Cash equivalents are short-term, highly liquid investments, with original maturities of three months or less that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

2. Accounting policies (continued)

2.11 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 Board with insight from the Investment Vehicle Manager.

2.12 Contingent liabilities and provisions

A contingent liability is a possible obligation depending on whether some uncertain future event occurs; or a present obligation, but payment is not probable or the amount cannot be measured reliably. A provision is recognised when:

- the Company has a present legal or constructive obligation as a result of past events;
- it is probable that an outflow of resources will be required to settle the obligation; and
- the amount has been reliably estimated.

2.13 Taxation

Profits arising in the Company for the 2022 year of assessment will be subject to Jersey tax at the standard corporate income tax rate of 0% (2021: 0%).

2.14 Capital risk management

The Board defines capital as financial resources available to the Company. The Company's capital as at 31 December 2022 comprises its net assets attributable to shareholders at a total of €236,839,070 (2021: €312,415,699).

The Company's objectives when managing capital are to:

- safeguard the Company's ability to continue as a going concern;
- provide returns for shareholders; and
- maintain an optimal capital structure to minimise the cost of capital.

The Board monitors the capital adequacy of the Company on an on-going basis and the Company's objectives regarding capital management have been met.

Under the Code of Practice for Alternative Investment Funds and AIF Services Business, the Company, as a self-managed AIF is required to have an initial capital of at least €300,000. With the exception of the aforementioned, the Company has no other internally or externally imposed capital requirements.

3. Tender fee revenue

The tender price pursuant to the Company's tender mechanism is calculated based on the NAV per share (calculated as at the final business day in each quarter up until, and including, the March 2022 tender and thereafter (i) as at the final Business Day of the month of September 2022; or (ii) as at the final Business Day of the month of March 2023, or such other date as the Directors in their absolute discretion may determine from time to time) minus 1.0% of the Reference Price (the Reference Price being €1.00 per Euro share and £1.00 per Sterling share), which is retained by the Company. The Company recognises retained redemption proceeds of 1% as tender fee revenue.

During the year 9,678,734 Euro shares and 18,457,960 Sterling shares (2021: 14,490,284 Euro shares and 43,101,194 Sterling shares) have been tendered by shareholders which generated tender fee revenue of €335,621 (2021: €646,329). Refer to note 12 for further details on the tender mechanism.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

4. Operating expenses

	Year ended 31 December 2022 €	Year ended 31 December 2021 €
Directors' fees (see note 6)	313,968	221,748
Administration fees	246,133	248,809
Professional fees	404,433	189,334
Advisor fees	167,910	137,001
Audit fees	84,543	81,118
Registrar fees	67,503	76,424
Regulatory fees	53,675	69,143
Corporate Broker fees	54,752	53,375
Marketing fees	70,278	47,820
Recruitment fees	-	43,627
Trustee fees	11,879	11,026
Non-audit fees paid to the Auditor	12,442	11,750
Sundry expenses	213,773	211,515
Total operating expenses	**1,701,289**	**1,402,690**

Non-audit fees paid to the Auditor

Non-audit fees paid to the Auditor relate to interim review services amounting to €12,442 (2021: €11,750).

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 Mr Atkinson's cost. During the year, Advisor fees incurred were €167,910 (2021: €137,001).

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 12. As the Trust was not engaged to convert treasury shares during the year ended 31 December 2022, 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 £10,126 (€11879) (2021: £9,525 (€11,026)) which were paid to BNP Paribas Jersey Trust Corporation Limited during the year.

5. Finance costs

Dividends paid

Refer to note 12 for further information on dividends paid.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

6. Directors' fees and interests

During the year ended 31 December 2022, the Directors of the Company were remunerated for their services as follows:

Director	Year ended 31 December 2022	Year ended 31 December 2021
Richard Boléat (Chairman)		
- Annual Fee	£65,000 (€76,257)	£65,000 (€75,534)
- One-off strategic review fee*	£15,000 (€17,598)	-
Mark Tucker		
- Annual Fee	£43,750 (€51,327)	£43,750 (€50,899)
- Senior Independent Director	£1,250 (€1,467)	£1,250 (€1,454)
- Chairman of the Audit Committee	£5,000 (€5,866)	£5,000 (€5,817)
- One-off strategic review fee*	£10,000 (€11,732)	-
Stephanie Carbonneil		
- Annual Fee	£42,500 (€49,860)	£42,500 (€49,445)
- Chair of the Nomination and Remuneration Committee	£5,000 (€5,866)	£5,000 (€5,817)
- One-off strategic review fee*	£10,000 (€11,732)	-
Vanessa Neill**		
- Annual Fee	£42,500 (€49,860)	-
- Chair of the ESG Committee	£5,000 (€5,866)	-
- One-off strategic review fee*	£10,000 (€11,732)	-
Esther Gilbert***		
- Annual Fee	£42,500 (€49,860)	-

* The Directors received a one-off strategic review fee in connection with additional work undertaken on the Company's strategic review.

** Vanessa Neill's annual, Chair of the ESG committee and one-off strategic review fees were paid on a pro-rata basis, pursuant to her appointment as a Non-Executive Director on 11 January 2022. Amounts paid are £41,219 (€48,357), £4,849 (€5,689) and £9,699 (€11,378) respectively.

*** Esther Gilbert's annual fees were paid on a pro-rata basis, pursuant to her appointment as a Non-Executive Director on 23 September 2022. Amount paid is £11,644 (€13,660).

Refer to note 4 for details of total Directors fees for the year ended 31 December 2022 and 31 December 2021. Director's fees are paid gross of any taxes. Expenses incurred by the Directors are included within sundry expenses within note 4. Details of the shares held by each Director at the date of approval of this report can be found on page 39.

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 CVC Credit Partners European Opportunities Limited Purpose Trust. Please refer to note 15 for further detail.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

6. Directors' fees and interests (continued)

The Directors made the following share purchases during the year:

Director	Shares	Share Class	Date of trade	Price per share	Total Price
Mark Tucker	10,000	Sterling	21/06/2022	£0.967239 (€1.126737)	£9,672.39 (€11,267.37)
Vanessa Neill	11,780	Sterling	03/08/2022	£0.902263 (€1.079377)	£10,628.66 (€12,715.06)
Richard Boléat	10,000	Sterling	27/09/2022	£0.966941 (€1.077366)	£9,669.41 (€10,773.66)
Esther Gilbert	7,273	Sterling	09/11/2022	£0.883090 (€1.002219)	£6,422.71 (€7,289.14)

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

	31 December 2022 €	31 December 2021 €
PECs - Unquoted investment	**234,969,326**	**309,706,971**

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 year ended 31 December 2022, the Company held 103,934,273.50 Euro PECs and 127,666,119.03 Sterling PECs (2021: 118,672,886.93 Euro PECs and 142,063,595.26 Sterling PECs). Please refer below for reconciliation of PECs from 1 January 2021:

	Euro PECs	Sterling PECs
As at 1 January 2021	**123,587,333.61**	**193,056,156.64**
Subscriptions	-	-
Monthly conversions	9,421,597.32	(7,729,409.38)
Quarterly tenders	(14,336,044.00)	(43,263,152.00)
As at 31 December 2021	**118,672,886.93**	**142,063,595.26**
Subscriptions	-	-
Monthly conversions	(5,210,131.43)	4,137,739.77
Contractual tenders	(9,528,482.00)	(18,535,216.00)
As at 31 December 2022	**103,934,273.50**	**127,666,119.03**

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.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

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

Fair value hierarchy (continued)

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 31 December 2022	Level 1 €	Level 2 €	Level 3 €	Total €
Financial assets				
Financial assets held at fair value through profit or loss	-	-	234,969,326	234,969,326
Financial liabilities				
Ordinary shares[1]	220,750,561	-	-	220,750,560

As at 31 December 2021	Level 1 €	Level 2 €	Level 3 €	Total €
Financial assets				
Financial assets held at fair value through profit or loss	-	-	309,706,971	309,706,971
Financial liabilities				
Ordinary shares[1]	291,969,674	-	-	291,969,674

[1] As disclosed in note 2.7, the Company classifies its ordinary shares as financial liabilities held at amortised cost. Please note for disclosure purposes only, ordinary shares have been disclosed at fair value using the quoted price in accordance with IFRS 13.

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

Due to the short-term nature of the payables, their carrying amount is considered to be the same as their fair value.

The carrying amount of cash and cash equivalents is considered to be the same as their fair value.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

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

Level 3 reconciliation

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.

	31 December 2022 €
Balance as at 1 January 2022	**309,706,971**
Purchases	-
Subscriptions arising from conversion	5,991,716
Redemption proceeds arising from conversion	(5,955,535)
Redemption proceeds arising from tenders	(32,741,193)
Realised loss on financial assets held at fair value through profit or loss	(311,842)
Unrealised loss on financial assets held at fair value through profit or loss	(33,223,341)
Foreign exchange loss on financial assets held at fair value through profit or loss	(8,497,450)
Balance as at 31 December 2022	**234,969,326**
Net loss on financial assets held at fair value through profit or loss for the year ended 31 December 2022	**33,535,183**

During 2022, there were no reclassifications between levels of the fair value hierarchy.

	31 December 2021 €
Balance as at 1 January 2021	**341,742,461**
Purchases	-
Subscriptions arising from conversion	14,795,162
Redemption proceeds arising from conversion	(14,859,836)
Redemption proceeds arising from tenders	(65,870,004)
Realised loss on financial assets held at fair value through profit or loss	(1,282,445)
Unrealised gain on financial assets held at fair value through profit or loss	22,877,873
Foreign exchange loss on financial assets held at fair value through profit or loss	12,303,760
Balance as at 31 December 2021	**309,706,971**
Net loss on financial assets held at fair value through profit or loss for the year ended 31 December 2021	**21,595,428**

During 2021, there were no reclassifications between levels of the fair value hierarchy.

NOTES TO THE 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	31 December 2022 €	Valuation technique	Unobservable input	Input used
PECs	**234,969,326**	Adjusted net asset value	Discount for lack of liquidity	0%

Description	31 December 2021 €	Valuation technique	Unobservable input	Input used
PECs	**309,706,971**	Adjusted net asset value	Discount for lack of liquidity	0%

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, as the underlying investments held at the Investment Vehicle are held at fair value. The Board has concluded that no adjustment was necessary in the current year (2021: none).

The net asset value of the Investment Vehicle attributable to each PEC unit is €1.0131 (2021: €1.1878).

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 31 December 2022 and comparative are as shown below:

As at 31 December 2022

Description	Input	Sensitivity used	Effect on fair value €
PECs	Discount of lack of liquidity	3%	(7,049,080)

As at 31 December 2021

Description	Input	Sensitivity used	Effect on fair value €
PECs	Discount of lack of liquidity	3%	(9,291,209)

The sensitivity applied in the analysis above reflects the possible impact of the worst case scenario in the 0-3% (2021: 0-3%) range that is applicable to the discount for lack of liquidity. This level of change is considered to be possible based on observation of current market conditions and historical trends that do not suggest the possibility of a more than 3% decline in the redemption value when compared to the NAV. Refer to note 2.4 for valuation methodology of PECs.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

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

Investment Vehicle portfolio

Listed equity securities and corporate bonds

The fair values of listed equity securities and corporate bonds at the reporting date are based on quoted market prices or binding dealer price quotations (bid price for long positions and ask price for short positions), without any deduction for transaction costs. The listed equity securities and corporate bonds are included within Level 1 of the hierarchy.

Unlisted equities, warrants and debt securities

For all other financial instruments, fair value is determined using valuation techniques.

The Investment Vehicle invests in some unlisted equities, warrants, corporate bonds and other debt securities. When these instruments are not measured at the quoted price in an active market, they are valued using observable inputs, initially sourcing broker quotes from a number of sources and, where this data does not yield a reliable market price, utilising appropriate valuation techniques, such as recently executed transaction prices in securities of the issuer or comparable issuers. Adjustments are made to the valuations when necessary to recognise differences in the instrument's terms. To the extent that these inputs are observable, the Investment Vehicle classifies the fair value of these investments as Level 2.

The Compartment invests in unlisted corporate debt and managed CLOs, including asset backed securities. These investments are generally not quoted in an active market and may be subject to restrictions on redemptions such as lock up periods. Transactions in these assets do not occur on a regular basis. Investments in these debt securities are valued based on a combination of a third-party pricing service, an appraisal of the performance of the issuing company and utilising appropriate valuation techniques such as counterparty marks and recently executed transaction prices in securities of the issuer or comparable issuers. The Investment Vehicle has classified the fair value of these investments as Level 3 for this financial year.

Forward currency contracts

Foreign currency forward contracts are recognised as contractual commitments on a trade date basis and are carried at fair value based on quotes obtained from an independent source (e.g. Bloomberg). Foreign currency forward contracts are commitments to either purchase or sell a designated currency at a future date for a specified price and are settled in cash. Foreign currency forward contracts are valued by reference to the forward price at which a new contract of the same size and remaining maturity could be undertaken at the valuation date. For these financial instruments, significant inputs are market observable and are included within Level 2.

Valuation process for Level 3 investments

Valuations are the responsibility of the board of the Investment Vehicle, who have engaged the Investment Vehicle Services Manager, the Investment Vehicle Manager and the independent service provider to independently value the assets on a monthly basis and perform a price challenge process. Following the completion of the price challenge process, the Investment Vehicle Manager presents the valuation of the assets to the Board on a monthly basis, including a discussion on the assumptions used and significant fair value changes during the year.

Investments in CLOs are primarily valued based on the bid price as provided by the third-party pricing service and may be amended following consideration of the Net Asset Value published by the administrator of the CLOs. Furthermore, such a Net Asset Value is adjusted when necessary, to reflect the effect of the time passed since the calculation date, liquidity risk, limitations on redemptions and other factors. Depending on the fair value level of a CLO's assets and liabilities, and on the adjustments needed to the Net Asset Value published by that CLO, the Investment Vehicle classifies the fair value of these investments as Level 3.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

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

Investment Vehicle portfolio (continued)

Investments in debt securities for which there are a limited number of broker quotes and for which no other evidence of liquidity exists, and investments in unlisted equity and private equity companies that are not quoted in an active market, are classified as Level 3. For debt securities with a limited number of broker quotes, these are then valued by considering in detail the limited broker quotes available for evidence of outliers (which may skew the average) which, if existent, are then removed, and then by calculating the average of the remaining quotes. For debt securities and unlisted equity or private equity companies for which there are no broker quotes, the Investment Vehicle Manager produces a pricing memorandum for the Investment Vehicle drawing on the International Private Equity Valuation ("IPEV") guidelines, which is discussed, reviewed and accepted by the Investment Vehicle Manager's board and the independent service provider.

If the Investment Vehicle Manager and the independent service provider have difficulty in establishing an agreed upon valuation for an asset, they will discuss and agree alternative valuation methods.

The tables on page 85, 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 31 December 2022, the Company held a 52.04% (2021: 58.54%) interest in the net assets of the Investment Vehicle. This disclosure has not been apportioned according to the Company's PEC holding, as the Board believes to do so would be misleading and not an accurate representation of the Company's investment in the Investment Vehicle.

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

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

	31 December 2022			
Financial assets	**Level 1 €'000**	**Level 2 €'000**	**Level 3 €'000**	**€'000**
Equity securities				
Equities and warrants	-	-	18,641	18,641
Debt securities				
Corporate bonds and other debt securities	90,208	301,035	144,364	535,607
CLOs including Asset Backed Securities	-	-	51,617	51,617
Derivative financial instruments				
Forward currency contracts	-	13,555	-	13,555
Total	**90,208**	**314,590**	**214,622**	**619,420**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

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

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

	31 December 2021			
Financial assets	**Level 1 €'000**	**Level 2 €'000**	**Level 3 €'000**	**€'000**
Equity securities				
Equities and warrants	-	-	9,637	9,637
Debt securities				
Corporate bonds and other debt securities	155,985	409,061	89,216	654,262
CLOs including Asset Backed Securities	-	-	33,307	33,307
Derivative financial instruments				
Forward currency contracts	-	3,438	-	3,438
Total	**155,985**	**412,499**	**132,160**	**700,644**

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

Following the Russian invasion of Ukraine, there was some material weakness in the European leveraged loan market. However, despite the volatility, liquidity in the secondary market continued to be adequate and the Investment Manager was able to continue to trade in the secondary market.

There have been no new or additional risks arising to those that would already have been considered and monitored by the Investment Manager.

No reclassifications from Level 1 to Level 3 in 2022 and 2021. During 2022, there were investments reclassified from Level 2 to Level 3 having a market value of EUR 44.6 million (31 December 2021: Nil). There were investments reclassified from Level 3 to Level 2 having a market value of EUR 4.1 million as at 31 December 2022 (31 December 2021: EUR 5.0 million).

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

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

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 Asset Backed Securities) €'000	Total €'000
Balance as at 1 January 2021	**12,304**	**102,919**	**34,907**	**150,130**
Total gains in statement of comprehensive income during the year	3,697	20,708	729	25,134
Purchases / subscriptions	77	61,441	20,762	82,280
Sales / redemptions	(6,441)	(90,890)	(23,091)	(120,422)
Transfers into and out of Level 3	-	(4,962)	-	(4,962)
Balances as at 31 December 2021	**9,637**	**89,216**	**33,307**	**132,160**
Total gains in statement of comprehensive income during the year	-	7,351	(7,351)	-
Purchases / subscriptions	9,006	(10,307)	(11,970)	(13,271)
Sales / redemptions	10,187	39,891	39,343	89,421
Transfers into and out of Level 3	-	40,456	-	40,456
Balances as at 31 December 2022	**18,641**	**144,364**	**51,617**	**214,622**
Total unrealised losses and gains at 31 December 2021 included in statement of comprehensive income for assets held at the end of the year	**523**	**2,706**	**(120)**	**3,109**
Total unrealised losses and gains at 31 December 2022 included in statement of comprehensive income for assets held at the end of the year	**9,048**	**(11,616)**	**(11,999)**	**(14,567)**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

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

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

Description	31 December 2022 €'000	Valuation technique	Unobservable input	Range (weighted average)
Equities and warrants	2,952	Broker quotes / other methods	Discount to broker quotes / valuation method	N/A
Equities and warrants	15,689	Asset value approach	Valuation method	N/A
Corporate bonds and other debt securities	16,596	Discounted Cash Flow	Yield	8.15% – 12.3%
Corporate bonds and other debt securities	127,768	Broker quotes / other methods	Cost of market transactions / multiple of listed companies / management information	N/A
CLOs	51,617	Broker quotes / other methods	Specific valuations of the industry: expert valuation	N/A

Description	31 December 2021 €'000	Valuation technique	Unobservable input	Range (weighted average)
Equities and warrants	2,881	Broker quotes / other methods	Discount to broker quotes / valuation method	N/A
Equities and warrants	6,756	Asset value approach	Valuation method	N/A
Corporate bonds and other debt securities	89,216	Broker quotes / Market multiples / Discounted Cash Flow	Cost of market transactions / multiple of listed companies / management information	N/A
CLOs (including Asset Backed Securities)	33,307	Broker quotes / other methods	Specific valuations of the industry: expert valuation	N/A

The Board and CPIM have valued the CLO positions at bid-price as at 31 December 2022 and 31 December 2021, as they believe this is the most appropriate value for these positions. The Board and CPIM 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.

The above categorizations and descriptions of valuation technique and unobservable inputs, including ranges, may vary year-on-year due to changes or evolutions in valuation techniques as well as the addition or removal of positions due to trade activity or transfers to or from Level 3.

NOTES TO THE 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 31 December 2022 are as shown below:

Description	Input	Sensitivity used	Effect on fair value €'000
Equities and warrants	Discount to broker quotes / valuation method	20%	1,144 / (1,147)
Equities and warrants	Valuation method	20%	811 / (816)
Corporate bonds and other debt securities	Yield	2.5%	(575) / 616
Corporate bonds and other debt securities	Cost of market transactions / Multiple of listed companies / Management information	10%	12,777 / (12,777)
CLOs (including Asset Backed Securities)	Specific valuations of the industry: expert valuation	20%	10,323 / (10,323)

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 2021 are as shown below:

Description	Input	Sensitivity used	Effect on fair value €'000
Equities and warrants	Discount to broker quotes / valuation method	20%	1,131 / (1,131)
Equities and warrants	Valuation method	20%	2,188 / (2,188)
Corporate bonds and other debt securities	Cost of market transactions / Multiple of listed companies / Management information	10%	8,922 / (8,922)
CLOs (including Asset Backed Securities)	Specific valuations of the industry: expert valuation	20%	6,661 / (6,661)

The above categorizations, unobservable inputs and use of sensitivities may vary year-on-year due to changes or evolutions in valuation techniques as well as the addition or removal of positions due to trade activity or transfers to or from Level 3.

The below information regarding loans and borrowings for the Investment Vehicle, which are financial liabilities held at amortised cost, has been included for informational purposes only.

	Effective interest rate (EIR, %)	Maturity	31 December 2022 €'000	31 December 2021 €'000
Current interest-bearing loans and borrowings				
Loan - Bank (principal EUR 160 million)	1.35%	30-Sep-22	-	160,000
Interest on loan - Bank			-	389
			-	**160,389**

NOTES TO THE 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) (continued)

	Effective interest rate (EIR, %)	Maturity	31 December 2022 €'000	31 December 2021 €'000
Non-current interest-bearing loans and borrowings				
Loan – Bank (principal: EUR 157.5 million)	2.66%	28-Jul-25	157,328	-
Interest on loan - bank			763	-
			158,091	**-**
Total loans and borrowings at year end			**158,091**	**160,389**

On 28 July 2022, the existing facility was fully paid and closed out and a new credit facility agreement was entered into by the Compartment with a different finance provider. The new loan facility has a maturity date of 28 July 2025 and a rate of interest of (a) Margin of 0.95%; and (b) Euribor floor 0%.

A maximum of 20% of the Compartment's Gross Assets (as defined in the PPM) are invested or shall be invested in structured finance securities at any time. As at year-end, the Compartment had an exposure to structured finance securities (CLOs) of 8.33% (2021:4.4%).

The financing bank has collateral to the loans held by the Compartment, and to high yield bonds (to the extent that these are not subject to a repurchase agreement), as well as to the cash accounts (excluding custody accounts).

8. Financial risk management

The main risks arising from the Company's financial instruments are credit risk, liquidity risk, market risk, interest rate risk, valuation risk and foreign currency risk.

8.1 Credit risk

Credit risk is the risk that a counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Company. The Board has in place monitoring procedures in respect of counterparty risk which is reviewed on an ongoing basis.

The Company's credit risk is attributable to its financial assets at fair value through profit or loss, financial assets receivable and cash and cash equivalents.

In the opinion of the Board, the carrying amounts of financial assets best represent the maximum credit risk exposure to the Company. The Company's financial assets exposed to credit risk amounted to the following:

	31 December 2022 €	31 December 2021 €
Financial assets held at fair value through profit or loss	234,969,326	309,706,971
Cash and cash equivalents	2,196,695	3,001,936
Total assets	**237,166,021**	**312,708,907**

The Company is indirectly exposed to credit risks associated with the investments held by the Investment Vehicle. These credit risks include (among others): (i) the possibility that earnings of

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

8. Financial risk management (continued)

8.1 Credit risk (continued)

an underlying issuer may be insufficient to meet its debt service obligations; (ii) an underlying issuer's assets declining in value; (iii) the declining creditworthiness of the Investment Vehicle's financial counterparties; and (iv) the declining creditworthiness, default and potential for insolvency of issuers during periods of rising interest rates and/or economic downturn. An economic downturn and/or rising interest rates could severely disrupt the leveraged finance market and adversely affect the value of the Investment Vehicle's investments and the ability of issuers to repay principal and interest. In turn, this may adversely affect the performance of the Investment Vehicle and, by extension, the Company's business, financial condition, results of operations, NAV and/or the market prices of the ordinary shares.

The Board discusses the creditworthiness of the Investment Vehicle's underlying portfolio constituents and banking counterparties (e.g. banks, money market funds and the issuers of the debt securities) with CVC Credit Partners on a periodic basis.

The Compartment's investment portfolio exposure, categorised according to the credit rating of the issuers, is: BB 6%, B 65%, CCC 19% and not rated 10% (31 December 2021: BB 2%, B 68%, CCC 22% and not rated 8%). Cash and cash equivalents exposure is with institutions rated A+ 100% (31 December 2021: A+ 100%). Derivative financial instruments market value exposure is with institutions rated A+ 100% (31 December 2021: A+ 100%).

Cash amounts of €72,240 and £236,734 (€297,888) (2021: €33,765 and £492,341 (€585,541) are placed with BNP Paribas S.A., Jersey Branch and £1,617,147 (€1,826,568) (2021: £2,003,389 (€2,382,630)) with Santander Financial Services plc, Jersey Branch.

BNP Paribas S.A., Jersey Branch, is a wholly owned subsidiary of BNP Paribas Securities Services S.A. which is publicly traded and a constituent of the S&P 500 Index with a long-standing credit rating of A+ (2021: A+) from Standard & Poor's. Santander Financial Services plc, Jersey Branch, is a wholly owned subsidiary of Santander International with a long-term credit rating of A1 from Moody's.

There is no expected credit loss on cash and cash equivalents

8.2 Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulties in realising assets or otherwise raising funds to meet financial commitments. Given that the PECs issued by the Investment Vehicle and held by the Company are not traded on a stock exchange, the Company relies on the periodic redemption mechanism provided by the Investment Vehicle in order to realise its investments in the Investment Vehicle, and on mechanisms operating in accordance with their contracted terms. The Company does not have any control over the redemption mechanism operated by the Investment Vehicle.

Please refer to pages 26 to 29 – "Principal risks and uncertainties" and note 12 for detail regarding the option available to ordinary shareholders to tender their ordinary shares, and the applicable restrictions around that tender mechanism.

The Company may redeem PECs in accordance with its contracted rights. However, if the Investment Vehicle receives applications to redeem Investment Vehicle interests in respect of any redemption date and it determines (in its sole judgement) that there is insufficient liquidity to make redemptions without prejudicing existing investors in the Investment Vehicle, then the Investment Vehicle is entitled to suspend or scale down the redemption requests on a pro rata basis so as to only carry out redemptions that will not prejudice remaining investors.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

8. Financial risk management (continued)

8.2 Liquidity risk (continued)

As such, in circumstances where the Company wishes to redeem part or all of its holdings in the Investment Vehicle, it may not be able to achieve this on a single redemption date. This may also result in restrictions on the Company's ability to complete or to conduct the tender mechanism.

In certain circumstances, whether prior to or following a NAV determination date, (being the Investment Vehicle valuation date), the Investment Vehicle directors may, at their discretion, suspend all calculations, payments and redemptions of the outstanding Investment Vehicle interests (including the Company's Investment Vehicle interests).

In the event of a material adverse event occurring in relation to the Investment Vehicle or the market in which it operates generally, the ability of the Company to realise its investment and prevent the possibility of further losses could, therefore, be limited by its restricted ability to realise its investment in the Investment Vehicle. This delay could materially affect the value of the PECs and the timing of when the Company is able to realise its investments in the Investment Vehicle, which may adversely affect the Company's business, financial condition, results of operations, NAV and/or the market prices of the ordinary shares.

The table below shows the worst case scenario of the residual contractual maturity of the Company's financial liabilities and the best case scenario for the financial assets as at 31 December 2022:

	Less than 1 year €	1 to 5 years €	Total €
Financial assets			
Financial assets held at fair value through profit or loss[1]	124,915,876	110,053,450	234,969,326
Cash and cash equivalents	2,196,695	-	2,196,695
Total undiscounted financial assets	**127,112,571**	**110,053,450**	**237,166,021**
Financial liabilities			
Payables	(377,325)	-	(377,325)
Ordinary shares[2]	(59,209,767)	(177,629,303)	(236,839,070)
Total undiscounted financial liabilities	**(59,587,092)**	**(177,629,303)**	**(237,216,395)**

[1] The Company has classified financial assets held at fair value through profit or loss into maturity bands based on the annual maximum redeemable PECs set by the Investment Vehicle Manager at 50% after the expected income distribution which amounted to €14,862,427.

[2] The Company has classified the ordinary shares into maturity bands based on the approved limits of the shares redeemable by the shareholders with the maximum annual limit set at 25%. Details of the Company's financial liabilities in relation to the ordinary shares, which are carried at amortised cost, are set out in note 12. The ordinary shares above include the lifetime decrease in net assets attributable to the Euro and Sterling shares.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

8. Financial risk management (continued)

8.2 Liquidity risk (continued)

The table below shows the worst case scenario of the residual contractual maturity of the financial liabilities and the best case scenario for the financial assets as at 31 December 2021:

	Less than 1 year €	1 to 5 years €	Total €
Financial assets			
Financial assets held at fair value through profit or loss[1]	162,617,276	147,089,695	309,706,971
Cash and cash equivalents	3,001,936	-	3,001,936
Total undiscounted financial assets	**165,619,212**	**147,089,695**	**312,708,907**
Financial liabilities			
Payables	(371,590)	-	(371,590)
Ordinary shares[2]	(156,207,850)	(156,207,849)	(312,415,699)
Total undiscounted financial liabilities	**(156,579,440)**	**(156,207,849)**	**(312,787,289)**

[1] The Company has classified financial assets held at fair value through profit or loss into maturity bands based on the annual maximum redeemable PECs set by the Investment Vehicle Manager at 50% after the expected income distribution which amounted to €15,527,581.

[2] The Company has classified the ordinary shares into maturity bands based on the approved limits of the shares redeemable by the shareholders with the maximum annual limit set at 50%. Details of the Company's financial liabilities in relation to the ordinary shares, which are carried at amortised cost, are set out in note 12. The ordinary shares above include the lifetime decrease in net assets attributable to the Euro and Sterling shares.

In the ordinary course of business, the Directors expect the Company's tender mechanism to be funded by redemptions from the Investment Vehicle, excepting cumulative tenders received in an amount equal to or less than £100,000 which may initially, at the discretion of the Directors, be funded from the Company's working capital.

8.3 Market risk

Market risk is the risk that the Company's performance will be adversely affected by changes in the markets in which it invests. The Company holds a single investment in the form of PECs in the Investment Vehicle which is the main driver of the Company's performance.

At the Investment Vehicle level, performance is driven by the portfolio of the Investment Vehicle and therefore consideration of the market risks to which the Company is exposed should be taken.

The Investment Vehicle is required to hold at least 60% of its gross assets in companies domiciled in, or with material operations in, Western Europe. As such, the Company and the Investment Vehicle could be particularly exposed to any deterioration in the current European economic climate.

In addition, the Investment Vehicle does not have any restrictions on the amount of investments it can make in a single industry. As such, any significant event which affects a specific industry in which the Investment Vehicle has significant exposure could materially and adversely affect the performance of the Investment Vehicle and, by extension, the Company's ordinary shares.

In order to avoid excessive concentrations of risk, the Investment Vehicle's private placement memorandum includes specific guidelines on maintaining a diversified portfolio. These guidelines are detailed in the "Investment Limits" and "Borrowing Limits" sections detailed on page 18. The Board receives from third-party service providers the results of investment and borrowing

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

8. Financial risk management (continued)

8.3 Market risk (continued)

restriction monitoring exercises performed over the investment portfolio. During the year ended 31 December 2022, the Company was in compliance with all Investment and Borrowing limits.

Continued or recurring market deterioration may materially adversely affect the ability of an issuer whose debt obligations form part of the Investment Vehicle portfolio to service its debts or refinance its outstanding debt. Further, such financial market disruptions may have a negative effect on the valuations of the Investment Vehicle investments (and, by extension, on the NAV and/or the market price of the Company's ordinary shares), and on liquidity events involving such Investment Vehicle investments. In the future, non-performing assets in the Investment Vehicle's portfolio may cause the value of the Investment Vehicle's portfolio to decrease (and, by extension, the NAV and/or the market price of the Company's ordinary shares to decrease). Adverse economic conditions may also decrease the value of any security obtained in relation to any of the Investment Vehicle investments. The Board receives frequent presentations and reporting at board meetings from CVC Credit Partners which allows it to monitor the performance of the Investment Vehicle's investment portfolio.

Please refer below for sensitivity analysis on the Statement of Comprehensive Income and NAV of the Company, if the fair value of the PECs at the year-end increased or decreased by 5% (2021: 5%). This level of change is considered to be possible based on observation of current market conditions.

Current value	2022 Total	Increase by 5%	Decrease by 5%
Euro PECs	€94,343,115	€4,717,156	€(4,717,156)
Sterling PECs (Euro equivalent)	€140,626,211	€7,031,311	€(7,031,311)
Financial assets held at fair value through profit or loss	**€234,969,326**	**€11,748,466**	**€(11,748,466)**
Sterling PECs	£124,503,064	£6,225,153	£(6,225,153)

Current value	2021 Total	Increase by 5%	Decrease by 5%
Euro PECs	€123,621,784	€6,181,089	€(6,181,089)
Sterling PECs (Euro equivalent)	€186,085,187	€9,304,259	€(9,304,259)
Financial assets held at fair value through profit or loss	**€309,706,971**	**€15,485,349**	**€(15,485,349)**
Sterling PECs	£156,466,146	£7,823,307	£(7,823,307)

The above calculations are based on the investment valuation at the Statement of Financial Position date and may not be reflective of future market conditions.

8.4 Interest rate risk

Interest rate movements affect the fair value of investments in fixed interest rate securities and floating rate loans and on the level of income receivable on floating rate loans and cash deposits.

The Company invests in PECs which are non-interest bearing and therefore the majority of the Company's interest rate exposure arises in the fair value of the underlying Investment Vehicle portfolio which is largely invested in the debt securities of companies domiciled in, or with material operations in, Western Europe.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

8. Financial risk management (continued)

8.4 Interest rate risk (continued)

As at 31 December 2022, the Investment Vehicle portfolio contained interest bearing financial assets at fair value through profit or loss of €587.2m (2021: €687.6m) and financial liabilities at fair value through profit or loss of €nil (2021: € nil). Most of these investments in debt securities carry variable interest rates and have various maturity dates. Interest rate risk on fixed interest instruments is considered to be part of market risk on fair value and is monitored by the Board on a monthly basis. In addition, as at 31 December 2022, the Company was exposed to interest rate risk arising on the Investment Vehicle's derivative financial instruments of €13.6m (2021: €3.4m), receivables and payables on unsettled trades of €4.8m (2021: €35.9m) and €20.1m (2021: €50.6m), respectively, and loans and borrowings of €158.1 (2021: €160.4).

The Company is also exposed to changes in interest rates on cash and cash equivalents held directly of €2,196,695 (2021: €3,001,936). The Board considers this risk to be immaterial to the Company.

8.5 Valuation risk

Valuation risk is the risk that the valuation of the Company's investments in the Investment Vehicle, and accordingly the periodic calculation of the NAV of the Company's Euro and Sterling shares, does not reflect the true value of the Company's proportionate interest in the Investment Vehicle's underlying investment portfolio.

The Investment Vehicle's portfolio may at any given time include securities or other financial instruments or obligations which are very thinly traded, for which no ready market exists or which are restricted as to their transferability under applicable securities laws. These investments may be extremely difficult to value accurately.

Further, because of overall size or concentration in particular markets of positions held by the Investment Vehicle, the value of its investments at which they can be liquidated may differ, sometimes significantly, from their carrying values. Third-party pricing information may not be available for certain positions held by the Investment Vehicle and therefore investments held by the Investment Vehicle may be valued based on valuation techniques using unobservable inputs. In light of the foregoing, there is a risk that an Investment Vehicle interest holder, such as the Company, which redeems all or part of its investment while the Investment Vehicle holds such investments, could be paid an amount less than it would otherwise be paid if the actual value of the Investment Vehicle's investment was higher than the value designated for that investment by the Investment Vehicle. Similarly, there is a risk that a redeeming Investment Vehicle interest holder might, in effect, be overpaid at the time of the applicable redemption if the actual value of the Investment Vehicle's investment was lower than the value designated for that investment by the Investment Vehicle, in which case the value of the Investment Vehicle interests to the remaining Investment Vehicle interest holders would be reduced.

The Board of the Investment Vehicle monitors and reviews the PEC valuation process on an ongoing basis and the Board of the Company monitors and reviews the Company's NAV production process on an ongoing basis.

Refer to note 7 for sensitivity analysis to significant changes in unobservable inputs within Level 3 hierarchy of the Company's investments and underlying investments held by the Investment Vehicle.

8.6 Foreign currency risk

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

8. Financial risk management (continued)

8.6 Foreign currency risk (continued)

At the Company level, the Euro and Sterling share classes invest into Euro and Sterling PECs, respectively, and therefore there is no material foreign currency risk at the Company level. The Company only has exposure to material foreign currency movements at the Investment Vehicle level.

At the Investment Vehicle level, certain assets are typically denominated in other currencies. The Investment Vehicle is subject to material foreign currency exchange risks and the value of its assets may be affected by fluctuations in foreign currency exchange rates. This may, in turn, result in fluctuations in the value of the Euro and Sterling PECs which would result in similar variances within the NAV per share of the Euro shares and the Sterling shares issued by the Company, and so in variations between the market prices of Euro shares and the Sterling shares.

The Investment Vehicle uses a third-party professional foreign exchange manager to seek to fully hedge the foreign currency exposures to which it is exposed. However, it may not be possible for the Investment Vehicle to hedge against a particular change or event at an acceptable price or at all. In addition, there can be no assurance that any attempt to hedge against a particular change or event would be successful, and any such hedging failure could materially and adversely affect the performance of the Investment Vehicle and, by extension, the Company's business, financial condition, results of operations, NAV and/or the market prices of the ordinary shares.

Subscription monies for Sterling shares issued by the Company have been used to fund subscriptions for Sterling-denominated PECs and such monies may then be converted to Euro by the Investment Vehicle for operating purposes. The holders of Sterling shares will therefore be subject to the foreign currency fluctuations between Sterling and Euro. Although the Investment Vehicle has in place a hedging programme, there is no guarantee that any such hedging arrangements will be successful. In addition, the costs and any benefit of hedging such foreign currency exposure will be allocated solely to the Sterling-denominated PECs (and, as a consequence, to the Company's Sterling shares).

The below information regarding the foreign currency risk for the Investment Vehicle has been included for informational purposes only.

The following table indicates the currencies to which the Investment Vehicle had significant exposure as at 31 December 2022 on its financial assets and liabilities. The analysis calculates the total effect of a reasonably possible increase of principal currency rates against the EUR on the net assets attributable to PEC holders with all other variables held constant, and includes the impact of the hedging programme undertaken by the Investment Vehicle.

		Effect on net assets attributable to PEC holders and on the change in net assets attributable to PEC holders from operations	
Currency	**Change in currency rate**	**2022 €'000**	**2021 €'000**
GBP	10%	142	(98)
USD	10%	197	457

An equivalent decrease in each of the aforementioned currencies against the EUR would have resulted in an equivalent but opposite impact.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

9. Payables

	31 December 2022 €	31 December 2021 €
Advisor fees	148,314	47,691
Audit fees	49,089	89,818
Administration fees	21,833	46,810
Other payables	158,089	187,271
Total payables	**377,325**	**371,590**

10. Contingent liabilities and commitments

As at 31 December 2022, the Company had no contingent liabilities or commitments (2021: nil).

11. Stated capital

	Number of shares 31 December 2022	Stated capital 31 December 2022 €	Number of shares 31 December 2021	Stated capital 31 December 2021 €
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 in the earnings per share calculation.

12. Ordinary shares

	Number of shares 31 December 2022	Stated capital 31 December 2022 €	Number of shares 31 December 2021	Stated capital 31 December 2021 €
Euro shares	105,076,336	106,767,222	120,016,565	121,709,872
Sterling shares	129,518,607	161,549,578	143,874,174	188,411,142
Total	**234,594,943**[1]	**268,316,800**[2]	**263,890,739**[1]	**310,121,014**[2]

1 Excludes 44,767,789 (2021: 35,089,055) Euro shares and 236,506,595 (2021: 218,048,635) Sterling shares held as treasury shares.

2 Excludes (€31,477,730) (2021: €2,294,685) relating to the decrease (2021: increase) since inception in net assets attributable to shareholders from operations.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

12. Ordinary shares (continued)

	31 December 2022 Total €
Balances as at 1 January 2022	**310,121,014**
Issue of ordinary shares	-
Subscriptions arising from conversion of ordinary shares	5,991,717
Redemption payments arising from conversion of ordinary shares	(5,955,535)
Redemption payments arising from tenders of ordinary shares	(33,198,148)
Foreign currency exchange gain on ordinary shares	(8,642,248)
Balances as at 31 December 2022	**268,316,800**

	31 December 2021 Total €
Balances as at 1 January 2021	**364,352,318**
Issue of ordinary shares	-
Subscriptions arising from conversion of ordinary shares	14,795,161
Redemption payments arising from conversion of ordinary shares	(14,859,835)
Redemption payments arising from tenders of ordinary shares	(66,650,700)
Foreign currency exchange loss on ordinary shares	12,484,070
Balances as at 31 December 2021	**310,121,014**

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. Each share has no par value.

As at 31 December 2022, the Company had 149,844,125 (inclusive of 44,767,789 treasury shares) (2021: 155,105,620 (inclusive of 35,089,055 treasury shares)) Euro shares and 366,025,202 (inclusive of 236,506,595 treasury shares) (2021: 361,922,809 (inclusive of 218,048,635 treasury shares)) Sterling shares in issue.

Share conversions

Until 1 June 2022, at the first Business Day of each month (each first Business Day of the relevant month being a "Conversion Calculation Date"), shareholders could convert shares of any class into shares of any other class (of which shares were in issue at the relevant time) by giving not less than 10 Business Days' notice to the Company in advance of such Conversion Calculation Date.

With effect from 1 July 2022, at the first Business Days of January and July of each year (each first Business Day of January or July of each year being a "Share Conversion Calculation Date"), shareholders can convert shares of any class into shares of any other class (of which shares are in issue at the relevant time) by giving not less than 10 Business Days' notice to the Company in advance of such Share Conversion Calculation Date, either through submission of the relevant instruction mechanism (for shareholders holding shares in uncertificated form) or through submission of a share conversion notice and the return of the relevant share certificate to the Company's registrars. This mechanism is subject to regulatory considerations.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

12. Ordinary shares (continued)

Share conversions (continued)

Such share conversion will be effected on the basis of the ratio of the last reported NAV per share of the class of shares held (calculated in Euro less the costs of effecting such share conversion and adjusted to reflect the impact of adjusting any currency hedging arrangements and taking account of any dividends resolved to be paid), to the last reported NAV per share of the class of shares into which they will be converted (also calculated in Euro, and each as at the relevant share Conversion Calculation Date) in each case, for the avoidance of doubt, such Net Asset Value per share shall be calculated inclusive of accrued income.

During the year 5,580,392 (2021: 2,625,562) Euro shares were converted into 4,352,393 (2021: 2,091,786) Sterling shares and 250,000 (2021: 9,945,620) Sterling shares were converted into 318,897 (2021: 12,363,657) Euro shares.

This section should be read in conjunction with the Company's AGM circular dated 22 April 2022 and approved at the Company's AGM on 18 May 2022 (https://ig.cvc.com/media/1446/2022-agm-notice-and-tender-circular-final-v2-correct.pdf).

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 11 September 2017, the Company established the CVC Credit Partners European Opportunities Limited Purpose Trust ("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, Conversion SPV Limited ("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 year ended 31 December 2022 (2021: not utilised).

Tender mechanism

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

The Directors believe that the Company's tender mechanism provides shareholders with additional liquidity when compared with other listed closed-ended investment companies. The offer of the Company's tender mechanism is subject to annual shareholder approval and subject to the terms, conditions and restrictions as set out in the prospectus.

Prior to the Company's AGM on 18 May 2022, the Company offered a quarterly tender mechanism 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 were 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 FINANCIAL STATEMENTS (CONTINUED)

12. Ordinary shares (continued)

Tender mechanism (continued)

At the Company's AGM on 18 May 2022, a revised tender circular was approved, which incorporated the following amendments:

(i) Instead of a quarterly tender mechanism, the tender mechanism will operate on a semi-annual basis with two tenders for the 12 month period thereafter, to be conducted by reference to the NAV as at 30 September 2022 and 31 March 2023, respectively. Subject to shareholder approval, future tenders will be conducted on a semi-annual basis by reference to the NAV as at 31 March if settling in the first half of the calendar year or 30 September if settling in the second half of the calendar year.

(ii) The tender record date will be approximately one year before the deadline for making a tender request. While the tender record date in respect of the September 2022 tender was set as 9 February 2022, in respect of the March 2023 tender and each subsequent tender, the Directors intend to set the equivalent of the tender record date at approximately a year before the deadline for making a tender request.

(iii) The additional powers in favour of the Board introduced in 2020 to enable the Board to respond to sudden changes in the market conditions as a result of, and in connection with, the Covid-19 pandemic will be widened to allow the Board to respond to changes in the market conditions and the macroeconomic climate more generally.

(iv) Made permanent the removal of the right that allowed shareholders to roll over the residual shares tendered but not purchased in any year to the next year with priority treatment. Any shareholders wishing for such residual shares to be purchased would in future need to submit a new tender request in respect of the subsequent tender and will be treated in the same way as other shareholders tendering their shares in that subsequent tender.

This section should be read in conjunction with the Company's AGM circular dated 22 April 2022 and approved at the Company's AGM on 18 May 2022 (https://ig.cvc.com/media/1446/2022-agm-notice-and-tender-circular-final-printers-proof.pdf).

It is important to note that 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 period may be scaled back on a pro rata basis.

In the absence of the availability of the tender mechanism 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 tender mechanism are set out in note 8.2.

During the year 9,678,734 (2021: 14,490,284) Euro shares and 18,457,960 (2021: 43,101,194) Sterling shares were redeemed as part of the tender mechanism and subsequently held by the Company in the form of treasury shares. Refer to page 17 for details. Treasury shares do not carry any right to attend or vote at any general meeting of the Company. In addition, the tender mechanism and the voluntary conversion facility are not available in respect of Treasury shares.

Ad hoc purchase of shares

In addition to the tender mechanism, the Directors seek annual shareholder approval to grant them the power to make ad hoc market purchases of shares. If such authority is subsequently

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

12. Ordinary shares (continued)

Ad hoc purchase of shares (continued)

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. Refer to note 2.1(d) for detail on critical accounting judgements regarding the classification of ordinary shares as a financial liability.

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. During the year ended 2022, the Company declared and paid dividends based on the investment revenue received from the Investment Vehicle during the year.

Please refer below for amounts recognised as dividend distributions to ordinary shareholders in the years ended 31 December 2022 and 31 December 2021.

	Ex-dividend date	Payment date	£ equivalent	€
Euro - €0.0125 per share[1]	03/02/2022	25/02/2022		1,365,602
Sterling - £0.0125 per share[1]	03/02/2022	25/02/2022	1,706,768	2,002,342
Euro - €0.0125 per share[1]	26/05/2022	17/06/2022		1,342,697
Sterling - £0.0125 per share[1]	26/05/2022	17/06/2022	1,672,725	1,962,403
Euro - €0.01250 per share[1]	04/08/2022	26/08/2022		1,346,683
Sterling - £0.01250 per share[1]	04/08/2022	26/08/2022	1,669,600	1,958,737
Euro - €0.01500 per share[1]	03/11/2022	25/11/2022		1,576,145
Sterling - £0.01500 per share[1]	03/11/2022	25/11/2022	1,942,779	2,279,224
				13,833,833

[1] Recognised in the year ended 31 December 2022

	Ex-dividend date	Payment date	£ equivalent	€
Euro - €0.01125 per share[2]	04/02/2021	26/02/2021		1,371,742
Sterling - £0.01125 per share[2]	04/02/2021	26/02/2021	1,911,608	2,223,908
Euro - €0.01125 per share[2]	06/05/2021	28/05/2021		1,327,003
Sterling - £0.01125 per share[2]	06/05/2021	28/05/2021	1,795,612	2,088,961
Euro - €0.01250 per share[2]	05/08/2021	27/08/2021		1,466,964
Sterling - £0.01250 per share[2]	05/08/2021	27/08/2021	1,944,693	2,262,398
Euro - €0.01250 per share[2]	11/11/2021	03/12/2021		1,443,022
Sterling - £0.01250 per share[2]	11/11/2021	03/12/2021	1,843,348	2,144,497
				14,328,495

[2] Recognised in the year ended 31 December 2021

Please refer to note 16 for further information subsequent to the reporting period.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

12. Ordinary shares (continued)

Return per share

	31 December 2022 £ equivalent	31 December 2022 €	31 December 2021 £ equivalent	31 December 2021 €
Euro Shares				
(Decrease)/Increase in net assets for the year	-	(14,254,567)	-	10,054,074
Results per share	-	(0.1440)	-	0.0838
Sterling Shares				
(Decrease)/Increase in net assets for the year	(16,857,334)	(19,517,848)	10,134,266	12,052,682
Results per share	(0.1275)	(0.1440)	0.0704	0.0838

Return per share has been calculated on a weighted average basis. The weighted average number of ordinary shares held during the year ended 31 December 2022 was 234,594,943 (2021: 263,890,739), comprising 105,076,336 (2021: 120,016,565) Euro shares and 129,518,607 (2021: 143,874,174) Sterling shares.

Refer to note 17 for transactions involving the Company's Euro or Sterling shares between 1 January 2022 and date of approval of these financial statements.

13. Net asset value per ordinary share

	31 December 2022 £ equivalent	31 December 2022 €	31 December 2021 £ equivalent	31 December 2021 €
Euro Shares				
NAV	-	93,535,520	-	123,210,226
NAV per ordinary share	-	0.8902	-	1.0266
Sterling Shares				
NAV	126,873,439	143,303,549	159,089,778	189,205,473
NAV per ordinary share	0.9796	1.1064	1.1058	1.3151
Net assets attributable to shareholders	-	**236,839,070**	-	**312,415,699**

NAV per share has been calculated based on the share capital in issue as at year end, excluding shares held in treasury. The issued share capital as at 31 December 2022 comprised of 105,076,336 Euro shares (31 December 2021: 120,016,565) and 129,518,607 Sterling shares (31 December 2021: 143,874,174).

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

14. Reconciliation of liabilities arising from financing activities

	2022 €	2021 €
Opening Balance	**312,415,699**	**344,540,247**
Cash flow movements		
Proceeds from issuance of ordinary shares	-	-
Payments from redemption of ordinary shares	(39,153,683)	(81,510,535)
Dividends paid	(13,833,833)	(14,328,495)
Non-cash flow movements		
Proceeds from subscriptions arising from conversion of ordinary shares	5,991,717	14,795,161
Foreign currency exchange loss/(gain) on ordinary shares	(8,642,248)	12,484,070
Profit/(loss) before finance costs and taxation	(19,938,582)	36,435,251
Closing Balance	**236,839,070**	**312,415,699**

15. 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.

Transactions between the Company and the Trust and Conversion Vehicle are disclosed in note 4 and 12.

Richard Boléat 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.

The below information regarding select related party disclosures for the Investment Vehicle has been included for information purposes only.

As at 31 December 2022, the Compartment holds debt securities in entities where CVC Capital Partners also has an interest. These positions were entered into pari passu with third party investors.

16. Material events after the Statement of Financial Position date

Management has evaluated subsequent events for the Company through 27 March 2023, 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 financial statements.

Contractual tender

On 14 February 2023, the Company announced it had received applications from shareholders to tender 378,000 Euro shares and 2,681,399 Sterling shares under the March 2023 tender.

Dividend declaration

On 30 January 2023, the Company declared a dividend of €0.0175 per Euro share and £0.0250 per Sterling share payable on 3 March 2023 to shareholders on the register as at 10 February 2022.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

16. Material events after the Statement of Financial Position date (continued)

Offsetting carbon footprint

On 26 January 2023, it was agreed during the ESG committee meeting that it would be prudent for all Directors to record their travel individually and offset their carbon footprint with effect from 1 February 2023.

Withdrawal of Performance Fee

On 17 February 2023, the Company announced that it was notified by the Investment Vehicle that the Investment Vehicle Manager had waived its future right to receive an Investment Vehicle performance fee, such waiver to take effect from 1st January 2023. The Board has also been advised by the Investment Vehicle that no performance fee has been accrued in respect of the calendar year ended 31st December 2022.

Increase in Annual Dividend Targets

On 7 March 2023, the Board announced that it had completed its review of the Company's annual dividend targets, given the significantly elevated cash yield being produced by the Investment Vehicle's underlying portfolio. As a consequence, the Company's annual dividend targets were increased to 7.5p per ordinary Sterling Share and 7c per ordinary Euro Share with effect from 7 March 2023.

17. Controlling party

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

USEFUL INFORMATION FOR SHAREHOLDERS (UNAUDITED)

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	€0.05250	£0.05250
2018	€0.05500	£0.05500
2019	€0.05500	£0.05500
2020	€0.04875	£0.04875
2021	€0.04750	£0.04750
2022	€0.05250	£0.05250

Alternative performance measures disclosure

In accordance with ESMA Guidelines on APMs, the Board has considered what APMs are included in the Annual Financial Report, including the 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 monitored indices

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 31 December 2022 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's 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 monitored indices over certain time periods are presented below:

Total Return

	3 Months	6 Months	12 Months	Since inception
Euro NAV Total Return	0.77%	1.59%	(8.31)%	40.26%
Sterling NAV Total Return	1.45%	2.63%	(6.75)%	51.88%
Credit Suisse Western European High Yield Index (hedged in Euros) Total Return	4.94%	3.83%	(11.64)%	29.71%
Credit Suisse Western European Leveraged Loan Index (hedged in Euros) Total Return	2.93%	3.75%	(3.28)%	31.30%

[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.

USEFUL INFORMATION FOR SHAREHOLDERS (UNAUDITED) (CONTINUED)

Total Return (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 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-dividend 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-dividend date. The total return is then determined by adding the capital and income return. The total return calculations for 31 December 2022 and 31 December 2021 are presented below.

2022 Euro share	2022 Annual dividend per share	
NAV per share as at 31 December 2021		€1.0266
NAV per share as at 31 December 2022		€0.8902
Capital return		(13.29)%
Income return	5.250c	4.97%
Total return		**8.32%**
Sterling share		
NAV per share as at 31 December 2021		£1.1058
NAV per share as at 31 December 2022		£0.9796
Capital return		(11.41)%
Income return	5.250c	4.66%
Total return		**(6.75)%**

2021 Euro share	2021 Annual dividend per share	
NAV per share as at 31 December 2020		€0.9657
NAV per share as at 31 December 2021		€1.0266
Capital return		6.31%
Income return	4.750c	5.10%
Total return		**11.41%**
Sterling share		
NAV per share as at 31 December 2020		£1.0299
NAV per share as at 31 December 2021		£1.1058
Capital return		7.36%
Income return	4.750p	4.80%
Total return		**12.17%**

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's 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.

USEFUL INFORMATION FOR SHAREHOLDERS (UNAUDITED) (CONTINUED)

NAV to market price discount (continued)

At 31 December 2022, the Company's Euro shares and Sterling shares traded at €0.8200 (2021: €0.9500) and £0.9200 (2021: £1.0400), respectively. The Euro shares traded at a discount of 7.88% (2021: 7.46% discount) to the NAV per Euro share of 0.8902 (2021: €1.0266) and the Sterling shares traded at a discount of 6.08% (2021: 5.95% discount) to the NAV per Sterling share of £0.9796 (2021: £1.10576).

Ongoing charges

The Company has chosen the AIC's methodology for calculating an ongoing charges figure. In line with the AIC's recommended guidance on ongoing charges, the Company's ongoing charges ratio includes a relevant proportion of the Investment Vehicle's operating expenses; please refer below for further details. The ongoing charges ratio for the year ended 31 December 2022 was 1.78% (2021: 1.61%). The ongoing charges for the Company's Euro and Sterling share classes individually are approximate to each other and therefore the Company has chosen to disclose one ongoing charges figure. The Company's ongoing charges ratio is based on annualised ongoing charges of €4,681,787 (2021: €5,104,115) divided by average NAV in the period of €263,566,986 (2021: €317,614,082).

Calculating ongoing charges

The ongoing charges are based on actual costs incurred in the year excluding any non-recurring fees in accordance with the AIC methodology. Expense items have been excluded in the calculation of the ongoing charges figure when they are not deemed to meet the following AIC definition:

"Ongoing charges are those expenses of a type which are likely to recur in the foreseeable future, whether charged to capital or revenue, and which relate to the operation of the investment company as a collective fund, excluding the costs of acquisition/disposal of investments, financing charges and gains/losses arising on investments. Ongoing charges are based on costs incurred in the year as being the best estimate of future costs."

Ongoing charges methodology[1]

In accordance with the recommended methodology for the calculation of an ongoing charge figure published by the AIC (and most recently updated in April 2022), the Company has incorporated, in addition to a relevant portion of the management fee[2], a relevant proportion Investment Vehicle operating expenses (that would be considered ongoing charges under the AIC methodology) into its own ongoing charges figure. For the avoidance of doubt, the ongoing charges ratio includes the Company's pro-rata share of the Investment Vehicle management fee, custodian and administration expenses and other general expenses but excludes interest costs and performance fees.

USEFUL INFORMATION FOR SHAREHOLDERS (UNAUDITED) (CONTINUED)

Ongoing Charges (continued)

Please refer below for ongoing charges reconciliation for the years ended 31 December 2022 and 31 December 2021:

	31 December 2022 €	31 December 2021 €
Total operating expenses for the year:	1,701,287	1,402,690
Expenses excluded from the calculation of ongoing charges figures, in accordance with AIC's methodology:		
Professional fees	(263,961)	(174,054)
Sundry expenses	-	-
Total ongoing charges for the year (excluding Investment Vehicle management fee)	**1,437,326**	**1,228,636**
Add: Investment Vehicle operating expenses	916,140	901,559
Add: Investment Vehicle management fee[2]	2,328,320	2,973,920
Total ongoing charges for the year (including Investment Vehicle management fee)	**4,681,787**	**5,104,115**

Ongoing charges inclusive of Investment Vehicle performance fee

In accordance with the recommended methodology for the calculation of an ongoing charges figure published by the AIC (and most recently updated in April 2022), the Board has chosen to disclose an ongoing charges figure inclusive of the Investment Vehicle's performance fee[3]. As the performance fee can differ between share classes, the Company has disclosed the ongoing charges plus performance fee ratio for both share classes separately. However, there was no performance fee for the year ended 31 December 2022.

	31 December 2022	
	Euro shares	Sterling shares
Ongoing charges ratio	1.80%	1.76%
Add: Investment Vehicle performance fee[3]	-	-
Ongoing charges plus performance fee ratio	**1.80%**	**1.76%**

	31 December 2021	
	Euro shares	Sterling shares
Ongoing charges ratio	1.59%	1.62%
Add: Investment Vehicle performance fee[3]	1.13%	1.24%
Ongoing charges plus performance fee ratio	**2.72%**	**2.86%**

USEFUL INFORMATION FOR SHAREHOLDERS (UNAUDITED) (CONTINUED)

Dividend yield

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

	31 December 2022	31 December 2021
Euro shares		
Annual dividend per Euro share	€0.05250	€0.04750
Share price (bid price)	€0.8200	€0.9500
Dividend yield[4]	**6.40%**	**5.00%**
Sterling shares		
Annual dividend per Euro share	£0.05250	£0.04750
Share price (bid price)	£0.9200	£1.0400
Dividend yield[4]	**5.71%**	**4.57%**

Dividend Cover ratio

Two dividend cover ratios are calculated being PEC income per share and the coupon income received by the Investment Vehicle for the Series 4 and 5 of Compartment A per share divided by the dividend per Euro and Sterling share expressed as a ratio.

	31 December 2022	31 December 2021
Euro shares		
PEC income per share[5]	€0.0560	€0.0481
Coupon income per share[6]	€0.0827	€0.0706
Annual dividend per share	€0.05250	€0.04750
Dividend cover ratio (PEC income)	**1.07**	**1.01**
Dividend cover ratio (Coupon income)	**1.57**	**1.49**
Sterling shares		
PEC Income per share[5]	£0.0593	£0.0587
Coupon Income per share[6]	£0.0884	£0.0807
Annual dividend per share	£0.05250	£0.05250
Dividend cover ratio (PEC income)	**1.13**	**1.124**
Dividend cover ratio (Coupon income)	**1.68**	**1.70**

[1] The Company's ongoing charges are considered to be APMs which are calculated according to the methodology outlined on page 109 and differ to the ongoing costs disclosed within the Company's KIDs which follows the methodology prescribed by EU rules. For example, the ongoing costs disclosed in the Company's KIDs include interest expense and are based on average ongoing charges over the past three years whereas the ongoing charges ratio disclosed in this report do not include interest expense and are based on ongoing charges incurred during the year ended 2022 only. The Company's most current KIDs and an accompanying explanatory note reconciling the two different ratios are available on the Company's website (https://ig.cvc.com/key-information-documents/).

[2] The Investment Vehicle management fee is 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. Details of the management fee that CVC Credit Partners is entitled to can be found on the Company RNS announcement dated 23 April 2021 (Distribution Policy Change | CVC Income & Growth).

[3] There was no performance fee accrued in respect of the year ended 31 December 2022. Additionally, the Company announced on 17 February 2023 that it was notified by the Investment Vehicle that the Investment Vehicle Manager had waived its future right to receive an Investment Vehicle performance fee with effect from 1 January 2023.

USEFUL INFORMATION FOR SHAREHOLDERS (UNAUDITED) (CONTINUED)

[4] Annual dividend yield per Euro share and Sterling share as at 31 December 2022 and 31 December 2021 is based on the four quarterly dividends announced and paid by the Company during the 12 months prior to the year end as applicable.

[5] PEC income represents the total income received by the Company from the Investment Vehicle Manager in relation to the PECs divided by the number of shares of the Company at yearend.

[6] Coupon income represents the total coupon income received by the Investment Vehicle Manager in relation to the Series 4 and Series 5 of Compartment A that the Company invests in divided by the number of shares of the Company at yearend.

GLOSSARY

Administrator	BNP Paribas S.A., Jersey Branch
Advisor fees	Cost of services provided by Mr Justin Atkinson to assist with the marketing and promotion of the Company's shares
AGM	Annual General Meeting
AIC	Association of Investment Companies
AIC Code	AIC Code of Corporate Governance, February 2021
AIF	Alternative Investment Fund
AIFM	Alternative Investment Fund Manager
APMs	Alternative Performance Measures
Auditor	Ernst & Young LLP
Borrowing Limit	Up to an amount equal to 100% of the NAV of the Investment Vehicle at the time of borrowing
CEO	Chief Executive Officer
CFO	Chief Finance Officer
CLOs	Collateralised Loan Obligations
Company	CVC Income & Growth Limited (formerly known as CVC Credit Partners European Opportunities Limited)
Continuation Resolution	An ordinary resolution proposed by the Directors that the Company continue its business as a closed-ended investment company
Conversion Vehicle	Conversion SPV Limited
Compartment	Compartment A of the Investment Vehicle

GLOSSARY (CONTINUED)

Credit Opportunities	Refers to investments where CVC Credit Partners anticipates an event in a specific credit 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. CVC Credit Partners 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. CVC Credit Partners 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
CVC Group	CVC Group being CVC Credit Partners 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
DTRs	Disclosure Guidance and Transparency Rules
ESG	Environmental, Social and Governance
EEA	European Economic Area
ELFA	European Leveraged Finance Association
EU	European Union
FRC	Financial Reporting Council
IFRS 13	IFRS 13 – Fair Value Measurement
IPO	Initial Public Offering on 25 June 2013
Investment Limits	As defined within the Investment Policy on page 18
Investment Vehicle	Compartment A of CVC European Credit Opportunities S.à r.l.
Investment Vehicle Manager (CVC Credit Partners)	CVC Credit Partners Investment Management Limited
Investment Vehicle Services Manager	CVC Credit Partners Investment Services Management Limited
KIDs	Key Information Documents

GLOSSARY (CONTINUED)

KPIs	Key Performance Indicators
NAV	Net Asset Value
NPPRs	National Private Placement Regimes
Original Placing Price	€1.00 and £1.00 per share
PECs	Preferred Equity Certificates
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
PRI	Principles for Responsible Investment
SID	Senior Independent Director
Trust	CVC Credit Partners European Opportunities Limited Purpose Trust
UK Code	The UK Corporate Governance Code 2018
Viability Statement	A statement made by the Directors explaining how they assessed the prospects of the Company, over which period they have done so and why they consider that period to be appropriate

COMPANY INFORMATION

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

Registrar
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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.