CVC Income & Growth Limited
(formerly known as CVC Credit Partners European Opportunities Limited)

Half Yearly Financial Report 30 June 2022

CVC CREDIT PARTNERS

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 by focusing on opportunities within global leveraged finance markets, with a focus on European issuers.

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 stability and 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 includes a reliable income stream, with the opportunity for enhancement of capital. The Company also offers investors additional liquidity opportunities through its tender mechanism.

What we offer

Reliable income

The Company seeks to generate high 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 5p / 5c 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 3.44%[1] and 4.16%[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. 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 and the continued expectation of further central bank interest rate rises.

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 around 100 positions in large companies diversified by geography and sector across the UK, continental Europe and the US. The Investment Vehicle's default rate is lower than the market.

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 one down year, 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 $33.5 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 $139.2 billion of AUM, $181.1 billion of funds committed and a global network of 25 local offices.[3]

Environmental, Social and Governance ("ESG")

The Company has identified the growing importance of responsible investment and integrating ESG into the investment process. CVC Credit Partners, which manages the Investment Vehicle, is a member of the Principles for Responsible Investment (PRI). The PRI advocates[6] for the incorporation of financially material ESG factors into investment decision-making, consistent with the time frame of the obligation as well as encouraging active ownership from investors to encourage high standards of investee companies.

This year has seen continued progress in the development of the Company's approach to ESG. On 24 January 2022, the Company established an ESG Committee to oversee 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's ESG Committee has actively engaged with the Investment Vehicle Manager to better understand and monitor ESG-related risks and opportunities and keep under review the Investment Vehicle Manager's ESG policies, processes and practices. It has played an active role in working with the Investment Vehicle Manager to collaborate with ESG data providers and industry bodies (such as European Leverage Finance Association (ELFA) and the Association of Investment Companies (AIC)) to fully utilise the ESG due diligence tools at its disposal prior to investment.

As part of its ESG disclosure obligations, the Company has been a formal supporter of the Task Force for Climate Related Financial Disclosures ("TCFD") recommendations since 2018 and expects the companies in which the Investment Vehicle Manager invests to make TCFD disclosures. The ESG Committee closely follows regulatory and legislative developments in the area of Sustainability and ESG to ensure that the Company is disclosing the required ESG metrics and targets.

In executing its investment strategy, the Investment Vehicle utilises leverage and its borrowings, as a percentage of the Investment Vehicle's NAV, as at 30 June 2022 this stood at 33.30% (31 December 2021: 30.29%). The Investment Vehicle Manager is entitled to receive a management fee[4] and a performance fee[5].

[1] - from inception to 30 June 2022.

[2] - all amounts as at 31 March 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. Underlying figures not in U.S. Dollars are converted using a spot rate as at 31 March 2022. Includes Managed Funds, Securitization 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 March 2022 for both CVC Capital and CVC Credit.

[4] - 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.

[5] - Refer to pages 12 and 13 of the Company's latest prospectus (https://ig.cvc.com/media/1316/2019-03-29-prospectus.pdf) for detail on the basis of the Investment Vehicle performance fee.

[6] - PRI (2019). Fiduciary Duty in the 21st Century – Executive summary. Available at: https://www.unpri.org/pri-blog/the-final-chapter-of-fiduciary-duty-in-the-21st-century/5048.article

CONTENTS

Financial Highlights and Performance Summary 2

Half Yearly Board Report -

- Chairman's Statement 4
- Investment Vehicle Manager's Report 6
- Executive Report 13

Directors' Statement of Responsibilities 24

Independent Review Report 25

Condensed Statement of Comprehensive Income 27

Condensed Statement of Financial Position 28

Condensed Statement of Changes in Net Assets 29

Condensed Statement of Cash Flows 30

Notes to the Condensed Financial Statements 31

Supplemental Financial Information 51

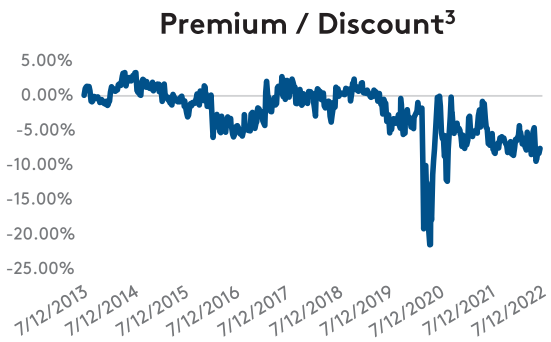
Company Information 54

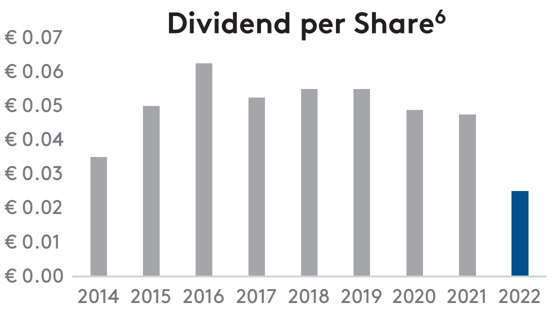
FINANCIAL HIGHLIGHTS AND PERFORMANCE SUMMARY

Euro Share Class	Sterling Share Class
NAV total return[1] **30 June 2022: (9.74)%** (31 December 2021: 11.41%)	**NAV total return[1]** **30 June 2022: (9.14)%** (31 December 2021: 12.17%)
Dividend Yield[2] **30 June 2022: 5.99%** (31 December 2021: 5.00%)	**Dividend Yield[2]** **30 June 2022: 5.46%** (31 December 2021: 4.57%)
Discount[3] **30 June 2022: 7.56%** (31 December 2021: 7.46%)	**Discount[3]** **30 June 2022: 6.66%** (31 December 2021: 5.95%)
Share price[4,5] **30 June 2022: €0.8350** (31 December 2021: €0.9500)	**Share price[4,5]** **30 June 2022: £0.9160** (31 December 2021: £1.0400)
NAV per Share **30 June 2022: €0.9033** (31 December 2021: €1.0266)	**NAV per Share** **30 June 2022: £0.9814** (31 December 2021: £1.1058)

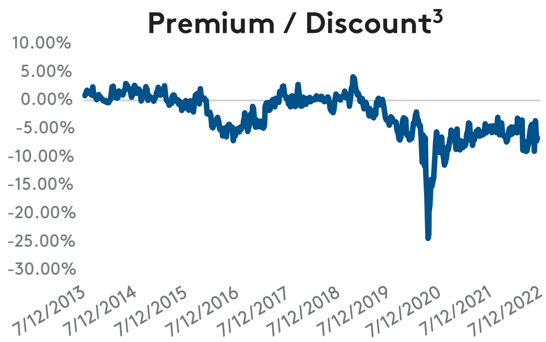
FINANCIAL HIGHLIGHTS AND PERFORMANCE SUMMARY (CONTINUED)

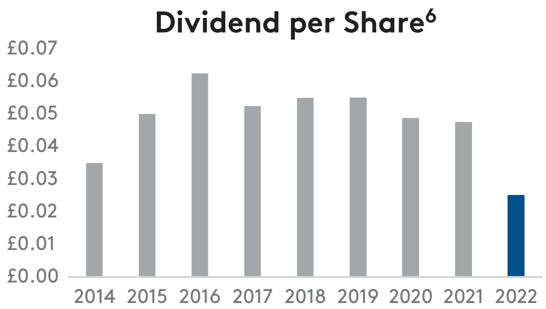
Euro Share Class

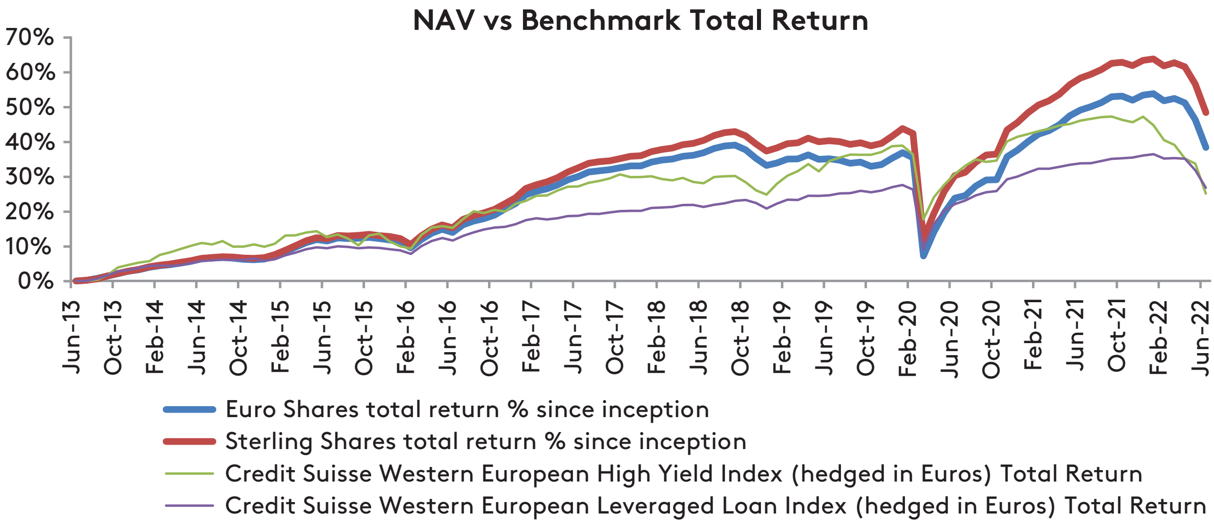




Sterling Share Class







For further information on the Company's dividend history and total return metrics, refer to the supplementary financial information section on pages 51 to 53.

[1] - NAV total return measures how the NAV per Euro share and Sterling share has performed over a period of time, taking into account both capital returns and dividends paid to shareholders. Refer to pages 51 to 53 for further details on how NAV total return is calculated.

[2] - Dividend yield expresses the return dividends represent as a percentage of the Company's share price. Refer to page 53 for further details on how dividend yield is calculated.

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

[4] - Bid price.

[5] - Source: Bloomberg.

[6] - 2022 reflects only dividends declared and paid during the six months ended 30 June 2022.

HALF YEARLY BOARD REPORT
CHAIRMAN'S STATEMENT

Introduction

I am pleased to have the opportunity to report to you on the Company's performance in respect of the half-year ended 30 June 2022.

Performance

In common with a great many others, the last six months have arguably been the most volatile period for the Company since IPO. Through August 2022, year to date net asset value per ordinary share performance has been -5.00% (Sterling class) and -5.83% (Euro class). The Board regards this performance as creditable by reference to indices which the Board uses to assess Investment Vehicle Manager performance and the wider risk assets market as a whole, and is reflective of an avoidance by the Investment Vehicle Manager of issuers that have seen significant sectoral underperformance or whose financial condition is materially exposed to degradation through energy price inflation and/or central bank monetary policy steps.

Current Market Conditions and Outlook

The current leveraged loan market, and indeed the wider high yield credit markets as a whole, have been in "stop/go" mode for the period under review. A lack of forward macroeconomic visibility, continued geopolitical instability in Europe, uncertainty around both the speed of central bank tightening and the likely cyclical high point for risk free rates have caused both issuers and market participants to step away from the market in the absence of a compelling need to complete transactional or refinancing activity. New issuance volumes are sharply down on previous years and secondary market values are reflective of the uncertainties set out above. New CLO formation, the key technical driver of the leveraged loan market, has slowed to a trickle, although there has been some recent new issuance. It is hard to see this situation changing in the balance of 2022, although there will be increasing pressure on issuers to ensure that they are able to complete refinancings sooner rather than later in the face of a sharply rising risk free rate environment. It will be interesting to see how these competing tensions play out over the balance of the year.

These market conditions are actually attractive ones for the Company. Yields on offer for new primary issuance are at more attractive levels than has been the case for many years. In addition, secondary market pricing is generally at levels reflective of higher new issue spreads, and offer attractive entry points to issuers that the Investment Vehicle Manager feels are likely to perform robustly through the current market volatility. This offers the opportunity to rotate the portfolio out of lower yielding credits and into more attractive opportunities, thus giving increased growth potential in net asset value whilst also offering a materially higher current yield. The August 2022 Monthly Report, being the most recent published, indicates a yield to maturity of the underlying Investment Vehicle portfolio of 13.7% (Euro hedged) / 15.5% (Sterling hedged) and running cash yield of 9.0% (Euro hedged) / 10.9% (Sterling hedged). Notably also, floating rate instruments at that date comprised 83.6% of the portfolio. This latter metric shows that the portfolio yield characteristics will improve further as risk free rates continue to trend upwards. Of course, more difficult macro conditions and a markedly higher rates environment will spell trouble for some borrowers over time, and your Board will be watching closely for signs of an uptick in defaults across the market.

Corporate Activities & Liquidity

The Company has now implemented its revised tender mechanism after the market consultations and shareholder vote that took place earlier in the year, and is operating as anticipated.

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

Distribution Policy

As indicated previously, the Board has been considering the Company's distribution policy in the light of market conditions and in particular the rising risk free rate environment. As a result, I am pleased to advise that the Company will be changing its distribution policy to reflect these features, such that it will increase its annual dividend by 20% to 6p per Sterling ordinary share / 6c per Euro ordinary share with effect from the next quarterly dividend declaration date. At the time of writing, this will represent an annual share price yield of 6.28% and 6.96% on the Sterling and Euro ordinary shares respectively. The Board recognizes that the increasing interest rate differential effect between Sterling and Euro net asset values means that performance between the two share classes will continue to diverge, and is considering certain steps to deal with this. A further announcement will be made shortly in that regard.

Conclusion

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

Richard Boléat
Chairman
21 September 2022

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

Summary

After a very strong 2021 for European sub-investment grade markets, we saw quite a reversal in H1 2022. Credit markets started off on a weak footing as inflation data continued to surprise to the upside and central banks started tightening monetary policies across the world. This initially put pressure on high yield bonds in Europe and the US, given the fixed rate nature of the asset class, while loans outperformed as a floating rate asset class. However, after Russian tanks started crossing the Ukrainian border, there was a general risk-off move across all asset classes and loans were no exception. European loans saw a brief rebound in March 2022, but the sell-off accelerated in Q2 2022, resulting in the worst H1 2022 performance of the Credit Suisse Western European Leveraged Loan Index ("CS WELLI"), hedged to EUR, since the financial crisis/Eurozone crisis[a].

Looking into the second half of 2022, there is still a lot of macro uncertainty. The developments in any war are unpredictable, and hence our aim is to stay nimble, focusing on liquid tranches, which allows us to adjust the portfolio quickly. The consequences of the Russia-Ukraine war are likely to be material for Europe, given the European dependence on Russia for energy supply. On top of this, there are numerous other unknowns, such as general inflation, China's zero-Covid policy, continued supply chain disruptions, significant foreign exchange volatility, upcoming Italian elections and central banks' policies. As a result, we would anticipate the second half of 2022 to remain volatile.

However, looking at European leveraged loans in particular, a lot of the bad news appears to be priced in at these levels. Looking back over the last 5 years, default rates averaged 0.74%[a] per annum, while recovery rates averaged 66.4%[a] which means annual loss rates in the European leveraged loan markets were only 0.25%, a period which included US-China trade wars, the outbreak of Covid-19 and the start of the Russia-Ukraine war. At the end of June 2022, the 3 year discount margin was 7.25%.[a] This effectively means that, unless loss rates rise from the 0.25% average over the last 5 years to above 7.25% annually for the next three years, leveraged loans should generate positive returns over the next 3 years. With the exception of a brief period during the initial Covid-19 outbreak, we have not seen discount margins at these levels in the European loan market since the financial crisis/Eurozone crisis, when the loan market was structurally very different. Moreover, central banks – including the ECB and Bank of England – are anticipated to continue to hike interest rates, which should increase the total return from loans as an asset class.

There were no defaults across the portfolio in H1 2022, hence the negative performance is a result of negative mark to market moves. As at 30 June 2022, with the yield to maturity on the Investment Vehicle portfolio at 13.9% for the EUR share class and 15.6% for the GBP share class, we would need to see a considerable spike in default rates and/or reduction in recovery rates to justify the current pricing levels.

Portfolio

As at 30 June 2022, the Investment Vehicle portfolio was invested in accordance with the investment policy, was diversified with 94 issuers[1] (31 December 2021: 107) across 27 (31 December 2021: 29) different industries and 14 (31 December 2021: 17) different countries, and had exposure of no more than 6.1% (31 December 2021: 5.3%) to any single issuer.

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

Portfolio Statistics[2]

		As at 30 June 2022	As at 31 December 2021
Percentage of Portfolio in Floating Rate Assets		81.1%	78.1%
Percentage of Portfolio in Fixed Rate Assets		15.7%	20.5%
Percentage of Portfolio in Other		3.2%	1.4%
Weighted Average Price[3]		85.0	96.5
Yield to Maturity ("YTM")	EUR	13.9%	8.3%
	GBP	15.6%	n/a[4]
Current Yield	EUR	8.7%	7.9%
	GBP	10.4%	n/a[4]
Weighted Average Fixed Rate Coupon		6.3%	6.3%
Weighted Average Floating Rate plus Margin		5.4%	4.9%

5 Largest Issuers as at 30 June 2022

Issuer	% of Gross	Industry	Country
Doncasters	6.1	Diversified/Conglomerate Manufacturing	UK
Civica	3.6	Electronics	UK
Wella	3.1	Cosmetics/Toiletries	Luxembourg
Colouroz	2.7	Chemicals, Plastics and Rubber	Germany
Drive DeVilbiss	2.7	Healthcare & Pharmaceuticals	US

5 Largest Issuers as at 31 December 2021

Issuer	% of Gross	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

5 Largest Industry Positions as at 30 June 2022[1]

Healthcare & Pharmaceuticals	13.9%
Chemicals	9.1%
Diversified/Conglomerate Manufacturing	6.7%
Business Services	6.3%
Travel & Leisure	6.2%

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

Portfolio Statistics[2] (continued)

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 30 June 2022	As at 31 December 2021
UK	29.4%	25.4%
U.S.	23.1%	20.9%
Germany	11.7%	13.5%
France	9.9%	11.6%
Netherlands	9.6%	11.0%
Spain	3.7%	2.7%
Luxembourg	3.5%	3.3%
Finland	1.1%	2.3%
Sweden	0.0%	0.7%
Other	8.0%	8.6%

Currency Breakdown	As at 30 June 2022	As at 31 December 2021
EUR	56.4%	60.3%
USD	25.9%	23.5%
GBP	17.7%	16.2%

Asset Breakdown	As at 30 June 2022	As at 31 December 2021
Loans (1st Lien)	56.4%	59.0%
Senior Secured Bonds	14.8%	19.1%
Loans (2nd Lien)	6.9%	7.7%
Structured	5.9%	3.7%
Senior Unsecured Bonds	3.1%	3.5%
Cash	3.3%	(0.3)%
Other	9.6%	7.3%

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

Performance

The Euro shares and Sterling shares NAV total returns for H1 2022 were -9.74% (31 December 2021: 11.41%) and -9.14% (31 December 2021: 12.17%), respectively.

The performing credit segment of the portfolio returned -11.6% gross[5] during H1 2022 (31 December 2021: 6.2%), while the credit opportunities segment returned -7.0% gross during H1 2022 (31 December 2021: 22.2%). Based on an average allocation of 47% (31 December 2021: 47%) to performing credit and 53% (31 December 2021: 53%) to credit opportunities, this resulted in a gross contribution of -5.4% (31 Dec 2021: 2.8%) from the performing credit segment and -3.5% (31 Dec 2021: 11.8%) from the credit opportunities segment.

The CS WELLI, hedged to EUR, was down -6.78% for H1 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 -14.90% for H1 2022, as compared to being up 4.04% for the year ended 31 December 2021.

Market Review

European sub-investment grade markets had a very difficult H1 2022 on the back of a combination of persistent inflation, the war in Ukraine, continuing supply chain issues and FX volatility all putting question marks around future growth.

As noted above, the CS WELLI, hedged to EUR, was down -6.78% in H1 2022, which compares favourably against the CS WEHYI, hedged to EUR, which was down -14.90% over the same time period. European leveraged loans outperformed high yield bonds due to the lack of duration in the asset class. The European high yield market had the perfect storm with both an increase in base rates and an increase in credit spreads.

Despite this negative performance for loans and bonds, default rates (based on principal amount) in the European sub-investment grade markets remain very low. The LTM default rate in the CS WELLI is now 0.62%, below the 1.13% a year ago. This is a backwards looking measure over the last 12 months. Given the uncertain macro-economic outlook, we would anticipate default rates to start rising in Europe. We have already seen an increase in default rates in emerging markets as Russian corporates have been impacted by sanctions, and Chinese property companies are dealing with over-stretched balance sheets. However, these defaults have limited direct impact on the European leveraged loan market.

Given the market volatility, issuance in the European leveraged loan market is naturally significantly down versus last year, which was a record year in terms of issuance. Total European loan issuance in H1 2022 was €28.0bn, down from €82.5bn a year ago. The European high yield market was even quieter with only €15.3bn of issuance versus €76.6bn a year ago.[b] Compared to last year, we saw lower M&A volumes, less opportunistic refinancing and limited dividend recaps. When we look into this issuance in more detail, we notice that €18.7bn (67%) of the total loan issuance and €10.8bn (71%) of the total high yield issuance occurred in the first two months of 2022[b], i.e. largely before the Russian invasion of Ukraine. Since the invasion, European credit markets have been largely shut, even though we saw an improvement in this towards the end of the first half with the primary market showing signs of life.

Despite the lower volumes for the market, banks had some considerable underwritten bridge loans on their balance sheets. Banks tried to syndicate some of these loans, which they had to do at considerable losses, which put pressure on loan prices in the secondary market, as market participants sold performing loans – at a discount – to buy some of these even cheaper new primary issues. This dynamic resulted in secondary loan prices being marked down, and the overall bid price on the CS WELLI at the end of June was 90.26.[a]

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

Portfolio Overview

The performance in H1 2022 was disappointing with a return of -9.74% on the EUR share class and -9.14% on the GBP share class.

It is worth noting that the performing credit part of the portfolio actually underperformed the credit opportunities part of the portfolio. Within performing credit, the Investment Vehicle Manager typically invests in large, liquid capital structures. We saw some material selling pressure in this part of the market, as participants sold loans that were liquid to raise cash, as described above in the Market Review section. The Investment Vehicle Manager believes this is a temporary price impact as a result of the market dislocation, rather than a more permanent fundamental repricing based on higher default expectations.

The credit opportunities portfolio actually held up remarkably well during this sell-off, as some names in the portfolio contributed considerably to performance on the back of positive news flow. There is usually a high correlation between returns of the credit opportunities portfolio and the CCC subsection of the CS WELLI. This CCC subsection of the index returned -14.2%, while the credit opportunities sleeve returned -7.0% gross during H1 2022.

The Investment Vehicle Manager has been very active screening and deploying in new credit opportunities. The deployment was a combination of topping up high conviction existing investments that sold off in this broad based market weakness, but also a number of new names. Following the approval of the change in investment guidelines, the Investment Vehicle Manager also deployed over €26m in structured finance opportunities, with a weighted average cash coupon of E+8% and a weighted average cash price of 86.5, thereby combining cash income with opportunities for capital appreciation.

As of June close, performing credit (including cash) was at 46.8% of the portfolio, trading at a weighted average price of 88.8 and a YTM of 7.8%, whilst delivering 5.3% cash yield to the portfolio.

Credit opportunities was at 53.2% of the portfolio, trading at a weighted average price of 81.9 and a YTM of 14.3%, whilst delivering a 9.1% cash yield to the portfolio.

Across the entire portfolio, as of June 2022 month end, the weighted average market price was 85.0, trading at a YTM of 13.9% (EUR hedged) / 15.6% (GBP hedged), and delivering 8.7% (EUR hedged) / 10.4% (GBP hedged) cash yield (on a levered basis) versus a weighted average price of 96.5, YTM of 8.3% and cash yield of 7.9% as of December 2021. Floating rate instruments comprised 81.1% of the portfolio while senior secured instruments comprised 71.2%.The portfolio had a cash position of 3.3% (including leverage) with leverage at 1.3x assets.

Environmental, Social and Governance ("ESG")

ESG remains a key focus for the Investment Vehicle Manager. CVC 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.

Conclusion and Outlook

The first half of 2022 was difficult for most asset classes, with the exception of commodities perhaps. European loans were no exception and the asset class sold off materially, despite default rates staying well below the long term average. As always, periods of volatility offer interesting credit opportunities. The sell-off we have seen in the European loan market was broad based, and in the Investment Vehicle Manager's view, was mainly a result of technical drivers (supply/demand imbalance) rather than fundamental reasons.

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

Conclusion and Outlook (continued)

With a running yield of 8.7% on the EUR share class and 10.4% on the GBP share class at the end of June, and central banks in the Eurozone and UK hinting towards further rate hikes, the Investment Vehicle Manager believes the portfolio is well positioned to generate significant income going forward. Moreover, with a weighted average cash price on the portfolio of 85.0, there is potential for capital upside.

The Investment Vehicle Manager remains focused on actively identifying opportunistic investments that can generate income as well as capital gains, to supplement the income generated on the performing credit sleeve. Moreover, following the change to the investment guidelines, the Investment Vehicle Manager can now also focus on opportunities in the CLO market, both through primary and secondary investments.

CVC Credit Partners Investment Management Limited

Investment Vehicle Manager

Pieter Staelens

Managing Director, Portfolio Manager
21 September 2022

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

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

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

Sources

[1] – Excludes 33 (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.

[5] – Excluding management and performance fees.

[a] – Credit Suisse Western European Leveraged Loan Index.

[b] – Leveraged Commentary & Data (LCD) – July 2022.

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

Disclaimer:

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

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

HALF YEARLY BOARD REPORT (CONTINUED)
EXECUTIVE REPORT

This Executive Report is designed to provide information about the Company's business and results for the period ended 30 June 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 period and an outlook for the future.

Corporate summary

The Company (formerly known as CVC Credit Partners European Opportunities Limited until 13 June 2022) is a closed-ended investment company limited by shares, registered and incorporated in Jersey under the Companies (Jersey) Law 1991, as amended, on 20 March 2013, with registration number 112635. The Company's share capital consists of Euro shares and Sterling shares and is denominated in Euro and Sterling respectively. The Company's Euro shares and Sterling shares are listed on the Official List of the UK Listing Authority and admitted to trading on the Main Market of the London Stock Exchange. The Company also has two Management shares in issue, which are unlisted. The shares in issue are detailed on page 44.

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

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

Significant events during the six months ended 30 June 2022

Director appointment

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.

Ms Neill is a consultant specialising in sustainability. She advises global public and private companies on the integration of 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. Ms Neill currently advises companies across multiple sectors, with particular expertise in asset management and private equity.

Tender mechanism

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

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

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 the following page which details the primary changes made. A description of the tender mechanism can be found on pages 46 to 47.

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

Significant events during the six months ended 30 June 2022 (continued)

Share conversions

Following requests made by shareholders, the Company converted a total of 5,580,392 Euro shares into 4,352,393 Sterling shares and 250,000 Sterling shares into 318,897 Euro shares under the monthly share conversion facility during the period ended 30 June 2022.

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:

- *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%;
- *Company name:* changing the name of the Company to CVC Income & Growth Limited from CVC Credit Partners European Opportunities Limited;
- *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;
- *Articles of Association (the "Articles"):* making certain amendments to the Company's Articles relating to Board composition; and
- *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.

Dividends

The Company announced and paid two quarterly dividends totalling €0.0250 and £0.0250 per Euro share and Sterling share, respectively, in the period ended 30 June 2022 (30 June 2021: €0.0225 and £0.0225). Refer to note 11 for full details of each quarterly dividend.

Events after the reporting date

Dividend declaration

On 28 July 2022, the Company declared a dividend of €0.0125 per Euro share and £0.0125 per Sterling share payable on 26 August 2022 to shareholders on the register as at 5 August 2022.

Contractual tender

On 16 August 2022, the Company announced it had received applications from shareholders to tender 2,658,322 Euro Shares and 4,071,131 Sterling Shares under the September 2022 Tender.

Extraordinary General Meeting ("EGM")

On 19 August 2022 the Company published notice of an EGM to be held on 7 September 2022, together with an accompanying circular and new Articles being proposed for the approval of

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

Events after the reporting date (continued)

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.

On 7 September 2022 the Company announced that the special resolution proposed to the EGM had been duly passed and the new articles adopted.

Share capital and voting rights

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

The Company held the following number of shares in treasury as at 30 June 2022:

42,109,467 Euro shares (31 December 2021: 35,089,055 Euro shares)
232,457,214 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 30 June 2022:

107,734,658 Euro shares (31 December 2021: 120,016,565 Euro shares)
133,567,988 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 30 June 2022, the total number of voting rights of the Euro shares of no par value is 107,734,658 (40.81%) (31 December 2021: 120,016,565, (41.62%)) and of the Sterling shares is 156,274,546 (59.19%) (31 December 2021: 168,332,783, (58.38%)). The total number of voting rights in the Company is 264,009,204 (31 December 2021: 288,349,348).

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.

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

Investment policy (continued)

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 per cent of the Investment Vehicle's gross assets will be invested in senior secured obligations (which, for the purposes of the investment limit will include cash and cash equivalents);
- A minimum of 60 per cent of the Investment Vehicle's gross assets will be invested in obligations of companies/borrowers domiciled, or with material operations, in Western Europe;
- A maximum of 7.5 per cent of the Investment Vehicle's gross assets will be invested at any given time in obligations of a single borrower subject to a single exception at any one time permitting investment of up to 15 per cent in order to participate in a loan to a single borrower, provided the exposure is sold down to a maximum of 7.5 per cent within 12 months of acquisition;
- A maximum of 20 per cent of the Investment Vehicle's gross assets will be invested in collateralised loan obligation securities; and
- A maximum of 25 per cent 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 per cent of the NAV of the Investment Vehicle at the time of borrowing (the "borrowing limit"). The Investment Vehicle's borrowings as a percentage of the Company's NAV[1] as at 30 June 2022 stood at 33.30% (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 made to the investment objective or investment policy of the Company or of the Investment Vehicle (including the investment limits and/or the borrowing limit), the Directors will seek shareholder approval for changes which are either (a) material in their own right or, (b) when viewed as a whole, together with previous non-material changes, constitute a material change from the published investment objective or policy of the Company. 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 page 15.

Company borrowing limit

The Company may borrow up to 15 per cent of the NAV of the Company for the sole purpose of purchasing or redeeming its own shares otherwise than pursuant to its tender mechanism. As at 30 June 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 "PEC's"), Series 4 and 5, issued by the Investment Vehicle. Series 4 and 5 PECs are denominated in Euro and Sterling, respectively, and are income distributing.

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

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

Investment strategy and approach (continued)

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 cash flow;

(iv) levers, such as working capital and capital expenditure, which can be managed in the event of a slowdown in economic growth; and

(v) wider access to both debt and equity capital markets.

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

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

Further information in respect of the Investment Vehicle portfolio and performance as at 30 June 2022 can be found in the Investment Vehicle Manager's report on pages 9 to 13.

Directors' interests

On 21 June 2022, Mr Tucker purchased 10,000 Sterling shares in the Company. No other transactions involving the Directors took place during the period.

On 3 August 2022, following the period end, Ms Neill purchased 11,780 Sterling shares in the Company.

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

Director	Sterling shares held
Richard Boléat	20,000
Stephanie Carbonneil	22,200
Vanessa Neill	11,780
Mark Tucker	50,000

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

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

Principal Risks and Uncertainties

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.

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.

A list of the principal risks and emerging risks are set out below. For information on how the Company mitigates both principal and emerging risks, refer to pages 18 to 23 of the 31 December 2021 Annual Financial Report (https://ig.cvc.com/media/1442/cvc-cpeol-annual-financial-report-2021.pdf).

Principal risk	Description
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.
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.
Liquidity risk	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.
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 presentational currency, the Euro.
Macro-economic factors	Adverse macro-economic conditions may have a material adverse effect on the performance of the Investment Vehicle's underlying assets and liabilities and on the ability of underlying borrowers to service their ongoing debt obligations.

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

Principal Risks and Uncertainties (continued)

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 11, which could result in the NAV of the Company falling below €75 million and, as such, triggering the requirement for the Directors to convene an extraordinary general meeting to propose an ordinary resolution that the Company continues its business as a closed-ended investment company. There is a risk that a continuation resolution will not be passed which could result in the redemption by the Company of its entire holding in the Investment Vehicle.
Geopolitical factors	**Russian Invasion of Ukraine** The Russian invasion of Ukraine has the potential to destabilise global and regional geopolitics, the effects of which cannot be fully ascertained at this time. In addition, the approach by the international community towards the Russian state post invasion has resulted in significant inflation in the cost of a number of key commodities, including petrochemicals and basic foodstuffs. These impacts have already sharply increased 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.
Default risk (previously Interest rate risk)	Global risk-free rates are now increasing, in some cases substantially, as central banks have been forced to repeatedly recalibrate their inflation expectations. This represents a significant change from the very benign risk-free rate environment which has existed for more than 10 years. Increases in interest rates have the potential to stress highly levered corporates which may, in the medium to long-term, lead to increases in default rates and potential negative impacts on the Company's net asset value
ESG matters	The Company is exposed to reputational damage stemming from the following factors: ● the Company's ESG-related activities, policies and disclosures failing to meet the standards expected by shareholders and regulators; and ● its 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 is also exposed to financial losses stemming from environmental and social 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 Company's ESG Committee, formed on 24 January 2022, oversees the Company's ESG strategy, policies and performance in relation to ESG matters. Further detail in respect of the Company's ESG approach can be found in the Company's ESG disclosures on page 21 to 23.

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

Principal Risks and Uncertainties (continued)

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

The Company may be exposed to additional risks not disclosed above or within the Half Yearly 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.

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 interim condensed 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 21 September 2023, a period of twelve months form the date of approval of the interim condensed 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.

Future strategy

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

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

Related parties

There have been no material changes to related party transactions as described in the Annual Financial Report for the year ended 31 December 2021. Refer to note 13 for information on related party transactions.

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

ESG disclosures

Governance

With effect from 24 January 2022, the Company has established an ESG Committee, chaired by Ms Neill who joined the Board with effect from 11 January 2022. Ms Neill is a consultant specialising in sustainability and advises global public and private companies on the integration of ESG factors into their core business strategy, with particular expertise in asset management and private equity.

The ESG Committee will have responsibility for the Company's ESG disclosures, in particular its climate-related financial disclosures implementation journey, and it expects full implementation to be achieved through a multi-year process of collaboration with the Investment Vehicle Manager.

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

The Company has integrated environmental and social risks into its governance structure and, in particular, it continues to:

- receive legislative, regulatory and policy developments, including regulatory measures; the development of standards and interpretations, including evolving practices in Environmental, Social and Governance reporting from its legal and accountancy advisors, with a view to continually ensuring best practice;
- include environmental (climate-related, biodiversity and ecosystem services) and social issues as priority agenda topics in regular discussions with the Investment Vehicle Manager at each quarterly board meeting with a view to exchanging views on environmental and social risks and opportunities and increasing mutual awareness of ESG-related issues. It is intended that this dialogue and any work streams that it generates will facilitate continual enhancement, year-on-year, of the Company's ESG-related disclosures;
- promote ESG as an item for the 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.

Strategy

The Company continues to engage 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.

The Investment Vehicle Manager's ESG and investment policies mandate that the investment management team includes ESG considerations in the investment process, where possible, before making an investment. ESG and responsible investing factors are considered at the following stages:

- Investment selection – Consider high level and relevant ESG factors and responsible investing issues as part of the overall due diligence process;
- Investment paper – Seek to include analysis on material ESG issues and responsible investing considerations, if applicable and relevant, based on the due diligence around those issues. Such due diligence may include a review of environmental and social reports, site visits, management interviews, and discussions with key stakeholders;
- European new issuance paper – The Investment Vehicle Manager aims to complete the European Leveraged Finance Association ("ELFA") sector questionnaires.

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

ESG disclosures (continued)

Strategy (continued)

Following an investment, the investment team will seek to monitor ESG and responsible investing considerations on an ongoing basis.

- Portfolio review – Investment analysts seek to include commentary on material ESG and responsible investing risks as part of their regular portfolio monitoring reporting to the Investment Committee of the Investment Vehicle Manager. The compliance team assists by providing an overview of potentially adverse ESG-related news for individual issuers. Where relevant, such reports aim to focus on whether any of the ESG and/or responsible investing risks identified are likely to have a material adverse effect on the value of the investment.

The Company plans to continue its collaboration with the Investment Vehicle Manager and to encourage the Investment Vehicle Manager to collaborate with sponsors and ESG data providers (such as the credit rating agencies) with a view to facilitating continual improvement in the quantity and quality of the ESG data gathered by the Investment Vehicle Manager and the Company's climate-related disclosures.

Risk Management

The Investment Vehicle Manager utilises its proprietary ESG toolkit and third party ESG service providers' due diligence tools (including the ELFA sector questionnaires and RepRisk) to provide insight on the key ESG risks by sector and help assess the ESG-related risks of the issuers in which it invests. CVC Credit Partners is currently in the process of finalising a proprietary ESG Score Card, which will be used as part of the Investment Vehicle Manager's ESG due diligence toolkit in the future. CVC Credit Partners may also discuss potential ESG-related issues which may arise with relevant issuers.

Metrics & Targets

The Board believes that climate change will have material impacts on the financial performance of companies in which the Investment Vehicle Manager invests and on the universe of companies in which the Investment Vehicle Manager may invest in the future. The Company has been a formal supporter of the Task Force for Climate Related Financial Disclosures ("TCFD") recommendations since 2018 and expects the companies in which the Investment Vehicle Manager invests to make TCFD disclosures, if appropriate. Metrics and targets is one of the core elements of TCFD's climate-related financial disclosures, which are used to assess and manage relevant climate-related risks and opportunities.

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.

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

The Company is not required to make Streamlined Energy and Carbon Reporting (SECR) disclosures, which came into effect for reporting periods beginning 1 April 2019, as it consumed less than 40,000 kWh of energy.

Looking forward

The approach described 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

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

ESG disclosures (continued)

Looking forward (continued)

of development. These are challenges that the Company is working to resolve and progress over time and the Board will look to provide updates in the Company's Annual and Half Yearly Financial Reports. In response to these challenges, the Company has laid out the following steps to take its commitment further:

- The Company has identified industry and investors' initiatives, such as the Principles for Responsible Investment's Transition Pathway Initiative and ELFA's Industry ESG initiatives, to be important avenues to increase its understanding and deepen its risk mitigation strategy. In August 2022, the Company became a member of ELFA and Ms Neill, the chair of the Company's ESG Committee joined the ELFA ESG Committee. Ms Neill has also become a member of the Association of Investment Companies (AIC) ESG Forum.
- The Company will continue to work with the Investment Vehicle Manager and external advisors to further improve the disclosure of ESG processes, policies and disclosures in the Investment Vehicle Manager Report contained in the Company's Half Yearly and Annual Financial Report.

[1] – Pro-rated for the Company's interest in the net assets of the Investment Vehicle of 53.14% as at 30 June 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.

DIRECTORS' STATEMENT OF RESPONSIBILITIES

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

The Directors confirm to the best of their knowledge that:

- the unaudited condensed interim financial statements within the Half Yearly Financial Report have been prepared in accordance with IAS 34 – Interim Financial Reporting, as adopted by the European Union ("EU") and give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company as at 30 June 2022, as required by the Financial Conduct Authority's ("FCA") Disclosure Guidance and Transparency Rule ("DTR") 4.2.4R; and
- the Chairman's Statement, the Investment Vehicle Manager's Report, the Executive Report and the notes to the condensed interim financial statements include a fair review of the information required by:

  a) DTR 4.2.7R, being an indication of important events that have occurred during the six months ended 30 June 2022 and their impact on the unaudited condensed interim financial statements; and a description of the principal risks and uncertainties for the remaining six months of the year; and

  b) DTR 4.2.8R, being related party transactions that have taken place during the six months ended 30 June 2022 and that have materially affected the financial position or performance of the Company during that period.

Richard Boléat
Chairman

Mark Tucker
Audit Committee Chairman

21 September 2022

INDEPENDENT REVIEW REPORT TO CVC INCOME & GROWTH LIMITED (FORMERLY KNOWN AS CVC CREDIT PARTNERS EUROPEAN OPPORTUNITIES LIMITED)

Conclusion

We have been engaged by CVC Income & Growth Limited (the "Company") to review the condensed set of financial statements in the half-yearly financial report for the six months ended 30 June 2022 which comprises the Condensed Statement of Comprehensive Income, the Condensed Statement of Financial Position, the Condensed Statement of Changes in Net Assets, the Condensed Statement of Cash Flows, and the related notes 1 to 15 to the Condensed Financial Statements. We have read the other information contained in the half yearly financial report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements.

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the half-yearly financial report for the six months ended 30 June 2022 is not prepared, in all material respects, in accordance with International Accounting Standard 34 "Interim Financial Reporting" as adopted by the European Union and the Disclosure Guidance and Transparency Rules of the United Kingdom's Financial Conduct Authority.

Basis for Conclusion

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

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

Conclusions Relating to Going Concern

Based on our review procedures, which are less extensive than those performed in an audit as described in the Basis for Conclusion section of this report, nothing has come to our attention to suggest that management have inappropriately adopted the going concern basis of accounting or that management have identified material uncertainties relating to going concern that are not appropriately disclosed.

This conclusion is based on the review procedures performed in accordance with this ISRE, however future events or conditions may cause the entity to cease to continue as a going concern.

Responsibilities of the directors

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

In preparing the half-yearly financial report, 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 REVIEW REPORT TO CVC INCOME & GROWTH LIMITED (FORMERLY KNOWN AS CVC CREDIT PARTNERS EUROPEAN OPPORTUNITIES LIMITED) (CONTINUED)

Auditor's Responsibilities for the review of the financial information

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

Use of our report

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

Ernst & Young LLP
London
21 September 2022

CONDENSED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2022

	Notes	Six months ended 30 June 2022 (Unaudited) €	Six months ended 30 June 2021 (Unaudited) €
Income			
Investment income	3	7,266,918	7,778,839
Tender fee income	3	241,318	475,676
Net (loss)/gain on financial assets held at fair value through profit or loss	7	(32,546,850)	18,853,412
Foreign exchange (loss)/gain on financial assets held at fair value through profit or loss	7	(3,953,878)	8,514,749
Foreign exchange gain/(loss) on ordinary shares	11	4,011,011	(8,639,869)
Other net foreign currency exchange (loss)/gain through profit or loss		(53,209)	113,382
		(25,034,690)	27,096,189
Expenses			
Operating expenses	4	(918,787)	(615,445)
		(918,787)	(615,445)
(Loss)/profit before finance costs and taxation		**(25,953,477)**	**26,480,744**
Finance costs			
Dividends paid	5/11	(6,721,728)	(6,970,679)
(Loss)/profit before taxation		(32,675,205)	19,510,065
Taxation		-	-
(Decrease)/increase in net assets attributable to shareholders from operations		**(32,675,205)**	**19,510,065**
Return per Euro share	11	€(0.135412)	€0.066965
Return per Sterling share (Sterling equivalent)	11	£(0.116563)	£0.057491

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 31 to 50 form an integral part of these condensed financial statements.

CONDENSED STATEMENT OF FINANCIAL POSITION

As at 30 June 2022

	Notes	30 June 2022 (Unaudited) €	31 December 2021 (Audited) €
Assets			
Financial assets held at fair value through profit or loss	*7*	247,382,815	309,706,971
Prepayments		45,757	78,382
Cash and cash equivalents		2,535,635	3,001,936
Total assets		**249,964,207**	**312,787,289**
Liabilities			
Payables	*8*	377,037	371,590
Total liabilities excluding net assets attributable to shareholders		**377,037**	**371,590**
Net assets attributable to shareholders	*12*	**249,587,170**	**312,415,699**
Total liabilities		**249,964,207**	**312,787,289**

The condensed financial statements on pages 27 to 50 were approved by the Board of Directors on 21 September 2022 and signed on its behalf by:

Richard Boléat
Chairman

Mark Tucker
Audit Committee Chairman

The notes on pages 31 to 50 form an integral part of these condensed financial statements.

CONDENSED STATEMENT OF CHANGES IN NET ASSETS

For the six months ended 30 June 2022 (Unaudited)

	Note	Net assets attributable to shareholders €
As at 1 January 2022		**312,415,699**
Issuance and subscriptions arising from conversion of ordinary shares	*11*	5,989,751
Redemption payments arising on conversion and tender of ordinary shares	*11*	(32,132,064)
Decrease in net assets attributable to shareholders from operations		(32,675,205)
Net foreign currency exchange gain on opening ordinary shares	*11*	(4,011,011)
As at 30 June 2022		**249,587,170**

For the six months ended 30 June 2021 (Unaudited)

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

The notes on pages 31 to 50 form an integral part of these condensed financial statements.

CONDENSED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2022

	Notes	Six months ended 30 June 2022 (Unaudited) €	Six months ended 30 June 2021 (Unaudited) €
Cash flows from operating activities			
(Loss)/profit before taxation[1]		(32,675,205)	19,510,065
Adjustments to reconcile (loss)/profit before tax to net cash flows:			
-Net loss/(gain) on financial assets held at fair value through profit or loss	*7*	32,546,850	(18,853,412)
-Foreign exchange loss/(gain) on financial assets held at fair value through profit or loss	*7*	3,953,878	(8,514,749)
-Foreign currency exchange (gain)/loss on ordinary shares	*11*	(4,011,011)	8,639,869
-Dividends paid	*11*	6,721,728	6,970,679
Changes in working capital:			
-Decrease/(increase) in prepayments		32,625	(26,051)
-Increase in payables		5,447	24,052
Net cash provided by operating activities		**6,574,312**	**7,750,453**
Cash flows from investing activities			
Proceeds from redemption of financial assets held at fair value through profit or loss[2]	*7*	25,857,644	47,634,932
Net cash provided by investing activities		25,857,644	47,634,932
Cash flows from financing activities			
Payments for redemption of ordinary shares[3]	*11*	(26,176,529)	(48,192,223)
Dividends paid	*5/11*	**(6,721,728)**	**(6,970,679)**
Net cash used in financing activities		**(32,898,257)**	**(55,162,902)**
Net (decrease)/increase in cash and cash equivalents in the period		**(466,301)**	**222,483**
Cash and cash equivalents at beginning of the period		3,001,936	2,870,655
Cash and cash equivalents at the end of the period		**2,535,635**	**3,093,138**

[1] – Includes investment income of £7,266,918 (30 June 2021: £7,778,839 (which includes cash flows from income distributions received of €7,264,692 (30 June 2021: €7,778,839) and cash flows from bank interest income received of €2,226 (30 June 2021: €nil)) and tender fee income of €241,318 (30 June 2021: €475,676).

[2] – Cash flows arising from redemption of financial assets above does not include redemptions arising from conversion of €5,955,535 (30 June 2021: €8,636,567) as these transactions have no associated cash flow.

[3] – Cash flows arising from redemption of ordinary shares above does not include redemptions arising from conversion of €(5,955,535) (30 June 2021: €(8,636,567)) as these transactions have no associated cash flow.

The notes on pages 31 to 50 form an integral part of these condensed financial statements.

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

1. General information

The Company was incorporated on 20 March 2013 and is registered in Jersey as a closed-ended investment company, 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 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 Half Yearly Financial Report has been prepared in accordance with International Accounting Standards (IAS) 34 – Interim Financial Reporting ("IAS 34") as adopted by the European Union. The Half Yearly Financial Report has also been prepared using the same accounting policies applied for the year ended 31 December 2021 Annual Financial Report, which was prepared in accordance with IFRS. The Company has not adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

Several amendments and interpretations became effective for the first time in 2022, however they do not have an impact on the condensed interim financial statements.

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 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.

NOTES TO THE CONDENSED FINANCIAL STATEMENTS (CONTINUED)

2. Accounting policies (continued)

2.1. 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 21 September 2023, a period of twelve months form the date of approval of the interim condensed 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 Covid-19 and Russia's invasion of Ukraine may have on the Company. Accordingly, they continue to adopt the going concern basis in preparing the interim condensed financial statements.

2.2. Segmental reporting

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

2.3. Seasonality of operations

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

3. Investment income

	Six months ended 30 June 2022 (Unaudited) €	Six months ended 30 June 2021 (Unaudited) €
Income distributions	7,264,692	7,778,839
Bank interest income	2,226	-
Total investment income	**7,266,918**	**7,778,839**

Tender fee income

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 income.

During the period, 7,020,412 Euro shares (30 June 2021: 10,731,384) and 14,408,579 Sterling shares (30 June 2021: 31,966,773) have been tendered by shareholders which generated tender fee income of €241,318 (30 June 2021: €475,676).

Refer to note 11 for further details on the tender mechanism.

NOTES TO THE CONDENSED FINANCIAL STATEMENTS (CONTINUED)

4. Operating expenses

	Six months ended 30 June 2022 (Unaudited) €	Six months ended 30 June 2021 (Unaudited) €
Administration fees	119,553	125,599
Directors' fees (see note 6)	173,444	117,680
Advisor fees	67,647	72,569
Regulatory fees	25,345	38,195
Audit fees	31,883	35,889
Non-audit fees paid to the auditor	12,594	11,639
Professional fees	287,054	32,780
Registrar fees	39,148	27,584
Brokerage fees	28,079	27,075
Trustee fees	11,969	10,959
Sundry expenses	122,071	115,476
Total operating expenses	**918,787**	**615,445**

Non-audit fees

Non-audit fees relate to interim review services amounting to €12,594 (30 June 2021: €11,639).

Advisor fees

CVC Credit Partners Investment Services Management Limited (the "Corporate Services Manager") agreed to provide the services of Mr Justin Atkinson to assist with the marketing and promotion of the Company's shares (the "Advisor fees"). The Corporate Services Manager recharges the Company for a proportion of Mr Atkinson's cost. During the period, Advisor fees incurred were €67,647 (30 June 2021: €72,569).

Trustee fees

Trustee fees relate to fees paid to the trustee of the CCPEOL Purpose Trust (the "Trust") which facilitates the conversion of treasury shares as further described in note 11. As the Trust was not engaged to convert treasury shares during the period ended 30 June 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 £11,070 (€11,969) (30 June 2021: £9,525 (€10,969)) which were paid to BNP Paribas Jersey Trust Corporation Limited during the period.

5. Finance costs

Dividends paid

Refer to note 11 for further information on dividends paid.

NOTES TO THE CONDENSED FINANCIAL STATEMENTS (CONTINUED)

6. Directors' fees and interests

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

Richard Boléat (Chairman)	-	£65,000 (€75,233) (2021: £65,000 (€75,534)) per annum
Mark Tucker	-	£43,750 (€50,638) (2021: £43,750 (€50,899)) per annum
Stephanie Carbonneil	-	£42,500 (€49,191) (2021: £42,500 (€49,445)) per annum
Vanessa Neill	-	£42,500 (€49,191) per annum – effective from 11 January 2022

In addition, Mark Tucker, in his capacity as the Chairman of the Audit Committee and Senior Independent Director receives an additional £5,000 (€5,787) (2021: £5,000 (€5,817)) and £1,250 (€1,447) (2021: £1,250 (€1,454)) for his services in these roles and Stephanie Carbonneil, in her capacity as Chairwoman of the Nomination and Remuneration Committee, receives an additional £5,000 (€5,787) (2021: £5,000 (€5,817)) for her services in this role.

On 11 January 2022, the Company announced the appointment of Vanessa Neill, as a Non-Executive Director of the Company.

Vanessa Neill in her capacity as Chairwoman of the Company's ESG Committee, established on 24 January 2022, receives an additional £5,000 (€5,787) for her services in this role.

Refer to note 4 for details of total Directors' fees during the period ended 30 June 2022 and 30 June 2021. Director's fees are paid gross of any taxes and expenses incurred by each Director are included within sundry expenses within note 4.

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

The Company has no employees.

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

On 21 June 2022, Mark Tucker purchased 10,000 Sterling shares at a price of £0.967239, with a total market value of £9,672.39. Refer to page 17 for the Directors' Interests as at the date of approval of the Half Yearly Financial Report.

On 30 June 2022, following recommendation from the Nomination and Remuneration Committee, the Board resolved to pay a one off payment of £15,000 (€17,814) to Richard Boléat and £10,000 (€11,876) to each of the directors for additional work undertaken on the strategic review. Refer to page 14 for details of the strategic review.

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

	30 June 2022 (Unaudited) €	31 December 2021 (Audited) €
Preferred Equity Certificates ("PECs") - Unquoted investment	247,382,815	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.

NOTES TO THE CONDENSED FINANCIAL STATEMENTS (CONTINUED)

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

As at the period ended 30 June 2022, the Company held 106,544,326.50 Euro and 131,734,236.03 Sterling PECs (31 December 2021: 118,672,886.93 Euro and 142,063,595.26 Sterling PECs). 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 share conversions	9,421,597.32	(7,729,409.38)
Tenders	(14,336,044.00)	(43,263,152.00)
As at 31 December 2021	**118,672,886.93**	**142,063,595.26**
Subscriptions	-	-
Monthly share conversions	(5,210,131.43	4,137,739.77
Tenders	(6,918,429.00)	(14,467,099.00)
As at 30 June 2022	**106,544,326.50**	**131,734,236.03**

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.

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

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

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

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

As at 30 June 2022	Level 1 (Unaudited) €	Level 2 (Unaudited) €	Level 3 (Unaudited) €	Total (Unaudited) €
Financial assets				
Financial assets held at fair value through profit or loss	-	-	247,382,815	247,382,815
Financial liabilities				
Ordinary shares[1]	232,090,433	-	-	232,090,433

NOTES TO THE CONDENSED FINANCIAL STATEMENTS (CONTINUED)

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

Fair value hierarchy (continued)

As at 31 December 2021	Level 1 (Audited) €	Level 2 (Audited) €	Level 3 (Audited) €	Total (Audited) €
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] – For disclosure purposes only, ordinary shares have been disclosed at fair value using the quoted price in accordance with IFRS 13. As disclosed in note 2.4 of the 2021 Annual Financial Report, the Company classifies its ordinary shares as financial liabilities held at amortised cost.

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.

Level 3 reconciliation – Compartment A PECs

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

	30 June 2022 (Unaudited) €
Balance as at 1 January 2022	**309,706,971**
Purchases	-
Subscriptions arising from share conversion	5,989,751
Redemption proceeds arising from share conversion	(5,955,535)
Redemption proceeds arising from tenders	(25,857,644)
Realised gain on financial assets held at fair value through profit or loss	486,404
Unrealised loss on financial assets held at fair value through profit or loss	(33,033,254)
Foreign exchange loss on financial assets held at fair value through profit or loss	(3,953,878)
Balance as at 30 June 2022	**247,382,815**
Net loss on financial assets held at fair value through profit or loss for the six month period ended 30 June 2022	**(32,546,850)**

NOTES TO THE CONDENSED FINANCIAL STATEMENTS (CONTINUED)

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

Level 3 reconciliation – Compartment A PECs

During the six months ended 30 June 2022, there were no reclassifications between levels of the fair value hierarchy.

	31 December 2021 (Audited) €
Balance as at 1 January 2021	**341,742,461**
Purchases	-
Subscriptions arising from share conversion	14,795,162
Redemption proceeds arising from share 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 gain on financial assets held at fair value through profit or loss	12,303,760
Balance as at 31 December 2021	**309,706,971**
Net gain on financial assets held at fair value through profit or loss for the year ended 31 December 2021	**21,595,428**

During the year ended 31 December 2021, there were no reclassifications between levels of the fair value hierarchy.

Quantitative information of significant unobservable inputs – Level 3 – PECs

Description	30 June 2022 (Unaudited) €	Valuation technique	Unobservable input	Input used
PECs	247,382,815	Adjusted Net Asset Value	Discount for lack of liquidity	0%

Description	31 December 2021 (Audited) €	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. The Board has concluded that no adjustment was necessary in the current period (31 December 2021: none).

The net asset value of the Investment Vehicle attributable to each PEC unit is €1.0382 (31 December 2021: €1.1878).

NOTES TO THE CONDENSED FINANCIAL STATEMENTS (CONTINUED)

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

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

The significant unobservable inputs used in the fair value measurement categorised within Level 3 of the fair value hierarchy together with a quantitative sensitivity analysis as at 30 June 2022 and comparative are as shown below:

As at 30 June 2022 (Unaudited)

Description	Input	Sensitivity used	Effect on fair value €
PECs	Discount for lack of liquidity	3%	(7,421,484)

As at 31 December 2021 (Audited)

Description	Input	Sensitivity used	Effect on fair value €
PECs	Discount for 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. Refer to note 2.4 of the 2021 Annual Financial Report for valuation methodology of PECs.

The following tables on pages 39 to 43, detail the investment holding of the Company at the Investment Vehicle level, categorising these assets according to the fair value hierarchy in accordance with IFRS 13 and detailing the quantitative information of significant unobservable inputs of the Level 3 investments held. The below disclosure has been included to provide an insight to shareholders of the asset class mix held by the Investment Vehicle portfolio. It is important to note that as at 30 June 2022, the Company held a 53.14% (31 December 2021: 58.54%) interest in the net assets of the Investment Vehicle. This disclosure has not been apportioned according to the Company's pro rata share of net assets, as the Board believes to do so would be misleading and not an accurate representation of the Company's investment in the Investment Vehicle. Refer to note 7 of the 2021 Annual Financial Report for detail on the Investment Vehicle portfolio and valuation process for level 3 investments.

NOTES TO THE CONDENSED FINANCIAL STATEMENTS (CONTINUED)

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

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

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

	30 June 2022 (Unaudited)			
Financial assets	**Level 1 €'000**	**Level 2 €'000**	**Level 3 €'000**	**Total €'000**
Equity securities				
Equities and warrants	-	251	19,445	19,696
Debt securities				
Corporate bonds and other debt securities	121,699	254,506	173,522	549,727
CLOs including Asset Backed Securities ("ABSs")	-	-	42,177	42,177
Total	**121,699**	**254,757**	**235,144**	**611,600**
Financial liabilities				
Derivative financial instruments	-	-	-	-
Forward currency contracts	-	(10,736)	-	(10,736)
Total	**-**	**(10,736)**	**-**	**(10,736)**

	31 December 2021 (Audited)			
Financial assets	**Level 1 €'000**	**Level 2 €'000**	**Level 3 €'000**	**Total €'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 ABSs	-	-	33,307	33,307
Derivative financial instruments				
Forward currency contracts	-	3,438	-	3,438
Total	**155,985**	**412,499**	**132,160**	**700,644**
Financial liabilities				
Corporate bonds and other debt securities sold short	-	-	-	-
Total	**-**	**-**	**-**	**-**

NOTES TO THE CONDENSED FINANCIAL STATEMENTS (CONTINUED)

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

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

As of 30 June 2022, following further developments in the liquidity of certain debt securities, investments of the Investment Vehicle with a market value of EUR 80 million as at 31 December 2021 were reclassified from Level 2 to Level 3 (31 December 2021: EUR nil million). There were also investments with a market value of EUR 2.2 million as at 31 December 2021 that were reclassified from Level 3 to Level 2 (31 December 2021: EUR 5.0 million).

Level 3 reconciliation – (for the 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 period/year.

	Equities and warrants €'000	Corporate bonds and other debt securities €'000	CLOs (including ABSs) €'000	Total €'000
Balances as at 1 January 2021 (Audited)	**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 (Audited)	**9,637**	**89,216**	**33,307**	**132,160**
Total (losses) / gains in Statement of Comprehensive Income during the period	10,026	(5,010)	(15,006)	(9,990)
Purchases / Subscriptions	-	31,979	25,151	57,130
Sales / Redemptions	-	(20,683)	(1,275)	(21,958)
Transfers into and out of Level 3	(218)	78,020	-	77,802
Balances as at 30 June 2022 (Unaudited)	**19,445**	**173,522**	**42,177**	**235,144**
Total unrealised (losses) / 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 30 June 2022 included in Statement of Comprehensive Income for assets held at the end of the period	**10,026**	**(6,433)**	**(14,907)**	**(11,314)**

NOTES TO THE CONDENSED FINANCIAL STATEMENTS (CONTINUED)

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

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

Description	30 June 2022 (Unaudited) €'000	Valuation technique	Unobservable input	Range (weighted average)
Equities and warrants	2,728	Broker quotes / other methods	Discount to broker quotes/valuation method	N/A
Equities and warrants	16,717	Asset value approach	Valuation method	N/A
Corporate bonds and other debt securities	156,606	Broker quotes/ Market multiples/ Discounted Cash Flow	Cost of market transactions / multiple of listed companies / management information	N/A
Corporate bonds and other debt securities	16,916	Market multiples	Multiple of comparable companies	9x – 14x
CLOs (including ABSs)	42,177	Broker quotes / other methods	Specific valuations of the industry: expert valuation	N/A

Description	31 December 2021 (Audited) €'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 ABSs)	33,307	Broker quotes / other methods	Specific valuations of the industry: expert valuation	N/A

The Investment Vehicle board and the Investment Vehicle Manager have valued the CLO positions at bid-price as at 30 June 2022 and 31 December 2021, as they believe this is the most appropriate value for these positions. The board of the Investment Vehicle and the Investment Vehicle Manager believe that where certain credit facilities are classified as Level 3 due to limited number of broker quotes, there is still sufficient supporting evidence of liquidity to value these at an undiscounted bid price.

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 CONDENSED FINANCIAL STATEMENTS (CONTINUED)

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

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

The significant unobservable inputs used in the fair value measurement categorised within Level 3 of the fair value hierarchy together with a quantitative sensitivity analysis as at 30 June 2022 are as shown below:

Description	Input	Sensitivity used	Effect on fair value in €'000 (Unaudited)
Equities and warrants	Discount to broker quotes / valuation method	20%	1,101 / (1,101)
Equities and warrants	Valuation method	20%	2,762 / (2,720)
Corporate bonds and other debt securities	Cost of market transactions / Multiple of listed companies / Management information	10%	15,661 / (15,661)
Corporate bonds and other debt securities	Multiple of comparable companies	1x	-/ (-)
CLOs (including ABSs)	Specific valuations of the industry: expert valuation	20%	8,435 / (8,435)

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 in EUR '000 (Audited)
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 period-on-period 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 CONDENSED FINANCIAL STATEMENTS (CONTINUED)

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

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

	Effective interest rate (EIR, %)	Maturity	30 June 2022 €'000	31 December 2021 €'000
Current interest-bearing loans and borrowings				
Loan - Bank (principal EUR 160 million)	1.35%	30-Sep-22	155,000	160,000
Interest on loan - Bank			384	389
Total loans and borrowings at period/year end			**155,384**	**160,389**

As per the amendment and restatement deed dated 23 March 2021, the maturity date of the credit facility is 30 September 2022, with an interest of (a) Margin of 1.35%; and (b) Euribor.

The financing Bank has collateral to 95% - 100% of cash assets as well as to 50% of eligible assets as defined in the amendment and restatement deed dated 23 March 2021 with regards to the loan with the Bank.

Subsequent to 30 June 2022 the credit facility has been repaid, and refinanced with a new provider. The available principal amount of 175,000,000 remains unchanged, and the interest rate is Euribor (with a 0% floor) plus a margin of 0.95%.

8. Payables

	30 June 2022 (Unaudited) €	31 December 2021 (Audited) €
Advisor fees	50,705	47,691
Auditor's fees	132,144	89,818
Administration fees	22,474	46,810
Other payables	171,714	187,271
Total payables	**377,037**	**371,590**

9. Contingent liabilities

As at 30 June 2022, the Company had no contingent liabilities or commitments (31 December 2021: none).

NOTES TO THE CONDENSED FINANCIAL STATEMENTS (CONTINUED)

10. Stated capital

	Number of shares 30 June 2022 (Unaudited) €	Stated capital 30 June 2022 (Unaudited) €	Number of shares 30 June 2021 (Unaudited) €	Stated capital 30 June 2021 (Unaudited) €
Management shares	2	-	2	-

Management shares

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

11. Ordinary shares

	Number of shares[1] 30 June 2022 (Unaudited)	Stated capital 30 June 2022 (Unaudited) €	Number of shares[1] 30 June 2021 (Unaudited)	Stated capital 30 June 2021 (Unaudited) €
Euro shares	107,734,658	109,157,320	120,826,246	122,608,023
Sterling shares	133,567,988	170,810,370	157,307,085	202,089,269
Total	**241,302,646**	**279,967,690**	**278,133,331**	**324,697,292**

[1] – Excludes 42,109,467 (30 June 2021: 31,330,155) Euro shares and 232,457,214 (30 June 2021: 206,914,214) Sterling shares held as treasury shares.

	Total[1] (Unaudited) €
Balance as at 1 January 2022	**310,121,014**
Issue of ordinary shares	-
Subscriptions arising from share conversion of ordinary shares	5,989,751
Redemption payments arising from share conversion of ordinary shares	(5,955,535)
Redemption payments arising from tenders of ordinary shares	(26,176,529)
Foreign currency exchange gain on ordinary shares	(4,011,011)
Balance as at 30 June 2022	**279,967,690**

[1] – Excludes treasury shares.

NOTES TO THE CONDENSED FINANCIAL STATEMENTS (CONTINUED)

11. Ordinary shares (continued)

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

[1] – Excludes treasury shares.

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

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

As at 30 June 2022, the Company had 149,844,125 (inclusive of 42,109,467 treasury shares) (31 December 2021: 155,105,620 (inclusive of 35,089,055 treasury shares)) Euro shares and 366,025,202 Sterling shares in issue (inclusive of 232,457,214 treasury shares) (31 December 2021: 361,922,809 (inclusive of 218,048,635 treasury shares)).

Sale of treasury shares

No treasury share sales were undertaken during the period ended 30 June 2022 (30 June 2021: Nil).

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.

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 period, 5,580,392 (30 June 2021: 1,000,000) Euro shares were converted into 4,352,393 (30 June 2021: 796,589) Sterling shares and 250,000 (30 June 2021: 4,068,933) Sterling shares were converted into 318,897 (30 June 2021: 4,942,957) Euro shares.

NOTES TO THE CONDENSED FINANCIAL STATEMENTS (CONTINUED)

11. Ordinary shares (continued)

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).

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

The treasury share convertor mechanism was not utilised during the periods ended 30 June 2022 or 30 June 2021.

Tender mechanism

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

The Company has, however, established a 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.

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

NOTES TO THE CONDENSED FINANCIAL STATEMENTS (CONTINUED)

11. Ordinary shares (continued)

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 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 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 for detail on critical accounting judgements regarding the classification of ordinary shares as a financial liability.

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 of the 2021 Annual Financial Report.

During the period 7,020,412 (30 June 2021: 10,731,384) Euro shares and 14,408,579 (30 June 2021: 31,966,773) Sterling shares were redeemed under the tender mechanism and subsequently held by the Company in the form of treasury shares. Refer to page 14 for details. Treasury shares do not carry any right to attend or vote at any general meeting of the Company. In addition, the tender mechanism and periodic share conversions are not available in respect of Treasury shares.

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.

Refer below for amounts recognised as dividend distributions to ordinary shareholders in the periods ended 30 June 2022 and 31 December 2021.

NOTES TO THE CONDENSED FINANCIAL STATEMENTS (CONTINUED)

11. Ordinary shares (continued)

	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	2,026,929
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	1,986,500
				6,721,728

[1] – Recognised in the period ended 30 June 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 - €0.01000 per share[2]	05/08/2021	27/08/2021		1,466,964
Sterling - £0.01000 per share[2]	05/08/2021	27/08/2021	1,944,693	2,262,398
Euro - €0.01125 per share[2]	11/11/2021	03/12/2021		1,443,022
Sterling - £0.01125 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.

Refer to note 14 for further information subsequent to the reporting period.

Return per share

	30 June 2022 (Unaudited) £ equivalent	30 June 2022 (Unaudited) €	30 June 2021 (Unaudited) £ equivalent	30 June 2021 (Unaudited) €
Euro shares				
(Decrease)/increase in net assets attributable to shareholders from operations	-	(14,588,535)	-	8,137,492
Results per share	-	(0.135412)		0.066965
Sterling shares				
(Decrease)/increase in net assets attributable to shareholders from operations	(15,569,140)	(18,086,670)	9,763,543	11,372,574
Results per share	**(0.116563)**	**(0.135412)**	**0.057491**	**0.066965**

NOTES TO THE CONDENSED FINANCIAL STATEMENTS (CONTINUED)

11. Ordinary shares (continued)

Return per share (continued)

Results per share has been calculated on a weighted average basis. The weighted average number of ordinary shares held during the period ended 30 June 2022 was 241,302,646 (2021: 291,346,914), comprising 107,734,658 (2021: 121,518,453) Euro shares and 133,567,988 (2021: 169,828,461) Sterling shares.

There have been no new share issues of the Company's Euro or Sterling shares between 30 June 2022 and 28 September 2022.

12. Net asset value per share

	30 June 2022 (Unaudited) £ equivalent	30 June 2022 (Unaudited) €	31 December 2021 (Audited) £ equivalent	31 December 2021 (Audited) €
Euro shares				
NAV	-	97,313,175	-	123,210,226
NAV per ordinary share	-	0.9033	-	1.0266
Sterling shares				
NAV	131,078,588	152,273,995	159,089,778	189,205,473
NAV per ordinary share	0.9814	1.1400	1.1058	1.3151
Net assets attributable to shareholders		249,587,170		312,415,699

NAV per share has been calculated based on the share capital in issue as at period end, excluding shares held in treasury. The issued share capital as at 30 June 2022 was comprised of 107,734,658 Euro shares (31 December 2021: 120,016,565) and 133,567,988 Sterling shares (31 December 2021: 143,874,174).

13. Related party disclosure

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

No transactions between the Company and the Trust and Conversion Vehicle occurred during the period ended 30 June 2022.

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.

14. Events after the reporting period

Management has evaluated subsequent events for the Company through 21 September 2022, the date the interim condensed financial statements were available to be issued, and has concluded that the material events listed below do not require adjustment in the interim condensed financial statements.

NOTES TO THE CONDENSED FINANCIAL STATEMENTS (CONTINUED)

14. Events after the reporting period (continued)

Dividend declaration

On 28 July 2022, the Company declared a dividend of €0.0125 per Euro share and £0.0125 per Sterling share payable on 26 August 2022 to shareholders on the register as at 5 August 2022.

Contractual tender

On 16 August 2022, the Company announced it had received applications from shareholders to tender 2,658,322 Euro Shares and 4,071,131 Sterling Shares under the September 2022 Tender.

Extraordinary General Meeting ("EGM")

On 19 August 2022 the Company published notice of an EGM 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 hold meetings in the UK.

On 7 September 2022 the Company announced that the special resolution proposed to the EGM had been duly passed and the new articles adopted.

15. Controlling party

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

SUPPLEMENTAL FINANCIAL INFORMATION

The below information details the information presented in charts and graphs on page 3.

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

The Company declared and paid dividends totalling €0.025 per Euro share and £0.025 per Sterling share during the six months ended 30 June 2022.

Alternative performance measures disclosure

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

NAV total return vs benchmark

The NAV total return measures how the NAV per Euro share and Sterling share has performed over a period of time, taking into account both capital returns and dividends paid to shareholders. The Company quotes NAV total return as a percentage change from a certain point in time, such as the initial issuance of Euro and Sterling shares or the beginning of the period, to the latest reporting date, being 30 June 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 benchmark over certain time periods are presented below:

Total return

	3 Months	6 Months	12 Months	Since inception
Euro NAV total return[2]	(9.19)%	(9.74)%	(7.16)%	38.07%
Sterling NAV total return[2]	(8.77)%	(9.14)%	(6.24)%	47.99%
Credit Suisse Western European High Yield Index (hedged in Euros) total return	(10.00)%	(14.90)%	(14.26)%	13.15%
Credit Suisse Western European Leveraged Loan Index (hedged in Euros) total return	(6.28)%	(6.78)%	(5.21)%	19.49%

SUPPLEMENTAL FINANCIAL INFORMATION (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, divided by the opening NAV per share. The income return is calculated by adding each dividend paid back to the NAV per share on the ex-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 June 2022 and 31 December 2021 are presented below.

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

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

2022 Euro share	30 June 2022 dividend per share	
NAV per share as at 31 December 2021		€1.0266
NAV per share as at 30 June 2022		€0.9033
Capital return		(12.01)%
Income return	€0.0250	2.27%
Total return		**(9.74)%**

Sterling share		
NAV per share as at 31 December 2021		£1.1058
NAV per share as at 30 June 2022		£0.9814
Capital return		(11.25)%
Income return	£0.0250	2.11%
Total return		**(9.14)%**

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		7.37%
Income return	4.750p	4.80%
Total return		**12.17%**

SUPPLEMENTAL FINANCIAL INFORMATION (CONTINUED)

Total return (continued)

NAV to market price discount

The NAV per share is the value of the Company's assets, less any liabilities it has, divided by the total number of Euro and Sterling shares. However, because the Company'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.

At 30 June 2022, the Company's Euro shares and Sterling shares traded at €0.8350 (31 December 2021: €0.9500) and £0.9160 (31 December 2021: £1.0400) respectively. The Euro shares traded at a discount of 7.56% (31 December 2021: 7.46% discount) to the NAV per Euro share of €0.9033 (31 December 2021: €1.0266) and the Sterling shares traded at a discount of 6.66% (31 December 2021: 5.95% discount) to the NAV per Sterling share of £0.9814 (31 December 2021: £1.1058).

Dividend yield

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

	30 June 2022	31 December 2021
Euro shares		
Annual dividend per Euro share[3]	0.0500	0.04750
Share price (bid price)	0.8350	0.9500
Dividend yield	5.99%	5.00%
Sterling shares		
Annual dividend per Sterling share[3]	0.0500	0.04750
Share price (bid price)	0.9160	1.0400
Dividend yield	5.46%	4.57%

[3] – Annual dividend yield per Euro share and Sterling share as at 30 June 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 period end / year end as applicable.

COMPANY INFORMATION

Directors
Richard Boléat (Chairman)
Mark Tucker
Stephanie Carbonneil
Vanessa Neill (appointed 11 January 2022)

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Corporate Services Manager
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Auditor
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Administrator, Company Secretary and Custodian
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BNP Paribas Securities Services S.C.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 offered in Switzerland to Qualified Investors, as defined in the Swiss Federal Act on Financial Services (2018, as amended) and the Swiss Federal Act on Collective Investment Schemes (2006, as amended), the place of performance is at the registered office of the Swiss Representative.

The place of jurisdiction is at the registered office of the Swiss Representative or at the registered office or place of residence of the investor.

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.