EPE
Special
Opportunities

Interim Report

July 2022

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Interim Review

ESO Portfolio Asset:
The Rayware Group

Chairman's Statement

The Company has experienced a challenging period, with performance in the six months ended 31 July 2022 impacted by macro-economic headwinds felt across the portfolio. The confluence of inflation, decreasing consumer demand and geopolitical risk has created an adverse environment across sectors. The Board and Investment Advisor have focused on positioning the portfolio to weather these pressures. These challenges are expected to continue over the medium term and the Board will accordingly maintain a prudent approach.

The Net Asset Value ("NAV") per share of the Company as at 31 July 2022 was 259.74 pence, representing a decrease of 43.1 per cent. on the NAV per share of 455.66 pence as at 31 January 2022. The share price of the Company as at 31 July 2022 was 172.50 pence, representing a decrease of 44.2 per cent. on the share price of 309.00 pence as at 31 January 2022.

Luceco plc ("Luceco") released its trading update for the six months ended 30 June 2022 in July 2022, announcing a decrease in like for like revenue compared to a strong prior year comparator. Sales were impacted by customer destocking and a reduction in DIY consumer demand. The business announced gross margin slightly behind the prior year, but with input cost inflation controlled via pricing increases. Net debt as at 30 June 2022 was 1.4x adjusted last twelve month EBITDA, in line with the target leverage range. In March 2022, Luceco announced the acquisition of Sync EV for £10.0 million, providing a platform for entry into the high growth EV charge point segment.

The Rayware Group ("Rayware") experienced a complex trading environment in the period, with sales impacted by customer destocking and margin impacted by input costs and supply chain challenges. Looking beyond near term headwinds, Rayware is focused on progressing international expansion. The business appointed Alec Taylor, former director of Bradshaw International, as a non-executive director, to provide strategic leadership for the business's growing activities in the US.

Whittard of Chelsea ("Whittard") delivered pleasing performance, with COVID-19 disruption receding. Whittard's retail stores traded ahead of budget and the prior year, as domestic and tourist footfall strengthened following the relaxation of restrictions. Whittard continues to focus on the development of international channels, with the business's South Korean franchise partner opening a flagship location in Seoul. The business completed the relocation of its head office to Milton Park in South East Oxfordshire in April 2022, enhancing Whittard's ability to recruit from wider talent pools.

David Phillips achieved material sales growth, supported by strong performance in the Fitted and project based divisions. Pressures from supply chain disruption and input costs have continued to impact profitability, however the business has taken actions to mitigate. Looking ahead, the business is focused on delivering improved profitability in its existing channels as well as acquisition opportunities to deliver further scale.

Pharmacy2U maintained the increased scale attained through the COVID-19 period, while focusing on increasing profitability. The business has continued to develop its operational platform and expand its Services division.

EPIC Acquisition Corp ("EAC") has continued to progress its search for a business combination, focusing on European consumer brands with the potential to realise significant growth in Asian markets. A number of attractive potential merger opportunities are under active review.

The Company had cash balances of £26.6 million[1] as at 31 July 2022. In July 2022, the Company agreed the extension of the maturity of £4.0 million unsecured loan notes to July 2023. The Company has £20.1 million zero dividend preference shares ("ZDP") maturing in December 2026 and no other third-party debt outstanding. The Board and the Investment Advisor continue to keep a close watch on liquidity given the adverse market conditions.

[1] Company cash balances are stated inclusive of cash held by associates in which the Company is the sole investor.

I would like to express my gratitude to the Investment Advisor and the portfolio management teams for their hard work during a complex start to the year. The Board will closely monitor the performance of the portfolio through the balance of the year and I look forward to providing an update on further developments at the year end.

Clive Spears
Chairman

5 September 2022

Investment Advisor's Report

The Company has faced a difficult macro-economic environment, with pressures felt across the portfolio and wider financial markets. The Investment Advisor has acted across the portfolio to mitigate these factors and to ensure resilience against an uncertain outlook. The Company has acted to preserve liquidity, extending the maturity of its £4.0 million unsecured loan notes to July 2023, to increase cash balances available to support the portfolio and take advantage of investment opportunities. The Investment Advisor and the Board will remain vigilant in light of evolving macro-economic dynamics, maintaining a conservative positioning.

The Company

The NAV per share of the Company as at 31 July 2022 was 259.74 pence, representing a decrease of 43.1 per cent. on the NAV per share of 455.66 pence as at 31 January 2022. The share price of the Company as at 31 July 2022 was 172.50 pence, representing a decrease of 44.2 per cent. on the share price of 309.00 pence as at 31 January 2022.

The Company maintains strong liquidity and prudent levels of third party leverage. The Company has cash balances of £26.6 million[1] as at 31 July 2022, which are available to support the portfolio, meet committed obligations and deploy into attractive investment opportunities. Net debt in the underlying portfolio stands at 1.6x EBITDA in aggregate.

The Portfolio

The Company's unquoted portfolio is valued at a weighted average enterprise value to EBITDA multiple of 6.2x for mature assets (excluding assets investing for growth). The valuation has been derived by reference to quoted comparables, after the application of a liquidity discount to adjust for the portfolio's scale and unquoted nature. Given the use of quoted comparables and actual financial results, the valuation reflects the fair value of assets as at the balance sheet date. The Investment Advisor notes that the fair market value of the portfolio remains exposed to a volatile macro environment and equity market valuations.

Luceco plc ("Luceco") released its trading update for the six months ended 30 June 2022 in July 2022, reporting sales of £106.0 million. Retail channels were negatively impacted by customer destocking, however professional and project channels demonstrated greater resilience. The business reported an operating profit of £11.5 million, with margin impacted by product mix and input costs, mitigated by selling price increases. The business reported net debt of 1.4x adjusted last twelve months EBITDA. Net debt is expected to reduce as inventory levels adjust to normalising supply chain conditions and lower activity levels. The business announced that Sync EV, acquired in March 2022, had been fully integrated and was forecast to generate sales growth and margin accretion for the group.

The Rayware Group has traded marginally below expectations, having faced headwinds from customer destocking and inflationary cost pressures. The Investment Advisor was pleased to welcome Alec Taylor to the business' board of directors in March 2022. Alec has significant experience with growing US homewares brands via his former directorship of Bradshaw International and is well placed to support the business' growth ambitions in the US and international markets.

Whittard of Chelsea has delivered resilient performance, with retail trading rebounding following the relaxation of social distancing and international travel restrictions. Whittard's e-commerce channels have experienced a partial normalisation of volumes following exceptional trading through the COVID-19 period. Whittard's new franchise partner in South Korea has continued to progress its store rollout plan, opening a flagship location in Seoul, the largest Whittard store globally. In April 2022, the business moved into new offices in Milton Park in Oxfordshire, enhancing talent pools via access to London and surrounding catchment areas.

David Phillips has achieved a significant increase in scale, with growth lead by its project-based business units. This growth has been set against challenging operating conditions, including input cost inflation, supply chain disruption and working capital dynamics. The Investment Advisor and the business's management are focused on developing the existing platform, alongside inorganic opportunities to generate further scale.

Pharmacy2U is focused on delivering continued growth and improving profitability. The business has continued to diversify its activities. The Services division, which operates vaccination and testing centres and associated services, reaching a material scale.

[1] Company cash balances are stated inclusive of cash held by associates in which the Company is the sole investor.

EPIC Acquisition Corp remains focused on reviewing targets for business combination. The Investment Advisor and their co-sponsor TTB Partners, a Hong Kong-based investment and advisory business, are seeking a business at the forefront of consumer innovation, recognised in both its home markets and Asia.

The Investment Advisor continues to monitor the Company's credit fund investments. European Capital Private Debt Fund has completed its investment period and is distributing capital to the Company. Atlantic Credit Opportunities Fund and Prelude have been impacted by challenging conditions in high yield markets, but performance has remained ahead of the high yield index and hedge fund peers.

The Investment Advisor would like to express its sincere thanks to the portfolio's management and employees for their perseverance through a challenging period. The Investment Advisor remains grateful to the Board and the Company's shareholders for their continued support.

EPIC Investment Partners LLP
Investment Advisor to the Company

5 September 2022

As at 31 July 2022

NAV per share	260 pence
Share price	173 pence
Portfolio returns	2.8x MM / 22% IRR
Mature unquoted asset valuation[2]	6.2x EV/EBITDA
Portfolio leverage	1.6x Net Third Party Debt/EBITDA

[2] EV/EBITDA multiple for mature assets excludes Pharmacy2U, as the asset is at a pre-profitability growth stage.

Introduction to EPE Special Opportunities

ESO portfolio asset:
Whittard of Chelsea

EPE Special Opportunities

EPE Special Opportunities ("ESO" or the "Company") is a private equity investment company established in 2003.

The Company's shares trade on the AIM market of the London Stock Exchange and the Growth Market of the Aquis Stock Exchange.

The Company's primary objective is to provide long-term return on equity for its shareholders by investing in small and medium sized companies in the UK.

The Company targets growth and buy-out opportunities, special situations and distressed transactions, deploying capital where it believes the potential for shareholder value creation to be compelling.

The Investment Advisor to the Company is EPIC Investment Partners LLP ("EPIC").

Investment highlights:

2.8x	22%	68%	12%
Portfolio[1] current money multiple	Portfolio[1] current IRR	Premium to NAV on last three exits	10 year annualised share price return

Recent developments:

September 2020	ESO invests £1.9 million in Atlantic Credit Opportunities Fund, a credit opportunities hedge fund.
November 2020	ESO invests $2.5 million in a segregated account of Prelude Structured Alternatives Master Fund LP, a multi-manager hedge fund platform.
November 2020	ESO realises £10 million from the sale of shares in Luceco plc and retains a 24.9 per cent. holding.
June 2021	ESO realises £15 million from the sale of shares in Luceco plc and retains 22 per cent holding.
July 2021	ESO acquires Rayware Group, a family of iconic British-heritage kitchenware brands.
December 2021	ESO invests €10 million in EPIC Acquisition Corp, a special purpose acquisition company, and its sponsor.
December 2021	ESO raises £20 million via the issuance of zero dividend preference shares.

[1] Portfolio returns are prepared on the basis of the aggregate total returns for current ESO portfolio companies as at 31 July 2022.

EPIC
Investment
Partners

EPIC Investment Partners LLP ("EPIC" or the "Investment Advisor") was founded in June 2001 and is an independent investment manager wholly owned by its partners.

Since inception, EPIC has made 36 investments into small and medium sized companies in the UK and was appointed Investment Advisor to the Company in September 2003.

EPIC manages the Company's investments in accordance with guidelines determined by the Board and the Company's constitutional framework. The governance structure is subject to annual review by the Board.

In addition to Private Equity, EPIC has complementary business lines, including Credit, Advisory, Markets and Administration.

Market-leading track record	36 investments across a broad range of sectors and situations. EPIC has returned 2.1x money multiple and 15 per cent. IRR on its investments to 31 July 2022.
Highly aligned and stable team	Committed and stable partnership, with average tenure in excess of 10 years. The EPIC team is the largest investor in ESO.
Extensive industry network	Longstanding relationships in the UK market provide EPIC with access to c.300 deals per annum. EPIC leverages its network of operating partners to drive portfolio value creation.
Listed market experience	EPIC has a successful track record of advising listed vehicles spanning more than 20 years. In addition to ESO, EPIC has advised EPIC plc, EPIC Brand Investments plc, Luceco plc and EPIC Acquisition Corp.
Complementary business lines	The cross-disciplinary expertise of EPIC's Advisory, Credit, Markets and Administration divisions allows EPIC to access off-market investment opportunities and deploy specialist knowledge.

Why lower mid-market private equity?

Large market of companies

A greater universe of potential transactions allows EPIC to be more selective, applying a higher investment threshold and greater pricing discipline.

Low competition for transactions

Diminished investor engagement and buy-side competition in the lower mid-market is a structural driver for attractive valuations and leads to a higher likelihood of successful completions.

Funding gap

The difficulty experienced by lower mid-market companies in accessing bank or alternative financing solutions often drives stakeholders to seek equity funding in order to achieve the company's growth or liquidity objectives.

Shareholders seeking liquidity

The lower mid-market is characterised by owner managers. Many of these owners seek funding partners to achieve their personal growth and liquidity objectives.

Growth and operational improvements

Strong potential to create value either via top line growth, operational improvements or through acquisitions. Private equity investors bring critical development capital and leverage cross-sector expertise to produce transformational change.

These factors create an attractive investment universe, with favourable entry pricing and the potential for meaningful future value creation.

Why EPE Special Opportunities?

Market-leading returns	The Company has continued to deliver market leading returns with an annualised share price return of 12 per cent. over the last 10 years. Current portfolio returns are 2.8x MM and 22 per cent. IRR to 31 July 2022.
Access to high quality portfolio	The Company offers investors access to a conservatively valued, high growth portfolio. Mature unquoted assets (excluding assets investing for growth) are valued at 6.2x EBITDA. The combined sales of the portfolio have grown at a CAGR* of 16 per cent. over the last 3 years.
Established deal pipeline	EPIC consistently targets proprietary deal opportunities. Deals are also sourced from a network of industry contacts including operating partners and corporate finance advisors. EPIC reviews c.300 deals per annum in the UK lower mid-market.
Long term capital vehicle	The Company's quoted structure allows investments to develop over the long term, benefiting from the ability to implement transformational initiatives and compound returns over periods in excess of standard private equity hold periods (typically 3-5 years).
Manager alignment	EPIC is a focused and independent manager with substantial investment in the Company. The EPIC team is the largest investor in ESO, creating significant alignment with investors and a focus on long-term sustainable shareholder returns.

* Compound annual growth rate

Biographies of the Directors

Clive Spears (Non-executive Chairman)

Clive Spears retired from the Royal Bank of Scotland International Limited in December 2003 as Deputy Director of Jersey after 32 years of service. His main activities prior to retirement included Product Development, Corporate Finance, Trust and Offshore Company Services and he was Head of Joint Venture Fund Administration with Rawlinson & Hunter. Mr Spears is an Associate of the Chartered Institute for Securities & Investments. He has accumulated a well spread portfolio of directorships centring on private equity, infrastructure and corporate debt. His current appointments include Chairman of Nordic Capital Limited and directorships of a series of ICG plc sponsored funds and funds managed by Kreos Fund Management. He is a resident of Jersey.

Heather Bestwick (Non-executive Director)

Heather Bestwick has been a financial services professional for over 25 years, onshore in the City of London and offshore in the Cayman Islands and Jersey. She qualified as an English solicitor, specialising in ship finance, with City firm Norton Rose, and worked in their London and Greek offices for 8 years. Ms. Bestwick subsequently practised and became a partner with global offshore firm Walkers in the Cayman Islands, and Managing Partner of the Jersey office. Ms Bestwick sits on the boards of the Deutsche Bank company which managed the dbX fund platform and Rathbone Investment Management International Limited. She is a resident of Jersey.

Michael Gray (Non-executive Director)

Michael Gray was at The Royal Bank of Scotland for over 30 years, latterly as Managing Director (Corporate) of RBS International, before retiring in 2015. During his 32 years at the firm Michael covered a broad spectrum of financial services including corporate and commercial banking, funds, trusts and real estate. Mr Gray currently holds a number of non-executive positions across private equity, infrastructure and fund management. Michael's appointments currently include non-executive directorships of Triton Investment Management (a Swedish private equity group), GCP Infrastructure Investments (a FTSE 250 listed company), J-Star Jersey Company Limited (a Japanese private equity group), Foresight 4 VCT plc (a listed venture capital fund), Jersey Finance Limited (a Jersey not-for-profit promotional company), JTC plc (a FTSE 250 listed trust and corporate services company) and TEAM plc (a listed wealth management company). He is a resident of Jersey.

David Pirouet (Non-executive Director)

David Pirouet joined PricewaterhouseCoopers Channel Islands LLP in 1980, retiring in 2009 after being an Audit and Assurance Partner for over 20 years. During his 29 years at the firm Mr Pirouet specialised in the financial services sector, in particular in the alternative investment management area and also led the business's Hedge Fund and business recovery practices for over four years. Mr Pirouet currently holds a number of non-executive positions across private equity, infrastructure and corporate debt. Mr Pirouet was previously non-executive Director and Chair of the Audit and Risk committee for GCP Infrastructure Investments (FTSE 250 listed company) until he retired in February 2021. He is a resident of Jersey.

Nicholas Wilson (Non-executive Director)

Nicholas Wilson has over 40 years of experience in hedge funds, derivatives and global asset management. He has run offshore branch operations for Mees Pierson Derivatives Limited, ADM Investor Services International Limited and several other London based financial services companies. He is a resident of the Isle of Man.

Biographies of the Investment Advisor

Giles Brand

Giles Brand is a Partner and the founder of EPIC. He is currently Non-executive Chairman of Whittard of Chelsea and Luceco plc. Before joining EPIC, Giles was a founding Director of EPIC Investment Partners, a fund management business which at sale had US$5bn under management. Prior to this, Giles worked in Mergers and Acquisitions at Baring Brothers in Paris and London. Giles read History at Bristol University.

Robert Fulford

Robert Fulford is a Managing Director of EPIC. He previously worked at Barclaycard Consumer Europe before joining EPIC. Whilst at Barclaycard, Robert was the Senior Manager for Strategic Insight and was responsible for identifying, analysing and responding to competitive forces. Prior to Barclaycard, Robert spent four years as a strategy consultant at Oliver Wyman Financial Services, where he worked with a range of major retail banking and institutional clients in the UK, mainland Europe, Middle East and Africa. At EPIC, Robert manages the investments in Whittard of Chelsea, Rayware and David Phillips. Robert read Engineering at Cambridge University.

Alex Leslie

Alex Leslie is a Managing Director of EPIC. He previously worked in Healthcare Investment Banking at Piper Jaffray before joining EPIC. Whilst at Piper Jaffray he worked on a number of M&A transactions and equity fundraisings within the Biotechnology, Specialty Pharmaceutical and Medical Technology sectors. At EPIC, Alex manages the investments in Luceco plc, Rayware, Prelude, Atlantic Credit Opportunities Fund and European Capital Private Debt Fund. He previously managed the Company's investments in Process Components, BigHead Industries, David Phillips and Driver Require. Alex read Human Biological and Social Sciences at the University of Oxford and obtained an MPhil in Management from the Judge Business School at the University of Cambridge.

Hiren Patel

Hiren Patel is a Partner of EPIC. He has worked in the investment management industry for the past twenty years. Before joining EPIC, Hiren was Finance Director of EPIC Investment Partners. Prior to this, Hiren was employed at Groupama Asset Management where he was the Group Financial Controller.

James Henderson

James Henderson is a Managing Director of EPIC. He previously worked in the Investment Banking division of Deutsche Bank before joining EPIC. Whilst at Deutsche Bank he worked on a number of M&A transactions and IPOs in the energy, property, retail and gaming sectors, as well as providing corporate broking advice to mandated clients. At EPIC, James manages the investment in Pharmacy2U and EPIC Acquisition Corp. James read Modern History at Oxford University and Medicine at Nottingham University.

Ian Williams

Ian Williams is a Managing Director of EPIC. He was previously a Partner at Lyceum Capital Partners LLP, responsible for deal origination and engagement, with a primary focus on the business services and software sectors, as well as financial services, education and health sectors. Prior to Lyceum, Ian was a Director at Arbuthnot Securities, involved in IPOs, secondary fund raisings and M&A, focused on the support services, healthcare, transport & IT sectors. Ian started his career at Hambros Bank in the M&A team. Ian read Politics and Economics at the University of Bristol.

Investment Strategy and Portfolio Review

ESO portfolio asset:
Luceco

Investment Strategy

The Company aims to generate long-term returns on equity for its shareholders by investing in a portfolio of private equity assets.

Deal Sourcing

Given its attractive fundamentals, the Investment Advisor believes there is a strong case to invest in the UK lower mid-market.

Proprietary deal sourcing is complemented by active engagement within the wider corporate advisory community to communicate the Company's clearly defined investment strategy.

Active Management

The portfolio is likely to be concentrated, numbering between two and ten assets at any one time, which allows EPIC to allocate the resource to form genuinely engaged and supportive partnerships with management teams.

This active approach facilitates the delivery of truly transformational initiatives in underlying investments during the period of ownership.

Investment Criteria

The Company aims to invest in businesses exhibiting inter alia the following characteristics:

- Attractive entry pricing
- High quality management teams with established track records
- Defensible competitive position
- Opportunity for strong revenue growth, either by market expansion or increased market share
- Opportunity for strong cash generation

Investment Criteria

Size	The Company seeks to invest up to £30 million per transaction. For investments larger than £30 million, the Company may seek co-investment from third parties.
Sector	The Company will consider most sectors, but has particular expertise in consumer, retail, financial services, manufacturing and the wider services sector (including education, healthcare and social housing).
Control	The Company aims to take controlling equity positions, but may also consider minority stakes where the investment case is compelling and shareholder protections are robust.
Deal Type	The Company targets growth, buyout, special situations and private investment in public equities ("PIPE") investments. Given EPIC's listed market experience, the Company may also partner with outstanding management teams on the listing and management of special purpose acquisition vehicles. The Company may occasionally invest in third-party funds.
Geography	The Company primarily seeks to invest in UK focused assets as well as those with significant overseas operations; for example, Luceco plc within the current portfolio.

Portfolio

The current portfolio consists of two listed assets, four private equity assets and three credit fund investments.

Luceco plc
Supplier of wiring accessories and LED lighting

Rayware
Wholesaler of six heritage British homeware brands

EPIC Acquisition Corp
SPAC targeting a European consumer company

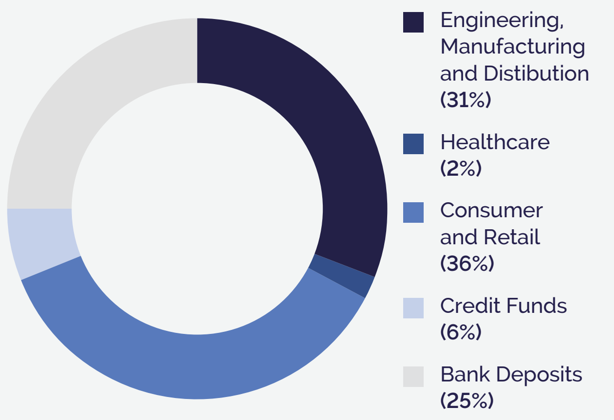
Whittard of Chelsea
Speciality tea, coffee and hot chocolate brand

Pharmacy2U
Leading online pharmacy in the UK

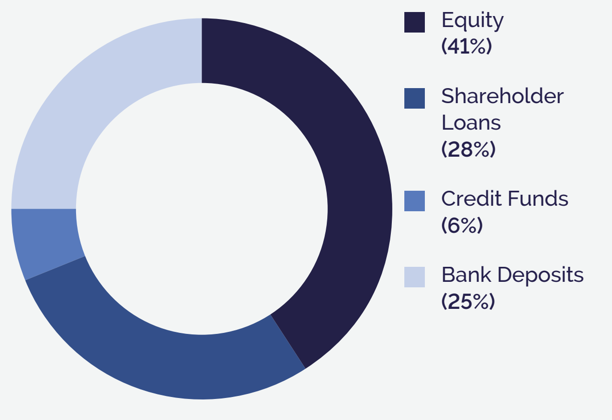
David Phillips
Furniture provider to the UK property sector

Credit Fund Investments
European Capital Private Debt Fund LP,
Atlantic Credit Opportunities Fund and
Prelude Structured Alternatives Master Fund LP

Sector Diversification



Instrument Diversification



LUCECO

Leading supplier of LED lighting and electrical accessories

Key facts

Location:	UK / China
Sector:	Wiring Accessories & LED
Type of deal:	Buyout
Equity holding:	22%
Financial year:	December
Latest sales:	£228m (2021)

Description

Luceco plc is a manufacturer and distributor of electrical accessories and LED lighting products to the UK and, increasingly, international markets. The business is headquartered in the UK and has a Chinese manufacturing facility and several international sales offices.

Background

Luceco plc is a manufacturer of wiring accessories, predominantly switches and sockets, under the British General and Masterplug brands. Luceco also supplies to the LED lighting market under the Luceco and Kingfisher brands. In 2007, the business established a Chinese manufacturing facility which has been subsequently expanded twice. The facility has provided Luceco plc with supply chain flexibility and margin efficiencies. In October 2016, Luceco plc was admitted to trading on the Main Market of the London Stock Exchange.

Recent Developments

On 19 July 2022, Luceco plc released its trading update for the six months ended 30 June 2022 in July 2022, reporting sales of £106.0 million. Retail channels were negatively impacted by customer destocking, however professional and project channels demonstrated greater resilience. The business reported an operating profit of £11.5 million, with margin impacted by product mix and input costs, mitigated by selling price increases. The business reported net debt of 1.4x adjusted last twelve months EBITDA. Net debt is expected to reduce as inventory levels adjust to normalising supply chain conditions and lower activity levels.

On 22 March 2022, Luceco plc acquired the remaining 80% stake in Sync EV, the UK EV charge point supplier, for £10.0m on a cash and debt-free basis, representing an EV / Sales multiple of 3.1x. In the July 2022 trading update the business announced that Sync EV had been fully integrated and was forecast to generate sales growth and margin accretion for the group.

The Rayware Group
A Family Of Vibrant British Brands

Wholesaler of six heritage British homeware brands

Key facts

Location:	Liverpool
Sector:	Consumer
Type of deal:	Buyout
Equity holding:	73%
Financial year:	December
Latest sales:	£40m (2021)

Description

The Rayware Group ("Rayware") is a wholesaler of six heritage British homeware brands, including the iconic Kilner and Mason Cash marques, as well as Viners, Typhoon, Ravenhead and Price & Kensington. The business develops and distributes a wide product range including jars, mixing bowls, cutlery, glassware and tableware.

Background

The business was established in 1975 and has grown through acquisitions, building a portfolio of heritage British homeware brands. In July 2021, ESO acquired a majority interest in Rayware.

Recent Developments

Rayware has traded marginally below expectations, having faced headwinds from customer destocking and inflationary cost pressures. Rayware was pleased to welcome Alec Taylor to the business' board of directors in March 2022. Alec has significant experience with growing US homewares brands via his former directorship of Bradshaw International and is well placed to support the business' growth ambitions in the US and international markets.

Outlook

The Investment Advisor and the management team are focused on achieving future growth ambitions by supporting international expansion and the development of a digital channel strategy. Over the long term, there is the opportunity to build on the business' omni-channel platform and further consolidate the branded homeware market via acquisition.

EPIC Acquisition Corp

SPAC targeting a European company with Asian growth potential

Key facts

Sector:	Consumer
Type of deal:	SPAC
Financial year:	September

Description

EPIC Acquisition Corp is a special purpose acquisition company which is seeking to identify, acquire and develop an innovative company operating in the consumer sector in the European Economic Area or the United Kingdom which has the potential for significant growth in Asian markets.

Background

EPIC Acquisition Corp was admitted to listing and trading on Euronext Amsterdam on 6 December 2021, raising €150 million.

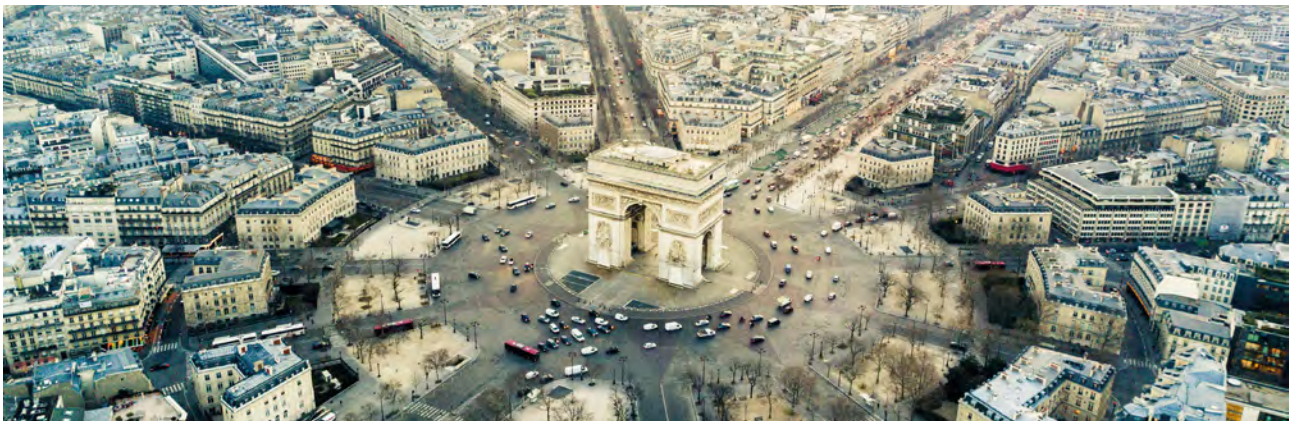
The Company is sponsored by EAC Sponsor Limited (the "Sponsor"), which is jointly led by EPIC and TTB Partners, a Hong Kong-based investment and advisory business which has extensive local relationships across Asia and a strong track record of helping global brands access and develop in Asian markets.

The leadership team of the Sponsor is comprised of Giles Brand and James Henderson of EPIC, Teresa Teague, the co-founder of TTB, and Peter Norris, the chairman of the Virgin Group.

EAC also benefits from the appointment of three independent non-executive directors with outstanding operating and financial track records. Stephan Borchert and Jan Zijderveld are both experienced public markets chief executive officers, responsible for generating a collective c.$4 billion in shareholder value in the last three years through the sale of GrandVision (of which Stephan was CEO) to EssilorLuxottica and the exit of Avon Products (of which Jan was CEO) to Natura & Co. They are complemented by Nisha Kumar, an experienced CFO who will be the chair of the Company's Audit Committee. Nisha has deep expertise in financial leadership, operations and corporate finance across public and private companies and private equity.

Outlook

EPIC Acquisition Corp is seeking to identify and acquire an innovative company operating in the consumer sector in the European Economic Area or the United Kingdom which has the potential for significant growth in Asian markets. Subsequent to the Business Combination, the Sponsor will continue to actively support the growth of the Company, both through the implementation of organic initiatives and strategic acquisitions, most notably in local Asian markets where such acquisitions offer the potential to accelerate growth. The longer-term objective of both the Company and the Sponsor is to build a business at the forefront of consumer innovation, recognised in both its home markets and in Asia.



Whittard

Speciality tea, coffee and hot chocolate brand

Key facts

Location:	Oxfordshire
Sector:	Consumer
Type of deal:	Turnaround
Equity holding:	85%
Financial year:	December
Latest sales:	£38m (2021)

Description

Whittard of Chelsea ("Whittard") is a British heritage brand supplying a range of premium teas, coffees and hot chocolate to a global consumer market. The business operates an established omni-channel platform spanning retail (UK store estate), e-commerce (UK site with global distribution), China (Tmall e-commerce platform and developing physical strategy), wholesale and franchise.

Background

Founded by Walter Whittard in 1886, Whittard has accumulated over 130 years of specialist expertise, establishing strong brand recognition and a loyal customer base. Since the acquisition in 2008, EPIC and management have led the successful turnaround of Whittard by restructuring its operations, developing a scalable omni-channel platform and investing in the brand to establish a premium positioning appropriate to the brand's heritage.

Recent Developments

Whittard of Chelsea has delivered resilient performance, with retail trading rebounding following the relaxation of social distancing and international travel restrictions. Whittard's e-commerce channels have experienced a partial normalisation of volumes following exceptional trading through the COVID-19 period. Whittard's new franchise partner in South Korea has continued to progress its store rollout plan, opening a flagship location in Seoul, the largest Whittard store globally.

In April 2022, the business moved into new offices in Milton Park in Oxfordshire, enhancing talent pools via access to London and surrounding catchment areas.

Outlook

Retail trading is expected to continue to recover as UK and international consumer footfall returns. Over the long term, Whittard's strong brand and omni-channel platform is well positioned to take advantage of international growth opportunities, benefitting from the macro consumer trends for premiumisation and health and wellness and the appetite internationally for British heritage brands.

Leading online pharmacy in the UK

Key facts

Location:	West Yorkshire
Sector:	Healthcare
Type of deal:	Growth
Equity holding:	2%
Financial year:	March
Latest sales:	£169m (2022)

Description

Pharmacy2U is focussed on delivering repeat NHS prescriptions to patients in the community. Repeat prescriptions comprise c.80 per cent. of the c.£10 billion NHS community prescription market. Pharmacy2U benefits from highly attractive customer dynamics, with low churn rates following patient acquisition and significant lifetime value. Pharmacy2U operates from facilities in Leeds and Leicestershire which employ automated dispensing systems and have substantial capacity to support growth.

Background

Pharmacy2U created the concept of online pharmacy and, in conjunction with the NHS, developed the Electronic Prescription Service technology. The technology allows for prescriptions to be electronically signed by doctors and medicines to be delivered direct to the home.

Recent Developments

Pharmacy2U is focused on delivering continued growth and improving profitability. The business has continued to diversify its activities. The Services division, which operates vaccination and testing centres and associated services, reaching a material scale.

Outlook

Pharmacy2U remains focussed on consolidating its position as the UK's leading online pharmacy by acquiring patients with NHS repeat prescription requirements.

DAVID PHILLIPS/

Leading furniture provider to the UK property sector

Key facts

Location:	London
Sector:	Property Services
Type of deal:	Turnaround
Equity holding:	37%
Financial year:	March
Latest sales:	£52m (2022)

Description

David Phillips provides furniture and furnishing services to the UK property sector, supplying owners, managers, agents and developers in the residential, build-to-rent, student accommodation and social housing sectors.

Background

The business was established in 1999 as a London-focused furniture supplier and has since expanded through acquisitions, increasing its geographic reach and product offering to become a market leader.

Recent Developments

David Phillips has achieved a significant increase in scale, with growth lead by its project-based business units. This growth has been set against challenging operating conditions, including input cost inflation, supply chain disruption and working capital dynamics. The Investment Advisor and the business's management are focused on developing the existing platform, alongside inorganic opportunities to generate further scale.

Outlook

The Investment Advisor and the management team are focused on ensuring successful execution through this growth period, against a complex background of high input costs, tightness in operational capacity and structural working capital cycle shifts. The Investment Advisor is encouraged by the fact that the business realised considerable structural improvements through both the initial turnaround phase and through the COVID-19 crisis which should allow the Company to operate efficiently at this higher trading level. Over the long term, significant growth opportunities have been identified, both to consolidate the UK market it currently services and to widen its offering to new markets.

Financial Statements

ESO Portfolio Asset:
David Phillips

Contents

Independent Review Report

to EPE Special Opportunities Limited

Report on the Interim Report and Unaudited Financial Statements

Our conclusion

We have reviewed EPE Special Opportunities Limited's Interim Report and Unaudited Financial Statements (the "interim financial statements") in the Interim Report of EPE Special Opportunities Limited for the six month period ended 31 July 2022. Based on our review, nothing has come to our attention that causes us to believe that the interim financial statements are not prepared, in all material respects, in accordance with International Accounting Standard 34, 'Interim Financial Reporting' and the AIM Rules for Companies.

What we have reviewed

The interim financial statements comprise:

- the statement of financial position as at 31 July 2022;
- the statement of comprehensive income for the period then ended;
- the statement of cash flows for the period then ended;
- the statement of changes in equity for the period then ended; and
- the explanatory notes to the interim financial statements.

The interim financial statements included in the Interim Report have been prepared in accordance with International Accounting Standard 34, 'Interim Financial Reporting' and the AIM Rules for Companies.

Responsibilities for the interim financial statements and the review

Our responsibilities and those of the directors

The Interim Report, including the interim financial statements, is the responsibility of, and has been approved by, the directors. The directors are responsible for preparing the Interim Report in accordance with International Accounting Standard 34, 'Interim Financial Reporting' and the AIM Rules for Companies.

Our responsibility is to express a conclusion on the interim financial statements in the Interim Report based on our review. This report, including the conclusion, has been prepared for and only for the company for the purpose of complying with the AIM Rules for Companies and for no other purpose. We do not, in giving this conclusion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

What a review of interim financial statements involves

We conducted our review in accordance with International Standard on Review Engagements 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity' issued by the International Auditing and Assurance Standards Board. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures.

Independent Review Report

to EPE Special Opportunities Limited (continued)

A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing 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.

We have read the other information contained in the Interim Report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the interim financial statements.

PricewaterhouseCoopers CI LLP
Chartered Accountants
Jersey, Channel Islands

5 September 2022

The maintenance and integrity of the EPE Special Opportunities Limited website is the responsibility of the directors; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website.

Legislation in Jersey governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Statement of Comprehensive Income

For the six months ended 31 July 2022

Note		1 February 2022 to 31 July 2022 Revenue (unaudited) £	1 February 2022 to 31 July 2022 Capital (unaudited) £	1 February 2022 to 31 July 2022 Total (unaudited) £	1 February 2021 to 31 July 2021 Total (unaudited) £	1 February 2021 to 31 January 2022 Total (audited) £
	Income					
	Interest income	16,106	–	16,106	514	514
	Net fair value movement on investments	–	(59,814,999)	(59,814,999)	36,734,638	10,280,363
	Total (loss)/income	**16,106**	**(59,814,999)**	**(59,798,893)**	**36,735,152**	**10,280,877**
	Expenses					
4	Investment advisor's fees	(911,590)	–	(911,590)	(1,028,984)	(2,054,555)
15	Directors' fees	(86,000)	–	(86,000)	(74,498)	(149,000)
5	Share based payment expense	(354,193)	–	(354,193)	(396,520)	(822,166)
6	Other expenses	(277,527)	–	(277,527)	(765,619)	(1,052,268)
	Total expense	**(1,629,310)**	**–**	**(1,629,310)**	**(2,265,621)**	**(4,077,989)**
	(Loss)/profit before finance costs and tax	**(1,613,204)**	**(59,814,999)**	**(61,428,203)**	**34,469,531**	**6,202,888**
	Finance charges					
13	Interest on unsecured loan note instruments	(159,842)	–	(159,842)	(159,843)	(319,685)
13	Zero dividend preference shares final capital entitlement accrual	(546,507)	–	(546,507)	–	(156,983)
	(Loss)/profit for the period/year before taxation	**(2,319,553)**	**(59,814,999)**	**(62,134,552)**	**34,309,688**	**5,726,220**
	Taxation	**–**	**–**	**–**	**–**	**–**
	(Loss)/profit for the period/year	**(2,319,553)**	**(59,814,999)**	**(62,134,552)**	**34,309,688**	**5,726,220**
	Other comprehensive income	–	–	–	–	–
	Total comprehensive (loss)/income	**(2,319,553)**	**(59,814,999)**	**(62,134,552)**	**34,309,688**	**5,726,220**
11	**Basic (loss)/earnings per ordinary share (pence)**	**(7.36)**	**(189.77)**	**(197.13)**	**106.72**	**17.86**
11	**Diluted (loss)/earnings per ordinary share (pence)**	**(7.36)**	**(189.77)**	**(197.13)**	**106.72**	**17.86**

The total column of this statement represents the Company's Statement of Comprehensive Income, prepared in accordance with IFRS. The supplementary revenue and capital return columns are prepared in accordance with the Board of Directors' agreed principles, which are that the net gain/loss on investments is allocated to the capital column and all other income and expenses are allocated to the revenue column. All items derive from continuing activities.

Statement of Financial Position

As at 31 July 2022

Note		31 July 2022 (unaudited) £	31 January 2022 (audited) £	31 July 2021 (unaudited) £
	Non–current assets			
7	Investments at fair value through profit or loss	79,938,043	140,525,060	159,573,313
		79,938,043	**140,525,060**	**159,573,313**
	Current assets			
9	Cash and cash equivalents	26,532,104	27,545,042	19,669,303
	Trade and other receivables and prepayments	83,710	95,147	92,454
		26,615,814	**27,640,189**	**19,761,757**
	Current liabilities			
	Trade and other payables	(555,256)	(982,655)	(1,026,055)
13	Unsecured loan note instruments	(3,987,729)	(3,977,427)	(3,967,124)
		(4,542,985)	**(4,960,082)**	**(4,993,179)**
	Net current assets	**22,072,829**	**22,680,107**	**14,768,578**
	Non-current liabilities			
13	Zero dividend preference shares	(20,139,415)	(19,580,190)	–
		(20,139,415)	**(19,580,190)**	**–**
	Net assets	**81,871,457**	**143,624,977**	**174,341,891**
	Equity			
10	Share capital	1,730,828	1,730,828	1,730,828
	Share premium	13,619,627	13,619,627	13,619,627
16	Capital reserve	76,762,941	136,577,940	163,032,215
16	Revenue reserve	(10,241,939)	(8,303,418)	(4,040,779)
	Total equity	**81,871,457**	**143,624,977**	**174,341,891**
12	**Net asset value per share (pence)**	**259.74**	**455.66**	**542.30**

The financial statements were approved by the Board of Directors on 5 September 2022 and signed on its behalf by:

Clive Spears
Director

David Pirouet
Director

Statement of Changes in Equity

For the six months ended 31 July 2022

Six months ended 31 July 2022 (unaudited)

Note		Share capital £	Share premium £	Capital reserve £	Revenue reserve £	Total £
	Balance at 1 February 2022	1,730,828	13,619,627	136,577,940	(8,303,418)	143,624,977
	Total comprehensive loss for the period	–	–	(59,814,999)	(2,319,553)	(62,134,552)
	Contributions by and distributions to owners					
5	Share-based payment charge	–	–	–	354,193	354,193
	Share ownership scheme participation	–	–	–	149,568	149,568
	Share acquisition for JOSP scheme	–	–	–	(122,729)	(122,729)
	Total transactions with owners	**–**	**–**	**–**	**381,032**	**381,032**
	Balance at 31 July 2022	**1,730,828**	**13,619,627**	**76,762,941**	**(10,241,939)**	**81,871,457**

Year ended 31 January 2022 (audited)

Note		Share capital £	Share premium £	Capital reserve £	Revenue reserve £	Total £
	Balance at 1 February 2021	1,730,828	13,619,627	126,297,577	(955,424)	140,692,608
	Total comprehensive income/(loss) for the year	–	–	10,280,363	(4,554,143)	5,726,220
	Contributions by and distributions to owners					
5	Share-based payment charge	–	–	–	822,166	822,166
	Share ownership scheme participation	–	–	–	625	625
	Purchase of shares	–	–	–	(2,117,866)	(2,117,866)
	Share acquisition for JOSP scheme	–	–	–	(1,498,776)	(1,498,776)
	Total transactions with owners	**–**	**–**	**–**	**(2,793,851)**	**(2,793,851)**
	Balance at 31 January 2022	**1,730,828**	**13,619,627**	**136,577,940**	**(8,303,418)**	**143,624,977**

Six months ended 31 July 2021 (unaudited)

Note		Share capital £	Share premium £	Capital reserve £	Revenue reserve £	Total £
	Balance at 1 February 2021	1,730,828	13,619,627	126,297,577	(955,424)	140,692,608
	Total comprehensive income/(loss) for the period	–	–	36,734,638	(2,424,950)	34,309,688
	Contributions by and distributions to owners					
5	Share-based payment charge	–	–	–	396,520	396,520
	Share acquisition for JOSP scheme	–	–	–	(1,056,925)	(1,056,925)
	Total transactions with owners	**–**	**–**	**–**	**(660,405)**	**(660,405)**
	Balance at 31 July 2021	**1,730,828**	**13,619,627**	**163,032,215**	**(4,040,779)**	**174,341,891**

The accompanying notes form an integral part of these financial statements.

Statement of Cash Flows

For the six months ended 31 July 2022

Note		1 February 2022 to 31 July 2022 (unaudited) £	1 February 2021 to 31 January 2022 (audited) £	1 February 2021 to 31 July 2021 (unaudited) £
	Operating activities			
	Interest income received	16,106	514	514
	Expenses paid	(1,678,361)	(3,231,866)	(1,495,782)
7	Purchase of investments	(1,100,000)	(31,253,480)	(22,520,000)
7	Proceeds from investments	1,872,018	18,364,193	17,036,335
	Net cash used in operating activities	**(890,237)**	**(16,120,639)**	**(6,978,933)**
	Financing activities			
	Unsecured loan note interest paid	(149,540)	(299,080)	(149,540)
	Purchase of shares	(122,729)	(3,616,642)	(1,056,925)
	Issue of zero dividend preference shares	–	20,000,000	–
	Issue costs for zero dividend preference shares	–	(273,923)	–
	Share ownership scheme participation	149,568	625	–
	Net cash (used in)/generated from financing activities	**(122,701)**	**15,810,980**	**(1,206,465)**
	Decrease in cash and cash equivalents	(1,012,938)	(309,659)	(8,185,398)
	Cash and cash equivalents at start of period/year	27,545,042	27,854,701	27,854,701
	Cash and cash equivalents at end of period/year	**26,532,104**	**27,545,042**	**19,669,303**

The accompanying notes form an integral part of these financial statements.

Notes to the Financial Statements

For the six months ended 31 July 2022

1 The Company

The Company was incorporated with limited liability in the Isle of Man on 25 July 2003. The Company then re-registered under the Isle of Man Companies Act 2006, with registration number 008597V. On 11 September 2018, the Company re-registered under the Bermuda Companies Act 1981, with registration number 53954. The Company moved its operations to Jersey on 17 May 2017 and has subsequently operated from Jersey only.

The Company's ordinary shares are quoted on AIM, a market operated by the London Stock Exchange, and the Growth Market of the Aquis Stock Exchange (formerly the NEX Exchange).

The interim financial statements are as at and for the six months ended 31 July 2022, comprising the Company and investments in its Associates. The interim financial statements are unaudited.

The financial statements of the Company as at and for the year ended 31 January 2022 are available upon request from the Company's business office at Liberation House, Castle Street, St Helier, Jersey, JE1 2LH and the registered office at Clarendon House, 2 Church Street, Hamilton HM11, Bermuda, or at www.epespecialopportunities.com.

The Company's portfolio investments are held in three Associates entities, ESO Investments 1 Limited, ESO Investments 2 Limited and ESO Alternative Investments LP (together the "Associates"). Associates are those enterprises over which the reporting entity has significant influence, and which are neither subsidiaries, nor an interest in a joint venture.

Direct interests in the individual portfolio investments are held by the following Associates;

- ESO Investment 1 Limited: Rayware, Whittard and David Phillips
- ESO Investments 2 Limited: Luceco and Pharmacy2U
- ESO Alternative Investments LP: European Capital Private Debt Fund LP, EPE Junior Aggregator LP, Atlantic Credit Opportunities Fund Limited, EPIC Acquisition Corp. and EAC Sponsor Limited

As the Company is an investment entity per IFRS 10, interests in Associates are measured at fair value.

The principal activity of the Company through its Associates is to arrange income yielding financing for growth, buyout and special situations and holding the investments and its Associates with a view to exiting in due course at a profit.

The Company has no employees.

2 Basis of preparation

a. Statement of compliance

These interim financial statements for the six months ended 31 July 2022 have been prepared in accordance with IAS 34 Interim Financial Reporting and should be read in conjunction with Company's last annual financial statements as at and for the year ended 31 January 2022. They do not include all of the information required for a complete set of financial statements prepared in accordance with IFRS Standards. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Company's financial position and performance since the last annual financial statements.

The annual financial statements of the Company are prepared in accordance with International Financial Reporting Standards and applicable legal and regulatory requirements of Bermuda law. They were previously prepared in accordance with IFRS as adopted by the EU until 31 January 2021. This change has had no impact on the financial statements.

These interim financial statements were authorised for issue by the Company's Board of Directors on 5 September 2022.

2 Basis of preparation (continued)

b. Going concern

The Company's management has assessed the Company's ability to continue as a going concern and is satisfied that the Company has the resources to continue in business for the foreseeable future. Furthermore, the management is not aware of any material uncertainties that may cast significant doubt upon the Company's ability to continue as a going concern. Therefore, the financial statements continue to be prepared on the going concern basis.

3 Financial risk management

The financial risk management objectives and policies are consistent with those disclosed in the financial statements as at and for the year ended 31 January 2022.

4 Investment advisory, administration and performance fees

Investment advisory fees

The investment advisory fee payable to EPIC Investment Partners LLP ("EPIC") is assessed and payable at the end of each fiscal quarter and is calculated as 2 per cent. of the Company's NAV where the Company's NAV is less than £100 million; otherwise the investment advisory fee shall be calculated as the greater of £2.0 million or the sum of 2 per cent. of the Company's NAV comprising Level 3 portfolio assets (i.e. unquoted assets), 1 per cent. of the Company's NAV comprising Level 1 assets (i.e. quoted assets), no fees on assets which are managed or advised by a third party-manager, 0.5 per cent. of the Company's net cash (if greater than nil), and 2 per cent. of the Company's net cash (if less than nil) (i.e. reducing fees for net debt positions).

The charge for the current period was £911,590 (for the period ended 31 July 2021: £1,028,984 ; year ended 31 January 2022: £2,054,555). The amount outstanding as at 31 July 2022 was £411,590 (for the period ended 31 July 2021: £528,984 ; year ended 31 January 2022: £500,000).

Administration fees

EPIC Administration Limited provides accounting and financial administration services to the Company. The fee payable to EPIC Administration Limited is assessed and payable at the end of each fiscal quarter and is calculated as 0.15 per cent. of the Company's NAV where the Company's NAV is less than £100 million (subject to a minimum fee of £35,000); otherwise the administration fee shall be calculated as 0.15 per cent. of £100 million plus a fee of 0.1 per cent. of the excess of the Company's NAV above £100 million.

The charge for the current period was £75,510 (for the period ended 31 July 2021: £108,424 ; for the year ended 31 January 2022: £212,431).

Other administration fees during the period were £37,170 (for the period ended 31 July 2021: £38,272 ; for the year ended 31 January 2022: £72,196).

Performance fees paid by Associates

The Associates are stated at fair value. Performance fees are paid to the Investment Advisor based on the performance of the Associates and deducted in calculating the fair value of the Associates.

Notes to the Financial Statements

For the year ended 31 January 2022 (continued)

4 Investment advisory, administration and performance fees (continued)

Performance fee in ESO Investments 1 Limited

The distribution policy of ESO Investments 1 Limited includes an allocation of profits to the Investment Advisor such that, for each investment where a returns hurdle of 8 per cent per annum has been achieved, the Investment Advisor is entitled to receive 20 per cent of the increase above the base value of investment. As at 31 July 2022, there was an accrual of £nil in the profit share account of the Investment Advisor in the records of ESO Investments 1 Limited (31 July 2021: £400,872 ; 31 January 2022: £nil).

Performance fee in ESO Investments 2 Limited

The distribution policy of ESO Investments 2 Limited includes an allocation of profit to the Investment Advisor such that, for each investment where a returns hurdle of 8 per cent per annum has been achieved, the Investment Advisor is entitled to receive 20 per cent of the increase above the base value of investment. As at 31 July 2022, there was an accrual of £6,687,647 in the profit share account of the Investment Advisor in the records of ESO Investments 2 Limited (31 July 2021: £26,191,448 ; 31 January 2022: £20,027,085).

Jointly Owned Share Plan ("JOSP") and share-based payments

Directors of the Company and certain employees of the Investment Advisor (together "Participants") receive remuneration in the form of equity-settled share-based payment transactions, through a JOSP scheme (see note 5).

5 Share-based payment expense

The cost of equity settled transactions to Participants in the JOSP scheme are measured at fair value at the grant date. The fair value is determined based on the share price of the equity instrument at the grant date.

The Trust was created to award shares to Participants as part of the JOSP. Participants are awarded a certain number of shares ("Matching Shares") which are subject to a three-year service vesting condition from the grant date. In order to receive their Matching Share allocation Participants are required to purchase shares in the Company on the open market ("Bought Shares"). The Participant will then be entitled to acquire a joint ownership interest in the Matching Shares for the payment of a nominal amount, on the basis of one joint ownership interest in one Matching Share for every Bought Share they acquire in the relevant award period.

The Trust holds the Matching Shares jointly with the Participant until the award vests. These shares carry the same rights as rest of the ordinary shares.

The Trust held 1,049,702 (for the period ended 31 July 2021: 1,748,193 ; for the year ended 31 January 2022: 1,871,753) matching shares at the period end which have traditionally not voted.

During the period, 40,239 shares were acquired by the Trust for the JOSP scheme (for the period ended 31 July 2021: 329,189 ; for the year ended 31 January 2022: 456,524). 862,290 shares were vested during the period to the JOSP Participants (for the period ended 31 July 2021: nil ; for the year ended 31 January 2022: 3,775). 156,173 shares were awarded to the JOSP Participants in the period (for the period ended 31 July 2021: 154,110 ; for the year ended 31 January 2022: 185,779).

The share-based payment expense in the Statement of Comprehensive Income has been calculated on the basis of the fair value of the equity instruments at the grant date and the estimated number of equity instruments to be issued after the vesting period, less the amount paid for the joint ownership interest in the Matching Shares.

The total share-based payment expense recognised in the period ended 31 July 2022 was £354,193 (for the period ended 31 July 2021: £396,520 ; for the year ended 31 January 2022: £822,166). Of the total share-based payment expense during the period ended 31 July 2022, £23,103 related to the Directors (for the period ended 31 July 2021: 23,386 ; for the year ended 31 January 2022: £52,621) and the balance related to members, employees and consultants of the Investment Advisor.

6 Other expenses

The breakdown of other expenses presented in the statement of comprehensive income is as follows:

	1 February 2022 to 31 July 2022 (unaudited) Total £	1 February 2021 to 31 July 2021 (unaudited) Total £	1 February 2021 to 31 January 2022 (audited) Total £
Administration fees	(112,680)	(146,696)	(284,627)
Directors' and officers' insurance	(13,543)	(11,286)	(24,453)
Professional fees	(46,736)	(478,027)	(480,554)
Board meeting and travel expenses	(847)	(155)	(588)
Auditors' remuneration	(19,518)	(16,221)	(68,095)
Interim review remuneration	(17,000)	(8,325)	(8,325)
Bank charges	(922)	(751)	(3,261)
Irrecoverable VAT	–	(360)	(360)
Foreign exchange movement	(89)	(40,941)	(52,948)
Nominated advisor and broker fees	(27,745)	(29,343)	(61,962)
Listing fees	(29,115)	(27,214)	(48,446)
Sundry expenses	(9,332)	(6,300)	(18,649)
Other expenses	**(277,527)**	**(765,619)**	**(1,052,268)**

The breakdown of other expenses presented in the statement of comprehensive income for the period ended 31 July 2021 has been updated for consistency of presentation with the subsequent periods. Interim review remuneration has been broken out from auditors' remuneration. Foreign exchange movement has been broken out from sundry expenses.

7 Investments at fair value through profit or loss

	31 July 2022 (unaudited) £	31 January 2022 (audited) £	31 July 2021 (unaudited) £
Investments at fair value through profit and loss	79,938,043	140,525,060	159,573,313
	79,938,043	**140,525,060**	**159,573,313**

Notes to the Financial Statements

For the year ended 31 January 2022 (continued)

7 Investments at fair value through profit or loss (continued)

Investment roll forward schedule

	31 July 2022 (unaudited)	31 January 2022 (audited)	31 July 2021 (unaudited)
Investments at fair value as at 1 February	140,525,060	117,256,810	117,256,810
Purchase of investments	1,100,000	31,253,480	22,520,000
Proceeds from investments	(1,872,018)	(18,364,193)	(17,036,335)
Net fair value movements	(59,814,999)	10,280,363	36,734,638
Reclassification of debtor balance to investee	–	98,600	98,200
Investments at fair value	**79,938,043**	**140,525,060**	**159,573,313**

Discussion of the performance of individual investments is presented in the Chairman's Statement and the Investment Advisor's Report.

The line items "Purchase of investments" and "Proceeds from investments" were classified under Investing activities in the Statement of Cash flows for the year ended 31 January 2022. These have now been reclassified to Operating activities to align with the Company's principal activities.

8 Fair value of financial instruments

The Company and the Associates determine the fair value of financial instruments with reference to IPEV guidelines and the valuation principles of IFRS 13 (Fair Value Measurement). The Company and the Associates measure fair value using the IFRS 13 fair value hierarchy, which reflects the significance and certainty of the inputs used in deriving the fair value of an asset:

- Level 1: Inputs that are quoted market prices (unadjusted) in active markets for identical instruments;
- Level 2: Inputs other than quoted prices included within Level 1 that are observable 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 in which all significant inputs are directly or indirectly observable from market data;
- Level 3: Inputs that are unobservable. This category includes all instruments for which the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments but for which significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

The Investment Advisor undertakes the valuation of financial instruments required for financial reporting purposes. Recommended valuations are reviewed and approved by the Investment's Advisor's Valuation Committee for circulation to the Company's Board and Auditor. The Risk and Audit committee of the Company's Board meets at least once every six months, in line with the Company's semi-annual reporting periods, to review the recommended valuations and approve final valuations for adoption in the Company's financial statements.

8 Fair value of financial instruments (continued)

Valuation framework

The Company and the Associates employ the valuation framework detailed below with respect to the measurement of fair values. A valuation of the Company's investments and the Associates' investments are prepared by the Investment Advisor with reference to IPEV guidelines and the valuation principles of IFRS 13 (Fair Value Measurement). The Investment Advisor recommends these valuations to the Board of Directors. The Board of Directors considers the valuations recommended by the Investment Advisor, determines any amendments required and thereafter adopts the fair values presented in the Company's financial statements. Changes in the fair value of financial instruments are recorded in the Statement of Comprehensive Income in the line item "Net fair value movement on investments".

Quoted investments

Quoted investments traded in an active market are classified as Level 1 in the IFRS 13 fair value hierarchy. The investment in Luceco is a Level 1 asset. For Level 1 assets, the holding value is calculated from the latest market price (without adjustment).

Quoted investments traded in markets that are considered less than active are classified as Level 2 in the IFRS 13 fair value hierarchy. The investment in EPIC Acquisition Corp is considered as a Level 2 asset. For Level 2 assets, the holding value is calculated from the latest available market prices (without adjustment).

Unquoted private equity investments and unquoted fund investments

Private equity investments and fund investments are classified as Level 3 in the IFRS 13 fair value hierarchy. The investments in Whittard, David Phillips, Rayware, Pharmacy2U, European Capital Private Debt Fund LP, EPE Junior Aggregator LP, Atlantic Credit Opportunities Fund Limited and EAC Sponsor Limited are considered to be Level 3 assets. Various valuation techniques may be applied in determining the fair value of investments held as Level 3 in the fair value hierarchy;

- For recently acquired assets, investment cost may be considered as an applicable fair value for the asset if this is deemed appropriate;
- For underperforming assets, net asset or recovery valuation is considered more applicable, in particular where the business' performance be contingent on shareholder financial support;
- For performing assets, the market approach is considered to be the most appropriate with a specific focus on trading comparables, applied on a forward basis. Transaction comparables, applied on a historic basis may also be considered;
- For assets managed and valued by third party managers, the valuation methodology of the third-party manager is reviewed. If deemed appropriate and consistent with reporting standards, the valuation prepared by the third-party manager will be used.

The Investment Advisor believe that it is appropriate to apply an illiquidity discount to the multiples of comparable companies when using them to calculate valuations for small, private companies. This discount adjusts for the difference in size between generally larger comparable companies and the smaller assets being valued. The illiquidity discount also incorporates the premium the market gives to comparable companies for being freely traded or listed securities. The Investment Advisor has determined between 15 per cent. and 25 per cent. to be an appropriate illiquidity discount with reference to market data and transaction multiples seen in the market in which the Investment Advisor operates.

Where portfolio investments are held through subsidiary or associate holding companies, the net assets of the holding company are added to the value of the portfolio investment being assessed to derive the fair value of the holding company held by the Company.

Notes to the Financial Statements

For the year ended 31 January 2022 (continued)

8 Fair value of financial instruments (continued)

Fair value hierarchy – Financial instruments measured at fair value

The Company's investments in the Associates at 31 July 2022 are classified as Level 3 (in line with 31 July 2021 and 31 January 2022) due to the mix of underlying assets which have different levels of observable price sources. The Company takes the net asset value of these holdings.

The table below analyses the underlying investments held by the Associates measured at fair value at the reporting date by the level in the fair value hierarchy into which the fair value measurement is categorised. Debt securities are also included, as these are also stated at fair value with the Board assessing the fair value of the total investment, which includes debt and equity. The amounts are based on the values recognised in the statement of financial position of the Associates.

31 July 2022	Level 1 £	Level 2 £	Level 3 £	Total £
Financial assets at fair value through profit or loss				
Unquoted private equity investments (including debt)	–	–	35,817,882	35,817,882
Unquoted fund investments	–	–	5,968,453	5,968,453
Quoted investments	32,591,692	5,263,920	–	37,855,612
Investments at fair value through profit or loss	**32,591,692**	**5,263,920**	**41,786,335**	**79,641,947**
Other asset and liabilities (held at cost)	–	–	–	296,096
Total	**32,591,692**	**5,263,920**	**41,786,335**	**79,938,043**

31 January 2022	Level 1 £	Level 2 £	Level 3 £	Total £
Financial assets at fair value through profit or loss				
Unquoted private equity investments (including debt)	–	–	41,897,143	41,897,143
Unquoted fund investments	–	–	5,989,711	5,989,711
Quoted investments	87,206,277	5,166,896	-	92,373,173
Investments at fair value through profit or loss	**87,206,277**	**5,166,896**	**47,886,854**	**140,260,027**
Other asset and liabilities (held at cost)	-	-	-	265,033
Total	**87,206,277**	**5,166,896**	**47,886,854**	**140,525,060**

31 July 2021	Level 1 £	Level 2 £	Level 3 £	Total £
Financial assets at fair value through profit or loss				
Unquoted private equity investments (including debt)	–	–	41,117,869	41,117,869
Unquoted fund investments	–	–	5,652,508	5,652,508
Quoted investments	112,423,187	–	-	112,423,187
Investments at fair value through profit or loss	**112,423,187**	**–**	**46,770,377**	**159,193,564**
Other asset and liabilities (held at cost)	-	–	–	379,749
Total	**112,423,187**	**–**	**46,770,377**	**159,573,313**

8 Fair value of financial instruments (continued)

Fair value hierarchy – Financial instruments measured at fair value (continued)

There have been no changes in the designation of level of fair value hierarchy in the reporting periods under review.

The following table, detailing the value of portfolio investments only, shows a reconciliation of the opening balances to the closing balances for fair value measurements in level 3 of the fair value hierarchy for the underlying investments held by the Associates.

Unquoted investments (including debt)	31 July 2022 (unaudited) £	31 January 2022 (audited) £	31 July 2021 (unaudited) £
Balance as at 1 February	47,886,854	28,422,329	28,422,329
Additional investments	1,100,000	25,786,074	22,520,000
Capital distributions from investments	–	(330,247)	(306,090)
Change in fair value through profit and loss	(7,200,519)	(5,991,302)	(3,865,862)
	41,786,335	**47,886,854**	**46,770,377**

Significant unobservable inputs used in measuring fair value

The table below sets out information about significant unobservable inputs used at 31 July 2022 in measuring financial instruments categorised as Level 3 in the fair value hierarchy.

Description	Fair value at 31 July 2022 £	Significant unobservable inputs
Unquoted private equity investments (including debt)	35,817,882	Sales/EBITDA multiple
Unquoted fund investments	5,968,453	Reported net asset value

The valuation methodology employed as at 31 July 2022 for the investment in Rayware was changed from the acquisition cost methodology used in the prior period to an EBITDA multiple methodology, given that the acquisition occurred greater than 12 months prior to the valuation date.

Significant unobservable inputs are developed as follows:

- Trading comparable multiple: valuation multiples used by other market participants when pricing comparable assets. Relevant comparable assets are selected from public companies determined to be proximate to the investment based on similarity of sector, size, geography or other relevant factors. The valuation multiple for a comparable company is determined by calculating the enterprise value of the company implied by its market price as at the reporting date and dividing by the relevant financial metric (sales or EBITDA).
- Reported net asset value: for assets managed and valued by a third party, the manager provides periodic valuations of the investment. The valuation methodology of the third-party manager is reviewed. If deemed appropriate and consistent with reporting standards, The Board will adopt the valuation prepared by the third-party manager. Adjustments are made to third party valuations where considered necessary to arrive at the Director's estimate of fair value.

Notes to the Financial Statements

For the year ended 31 January 2022 (continued)

8 Fair value of financial instruments (continued)

Significant unobservable inputs used in measuring fair value (continued)

Although management believes that its estimates of fair value are appropriate, the use of different methodologies or assumptions could lead to different measurements of fair value. For fair value measurements of Level 3 assets, changing one or more of the assumptions used to reasonably possible alternative assumptions would have the following effects on the Level 3 investment valuations:

- For investment in mature Level 3 assets, the valuations used in the preparation of the financial statements imply an average EV to EBITDA multiple of 6.2x (weighted by each asset's total valuation) (2022: 5.2x). The key unobservable inputs into the preparation of the valuation of mature Level 3 assets was the EV to EBITDA multiple applied to the asset's financial forecasts. If these inputs had been taken to be 25 per cent. higher, the value of the Level 3 assets and profit for the period would have been £12,093,779 higher. If these inputs had been taken to be 25 per cent. lower, the value of the Level 3 assets and profit for the period would have been £13,420,744 lower. A corresponding increase or decrease in the asset's financial forecasts would have a similar impact on the Company's assets and profit.

- For investment in growth Level 3 assets, the valuations used in the preparation of the financial statements imply an average EV to sales multiple of 1.0x (weighted by each asset's total valuation) (2022: 1.2x). The key unobservable inputs into the preparation of the valuation of growth Level 3 assets were the EV to sales multiple applied to the asset's financial forecasts. If these inputs had been taken to be 25 per cent. higher, the value of the Level 3 assets and profit for the period would have been £617,192 higher. If these inputs had been taken to be 25 per cent. lower, the value of the Level 3 assets and profit for the period would have been £631,343 lower. A corresponding increase or decrease in the asset's financial forecasts would have a similar impact on the Company's assets and profit.

9 Cash and cash equivalents

	31 July 2022 £	31 January 2022 £	31 July 2021 £
Current and call accounts	26,532,104	27,545,042	19,669,303
	26,532,104	**27,545,042**	**19,669,303**

The current and call accounts have been classified as cash and cash equivalents in the Statement of Cash Flows.

10 Share capital

	31 July 2022 (unaudited)		31 January 2022 (audited)		31 July 2021 (unaudited)	
	Number	£	Number	£	Number	£
Authorised share capital						
Ordinary shares of 5p each	45,000,000	2,250,000	45,000,000	2,250,000	45,000,000	2,250,000
Called up, allotted and fully paid						
Ordinary shares of 5p each	34,616,554	1,730,828	34,616,554	1,730,828	34,616,554	1,730,828
Ordinary shares of 5p each held in treasury	(3,096,575)	–	(3,096,575)	–	(2,467,731)	–
	31,519,979	**1,730,828**	**31,519,979**	**1,730,828**	**32,148,823**	**1,730,828**

11 Basic and diluted loss per share (pence)

Basic loss per share is calculated by dividing the loss of the Company for the period attributable to the ordinary shareholders of (£62,134,552) (for the period ended 31 July 2021: profit of £34,309,688 ; for the year ended 31 January 2022: profit of £5,726,220) divided by the weighted average number of shares outstanding during the period of 31,519,979 after excluding treasury shares (for the period ended 31 July 2021: 32,148,823 ; for the year ended 31 January 2022: 32,065,616).

Diluted loss per share is calculated by dividing the loss of the Company for the period attributable to ordinary shareholders of (£62,134,552) (for the period ended 31 July 2021: £34,309,688 ; for the year ended 31 January 2022: profit of £5,726,220) divided by the weighted average number of ordinary shares outstanding during the period, as adjusted for the effects of all dilutive potential ordinary shares, of 31,519,979 after excluding treasury shares (for the period ended 31 July 2021: 32,148,823 ; for the year ended 31 January 2022: 32,065,616).

12 NAV per share (pence)

The Company's NAV per share of 259.74 pence (for the period ended 31 July 2021: 542.30 pence ; for the year ended 31 January 2022: 455.66 pence) is based on the net assets of the Company at the period end of £81,871,457 (for the period ended 31 July 2021: £174,341,891 ; for the year ended 31 January 2022: £143,624,977) divided by the shares in issue at the end of the period of 31,519,979 after excluding treasury shares (for the period ended 31 July 2021: 32,148,823 ; for the year ended 31 January 2022: 31,519,979).

The Company's diluted NAV per share of 259.74 pence (for the period ended 31 July 2021: 542.30 pence ; for the year ended 31 January 2022: 455.66 pence) is based on the net assets of the Company at the period end of £81,871,457 (for the period ended 31 July 2021: £174,341,891 ; for the year ended 31 January 2022: £143,624,977) divided by the shares in issue at the end of the period, as adjusted for the effects of dilutive potential ordinary shares of 31,519,979 after excluding treasury shares (for the period ended 31 July 2021: 32,148,823 ; for the year ended 31 January 2022: 31,519,979).

13 Liabilities

Unsecured Loan Notes ("ULN")

The Company has issued ULN's which pay interest at 7.5 per cent. per annum and are redeemable on 24 July 2023, following an approval of an extension of their maturity in July 2022. At 31 July 2022, £3,987,729 of ULNs in principal amount were outstanding. Issue costs totalling £144,236 have been offset against the value of the loan note instrument and are being amortised over the life of the instrument. The total issue costs expensed in the period ended 31 July 2022 was £10,303 (for the period ended 31 July 2021: £10,303 ; for the year ended 31 January 2022: £20,605). The carrying value of the ULNs in issue at the period end was £3,987,729 (for the period ended 31 July 2021: £3,967,124 ; for the year ended 31 January 2022: £3,977,427). The total interest expense on the ULNs for the period is £159,842 (for the period ended 31 July 2021: £159,843 ; for the year ended 31 January 2022: £319,685). This includes the amortisation of the issue costs. The carrying value of ULN is presented under current liabilities in the current period as they are redeemable within 12-month period from the Statement of Financial Position date.

Zero Dividend Preference Shares ("ZDP Shares")

On 17 December 2021 the Company issued 20,000,000 ZDP Shares at a price of £1 per share, raising £20,000,000. The ZDP Shares will not pay dividends but have a final capital entitlement at maturity on 16 December 2026 of 129.14 pence per ZDP Share. It should be noted that the predetermined capital entitlement of a ZDP Share is not guaranteed and is dependent upon the Company's gross assets being sufficient on 16 December 2026 to meet the final capital entitlement.

Notes to the Financial Statements

For the year ended 31 January 2022 (continued)

13 Liabilities (continued)

Zero Dividend Preference Shares ("ZDP Shares") (continued)

Issue costs totalling £573,796 have been offset against the value of the ZDP Shares and are being amortised over the life of the instrument. The total issue costs expensed for the period ended 31 July 2022 was £71,744 (for the period ended 31 July 2021: nil ; for the year ended 31 January 2022: £14,538). The carrying value of the ZDP Shares in issue at the period-end was £20,139,415 (for the period ended 31 July 2021: nil ; for the year ended 31 January 2022: £19,580,190). The total finance charge for the ZDP Shares for the year is £546,507 (for the period ended 31 July 2021: nil ; for the year ended 31 January 2022: £156,983). This includes the ZDP Share final capital entitlement accrual and the amortisation of the issue costs.

14 Director's interests

Five of the Directors have interests in the shares of the Company as at 31 July 2022 (for the period ended 31 July 2021: four ; for the year ended 31 January 2022: five). Nicholas Wilson holds 144,690 ordinary shares (for the period ended 31 July 2021: 131,265 ; for the year ended 31 January 2022: 131,265), Clive Spears holds 51,841 ordinary shares (for the period ended 31 July 2021: 136,314 ; for the year ended 31 January 2022: 136,314), Heather Bestwick holds 39,431 ordinary shares (for the period ended 31 July 2021: 22,307 ; for the year ended 31 January 2022: 22,307), David Pirouet holds 17,309 shares (for the period ended 31 July 2021: 14,073 ; for the year ended 31 January 2022: 14,073) and Michael Gray holds 5,614 ordinary shares (for the period ended 31 July 2021: nil ; for the year ended 31 January 2022: 2,378).

15 Related parties

Directors' fees expense during the period amounted to £86,000 (for the period ended 31 July 2021: £74,498 ; for the year ended 31 January 2022: £149,000) of which £14,333 is accrued as at 31 July 2022 (for the period ended 31 July 2021: £10,333 ; for the year ended 31 January 2022: £12,833). In November 2021, The Company agreed an increased level of Directors' fees effective from 1 February 2022.

Certain Directors of the Company and other participants are incentivised in the form of equity settled share-based payment transactions, through a Joint Share Ownership Plan (see note 5).

Details of remuneration payable to key service providers are included in note 4 of the interim financial statements.

In July 2022, the Company agreed the extension of the maturity of £4.0 million unsecured loan notes to 24 July 2023. Delphine Brand, a connected party of Giles Brand (a person discharging managerial responsibilities ("PDMR") for the Company), is a minority holder of the unsecured loan notes.

16 Other information

The revenue and capital reserves are presented in accordance with the Board of Directors' agreed principles, which are that the net gain/loss on investments is allocated to the capital reserve and all other income and expenses are allocated to the revenue reserve. The total reserve of the Company for the period ended 31 July 2022 is £66,521,002 (for the period ended 31 July 2021: £158,991,436 ; for the year ended 31 January 2022: £128,274,522)

17 Subsequent events

There were no significant subsequent events that would require adjustments to or disclosure in these financial statements.

Company Information

Directors	C.L. Spears *(Chairman)* H. Bestwick D.R. Pirouet N.V. Wilson M.M. Gray
Investment Advisor	EPIC Investment Partners LLP Audrey House 16-20 Ely Place London EC1N 6SN
Auditors and Reporting Accountants	PricewaterhouseCoopers CI LLP 37 Esplanade St Helier Jersey JE1 4XA *Appointed 22 April 2022*
Bankers	Barclays Bank plc 1 Churchill Place Canary Wharf London E14 5HP HSBC Bank plc 1st Floor 60 Queen Victoria Street London EC4N 4TR Santander International PO Box 545 19-21 Commercial Street St Helier Jersey JE4 8XG
Administrator and Company Address	Langham Hall Fund Management (Jersey) Limited Liberation House Castle Street, St Helier Jersey JE1 2LH
Financial Administrator	EPIC Administration Limited Audrey House 16-20 Ely Place London EC1N 6SN
Nominated Advisor and Broker	Numis Securities Limited 10 Paternoster Square London EC4M 7LT
Registered Agent (Bermuda)	Conyers Dill & Pearman Clarendon House 2 Church Street Hamilton HM 11 Bermuda
Registrar and CREST Providers	Computershare Investor Services (Jersey) Limited Queensway House Hilgrove Street St. Helier JE1 1ES
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