VPC SPECIALTY LENDING
INVESTMENTS PLC

HALF-YEAR REPORT (UNAUDITED)

FOR THE SIX-MONTH PERIOD TO 30 JUNE 2022

COMPANY NUMBER 9385218

VICTORY PARK

CAPITAL

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RETURN SUMMARY AS AT 30 JUNE 2022

Net Asset Value ("NAV") per Ordinary Share

105.51p

(30 June 2021: 106.19p)
(31 December 2021: 114.14p)

NAV (Cum Income) Return

- 4.06%

(30 June 2021: + 15.12%)
(31 December 2021: + 27.60%)

Total Shareholder Return at 30 June 2022[1]
(based on share price)

- 5.21%

(30 June 2021: + 11.82%)
(31 December 2021: + 27.32%)

Dividends per Ordinary Share[2]

4.00p

(30 June 2021: 4.00p)
(31 December 2021: 8.00p)

Revenue Return

+ £13.21 million

(30 June 2021: + £9.60 million)
(31 December 2021: + £21.12 million)

Total Net Return

- £12.88 million

(30 June 2021: + £39.95 million)
(31 December 2021: + £73.21 million)

Ordinary Share Price at 30 June 2022

83.40p

(30 June 2021: 84.00p)
(31 December 2021: 92.20p)

Discount to NAV at 30 June 2022

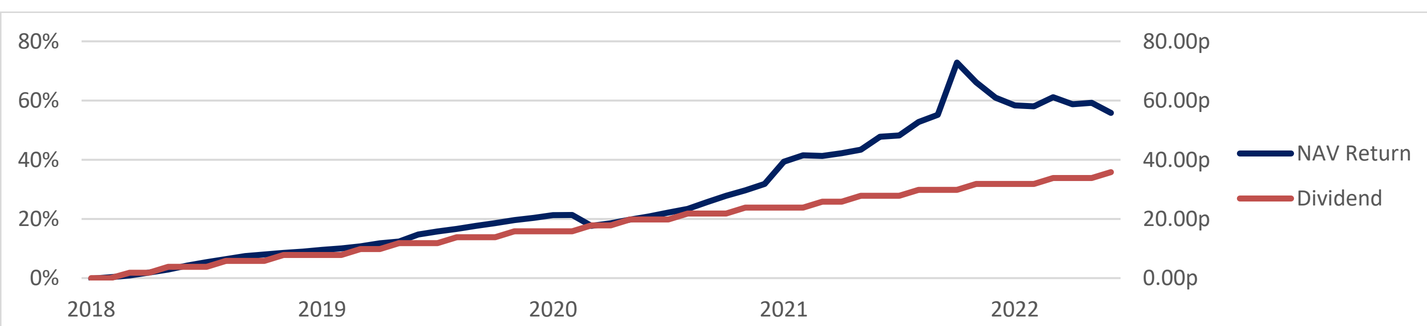
20.95%

(30 June 2021: 20.90%)
(31 December 2021: 19.22%)

1 Net of issue costs.
2 Dividends declared and paid which relate to the period.

COMPANY PERFORMANCE

The table below illustrates the Company's NAV return and dividend per share from 1 January 2018 through 30 June 2022[3], which illustrates the total returns of the Company after the portfolio was converted into substantially all asset-backed delayed draw term loans and the equity investments received with those investments.



3 This return excludes the effect of the initial recognition of IFRS 9 disclosed in the Company's 2018 Annual Report of 1.11% as at 31 December 2017 which was brought forward through capital as it impacts the inception to date returns.

INTRODUCTION TO THE COMPANY

VPC Specialty Lending Investments PLC (the “Company” or “VSL”) provides asset-backed lending solutions to emerging and established businesses (“Portfolio Companies”) with the goal of building long-term, sustainable income generation. VSL focuses on providing capital to vital segments of the economy, which for regulatory and structural reasons are underserved by the traditional banking industry. Among others, these segments include small business lending, working capital products, consumer finance and real estate. VSL offers shareholders access to a diversified portfolio of opportunistic credit investments originated by non-bank lenders with a focus on the rapidly developing technology-enabled lending sector.

The Company’s investing activities are undertaken by Victory Park Capital Advisors, LLC (the “Investment Manager” or “VPC”). VPC is an established private capital manager headquartered in the United States with a global presence. VPC identifies and finances emerging and established businesses globally and seeks to provide the Company with attractive yields on its portfolio of credit investments. VPC offers a differentiated private lending approach by financing Portfolio Companies through asset-backed delayed draw term loans, which is referred to as “Balance Sheet Lending,” designed to limit downside risk while providing shareholders with strong income returns. Through rigorous due diligence and credit monitoring by the Investment Manager, the Company generates stable income with significant downside protection.

This half year report for the period to 30 June 2022 includes the results of the Company (also referred to as the “Parent Company”) and its consolidated subsidiaries (together the “Group”). The Company (No. 9385218) was admitted to the premium listing segment of the Official List of the Financial Conduct Authority (“FCA”) (the “Official List”) and to trading on the London Stock Exchange’s main market for listed securities (the “Main Market”) on 17 March 2015, raising £200 million by completing a placing and offer for subscription (the “Issue”). The Company raised a further £183 million via a C Share issue on 2 October 2015. The C Shares were converted into Ordinary Shares and were admitted to the Official List and to trading on the Main Market on 4 March 2016.

The Company’s investment objectives are to:

- generate an attractive total return for shareholders of consistent distributable income and capital growth through asset-backed lending;
- achieve portfolio diversification to emerging and established businesses across different industries and geographies with the goal of building long-term, sustainable value; and
- enable shareholders to benefit from equity upside through equity-linked securities issued in conjunction with asset-backed lending.

VPC SPECIALTY LENDING INVESTMENTS PLC
CHAIRMAN'S STATEMENT

This report covers the half-year results for the Company for the period to 30th June 2022. Over this period, the Company delivered a total return of -4.06% and declared quarterly dividends totalling 4.00 pence per share. While share prices have been volatile this year, our asset value has remained stable and, more importantly, our dividend has remained unaltered.

It has been an unpredictable and volatile macroeconomic environment. After two years of resilience during the pandemic, 2022 has brought further economic and geopolitical challenges. These include persistently high inflation, a rising interest rate environment, and war in Ukraine. I am therefore encouraged that our Investment Manager has continued to manage risk effectively while supporting Portfolio Companies.

The Company and the Investment Manager were deeply saddened to note the death of Her Majesty Queen Elizabeth II on 8 September 2022, and offer their sincere condolences to The Royal Family.

THE COMPANY'S BUSINESS ACTIVITY

The Company continues to generate positive returns from its core lending business. The core lending business, which represented 70% of the total portfolio at 30 June 2022, is unquestionably the most important aspect.

In our last Annual Report, we highlighted that the Company benefited significantly from its equity interests during 2021 but I feel it is important to remind investors that they were for the most part a by-product of its core lending activity. The equity interests have been volatile in the year to date and their fall has led to an overall negative NAV return for the period. This was largely because the equity interests derived from the core lending business give us equity participation (at minimal cost) in the high-growth technology companies to which we lend and such entities have seen their share prices fall this year. During this review period, the proportion of our overall portfolio represented by equity investments has reduced from 26% to 22%. This reduction is partly resulting from equity sales conducted during the period, and partly because of market movements. Therefore, while equities experienced a significant decline through the first six months of 2022, particularly in terms of lower equity valuations for the technology sector, we consider this to have had only a muted impact on the Company.

Similarly, our entry into the SPAC market in 2021 was a result of the Investment Manager's extensive deal sourcing network in the fintech universe and SPAC deals presented a low-cost way to capitalise on this network for the benefit of our shareholders. SPACs raise capital in an initial public offering and use the cash to merge with a private company and take it public, usually within two years. However, this year, the SPAC market has struggled against the backdrop of rising interest rates, and the derating of technology companies. Our SPAC holdings have been no exception to this industry trend. To date, the Company has only invested £3.9 million in SPACs, which represented approximately 1.4% of Net Asset Value.

Returning to the core lending business, this continues to benefit from a secure lending position, which delivered minimal capital losses and a high level of income generation that supports regular dividend payments. Most of the Company's asset-backed investments are delayed draw, floating rate senior secured loans that have equity subordination. These asset-backed investments are also backed by underlying collateral consisting of consumer loans, small business loans, and other types of collateral.

Lastly, the Audit Committee now has a standing item dedicated to Environmental, Social and Governance ("ESG") factors, showing the commitment to responsibility and transparency in this space.

More information about the performance of the Company's investments can be found in the Investment Manager's Report.

INVESTOR ENGAGEMENT

Demonstrating income resilience is also another important aspect of the Company's approach. In June 2022, the Board of Directors undertook an engagement exercise with a significant number of major shareholders. We took the opportunity to ask them why they owned shares in the Company, the place their investment occupied within their broader portfolio, and what we provided that was most important to them. Of the shareholders we contacted, the majority communicated that the Company's ability to deliver a stable and predictable level of income return was overwhelmingly the most important factor in their investment decision.

We continue to live in an era where achieving a consistent level of investment income is no small feat, and many of our investors communicated that the dependability of our dividend payments provided them the opportunity to invest in other more growth-focused investments, knowing that their income targets and requirements would continue to be met. We found our discussions with shareholders to be both instructive and reassuring, serving as a valuable reminder of their expectations of the Company and the importance of our income stream. The Board will therefore continue to carry out regular engagement exercises and solicit shareholder feedback on a regular basis.

THE COMPANY'S ESG IMPACT

As an investment trust, the Company does not itself have employees, property, factories, and the like, and our ability to positively impact what we contribute flows to the greatest extent from our Investment Manager and the opportunities we are invested in through the portfolio. The Investment Manager aims to operate and invest responsibly, ethically, and fairly and we continue to review our environmental, social, and governance ("ESG") stance. Decisions taken are made with due consideration to long-term sustainability and impact on stakeholders. For example, the Directors and Investment Manager are mindful of their carbon footprints if they are required to travel on Company business.

The Board and the Investment Manager remain committed to ensuring the Company's culture is aligned with its stated purpose, values, and strategy. The Company has several policies and procedures in place to assist with maintaining a culture of good governance, including policies and procedures relating to all aspects of diversity, including gender diversity. The Company recognises that diversity enables it to benefit from a wider range of skills, knowledge, experience, backgrounds, and perspectives. Through the Company's lending and investment activities, it can have a positive impact on the world in which we operate. Because of this, the Investment Manager is committed to leading by example, taking a positive and progressive approach to responsible investing, and seeking to play its part in building a more sustainable financial system.

OUTLOOK

While the pandemic provided many challenges to navigate, the portfolio showed its resiliency over the last six months. We believe this resilience comes from a combination of the nature of the assets we invest in, the types of risk and security measures we take, and the Investment Manager's credit expertise in choosing to lend to the right people and businesses and then closely following those borrowers. This gives us confidence that the Company's investments are well positioned to weather continued volatility or the potential deterioration in the credit environment which may be on the horizon.

That said, we remain in a period of heightened uncertainty, with inflation still at worryingly high levels, and interest rates on an upward path. The outlook is all the more challenging because interest rates have been at historic lows for many years. We can draw a great deal of comfort from the fact that the Company's asset-based, senior secured credit strategy was designed to offer greater structural protections than traditional lenders, with an emphasis on capital preservation and income generation across market cycles. Moreover, its core lending activity – which is largely conducted on a floating rate basis – was conducted during this low-interest rate environment, which offers a significant element of protection as we move into an era of higher rates.

Additionally, it has been satisfying to see the Investment Manager has raised capital for a new fund during the review period. This demonstrates the strength of the Investment Manager and its team, commitment to the asset class, positive recognition of its investment philosophy and approach, and its ability to respond to the needs of investors with innovation and conviction.

Finally, your Board and I would like to thank shareholders for their continued support.

Graeme Proudfoot

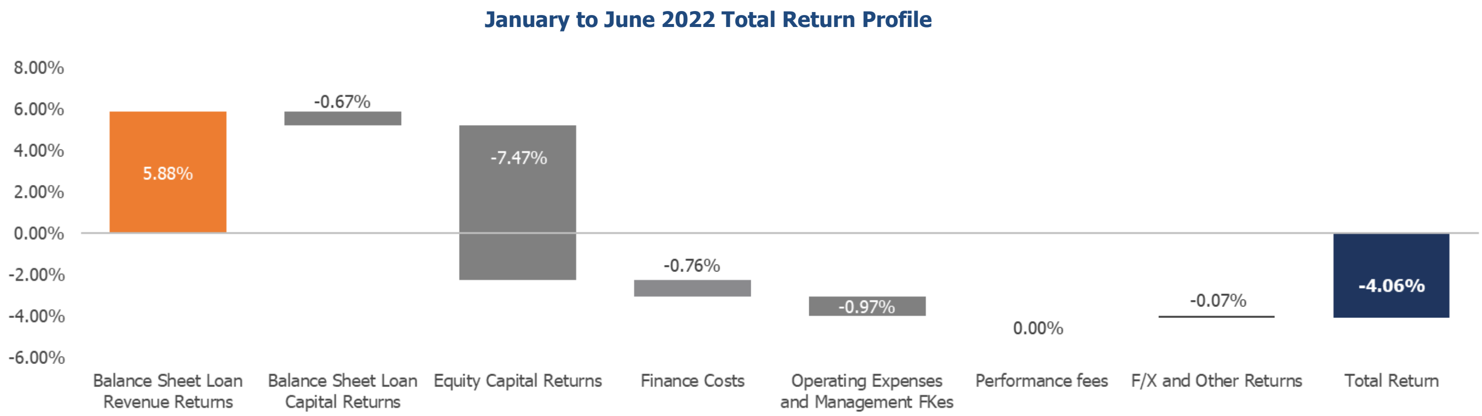
Chairman
28 September 2022

VPC SPECIALTY LENDING INVESTMENTS PLC
INVESTMENT MANAGER'S REPORT

PERFORMANCE REVIEW

Despite the continued challenging societal, economic, and market activity during the first half of the year, the Company believes the portfolio remains in a strong position due to the protections structured into the balance sheet investments.

During the period, the Company generated a total return of -4.06% for shareholders, declared dividends for the period of 4.00 pence per share and the NAV per share as at 30 June 2022 was 105.51. The Company generated gross revenue returns of 5.88% as a percentage of NAV in the first half of 2022 from the Company's balance sheet investments, continuing the strong performance trend of the past few years. Gross capital returns of -8.15% were primarily driven by unrealised losses from the Company's privately-held and publicly traded equity investments. Finance costs were -0.76% and operating expenses and management fees were -0.97% for the period. A full summary of the returns can be found below:



PORTFOLIO UPDATE

Overall, the Company is seeing an increase in demand for private debt as a practical alternative to growth equity financing for emerging businesses. As geopolitical issues and continued market uncertainty have dampened start-up funding globally in the first half of 2022, the evidence suggests that growth-stage companies are increasingly turning to debt financing to support their expansion plans. The Company encountered a similar trend during the Global Financial Crisis in 2008, where businesses began increasingly looking for non-traditional sources of capital. The Company expects this trend to continue.

The Company's asset backed investment portfolio primarily consists of senior secured floating rate credit facilities with interest rate floors typically in the 1.0% to 2.0% range. Recent moves in interest rates have positively affected revenue returns as rates on the Company's facilities reset on a monthly basis. In the last few months, short-term interest rates have increased materially, reaching 2.29% for three-month rates (at 30 June 2022). Further rises in short-term rates would continue to increase the revenue returns in the near term but could potentially lead to greater credit risk as portfolio companies start to see a corresponding increased interest expense.

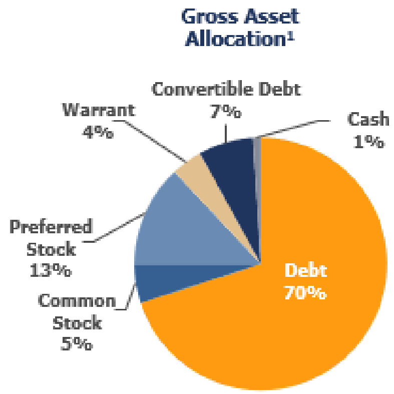
In June, the Company took the opportunity to increase its credit reserves under IFRS9 by 18.9% or £2,351,199 during the period. In keeping with the Company's IFRS9 policy, these reserves are reviewed each month to assess the likelihood of incurring any loss either (i) in the normal course of events, or (ii) in an adverse scenario. Given the continued volatility and uncertainty evident in the macroeconomic environment, the Company continued to attribute a probability weighting of 100% to the likelihood of a "Stress Scenario". The Company will continue to review the IFRS9 reserves each month to determine the need for any further changes.

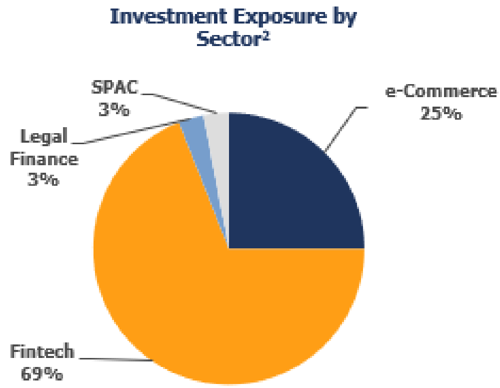
As discussed in the Chairman's Statement above, the SPAC market has struggled amidst recent market volatility and rising interest rates. Overall, SPAC losses in the Company are largely unrealized and inception-to-date performance remains at £2.43 million (0.83% of the Company's NAV as at 30 June 2022). Bakkt Holdings, Inc. ("BKKT"), a digital asset platform based in the United States, represents a large portion of losses in the first half of 2022. Despite volatility in the market, the Company has recognized positive inception-to-date returns on the BKKT investment equal to 0.73% of the Company's NAV as at 30 June 2022. The BKKT trading lock-up expires in October 2022, giving the Company additional flexibility in managing the position.

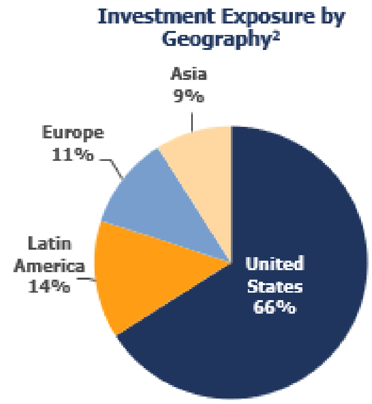
VPC SPECIALTY LENDING INVESTMENTS PLC
INVESTMENT MANAGER'S REPORT continued

PORTFOLIO COMPOSITION

The Company continued to implement the strategy of deploying capital across a broad range of Portfolio Companies with a diversity of geographies, borrower types and credit quality. Below are the breakouts of the Company's portfolio composition as at 30 June 2022:







SUMMARY HIGHLIGHTS FOR THE FIRST HALF OF 2022

- **January 2022:** VPC Impact Acquisition Holdings III, INC. ("VPCC"), a special purpose acquisition company sponsored by Victory Park Capital and Dave, Inc. (NASDAQ: DAVE) announced that the business combination closed following approval by VPCC stockholders. On 17 January 2022, one of the Company's privately-held investments, Beforepay, closed its IPO and began trading on the Australian Stock Exchange under the ticker B4P.
- **February 2022:** The Company declared its 15th consecutive dividend of 2.00p for the three-month period to 31 December 2021.
- **March 2022:** VPC Impact Acquisition Holdings II (NASDAQ:VPCB) ("VPCB"), a special purpose acquisition company sponsored by VPC Impact Acquisition Holdings Sponsor II, LLC ("VPC Sponsor"), an affiliate of Victory Park Capital ("VPC"), and FinAccel, the parent company of Kredivo, the leading AI- enabled digital consumer credit platform in Southeast Asia, announced the mutual termination of their previously announced business combination agreement. On 31 March 2022, the Company paid its 16th consecutive dividend of 2.00 pence per share.
- **April 2022:** On 28 April 2022, the Company released its 2021 Annual Report, which can be found on the Company's website.
- **June 2022:** The Company announced that at its Annual General Meeting held on 13 June 2022, all the resolutions set out in the Notice of Annual General Meeting were passed by the requisite majority. On 14 June 2022, the Company declared its 17th consecutive dividend of 2.00 pence per share for the three-month period to 31 March 2022.

SUBSEQUENT EVENTS

- **July 2022:** On 12 July 2022, one of the Company's privately-held investments, WeFox (formerly known as Finance Fox), announced that it raised $400 million in a Series D round of funding, giving the German company a post-money valuation of $4.5 billion. The unrealised gain from the renewed valuation was accounted for in the Company's June NAV minus a 20% liquidity discount. Also on 12 July 2022, one of the Company's privately-held investments, Pattern Brands, announced that it raised $25 million in a Series B fundraising, on top of the $60 million of acquisition capital brought in last year, led by new investors Toba Capital, Verlinvest, and BAM Elevate, alongside existing investors Primary, RRE Ventures, and Victory Park Capital. The unrealised gain from the renewed valuation was accounted for in the Company's June NAV minus a 20% liquidity discount.
- **August 2022:** On 3 August 2022, ZeroFox, Inc., a VPC portfolio company and an enterprise software-as-a-service leader in external cybersecurity, reported the closing of its previously announced business combination with L&F Acquisition Corp ("L&F"), a special purpose acquisition company, and ID Experts Holdings, Inc. ("IDX"). On 4 August 2022, the combined company began trading under NASDAQ: ZFOX. Victory Park Capital was proud to be part of ZeroFox's journey, particularly in a challenging SPAC market environment.

1. Percentages calculated on a look-through basis to the Company's investee entities and SPVs.

2. Calculations using gross asset exposure and not reduced for gearing. Excludes cash.

RISKS AND UNCERTAINTIES

Although there are several risks and uncertainties, the Company believes that the most significant include:

- **Rising interest rates:** While the Company's investment portfolio primarily consists of floating rate credit facilities with interest rate floors, changes in interest rates could affect our investments, the profitability of the portfolio companies, and that of the underlying borrowers, potentially leading to lower returns or changes in repayments or default rates of the underlying borrowers.
- **Potential risk of refinancing:** The Company retains a right of first refusal ("ROFR") to match the credit facility terms offered by any third party on most of the Company's investments. In an instance where the market pricing and underlying risk for these deals are not in line with the Company's investment objectives, the Company will not exercise the ROFRs. The Company has a significant pipeline of undrawn capacity as well as new deal flow that allows the team to quickly reinvest the liquidity generated by a potential refinancing event in the near term. The increasingly competitive environment might affect the ability to quickly reinvest capital if this trend continues over the long term.
- **Potential changes in credit risk:** There is inherent risk in the Company's underlying investments of a borrower default and a majority of the underlying exposure is in the U.S. Given the short duration of the collateral in the portfolio, the underly portfolio companies continue to generate sufficient cash flow.

INVESTMENT MANAGER UPDATE

VPC had a robust first half of 2022. As at 1 August 2022, VPC's team included 48 employees across its locations in Chicago, New York, Los Angeles, Miami, Austin, and London. During the second quarter of 2022, VPC made several middle to senior-level hires across its investor relations, middle office, and front office teams. The Investment Manager continues to operate in a hybrid workplace, with employees working from the office and home for three and two days per week, respectively.

As it relates to portfolio management, the Investment Manager remains focused on proactive risk management and controls across its portfolio. Senior management holds multiple calls each week and the investment team is in regular contact with Portfolio Companies to proactively monitor risk and performance. Further, in June 2022, VPC's Asset Backed Opportunistic Credit ("ABOC") strategy held its final close on approximately $2.4 billion across its commingled vehicles and separately managed accounts. The Investment Manager is gratified by the strong support shown by its existing and new investors.

In June 2022, the Company declared its 17th consecutive quarterly dividend payment of 2.00p per share for the three-month period to 31 March 2022. In an era where high levels of income are increasingly hard to maintain, the Company is proud of its proven track record of earning consistently high returns for investors while protecting downside risk via credit enhancement and deep structuring expertise.

OUTLOOK

At the time of writing, the global economic outlook remains uncertain. The after-effects of the heart of the COVID-19 pandemic have given way to fears of persistently high inflation and negative global growth. Central banks are under pressure to fight inflation, which has resulted in interest rates rising to levels not seen in decades. In addition, the invasion of Ukraine by Russia has led to increased market volatility and widespread sanctions on Russian assets and individuals, contributing to a spiking oil price and concern over long-term energy valuations. The Company continues to monitor these risks closely and will do its best to make sure the portfolio can perform regardless of the economic environment, by offering capital protection and income generation throughout various market cycles.

As the Company navigates through the uncertainty, the Team exercises caution. The Company structures and underwrites investments with a focus on downside protection in addition to stress-testing collateral across various scenarios. For example, while the Company's investment portfolio primarily consists of floating rate credit facilities with interest rate floors, a rising interest rate environment has the potential to affect investments, the profitability of the Portfolio Companies (and that of the underlying borrowers), potentially leading to lower returns or changes in repayments or default rates of the underlying borrowers.

From a purely macroeconomic standpoint, we believe that the current portfolio's main advantages include the floating rate, shorter duration, and fully amortising underlying collateral. While the quality of the underlying credit performance of balance-sheet investments is critical, it is also important to emphasise the additional layers of protection beyond direct asset security. Due to the structured nature of the Company's balance-sheet investments, including (in most cases) corporate guarantees and significant first-loss protection, investments are generally not affected by changes in credit performance until a platform defaults and all corporate resources (separate from the borrowing base of loan collateral) are exhausted. In addition to monitoring credit performance, the team monitors the overall corporate performance of all Portfolio Companies, including attending board meetings as an observer and having weekly update calls with management.

Historically, private debt as an asset class has been seen as a stable choice in times of volatility. With an uncertain market environment and an especially volatile past few years, allocators have been increasingly turning to private debt for insulation from broader market shifts. Returns are also giving participants even more confidence in this asset class, particularly considering recent volatility in the public markets. Private debt has continued to exhibit strong performance, and the Company believes capital allocation to private debt could eventually overtake real estate. With inflation reaching new heights and interest rates on the rise, the Company believes inflows to private debt – and specifically strategies focused on asset-backed lending – will continue as investors seek alternatives to traditional fixed income. VPC's asset-backed, senior secured credit strategy aims to offer higher yields and greater structural protections than traditional lenders, with an emphasis on capital preservation and income generation across market cycles.

Victory Park Capital Advisors, LLC
Investment Manager
28 September 2022

VPC SPECIALTY LENDING INVESTMENTS PLC
DIRECTORS' RESPONSIBILITY STATEMENT
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2022

The Directors acknowledge responsibility for the Half-Year Financial Report and confirm that to the best of their knowledge:

(a) the unaudited consolidated financial statements have been prepared in accordance with UK-adopted IAS 34 'Interim Financial Reporting' and give a true and fair view of the assets, liabilities, financial position, and profit for the period of the Group as required by the Disclosure Guidance and Transparency Rules ("DTR") 4.2.4 R;

(b) the Interim Management Report (including the Chairman's Statement and the Investment Manager's Report) includes a fair review of the information required by DTR 4.2.7 R (indication of important events that have occurred during the six-month period to 30 June 2022 and their impact on the set of consolidated financial statements and a description of the principal risks and uncertainties for the remaining six months of the financial year); and

(c) the Half-Year Financial Report includes a fair review of the information concerning related party transactions as required by DTR 4.2.8 R.

Signed on behalf of the Board by:

Graeme Proudfoot

Chairman

28 September 2022

VPC SPECIALTY LENDING INVESTMENTS PLC
INTERIM MANAGEMENT REPORT
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2022

CAUTIONARY STATEMENT

This Interim Management Report has been prepared solely to provide additional information to shareholders to assess the strategies of the Company and its subsidiaries (together "the Group"). The Interim Management Report should not be relied on by any other party or for any other purpose.

The Interim Management Report contains certain forward-looking statements. These statements are made by the Directors in good faith based on the information available to them up to the time of their approval of the Half-Year Financial Report but such statements should be treated with caution due to the inherent uncertainties, including both economic and business risk factors, underlying any such forward-looking information.

ACTIVITIES

The activities of the Group are described in the Chairman's Statement and in the Investment Manager's Report. Refer to the Chairman's Statement on page 6 and the Investment Manager's Report on pages 8 through 10 of the Half-Year Financial Report. Further refer to Note 1 to the consolidated financial statements.

STRATEGY AND INVESTMENT OBJECTIVES

The important events that have occurred during the period under review and the key factors influencing the consolidated financial statements are described in the Chairman's Statement and in the Investment Manager's Report.

Refer to the Chairman's Statement on page 6 and the Investment Manager's Report on pages 8 through 10 of the Half-Year Financial Report.

GOING CONCERN

As stated in Note 2 to the consolidated financial statements, the Directors are satisfied that the Group has sufficient resources to continue in operation for the foreseeable future, a period not less than 12 months from the date of this Half-Year Report. Accordingly, they continue to adopt the going concern basis in preparing the consolidated financial statements.

PRINCIPAL RISKS AND UNCERTAINTIES

There are a number of potential risks and uncertainties which could have a material impact on the Group's performance over the remaining six months of the financial period and could cause actual results to differ materially from expected and historical results. Refer to the Investment Manager's Report on pages 8 through 10 of the Half-Year Financial Report as well as Note 5 to the consolidated financial statements for the potential risks and uncertainties. The principal risks and uncertainties are consistent with those disclosed in the Annual Report for the year ended 31 December 2021 which can be found on the Company's website.

FINANCIAL PERFORMANCE

The financial and operational highlights of the Group can be found on pages 3 through 4 of the Half-Year Financial Report.

RELATED PARTY TRANSACTIONS

Related party transactions are disclosed in Note 13 to the consolidated financial statements.

FINANCIAL STATEMENTS

VPC SPECIALTY LENDING INVESTMENTS PLC

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2022

	NOTES	(UNAUDITED) 30 JUNE 2022 £	(UNAUDITED) 30 JUNE 2021 £	(AUDITED) 31 DECEMBER 2021 £
Assets				
Cash and cash equivalents		3,603,872	12,827,525	6,300,572
Cash posted as collateral		6,657,120	2,038,095	4,133,588
Derivative financial assets		–	–	2,069,698
Interest receivable		4,715,312	4,174,208	4,708,481
Dividend and distribution receivable		4,362	3,763	3,996
Other assets and prepaid expenses		4,869,842	2,699,365	2,877,815
Loans at amortised cost	3,7	259,567,849	291,351,321	279,339,002
Investment assets designated as held at fair value through profit or loss	3	134,486,636	107,162,812	141,797,222
Total assets		**413,904,993**	**420,257,089**	**441,230,374**
Liabilities				
Management fee payable	8	434,554	168,635	155,399
Performance fee payable	8	–	7,047,774	12,913,280
Derivative financial liabilities		6,326,320	3,692,219	1,508,675
Unsettled share buyback payable		–	169,147	–
Deferred income		99,607	192,170	174,603
Other liabilities and accrued expenses		1,655,146	1,066,774	1,550,415
Dividend and distribution payable		5,565,528	–	–
Notes payable	6	106,175,885	112,385,146	107,267,260
Total liabilities		**120,257,040**	**124,721,865**	**123,569,632**
Total assets less total liabilities		**293,647,953**	**295,535,224**	**317,660,742**
Capital and reserves				
Called-up share capital		20,300,000	20,300,000	20,300,000
Share premium account		161,040,000	161,040,000	161,040,000
Other distributable reserve		112,779,146	112,779,136	112,779,146
Capital reserve		(24,468,269)	(20,053,701)	1,667,026
Revenue reserve		22,689,448	20,221,752	20,615,367
Currency translation reserve		1,256,135	1,220,777	1,213,245
Total equity attributable to shareholders of the Parent Company		**293,596,460**	**295,507,964**	**317,614,784**
Non-controlling interests	15	51,493	27,260	45,958
Total equity		**293,647,953**	**295,535,224**	**317,660,742**
Net Asset Value per Ordinary Share	9	105.51p	106.19p	114.14p

The financial statements on pages 13 to 41 were approved by the Board of Directors on 28 September 2022 and signed on its behalf by:

Graeme Proudfoot

Chairman

28 September 2022

See Notes to the consolidated financial statements

VPC SPECIALTY LENDING INVESTMENTS PLC

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE PERIOD ENDED 30 JUNE 2022

	NOTES	(UNAUDITED) REVENUE £	(UNAUDITED) CAPITAL £	(UNAUDITED) TOTAL £
Revenue				
Net gain (loss) on investments	4	–	(23,605,365)	(23,605,365)
Foreign exchange gain (loss)		–	(215,548)	(215,548)
Interest income	4	13,625,589	–	13,625,589
Other income	4	5,645,129	–	5,645,129
Total return		**19,270,718**	**(23,820,913)**	**(4,550,195)**
Expenses				
Management fee	8	1,990,424	–	1,990,424
Performance fee	8	–	–	–
Credit impairment losses (recoveries)	7	–	2,313,947	2,313,947
Other expenses		1,023,217	–	1,023,217
Total operating expenses		**3,013,641**	**2,313,947**	**5,327,588**
Finance costs		**3,051,940**	**–**	**3,051,940**
Net return on ordinary activities before taxation		**13,205,137**	**(26,134,860)**	**(12,929,723)**
Taxation on ordinary activities		–	–	–
Net return on ordinary activities after taxation		**13,205,137**	**(26,134,860)**	**(12,929,723)**
Attributable to:				
Equity shareholders		13,205,137	(26,134,860)	(12,930,158)
Non-controlling interests		–	435	435
Return per Ordinary Share (basic and diluted)		**4.75p**	**(9.39)p**	**(4.65)p**
Other comprehensive income				
Currency translation differences		–	47,990	47,990
Total comprehensive income		**13,205,137**	**(26,086,870)**	**(12,881,733)**
Attributable to:				
Equity shareholders		13,205,137	(26,092,405)	(12,887,268)
Non-controlling interests		–	5,535	5,535

The total column of this statement represents the Group's statement of comprehensive income, prepared in accordance with UK-adopted International Accounting Standards and with the requirements of the Companies Act 2006 as applicable to companies reporting under those standards. The supplementary revenue and capital columns are both prepared under guidance published by the Association of Investment Companies ("AIC"). All items in the above Statement derive from continuing operations. Amounts in Other comprehensive income may be reclassified to profit or loss in future periods.

See Notes to the consolidated financial statements

VPC SPECIALTY LENDING INVESTMENTS PLC

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE PERIOD ENDED 30 JUNE 2021

	NOTES	(UNAUDITED) REVENUE £	(UNAUDITED) CAPITAL £	(UNAUDITED) TOTAL £
Revenue				
Net gain (loss) on investments	4	–	38,544,646	38,544,646
Foreign exchange gain (loss)		–	(1,667,217)	(1,667,217)
Interest income	4	14,989,688	9,781	14,999,469
Other income	4	2,994,307	–	2,994,307
Total return		**17,983,995**	**36,887,210**	**54,871,205**
Expenses				
Management fee	8	1,780,159	-	1,780,159
Performance fee	8	1,693,853	5,353,921	7,047,774
Credit impairment losses	7	–	1,102,970	1,102,970
Other expenses		2,084,520	82,389	2,166,909
Total operating expenses		**5,558,532**	**6,539,280**	**12,097,812**
Finance costs		**2,826,965**	**–**	**2,826,965**
Net return on ordinary activities before taxation		9,598,498	30,347,930	39,946,428
Taxation on ordinary activities		–	–	–
Net return on ordinary activities after taxation		**9,598,498**	**30,347,930**	**39,946,428**
Attributable to:				
Equity shareholders		9,598,498	30,339,877	39,938,375
Non-controlling interests		–	8,053	8,053
Return per Ordinary Share (basic and diluted)		**3.25p**	**10.27p**	**13.52p**
Other comprehensive income				
Currency translation differences		–	(1,119)	(1,119)
Total comprehensive income		**9,598,498**	**30,346,811**	**39,945,309**
Attributable to:				
Equity shareholders		9,598,498	30,338,888	39,937,386
Non-controlling interests		–	7,923	7,923

The total column of this statement represents the Group’s statement of comprehensive income, prepared in accordance with UK-adopted International Accounting Standards and with the requirements of the Companies Act 2006 as applicable to companies reporting under those standards. The supplementary revenue and capital columns are both prepared under guidance published by the Association of Investment Companies (“AIC”). All items in the above Statement derive from continuing operations. Amounts in Other comprehensive income may be reclassified to profit or loss in future periods.

See Notes to the consolidated financial statements

VPC SPECIALTY LENDING INVESTMENTS PLC
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2021

	NOTES	(AUDITED) REVENUE £	(AUDITED) CAPITAL £	(AUDITED) TOTAL £
Revenue				
Net gain (loss) on investments	4	–	67,114,995	67,114,995
Foreign exchange gain (loss)		–	(2,049,374)	(2,049,374)
Interest income	4	33,158,150	524,984	33,158,150
Other income	4	4,419,620	–	4,419,620
Total return		**37,577,770**	**65,065,621**	**102,643,391**
Expenses				
Management fee	8	3,802,097	–	3,802,097
Performance fee	8	3,733,910	9,179,370	12,913,280
Credit impairment losses	7	–	3,636,142	3,636,142
Other expenses		3,212,166	159,909	3,372,075
Total operating expenses		**10,748,173**	**12,975,421**	**23,723,594**
Finance costs		**5,706,429**	**–**	**5,706,429**
Net return on ordinary activities before taxation		21,123,168	52,090,200	73,213,368
Taxation on ordinary activities		–	–	–
Net return on ordinary activities after taxation		**21,123,168**	**52,090,200**	**73,213,368**
Attributable to:				
Equity shareholders		21,123,168	52,060,604	73,183,772
Non-controlling interests		–	29,596	29,596
Return per Ordinary Share (basic and diluted)		**7.55p**	**18.62p**	**26.17p**
Other comprehensive income				
Currency translation differences		–	(11,496)	(11,496)
Total comprehensive income		**21,123,168**	**52,078,704**	**73,201,872**
Attributable to:				
Equity shareholders		21,123,168	52,052,083	73,175,251
Non-controlling interests		–	26,621	26,621

The total column of this statement represents the Group’s statement of comprehensive income, prepared in accordance with UK-adopted International Accounting Standards and with the requirements of the Companies Act 2006 as applicable to companies reporting under those standards. The supplementary revenue and capital columns are both prepared under guidance published by the Association of Investment Companies (“AIC”). All items in the above Statement derive from continuing operations. Amounts in Other comprehensive income may be reclassified to profit or loss in future periods.

See Notes to the consolidated financial statements

VPC SPECIALTY LENDING INVESTMENTS PLC

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE PERIOD ENDED 30 JUNE 2022

	(UNAUDITED) CALLED UP SHARE CAPITAL £	(UNAUDITED) SHARE PREMIUM ACCOUNT £	(UNAUDITED) OTHER DISTRIBUTABLE RESERVE £	(UNAUDITED) CAPITAL RESERVE £	(UNAUDITED) REVENUE RESERVE £	(UNAUDITED) CURRENCY TRANSLATION RESERVE £	(UNAUDITED) TOTAL SHAREHOLDERS' EQUITY £	(UNAUDITED) NON-CONTROLLING INTERESTS £	(UNAUDITED) TOTAL EQUITY £
Opening balance at 1 January 2022	**20,300,000**	**161,040,000**	**112,779,146**	**1,667,026**	**20,615,367**	**1,213,245**	**317,614,784**	**45,958**	**317,660,742**
Amounts paid on buyback of Ordinary Shares	–	–	–	–	–	–	–	–	–
Contributions by non-controlling interests	–	–	–	–	–	–	–	–	–
Distributions to non-controlling interests	–	–	–	–	–	–	–	–	–
Return on ordinary activities after taxation	–	–	–	(26,135,295)	13,205,137	–	(12,930,158)	435	(12,929,723)
Dividends declared and paid	–	–	–	–	(11,131,056)	–	(11,131,056)	–	(11,131,056)
Other comprehensive income (loss)									
Currency translation differences	–	–	–	–	–	42,890	42,890	5,100	47,990
Closing balance at 30 June 2022	**20,300,000**	**161,040,000**	**112,779,146**	**(24,468,269)**	**22,689,448**	**1,256,135**	**293,596,460**	**51,493**	**293,647,953**

The supplementary revenue and capital columns are both prepared under guidance published by the Association of Investment Companies ("AIC").

See Notes to the consolidated financial statements

VPC SPECIALTY LENDING INVESTMENTS PLC
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 30 JUNE 2021

	(UNAUDITED) CALLED UP SHARE CAPITAL £	(UNAUDITED) SHARE PREMIUM ACCOUNT £	(UNAUDITED) OTHER DISTRIBUTABLE RESERVE £	(UNAUDITED) CAPITAL RESERVE £	(UNAUDITED) REVENUE RESERVE £	(UNAUDITED) CURRENCY TRANSLATION RESERVE £	(UNAUDITED) TOTAL SHAREHOLDERS' EQUITY £	(UNAUDITED) NON-CONTROLLING INTERESTS £	(UNAUDITED) TOTAL EQUITY £
Opening balance at 1 January 2021	**20,300,000**	**161,040,000**	**116,520,960**	**(50,393,578)**	**21,847,960**	**1,221,766**	**270,537,108**	**19,337**	**270,556,445**
Amounts paid on buyback of Ordinary Shares	–	–	(3,741,824)	–	–	–	(3,741,824)	–	(3,741,824)
Contributions by non-controlling interests	–	–	–	–	–	–	–	–	–
Distributions to non-controlling interests	–	–	–	–	–	–	–	–	–
Return on ordinary activities after taxation	–	–	–	30,339,877	9,598,498	–	39,938,375	8,053	39,946,428
Dividends declared and paid	–	–	–	–	(11,224,706)	–	(11,224,706)	–	(11,224,706)
Other comprehensive income									
Currency translation differences	–	–	–	–	–	(989)	(989)	(130)	(1,119)
Closing balance at 30 June 2021	**20,300,000**	**161,040,000**	**112,779,136**	**(20,053,701)**	**20,221,752**	**1,220,777**	**295,507,964**	**27,260**	**295,535,224**

The supplementary revenue and capital columns are both prepared under guidance published by the Association of Investment Companies ("AIC").

See Notes to the consolidated financial statements

VPC SPECIALTY LENDING INVESTMENTS PLC
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2021

	(AUDITED) CALLED UP SHARE CAPITAL £	(AUDITED) SHARE PREMIUM ACCOUNT £	(AUDITED) OTHER DISTRIBUTABLE RESERVE £	(AUDITED) CAPITAL RESERVE £	(AUDITED) REVENUE RESERVE £	(AUDITED) CURRENCY TRANSLATION RESERVE £	(AUDITED) TOTAL SHAREHOLDERS' EQUITY £	(AUDITED) NON-CONTROLLING INTERESTS £	(AUDITED) TOTAL EQUITY £
Opening balance at 1 January 2021	**20,300,000**	**161,040,000**	**116,520,960**	**(50,393,578)**	**21,847,960**	**1,221,766**	**270,537,108**	**19,337**	**270,556,445**
Amounts paid on buyback of Ordinary Shares	–	–	(3,741,814)	–	–	–	(3,741,814)	–	(3,741,814)
Contributions by non-controlling interests	–	–	–	–	–	–	–	–	–
Distributions to non-controlling interests	–	–	–	–	–	–	–	–	–
Return on ordinary activities after taxation	–	–	–	52,060,604	21,123,168	–	73,183,772	29,596	73,213,368
Dividends declared and paid	–	–	–	–	(22,355,761)	–	(22,355,761)	–	(22,355,761)
Other comprehensive income									
Currency translation differences	–	–	–	–	–	(8,521)	(8,521)	(2,975)	(11,496)
Closing balance at 31 December 2021	**20,300,000**	**161,040,000**	**112,779,146**	**1,667,026**	**20,615,367**	**1,213,245**	**317,614,784**	**45,958**	**317,660,742**

The supplementary revenue and capital columns are both prepared under guidance published by the Association of Investment Companies ("AIC").

See Notes to the consolidated financial statements

VPC SPECIALTY LENDING INVESTMENTS PLC
CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE PERIOD ENDED 30 JUNE 2022

	(UNAUDITED) 30 JUNE 2022 £	(UNAUDITED) 30 JUNE 2021 £	(AUDITED) 31 DECEMBER 2021 £
Cash flows from operating activities:			
Total comprehensive income	(12,881,733)	39,945,309	73,201,872
Adjustments for:			
-- Interest income	(13,625,589)	(14,999,469)	(33,158,150)
-- Dividend and distribution income	(5,645,129)	(2,994,307)	(4,419,620)
-- Finance costs	3,051,940	2,826,965	5,706,429
-- Exchange losses	215,548	1,667,217	2,049,374
Total	**(28,884,963)**	**26,445,715**	**43,379,905**
Loss (gain) on investment assets designated as held at fair value through profit or loss	25,665,146	(38,544,646)	(67,354,436)
(Gain) loss on derivative financial instruments	(38,465,735)	10,980,503	(6,131,547)
Decrease in other assets and prepaid expenses	(1,992,027)	(1,810,217)	(1,988,667)
(Decrease) increase in performance fee payable	(12,913,280)	3,007,689	63,158
Increase in management fee payable	279,155	76,394	8,873,195
Decrease in deferred income	(74,996)	(61,233)	(78,800)
Increase (decrease) in accrued expenses and other liabilities	63,958	(701,861)	250,148
Interest received	13,618,758	14,438,308	32,062,716
Purchase of loans	(21,754,375)	(104,041,783)	(129,180,445)
Redemption or sale of loans	67,164,260	101,968,924	145,742,133
Impairment of loans	(1,583)	1,102,970	3,636,142
Net cash inflow from operating activities	**5,019,848**	**12,860,763**	**29,273,502**
Cash flows from investing activities:			
Investment income received	5,644,763	2,994,356	4,419,436
Purchase of investment assets designated as held at fair value through profit or loss	(18,841,577)	(24,402,638)	(51,430,977)
Sale of investment assets designated as held at fair value through profit or loss	14,851,369	5,874,872	30,929,189
Decrease of cash posted as collateral	(2,523,532)	(898,095)	(2,993,588)
Net cash outflow from investing activities	**(868,977)**	**(16,431,505)**	**(19,075,940)**
Cash flows from financing activities:			
Dividends distributed	(5,565,528)	(11,224,706)	(22,355,761)
Treasury shares repurchased	–	(3,572,677)	(3,741,814)
(Decrease) increase in note payable	(1,091,375)	27,250,133	21,180,077
Finance costs paid	(3,011,167)	(2,391,251)	(5,739,082)
Net cash outflow from financing activities	**(9,668,070)**	**10,061,499**	**(10,656,580)**
Net change in cash and cash equivalents	(5,517,199)	6,490,757	(459,018)
Exchange gains on cash and cash equivalents	2,820,499	(79,261)	343,562
Cash and cash equivalents at the beginning of the period	6,300,572	6,416,028	6,416,028
Cash and cash equivalents at the end of the period	**3,603,872**	**12,827,524**	**6,300,572**

See Notes to the consolidated financial statements

1. GENERAL INFORMATION

VPC Specialty Lending Investments PLC (the "Company" or "Parent Company") with its subsidiaries (together "the Group") is focused on asset-backed lending to emerging and established businesses with the goal of building long-term, sustainable income generation. The Group focuses on providing capital to vital segments of the economy that are underserved by the traditional banking industry, including small businesses, working capital products, consumer finance and real estate, among others. The Group executes this strategy by identifying investment opportunities across various industries and geographies to offer shareholders access to a diversified portfolio of opportunistic credit investments originated by non-bank lenders with a focus on the rapidly developing technology-enabled lending sector. The Parent Company, which is limited by shares, was incorporated and domiciled in England and Wales on 12 January 2015 with registered number 9385218. The Parent Company commenced its operations on 17 March 2015 and intends to carry on business as an investment trust within the meaning of Chapter 4 of Part 24 of the Corporation Tax Act 2010.

The Group's investment manager is Victory Park Capital Advisors, LLC (the "Investment Manager"), a US Securities and Exchange Commission registered investment adviser. The Investment Manager also acts as the Alternative Investment Fund Manager of the Group under the Alternative Investment Fund Managers Directive ("AIFMD"). The Parent Company is defined as an Alternative Investment Fund and is subject to the relevant articles of the AIFMD.

The Group will invest directly or indirectly into available opportunities, including by making investments in, or acquiring interests held by, third party funds (including those managed by the Investment Manager or its affiliates). Direct investments may include consumer loans, SME loans, advances against corporate trade receivables and/or purchases of corporate trade receivables ("Debt Instruments") originated by platforms which engage with and directly lend to borrowers ("Portfolio Companies"). Such Debt Instruments may be subordinated in nature, or may be second lien, mezzanine or unsecured loans. Indirect investments may include investments in Portfolio Companies (or in structures set up by Portfolio Companies) through the provision of credit facilities ("Credit Facilities"), equity or other instruments. Additionally, the Group's investments in Debt Instruments and Credit Facilities may be made through subsidiaries of the Parent Company or through partnerships or other structures. The Group may also invest in other specialty lending related opportunities through any combination of debt facilities, equity or other instruments.

As at 30 June 2022, the Parent Company had equity in the form of 382,615,665 Ordinary Shares, 278,276,392 Ordinary Shares in issue and 104,339,273 Ordinary Shares in Treasury (31 December 2021: 382,615,665 Ordinary Shares, 282,647,364 Ordinary Shares in issue and 99,968,301 Ordinary Shares in Treasury; 30 June 2021: 382,615,665 Ordinary Shares, 278,276,392 Ordinary Shares in issue and 104,339,273 Ordinary Shares in Treasury). The Ordinary Shares are listed on the premium segment of the Official List of the UK Listing Authority and trade on the London Stock Exchange's main market for listed securities.

Citco Fund Administration (Cayman Islands) Limited (the "Administrator") is the administrator of the Group. The Administrator is responsible for the Group's general administrative functions, such as the calculation and publication of the Net Asset Value ("NAV") and maintenance of the Group's accounting records.

For any terms not herein defined, refer to Part X of the IPO Prospectus. The Parent Company's IPO Prospectus dated 26 February 2015 is available on the Parent Company's website, www.vpcspecialtylending.com.

2. SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies followed by the Group are set out in Note 2 of the Annual Report for the year ended 31 December 2021.

Basis of preparation

The consolidated financial statements present the financial performance of the Group and Company for the six-month period ended 30 June 2022. These statements have been prepared in accordance with the Disclosure Guidance and Transparency Rules of the Financial Conduct Authority and UK-adopted IAS34 'Interim Financial Reporting.'

The consolidated financial statements for the period ended 30 June 2022 have not been audited or reviewed by the Group's auditors and do not constitute statutory financial statements as defined in Section 434 of the Companies Act 2006. They do not include all financial information required for full annual financial statements. The consolidated financial statements and the comparative financial statements have been prepared using the accounting policies adopted in the audited financial statements for the year ended 31 December 2021.

The Directors have reviewed the financial projections of the Group and Company from the date of this report, which shows that the Group and Company will be able to generate sufficient cash flows in order to meet its liabilities as they fall due. In assessing the Group's and Company's ability to continue as a going concern, the Directors have considered the Company's investment objective, risk management policies, capital management, the nature of its portfolio and expenditure projections.

Additionally, the Directors have considered the risks arising of reduced asset values and economic disruption caused by unforeseen geopolitical events, including war, terrorist attacks, natural disasters, and ongoing pandemics, which could create economic, financial, and business disruptions. The Investment Manager has also performed a range of stress tests and demonstrated to the Directors that even in an adverse scenario of depressed markets that the Group could still generate sufficient funds to meet its liabilities over the next twelve months. The Directors believe that the Group has adequate resources, an appropriate financial structure and suitable management arrangements in place to continue in operational existence for the foreseeable future being a period of at least twelve months from the date of this report.

Based on their assessment and considerations above, the Directors have concluded that the financial statements of the Group and Company should continue to be prepared on a going concern basis and the financial statements have been prepared accordingly.

Where presentational guidance set out in the Statement of Recommended Practice ("SORP") for investment trusts issued by the Association of Investment Companies ("AIC") in November 2014 and updated in October 2019 with consequential amendments is consistent with the requirements of IFRS, the Directors have sought to prepare the consolidated financial statements on a basis compliant with the recommendations of the SORP.

The Parent Company and Group's presentational currency is Pound Sterling (£). Pound Sterling is also the functional currency because it is the currency of the Parent Company's share capital and the currency which is most relevant to the majority of the Parent Company's shareholders. The Group enters into forward currency Pound Sterling hedges where operating activity is transacted in a currency other than the functional currency.

Critical accounting estimates

The preparation of financial statements in conformity with international accounting standards requires the Group to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of income and expenses during the reporting period. Although these estimates are based on the Directors' best knowledge of the amount, actual results may differ ultimately from those estimates.

The areas requiring a higher degree of judgement or complexity and areas where assumptions and estimates are significant to the financial statements, are in relation to expected credit losses and investments at fair value through profit or loss. These are detailed below.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Measurement of the expected credit loss allowance

The calculation of the Group's ECL allowances and provisions against loan commitments and guarantees under IFRS 9 is highly complex and involves the use of significant judgement and estimation. This includes the formulation and incorporation of multiple forward-looking economic conditions into ECL to meet the measurement objective of IFRS 9. The most significant estimates that are discussed below are considered to be the expected life of the financial instrument, what is considered to be a significant increase in credit risk to affect a movement between stages, and the effect of potential future economic scenarios.

Base case and stress case cash flow methodology under IFRS 9

Each loan in the Group's investment portfolio is analysed to assess the likelihood of the Group incurring any loss either (i) in the normal course of events, or (ii) in a stress scenario. Given that these positions are typically secured by specific collateral and often further secured by guarantees from the operating business, the analysis looks at the impacts on both the specific collateral, as well as any obligations of the operating business to understand how the Group's investment would fair in each scenario. The collateral performance assumptions for each transaction are established using all available historical performance data on the specific asset pool being assessed, supplemented by additional sources as needed.

Base case

To establish the base case model, a representative portfolio is established based on the specific nature of the underlying collateral. The expected cash flows are assessed based on the relevant collateral parameters which will vary based on the specific asset class being assessed. In certain instances the collateral cash flows may entail the presumed sale of collateral assets to third parties based on expected market values. Cash flow and market assumptions are based on a combination of (1) historical collateral data, (2) management forecasts, (3) proxy data from comparable assets or businesses, and (4) judgement from the investment professionals based on general research and knowledge.

The model is then burdened with the following costs: (1) servicing costs which broadly reflect the expected costs of either (i) engaging a backup servicer to wind down the portfolio, or (ii) of operating the business through a liquidation; (2) upfront liquidation costs to reflect potential expenses associated with moving into liquidation; and (3) ongoing liquidation costs to reflect incremental costs born to oversee the liquidation.

The last input component is the terms of the Group's investment, which includes the applicable advance rate and interest rate which are based on the prevailing terms and circumstances of the facility.

The representative portfolio is deemed to reflect the most reliable and relevant information available about the portfolio attributes and expected performance. As part of the ongoing investment monitoring and risk management process, the Investment Manager is monitoring performance on the underlying collateral on a monthly basis to identify whether performance indicators are trending positively or negatively, and how much cushion exists compared to contractual covenant trigger levels. Any such changes would be reviewed to determine whether an adjustment is required to the model assumptions.

For the Group's asset backed balance sheet investments, the Investment Manager performs a similar analysis as with our financial services asset backed balance sheet investments, though in those cases we are assessing the likely return on legal sector investments based on historical data and expert judgement and stressing the return and/or loss expectation on those platforms. In general, those assets by their nature tend to be uncorrelated across both the macro economy as well as across the portfolio(s), which has an impact on the range of outcomes factored into the model.

Stress case

Once the Base Case scenario is established, one or more "Stress Case" scenario(s) is (are) created for each transaction. The Stress Case is established by stressing the inputs that are most directly tied to outcomes to an extent consistent with a severe recession or comparably severe deterioration in the investment position. The primary driver of collateral value for many asset classes is the loss rates on the underlying receivables as these have the most direct impact on liquidation outcomes. For other asset classes it may include revenue yields, market values, or other economic variables. Certain variables with less significant impacts on the cash flow outcomes may be held constant to enhance model explanatory power. Stress variables may be adjusted to reflect the fact that stress will emerge (and dissipate) over a period of time rather than having an immediate and constant impact.

Establishing Impairment Reserves

Once the model has been run at the stressed scenario, if the cash flows continue to support the payment of all VPC principal and interest after the burdens of servicing and liquidation costs, the portfolio is deemed to have adequate coverage based solely on direct collateral. If there is a shortfall in principal payments, a further assessment is done to note whether there are any excluded variables that need to be considered in determining the need for reserves on the position, including other additional credit enhancements provided in each deal (i.e., corporate guarantees, boot collateral, etc.). Such assessment would consider the likelihood of a scenario that could pose a loss or impairment and the expected magnitude of such loss in order to determine the appropriate reserve level.

IFRS 9 calls for an assessment of the probability of default over the upcoming 12 months, and thus VPC will also provide a view of the probability of such a severe scenario occurring in the next 12 months for each of the investments which are at risk of incurring a loss (as some of the variables will vary between investments). VPC reviews macroeconomic data and central bank indicators to assess the probability of a recession or stress scenario over a forward looking 12-month horizon. Such information may be supplemented with additional investment level or macroeconomic information to determine the appropriate probabilities of stress (most commonly any such adjustments would be to apply additional likelihood of stress). In certain instances, the assessed impairment reserves are constant across all scenarios, this most commonly occurs when the assessed impairment reserves are zero. In these instances there shall be no need to assess probability weightings as it would not impact the overall analysis.

Valuation of unquoted investments

The valuation of unquoted investments and investments for which there is an inactive market is a key area of judgement and may cause material adjustment to the carrying value of those assets and liabilities. The unquoted equity assets are valued on periodic basis using techniques including a market approach, costs approach and/or income approach. The valuation process is collaborative, involving the finance and investment functions within the Investment Manager with the final valuations being reviewed by the Board's Audit and Valuation Committee. The specific techniques used typically include earnings multiples, discounted cash flow analysis, the value of recent transactions, and, where appropriate, industry rules of thumb. The valuations often reflect a synthesis of a number of different approaches in determining the final fair value estimate. The individual approach for each investment will vary depending on relevant factors that a market participant would take into account in pricing the asset. Changes in fair value of all investments held at fair value are recognised in the Consolidated Statement of Comprehensive Income as a capital item. On disposal, realised gains and losses are also recognised in the Consolidated Statement of Comprehensive Income as a capital item. Transaction costs are included within gains or losses on investments held at fair value, although any related interest income, dividend income and finance costs are disclosed separately in the Consolidated Financial Statements. The ultimate sale price of investments may not be the same as fair value. Refer to Note 3.

Critical accounting judgments

Judgement is required to determine whether the Parent Company exercises control over its investee entities and whether they should be consolidated. Control is achieved where the Parent Company has the power to govern the financial and operating policies of an investee entity so as to obtain benefits from its activities. The Parent Company controls an investee entity when the Parent Company is exposed to, or has rights to, variable returns from its investment and has the ability to affect those returns through its power over the entity. At each reporting date, an assessment is undertaken of investee entities to determine control. In the intervening period, assessments are undertaken where circumstances change that may give rise to a change in the control assessment. These include when an investment is made into a new entity, or an amendment to existing entity documentation or processes. When assessing whether the Parent Company has the power to affect its variable returns, and therefore control investee entities, an assessment is undertaken of the Parent Company's ability to influence the relevant activities of the investee entity. These activities include considering the ability to appoint or remove key management or the manager, which party has decision making powers over the entity and whether the manager of an entity is acting as principal or agent. The assessment undertaken for entities considers the Parent Company's level of investment into the entity and its intended long-term holding in the entity and there may be instances where the Parent Company owns less than 51% of an investee entity but that entity is consolidated. Further details of the Parent Company's subsidiaries are included in Note 14.

The Group's investments in associates all consist of limited partner interest in funds. There are no significant restrictions between investors with joint control or significant influence over the associates listed above on the ability of the associates to transfer funds to any party in the form of cash dividends or to repay loans or advances made by the Group.

3. FAIR VALUE MEASUREMENT

Financial instruments measured and reported at fair value are classified and disclosed in one of the following fair value hierarchy levels based on the significance of the inputs used in measuring its fair value:

Level 1 – Quoted prices (unadjusted) in active markets for identical assets and liabilities;

Level 2 – Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices); and

Level 3 – Pricing inputs for the asset or liability that are not based on observable market data (unobservable inputs).

An investment is always categorised as Level 1, 2 or 3 in its entirety. In certain cases, the fair value measurement for an investment may use a number of different inputs that fall into different levels of the fair value hierarchy. In such cases, an investment's level within the fair value hierarchy is based on the lowest level of input that is significant to the fair value measurement. The assessment of the significance of a particular input to the fair value measurement requires judgment and is specific to the investment.

Valuation of investments in funds

The Group's investments in funds are subject to the terms and conditions of the respective fund's offering documentation. The investments in funds are primarily valued based on the latest available financial information. The Investment Manager reviews the details of the reported information obtained from the funds and considers: (i) the valuation of the fund's underlying investments; (ii) the value date of the NAV provided; (iii) cash flows (calls/distributions) since the latest value date; and (iv) the basis of accounting and, in instances where the basis of accounting is other than fair value, fair valuation information provided by the funds. If necessary, adjustments to the NAV are made to the funds to obtain the best estimate of fair value. The funds in which the Group invests are close-ended and unquoted. No adjustments have been determined to be necessary to the NAV as provided as at 30 June 2022 as this reflects fair value under the relevant valuation methodology. The NAV is provided to investors only and is not made publicly available.

Valuation of equity securities

Fair value is determined based on the Group's valuation methodology, which is either determined using market comparables, discounted cash flow models or recent transactions.

Under the Enterprise Valuation Waterfall Analysis, the Group estimates the fair value of a portfolio company using traditional valuation methodologies including market, income, and cost approaches, as well as other applicable industry-specific approaches and then waterfall the enterprise value over the portfolio company's securities in order of their preference relative to one another. Some or all the traditional valuation methodologies are weighted based on the individual circumstances of the portfolio company to determine an estimate of the enterprise value. The traditional valuation methodologies consist of valuation estimates based on: valuations of comparable public companies, recent sales of private and public comparable companies, discounting the forecasted cash flows of the portfolio company, estimating the liquidation or collateral value of the portfolio company's assets, third-party valuations of the portfolio company or its assets, considering offers from third-parties to buy the portfolio company, estimating the value to potential strategic buyers and considering the value of recent investments in the equity securities of the portfolio company. To determine the enterprise value of a portfolio company, its historical and projected financial results, as well as other factors that may impact value, such as exposure to litigation, loss of significant customers or other contingencies are considered. This financial and other information is generally obtained from the Group's portfolio companies, and in most cases represents unaudited, projected, or pro-forma financial information.

In using a valuation methodology based on the discounting of forecasted cash flows of the portfolio company, significant judgment is required in the development of an appropriate discount rate to be applied to the forecasted cash flows. When applicable, a weighted average cost of capital approach is used to derive a discount rate that takes into account i) the risk-free rate ii) the cost of debt for creditworthiness and iii) the cost of equity for performance risk. The three inputs to the discount rate are based on third-party market studies, portfolio company interest rates, and an overall understanding of the inherent risk in the cash flows. The remaining assumptions incorporated in the valuation methodologies used to estimate the enterprise value consist primarily of unobservable Level 3 inputs, including management assumptions based on judgment. For example, from time to time, a portfolio company has exposure to potential or actual litigation. In evaluating the impact on the valuation for such items, the amount that a market participant would consider in estimating fair value is considered. These estimates are highly subjective, based on the Group's assessment of the potential outcome(s) and the related impact on the fair value of such potential outcome(s). A change in these assumptions could have a material impact on the determination of fair value.

In using a valuation methodology based on comparable public companies or sales of private or public comparable companies, significant judgment is required in the application of discounts or premiums to the prices of comparable companies for factors such as size, marketability and relative performance. Related to the use of private company transactions, when a portfolio company closes on new equity, the new round's implied valuation is used in valuing the equity investment. The use of an equity round includes gaining an understanding of the resulting rights between equity classes, and when applicable, a discount related to rights and preference differences is applied to the implied valuation. In addition, when a portfolio company has significant reason to believe an equity round is closing in the near future, a weighted-probability approach with the applicable discounts may be used. Under the yield analysis approach, expected future cash flows are discounted back using a discount rate. The discount rate used incorporates market-based yields for similar credits to the public market and the underlying risk of the individual credit.

Due to the inherent uncertainty of determining the fair value of Level 3 assets that do not have a readily available market value, the fair value of the assets may differ significantly from the values that would have been used had a ready market existed for such assets and may differ materially from the values that may ultimately be received or settled. Further, such assets are generally subject to legal and other restrictions or otherwise are less liquid than publicly traded instruments. If the Group were required to liquidate a portfolio investment in a forced or liquidation sale, the Group may realise significantly less than the value at which such investment had previously been recorded.

The selection of appropriate valuation techniques may be affected by the availability of relevant inputs as well as the relative reliability of the inputs. In some cases, one valuation technique may provide the best indication of fair value while in other circumstances, multiple valuation techniques may be appropriate. The results of the application of the various techniques may not be equally representative of fair value, due to factors such as assumptions made in the valuation.

In some situations, the Group may determine it appropriate to evaluate and weigh the results to develop a range of possible values, with the fair value based on the Group's assessment of the most representative point within the range.

Investments may be classified as Level 2 when market information becomes available, yet the investment is not traded in an active market and/or the investment is subject to transfer restrictions, or the valuation is adjusted to reflect illiquidity and/or non-transferability.

The Group, at times, may hold Level 1 investments and will use the available market quotes to value the investments. As noted above, these investments may include an illiquid period in which the investment does not have the ability to trade and will be classified as Level 2.

Fair value disclosures

The following table analyses the fair value hierarchy of the Group's assets and liabilities measured at fair value at 30 June 2022:

INVESTMENT ASSETS DESIGNATED AS HELD AT FAIR VALUE	(UNAUDITED) TOTAL £	(UNAUDITED) LEVEL 1 £	(UNAUDITED) LEVEL 2 £	(UNAUDITED) LEVEL 3 £
Preferred Stock	52,591,726	–	–	52,591,726
Convertible Notes	23,667,939	–	–	23,667,939
Common Stock	19,769,130	3,473,696	6,706,650	9,588,784
Warrants	19,362,631	–	–	19,362,631
Investments in funds	19,095,209	–	–	19,095,209
Total	**134,486,635**	**3,473,696**	**6,706,650**	**124,306,289**

DERIVATIVE FINANCIAL ASSETS	(UNAUDITED) TOTAL £	(UNAUDITED) LEVEL 1 £	(UNAUDITED) LEVEL 2 £	(UNAUDITED) LEVEL 3 £
Forward foreign exchange contracts	–	–	–	–
Total	**–**	**–**	**–**	**–**

DERIVATIVE FINANCIAL LIABILITIES	(UNAUDITED) TOTAL £	(UNAUDITED) LEVEL 1 £	(UNAUDITED) LEVEL 2 £	(UNAUDITED) LEVEL 3 £
Forward foreign exchange contracts	6,326,320	–	6,326,320	–
Total	**6,326,320**	**–**	**6,326,320**	**–**

There were no movements between Level 1 and Level 2 fair value measurements during the period ended 30 June 2022 and no investment fair value transferred from Level 3 to Level 2 during the period.

The following table analyses the fair value hierarchy of the Group's assets and liabilities measured at fair value at 30 June 2022:

INVESTMENT ASSETS DESIGNATED AS HELD AT FAIR VALUE	(UNAUDITED) TOTAL £	(UNAUDITED) LEVEL 1 £	(UNAUDITED) LEVEL 2 £	(UNAUDITED) LEVEL 3 £
Investments in funds	11,653,612	–	–	11,653,612
Equity securities	95,509,200	–	23,359,474	72,149,726
Total	**107,162,812**	**–**	**23,359,474**	**83,803,338**

DERIVATIVE FINANCIAL ASSETS	(UNAUDITED) TOTAL £	(UNAUDITED) LEVEL 1 £	(UNAUDITED) LEVEL 2 £	(UNAUDITED) LEVEL 3 £
Forward foreign exchange contracts	–	–	–	–
Total	**–**	**–**	**–**	**–**

DERIVATIVE FINANCIAL LIABILITIES	(UNAUDITED) TOTAL £	(UNAUDITED) LEVEL 1 £	(UNAUDITED) LEVEL 2 £	(UNAUDITED) LEVEL 3 £
Forward foreign exchange contracts	3,692,219	–	3,692,219	–
Total	**3,692,219**	**–**	**3,692,219**	**–**

There were no movements between Level 1 and Level 2 fair value measurements during the period ended 30 June 2022 and £6,419,396 of investment fair value transferred from Level 3 to Level 2 during the period.

The following table analyses the fair value hierarchy of the Group's assets and liabilities measured at fair value at 31 December 2021:

INVESTMENT ASSETS DESIGNATED AS HELD AT FAIR VALUE	(AUDITED) TOTAL £	(AUDITED) LEVEL 1 £	(AUDITED) LEVEL 2 £	(AUDITED) LEVEL 3 £
Investments in funds	12,531,090	–	–	12,531,090
Common stock	49,501,940	11,992,005	21,201,450	16,308,485
Preferred stock	38,090,065	–	–	38,090,065
Warrant	20,984,976	–	1,120,366	19,864,610
Convertible debt	20,689,151	–	–	20,689,151
Total	**141,797,222**	**11,992,005**	**22,321,816**	**107,483,401**

DERIVATIVE FINANCIAL ASSETS	(AUDITED) TOTAL £	(AUDITED) LEVEL 1 £	(AUDITED) LEVEL 2 £	(AUDITED) LEVEL 3 £
Forward foreign exchange contracts	2,069,698	–	2,069,698	–
Total	**2,069,698**	**–**	**2,069,698**	**–**

DERIVATIVE FINANCIAL LIABILITIES	(AUDITED) TOTAL £	(AUDITED) LEVEL 1 £	(AUDITED) LEVEL 2 £	(AUDITED) LEVEL 3 £
Forward foreign exchange contracts	1,508,675	–	1,508,675	–
Total	**1,508,675**	**–**	**1,508,675**	**–**

The following table presents the movement in Level 3 positions for the period ended 30 June 2022 for the Group:

	TOTAL £	(UNAUDITED) INVESTMENTS IN FUNDS £	(UNAUDITED) COMMON STOCK £	(UNAUDITED) PREFERRED STOCK £	(UNAUDITED) WARRANT £	(UNAUDITED) CONVERTIBLE DEBT £
Beginning balance, 1 January 2021	107,483,401	12,531,090	16,308,485	38,090,065	19,864,610	20,689,151
Purchases	17,880,810	3,556,974	3,298,146	6,482,835	535,960	4,006,895
Sales	(14,851,369)	(428,164)	(9,718,009)	(687,454)	(85,744)	(3,931,998)
Net change in unrealised gains (losses)	13,793,447	3,435,309	(299,838)	8,706,280	(952,195)	2,903,891
Ending balance, 30 June 2022	**124,306,289**	**19,095,209**	**9,588,784**	**52,591,726**	**19,362,631**	**23,667,939**

The following table presents the movement in Level 3 positions for the period ended 30 June 2021 for the Group:

	(UNAUDITED) TOTAL £	(UNAUDITED) INVESTMENTS IN FUNDS £	(UNAUDITED) EQUITY SECURITIES £
Beginning balance, 1 January 2021	48,463,617	2,522,367	45,941,250
Purchases	24,399,408	9,462,777	14,936,631
Sales	(2,908,963)	(93,226)	(2,815,737)
Transfers in (out)	(6,419,396)	–	(6,419,396)
Net change in unrealised foreign exchange gains (losses)	(1,936,373)	(507,668)	(1,428,705)
Net realised gains (losses)	142,090	–	142,090
Net change in unrealised gains (losses)	22,062,955	269,362	21,793,593
Ending balance, 30 June 2021	**83,803,338**	**11,653,612**	**72,149,726**

The following table presents the movement in Level 3 positions for the year ended 31 December 2021 for the Group:

	TOTAL £	(AUDITED) INVESTMENTS IN FUNDS £	(AUDITED) COMMON STOCK £	(AUDITED) PREFERRED STOCK £	(AUDITED) WARRANT £	(AUDITED) CONVERTIBLE DEBT £
Beginning balance, 1 January 2021	48,463,617	2,522,367	11,072,305	19,771,889	4,996,048	10,101,008
Purchases	45,439,031	19,086,855	7,661,428	2,250,450	5,338,445	11,101,853
Sales	(25,600,304)	(16,220,038)	(4,899,071)	(1,275,157)	(2,656,064)	(549,974)
Net change in unrealised gains (losses)	39,181,057	7,141,906	2,473,823	17,342,883	12,186,181	36,264
Ending balance, 31 December 2021	**107,483,401**	**12,531,090**	**16,308,485**	**38,090,065**	**19,864,610**	**20,689,151**

The net change in unrealised gains (losses) is recognised within gains (losses) on investments in the Consolidated Statement of Comprehensive Income.

Quantitative information regarding the unobservable inputs for Level 3 positions as at 30 June 2022 is given below:

DESCRIPTION	FAIR VALUE AT 30 JUNE 2022 £	VALUATION TECHNIQUE	UNOBSERVABLE INPUT	RANGE
Common Stock	5,404,837	Discounted Cash Flows	Price to Earnings	7.0x
			Price to Book	1.5x
			Discount Rate	20.0%
	2,733,300	Transaction Price/ Recent Round Price	Illiquidity Discount	30.0%
	1,346,680	Transaction Price	Cost Basis of Investment	N/A
	103,967	Transaction Price/ Recent Round Price	Deal Execution Risk Discount Recent Round Price per Share	0.44% $0.688
Convertible Notes	14,284,615	Discounted Cash Flows	Discount Rate	23.0%
			Annual Free Cash Flow Growth Rates	3.0%
	5,584,298	Transaction Price	Cost Basis of Investment	N/A
	1,985,750	Transaction Price/ Recent Round Price	Rights and Preferences Discount Recent Round Price per Share	0% $5.56
	1,813,276	Transaction Price/ Recent Round Price	Recent Round Price per Share Illiquidity Discount	€10,530.89 18.0%
Preferred Stock	25,584,885	Transaction Price/ Recent Round Price	Recent Round Price per Share Rights and Preferences Discount	$0.2974 - €3,671.49 0% - 20%
	11,068,686	Transaction Price/ Recent Round Price	Illiquidity Discount Recent Round Price per Share	0.0% - 20% $0.45 - $28.38
	7,442,180	Transaction Price/ Recent Round Price	Recent Round Price per Share	$1.43 - $33.55
	6,121,596	Transaction Price/ Recent Round Price	Deal Execution Risk Discount Recent Round Price per Share	0% $9.71
	2,374,379	Transaction Price/ Recent Round Price	Price Per Share	$8.7879
Investments in Funds	19,095,209	Net Asset Value	N/A	N/A
Warrants	13,399,344	Black Scholes	Price Per Share	$0.69 - €10,530.89
			Rights and Preferences Discount	0% - 40%
			Risk Free Rate	2.92% - 3.01%
			Term	1.78 years - 5 years
			Volatility	3% - 40.0%
	3,282,302	Total Enterprise Value	Revenue Multiple	1.75x
	2,454,183	Transaction Price/ Recent Round Price	Deal Execution Risk Discount, Recent Round Price per Share	20%, $52.01
	226,802	Transaction Price/ Recent Round Price	Recent Round Price per Share, Rights and Preferences Discount	$3.30, 40%
Total	**124,306,289**			

The investments in funds consist of investments in VPC Synthesis, L.P. and VPC Offshore Unleveraged Private Debt Fund Feeder, L.P. These are valued based on the NAV as calculated at the balance sheet date. No adjustments have been deemed necessary to the NAV as it reflects the fair value of the underlying investments, as such no specific unobservable inputs have been identified. The NAVs are sensitive to movements in interest rates due to the funds' underlying investment in loans.

If the illiquidity discount of the convertible debt valued based on discounted cash flows increased / decreased by 10% it would have resulted in an increase / decrease to the total value of those securities of £7,750,481, which would affect the Net gain / (loss) on investments within the capital return column of the Consolidated Statement of Comprehensive Income.

If the illiquidity discount of the preferred stock valued based on discounted cash flows increased / decreased by 10% it would have resulted in an increase / decrease to the total value of those securities of £3,890,725, which would affect the Net gain / (loss) on investments within the capital return column of the Consolidated Statement of Comprehensive Income.

If the volatility rate used for the warrants valued based on a Black Scholes increased / decreased by 10% it would have resulted in an increase / decrease to the total value of those equity securities of £1,802,586, which would affect the Net gain / (loss) on investments within the capital return column of the Consolidated Statement of Comprehensive Income.

If the price of all the investment assets held at period end, including individually those mentioned above, had increased / decreased by 10% it would have resulted in an increase / decrease in the total value the investments in funds and equity securities of £12,430,629 which would affect the Net gain / (loss) on investments within the capital return column of the Consolidated Statement of Comprehensive Income.

Assets and liabilities not carried at fair value but for which fair value is disclosed

The following table presents the fair value of the Group's assets and liabilities not measured at fair value through profit and loss at 30 June 2022 but for which fair value is disclosed. The carrying value has been used where it is a reasonable approximation of fair value:

	(UNAUDITED) CARRYING VALUE £	(UNAUDITED) FAIR MARKET VALUE £
Assets		
Loans	259,567,849	259,567,849
Total	**259,567,849**	**259,567,849**

The following table presents the fair value of the Group's assets and liabilities not measured at fair value through profit and loss at 30 June 2021 but for which fair value is disclosed. The carrying value has been used where it is a reasonable approximation of fair value:

	(UNAUDITED) CARRYING VALUE £	(UNAUDITED) FAIR MARKET VALUE £
Assets		
Loans	291,351,321	291,351,321
Total	**291,351,321**	**291,351,321**

The following table presents the fair value of the Group's assets and liabilities not measured at fair value through profit and loss at 31 December 2021 but for which fair value is disclosed:

	(AUDITED) CARRYING VALUE £	(AUDITED) FAIR MARKET VALUE £
Assets		
Loans	279,339,002	279,339,002
Total	**279,339,002**	**279,339,002**

For all other assets and liabilities not carried at fair value, the carrying value is a reasonable approximation of fair value.

4. INCOME AND GAINS ON INVESTMENTS AND LOANS

	(UNAUDITED) 30 JUNE 2022 £	(UNAUDITED) 30 JUNE 2021 £	(AUDITED) 31 DECEMBER 2021 £
Other Income			
Distributable income from investments in funds	1,937,039	644,529	1,265,158
Interest income from investment assets	3,490,818	2,349,778	2,088,723
Other income	217,272	–	1,065,739
Total	**5,645,129**	**2,994,307**	**4,419,620**

	(UNAUDITED) 30 JUNE 2022 £	(UNAUDITED) 30 JUNE 2021 £	(AUDITED) 31 DECEMBER 2021 £
Net gains (losses) on investments			
Realised (loss) gain on sale of investments	2,059,781	(1,616,556)	(239,441)
Unrealised gains on investment in funds	3,435,309	269,362	7,141,906
Unrealised gains on equity securities	(29,100,455)	39,891,840	60,212,530
Total	**(23,605,365)**	**38,544,646**	**67,114,995**

5. FINANCIAL INSTRUMENTS AND ASSOCIATED RISKS

Introduction

Risk is inherent in the Group's activities, but it is managed through a process of ongoing identification, measurement and monitoring, subject to risk limits and other controls. The Group is exposed to market risk (which includes currency risk, interest rate risk and other price risk), credit risk and liquidity risk arising from the financial instruments held by the Group.

Risk management structure

The Directors are ultimately responsible for identifying and controlling risks. Day to day management of the risks arising from the financial instruments held by the Group has been delegated to Victory Park Capital Advisors, LLC as Investment Manager to the Parent Company and the Group.

The Investment Manager regularly reviews the investment portfolio and industry developments to ensure that any events which impact the Group are identified and considered. This also ensures that any risks affecting the investment portfolio are identified and mitigated to the fullest extent possible.

The Group has no employees, and the Directors have all been appointed on a Non-Executive basis. Whilst the Group has taken all reasonable steps to establish and maintain adequate procedures, systems and controls to enable it to comply with its obligations, the Group is reliant upon the performance of third-party service providers for its executive function. In particular, the Investment Manager, the Custodian, the Administrator, the Corporate Secretary and the Registrar will be performing services which are integral to the operation of the Group. Failure by any service provider to carry out its obligations to the Group in accordance with the terms of its appointment could have a materially detrimental impact on the operation of the Group.

In seeking to implement the investment objectives of the Parent Company while limiting risk, the Parent Company and the Group are subject to the investment limits restrictions set out in the Credit Risk section of this note.

Liquidity risk

Liquidity risk is defined as the risk that the Group may not be able to settle or meet its obligations on time or at a reasonable price. Ordinary Shares are not redeemable at the holder's option.

The maturities of the non-current financial liabilities are disclosed in Note 6.

The Investment Manager manages the Group's liquidity risk by investing primarily in a diverse portfolio of assets. At 30 June 2022, 16% of the loans had a stated maturity date of less than a year (31 December 2021: 10%; 30 June 2021: 2%).

The Group and Parent Company continuously monitor for fluctuation in currency rates. The Parent Company performs stress tests and liquidity projections to determine how much cash should be held back to meet potential future to obligations to settle margin calls arising from foreign exchange hedging.

6. NOTES PAYABLE

The Group entered into contractual obligations with a third party to structurally subordinate a portion of the principal directly attributable to existing investments. The cash flows received by the Group from the underlying investments are used to pay the lender principal, interest, and draw fees based upon the stated terms of the Credit Facility. Unless due to a fraudulent act, as defined by the Credit Facilities, none of the Group's other investment assets can be used to satisfy the obligations of the Credit Facilities in the event that those obligations cannot be met by the subsidiaries. Each subsidiary with a Credit Facility is a bankruptcy remote entity.

The table below provides details of the outstanding debt of the Group at 30 June 2022:

30 JUNE 2022 (UNAUDITED)	INTEREST RATE	OUTSTANDING PRINCIPAL £	MATURITY
Credit Facility 03-2021	3.95%+1M LIBOR	87,230,610	1 March 2027
Total		**87,230,610**	

The table below provides details of the outstanding debt of the Group at 30 June 2021:

30 JUNE 2021 (UNAUDITED)	INTEREST RATE	OUTSTANDING PRINCIPAL £	MATURITY
Credit Facility 03-2021	3.95%+1M LIBOR	74,323,590	1 March 2027
Total		**74,323,590**	

The table below provides details of the outstanding debt of the Group at 31 December 2021:

31 DECEMBER 2021 (AUDITED)	INTEREST RATE	OUTSTANDING PRINCIPAL £	MATURITY
Credit Facility 03-2021	3.95%+1M LIBOR	87,432,895	1 March 2027
Total		**87,432,895**	

The Group entered into contractual obligations with a third party to structurally subordinate a portion of principal directly attributable to an existing loan facility. The Group is obligated to pay a commitment fee and interest to the third party on the obligation as interest is paid on the underlying loan facility. In the event of a default on the loan facility, the third party has first-out participation rights on the accrued and unpaid interest as well as the principal balance of the note.

The table below provides details of the outstanding first-out participation liabilities of the Group at 30 June 2022:

30 JUNE 2022 (UNAUDITED)	OUTSTANDING PRINCIPAL £	MATURITY
First-Out Participation 03-2017	18,945,275	1 January 2024
Total	**18,945,275**	

The table below provides details of the outstanding first-out participation liabilities of the Group at 30 June 2021:

30 JUNE 2021 (UNAUDITED)	OUTSTANDING PRINCIPAL £	MATURITY
First-Out Participation 03-2017	20,244,010	1 January 2024
First-Out Participation 04-2019	17,817,546	1 January 2024
Total	**38,061,556**	

The table below provides details of the outstanding first-out participation liabilities of the Group at 31 December 2021:

31 DECEMBER 2021 (AUDITED)	OUTSTANDING PRINCIPAL £	MATURITY
First-Out Participation 03-2017	18,181,601	1 January 2024
First-Out Participation 04-2019	1,652,764	1 January 2024
Total	**19,834,365**	

The table below provides the movement of the notes payable for the period ended 30 June 2022:

(UNAUDITED)	NOTES PAYABLE £
Beginning balance, 1 January 2022	107,267,260
Purchases	8,599,600
Sales	(21,346,505)
Net change in unrealised foreign exchange gains (losses)	11,655,530
Ending balance, 30 June 2022	**106,175,885**

The table below provides the movement of the notes payable for the period ended 30 June 2021:

(UNAUDITED)	NOTES PAYABLE £
Beginning balance, 1 January 2021	86,087,183
Purchases	155,710,709
Sales	(128,460,576)
Net change in unrealised foreign exchange gains (losses)	(952,170)
Ending balance, 30 June 2021	**112,385,146**

The table below provides the movement of the notes payable and securities sold under agreements to repurchase for the year ended 31 December 2021 for the Group.

(AUDITED)	NOTES PAYABLE £
Beginning balance, 1 January 2021	86,087,183
Purchases	179,944,080
Sales	(163,403,782)
Net change in unrealised foreign exchange gains (losses)	4,639,779
Ending balance, 31 December 2021	**107,267,260**

7. IMPAIRMENT OF FINANCIAL ASSETS AT AMORTISED COST

The table below provides details of the investments at amortised cost held by the Group for the period ended 30 June 2022 under IFRS 9:

(UNAUDITED)	COST BEFORE ECL £	ECL £	LOANS WRITTEN-OFF £	CARRYING VALUE £
Loans at amortised cost	274,347,352	14,779,503	–	259,567,849
Total	**274,347,352**	**14,779,503**	**–**	**259,567,849**

The table below provides details of the investments at amortised cost held by the Group for the period ended 30 June 2021 under IFRS 9:

(UNAUDITED)	COST BEFORE ECL £	ECL £	LOANS WRITTEN-OFF £	CARRYING VALUE £
Loans at amortised cost	300,945,981	9,549,220	45,440	291,351,321
Total	**300,945,981**	**9,549,220**	**45,440**	**291,351,321**

The table below provides details of the investments at amortised cost held by the Group for the year ended 31 December 2021 under IFRS 9:

(AUDITED)	COST BEFORE ECL £	ECL £	LOANS WRITTEN-OFF £	CARRYING VALUE £
Loans at amortised cost	291,802,975	12,463,973	–	279,339,002
Total	**291,802,975**	**12,463,973**	**–**	**279,339,002**

Credit impairment losses

The credit impairment losses of the Group for the six months ended 30 June 2022 comprised of the following under IFRS 9:

(UNAUDITED)	CREDIT IMPAIRMENT LOSSES 30 JUNE 2022 £
Loan recovered	(1,583)
Change in loan loss reserve	2,315,530
Currency translation	–
Credit impairment losses	**2,313,947**

The credit impairment losses of the Group for the six months ended 30 June 2021 comprised of the following under IFRS 9:

(UNAUDITED)	CREDIT IMPAIRMENT LOSSES 30 JUNE 2021 £
Loans written off	45,440
Change in expected credit losses	1,060,061
Currency translation on expected credit losses	(2,531)
Credit impairment losses	**1,102,970**

The credit impairment losses of the Group for the year ended 31 December 2021 comprises of the following under IFRS 9:

(AUDITED)	CREDIT IMPAIRMENT LOSSES 31 DECEMBER 2021 £
Loans recovered	(358,867)
Change in expected credit losses	3,974,814
Currency translation on expected credit losses	20,195
Credit impairment losses	**3,636,142**

Impairment of loans written off

Impairment charges of loans written off (recovered) £(1,583) (31 December 2021: £(358,867); 30 June 2021: £45,440) are included in credit impairment losses on the Consolidated Statement of Comprehensive Income.

Provision for expected credit losses

As at 30 June 2022, the Group has created a reserve provision on the outstanding principal of the Group’s loans of £14,779,503 (31 December 2021: £12,463,973; 30 June 2021: £9,549,220), which have been recorded in the Group’s Consolidated Statement of Financial Position and are included in Credit impairment losses on the Consolidated Statement of Comprehensive Income.

The allowance for expected credit losses comprised the following as at 30 June 2022:

(UNAUDITED)	30 JUNE 2022 £
Beginning balance 1 January 2022	12,463,973
Change in expected credit losses or equivalent	2,315,530
Ending balance 30 June 2022	**14,779,503**

The allowance for expected credit losses comprised the following as at 30 June 2021:

(UNAUDITED)	30 JUNE 2021 £
Beginning balance 1 January 2021	8,489,159
Change in expected credit losses or equivalent	1,060,061
Ending balance 30 June 2021	**9,549,220**

The allowance for expected credit losses comprised the following as at 31 December 2021:

(AUDITED)	31 DECEMBER 2021 £
Beginning balance 1 January 2021	8,489,159
Change in expected credit losses or equivalent	3,974,814
Ending balance 31 December 2021	**12,463,973**

Below is a breakout of the provision for expected credit losses by stage of the ECL model as at 30 June 2022:

INTERNAL GRADE (UNAUDITED)	FINTECH £	E-COMMERCE £	LEGAL FINANCE £	30 JUNE 2022 £
Stage 1	1,092,325	1,103,209	149,501	2,345,035
Stage 2	–	–	–	–
Stage 3	12,434,468	–	–	12,434,468
Expected credit losses	**13,526,793**	**1,103,209**	**149,501**	**14,779,503**

INTERNAL GRADE (UNAUDITED)	UNITED STATES £	LATIN AMERICA £	EUROPE £	ASIA £	30 JUNE 2022 £
Stage 1	1,907,422	–	437,613	–	2,345,035
Stage 2	–	–	–	–	–
Stage 3	–	–	12,434,468	–	12,434,468
Expected credit losses	**1,907,422**	**–**	**12,872,081**	**–**	**14,779,503**

Below is a breakout of the provision for expected credit losses by stage of the ECL model as at 30 June 2021:

INTERNAL GRADE (UNAUDITED)	FINTECH £	E-COMMERCE £	LEGAL FINANCE £	30 JUNE 2021 £
Stage 1	–	–	–	–
Stage 2	–	–	–	–
Stage 3	9,549,220	–	–	9,549,220
Expected credit losses	**9,549,220**	**–**	**–**	**9,549,220**

INTERNAL GRADE (UNAUDITED)	UNITED STATES £	LATIN AMERICA £	EUROPE £	ASIA £	30 JUNE 2021 £
Stage 1	–	–	–	–	–
Stage 2	–	–	–	–	–
Stage 3	–	–	9,549,220	–	9,549,220
Loans at amortised cost	**–**	**–**	**9,549,220**	**–**	**9,549,220**

Below is a breakout of the provision for expected credit losses by stage of the ECL model as at 31 December 2021:

INTERNAL GRADE (AUDITED)	FINTECH £	E-COMMERCE £	LEGAL FINANCE £	31 DECEMBER 2021 £
Stage 1	–	–	–	–
Stage 2	–	–	–	–
Stage 3	12,463,973	–	–	12,463,973
Expected credit losses	**12,463,973**	**–**	**–**	**12,463,973**

INTERNAL GRADE (AUDITED)	UNITED STATES £	LATIN AMERICA £	EUROPE £	ASIA £	31 DECEMBER 2021 £
Stage 1	–	–	–	–	–
Stage 2	–	–	–	–	–
Stage 3	–	–	12,463,973	–	12,463,973
Loans at amortised cost	**–**	**–**	**12,463,973**	**–**	**12,463,973**

8. FEES AND EXPENSES

Investment management fees

Under the terms of the Management Agreement, the Investment Manager is entitled to a management fee and a performance fee together with reimbursement of reasonable expenses incurred by it in the performance of its duties.

The management fee is payable in Pound Sterling monthly in arrears and is at the rate of 1/12 of 1.0% per month of NAV (the "Management Fee"). For the period from Admission until the date on which 90% of the net proceeds of the Issue have been invested or committed for investment (other than in Cash Instruments), the value attributable to any Cash Instruments of the Group held for investment purposes will be excluded from the calculation of NAV for the purposes of determining the Management Fee. The management fee expense of the Group for the period is £1,990,424 (31 December 2021: £3,802,097; 30 June 2021: £1,780,159), of which £434,554 (31 December 2021: £155,399; 30 June 2021: £168,635) was payable as at 30 June 2022.

The Investment Manager shall not charge a management fee twice. Accordingly, if at any time the Group invests in or through any other investment fund or special purpose vehicle and a management fee or advisory fee is charged to such investment fund or special purpose vehicle by the Investment Manager or any of its affiliates, the Investment Manager agrees to either (at the option of the Investment Manager): (i) waive such management fee or advisory fee due to the Investment Manager or any of its affiliates in respect of such investment fund or special purpose vehicle, other than the fees charged by the Investment Manager under the Management Agreement; or (ii) charge the relevant fee to the relevant investment fund or special purpose vehicle, subject to the cap set out in the paragraph below, and ensure that the value of such investment shall be excluded from the calculation of the NAV for the purposes of determining the Management Fee payable pursuant to the above.

Notwithstanding the above, where such investment fund or special purpose vehicle employs gearing from third parties and the Investment Manager or any of its affiliates is entitled to charge it a fee based on gross assets in respect of such investment, the Investment Manager may not charge a fee greater than 1.0% per annum of gross assets in respect of any investment made by the Parent Company or any member of the Group.

Performance fees

The performance fee is calculated by reference to the movements in the Adjusted Net Asset Value since the end of the Calculation Period in respect of which a performance fee was last earned or Admission if no performance fee has yet been earned. The payment of any performance fees to the Investment Manager will be conditional on the Parent Company achieving at least a 5.0% per annum total return for shareholders relative to a 30 April 2017 High Water Mark.

The performance fee will be calculated in respect of each 12 month period starting on 1 January and ending on 31 December in each calendar year (a “Calculation Period”) and provided further that if at the end of what would otherwise be a Calculation Period no performance fee has been earned in respect of that period, the Calculation Period shall carry on for the next 12 month period and shall be deemed to be the same Calculation Period and this process shall continue until a performance fee is next earned at the end of the relevant period. The performance fee expense for the period is £Nil (31 December 2021: £12,913,280; 30 June 2021: £7,047,774), of which none was payable as at 30 June 2022 (31 December 2021: £12,913,280; 30 June 2021: £7,047,774).

The performance fee will be equal to the lower of (i) in each case as at the end of the Calculation Period, an amount equal to (a) Adjusted Net Asset Value minus the Adjusted Hurdle Value, minus (b) the aggregate of all Performance Fees paid to the Manager in respect of all previous Calculation Periods; and (ii) the amount by which (a) 15% of the total increase in the Adjusted Net Asset Value since the Net Asset Value as at 30 April 2017 (being the aggregate of the increase in the Adjusted Net Asset Value in the relevant Calculation Period and in each previous Calculation Period) exceeds (b) the aggregate of all Performance Fees paid to the Manager in respect of all previous Calculation Periods. In the foregoing calculation, the Adjusted Net Asset Value will be adjusted for any increases or decreases in the Net Asset Value attributable to the issue or repurchase of any Ordinary Shares in order to calculate the total increase in the Net Asset Value attributable to the performance of the Parent Company.

“Adjusted Net Asset Value” means the Net Asset Value plus (a) the aggregate amount of any dividends paid or distributions made in respect of any Ordinary Shares and (b) the aggregate amount of any dividends or distributions accrued but unpaid in respect of any Ordinary Shares, plus the amount of any Performance Fees both paid and accrued but unpaid, in each case after the Effective Date and without duplication. “Adjusted Hurdle Value” means the Net Asset Value as at 30 April 2017 adjusted for any increases or decreases in the Net Asset Value attributable to the issue or repurchase of any Ordinary Shares increasing at an uncompounded rate equal to the Hurdle. The “Hurdle” means a 5% per annum total return for shareholders.

The Investment Manager shall not charge a performance fee twice. Accordingly, if at any time the Group invests in or through any other investment fund, special purpose vehicle or managed account arrangement and a performance fee or carried interest is charged to such investment fund, special purpose vehicle or managed account arrangement by the Investment Manager or any of its affiliates, the Investment Manager agrees to (and shall procure that all of its relevant affiliates shall) either (at the option of the Investment Manager): (i) waive such performance fee or carried interest suffered by the Group by virtue of the Investment Manager’s (or such relevant affiliate’s/affiliates’) management of (or advisory role in respect of) such investment fund, special purpose vehicle or managed account, other than the fees charged by the Investment Manager under the Management Agreement; or (ii) calculate the performance fee as above, except that in making such calculation the NAV (as of the date of the High Water Mark) and the Adjusted NAV (as of the NAV calculation date) shall not include the value of any assets invested in any other investment fund, special purpose vehicle or managed account arrangement that is charged a performance fee or carried interest by the Investment Manager or any of its affiliates (and such performance fee or carried interest is not waived with respect to the Group).

9. NET ASSET VALUE PER ORDINARY SHARE

	(UNAUDITED) AS AT 30 JUNE 2022 £	(UNAUDITED) AS AT 30 JUNE 2021 £	(AUDITED) AS AT 31 DECEMBER 2021 £
Net assets attributable to Shareholders of the Parent Company	293,596,460	295,507,964	317,614,784
Ordinary Shares in issue (excluding Treasury Shares)	278,276,392	278,276,392	278,276,392
Net asset value per Ordinary Share	105.51p	106.19p	114.14p

10. RETURN PER ORDINARY SHARE

Basic earnings per share is calculated using the weighted average number of shares in issue during the year, excluding the average number of Ordinary Shares purchased by the Parent Company and held as Treasury Shares.

	(UNAUDITED) AS AT 30 JUNE 2022 £	(UNAUDITED) AS AT 30 JUNE 2021 £	(AUDITED) AS AT 31 DECEMBER 2021 £
Profit for the year	(12,930,158)	39,938,375	73,183,772
Average number of Ordinary Shares in issue during the year	278,276,392	280,766,314	279,617,119
Earnings per Share (basic and diluted)	(4.65)p	14.22p	26.17p

The Parent Company has not issued any shares or other instruments that are considered to have dilutive potential.

11. SHAREHOLDERS' CAPITAL

Set out below is the issued share capital of the Company as at 30 June 2022. All shares issued are fully paid with none not fully paid:

(UNAUDITED)	NOMINAL VALUE £	NUMBER OF SHARES
Ordinary Shares	0.01	278,276,392

Set out below is the issued share capital of the Company as at 30 June 2021. All shares issued are fully paid with none not fully paid:

(UNAUDITED)	NOMINAL VALUE £	NUMBER OF SHARES
Ordinary Shares	0.01	278,276,392

Set out below is the issued share capital of the Company as at 31 December 2021. All shares issued are fully paid with none not fully paid:

(AUDITED)	NOMINAL VALUE £	NUMBER OF SHARES
Ordinary Shares	0.01	278,276,392

Rights attaching to the Ordinary Shares

The holders of the Ordinary Shares are entitled to receive, and to participate in, any dividends declared in relation to the Ordinary Shares. The holders of the Ordinary Shares shall be entitled to all the Parent Company's remaining net assets after taking into account any net assets attributable to other share classes in issue. The Shares shall carry the right to receive notice of, attend and vote at general meetings of the Parent Company. The consent of the holders of Shares will be required for the variation of any rights attached to the Ordinary Shares. The net return per Ordinary Share is calculated by dividing the net return on ordinary activities after taxation by the number of shares in issue.

Voting rights

Subject to any rights or restrictions attached to any shares, on a show of hands every shareholder present in person has one vote and every proxy present who has been duly appointed by a shareholder entitled to vote has one vote, and on a poll, every shareholder (whether present in person or by proxy) has one vote for every share of which he is the holder. A shareholder entitled to more than one vote need not, if he votes, use all his votes or cast all the votes he uses the same way. In the case of joint holders, the vote of the senior who tenders a vote shall be accepted to the exclusion of the vote of the other joint holders, and seniority shall be determined by the order in which the names of the holders stand in the Register.

No shareholder shall have any right to vote at any general meeting or at any separate meeting of the holders of any class of shares, either in person or by proxy, in respect of any share held by him unless all amounts presently payable by him in respect of that share have been paid.

Variation of Rights & Distribution on Winding Up

Subject to the provisions of the Act as amended and every other statute for the time being in force concerning companies and affecting the Parent Company (the "Statutes"), if at any time the share capital of the Parent Company is divided into different classes of shares, the rights attached to any class may be varied either with the consent in writing of the holders of three-quarters in nominal value of the issued shares of that class or with the sanction of an extraordinary resolution passed at a separate meeting of the holders of the shares of that class (but not otherwise) and may be so varied either whilst the Parent Company is a going concern or during or in contemplation of a winding-up.

At every such separate general meeting the necessary quorum shall be at least two persons holding or representing by proxy at least one-third in nominal value of the issued shares of the class in question (but at any adjourned meeting any holder of shares of the class present in person or by proxy shall be a quorum), any holder of shares of the class present in person or by proxy may demand a poll and every such holder shall on a poll have one vote for every share of the class held by him. Where the rights of some only of the shares of any class are to be varied, the foregoing provisions apply as if each group of shares of the class differently treated formed a separate class whose rights are to be varied.

The Parent Company has no fixed life but, pursuant to the Articles, an ordinary resolution for the continuation of the Parent Company will be proposed at the annual general meeting of the Parent Company to be held in 2025 and, if passed, every five years thereafter. Upon any such resolution, not being passed, proposals will be put forward within three months after the date of the resolution to the effect that the Parent Company be wound up, liquidated, reconstructed or unitised.

If the Parent Company is wound up, the liquidator may divide among the shareholders in specie the whole or any part of the assets of the Parent Company and for that purpose may value any assets and determine how the division shall be carried out as between the shareholders or different classes of shareholders.

The table below shows the movement in shares through 30 June 2022:

FOR THE PERIOD FROM 1 JANUARY 2022 TO 30 JUNE 2022 (UNAUDITED)	SHARES IN ISSUE AT THE BEGINNING OF THE PERIOD	SHARES REPURCHASED	SHARES IN ISSUE AT THE END OF THE PERIOD
Ordinary Shares	278,276,392	–	278,276,392

The table below shows the movement in shares through 30 June 2021:

FOR THE PERIOD FROM 1 JANUARY 2021 TO 30 JUNE 2021 (UNAUDITED)	SHARES IN ISSUE AT THE BEGINNING OF THE PERIOD	SHARES REPURCHASED	SHARES IN ISSUE AT THE END OF THE PERIOD
Ordinary Shares	282,647,364	(4,370,972)	278,276,392

The table below shows the movement in shares through 31 December 2021:

FOR THE YEAR FROM 1 JANUARY 2021 TO 31 DECEMBER 2021 (AUDITED)	SHARES IN ISSUE AT THE BEGINNING OF THE PERIOD	SHARES REPURCHASED	SHARES IN ISSUE AT THE END OF THE PERIOD
Ordinary Shares	282,647,364	(4,370,972)	278,276,392

Share buyback programme

All Ordinary Shares bought back through the share buyback programme are held in treasury as at 30 June 2022. Details of the programme are as follows:

(UNAUDITED) DATE OF PURCHASE	ORDINARY SHARES PURCHASED	AVERAGE PRICE PER SHARE	LOWEST PRICE PER SHARE	HIGHEST PRICE PER SHARE	TOTAL TREASURY SHARES
January 2022	–	0.00p	0.00p	0.00p	104,339,273
February 2022	–	0.00p	0.00p	0.00p	104,339,273
March 2022	–	0.00p	0.00p	0.00p	104,339,273
April 2022	–	0.00p	0.00p	0.00p	104,339,273
May 2022	–	0.00p	0.00p	0.00p	104,339,273
June 2022	–	0.00p	0.00p	0.00p	104,339,273

Other distributable reserve

During the period, the Company declared and paid dividends of £Nil (31 December 2021: £Nil, 30 June 2021: £Nil) from the other distributable reserve. Further, the cost of the buyback of Ordinary Shares as detailed above was funded by the other distributable reserve of £Nil (31 December 2021: £3,741,824, 30 June 2021: £3,741,824).

12. DIVIDENDS PER SHARE

The following table summarises the amounts recognised as distributions to equity shareholders in the period:

	(UNAUDITED) 30 JUNE 2022 £	(UNAUDITED) 30 JUNE 2021 £	(UNAUDITED) 31 DECEMBER 2021 £
2020 interim dividend of 2.00 pence per Ordinary Share paid on 1 April 2021	–	5,638,178	5,638,178
2021 interim dividend of 2.00 pence per Ordinary Share paid on 24 June 2021	–	5,586,527	5,586,527
2021 interim dividend of 2.00 pence per Ordinary Share paid on 23 September 2021	–	–	5,565,528
2021 interim dividend of 2.00 pence per Ordinary Share paid on 23 December 2021	–	–	5,565,528
2021 interim dividend of 2.00 pence per Ordinary Share paid on 31 March 2022	5,565,528	–	–
2022 interim dividend of 2.00 pence per Ordinary Share Paid on 21 July 2022	5,565,528	–	–
Total	**11,131,056**	**11,224,705**	**22,355,761**

An interim dividend of 2.00 pence per Ordinary Share was declared by the Board on 25 August 2022 in respect of the period to 30 June 2022 and will be paid to shareholders on 6 October 2022. The interim dividend has not been included as a liability in these accounts in accordance with International Accounting Standard 10: Events After the Balance Sheet Date.

13. RELATED PARTY TRANSACTIONS

Each of the Directors is entitled to receive a fee from the Parent Company at such rate as may be determined in accordance with the Articles. Save for the Chair of the Board, the fees are £33,000 for each Director per annum. The Chair's fee is £55,000 per annum. The chair of the Audit and Valuation Committee may also receive additional fees for acting as the chairman of such a committee. The current fee for serving as the chair of the Audit and Valuation Committee is £5,500 per annum.

All the Directors are also entitled to be paid all reasonable expenses properly incurred by them in attending general meetings, board or committee meetings or otherwise in connection with the performance of their duties. The Board may determine that additional remuneration may be paid, from time to time, to any one or more Directors in the event such Director or Directors are requested by the Board to perform extra or special services on behalf of the Parent Company.

As at 30 June 2022, 30 June 2021 and 31 December 2021, the Directors' interests in the Parent Company's Shares were as follows:

		(UNAUDITED) 30 JUNE 2022 £	(UNAUDITED) 30 JUNE 2021 £	(AUDITED) 31 DECEMBER 2021 £
Clive Peggram	Ordinary Shares	333,240	333,240	333,240
Elizabeth Passey	Ordinary Shares	10,000	10,000	10,000
Graeme Proudfoot	Ordinary Shares	130,000	130,000	130,000
Mark Katzenellenbogen	Ordinary Shares	215,000	215,000	215,000
Oliver Grundy	Ordinary Shares	30,000	–	30,000

Investment management fees for the period ended 30 June 2022 are payable by the Parent Company to the Investment Manager and these are presented on the Consolidated Statement of Comprehensive Income. Details of investment management fees and performance fees payable during the year are disclosed in Note 8.

During 2022, as part of an amendment to its management agreement, the Investment Manager continued to purchase Ordinary Shares of the Parent Company with 20% of its monthly management fee. The Ordinary Shares were purchased at the prevailing market price. As at 30 June 2022, the Investment Manager has purchased 4,729,267 (31 December 2021: 4,496,991; 30 June 2021 4,039,247) Ordinary Shares.

As at 30 June 2022, Partners and Principals of the Investment Manager held 510,000 (31 December 2021: 510,000; 30 June 2021: 510,000) Shares in the Parent Company.

The Group has invested in VPC Offshore Unleveraged Private Debt Fund Feeder, L.P. The Investment Manager of the Parent Company also acts as manager to VPC Offshore Unleveraged Private Debt Fund Feeder, L.P. The principal activity of VPC Offshore Unleveraged Private Debt Fund Feeder, L.P. is to invest in alternative finance investments and related instruments with a view to achieving the Parent Company's investment objective. As at 30 June 2022 the Group owned 26% of VPC Offshore Unleveraged Private Debt Fund Feeder, L.P. (31 December 2021: 26%) and the value of the Group's investment in VPC Offshore Unleveraged Private Debt Fund Feeder, L.P. was £1,327,188 (31 December 2021: £1,640,256; 30 June 2021: £2,031,539).

The Group has invested in VPC Synthesis, L.P. The Investment Manager of the Parent Company also acts as manager to VPC Synthesis, L.P. The principal activity of VPC Synthesis, L.P. is to invest in alternative finance investments and related instruments with a view to achieving the Parent Company's investment objective. As at 30 June 2022 the Group owned 4% of VPC Synthesis, L.P. (31 December 2021: 4%; 30 June 2021: 7%) and the value of the Group's investment in VPC Synthesis, L.P. was £17,768,021 (31 December 2021: £10,890,834; 30 June 2021: £10,890,834).

The Investment Manager may pay directly various expenses that are attributable to the Group. These expenses are allocated to and reimbursed by the Group to the Investment Manager as outlined in the Management Agreement. Any excess expense previously allocated to and paid by the Group to the Investment Manager will be reimbursed to the Group by the Investment Manager. At 30 June 2022, £32,606 was due to the Investment Manager (31 December 2021: £23,697; 30 June 2021: £24,038) and is included in the Accrued expenses and other liabilities balance on the Consolidated Statement of Financial Position.

14. SUBSIDIARIES

NAME	PRINCIPAL ACTIVITY	COUNTRY OF INCORPORATION	NATURE OF INVESTMENT	(UNAUDITED) PERCENTAGE OWNERSHIP 31 JUNE 2022	(UNAUDITED) PERCENTAGE OWNERSHIP 31 JUNE 2021	(AUDITED) PERCENTAGE OWNERSHIP 31 DECEMBER 2021
VPC Specialty Lending Investments Intermediate, L.P.	Investment vehicle	USA	Limited partner interest	Sole limited partner	Sole limited partner	Sole limited partner
VPC Specialty Lending Investments Intermediate Holdings, L.P.	Investment vehicle	USA	Limited partner interest	Sole limited partner	Sole limited partner	Sole limited partner
VPC Specialty Lending Investments Intermediate GP, LLC	General partner	USA	Membership interest	Sole member	Sole member	Sole member
Fore London, L.P.	Investment vehicle	UK	Limited partner interest	Sole limited partner	Sole limited partner	Sole limited partner
Fore London GP, LLC	General partner	UK	Membership interest	Sole member	Sole member	Sole member
Duxbury Court I, L.P.	Investment vehicle	USA	Limited partner interest	95%	95%	95%
Duxbury Court I GP, LLC	General partner	USA	Membership interest	95%	95%	95%
Drexel I, L.P.	Investment vehicle	USA	Limited partner interest	52%	52%	52%
Drexel I GP, LLC	General partner	USA	Membership interest	52%	52%	52%

The subsidiaries listed above as investment vehicles are consolidated by the Group and there is no activity to consolidate within the subsidiaries listed as general partners.

NAME	REGISTERED ADDRESS
VPC Specialty Lending Investments Intermediate, L.P.	150 North Riverside Plaza, Suite 5200, Chicago, IL 60606
VPC Specialty Lending Investments Intermediate Holdings, L.P.	150 North Riverside Plaza, Suite 5200, Chicago, IL 60606
VPC Specialty Lending Investments Intermediate GP, LLC	150 North Riverside Plaza, Suite 5200, Chicago, IL 60606
Fore London, L.P.	6th Floor, 65 Gresham Street, London, EC2V 7NQ United Kingdom
Fore London GP, LLC	150 North Riverside Plaza, Suite 5200, Chicago, IL 60606
Duxbury Court I, L.P.	150 North Riverside Plaza, Suite 5200, Chicago, IL 60606
Duxbury Court I GP, LLC	150 North Riverside Plaza, Suite 5200, Chicago, IL 60606
Drexel I, L.P.	150 North Riverside Plaza, Suite 5200, Chicago, IL 60606
Drexel I GP, LLC	150 North Riverside Plaza, Suite 5200, Chicago, IL 60606

15. NON-CONTROLLING INTERESTS

The non-controlling interests arises from investments in limited partnerships considered to be controlled subsidiaries into which there are other investors. The value of the non-controlling interests at 30 June 2022 represents the portion of the NAV of the controlled subsidiaries attributable to the other investors. As at June 2022, the portion of the NAV attributable to non-controlling interests investments totaled £51,493 (31 December 2021: £45,958; 30 June 2021: £27,260). In the Consolidated Statement of Comprehensive Income, the amount attributable to non-controlling interests represents the increase in the fair value of the investment in the period.

16. SUBSEQUENT EVENTS AFTER THE REPORTING PERIOD

The Company declared a dividend of 2.00 pence per Ordinary Share, equaling £5,565,528 for the three-month period ended 30 June 2022 and paid the dividend on 6 October 2022.

There were no other significant events subsequent to the period end.

SHAREHOLDER INFORMATION

DEFINITIONS OF TERMS AND PERFORMANCE MEASURES

The Group uses the terms and alternative performance measures below to present a measure of profitability which is aligned with the requirements of our investors and potential investors, to draw out meaningful subtotals of revenues and earnings and to provide additional information not required for disclosure under accounting standards to assist users of the financial statements in gauging the profit levels of the Group. Alternative performance measures are used to improve the comparability of information between reporting periods, either by adjusting for uncontrollable or one-off factors which impact upon IFRS measures or, by aggregating measures, to aid the user understand the activity taking place. The Strategic Report includes both statutory and adjusted measures, the latter of which, reflects the underlying performance of the business and provides a more meaningful comparison of how the business is managed. APMs are not considered to be a substitute for IFRS measures but provide additional insight on the performance of the business. All terms and performance measures relate to past performance:

Discount to NAV – Calculated as the difference in the NAV (Cum Income) per Ordinary Share and the Ordinary Share price divided by the NAV Cum (Income) per Ordinary Share.

Gross Returns – Represents the return on shareholder's funds per share on investments of the Company before operating and other expenses of the Company.

Look-Through Gearing Ratio – The aggregate gearing of the Company and any investee entity (on a look-through basis, including borrowing through securitisations using SPVs) shall not exceed 1.50 times its NAV (1.5x).

Market Capitalisation – Month-end closing share price multiplied by the number of shares outstanding at month end.

NAV (Cum Income) or NAV or Net Asset Value – The value of assets of the Company less liabilities determined in accordance with the accounting principles adopted by the Company.

NAV (Cum Income) Return – The theoretical total return on shareholders' funds per share reflecting the change in NAV assuming that dividends paid to shareholders were reinvested at NAV at the time dividend was announced.

NAV per Share (Cum Income) – The NAV (Cum Income) divided by the number of shares in issue.

Net Returns – Represents the return on shareholder's funds per share on investments of the Company after operating and other expenses of the Company.

Premium/(Discount) to NAV (Cum Income) – The amount by which the share price of the Company is either higher (at a premium) or lower (at a discount) than the NAV per Share (Cum Income), expressed as a percentage of the NAV per share.

Revenue Return – Represents the difference between the NAV (Cum Income) Return and the NAV (Ex Income) Return as defined above.

Share Price – Closing share price at month end (excluding dividends reinvested).

Total Shareholder Return – Calculated as the change in the traded share price from 31 December 2021 to 30 June 2022 plus the dividends declared during the first six months of 2022 divided by the traded share price as at 31 December 2021.

CONTACT DETAILS OF THE ADVISORS

Directors	Graeme Proudfoot (Chairman) Oliver Grundy Mark Katzenellenbogen Elizabeth Passey Clive Peggram *all of the registered office below*
Registered Office	6th Floor 65 Gresham Street London EC2V 7NQ United Kingdom
Company Number	9385218
Website Address	https://vpcspecialtylending.com
Corporate Brokers	Jefferies International Limited 100 Bishpsgate London EC2N 4JL United Kingdom Winterflood Securities Limited Cannon Bridge House 25 Dowgate Hill London EC4R 2GA United Kingdom
Investment Manager and AIFM	Victory Park Capital Advisors, LLC 150 North Riverside Plaza Suite 5200 Chicago IL 60606 United States
Company Secretary	Link Company Matters Limited Beaufort House 51 New North Road Exeter, Devon EX4 4EP United Kingdom
Administrator	Citco Fund Administration (Cayman Islands) Limited Harborside Plaza 10 3 Second Street, 6th Floor Jersey City, NJ 07311 United States

VPC Specialty Lending Investments PLC

SHAREHOLDER INFORMATION continued

FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2022

Registrar	Link Group Central Square 29 Wellington Street Leeds LS1 4DL United Kingdom
Custodians	Merrill Lynch, Pierce, Fenner & Smith Incorporated 101 California Street San Francisco CA 94111 United States Millennium Trust Company 2001 Spring Road Oak Brook IL 60723 United States
Legal Adviser	Stephenson Harwood LLP 1 Finsbury Circus London EC2M 7SH United Kingdom
Independent Auditors	PricewaterhouseCoopers LLP 7 More London Riverside London SE1 2RT United Kingdom