Onward Opportunities Limited

(ONWD LN)

Interim Report and Unaudited Condensed Interim Financial Statements

For the period ended 30 June 2024

Contents

Highlights

Highlights in the reporting period to 30 June 2024 include:

Company Update

- 30 June 2024 net asset value ("NAV") per share of 116.32 pence, equating to a total return of +9.2% over the six-month period from 31 December 2023, creating another encouraging period of NAV outperformance.

- 12-month NAV return to 30 June 2024 of +20.6%:

  - Outperformed the UK AIM All Share index Total Return by +17.5% (UK AIM All Share: +3.1%);

  - Top quartile performance amongst peers in the sector over 12-months with Onward Opportunities ranked 4th/26 peers in the AIC UK Smaller Companies sector; and

  - Delivering the Company's stated target returns of >15% IRR during the period.

- In June 2024, the Company was pleased to have been awarded the 'IPO of the Year' award at the Small Cap Awards.

- The Company initiated two additional capital raises during the period, totaling £4.7m, increasing Onward Opportunities' capital base by 25% and welcoming a number of new shareholders to the Company's share register.

Portfolio Update

- Significant contributions from both core positions and nursery holdings; the top five contributors to unrealised return in the period were MPAC Group, Vianet Group, Team 17, Northcoders, and Transense Technologies.

- The Manager has identified further upside opportunities within the existing portfolio and has an attractive pipeline of additional prospective investments.

- The Portfolio has captured an income stream, that at current dividend levels, is expected to offset the majority of the total expense ratio of the Company in the forthcoming year.

Post period end Highlights (1 July 2024 – 30 August 2024)

- 30 August 2024 net asset value ("NAV") per share of 122.51 pence, generating an additional 5.3% total return over the two-month window post period end from 30 June 2024, with strong contributions from core holdings Transense Technologies and Windward.

- 12-month NAV return to 30 August 2024 of +23.6%, materially outperforming UK AIM All-Share, the majority of the peer group and our target returns of >15% per annum.

- As at 30 August 2024, total NAV return since inception of +28.0%, outperforming the UK AIM All-Share by 29.4% which fell 1.4% over the same period.

Chair's Statement

Onwards Opportunities Limited ("ONWD" or "the Company") was admitted to trading on the AIM market of the London Stock Exchange plc on 30 March 2023. As at 30 August 2024 (the latest practicable date prior to the publication of this report) the net asset value ("NAV")[1] per share was 122.51p representing a NAV performance of +28.0% since inception.

Portfolio development

As at 30 August 2024, the Company was 90% invested into equities, and the NAV was up by a further 5.3% since 30 June 2024, compared to the AIM market performance of +1.3% on a total return basis over the same period. Capital raised by the Company from new investors in July was swiftly deployed into a number of pre identified opportunities, which ensured those funds were put to work quickly. The speed of deployment of these additional funds was testament to an investment process which is now well established and is serving the Company admirably. The nature of the AIM market, and its relative illiquidity, is such that it can take a while for "the market" to recognise value that the Portfolio Manager has identified. Market inefficiency in this context is one of the attractions of the investment strategy, and as a Board we are willing to be patient and to accept that value will often accrete over time. This notwithstanding, it has been very pleasing to see a number of the positions identified by the Portfolio Manager and now within the Company's portfolio revalue quite quickly and thereby contribute to the strong NAV growth. The Portfolio Manager in this context draws particular reference to MPAC Group and Transense Technologies in its report below.

An important element of the portfolio management process is the distinction between core positions, and what we describe as "nursery positions". The latter get their name from the fact that, as due diligence is being undertaken and refined on a prospective core position, an initial stake can be taken in the name and built out over time. This is very deliberate and part of a trading strategy that is tailored to the nature of the market in which the Company operates, and typically nursery positions will account for up to 25% of the portfolio. The nursery does also get used to take advantage of other identified opportunities however. These might include positions that will never qualify as a core holding (perhaps due to unavailability of stock) or event driven opportunities that are shorter term in nature. Nursery positions of this sort have been a notable source of NAV accretion during the first half of the year, and the Portfolio Manager refers to Northcoders and Vianet Group in its report. Typically shorter holding periods within the "nursery" also represent an important source of ongoing portfolio liquidity, allowing the Portfolio Manager to trade in and out of positions without the necessity of having to sell core positions. The nursery is therefore an important and valuable component of the overall investment strategy.

Whilst ONWD is a relatively new fund with a short trading and performance history, it is very pleasing to be able to report that the Company sits in the top quartile of its peer group as measured by NAV performance over the past 12 months. There are a number of elements to the investment strategy that make it distinctive and it is pleasing to observe those differences translating into relative outperformance.

Market environment

ONWD was launched at a point in the economic cycle when the Board identified more upside opportunity for small cap stocks than downside valuation risk. The results of recent elections in France and the UK surely portend change in both countries, and the possible prospect of a second Trump Presidency in the US makes the risk of a trade war with China, via the imposition of tariffs, more possible.

It is a truism that financial markets can find it difficult to price in (geo)political risk, but equity markets in the US and UK have remained essentially buoyant. Of interest is the growing divergence between forward looking earnings growth expectations for larger and smaller companies and associated valuation multiples (indicating lower valuations for the smaller company sector).

[1] The Net Asset Value (NAV) is the amount of total assets less total liabilities, i.e., the difference between what the Company owns and what it owes, per share.

Chair's Statement (continued)

Market environment (continued)

The optimist will hope this divergence is a lead indicator of a catalysing "catch up" for smaller company valuations and will be a source of greater asset weightings towards smaller UK company stocks. Whether or not this proves to be the case, the important point to observe over the 18 month trading period since inception of ONWD is the strong, positive NAV growth within the portfolio – and this notwithstanding the vagaries of macro events. It remains the view of the Board that there is more upside opportunity in smaller company valuations than downside risk, and any market rerating which does take place will represent a fillip.

Corporate actions

The small size of the Company in absolute terms remains a key area of focus for the Board. Performance to date vindicates the investment thesis upon which the Company was founded, and the effectiveness of the investment processes being followed by the Portfolio Manager. Those features should continue to make the Company worthy of growth via the attraction of new money.

Since its IPO, ONWD has successfully closed three further rounds of capital raising. A combination of good performance, a falling TER and an increase in absolute size will allow the Company to be marketed to a wider range of prospective institutional investors, many of whom are presently excluded from buying shares due to a combination of technical thresholds including minimum ticket sizes and maximum ownership stake. Marketing the Company to new investors, with the support of the Portfolio Manager and our appointed Brokers, will be a priority action over the course of the next 12 months.

In summary, the Board is pleased with performance over the first half of the current year but is very cogniscent of the need to continue to grow the size of the Company. I look forward to updating you further in that regard when I write again to report on the full year ending 31 December 2024.

Andrew Henton
Chair
5 September 2024

Portfolio Manager's Report

The Portfolio Manager is pleased to present its report in respect of Onward Opportunities Limited's (the "Company" or "ONWD") interim financial statements for the six months ended 30 June 2024. During the period the Company built on the success of the 2023 AIM IPO with a further two fundraises this calendar year, making for four fundraises, including the IPO, since the Company was established last year. In July 2024 we crossed the £25m net asset value threshold for the first time and growth remains a key KPI for the team to increase ONWD's firepower for capitalising on the attractive market opportunity ahead of us.

There were two key areas of highlight in the period:

1. Firstly, the ongoing NAV performance with a rolling 12-months +23.6% return to the end of August, which compares very favourably amongst peers and ahead of both our target returns and the indices. This performance and the various fundraises were delivered against a backdrop of political, economic and market uncertainty and augur well for when animal spirits and a more benign operating environment eventually return, but demonstrate we are not reliant on such conditions either.
2. Secondly, the award of IPO of the Year at the Small Cap Awards; an unusual accolade for an investment company but gladly received nonetheless in recognition of the hard work of Dowgate colleagues and our advisors including Cavendish, and of course the support and conviction of our investors. Subsequently we have also been nominated for the 'best use of AIM' and 'best newcomer' awards at the 2024 AIM awards, which will be held later in the year.

An eclectic portfolio of opportunities has been built by the team and this process is described further below. The investment portfolio has been designed to take us through to 2025 and beyond. Resultantly the third quarter of FY24 started encouragingly for our shareholders, the NAV has grown a further 5.3% to 122.5p/share in the two-months to the end of August.

Market Commentary

Following the UK economy over the last couple of years to June has been like following the England football team's journey to the knockout stages of Euro '24. Having played a safety-first, sluggish game since 2022, outperforming sceptical expert expectations, the UK economy remains in the game and can still reach the top. Although such an unexpected outcome would require more recently successful competitors to fall by the wayside, it is said that defence wins tournaments.

It is halftime in the year of elections, and the UK's position is not deteriorating. Since the painful days under previous management, the UK's defensive style has been uninspiring but effective. The UK's new management might only involve a change of strip and a new team talk, while the rest of the world has started looking increasingly uncertain and rudderless. It is all still to play for. UK Macroeconomic data has rallied up the league tables and in some areas now leads the G7 economies.

Looking ahead to the 'second half', the world economy has continued to grow, led by a fiscally supercharged US that has overcome sluggishness in China, the Eurozone, and the UK, but its growth rate is now clearly slowing. The UK's position appears better when looking at economic momentum or the rate of change in GDP growth. The UK's Q1 measure was revised up (again) to 0.7%, compared with 0.3% in the Eurozone and 1.3% in the US. US GDP growth has slowed rapidly from 4.9% to 3.6% in Q3 and Q4 last year. Even China only managed 1.6% in Q1 despite massive stimulus packages designed to lessen the impact of a troubled real estate sector. The UK could yet outperform a slowing world economy.

Inflation continues to fall everywhere, and although there are warning signs of a second wave, it is when and not if targets are hit. The UK was the first to achieve the 2% target in this cycle. However, the UK and the Eurozone have suffered larger aggregate inflation than the US, primarily reflecting differing energy policies. Energy prices remain critical.

Portfolio Manager's Report (continued)

Market Commentary (continued)

The global rate-cutting cycle arrived later than the Federal Reserve led markets to hope a year ago. It is now underway, with Canada and the ECB in the vanguard. The UK joined the party in August and the Fed will now surely also cut in September, to the delight of the Democratic party following the replacement of Joe Biden as Presidential candidate by Kamala Harris.

Along the curve, 10-year bond yields rose in all major markets, with recent idiosyncratic spikes in Japan and France causing concerns in the Euro and Yen markets but, so far, with limited broader impacts. Meanwhile, the UK's Truss Sterling/Gilt blow-up two years ago is fading from view. The UK's net debt to GDP ratio is well positioned among G7 countries all facing the same basic fiscal problem. However, as Simon French of Panmure Liberum points out, with 25% of its debt issued as index-linkers, the incoming UK government has more room to manoeuvre than most others.

The Pound (GBP) has been the most stable major currency relative to a strengthening US dollar (USD) YTD to June. With a very weak Yen cancelling out dollar-based Japanese stock market gains, the UK looks well placed as the lowest-value risk-adjusted developed-world stock market.

Despite still trailing behind the US market, UK indices all posted mid- to high-single-digit gains. The AIM All Share index, the 700-strong index of small and mid-cap companies on London's junior market where Onward identifies the majority of its investment opportunities, was broadly flat over H1, having been +6% by the end of May. This index has now flatlined for the last 12 months, falling a cumulative 35% over the two years up to June last year. It is hardly a bull market, but a base has been formed upon which progress can be made.

Allenby Capital's analysis for the year to the end of May shows that while the number of AIM companies continues to decline, nearly half of those leaving were acquired at an average bid premium of 48% to the prior close. Meanwhile, AIM liquidity has continued to improve, with May seeing the highest percentage of market value traded since June 2021. The number of new company joiners and the amount of capital raised are moving up, too, albeit from very subdued levels.

Bids and share buybacks have offset net investor outflows, resulting in a flatlining market. However, anecdotal evidence suggests UK retail outflows from UK smaller company funds have slowed, or even turned to a trickle, while new mandates from global family offices and overseas investors are appearing for the first time in years. Whisper it, but there are even inflows occurring at select UK investment managers and mainstream commentators are starting to observe the improving attractiveness of UK assets. 'Plague Island' no more.

Unlike the England football team, the UK economy and its stock market are not in knockout competitions. But they have been seeded below their long-term potential for too long. The UK's continued steady performances deserve reappraisal among the seasoned and sceptical match-day commentators, suggesting a multiyear opportunity for the UK to outperform an insecure and chaotic world.

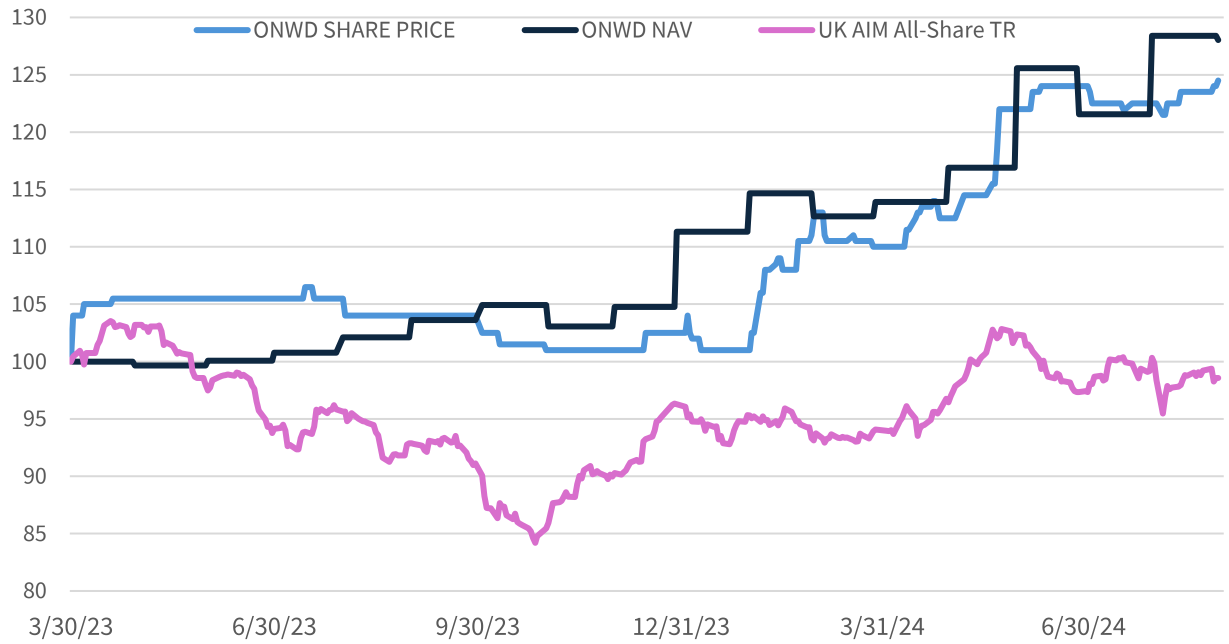
It is all still to play for. A flurry of warning signs about the health of the US economy recently has rattled financial markets. The final straw was unemployment data, which triggered the Sahm Rule in August, the most significant macro policy indicator no one had previously heard of. Amidst all this over the last few weeks, the Pound and the UK stock market have remained relatively stable. It would be naive to think the UK will remain immune from financial market contagion; however, it is demonstrating its safe-haven credentials for now. Both UK 'Smaller Cap' and 'Value' strategies had some of their vintage years in the fall out of dot-com tech bubble unwinding, delivering stellar absolute and relative returns 2001-2007. This time round a similar situation may be overlayed with the UK being one of the most under-owned areas of equity allocation yet currently delivering the strongest macroeconomic data of the G7.

Portfolio Manager's Report (continued)

Performance Summary

Within this fickle market backdrop, the portfolio has performed admirably (+28.0% since inception to 30 August 2024), as it is designed to do being a value orientated, catalyst driven set of investments. The NAV chart and table below highlight the performance over a number of time frames since launch and it is pleasing to have demonstrated NAV growth in both falling and rising markets, contributing to a significant outperformance of the UK AIM All-Share of 29.4% since inception, and positioning ONWD in the top quartile amongst its peers according to the AIC UK Smaller Companies sector.

Data presented as at 30 August 2024 (the last practicable date before publication)



As at 30/08/2024	Inception	1yr	6 months	3 months	1 month
ONWD	24.5%	19.7%	10.7%	2.0%	1.6%
ONWD NAV	28.0%	23.6%	13.6%	2.0%	-0.3%
UK AIM All-Share TR	-1.4%	6.1%	5.8%	-3.7%	-1.7%

The top five contributors to return in the period were MPAC Group, Vianet Group, Windward AI, Northcoders, and Transense Technologies.

Portfolio Manager's Report (continued)

Performance Summary (continued)

Top 10 Holdings as at 30 August 2024 (the last practicable date)

Holding Name	% of Portfolio	Book Cost	Valuation Value	Valuation Unrealised Gain/Loss	% Unrealised Gain/Loss	Unrealised IRR
Windward Plc	10.2%	£1,548,353	£2,506,597	£958,244	61.9%	151.0%
Transense Technologies Plc	6.9%	£1,061,375	£1,707,603	£646,228	60.9%	65.8%
Angling Direct Plc	6.7%	£1,371,547	£1,641,113	£269,565	19.7%	20.0%
Springfield Properties Plc	6.5%	£1,136,253	£1,563,450	£427,196	37.6%	56.7%
MPAC Group Plc	6.1%	£698,382	£1,512,576	£1,195,780	171.2%	196.7%*
The Mission Group Plc	5.9%	£1,166,606	£1,449,315	£282,708	24.2%	359.7%*
React Group Plc	5.8%	£1,306,705	£1,424,549	£117,843	9.0%	9.7%
EKF Diagnostics Holdings Plc	4.7%	£1,107,980	£1,159,226	£51,245	4.6%	11.1%
Alumasc Group Plc	4.4%	£1,041,443	£1,090,250	£48,806	4.7%	36.4%*
Vianet Group Plc	3.8%	£631,637	£934,375	£302,737	47.9%	96.7%
Cash	9.7%	£2,666,960	£2,666,960	N/A	N/A	N/A

**holding period of less than 12-months*

Portfolio Commentary

A summary of the core investments in the top 10 as at the last practicable date before publication is provided in detail below. We have an active and engaged approach to investee companies, and shareholders can expect us to be working hard to support profitable outcomes on our investments and some of these workstreams are shared below.

MPAC Group plc (MPAC LN) – Date of first investment September 2023

MPAC Group plc ("MPAC") is a designer and assembler of automated robotic packaging lines with a strong foothold in defensive sectors, and a first-mover advantage in electric vehicle battery casing, due to its historic specialism in 'side-loading'. After a difficult 18-months that was worsened by global supply chain disruption, it is now a business with a clear plan for earnings growth that we have been able to purchase on an EV/EBITDA of 2.5x. New CEO Adam Holland (referenced extensively at JCB & Rolls Royce), has identified levers to recover margins to 10%+, and grow earnings with an expanding sales team and abating supply chain headwinds from 2022/3. This first stage, we believe, can more than double the value of the company and we are pleased to report a very early +125%+ gain on our investment; a great example of our screening process identifying emerging change in a company. There is a longer-term opportunity in battery casing that if delivered could add significantly to returns beyond our base case. We are actively engaging with the company on a number of key initiatives including a pension 'buy-out' as it is now in surplus, incentive arrangements for the new senior leadership team, board composition, M&A strategies and investor communications. We were delighted to see the company follow up early strategic initiatives with a very strong set of FY23 results in March.

Portfolio Manager’s Report (continued)

Portfolio Commentary (continued)

Angling Direct plc (ANG LN) – Date of first investment May 2023

Angling Direct is the UK’s leading retailer of fishing equipment and tackle. This position gives us an opportunity to provide investors with some early insights to our investment strategy in action. We believe we have captured dual optionality on the upside on our investment into Angling Direct, which creates an attractive asymmetric risk profile for shareholders’ capital, invested between 24 and 30 pence per share. This position represents either a growth or value investment, depending on various strategic decisions that are taken in the coming months. The business has a dominant market position in the UK, where it is profitable and cash generative from a repeat customer base of anglers. These metrics are expected to improve under new management, and to benefit from both a UK consumer recovery and growth from additional store rollout. More recently, the business has been attempting to enter the much larger European market to provide additional earnings growth.

Success has been limited so far, with annual losses that are material in the context of overall group profits, whereas the UK business generates a profit that is approximately double the current group number (which factors in European losses). Our returns thesis is that either the European strategy starts to bear fruit in the near-term and contributes profitable growth to the group, or it can be reviewed to remove the opportunity cost to management and losses from group profits. Either outcome would be shareholder value creative to our investment and we would be happy for our initial scepticism about the European opportunity to be proved wrong during the remainder of the calendar year. Our analysis suggests either of these outcomes would c.50% to Angling Direct’s current profits. The recent trading update reiterated the strength of the UK division and demonstrated again that Europe is proving a drag to profits and management resource.

Fishing is a sport of probability maximisation, and in that sense shares many similarities with investment management. Anglers buy tackle to maximise their chances of catching fish predictably and ONWD shareholders can expect a similar mindset in our strategic discussions with the company in order to maximise shareholder returns. Our entry valuation on Angling Direct was at c.£20m, a market capitalisation more-than underpinned by balance sheet assets - c.£14m net cash and c.£16m of inventory. We have in this context noted with interest, the consolidation of angling retailers in the USA and Nordic countries in recent years at multiples significantly higher than that which ANG trades on.

EKF Diagnostics Holding plc (EKF LN) - Date of first investment May 2023

EKF shares had languished due to downgraded earnings, a misjudged acquisition (now disposed of), and delays in completing a new enzyme production facility. The departure of the previous CEO and CFO further exacerbated uncertainties. Our recovery thesis is that Julian Baines can remedy these matters, being the company’s highly experienced former CEO who has stepped back into an Executive Chairman role and it was his confirmed return that triggered our due diligence and investment into the company. Primarily, we believe the company can now deliver significant earnings recovery as the new enzyme fermenters come online, driving a re-rating in the company’s shares and earnings uplift from 60-70% gross margin sales. The site recently won its first order. We also believe the company is a covetable asset given the attractive business model of the Point of Care business (razor/razor blade) along with the high margins and repeatable revenues. EKF now has a very strong board, which affords us the benefit of being able to quietly support tried and tested shareholders and board members to recover value for all.

Portfolio Commentary (continued)

React Group plc (REAT LN) - Date of first investment May 2023

With React we believe we have captured a defensive growth opportunity at a value price, and invested c.6% NAV into the company. It is a business the team have been researching since September 2022 (pre-launch) and was an early pipeline priority. Through a mix of specialist cleaning services for UK corporates, the business has a highly attractive earnings profile. The business has three core divisions:

1. React – the heritage of the group, reactive specialist cleaning often needed for emergencies or callouts requiring specialist cleaning techniques; high margin but less predictable.
2. LaddersFree – large glass pane and cladding cleaning for UK corporates, executed through a capital-light membership model.
3. Fidelis – contract cleaning focused on public services. The business operates over 80% of its sales on contracted terms of one to five years and has been organically growing at 17%+ per annum for the past four years under a new management team. Sales are highly cash generative and yield a high contribution margin, whilst CAPEX, depreciation and amortisation are all insignificant.

Crucially now, as a result of a mix of organic and acquisitive growth and the upcoming cessation of deferred consideration payments, the business is beginning to generate strong profits and free cash flow growth from contribution margin as it exploits inherent operational gearing. If one were to look away for a moment - not knowing the company cleans large glass facades, rolling stock, and prisons – its characteristics mean it could easily be mistaken for a small, successful software company. Yet we have been able to acquire shares in React on forward P/E multiples of 6.5x - 8.5x.

Springfield Properties plc (SPR LN) - Date of first investment July 2023

Springfield Properties is one of Scotland's largest housebuilders and crucially owns the largest land bank with planning approval in the country. Over the past 24-months the Scottish government has helpfully (for ONWD at least!) self-inflicted a number of headwinds to the housebuilding market to complement the well-documented impact of rising interest rates and consumer pressures on the sector. These include rent-controls, unrealistic terms of business for social housing construction contracts and wider political uncertainty. These challenges resulted in Springfield properties having to materially cut earnings guidance, which in turn left its balance sheet looking stretched. The shares followed and the company traded at a nearly 50% discount to NAV (of which the main asset is the previously mentioned land bank). Whilst these all created fascinating reasons to create a potential entry point, it is of course a recovery that we as capital allocators are interested in. We have invested with a line of sight on a number of catalysts for value recovery.

Firstly, the regulatory environment is improving; the Scottish government are ending rent controls which should see the build to rent market improve for Springfield and social housing contract terms have been adjusted to reflect inflationary pressures. Springfield is seeing and winning work in both these areas again. The near-term likelihood of Scottish independence has also reduced materially which again provides more certainty for business and investors. Most crucially however are the self-help initiatives that we are proactively supporting. The company has removed £4m from the central cost base – which is material in the context of a historic EBITDA of around £20m. Secondly, and really to the core of our thesis, is the disposal of land parcels which transfer enterprise value to equity value in the form of monetising a portion of the balance sheet assets to pay down debt ahead of forecasts. The company has already announced a number of profitable disposals and we expect these efforts to continue to progress for the rest of the calendar year.

Portfolio Commentary (continued)

Springfield Properties plc (SPR LN) - Date of first investment July 2023 (continued)

As these de-risking catalysts complete it is not unreasonable to expect Springfield to re-rate from around 0.6x NAV at the point of investment to nearer 1.2-1.3x where the sector typically trades through the cycle. From this point the investment is likely to become a healthy compounder for the portfolio through the next housebuilding cycle, where Scottish properties are much more appealingly priced relative to average earnings than most parts of the UK.

Windward Limited (WNWD LN) - Date of first investment August 2023

Windward is perhaps the most exciting business model in the portfolio and has the potential to be one of the most value-creative investment theses too. The business harnesses marine traffic data to provide analytical insights to a growing list of household names and global operators in two key maritime markets; supply chain logistics and regulatory/legal compliance. Both these segments and the wider maritime industry are going through massive upheaval and we believe Windward is extremely well placed to capitalise on this. Windward delivers these insights through an attractive subscription model via its Maritime AI TM platform. Customers include; Interpol, the US military, Glencore, BP, Maersk, BMW and Transworld. The compelling investment case has been demonstrated in the recent FY23 and HY24 results which I would encourage shareholders to read; they are some of the best trading figures I have read on AIM in some time.

This model and market backdrop is allowing the business to produce some very compelling operational metrics in the context of our sub 1.5x EV/Sales entry point. The business is growing at 35% per annum and this is a 99% contracted revenue base it is building, or adding to each year. The gross margins associated with this are 80% and can likely accrete further above 80% and most crucially we expect the business to reach profitability this year, leaving its c.$15m of cash surplus to requirements and providing optionality. The business' list of blue-chip customers is rapidly growing, almost doubling to 200 in the past 12-months as Windward's offering becomes ever more topical for customers making high value maritime decisions. We believe this growth can continue and double turnover over the next five years or more and if this level of execution were to be achieved the business would trade in line with similar businesses around 5x sales. This has the potential to provide extremely attractive investment returns on our 1x current sales investment point. The investment performed very strongly over the summer as other market investors began to recognise what our work spotted back last year.

Transense Technologies plc (TRT LN) - Date of first investment June 2023

Transense Technologies is a very different business, but we believe is another example of a small UK company quietly working up great prospects for growth. It is fair to say the business has had a checkered history of 'jam tomorrow' as a listed business, with a series of false dawns leading to cash consumption, funding requirements and shareholder value destruction. However, our screens and subsequent due diligence uncovered that over the past few years, prospects and crucially profits have tangibly changed, and this success is partly obscured by perceptions from the past. The business has three core market leading technologies at various stages of execution and a valuation of £13m at the point of investment. In 2019 the first of these, iTrack, became profitable through a 10-year royalty deal with Bridgestone, that is 100% profit margin, and we believe will peak at around £3m per annum versus £2m currently.

The future cashflows of this deal underpin the current value of the business. This deal, led by the now Executive Chairman Nigel Rogers, has been crucial, as it has provided the group with visible long-term profits that have allowed tangible development of the group's other two exciting technologies – Translogik and Surface Acoustic Wave ("SAW") sensors. Translogik provides tyre wear monitoring equipment to fleet managers and revenues have more than doubled since 2020 when the new team started to deploy time and effort into the opportunity using iTrack profits.

Portfolio Manager's Report (continued)

Portfolio Commentary (continued)

Transense Technologies plc (TRT LN) - Date of first investment June 2023 (continued)

The technology generates a gross margin in excess of 50% for the group and we expect that under the recently appointed Director of Business Development, Ryan Maughan, revenues can at least double again in the next few years, if not more. Lastly, the patent protected SAW technology, which is the least progressed, but with the largest potential for earnings contribution, has started to make headway in some of the highest barriers to entry markets; US defence and high performance motorsport. SAW is garnering industry and investor interest because of its ability to provide more specific and consistent torque readings in high-intensity and adverse operating environments. The team are targeting opportunities in the industrial, electric drivetrain and aerospace sectors and we are monitoring progress closely following early successes with McLaren and GE aviation. We were delighted to see Stephen Parker join the board in May given his experience in scaling applied technologies, such as YASA, which was acquired by Mercedes, where he now sits on a subsidiary board.

As an applied technology company, revenues generate an extremely high gross margin, north of 85% and sales have been accelerating. We have been delighted to see a number of new hires and recent directors buying alongside those developments. We were excited to see the business recently win work with Airbus as the pipeline continues to accelerate for the group, supplemented with further share purchases by management. The company released a bullish trading update in July which if read carefully implies that some of tomorrow's jam is about to be spread by the new management team.

The Mission Group (TMG LN) - Date of first investment July 2024

The Mission Group is a classic special situation which we have been able to obtain for the portfolio; a business now trading at a material discount to its sum of the parts valuation and a deep discount to historic and sector multiples. TMG is a UK focused advertising agency, which for the past 8 years has been something of a disadvantage but is now increasingly looking like a great geography in which to be 'overweight'. The business had still been growing against this backdrop until 2022/23, when a sector slowdown caught the business overgeared, especially its property and technology sector facing agencies. The high levels of operational gearing in these businesses and their cyclical nature led to a material earnings downgrade and resultant short-term impact on the share price, which our long-term valuation approach has been able to take advantage of.

One of the founders, David Morgan MBE, has returned as Chair to help deliver cost take-outs and a disposal strategy to recover value for shareholders, of which he is one with a 5% equity stake. The Board now has a publicly stated strategy of disposals to reduce debt and our analysis of the goodwill on the balance sheet suggests that three of the 15+ agencies in the group are worth significantly more than the current c£40m EV. We look forward to progress in this area, which ought to drive both a transfer of EV to equity value if executed correctly, but also an improvement of the earnings multiple on which the business is valued. We also estimate any earnings lost from disposals can be almost fully recovered to profits in the form of a materially reduced interest line as debt is paid down. The value we have spotted has not gone unnoticed - the business has received two approaches from a peer at 29p and 35p/share; a 45% and 75% premia respectively to our 20p entry price.

Vianet Group plc (VNET LN) - Date of first investment January 2024

Vianet is a recovery and growth situation into which we have invested at a material discount (5x EBITDA) to listed peers and transaction values for high recurring revenue businesses that are returning to growth. The investment case is focused upon scaling its proprietary platforms in two key operating segments; smart vending ('Smart Machines') and hospitality ('Smart Zones').

In Smart Zones, the recent launch of SmartDraught as well as the BMI acquisition have expand the UK addressable market by c.4x, and accelerated US expansion plans respectively. In Smart Machines, the evolution of SmartVend should further differentiate the platform, and enable expansion into a possible 15m machines worldwide.

Portfolio Commentary (continued)

Vianet Group plc (VNET LN) - Date of first investment January 2024 (continued)

Proven hardware with longstanding customers creates very low churn levels, and 3 to 5-year contracts deliver over 80% of recurring revenue for Vianet.

In the medium term, we expect the scaling of SaaS solutions will drive gross margin to over 70%, create strategically valuable data, and deliver platform economies of scale. Delivering these levels of operating metrics left the team concluding 5x EBITDA was a mis-pricing opportunity and if the anomaly persists, Vianet's embedded large market share will prove hard to resist for consolidators higher up the value-chain. The team have performed pleasingly since, and the number of growth opportunities are what stood out most at the last update.

Alumasc Group (ALU LN) - Date of first investment September 2023

Alumasc is a building products group made up of three divisions; Water Management, Building Envelope, and Housebuilding Products (Timloc). The business has been on a multi-year divestment strategy that has seen it shed a number of lower quality operating segments, in the process materially improving the earnings quality of the group. What remains includes some of the best known and trusted brands in the water and drainage markets in the UK, if not globally, and a housebuilding products division that is so well run it is able to grow in a falling market and steal market share whilst delivering a sector leading 25% EBIT margin. These qualities are what have allowed Alumasc to deliver sector leading margins for over two years, yet the shares trade on a low single digit multiple compared to peers such as Genuit which trade at well over 10x. To complement these healthy margins the group has managed to grow materially faster than end markets too. This has been achieved ahead of an expected recovery in construction activity driven by Government policy and falling interest rates, according to a number of sector analysts, with the business paying a handsome dividend yield while investors wait for such opportunities to play out.

Outlook

In its' first 18 months, the Company has made a pleasing start on its three core KPI's:

1. Demonstrated an ability to raise capital repeatedly regardless of market conditions,
2. Deploy that capital using a high-touch investment style, and
3. Invest profitably delivering strong absolute and relative returns for shareholders.

The team is now focused on consistently meeting these targets on an ongoing basis. Whilst markets have remained challenging, we have demonstrated that we can perform under such circumstances and the team has channelled its energy into continuing to identify pockets of value amongst them.

We look forward to updating shareholders again at the full year and via our quarterly factsheets. I thank you for your support and investment over the past 18-months.

Ever Onwards,

Laurence Hulse
Lead Portfolio Manager
5 September 2024

Board Members

The Board is responsible for the determination of the Company's investment objective and investing policy and has overall responsibility for the Company's activities including the review of investment activity and performance and the control and supervision of the AIFM, the Portfolio Manager and the other service providers.

The Directors meet at least four times a year, and at such other times as may be required. The Directors (including the Chair) are all independent non-executive directors. Given the size of the Board it has not been considered necessary to appoint a senior independent director at this stage in the Company's lifecycle.

The Board has been assembled to ensure that the Company has the appropriate breadth of skills and experience in order to ensure that it can be governed effectively and comprises the following persons:

The Directors of the Company who served during the period are:

- Andrew Henton (Independent Non-Executive Chair)
- Susan Norman (Independent Non-Executive Director)
- Henry Freeman (Independent Non-Executive Director, Chair of Management Engagement Committee)
- Luke Allen (Independent Non-Executive Director, Chair of Audit and Risk Committee)

All Directors also served during the period ended 31 December 2023, and their brief biographies are available in the annual report as at that date.

Investment Committee

The Investment Committee of the Company who served during the period are:

- Laurence Hulse (Investment Director and Founder)
- Tom Teichman (Investment Committee Chair)
- David Poutney (Investment Committee Member)
- Jeremy McKeown (Investment Committee Member)
- Jay Patel (Investment Committee Member)

All Committee members also served during the period ended 31 December 2023, and their brief biographies are available in the annual report as at that date.

Principal Risks and Uncertainties

The Directors have reconsidered the principal risks and uncertainties affecting the Company. The Directors consider that the principal risks and uncertainties have not significantly changed since the publication of the Audited Financial Statements for the period ended 31 December 2023. The risks and associated risk management processes, including financial risks, can be found in the Audited Financial Statements for the financial period ending 31 December 2023, https://onwardopportunities.co.uk/document-centre/.

The risks referred to and which could have a material impact on the Company's performance for the remainder of the current financial period relate to:

- Market risk
- Credit risk
- Liquidity risk
- Company failure
- Portfolio concentration risk
- Key person risk
- Share price risk
- Conflicts of interest

Emerging Risks

Emerging risks, along with all other risks the directors have identified the Company as being exposed to, are monitored via the Company's Business Risk Assessment. During the period, as part of their regular review and assessment of risk, the Directors have continued to consider the impact of the emerging risks of climate change, the use of artificial intelligence, the impact of rising tariffs on EU economies, and the potentially changing fiscal environment in the UK on the Company's business model and viability, but do not consider these to be material risks at this time.

With respect to climate change risk in particular, the Directors consider that the pricing of the underlying portfolio of the Company's investments reflects market participants' views of climate change risk and that there are no further climate related influences on the NAV of the Company at this point in time.

ESG and Climate Change Risks and Considerations

The momentum of ESG adoption in the asset management industry continued in 2024, as incoming regulations pushed asset owners to increase their demand for transparency. As ESG processes are further embedded within the wider investment sector the hope is that improving environmental outcomes will be realised as compliant companies find it easier to access capital via the public markets and to grow relative to their less or non-compliant peers.

Climate change risk has been considered within the Emerging Risks section above.

Going Concern

The Directors have adopted the going concern basis in preparing the Unaudited Condensed Interim Financial Statements.

In assessing the going concern basis of accounting, the Directors have assessed the guidance issued by the Financial Reporting Council and considered the Company's own financial position, recent market volatility, the on-going impact of the Russian war on Ukraine and the conflict in the Middle East, potential increases in tariffs, inflation, interest rates and other uncertainties impacting on the financial position and liquidity requirements of the Company's investments.

At period end the Company had a net asset position of £20,423,000 including cash of £443,000 and listed investments amounting to £20,201,000.

The Company generates liquidity by raising capital and exiting investments. It uses liquidity by making new and follow-on investments and paying company expenses. The Directors ensure it has adequate liquidity by regularly reviewing its financial position and forward-looking liquidity requirements. In assessing its going concern status, the Directors have considered the level of operating expenses relative to net assets, such expenses approximating to 3.1% of net assets as at 30 June 2024. Subsequent to the period end the £3.1m raise that the Company completed on 3 July 2024 has further improved the total expense ratio, reducing it to below 3%.

Important events and financial performance

Highlights as at 30 June 2024 are as follows:

Highlights	Ordinary Shares 30 June 2024
Net Asset Value per share[2]	116.3p
Share Price	124.0p
% of capital deployed into AIM listed equities (investments)	99.4%
% of capital deployed into cash and near cash equivalents	2.2%

The table below provides bi-annual performance information:

Date	NAV per share	% change in NAV
30 March 2023	95.70	
30 June 2023	96.42	0.8% increase
31 December 2023	106.50	10.5% increase
30 June 2024	116.32	9.2% increase

The net profit for the period ended 30 June 2024 amounted to £1,720,000. Further details of the Company's performance for the period are included in the Portfolio Manager's Report on pages 4 to 12, which includes a review of investment activity and adherence to investment restrictions.

[2] Net Asset Value expressed as an amount per share.

Interim Management Report (continued)

For the six month period ended 30 June 2024

Premium

As at 30 June 2024, the share price was trading at a premium of 6.60% to the last published NAV per share.

Related party transactions

Details of related party transactions are given in note 15 to the Unaudited Condensed Interim Financial Statements.

Director
5 September 2024

Unaudited Condensed Statement of Comprehensive Income

For the six month period ended 30 June 2024

		Period from 1 January 2024 to 30 June 2024 (unaudited)			Period from 31 January 2023 to 30 June 2023 (unaudited)		
	Notes	**Revenue £'000**	**Capital £'000**	**Total £'000**	**Revenue £'000**	**Capital £'000**	**Total £'000**
Investments							
Net gains on investments held at fair value through profit or loss	9	–	1,959	1,959	–	252	252
Net investment gains		**–**	**1,959**	**1,959**	**–**	**252**	**252**
Interest income		2	–	2	6	–	6
Dividend income		–	64	64	–	–	–
Total income		**2**	**64**	**66**	**6**	**–**	**6**
Portfolio management and performance fees	5	(144)	–	(144)	(47)	–	(47)
Other expenses	6	(161)	–	(161)	(131)	–	(131)
Total (loss) / gain and comprehensive (loss) / income for the period		**(303)**	**2,023**	**1,720**	**(172)**	**252**	**80**
(Deficit) / earnings per Ordinary Share (pence)	7	**(1.80)**	**12.03**	**10.23**	**(1.35)**	**1.98**	**0.63**

The total column of this statement represents the Unaudited Condensed Statement of Comprehensive Income of the Company prepared under IAS 34.

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

All items in the above statement derive from continuing operations.

The notes on pages 21 to 30 form an integral part of these Unaudited Condensed Interim Financial Statements.

Unaudited Condensed Statement of Financial Position

As at 30 June 2024

	Notes	30 June 2024 £'000 (unaudited)	31 December 2023 £'000 (audited)
Non-current assets			
Investments held at fair value through profit or loss	9	20,201	16,695
Current assets			
Cash and cash equivalents		443	407
Other receivables		66	38
Unsettled trades	10	–	157
		509	602
Total assets		**20,710**	**17,297**
Current liabilities			
Management fee payable	5	(25)	(22)
Performance fee payable	5	–	(28)
Unsettled trades	10	(222)	(132)
Other payables		(40)	(46)
Total liabilities		**(287)**	**(228)**
Net assets		**20,423**	**17,069**
Equity			
Share capital	11	17,170	15,536
Capital reserve		3,979	1,956
Revenue reserve		(726)	(423)
Total equity		**20,423**	**17,069**
Net Asset Value per Ordinary Share: basic and diluted (pence)	12	116.32	106.50
Number of Ordinary Shares in issue	11	17,557,378	16,027,290

Approved by the Board of Directors and authorised for issue on 5 September 2024 and signed on their behalf:

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Director

The notes on pages 21 to 30 form an integral part of these Unaudited Condensed Interim Financial Statements.

Unaudited Condensed Statement of Changes in Equity

For the six month period ended 30 June 2024

	Share capital 2024 £'000	Revenue reserve 2024 £'000	Capital reserve 2024 £'000	Total 2024 £'000
For the period 1 January 2024 to 30 June 2024 (unaudited)				
At 1 January 2024	15,536	(423)	1,956	17,069
Share issue	1,684	–	–	1,684
Share issue costs	(50)	–	–	(50)
Total (loss) / gain and comprehensive (loss) / income for the period	–	(303)	2,023	1,720
At 30 June 2024	**17,170**	**(726)**	**3,979**	**20,423**

	Share capital 2023 £'000	Revenue reserve 2023 £'000	Capital reserve 2023 £'000	Total 2023 £'000
For the period 31 January 2023 to 30 June 2023 (unaudited)				
At 31 January 2023	–	–	–	–
Share issue	12,750	–	–	12,750
Share issue costs	(536)	–	–	(536)
Total (loss) / gain and comprehensive (loss) / income for the period	–	(172)	252	80
At 30 June 2023	**12,214**	**(172)**	**252**	**12,294**

The notes on pages 21 to 30 form an integral part of these Unaudited Condensed Interim Financial Statements.

Unaudited Condensed Statement of Cash Flows

For the six month period ended 30 June 2024

	Notes	Period from 1 January 2024 to 30 June 2024 £'000 (unaudited)	Period from 31 January 2023 to 30 June 2023 £'000 (unaudited)
Cash flows from operating activities			
Other expense payments	13	(300)	(110)
Interest income		2	6
Purchase of UK Government Debt	9	–	(13,908)
Sale of UK Government Debt	9	–	5,248
Purchase of equity instruments	9, 10	(9,344)	(2,200)
Sale of equity instruments	9, 10	8,044	32
Net cash outflow from operating activities		**(1,598)**	**(10,932)**
Cash flows from financing activities			
Issue of Ordinary Shares	11	1,684	12,750
Share issue costs	11	(50)	(536)
Net cash inflow from financing activities		**1,634**	**12,214**
Net increase in cash and cash equivalents		**36**	**1,282**
Cash and cash equivalents at beginning of period		**407**	–
Cash and cash equivalents at end of period		**443**	**1,282**
Cash and cash equivalents comprise of the following:			
Cash at bank		**443**	**1,282**

The notes on pages 21 to 30 form an integral part of these Unaudited Condensed Interim Financial Statements.

1. Reporting Entity

Onward Opportunities Limited (the "Company") is registered in Guernsey and was formed on 31 January 2023, with registered number 71526. The Company's registered office is 1 Royal Plaza, Royal Avenue, St Peter Port, Guernsey, GY1 2HL.

The Company is a Registered Closed-ended Collective Investment Scheme regulated by the Guernsey Financial Services Commission ("GFSC"), with reference number 2804577, pursuant to the Protection of Investors (Bailiwick of Guernsey) Law 2020, as amended and the Registered Collective Investment Scheme Rules and Guidance, 2021.

The Company's 17,557,378 shares in issue under ticker ONWD, SEDOL BMZR151 and ISIN GG00BMZR1514 were admitted to trading on AIM, on 30 June 2024. The Company is also a member of the AIC. The Unaudited Condensed Interim Financial Statements of the Company are presented for the period ended 30 June 2024.

The Company and its Alternative Investment Fund Manager received discretionary portfolio management services directly from Dowgate Wealth Limited ("DWL") during the six month period ended 30 June 2024. The administration of the Company is delegated to Apex Administration (Guernsey) Limited ("AAGL") (the "Administrator").

2. Material accounting policies

(a) Basis of accounting

The Unaudited Condensed Interim Financial Statements have been prepared on a going concern basis in accordance with IAS 34 Interim Financial Reporting as adopted by the EU, and applicable Guernsey law. These Unaudited Condensed Interim Financial Statements do not comprise statutory Financial Statements within the meaning of the Companies (Guernsey) Law, 2008, they do not include all of the information required for full annual financial statements and should be read in conjunction with the financial statements of the Company as at 31 December 2023, which were prepared in accordance with International Financial Reporting Standards as adopted by the EU ("IFRS"). The accounting policies adopted in these Unaudited Condensed Interim Financial Statements are consistent with those of the previous financial period and the corresponding interim reporting period, except for the adoption of new and amended standards as set out in note 4.

Where presentational guidance set out in the Statement of Recommended Practice ("SORP") for investment companies issued by the Association of Investment Companies ("AIC") updated in April 2021 is consistent with the requirements of IFRS, the Directors have sought to prepare the Unaudited Condensed Interim Financial Statements on a basis compliant with the recommendations of the SORP.

(b) Going concern

The Directors have adopted the going concern basis in preparing the Unaudited Condensed Interim Financial Statements.

In assessing the going concern basis of accounting, the Directors have assessed the guidance issued by the Financial Reporting Council and considered the Company's own financial position, recent market volatility, the on-going impact of the Russian war on Ukraine and the conflict in the Middle East, potential increases in tariffs, inflation, interest rates and other uncertainties impacting on the financial position and liquidity requirements of the Company's investments.

At period end the Company had a net asset position of £20,423,000 including cash of £443,000 and listed investments amounting to £20,201,000.

The Company generates liquidity by raising capital and exiting investments. It uses liquidity by making new and follow-on investments and paying company expenses.

2. Material accounting policies (continued)

(b) Going concern (continued)

The Directors ensure it has adequate liquidity by regularly reviewing its financial position and forward-looking liquidity requirements. In assessing its going concern status, the Directors have considered the level of operating expenses relative to net assets, such expenses approximating to 3.1% of net assets as at 30 June 2024.

(c) Segmental reporting

The chief operating decision maker is the Board of Directors. The Directors are of the opinion that the Company is engaged in a single segment of business with the primary objective of investing in securities to generate capital growth for shareholders. Consequently, no business segmental analysis is provided.

The key measure of performance used by the Board is the Net Asset Value of the Company (which is calculated under IFRS). Therefore, no reconciliation is required between the measure of profit or loss used by the Board and that contained in these Audited Financial Statements.

(d) Taxation

The Company has been granted exemption from liability to income tax in Guernsey under the Income Tax (Exempt Bodies) (Guernsey) Ordinance, 1989 amended by the Director of Income Tax in Guernsey for the current period. Exemption is applied for and granted annually and is subject to the payment of a fee which was £1,600 for the period.

(e) Investment entities

In accordance with IFRS 10 an investment entity is an entity that:

- obtains funds from one or more investors for the purpose of providing those investor(s) with investment management services;
- commits to its investor(s) that its business purpose is to invest funds solely for returns from capital application, investment income, or both; and
- measures and evaluates the performance of substantially all of its investments on a fair value basis.

The Directors are satisfied that the Company meets each of these criteria and hence is an investment entity in accordance with IFRS 10.

3. Use of estimates and critical judgements

The preparation of Unaudited Condensed Interim Financial Statements in accordance with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the Unaudited Condensed Interim Financial Statements and the reported amounts of income and expenses during the period. Actual results could differ from those estimates and assumptions.

The estimates and underlying assumptions are reviewed on an ongoing basis. There were no significant accounting estimates or significant judgements in the current period.

4. New and revised standards

New standards and interpretations not yet adopted

New accounting standards, amendments to accounting standards and interpretations that have been published that are not mandatory for 30 June 2024 reporting periods and have not been early adopted by the Company are as follows:

- The Effects of Changes in Foreign Exchange Rates (Amendments to IAS 21) that become effective for periods beginning on or after 1 January 2025.

Standards, amendments and interpretations effective during the period

There are no standards, amendments to standards or interpretations that are effective for annual periods beginning on 1 January 2024 that have a material effect on the financial statements of the Company.

5. Portfolio management and performance fees

	1 January 2024 to 30 June 2024 £'000	**31 January 2023 to 30 June 2023 £'000**
Portfolio management fee	144	47
Total portfolio management fees	**144**	**47**

The Company procures portfolio management services directly from DWL, under the Portfolio Management Agreement.

Management fee

The monthly management fee is equal to 1.5% of the Net Asset Value up to and including £50m and 1% of the Net Asset Value that is above £50m (the "Management Fee"). The management fee is calculated and paid monthly in arrears.

During the period, fees in respect of management services to the Company amounting to £144,000 (30 June 2023: £47,000) were charged by DWL of which £25,000 (31 December 2023: £22,000) was outstanding at the period end.

Performance fee

For the year ending 31 December 2024 a performance fee may be payable to DWL, the sum of which would be equal to 12.5% of the amount by which the Adjusted Net Asset Value at the end of a Calculation Period exceeds the higher of: (i) the Performance Hurdle; and (ii) the High Water Mark (the "Performance Fee"). The calculation period for the current year will be the period commencing on 1 January 2024 and ending on 31 December 2024 (the "Calculation Period").

5. Portfolio management and performance fees (continued)

As at 30 June 2024, the Company had not reached the end of the Calculation period so an accrual of £nil (31 December 2023: £28,000) for performance fees payable to DWL has been reflected within these Unaudited Condensed Interim Financial Statements.

6. Other expenses

	1 January 2024 to 30 June 2024 £'000	31 January 2023 to 30 June 2023 £'000
Directors' fees	63	32
Administration fee	42	20
Auditor's remuneration for:		
– audit fees	10	10
– non-audit fees	(6)	13
Custodian fees	5	4
Broker fees	5	3
Registrar's fees	3	1
Listing fees	6	3
Regulatory fees	7	25
Legal and professional fees:		
– ongoing operations	5	10
Directors' liability insurance	2	1
Sundry expenses	19	9
	161	**131**

7. (Deficit) / Earnings per Ordinary Share

	30 June 2024		30 June 2023	
	Net return £'000	Per share pence	Net return £'000	Per share pence
Revenue return	(303)	(1.80)	(172)	(1.35)
Capital return	2,023	12.03	252	1.98
At 30 June	**1,720**	**10.23**	**80**	**0.63**
Weighted average number of Ordinary Shares		16,820,358		12,750,010

The return per share is calculated using the weighted average number of ordinary shares.

8. Dividends

The Board has not declared an interim dividend (2023: £nil).

9. Investments held at fair value through profit or loss

	Equity instruments 30 June 2024 £'000	UK Government Debt 31 December 2023 £'000	Equity instruments 31 December 2023 £'000
Opening book cost	15,032	–	–
Opening investment holding unrealised gains	1,663	–	–
Opening valuation	16,695	–	–
Movements in the period			
Purchases at cost	9,434	15,556	17,675
Sales – proceeds	(7,887)	(15,736)	(2,643)
Net gains on investments held at fair value through profit or loss	1,959	180	1,663
Closing valuation	**20,201**	**–**	**16,695**
Closing book cost	16,579	–	15,032
Closing investment holding unrealised gains	3,622	–	1,663
Closing valuation	**20,201**	**–**	**16,695**
Movement in unrealised gains during the period	5,613	–	3,259
Movement in unrealised losses during the period	(4,200)	–	(1,873)
Realised gain on sale of investments	546	180	277
Net gain on investments held at fair value through profit or loss	**1,959**	**180**	**1,663**
Total net gain on investments held at fair value through profit or loss	**1,959**		**1,843**

10. Unsettled trades

At period end, the net amount in relation to trades that were settled post period end is £222,000 (2023: £25,000). The table below summarises these trades as at 30 June 2024.

	30 June 2024 £'000	Settlement date
Payable		
Windward plc	141	1 July 2024
EKF Diagnostics Holdings plc	81	2 July 2024
Total unsettled trades payable	**222**	

10. Unsettled trades (continued)

	31 December 2023 £'000	Settlement date
Payable		
MPAC Group plc	(31)	3 January 2024
Springfield Properties plc	(57)	3 January 2024
Transense Technologies plc	(10)	3 January 2024
Windward plc	(34)	2 January 2024
Total unsettled trades payable	**(132)**	
Receivable		
Pinewood Technologies plc	157	2 January 2024
Total unsettled trades receivable	**157**	
Net unsettled trades	**25**	

11. Share capital

	No of shares	£'000
Ordinary Shares at no par value		
Opening balance as at 31 January 2023	–	–
Issue of shares	16,027,290	16,109
Issue costs	–	(573)
At 31 December 2023	**16,027,290**	**15,536**
Opening balance as at 1 January 2024	16,027,290	15,536
Issue of shares	1,530,088	1,684
Issue costs	–	(50)
At 30 June 2024	**17,557,378**	**17,170**

The holders of Ordinary Shares have the right to receive notice of and attend, speak and vote in general meetings of the Company. They are also entitled to participate in any dividends and other distributions of the Company.

12. Net Asset Value per Ordinary Share

The Net Asset Value per Ordinary Share and the Net Asset Value at the period end calculated in accordance with the Articles of Incorporation were as follows:

	30 June 2024		31 December 2023	
	NAV per share pence	NAV attributable £'000	NAV per share pence	NAV attributable £'000
Ordinary Shares: basic and diluted	**116.32**	**20,423**	**106.50**	**17,069**

The Net Asset Value per Ordinary Share is based on 17,557,378 Ordinary Shares, being the number of Ordinary Shares in issue at the period end.

13. Cash used in operating activities

	30 June 2024 £'000	30 June 2023 £'000
Total gains for the period	1,720	80
Net gains on investments held at fair value through profit or loss	(1,959)	(252)
Interest income	(2)	(6)
Movement in working capital		
Increase in other receivables	(28)	(27)
(Decrease) / Increase in payables	(31)	95
Total other expense payments	**(300)**	**(110)**

14. Financial instruments and capital disclosures

The Company's activities expose it to a variety of financial risks; market risk (which includes price risk, foreign currency risk and interest rate risk), credit risk and liquidity risk. The Unaudited Condensed Interim Financial Statements do not include all financial risk management information and disclosures required in the annual financial statements; they should be read in conjunction with the Company's Audited Financial Statements as at 31 December 2023.

14. Financial instruments and capital disclosures (continued)

The Company measures fair values using the following hierarchy that reflects the significance of the inputs used in making the measurements. Categorisation within the hierarchy has been determined on the basis of the lowest level input that is significant to the fair value measurement of the relevant assets as follows:

Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities.

An active market is a market in which transactions for the asset or liability occur with sufficient frequency and volume on an ongoing basis such that quoted prices reflect prices at which an orderly transaction would take place between market participants at the measurement date. Quoted prices provided by external pricing services, brokers and vendors are included in Level 1, if they reflect actual and regularly occurring market transactions on an arm's-length basis.

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

Level 2 inputs include the following:

- quoted prices for similar (i.e., not identical) assets in active markets;
- quoted prices for identical or similar assets or liabilities in markets that are not active. Characteristics of an inactive market include a significant decline in the volume and level of trading activity, the available prices vary significantly over time or among market participants or the prices are not current;
- inputs other than quoted prices that are observable for the asset (for example, interest rates and yield curves observable at commonly quoted intervals); and
- inputs that are derived principally from, or corroborated by, observable market data by correlation or other means (market-corroborated inputs).

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

The level in the fair value hierarchy within which the fair value measurement is categorised in its entirety is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety. If a fair value measurement uses observable inputs that require significant adjustment based on unobservable inputs, that measurement is a Level 3 measurement. Assessing the significance of a particular input to the fair value measurement in its entirety requires judgement, considering factors specific to the asset or liability.

At 30 June 2024	**Level 1 £'000**	**Level 2 £'000**	**Level 3 £'000**	**Total £'000**
Equity instruments	20,201	–	–	20,201
	20,201	**–**	**–**	**20,201**

At 31 December 2023	**Level 1 £'000**	**Level 2 £'000**	**Level 3 £'000**	**Total £'000**
Equity instruments	16,695	–	–	16,695
	16,695	**–**	**–**	**16,695**

The Company only had exposure to level 1 instruments in the current period.

14. Financial instruments and capital disclosures (continued)

The following table shows a reconciliation of the opening balance to the closing balance for Level 1 fair values:

	June 2024 £'000 Level 1	December 2023 £'000 Level 1
Opening balance	16,695	–
Purchases at cost	9,434	33,231
Sales at cost	(7,887)	(18,379)
Total gains included in net gains on investments in the Unaudited Condensed Statement of Comprehensive Income		
– on assets sold	546	457
– on assets held at period end	1,413	1,386
	20,201	**16,695**

There have been no significant changes in the management of risk or in any risk management policies since the last Statement of Financial Position date.

15. Related parties

DWL provides portfolio management services to the Company.

	1 January 2024 to 30 June 2024 £'000	31 January 2023 to 31 December 2024 £'000	31 January 2023 to 30 June 2023 £'000
Fees charged / (recharged) by DWL:			
Management fees			
Total management fee charged	144	156	47
Management fee outstanding	25	22	15
AIFM recharge			
Total AIFM fee recharged	(26)	(38)	(13)
AIFM fee recharge outstanding	(9)	(4)	(8)
Performance fees			
Total Performance fees charged	–	28	–
Performance fees outstanding	–	28	–
AIFM fee charged by FundRock:			
Total AIFM fee charged	26	38	13
AIFM fee outstanding	5	4	8
Directors' fees			
Total Directors' fees charged	63	95	32
Directors' fees outstanding	–	–	17

15. Related parties (continued)

As at 30 June 2024 the Directors had holdings in the Company as follows:

	Number of Ordinary Shares	% Ordinary Shares in issue as at 30 June 2024
Andrew Henton	100,000	0.5696
Susan Norman	20,000	0.1139
Henry Freeman	15,000	0.0854
Luke Allen	-	-
Adrian Norman (husband of Susan Norman)	4,878	0.0278

16. Post balance sheet events

The Company raised gross proceeds of approximately £3.1m by way of a direct subscription, by new and existing investors, for 2,606,733 new ordinary shares at a price of 119.5 pence per new ordinary share during July 2024. This included the acquisition by Susan and Adrian Norman collectively of a further 25,104 ordinary shares.

There has not been any other matter or circumstance occurring subsequent to the end of the interim financial period that has significantly affected, or may significantly affect, the operations of the Company, the results of those operations, or the state of affairs of the Company in future financial periods.

Corporate Information

Directors

Andrew Henton, Chair
Henry Freeman
Luke Allen
Susan Norman

Registered office

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Portfolio Manager

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AIFM

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Nominated Advisor and Joint Broker

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Joint Broker

Dowgate Capital Limited
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London
EC4A 1BW

Administrator and Company Secretary

Apex Administration (Guernsey) Limited
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Guernsey, GY1 2HL

Corporate Information (continued)

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