



**Electra Private Equity PLC
Full Year Review and Analysis**

October 2015



Electra Private Equity PLC

- Pure play private equity
- Investment trust since 1935, listed since 1976
- Net assets £1.5 billion at 30 September 2015
- Investment objective is to achieve a compound return on equity of 10-15% per year over the long term
- Managed on an exclusive and fully discretionary basis by Electra Partners



Why Electra is different

Consistent Long-term Performance

- Consistent outperformance of the peer group and benchmark over the long-term. In the 10 years to 30 September 2015:
 - 244% Electra diluted NAV per share total return; 210% Electra share price total return
 - 10% Morningstar Private Equity Share Price Index (ex-Electra) total return
 - 72% FTSE All-Share total return
 - 13% diluted NAV per share annualised return, at the upper end of Electra's 10-15% per annum target

Fully Exploits its Flexible Investment Mandate

- Electra has the most flexible investment mandate in the listed private equity sector meaning it has the ability to invest in the full range of private equity opportunities
- This allows Electra Partners to tailor its investment strategy to suit changing market conditions, thereby deploying capital where it sees the best relative value for shareholders
- Electra's structure means it can provide long-term capital to portfolio businesses. Investee companies can be supported with a long-term strategy and access to capital. Exits are sought only when returns can be maximised for shareholders, rather than a forced sale to demonstrate a track record for future fundraisings

Experienced Manager

- Successfully managed by Electra Partners for over 25 years investing in excess of £4.5 billion in over 200 deals
- During this time the firm has accumulated considerable experience of investing across economic cycles, sectors, geographies and business models and built a long and distinguished track record

Low Risk of Overcommitment

- Electra invests directly in transactions arranged by Electra Partners, as opposed to being one LP in a fund managed in the interests of a range of investors
- This means that Electra Partners can moderate the pace of investment dependent on the level of net liquid resources. As a result, there is a very low risk of over-commitment – a problem that many LPE investment trusts have encountered

Highlights for the year to 30 September 2015

- Strong NAV total return of 25%
- 10-year annualised return of 13% - at the upper end of our 10-15% target
- £188 million invested; £259 million realised
- Active ownership approach driving value in the portfolio
- Balance sheet more effectively deployed
- Portfolio well positioned for further strong performance
- Final dividend of 2% of NAV declared, amounting to 78p per share. This takes the total dividend for the year to 116p per share* or 3% of NAV

* Based on the number of shares that will be in issue following the mandatory conversion of 5% Subordinated Convertible Bonds

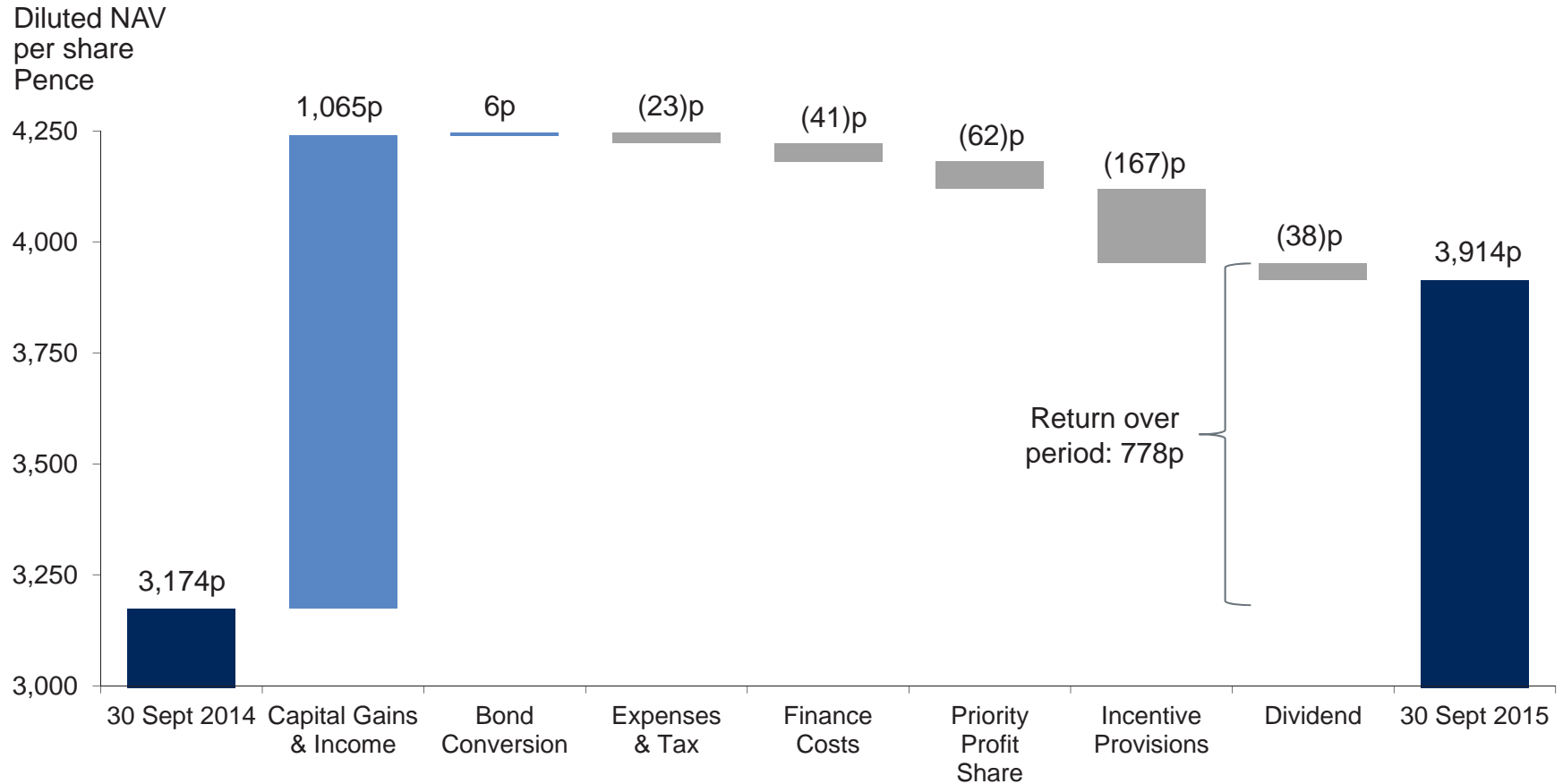
Results: Year to 30 September 2015

	30 September 2015	30 September 2014	Total Return
Net Asset Value per share (diluted)	3,914p	3,174p	24.6%
Share price	3,265p	2,650p	24.7%
Discount	16.6%	16.5%	

- Total return includes an interim dividend paid in July 2015 of 38p per share
- FTSE All-Share down 2.3% over the year to 30 September 2015
- Partially adjusted diluted NAV per share at 20 October 2015 was 3,905p (share price 3,445p)

Analysis of movement in NAV per share

Year to 30 September 2015

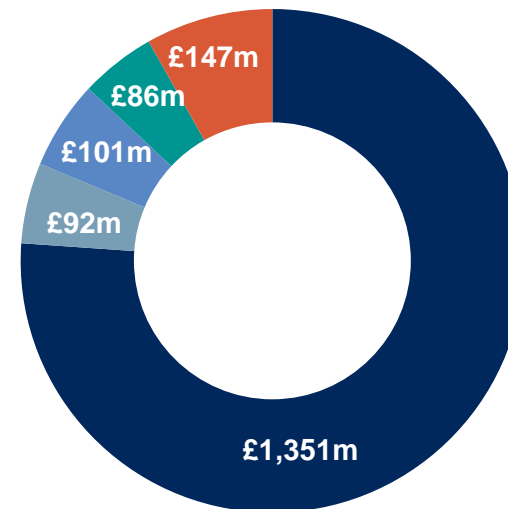


Balance sheet / Portfolio

Balance Sheet Summary

30 September 2015	£m
Portfolio	1,777
Net Liabilities	(132)
ZDP	(69)
Convertible Bond	(73)
Net Assets	1,503

Portfolio £1,777 million



- Direct unlisted at Fair Value 76% (25 companies)
- Secondaries 5% (7 Portfolios)
- Listed 6% (6 investments)
- Funds 5% (13 Funds; 59 underlying investments)
- Cash 8%

Investment portfolio – changes

Five years to 30 September 2015

Year to 30 September	2015 £m	2014 £m	2013 £m	2012 £m	2011 £m
Opening investment portfolio	1,272	968	868	883	766
New investment	188	410	337	150	136
Realisations / Income	(259)	(352)	(459)	(301)	(137)
Total return	429	246	222	136	118
Closing investment portfolio	1,630	1,272	968	868	883
Return as a percentage of opening portfolio	33.7	25.4	25.6	15.4	15.4

Portfolio analysis by category

Year to 30 September 2015

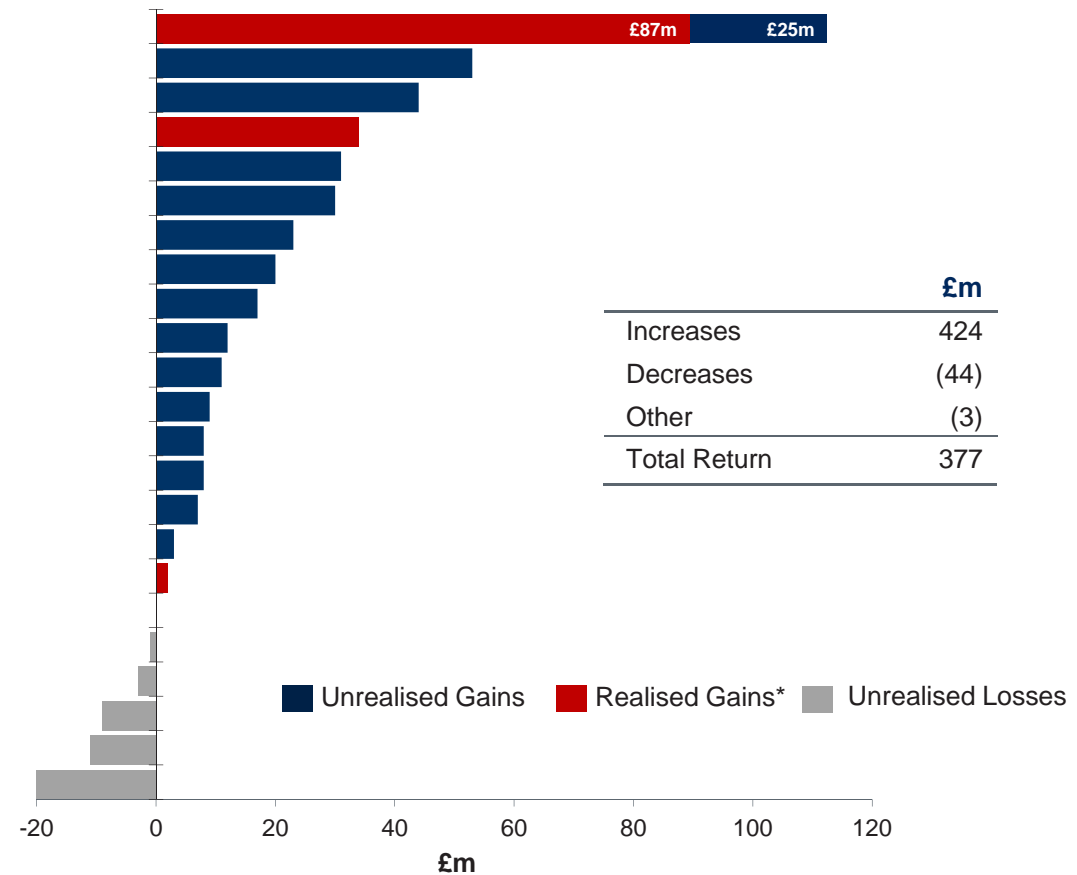
	Valuation at 30 Sept 2014 £m	New Investment £m	Realisations / Income £m	Total Return £m	Valuation at 30 Sept 2015 £m	Performance %
Direct Unlisted	996	168	190	377	1,351	38
Secondaries	105	14	42	15	92	14
Funds	80	6	12	12	86	15
Listed	91	-	15	25	101	27
	1,272	188	259	429	1,630	34

	Total Return 1 st Half	Total Return 2 nd Half
Direct Unlisted	190	187
Secondaries	5	10
Funds	4	8
Listed	12	13
	211	218

Direct Unlisted investments – Total returns

Year to 30 September 2015

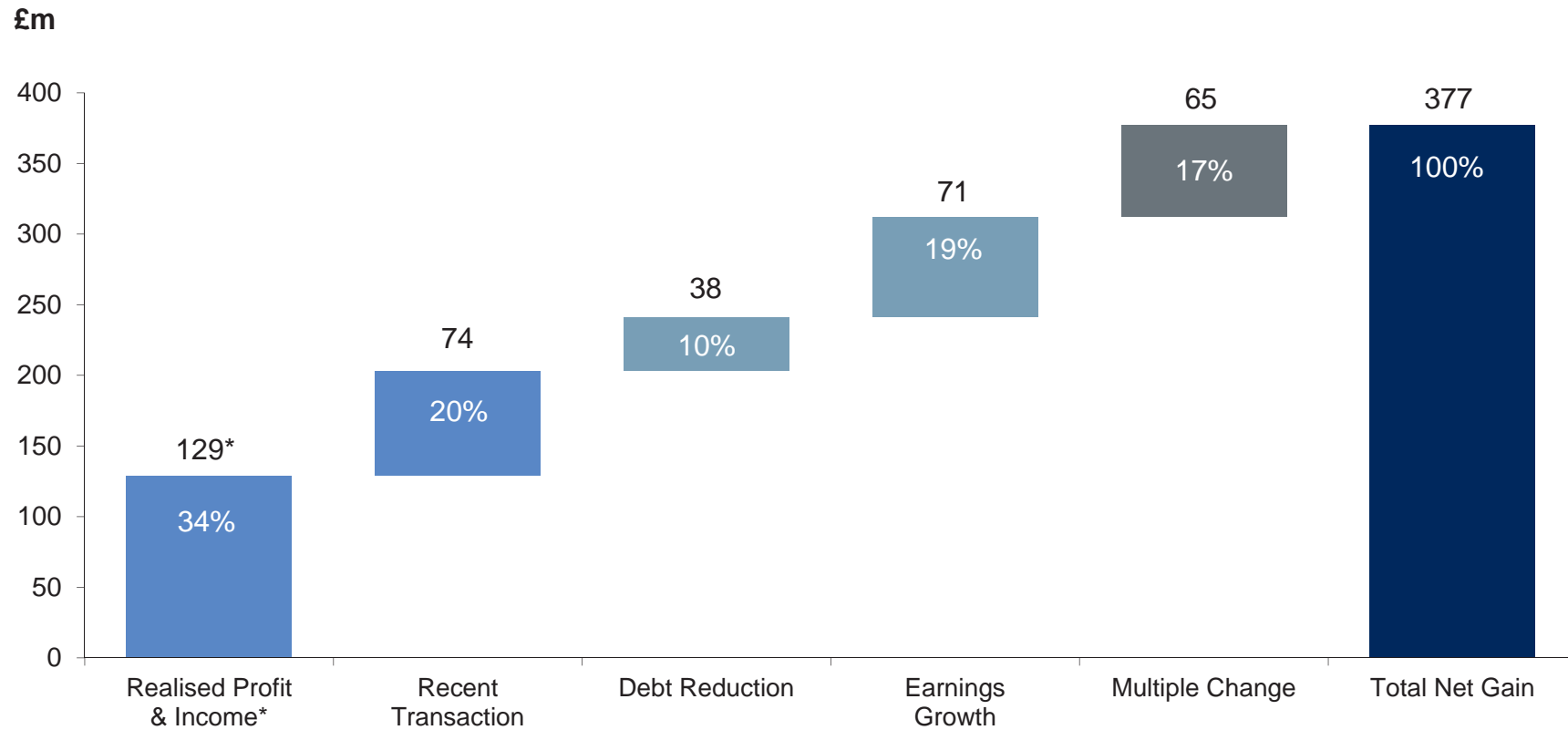
Company	Total Return in Year £m	Change %
AXIO	112	80
TOBC	53	103
Elian	44	55
Nuaire	34	90
Park Resorts	31	23
Audiotonix	30	47
SVMP	23	118
South Lakeland	20	48
TGI Fridays	17	17
CALA	12	30
Treetops	11	72
PINE	9	41
Kalle	8	138
Allflex	8	13
Premier	7	24
Knight Square	3	7
Labco	2	17
Davies	0	0
Promontoria	(1)	(6)
Innovia	(3)	(9)
Sentinel	(9)	(100)
Hotter	(11)	(15)
Daler-Rowney	(20)	(67)



* Realised Gains include those from the sale of MIMS from AXIO which occurred post year-end
Realised Gains excludes income received of £7 million

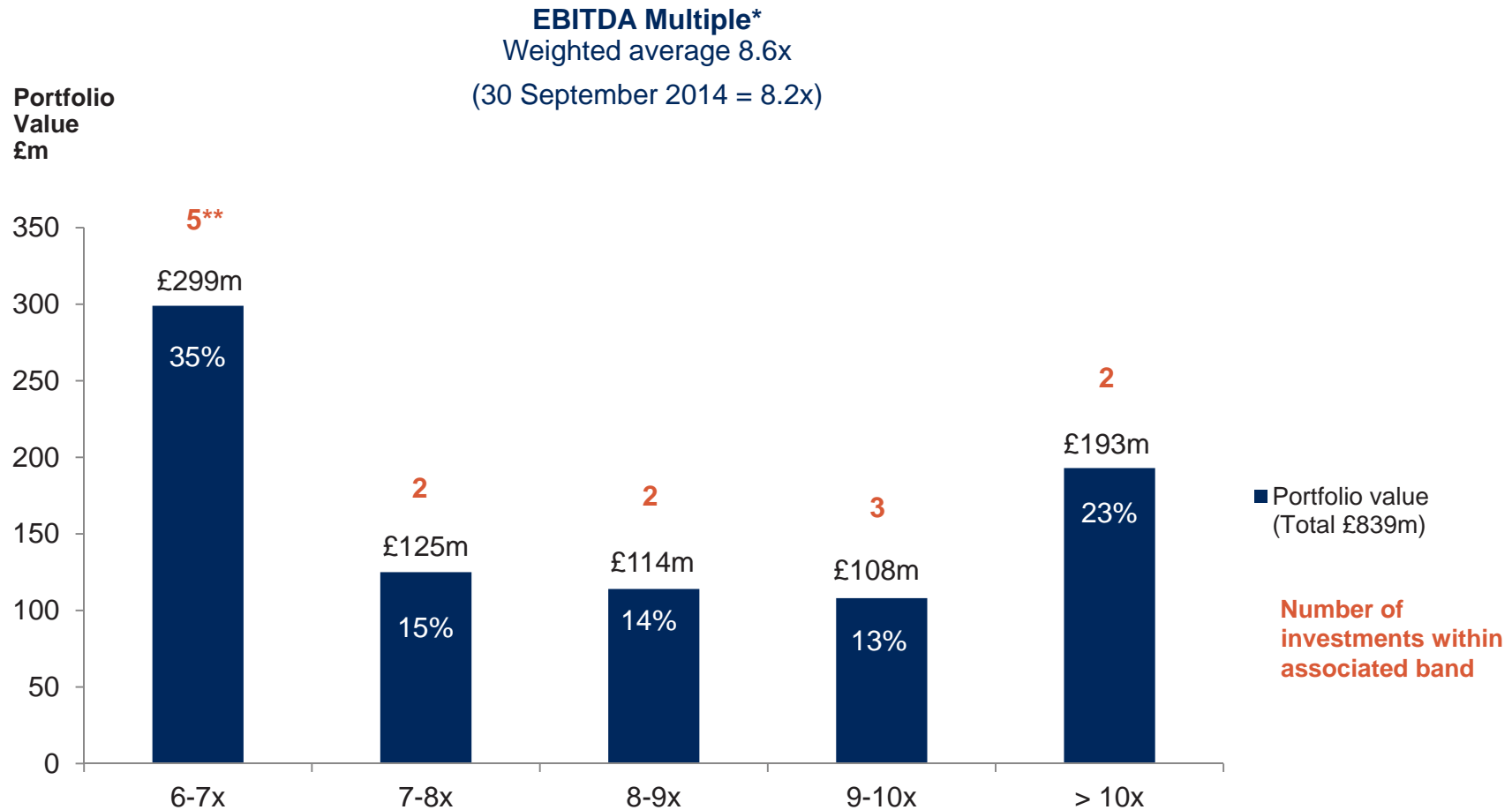
Direct Unlisted - Analysis of total return

Year to 30 September 2015



* Realised Profit & Income includes those from the sale of MIMS from AXIO which occurred post year-end

Direct Unlisted – Valuation multiples

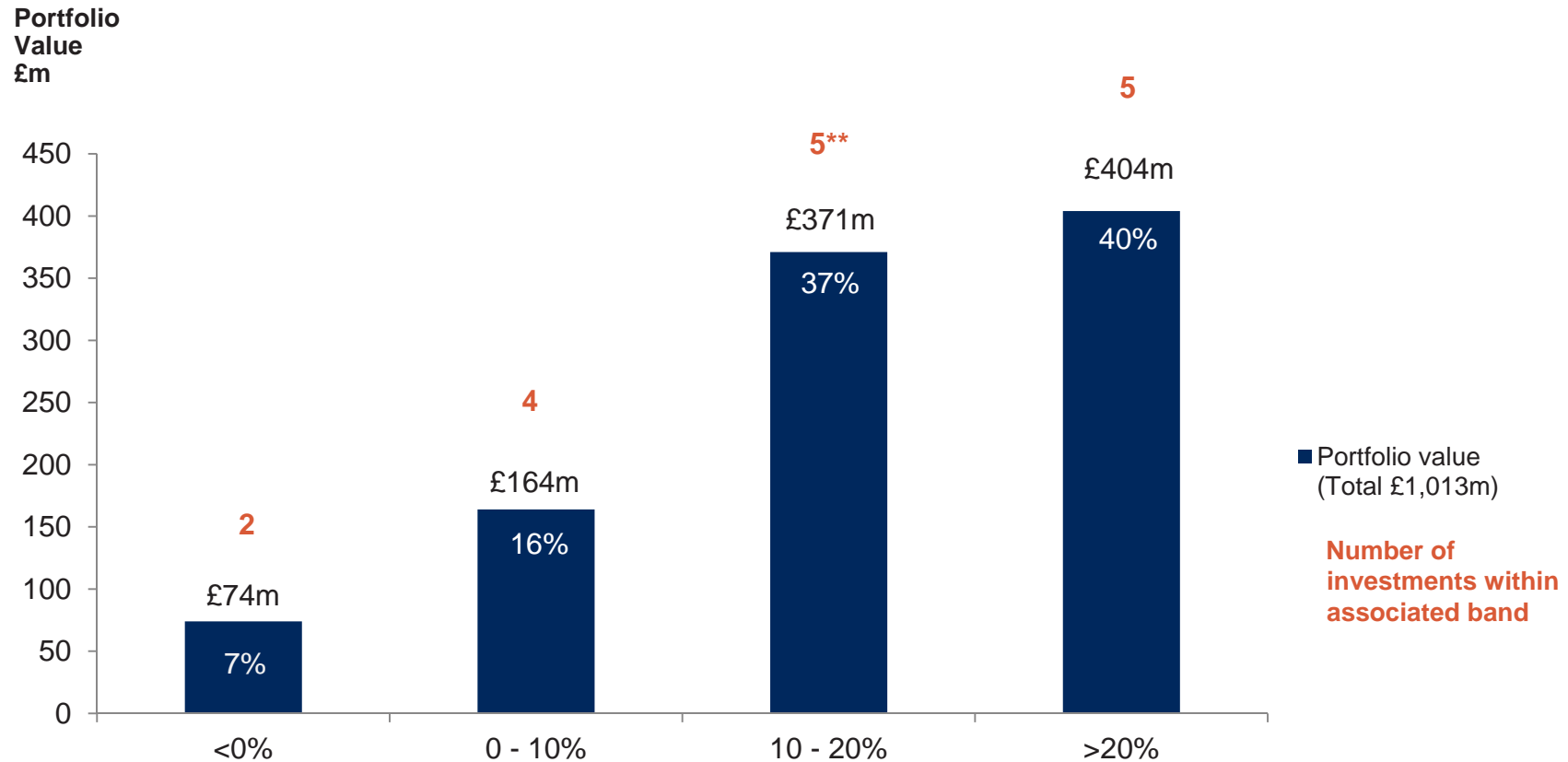


* All investments over £5 million with the exception of CALA, Promontoria, PINE, Park Resorts, SVMP and South Lakeland Parks

** Excludes £95 million of AXIO subsequently realised

Direct Unlisted – EBITDA growth rates

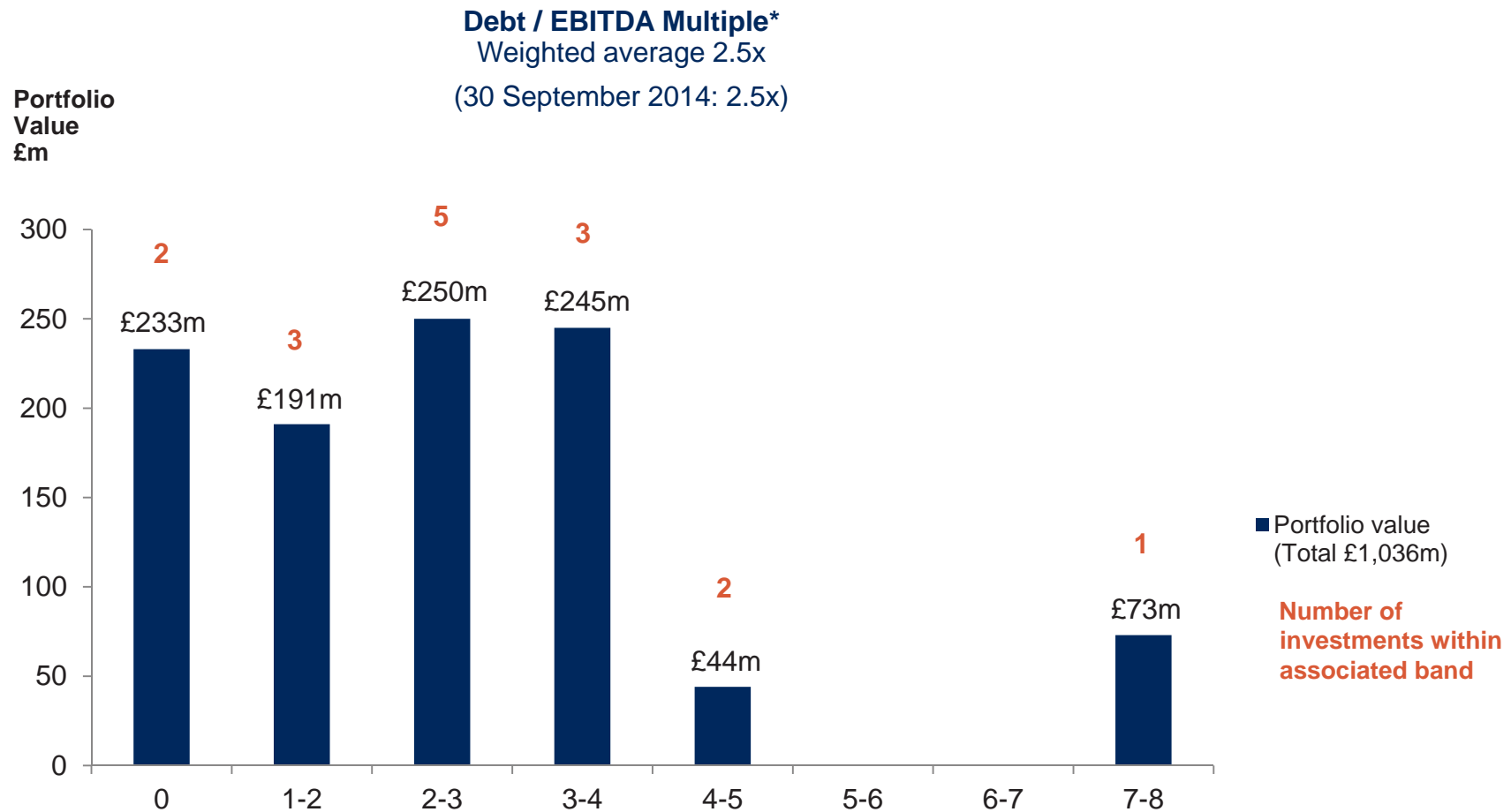
EBITDA Growth (LTM)*
 Weighted average growth rate of 16.4%



* All investments over £5 million with the exception of CALA, Promontoria, PINE and TGI Fridays

** Excludes £95 million of AXIO subsequently realised

Direct Unlisted – Debt / EBITDA ratio



* All investments over £5 million with the exception of CALA, Promontoria, PINE and Park Resorts

Direct Unlisted Investments

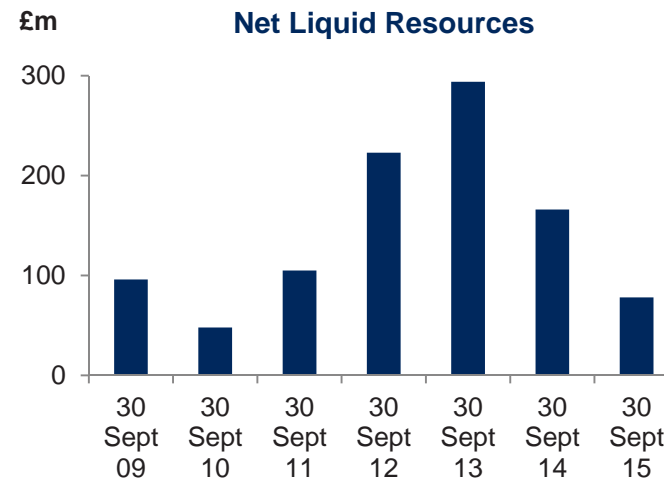
Individual investments greater than £5 million in value

Company	Sector	Financial Year of Investment	Valuation Basis	Residual Cost £m	Valuation at 30 Sept 2015 £m	% of Total	Cumulative %
AXIO Data Group	B2B information services	2013	Earnings	21	200	14.8	14.8
Park Resorts	Holiday parks operator	2012	Recent Transaction	93	185	13.7	28.5
Elian	Fiduciary services	2014	Earnings	76	120	8.9	37.4
TGI Fridays	Restaurant chain	2015	Earnings	99	113	8.4	45.7
TOBC	Ten-pin bowling operator	2014	Earnings	50	103	7.6	53.4
Audiotonix	Audio mixing consoles	2014	Earnings	61	91	6.7	60.1
Allflex	Animal identification systems	2013	Earnings	68	73	5.4	65.5
Hotter	Shoe manufacturer	2014	Earnings	84	61	4.5	70.0
South Lakeland	Holiday parks operator	2013	Recent Transaction	19	61	4.5	74.5
PINE	Property holding company	2005	Net Assets	38	56	4.1	78.7
CALA	National house builder	2013	Net Assets	32	50	3.7	82.4
SVMP	Holiday parks operator	2014	Recent Transaction	18	41	3.0	85.4
Knight Square	Property management	2012	Earnings	9	34	2.5	87.9
Premier	Investment management	2007	Earnings	30	33	2.4	90.4
Innovia	Speciality films manufacturer	2014	Earnings	33	30	2.2	92.6
Treetops	Nursery schools operator	2012	Earnings	12	27	2.0	94.6
Davies	Insurance claims management	2011	Earnings	39	23	1.7	96.3
Kalle	Food casings	2010	Earnings	4	14	1.0	97.3
Daler-Rowney	Fine art materials supplier	2011	Earnings	20	12	0.9	98.2
Promontoria	Property holding company	2007	Net Assets	8	11	0.8	99.0
				814	1,338		
Direct investments – Sundry (5)					13		100.0
Total					1,351		

Electra liquidity position

- As at 30 September 2015, Electra had outstanding commitments to private equity funds and secondary funds of £52m
- Bank facilities of £275m available until December 2019
- ZDP shares repayable in August 2016 in an amount of £73m
- Mandatory conversion notice to be issued on or around 2 November to convert the Convertible Bonds on 29 December 2015
- 11,165 Convertible Bonds were converted into 547,187 ordinary shares in the year to 30 September 2015

	30 Sept 2015		30 Sept 2014	
	£m	% of NAV	£m	% of NAV
Cash	147	10	318	27
Bank borrowings	Nil	-	(152)	13
ZDP shares	(69)	5		
Net liquid resources	78	5	166	14
ZDP shares			(65)	5
Convertible Bond*	(85)	6	(97)	8



* Repayment amount of Bonds outstanding

Electra Partners' investment strategy

1. Buyouts & Co-investments

- Direct investments
- High-quality, well-managed businesses
- Potential for profit growth
- Buyouts: £40–150 million investment in UK-centric companies
- Co-investments: £30–100 million investment in UK or international companies

2. Secondaries

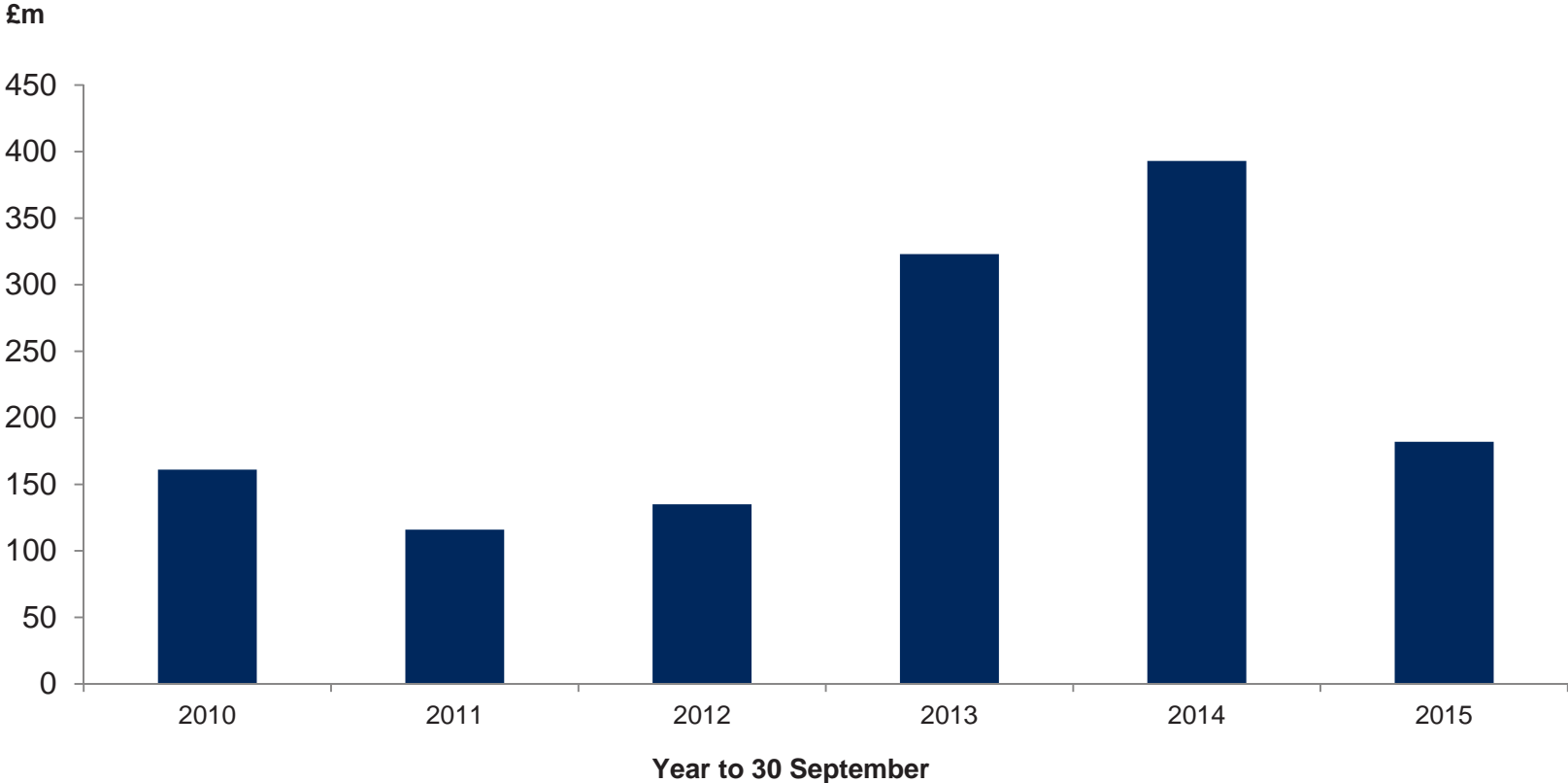
- Individual fund positions
- Portfolios of fund positions
- Secondary directs

3. Debt

- Primary debt
- Secondary performing
- Secondary stretched



FY 2015: A slower period for new investment, but still £182 million* put to work

Electra Investment*
Per 12 month period





* Funds excluded

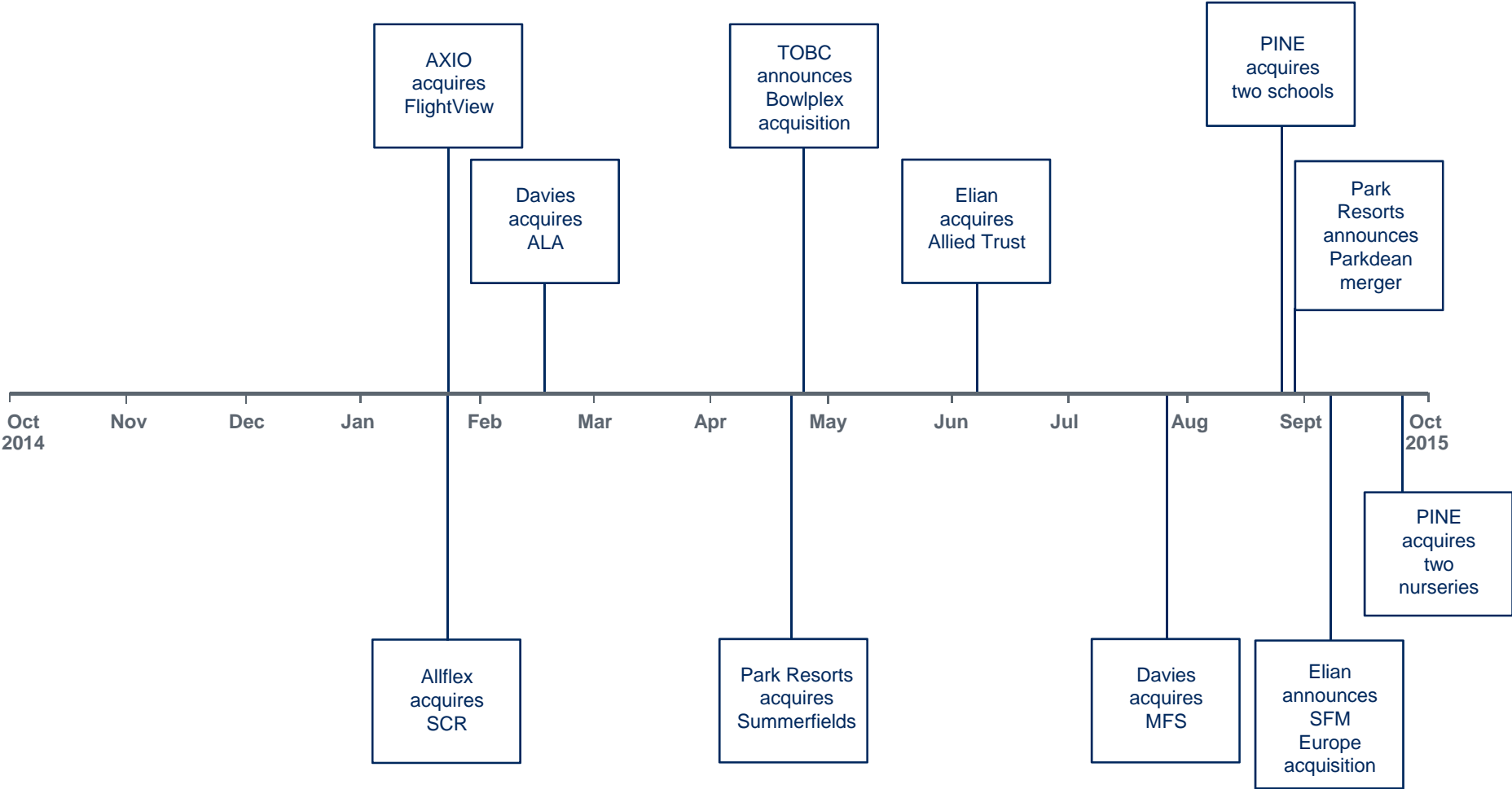
New investments

Company	Business description	Date	New capital invested / Committed	Ownership	Investment rationale
	TGI Fridays is an American-style restaurant chain	Dec 2014	£99m	77.7%	Wide demographic appeal, impressive financial track record and an excellent management team
	SCR is the world's largest manufacturer of electronic milk meters and smart tags for monitoring cow fertility and health	Jan 2015	US\$18m (£11m)	14.9% (Allflex)	Allflex's acquisition of SCR provides the company with an entry into a highly attractive adjacent sector and cements Allflex's position as the worldwide leader
Secondaries	Three secondary funds	Various	£14m	n/a	Attractive acquisition discount, wide diversification, and high quality, cash-generative underlying assets







New investments (Cont.)

Company	Business description	Date	New capital invested / Committed	Ownership	Investment rationale
	Acquisition of Park Resorts preference shares from GI Partners	Apr 2015	£25m	48.9%	Attractive opportunity to consolidate the equity position in Park Resorts
	A freehold investment property portfolio focussed on the UK educational sector	Aug 2015 Sep 2015	£20m and £4m	99.0%	Two separate transactions adding scale to the PINE portfolio by supporting the acquisition of special educational needs schools and nurseries respectively




The large part of investment activity this year has been on portfolio company bolt-ons



Portfolio company bolt-ons

Portfolio Company	Bolt-on Company	Business description	Date	Enterprise Value	Investment rationale
	 Flight Information You Can Act On™	FlightView is a Boston-based provider of real-time flight information solutions for the aviation and travel industries	Jan 15	£7m	Highly complementary customer base and strength in the US market provides OAG with the clear leadership position in the global flight status and schedules data markets
	Associated Loss Adjusters	ALA is a leading loss adjusting and claims management businesses in the Republic of Ireland	Feb 15	£2.5m	Strong reputation in the Irish market which will strengthen Davies' position in that market
	Summerfields Holiday Park	Great Yarmouth-based holiday park with over 200 chalets, apartments and caravans	Apr 15	£2m	Strong location with ability to improve performance following upgrade to the site
		Bowlplex operates 16 high-quality ten-pin bowling centres across the UK, primarily located in leisure or retail parks	Apr 15	Not disclosed	Transformational transaction to acquire well located additional sites where performance can be improved. Acquisition builds real scale for TOBC

Portfolio company bolt-ons (Cont.)

Portfolio Company	Bolt-on Company	Business description	Date	Enterprise Value	Investment rationale
	Allied Trust	Jersey-based provider of fiduciary services	Jun 15	£1m	Attractive acquisition multiple with synergistic potential
		MFS is a leading specialist defendant motor claims business	Jul 15	£8m	MFS is a leader in its field and a complementary acquisition for Davies which will significantly increase its motor claims capability
		Parkdean Holidays is a UK focused self-catering holiday park operator with 24 sites primarily located South West of England and in Scotland	Aug 15	£960m	Merger of Park Resorts, South Lakeland Parks and Southview and Manor Park with Parkdean Holidays to create a nationwide operator with 73 sites and EBITDA of over £100 million. Completion in November
		SFM Europe is a leading provider of corporate services with more than €1 trillion of assets under administration	Sep 15	Not disclosed	SFM is an attractive business with an excellent reputation and a blue chip client base. Compelling strategic fit which will complement Elian's corporate services team and extend the group's geographic reach

Park Resorts

Update



Transaction

- Initial £70 million debt investment, 2012
- Total investment now £132 million

Business Description

- Leading operator of holiday parks in seaside locations across the UK
- Revenue from caravan sales, pitch fees, holiday lettings, food & beverage sales, etc

Investment Rationale

- Defensive, fragmented sector
- Resilience in recession
- Market supported by customer demographic and strong value proposition
- Real estate backing

Strategy

- Either earn attractive return from holding debt to maturity
- Or restructure debt to take equity control...
- ... and then grow organically and through acquisition

* Includes Park Resorts, South Lakeland and SVMPP

Update

- Refinancing finalised August 2013, Electra Partners took control
- Growth plan implemented, based on:
 - £9 million investment in hire fleet, pitches and park facilities
 - 4ppt margin increase from improved cost & margin management
- Alan Parker, former CEO of Whitbread, appointed Chairman
- Acquisitions of South Lakeland Parks, Southview and Manor Park and Summerfields holiday park completed
- £25 million invested in acquiring preference shares at a discount to face value in April 2015
- Merger with Parkdean Holidays announced to create nationwide operator with 72 sites and EBITDA of over £100 million; completion in November
- Further organic & investment-led growth as well as post-merger synergies

Key Information (post completion of the merger)

Valuation at 30 September 15	£194 million
Total return / Cost	2.3x
Equity ownership	45%
Revenue growth*	8%
Profits growth*	28%
Cash returned (cumulative)	£109 million

AXIO Data Group

Update



Transaction

- £91 million equity investment, April 2013

Business Description

- Seven B2B information services businesses
- Healthcare, intellectual property licensing, containerised trade and breakbulk services, aviation and forest products
- International businesses based in North America, Europe and Asia and operating in over 25 countries

Investment Rationale

- Industry and geographic diversity
- Strong brands in niche markets
- Robust and cash generative corporate orphan
- Portfolio discount

Strategy

- Management strengthening
- Stronger strategic focus
- Operational improvement targeting effectiveness and efficiency
- M&A to simplify and strengthen
- Sell well to strategic buyers

* For retained businesses only

** Following receipt of proceeds from the sale of MIMS

Update

- Management teams now complete
- Strategic plans agreed across the group
- Cost, working capital and resource upgrade programmes resulting in improved financial performance
- Numerous small divestments to simplify portfolio
- Acquisition of FlightView by OAG has created market leader in flight schedules and status data
- Multiple expansion achieved in exits of JOC Group, Breakbulk and MIMS
- 2x cost returned to Electra following sale of <50% of profits acquired in 2013
- Retained businesses generated FY14 EBITDA of £20m and valued at <7x

Key Information

Valuation at 30 September 15	£200 million
Total return / Cost	3.1x
Equity ownership	69%
Revenue growth*	Flat
Profits growth*	9%
Cash returned (cumulative)**	£180 million

The Original Bowling Company

Update



Transaction

- £50 million equity investment, September 2014

Business Description

- UK's largest ten-pin bowling business
- 44 bowling centres under the Hollywood Bowl and AMF brands
- Large, high-quality bowling centres, predominantly located in leisure or retail parks, offering a complete family entertainment experience (restaurants, licenced bars, state-of-the-art family games arcades)

Investment Rationale

- Market-leader in robust and growing part of leisure market
- TOBC has grown ahead of the market thanks to leading management team and investment-backed growth
- Well-invested estate positioned to make further advances

Strategy

- Grow existing estate through strong management of yield and return on capital
- Invest in technology and facilities to improve customer experience
- New openings and acquisitions

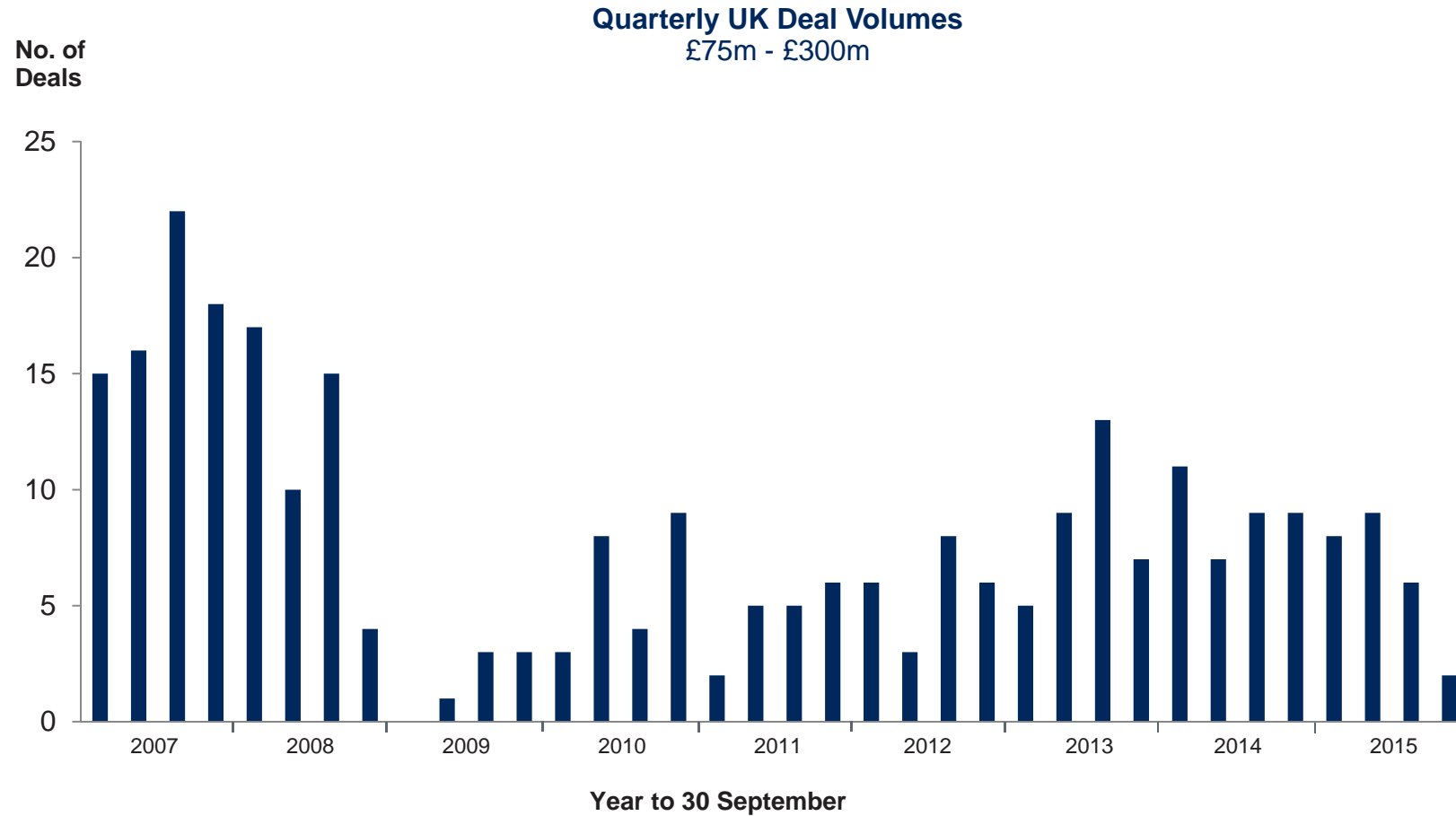
Update

- Peter Boddy (Megabowl, Fitness First, Maxinutrition) appointed Chairman
- First new site opened in Cheltenham, two more sites in legals, pipeline of further potential sites
- Yield management has improved utilisation particularly in peak holiday and weekend periods
- Site refurbishments successfully delivering >75% ROI, further investment brought forward
- Acquisition of Bowlplex announced in April, completion subject to satisfaction of TOBC's undertakings to CMA
- Further organic & investment-led growth as well as post-acquisition synergies

Key Information

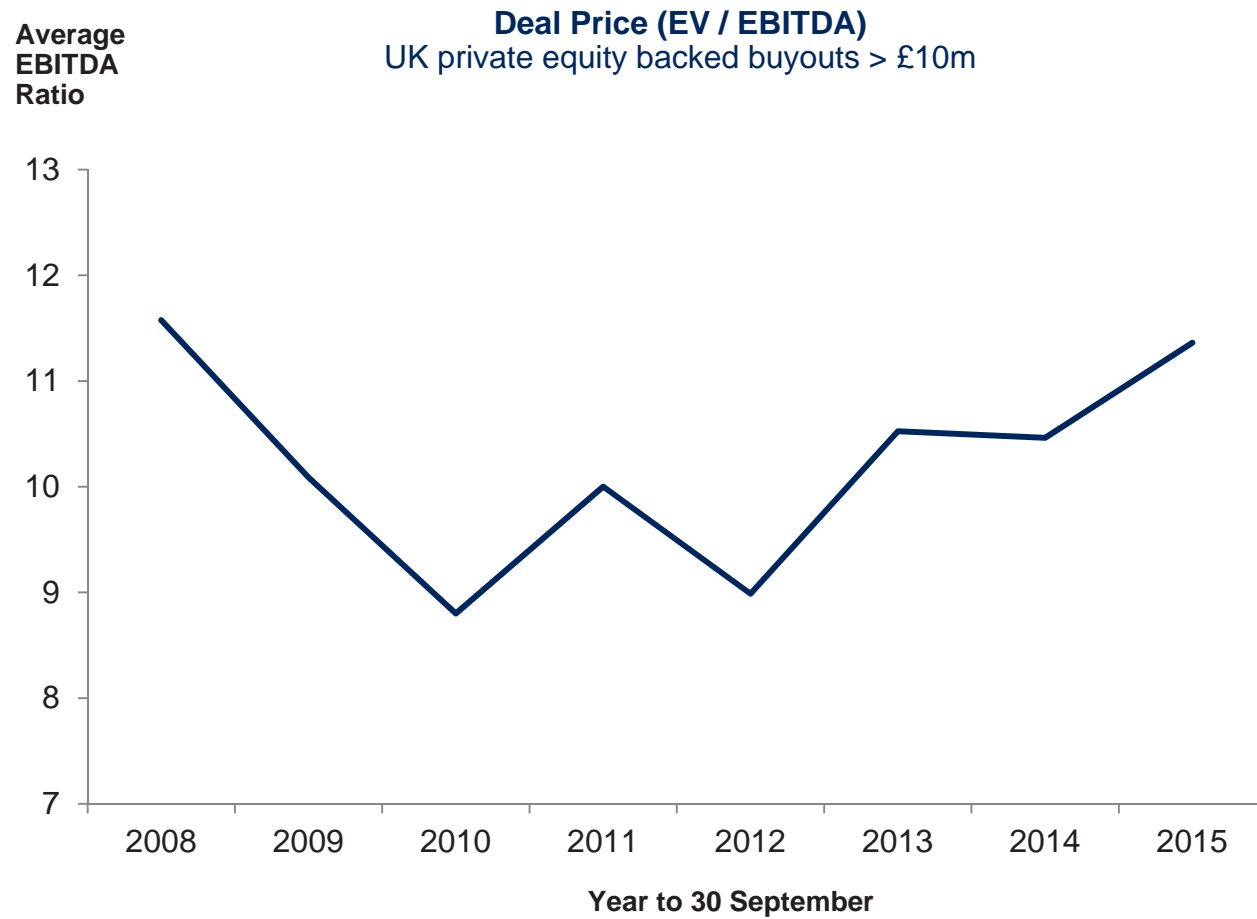
Valuation at 30 September 15	£103 million
Total return / Cost	2.0x
Equity ownership	85%
Revenue growth	Significantly ahead of expectations
Profits growth	Significantly ahead of expectations

Market deal volumes have been low this year...



Source: Mergermarket (completed deals; purchased by private equity; only where an EV is provided)

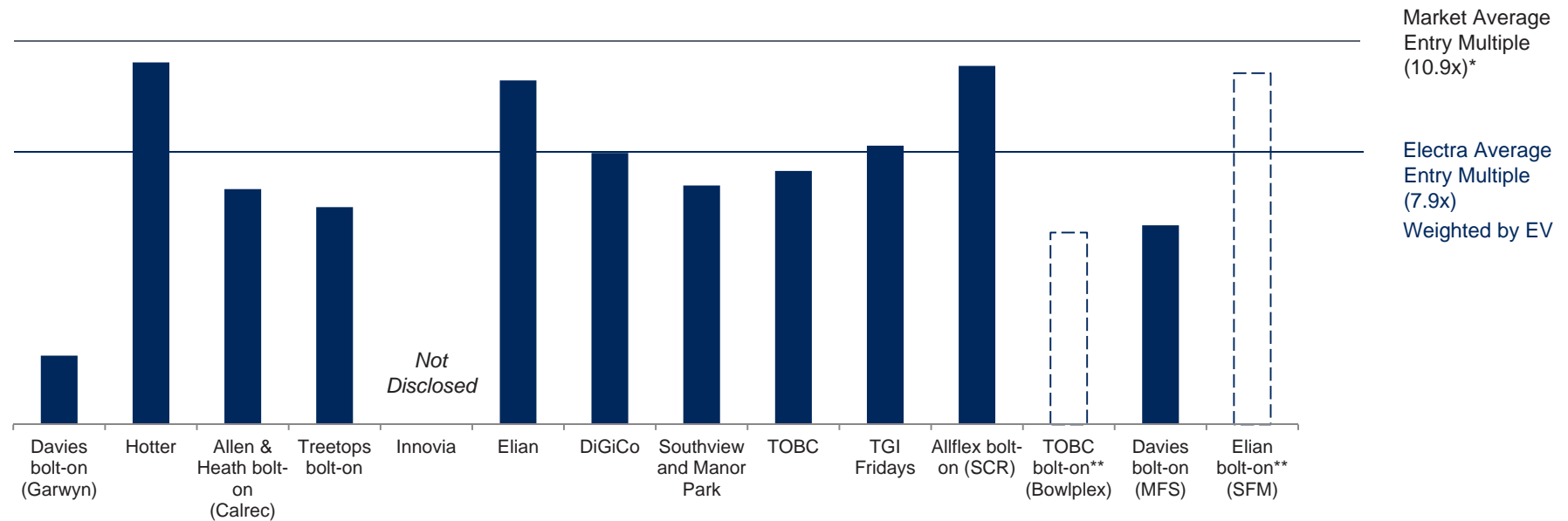
... and pricing has increased further



Source: CMBOR

Electra has continued to find value...

Entry Multiple (EV / EBITDA)
FY 2014 and FY 2015
 Excludes deal costs




* Market multiple source: CMBOR. FY 2014 and FY 2015 average multiple

** Subject to completion

Note: EBITDA multiples are post-synergies where appropriate

...whilst exploiting conditions to achieve some strong exits

Portfolio Company	Date	Sale Proceeds £m	Proceeds to Electra £m	EBITDA Multiple	Return
 Breakbulk	Dec 14	\$42m	£10m	Double digit	n/a
 JOC GROUP	Dec 14	Not disclosed	£37m	Double digit	n/a
 nuaire	Aug 15	£145m	£72m	11.3x	3.8x 18% IRR
 MIMS	Oct 15	\$250m	£95m	Teens	n/a
 ZenSar TECHNOLOGIES Your Transformation Partner	Oct 15	£82m	£82m	9.0x*	19x 18% IRR

* Source: Capital IQ

Nuaire

Realisation



Transaction

- £23 million equity investment, April 2007

Business Description

- Leading UK manufacturer of energy-efficient domestic and commercial ventilation systems
- Innovative products help customers reduce their energy consumption and carbon emissions

Investment Rationale

- Regulation driving market growth through increased focus on energy efficiency
- Differentiated proposition driving outperformance

Strategy

- Investment in NPD to capitalise on market growth and technology convergence
- Further investment in product range, broadening addressable markets and highly flexible and automated manufacturing capacity during recession
- International growth in the Middle East and Continental Europe

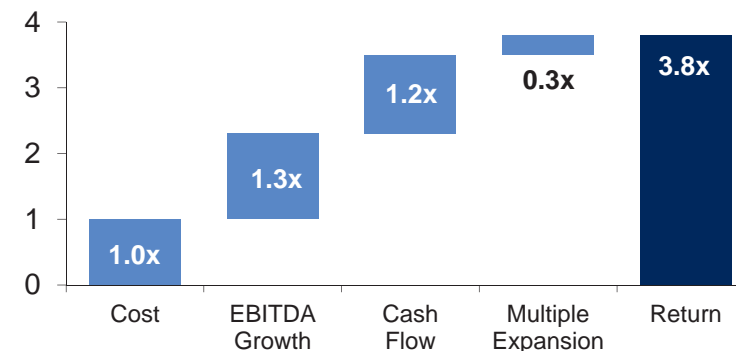
Update

- UK ventilation market growth of 8% p.a. driven by increased regulation
- Nuaire has significantly outperformed the market thanks to product innovation, market-leading service and direct routes to market
- Profits growth of 10% CAGR against the backdrop of a construction industry downturn from 2008 to 2012
- Refinanced the business in February 2014 returning £15 million

Exit

- Sold to Polypipe Group in August 2015:
 - £145 million enterprise value
 - 90% increase on Electra's valuation of Nuaire at 30 Sept 2014
 - **3.8x return on original cost**
 - **18% IRR**

Drivers of Value



The pipeline remains full, but we are extremely selective

Opportunities investigated by Electra Partners

Year to 30 September 2015	Number
Opportunities investigated	372
Of which were bid on by Electra / Portfolio Companies	35
Of which completed or signed:	
- Direct unlisted	1
- Secondaries	2
- Portfolio company bolt-ons	10

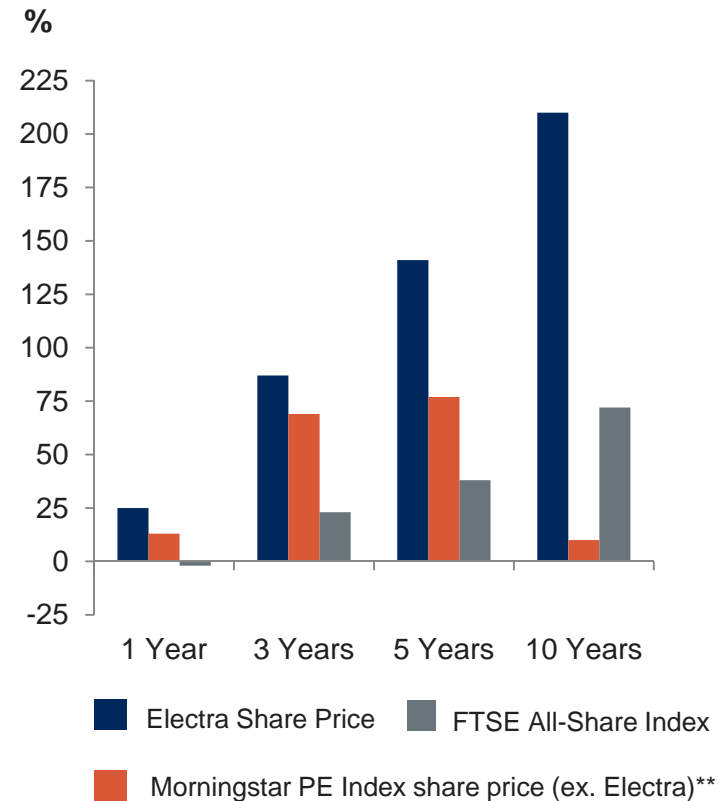
Current Position	Number
Deals in process of closing (Photobox)	1
Deals in exclusivity	1
Other deals under review	5

Consistent Out-performance

Absolute Return

Period to 30 September 2015	1 year	3 years	5 years	10 years
Electra NAV per share (diluted)*				
- Percentage increase	25%	60%	93%	244%
- Annualised rate of return	25%	17%	14%	13%
Electra share price*				
- Percentage increase	25%	87%	141%	210%
- Annualised rate of return	25%	23%	19%	12%

Relative Return



Source: Morningstar and Electra Partners

* Performance calculated on a total return basis with dividends reinvested

** This index reflects the performance of 20 private equity vehicles, excluding Electra, listed on the London Stock Exchange



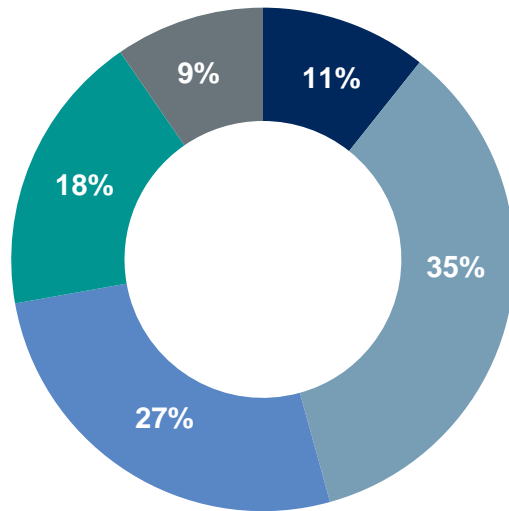
Appendices



Direct Unlisted – Age profile & valuation basis

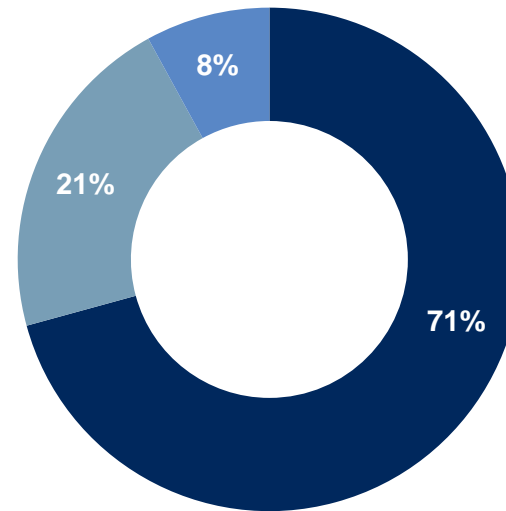
At 30 September 2015

Age Profile



	£m
■ Less than 1 year old	144
■ 1-2 years old	473
■ 2-3 years old	358
■ 3-4 years old	246
■ Over 4 years old	130
Total	1,351

Valuation Basis

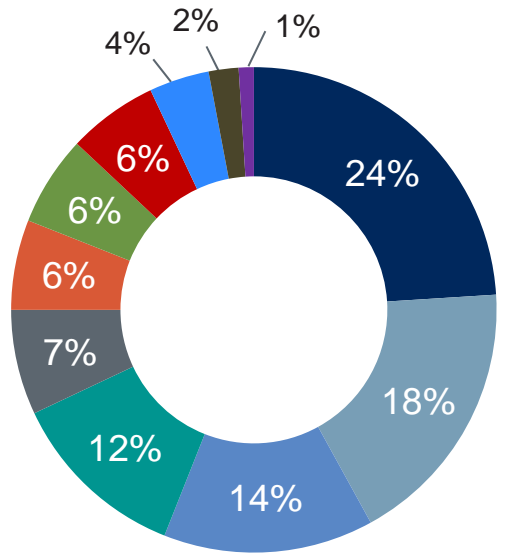


	£m
■ Earnings	956
■ Recent transaction	287
■ Net assets	108
Total	1,351

Direct Unlisted

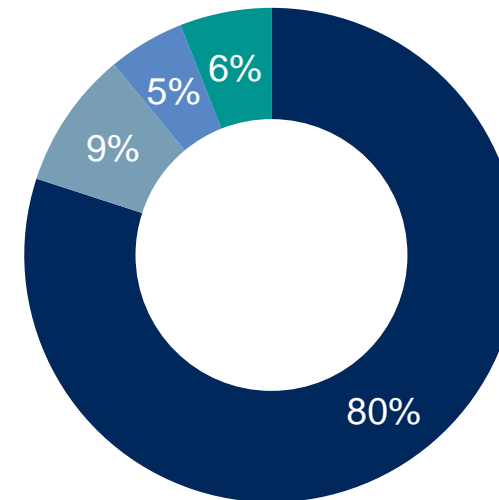
At 30 September 2015

Classification and Distribution



- Travel & Leisure
- Support Services
- House, Leisure & Personal Goods
- Media
- Industrial General & Transportation
- Secondaries
- Technology Hardware & Equipment
- Private Equity Funds
- Real Estate
- Financial & Insurance
- Food & Beverage

Geographic Split



- UK
- Continental Europe
- USA
- Asia and elsewhere

Listed portfolio

	Country	No of Shares '000	Cost £m	Value at 30 Sept 2015 £m
Zensar	India	10,301	4.1	83.6
Nmas1 Dinamia	Spain	1,699	13.9	9.2
EQMC	UK	6,511	3.7	4.6
Meghmani	Far East	28,389	1.1	2.2
Moser Baer	Far East	9,960	1.3	0.9
IGAS	UK	4,648	0.1	0.9
			24.2	101.4

Investment Team

Well resourced

- 17 investment professionals
- Supported by a team experienced in compliance, finance, investor relations and marketing

Experienced

- Senior management have on average 25 years' experience in private equity
- In private equity long enough to invest through several business cycles
- Short decision lines

Hugh Mumford	Managing Partner	Zoe Clements	Investment Director
Alex Fortescue	Chief Investment Partner	Sarah Williams	Investment Director
David Symondson	Deputy Managing Partner	Owen Wilson	Investment Director
Alex Cooper-Evans	Partner	Ian Wood	Investment Director
Charles Elkington	Partner	Nicola Gray	Investment Manager
Chris Hanna	Partner	Tom Stenhouse	Investment Manager
Steve Ozin	Partner (CFO and Compliance)	Nigel Elsley	Property Investment Manager
Bill Priestley	Partner	Rhian Davies	Senior Advisor
		Oliver Huntsman	Portfolio Manager, UK

Electra Partners' investment model



Investment Process: pre-investment:
weekly and monthly investment team deal flow meetings; weekly and ad hoc investment committee meetings to consider new investments.

Investment Process: post-investment:
weekly investment committee review of trading data; for each investment, 100-day review, biannual valuation process and annual strategy review.

Electra Partners' investment approach



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