

BLACKFINCH ADAPT AIM INCOME PORTFOLIO

Investee Company Recommended Takeover

Epwin Group Plc

The Alternative Investment Market (AIM) remains an important platform for high-growth and entrepreneurial businesses in the UK. Despite some headwinds in recent years – including lower valuations and macro-economic challenges – AIM continues to attract strong takeover interest.

According to Allenby Capital, last year saw a notable increase in private equity and trade buyers acquiring undervalued AIM companies, with an average premium to share price of 66%. This highlights the opportunity for investors: quality businesses are being acquired at attractive valuations, releasing capital that can be reinvested into the next wave of innovative companies.

A clear example of this trend is Epwin Group, a long-standing holding in our Adapt AIM Income Portfolio. Epwin is a leading UK manufacturer of energy-efficient and low maintenance building products, supplying well-known brands across new build, social housing, and repair, maintenance and improvement sectors. In August 2025, Laumann Group UK Limited, part of a global building products group, announced a recommended cash offer for Epwin at 120 pence

per share. This represented a 31.9% premium to the share price before the announcement and valued the company at £167.3 million on a fully diluted basis. The Epwin Board unanimously recommended the offer, recognizing both the attractive valuation and the opportunities for Epwin to develop under Laumann's ownership.

From Blackfinch's perspective, this deal has provided:

A premium takeover price: The offer price reflected a material uplift versus market value. While we believed Epwin was well placed to generate potentially higher returns for shareholders over the medium term as market conditions improved, the takeover secured an immediate outcome for clients.

Portfolio liquidity: The cash exit allowed us to realise gains and redeploy capital into new opportunities within AIM.

Market context: The deal validates our approach of identifying quality companies with attractive long-term prospects. Epwin's acquisition mirrors the wider trend of AIM businesses being recognised by larger global players and equity buyers.

Looking ahead, we believe AIM remains well positioned to deliver long-term opportunities. Lower valuations and heightened takeover activity creates a dynamic environment where Blackfinch can actively turn over the portfolio, reinvesting into innovative, fast-growing companies at appealing entry points.

While the market backdrop remains uncertain, we see this is an excellent moment to refresh and strengthen the portfolio for future growth. The Epwin transaction is a timely example of how AIM investment managers can generate value for patient investors – while the UK economy evolves, and conditions improve – and also why we remain confident in the long-term potential of the market.



Learn more about the Blackfinch Adapt AIM Portfolios at
www.blackfinch.investments/aim/

www.paulweiss.com/insights/client-memos/uk-public-ma-what-happened-in-2024-and-what-to-expect-in-2025

IMPORTANT INFORMATION

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