

ICG-LONGBOW SENIOR SECURED UK PROPERTY DEBT INVESTMENTS LIMITED

INTERIM REPORT AND
UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 31 JULY 2025

Company Number: 55917

ICG-LONGBOW SENIOR SECURED UK PROPERTY DEBT INVESTMENTS LIMITED

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All capitalised terms are defined in the Glossary of Capitalised Defined Terms on pages 26 to 27 unless separately defined.

ICG-LONGBOW SENIOR SECURED UK PROPERTY DEBT INVESTMENTS LIMITED

FINANCIAL HIGHLIGHTS

Key Developments

- The Company has two investments remaining, following the sale of the asset securing the Affinity loan and subsequent return of capital to investors. The Affinity sale was at a price ahead of the carrying value of the loan.
- The Southport hotel asset is under offer for sale, however there is no assurance this transaction will complete.
- The RoyaleLife portfolio continues to be managed by a new operator with a clear business plan to drive income and growth and enhance the value of the portfolio. Agents have been selected for a formal marketing campaign of the portfolio.
- Adjusting for the return of shareholder capital during the period, the Company has recorded a increase in NAV per share of 0.04 pence compared to 31 January 2025.

Performance

- NAV of £23.27 million as at 31 July 2025 after return of capital of £9.70 million and ECL adjustments of £(31.96 million) (31 January 2025: £32.93 million after ECL adjustments of £(38.13 million)), (31 July 2024: £34.35 million after ECL adjustments of £(35.54 million)).
- Distribution of 8.00 pence per share on 16 July 2025 following Affinity sale.
- NAV per share as at 31 July 2025 of 19.19 pence (31 January 2025: 27.15 pence), (31 July 2024: 28.32 pence).
- Profit after tax of £0.05 million for the six months ended 31 July 2025 (31 July 2024: loss of £1.87 million).
- Profit per share for the period of 0.04 pence (31 July 2024: loss of 1.55 pence).

Dividend

- No dividends were declared or paid in the six months to 31 July 2025 (six months to 31 July 2024: nil).

Investment Portfolio

- As at 31 July 2025, the Company's investment portfolio comprised two loans with an aggregate principal balance of £41.88 million, and a carrying value after provision for ECL of £20.47 million (31 January 2025: three loans with an aggregate principal balance of £57.75 million, and a carrying value of £29.90 million).
- The Company is seeking to realise the remaining investments, through either enforcement processes or open market sales. The Investment Manager continues to seek opportunities to enhance value and so maximise recoveries.

*Unless stated otherwise, loan balances are stated gross of ECL provisions for impairment. A comparison to the carrying value of the loans is set out in Note 4 to the accounts.

ICG-LONGBOW SENIOR SECURED UK PROPERTY DEBT INVESTMENTS LIMITED

CORPORATE SUMMARY

Investment Objective

In line with the revised Investment Objective and Policy approved by shareholders at the Extraordinary General Meeting in January 2021, the Company is undertaking an orderly realisation of its investments.

Structure

The Company is a non-cellular company limited by shares incorporated in Guernsey on 29 November 2012 under the Companies Law. The Company's registration number is 55917, and it has been registered with the GFSC as a registered closed-ended collective investment scheme. The Company's ordinary shares were admitted to the premium segment of the FCA's Official List and to trading on the Main Market of the London Stock Exchange as part of its IPO which completed on 5 February 2013. The issued capital comprises the Company's ordinary shares denominated in Pounds Sterling.

Investment Manager

The Company has appointed ICG Alternative Investment Limited as external discretionary investment manager, under the Alternative Investment Fund Managers Directive (AIFMD), within a remit set by the Board.

ICG-LONGBOW SENIOR SECURED UK PROPERTY DEBT INVESTMENTS LIMITED

CHAIRMAN'S STATEMENT

Introduction

On behalf of the Board, I present the Unaudited Condensed Interim Financial Statements for the Company for the six months ended 31 July 2025.

The Company is now making some progress in exiting its remaining investments, with the Affinity office asset sold during the period. The property sold in June 2025 at a headline price of £10.20 million which was above the carrying value of the loan. A further return of capital to shareholders of 8.00 pence per share was made on 16 July 2025. The fact that the sale process took a year from initial marketing, and six months to complete from heads of terms being agreed, is illustrative of some of the challenges persisting in today's property market, with purchasers generally remaining cautious. Investors continue to face subdued economic news supplemented by periodic shocks including the volatility caused by the Trump tariff announcements in April 2025.

While these property market conditions continue to cause challenges in many sectors, particularly for secondary or regional assets, the Investment Manager reports that financing conditions have eased notably in the period. This is beginning to help drive a rise in liquidity and an increase in transaction volumes across the UK market – including outside of the recently favoured industrial, residential and student accommodation sectors.

The Company's two remaining investments, with a net carrying value of £20.47 million, are being managed following enforcement processes. The Southport hotel asset is under offer for sale, and has been for an extended period. However, the proposed buyer has now paid a holding deposit and the Investment Manager is beginning to see progress on legal documentation.

The RoyaleLife portfolio, now fully rebranded as Regency Living, continues to be run by the Investment Manager's operating partner with a focus on sales and value enhancement of the property assets and the build out of the operating platform. Nonetheless the Board and Investment Manager recognise that the Company and its co-lenders are not natural or long-term owners of this portfolio, and are preparing for a sale when the time is right. While opportunistic buyers continue to make unsolicited enquiries into the availability of the portfolio (or certain of the assets within it), a formal sales process is likely to lead to best value. As at the date of this report, and following an extensive 'beauty parade', agents have been selected to run a formal marketing campaign following which the strategic options available to the Company for an exit of the position will become clearer.

As previously reported, the Company is party to a legal claim against Avison Young, a previous valuer of the portfolio assets. The claims process has continued over the reporting period but, as set out to shareholders in our Annual Report and Accounts, we are not in a position to make further comment on the matter and are unlikely to do so while proceedings continue. While the claim is being progressed by the Investment Manager and its legal advisers, the Board has spoken directly with the legal team involved to ensure it has a thorough overview of the background, processes and timelines while the case continues.

As I highlighted in the annual report and accounts, since 31 January 2025 the Board has been operating at a reduced size following the retirement of Stuart Beevor and Fiona Le Poidevin as Directors. The Board continues to operate effectively. During the period the Board has remained focused on cost control, effective cash management and liquidity as the portfolio continues to shrink in size.

Valuation and Impairment

As set out in our annual report and accounts issued in May, the Board and Investment Manager carefully considered the expected realisable value of its remaining investments, balancing the range of expected proceeds and also the target timeframe for returning capital to investors.

The Board has concluded that there has been no material change in its expectations of realisable value of the underlying assets, or the timing of any exits, in light of the prevailing market conditions. However it does believe there is an increasing likelihood of the Southport sale concluding in line with the bid price, with a holding deposit having now been paid. As a result, under the probability-weighted methodology adopted by the Company in recent reporting periods, the carrying value of the Southport loan has increased by £0.04 million. This remains meaningfully below the headline bid price for the asset, allowing for costs of sale and the possibility of a deal being delayed or becoming abortive.

ICG-LONGBOW SENIOR SECURED UK PROPERTY DEBT INVESTMENTS LIMITED

CHAIRMAN'S STATEMENT (CONTINUED)

Valuation and Impairment (continued)

The Company's expectations for realisation of the RoyaleLife investment remain unchanged. However, following receipt of a material tax rebate on this investment during the period, as set out in the Investment Manager's Report below, the Company has recognised a modest release of some of the previous impairment provision, with the carrying value increasing by £0.07 million.

The remaining loans are not making interest payments, nor do we expect them to be in a position to do so in the near term. While interest due on the loans continues to be accrued, full impairment has been recognised for all interest receivable in the period through the ECL provision. This treatment of recording interest income and providing in full against it is required under UK accounting standards.

The net movement in the ECL provision for changes in both loan capital and default interest income during the six month period was an increase of £1.95 million.

The Board has considered the sensitivity of the carrying values of the investments to both price movements and timings as set out in note 4 to the accounts.

Revenue and Profitability

Accrued income from the portfolio for the period totalled £2.29 million (31 July 2024: £1.63 million), however this is partially offset by a net provision for ECL adjustments. After accounting for these impairments, the Company recognised a profit for the period of £0.05 million (31 July 2024: loss of £1.87 million).

Profit per share for the period was 0.04 pence (31 July 2024: loss of 1.55 pence), reflecting the changes to the carrying values detailed above, partially offset by the impairment of accrued but unpaid interest. Details of the ECL provisions are set out in the notes to the condensed accounts.

Dividend and Return of Capital

No dividends were paid in the period, and the Board does not envisage the declaration of any dividends henceforth.

On 27 June 2025 the Company announced the return of £9.70 million of capital to shareholders, equating to 8.00 pence per ordinary share and representing the capital proceeds from the sale of the asset securing the Affinity loan. Further capital distributions will follow realisation of the remaining portfolio assets.

NAV and Share Price Performance

The Company's NAV at 31 July 2025 stood at £23.27 million (31 January 2025: £32.93 million), reflecting the return of £9.70 million of capital to shareholders in the period, and other adjustments.

The Company's share price ended the period at 16.95 pence per share, down from 22.40 pence as at 31 January 2025. The share price reflected, at period end, a 11.7% discount to the Company's NAV.

Outlook

The Company continues to seek exits of the remaining investments in a timely manner, balancing speed of realisation with the desire to optimise recoveries for shareholders. While there do seem to be signs of improved liquidity in parts of the UK property market, and particularly in the property lending market, I should be clear that the remaining two assets could continue to prove challenging to exit. While the Company is not a natural holder of these assets and wishes to exit as soon as practicable, we remain mindful of the need to avoid being a forced seller.

I would like to thank shareholders for their ongoing patience which I hope will be rewarded in the short term. The Board remains focused on protecting and enhancing shareholder value and delivering returns of capital in the best manner possible.

Jack Perry
Chairman

29 September 2025

ICG-LONGBOW SENIOR SECURED UK PROPERTY DEBT INVESTMENTS LIMITED

INVESTMENT MANAGER'S REPORT

Summary

As at 31 July 2025 the Company had two investments remaining, which are being managed and realised following enforcement processes. This report provides a summary update on the realisation process for each remaining investment.

Portfolio

Portfolio statistics	31 July 2025	31 January 2025	31 July 2024
Number of loan investments	2	3	3
Aggregate principal advanced	£41,882,017	£57,754,806	£57,754,806
Aggregate carrying value after ECL	£20,465,869	£29,896,891	£31,913,445
Cash held	£2,998,100	£3,200,201	£2,791,562

Investment Update

Southport Hotel

The hotel securing the Company's Southport loan continues to be run by the administrator, through a specialist hotel operating partner and local management team. The hotel is trading profitably and is ahead of budget in the year to date, despite the severe challenges of trading in administration. Nonetheless the asset as a whole has been cashflow negative for the year given VAT liabilities, administrators' fees and the holding costs associated with the vacant commercial units adjoining the hotel (which form part of the Company's security).

As a result, during the reporting period and following a request from the administrator, the Company determined to provide a further £0.70 million of funding to support working capital, property holding costs and to allow for continued investment in the asset during the sales process.

As detailed in the annual report and accounts, the asset has been under offer for sale for an extended period, to an experienced North West-based hotelier. While the headline bid price is ahead of the carrying value of the loan, there will be costs associated with the sale and other customary closing price adjustments to allow for. We are also mindful of previous inconclusive sales processes and have adopted a probability-weighted approach to assessing recoveries.

While conclusion of the sale requires the consent of the freeholder, being the local authority, discussions with the purchaser, local authority and our legal team have continued over the period and advanced in recent weeks. The purchaser has paid a non-refundable holding deposit of £0.10 million for a period of exclusivity to complete the sale, which while modest, gives us an increasing level of confidence of the sale concluding at the bid price.

RoyaleLife

The portfolio and business continue to be run under the 'Regency Living' brand by the lenders' chosen operating partner, the Ambassador group. After rebranding and relaunching many of the sites over the last 12 months, unit sales of bungalow homes have recommenced. Despite a slow market in the sector generally, sales velocities are on pace to more than double the rate seen in 2024, albeit rising from a low base.

The lenders have continued to support the organic business plan through provision of working capital to meet costs, acquire new stock (including show homes) and strengthen the business platform. This is being financed in a cash-neutral manner for the Company, with its share of working capital advances reflected in a dilution in its overall share of the loan. Conversely, cash receipts will be recognised through an increase to the Company's share.

ICG-LONGBOW SENIOR SECURED UK PROPERTY DEBT INVESTMENTS LIMITED

INVESTMENT MANAGER'S REPORT (CONTINUED)

RoyaleLife (continued)

During the period, and subsequently, the lenders have received a series of tax rebates from HMRC in respect of stamp duty paid upon the restructuring of the loans in January 2024. These sums, plus interest thereon, have increased the Company's percentage share of the overall loan compared to the position in the annual report and accounts dated 31 January 2025. Notwithstanding this benefit, allowances for working capital expenditure along with adjustments to the probability-weighted exit price of the portfolio mean the carrying value of the loan has increased only modestly compared to the prior period, as set out in the table below.

ICG has continued to receive expressions of interest in the portfolio, or individual properties within it, but has elected to prepare a formal, competitive marketing process, following a beauty parade of potential agents and advisers. We anticipate launching this process in October 2025.

Affinity

During the reporting period, we concluded the sale of the asset securing the loan through a process led by our LPA receiver. The property was subject to competitive bids over two rounds, with the final headline sale price of £10.20 million being ahead of the carrying value of the loan.

While conclusion of the sale was protracted, with the impact of the Trump tariff announcement causing particular uncertainty, exchange of contracts took place in May 2025 with completion in June. After customary closing adjustments, final proceeds received by the Company were £10.10 million. A further modest recovery may be received following conclusion of the formal receivership process, however there is no assurance on the quantum or timing of any such recovery.

Reconciliation of Changes in Book Value

Project	Balance outstanding (£m)	31 July 2025		31 January 2025		31 July 2024	
		Book Value after ECL (£m)	Book Value per share (p)	Book Value after ECL (£m)	Book Value per share (p)	Book Value after ECL (£m)	Book Value per share (p)
Southport	16.50	7.11	5.9	7.07	5.8	8.80	7.3
RoyaleLife	25.38	13.36	11.0	13.30	11.0	14.19	11.7
Total	41.88	20.47	16.9	20.36	16.8	31.91	19.0

Economy and Financial Market Update

Despite elevated geopolitical and trade policy uncertainty, the global economy and markets have shown notable resilience this year. Growth in Europe, the UK, and the US is estimated at 1.5%, 1.3%, and 1.2% respectively in H1, supporting a constructive business environment.

Resilient growth, solid earnings, and expectations of further interest rate easing have generally lifted risk assets during the reporting period, with the S&P 500 and other major equity benchmarks reaching all-time highs and credit spreads staying tight, despite volatility in April 2025 owing to the tariff announcements by the Trump administration. The key question is whether this resilience will persist. The UK faces fiscal constraints, but healthy household balance sheets, real income growth, and the potential for lower interest rates should support growth and maintain a positive operating environment into 2026.

The proposed US-UK and US-EU trade deals announced in July were better than expected and should help reduce policy uncertainty and downside risks to growth. The UK managed to negotiate relatively favourable 10% tariffs for most exports, and with only around 2% of UK GDP exposed to the US goods export market, the UK is likely to see a relatively small negative impact from US tariffs. However, fiscal constraints and sticky inflation give policymakers limited leeway to support growth.

While the Bank of England cut UK rates (to 4%) for the fifth time in a year in its August meeting, the decision was on a knife-edge with a 5-4 split following an unprecedented second vote. Rates were held flat in September. Benchmark five-year swap rates have not moved materially during the year, but many observers have recently pointed to the rise in long-term gilt yields, with the 30-year yield at its highest level since 1998, reflecting uncertainty on the long-term fiscal and rate outlook.

ICG-LONGBOW SENIOR SECURED UK PROPERTY DEBT INVESTMENTS LIMITED

INVESTMENT MANAGER'S REPORT (CONTINUED)

Property Investment Market

UK commercial real estate investment reached £10bn in Q2 2025, bringing the H1 total to £21.9bn, according to CBRE. Transaction volumes were 16% lower quarter-on-quarter, while the half year total was 18% below that for H1 2024. However, rolling 12-month investment volumes (£52.1bn) were 6% up on the prior 12 months. Domestic investment totalled 56% of all activity in H1 2025, while the £10m - £50m lot size range accounted for the largest share of all transactions in H1, at 30%.

In the traditional property sectors, Industrials and Offices saw the most investment throughout Q2 at £2.1bn each, followed by the Living sector (£1.7bn). The Industrial, Office, and Hotel sectors all saw transaction volumes increase quarter-on-quarter, while the Retail and Living sectors posted falls in investment. While investment volume declined across all other sectors in H1 2025 compared to H1 2024, the Office sector saw a 22% increase as investor confidence begins to return to the sector with the occupational market improving for the best buildings in key markets.

Overall, investors remained cautious in their deployment of capital during H1, reflecting increased uncertainty around both domestic and global economic prospects. In contrast, there has been a strengthening of commercial real estate performance, with income returns complemented by gradual, but sustained capital value growth in the first half of the year. According to the CBRE UK Monthly Index, capital values rose 1.4% in the six months to June 2025, contributing to a total return across all commercial property of 4.2% for the year to June.

Finance Markets

Debt markets seem primed to support a further recovery in UK real estate investment. Net bank lending to UK commercial property rose to a 17 year high in Q2 2025, with a net increase of £5.6bn, the highest level since 2008. The European Lender Intentions Survey showed that 78% of lenders across Europe intended to increase their origination activity in 2025, despite economic headwinds. This was also reflected in the latest Bank of England credit conditions survey, with a record balance of lenders planning to loosen lending standards in Q3.

This strong appetite has led to a reduction in loan margins for prime quality assets; we have observed prime central London office loans closing at sub-150 basis point credit spreads. Living sector assets (both private rented residential and purpose-built student accommodation) are also well sought after, alongside industrials.

In another corner of the finance markets, Blackstone sponsored the largest UK CMBS since the financial crisis, with the syndicate of lenders led by Goldman Sachs and Deutsche Bank placing a £1.5 billion financing of its Haven holiday parks business, as part of a wider structured transaction. The weighted average margin on the loan was reportedly 350 basis points.

Portfolio Outlook

Shareholders will be aware that the realisation of the Company's last remaining assets has been challenging and, unfortunately, we expect that this may continue to be the case with the RoyaleLife portfolio representing a portfolio of significant scale in a niche part of the residential sector. Nonetheless, we are encouraged by the steady (albeit slow) progress in securing an exit of the Southport asset and the unsolicited interest we periodically receive on the RoyaleLife portfolio.

As reported previously, this investment is the one which will be most impactful upon shareholders if a positive outcome can be delivered, and to that end we have been pleased to see our careful restructuring of the loan in January 2024 has recently led to a tax rebate. We continue to value shareholders' patience while we pursue a considered exit from the portfolio along with the wider legal claim.

ICG Alternative Investment Limited

29 September 2025

ICG-LONGBOW SENIOR SECURED UK PROPERTY DEBT INVESTMENTS LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

The Directors are responsible for preparing this Interim Financial Report in accordance with applicable law and regulations. The Directors confirm that to the best of their knowledge:

- The Unaudited Condensed Interim Financial Statements have been prepared in accordance with IAS 34 Interim Financial Reporting as adopted by the UK; and
- The Chairman's Statement and Investment Manager's Report include a fair review of the information required by:
 - (i) DTR 4.2.7R of the Disclosure Guidance and Transparency Rules, being an indication of important events that have occurred during the first six months of the financial year and their impact on the Unaudited Condensed Interim Financial Statements; and a description of the principal risks and uncertainties for the remaining six months of the year; and
 - (ii) DTR 4.2.8R of the Disclosure Guidance and Transparency Rules, being related party transactions that have taken place in the first six months of the financial year and that have materially affected the financial position and performance of the entity during that period; and any changes in the related party transactions described in the last Annual Report and Financial Statements that could do so.

On behalf of the Board

Jack Perry
Chairman

29 September 2025

ICG-LONGBOW SENIOR SECURED UK PROPERTY DEBT INVESTMENTS LIMITED

PRINCIPAL RISKS AND UNCERTAINTIES

The Company invests primarily in UK commercial real estate loans of a fixed rate nature; as such, it is exposed to the performance of the borrower and the underlying property on which its loans are secured.

The principal risks and uncertainties of the Company were identified in detail in the Annual Report and Financial Statements for the year ended 31 January 2025.

In addition to regular risk reviews, emerging risks are considered as they arise, to assess any potential impact on the Company and to determine whether any actions are required.

As a result of such risks emerging, the Audit and Risk Committee regularly reviews its assessment of the key risks faced by the Company, which are currently identified as the following:

- The inability to secure the sale or refinancing of an underlying property will frustrate the timely repayment of capital;
- Imprecision of valuations will impact the Company's ability to accurately determine collateral values and to appropriately consider the potential impairment of any particular investment;
- A further deterioration in property market conditions or liquidity could likely result in a further reduction in shareholder value;
- Portfolio diversification: the effect on the Company of challenges experienced on the smaller number of remaining investments is magnified and could lead to increased volatility in cash flows or net asset values;
- Some of the Company's costs are fixed and will therefore consume a greater proportion of the Company's revenues as the Company shrinks, which will impact the amount of funds available for distribution to shareholders;
- Complications with the liquidation process could affect timing of the final distribution to shareholders.

ICG-LONGBOW SENIOR SECURED UK PROPERTY DEBT INVESTMENTS LIMITED

CONDENSED STATEMENT OF COMPREHENSIVE INCOME

FOR THE SIX-MONTH PERIOD TO 31 JULY 2025

		1 February 2025 to 31 July 2025 £ (Unaudited)	1 February 2024 to 31 July 2024 £ (Unaudited)	1 February 2024 to 31 January 2025 £ (Audited)
	Note			
Income				
Income from loans		1,348,576	1,593,940	3,066,342
Other income from loans		945,457	-	-
Income from cash and cash equivalents		44,154	34,641	74,417
Total income		2,338,187	1,628,581	3,140,759
Expenses				
Investment Management fees	9	64,807	139,965	183,236
Directors' remuneration	9	42,500	80,000	160,000
Audit fees for the Company		48,299	40,250	85,650
ECL charge on loan capital	4	597,365	1,515,095	2,589,160
ECL charge on default interest income	4	1,348,576	1,551,452	3,066,342
Other expenses	10	187,500	176,748	352,366
Total expenses		2,289,047	3,503,510	6,436,754
Profit/(Loss) for the period/year before tax		49,140	(1,874,929)	(3,295,995)
Taxation		-	-	-
Profit/(Loss) for the period/year after tax		49,140	(1,874,929)	(3,295,995)
Total comprehensive income/(expense) for the period/year		49,140	(1,874,929)	(3,295,995)
Basic and diluted Earnings/(Loss) per Share (pence)	5	0.04	(1.55)	(2.72)

All items within the above statement have been derived from discontinuing activities on the basis of the orderly realisation of the Company's assets.

The Company has no recognised gains or losses for either period other than those included in the results above, therefore no separate statement of other comprehensive income has been prepared.

The accompanying notes form an integral part of these Interim Financial Statements.

ICG-LONGBOW SENIOR SECURED UK PROPERTY DEBT INVESTMENTS LIMITED

CONDENSED STATEMENT OF FINANCIAL POSITION

AS AT 31 JULY 2025

		31 July 2025	31 January 2025	31 July 2024
		£	£	£
	Note	(Unaudited)	(Audited)	(Unaudited)
Assets				
Loans advanced at amortised cost	4	20,465,869	29,896,891	31,913,445
Cash and cash equivalents		2,998,100	3,200,201	2,791,562
Trade and other receivables		18,025	41,179	17,378
Total assets		23,481,994	33,138,271	34,722,385
Liabilities				
Trade and other payables		208,943	210,138	373,186
Total liabilities		208,943	210,138	373,186
Net assets		23,273,051	32,928,133	34,349,199
Equity				
Share capital	6	54,946,139	64,650,361	64,650,361
Retained loss		(31,673,088)	(31,722,228)	(30,301,162)
Total equity attributable to the owners of the Company		23,273,051	32,928,133	34,349,199
Number of ordinary shares in issue at period/year end	6	121,302,779	121,302,779	121,302,779
Net Asset Value per ordinary share (pence)	5	19.19	27.15	28.32

The Interim Financial Statements were approved by the Board of Directors on 29 September 2025 and signed on their behalf by:

Jack Perry
Chairman

Paul Meader
Director

The accompanying notes form an integral part of these Interim Financial Statements.

ICG-LONGBOW SENIOR SECURED UK PROPERTY DEBT INVESTMENTS LIMITED

CONDENSED STATEMENT OF CHANGES IN EQUITY

FOR THE SIX-MONTH PERIOD TO 31 JULY 2025

	Note	Number of shares	Ordinary Share capital £ (Unaudited)	B Share capital £ (Unaudited)	Retained profit £ (Unaudited)	Total £ (Unaudited)
As at 1 February 2025		121,302,779	64,650,361	-	(31,722,228)	32,928,133
Total comprehensive income for the period		-	-	-	49,140	49,140
B shares issued July 2025		121,302,779	(9,704,222)	9,704,222	-	-
B shares redeemed and cancelled July 2025		(121,302,779)	-	(9,704,222)	-	(9,704,222)
As at 31 July 2025		121,302,779	54,946,139	-	(31,673,088)	23,273,051

FOR THE SIX-MONTH PERIOD TO 31 JULY 2024

	Note	Number of shares	Ordinary Share capital £ (Unaudited)	B Share capital £ (Unaudited)	Retained (loss) £ (Unaudited)	Total £ (Unaudited)
As at 1 February 2024		121,302,779	64,650,361	-	(28,426,233)	36,224,128
Loss for the period		-	-	-	(1,874,929)	(1,874,929)
As at 31 July 2024		121,302,779	64,650,361	-	(30,301,162)	34,349,199

The accompanying notes form an integral part of these Interim Financial Statements.

ICG-LONGBOW SENIOR SECURED UK PROPERTY DEBT INVESTMENTS LIMITED

CONDENSED STATEMENT OF CASH FLOWS

FOR THE SIX-MONTH PERIOD TO 31 JULY 2025

		1 February 2025 to 31 July 2025 £ (Unaudited)	1 February 2024 to 31 July 2024 £ (Unaudited)	1 February 2024 to 31 January 2025 £ (Audited)
	Note			
Cash flows generated from/(used in) operating activities				
Profit/(Loss) for the period/year		49,140	(1,874,929)	(3,295,995)
Adjustments for non-cash items and working capital movements:				
Movement in other receivables		23,154	13,340	(10,461)
Movement in other payables and accrued expenses		(1,195)	(18,285)	(181,332)
ECL provisioning		597,365	1,472,607	2,589,160
		668,464	(407,267)	(898,628)
Loans advanced		(700,000)	(300,000)	(300,000)
Loans repaid	4	9,533,657	553,000	1,453,000
Net loans repaid less arrangement fees		8,833,657	253,000	1,153,000
Net cash generated from/(used in) operating activities		9,502,121	(154,267)	254,372
Cash flows used in financing activities				
Return of Capital paid	6	(9,704,222)	-	-
Net cash used in financing activities		(9,704,222)	-	-
Net movement in cash and cash equivalents		(202,101)	(154,267)	254,372
Cash and cash equivalents at the start of the period/year		3,200,201	2,945,829	2,945,829
Cash and cash equivalents at the end of the period/year		2,998,100	2,791,562	3,200,201

The accompanying notes form an integral part of these Interim Financial Statements.

ICG-LONGBOW SENIOR SECURED UK PROPERTY DEBT INVESTMENTS LIMITED

NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE SIX-MONTH PERIOD TO 31 JULY 2025

1. General information

ICG-Longbow Senior Secured UK Property Debt Investments Limited is a non-cellular company limited by shares and was incorporated in Guernsey under the Companies Law on 29 November 2012 with registered number 55917 as a closed-ended investment company. The registered office address is Floor 2, Trafalgar Court, Les Banques, St Peter Port, Guernsey, GY1 4LY.

The Company's shares were admitted to the Premium Segment of the Official List and to trading on the Main Market of the London Stock Exchange on 5 February 2013.

The unaudited condensed financial statements comprise the financial statements of the Company as at 31 July 2025.

In line with the revised Investment Objective and Policy approved by shareholders in the Extraordinary General Meeting in January 2021, the Company is undertaking an orderly realisation of its investments. As sufficient funds become available the Board returns capital to shareholders, taking account of the Company's working capital requirements and funding commitments.

ICG Alternative Investment Limited is the external discretionary investment manager.

2. Accounting policies

a) Basis of preparation

The Interim Financial Statements included in this Interim Report, have been prepared in accordance with IAS 34 'Interim Financial Reporting', as adopted by the UK and the Disclosure, Guidance and Transparency Rules of the FCA.

The Interim Financial Statements have not been audited or reviewed by the Company's Auditor.

The Interim Financial Statements do not include all the information and disclosures required in the Annual Report and Financial Statements and should be read in conjunction with the Company's Annual Report and Financial Statements for the year ended 31 January 2025, which are available on the Company's website (www.lbow.co.uk). The Annual Report and Financial Statements have been prepared in accordance with IFRS as adopted by the UK

Other than as set out above, the same accounting policies and methods of computation have been followed in the preparation of these Interim Financial Statements as in the Annual Report and Financial Statements for the year ended 31 January 2025. In particular the Company has adopted the same approach to valuation of financial instruments including critical accounting judgements and estimation of uncertainties as set out in detail in the notes to the Annual Report and Financial Statements for the year ended 31 January 2025.

There were no new standards or interpretations effective for the first time for periods beginning on or after 1 January 2025 that had a significant effect on the Company's financial statements. Furthermore, none of the amendments to standards that are effective from 1 January 2025, had a significant effect on the Company's interim condensed financial statements. It is not anticipated that any standard which is not yet effective, will have a material impact on the Company's financial position or on the performance of the Company's statements.

b) Going concern

The Directors, at the time of approving the Financial Statements, are required to satisfy themselves that they have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future and whether there is any threat to the going concern status of the Company. At the EGM of the Company on 14 January 2021, following a recommendation from the Board published in a circular on 16 December 2020, shareholders voted by the requisite majority in favour of a change to the Company's Objectives and Investment Policy which would lead to an orderly realisation of the Company's assets and a return of capital to shareholders.

ICG-LONGBOW SENIOR SECURED UK PROPERTY DEBT INVESTMENTS LIMITED

NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS (CONTINUED)

FOR THE SIX-MONTH PERIOD TO 31 JULY 2025

2. Accounting policies (continued)

b) Going concern (continued)

It is intended that, following the appointment of receivers or administrators in respect of the last remaining loans, the investments will be realised as and when the underlying property assets, or loans upon which they are secured, can be sold in an orderly manner. The Company may take actions with the consequence of accelerating or delaying realisation in order to optimise shareholders' returns in the context of the Company's size.

Whilst the Directors are satisfied that the Company has adequate resources to continue in operation throughout the realisation period and to meet all liabilities as they fall due, given the Company is now in a managed wind down, the Directors consider it appropriate to adopt a basis other than going concern in preparing the financial statements.

In the absence of a ready secondary market in real estate loans by which to assess market value, the basis of valuation for investments is amortised cost net of impairment, recognising the anticipated realisable value of each property in the orderly wind down of the Company. In accordance with the Company's IFRS 9 Policy the staging of each loan has been reviewed and all loans are considered to be at Stage 3. Consequently, valuations reflect the ECL assuming a twelve month realisation period, as detailed on Note 4. No material adjustments have arisen solely as a result of ceasing to apply the going concern basis.

c) Segmental reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors as a whole. The key measure of performance used by the Board to assess the Company's performance and to allocate resources is the total return on the Company's Net Asset Value, as calculated under IFRS, and therefore no reconciliation is required between the measure of profit or loss used by the Board and that contained in the Financial Statements.

For management purposes, the Company is organised into one main operating segment, being the provision of a diversified portfolio of UK commercial property backed senior debt investments.

The majority of the Company's income is derived from loans secured on commercial and residential property in the United Kingdom.

Due to the Company's nature, it has no employees.

The Company's results do not vary significantly during reporting periods as a result of seasonal activity.

3. Critical accounting judgements and estimates in applying the Company's accounting policies

The preparation of the Financial Statements under IFRS requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and other factors that are believed to be reasonable under the circumstances, including the Company's timeframe for orderly realisation of investments in order to return capital to shareholders. These factors help form the basis of making judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Critical accounting judgements

In assessing the Expected Credit Losses (ECL), the Board has made critical judgements in relation to the staging of the loans and assessments which impact the loss given default. In assessing whether the loans have incurred a significant increase in credit risk the Investment Manager, on behalf of the Board, assesses the credit risk attaching to each of the loans and the realisable value of the underlying property on which the loans are secured.

ICG-LONGBOW SENIOR SECURED UK PROPERTY DEBT INVESTMENTS LIMITED

NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS (CONTINUED)

FOR THE SIX-MONTH PERIOD TO 31 JULY 2025

3. Critical accounting judgements and estimates in applying the Company's accounting policies (continued)

Critical accounting judgements (continued)

The Company has adopted the Investment Manager's Internal credit rating methodology and has used its loss experience to benchmark investment performance and potential impairment for Stage 1, Stage 2 and Stage 3 loans under IFRS 9 considering both probability of default and loss given default. It is noted that the Company's remaining loans are past due and that receivers or administrators have been appointed over the Company's security.

The Investment Manager and the Board will also take into consideration the likely repayment term of loans that have become past due and the actions to be taken by the appointed receiver or administrator to repay such loans. Consequently, a loan which is past due, but otherwise performing, may continue to be assessed as Stage 1 where there is an active repayment plan in place, or supporting evidence that the loan can be repaid in full and the Company has given a period of forbearance whilst reserving its rights to, or charging, default interest.

Against the backdrop of higher interest rates and liquidity issues, as discussed in the Investment Manager's Report, the Investment Manager and Board agree that all remaining investments have a heightened credit risk. At the reporting date the remaining two loans are subject to enforcement action and, in the absence of an active and liquid property market, are considered as Stage 3 assets with a material risk of credit loss.

Key sources of estimation uncertainty

The measurement of both the initial and ongoing ECL allowance for loan receivables measured at amortised cost is an area that has required the use of significant assumptions about credit behaviour such as likelihood of borrowers continuing to support their properties through interest payments and equity injections, or defaulting and the resulting losses.

In line with the Company's investment strategy at the time, most loans benefited from significant LTV headroom at origination, with business plans designed to deliver further value increases over time. This combined with tight covenants generally enabled the Investment Manager to manage risk over the term of the loans. However, following the change in Investment Strategy to one of orderly wind down and the reduction of the portfolio to just two remaining assets, the Investment Manager and the Board have placed greater emphasis on the source and delivery of repayment of each loan when assessing valuation and the risk of capital loss.

As discussed above, a material reduction in transactional evidence and higher funding costs have led to a fall in property values generally, but with those sectors subject to structural change (e.g. offices) and higher interest rates (e.g. residential housing for sale) being particularly impacted. As a result, all remaining loans have evidence of heightened credit risk with the equity buffer having been eroded by falls in property values and the likelihood of further sponsor support being considered remote, and as such have been assessed as Stage 3 loans.

The Board's valuation of Stage 3 assets (those loans considered to have a material risk of credit loss), is first informed by third party property valuations and supporting comparative transactional evidence, including marketing processes being undertaken. The Investment Manager and the Board will then overlay property level cashflows, expected sales costs and other factors considered necessary to achieve exits within the target timeframes for returning capital to shareholders.

All of the Company's Stage 3 assets are subject to enforcement action in the form of administration or receivership at the reporting date. As a result, the Company has considered the likelihood of achieving sales at the most recent third-party valuation or at discounts to reflect the current lack of liquidity in the relevant property sector and the Company's target timeframes and the probability of such outcomes. These probabilities and discounts are further informed by prospective purchasers' offers or expressions of interest where properties have been marketed.

In arriving at the investment valuations, the Investment Manager has overlayed the expected costs of sale and exit timeframes to determine a weighted average valuation of each loan under the expected interest rate method and, thereby, the expected credit loss for each loan that may result.

ICG-LONGBOW SENIOR SECURED UK PROPERTY DEBT INVESTMENTS LIMITED

NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS (CONTINUED)

FOR THE SIX-MONTH PERIOD TO 31 JULY 2025

3. Critical accounting judgements and estimates in applying the Company's accounting policies (continued)

Key sources of estimation uncertainty (continued)

Revenue recognition is considered a significant accounting judgement and estimate that the Directors make in the process of applying the Company's accounting policies. In respect of the Company's Stage 3 loans, interest income will be recognised through in the Statement of Comprehensive Income net of ECL allowance. In view of the trading conditions of the Southport hotel and liquidity challenges facing the RoyaleLife loan, the Directors consider it unlikely that interest payments will be received in the future.

4. Loans advanced

(i) Loans advanced

	1 February 2025 to 31 July 2025	1 February 2024 to 31 January 2025
	£	£
Loans gross carrying value	52,427,880	68,030,170
Less: Expected Credit Losses	(31,962,011)	(38,133,279)
	<u>20,465,869</u>	<u>29,896,891</u>

	31 July 2025	31 July 2025	31 January 2025	31 January 2025
	Principal advanced	Carrying value before ECL allowance	Principal advanced	Carrying value before ECL allowance
	£	£	£	£
Affinity ⁽¹⁾	-	-	16,572,789	17,374,512
Southport ⁽²⁾	16,500,000	18,406,797	15,800,000	17,428,494
RoyaleLife	25,382,017	34,021,083	25,382,017	33,227,164
	<u>41,882,017</u>	<u>52,427,880</u>	<u>57,754,806</u>	<u>68,030,170</u>

(1) Net capital receipts of £9.70 million received during the period.

(2) There was a £700,000 increase to the Southport loan principal during the period.

(ii) Valuation considerations

As noted above, the Company is now in the process of an orderly wind down. It had been the intention of the Investment Manager and Directors to hold loans through to their repayment date, and seek a borrower led repayment in order to maximise value for the shareholders. Economic and property market conditions have not enabled this, with commercial property transactions in some sectors at their lowest levels for 15 years.

The carrying value amounts of the loans, recorded at amortised cost in the Financial Statements have been adjusted for expected credit losses. For further information regarding the status of each loan and the associated risks see the Investment Manager's Report.

As loans have fallen past due and enforcement actions have been taken, the Directors have also reassessed the likelihood and timing of receipt of any interest and exit fees associated with the loans in the context of the current underlying property value and weak market conditions.

Each property on which investments are secured was subject to an independent, third-party valuation at the time the investment was entered into and updated valuations are obtained as deemed appropriate. All investments are made on a hold to maturity basis. Each investment is being closely monitored including a review of the performance of the underlying property security.

ICG-LONGBOW SENIOR SECURED UK PROPERTY DEBT INVESTMENTS LIMITED

NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS (CONTINUED)

FOR THE SIX-MONTH PERIOD TO 31 JULY 2025

4. Loans advanced (continued)

(ii) Valuation considerations (continued)

Third party property valuations are typically based on the specific particulars of the property (rent, Weighted Average Unexpired Lease Term (WAULT), vacancy, condition and location) and assume a normal marketing period and sales process. Valuers benchmark against comparative evidence from recent transactions in similar properties in similar locations.

All the remaining Investments are considered to be Stage 3 assets and are subject to enforcement action. The carrying value of each Stage 3 investment has been calculated to reflect the net present value of the expected net proceeds from, and timing of, exit under a range of scenarios reflecting the latest indicators of realisable value, the cost of disposal (including enforcement action taken), and potential discount to valuation that a willing buyer may offer in the current market for a purchase out of administration/ receivership in an accelerated process with limited vendor warranties and indemnities.

(iii) IFRS 9 – Impairment of Financial Assets

As discussed above, during 2024 and 2025, the UK commercial property market has experienced a period of historically low transaction volumes, as buyers adjust their pricing in order to generate target returns in a higher interest rate environment with uncertain occupational demand in many sectors. Conversely, unless forced, sellers are inclined to hold properties where they can in the expectation of improved liquidity as the economic outlook stabilises and medium-term interest rates fall. In this context, valuation and, therefore, the ECL of each investment has been recalculated based on the underlying property performance, third party bids on the underlying assets themselves, and property valuations together with any sales/marketing experience to date as discussed further below.

The internal credit rating of each loan as at 31 July 2025 has been reviewed. The remaining two loans which were identified as Stage 3 assets at 31 January 2025, have remained Stage 3 assets, with an ECL provision of £31,962,011 (31 January 2025: £38,133,279).

As at 31 July 2025

	Stage 1	Stage 2	Stage 3	Total
Principal advanced	-	-	41,882,017	41,882,017
Gross carrying value	-	-	52,427,083	52,427,083
Less ECL allowance	-	-	(31,962,011)	(31,962,011)
	-	-	20,465,869	20,465,869

As at 31 January 2025

	Stage 1	Stage 2	Stage 3	Total
Principal advanced	-	-	57,754,806	57,754,806
Gross carrying value	-	-	68,030,170	68,030,170
Less ECL allowance	-	-	(38,133,279)	(38,133,279)
	-	-	29,896,891	29,896,891

Southport

The Southport hotel was identified as a Stage 3 asset at 31 January 2023. Following an aborted sales process and a remarketing exercise the hotel, which continues to generate positive EBITDA, and is subject to a bid in excess of book value. In assessing the ECL as at 31 July 2025, the Investment Manager and the Board have, consistent with prior periods, considered a range of potential outcomes based on the current bid, other bids received and market advice and have adopted a probability weighted approach, discounting the resultant cashflows to the expected completion. The ECL provision increased by £936,203 in the period, which represents £278,303 of default interest, full provision for the working capital injection made during the period of £700,000 and a decrease of £42,100 due to a valuation uplift.

ICG-LONGBOW SENIOR SECURED UK PROPERTY DEBT INVESTMENTS LIMITED
NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS (CONTINUED)
 FOR THE SIX-MONTH PERIOD TO 31 JULY 2025

4. Loans advanced (continued)
(iii) IFRS 9 – Impairment of Financial Assets (continued)

Affinity

As announced on 29 May 2025, the Company exchanged contracts to sell the property securing the Affinity loan. This sale completed in June 2025, and the Company received net consideration of £10.10 million, of which approximately £9.20 million was treated as net capital receipts from the sale (net of costs), and the balance of £0.90 million as income receipts from tenant rents.

RoyaleLife

As previously reported, the companies holding the sites securing the RoyaleLife loan were placed into administration during 2023 to protect the assets from other creditor claims. The sites were sold into a new holding company structure at the end of the last financial year and the Company's debt, together with that of its co-lenders was restructured to facilitate the transaction. Consequently, the Company now participates in a fully cross collateralised loan to the new operating structure whilst retaining a claim against any proceeds arising from the ongoing administration of the old operating structure. The administrator ran a sales process prior to the restructure from which an institutionally backed offer for the entire platform was received, and heads of terms were agreed. Whilst the sale did not progress, the Investment Manager is continuing to support the new operator to rebrand and relaunch the sale of individual bungalow homes in order to retain optionality and maximise value for the lenders. The Investment Manager continues to work with the administrator to explore all avenues for recovery of losses against the original borrower platform.

The Board and Investment Manager consider there to be a material risk of loss and the loan was categorised as Stage 3 in July 2023, with the restructured loan remaining at Stage 3. In determining the ECL as at 31 July 2025 the Board and the Investment Manager have considered a range of guidance including the previous offer level; has adopted the same probability weighted approach; and considered a range of outcomes linked to sale of the properties, and to the relaunch of the underlying business with an exit over time. The Board and Investment Manager have also factored in the cost of ongoing working capital support to the portfolio alongside the recent tax rebates received following the original restructure of the loans.

The Company together with its co-lenders retain the rights, under the original loan, to any recoveries linked to the administration process and the bankruptcy proceedings against the previous beneficial owner. The Company is also party to a legal claim against the original valuer of the portfolio, as set out elsewhere in this report, albeit no value has been attached to such claims.

A reconciliation of the ECL allowance is presented as follows:

Expected Credit Loss Allowances					
	At 31 January 2025	ECL release from loan sale	ECL movement related to default interest	ECL movement related to loan capital	At 31 July 2025
	£	£	£	£	£
Affinity	(7,840,855)	8,117,209	(276,354)		-
Southport	(10,360,782)	-	(278,303)	(657,900)	(11,296,985)
RoyaleLife	(19,931,642)	-	(793,919)	60,535	(20,665,026)
	(38,133,279)	8,117,209	(1,348,576)	(597,365)	(31,962,011)

ICG-LONGBOW SENIOR SECURED UK PROPERTY DEBT INVESTMENTS LIMITED
NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS (CONTINUED)
FOR THE SIX-MONTH PERIOD TO 31 JULY 2025

4. Loans advanced (continued)
(iv) IFRS 9 Impairment – Stress Analysis

The carrying values of the remaining investments above contemplate sales in a difficult market and have been adjusted for expected credit losses, making allowance for the potential impact of sales out of receivership/administration on the properties' underlying liquidity and attractiveness to buyers, as well as the timeframe in which the Company is seeking to realise its investments.

The remaining loans are, or have been, subject to enforcement processes, which may be an additional factor in the liquidity of and buyer pools for the subject assets. Southport and RoyaleLife are secured against operating assets which brings additional complexity for buyers when compared to, say, single tenant investment properties and, in the case of RoyaleLife, operates in a new and emerging sector.

The Investment Manager and the Board have considered the impact of a further 10%, 20% and 30% reduction in the underlying property values, broadly reflecting a one, two and three stage credit deterioration as previously presented, and recalculated its probability weighted valuations on this basis. The potential negative impact of these further declines in property values on the portfolio as a whole is set out below.

Stress test impact on Expected Credit Loss at 31 July 2025

	31 July 2025	31 January 2025	31 July 2024
10% reduction in property value	£2,111,000	£3,279,000	£2,933,000
20% reduction in property value	£4,167,000	£6,558,000	£5,875,000
30% reduction in property value	£6,223,000	£9,837,000	£8,817,000

All efforts continue to be made by the Investment Manager and the Board to crystallise the value in the remaining investments in a reasonable time frame in order to return capital to shareholders and proceed to the liquidation of the Company. However, as discussed above, in the current market many properties for sale are not receiving any bids, even where they are considered distressed, and the limited number of buyers active in the market are seeking out the maximum distress in order achieve best relative value and maximise their potential returns. Accordingly, the timing of the final realisation of the Company's remaining assets cannot be predicted with certainty. The Board and Investment Manager have considered the impact of a delay in the realisation of the remaining loans. A 3 month delay would, at 31 July 2025, reduce the net present value of the cashflows arising by 2.8% (£565,000), whilst a 6 month delay would result in a 5.8% (£1,193,000) reduction in the net present value of the cashflows arising.

5. Earnings per share and Net Asset Value per share

Earnings/(Loss) per share

	1 February 2025 to 31 July 2025	1 February 2024 to 31 July 2024
Profit/(Loss) for the period after tax (£)	49,140	(1,874,929)
Weighted average number of ordinary shares in issue	121,302,779	121,302,779
Basic and diluted earnings/(loss) per share (pence)	0.04	(1.55)

The calculation of basic and diluted loss per share is based on the loss for the period and on the weighted average number of ordinary shares in issue during the period.

There are no dilutive shares at 31 July 2025 (31 January 2025: none).

ICG-LONGBOW SENIOR SECURED UK PROPERTY DEBT INVESTMENTS LIMITED

NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS (CONTINUED)

FOR THE SIX-MONTH PERIOD TO 31 JULY 2025

5. Earnings per share and Net Asset Value per share (continued)

Net Asset Value per share

	31 July 2025	31 January 2025
NAV (£)	23,273,051	32,928,133
Number of ordinary shares in issue	121,302,779	121,302,779
NAV per share (pence)	<u>19.19</u>	<u>27.15</u>

The calculation of NAV per share is based on Net Asset Value and the number of ordinary shares in issue at the period/year end.

6. Share Capital

The authorised share capital of the Company is represented by an unlimited number of ordinary shares with or without a par value which, upon issue, the Directors may designate as (a) ordinary shares; (b) B shares; and (c) C shares, in each case of such classes and denominated in such currencies as the Directors may determine.

	31 July 2025	31 January 2025
	Number of shares	Number of shares
Authorised		
Ordinary Shares of no par value	Unlimited	Unlimited
B Shares of no par value	Unlimited	Unlimited
	<u>Total No</u>	<u>Total No</u>
Issued Ordinary Shares	<u>121,302,779</u>	<u>121,302,779</u>
B Shares		
B Shares issued July 2025	121,302,779	-
B Shares redeemed and cancelled July 2025	(121,302,779)	-
	<u>-</u>	<u>-</u>
	£	£
Share capital brought forward	64,650,361	64,650,361
Repaid in the period/year	(9,704,222)	-
Share capital carried forward	<u>54,946,139</u>	<u>64,650,361</u>

Return of Capital

Return of Capital is recognised by the Company in the quarterly NAV calculation following the declaration date.

The Directors announced one Return of Capital in the period and returned a total amount of 8.00 pence per Ordinary Share to shareholders, being £9,704,222 in total based on the current number of Ordinary Shares in issue. This return of capital was effected by way of an issue of redeemable B Shares to existing shareholders pro rata to their shareholding on the record date set out below and the subsequent redemption of those B Shares.

	Return of Capital per share Pence	Total Return of Capital £
1 February 2025 to 31 July 2025		
Return of Capital July 2025	8.00	9,704,222
	<u>8.00</u>	<u>9,704,222</u>

ICG-LONGBOW SENIOR SECURED UK PROPERTY DEBT INVESTMENTS LIMITED

NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS (CONTINUED)

FOR THE SIX-MONTH PERIOD TO 31 JULY 2025

7. Dividends

Dividends are recognised by the Company in the quarterly NAV calculation following the declaration date. No dividends were declared or paid in respect of the period 1 February 2025 to 31 July 2025.

Following shareholder approval of proposed changes to the Company's Investment Objectives and Investment Policy which allows an orderly realisation of the Company's assets and return of capital to shareholders, the Board has made it clear that payment of quarterly dividends would continue only whilst it remained prudent to do so.

Due to the enforcement actions in place over all three remaining assets, trading levels have been reduced and accordingly levels of operating cashflow are projected to be significantly reduced.

The Company has a predictable cost base and the ability to hold capital from the imminent (contracted) and prospective future repayments to meet costs and preserve working capital over the medium to long-term. However, it is no longer considered appropriate to distribute a regular dividend.

Right attaching to Shares

The Company has a single class of ordinary shares which are not entitled to a fixed dividend. During the period, the company had one issue of redeemable B shares which were redeemed on a Return of Capital payment to shareholders of the redeemable B shares.

At any General Meeting of the Company each ordinary shareholder is entitled to have one vote for each share held. The ordinary shares also have the right to receive all income attributable to those shares and participate in distributions made and such income shall be divided *pari passu* among the holders of ordinary shares in proportion to the number of Ordinary Shares held by them.

The Company's Articles include a B Share mechanism for returning capital to shareholders and following shareholder approval on 14 January 2021, the Company has and will continue to utilise this mechanism in future. When the Board determines to return capital to shareholders, the Company has issued B Shares, paid up out of the Company's assets, to existing shareholders *pro rata* to their holding of ordinary shares at the time of such issue. The amount paid up on the B Shares will be equal to the cash distribution to be made to shareholders via the B Share mechanism. The B Shares shall be redeemable at the option of the Company following issue and the redemption proceeds (being equal to the amount paid up on such B Shares) paid to the holders of such B Shares on such terms and in such manner as the Directors may from time to time determine. It is, therefore, expected that the B Shares will only ever be in issue for a short period of time and will be redeemed for cash shortly after their issue in order to make the return of capital to shareholders.

It is intended that following each return of capital the Company will publish a revised estimated Net Asset Value and Net Asset Value per Ordinary Share based on the prevailing published amounts adjusted to take into account the return of capital. The number of ordinary shares in issue will remain unchanged.

8. Financial Risk Management

The Company through its investment in senior loans is exposed to a variety of financial risks. The main risks arising from the Company's financial instruments are: market risk (including currency risk and interest rate risk), credit risk and liquidity risk and are fully disclosed on pages 69 to 72 of the Annual Report and Financial Statements for the year ended 31 January 2025 in addition to the principal risks as set out on page 11 of this Interim Report.

The Company's principal risk factors were also discussed in the Company's Prospectus, available on the Company's website (www.lbow.co.uk) and should be reviewed by shareholders.

9. Related party transactions and Directors' remuneration

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the party in making financial or operational decisions.

In the opinion of the Directors, on the basis of shareholdings advised to them, the Company has no immediate or ultimate controlling party.

ICG-LONGBOW SENIOR SECURED UK PROPERTY DEBT INVESTMENTS LIMITED

NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS (CONTINUED)

FOR THE SIX-MONTH PERIOD TO 31 JULY 2025

9. Related party transactions and Directors' remuneration (continued)

Directors

The Company Directors' fees for the period amounted to £42,500 (31 July 2024: £80,000) with outstanding fees at 31 July 2025 of £12,500 due to the Directors (31 January 2025: £31,250).

Investment Manager

Investment management fees for the period amounted to £64,807 (31 July 2024: £139,965). Fees to the value of £26,732 were outstanding at the period end (31 January 2025: £39,831).

10. Other expenses

The other expenses shown in the Statement of Comprehensive Income are made up as shown below.

	1 February 2025 to 31 July 2025 £ (Unaudited)	1 February 2024 to 31 July 2024 £ (Unaudited)	1 February 2024 to 31 January 2025 £ (Audited)
Broker fees	25,000	25,000	50,000
Administration fees	103,327	79,583	177,256
Regulatory fees	7,045	9,183	20,483
Listing fees	19,511	5,365	1,854
Legal & professional fees	5,255	8,345	20,489
Other expenses	27,362	49,272	82,284
Total expenses	187,500	176,748	352,366

11. Subsequent events

There are no material subsequent events noted after the reporting date.

ICG-LONGBOW SENIOR SECURED UK PROPERTY DEBT INVESTMENTS LIMITED

GLOSSARY OF CAPITALISED DEFINED TERMS

"Affinity" means Impact Spectrum Limited;

"AIFMD" means the Alternative Investment Fund Managers Directive;

"Annual Report" or **"Annual Report and Financial Statements"** means the annual publication of the Company provided to the shareholders to describe their operations and financial conditions, together with their Financial Statements;

"Board" or **"Directors"** or **"Board of Directors"** means the directors of the Company from time to time;

"B shares" means a redeemable Ordinary Share of no par value in the capital of the Company issued and designated as a B Share of such class, and denominated in such currency, as may be determined by the Directors at the time of issue. Issued for the purpose of returning capital in accordance with Article 8;

"CMBS" means commercial mortgage-backed security;

"Companies Law" means the Companies (Guernsey) Law, 2008, (as amended);

"Company" means ICG-Longbow Senior Secured UK Property Debt Investments Limited;

"ECL" means expected credit losses;

"EPS" or **"Earnings per share"** means Earnings per Ordinary Share of the Company and is expressed in Pounds Sterling;

"EU" means the European Union;

"Euro" or **"€"** means Euro;

"FCA" means the UK Financial Conduct Authority (or its successor bodies);

"Financial Statements" means the audited financial statements of the Company, including the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity, the Statement of Cash Flows and associated notes;

"GDP" means gross domestic product;

"GFSC" means the Guernsey Financial Services Commission;

"GIIN" means Global Intermediary Identification Number;

"GFSC Code" means the GFSC Finance Sector Code of Corporate Governance;

"IAS" means international accounting standards as issued by the Board of the International Accounting Standards Committee;

"ICG" means ICG PLC;

"IFRS" means the International Financial Reporting Standards, being the principles-based accounting standards, interpretations and the framework by that name issued by the International Accounting Standards Board;

"Interim Report" means the Company's interim report and unaudited interim condensed financial statements for the period ended 31 July;

"Investment Manager" or **"ICG-Longbow"** or **"ICG Real Estate"** means ICG Alternative Investment Limited or its associates;

"IPO" means the Company's initial public offering of shares to the public which completed on 5 February 2013;

"ISIN" means an International Securities Identification Number;

"London Stock Exchange" or **"LSE"** means London Stock Exchange plc;

"LTV" means Loan to Value ratio;

"Main Market" means the main securities market of the London Stock Exchange;

"NAV per share" means the Net Asset Value per Ordinary Share divided by the number of Shares in issue (other than shares held in treasury);

"Net Asset Value" or **"NAV"** means the value of the assets of the Company less its liabilities, calculated in accordance with the valuation guidelines laid down by the Board, further details of which are set out in the 2017 Prospectus;

ICG-LONGBOW SENIOR SECURED UK PROPERTY DEBT INVESTMENTS LIMITED

GLOSSARY OF CAPITALISED DEFINED TERMS (CONTINUED)

“Official List” is the Premium Segment of the FCA’s Official List;

“Registrar” means Link Asset Services (Guernsey) Limited;

“RoyaLeLife” means the Time GB Properties LendCo Limited;

“Southport” means the Waterfront Southport Properties Limited and Waterfront Hotels (Southport) Limited – now in administration;

“UK” or **“United Kingdom”** means the United Kingdom of Great Britain and Northern Ireland; and

“£” or **“Pounds Sterling”** means British pound sterling and **“p”** or **“pence”** means British pence.

ICG-LONGBOW SENIOR SECURED UK PROPERTY DEBT INVESTMENTS LIMITED

DIRECTORS AND GENERAL INFORMATION

Board of Directors

Jack Perry (Chair)
Paul Meader
Fiona Le Poidevin (retired 31 January 2025)
Stuart Beevor (retired 31 January 2025)

Audit and Risk Committee

Paul Meader (Chair)
Jack Perry
Fiona Le Poidevin (retired 31 January 2025)
Stuart Beevor (retired 31 January 2025)

Management Engagement Committee

Jack Perry (Chair)
Paul Meader
Fiona Le Poidevin (retired 31 January 2025)
Stuart Beevor (retired 31 January 2025)

Nomination Committee

Jack Perry (Chair)
Paul Meader
Fiona Le Poidevin (retired 31 January 2025)
Stuart Beevor (retired 31 January 2025)

Remuneration Committee

Paul Meader (Chair)
Jack Perry
Fiona Le Poidevin (retired 31 January 2025)
Stuart Beevor (retired 31 January 2025)

Investment Manager

ICG Alternative Investment Limited
Procession House
55 Ludgate Hill
London
United Kingdom
EC4M 7JW

Registered office

P.O. Box 286
Floor 2
Trafalgar Court
Les Banques
St Peter Port
Guernsey
GY1 4LY

Independent Auditor

Deloitte LLP
PO Box 137
Regency Court
Glategny Esplanade
St. Peter Port
Guernsey
GY1 3HW

Guernsey Administrator and Company Secretary

Ocorian Administration (Guernsey) Limited
P.O. Box 286
Floor 2
Trafalgar Court
Les Banques
St Peter Port
Guernsey
GY1 4LY

Depository

Ocorian Depository (UK) Limited
5th Floor
20 Fenchurch Street
London
England
EC3M 3BY

Registrar

MUFG Corporate Markets (Guernsey)
Mont Crevelt House
Bulwer Avenue
St Sampsons
Guernsey
GY2 4LH

Corporate Broker and Financial Adviser

Cavendish Securities plc
1 Bartholomew Close
London
United Kingdom
EC1A 7BL

Identifiers

GIIN: 6IG8VS.99999.SL.831
ISIN: GG00B8C23S81
Sedol: B8C23S8
Ticker: LBOW
Website: www.lbow.co.uk

English Solicitors to the Company

Gowling WLG (UK) LLP
4 More London Riverside
London
United Kingdom
SE1 2AU

Guernsey Advocates to the Company

Carey Olsen
Carey House
PO Box 98
Les Banques
St Peter Port
Guernsey
GY1 4BZ

Bankers

Butterfield Bank (Guernsey) Limited
PO Box 25
Regency Court
Glategny Esplanade
St Peter Port
Guernsey
GY1 3AP

Barclays Bank plc
6-8 High Street
St Peter Port
Guernsey
GY1 3BE

Lloyds Bank International Limited
PO Box 136
Sarnia House
Le Truchot
St Peter Port
Guernsey
GY1 4EN

The Royal Bank of Scotland International Limited
Royal Bank Place
1 Glategny Esplanade
St Peter Port
Guernsey
GY1 4BQ

ICG-LONGBOW SENIOR SECURED UK PROPERTY DEBT INVESTMENTS LIMITED

CAUTIONARY STATEMENT

The Chairman's Statement and the Investment Manager's Report have been prepared solely to provide additional information for shareholders to assess the Company's strategies and the potential for those strategies to succeed. These should not be relied on by any other party or for any other purpose.

The Chairman's Statement and Investment Manager's Report may include statements that are, or may be deemed to be, "forward-looking statements". These forward-looking statements can be identified by the use of forward-looking terminology, including the terms "believes", "estimates", "anticipates", "expects", "intends", "may", "will" or "should" or, in each case, their negative or other variations or comparable terminology.

These forward-looking statements include all matters that are not historical facts. They appear in a number of places throughout this document and include statements regarding the intentions, beliefs or current expectations of the Directors and the Investment Manager, concerning, amongst other things, the investment objectives and investment policy, financing strategies, investment performance, results of operations, financial condition, liquidity, prospects, and distribution policy of the Company and the markets in which it invests.

By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. Forward-looking statements are not guarantees of future performance.

The Company's actual investment performance, results of operations, financial condition, liquidity, distribution policy and the development of its financing strategies may differ materially from the impression created by the forward-looking statements contained in this document.

Subject to their legal and regulatory obligations, the Directors and the Investment Manager expressly disclaim any obligations to update or revise any forward-looking statement contained herein to reflect any change in expectations with regard thereto or any change in events, conditions or circumstances on which any statement is based.

ICG-Longbow Senior Secured UK Property Debt Investments Limited

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Further information available online:
www.lbow.co.uk