ICG LONGBOW

Senior Secured UK Property Debt Investments Ltd

Fact Sheet

As at 31st January 2022

Investment Objective

On 3rd November 2020, the Board announced that it had decided to recommend to shareholders that the investment objective and policy of the Company are amended so that the Board can pursue a strategy of orderly realisation and the return of capital over time to shareholders. This recommendation was approved by shareholders at an Extraordinary General Meeting held on 14th January 2021.

The Company's investment objective is now to conduct an orderly realisation of the assets of the Group.

Summary

Fund facts

Fund launch:	5 February 2013	Fund type:	Closed ended investment company
Investment Manager:	ICG Alternative Investment Ltd	Domicile:	Guernsey
Base currency:	GBP	Listing:	London Stock Exchange
Issued shares:	121.30 million	ISIN code:	GG00B8C23S81
Investment Management fee:	1.0%	LSE code:	LBOW
		Website:	www.lbow.co.uk

Share price & Estimated NAV at 31 January 2022

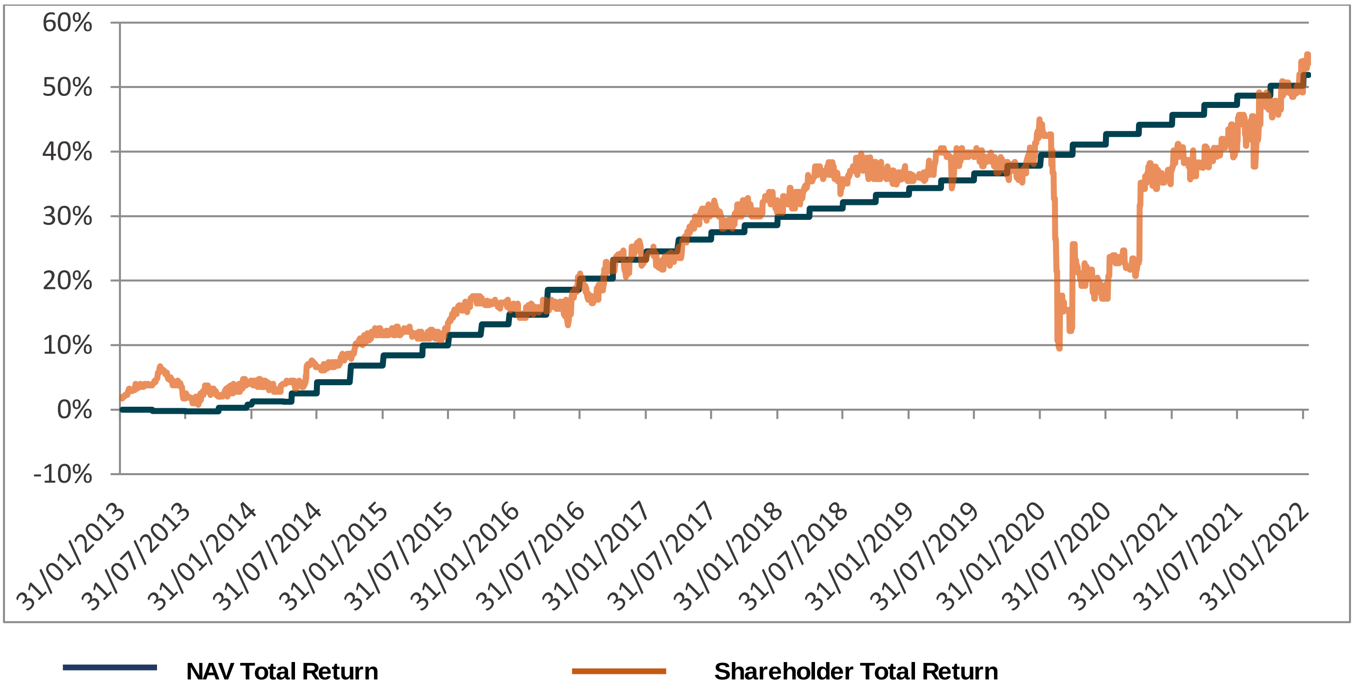
Share price (pence per share):	71.40
NAV (pence per share):	72.35
Premium/(Discount):	(1.3%)
Market capitalisation:	£86.61 million

Key portfolio statistics at 31 January 2022

Number of investments:	6
Percentage capital invested[(1)]:	94.9%
Weighted avg. investment coupon:	7.39%
Weighted avg. LTV:	71.9%

[(1)] Loans advanced at amortised cost / Total equity attributable to the owners of the Company.

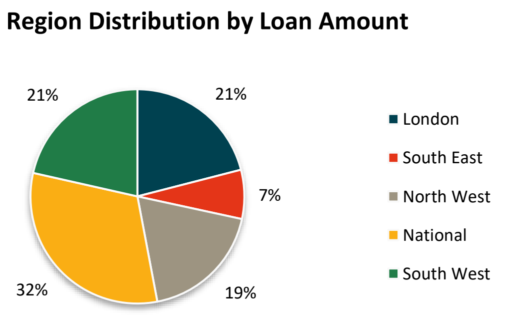
Share Price Total Returns vs NAV Total Return (from IPO to 31 January 2022)

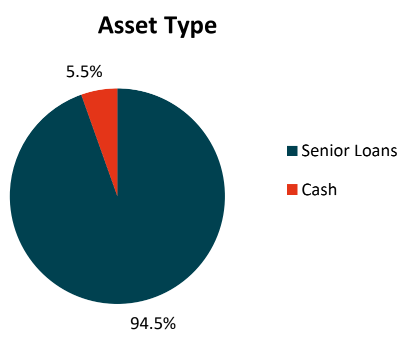


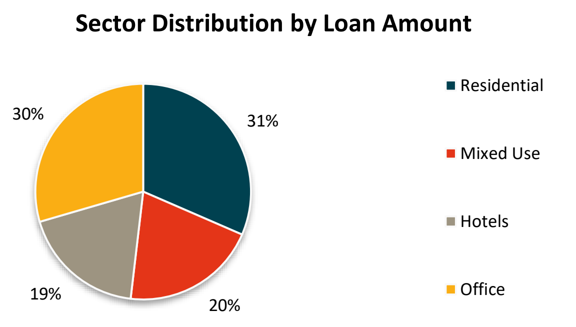
Investment Portfolio as at 31 January 2022

Project	Region	Sector	Term start	Unexp. term (years)	Day 1 balance (£m)	Day 1 LTV (%)	Balance outstanding [1, 2] (£m)	Balance undrawn (£m)	Current LTV (%)
Quattro	South East	Mixed use	Oct-17	0.00	9.00	83.7	5.96		74.0
Affinity	South West	Office	Mar-18	0.28	14.20	67.3	17.30	0.40	68.4
Southport	North West	Hotel	Feb-19	1.20	12.50	59.5	15.00		85.7
Northlands	London	Mixed use	Aug-19	0.70	9.00	55.3	10.43		58.3
RoyaleLife	National	Residential	Sept-19	1.70	20.27	74.3	25.38		74.6
LBS	London	Office	Oct-19	0.70	4.92	69.3	6.47		58.9
Total / weighted average				**0.97**	**86.14**	**68.2**	**80.54**	**0.40**	**71.9**

(1) For the RoyaleLife facility, Balance outstanding includes capitalised interest







Investment Manager’s Commentary

Summary

At 31 January 2022 the investment portfolio comprised six loans. As at Quarter end and during the period:

- Two loans (Knowsley and GMG) repaid in full, with total capital repaid of £24.0 million
- Reduction in the par value of the loan portfolio to £80.5 million (31 October 2021: £105.0 million) following these and other modest repayments
- Total capital returned to shareholders of £24.9 million, via second and third capital distributions
- Aggregate capital distributions to date of 26.0 pence per ordinary share, equating to £31.5 million
- NAV per share of 72.4 pence (31 October 2021: 92.7 pence) reflecting capital distributions in the period
- Weighted average LTV of 71.9% (31 October 2021: 70.6%)
- The Company’s share price showed a 1.3% discount to NAV at period end, at 71.40 pence per share

Group Performance

During the quarter, the Company made a capital distribution to shareholders, equating to 6.5 pence per ordinary share, in December 2021, and a second distribution, reflecting 14.0 pence per share, in January 2022.

After allowing for the effect of the distributions, pro forma NAV was up by 0.2 pence per share on the quarter, following receipt of certain non-recurring fees, principally exit fees arising from the repayment of the GMG loan but also as a result of the agreed amendments to the RoyaleLife loan announced last quarter.

Investment Overview

The Company received repayment of the Knowsley investment in November 2021 and the GMG investment in December, in each case following successful execution of the business plan, and sale of the underlying security property. These repayments were accompanied by interest, exit and prepayment fees of £1.0 million in aggregate, which were modestly accretive to NAV.

During the quarter the Company also received further repayments on the Quattro loan of £0.9 million, following the sales of newly-developed residential apartments at one of the assets. The sponsor also received planning permission for a major redevelopment of the largest asset securing the loan; this should be accretive to value and will also assist in securing an exit to the position, which is past due but where we have line of sight to full repayment.

The property securing the Affinity loan has seen strong leasing progress and occupancy is now at its highest level since loan closing, leaving the asset well positioned for a sale or refinance in order to repay at maturity. The Northlands loan also continues to show stability and the sponsor has commenced a refinancing search, although there is no visibility as to the expected timing of any exit. The Royale loan continues to see an improvement in bungalow home sales, and should see further improvement with the spring and summer months traditionally being busier.

In common with other hospitality assets, trading at the Southport hotel investment was hampered during the period by the impact of the Omicron variant, which led to a reduction in income over the festive period and interrupted what had previously been a steady recovery in performance post-Covid. Although trading in the new year looks better, value has been affected and we received a revaluation during the period placing the LTV of the asset at 85%. Despite the challenges we remain confident in the near- and medium-term trading prospects of the property and our underlying security position.

Portfolio

Portfolio statistics	31 January 2022	31 October 2021
Number of loan investments	6	8
Aggregate principal advanced [1]	£80,543,427	£105,008,978
Weighted average LTV	71.9%	70.6%
Weighted average interest coupon	7.39%	7.14%
Weighted average unexpired loan term	0.97 years	1.18 years
Cash held	£4,801,224	£4,111,768
Undrawn loan commitments	£400,000	£3,370,148

[1] Includes capitalised interest

Market Commentary

Since quarter end the positive sentiment caused by the substantial end of the Covid restrictions in the UK has been overtaken by geopolitical concerns resulting from the Russian invasion of Ukraine. At the time of writing it is too early to foresee the eventual outcome or effects on property and debt market liquidity and pricing, but the heightened tensions may lead to a period of volatility.

Elsewhere in the UK economy there is a renewed focus on the rising cost of living, with inflation led by rising food and (in particular) energy prices. Earnings growth has not tracked price rises to the same extent, with large parts of the population having suffered an effective real wage cut. As a response to the rising inflation expectations we have seen a significant movement in forward interest rates during the period; the cost of five year money has risen by 100bp during the past three months, although Bank rate has only increased by 65bp during the same period. Markets are continuing to price in further tightening with the MPC needing to strike a difficult balance between rising prices and a possible softening of economic growth.

While property is generally slow-moving with transactions often taking weeks or months to complete, we have not yet seen any abatement in demand for real estate arising from recent events. Q4 2021 investment volumes of £17.3bn were a six-year high, with volumes yet again driven by ongoing demand for industrial and warehousing property. In total, 2021 saw £15.2bn of trades in the industrial sector, almost double the previous annual record.

Following quarter end the strength of demand has continued. Blackstone arranged the recapitalisation of its Mileway logistics business in a reported €21 billion trade, described as the largest private real estate transaction ever. At a more modest lot size, Segro acquired a 183,000 sq ft industrial scheme in Croydon from LaSalle Investment Management, for £120m, a 2.1% yield. The asking price for this scheme was £78.5m. LaSalle also sold a Royal Mail hub in Sutton for £38.75m, against an asking price of £26m. Strong and prolonged continuation of rental growth is needed to justify such pricing.

At the smaller end of the market, shareholders will be aware that private investors often acquire commercial real estate investments via auctions, and the market here has recently been buoyant. Allsops, one of the leaders in the space, reported a 95% sales success rate in its February auction, following a 98% rate in December 2021. This steady demand reinforces the liquidity of some of the assets in the Company's Northlands portfolio, for example.

The debt markets have not yet shown any notable change in sentiment or pricing as a result of current events. We continue to be aware of insurers, banks and debt funds being active in the market which should support liquidity for any refinancing of the Company's remaining loans.

Outlook

Following the recent repayments, we continue to closely monitor the timing for any expected exits of the Company's remaining positions. As noted above certain of our borrowers have commenced refinance searches, and in particular we are hopeful of a full repayment of the Quattro loan in the near term, with the potential exit of the Affinity loan during Q2 as it reaches the end of its contractual life.

While we cannot provide any certainty on exits, our current expectation is for the LBS and Northlands loans to repay during H2 2022, with the RoyaleLife and Southport loans not maturing until 2023. We would however remind shareholders that all our borrowers have the right to repay early, and occasionally we may allow for loans to extend beyond their contractual term to allow for an orderly exit. We will continue to keep shareholders updated on the timing and likelihood of any repayments and associated capital distributions.

The Investment Manager continues to be satisfied with the security position of the Company's loan portfolio.

Contacts

Investment Manager	Administrator, Designated Manager & Company Secretary	Corporate Broker
ICG Alternative Investment Ltd 55 Ludgate Hill London, EC4M 7JW info@longbowrec.com	Ocorian Administration (Guernsey) Ltd PO Box 286, Floor 2, Trafalgar Court Les Banques, St. Peter Port, Guernsey GY1 4LY ICGLongbow-gg@ocorian.com	Cenkos Securities plc 6.7.8 Tokenhouse Yard, London EC2R 7AS wrogers@cenkos.com

Disclaimer

The materials being provided to you are intended for informational purposes and convenient reference only and may not be relied upon for any purpose whatsoever. The materials are issued by ICG Alternative Investment Limited ("ICG Real Estate").

This information is not intended to provide, and should not be relied upon for, accounting, legal, tax advice, investment recommendations or any other purpose. You should consult your tax, legal, accounting or other advisors about the issues discussed herein. Although information has been obtained from and is based upon sources that ICG-Longbow Senior Secured UK Property Debt Investments Limited ("LBOW"), Intermediate Capital Group plc ("ICG plc") and/or its affiliates (including, but not limited to, ICG Real Estate, or any member, director, employee or officer of each of the aforementioned (collectively, "LBOW, ICG and its Affiliates") consider reliable, we do not guarantee its accuracy and it may be incomplete or condensed.

These materials are not intended as an offer or solicitation with respect to the purchase or sale of any security or investment interest and may not be relied upon in evaluating the merits of investing in these securities or investment interests. These materials are not intended for distribution to, or use by any person or entity in any jurisdiction or country where such distribution or use would be contrary to local law or regulation.

LBOW, ICG and its Affiliates each do not make any representation or warranty, express or implied, as to the accuracy or completeness of the information, opinions or beliefs contained in this document (including information or opinions obtained from published sources prepared by parties other than LBOW, ICG and its Affiliates) contained herein, and nothing contained herein shall be relied upon as a promise or representation including, but not limited to, past or future performance.

LBOW, ICG and its Affiliates each exclude all liability and accept no responsibility for any loss (whether direct or indirect) in respect of any dispute or claim arising out of or in connection with this document, the information contained herein or its subject matter, except in respect of any fraudulent misrepresentation.

Any views expressed and any projections, forecasts or statements relating to expectations regarding future events, possible plans or proposals in this document represent LBOW's, ICG's, or ICG Real Estate's own assessment and interpretation of information available to it as at the date of this document. No representation is made or assurance given that such projections, forecasts or statements are correct or that these events, plans or proposals will be achieved. You must determine for yourself what reliance (if any) you should place on such projections, forecasts or statements and no liability is accepted by LBOW, ICG plc or ICG Real Estate (or any member of their respective groups, or any director, employee or officer of such companies) for any such projections, forecasts or statements.

These materials (including their contents) are confidential, being for use only by the persons to whom they are issued. Distribution of these materials to any person other than the person to whom this information was originally delivered and to

such person's advisors is unauthorised and any reproduction of these materials, in whole or in part, or the disclosure of any of their contents, without the prior written consent of LBOW, ICG plc or ICG Real Estate is strictly prohibited.

This communication is limited to and directed to only those persons to whom it is issued. In the UK, it is directed only at professional clients, as defined by the Financial Conduct Authority, and those who are legally able to receive it in the jurisdiction in which they are situated. Any other persons should not seek to rely upon the information contained herein. Collective investment schemes referred to herein are not regulated in the UK for the purposes of the UK's Financial Services and Markets Act 2000 and are not available to members of the general public in the UK.

LBOW is a registered closed-ended collective investment scheme incorporated as a non-cellular company limited by shares in Guernsey. LBOW is registered pursuant to the Protection of Investors (Bailiwick of Guernsey) Law, 2020, as amended (the "POI Law") and the Registered Collective Investment Scheme Rules and Guidance, 2021 (the "RCIS Rules") issued by the Guernsey Financial Services Commission.

No information contained in this communication should be taken as constituting an offer to the public in the Bailiwick for the purposes of the Prospectus Rules and Guidance, 2021 issued by the Guernsey Financial Services Commission. This announcement is addressed to a restricted number of persons in the Bailiwick who are either (i) persons appropriately licensed under the POI Law; or (ii) persons licensed under the Insurance Business (Bailiwick of Guernsey) Law, 2002, the Banking Supervision (Bailiwick of Guernsey) Law, 2020, or the Regulation of Fiduciaries, Administration Businesses and Company Directors, etc, (Bailiwick of Guernsey) Law, 2020.

ICG plc and ICG Real Estate are both authorised and regulated in the United Kingdom by the Financial Conduct Authority.