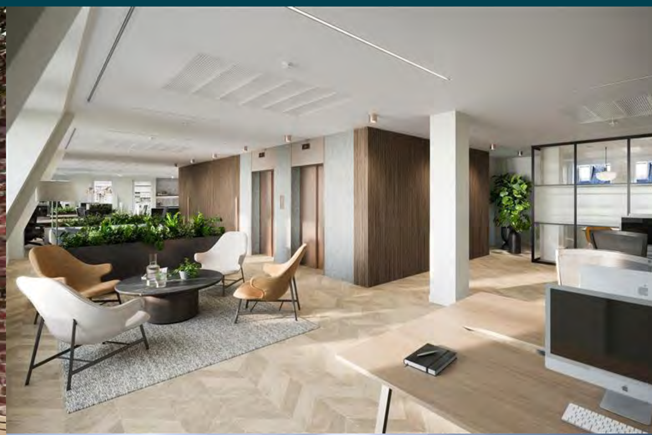



ICG-Longbow Senior Secured UK Property Debt Investments Limited

Interim Report and Unaudited Condensed Consolidated Interim Financial Statements

For the six months ended 31 July 2021

Company Number: 55917

CONTENTS

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

ICG LONGBOW

FINANCIAL HIGHLIGHTS

KEY DEVELOPMENTS

- Commencement of capital return to shareholders; capital distribution of 5.5 pence per ordinary share announced post-period end.
- Dividend maintained at 1.5 pence per share per quarter for the six month period to 31 July 2021.
- Total loan commitments of £110.6 million as at 31 July 2021, as the portfolio continues to reduce in line with the investment objective, in order to return capital to shareholders.
- No losses incurred or impairment provisions required on any portfolio investments.

PERFORMANCE

- NAV of £119.13 million as at 31 July 2021 (31 January 2021: £119.25 million).
- Profit after tax of £3.52 million for the six months ended 31 July 2021 (31 July 2020: £3.72 million).
- Earnings per share for the period of 2.90 pence (31 July 2020: 3.07 pence).

DIVIDEND

- Total dividends paid or declared for the period ended 31 July 2021 of 3 pence per share (31 July 2020: 3 pence per share), made up as follows:
  - Interim dividend of 1.5 pence per share paid in respect of quarter ended 30 April 2021.
  - Interim dividend of 1.5 pence per share approved in respect of quarter ended 31 July 2021.

INVESTMENT PORTFOLIO

- As at 31 July 2021, the Group's investment portfolio comprised eight loans with an aggregate principal balance of £106.47 million, representing 91.1% of the shareholders' equity (31 January 2021: nine loans with aggregate principal balance of £109.32 million, representing 91.7% of the shareholders' equity).
- Total loan commitments as at 31 July 2021 were £110.6 million (31 January 2021: £117.3 million).
- As at 29 September 2021, the aggregate drawn balance was £104.8 million, with total commitments of £108.6 million.
- The portfolio continues to prove resilient in the face of Covid-linked economic and market disruption.

Bliss Hotel – Southport Marine Suite

CORPORATE SUMMARY

INVESTMENT OBJECTIVE

In line with the revised Investment Objective and Policy approved by shareholders in the Extraordinary General Meeting in January 2021, the Company is now 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. The Company makes investments in its portfolio through ICG-Longbow Senior Debt S.A., the Company's wholly owned subsidiary. The Board resolved to simplify its corporate structure by collapsing the Luxembourg subsidiary company which has historically acted as the lender for the Group's investments. Following the year ended 31 January 2021, the process of winding up the Luxembourg company has now commenced.

INVESTMENT MANAGER

During the year ended 31 January 2021, the Company's management arrangements were amended and the Company appointed ICG Alternative Investment Limited as external discretionary investment manager, under the Alternative Investment Fund Management Directive (AIFMD) within a remit set by the Board. Previously, the Company was internally managed by the Board, after receiving advice from Intermediate Capital Managers Limited (an affiliate of ICG Alternative Investment Limited) under the terms of a non-discretionary investment advisory agreement.

Bliss Hotel – Southport Penthouse

Bliss Hotel – Southport terrace bar

CHAIRMAN'S STATEMENT

JACK PERRY CHAIRMAN

"The Company's portfolio is performing well, and we have begun the process of returning shareholder capital"

INTRODUCTION

On behalf of the Board, I am pleased to present the Interim Financial Statements for the Group for the six months ended 31 July 2021.

The reporting period saw the steady emergence of the UK economy from the winter Covid-19 lockdown. The Government 'roadmap' out of lockdown published in February 2021 allowed many businesses to plan for full re-opening and, although the final steps were delayed by a few weeks, all major domestic restrictions were lifted in England on 19th July, with the devolved administrations following shortly thereafter.

The recovery shown by the UK economy during the period was generally stronger than expected, led by the confidence generated by a rapid and successful vaccine rollout. While the first quarter lockdown suppressed output, the UK has since seen strong growth figures. This has been replicated in the labour markets, where the furlough scheme succeeded in mitigating effects on the unemployment rate. The number of job vacancies has also reached a record high. Given the typical relationship between employment figures and occupier demand for property, this looks to be positive for the Company's markets.

While the challenges of the winter months now lie ahead, with the possibility of waning immunity to Covid and emergence of new variants leading to requirements for booster shots or further restrictions, it currently appears as though the UK economy may emerge from the pandemic scarred with materially higher public borrowing but able to sustain reasonable growth.

Despite this dislocation, the Company has continued to deliver a robust performance. In addition, the risk profile of several of its investments has continued to improve as the Investment Manager has worked with the Group's borrowers to position each investment as securely as possible. This has led to partial repayments of the Southport Hotel (via a catch up of capitalised interest) and Quattro loans. There is no anticipated shortfall in interest or capital on any of the Group's investments, and no impairment provisions are required.

In January 2021, shareholders approved an amendment to the Company's investment objective and policy to allow for the orderly return of capital as the Company's investments begin to repay. The first such repayments were received in July and early August 2021, and, subsequent to the period end, your Board approved a capital distribution to shareholders of 5.5 pence per ordinary share, equating to approximately £6.7 million.

Although the Company's objective is for an orderly realisation of its assets, the Board continues to believe that the Company's shares offer an attractive investment return, with the current share price secured against a portfolio with a weighted average LTV of circa 70%. Furthermore, while the share price remains below the Company's current NAV, the Board believes that the credit improvements seen across the portfolio (particularly in some of the investments impacted by Covid), warrants the narrowing or elimination of this discount.

PORTFOLIO

As a result of the amended investment policy, the Company did not make any new investments during the period. Under existing committed facilities, £3.9 million in aggregate was advanced to assist borrowers with delivery of their business plans. As at the date of this report, undrawn commitments total £3.8 million and the Company intends to maintain sufficient cash balances to meet these future obligations.

During the reporting period, the £5.7 million Halcyon loan was repaid in full, with additional exit and prepayment fees of approximately £0.1 million. Shortly after the period end, a series of partial repayments of the Quattro loan were received, following a refinancing of one of the portfolio assets, together with the sale of newly-constructed residential apartments at one of the remaining properties.

As a result of these repayments and continued advances on committed facilities, pro forma LTV as at the date of these accounts is 70.1%, at a weighted average interest coupon of 7.15%, with returns further enhanced by contractual arrangement and exit fees.

CHAIRMAN'S STATEMENT (CONTINUED)

REVENUE AND PROFITABILITY

Income from the loan portfolio for the period totalled £4.67 million (31 July 2020: £4.95 million) as the Company had lower drawn balances, on average, than in the comparable prior year period. Profits for the period after tax were £3.52 million (31 July 2020: £3.72 million).

Earnings per share for the period were lower at 2.90 pence (31 July 2020: 3.07 pence), as a result of accruals for the proposed liquidation of the Group's Luxembourg holding company, which the Board believes will generate cost savings for shareholders over the remaining life of the Company. Save for the impact of this accrual, the dividend was fully covered by earnings.

DIVIDEND PERFORMANCE

The Company paid a first interim dividend of 1.50 pence per share in respect of the quarter ended 30 April 2021 on 6 August 2021, and on 29 September 2021 declared a second interim dividend in respect of the quarter ended 31 July 2021 of 1.5 pence per share.

As highlighted above, the Group's investments generated sufficient income to provide for a covered dividend during the reporting period, albeit that a prudent level of accruals for future wind up costs modestly reduced headline earnings per share.

NAV AND SHARE PRICE PERFORMANCE

The Group's NAV was largely unchanged at £119.13 million as at 31 July 2021 (31 January 2021: £119.25 million), consistent with a substantially stable investment portfolio during a period of great uncertainty.

The Company's share price was broadly stable in the period, trading in a range of 85.00 to 92.60 pence per share.

BOARD AND CORPORATE STRUCTURE CHANGES

During the period the Board announced that Patrick Firth would not stand for re-election at the Company's forthcoming AGM, retiring from the Board with effect from 28 June 2021. The Board would like to thank Patrick for his service and guidance since the Company's initial public offering.

As highlighted in our annual report and accounts, due to the Company's move to a new investment objective, your Board will continue with four members. Fiona Le Poidevin has been appointed as the new Chairman of the Audit and Risk Committee and brings a wealth of experience to the role.

OUTLOOK

We are pleased to have been able to pay a substantially covered dividend during the period. During the orderly realisation phase, it is the Board's intention to continue to pay dividends from our net income.

The Board is aware that shareholders will be eager to understand the likely timing and quantum of future capital distributions. While the loan maturity dates set out later in this report give some guidance as to anticipated repayments, the underlying borrowers do have the right to repay earlier (subject to meeting any applicable prepayment fees). Occasionally, loans may extend beyond their scheduled maturity.

However, certain of the properties securing the Group's loans are currently either under offer for sale or intended to be marketed for sale. While there can be no assurance that any such sales will complete, our current expectation is that a minimum of £10 million of loans will be repaid, and a similar amount of capital will be returnable to shareholders, before the calendar year end.

The Board will communicate with shareholders on a timely basis with progress on all future capital distributions.

JACK PERRY
Chairman

29 September 2021

INVESTMENT MANAGER'S REPORT

The Investment Manager's Report refers to the performance of the loans and the portfolio for the 6 months to 31 July 2021 and the general market conditions prevailing at that date. The Investment Manager continues to work closely with the Board to ascertain any residual or consequential impacts of the Covid-19 pandemic and associated policy response. Any forward-looking statements in this report reflect the latest information available as at 29 September 2021.

INVESTMENT OBJECTIVE

The investment objective of the Group, as approved by the shareholders of the Company, was revised in January 2021 and is now to conduct an orderly realisation of the assets of the Group.

Fund facts

Fund launch:	5 February 2013	Fund type:	Closed ended investment company
Investment Manager:	ICG-Longbow	Domicile:	Guernsey
Base currency:	GBP	Listing:	London Stock Exchange
Issued shares:	121.3 million	ISIN code:	GG00B8C23S81
Investment Advisory fee:	1.0%	LSE code:	LBOW
		Website:	www.lbow.co.uk

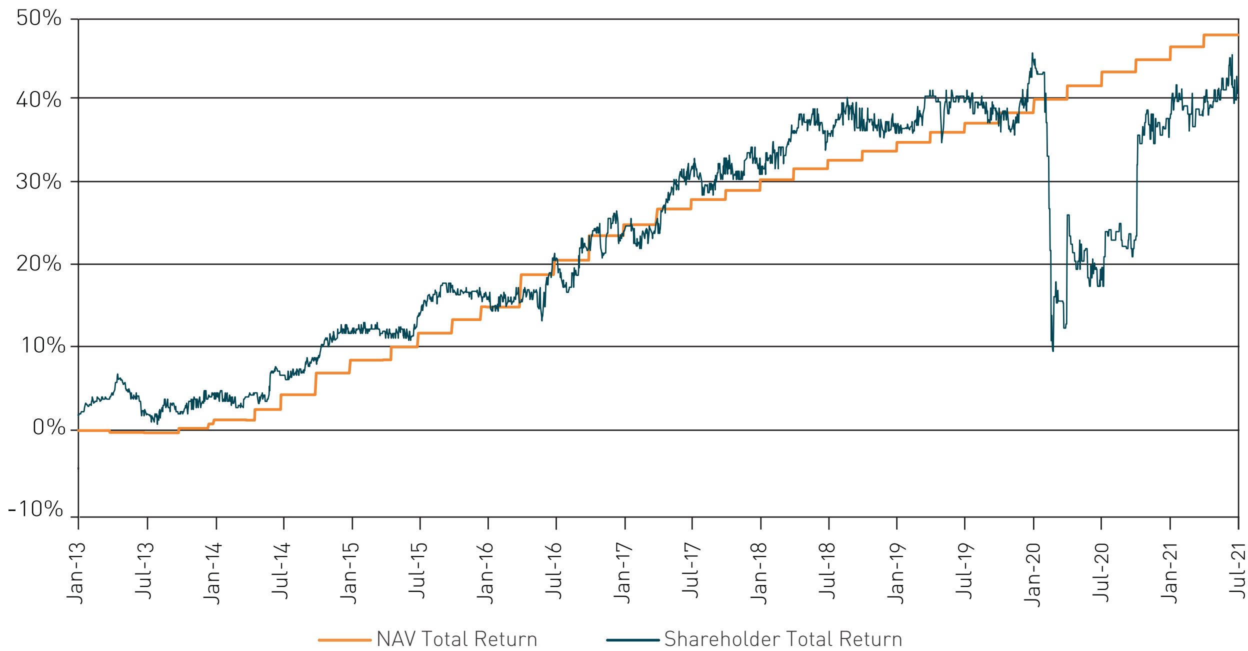
Share price & NAV at 31 July 2021	
Share price (pence per share):	89.60
NAV (pence per share):	98.21
Premium/(Discount):	(8.8%)
Approved dividend (pence per share)[1]:	1.5
Dividend payment date[1]:	5 November 2021

Key portfolio statistics at 31 July 2021	
Number of investments:	8
Percentage capital invested[2]:	91.1%
Weighted avg. investment coupon:	7.17%
Weighted avg. LTV:	70.6%

[1] For the Quarter ended 31 July 2021. Ex-Dividend Date is 7 October 2021

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

SHARE PRICE TOTAL RETURN V NAV TOTAL RETURN (FROM IPO TO 31 JULY 2021)



INVESTMENT MANAGER'S REPORT (CONTINUED)

SUMMARY

At 31 July 2021 the investment portfolio comprised eight loans.

Given the Company's revised investment objective, no new investments were made in the period and lending activity in the period was limited to making further advances totalling £3.9 million under the committed facilities on existing portfolio loans. The Group received repayment in full of the £5.7 million Halcyon loan, with additional exit and prepayment fees of £0.1 million.

As at the period end:

- Reduction in total commitments to £110.6 million (31 January 2021: £117.3 million) with par value of the loan portfolio falling to £106.5 million (31 January 2021: £109.3 million)
- Weighted average LTV of 70.6% (31 January 2021: 69.3%)
- Weighted average interest coupon of 7.17% (31 January 2021: 7.19%), before recognition of arrangement and exit fees
- NAV per share of 98.21 pence (31 January 2021: 98.31 pence)

Following period end, the Group received a series of partial repayments of the Quattro loan, in line with an exit strategy for the investment agreed with the Sponsor. These payments totalled £2.0 million in aggregate, from a combination of sales and refinancing of certain of the assets securing the loan.

GROUP PERFORMANCE

During the period the Group received 84% of the interest due under the loans, with the remainder paid or expected to be received after period end.

Modest loan advances were made under committed funding facilities on the Northlands, Affinity, GMG and LBS loans, totalling £3.9 million in aggregate.

The Group received repayment in full of the £5.7 million Halcyon loan, with additional exit fees of £0.1 million. A repayment of £1.1 million was received on the Southport hotel loan representing the catch up of previously capitalised interest. The total outstanding loan balance fell by £2.8 million in the period. NAV per share for the period was largely stable.

Portfolio LTV stood at 70.6% at period end, slightly ahead of the year end figure as a result of the new loan advances, the Halcyon loan repayment and receipt of a number of property revaluations across the portfolio. In certain cases, for example the GMG and Affinity loans, the benefit of the capital expenditure works funded by the new loan advances has not yet been reflected in the underlying property values.

At period end, the Group had £10.5 million of cash, which is sufficient to cover its committed but undrawn funding obligations of £4.1 million and to allow for a capital distribution to shareholders, as highlighted in the Chairman's Statement. There were no drawings on the Company's Revolving Credit Facility during the period, and the outstanding balance as at 31 July 2021 was nil.

The weighted average loan coupon was largely unchanged in the quarter, and the weighted average unexpired loan term reduced to approximately 1.4 years. As these loans repay the Company intends to return capital to shareholders in line with its investment objective.

PORTFOLIO

Portfolio statistics	31 July 2021	31 January 2021
Number of loan investments	8	9
Aggregate principal advanced	£106,467,217	£109,258,944
Undrawn loan commitments	£4,087,714	£8,021,889
Weighted average LTV	69.7%	69.3%
Weighted average interest coupon p.a.	7.17%	7.19%
Weighted average unexpired loan term	1.38 years	1.76 years
Weighted average unexpired interest income protection	0.65 years	0.72 years
Cash held	£10,466,329	£8,773,640

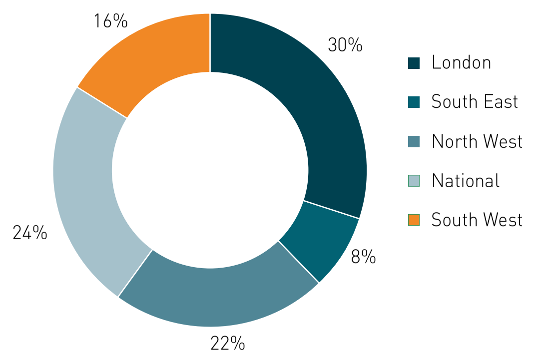
INVESTMENT MANAGER'S REPORT (CONTINUED)

INVESTMENT PORTFOLIO AS AT 31 JULY 2021

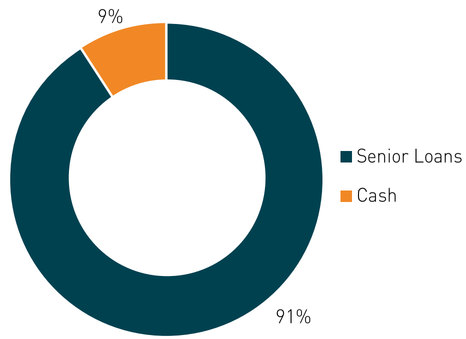
Project	Region	Sector	Term start	Unexp term (yrs)	Day 1 balance (£m)	Day 1 LTV (%)	Balance outstanding[1, 2] (£m)	Balance undrawn (£m)	Current LTV[2] (%)
Quattro	South East	Mixed use	Oct-17	0.00	9.00	83.7	8.86	–	80.2
Affinity	South West	Office	Mar-18	0.79	14.20	67.3	17.30	0.40	68.4
Southport	North West	Hotel	Feb-19	1.71	12.50	59.5	15.00	–	72.8
Northlands	London	Mixed use	Aug-19	1.21	9.00	55.3	9.96	2.54	55.6
RoyaleLife	National	Residential	Sept-19	2.21	20.27	74.3	25.38	–	74.6
LBS	London	Office	Oct-19	1.21	4.92	69.3	6.47	–	58.9
Knowsley	North West	Industrial	Feb-20	1.71	3.50	60.3	7.75	–	63.1
GMG	London	Office	July-20	1.21	12.75	70.0	15.74	1.15	76.8
Total/weighted average				**1.38**	**86.14**	**68.2**	**106.46**	**4.09**	**70.6**

[1] For the RoyaleLife facility, Balance outstanding includes capitalised interest.
[2] After quarter end, the Quattro loan was repaid by £2.0 million with the outstanding balance now £6.86 million. LTV is 76.4% as at the date of this Report.

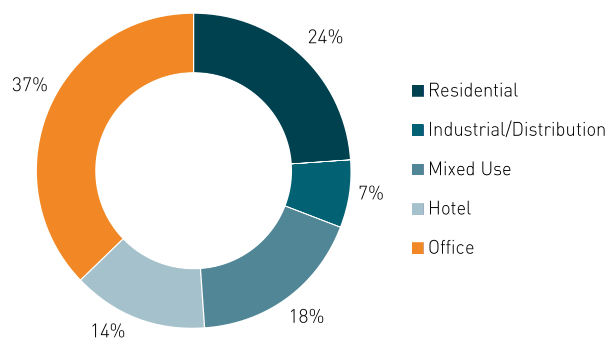
Regional Distribution by Loan Amount



Asset Type



Sector Distribution by Loan Amount



INVESTMENT MANAGER'S REPORT (CONTINUED)

ECONOMY AND FINANCIAL MARKET UPDATE

The Q1 2021 lockdown restrictions weighed down UK GDP, with a 1.6% quarterly fall, followed by (provisional) 4.8% growth in Q2 as restrictions eased and the economy steadily re-opened. According to the ONS, the economy remains 4.4% smaller than pre-pandemic levels, although Capital Economics is now forecasting a return to the February 2020 position by October. This outturn would, in our view, be remarkable in the context of the unprecedented GDP falls of 12 months ago and the bearish economic forecasts earlier this year.

The recovery has however come with a huge impact on the public finances. As at July 2021 public sector debt reached £2.2 trillion, reflecting 99% of GDP, and on an upward trajectory despite Government borrowing since April 2021 significantly undershooting OBR projections. In the coming months there will be ever louder calls for more spending on public sector pay, education, and recovery programmes in the lead up to the Autumn spending review, to supplement the recently announced increases awarded to the NHS and social care. While this is initially to be funded through the 1.25% tax rise branded as a 'health and social care levy', it is hard to see how the Government can materially restrain wider spending and a return to anything approaching a balanced budget seems unlikely.

As a result, market observers have paid ever closer attention to the Bank of England's messaging on its asset buying (QE) programme and interest rate outlook. Latest guidance suggests any unwinding of QE will now follow Bank rate reaching 0.5% (previously 1.5%). If this tapering is used as the principal monetary tightening tool, interest rates may be held lower for longer, and indeed 15 – 30yr SONIA swap rates remain in the 0.75% area.

Despite the resurgence of inflationary pressures, CPI data in the 12 months to July 2021 was in line with the Bank of England's 2% target, and down from the 2.5% seen in the 12 months to June. The August figures showed a jump to 3.2%, however, and forecasters estimate that this could rise to 4% – 4.5% by the fourth quarter, before falling back in 2022 – providing that this does not persist into ever faster pay growth.

As it stands, the UK labour market has proved resilient to the worst of the Covid effects, driven by use of the furlough scheme and, more recently, strong job creation. The UK unemployment rate was 4.6% in the three months to July 2021, and job vacancies are now over a million – a record high. The haulage and hospitality industries are among many struggling to recruit in sufficient numbers, and this is feeding into real pay growth.

The employment outlook, easing of lockdown restrictions and a 'vaccine bounce' has led to rising consumer confidence, with both July and August showing an improvement on January 2020 (pre-pandemic) levels. It remains to be seen whether the potential for a new wave of Covid infections as a result of restrictions easing and schools returning will affect this in the coming months.

OCCUPATIONAL DEMAND/SUPPLY

After a sharp rise in London vacancy rates in 2020 and the first quarter of 2021, there is evidence to suggest that availability is stabilising at the half year as work from home restrictions end and companies rethink their occupational requirements. Recent data from Savills suggest that active tenant requirements in Central London total 10 million sq ft, up 41% from the same period last year.

In many regional markets, there is still a significant supply/ demand imbalance notwithstanding the effects of the pandemic. Vacancy rates in the 'Big Six' markets remain below 8%, according to Jones Lang LaSalle, in many cases lower for the best Grade A buildings. As a result of this tight supply there were record rents set in H1 2021 for prime space in Manchester and Glasgow, among other markets. Take up remains lower than the long run average but transactional demand is steadily improving.

The industrial markets continue to show strength. Take up for the first half of larger (100,000 sq ft+) units was 24.8 million square feet, in line with prior year figures. Supply remains tight, with only six months' worth remaining in the market, even allowing for forecast new scheme completions. As a result rental growth is still evident, according to MSCI data, and may even be strengthening, especially for distribution warehouses.

In the retail markets – where for the avoidance of doubt the Group has negligible exposure – official void rates are 15%, but this masks differences between sectors, with out of town retail parks showing only around a 7% void. On high streets and in shopping centres, many stores are now occupied on flexible agreements; post- CVA terms; or on a business rates-only basis. In weaker centres some stores are 'leased' effectively on nil rent terms. There are now signs that rents in some stronger locations are stabilising as occupiers take the decision to 'lock in' to the new terms available, and the retail warehouse sector remains reasonable buoyant, driven by demand from discounters, food stores and bulky goods operators.

PROPERTY INVESTMENT MARKET

After a 12 month period of suppressed transaction volumes, there is early evidence indicating a sustained level of investor demand for real estate, driven by the weight of global capital targeting the UK (and consistent with global LBO interest in equity markets). According to Lambert Smith Hampton, £13.9bn of deals were transacted in Q2 2021, some 7% above the five-year quarterly average, with more than 50% of deal volumes accounted for by overseas investors. These volumes were accompanied by an increase in pricing with average yields tightening by 13bp in Q2 2021, according to Lambert Smith Hampton.

A significant amount of capital remains focused on the office sector, with investors seeking assets which have, or can be improved to give, strong sustainability credentials and a flexible workspace offering. Brookfield has been particularly acquisitive, with purchases including the Arlington Business Park portfolio for £0.7 billion and 30 Fenchurch Street in London for £0.6 billion. In the regions we have seen major deals reported in Glasgow (£200m for a property on Bothwell St) and Bristol (£135m for the Assembly building, leased to BT). The latter was at a 4.6% yield and the largest deal in the city for 15 years.

Investor demand for industrial assets appears relentless, and as a result yields have compressed further, with London estates particularly sought after. Among many notable transactions, Goodman acquired Howlem Trading Estate in Tottenham for £130m, a circa 2.5% yield, and Aberdeen Standard acquired an Amazon-leased warehouse in Hinckley for a circa 3% yield. The UK industrial market remains pressured by the inexorable rise of e-commerce and distribution requirements, compounded by the limited supply of new available space.

INVESTMENT MANAGER'S REPORT (CONTINUED)

FINANCE MARKETS

During the reporting period the Cass Business School UK Commercial Real Estate Finance Report was published, covering the 2020 calendar year and thus the onset of Covid-19. The research reported total new lending in 2020 down 23% from a year earlier, because of the coronavirus pandemic. An improvement in origination activity was witnessed in the second half of 2020, mirroring the busy H2 2020 experienced ICG Real Estate's lending programmes.

Coming into 2021 we saw ongoing green shoots emerge in the UK CMBS market, which has been largely stagnant since the GFC and with only sporadic issuance over the past few years. Transactions have been led by Bank of America and Morgan Stanley, with borrowers (so far) being limited to the largest global players, notably Blackstone (in respect of loans to its Mileway industrial and logistics platform) and Brookfield (London office and retail park loans).

Senior loan pricing reset at higher rebased levels in Q1 2021, with 'prime' office margins for example reported at an average 229 bps, a c50bps increase from the prior year. Increased competition saw these spreads tighten significantly towards the end of the reporting period, particularly for larger ticket deals, driven by the modest return of CMBS market activity and competition among European banks and insurers including the likes of ING, Axa and the German Pfandbrief and Landesbanks. This competition is particularly acute on low LTV or long income deals, with lending margins now below 150 basis points.

We have yet to see any spread compression reach the mid-market, where there remains a funding gap driven by the retrenchment of UK clearing banks, which is only partially offset by growth of alternative lenders. In the banking market, leverage on new transactions remains conservative at between 50% – 55% LTV on average, and indeed ICG Real Estate's analysis of the FY 2020 accounts of the major clearing banks shows average LTVs across their lending books reported as ranging from 38% LTV (Barclays) to 50% (Lloyds).

In the market more widely, our long-held thesis of bank retrenchment driving a reduction in lending appetite continues to be borne out, with a £1.1 billion contraction in net lending to property during Q2 2021, according to the Bank of England. With UK banks having provided approximately £80 billion of Covid-recovery loans since the onset of the pandemic, according to Government data, we believe that these banks' lending appetite and internal credit committee time for real estate debt will remain limited in the near- to medium-term.

PORTFOLIO PROFILE AND ACTIVITY

The Group's investment portfolio was largely stable during the reporting period, with no new investments and the sole repayment being the exit of the £5.7 million Halcyon loan. We also saw partial repayments of the Southport loan (being the catch up of previously capitalised interest) and shortly after period end a £1.7 million repayment of the Quattro loan, following the refinancing of one of the portfolio properties.

The Group continues to make advances under committed funding facilities in support of its borrowers' business plans. In particular, the major development and refurbishment works on the Knowsley and GMG loans, respectively, were largely completed during the period and this results in a significant improvement in the risk profile for those loans, which in the case of the GMG facility has yet to be fully reflected in the value.

As a result of the portfolio changes, the Company's weighted average LTV is now 70.6%, with a weighted average unexpired loan term of 1.38 years. With no new investment occurring, these loan terms will continue to reduce allowing for the prospect of capital distributions to shareholders upon final repayment.

The weighted average interest coupon is 7.17%, and as highlighted in prior reports this is supplemented by contractual arrangement fees paid at closing and exit fees upon repayment. Several of the remaining loans continue to feature coupon protection or other minimum earnings clauses, which give the prospect (but not the certainty) of additional fees should facilities repay early.

Business plan highlights across the portfolio during the quarter included:

- Completion of the pre-let development of an industrial unit on vacant land at the Knowsley property;
- Record summer trading at the Southport hotel, driven by a rise in 'staycations';
- Substantial completion of refurbishment works at the property securing the GMG loan, with two new lettings in solicitors' hands;
- Further letting activity at the Spectrum office property, securing the Affinity loan

We have seen improvements in the credit profile of some of the Group's more challenging investments, with partial repayments of both the Southport and Quattro loans, and a welcome increase in sales velocity in the RoyaleLife portfolio, where challenges remain with tight working capital, but the outlook is positive. Here, the Investment Manager agreed to staged payments of interest from the sponsor in exchange for an increase to the minimum earnings on the loan, which will benefit shareholders in the event of early repayment.

PORTFOLIO OUTLOOK

The Group's loan commitments totalled approximately £110 million at period end, of which circa £106 million was drawn. It has ample available liquidity to meet remaining loan commitments whilst commencing the process of returning capital to shareholders.

The Company recently announced a first capital distribution of 5.5 pence per ordinary share (equating to approximately £6.7 million), to be paid on or around 30 September 2021. This allows the Company to retain cash balances sufficient to meet working capital requirements and future funding obligations, which totalled approximately £4.1 million at period end.

Further capital distributions are expected to follow repayments received from the Group's loan portfolio. The Investment Manager is aware that certain of the properties securing the Group's loans are either under offer for sale or intended to be marketed for sale in the coming months. While there can be no assurance that any such sales will complete, our current guidance is that we expect a minimum of £10 million of loans will be repaid, and a similar amount of shareholder capital returned, by the calendar year end.

We will provide shareholders with regular updates on the outlook for capital distributions when appropriate, but continue to be satisfied with the Group's loan portfolio which retains a first mortgage position with an average LTV of approximately 70%.

INVESTMENT MANAGER'S REPORT (CONTINUED)

LOAN PORTFOLIO

As set out above, as at 31 July 2021, the Group's portfolio comprised of eight loans with an aggregate balance outstanding of £106.47 million.

A summary of each of the individual loans as at 31 July 2021 is set out below:

Quattro

In October 2017, the Group advanced a new £9.00 million loan to a private property company, secured by three mixed use assets in and around the London Borough of Kingston. The Group initially financed a £6.00 million participation in the loan subsequently acquiring the minority £3.00 million position from ICG following an equity issuance under the 2017 Placing Programme. The initial LTV ratio was 83.3%.

The loan has passed its maturity date during the period and all rights have been reserved in respect of this default. The sponsor is pursuing an exit from the loan via a combination of sales and refinancing, and after quarter end the first property was sold under this agreed process, with the Group receiving repayment of £1.7 million. Subsequently, the Company received a further £0.3 million from a residential apartment sale.

The LTV as at the date of these accounts is 76.4%. We remain comfortable with the Company's security position.

Property profile	
Number of properties	3
Property value	£11,050,000
Property value per sq. ft.	£290
Property area (sq. ft.)	38,038
Number of tenants	7
Weighted lease length	6.5 years

Debt profile	
Day one debt	£9,000,000
Debt outstanding	£8,858,259
Original term	3.2 years
Maturity	January 2021
LTV as at 31 July	80.2%
Loan exposure per sq. ft.	£233

Affinity

On 28 February 2018, a new £16.20 million commitment was made, of which £14.20 million was advanced, to refinance a multi-let office property in Bristol, and to provide a £2.00 million capital expenditure facility to fund a refurbishment programme. Subsequently, the loan was increased to £16.70 million in support of the borrower's business plan and thereafter a further £1.00 million loan commitment was made to allow for further upgrade works to the property.

The property is currently 93% occupied with a contracted rent of £1.9 million per annum. The sponsor has continued to invest in the property, most recently introducing a flexible workspace offering into the building.

Property profile	
Number of properties	1
Property value	£25,300,000
Property value per sq. ft.	£221
Property area (sq. ft.)	114,364
Number of tenants	15
Weighted lease length	2.5 years

Debt profile	
Day one debt	£14,200,000
Debt outstanding	£17,299,963
Original term	4.2 years
Maturity	May 2022
LTV as at 31 July	68.4%
Loan exposure per sq. ft.	£151

INVESTMENT MANAGER'S REPORT (CONTINUED)

LOAN PORTFOLIO (CONTINUED)

Southport

Initially a £15.0 million loan commitment, secured by a hotel and leisure complex in Southport, Merseyside. The initial loan to value ratio was 59.5%. The business plan focused on investing in improving the asset, renovating the bedrooms and thereafter driving room rates. Substantially all business plan works across the hotel were completed prior to the onset of Covid-19.

In 2020 the Government's Covid restrictions meant the hotel was largely closed for trade, and the Investment Manager agreed to an element of interest capitalisation during this period to support the loan sponsor through the disruption. Subsequently, the sponsor reached agreement with one of the property's commercial tenants for a lease surrender. The premium paid by the tenant was sufficient to repay the previously capitalised interest, with the loan balance of £15.0 million consistent with the original commitment.

The hotel remained closed for trading for much of the reporting period. However since reopening trading has been strong, with all key operating metrics exceeding pre-pandemic levels and a robust pipeline of forward bookings. The property was revalued during the period at £20.6 million, providing a LTV at period end of 72.8%.

Property profile	
Number of properties	1
Property value (£)	£20,600,000
Property value (£/bedroom)	£154,887
Property value (£/sq. ft.)	£453
Bedrooms	133
Property area (sq. ft.)	45,430

Debt profile	
Day one debt	£12,500,000
Debt outstanding	£15,000,000
Original term	4 years
Maturity	April 2023
LTV as at 31 July	72.8%
Loan exposure per bedroom	£112,782

Northlands

In October 2019 the Group provided a £12.50 million commitment to the sponsor, secured by a highly diversified portfolio of high street retail, office and tenanted residential units located predominantly in London and the South East. The initial loan amount was £9.00 million with a LTV ratio of 55.3%.

The sponsor's business plan includes implementation of a planning consent to develop residential apartments on one of the sites in the portfolio, and in support of this the Group provided a £3.50 million capital expenditure commitment. This commitment has been steadily drawn during the period, with the outstanding balance now £9.96 million.

Progress against business plan has been steady, and during the period a revaluation of the portfolio showed an improvement of approximately 10% since loan closing, reflecting the ongoing investment in the assets.

Property profile	
Number of properties	14
Property value	£17,906,500
Property value per sq. ft.	£147
Property area (sq. ft.)	121,285
Number of tenants	113
Weighted lease length	3.2 years

Debt profile	
Day one debt	£9,000,000
Debt outstanding	£9,963,590
Original term	3.0 years
Maturity	October 2022
LTV as at 31 July	55.6%
Loan exposure per sq. ft.	£85

INVESTMENT MANAGER'S REPORT (CONTINUED)

LOAN PORTFOLIO (CONTINUED)

RoyaleLife

In September 2019 the Group provided a £24.6 million commitment to an affiliate of RoyaleLife, the UK's leading provider of bungalow homes, secured by a portfolio of ten assets in the residential bungalow homes sector. The facility forms part of a larger four-year, £142.7 million loan originated by the Investment Manager, with the Group participating alongside two other funds managed by the Investment Manager.

The initial loan drawn down was £20.3 million, with the balance comprising a capital expenditure commitment in support of the borrower's business plan.

The Sponsor's home sales were adversely affected by Covid-19 and the subsequent lockdown restrictions, and as a result the Investment Manager agreed to capitalise some of the interest due on the loan, with the sponsor also committing new equity capital into the business. The total outstanding loan balance is now £25.38 million, above the day 1 commitment owing to the capitalised interest.

Following the easing of lockdown restrictions and to aid working capital recovery, the Investment Manager agreed to staged payments of interest from the sponsor, in exchange for an increase to the minimum earnings due from the loan. This will be beneficial for shareholders in the event of any early repayment.

Property profile	
Number of properties	10
Property value (£)*	£34,026,976
Number of tenants	n/a
Weighted lease length	n/a

Debt profile	
Day one debt	£20,267,119
Debt outstanding	£25,382,017
Original term	4.1 years
Maturity	October 2023
LTV as at 31 July	74.6%

* pro rata based on Company's share of total loan

LBS

In September 2019, the Group entered into a £6.5 million loan commitment with a fund advised by LBS Properties, secured by a multi-let office property in Farringdon, London.

The loan carried an initial LTV ratio of 69.0%, and included a capital expenditure commitment in support of the borrower's business plan for a full refurbishment of the property. The refurbishment works were completed ahead of schedule, a new tenant was secured for the majority of the space and an improvement in the valuation was recorded, with the LTV now 58.9%. Loan performance was stable during the period but remains ahead of business plan overall.

Property profile	
Number of properties	1
Property value	£11,000,000
Property value per sq. ft.	£1,042
Property area (sq. ft.)	10,557
Number of tenants	1
Weighted lease length	9.0 years

Debt profile	
Day one debt	£4,922,000
Debt outstanding	£6,474,586
Original term	3.1 years
Maturity	October 2022
LTV as at 31 July	58.9%
Loan exposure per sq. ft.	£613

INVESTMENT MANAGER'S REPORT (CONTINUED)

LOAN PORTFOLIO (CONTINUED)

Knowsley

The Group entered into a new £7.75 million loan commitment in March 2020 to an affiliate of Seybourne Estates, secured by a multi-let industrial property in Knowsley, Merseyside.

The property is spread over 37 acres and originally comprised an income-producing industrial estate which provides cashflow to service the loan, alongside a development site which was pre-let to a new tenant. The Sponsor completed the build out of this property during the period, and the lease has now commenced with the loan fully drawn.

Following completion of the Sponsor's business plan, the property was independently revalued at £12.29 million, reflecting a LTV as at the date of these accounts of 63.1%. We are aware that the Sponsor is in discussions for a possible sale of all or part of the security property which, if concluded, would see the Group's loan repaid.

Property profile	
Number of properties	1
Property value	£12,290,000
Property value per sq. ft.	£77
Property area (sq. ft.)	160,149
Number of tenants	5
Weighted lease length	6.8 years

Debt profile	
Day one debt	£3,500,000
Debt outstanding	£7,750,000
Original term	3.1 years
Maturity	April 2023
LTV as at 31 July	63.1%
Loan exposure per sq. ft.	£48

GMG

In July 2020 the Group entered into a £16.9 million commitment with an affiliate of GMG Real Estate, secured by an office property in St James's, London. The Group is participating in a larger three-year, £22.3 million loan alongside another client of the Investment Manager.

The property was originally leased to a UK Government Agency, with a short unexpired lease term. The tenant vacated the property allowing the sponsor to complete a renovation of the space, in line with the business plan and using funds from the committed facility. The refurbishment works completed after period end and the sponsor has had some early letting success, with two floors in solicitors' hands at levels ahead of business plan.

With the works now finalised the LTV is stated based on the independent valuer's assumed valuation upon completion, with the LTV on this basis being 76.8%. We expect this to steadily fall as new leases are agreed.

Property profile	
Number of properties	1
Property value	£20,495,700
Property value per sq. ft.	£1,239
Property area (sq. ft.)	21,786
Number of tenants	-
Weighted lease length	-

Debt profile	
Day one debt	£12,753,393
Debt outstanding	£15,738,802
Original term	2.2 years
Maturity	October 2022
LTV as at 31 July	76.8%
Loan exposure per sq. ft.	£941

* pro rata based on Company's share of total loan

SUBSEQUENT EVENTS

Significant subsequent events have been disclosed in Note 11 to the Financial Statements on page 25.

ICG REAL ESTATE
29 September 2021

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 Consolidated Interim Financial Statements have been prepared in accordance with IAS 34 Interim Financial Reporting as adopted by the EU; 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 Consolidated 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 2021

PRINCIPAL RISKS AND UNCERTAINTIES

The Company, through its subsidiary, 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 underlying property on which its loans are secured. The Company's key risks are discussed below. In this statement, references to the Company also apply to the Group as a whole.

The Directors have identified the following as the key risks faced by the Company:

- timing of capital repayments and dividend maintenance;
- inability to secure sales or refinancing of underlying properties;
- non-payment of interest;
- fall in collateral values and accuracy of valuations;
- economic risk; and
- portfolio diversification.

The principal risks and uncertainties of the Company were identified in further detail in the Annual Report and Financial Statements for the year ended 31 January 2021. The Covid-19 pandemic has had a profound impact on economic and certain market conditions in the six months ended 31 July 2021. The effect of the pandemic on the Company's portfolio of loans and its assessment of new investment opportunities has been assessed by the Investment Manager and is discussed in detail elsewhere in this report. The Company's principal risk factors are fully discussed in the Company's Prospectus, available on the Company's website (www.lbow.co.uk) and should be reviewed by shareholders.

CONDENSED CONSOLIDATED STATEMENT OF **COMPREHENSIVE INCOME**

For the six month period to 31 July 2021

	Notes	1 February 2021 to 31 July 2021 £ (Unaudited)	1 February 2020 to 31 July 2020 £ (Unaudited)	1 February 2020 to 31 January 2021 £ (Audited)
Income				
Income from loans		4,640,240	4,649,438	9,655,862
Other fee income from loans		34,000	296,547	297,979
Income from cash and cash equivalents		–	47	49
Total income		**4,674,240**	**4,946,032**	**9,953,890**
Expenses				
Investment management/advisory fees	9	595,958	595,971	1,195,588
Other expenses	10	262,617	447,180	740,022
Reorganisation costs		156,800	–	208,397
Directors' remuneration		91,375	98,750	199,953
Finance costs		47,382	84,655	194,664
Total expenses		**1,154,132**	**1,226,556**	**2,538,624**
Profit for the period/year before tax		**3,520,108**	**3,719,476**	**7,415,266**
Taxation charge		2,079	–	4,461
Profit for the period/year after tax		**3,518,029**	**3,719,476**	**7,410,805**
Total comprehensive income for the period/year		**3,518,029**	**3,719,476**	**7,410,805**
Basic and diluted Earnings per Share (pence)	5	**2.90**	**3.07**	**6.11**

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 Group 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.

CONDENSED CONSOLIDATED STATEMENT OF **FINANCIAL POSITION**

As at 31 July 2021

	Notes	31 July 2021 £ (Unaudited)	31 January 2021 £ (Audited)	31 July 2020 £ (Unaudited)
Assets				
Cash and cash equivalents		10,466,329	8,773,640	2,183,556
Trade and other receivables		1,620,797	1,233,834	1,976,770
Loans advanced at amortised cost	4	108,468,063	110,712,112	120,674,195
Total assets		**120,555,189**	**120,719,586**	**124,834,521**
Liabilities				
Loan Payable		–	–	4,400,000
Other payables and accrued expenses		1,427,105	1,470,447	1,237,626
Total liabilities		**1,427,105**	**1,470,447**	**5,637,626**
Net assets		**119,128,084**	**119,249,139**	**119,196,895**
Equity				
Share capital		119,115,310	119,115,310	119,115,310
Retained earnings		12,774	133,829	81,585
Total equity attributable to the owners of the Company		**119,128,084**	**119,249,139**	**119,196,895**
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	**98.21**	**98.31**	**98.26**

The Interim Financial Statements were approved by the Board of Directors on 29 September 2021 and signed on their behalf by:

JACK PERRY
Chairman

29 September 2021

FIONA LE POIDEVIN
Director

29 September 2021

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

CONDENSED CONSOLIDATED STATEMENT OF **CHANGES IN EQUITY**

For the six month period to 31 July 2021

	Notes	Number of shares	Share capital £ (Unaudited)	Retained earnings £ (Unaudited)	Total £ (Unaudited)
As at 1 February 2021		121,302,779	119,115,310	133,829	119,249,139
Profit for the period		–	–	3,518,029	3,518,029
Dividends paid	7	–	–	(3,639,084)	(3,639,084)
As at 31 July 2021		**121,302,779**	**119,115,310**	**12,774**	**119,128,084**

For the six month period to 31 July 2020

	Notes	Number of shares	Share capital £ (Unaudited)	Retained earnings £ (Unaudited)	Total £ (Unaudited)
As at 1 February 2020		121,302,779	119,115,310	1,192	119,116,502
Profit for the period		–	–	3,719,476	3,719,476
Dividends paid	7	–	–	(3,639,083)	(3,639,083)
As at 31 July 2020		**121,302,779**	**119,115,310**	**81,585**	**119,196,895**

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

CONDENSED CONSOLIDATED STATEMENT OF **CASH FLOWS**

For the six month period to 31 July 2021

	Notes	1 February 2021 to 31 July 2021 £ (Unaudited)	1 February 2020 to 31 July 2020 £ (Unaudited)	1 February 2020 to 31 January 2021 £ (Audited)
Cash flows generated from operating activities				
Profit for the period/year		3,518,029	3,719,476	7,410,805
Adjustments for non-cash items and working capital movements:				
Movement in other receivables		(386,963)	(691,304)	51,632
Movement in other payables and accrued expenses		(45,402)	(764,525)	(522,614)
Movement in tax payable		2,061	–	(9,090)
Loan amortisation		(608,726)	197,071	(512,292)
		2,478,999	2,460,718	6,418,441
Loans advanced		(3,938,975)	(20,721,920)	(27,442,180)
Arrangement fees paid		–	–	297,980
Loans repaid	4	6,791,749	21,500,000	38,593,726
Net loans (advanced)/repaid less arrangement fees		2,852,774	778,080	11,449,526
Net cash generated from operating activities		**5,331,773**	**3,238,798**	**17,867,967**
Cash flows used in financing activities				
Net amounts repaid on loan facility		–	(800,000)	(5,200,000)
Dividends paid	7	(3,639,084)	(3,639,083)	(7,278,168)
Net cash used in financing activities		**(3,639,084)**	**(4,439,083)**	**(12,478,168)**
Net movement in cash and cash equivalents		1,692,689	(1,200,285)	5,389,799
Cash and cash equivalents at the start of the period/year		8,773,640	3,383,841	3,383,841
Cash and cash equivalents at the end of the period/year		**10,466,329**	**2,183,556**	**8,773,640**

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

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM **FINANCIAL STATEMENTS**

For the six month period to 31 July 2021

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, PO Box 286, Trafalgar Court, Les Banques, St Peter Port, Guernsey, GY1 4LY.

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

The unaudited condensed consolidated financial statements comprise the financial statements of the Group as at 31 July 2021.

In line with the revised Investment Objective and Policy approved by shareholders in the Extraordinary General Meeting in January 2021, the Company is now undertaking an orderly realisation of its investments. As sufficient funds become available the Board intends to return 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. The Board resolved to simplify its corporate structure by collapsing the Luxembourg subsidiary company which has historically acted as the lender for the Group's investments. Following year ended 31 January 2021, the process of winding up the Luxembourg company has now commenced.

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 EU, and the Disclosure 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 2021, 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 EU.

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 2021.

The Company applied, for the first time, certain standards and amendments, which are effective for annual periods beginning on or after 1 January 2021. The new standards or amendments to existing standards and interpretations, effective from 1 January 2021, did not have a material impact 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 Interim Financial Statements, are required to satisfy themselves that they have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future and do not consider there to be any threat to the going concern status of the Group. 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.

It is intended that the investments will be realised as and when the loans fall due, and the Directors expect that the investments will be held to maturity with the last loan repaying by the end of 2023. 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 a going concern in preparing the consolidated financial statements. The basis of valuation for investments is fair value, recognising the realisable value of each investment in the orderly wind down of the Company. There has been no material change in the carrying value of the investments. No material adjustments have arisen 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 Group's performance and to allocate resources is the total return on the Group'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 Interim Financial Statements.

For management purposes, the Group 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 Group's income is derived from loans secured on commercial and residential property in the United Kingdom.

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

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

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM **FINANCIAL STATEMENTS** (CONTINUED)

3. CRITICAL ACCOUNTING JUDGEMENTS IN APPLYING THE GROUP'S ACCOUNTING POLICIES

The preparation of the Interim 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, the results of which 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.

The 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 period if the revision affects both current and future periods.

Critical judgements

In assessing 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. The Group has adopted the Investment Manager's internal credit rating methodology and has used its loss experience to benchmark investment performance and potential impairment for both Stage 1 and Stage 2 loans under IFRS 9 considering both probability of default and loss given default. The judgement applied in allocating each investment to Stage 1, 2 or 3 is key in deciding whether losses are considered for the next 12 months or over the life of the loan. The Board has estimated that two loans have shown evidence of heightened credit risk. In assessing the ultimate ECL in relation to these loans, the Board has made assumptions regarding the collateral value and headroom over the principal loan amounts as well as the residual term of the loans.

The measurement of both the initial and ongoing ECL allowance for loan receivables measured at amortised cost is an area that requires the use of significant assumptions about credit behaviour such as likelihood of borrowers defaulting and the resulting losses. In assessing the probability of default, the Board has taken note of the experience and loss history of the Investment Manager which may not be indicative of future losses. The default probabilities are based on a number of factors including interest cover and LTV headroom which the Investment Manager believes to be a good predictor of the probability of default, in accordance with recent market studies of European commercial real estate loans. The effects of Covid-19 on certain real estate markets has impacted valuations and resulting LTVs, with any future impact of the pandemic across the wider markets remaining uncertain. However, the Directors consider the loss given default to be close to zero as the loans are the subject of very detailed due diligence procedures on inception and close monitoring through their life to provide early warning of a deteriorating credit position. In line with the Company's investment strategy when the investments were made, most loans benefit from significant LTV headroom, and business plans designed to deliver further value increases overtime. Following the change in Investment Strategy to one of orderly wind down the Investment Manager, and the Board, have placed greater emphasis on the source and delivery of repayment over the residual term of each loan when assessing the risk of capital loss. As a result of these considerations, no loss allowance has been recognised based on 12-month ECLs for those in stage 1 nor for lifetime losses for those in stage 2, as any such impairment would be wholly insignificant to the Group.

Revenue recognition is considered a significant accounting judgement and estimate that the Directors make in the process of applying the Group's accounting policies.

The Directors also make estimates in determining the fair value of prepayment options embedded within the contracts for loans advanced. The key factors considered in the valuation of prepayment options include the exercise price, the interest rate of the host loan contract, differential to current market interest rates, the risk free rate of interest, contractual terms of the prepayment option, and the expected term of the option. Given the low probability of exercise and undeterminable exercise date, the value attributed to these embedded derivatives is considered to be £nil (31 January 2021: £nil).

4. LOANS ADVANCED

(i) Loans advanced

	31 July 2021 Principal advanced £	31 July 2021 Fair value (at amortised cost) £	31 January 2021 Principal advanced £	31 January 2021 Fair value (at amortised cost) £
Northlands	9,963,590	10,000,160	9,578,514	9,542,788
Halycon	–	–	5,732,465	5,864,704
Quattro	8,858,259	8,979,848	8,853,459	8,974,982
Affinity	17,299,963	17,657,901	16,700,000	17,010,855
Southport	15,000,000	15,132,877	16,059,285	16,157,217
RoyaleLife	25,382,017	26,549,925	25,382,017	26,174,473
LBS	6,474,586	6,501,067	6,283,119	6,271,791
Knowsley	7,750,000	7,785,753	7,750,000	7,747,844
GMG	15,738,802	15,860,532	12,981,133	12,967,458
	106,467,217	108,468,063	109,319,992	110,712,112

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM **FINANCIAL STATEMENTS** (CONTINUED)

4. LOANS ADVANCED (CONTINUED)

(ii) Valuation considerations

As noted above the Company is now in the process of an orderly wind down. It remains the intention of the Manager and Directors to hold loans through to their repayment date. The Directors consider that the carrying value amounts of the loans, recorded at amortised cost in the Interim Financial Statements, are approximately equal to their fair value. For further information regarding the status of each loan and the associated risks see the Investment Manager's Report.

Amortised cost is calculated using the effective interest rate method which takes into account all contractual terms (including arrangement and exit fees) that are an integral part of the loan agreement. As these fees are taken into account when determining initial net carrying value, their recognition in profit or loss is effectively spread over the life of the loan.

The Group's investments are in the form of bilateral loans, and as such are illiquid investments with no readily available secondary market. Whilst the terms of each loan includes repayment and prepayment fees, in the absence of a liquid secondary market, the Directors do not believe a willing buyer would pay a premium to the par value of the loans to recognise such terms and as such the amortised cost is considered representative of the fair value of the loans.

Each property on which investments are secured was subject to an independent, third party valuation at the time the investment was entered into. All investments are made on a hold to maturity basis. Each investment is monitored on a quarterly basis, in line with the underlying property rental cycle, including a review of the performance of the underlying property security. No market or other events have been identified through this review process which would result in a fair value of the investments significantly different to the carrying value.

Whilst the forced closure of much of the UK economy due to Covid-19 lockdown during the period has impacted rent collection and business plan progress on a number of investments, resulting in interest deferral, capitalisation and in some cases term extensions, the balance outstanding in each case is at a substantial discount to the value of the underlying real estate on which they are secured, the Directors do not consider any loan to be subject to specific impairment, or for there to be a risk of not achieving full recovery, including arears of interest over the residual term of each loan.

(iii) IFRS 9 – Impairment of Financial Assets

The internal credit rating of each loan as at 31 July 2021 has been reviewed. Of the three loans identified as Stage Two assets at 31 January 2021, two have shown positive credit migration following the delivery of the underlying business plans and one remains at Stage Two. One additional loan showed deterioration in its internal credit rating since 31 January 2021 and has been considered as a stage 2 asset; all other loans showed no deterioration and were considered as Stage 1 assets with no ECL over a twelve month period.

As at 31 July 2021

	Stage 1	Stage 2	Stage 3	Total
Principal advanced	80,308,995	26,158,222	–	106,467,217
Gross carrying value	81,830,314	26,637,749	–	108,468,063
Less ECL allowance	–	–	–	–
	81,830,314	26,637,749	–	108,468,063

As at 31 January 2021

	Stage 1	Stage 2	Stage 3	Total
Principal advanced	84,407,248	24,912,744	–	109,319,922
Gross carrying value	85,579,913	25,132,199	–	110,712,112
Less ECL allowance	–	–	–	–
	85,579,913	25,132,199	–	110,712,112

The stage 2 loans at 31 July 2021 were Quattro and Affinity.

The Stage 2 loan, Quattro, was first identified as a Stage 2 asset at 31 January 2019 following a deterioration in credit rating as a result of a reduction in interest cover as the interest reserve was utilised. The borrower has made significant progress in new lettings and adding value through the development of residential apartments above one of the properties and, following the period end made a first partial repayment of the loan following an asset sale. The new apartments have been completed following the period end and are now under offer for sale which will lead to a further pay down of the loan and a consequential improvement in risk profile. Whilst the loan has passed its formal maturity date, given the positive progress in the period and favourable valuation outlook, the Investment Manager has agreed a short-term extension of the facility to allow for an orderly repayment. The loan remains at Stage 2 and no provision for impairment is deemed necessary given the level of valuation equity in the residual portfolio and repayment plans in place.

In the case of the Affinity loan, in line with business plan, the Sponsor has drawn down on capital expenditure facilities to complete the refurbishment of the building, resulting in a higher loan to value exposure. Whilst new lettings are in place leading to increase contractual rents, these are currently in rent free periods meaning interest cover has also reduced. Looking through to the contractual income we expect the loan to exhibit material credit improvement in the near term and as such no provision for impairment is deemed necessary.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM **FINANCIAL STATEMENTS** (CONTINUED)

4. LOANS ADVANCED (CONTINUED)

(iii) IFRS 9 – Impairment of Financial Assets (continued)

Two loans previously considered at Stage 2 (Southport and RoyaleLife) due to the impact of Covid lockdowns on their respective business plans have exhibited material credit improvement, in terms of either asset valuation or operating income, as the UK economy has reopened.

All other loans showed no deterioration and were considered as Stage 1 assets with no ECL over a twelve month period.

Following the change in Investment Policy and expectation that the Company will be wound up through an orderly repayment of loans by the borrowers, and given the significant equity valuation buffer present in all loans relative to the residual term, then, notwithstanding the IFRS9 sensitivity analysis discussed below, the loans are not considered to be permanently impaired and no provision for ECL has been raised in the year.

A reconciliation of the ECL allowance was not presented as the allowance recognised at period end was £nil.

(iv) IFRS 9 Impairment – Stress Analysis

As discussed above, the Group's ECL is a function of the probability of default ("PD") and loss given default ("LGD"), where PD is benchmarked against ICG Real Estate's internal credit rating model and LGD is based on ICG Real Estate's track record of over £3.7 billion of senior and whole loans which would satisfy the Company's investment parameters.

Whilst all loans are expected to repay in full within their residual term, the Company has performed stress analysis on its expected credit loss by considering the impact of a one, two and three grade deterioration in the credit rating of each loan as if they were all Stage 2 assets and considered the impact of impairment over the life of the loans.

As discussed above, the Covid-19 pandemic has impacted the performance of a number of loans with a resultant reduction in interest cover, and the capitalisation of interest leading to higher LTV exposures. The Covid-19 pandemic and its impact of valuation of the retail sector in particular has reduced ICG Real Estate's recovery expectations for non-performing loans across its wider benchmark portfolio, although it should be noted that the Company has very limited exposure to the retail sector. As a result, the application of stress tests in accordance with the Company's policy results in a significantly higher risk profile than pre Covid-19.

A three-grade stress on the portfolio would result in two loans (Quattro and Affinity) moving to sub-standard or doubtful and two loans being considered Sub-standard with a materially increased probability of default and loss given default leading to 12 month expected aggregate losses of £3.0 million.

The majority of loans still benefit from strong equity value protection.

Stress test impact on Expected Credit Loss at 31 July 2021

	ECL Impact	31 January 2021
One grade deterioration in credit rating	£236,000	£473,000
Two grade deterioration in credit rating	£857,000	£925,000
Three grade deterioration in credit rating	£3,026,000	£2,819,000

Outside the credit migration of loans described above under Stage 2 loans, one Stage 1 loan, Halcyon, repaid in the period. The remaining loan portfolio is set out in 4(i) above and the current performance of each loan is discussed in the Investment Manager's report.

Other fee income from loans excluding capitalised loan repayments totalled £34,000 (31 January 2021: £297,979).

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM **FINANCIAL STATEMENTS** (CONTINUED)

5. EARNINGS PER SHARE AND NET ASSET VALUE PER SHARE

Earnings per share

	1 February 2021 to 31 July 2021	1 February 2020 to 31 July 2020
Profit for the period after tax (£)	3,518,029	3,719,476
Weighted average number of ordinary shares in issue	121,302,779	121,302,779
Basic and diluted EPS (pence)	2.90	3.07
Adjusted basic and diluted EPS (pence)	2.90	3.07

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

The calculation of adjusted basic and diluted Earnings per share is based on the profit for the period, adjusted for one-off other fee income during the period totalling £nil (31 July 2020: £nil).

There are no dilutive shares at 31 July 2021 (31 January 2021: none).

Net Asset Value per share

	31 July 2021	31 January 2021
NAV (£)	119,128,084	119,249,139
Number of ordinary shares in issue	121,302,779	121,302,779
NAV per share (pence)	**98.21**	**98.31**

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 2021 £	31 January 2021 £
Authorised		
Ordinary shares of no par value	Unlimited	Unlimited

	Total No	Total No
Issued and fully paid:	121,302,779	121,302,779

	£	£
Share capital brought forward	119,115,310	119,115,310
Share capital	119,115,310	119,115,310

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM **FINANCIAL STATEMENTS** (CONTINUED)

7. DIVIDENDS

Dividends are recognised by the Company in the quarterly NAV calculation following the declaration date. A summary of the dividends declared and/or paid during the period/year ended 31 July 2021 and 31 January 2021 are set out below:

1 February 2021 to 31 July 2021	Dividend per share Pence	Total dividend £
Interim dividend in respect of quarter ended 31 January 2021	1.50	1,819,542
Interim dividend in respect of quarter ended 30 April 2021	1.50	1,819,542
	3.00	3,639,084

1 February 2020 to 31 January 2021	Dividend per share Pence	Total dividend £
Interim dividend in respect of quarter ended 31 January 2020	1.50	1,819,542
Interim dividend in respect of quarter ended 30 April 2020	1.50	1,819,542
Interim dividend in respect of quarter ended 31 July 2020	1.50	1,819,542
Interim dividend in respect of quarter ended 31 October 2020	1.50	1,819,542
	6.00	7,278,168

Following shareholder approval of proposed changes to the Company's Investment Objectives and Investment Policy which will allow an orderly realisation of the Company's assets and return of capital to shareholders, the Board expects the Company to continue the payment of quarterly dividends whilst it remains prudent to do so. The dividend payable per ordinary share will however reduce over time as assets are realised and as capital is returned to shareholders.

Rights attaching to Shares

The Company has a single class of ordinary shares which are not entitled to a fixed dividend. 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 will utilise this mechanism. When the Board determines to return capital to Shareholders, the Company will issue 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 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 Net Asset Value and Net Asset Value per Ordinary Share adjusted to take into account the return of capital.

The number of Ordinary shares in issue will remain unchanged.

8. FINANCIAL RISK MANAGEMENT

The Group through its investment in senior loans is exposed to a variety of financial risks. The main risks arising from the Group's financial instruments are: market risk (including currency risk and interest rate risk), credit risk and liquidity risk and are fully disclosed on pages 57 to 61 of the Annual Report and Financial Statements for 31 January 2021.

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

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM **FINANCIAL STATEMENTS** (CONTINUED)

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.

Directors

The Company Directors' fees for the period amounted to £91,375 (31 July 2020: £98,750) with outstanding fees of £30,524 (31 January 2021: £45,995) due to the Directors at 31 July 2021.

Investment Manager

Investment management/advisory fees for the period amounted to £595,958 (31 July 2020: Investment management/advisory fees £595,971) of which £894,297 (31 January 2021: £897,928) was outstanding at the period/year end.

10. OTHER EXPENSES

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

	1 February 2021 to 31 July 2021 £ (Unaudited)	1 February 2020 to 31 July 2020 £ (Unaudited)	1 February 2020 to 31 January 2021 £ (Audited)
Luxco operating expenses	(3,652)	218,445	278,661
Broker fees	25,275	26,338	52,163
Administration fees	114,896	85,000	172,421
Regulatory fees	14,557	11,030	19,351
Listing fees	6,255	6,886	13,375
Legal & professional fees	44,024	25,623	70,311
Public relation fees	–	7,442	–
Audit fees for the Company	9,162	22,550	47,355
Audit fees for the Subsidiary	17,682	10,028	14,885
Other expenses	34,418	33,838	71,500
Total expenses	**262,617**	**447,180**	**740,022**

11. SUBSEQUENT EVENTS

The process of winding up the Luxembourg company is ongoing, which will allow the loan investments to be transferred to the Company. Over time the Company expects this restructuring to reduce pro forma operating expenses by approximately £200,000 per annum, the benefit of which will support the dividend and process of shareholder capital return in future periods.

On Monday 13 September a return of capital in the sum of £6,671,653 to the Company's shareholders was approved.

GLOSSARY OF **CAPITALISED DEFINED TERMS**

"**Administrator**" means Ocorian Administration (Guernsey) Limited;

"**Admission**" means the admission of the shares to the premium-listing segment of the Official List and to trading on the London Stock Exchange;

"**AEOI**" means Automatic Exchange of Information;

"**Affinity**" means Affinity Global Real Estate;

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

"**Audit Committee**" means the Audit and Risk Management Committee, a formal committee of the Board with defined terms of reference;

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

"**Brexit**" means the departure of the UK from the EU;

"**CBI**" means the Confederation of British Industry;

"**Circular**" means the Circular of the Company dated 16 December 2020, regarding proposal for 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;

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

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

"**CVA**" means Company Voluntary Arrangement;

"**Disclosure Guidance and Transparency Rules**" or "**DTRs**" means the disclosure guidance published by the FCA and the transparency rules made by the FCA under section 73A of FSMA;

"**ECL**" means expected credit losses;

"**EGM**" means the Extraordinary General Meeting of the Company held on 14 January 2021;

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

"**ERV**" means Estimated Rental Value;

"**EU**" means the European Union;

"**Euros**" or "**€**" means Euros;

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

"**Financial Statements**" or "**Consolidated Financial Statements**" means the audited consolidated financial statements of the Group, including the Consolidated Statement of Comprehensive Income, the Consolidated Statement of Financial Position, the Consolidated Statement of Changes in Equity, the Consolidated 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;

"**GMG**" means GMG Real Estate;

"**Group**" means the Company, ICG Longbow Senior Secured UK Property Debt Investments Limited together with its wholly owned subsidiary, ICG Longbow Senior Debt S.A (Luxco);

"**Halcyon**" means Halcyon Ground Rents;

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

"**ICG**" means Intermediate Capital Group plc;

"**ICG Private Funds**" means private real estate debt funds managed or advised by the Investment Manager or its associates;

"**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, as adopted by the EU;

"**Interest Cover Ratio**" or "**ICR**" means the debt/profitability ratio used to determine how easily a company can pay interest on outstanding debt;

"**Interim Financial Statements**" means the unaudited interim condensed consolidated financial statements of the Group, including the Condensed Consolidated Statement of Comprehensive Income, the Condensed Consolidated Statement of Financial Position, the Condensed Consolidated Statement of Changes in Equity, the Condensed Consolidated Statement of Cash Flows, and associated notes;

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

"**Investment Grade Tenant**" means a tenant that is rated Aaa to Baa3 by MIS and/or AAA to BBB- by S&P;

"**Investment Manager**" or "**ICG Real Estate**" means ICG Alternative Investment Limited;

"**Investment Management Agreement**" means Investment Management Agreement dated 25 November 2020 between the Company and the Investment Manager ICG Alternative Investment Limited;

"**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;

"**Knowsley**" means Knowsley (Image Business Park) Limited;

"**LBS**" means LBS Properties Limited;

"**LGD**" means loss given default;

"**Listing Rules**" means the listing rules made by the FCA under section 73A Financial Services and Markets Act 2000;

GLOSSARY OF **CAPITALISED DEFINED TERMS** (CONTINUED)

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

"**LTV**" means Loan to Value ratio;

"**Luxco**" or "**Subsidiary**" means the Company's wholly owned subsidiary, ICG-Longbow Senior Debt S.A.;

"**Luxembourg Administrator**" means Ocorian Services (Luxembourg) S.à r.l. being the administrator of Luxco;

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

"**Management Engagement Committee**" means a formal committee of the Board with defined terms of reference;

"**MIS**" means Moody's Investors Service;

"**MSCI**" means Morgan Stanley Capital Index;

"**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 Group 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;

"**Nomination Committee**" means a formal committee of the Board with defined terms of reference;

"**Northlands**" means Northlands Portfolio;

"**NMPIs**" means Non-Mainstream Pooled Investments;

"**OECD**" means The Organisation for Economic Co-operation and Development;

"**Official List**" is the Premium Segment of the FCA's Official List;

"**ONS**" means Office of National Statistics;

"**IPO Prospectus**" means the prospectus published on 31 January 2013 by the Company in connection with the IPO of ordinary shares;

"**PD**" means probability of default;

"**post-Covid**" means the period after 23 March 2020;

"**Prospectus**" means the prospectus published in May 2018 by the Company in connection with the placing programme;

"**Quattro**" means Quattro Portfolio;

"**Registrar**" Link Asset Services (Guernsey) Limited *(formerly Capita Registrars (Guernsey) Limited)*;

"**Registrar Agreement**" means the Registrar Agreement dated 31 January 2013 between the Company and the Registrar;

"**RICS**" means the Royal Institution of Chartered Surveyors;

"**RoyaleLife**" means the RoyaleLife portfolio;

"**S&P**" means Standard & Poor's Credit Market Services Europe Limited, a credit rating agency registered in accordance with Regulation (EC) No 1060/2009 with effect from 31 October 2011;

"**SONIA**" means Sterling Overnight Interbank Average Rate;

"**Southport**" means the Southport Hotel property;

"**SPV**" means special purpose vehicle;

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

"**UK Listing Authority**" or "**UKLA**" means the Financial Conduct Authority;

"**US**" or "**United States**" means the United States of America, it territories and possessions; and

"**£**" or "**Pounds Sterling**" or "**Sterling**" means British pound sterling and "**pence**" means British pence.

DIRECTORS AND **GENERAL INFORMATION**

Board of Directors
Jack Perry (Chairman)
Stuart Beevor
Patrick Firth (Retired 28 June 2021)
Paul Meader
Fiona Le Poidevin

Audit and Risk Committee
Patrick Firth
(Chairman – retired 28 June 2021)
Stuart Beevor
Paul Meader
Fiona Le Poidevin
(Chairman from 29 June 2021)

Management Engagement Committee
Jack Perry (Chairman)
Patrick Firth (retired 28 June 2021)
Paul Meader
Fiona Le Poidevin
Stuart Beevor

Nomination Committee
Jack Perry (Chairman)
Stuart Beevor
Patrick Firth (retired 28 June 2021)
Paul Meader
Fiona Le Poidevin

Remuneration Committee
Jack Perry
Stuart Beevor
Paul Meader (Chairman)
Fiona Le Poidevin

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Independent Auditor
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Regency Court
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Guernsey Administrator and Company Secretary
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(Guernsey) Limited
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Les Banques
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Guernsey
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Luxembourg Administrator
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Luxembourg
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Depositary
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Registrar
Link Asset Services (Guernsey) Limited
Mont Crevelt House
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GY2 4LH

Corporate Broker and Financial Adviser
Cenkos Securities plc
6-8 Tokenhouse Yard
London
United Kingdom
EC2R 7AS

Identifiers

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

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Guernsey Advocates to the Company
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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.

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