

SLF REALISATION FUND LIMITED

Annual Report and Audited Consolidated Financial Statements
for the year ended 30 June 2025

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GROUP METRICS FOR THE YEAR ENDED 30 JUNE 2025

As at 30 June 2025, the investment objective of SLF Realisation Fund Limited (the “Company” and together with its subsidiaries, the “Group”) is to realise all remaining assets in the portfolio of the Ordinary Share class and the 2016 C Share class in a prudent manner consistent with the principles of good investment management and to return cash to shareholders in an orderly manner. The Group’s base currency is Sterling.

7.07% per Ordinary Share ^{1,2} (7.41)% per 2016 C Share ^{1,2}	3.44p per Ordinary Share ¹ n/a 2016 C Share ^{1,3}
NAV total return per share for the year ended 30 June 2025	NAV per Share as at 30 June 2025

£1.78 million for the Ordinary Share class £7.12 million for the 2016 C Share class
Return of capital to shareholders during the year ended 30 June 2025

¹ The comparatives for the other Group metrics detailed above are disclosed on page 3.
² These are alternative performance Measures; refer to page 67 for details.
³ On 26 June 2025, all of the 2016 C Shares were redeemed, so only the Ordinary Shares were in issue as at 30 June 2025.

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FINANCIAL METRICS AND PERFORMANCE SUMMARY

Performance Summary

	30 June 2025	30 June 2024
Number of shares in issue		
- Ordinary Shares	355,975,669	355,975,669
- 2016 C Shares	-	138,924,222
NAV		
- Ordinary Shares	£12.26m	£13.10m
- 2016 C Shares	£0.0m	£7.68m
NAV per share		
- Ordinary Shares	3.44p	3.68p
- 2016 C Shares	0.00p	5.53p
NAV total return per share		
- Ordinary Shares	7.07%	(10.95)%
- 2016 C Shares	(7.41)%	(3.02)%
Gain/(Loss) per share		
- Ordinary Shares	0.26p	(0.76)p
- 2016 C Shares	(0.40)p	(0.25)p
Return of Capital during the year		
- Ordinary Shares	£1.78m	£8.90m
- 2016 C Shares	£7.12m	£3.47m
Comprehensive gain/(loss)		
- Ordinary Shares	£0.94m	£(2.71)m
- 2016 C Shares	£(0.56)m	£(0.35)m
Investments, other receivables and prepayments, payables and accruals		
- Ordinary Shares	£8.26m	£7.58m
- 2016 C Shares	-	£4.58m
Cash and cash equivalents		
- Ordinary Shares	£4.00m	£5.52m
- 2016 C Shares	-	£3.10m

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CHAIRMAN'S STATEMENT

Introduction

I am pleased to provide shareholders with my fifth and last annual Chairman's Statement, covering the period from 1 July 2024 to 30 June 2025. It has been another busy year with significant progress being made in achieving the investment objective of the Company, namely to follow a realisation strategy and return capital to shareholders.

I am pleased to report that the realisation program for both the Ordinary Share class and the 2016 C Share class has made further good progress, with returns of capital having been made during the year of 0.50p per Ordinary Share (£1.78 million) and 5.12p per 2016 C Share (£7.12 million).

In total, as at the date hereof, £97.89 million or 27.50p per share has been returned to Ordinary shareholders and £107.84 million or 77.62p per share has been returned to 2016 C shareholders since the realisation program began.

The realisation program for the 2016 C Share class is now complete with all the C Shares having been finally redeemed on 26 June 2025.

Performance

The NAV total return per Ordinary Share was 7.1% and the NAV total return per 2016 C Share was (7.4)% for the year ended 30 June 2025. Other key metrics were:

- For the year ended 30 June 2025, the Company has reported a consolidated gain after tax of £0.38 million, compared to a consolidated loss after tax of £(3.06) million for the year ended 30 June 2024.
- The Ordinary Share NAV at 30 June 2025 was £12.26 million (3.44p per Ordinary Share) compared to £13.10 million (3.68p per Ordinary Share) as at 30 June 2024.
- The 2016 C Share NAV had been fully redeemed by 30 June 2025, with £7.12 million (5.12p per 2016 C Share) being distributed in the year compared to £7.68 million (5.53p per 2016 C Share) as at 30 June 2024.

Shareholder Engagement

The Board has engaged with shareholders over the reporting period, taking feedback and responding to their recommendations where appropriate. Brett Miller has led this activity and will continue to do so as we continue to wind down the Company.

Key Developments

- In July 2024, it was announced that Borrower 46, within the C-Share Class portfolio, had settled their facility. The position repaid a negotiated £3.63 million. It had a carrying value of £3.60 million as at 31 December 2023 and £3.63 million as at 30 June 2024.
- A further return of capital was announced in September 2024 with 0.50p per Ordinary Share and 2.25p per 2016 C Share being returned to shareholders.
- The Company applied for the cancellation of the listing of the Shares to the Official List of the FCA and to trading on the London Stock Exchange's Main Market for listed securities (the "Delisting"). Following approval by shareholders at class meetings held on 26 November 2024 the Delisting became effective and the Shares were delisted on 27 December 2024.

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CHAIRMAN'S STATEMENT (CONTINUED)

Key Developments (Continued)

- In April 2025 it was announced that Borrower 26, in the Ordinary Share Class portfolio had settled their facility. The position repaid a negotiated £648,922. It had a carrying value of £658,139 as at 31 December 2024 and rental Income of £22,385 was received from the Borrower between the 31 December 2024 and the settlement date.

Post Year End

Following the publication of these financial statements, I will step down as Chairman and David Copperwaite will take the position as Chairman going forwards.

After the year end, the remaining payments for Fortress (Borrower 52) were received in full, the last of which was received on 29 August 2025. The position in Fortress has, therefore, been fully sold.

On 25 July 2025, the remaining incentive fee of £832,977 was paid in full to the Directors.

The Group continues negotiations with Irish Tax and Customs with respect to a VAT reclaim relating to Borrower 30, an AD Plant located in the Republic of Ireland. Negotiations with Irish Revenue began in July 2021 on the VAT claim, and had been previously carried at £nil due to the uncertainty of any recovery. On 22 September 2025, the Irish Revenue confirmed they would settle £2,206,891 (€2,571,171), less a penalty of £256,747 (€299,127). The Group is contesting this penalty. Due to the uncertainty regarding the recoverability of the additional £256,747 (€299,127), only £1,950,144 (€2,272,044) has been included as a receivable at the year end. Since the year end, the Company has received €2,589,017 but the penalty remains in dispute.

There were no further significant events post year end.

The Score So Far

In posing the question: "How is the realisation proceeding?" it is worth recalling the background. With effect from 31 December 2020, the current Directors constituted a majority of the Board and, from that point, Brett Miller had free rein to work with the Portfolio Manager initially and then subsequently with the consultants and employee on running off the portfolio and returning cash to shareholders.

As at 31 December 2020, the share price of the Ordinary Shares was 16.5p bid and the 2016 C Shares was 34.8p bid. Since then, we have returned 27.50p per share in cash to the Ordinary shareholders and 77.62p per share to the 2016 C shareholders. That's approximately a 67% cash realised return for the Ordinary shareholders so far and a 123% cash realised return for the 2016 C shareholders. The job is now finished for the 2016 C Share Class but there remains a bit more work to do still for the Ordinary Share class.

We have repeatedly represented to shareholders that we would aim to return to them as much as possible of the June 2020 NAV in cash. That NAV was prepared with the benefit of independent valuations for quite a few names in the portfolio that the then portfolio manager had determined were difficult to value. The 30 June 2020 NAV was 36.19p per Ordinary Share and 68.17p per C Share. We have therefore already returned circa 76% of the Ordinary Share NAV and 114% of the C Share NAV. Certainly for the 2016 C Share class that is ahead of expectations at the outset and the job is now concluded in respect of the C Share class. In respect of the Ordinary Share class, progress has been slower than expected, largely due to the problems with Suniva and the AD plants, but these issues have now been largely dealt with and we retain one exposure of any materiality, which will take a bit of time to work out. We remain cautiously optimistic about making further progress in the Ordinary Share class.

Board and personnel changes

Due to the shrinking size of the Company and with most of the heavy lifting now done, the Company has been rationalising its cost base and will continue to do so. The Delisting was part of this process.

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CHAIRMAN'S STATEMENT (CONTINUED)

In March, the sole employee was made redundant. We retained one consultant until his contract terminated on 30 September 2025. There is also now no need for a three person Board and I will step down on publication of these results. David Copperwaite, a Guernsey resident, who has been a Non-Executive Director for most of the time the Company has been in managed wind down, will take my place as chairman. I leave the Board immensely proud of the job that has been done to significantly achieve the Company's investment objective since adopting the investment policy of a managed wind down. With the small of amount of value that remains to be extracted I am confident the Company is in good hands. Brett Miller will continue to work out the remaining assets.

Outlook

As can be seen above, the bulk of the realisations for the Ordinary Share class has been completed and the work to realise all the assets in the C Share class has now been completed. The last significant asset, the exposure to a French glass manufacturer, is termed out to 2027 but will need to be refinanced in order to pay us out by then. There is therefore significant uncertainty as to how long it will take to realise this last remaining asset and the amount of the proceeds received from its realisation. The Company in ongoing discussions with this Borrower.

The Board expects that the wind-down plan for the bulk of what remains, apart from the French glass manufacturer, will likely take approximately six months. We are cognisant of the greater risk that remains in the balance of the portfolio, as whatever remains in the portfolio has not yet achieved a satisfactory exit.

The Directors are also working now to simplify the corporate structure, deregister various tax entities and reduce costs further.

We thank investors for their continued support and we hope to be in a position to report more progress in the coming months.



Brendan Hawthorne
Chairman
8 October 2025

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STRATEGIC REPORT

This Strategic Report is designed to provide information about the Company's business and results for the year ended 30 June 2025. It should be read in conjunction with the Chairman's Statement and the Investment Report, which give a detailed review of investment activities for the year and an outlook for the future. These include a review of the business of the Group and its core activities, the principal risks and uncertainties it faces and results for the year.

Corporate Summary

The Company is a non-cellular company limited by shares, registered in Guernsey under the Companies (Guernsey) Law 2008 (as amended) with registered number 58519. The registered office of the Company is 1st Floor, Royal Chambers, St Julian's Avenue, St Peter Port, Guernsey, GY1 3JX.

The Company is an authorised collective investment scheme in Guernsey, pursuant to the Protection of Investors (Bailiwick of Guernsey) Law 2020.

Significant Events during the Year Ended 30 June 2025

Delisting

Until 27 December 2024, the Company's Ordinary Shares and 2016 C Shares were listed on the ESCC category, formerly the Premium Segment, of the Official List of the UK Listing Authority and were admitted to trading on the Main Market of the London Stock Exchange. On 27 December 2024, the Ordinary Shares and 2016 C Shares were delisted from the Main Market of the London Stock Exchange.

Return of Capital

The table below summarises the amounts returned to shareholders during the year:

Record date	Ordinary Shares		2016 C Shares	
	Amount per Share	Amount returned to Ordinary shareholders	Amount per Share	Amount returned to 2016 C shareholders
22 October 2024	0.5p	£1,778,846	2.25p	£3,124,816
26 June 2025	-	-	2.87p	£3,992,291

On 26 June 2025, all of the 2016 C Shares were redeemed, so only the Ordinary Shares were in issue at 30 June 2025.

Annual General Meeting ("AGM") held on 28 November 2024

All resolutions proposed at the AGM were passed.

Share Capital and voting rights

The Company's issued share capital as at 30 June 2025 consisted of 355,975,669 Ordinary Shares of no par value (2024: 355,975,669 Ordinary Shares and 138,924,222 2016 C Shares of no par value). The authorised share capital of the Company is represented by an unlimited number of shares of no par value. All shares hold equal voting rights with no restrictions and no shares carry special rights with regard to the control of the Company. There are no special rights attached to the shares in the winding up of the Company.

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STRATEGIC REPORT (CONTINUED)

Subsidiaries and entities controlled by the Group

The Company's subsidiaries are detailed in note 1. Brett Miller and David Copperwaite are the Directors of all the Company's subsidiaries, except for SQN Asset Finance (Ireland) Designated Activity Company ("SQN Ireland"), as mentioned below. Information of each Director is shown on page 23. On 28 November 2024, SLF (Cobalt) Limited was dissolved.

The Company meets the definition of control under IFRS 10 – "Consolidated Financial Statements" in respect to its investment holding in SQN Ireland. As such, the results for SQN Ireland have been consolidated with the Group's Audited Consolidated Financial Statements from this effective date. The consolidation of SQN Ireland has had a limited impact on the NAV of the Group. The Board of SQN Ireland are employees of its administrator, Cafico Corporate Services Limited ("Cafico International"). Refer to note 2.1 for further details.

Purpose

The Company is an investment company with wholly owned subsidiaries incorporated in Guernsey and SQN Ireland incorporated in the Republic of Ireland and established for the primary purpose of acting as investment holding companies. The purpose of the Company, together with its subsidiaries, is to realise all remaining assets in the portfolio in a prudent manner consistent with the principles of good investment management and to return cash to shareholders in an orderly manner.

Investment Objective and Investment Policy

Each share class has its own investment objective and investment policy, which are identical and are set out below.

Investment Objective

The investment objective of the Company is to realise all remaining assets in the portfolio in a prudent manner consistent with the principles of good investment management and to return cash to shareholders in an orderly manner.

Investment Policy

The Company will pursue the investment objective of the Ordinary Share Class by effecting an orderly realisation of the assets in a manner that seeks to achieve a balance between maximising the value received from those assets and making timely returns of capital to shareholders. This process might include sales of individual assets, mainly structured as loans and leases, or running off the portfolio in accordance with the existing terms of the assets, or a combination of both.

As part of the realisation process, the Group may also exchange existing debt instruments for equity or other securities where, in the opinion of the Board, the Group is unlikely to be able to otherwise realise such debt instruments or will only be able to realise them at a material discount to the outstanding principal balance of that debt instrument.

The Company, on behalf of the Ordinary Share Class, will cease to make any new investments or to undertake capital expenditure except where, in the opinion of the Board:

- the investment is a follow-on investment made in connection with an existing asset held by the Ordinary Share Class in order to comply with the Group's pre-existing obligations; or
- failure to make the follow-on investment may result in a breach of contract or applicable law or regulation by the Group; or
- the investment is considered necessary by the Board to protect or enhance the value of any existing investments of the Ordinary Share Class to facilitate orderly disposals of assets held by the Ordinary Share Class.

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STRATEGIC REPORT (CONTINUED)

Investment Objective and Investment Policy (Continued)

Investment Policy (Continued)

Any cash received by the Company as part of the realisation process prior to its distribution to shareholders will be held by the Company, on behalf of the Ordinary Share Class, as cash on deposit and/or as cash equivalents.

The Company does not intend to undertake any new borrowings on behalf of the Ordinary Share Class, although the Company may borrow where, in the opinion of the Board, an investment is considered necessary to protect or enhance the value of an existing investment and the Company does not have the available equity capital to fund the investment. Any such borrowings are expected to be short-term and would be repaid following the realisation of assets.

Significant Events after the Reporting Period

Following the publication of these financial statements, Brendan Hawthorne will step down as Chairman and David Copperwaite will take the position as Chairman going forwards.

After the year end, the remaining payments for Fortress were received in full, the last of which was received on 29 August 2025. The position in Fortress has, therefore, been fully sold.

On 25 July 2025, the remaining incentive fee of £832,977 was paid in full to the Directors.

The Group continues negotiations with Irish Tax and Customs with respect to a VAT reclaim relating to Borrower 30, an AD Plant located in the Republic of Ireland. Negotiations with Irish Revenue began in July 2021 on the VAT claim, and had been previously carried at £nil due to the uncertainty of any recovery. On 22 September 2025, the Irish Revenue confirmed they would settle £2,206,891 (€2,571,171), less a penalty of £256,747 (€299,127). The Group is contesting this penalty. Due to the uncertainty regarding the recoverability of the additional £256,747 (€299,127), only £1,950,144 (€2,272,044) has been included as a receivable at the year end. Since the year end, the Company has received €2,589,017 but the penalty remains in dispute.

There were no further Significant events after the Reporting Period.

Financial risk management objectives and policies

The Board is responsible for the Company's system of risk management and internal control and meets regularly in the form of periodic Board meetings to receive reports from the Audit and Risk Committee and to consider the effectiveness of such controls in managing and mitigating risk.

The risk reporting from the AIFM was assessed and the Audit and Risk Committee determined that it was no longer required. Therefore, during the year ended 30 June 2025, the Company became self-managed under the National Private Placement Regime ("NPPR") scheme and now has its own responsibility for the management of risk.

The Board confirms that it has reviewed the effectiveness of the Company's system of risk management and internal control by way of quarterly meetings, which include the relevant teams of the Administrator, to discuss reports produced by the Administrator and understand the robustness of their systems and satisfy the Board as to their effectiveness for the year ended 30 June 2025, and to the date of approval of these Audited Consolidated Financial Statements. Until the contract with the Consultant terminated on 30 September 2025, Brett Miller was in regular discussion with him and reviewed work undertaken by him. Mr Miller and the Consultant (prior to the termination of his contract) keeps the two independent Directors informed at all times of developments within the portfolio, including via a formal report at each quarterly Board meeting. In addition, the Board approves investment transactions. The Board has taken into consideration the Financial Reporting Council ("FRC")'s, "Guidance on Risk Management, Internal Control and Related Financial and Business Reporting" to ensure that the Company's system of risk management and internal control is designed and operated effectively, in line with best practice guidance provided by the FRC.

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STRATEGIC REPORT (CONTINUED)

Principal Risks and Uncertainties

The Principal Risks facing the Group are as set out below. Refer to note 16 for reference to financial risk management disclosures, which explains in further detail the below risk exposures and the policies and procedures in place to monitor and mitigate these risks.

The Audit and Risk Committee has with the assistance of the Administrator, established an internal control framework to provide reasonable but not absolute assurance on the effectiveness of the internal controls operated on behalf of the Group by the service providers as the management and administrative functions are outsourced to third parties. The Risk Framework is kept under review.

When considering the total return of the Group, the Board takes account of the risk which has been taken to achieve that return. The Board looks at numerous risk factors, an overview of which is set out below:

Principal Risk	Description	Mitigating Factors
Counterparty /Asset risk	The Group's performance is subject to risks primarily inherent to asset financing; in particular, the quality of the assets underpinning the transaction and the risk of default by the counterparties. This may affect the Group's ability to operate profitably.	No new investments have been made in the year and the Group continues to realise positions. Ongoing monitoring programmes are in place which allows the Board, with the assistance of the Consultant (until the termination of his contract on 30 September 2025), to identify and address risks at an early stage.
Valuation Risk	Reliability of asset valuations is considered a key risk. Given the sector of investment, valuations of the counterparties' underlying businesses and assets over which security exists are calculated and rely upon assumptions, using inputs such as cash flows, discounts, security, profitability and going concern assumptions.	The fair value of investments and any fair value adjustments are assessed and agreed by the Board. Until the termination of his contract on 30 September 2025, the Board also engaged a Consultant, who had experience in the sector and was familiar with the valuation process, to prepare the valuation of the investments held in the portfolio. Due to the realisation of the majority of the portfolio, the Consultant's contract was terminated as of 30 September 2025. The Board can also engage professional valuers if required. Key reporting information is structured within the transactions, to ensure that all necessary borrower data can be accessed where required. The Group's investments are classified at fair value through profit or loss. Refer to note 2.3 and note 8 for detail of key estimates and assumptions applied by the Company when considering valuation of investments held as at 30 June 2025.

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STRATEGIC REPORT (CONTINUED)

Principal Risks and Uncertainties (Continued)

Principal Risk	Description	Mitigating Factors
Currency Risk	The Company is invested in a global portfolio and investments will not always be in the base currency of the Company. As a result, such investments will carry currency risk, if the non-base currency investments are not hedged.	The Board notes the potential for the volatility of Sterling, which would require unencumbered cash to be used to meet margin calls on a currency hedge and have determined currency hedging is not in the best interest of shareholders at this time. FX exposure is detailed in the Investment Report and shareholders can make their own hedging arrangement if they want to. This is closely monitored by the Company and if deemed appropriate, the hedging transactions will be re-established.
Liquidity risk	The Company's investments are not publicly traded or freely marketable. As a result, there is likely to be a limited or no secondary market to transact in. Therefore, investments may be difficult to value or sell, with a risk of any achievable sale being at a value that is lower than the current valuation of such assets.	With the Company being wound down, all remaining assets in the portfolio are being disposed of in a prudent manner consistent with the principles of good investment management. The Company seeks to maximise the values it receives when realising or seeking repayment of investments.
Geopolitical risk	The Company provides asset finance to counterparties in several jurisdictions exposing the Company to potential economic, social, legal and political risks, such as the Ukraine conflict.	The Company was invested in a diversified portfolio across a wide range of industry sectors, however this diversification has decreased as the Company is winding down. Significant events causing market volatility are closely monitored, as are the impacts/potential impacts on the positions and counterparties the Company is invested in. The Company has no direct exposure to Ukraine, Russia or the Middle East, and any impact on the Company's cash flow is not expected to be material.

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STRATEGIC REPORT (CONTINUED)

Principal Risks and Uncertainties (Continued)

Principal Risk	Description	Mitigating Factors
Operational risk	The Company is ultimately responsible for all of its operations. As at 30 June 2025, the Company had no employees (2024: one employee) and for other services it enters into contracts with its service providers, including the Consultant and Administrator, to ensure operational performance and regulatory requirements are met.	The Company conducts thorough due diligence and interviews each service provider prior to appointment. Ongoing monitoring of service providers is carried out through the regular reports service providers supply, which include ongoing updates on all operational and regulatory matters. The Management Engagement Committee periodically reviews all service providers, the employee and the Consultants, aside from the auditor, which is reviewed by the Audit and Risk Committee.
Performance risk	The performance of the Company is largely determined by the success of the Board in meeting or exceeding performance objectives and the expectations of investors, in accordance with the objectives set out in the Investment Policy.	The Board receives regular NAV information and cash flows. Regular announcements are provided to investors to appraise them of company performance.

Emerging Risks

Principal risks, including emerging risks, are mitigated and managed by the Board through continual review, policy setting and reviews of the Company's risk matrix by the Audit and Risk Committee to ensure that procedures are in place with the intention of minimising the impact of the above-mentioned risks where possible. The Board relies on periodic reports provided by the Administrator and (prior to termination of his contract on 30 September 2025) the Consultant regarding risks that the Company faces. When required, experts will be employed to gather information, including legal advisers and third-party valuation specialists.

The Board notes that stabilising interest rates has led to a less challenging macro-economic environment. This is starting to make it easier for borrowers to refinance as finance is becoming more available at attractive interest rates.

The Company has not identified any other emerging risks as at 30 June 2025.

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STRATEGIC REPORT (CONTINUED)

Going Concern

As the Company is in managed wind down, the Audited Consolidated Financial Statements for the year ended 30 June 2025 have been prepared on a basis other than that of a going concern as per the prior year. Accordingly, the Directors have not assessed the longer-term viability of the Company other than for the managed wind down of the Company. Refer to note 2.1 (b) for further information.

On 27 December 2024, the Ordinary Shares and 2016 C Shares were delisted from the Main Market of the London Stock Exchange.

On the 26 June 2025, the 2016 C Shares were fully redeemed and dissolved.

The Board expects the smaller of the remaining positions in the portfolio are to be realised within 12 months from the date of the approval of these Audited Consolidated Financial Statements, although it is expected that the largest investment will take longer to realise, which would be subject to negotiations with the respective borrowers. Please refer to the Investment Report for further details on the realisation of the Company's investments.

The principal and emerging risks faced by the Company are described on pages 10 to 12.

Life of the Company

The Company has an indefinite life, however, as outlined above the Company is in managed wind-down.

Principal decisions

Principal decision	Stakeholder considerations / interests
Realisation of investments	As part of the managed wind down of the Company, the Board continues to realise investments in a manner that achieves a balance between maximising the value received from investments and making timely returns of capital to shareholders.
Return of Capital	During the year ended 30 June 2025, the Company made a return of capital on two separate occasions, returning a total of £1,778,846 to Ordinary shareholders and £7,117,106 to 2016 C shareholders. Refer to note 13 for full details of the Company's return of capital during the year ended 30 June 2025 and note 17 for the return of capital subsequent to the year ended 30 June 2025.

Culture of the Company

The Board recognises that its tone and culture is important and will greatly impact its interactions with shareholders and service providers. The importance of sound ethical values and behaviours is crucial to the ability of the Company to achieve its corporate objectives successfully.

The Board individually and collectively seeks to act with diligence, honesty and integrity. It encourages its members to express differences of perspective and to challenge but always in a respectful, open, cooperative and collegiate fashion. The Board encourages diversity of thought and approach and chooses its members with this approach in mind. The Corporate Governance principles that the Board has adopted are designed to ensure that the Company delivers value to its shareholders and treats all shareholders equally. All shareholders are encouraged to have an open dialogue with the Board.

The Board has adopted a code for Director dealings and a procedure for matters reserved for the Board and matters delegated to service providers to ensure an appropriate and effective framework for implementation and oversight. The Board reviews its internal culture and that of its service providers on a regular basis.

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STRATEGIC REPORT (CONTINUED)

Environmental and social issues

The Company is a closed-ended investment company, which has no employees (2024: one employee), and therefore its own direct environmental impact is minimal. The Board notes that the companies in which the Group invests will have a social and environmental impact over which it has no control. As the Company is in managed wind down, the business model is to actively realise assets in line with the investment policy and not make any new investments, however the Board continues to follow good practice on ESG issues where applicable. The Board considers that the impact of climate change does not give rise to a material impact on the Group's Audited Consolidated Financial Statements.

The Board holds all its meetings in Guernsey and, whilst Directors and service providers may travel to Guernsey for quarterly meetings, the Group's direct greenhouse gas emissions and environmental footprint is believed to be negligible. However, many of the companies and projects in which the Group invests have a very positive environmental footprint. The AD plants the Group finances use waste of many types to produce sustainable fertilisers and electricity or gas, which are provided to the respective National Grids. Additionally, our support for other renewable energy sources likewise provide alternative energy sources to fossil and/or nuclear fuels. In these ways, the Board is pleased that the Group plays a positive part in the environmental arena.

Future strategy

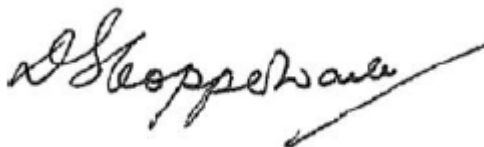
The Board seeks to achieve the objectives set out in the investment objective and policy, to deliver a realisation strategy and return capital to shareholders whilst also protecting capital values.

The Board expects the smaller assets of the portfolio to be realised within 12 months of the date of the approval of these Audited Consolidated Financial Statements, although there will be a portion of the portfolio that will take longer to realise.

This Strategic Report was approved by the Board of Directors on 8 October 2025 and signed on its behalf by:



Brendan Hawthorne
Chairman



David Copperwaite
Director

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INVESTMENT REPORT

Overview

The realisation programme continued over the year, leaving just two credit exposures in the portfolio. One is likely to pay down by September 2025, whilst the other, a large exposure to a French glass manufacturer, is not likely to refinance or repay in the next year or so.

The Company's efforts to optimise the return of capital to shareholders resulted in £8.90 million being returned to shareholders during the year. All distributions were paid as capital returns, as opposed to dividends, which were suspended in March 2020. No foreign exchange ("FX") hedging has been undertaken during the reporting period with non-GBP balances converted into GBP at the soonest opportunity.

With just one large exposure left, future redemptions are tied to the outcome of that position. The outcome for this position in terms of pricing and timing is highly uncertain and therefore a very wide dispersion of likely returns exists.

The FX exposures in the portfolio as at 30 June 2025 were:

FX Exposures (in millions)	Fair value	
	Original Currency	GBP
Ordinary Share		
GBP	0.2	0.2
EUR	7.5	6.9
HKG	1.6	0.15

Dividends

No dividends were distributed during the reporting period. However, it should be noted that the Company was able to continue capital distributions to shareholders as loans were refinanced or matured.

Ordinary Share Class

Borrower	FV at 30 Jun 25 £m	FV at 30 June 24 £m	Change in FV £m	Asset Type	Asset Class	Currency	Grade
Borrower 6	6.9	7.3	(0.4)	Term Loan	Manufacturing	EUR	8: Extremely high risk
Borrower 20	Closed	0.2	0.0	Revolving Loan	Wholesale Portfolios	GBP	10: Loss
Borrower 21	-	-	-	Term Loan	Medical	USD	10: Loss
Borrower 26	Closed	0.7	(0.7)	Finance Lease	Wind Turbines	GBP	7: High risk
Borrower 52*	0.2	0.0	0.2	Finance Lease	Waste Processing	GBP	5: Acceptable risk
Total	7.1	8.1	-				

- * Borrower 52 was transferred from the C Share Class in June 2025 at its fair value.

SLF Realisation Fund Limited
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INVESTMENT REPORT (CONTINUED)

Equity Holdings and other Investments

Borrower*	FV at 30 June 2025 £m	FV at 30 June 2024 £m	Change in FV £m	Investment Type	Asset Class	Currency
Borrower 38	-	-	-	Equity	Medical	USD
Borrower 62	-	-	-	Equity	Technology	GBP
Borrower 63	0.1	0.3	(0.2)	Equity	Electronic Utilities	HKG
Total	0.1	0.3	(0.2)			

* Used Borrower terminology to be consistent throughout report, however these are Equity assets.

Position	FV Discount Rate	Risk Grade	Security Type
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Borrower 6	20%	8	Fixed Asset
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- Security includes glass manufacturing equipment based in France.
- The borrower has faced difficult economic and trading conditions since 2020, including CV-19, war in Ukraine and very high cost pressures (chiefly energy). The Borrower's factories were also badly impacted by flooding in early 2024, which affected operations.
- The borrower informed the Company in late 2023 that it would not be able to meet its final payment due in May 2024 without a new lender being found to refinance the assets and other creditors agreeing to substantial write downs as part of a much wider balance sheet reorganisation. Shortly after this, their factory was damaged by two major floods in November 2023 and January 2024.
- The borrower informed the Company in Jan 2025 that it had not been able to refinance the position via a new lender ahead of May 2025, and it sought bankruptcy protection from the French Courts.
- The Company agreed ahead of the Court hearing to extend the facility until 2027, and to a 50% split on the financing cost, with half cash pay, half PIK. This was part of a wider balance sheet reorganisation plan, which included other creditors taking substantial write downs and rescheduling, as well as the introduction of new equity.
- With the restructuring agreed, the borrower exited Sauveguard in April 2025 and made its first quarterly payment to the Company in May 2025.
- The borrower is in better shape, with more cash and lower debt, however, it remains very highly leveraged and has high capital expenditure, reducing free cash flow. Whilst it looks likely that the borrower will be able to service its quarterly obligations, it still appears to be highly unlikely that it will be able to meet the substantial bullet repayment in Sep 2027 through internally generated cash flow and therefore is still dependent on finding a new lender to refinance its current creditors.
- There is a wide range of outcomes which would have a material effect, both positive or negative, on FV. It is unclear at this point what the outcome in 3Q 2027 will be.

Borrower 52	13.76%	5	Fixed Asset
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- Secured against a UK-based performing waste recycling plant.
- At the year end the borrower had 2 more scheduled payments until maturity. Since the year end, this loan has been fully repaid.
- Facility was transferred from the 2016 C Share Class to the Ordinary Share Class in June 2025 at £236k.

SLF Realisation Fund Limited
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INVESTMENT REPORT (CONTINUED)

Borrower 62	20%	10	High Risk
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- Equity position from sale of hotel technology provider facilities.
- No recent cash flow or balance sheet has been provided, therefore unable to assume any cash flows.

Borrower 63	20%	10	High Risk
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- Equity position from settlement of Parental Guarantee from Borrower 5's parent company.
- Shares are publicly traded and listed on the Hong Kong Stock Exchange.

Closed Transactions

Facility	Fair Value Jun 2024	Description
Borrower 1	£0.0m	Residual from 2023 disposal of AD plant, no additional proceeds received
Borrower 2	£0.0m	Residual from 2023 disposal of AD plant, no additional proceeds received
Borrower 20	£0.2m	The Company received £16k from disposal in April 2025
Borrower 26	£0.7m	The Company received a negotiated £649k in April 2025

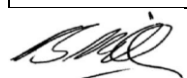
C Share Class

Borrower	FV at 30 Jun 25 £m	FV at 30 June 24 £m	Change in FV £m	Asset Type	Asset Class	Currency	Grade
Borrower 44	Closed	0.3	(0.3)	Revolving Loan	Wholesale	GBP	10: Loss
Borrower 45	Closed	0.5	(0.5)	Finance Lease	Manufacturing	EUR	10: Loss
Borrower 46	Closed	3.6	(3.6)	Term Loan	Aviation	EUR	10: Loss
Borrower 52*	Closed	1.4	(1.4)	Finance Lease	Waste Processing	GBP	5: Acceptable Risk
Total	0.0	5.8	(5.8)				

- * Borrower 52 was transferred from the 2016 C Share Class to the Ordinary Share Class in June 2025

Closed Transactions

Facility	Fair Value Jun 2024	Description
Borrower 44	£0.3m	The Company received £52k from disposal in April 2025
Borrower 45	£0.5m	Liquidation of assets completed in March 2025, £170k received in FY2025
Borrower 46	£3.6m	The company received a negotiated £3.6m in July 2024
Borrower 52	£1.4m	Fortress – transferred to Ord Share Class at £236k



Brett Miller
 Director
 8 October 2025

SLF Realisation Fund Limited

Annual Report and Audited Consolidated Financial Statements

for the year ended 30 June 2025

DIRECTORS' REPORT

The Directors present the Annual Report and Audited Consolidated Financial Statements of the Group for the year ended 30 June 2025.

Board of Directors

The Directors of the Company as at the year-end and up to the date of this report were:

Brendan Hawthorne (Chairman)
Brett Miller
David Copperwaite

The biographical details of the Directors in office at the year-end are provided on page 23.

Directors' Interests

The Directors of the Company as at the year-end and up to the date of approval of this report held the following interests in the Company's share capital:

Director	Number of Ordinary Shares
Brendan Hawthorne	-
Brett Miller	46,090,632
David Copperwaite	830,000

Indemnities

To the extent permitted by Companies Law, the Company's Articles provide an indemnity for the Directors against any liability except such (if any) as they shall incur by or through their own breach of trust, breach of duty or negligence.

During the year ended 30 June 2025 and up to the date of this Annual Report, the Group has maintained insurance cover for its Directors under a Directors and Officers' liability insurance policy.

Auditor

The independent auditor, Deloitte LLP, has expressed its willingness to continue in office and its reappointment will be sought at the Company's AGM.

Statement as to Disclosure of Information to the Auditor

The Directors who held office at the date of approval of this Directors' Report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditors are unaware and that they have taken the steps that they ought to have taken as Directors to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Annual General Meeting

The 2024 AGM was held in Guernsey on 28 November 2024. The notice for the AGM set out the ordinary resolutions to be proposed at the meeting. Separate resolutions were proposed for each substantive issue.

Voting on all resolutions at the AGM was by poll. The proxy votes cast, including details of votes withheld were disclosed to those in attendance at the meeting and the results were published on the website and announced via the RNS on 29 November 2024. All resolutions were passed.

The Directors welcome communication with all shareholders and can be contacted in writing at the Company's registered office, which can be found on page 68.

The 2025 AGM will be held at 10:30am on 4 December 2025 at the Company's registered office. Shareholders are encouraged to vote and are welcome to attend.

SLF Realisation Fund Limited
Annual Report and Audited Consolidated Financial Statements
for the year ended 30 June 2025

DIRECTORS' REPORT (CONTINUED)

Annual General Meeting (continued)

Ordinary Share and 2016 C Share Buybacks

As it was the intention to delist the Company's shares in December 2024, the authority to repurchase shares was not sought at the AGM held on 28 November 2024.

On 26 June 2025, all of the 2016 C Shares were compulsorily redeemed and cancelled.

Incentive plan

Shareholders at the AGM held on 29 November 2021, approved an incentive plan (the "Incentive Plan").

The structure of the Incentive Plan is for a bonus pool to be created for the Board (excluding David Copperwaite as the independent Director), employees and consultants of the Company (both present and future) comprising cash equivalent to 1.4% of the aggregate funds distributed to shareholders since 1 July 2021 for a period up to 31 December 2023, following which the amount fell to 1.0% of aggregate funds distributed to shareholders for the period from 1 January 2024 to 30 June 2024 and thereafter reduced by a further 0.2% every 3 months (the "Bonus Pool"). The precise allocation of the Bonus Pool was at the discretion of the Board, subject to the approval of David Copperwaite as the independent Director. The Board would not distribute more than 50% of the Bonus Pool until the net assets of the Company fell below £20 million and no part of the Bonus Pool would be paid out until a minimum of £80 million had been returned to shareholders cumulatively since 1 July 2021. The Bonus Pool was capped at £2.3 million.

During the year ended 30 June 2025, the 2016 C Shares paid in full their portion of the incentive fee provision of £1,086,726 (2024: £nil) to the Directors.

As at 30 June 2025, the incentive fee provision was £832,977 (30 June 2024: £1,940,097), which was paid in full to Brendan Hawthorne and Brett Miller in July 2025.

Borrowing

The Group does not have any external borrowings (30 June 2024: none).

Corporate Governance

The Board is committed to high standards of corporate governance and has put in place a framework for corporate governance, which it believes, is appropriate for an investment company.

As an unlisted Guernsey incorporated entity, the Company is not required to comply with the UK Corporate Governance Code published by the Financial Reporting Council. However, the Directors place a high degree of importance on ensuring that high standards of Corporate Governance are maintained and that the Company complies as far as applicable to the Company's size with the Finance Sector Code on Corporate Governance, issued by the GFSC.

Board Independence, Composition and Diversity

Brett Miller was appointed as a Director on 16 September 2020. David Copperwaite was appointed as a Director on 31 December 2020. Brendan Hawthorne was appointed as Chairman of the Board on 24 February 2021. The biographical details of the Directors are listed on page 23 and demonstrate a breadth of investment, accounting, banking and professional experience.

Brendan Hawthorne and David Copperwaite are considered independent. Brett Miller is not considered independent by virtue of his role in managing the portfolio and disposal of the assets of the Group in the wind down period.

Board and Committees

The Board has established three committees:

- the Audit and Risk Committee;
- the Management Engagement Committee, and
- the Remuneration and Nomination Committee.

SLF Realisation Fund Limited
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DIRECTORS' REPORT (CONTINUED)

Board and Committees (continued)

The responsibilities of these Committees are described below. Each Committee reports to and is subject to the oversight of the Board. Terms of reference for each Committee have been approved by the Board and are available in full on the Company's website.

Due to the size and nature of the Company, as at 30 June 2025, all Directors had been appointed to all Committees. However, following Brendan Hawthorn's resignation after the publication of these results, the below committees of the Board will cease to exist as the Board will comprise solely of the non-executive Chairman and Executive Director. From that point onwards, the duties of the Audit and Risk Committee, Management Engagement Committee and Remuneration and Nomination Committee will be performed by the Board as a whole.

Audit and Risk Committee

Brendan Hawthorne is Chairman of the Audit and Risk Committee. Mr Hawthorne is a chartered accountant and the Board is satisfied that he has recent and relevant financial experience. The qualifications of the members of the Audit and Risk Committee are outlined in the Directors' Biographies section.

Management Engagement Committee

Brett Miller is Chairman of the Management Engagement Committee. The Management Engagement Committee carries out its review of the Group's key advisers and service providers through consideration of a number of objective and subjective criteria and through a review of the terms and conditions of their appointments with the aim of evaluating performance, identifying any weaknesses and ensuring value for money for the Company's shareholders.

The Management Engagement Committee reviewed the performance of its key service providers on 17 June 2025. During this review, no material weaknesses were identified. Overall, the Management Engagement Committee confirmed its satisfaction with the services and advice received.

Remuneration and Nomination Committee

David Copperwaite is Chairman of the Remuneration and Nomination Committee.

The Remuneration and Nomination Committee undertakes an annual internal evaluation of the Board and its committees. The performance of each Director is considered as part of a formal review by the Remuneration and Nomination Committee. The Remuneration and Nomination Committee may also meet without the Chairman of the Board present in order to review his performance.

Performance Evaluation

The performance of the Board and the Directors was reviewed by the Board on 17 June 2025.

The Board discussed various areas, including the process and style of meetings, investment matters, strategy, governance and shareholder value. It was concluded that the Board has a good and complementary range of skills, competency and that Board meetings were effective, and all relevant topics were fully discussed. The Directors confirm that they have devoted sufficient time, as considered necessary, to the matters of the Company. All Directors felt well prepared and able to participate fully at Board meetings and had a good understanding of the investments and markets in which the Company operates.

As a result of the performance evaluation, the Committee was able to recommend to the Board that David Copperwaite and Brett Miller are re-elected at the forthcoming AGM. However due to the decrease in activity of the Company, Brendan Hawthorne will resign as Chairman and Director following the publication of these financial statements.

Other than as shown above, no other remuneration or compensation other than the performance fee was paid or payable by the Company during the year to any of the Directors.

SLF Realisation Fund Limited
Annual Report and Audited Consolidated Financial Statements
for the year ended 30 June 2025

DIRECTORS' REPORT (CONTINUED)

Directors' Appointment, Retirement and Policy on Payment of Loss of Office

The Articles of the Company require that all Directors submit themselves for election by shareholders at the first opportunity following their appointment. The Directors have elected to stand for re-election on a yearly basis, so will all retire at each AGM and be eligible for reappointment.

Any Director may resign in writing to the Board at any time. Directors are not entitled to payment for loss of office.

Tenure of Non-Executive Directors

The Board has adopted a policy on tenure that is considered appropriate for an investment company.

The Directors ensure that the Board is well balanced, with the skills and experience necessary. Directors must be able to demonstrate their commitment and fiduciary responsibility to the Company. The Board seeks to encompass relevant past and current experience of various areas relevant to the Company's business.

The current composition of the Board reflects the wind down nature of the business and the skills that are needed to manage that ongoing process.

Conflict of Interests

The Directors have a duty to avoid situations where they have, or could have, a direct or indirect interest that conflicts, or possibly could conflict, with the Company's interests. Only Directors who have no material interest in the matter being considered will be able to participate in the Board approval process. Directors are required to disclose all actual and potential conflicts of interest to the Chairman in advance of any proposed external appointment.

In deciding whether to approve an individual Director's participation, the other Directors will act in a way they consider to be in good faith in assessing the materiality of the conflict in accordance with the Company's Articles of Incorporation.

The Board believes that its procedures regarding conflicts of interest have operated effectively. The Board also confirms that its procedure for the approval of conflicts of interest, if any, has been followed by the Directors. None of the Directors had a material interest in any contract, which is significant to the Group's business. Directors' holdings in the Company's shares can be found within the Directors' Report.

AIFMD

During the year, until 4 January 2025, the Company was classed as an externally managed Alternative Investment Fund under the Alternative Investment Fund Managers Directive ("AIFMD"). Following the Company's delisting on 27 December 2024, on 4 January 2025 the AIFM services were subsequently discontinued, and the Company became Self-Managed under National Private Placement Regime ('NPPR').

Events after the Reporting Period

Refer to page 9 of the Strategic Report and note 17 for further details on events after the reporting period.

Statement of Directors' Responsibilities

The Directors are responsible for preparing the Annual Report and Audited Consolidated Financial Statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law, they have elected to prepare the financial statements in accordance with International Financial Reporting Standards as adopted by the European Union and applicable law.

The financial statements are required by law to give a true and fair view of the state of affairs of the Company and of its profit or loss for that period.

SLF Realisation Fund Limited
Annual Report and Audited Consolidated Financial Statements
for the year ended 30 June 2025

DIRECTORS' REPORT (CONTINUED)

Statement of Directors' Responsibilities (Continued)

In preparing these Audited Consolidated Financial Statements, the Directors are required to:

- select suitable accounting policies and apply them consistently;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- make judgements and estimates that are reasonable, relevant and reliable;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

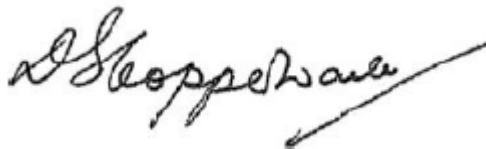
The Directors are responsible for keeping proper accounting records that are sufficient to show and explain the Group's transactions and disclose with reasonable accuracy at any time the financial position of the Group and enable them to ensure that its Audited Consolidated Financial Statements comply with the Companies (Guernsey) Law, 2008. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the website and for the preparation and dissemination of the Audited Consolidated Financial Statements. Legislation in Guernsey governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

By order of the Board



Brendan Hawthorne
Chairman
8 October 2025



David Copperwaite
Director
8 October 2025

SLF Realisation Fund Limited
Annual Report and Audited Consolidated Financial Statements
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DIRECTORS' BIOGRAPHIES

Brendan Hawthorne (*Non-Executive Chairman*)

Mr Hawthorne is an experienced non-executive director and chairman with significant work-out experience in the listed and private equity environments. He has been involved in the running off and realisation of numerous listed funds across a wide range of asset classes. He has more than 25 years' experience as an asset recovery specialist and is frequently invited to join or chair boards where a form of orderly wind down is indicated.

David Copperwaite (*Non-Executive Director*)

David Copperwaite, a resident of Guernsey, is on the board of directors of a number of investment funds operated by various financial groups. These investment funds include multi-functional investment, venture capital, direct lending, distressed and non-performing debt together with substantial private equity investment entities, involving financial service companies, insurance broking, banking and real estate development.

Mr Copperwaite has over 60 years' experience in the financial services sector working for Standard Bank between 1965 and 1973 followed by Lloyds Bank International Limited between 1973 and 1997. In that time, Mr Copperwaite held a number of positions including Principal Manager (Sterling European Region) between 1988 and 1997. In that role he was responsible for all international private banking operations in Guernsey, Jersey, Gibraltar and London (Mayfair) and these covered the areas of banking, investment funds (open-ended, split capital and closed), cash and money management, secured and unsecured lending, offshore trusts and company management. Mr Copperwaite is a former Chairman of The International Bankers Association.

Brett Miller (*Director*)

Brett presently serves as a director of the following publicly listed companies: Manchester and London Investment Trust plc, Achilles Investment Company Limited and Ecofin US Renewables Infrastructure Trust PLC. He is also a director of a number of unlisted and/or private companies.

Brett has wide ranging closed end fund and investment trust/investment company experience both as an investor and in managing or serving on boards of closed ended funds. He has been involved (as executive and non-executive director) in the management and in some cases, the running off and realisation, of numerous LSE and AIM listed closed end funds across a wide range of asset classes including (but not limited to) HWSI Realisation Fund Limited, The Local Shopping REIT plc, China Growth Opportunities Fund, Loudwater Trust plc, Rapid Realisations Fund Limited, Ranger Direct Lending Fund plc, and EIH plc. He has considerable expertise in restructuring and re-aligning management incentives and aligning shareholder and managerial interests for both ongoing and realisation situations.

SLF Realisation Fund Limited

Annual Report and Audited Consolidated Financial Statements

for the year ended 30 June 2025

Independent auditor's report to the members of SLF Realisation Fund Limited

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of SLF Realisation Fund Limited (the 'company') and its subsidiaries (the 'group'):

- give a true and fair view of the state of the group's affairs as at 30 June 2025 and of its loss for the year then ended;
- have been properly prepared in accordance IFRS Accounting Standards as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies (Guernsey) Law, 2008.

We have audited the financial statements which comprise:

- 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
- the related notes 1 to 18.

The financial reporting framework that has been applied in their preparation is applicable law and IFRS Accounting Standards as adopted by the European Union.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter –financial statements prepared other than on a going concern basis

We draw attention to note 2.1 (b) in the consolidated financial statements, which indicates that the financial statements have been prepared on a basis other than that of a going concern. Our opinion is not modified in respect of this matter.

Emphasis of matter – material uncertainty related to Borrower 6 valuation

We draw attention to note 2.1 (g) in the consolidated financial statements, which describes the significant judgements and assumptions used by management in the valuation the loan to Borrower 6. This investment was valued at £6,904,197 as at 30 June 2025 and represents 95% of the group's investment portfolio. As disclosed in note 2.1 (g), the judgements and assumptions used represent future events with a wide range of possible outcomes; the uncertainty inherent in the underlying key judgments means this estimate may differ significantly from the value that will ultimately be realised. Our opinion is not modified in respect of this matter.

SLF Realisation Fund Limited

Annual Report and Audited Consolidated Financial Statements

for the year ended 30 June 2025

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

SLF Realisation Fund Limited
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Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

We considered the nature of the group's industry and its control environment, and reviewed the group's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management the audit and risk committee and the directors about their own identification and assessment of the risks of irregularities, including those that are specific to the group's business sector.

We obtained an understanding of the legal and regulatory frameworks that the group operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included the Companies (Guernsey) Law, 2008, Protection of Investors (Bailiwick of Guernsey) Law 2020 and relevant tax legislation; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the group's ability to operate or to avoid a material penalty.

We discussed among the audit engagement team regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

As a result of performing the above, we identified the greatest potential for fraud in the following area, and our procedures performed to address it are described below:

Management applied a discounted cash flow approach in determining the fair value of the debt portfolio by forecasting future cash flows expected to be generated from each investment discounted back to the reporting date using a discount rate reflective of the market yield of a similar investment. There is a risk that any material movement in the future cash flows could have a significant impact on the valuation of the debt portfolio. Judgements over each investment's realisation value and discount rate applied to the forecast cash flows estimates could significantly affect the group's key performance indicators. We have assessed the accuracy and completeness of the forecast cash flows, including consideration of the impact of market volatility, and assumptions around timing and value of forecast cash flows, by obtaining support for the reasonableness of these forecasts and specific assumptions applied and recalculated the fair value independently for the entire debt portfolio based on the available data.

SLF Realisation Fund Limited
Annual Report and Audited Consolidated Financial Statements
for the year ended 30 June 2025

Extent to which the audit was considered capable of detecting irregularities, including fraud (continued)
In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management concerning actual and potential litigation and claims and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance and reviewing correspondence with the Guernsey Financial Services Commission.

Report on other legal and regulatory requirements

Matters on which we are required to report by exception

Under the Companies (Guernsey) Law, 2008 we are required to report in respect of the following matters if, in our opinion:

- proper accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in respect of these matters.

Use of our report

This report is made solely to the group's members, as a body, in accordance with Section 262 of the Companies (Guernsey) Law, 2008. Our audit work has been undertaken so that we might state to the group's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the group and the group's members as a body, for our audit work, for this report, or for the opinions we have formed.



Deloitte LLP
St Peter Port, Guernsey
8 October 2025

SLF Realisation Fund Limited
Annual Report and Audited Consolidated Financial Statements
for the year ended 30 June 2025

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 30 June 2025

	Notes	Year ended 30 June 2025 £	Year ended 30 June 2024 £
Income			
Finance income	2.5	857,428	1,476,636
Other income		343,828	361,849
Total income		1,201,256	1,838,485
Net movement on investments	8.3	1,153,581	(2,722,619)
Foreign exchange (loss)/gain on other monetary items	2.2	(19,864)	277,860
Net realised and unrealised gain/(loss)		1,133,717	(2,444,759)
Expenses			
Directors' fees	3	(600,000)	(597,500)
Incentive plan provision reversal	3	20,395	19,126
Other operating expenses	4	(1,378,003)	(1,877,336)
Total operating expense	2.6	(1,957,608)	(2,455,710)
Gain/(loss) before tax		377,365	(3,061,984)
Taxation	2.9	(280)	(286)
Gain/(loss) after tax		377,085	(3,062,270)
Total comprehensive gain/(loss) for the year analysed as follows:			
Attributable to Ordinary shareholders		938,274	(2,712,694)
Attributable to 2016 C shareholders		(561,189)	(349,576)
Total comprehensive gain/(loss) for the year		377,085	(3,062,270)
Basic and diluted gain/(loss) per Ordinary Share	5	0.26p	(0.76)p
Basic and diluted loss per 2016 C Share	5	(0.40)p	(0.25)p

The year ended 30 June 2025 has been presented on a basis other than that of a going concern. No operations were acquired during the year and, in accordance with the Investment Objective, assets are being realised in a prudent manner and funds returned to shareholders. As part of this process the operations of one of the Subsidiaries was wound up during the year (2024: two entities were wound up during the year ended 30 June 2024). On 26 June 2025, the 2016 C Shares were fully redeemed and dissolved (see note 1).

The Group has no items of other comprehensive income, and therefore the gain for the year is also the total comprehensive gain.

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

SLF Realisation Fund Limited
Annual Report and Audited Consolidated Financial Statements
for the year ended 30 June 2025

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

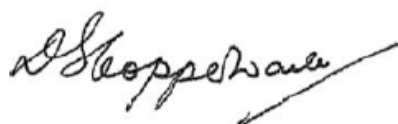
As at 30 June 2025

	Notes	30 June 2025 £	30 June 2024 £
Current assets			
Investments designated at fair value through profit or loss	8.1,8.2	7,248,369	14,361,348
Cash and cash equivalents	2.8	3,997,860	8,621,455
Other receivables and prepayments	9	2,045,441	74,372
		<u>13,291,670</u>	<u>23,057,175</u>
Total assets		13,291,670	23,057,175
Current liabilities			
Other payables and accrued expenses	10	(198,153)	(338,272)
Incentive plan payable	3	(832,977)	(1,940,097)
		<u>(1,031,130)</u>	<u>(2,278,369)</u>
Net assets		12,260,540	20,778,806
Equity			
Share premium	12	254,259,596	291,822,452
Retained deficit		<u>(241,999,056)</u>	<u>(271,043,646)</u>
		12,260,540	20,778,806
NAV per Share			
- Ordinary Shares	6	3.44p	3.68p
- 2016 C Shares	6	-	5.53p

These consolidated financial statements were approved and authorised for issue by the Board of Directors on 8 October 2025 and signed on its behalf by:



Brendan Hawthorne
Chairman



David Copperwaite
Director

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

SLF Realisation Fund Limited
Annual Report and Audited Consolidated Financial Statements
for the year ended 30 June 2025

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2025

	Note	Share Premium £	Retained Deficit £	Total £
As at 1 July 2024		291,822,452	(271,043,646)	20,778,806
Total comprehensive gain for the year		-	377,085	377,085
Transactions with shareholders				
Capital distributions	12,13	(8,895,952)	-	(8,895,952)
Cancellation of C Shares	12	(28,666,904)	28,666,904	-
Dividends returned*		-	601	601
Total transactions with shareholders		(37,562,856)	28,667,505	(8,895,351)
As at 30 June 2025		254,259,596	(241,999,056)	12,260,540

*During the year ended 30 June 2025, £602 was returned due to historic unclaimed distributions

For the year ended 30 June 2024

	Note	Share Capital £	Retained Deficit £	Total £
As at 1 July 2023		304,194,950	(267,981,376)	36,213,574
Total comprehensive loss for the year		-	(3,062,270)	(3,062,270)
Transactions with shareholders				
Capital distributions	13	(12,372,498)	-	(12,372,498)
Total transactions with shareholders		(12,372,498)	-	(12,372,498)
As at 30 June 2024		291,822,452	(271,043,646)	20,778,806

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

SLF Realisation Fund Limited
Annual Report and Audited Consolidated Financial Statements
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CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 30 June 2025

	Notes	Year ended 30 June 2025	Year ended 30 June 2024
		£	£
Cash flow from operating activities:			
Total comprehensive (loss) for the year		377,085	(3,062,270)
<i>Adjustments for:</i>			
Finance income		(857,428)	(1,476,636)
Net movement on investments		(1,153,581)	2,722,619
Foreign exchange (gain)/loss on other monetary items		19,864	(277,860)
Incentive plan provision reversal	3	(20,395)	(19,126)
(Increase)/decrease in other receivables and prepayments		(20,924)	3,559
Increase/(decrease) in other payables and accrued expenses	10	(140,119)	77,837
(Decrease)/increase in investment payable		-	(304,552)
Sale of investments designated at fair value through profit or loss	8.1	6,317,017	9,065,204
Incentive fee paid	3	(1,086,726)	-
Interest income collections		857,428	1,476,636
Net cash movement in operating activities		4,292,221	8,205,411
Cash flow from financing activities			
Capital distributions	13	(8,895,952)	(12,372,498)
Net cash used in financing activities		(8,895,952)	(12,372,498)
Net movement in cash and cash equivalents		(4,603,731)	(4,167,087)
Cash and cash equivalents at start of the year		8,621,455	12,510,682
Effect of exchange rate changes on cash and cash equivalents		(19,864)	277,860
Cash and cash equivalents at end of the year		3,997,860	8,621,455

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

SLF Realisation Fund Limited
Annual Report and Audited Consolidated Financial Statements
for the year ended 30 June 2025

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. General Information

The Company

The Company was incorporated on 28 May 2014 and registered in Guernsey as a Closed-ended Collective Investment Scheme. The Company's registered office is 1st Floor, Royal Chambers, St Julian's Avenue, St Peter Port, Guernsey GY1 3JX.

The Company's Ordinary Shares were admitted to the Equity Shares (Commercial Companies) ("ESCC") category, formerly the Premium Segment, of the UK Listing Authority's Official List and to trading on the Main Market of the London Stock Exchange on 14 July 2014. The 2016 C Shares were listed separately on the Main Market of the London Stock Exchange and were admitted on 12 December 2016. The investments held by the 2016 C Shares were accounted for and managed as a separate pool of assets in accordance with the Company's investment policy.

Shared expenses were split between Ordinary Shares and 2016 C Shares in proportion to their respective NAV. On the 26 June 2025, the 2016 C Shares were fully redeemed and remaining assets transferred to Ordinary shares.

The Company applied for the cancellation of the listing of the Shares to the Official List of the FCA and to trading on the London Stock Exchange's Main Market for listed securities (the "Delisting"). Following approval by shareholders at class meetings held on 26 November 2024 the Delisting became effective and the Shares were delisted on 27 December 2024.

During the year, as part of the managed wind down, the Company made a return of capital on two separate occasions, returning a total of £1,778,844 to Ordinary shareholders and £7,117,106 to 2016 C shareholders. Refer to note 13 for full details of the Company's return of capital and note 17 for return of capital made post year-end.

Subsidiaries

The Company's subsidiaries, SLF (Guernsey) Limited and SLF (Amber) Limited (the "Subsidiaries") are wholly owned subsidiaries incorporated in Guernsey and established for the primary purpose of acting as investment holding companies (refer to note 2.1(f) for further details). The Subsidiaries' registered office is 1st Floor, Royal Chambers, St Julian's Avenue, St Peter Port, Guernsey GY1 3JX.

On 28 November 2024, SLF (Cobalt) Limited was dissolved. This company no longer forms part of the Subsidiaries in these Financial Statements.

Effective 1 January 2022, the Company met the definition of control under IFRS 10 – "Consolidated Financial Statements" in respect to its investment holding in SQN Asset Finance (Ireland) Designated Activity Company ("SQN Ireland"). As such, the results for SQN Ireland have been consolidated with the Group's Audited Consolidated Financial Statements from this effective date. The Board of SQN Ireland are employees of its administrator, Cafico International. Refer to note 2.1(g) for further information. The registered office for SQN Ireland is 2nd Floor Palmerston House, Fenian Street, Dublin 2. SQN Ireland is administered by Cafico International.

2. Material Accounting Policies

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied throughout all the years presented, unless otherwise stated.

SLF Realisation Fund Limited
Annual Report and Audited Consolidated Financial Statements
for the year ended 30 June 2025

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

2. Material Accounting Policies (Continued)

2.1 Basis of Preparation

(a) Statement of Compliance

The Audited Consolidated Financial Statements for the year ended 30 June 2025 have been prepared in accordance with IFRS as adopted by the European Union. They give a true and fair view of the Group's affairs and comply with the Company (Guernsey) Law 2008.

The financial statements have been prepared on the historical cost basis, except for the revaluation of financial instruments that are measured at fair value at the end of each reporting period, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

During the year, a number of amendments and interpretations became applicable, which are not relevant to the Company's operations.

(b) Going Concern

As the Company is in managed wind down, these Audited Consolidated Financial Statements have been prepared on a basis other than that of a going concern as per the prior year.

The Board is not aware of any additional impact on the Audited Consolidated Financial Statements in regard to the Company being in managed wind down. These Audited Consolidated Financial Statements do not include provisions for the wind down of the Company that have not been contractually committed. The Board is satisfied that the Company has sufficient cash balances to meet its annual operating expenses and will ensure that sufficient cash is retained by the Company to meet ongoing expenses. The remaining assets are held at their realisable values, but there is uncertainty regarding the recoverable value of the largest remaining asset, as disclosed further in note 2.1(g).

The Board expects the smaller of the remaining positions in the portfolio are to be realised within 12 months from the date of the approval of these Audited Consolidated Financial Statements, although it is expected that the largest investment will take longer to realise, which would be subject to negotiations with the respective borrowers. Please refer to the Investment Report for further details on the realisation of the Company's investments.

(c) New and amended standards and interpretations

The accounting policies adopted are consistent with those of the previous financial year, except as outlined below. The Group adopted the following new and amended relevant IFRS in the year:

IFRS 7 – Financial Instruments: Disclosures – *amendments regarding supplier finance arrangements*

IFRS 16 – Leases – *amendments regarding a lease liability in a sale and leaseback*

IAS 1 - Presentation of Financial Statements – amendments regarding the classification of liabilities

IAS 1 - Presentation of Financial Statements – amendments regarding the classification of debt and covenants

IAS 7 – Statement of Cash Flows - *amendments regarding supplier finance arrangements*

The adoption of these accounting standards did not have any impact on the Group's Consolidated Statement of Comprehensive Income, Consolidated Statement of Financial Position or equity. A number of other amendments and interpretations are applicable for the year but are not relevant to the Group.

(d) Standards, amendments and interpretations issued but not yet effective

Detailed below are new standards, amendments and interpretations to existing standards that become effective in future accounting periods, which have not been early adopted by the Group:

SLF Realisation Fund Limited
Annual Report and Audited Consolidated Financial Statements
for the year ended 30 June 2025

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

2. Material Accounting Policies (Continued)

2.1 Basis of Preparation (Continued)

(d) Standards, amendments and interpretations issued but not yet effective (continued)

	Effective for periods beginning on or after
IFRS 9 & 7 – Financial Instruments – <i>amendments to the classification and measurements</i>	1 January 2026 (effective 1 July 2026 for the Group)
Volume 11, IFRS – <i>Annual Improvements to IFRS Accounting Standards</i>	1 January 2026 (effective 1 July 2026 for the Group)
IFRS 18 which will supersede IAS 1 - Presentation of Financial Statements – amendments regarding the classification of liabilities	1 January 2027 (effective 1 July 2027 for the Group)
IFRS 19 Subsidiaries without Public Accountability: Disclosures TBC per IASB	1 January 2027 (effective 1 July 2027 for the Group)
IAS 21 - Lack of exchangeability	1 January 2025 (effective 1 July 2025 for the Group)

The Directors do not believe that the application of the above amendments will have a material impact on the Audited Consolidated Financial Statements of the Group.

(e) Functional and Presentation Currency

Items included in the Audited Consolidated Financial Statements are measured using Sterling as the currency of the primary economic environment in which the Group operates (the “Functional Currency”). The Audited Consolidated Financial Statements are presented in Sterling, which is the Group’s presentation currency.

(f) Consolidation

In accordance with IFRS 10 - Consolidated Financial Statements (“IFRS 10”), if the Company meets the definition of an investment entity (“IE”) it qualifies for a consolidation exemption. The relevant provisions for an IE under IFRS 10 are set out below:

IFRS 10.27 – An IE is an entity that:

- obtains funds from one or more investors for the purpose of providing those investor(s) with investment management services;
- commits to its investor(s) that its business purpose is to invest funds solely for returns from capital appreciation, investment income, or both; and
- measures and evaluates the performance of substantially all of its investments on a fair value basis.

IFRS 10.28 – An entity shall consider whether it has the following characteristics of an IE:

- it has more than one investment;
- it has more than one investor;
- it has investors that are not related parties of the entity; and
- it has ownership interests in the form of equity or similar interests.

The Board considered all the above factors and noted that the Company does not provide investors with investment management services and that the Company’s business model is no longer to invest but to realise remaining assets in the portfolio in a prudent manner to return cash to shareholders in an orderly manner. The Board has concluded that the Company does not meet the definition of an IE and does not qualify for the IFRS 10 consolidation exemption. The Subsidiaries and SQN Ireland have therefore been consolidated into these Audited Consolidated Financial Statements.

(g) Critical Accounting Judgements and Key Sources of Estimation Uncertainty

The preparation of the Audited Consolidated Financial Statements in accordance with IFRS requires management to make judgements, estimates and assumptions that affect the application of policies and the reported amounts of assets and liabilities, income and expenses. It also requires management to exercise its judgement in the process of applying the Company’s accounting policies.

SLF Realisation Fund Limited
Annual Report and Audited Consolidated Financial Statements
for the year ended 30 June 2025

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

2. Material Accounting Policies (Continued)

2.1 Basis of Preparation (Continued)

(g) Critical Accounting Judgements and Key Sources of Estimation Uncertainty (continued)

Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets and liabilities affected in future periods.

The estimates and associated assumptions are based on various 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.

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

The Board believes that there is currently no material impact arising from climate change on the judgements and estimates determining the valuations within the financial statements.

As at 30 June 2025, the Group does not believe that dividend distributions paid to the Group by SQN Ireland are subject to withholding tax in the Republic of Ireland. Additionally, the Group holds PPNs issued by SQN Ireland, which are not expected to incur withholding tax liabilities.

The Board has reviewed each equity holding position and do not believe that any of the equity holding positions held by the Group qualify for equity method accounting under IAS 28 – Investments in Associates and Joint Ventures (“IAS 28”). The Board has judged that the Group does not have significant influence, being where the Company has the power to participate in the financial and operating policy decisions of the equity holdings, but not control them.

Key Sources of Estimation Uncertainty

Fair value

For the fair value of all financial instruments held, the Company determines fair values using appropriate techniques. The fair value of the investments as at 30 June 2025 was £7,248,369 (30 June 2024: £14,361,348).

The largest unrealised holding is the loan to Borrower 6. The Directors estimated the fair value of this loan to be £6,904,019 at 30 June 2025 (2024: £7,290,055). The borrower is in better shape, with more cash and lower debt, however, it remains very highly leveraged and has high capital expenditure, reducing free cash flow. The profile of Borrower 6 is discussed on the investment report on page 16. Whilst it looks likely that the borrower will be able to service its quarterly obligations, it still appears to be highly unlikely that it will be able to meet the substantial final bullet repayment in September 2027 through internally generated cash flow and therefore is still dependent on finding a new lender to refinance its current creditors. There is a wide range of possible outcomes which would have a material effect, both positive or negative, on FV. It is unclear at this point what the outcome in Q3 2027 will be, and therefore the valuation may differ significantly from the amount that is ultimately realised (please see note 2.3(d) for further details).

The valuation of the loan to Borrower 6 has been determined using a discounted cash flow (DCF) approach, which incorporates management’s judgement and estimation of future events. This approach estimates the present value of future cash flows based on anticipated repayment scenarios. Key assumptions used include:

- Scenario weightings: applied weighted probabilities to multiple potential outcomes; and
- Discount rate: A higher discount rate has been applied to reflect the increased risk associated with the borrower. This rate was selected in line with the Fund’s Fair Value Discount Matrix disclosed on page 39, given the high-risk rating attributed to Borrower 6.

SLF Realisation Fund Limited
Annual Report and Audited Consolidated Financial Statements
for the year ended 30 June 2025

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

2. Material Accounting Policies (Continued)

2.1 Basis of Preparation (Continued)

(g) Critical Accounting Judgements and Key Sources of Estimation Uncertainty (continued)

Overall, high levels of uncertainty exist regarding the borrower's ability to meet the final bullet payment or refinance their obligations. This results in a wide range of possible outcomes, as evidenced by the sensitivity analysis disclosed under note 8.2, which produced recoverable value estimates ranging from £3.4m to £8.7m.

Refer to note 2.3(d) and note 8.1 for further details on the significant estimates applied in the valuation of the Company's financial instruments measured at fair value. Refer to note 16.1 for credit risk disclosures.

Refer to note 16.4 for price risk sensitivity analysis. The fair value of investments is monitored by the Board to ensure that judgements, estimates and assumptions made and methodologies applied are appropriate and in accordance with IFRS 9 and 13 respectively.

Critical Accounting Judgements

Consolidation of the Subsidiaries and SQN Ireland

The Subsidiaries and SQN Ireland are all entities (including special purpose entities) that the Company controls as it is exposed, or has rights, to variable returns from its involvement with the Subsidiaries and SQN Ireland and has the ability to affect those returns through its power over the Subsidiaries and SQN Ireland.

Effective 1 January 2022, the Group met all three elements of control as prescribed by IFRS 10 over SQN Ireland and therefore is required to consolidate SQN Ireland into these Audited Consolidated Financial

Statements. For the years ended 30 June 2025 and 2024, SQN Ireland has been consolidated into the Group's Audited Consolidated Financial Statements.

2.2 Foreign Currency Translation

Transactions in currencies other than the Functional Currency are recorded using the exchange rate prevailing at the transaction date. Foreign exchange gains and losses resulting from the settlement of such transactions and those from the translation at year-end exchange rates of monetary and non-monetary assets and liabilities measured at fair value through profit or loss ("FVTPL") denominated in foreign currencies are recognised in profit or loss in the Consolidated Statement of Comprehensive Income.

Foreign operations translation

The trading results of Group undertakings in currencies other than the Functional Currency are recorded using the average exchange rates for the year. The assets and liabilities of overseas undertakings are translated at the exchange rates ruling at the year-end. Exchange gains and losses arising from the translation are recognised in other comprehensive income.

2.3 Financial Assets

(a) Classification and Measurement

Financial assets are classified into the following specified categories: financial assets at fair value through profit or loss and amortised cost.

Classification and measurement of financial assets depends on the results of the 'solely payments of principal and interest' and the business model test. The Group determines the business model at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. This assessment includes judgement reflecting all relevant evidence including how the performance of the assets is evaluated and their performance measured, the risks that affect the performance of the assets and how these are managed and how the managers of the assets are compensated. Monitoring is part of the Group's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and so a prospective change to the classification of those assets.

SLF Realisation Fund Limited
Annual Report and Audited Consolidated Financial Statements
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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

2. Material Accounting Policies (Continued)

2.3 Financial Assets (continued)

(a) Classification and Measurement (continued)

With the Audited Consolidated Financial Statements being prepared on a basis other than a going concern and with the business model of the Company, IFRS 9 requires financial assets to be measured FVTPL.

There is no guarantee that financial assets classified as current will be repaid within the 12 month period post the date of the statement of financial position.

Financial assets designated at fair value through profit or loss at inception

Financial assets designated at fair value, can be designated at FVTPL or through other comprehensive income. The Group's fair value financial assets are designated at FVTPL at inception. These include lease participation, loans, construction finance, finance lease, hire purchase and equity holdings.

Financial assets designated at fair value through profit or loss at inception (continued)

The Group's policy requires the Directors evaluate the information about these financial assets on a fair value basis together with other related financial information. Changes in fair value of financial assets at FVTPL are recorded in profit or loss in the Consolidated Statement of Comprehensive Income. Transaction costs on initial recognition of financial assets at FVTPL are expensed in profit or loss.

(b) Amortised cost

Cash and cash equivalents, investment receivables and other receivables are classified at amortised cost. These financial assets are initially recognised at fair value plus transaction costs and subsequently measured at amortised cost.

Income is recognised on an effective interest basis for debt instruments measured subsequently at amortised cost or FVTPL. Gains and losses are recognised in profit or loss in the Consolidated Statement of Comprehensive Income when they are derecognised or impaired, as well as through the amortisation process.

(c) Recognition and De-Recognition

Financial assets are initially recognised on the trade date, when the Company becomes a party to the arrangement.

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all the risk and rewards of ownership of the financial asset are transferred, or it neither transfers nor retains substantially all the risk and rewards of ownership and does not retain control over the transferred asset.

Any interest in such derecognised financial assets that is created or retained by the Group is recognised as a separate asset or liability.

Financial assets are offset and the net amount presented in the Consolidated Statement of Financial Position when, and only when, the Group has a legal right to offset the amounts and intends either to settle them on a net basis or to realise the asset.

The Group derecognises a financial liability when its contractual obligations are discharged, cancelled or expired.

(d) Fair Value Estimation

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

SLF Realisation Fund Limited
Annual Report and Audited Consolidated Financial Statements
for the year ended 30 June 2025

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

2. Material Accounting Policies (Continued)

2.3 Financial Assets (Continued)

(d) Fair Value Estimation (continued)

The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability is conducted in either:

- the principal market for the asset or liability; or
- in the absence of a principal market, the most advantageous market for the asset or liability.

The fair value of an asset or liability is measured using the assumption that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use capacity or by selling it to another market participant that would use the asset in its highest and best use capacity. Refer to note 2.1(g) and 8.1 for further information regarding the uncertainty in the fair values.

Fair value methodology

The Company typically invested in private debt financing in SMEs and SPVs with loans and leases. These facilities are typically structured as loans or leases. The Company has also invested in equity participation in the form of warrants on some transactions to benefit from company growth or shareholders typically taken from restructuring events. The facilities are predominantly based in the UK, with some European and global exposures.

The fair value of financial assets designated at fair value through profit or loss is determined using the discounted cash flow method. The approach also takes into consideration the impact of geopolitical risks and the current economic environment on valuations as applicable. The fair value methodology considers the following two key inputs:

1. The expected cash flows from the facility including any appropriate adjustment in timing to realise these cash flows; and
2. Discount rate.

Overview

The Company designates each financial asset designated at fair value through profit or loss into a common risk category, which allows exposures to be categorised on a similar basis. Future cash flows are estimated and an appropriate discount rate is applied to determine the fair value.

Where an appropriate market comparable is available, the Company will apply such discount at that rate and for performing loans with no credit deterioration the Company will assume the rate at origination adjusted for the change in the risk free rate between the reporting date and the facility origination date and any appropriate macro-economic factors that impact the rate.

The Fair Value Discount Matrix, as outlined on page 39, is based on the Risk Grade and asset type, taking into consideration typical market rates for each allocated sector.

Where valuation ranges have been provided, the Company has assumed the mid-point, assuming all valuations have the same probability weighting.

A discounted cash flow model is then used as the basis for each valuation within the portfolio. The purpose of this model is to appropriately value the assets in a wind down scenario.

There are specified describing characteristics and attributes for each individual loan. Certain of those loan characteristics are used to allocate the Risk Grade and the asset type.

SLF Realisation Fund Limited
Annual Report and Audited Consolidated Financial Statements
for the year ended 30 June 2025

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

2. Material Accounting Policies (Continued)

2.3 Financial Assets (Continued)

(d) Fair Value Estimation (continued)

Risk Grade

The approach for monitoring credit risk remained unchanged with the Risk Grades being maintained (as detailed in note 16.1).

Risk Grade (continued)

The Risk Grade is assigned by the Group based on embedded risks associated with the loan provided and therefore the probability of a default, which allows for a nominal rating equivalent to be allocated. The Group considers a facility in default when payments are overdue by more than 15 days and no likely remedy appears possible. The Group monitors incoming information on a monthly and quarterly basis adjusting the Risk Grade as appropriate, should credit risk change over time. Factors likely to influence a change in internal rating include changes in financial performance of a position e.g., turnover and debt to EBITDA or a change in security quality e.g., LTV or recovery value. Other qualitative factors are also considered, which include key staff departures, strength of financial management and sector cyclicity.

Discount rate

To calculate the FV discount rate the Group considers the following waterfall:

1. A direct comparable from a market observable transaction interest rate where possible.
2. If performing position with no material credit change, the Group will adjust the rate by the change in the relevant risk-free rate and any appropriate macro-economic factors that impact the rate.
3. The corresponding rate from the FV Discount Matrix (as outlined below) based on generic funding rates for the various sectors.

When determining market observable rates, the Group will review recent transactions, where available; for performing debt, examine the relevant risk-free rate in the currency/jurisdiction of the facility against the relevant 5-year risk free rate; and review refinancing rates used in comparable transactions observed. Where the Group has identified a direct comparable market rate, this rate is used in preference to the matrix rates presented below.

Fair Value Discount Matrix

Risk Grade	Realisable - Assets collectable and saleable within a 1-3 month window with a transparent marketplace	Fixed Asset - Assets movable and saleable within a 4-12 month window with some marketability	Project Finance - Fixed assets with limited resale opportunity	High Risk - Non-typical facility either no assets or limited enforcement opportunities
	Discount rate (%)	Discount rate (%)	Discount rate (%)	Discount rate (%)
4	6.0%	7.0%	8.0%	n/a
5	7.0%	8.0%	9.0%	n/a
6	8.0%	10.0%	10.0%	n/a
7+	10.0%	12.0%	15.0%	20.0%
	E.g., Helicopter, Vessel etc.	E.g., Printing Press, removable machinery	E.g., Facility under construction	Non-typical facility – subordinated debt, insurance capital

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

2. Material Accounting Policies (Continued)

2.3 Financial Assets (Continued)

(d) Fair Value Estimation (continued)

Cash flow

The Group makes assumptions on the expected future cash flows, taking consideration of the expected time to realise these expected cash flows for each position as part of the valuation process.

Discounted projected cash flow models are carried out, adjusted for any likely delay in payment, based on credit reviews carried out (in line with Risk Grades) and probability based outcomes based on historic evidence and other market data inputs and forward information and elements, as deemed applicable. Where more than one possibility is reasonably likely, the Group will assign probabilities to these outcomes to create a weighted average value.

Each quarter expected projected cash flows are updated to take into consideration latest available information.

The fair value process is carried out on a quarterly basis to update the valuation of each position held, taking into consideration the Risk Grades, amortisation, time passed and changes in expected cash flow expectations, if any.

Refer to note 8.1 for further details on the significant estimates applied in the valuation of the Group's financial instruments measured at fair value.

2.4 Finance Lease and Hire Purchase Investments

The Group, as lessor, categorises finance leases and hire purchase investments as lease arrangements, where the terms of the lease transfer substantially all risks and rewards of ownership to the lessee (in accordance with the requirements of IFRS 16 - Leases). Hire purchase investments include a purchase option exercisable by the lessee upon fulfilment of specified conditions. Under such arrangements, at the commencement of the lease term, the Group records finance lease and hire purchase investments in the Statement of Financial Position as a receivable, at an amount equal to the net investment in the lease.

The net investment in the lease is equal to the gross investment in the lease (minimum lease payments receivable by the Group under finance lease and hire purchase investments plus any unguaranteed residual value accruing to the Group) discounted by the interest rate implicit in the lease.

On subsequent measurement, the Group splits the minimum payments received under the lease between finance income and reduction of the lease receivable.

The Group applies the principles of IFRS 9 to lease receivables with respect to FVTPL.

Residual Value on Finance Leases

The unguaranteed residual value on finance leases is calculated by estimating the fair market value of the leased assets less the lease payments from the lessee.

Estimates of market value are based on a number of assumptions including, but not limited to: the in-place value of the equipment or assets to the end-user; the secondary market value of similar assets and equipment; the replacement cost of the asset or equipment including the cost of de-installation and re-delivery; and the Company's and AIFM's own assumptions based on historical experience.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

2. Material Accounting Policies (Continued)

2.5 Income

Income is recognised to the extent that it is probable that economic benefits will flow to the Group and can be reliably measured.

For financial assets measured at FVTPL, interest income is recognised by applying the effective interest rate to the fair value.

For financial assets measured at amortised cost, interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset.

2.6 Expenses

Expenses are recognised in profit or loss in the Consolidated Statement of Comprehensive Income on an accruals basis.

2.7 Dividends Payable

The Group pays dividends to shareholders subject to the solvency test prescribed by Guernsey Law. The Company recognises a liability for dividends payable after a dividend has been approved by the Directors and there is an obligation on the Company to make the payment.

2.8 Cash and Cash Equivalents

Cash and cash equivalents comprise cash at bank, and deposits held at call with banks. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value.

2.9 Taxation

Profits arising in the Company and the Subsidiaries are subject to tax in Guernsey at the standard rate of 0%.

SQN Ireland is a qualifying Company within the meaning of Section 110 of the TCA (Taxes Consolidation Act 1997). As such, the profits are chargeable to corporation tax under Case III of Schedule D at a rate of 25%, but are computed in accordance with the provisions applicable to Case I of Schedule D of the TCA.

2.10 Equity Holdings

Equity holdings are measured at fair value which is the same as the net realisable value given that the Audited Consolidated Financial Statements are now prepared on a basis other than a going concern.

For the year ended 30 June 2025, in accordance with IFRS 9, investment in the shares was measured initially at cost and subsequently at fair value through profit or loss, taking into account all information available including possible future cash flows, progress of the projects and any call options available to the developer.

Refer to note 8.1 for further information.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

3. Material Agreements and Related Party Transactions

(a) Administration Agreement

On the 1 June 2024 the Administrator changed from BNP Paribas S.A. to Altum (Guernsey) Limited (previously named Elysium Fund Management Limited). Per the Administration Agreement dated 23 May 2024, Altum (Guernsey) Limited are entitled to £190,000 per annum in relation to the Services and charges as agreed for any additional work.

During the year, £505,581 (2024: £496,579) was incurred in respect of administration fees (Altum: £438,431 and SQN Ireland: £67,150) and at 30 June 2025 administration fees of £53,721 (2024: £57,473) were payable.

(b) Custodian

On 1 June 2024 the Custodian changed from BNP Paribas Securities services to Liberum Wealth Limited. During the year £9,416 (2024: £1,236) was expensed and at 30 June 2025 there was a payable of £114 (2024: £nil).

(c) Registrar Agreement

MUFG Corporate Markets (Guernsey) Limited (previously named Link Market Services (Guernsey) Limited) and the Company entered into a Registrar Agreement on 30 November 2020, with a fixed fee of £23,750 per annum for the initial period 1 January 2021 to 31 December 2023, at expiry of the initial period the agreement automatically renews for successive periods of 12 months, unless or until terminated by either party. During the year £65,960 (2024: £24,789) was expensed and at 30 June 2025 there was a payable of £2,519 (2024: £nil).

(d) Broker Agreements

Up to the 27 December 2024, Winterflood Securities Limited were entitled to an annual brokerage and advisory fee. These services were discontinued following the Delisting as they were no longer required. During the year £27,563 (2024: £56,115) was expensed and there was no payable at 30 June 2025 (2024: £9,371).

(e) AIFM

The Company had engaged FundRock Management Company (Guernsey) Limited as the AIFM. The AIFM was responsible for managing the Company's investments and the risks it faced in accordance with the AIFMD, subject to the overall scrutiny of the Board. Following the Delisting, on 4 January 2025 the services were discontinued and the Company became Self-Managed under National Private Placement Regime ('NPPR').

The AIFM was entitled to receive a minimum annual management fee of £85,000. The Group may also have reimbursed the AIFM for documented expenses in the proper performance of its duties. The AIFM also provided Key Information Document services for which it received an annual fee of £12,000. £49,478 (2024: £91,586) was expensed in the year and there was no payable at 30 June 2025 (2024: £24,303).

(f) SQN Ireland

Certain investments in the loans and construction finance investment categories as disclosed in note 8.1, have been invested through SQN Ireland. SQN Ireland purchased investments by issuing bonds to the Group. As at 1 January 2022, SQN Ireland has been deemed to be under the control of the Group. The results and financial position of SQN Ireland are consolidated as part of the Audited Consolidated Financial Statements for the year ended and as at 30 June 2025 (refer to note 2.1(g)).

From 1 January 2022, the Company has acted as the investment advisor to SQN Ireland. Refer to note 2.1 (f) and 2.1 (g) for further information on the consolidation of SQN Ireland into these Audited Consolidated Financial Statements.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

3. Material Agreements and Related Party Transactions (Continued)

(g) Directors

The table below details the Ordinary Shares and 2016 C Shares held by the Directors in the Company:

Director	30 June 2025		30 June 2024	
	Number of Ordinary Shares	Number of 2016 C Shares	Number of Ordinary Shares	Number of 2016 C Shares
David Copperwaite	830,000	-	830,000	-
Brendan Hawthorne	-	-	-	-
Brett Miller ^[1]	46,090,632	-	3,000,000	400,000

^[1] At 30 June 2025, Brett Miller owned 12.95% of the Ordinary Shares in issue (2024: 0.84% of the Ordinary Shares and 0.29% of the 2016 C Shares in issue).

Incentive plan

Shareholders at the AGM held on 29 November 2021 approved an incentive plan (the "Incentive Plan").

The structure of the Incentive Plan was for a bonus pool to be created for the Board (excluding David Copperwaite as the independent Director), employees and consultants of the Company comprising cash equivalent to 1.4% of the aggregate funds distributed to shareholders since 1 July 2021 for a period up to 31 December 2023, following which the amount shall fall to 1.0% of aggregate funds distributed to shareholders for the period from 1 January 2023 to 30 June 2024 and thereafter reduced by a further 0.2% every 3 months (the "Bonus Pool"). The precise allocation of the Bonus Pool is at the discretion of the Board, subject to the approval of the independent Director. The Board were not to distribute more than 50% of the Bonus Pool until the net assets of the Company fell below £20 million and no part of the Bonus Pool was to be paid out until a minimum of £80 million had been returned to shareholders cumulatively since 1 July 2021. The Bonus Pool has been capped at £2.3 million.

Directors' remuneration

As at 30 June 2025, the incentive plan provision was £832,977 (30 June 2024: £1,940,097). For the year ended 30 June 2025, the incentive plan provision reversal was £20,395 (30 June 2024: reversal of £19,126). As at 30 June 2025, the amount payable under the incentive plan was as follows:

	30 June 2025	30 June 2024
	£	£
Incentive plan payable – earned ^[1]	(832,977)	(1,882,296)
Incentive plan payable – provision in respect of estimated future distributions ^[2]	-	(57,801)
Total	832,977	1,940,097

^[1] The "earned" incentive plan payable relates to the fee that is due by the Company on distributions made to shareholders from the inception of the incentive plan to 30 June 2025.

^[2] The provision is the Directors' forecast of incentive fees that may arise on distributions to shareholders from 1 July 2024 to 30 June 2025 (the end of the incentive plan period).

During the year ended 30 June 2025, the 2016 C Shares paid their share of the incentive provision to the Directors of £1,086,726 (2024: £nil).

During the year ended 30 June 2025, total Directors' remuneration (excluding incentive fees), including extra services was £600,000 (30 June 2024: £597,500) and included consultancy fees of £300,000 (30 June 2024: £300,000) paid to Brett Miller.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

4. Other Operating Expenses

	Year ended 30 June 2025	Year ended 30 June 2024
	£	£
Administration and secretarial fees	505,581	496,579
Consultancy fees	237,000	519,000
Employee remuneration	121,766	119,785
Audit fees	110,802	134,700
Professional fees	110,080	133,864
Legal fees	92,444	210,602
Registrar fees	65,960	24,789
AIFM fees	49,478	91,586
Brokerage fees	27,563	56,115
Transaction fees	207	2,781
Other expenses	57,122	87,535
Total	1,378,003	1,877,336

The audit fee expense was £110,802 for the year ended 30 June 2025 (30 June 2024: £134,700). There were no non-audit related services provided by the Auditor during the years ended 30 June 2025 and 2024.

During the year ended 30 June 2025, employee remuneration related to an employee providing operational support prior to the termination of his employment on 12 March 2025 (30 June 2024: an employee providing operational support). The employee remuneration expense includes wages, payroll taxes, contributions to defined contribution pension plans, termination of employment expenses and reimbursement of expenses approved by the Board.

Consultancy fees include reimbursement of expenses approved by the Board. A project commission would have been payable to the Consultant for its role in assisting with the wind down of the Company if the Company's NAV had been less than £5 million before 1 January 2024. As at 30 June 2025, the project commission accrual was £nil (30 June 2024: £nil), as the Company's NAV was not below £5 million in the required timeframe.

As at 30 June 2025, one consultancy contract remained (2024: one), although this is due to terminate on 30 September 2025.

5. Basic and Diluted Gain/(Loss)/Earnings per Share

30 June 2025	Ordinary Shares	2016 C Share
Total comprehensive gain/(loss) for the year	£938,274	£(561,189)
Weighted average number of shares in issue during the year	355,975,669	138,924,222
Basic and diluted gain/(loss) per share	0.26p	(0.40)p
30 June 2024	Ordinary Shares	2016 C Share
Total comprehensive loss for the year	£(2,712,694)	£(349,576)
Weighted average number of shares in issue during the year	355,975,669	138,924,222
Basic and diluted loss per share	(0.76)p	(0.25)p

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

6. NAV per Share

30 June 2025	Ordinary Shares	2016 C Shares
NAV	£12,260,540	-
Number of shares in issue at year end	355,975,669	-
NAV per share	3.44p	-
30 June 2024	Ordinary Shares	2016 C Shares
NAV	£13,100,557	£7,678,249
Number of shares in issue at year end	355,975,669	138,924,222
NAV per share	3.68p	5.53p

7. Segmental Reporting

Until 26 June 2025, the Company had Ordinary Shares and 2016 C Shares. On 26 June 2025, the 2016 C Shares were fully redeemed. Each Share Class had its own portfolio, was listed separately on the Main Market of the London Stock Exchange (until the Delisting on 27 December 2024) and the Directors reviewed the investments held in each segment separately.

The Directors viewed the operations of the two reportable segments as one operating segment, being investment business and both segments had the same investment objectives up to 26 June 2025. All significant operating decisions were based upon analysis of the Group's investments as one segment. The financial results from this segment are equivalent to the financial results of the Group as a whole.

The tables below provide a breakdown of the consolidated statement of comprehensive income between the reportable segments:

For the year ended 30 June 2025	Ordinary Shares	2016 C Shares	Total
	£	£	£
Total income	895,639	305,617	1,201,256
Net realised and unrealised gain/(loss)	1,399,151	(265,434)	1,133,717
Total operating expenses and incentive plan provision reversal	(1,356,516)	(601,372)	(1,957,888)
Total comprehensive gain/(loss) for the year	938,274	(561,189)	377,085
For the year ended 30 June 2024	Ordinary Shares	2016 C Shares	Total
	£	£	£
Total income	1,490,594	347,891	1,838,485
Net realised and unrealised loss	(2,596,322)	151,563	(2,444,759)
Total operating expenses and incentive plan provision reversal	(1,606,966)	(849,030)	(2,455,996)
Total comprehensive loss for the year	(2,712,694)	(349,576)	(3,062,270)

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

7. Segmental Reporting (Continued)

The tables below provide a breakdown of the consolidated statement of financial position between the reportable segments:

30 June 2025	Ordinary Share £	2016 C Share* £	Total £
Investments and other receivables and prepayments	9,293,810	-	9,293,810
Cash and cash equivalents	3,997,860	-	3,997,860
Total current assets	13,291,670	-	13,291,670
Current liabilities	(1,031,130)	-	(1,031,130)
Net assets	12,260,540	-	12,260,540
Equity	12,260,540	-	12,260,540

*During the year ended 30 June 2025, the 2016 C shares were fully redeemed and dissolved

30 June 2024	Ordinary Share £	2016 C Share £	Total £
Investments and other receivables and prepayments	8,528,732	5,906,988	14,435,720
Cash and cash equivalents	5,522,210	3,099,245	8,621,455
Total current assets	14,050,942	9,006,233	23,057,175
Current liabilities	(950,385)	(1,327,984)	(2,278,369)
Net assets	13,100,557	7,678,249	20,778,806
Equity	13,100,557	7,678,249	20,778,806

As at 30 June 2025, there was a loan balance of £nil receivable by the Ordinary Share Class from the 2016 C Share Class (30 June 2024: £151,356).

8. Financial Instruments

8.1 Fair Value Investments

The Group's accounting policy on fair value measurements is discussed in note 2.3(c).

The Group measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

Level 1: Inputs that reflect unadjusted price quotes in active markets for identical assets or liabilities that the Group has the ability to access at the measurement date;

Level 2: Inputs that reflect price quotes of similar assets and liabilities in active markets, and price quotes of identical assets and liabilities in markets that are considered to be less than active as well as inputs other than price quotes that are observable for the asset or liability either directly or indirectly; and

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

8. Financial Instruments (Continued)

8.1 Fair Value Investments (Continued)

Level 3: Inputs that are unobservable for the asset or liability and reflect the Company's own assumptions based upon experience of similar assets and/or on third party appraised values. This category includes instruments that are valued based on price quotes for which the inputs are unobservable or price quotes for similar instruments for which significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

For financial assets not carried at amortised cost, the Company determines fair value using valuation techniques approved by the Directors.

An assessment is made at each reporting date for any events or changes in circumstances that caused a transfer. No transfers between Levels are deemed to have occurred at the reporting date. During the year ended 30 June 2025 no investments were reclassified. There were no other transfers of investments between the Levels during the year (2024: Investments valued at £154,840 were reclassified from Level 3 to Level 2).

The following table details the Group's fair value hierarchy.

30 June 2025	Level 1	Level 2	Level 3	Total
	£	£	£	£
Financial assets				
Investments designated at FVTPL				
- Loans and other investments	-	-	6,904,019	6,904,019
- Finance lease and hire purchase investments	-	-	198,549	198,549
- Equity	-	145,801	-	145,801
Total financial assets	-	145,801	7,102,568	7,248,369
30 June 2024	Level 1	Level 2	Level 3	Total
	£	£	£	£
Financial assets				
Investments designated at FVTPL				
- Loans and other investments	-	-	11,366,152	11,366,152
- Finance lease and hire purchase investments	-	-	2,694,811	2,694,811
- Equity	-	300,385	-	300,385
Total financial assets	-	300,385	14,060,963	14,361,348

Investments designated at FVTPL

Loans and other investments

The Group held construction finance investments, which comprised initial drawings or advances made under loan agreements, finance leases or hire purchase agreements during a period of procurement or construction of underlying assets (the "Construction Period"). During the Construction Period, interest or similar service payments on the advances may have been paid or (more usually) rolled-up and capitalised on expiry of the Construction Period, typically when the assets were commissioned and (if applicable) commercial operations commenced. Following the expiry of the Construction Period, construction finance investments were converted into either loans, finance leases or hire purchase and reclassified in the Audited Consolidated Financial Statements to the loans, finance lease and hire purchase investment categories.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

8. Financial Instruments (Continued)

8.1 Fair Value Investments (Continued)

Investments designated at FVTPL (Continued)

Finance lease and hire purchase investments

The Group's investments include a portfolio of leases of plant and machinery leased under finance lease agreements that transfer substantially all the risks and rewards incidental to ownership to the lessee and in hire purchase agreements that include a purchase option exercisable by the lessee upon fulfilment of specified conditions. Under these agreements, the lessee pays periodic rent for the use of the assets for a fixed or minimum initial term of typically 3 to 10 years. At the end of the fixed or minimum term, the lessee can typically elect to:

- return the asset to the Group;
- in the case of hire purchase, exercise an option to purchase the assets, typically at a 'bargain' price;
- extend the lease for a further minimum term or from year to year on payment of a pre-agreed rent (which is typically substantially lower than the rent paid during the initial term); or
- arrange a sale of the asset to a third party and (typically) receive all or the majority of the proceeds of sale. Legal title to the leased assets remains with the Group at all times prior to such sale.

The investment was disposed of during the year ended 30 June 2024.

Finance lease residual value

Assets leased to third parties under finance leases had an unguaranteed residual value at the end of the year of £nil (30 June 2024: £nil).

The finance lease residual value as at 30 June 2024 was aggregated with investments designated at fair value through profit or loss.

Equity Holdings

Refer below for the Company's shareholding in each equity holding held:

	30 June 2025	30 June 2024
Equity Holding		
1	15%	15%
5	-	1%
10	2%	2%

The Board has reviewed each equity holding position and do not believe that any of the equity holding positions held by the Group qualify for equity method accounting under IAS 28 – Investments in Associates and Joint Ventures ("IAS 28"). The Board has judged that the Group does not have significant influence, being where the Company has the power to participate in the financial and operating policy decisions of the equity holdings, but not control them. Details of each equity holding are outlined below.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

8. Financial Instruments (Continued)

8.1 Fair Value Investments (Continued)

Equity Holding 1

Following a review of the capital position in one of its investments held by the Group, it received an equity holding in the underlying company. The Group holds junior equity, based on the sale price of the underlying asset and after senior debt has been repaid, any remaining value will go to senior equity.

The Group has not accounted for this equity holding using IAS 28 as it holds less than 20% of the equity and does not have significant influence.

Equity Holding 5

During the year ended 30 June 2024, Equity Holding 5's 20% holding was converted into a 1% holding of a Moroccan holding company following a merger. The initial holding was acquired in 2021, in settlement of a debt facility extended to a European IT business which provides services to the hotel sector.

The Group has not accounted for this equity holding using IAS 28 as it holds less than 20% of the equity and does not have significant influence.

Equity Holding 10

During the year ended 30 June 2024, the Group acquired 100 million shares in Shunfeng International Clean Energy Limited (a Level 2 investment), which is listed on the Hong Kong Stock Exchange. The shares were received as Shunfeng International Clean Energy Limited was Borrower 5's guarantor and the shares were part of the settlement agreement. During the year ended 30 June 2025 1.8 million shares were sold. As at 30 June 2025, the fair value of the shareholding was £145,801 (30 June 2024: £300,385).

Level 3 reconciliation

The following table summarises the changes in the fair value of the Group's Level 3 investments designated at fair value through profit or loss:

	30 June 2025	30 June 2024
	£	£
Opening balance	14,060,963	26,149,171
Equity investment reclassified to Level 2 during the year	-	(154,840)
Purchases during the year	-	-
Sales during the year	(6,313,524)	(9,065,204)
Increase in VAT reclaim receivable (see note 9)	(1,950,144)	
Unrealised (loss)/gain on revaluation of Level 3 investments	(734,295)	(2,969,687)
Realised (loss)/gain on Level 3 investments	2,039,568	101,523
Closing balance	7,102,568	14,060,963

Information about the Level 3 Investments

Lease participation, loans, construction finance, finance lease and hire purchase investments

The fair value of "loans and other investments" and "finance lease and hire purchase" investments is based on two key inputs being the expected cash flows from the facility including any appropriate adjustment in timing to realise these cash flows and an appropriate discount rate. Refer to note 2.3(c) for further detail and FV discount matrix and below for sensitivity analysis to significant changes in unobservable inputs within Level 3 hierarchy.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

8. Financial Instruments (Continued)

8.1 Fair Value Investments (Continued)

Information about the Level 3 Investments (continued)

When examining target returns sought by private debt funds, the Company has examined a number of public data sources. By nature, Private Debt is not publicly disclosed, however, a number of consultants and market participants share typical ranges within sectors that ties into the Company's experience from market studies completed historically.

Finance lease residual value

The Company makes assumptions about the residual value of certain assets and equipment. This assumed cash flow is typically a minor part of the assumed cash flows from the investment. In determining the cash flow, we will review contractual terms that may limit any payment and consider market observable inputs relating to percentages of value retained.

As determined by the Company, the residual value is a function of the in-place value and/or the secondary market value of the equipment or assets.

The in-place value is an assessment of the value of the equipment or assets if the equipment or assets were to continue to operate and provide value to the end-user. This takes into account the marginal cost of keeping the asset in place as well as the cost to the end-user of decommissioning, redelivering, and replacing the equipment. In some cases, this amount (or a maximum value) is negotiated in advance with the end-user.

The secondary market value is determined utilising the Company's historical experience, quotes from dealers, third party appraisals and recent sales. The secondary market value also takes into account the geography of the equipment or assets, the timeframe required to conduct a sale, and the associated costs that are not passed on to the end-user.

8.2 Valuation Process

The following table provides information about fair value measurements and key unobservable inputs with respect to each category of financial assets designated at fair value through profit or loss:

30 June 2025

Description	Fair Value £	Valuation Techniques	Unobservable Inputs
Loans	6,904,019	Discounted cash flow	Expected cash flows and discount rate
Finance lease	198,549	Discounted cash flow	Expected cash flows and discount rate
Equity holding 10	145,801	Share price	-

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

8. Financial Instruments (Continued)

8.2 Valuation Process (continued)

30 June 2024

Description	Fair Value £	Valuation Techniques	Unobservable Inputs
Loans	11,366,152	Discounted cash flow	Expected cash flows and discount rate
Finance lease	2,694,811	Discounted cash flow	Expected cash flows and discount rate
Equity holding 10	300,385	Share price	-

Sensitivity Analysis

The table below provides the valuation basis of financial assets designated at fair value through profit or loss, being the summation of contractual future cash flows, offer/settlement agreement and listed share price.

	30 June 2025 £	30 June 2024 £
Contractual future cash flows	7,102,568	9,918,181
Offer/settlement agreement	-	4,142,782
Listed share price	145,801	300,385
Total	7,248,369	14,361,348

The tables below detail sensitivity analysis on the key unobservable inputs considering the discount rate and the expected cash flows from the facility including any appropriate adjustment in timing to realise these cash flows with respect to the fair value measurement of financial assets designated at fair value through profit or loss.

Discount rate

The Group has reviewed the current discount rates compared with the rates charged at issue on the transactions. After removing non-standard positions from the analysis, it was ascertained that +1.75%/-1.75% is a suitable sensitivity range for the discount rates. Refer below for discount rate sensitivity analysis:

	30 June 2025		30 June 2024	
	£	£	£	£
	Increase of 1.75%	Decrease of 1.75%	Increase of 1.75%	Decrease of 1.75%
Contractual future cash flows	(240,633)	255,264	(131,002)	135,433
Offer/settlement agreement	-	-	(1,240)	1,061
Total	(240,633)	255,264	(132,242)	136,494

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

8. Financial Instruments (Continued)

8.2 Valuation Process (Continued)

Expected cash flow adjustment

For the purposes of determining the sensitivity, the Group has reviewed expected cash flow transactions over the prior 12 months, against actual cash flow transactions and identified that cash flows achieved were in line with cash flows expected within an approximate 50% threshold. From this analysis, the Group believes that a +50%/-50% represents the majority of changes in cash flows experienced. Refer below for discount rate sensitivity analysis:

	30 June 2025		30 June 2024	
	£	£	£	£
	Increase of	Decrease of	Increase of	Decrease of
	50%	50%	10%	10%
Contractual future cash flows	1,743,551	(3,471,865)	741,154	(959,217)
Offer/settlement agreement	-	-	20,057	(20,258)
Total	1,743,551	(3,471,865)	761,211	(979,475)

Listed equity illiquidity discount

As at 30 June 2025, no liquidity discount was applied to Equity Holding 10 as its shares were traded (2024: no liquidity discount was applied to Equity Holding 10).

Timings to realise expected cash flows

The Company has analysed historic transactions and identified that settlements are often delayed by 3-9 months. On this basis, the below sensitivity details the impact on bringing forward settlements by 6 months and extending by 6 months.

	30 June 2025		30 June 2024	
	£	£	£	£
	Increase of	Decrease of	Increase of	Decrease of
	182 days	182 days	182 days	182 days
Contractual future cash flows	497,862	(1,100,615)	631,376	(789,847)
Offer/settlement agreement	-	-	-	(17,525)
Total	497,862	(1,100,615)	631,376	(807,372)

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

8. Financial Instruments (Continued)

8.3 Net movement on investments

	30 June 2025	30 June 2024
	£	£
Net movement in unrealised (loss)/gain on revaluation of investments	(884,169)	(2,824,142)
Net realised gain/(loss) on investments	2,037,750	101,523
Net movement on investments	1,153,581	(2,722,619)

9. Receivables

Other Receivables and Prepayments

	30 June 2025	30 June 2024
	£	£
Other receivables ^[1]	2,018,735	49,450
Prepayments	26,706	24,922
	2,045,441	74,372

^[1] The Group continues negotiations with Irish Tax and Customs with respect to a VAT reclaim relating to Borrower 30, an AD Plant located in the Republic of Ireland. Negotiations with Irish Revenue began in July 2021 on the VAT claim, and had been previously carried at £nil due to the uncertainty of any recovery. On 22 September 2025, the Irish Revenue confirmed they would settle £2,206,891 (€2,571,171), less a penalty of £256,747 (€299,127). The Group is contesting this penalty. Due to the uncertainty regarding the recoverability of the additional £256,747 (€299,127), only £1,950,144 (€2,272,044) has been included as a receivable at the year end. Since the year end, the Company has received €2,589,017 but the penalty remains in dispute.

10. Payables

Other Payables and Accrued Expenses

	30 June 2025	30 June 2024
	£	£
Audit fees	69,762	138,188
Other payables	54,920	89,188
Administration and secretarial fees	53,721	57,473
Consultancy fees	19,750	19,750
AIFM fees	-	24,302
Brokerage fees	-	9,371
	198,153	338,272

The Group has financial risk management policies in place to ensure that all payables are paid within the credit time frame.

The Directors consider that the carrying amount of all payables approximates to their fair value.

As at 30 June 2025, consultancy fees did not include a project commission accrual (30 June 2024: consultancy fees did not include a project commission accrual). Refer to note 4 for further details.

Investment Payable

As at 30 June 2025 there was no investment payable (2024: no investment payable).

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11. Commitments and Provisions

The Group had not committed to invest any further amounts as at 30 June 2025 and 30 June 2024.

As at 30 June 2025, the Group had a provision in regard to the incentive plan in the sum of £832,977 (30 June 2024: £1,940,097). Refer to note 3(g) for further details.

A project commission was payable to each consultant of 50% of their annual fee for meeting certain criteria in assisting with the wind down of the Company. As at 30 June 2025, the accrual was £nil (30 June 2024: £nil). Refer to note 4 for further details.

12. Share Capital

The authorised share capital of the Company is represented by an unlimited number of shares of no par value which were designated as Ordinary Shares, C Shares or otherwise as the Directors may from time to time determine. All shares held equal rights with no restrictions and no shares carry special rights with regard to the control of the Company. There were no special rights attached to the shares in the event that the Company is wound down. In accordance with the Company's articles, the Company held separate share class meetings, for both the Ordinary Shares and the 2016 C Shares, at which shareholders vote on resolutions specific to each share class. On 26 June 2025, the 2016 C Shares were fully redeemed and as at 30 June 2025, only the Ordinary Shares remain.

The 2016 C Share investments were accounted for and managed as a separate pool of assets in accordance with the Company's investment policy. Shared expenses, which relate to both classes were split between Ordinary Shares and 2016 C Shares based on their respective NAV up until 26 June 2025.

The Company's share capital is denominated in Sterling, and all shares in issue have been fully paid. As the shares are of no par value, the share capital is £nil, but the number of shares in issue and the share premium is as follows:

	30 June 2025		30 June 2024	
	Number of Shares in Issue	Share Premium £	Number of Shares in Issue	Share Premium £
Ordinary Shares	355,975,669	254,259,596	355,975,669	256,038,441
2016 C Shares	-	-	138,924,222	35,784,011
Total	355,975,669	254,259,596	494,899,891	291,822,452

Share Buybacks

As it was the intention to delist the Company's shares in December 2024, the authority to repurchase shares was not sought at the AGM held on 28 November 2024.

On 26 June 2025, all of the 2016 C Shares were compulsorily redeemed and cancelled at the prevailing net asset value.

Issued Share Movements

	30 June 2025		30 June 2024	
	Number	Share Premium £	Number	Share Premium £
Balance at the start of the year	494,899,891	291,822,452	494,899,891	304,194,950
Redemption of B and D shares – capital return (refer to note 13)	-	(8,895,952)	-	(12,372,498)
Redemption of 2016 C Shares	(138,924,222)	(28,666,904)	-	-
Balance at the end of the year	355,975,669	254,259,596	494,899,891	291,822,452

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

13. Return of Capital

As part of the managed wind down of the Company, the Board returned cash to shareholders using a B Share Mechanism and a D Share Mechanism.

The B Share Mechanism involves the issue of new redeemable shares of no par value ("B Shares"), paid out of the Company's assets to existing Ordinary shareholders pro rata to their holdings of Ordinary Shares at the time of such issue. The D Share Mechanism involves the issue of new redeemable shares of no par value ("D Shares"), paid out of the Company's assets to existing 2016 C shareholders pro rata to their holdings of 2016 C Shares at the time of such issue. The B Shares and D Shares shall be non-transferable and shall be redeemable for cash subsequent to issue at the option of the Board on such terms, as the Board shall determine. On the 26 June 2025, the 2016 C Shares and the D Shares were fully redeemed and dissolved.

Rights attaching to the B and D Shares

The B Shares and D Shares do not carry any right to any dividends, any other income distributions, or any capital distributions of the Company other than as expressly permitted under the new Articles.

The B Shares and D Shares do not entitle any holder thereof to any surplus assets of the Company remaining after payment of all creditors of the Company apart from a distribution in respect of any capital paid up on the B Shares and D Shares which shall rank behind any amounts due in respect of other classes of shares (apart from any B Shares D Shares) and such distribution shall be distributed pro rata.

The B Shares and D Shares will be issued on terms that each B Share and D Share shall be redeemable at the option of the Board and on the terms the Board determine. Redemption monies will be paid in accordance with the terms of the new Articles.

The B Shares and D Shares shall not carry any right to receive notice of, or attend, speak or vote at, any general meeting of the Company or any right to vote on written resolutions of the Company. The B Shares and D Shares shall not be transferrable. The Board expect that the B Shares and D Shares will only ever be in issue for a short period of time.

Returns of Capital during the year ended 30 June 2025

On 11 October 2024, the Company announced the twelfth return of capital which was paid to Ordinary and 2016 C shareholders on 22 October 2024. This return of capital was effected by way of an issue and immediate redemption and cancellation of B Shares and D Shares on 22 October 2024.

On 26 June 2025, the Company announced the thirteenth return of capital to 2016 C shareholders, which was paid to shareholders on 26 June 2025. This return of capital was effected by way of an issue and immediate redemption and cancellation of D Shares on 26 June 2025.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

13. Return of Capital (Continued)

Return of Capital during the year ended 30 June 2025 (continued)

During the year ended 30 June 2025, the Company made a return of capital on two separate occasions, as detailed below, returning a total of £1,778,846 to Ordinary shareholders and £7,117,106 to 2016 C shareholders).

Record date	Number of B Shares issued and cancelled	Amount per Share	Amount returned to Ordinary shareholders	Number of D Shares issued and cancelled	Amount per Share	Amount returned to 2016 C shareholders
22 October 2024	355,975,669	0.5p	£1,778,846	138,924,222	2.25p	£3,124,816
26 June 2025	-	-	-	138,924,222	2.87p	£3,992,291
			<u>£1,778,846</u>			<u>£7,117,106</u>

Return of Capital during the year ended 30 June 2024

On 20 July 2023, the Company announced the tenth return of capital which was paid to shareholders on 21 August 2023. This return of capital was effected by way of an issue and immediate redemption and cancellation of 355,975,669 B Shares and 138,924,222 D Shares on 11 August 2023

On 24 November 2023, the Company announced the eleventh return of capital, which was paid to shareholders on 28 December 2023. This return of capital was effected by way of an issue and immediate redemption and cancellation of 355,975,669 B Shares and 138,924,222 D Shares on 18 December 2023.

During the year ended 30 June 2024, the Company made a return of capital on two separate occasions, as detailed below, returning a total of £8,899,392 to Ordinary shareholders and £3,473,106 to 2016 C shareholders).

Record date	Number of B Shares issued and cancelled	Amount per Share	Amount returned to Ordinary shareholders	Number of D Shares issued and cancelled	Amount per Share	Amount returned to 2016 C shareholders
11 August 2023	355,975,669	1p	£3,559,757	138,924,222	2.5p	£3,473,106
15 December 2023	355,975,669	1.5p	£5,339,635	-	-	-
			<u>£8,899,392</u>			<u>£3,473,106</u>

14. Dividends

No dividends were declared by the Company to its shareholders during the years ended 30 June 2025 and 30 June 2024. With the Company in managed wind down, the Board does not intend to declare any further dividends.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

15. Capital Management Policies and Procedures

The Board defines capital as financial resources available to the Group.

The Group's total capital at 30 June 2025 was £12,260,540 (30 June 2024: £20,778,806) and comprised equity share capital and reserves. The Group was ungeared at the year-end.

The Group's capital management objective is to provide returns to shareholders.

As the Company is in managed wind down, the Group's principal use of cash is to return cash to shareholders, whilst maintaining sufficient balances to meet ongoing operational expenses.

The Board monitors and reviews the broad structure of the Group's capital on an ongoing basis.

The Group has no externally imposed capital requirements.

16. Financial Risk Management

The Group's financial assets mainly comprise investments and cash balances. Note 2 sets out the accounting policies, including criteria for recognition and the basis for measurement, applied to significant financial assets and liabilities. Note 2 also includes the basis on which income and expenses arising from financial assets and liabilities are recognised.

Principal risks and uncertainties are detailed in the Strategic Report. The Directors with the assistance of the Consultant (prior to the termination of his contract on 30 September 2025) and the Company's employee (prior to the termination of his employment on 12 March 2025), work together to mitigate these risks by employing the following risk mitigation strategies:

- (i) *Credit Management* – sound credit management is a prerequisite for an entity's stability and profitability. Prudent management of credit risk can minimise both operational and credit risks. The Board pre-emptively begin to manage risk through the comprehensive underwriting process to ensure that there is not more than an acceptable amount of risk within the transaction. The risk is continually managed throughout the term of the lease (or other finance agreement) until the ultimate disposition of the asset(s). Stringent underwriting procedures are applied to mitigate risk.
- (ii) *Due Diligence* – the Group performs comprehensive due diligence on all counter parties, individuals and businesses relevant to the investment strategy of the Group.
- (iii) *On-going Portfolio Management* – ensures that if a problem starts to arise, it is identified giving the capability to address it and put into action whatever remediation steps are necessary to help mitigate a potentially larger risk down the line.
- (iv) *Legal Review* – the Group engages legal professionals in order to ensure, on an on-going basis, that all rights, title and interests, held as security for the Company's investments are being protected and preserved.
- (v) *Records Management* – the Company has a comprehensive electronic documentation system that is subject to their internal/external backup procedure, maintaining information access and retrieval 24/7 with offsite redundant backup in case of a disaster when recovery would need to be deployed.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

16. Financial Risk Management (Continued)

The Directors coordinate the Group's risk management.

Additional risks arising from the Group's activities listed in order of severity and likelihood and the policies for managing each of these risks are summarised in this note and have been applied throughout the year.

16.1. Credit Risk

This is the risk of the failure of a lessee to make lease payments, the failure of the issuer of a security or borrower to pay interest or principal in a timely manner, or that the effect of negative perceptions of the issuer's ability to make such payments causing the value of the investment to decline. Counterparties with debt securities rated below investment-grade (or unrated) are especially susceptible to this risk.

Credit concentration risk

As the Company is in managed wind down, the Company will not be making any new investments. The Board will monitor concentration risk of the investment portfolio as the portfolio is liquidated as part of the Company's investment objective and policy.

During the year Liberum Wealth Limited was the main Custodian used by the Group to hold cash balances in a client account at HSBC Bank Guernsey and there was a risk that it could fail or that there may be fraud or theft by employees and that the Group's assets may not be returned. The Directors deem this to be a low credit risk as HSBC Bank Plc's credit rating is A+ with Standard & Poor's.

Credit risk of cash and custodian is mitigated by the Group's policy to only undertake significant transactions with leading commercial counterparties.

Exposure to Credit Risk

The following tables detail the Group's financial assets maximum exposure to credit risk:

	30 June 2025	30 June 2024
	£	£
Investments designated at fair value through profit or loss	7,248,369	14,361,348
Cash and cash equivalents	3,997,860	8,621,455
Other receivables (see note 9) (excludes prepayments)	2,018,734	49,450
Total financial assets	13,264,963	23,032,253

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

16. Financial Risk Management (Continued)

16.1. Credit Risk (Continued)

Financial assets credit quality summary

The table below shows the different risk categories, the associated PDs and the nominal rating equivalent in relation to unsecured loans:

Company Risk Grade	Nominal Rating Equivalent
1: Virtually no risk	AAA
2: Low risk	AA
3: Moderate risk	A
4: Average risk	BBB
5: Acceptable risk	BB
6: Borderline risk	B
7: High risk	CCC
8: Extremely high risk	CC
9: Doubtful	D
10: Loss	D

Refer below for Risk Grades and nominal rating equivalent as at 30 June 2025 (excluding other receivables of £2,275,482 – see note 9).

Company Risk Grade	Nominal Rating Equivalent	Investment Category	£
N/A	A+1	Cash and cash equivalents	3,997,860
5	BB	Investments designated at fair value through profit or loss	198,549
8	CC	Investments designated at fair value through profit or loss	6,904,019
N/A	N/A	Listed Investments designated at fair value through profit or loss	145,801
Total			<u>11,246,229</u>

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16. Financial Risk Management (Continued)

16.1. Credit Risk (Continued)

Refer below for Risk Grades and nominal rating equivalent as at 30 June 2024 (excluding other receivables of £49,450).

Company Risk Grade	Nominal Rating Equivalent	Investment Category	£
N/A	A+1	Cash and cash equivalents	8,621,455
5	BB	Investments designated at fair value through profit or loss	1,446,476
7	CCC	Investments designated at fair value through profit or loss	734,145
8	CC	Investments designated at fair value through profit or loss	7,290,055
10	D	Investments designated at fair value through profit or loss	4,590,287
N/A	N/A	Listed Investments designated at fair value through profit or loss	300,385
Total			<u><u>22,982,803</u></u>

16.2. Liquidity Risk

This is the risk that the Group will encounter difficulty in meeting obligations associated with financial liabilities or funding commitments. The Board manages and monitors the Group's liquidity risk.

The Group's investments (excluding cash deposits) are asset-backed loan or finance transactions with commercial entities. The investments are substantially less liquid than traded securities and will have a highly limited (if any) secondary market. Some transactions may incorporate provisions that restrict transfer or disposal of the investment.

As at 30 June 2025 and 30 June 2024, the Group did not have any foreign exchange forward contracts.

The table below shows the Company's financial liabilities as at 30 June 2025:

	Less than 1 year	1 to 5 years	More than 5 years	No maturity date	Total
	£	£	£	£	£
Financial liabilities					
Other payables and accrued expenses	(1,031,130)	-	-	-	(1,031,130)
Total undiscounted financial liabilities	<u>(1,031,130)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,031,130)</u>

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

16. Financial Risk Management (Continued)

16.2. Liquidity Risk (Continued)

The table below shows the Company's financial liabilities as at 30 June 2024:

	Less than 1 year	1 to 5 years	More than 5 years	No maturity date	Total
	£	£	£	£	£
Financial liabilities					
Other payables and accrued expenses	(2,278,369)	-	-	-	(2,278,369)
Total undiscounted financial liabilities	(2,278,369)	-	-	-	(2,278,369)

16.3. Operational Risk

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the processes, technology and infrastructure supporting the Group's activities with financial instruments either internally within the Group or externally at the Group's service providers, and from external factors other than credit, market and liquidity risks such as those arising from legal and regulatory requirements and generally accepted standards of investment management behaviour.

The Group's objective is to manage operational risk so as to balance limiting of financial losses and damage to its reputation with achieving its investment objective. The Group manages this risk by having oversight of the Administrator, the Consultants and the Company's employee.

16.4. Market Risk

The fair value of future cash flows of a financial instrument held by the Group may fluctuate. This market risk comprises currency risk, interest rate risk and price risk. The Board reviews and agrees policies for managing these risks.

Currency Risk

The functional and presentation currency of the Group is Sterling and, therefore, the Group's principal exposure to foreign currency risk comprises investments denominated in other currencies, principally US Dollars and Euros. The Company monitors the Group's exposure to foreign currencies. The Board measures the risk to the Group of the foreign currency exposure by considering the effect on the NAV and income of a movement in the rates of exchange to which the Group's assets, liabilities, income and expenses are exposed.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

16. Financial Risk Management (Continued)

16.4. Market Risk (Continued)

Currency Risk (Continued)

The table below details the carrying amounts of the Company's financial assets and financial liabilities that have foreign currency risk exposure:

30 June 2025	GBP £	USD £	EUR £	HKD £	Total £
Investments including the residual value of finance lease investments	198,549	-	6,904,019	145,801	7,248,369
Cash and cash equivalents	3,718,187	37,052	242,621	-	3,997,860
Investment receivables and other receivables	68,590	-	1,950,144	-	2,018,734
Investment payables, other payables and accrued expenses	(1,031,130)	-	-	-	(1,031,130)
Total net foreign currency exposure	2,954,196	37,052	9,096,784	145,801	12,233,833
Percentage of total	24.15%	0.30%	74.36%	1.19%	100%

30 June 2024	GBP £	USD £	EUR £	HKD £	Total £
Investments including the residual value of finance lease investments	2,624,892	18,829	11,417,242	300,385	14,361,348
Cash and cash equivalents	7,848,084	220,382	552,989	-	8,621,455
Other receivables	49,450	-	-	-	49,450
Investment payables, other payables and accrued expenses	(2,278,369)	-	-	-	(2,278,369)
Total net foreign currency exposure	8,244,057	239,211	11,970,231	300,385	20,753,884
Percentage of total	39.72%	1.15%	57.68%	1.45%	100%

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16. Financial Risk Management (Continued)

16.4. Market Risk (Continued)

Currency sensitivity analysis

Should the value of Sterling against the Euro, US Dollar and the Hong Kong Dollar increase or decrease by 5% with all other variables held constant and excluding the impact of currency hedging described below, the impact on the net assets of the Group would be as follows:

Currency	30 June 2025		30 June 2024	
	£	£	£	£
	Increase of 5%	Decrease of 5%	Increase of 5%	Decrease of 5%
USD	(1,853)	1,853	(11,961)	11,961
EUR	(454,839)	454,839	(598,512)	598,512
HKD	(7,290)	7,290	(15,019)	15,019

The Board believes that a 500 basis point movement in the value of Sterling against other currencies is reasonable given the average volatility in these currency rates during the years ended 30 June 2025 and 30 June 2024.

The Group did not have any open forward foreign exchange contracts as at 30 June 2025 or 30 June 2024.

Interest Rate Risk

Most of the Group's investments receive a fixed rate of interest. The value of fixed income securities usually rise and fall in response to changes in market interest rates. Declining interest rates generally increase the fair value of existing instruments, and rising interest rates generally decrease the fair value of existing instruments. Changes in value usually will not affect the amount of interest income or final principal repayments but could affect the market value of the investment prior to maturity. Interest rate risk is generally greater for investments with longer maturities.

Certain income generating securities pay interest at variable rates. Variable rate securities reset at specified intervals, while floating rate securities reset whenever there is a change in a specified index rate. The market prices of these variable rate securities may fluctuate significantly when interest rates change. As at 30 June 2025 and 30 June 2024, no variable interest rate positions were held, except for cash at bank.

The possible effects on fair value and cash flows that could arise as a result of changes in interest rates are taken into account when making investment decisions. Expected cash flows are monitored as investment updates are provided and the Group considers changes to cash flows on a quarterly basis. Each facility has a rate applied to fair value based on market observable transactions, performance, credit type and risk. The waterfall requires a market rate to be applied, if applicable, if not and the facility continues to perform in line with origination, the initial rate is adjusted by the relevant risk free rate change; where these are not appropriate the rate is taken from the fair value rate matrix. The Board reviews on a regular basis the values of the financial instruments.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

16. Financial Risk Management (Continued)

16.4 Market Risk (Continued)

Interest Rate Risk (Continued)

The following table details the Group's exposure to interest rate risks. It includes the financial assets designated at FVTPL and at amortised cost and financial liabilities at amortised cost as at 30 June 2025 and 30 June 2024.

At 30 June 2025	Interest bearing		Non-interest bearing	
	Variable	Fixed interest		Total
	£	£	£	£
Assets				
Assets designated at fair value through profit or loss:				
Investments designated at fair value through profit or loss	-	7,102,568	145,801	7,248,369
Financial assets at amortised cost:				
Cash and cash equivalents	3,997,860	-	-	3,997,860
Other receivables	-	-	2,018,734	2,018,734
Total assets	3,997,860	7,102,568	2,164,535	13,264,963
Liabilities				
Financial liabilities at amortised cost:				
Other payables and accrued expenses	-	-	(1,031,130)	(1,031,130)
Total liabilities	-	-	(1,031,130)	(1,031,130)
Total interest sensitivity gap	3,997,860	7,102,568	1,133,405	12,233,833
At 30 June 2024	Interest bearing		Non-interest bearing	
	Variable	Fixed interest		Total
	£	£	£	£
Assets				
Assets designated at fair value through profit or loss:				
Investments designated at fair value through profit or loss	-	14,060,963	300,385	14,361,348
Financial assets at amortised cost:				
Cash and cash equivalents	8,621,455	-	-	8,621,455
Other receivables	-	-	49,450	49,450
Total assets	8,621,455	14,060,963	349,835	23,032,253
Liabilities				
Financial liabilities at amortised cost:				
Other payables and accrued expenses	-	-	(2,278,369)	(2,278,369)
Total liabilities	-	-	(2,278,369)	(2,278,369)
Total interest sensitivity gap	8,621,455	14,060,963	(1,928,535)	20,753,884

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

16. Financial Risk Management (Continued)

16.4 Market Risk (Continued)

Interest Rate Risk (continued)

Interest rate sensitivity

An increase of 175 basis points (30 June 2024: 175 basis points) in interest rates as at the reporting date would increase cash from interest by £69,963 and decrease investments designated at FVTPL by £240,633, which would decrease NAV by £(170,670) (30 June 2024: increase cash from interest by £150,875 and decrease investments designated at FVTPL by £132,242, which would increase NAV by £18,633).

A decrease of 175 basis points (30 June 2024: 175 basis points) would decrease cash from interest by £69,963 and increase Investments designated at FVTPL by £255,264, which would increase NAV by £185,301 (30 June 2024: decrease cash from interest by £150,875 and increase Investments designated at FVTPL by £136,494, which would increase NAV by £14,381).

Interest rates in the UK decreased from 5.00% as at 01 August 2024 to 4.00% in August 2025. The Board believes that a 175 basis (30 June 2024: 175 basis) point movement in interest rates is reasonable as it captures the expected largest upswing possible from rates as at 30 June 2025 and a down swing appears extremely unlikely to exceed the same level.

Price risk

Price risk is the risk that the Group's performance will be adversely affected by changes in the markets it invests (other than those arising from currency risk and interest rate risk) whether caused by factor specific to an individual investment or all factors affecting all investments traded in the market.

As at 30 June 2025 and 30 June 2024, the Group was exposed to price risk on investments designated at fair value through profit or loss and on its residual value of finance lease investments.

Refer to note 2.3(c) and note 8.1 for detail regarding fair value measurement of investments designated at fair value through profit or loss.

The Group makes assumptions about the residual value of certain assets and equipment. The residual value is a function of the in-place value and/or the secondary market value of the equipment or assets. Equity holdings are valued on a market approach, taking into consideration NAV information of the investee, call options exercisable on the holdings and external pricing of recent transactions (if available).

The Group attempts to mitigate asset pricing risk by using comparable recent market transactions and other valuation/information sources, however, these investments may be extremely difficult to value accurately, and the valuations provided may differ, sometimes significantly. Third-party pricing information may not be available for certain positions held.

The estimated fair values of lease participation investments, equity holdings and residual value of finance lease investments, loans and other investments and finance lease and hire purchase investments are monitored and reassessed on an ongoing basis by the Group.

Refer below for sensitivity analysis on the impact on the Statement of Comprehensive Income and NAV of the Company, if the fair value the investments exposed to price risk increased or decreased by 50% (30 June 2024: 15%). Refer to note 8 for detail on sensitivity analysis on fair value measurement unobservable inputs.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

16. Financial Risk Management (Continued)

16.4 Market Risk (Continued)

Price risk (Continued)

	30 June 2025	Increase by 50%	Decrease by 50%
	£	£	£
Financial assets			
Investments designated at FVTPL ¹	7,248,369	3,624,184	(3,624,184)
Total	<u>7,248,369</u>	<u>3,624,184</u>	<u>(3,624,184)</u>

	30 June 2024	Increase by 15%	Decrease by 15%
	£	£	£
Financial assets			
Investments designated at FVTPL ¹	14,361,348	2,154,202	(2,154,202)
Total	<u>14,361,348</u>	<u>2,154,202</u>	<u>(2,154,202)</u>

¹ Includes, loans and other investments and finance lease and hire purchase investments.

The Board believes that a 50% (year ended 30 June 2024: 15%) movement is reasonable based on market movements of the investments held during the financial year.

17. Events after the Reporting Period

Following the publication of these financial statements, Brendan Hawthorne will step down as Chairman and retire from the Board of Directors and David Copperwaite will take the position of Chairman going forwards.

After the year end, the remaining payments for Fortress were received in full, the last of which was received on 29 August 2025. The position in Fortress has therefore been fully sold.

On 25 July 2025, the remaining incentive fee of £832,977 was paid in full to the Directors.

The Group continues negotiations with Irish Tax and Customs with respect to a VAT reclaim relating to Borrower 30, an AD Plant located in the Republic of Ireland. Negotiations with Irish Revenue began in July 2021 on the VAT claim, and had been previously carried at £nil due to the uncertainty of any recovery. On 22 September 2025, the Irish Revenue confirmed they would settle £2,206,891 (€2,571,171), less a penalty of £256,747 (€299,127). The Group is contesting this penalty. Due to the uncertainty regarding the recoverability of the additional £256,747 (€299,127), only £1,950,144 (€2,272,044) has been included as a receivable at the year end. Since the year end, the Company has received €2,589,017 but the penalty remains in dispute.

There were no further events after the Reporting Period.

18. Ultimate Controlling Party

In the opinion of the Directors, there is no single ultimate controlling party.

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Alternative Performance Measures (Unaudited)

1. NAV Total Return

The NAV total return measures how the NAV per Ordinary Share and 2016 C Share has performed over a period of time, taking into account both capital distributions and dividends paid to shareholders. The Company quotes NAV total return as a percentage change from a certain point in time, such as the initial issuance of Ordinary Shares and 2016 C Shares or the beginning of the period, to the latest reporting date, being 30 June 2025 in this instance. It assumes that capital and dividends paid to shareholders are reinvested back into the Company.

Total return since inception is for the period 31 July 2014 to 30 June 2025 for Ordinary Shares and 31 December 2016 to 26 June 2025 (the redemption date) for 2016 C Shares.

Reason for use

To provide transparency in the Company's performance and to help investors identify and monitor the compounded total returns of the Company.

Annualised return

The 3 year annualised return is calculated as the geometric average amount of monthly total returns over the past 3 years.

Reason for use

To provide transparency of the Company's performance and to help investors identify and monitor their total return over a 3 year period if the annual return was compounded.

Ordinary Shares	Year to 30 June 2025	3 year	Since Inception
Opening NAV per share (A)	£0.0368	£0.1744	£1.0000
Closing NAV per share (B)	£0.0344	£0.0344	£0.0344
Dividends paid (C)	-	-	£0.3716
Capital distributions (D)	£0.0050	£0.0900	£0.2750
NAV total return per share ($E=(B-A+C+D)/A$)	7.07%	(28.67)%	(31.90)%
2016 C Shares	Year to 30 June 2025	3 year	Since Inception
Opening NAV per share (A)	£0.0553	£0.1879	£1.0000
Closing NAV per share (B) ^[1]	£0.0000	£0.0000	£0.0000
Dividends paid ©	-	-	£0.1413
Capital distributions (D)	£0.0512	£0.1762	£0.7762
NAV total return per share ($E=(B-A+C+D)/A$)	(7.41)%	(6.23)%	(8.25)%

^[1] On 26 June 2025, the Company returned to the 2016 C shareholders the entirety of the remaining NAV attributable to the 2016 C Shares by way of a compulsory redemption.

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COMPANY OVERVIEW

The investment objective and policy of the Company is set out in the Strategic Report.

Incorporated in Guernsey on 28 May 2014.

Registered Guernsey Closed-ended Collective Investment Scheme.

On 27 December 2025, the Company was delisted from the Main Market of the London Stock Exchange. The 2016 C shares were also fully redeemed on 26 June 2025.

COMPANY INFORMATION

Non-Executive, Independent Directors

Brendan Hawthorne
(Chairman of the Board and Chairman of Audit and Risk Committee)

David Copperwaite
(Chairman of the Remuneration and Nomination Committee)

Non-Independent Director

Brett Miller
(Chairman of Management Engagement Committee)

Registered Office

1st Floor, Royal Chambers, St. Julian's Avenue, St Peter Port, Guernsey, GY1 3JX

Auditor

Deloitte LLP
PO Box 137, Regency Court, Gategny Esplanade, St Peter Port, Guernsey, GY1 3HW

Registrar

MUFG Corporate Markets (Guernsey) Limited *(previously named Link Market Services)*
Mont Crevelt House, Bulwer Avenue, St Sampson, Guernsey, GY2 4LH

Principal Banker and Custodian

Liberum Wealth Limited
1st Floor, Royal Chambers, St. Julian's Avenue, St Peter Port, Guernsey, GY1 2HH

Designated Administrator and Secretary

Altum (Guernsey Limited) *(previously named Elysium Fund Management Limited)*
1st Floor, Royal Chambers, St. Julian's Avenue, St Peter Port, Guernsey, GY1 3JX

Receiving Agent

MUFG Corporate Markets
The Registry, 34 Beckenham Road, Beckenham, Kent, BR3 4TU

Legal Advisers to the Group (English Law)

CMS Cameron McKenna Nabarro Olswang LLP
Cannon Place, 78 Cannon Street, London, EC4N 6AF

Legal Advisers to the Group (Guernsey Law)

Mourant
Royal Chambers, St Julian's Avenue, St Peter Port, Guernsey, GY1 4HP

Registration number 58519
www.slfrealisationfund.co.uk

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LIST OF ACRONYMS

Terms	Definition
AD	Anaerobic Digestion
AGM	Annual General Meeting
AIFM	Alternative Fund Investment Manager
AIFMD	Alternative Fund Investment Manager Directive
EBITDA	Earnings Before Interest, Tax, Depreciation & Amortisation
FCA	Financial Conduct Authority
FRC	Financial Reporting Council
FV	Fair Value
FVTPL	Fair value through profit or loss
FX	Foreign Exchange
IFRS	International Financial Reporting Standards
LTV	Loan to Value
NAV	Net Asset Value
RNS	Regulatory News Service
PD	Probability of Default
SME	Small & Medium Enterprise
SPV	Special Purpose Vehicle