

The background of the slide features a top-down view of several white markers with colored caps (blue, red, green, yellow) scattered on a white surface. The surface is partially covered by large, overlapping geometric shapes in vibrant colors: a pink triangle in the top left, a large orange triangle in the bottom right, and a blue triangle in the middle right. A semi-transparent teal rectangle is positioned in the top left corner, containing the text 'GCP ASSET BACKED'.

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REALISATION PLAN
INVESTOR WEBINAR
3rd July 2024

PRESENTERS



Philip Kent

CEO

Phil joined Gravis in 2015 and serves as the CEO. Phil is actively involved in the management of Gravis' direct infrastructure and real asset investments.

Phil has 20-years of experience in the energy and environmental sectors having joined Gravis from Foresight Group. Prior to Foresight, Phil has experience across a number of energy and commodity sectors.

Phil graduated with a degree in Geography from Oxford University.



Anthony Curl

CIO

Anthony joined Gravis from Alpha Real Capital, where he was an Investment Committee member and, as Co-Head of Long Income and managed several investment teams. He has nearly 20 years' experience across a range of public and private asset classes, including real assets and credit. Having started his career in banking, Anthony has worked at asset managers, such as BlackRock, as well as within the insurance sector, for example as Portfolio Manager of Friends Life's annuities book.

Anthony graduated from the University of Oxford with a degree in Philosophy, Politics and Economics. He also holds the Investment Management Certificate.



Cameron Gardner

Director, Head of Distribution

Cameron joined Gravis in April 2019 from Neptune Investment Management, where she was responsible for covering the Southwest, Midlands and Wales. Prior to that Cameron worked at Ardevora Asset Management supporting institutional clients.

Cameron graduated with a degree in Geography from the University of Cambridge and holds the Investment Management Certificate.

INTRODUCTION

The managed realisation plan is the result of the Company's strategic review process

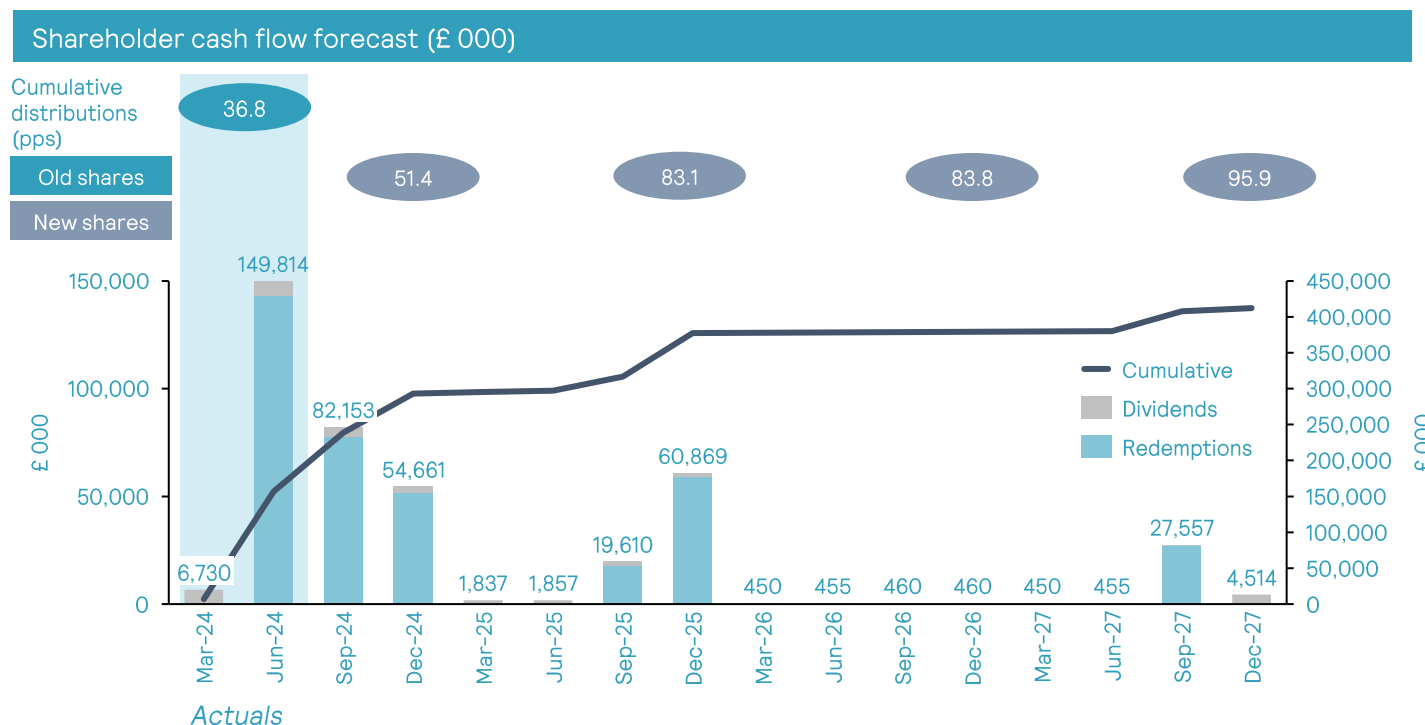
- AGM and EGM votes in May elected to discontinue the Company in its current form and amend the investment objective to be a managed realisation of the portfolio. Gravis' IMA has been amended accordingly, which set out the target to realise the Company's assets in the period prior to December 2027.
- Subsequent to the votes, the Company concluded the strategic review process on 29 May 2024, at which point it was no longer considering a sale of the Company's shares as a strategic option for the Company.
- The Company carried out a compulsory redemption of 37.5% of the share capital in June, resulting in c. £143m being returned to shareholders at NAV. The repayments leading up to this have demonstrated the Company's ability to receive repayment of the debt outstanding – higher than NAV.
- This capital return included the proceeds received from the watchlist student accommodation assets in Australia (representing 57% of the watchlist by value at 31 March 2024).
- The Board and Gravis have developed a managed realisation plan, which is set out in this document.

Company key figures

	31 March 2024
Principal balance outstanding	£341 m
Valuation (GABI UK)	£321 m
Net asset value	£388 m
Market capitalisation	£289 m
Shares outstanding (prior to June redemption) – 'old shares'	425,656,059
Shares outstanding (post June redemption) – 'new shares'	266,016,287
Number of loans	39

OVERVIEW

The base case realisation plan sees forecast cash flows to shareholders of £405m from 1 April 2024 until December 2027, equivalent to an 86 pps present value @ 12%.



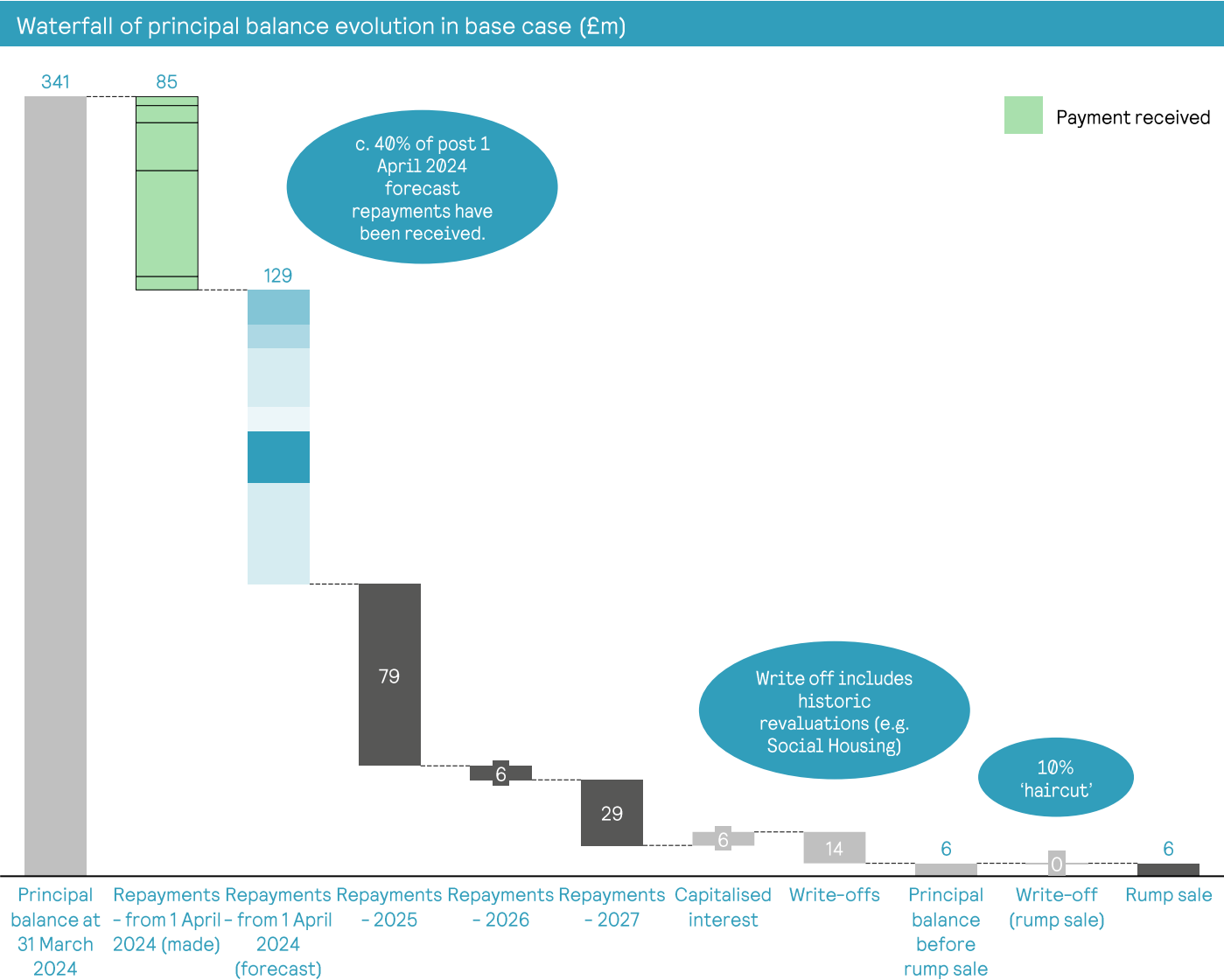
- Forecast of **£405m** total return of capital and dividends to shareholders from 1 April 2024 (net of all fees).
- Base case present value of future shareholder distributions equal to **86 pps** (based on current shares in issuance).
- Assumes ongoing payment of dividends at 6.325 pps.
- Redemptions assumed when minimum cash balance of £15m is reached.
- Gravis are incentivised to bring forward the 2027 repayments.

Key realisation plan metrics

Metric	Results – base case
Total distributions (including June redemption and divis)	£405m
Present value of forecast shareholder cash flows (at 31 July based on new shares, excl. June redemption)	86.0 pps [12% discount rate]
Dividend paid	6.325 pps annually
Implied IRR of future cash flows on share price (at 26/6/2024)	39%

PRINCIPAL BALANCE MOVEMENTS

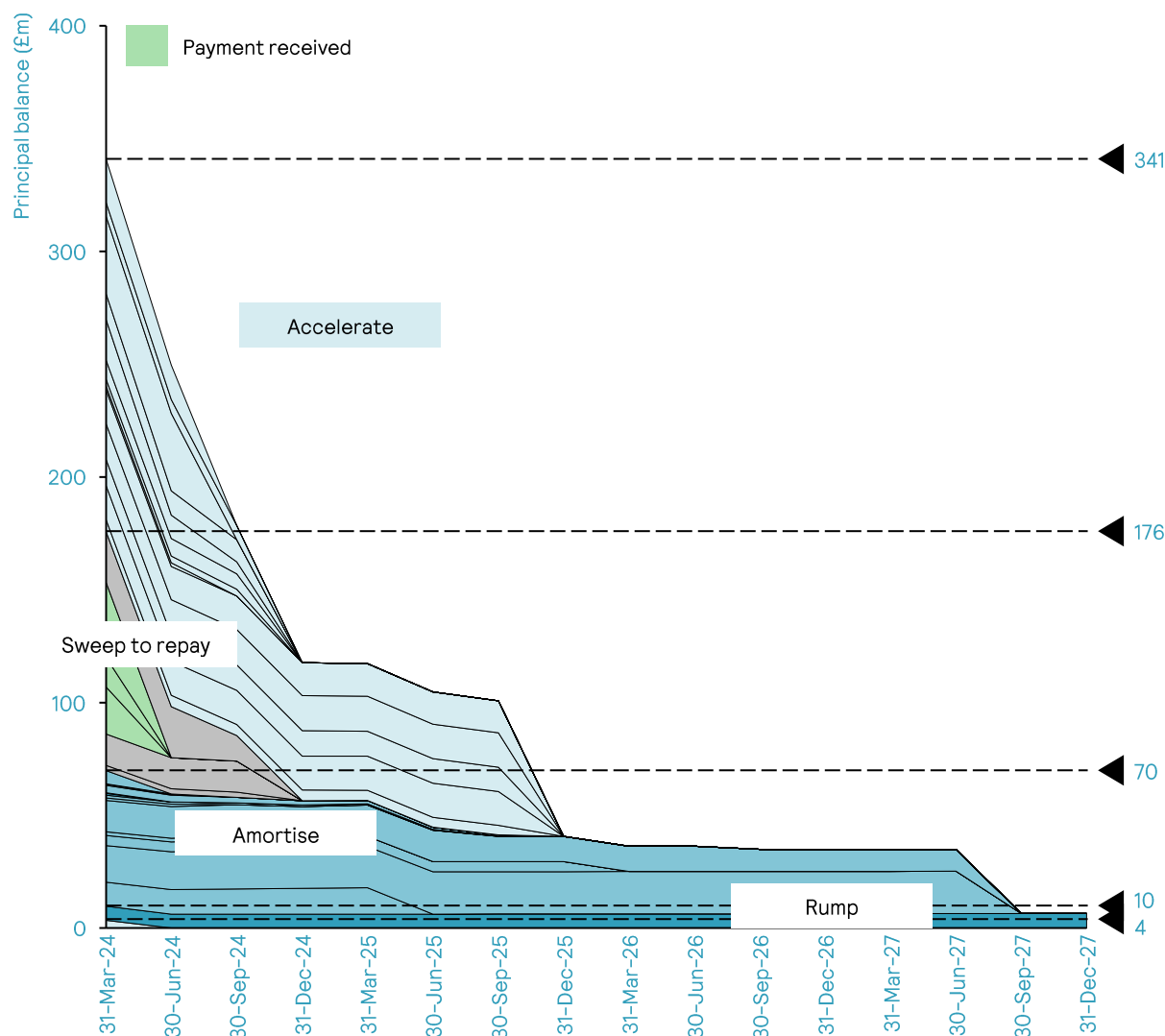
The portfolio has a starting portfolio book value of c. £341m at 31 March 2024, of which c. 63% is expected to repay from 1 April 2024 to December 2024.



- Chart shows the make-up of the expected loan principal movements over the realisation period.
- Bulk of planned amortisation / repayment occurs in the remainder of 2024. A breakdown of the constituents of this can be seen on the chart.
- 40% of post 1 April 2024 repayments have been made already: including a material watchlist loan.
- Expected capitalised interest and write-offs (much of which has already been reflected in the fair values / NAV – i.e. book value in line with fair value) have also been reflected.
- Rump is modelled in the base case to be one asset, for which Gravis will explore earlier exits.

REALISATION BY STRATEGY

Four approaches to realisation across the portfolio



Accelerate

- Realisations resulting from the active management of loans to bring forward repayment through disposals, refinances (borrower or lender led) or through other sources of repayment – assumed to be at par value in the base case.
- Accounts for c. **£165m** of the current balance.

Sweep to repay

- Realisations from loans that have gone beyond their maturity where Gravis will be sweeping available cash proceeds, and may need to exercise rights as a lender to realise assets.
- Accounts for c. £106m, of which £67.2m has repaid already.

Amortise

- Realisations from loans amortisation in line with contractual schedule.
- Accounts for c. £60m.

Rump

- 'Rump' of assets where Gravis will need to accelerate the repayment or sell at the end of 2027.
- Accounts for c. £6m.

SCENARIO ANALYSIS

Gravis has assessed a number of sensitivities to the realisation plan

Scenario	Base case	Larger rump	Acceleration discount	Higher rump discount	Downside
Description	Base case realisation plan set out in this document.	Larger rump of assets in 2027	Discount of 10% applied to accelerated realisations in 2025	Larger rump with higher rump discount	Assumed downside associated with sales processes
Accelerated realisations (2024)	<ul style="list-style-type: none"> Supported living sale Ongoing refinance and asset realisation processes with borrowers 	Per base case	Per base case	Per base case	<ul style="list-style-type: none"> Per base case
Accelerated realisations (2025)	<ul style="list-style-type: none"> Acceleration of social infrastructure and energy investments. 	<ul style="list-style-type: none"> n/a 	Per base case with 10% haircut to recoveries	<ul style="list-style-type: none"> n/a 	<ul style="list-style-type: none"> n/a
Sweep realisations	<ul style="list-style-type: none"> Property bridging and student accommodation assets 	Per base case	Per base case	Per base case	No recovery on c. £16m of loans.
Amortise realisations	<ul style="list-style-type: none"> Football finance Energy and Infra assets Student accommodation asset 	Per base case	Per base case	Per base case	Per base case
Rump size and assets	<ul style="list-style-type: none"> c. £6m Multi-use community centre 	<ul style="list-style-type: none"> c. £60m Multi-use community centre Social infrastructure and energy investments. 	Per base case	Per 'Larger Rump' case	Per 'Larger Rump' case
Rump disposal timing	Dec 2027	Dec 2027	Dec 2027	Dec 2027	Dec 2027
Rump disposal discount	10%	10%	10%	20%	20%

Recovery valuation (pps, new shares) *	86.0	83.5	84.6	82.3	77.1
IRR on share price (%)	39%	29%	37%	27%	20%
Total distributions (£m) **	405	409	400	404	391

SCENARIO ANALYSIS

Aggregate cash flow sources and uses in each scenario

Scenario		Base case	Larger rump	Acceleration discount	Higher rump discount	Downside
Opening cash at 1 April 2024	[£ 000]	60,773	60,773	60,773	60,773	60,773
Principal receipts	[£ 000]	327,458	274,406	321,113	274,406	257,992
Interest receipts	[£ 000]	37,885	47,029	37,885	47,029	44,694
Rump sale proceeds	[£ 000]	4,757	52,504	5,055	46,575	46,668
Operating expenses	[£ 000]	(6,829)	(7,853)	(6,838)	(7,853)	(7,885)
Financing costs	[£ 000]	(455)	(455)	(455)	(455)	(455)
Incentive fee	[£ 000]	(11,212)	(10,336)	(9,996)	(9,150)	(3,874)
Net cash flows - sources	[£ 000]	412,376	416,069	407,537	411,325	397,913
Utilisations for capitalised interest	[£ 000]	(5,962)	(5,962)	(5,962)	(5,962)	(5,784)
Dividends	[£ 000]	(27,909)	(32,428)	(28,811)	(32,428)	(36,094)
Capital redemptions	[£ 000]	(377,005)	(376,178)	(371,263)	(371,435)	(354,534)
Retention for liquidation costs	[£ 000]	(1,500)	(1,500)	(1,500)	(1,500)	(1,500)
Total cash flows - uses	[£ 000]	(412,376)	(416,069)	(407,537)	(411,325)	(397,913)
Total distributions	[£ 000]	(404,914)	(408,606)	(400,074)	(403,863)	(390,628)

REALISATION PLAN – LOAN BY LOAN

Loan-by-loan detail of realisation plan.

Name	Discount rate	Valuation (per Mazars 31/3)	Book value (31/3)	Contractual maturity	Repayments - base case					Write-downs (included in repayment assumptions)
					2024	2025	2026	2027	Rump (before discount)	
Care Homes Co 3	8.5%	14,509	14,940	2038	349	14,591	0	0	0	0
Care Homes Co 4	9.3%	6,080	5,940	2045	5,940	0	0	0	0	0
Care Homes Co 2	8.5%	15,393	15,849	2037	258	15,591	0	0	0	0
Care Homes Co 1	8.5%	11,306	11,626	2036	441	11,185	0	0	0	0
Property Co 17	11.5%	518	504	2024	504	0	0	0	0	0
Asset Finance Co 2	7.0%	106	112	2024	109	0	0	0	0	0
Property Co 19	6.8%	6,134	6,185	n/a	6,185	0	0	0	0	0
Property Co 7	13.0%	13,793	14,700	2024	14,700	0	0	0	0	0
Care Homes Co 5	9.3%	14,614	15,101	2038	0	15,771	0	0	0	0
O&M Company	7.0%	5,397	5,268	2030	550	4,718	0	0	0	0
Property Co 8	9.5%	7,901	7,873	2024	7,873	0	0	0	0	0
Boiler Co	9.8%	3,312	3,373	2025	1,439	1,933	0	0	0	0
Contract Income 6	4.0%	460	1,577	2024	273	0	0	0	0	0
Contract Income 7	8.2%	781	764	2024	764	0	0	0	0	0
Football Finance 6	9.0%	1,377	1,301	2025	531	708	0	0	0	0
Football Finance 7	6.1%	1,093	956	2024	1,018	0	0	0	0	0
Football Finance 8	8.9%	14,019	14,000	2027	0	2,800	1,400	9,800	0	0
Football Finance 9	8.0%	1,816	1,630	2024	1,630	0	0	0	0	0
Property Co 2	7.8%	15,024	17,514	n/a	17,514	0	0	0	0	0
Social 2	13.0%	2,940	6,239	2032	152	203	203	202	4,620	(1,569)
Asset Finance Co 5	8.7%	8,466	8,462	2026	8,462	0	0	0	0	0
Development Fin	13.0%	17,111	17,100	2024	17,100	0	0	0	0	0
Bridging Co 2	13.0%	16,161	16,151	2024	16,151	0	0	0	0	0
Development Fin Co 6	13.3%	13,008	13,000	2024	13,000	0	0	0	0	0
Music Finance 1	8.1%	1,697	1,562	2027	1,443	0	0	0	0	0
Property Co 21	8.5%	4,376	4,446	2026	0	0	4,450	0	0	0
Social 1	13.0%	750	3,400	2029	750	0	0	0	0	(2,650)
Property Co 6	9.5%	3,017	3,000	2026	3,000	0	0	0	0	0
Student Accom 2	11.8%	22,609	20,906	2023	20,906	0	0	0	0	0
Student Accom 7	15.0%	13,582	13,807	2023	13,807	0	0	0	0	0
Student Accom 5	14.3%	1,126	2,313	2023	2,607	0	0	0	0	0
Student Accom 3	9.5%	12,575	12,001	2032	12,001	0	0	0	0	0
Student Accom 6	10.0%	7,159	7,190	2024	7,190	0	0	0	0	0
Student Accom 8	16.0%	14,275	16,265	2027	0	0	0	18,753	0	0
Property Co	14.4%	10,240	16,842	2036	8,486	0	0	0	0	(8,356)
Property Co 13	0.0%	1,246	1,246		0	0	0	0	0	(1,246)
Property Co 20	10.6%	9,771	9,775	2024	10,117	0	0	0	0	0
Bridging Co 1	8.9%	17,235	17,900	2027	17,900	0	0	0	0	0
Property Co 16	12.0%	10,443	10,662	2024	0	12,000	0	0	0	0
Totals		321,418	341,479		213,150	79,499	6,053	28,756	4,620	(13,821)

CONCLUSIONS

The base case realisation plan is forecast to return cash to shareholders with a present value of c. 86 pps.

- The Company has made significant progress with returning capital to shareholders, with a June compulsory redemption of 37.5% of the shares.
- The base case plan forecasts material returns of capital in the remainder of 2024, totalling 51.4 pps. By the end of 2025, a total of c. 83 pps is forecast to be returned.
- Ongoing target of 6.325 pps annual dividend.
- Scenario analysis shows attractive IRRs against current share price even in downside scenarios.
- Gravis is incentivised to bring asset level realisations forward to accelerate the return of capital.

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