Annual Report and Financial Statements

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GCP Asset Backed Income Fund Ltd
25 April 2024

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GCP Asset Backed Income Fund Limited

(the "Company" or "GCP Asset Backed")

LEI: 213800FBBZCQMP73A815

Annual Report and Accounts, Quarterly Valuation and Proposed Orderly Realisation Update

Net Asset Value

GCP Asset Backed, which invests in asset backed loans, announces that, at 31 March 2024, the unaudited net asset value ("Q1 NAV") per ordinary share of the Company (including current period revenue) is 91.25 pence per ordinary share.

The Q1 NAV represents a decrease for the quarter of 1.96 pence per ordinary share (2.11%) from 31 December 2023 predominantly as a result of impairments and provisions proposed by the Company's independent valuation agent at 31 March 2024. The weighted average discount rate of the portfolio at 31 March 2024 was 10.69%, representing an increase of 0.06% over the quarter and 2.00% since 31 March 2023.

Further detail on the Q1 NAV movements can be found on pages 20, 21 and 23 of the annual report and financial statements for the year ended 31 December 2023 (the "Annual Report and Accounts") (as referred to below).

Annual Report and Accounts

The Company is pleased to announce the publication of its Annual Report and Accounts which are now available on the Company website at: Gravis | Literature (graviscapital.com) and will be posted to those shareholders who have elected to receive hard copy documents shortly.

Highlights for the year include:

- Dividends totalling 6.325 pence per ordinary share;
- Total shareholder return of -14.1%, total NAV return of 5.0% and an annualised total shareholder return since IPO of 1.1%;
- Profit of £18.3 million;
- Repayment of the Company's £50.0 million revolving credit facility in full in December 2023, following the early prepayment of loans;
- New loans of £4.5 million advanced by the Group in the first quarter of the year, with further investments of £28.2 million made to support existing borrowers;
- Exposure to a diversified, partially inflation- and/or interest rate-protected portfolio of 42 asset backed loans with a third-party valuation of £362.8 million at 31 December 2023;
- 8.5 million ordinary shares repurchased to support the Company's share price, providing NAV accretion of 0.38 pence per ordinary share, with 16.4 million ordinary shares repurchased since the start of the buyback scheme in March 2020;
- Repayments of £93.5 million, generating repayment fees of £1.2 million;
- On 11 August 2023, the Company announced it had agreed heads of terms with GCP Infrastructure Investments Limited in respect of a proposed combination. Following significant shareholder consultation, discussions ceased; and
- Post year end in March 2024, following extensive shareholder consultation, the Company announced the results of its Strategic Review with the Board concluding that shareholder value will be best served by winding down the Company with an orderly realisation of its assets and return of capital. Shareholders will be given the opportunity to vote on the discontinuation of the Company at the forthcoming AGM (in respect of which, see below).

On the release of the Annual Report and Accounts, Alex Ohlsson, Chairman of GABI, commented:

"Against a wider market background of economic uncertainty and volatility, the Company continues to offer investors exposure to a diversified portfolio of secured loans. At the year end of 31 December 2023, the Group held 42 loans with a fair valuation of £362.8 million and principal balance of £374.6 million invested across the property, social infrastructure, energy and asset finance sectors."

Dividends

The Board is pleased to announce a quarterly dividend in respect of the period 1 January 2024 to 31 March 2024 of

1.58125 pence per ordinary share.

The ordinary shares will go ex-dividend on 2 May 2024 and the dividend will be paid on 4 June 2024 to holders of ordinary shares recorded on the register at the close of business on 3 May 2024.

On 8 February 2024, the Board declared a quarterly dividend in respect of the period from 1 October 2023 to 31 December 2023 of 1.58125p per share, which was paid on 15 March 2024. Aggregate dividend payments over the last 12-months represent a 9.3% yield on the Company's closing share price at 23 April 2024.

Change to AGM and EGM date

The Board informs shareholders that the previously announced date of the 2024 annual general meeting ("2024 AGM") and the 2024 extraordinary general meeting ("2024 EGM") to be held immediately after the 2024 AGM has changed to 20 May 2024. Notices convening the 2024 AGM and the 2024 EGM will be published by the Company on or around 2 May 2024.

Proposed Orderly Realisation

As a result of the Company's Strategic Review, which included a period of extensive engagement with shareholders representing a majority of the total voting rights in the Company, the Board announced on 14 March 2024 that it had concluded that shareholder value will be best served by a proposed managed-wind down of the Company with an orderly realisation of the Company's assets and returns of capital over time (the "Orderly Realisation").

At the 2024 AGM, shareholders will be given the opportunity to vote on the discontinuation of the Company which will be presented as an ordinary resolution requiring the majority of those voting to vote in favour of discontinuation in order for the resolution to pass (the "Discontinuation Vote"). The Board has recommended that shareholders vote for discontinuation of the Company in its present form at the 2024 AGM.

In addition, subject to the approval by shareholders of the Discontinuation Vote, the Board intends to convene an EGM to be held immediately after the 2024 AGM at which it will seek shareholder approval for certain resolutions required to facilitate the Orderly Realisation (the "Proposals").

Subject to the Proposals being approved by shareholders, it is the Board's expectation that the Company will make a capital distribution of at least £55.0 million as soon as is reasonably practicable following the conclusion of the 2024 EGM. The Board will also seek to expedite capital distributions when practicable thereafter.

The Orderly Realisation will not result in a liquidation of the Company in the immediate future and the Board will seek to implement the Orderly Realisation in a manner that maximises value for shareholders.

Amounts realised are expected to come from contractual repayments by borrowers to the Company as loans mature in accordance with their contractual terms, and from the disposal of portfolio assets, including longer-dated loans.

Should the Proposals be approved by shareholders, it is the Board's intention to maintain the Company's existing level of dividend of 6.235 pence per annum whilst the Company remains substantially invested, for as long as practicable. This is a target only and does not constitute a profit forecast.

The EGM Circular being published on or around 2 May 2024 will contain further information, including an updated portfolio repayment profile at 31 March 2024.

Alex Ohlsson, Chairman of the Company, further commented:

"The Board would like to thank shareholders for the constructive feedback provided as part of the shareholder engagement process. The feedback has been invaluable in informing the Board's decision-making process and in formulating proposals for an Orderly Realisation of the Company."

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Notes to Editors

GCP Asset Backed is a closed ended investment company. Its shares are traded on the Premium Segment of the Main Market of the London Stock Exchange. Its investment objective is to generate attractive risk-adjusted returns primarily through regular, growing distributions and modest capital appreciation over the long term.

The Company seeks to meet its investment objective by making investments in a diversified portfolio of predominantly

UK based asset backed loans which are secured against contracted, predictable medium to long term cash flows and/or physical assets.

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