STARWOOD
EUROPEAN REAL ESTATE FINANCE

Interim Financial Report and Unaudited Condensed Consolidated Financial Statements

for the six-month period from 1 January 2025 to 30 June 2025

CONTENTS

Corporate Summary

PRINCIPAL ACTIVITIES AND INVESTMENT OBJECTIVE

Starwood European Real Estate Finance Limited (the "Company") was established in November 2012 to provide its shareholders with regular dividends and an attractive total return while limiting downside risk, through the origination, execution, acquisition and servicing of a diversified portfolio of real estate debt investments in the UK and the European Union's internal market.

The Company made its investments through Starfin Lux S.à.r.l (indirectly wholly-owned via a 100 per cent shareholding in Starfin Public Holdco 1 Limited), Starfin Lux 3 S.à.r.l and Starfin Lux 4 S.à.r.l (both indirectly wholly-owned via a 100 per cent shareholding in Starfin Public Holdco 2 Limited) (collectively the "Group").

Following the Company's Extraordinary General Meeting ("EGM") on 27 January 2023, the Company's objective changed and is now to conduct an orderly realisation of the assets of the Group and the return of capital to Shareholders. In line with this objective the Board is endeavouring to realise all of the Group's investments in a manner that achieves a balance between maximising the net value received from those investments and making timely returns to Shareholders. At the time of the change in objective it was anticipated that it would take three to four years to complete this objective. As at the date of issuance of this report the Company is still on track to complete this objective within that time scale.

The Group will not make any new investments going forward save that investments may be made to honour commitments under existing contractual arrangements or to preserve the value of any underlying security.

Cash held by the Group pending distribution will be held in either cash or cash equivalents for the purposes of cash management.

Subject to the above restrictions, the Company retains the ability to seek to enhance the returns of selected loan investments through the economic transfer of the most senior portion of such loan investments. It is anticipated that where this is undertaken it would generate a positive net interest rate spread and enhance returns for the Company.

Full details of the investment objectives and policy post the EGM on 27 January 2023 are set out in the 2023 Annual Report which can be found on the company's website https://starwoodeuropeanfinance.com.

The Investment Objective and Policy which applied prior to the EGM on 27 January 2023 are set out in the 2021 Annual Report which can also be found on the company's website https://starwoodeuropeanfinance.com. The Investment Objective applied prior to the EGM on 27 January 2023 was to provide its shareholders with regular dividends and an attractive total return while limiting downside risk, through the origination, execution, acquisition and servicing of a diversified portfolio of real estate debt investments in the UK and the European Union's internal market. The Investment Policy applied prior to the EGM on 27 January 2023 was to invest in a diversified portfolio of real estate debt investments in the UK and the European Union's internal market as the Group had done since its initial public offering ("IPO") in December 2012.

STRUCTURE

The Company was incorporated with limited liability in Guernsey under the Companies (Guernsey) Law, 2008, as amended, on 9 November 2012 with registered number 55836, and registered with the Guernsey Financial Services Commission ("GFSC") as a closed-ended collective investment scheme. The Company's ordinary shares were first admitted to the premium segment of the UK's Financial Conduct Authority's Official List and to trading on the Main Market of the London Stock Exchange as part of its IPO which completed on 17 December 2012. Further issues took place in March 2013, April 2013, July 2015, September 2015, August 2016 and May 2019. The issued capital during the period comprises the Company's Ordinary Shares denominated in Sterling.

The Company received authority at the 2020 Annual General Meeting ("AGM"), to purchase up to 14.99 per cent of the Ordinary Shares in issue. This authority was renewed at the 2021, 2022, 2023, 2024 and 2025 AGMs. Between 2020 and 2023 the Company bought back 17,626,702 Ordinary Shares. Shares bought back (which had been held in treasury) were cancelled in June 2023.

During 2023 and 2024 the Company compulsorily redeemed 201,663,063 Ordinary Shares from Shareholders at an average price of 104.14 pence per share.

During the six months to 30 June 2025 the Company compulsorily redeemed a further 45,889,830 Ordinary Shares from Shareholders at an average price of 100.24 pence per share. As at 30 June 2025 and the date of issuance of this report, the Company had 148,039,803 shares in issue and the total number of voting rights was 148,039,803.

The Investment Manager is Starwood European Finance Partners Limited (the "Investment Manager"), a company incorporated in Guernsey with registered number 55819 and regulated by the GFSC. The Investment Manager has appointed Starwood Capital Europe Advisers, LLP (the "Investment Adviser"), an English limited liability partnership authorised and regulated by the Financial Conduct Authority, to provide investment advice, pursuant to an Investment Advisory Agreement.

Chairman's Statement

Dear Shareholder,

On behalf of the Board, I present the Interim Financial Report and Unaudited Condensed Consolidated Financial Statements of Starwood European Real Estate Finance Limited (the "Group") for the period from 1 January 2025 to 30 June 2025.

In the six months ended 30 June 2025 one loan asset has repaid in full and two loan assets have been repaid in full subsequent to 30 June 2025. This leaves the Group, as of the date of the issuance of this report, with four remaining loan assets. Three of those assets are classified as Stage 1 and one asset (Office Portfolio, Ireland) is classified as Stage 3.

As announced on 1 August 2025, since announcing a £10.8 million (€12.9 million) impairment provision against Office Portfolio, Ireland in October 2024, the Board has continued to evaluate the alternative business plan scenarios available to the Company in relation to this loan investment. Based on that evaluation, and the continuing challenging Dublin office market dynamics, the Board announced their decision to write down the carrying value of the loan investment as of 30 June 2025 to £5.8 million (€6.75 million) by means of providing a further £6.2 million (€7.3 million) impairment provision against it (which equates to a circa 4.2 pence per share impairment as of 30 June 2025).

Further to the announcement made on 1 August 2025 and referred to above, the Board has further announced that it is in discussions with an investment vehicle advised by Starwood Capital Group in connection with the sale of the Office Portfolio, Ireland loan investment. If such transaction is consummated, it is expected that the value of the transfer will be significantly below the current carrying value of the investment announced on 1 August 2025. Based on these non-binding discussions, the Board decided to write down the recoverable value of the loan investment to €4.8 million by means of providing a further £1.9 million (€2.2 million) impairment provision against it (which equates to a circa 1.3 pence per share impairment). This impairment will be reflected in the 31 August NAV when announced. To support any such transaction, the Board has commissioned an independent report on the above portfolio.

The Investment Adviser will continue to actively manage the position to maximise the opportunity for value recovery and the Board will continue to closely monitor the position and ongoing developments. The Company looks forward to providing further updates as appropriate. This loan, along with the other remaining loans, remains under frequent review.

Other than the impact of the additional impairment provision referred to above, the Group's NAV has remained stable over the last six months as is demonstrated by the NAV reconciliation table below. Against market volatility, the Group has maintained a relatively stable market valuation, met its dividend targets (an annualised 5.5 pence per share to shareholders) and continued the orderly realisation of the Group's assets started in 2023 and the return of capital to Shareholders. All contractual loan interest have been received on time and underlying valuations continue to provide reassuring headroom (except in the case of Office Portfolio, Ireland as referred to above and as outlined in the Investment Managers Report).

Since the decision was taken to follow a strategy of orderly realisation of the portfolio and return of capital to Shareholders in January 2023, by 30 June 2025 the Company had returned circa £256.0 million to Shareholders (including £46.0 million in the first half of 2025), equating to 61.9 per cent of the Company's NAV as of 31 January 2023. As of 30 June 2025 and the date of issuance of this report, the Company had 148,039,803 shares in issue and the total number of voting rights was 148,039,803.

JOHN WHITTLE | Chairman
5 September 2025

Chairman's Statement

HIGHLIGHTS OVER THE SIX MONTHS TO 30 JUNE 2025

- **Return of capital to Shareholders is progressing at pace** – to date the Company has returned £256.0 million to Shareholders, including £46.0 million in the six months ended 30 June 2025, equating to 61.9 per cent of the Company's NAV as of 31 January 2023.
- **Orderly Realisation of the portfolio is also progressing at pace** – in the six months ended 30 June 2025, one loan asset (Hotels, UK) repaid it's outstanding £47.3 million loan in full and another (Life Science, UK) made a partially repayment of £1.4 million. In addition, subsequent to 30 June 2025, two loan assets (Hotel, North Berwick and Life Science, UK) repaid their combined outstanding £29.1 million loans in full.
- **All assets are constantly monitored for changes in their risk profile** – the risk status of the investments held as of 30 June 2025 is listed below:
  - Three loan investments equivalent to 53 per cent of the funded portfolio as of 30 June 2025 are classified in the lowest risk profile, Stage 1.
  - Two loan investments equivalent to 26 per cent of the funded portfolio as of 30 June 2025 are classified as Stage 2. Both of these loans have repaid since 30 June 2025.
  - One loan investment equivalent to 21 per cent of the funded portfolio (before impairment) as of 30 June 2025 is classified as Stage 3. As of 30 June 2025, an additional impairment provision of £6.2 million (€7.3 million) was made, bringing the total impairment provision against this loan to £17.0 million (€20.2 million) (equivalent to 75 per cent of the total loan value as of 30 June 2025 before impairment). Post this impairment the carrying value of this loan asset as of 30 June 2025 equated to 4.0 per cent of the Net Asset Value of the Group on the same date. Subsequent to 30 June 2025 a further impairment provision of £1.9 million (€2.2 million) was made, bringing the total impairment provision against this loan as of 31 August 2025 to £19.4 million (€22.4 million) and bringing the carrying value of this loan asset as of 31 August 2025 to £4.1 million (€4.7 million).
- **Impaired loan investment** – as announced on 1 August 2025, since announcing a £10.8 million (€12.9 million) impairment provision against one loan (Office Portfolio, Ireland) in October 2024, the Board has continued to evaluate the alternative business plan scenarios available to the Company in relation to this loan investment. Based on that evaluation, and the continuing challenging Dublin office market dynamics, the Board announced their decision to write down the carrying value of the loan investment as of 30 June 2025 to £5.8 million (€6.75 million) by means of providing a further £6.2 million (€7.3 million) impairment provision against it (which equates to a circa 4.2 pence per share impairment as of 30 June 2025). Subsequent to 30 June 2025 a further impairment provision of £1.9 million (€2.2 million) was made, bringing the total impairment provision against this loan as of 31 August 2025 to £19.4 million (€22.4 million) and bringing the carrying value of this loan asset as of 31 August 2025 to £4.1 million (€4.7 million). The Investment Adviser will continue to actively manage the position to maximise the opportunity for value recovery and the Board will continue to closely monitor the position and ongoing developments. The Company will provide further updates as appropriate.
- **Cash balances** – as of 30 June 2025 the Group held cash balances of circa £48.6 million and had no unfunded cash loan commitments as any remaining cash loan commitments had been cancelled by that date.
- **Strong cash generation** – the portfolio continues to support an annual dividend payment of 5.5 pence per Ordinary Share, paid quarterly, and generates an annual dividend yield of 6.3 per cent on the share price as of 30 June 2025.
- **The weighted average remaining loan term of the portfolio** as of 30 June 2025 is 0.5 years - albeit the final loan is not due to repay until Q3 2026.
- **Inflation protection** – as of 30 June 2025, 77.7 per cent of the portfolio is contracted at floating interest rates (with floors).
- **Significant equity cushion** – the weighted average Loan to Value for the portfolio as of 30 June 2025 is 69.9 per cent. The average weighted Loan to Value for the portfolio excluding the asset classed as Stage 3 (Office Portfolio, Ireland) is 57.7 per cent as of 30 June 2025.

INVESTMENT MOMENTUM

In line with the new strategic direction of the Group (i.e. the orderly realisation and return of capital to shareholders) there has been no new commitments made in the six months to 30 June 2025.

Repayments received in the six months to 30 June 2025 are summarised in the highlights section above and in the Investment Managers report.

During the six months to 30 June 2025, the Group funded £nil in relation to cash loan commitments made in prior years which were unfunded and all unfunded cash loan commitments were cancelled. The Group capitalised £0.6 million of interest on one loan in line with the facility agreement during the period under review.

The table below shows the funded and unfunded cash commitments of the Group at the end of each month shown.

	June 2021	June 2022	June 2023	June 2024	June 2025
Funded loans	£418.5m	£429.1m	£379.2m	£165.1m	**£112.0m**
Unfunded Cash Commitments	£36.8m	£36.8m	£47.3m	£24.1m	**£0.0m**
Total Portfolio	£455.3m	£465.9m	£426.5m	£189.2m	**£112.0m**

NAV PERFORMANCE

The table below shows the NAV per share movements over the 6 months to 30 June 2025 (in pence).

	Jan 25	Feb 25	Mar 25	Apr 25	May 25	Jun 25
NAV per share at beginning of month	100.49	100.24	100.71	101.34	100.59	101.09
Monthly Movements						
Operating Income available to distribute before impairment provision(1)	1.02	0.56	0.49	0.49	0.54	0.55
Impairment provision on asset classified as Stage 3(2)	0.00	0.00	0.00	0.00	0.00	(4.22)
Unrealised FX gains/(losses)(3)	0.11	(0.09)	0.14	0.14	(0.04)	(0.01)
Dividends declared	(1.38)	0.00	0.00	(1.38)	0.00	0.00
NAV per share as end of month	**100.24**	**100.71**	**101.34**	**100.59**	**101.09**	**97.41**

(1) Operating Income available to distribute comprises loan income recognised in the period less operating costs incurred and before any impairment is taken into account. The Operating Income available to distribute also includes realised foreign exchange gains and losses that are available to distribute except where the realised gains and losses relate to the settlement of hedges that were previously rolled forward and the gain or loss on that roll forward was classified as unavailable to distribute.

(2) In June 2025 a loan classified as Stage 3 had a €7.3 million impairment provision recognised against it.

(3) Unrealised foreign exchange gains/losses relate to the net impact of changes in the valuation of foreign exchange hedges and the sterling equivalent value of Euro loan investments (using the applicable month end rate). Mismatches between the hedge valuations and the loan investments may occur depending on the shape of the forward FX curve and this may cause some movement in the NAV. These unrealised FX gains / losses are not considered part of distributable reserves.

As anticipated, as shown above and as in the past, we are pleased to report that, other than the additional impairment provided against the asset classified as Stage 3, the Group's NAV has once again remained stable over the first half of the year demonstrating the highly resilient credentials of the asset class that contributes to its success as a reliable source of alternative income. We do not expect to see significant movements in NAV, except the rare events when an impairment is required, as the Group's loans are held at amortised cost, Euro exposures are hedged and credit risk is proactively managed.

Chairman's Statement

As noted, the NAV can be materially impacted if a significant impairment in the value of a loan is required (as was shown in October 2024 when the Office Portfolio, Ireland loan asset was initially impaired and as is shown above when an additional impairment was made against Office Portfolio, Ireland).

Please refer to the Investment Manager's report for detailed sector performance reporting, information on the accounting for our loans and the current loan to value position for the portfolio as a whole and for each sector.

The Group continues to closely monitor its loan exposures, underlying collateral performance and repayments.

CAPITAL REDEMPTIONS AND SHARE PRICE PERFORMANCE

During the half year to 30 June 2025, the Company redeemed a total of 45,889,830 shares for a total of £46.0 million. As of 30 June 2025 and the date of issuance of this report, the Company had 148,039,803 shares in issue and the total number of voting rights was 148,039,803.

During the first half of 2025, the Company's share price has been relatively volatile, in line with volatile markets. In the six-month period to 30 June 2025, the share price has been trading between 92.0 pence and 83.0 pence per share and ended the half year at 87.5 pence per share. It should be noted that the volumes of the Company's shares being traded are relatively low and will decrease as the company reduces in size so even small transactions can have a significant impact on daily share prices recorded.

As of 30 June 2025, the discount to NAV stood at 10.2 per cent, with an average discount to NAV of 14.3 per cent over the half year. The Board, the Investment Manager and Adviser continue to believe that the shares represent attractive value at this level.

DIVIDENDS

The Directors have declared dividends in respect of the first two quarters of 2025 of 1.375 pence per Ordinary Share, equating to an annualised 5.5 pence per annum. This was covered by earnings (excluding impairment provisions, unrealised FX gains and realised FX gains expected to reverse).

With the current portfolio and based on current forecasts (including forecasts of capital redemptions), we expect the target dividend of 5.5 pence per share to be paid over the 12 months to 31 December 2025.

Based on the share price at 30 June 2025, a dividend of 5.5 pence per annum represents a 6.3 per cent dividend yield.

BOARD COMPOSITION AND DIVERSITY

The Board believes in the value and importance of diversity in the boardroom, and it continues to consider the recommendations of the Davies, Hampton Alexander and Parker Reports and these recommendations will be taken into account should the appointment of a new Director be required.

As of 30 June 2025, the Company met the targets specified in UK LR 6.6.6. (R) (9) (i) and (ii) with the Board comprising 50 per cent women, one of whom is the Senior Independent Director. However, the Company has not met the target under UK LR 6.6.6. (R) (9) (iii) of having one Director from a minority ethnic background. Please refer to the Corporate Governance Statement in the Company's Annual Report and Audited Consolidated Financial Statements for the year ended 31 December 2024 for the Board's diversity statement.

I am very pleased with the composition of the Board and I believe we have a very relevant diversity of skills and expertise which places us well for executing the strategy the shareholders have tasked us with.

GOING CONCERN

Under the UK Corporate Governance Code and applicable regulations, the Directors are required to satisfy themselves that it is reasonable to assume that the Group is a going concern.

The Directors have undertaken a comprehensive review of the Group's ability to continue as a going concern including a review of the ongoing cash flows and the level of cash balances as of the reporting date as well as forecasts of future cash flows. After making enquiries of the Investment Manager, Investment Adviser and the Administrator and having reassessed the principal risks considering the investment objective and strategy, the Directors considered it appropriate to adopt the going concern basis of accounting in preparing the Interim Financial Report and Unaudited Condensed Consolidated Financial Statements.

Notwithstanding the above, and as disclosed in these financial statements, the strategy of orderly realisation and return of capital to shareholders over time does in the long term create uncertainty as to the longer-term future of the Company and the Group and its longer-term ability to continue as a going concern. The financial statements have not been modified in respect of this matter.

OUTLOOK

The Board is pleased that the diligent underwriting, loan structuring and active asset management of the Investment Manager and Adviser has led to very robust performance of the loans during the period.

The focus of the Group for the rest of 2025 continues to be:

(i) the continued robust asset management of the existing loan portfolio; and

(ii) the orderly realisation of the portfolio; and

(iii) the timely return of capital to shareholders

I would like to close by thanking you for your continued commitment and support.

John Whittle
Chairman
5 September 2025

Investment Manager's Report

MARKET COMMENTARY

Following a steady first quarter, the second quarter of 2025 kicked off with a bang for markets with Trump's "Liberation Day" tariff announcements. After the initial shock and sell-off, markets regained composure and have been balanced between a fairly stable performance in economic data and the backdrop of multiple geopolitical pressures.

In equity markets the S&P 500 and Nasdaq both reached new all-time highs in late June, buoyed by better-than-expected corporate earnings, the prospect of rate cuts later in the year, and the prospect of a cooling of trade-related tensions. In the United Kingdom the FTSE 100 also hit a new all-time high topping 9,000 for the first time.

In the first half of the year interest rates across developed markets moved broadly in line with expectations with the faster pace of Euro rate cuts versus the United States continuing. In the United States, the Federal Reserve has left the interest rate unchanged to date during 2025 while, in Europe, the ECB made two cuts of 25 basis points to its deposit rate in each of the first 2 quarters resulting in a rate of 2 per cent reflecting eight 25 basis points cuts since its peak, and in the United Kingdom, the Bank of England cut its base rate by 25 basis points in each of the first and second quarters with a further cut in August taking total cuts since its peak to five with three of those cuts in 2025. One of the considerations that has been holding back further rate movement in the United States is balancing the potentially inflationary impacts of a dynamically changing tariff policy. This is a particularly difficult task given the Federal Reserve's dual mandate on employment and price stability. President Trump has declared he would only appoint a Federal Reserve Chair committed to cutting rates creating an extra variable into how markets can expect the Federal Reserve to work once Jerome Powell's term is up in 2026.

While there was some volatility during the first half of the year, government bond yields have seen relatively small changes during the first half of the year with benchmark 10-year bond yields as of 30 June 2025 standing at 4.23 per cent, 4.48 per cent and 2.60 per cent versus 4.57 per cent, 4.58 per cent and 2.37 per cent at the beginning of the year for the United States, the United Kingdom and Europe respectively. UK gilt yields have remained elevated compared to other developed markets with stubborn inflation and growth concerns compounded by a series of economic policy issues, including a backbench rebellion over benefit reforms and the high-profile reversal on the winter fuel allowance. Higher rates are likely one of the contributing factors in why real estate volume growth in the United Kingdom is lagging the rest of Europe. In the latest CBRE data we saw United Kingdom transaction volumes down in Q1 2025 compared to Q1 2024 whereas Europe as a whole showed a slight increase. Lower interest rates in Eurozone countries are reducing overall debt costs and allowing for positive leverage meaning that the all in cost of financing real estate is lower than the going in investment yield now in many markets.

Credit markets also recovered well after Liberation Day. Primary issuance across corporate credit and structured finance almost completely stopped for a couple of weeks at the beginning of the quarter. However, the recovery has been swift. In the US, the CMBS market rebounded to strong volumes by late H1, as investor appetite for structured credit remained robust. Year to date non-agency CMBS issuance through June was $74.4 billion reflecting a 56 per cent increase over the same period in 2024. In Europe there are signs that CMBS issuance is maintaining some of the momentum it added over the past few quarters with a number of deals in the market and the first deal launched since Liberation Day having priced in June. The deal attracted healthy demand, with spreads tightening from initial to final pricing, reflecting the market's confidence in the underlying high-quality, income-generating real estate and the credibility of the sponsor.

In terms of sector dynamics for real estate, defence has emerged as a notable beneficiary of the increased recognition of geopolitical risk and the resultant pledges to expand defence spending. Germany's Rheinmetall's potential plan to convert Volkswagen's Osnabrück production plant into a defence manufacturing facility is one example of this shift in strategic industrial policy having an impact on this specific type of production facility real estate. We are seeing other signs of the early stages of a knock-on effect for real estate beginning to materialise, with increased discussion of the demand for manufacturing space, logistics infrastructure and defence research and development facilities.

While there is a general concern from some market participants that low volumes are creating too few lending opportunities, real estate credit remains an attractive risk-reward proposition. As capitalisation rates have increased, debt yields have too and are higher than during much of the post-GFC period. At the same time lending spreads still look favourable versus historical levels despite improved liquidity conditions.

Since the end of the first half of the year markets have remained in good shape over the summer period, although there has been some commentary that the strong movements in stock prices and low credit spreads could lead to a pullback. Geopolitically, several sources of potential instability still loom large. The ongoing conflicts involving Ukraine, Russia, Israel, and Gaza continue, and there is still significant risk in US trade dynamics. While the summer is almost over we are also mindful of seasonal illiquidity, as lighter trading desks and reduced volumes during peak holiday weeks can amplify sharp moves.

Investment Manager's Report

PORTFOLIO STATISTICS

As at 30 June 2025, the portfolio was invested in line with the Group's investment policy.

The key portfolio statistics are as summarized below.

	30 June 2025	30 June 2024
Number of investments	6	8
Percentage of currently funded portfolio in floating rate loans	77.7%	84.8%
Funded Loan Portfolio unlevered annualised total return[1]	8.7%	9.1%
Weighted average portfolio LTV – to Group first £[1]	31.3%	16.7%
Weighted average portfolio LTV – to Group last £[1]	69.9%	58.0%
Average remaining loan term	0.5 years	1.5 years
Net Asset Value	£144.2m	£283.5m
Loans advanced at amortised cost (including accrued income and net of impairment provisions)	£96.1m	£166.9m
Cash and cash equivalents	£48.6m	£117.1m
Other liabilities (including financial assets held at fair value through the profit or loss)	(£0.5m)	(£0.5m)

[1] Alternative performance measure - refer to page 54 for definitions and calculation methodology.

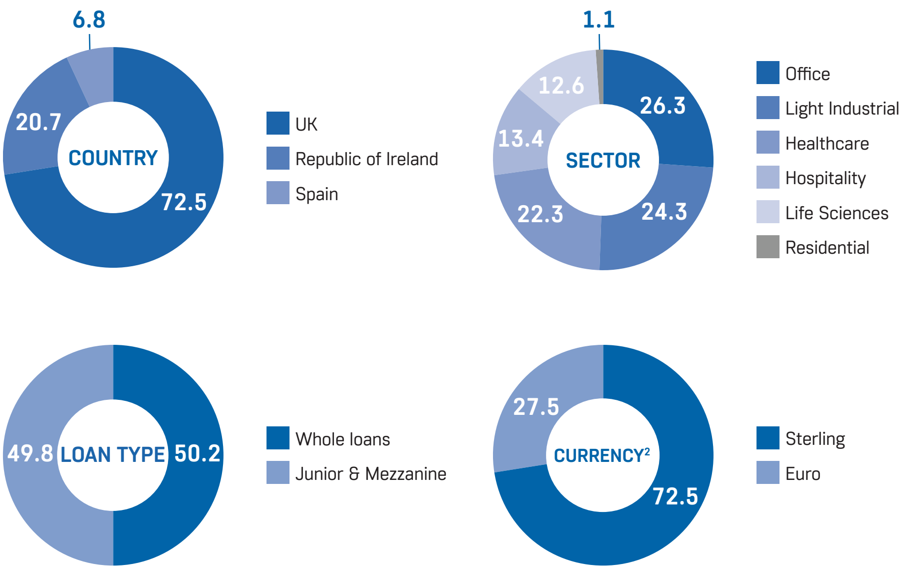
The maturity profile of investments as at 30 June 2025 is shown below.

Remaining years to contractual maturity*	Value of funded portfolio £m	% of funded portfolio
0 to 1 years	£84.8	75.7%
1 to 2 years	£27.2	24.3%

* Remaining loan term to current contractual loan maturity excluding any permitted extensions. Note that borrowers may elect to repay loans before contractual maturity or may elect to exercise legal extension options, which are typically one year of additional term subject to satisfaction of credit related extension conditions. The Group, in limited circumstances, may also elect to extend loans beyond current legal maturity dates if that is deemed to be required to affect an orderly realisation of the loan.

The Group continues to achieve good portfolio diversification as shown in the graphs below:

% of funded portfolio[1]



[1] Funded portfolio is before taking account of any impairment provisions recognised.
[2] The currency split refers to the underlying loan currency, however the capital on all non-sterling exposure is hedged back to sterling.

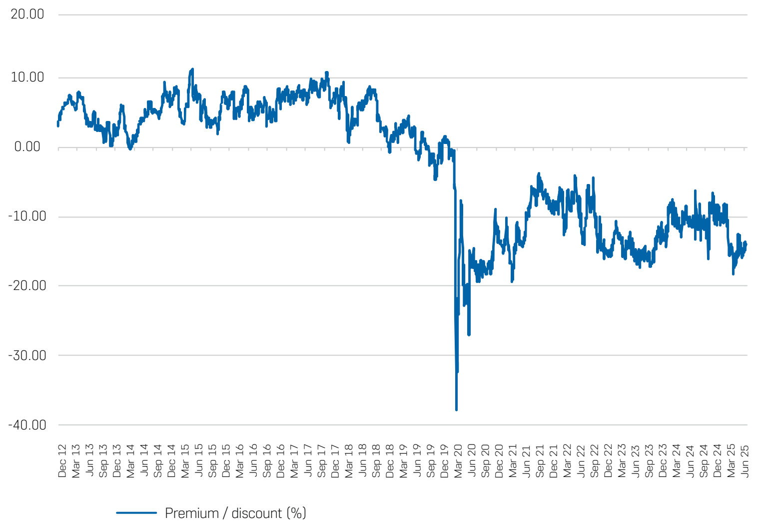
The Board considers that the Group is engaged in a single segment of business, being the provision of a diversified portfolio of real estate backed loans. The analysis presented in this report is presented to demonstrate the level of diversification achieved within that single segment. The Board does not believe that the Group's investments constitute separate operating segments.

Investment Manager's Report

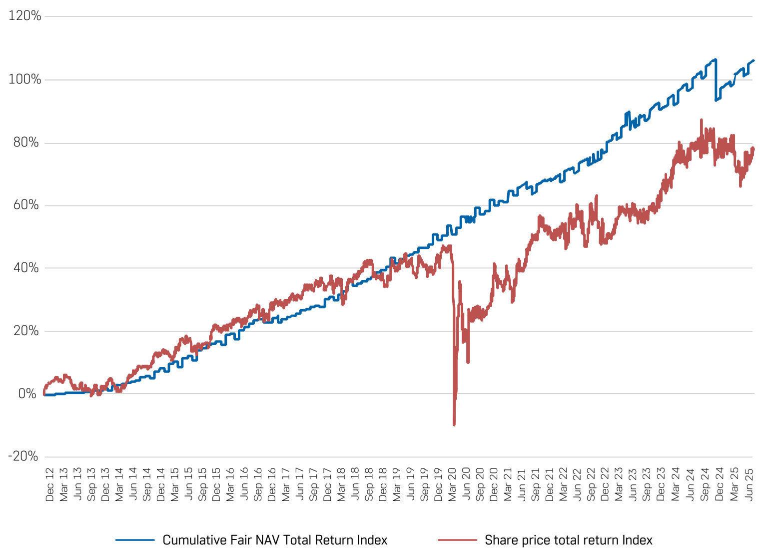
SHARE PRICE PERFORMANCE

As at 30 June 2025, the NAV was 97.41 pence per Ordinary Share (31 December 2024: 100.49 pence; 30 June 2024: 104.92 pence) and the share price was 87.5 pence (31 December 2024: 91.8 pence; 30 June 2024: 93.0 pence).

PREMIUM / DISCOUNT CUM-FAIR



SHARE PRICE AND CUM-FAIR NAV TOTAL RETURN



Source: Morningstar

The Company's share price volatility has been driven by market conditions and trading cash flows rather than a change in the Company's NAV.

INVESTMENT DEPLOYMENT

As at 30 June 2025, the Group had 6 investments and commitments of £112.0 million as follows:

	Sterling equivalent balance [1], [2]	Sterling equivalent unfunded commitment [3]	Sterling Total (Drawn and Unfunded)
Hospitals, UK	£25.0 m		£25.0 m
Hotel, North Berwick	£15.0 m		£15.0 m
Life Science, UK	£14.1 m		£14.1 m
Industrial Estate, UK	£27.2 m		£27.2 m
Total Sterling Loans	**£81.3 m**	**£0.0 m**	**£81.3 m**
Office Portfolio, Spain	£7.6 m		£7.6 m
Office Portfolio, Ireland	£23.1 m		£23.1 m
Total Euro Loans	**£30.7 m**	**£0.0 m**	**£30.7 m**
Total Portfolio	**£112.0 m**	**£0.0 m**	**£112.0 m**

[1] Euro balances translated to sterling at period end exchange rate.
[2] These amounts are shown before any impairment provisions recognised.
[3] Unfunded commitments as of 31 December 2024 of £23.0 million were cancelled during the six months to 30 June 2025.

Investment Manager's Report

Between 1 January 2025 and 30 June 2025, the following significant investment activity occurred (reflected in the table overleaf):

REPAYMENTS:

During the half year, borrowers repaid the following loan obligations:

- £47.3 million, Hotels, UK (full repayment of loan)
- £1.4 million, Life Science, UK (partial repayment of loan)

These repayments were used to return £46.0 million of capital to shareholders during the six month period ended 30 June 2025.

Subsequent to 30 June 2025, to the date of this report, the following loan repayments occurred:

- £15 million, Hotel, North Berwick (full repayment of loan)
- £14.1 million, Life Science, UK (full repayment of loan)

ADDITIONAL FUNDING:

During the half year, interest of £0.6 million was capitalised. No new loans were entered into during the half year in line with the orderly realisation and the return of capital strategy as outlined in the Chairman's Statement.

PORTFOLIO OVERVIEW

The Group continues to closely monitor and manage the credit quality of its loan exposures and repayments.

The Group's exposure as of 30 June 2025 is spread across six investments. 99 per cent of the total funded loan portfolio as of 30 June 2025 is spread across five asset classes; Office (26 per cent), Light Industrial (24 per cent), Healthcare (22 per cent), Hospitality (13 per cent), and Life Sciences (13 per cent). The Investment Manager and the Investment Advisor continue to monitor potential impacts of US tariff and trade negotiations on the portfolio. No material adverse impact has been identified at this time.

Progress of the realisation of the remaining investments is being closely monitored. Five of the six remaining investments generally have an identified exit processes (two of which have repaid in full subsequent to 30 June 2025 and prior to the issuance of this report). Sponsors of these loans are either progressing asset disposals or targeting a refinance in line with each loan's respective legal maturity. The exit plan and realisation timing for the sixth investment, the Stage 3 loan, remains under review.

The Group's office exposure (26 per cent) comprises two loan investments. The weighted average Loan to Value of loans with office exposure is 99 per cent. The elevated level of the office exposure Loan to Value is driven by Office Portfolio, Ireland loan which is a risk rated Stage 3 loan. The value used to calculate the Loan to Value for the Stage 1 office loan uses the latest independent lender instructed valuation. The value used for the Stage 3 office loan (which was downgraded from a Stage 2 asset in October 2024) is the marked down value as per the loan impairments recognised in October 2024 and June 2025. The higher Loan to Value of this sector exposure reflects the wider decline in market sentiment driven by post pandemic trends, higher interest rates and high costs attached to upgrading older office stock.

The largest office investment is a mezzanine loan which represents 74 per cent of this exposure and is classified as a Stage 3 risk rated loan. The underlying assets comprise seven well located Dublin city centre CBD buildings and have historically been well tenanted, albeit certain assets are expected to require capital expenditure to upgrade to Grade-A quality to retain existing tenants upon future lease expiry events. A total impairment provision of £17 million (€20.2 million) has been provided as of 30 June 2025 related to this investment (equivalent to 75 per cent of the total loan value as of 30 June 2025 before impairment). Subsequent to 30 June 2025 a further impairment provision of £1.9 million (€2.2 million) was made, bringing the total impairment provision against this loan as of 31 August 2025 to £19.4 million (€22.4 million) and bringing the carrying value of this loan asset as of 31 August 2025 to £4.1 million (€4.7 million). The Investment Adviser will continue to actively manage the position to maximise the opportunity for value recovery and the Board will continue to closely monitor the position and ongoing developments. The Company will provide further updates as appropriate.

The remaining total funded portfolio (excluding Residential (1 per cent)) is split across Light Industrial (24 per cent), Healthcare (22 per cent), Hospitality (13 per cent), and Life Sciences (13 per cent). These sectors provide good diversification. The weighted average Loan to Value of these exposures is 59 per cent.

LOAN TO VALUE

All assets securing the loans undergo third party valuations before each investment closes and periodically thereafter at a time considered appropriate by the lenders. The Loan to Values shown below are based on independent third party appraisals for loans classified as Stage 1 and Stage 2 and on the marked down value as per the announced loan impairments for the loan classified as Stage 3 in October 2024. The weighted average age of the dates of these valuations for the whole portfolio is just under a year.

As of 30 June 2025, the portfolio had an average weighted last £ Loan to Value of 69.9 per cent (30 June 2024: 58 per cent). The average weighted last £ Loan to Value of the portfolio excluding the asset classed as Stage 3 (Office Portfolio, Ireland) was 57.7 per cent as at 30 June 2025.

The Group's last £ Loan to Value means the percentage which the total loan drawn less any deductible lender controlled cash reserves and less any amortisation received to date (when aggregated with any other indebtedness ranking alongside and/or senior to it) bears to the market value determined by the last formal lender valuation received, reviewed in detail and approved by the reporting date or, in the case of the Stage 3 asset classified as Stage 3 in October 2024, the marked down value per the recently announced loan impairments. Loan to Value to first Group £ means the starting point of the Loan to Value range of the loans drawn (when aggregated with any other indebtedness ranking senior to it). For development projects the calculation includes the total facility available and is calculated against the assumed market value on weighted completion of the relevant project.

The table below shows the sensitivity of the Loan to Value calculation for movements in the underlying property valuation and demonstrates that the Group has considerable headroom within the currently reported last £ Loan to Values.

Change in Valuation	Office	Light Industrial	Healthcare	Other	Total
-15%	116.3%	76.5%	62.4%	70.5%	82.2%
-10%	109.8%	72.3%	59.0%	66.5%	77.6%
-5%	104.0%	68.4%	55.9%	63.0%	73.6%
0%	98.8%	65.0%	53.1%	59.9%	69.9%
5%	94.1%	61.9%	50.5%	57.0%	66.6%
10%	89.9%	59.1%	48.2%	54.4%	63.5%
15%	85.9%	56.5%	46.1%	52.1%	60.8%

Investment Manager's Report

LIQUIDITY AND HEDGING

The Group had no available credit facilities as at 30 June 2025 (30 June 2024: £nil) as the Group had terminated all of its credit facilities by early 2024 as it considered that it has sufficient resources to meet its liabilities as they fall due.

The table below summarises the available liquidity as at 30 June 2025.

	30 June 2025 £ million
Cash and Cash Equivalents	48.6
Undrawn Commitments to Borrowers	(0.0)
Available Capacity	**48.6**

The Group had a proportion (27.5%) of its investments denominated in Euros as at 30 June 2025 (this proportion can change over time) and is a sterling denominated group. The Group is therefore subject to the risk that exchange rates move unfavourably and that a) foreign exchange losses on the loan principal are incurred and b) that interest payments received are lower than anticipated when converted back to Sterling and therefore returns are lower than the underwritten returns.

The Group manages this risk by entering into forward contracts to hedge the currency risk. All non-Sterling loan principal is hedged back to Sterling to the maturity date of the loan.

The risk remains that loans are repaid earlier than anticipated and forward contracts need to be broken early. In these circumstances the forward curve may have moved since the forward contracts were placed which can impact the rate received.

The Group does have the obligation to post cash collateral under its hedging facilities. However, cash would not need to be posted until the hedges were more than £15.0 million out of the money. This situation is closely monitored as a result. The mark to market of the hedges at 30 June 2025 was £0.5 million (in the money) and with the robust hedging structure employed by the Group, cash collateral has never been required to be posted since inception.

CREDIT RISK ANALYSIS

All loans within the portfolio are classified and measured at amortised cost less impairment.

The Group follows a three-stage model for impairment based on changes in credit quality since initial recognition as summarised below:

- A financial instrument that is not credit-impaired on initial recognition is classified as Stage 1 and has its credit risk continuously monitored by the Group. The expected credit loss ("ECL") is measured over a 12-month period of time.
- If a significant increase in credit risk since initial recognition is identified, the financial instrument is moved to Stage 2 but is not yet deemed to be credit-impaired. The ECL is measured on a lifetime basis.
- If the financial instrument is credit-impaired it is then moved to Stage 3. The ECL is measured on a lifetime basis.

The Group closely monitors all loans in the portfolio for any deterioration in credit risk. As of 30 June 2025, assigned classifications are:

- Stage 1 loans – three loan investments totalling £60 million, equivalent to 53 per cent of the funded portfolio as of 30 June 2025 were classified in the lowest risk profile, Stage 1.
- Stage 2 loans – two loan investments totalling £29 million, equivalent to 26 per cent of the funded portfolio as of 30 June 2025 were classified as Stage 2. The average Loan to Value of these exposures is 58 per cent. The weighted average age of valuation report dates used in the Loan to Value calculation is just under one year. While these loans are higher risk than at initial recognition, no loss has been recognised on a twelve-month and lifetime expected credit losses basis. Therefore, no impairment in the value of these loans has been recognised and, indeed, both these loans have repaid in full subsequent to 30 June 2025 and prior to the issuance of this report. The drivers for classifying these deals as Stage 2 are typically either one or a combination of the below factors:
  - lower underlying property values following receipt of updated formal appraisals by independent valuers or agreed and in exclusivity sale values;
  - sponsor business plans progressing more slowly than originally underwritten meaning that trading performance has lagged expectations and operating financial covenants under the facility agreements have been breached; and
  - additional equity support is required to cover interest or operating shortfalls as a result of slower lease up or operations taking longer to ramp up.

The Stage 2 loans continue to benefit from headroom to the Group's investment basis. The Group has a strategy for each of these deals which targets full loan repayment over a defined period of time. Since 30 June 2025 both of these loans have fully repaid.

- Stage 3 loans – during October 2024, one loan (with a funded balance amounting to £23 million/€27 million as of 30 June 2025) was reclassified as Stage 3. As of 30 June 2025, the balance of this loan represented 21 per cent of the total funded portfolio. As outlined above, an impairment of £17 million/€20 million has been provided for related to this asset as of 30 June 2025. Subsequent to 30 June 2025 a further impairment provision of £1.9 million (€2.2 million) was made, bringing the total impairment provision against this loan as of 31 August 2025 to £19.4 million (€22.4 million) and bringing the carrying value of this loan asset as of 31 August 2025 to £4.1 million (€4.7 million). The Investment Adviser will continue to actively manage the position to maximise the opportunity for value recovery and the Board will continue to closely monitor the position and ongoing developments. The Company will provide further updates as appropriate.

Investment Manager's Report

This assessment has been made based on information in our possession at the date of publishing this report, our assessment of the risks of each loan and certain estimates and judgements around future performance of the assets.

A detailed description of how the Group determines on what basis loans are classified as Stage 1, Stage 2 and Stage 3 post initial recognition is provided in page 21 to the Annual Report and Audited Consolidated Financial Statements for the year to 31 December 2024.

FAIR VALUE OF THE PORTFOLIO COMPARED TO AMORTISED COST

The table below represents the fair value of the loans based on a discounted cash flow basis using a range of potential discount rates.

Discount Rate	Value Calculated	% of book value
7.4%	£ 97.0 m	100.9%
7.9%	£ 96.8 m	100.7%
8.4%	£ 96.5 m	100.4%
8.9%	£ 96.3 m	100.2%
9.4%	£ 96.1 m = book value	100.0%
9.9%	£ 95.9 m	99.8%
10.4%	£ 95.7 m	99.6%
10.9%	£ 95.5 m	99.4%
11.4%	£ 95.3 m	99.2%

The effective interest rate ("EIR") – i.e. the discount rate at which future cash flows equal the amortised cost is 9.4 per cent. We have sensitised the cash flows at EIR intervals of 0.5 per cent up to +/- 2.0 per cent. The table reflects how a change in market interest rates or credit risk premiums may impact the fair value of the portfolio versus the amortised cost. The volatility of the fair value to movements in discount rates is low due to the short remaining duration of most loans.

Investment Manager's Report

RELATED PARTY TRANSACTIONS

Related party disclosures are given in note 16 to the Unaudited Condensed Consolidated Financial Statements.

FORWARD LOOKING STATEMENTS

Certain statements in this interim report are forward-looking. Although the Group believes that the expectations reflected in these forward-looking statements are reasonable, it can give no assurance that these expectations will prove to have been correct. Because these statements involve risks and uncertainties, actual results may differ materially from those expressed or implied by these forward-looking statements.

The Group undertakes no obligation to update any forward-looking statements whether as a result of new information, future events or otherwise.

Starwood European Finance Partners Limited

Investment Manager

5 September 2025

Principal Risks

PRINCIPAL RISKS FOR THE REMAINING SIX MONTHS OF THE YEAR TO 31 DECEMBER 2025

The principal risks assessed by the Board relating to the Group were disclosed in the Strategic Report set out in the Annual Report and Audited Consolidated Financial Statements for the year to 31 December 2024 on pages 12 to 16. The Board and Investment Manager have reassessed the principal risks and do not consider these risks to have changed. Therefore, the following are the principal risks assessed by the Board and the Investment Manager as relating to the Group for the remaining six months of the year to 31 December 2025:

FINANCIAL MARKET VOLATILITY (RISK THAT DIVIDENDS DO NOT MEET THE TARGETED LEVELS AND THAT THE SHARE PRICE DISCOUNT PERSISTS AND WIDENS)

Subsequent to the EGM held on 27 January 2023 the Group's strategy is for an orderly realisation of its assets and the return of capital to shareholders. During the realisation period the Company intends to target a similar per share level of dividends as previously for as long as this is feasible and to return capital to shareholders subject to maintaining sufficient cash to fund as yet unfunded cash commitments on loans and ongoing operating costs.

The Group's targeted returns are based on estimates and assumptions that are inherently subject to significant business and economic uncertainties and contingencies and, consequently, the actual rate of return may be materially lower than the targeted returns.

As a result, the level of dividends to be paid by the Company may fluctuate and there is no guarantee that any such dividends will be paid. Since March 2020 the shares have traded at a discount to NAV per share and shareholders may be unable to realise their investments through the secondary market at NAV per share.

The Board, along with the Investment Manager and the Investment Adviser, monitor, review and consider the estimates and assumptions that underpin the targeted returns of the business and, where necessary, communicate any changes in those estimates and assumptions to the market.

The Board monitors the level of premium or discount of the share price to NAV per share and deployed a share buyback programme during 2020, 2021 and 2022 in order to support the share price. No shares have been bought back since 2022. The current strategy of the orderly realisation of assets and the return of capital to shareholders over time should mean that, subject to no further unforeseen negative impacts on the value of investments, shareholders will receive a return of capital invested over time. During 2023 and 2024 the Company returned £210 million to shareholders. During the first six months of 2025 the Company returned £46.0 million to shareholders.

LONG-TERM STRATEGIC RISK (RISK THAT THE BUSINESS MODEL IS NO LONGER ATTRACTIVE)

Subsequent to the EGM held on 27 January 2023, the Group's strategy is for an orderly realisation and return of capital to shareholders. At the time of the change in strategy it was anticipated that it would take three to four years to complete the return of capital to shareholders. As at the date of issuance of this report the Company is still on track to complete the return of capital to shareholders within that time scale.

Principal Risks

The Group's targeted returns are based on estimates and assumptions that are inherently subject to significant business and economic uncertainties and contingencies and, consequently, the actual rate of return may be materially lower than the targeted returns.

The Directors regularly receive information on the performance of the existing loans, including the performance of underlying assets versus underwritten business plan and the likelihood of any early repayments, or the need for any loan amendments.

The Board continues to monitor the revised investment strategy and performance on an ongoing basis.

MARKET DETERIORATION RISK (RISK OF THE ECONOMIES IN WHICH THE GROUP OPERATES EITHER STAGNATE OR GO INTO RECESSION)

The Group's investments are comprised of debt investments in the United Kingdom ('UK') and the European Union's internal market and it is therefore exposed to economic movements and changes in these markets. Any deterioration in the global, UK or European economy could have a significant adverse effect on the activities of the Group and may result in loan defaults or impairments.

The Covid-19 pandemic has had a material long term impact on global economies and on the operations of the Group's borrowers since 2020. The situation in Ukraine, following the February 2022 incursion into Ukraine by Russia and in the Middle East, following the October 2023 Hamas attacks in Israel, also presents a significant risk to European and global economies. While the Group has no direct or known indirect involvement with Ukraine, Russia or the Middle East it may be impacted by the consequences of the instability caused by the ongoing conflict.

The impact of the UK's departure from the European Union in 2020 still represents a potential threat to the UK economy as well as wider Europe particularly due to the impact on trade and labour mobility. The overall results for growth rates for both the UK and Europe have been a modest level of growth and the expectation is this will continue with OECD forecasts for 2026 being only 1.3 per cent and 1.2 per cent for the UK and the Eurozone respectively meaning relatively small changes in growth rates could result in a recessionary period.

The impact of the start of President Trump's second term in office (which started in January 2025) has also led to increased global economic and political uncertainty particularly in his approach to the use of tariffs.

In addition there is the impact of the ongoing high inflationary environment to consider. While rates have generally been falling this inflation environment has held rates higher longer than markets have expected and could make it harder for borrowers to meet their interest obligations to the Group and to ultimately repay the loans advanced to them.

The Board have considered the impact of market deterioration on the current and future operations of the Group and its portfolio of loans advanced. As a result of the cash held in reserve by the Group and the underlying quality of the portfolio of loans advanced, both the Investment Manager and the Board still believe the fundamentals of the portfolio remain optimistic and that the Group can adequately support the portfolio of loans advanced despite current market conditions.

Principal Risks

In the event of a loan default in the portfolio, the Group is generally entitled to accelerate the loan and enforce security, but the process may be expensive and lengthy, and the outcome is dependent on sufficient recoveries being made to repay the borrower's obligations and associated costs. Some of the investments held would rank behind senior debt tranches for repayment in the event that a borrower defaults, with the consequence of greater risk of partial or total loss. In addition, repayment of loans by the borrower at maturity could be subject to the availability of refinancing options, including the availability of senior and subordinated debt and is also subject to the underlying value of the real estate collateral at the date of maturity. The Group has mitigated against this with an average weighted loan to value of the portfolio of 69.9 per cent as at 30 June 2025. The average weighted Loan to Value of the portfolio excluding the asset classed as Stage 3 (Office Portfolio, Ireland) was 57.7 per cent as of 30 June 2025. Therefore, the portfolio should be able to withstand a significant level of deterioration before credit losses are incurred.

The Investment Adviser and Manager has also mitigated the risk of credit losses by undertaking detailed due diligence prior to the signing of each loan. Whilst the precise scope of due diligence will have depended on the proposed investment, such diligence will typically have included independent valuations, building, measurement and environmental surveys, legal reviews of property title, assessment of the strength of the borrower's management team and key leases and, where necessary, mechanical and engineering surveys, accounting and tax reviews and know your customer checks.

The Investment Adviser, Investment Manager and Board have also managed these risks in the past by ensuring a diversification of investments in terms of geography, market and type of loan. Such diversification will be harder to achieve as the company pursues a strategy of orderly realisation and does not enter into any new investments. The Investment Manager and Investment Adviser operate in accordance with the guidelines, investment limits and restrictions as determined by the Board. The Directors review the portfolio against these guidelines on a regular basis.

The Investment Adviser obtains regular performance reporting from all borrowers and meets with all borrowers on a regular basis to monitor developments in respect of each loan and reports to the Investment Manager and the Board periodically and on an ad hoc basis where considered necessary.

The Group's loans are held at amortised cost. The performance of each loan is reviewed quarterly by the Investment Adviser for any indicators of significant increase in credit risk, impaired or defaulted loans. The Investment Adviser also provides their assessment of any expected credit loss for each loan advanced. The results of the performance review and allowance for expected credit losses are discussed with the Investment Manager and the Board.

The Group has prudently assessed key risk indicators impacting all investments. One loan is classified as Stage 3 (credit impaired) and 2 loans within the portfolio are classified as Stage 2 (increased risk of default) as at 30 June 2025. These 3 loans in total account for 47 per cent of the portfolio funded by the Group as at 30 June 2025. The two Stage 2 assets were repaid in full subsequent to 30 June 2025 and before the issuance of this report. An impairment provision of £10.8 million (€12.9 million) was provided for the loan classified as Stage 3 in the accounts to 31 December 2024 and an additional provision of £6.2 million (€7.3 million) has been provided in the accounts for the six months to 30 June 2025. These two provisions accounts for 75% of the funded value of the loan asset as of 30 June 2025. The net carrying value of the Stage 3 asset equates to a circa 4 per cent of the total NAV of the Group as of 30 June 2025. No expected credit losses were recognised as of 30 June 2025 against any of the loans classified as Stage 2 (which are now fully repaid), because of the strong LTVs across the loan portfolio and strong contractual agreements with borrowers, including these Stage 2 loans.

This is further outlined in detail under the Credit Risk Analysis section of the Investment Manager report. Despite increased risk around higher interest rates and lower transaction volumes, the remaining portfolio has continued to perform well. The reasons, estimates and judgements supporting this assessment are described in the Investment Manager's report.

Principal Risks

INTEREST RATE RISK

The Group is subject to the risk that the loan income and income from the cash and cash equivalents will fluctuate due to movements in interbank rates.

The loans in place at 30 June 2025 are structured so that 78 per cent are floating rate and all of these floating rate loans are subject to interbank rate floors such that the interest cannot drop below a certain level, which offers some protection against downward interest rate risk.

The remaining 22 per cent by value of the loans are fixed rate, which provides protection from downward interest rate movements to the overall portfolio (but also prevents the Group from benefiting from any interbank rate rises on these positions).

FOREIGN EXCHANGE RISK

The majority of the Group's investments are Sterling denominated (72.5 per cent as at 30 June 2025) with the remainder being Euro denominated. The Group is subject to the risk that the exchange rates move unfavourably and that a) foreign exchange losses on the Euro loan principals are incurred and b) that Euro interest payments received are lower than anticipated when converted back to Sterling and therefore returns are lower than the underwritten returns.

The Group manages this risk by entering into forward contracts to hedge the currency risk. All non-Sterling loan principal is hedged back to Sterling to the maturity date of the loan. However, the risk remains that loans are repaid earlier than anticipated and forward contracts need to be broken early. In these circumstances, the forward curve may have moved since the forward contracts were placed which can impact the rate received.

As a consequence of the hedging strategy employed as outlined above, the Group is subject to the risk that it will need to post cash collateral against the mark to market on foreign exchange hedges which could lead to liquidity issues.

The Company had approximately £20.1 million (€23.5 million) of net hedged notional exposure with Lloyds Bank plc at 30 June 2025 (converted at 30 June 2025 FX rates).

As at 30 June 2025, the hedges were in the money. If the hedges move out of the money and this mark to market exceeds £15.0 million the Company is required to post collateral, subject to a minimum transfer amount of £1 million. This situation is monitored closely, however, and as at 30 June 2025, the Company had sufficient liquidity to meet substantial cash collateral requirements.

CYBERCRIME

The Group is subject to the risk of unauthorised access into systems, identification of passwords or deleting data, which could result in loss of sensitive data, breach of data physical and electronic, amongst other potential consequences. This risk is managed and mitigated by regular reviews of the Group's operational and financial control environment. The matter is also contained within service providers surveys which are completed by the Group's service providers and are regularly reviewed by the Board. No adverse findings in connection with the service provider surveys have been found. The Company and its service providers have policies and procedures in place to mitigate this risk, the cybercrime risk continues to be closely monitored.

Principal Risks

REGULATORY RISK

The Group is also subject to regulatory risk as a result of any changes in regulations or legislation. Constant monitoring by the Investment Adviser, Investment Manager and the Board is in place to ensure the Group keeps up to date with any regulatory changes and compliance with them.

OPERATIONAL RISK

The Group has no employees and is reliant on the performance of third-party service providers. Failure by the Investment Manager, Investment Adviser, Administrator or any other third-party service provider to perform in accordance with the terms of its appointment could have a material detrimental impact on the operation of the Group.

The Board maintains close contact with all service providers to ensure that the operational risks are minimised.

EMERGING RISKS

Emerging risks to the Group are considered by the Board to be trends, innovations and potential rule changes relevant to the real estate mortgage and financial sector. The challenge to the Group is that emerging risks are known to some extent but are not likely to materialise or have an impact in the near term. The Board regularly reviews and discusses the risk matrix and has identified climate change as an emerging risk.

CLIMATE CHANGE

The consequences that climate change could have are potentially severe but highly uncertain. The potential high impact of possible losses has done a lot to raise the awareness of this risk in investment circles. The Board, in conjunction with the Investment Manager and Investment Adviser, considers the possible physical and transitional impact of climate change on properties secured on loans provided by the Group and includes the consideration of such factors in valuation instructions of the collateral properties and in considering any potential expected credit losses on loans. The Investment Adviser considers the possible physical and transitional impact of climate change as part of the origination process. In addition, the Board, in conjunction with the Investment Adviser, is monitoring closely the regulation and any developments in this area.

Photo: Connie Zhou

Board of Directors

JOHN WHITTLE | Non-executive Director – Chairman of the Board

John is a Fellow of the Institute of Chartered Accountants in England and Wales and holds the Institute of Directors Diploma in Company Direction. He is a Non-Executive Director of BH Macro Limited and is the Audit Committee Chairman of both The Renewable Infrastructure Group Ltd (FTSE 250) and Sancus Lending Group Ltd (listed on AIM). He was previously Finance Director of Close Fund Services, a large independent fund administrator, where he successfully initiated a restructuring of client financial reporting services and was a key member of the business transition team. Prior to moving to Guernsey, he was at Pricewaterhouse in London before embarking on a career in business services, predominantly telecoms. He co-led the business turnaround of Talkland International (which became Vodafone Retail) and was directly responsible for the strategic shift into retail distribution and its subsequent implementation; he subsequently worked on the private equity acquisition of Ora Telecom. John is a resident of Guernsey.

GARY YARDLEY | Non-executive Director

Gary is a Fellow of the Royal Institution of Chartered Surveyors and holds a degree in estate management from Southbank University and an MBA. He has been a senior deal maker in the UK and European real estate market for over 25 years. Gary was formally Managing Director & Chief Investment Officer of Capital & Counties Property PLC ("Capco") and led Capco's real estate investment and development activities. Leading Capco's team on the redevelopment of Earls Court, Gary was responsible for acquiring and subsequently securing planning consent for over 11m sq. ft. at this strategic opportunity area capable of providing over 7,500 new homes for London. Gary was also heavily involved in the curation and growth of the Covent Garden estate for Capco, now an established premier London landmark. Gary is a Chartered Surveyor with over 30 years' experience in UK & European real estate. He is a former CIO of Liberty International and former equity partner of King Sturge and led PwC's real estate team in Prague and Central Europe in the early 1990s. Gary returned to Prague in August 2023, leading a major development opportunity on the D5 Highway adjacent to the German border. Gary now resides in the Czech Republic.

SHELAGH MASON | Non-executive Director - Management Engagement Committee Chairman and Senior Independent Director

Shelagh Mason is a solicitor specialising in English commercial property who retired as a consultant with Collas Crill LLP in 2020. She is the Non-Executive Chairman of the Channel Islands Property Fund Limited listed on the International Stock Exchange and is also Non-Executive Chairman of Riverside Capital PCC, previously sat on the board of Skipton International Limited, a Guernsey Licensed bank, and until 28 February 2022, she was a Non-Executive Director of the Renewables Infrastructure Fund, a FTSE 250 company, standing down after nine years on the board. In addition to the Company, she has, a non-executive position with Ruffer Investment Company Limited, a FTSE 250 company. Previously Shelagh was a member of the board of directors of Standard Life Investments Property Income Trust, a property fund listed on the London Stock Exchange for 10 years until December 2014. She retired from the board of Medicx Fund Limited, a main market listed investment company investing in primary healthcare facilities in 2017 after 10 years on the board. She is a past Chairman of the Guernsey Branch of the Institute of Directors and she also holds the IOD Company Direction Certificate and Diploma with distinction. Shelagh is a resident of Guernsey.

CHARLOTTE DENTON | Non-executive Director - Audit Committee Chairman

Charlotte is a Fellow of the Institute of Chartered Accountants in England and Wales and a Chartered Director and a fellow of the Institute of Directors. She holds a degree in politics from Durham University. During Charlotte's executive career she worked in various locations through roles in diverse organisations, including KPMG, Rothschild, Northern Trust, a property development startup and a privately held financial services group. She has served on boards for nearly twenty years and is currently a Non-Executive Director of various entities including private equity - the GP boards of Hitec and on the Investment Manager board for NextEnergy. She is also on the board of Pershing Square Holdings Limited, a FTSE 100 company. and is the non-executive chairman of Achilles Investment Company Limited, which is listed on the Specialist Fund Segment of the Main Market of the London Stock Exchange. Charlotte is a resident of Guernsey.

Statement of Directors' Responsibilities

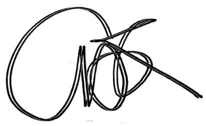
To the best of their knowledge, the Directors of Starwood European Real Estate Finance Limited confirm that:

1. The Unaudited Condensed Consolidated Financial Statements have been prepared in accordance with IAS 34, "Interim Financial Reporting" as adopted by the European Union as required by DTR 4.2.4 R; and
2. The Interim Financial Report, comprising of the Chairman's Statement, the Investment Manager's Report and the Principal Risks, meets the requirements of an interim management report and includes a fair review of information required by:
   (i) DTR 4.2.7R of the UK Disclosure and Transparency Rules, being an indication of important events that have occurred during the first six months and their impact on the Unaudited Condensed Consolidated Financial Statements, and a description of the principal risks and uncertainties for the remaining six months of the year; and
   (ii) DTR 4.2.8R of the UK Disclosure and Transparency Rules, being related party transactions that have taken place in the first six months and that have materially affected the financial position or performance of the Company during that period, and any material changes in the related party transactions disclosed in the last Annual Report.

By order of the Board

For Starwood European Real Estate Finance Limited

John Whittle
Chairman
5 September 2025



Charlotte Denton
Director
5 September 2025

Interim Financial Statements

Independent Review Report to Starwood European Real Estate Finance Limited
Report on the unaudited condensed consolidated financial statements

OUR CONCLUSION

We have reviewed Starwood European Real Estate Finance Limited's unaudited condensed consolidated financial statements (the "interim financial statements") in the Interim Financial Report and Unaudited Condensed Consolidated Financial Statements of Starwood European Real Estate Finance Limited for the 6-month period ended 30 June 2025 (the "period").

Based on our review, nothing has come to our attention that causes us to believe that the interim financial statements are not prepared, in all material respects, in accordance with International Accounting Standard 34, 'Interim Financial Reporting', as adopted by the European Union and the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority.

The interim financial statements comprise:

- the unaudited condensed consolidated statement of financial position as at 30 June 2025;
- the unaudited condensed consolidated statement of comprehensive income for the period then ended;
- the unaudited condensed consolidated statement of cash flows for the period then ended;
- the unaudited condensed consolidated statement of changes in equity for the period then ended; and
- the explanatory notes to the interim financial statements.

The interim financial statements included in the Interim Financial Report and Unaudited Condensed Consolidated Financial Statements have been prepared in accordance with International Accounting Standard 34, 'Interim Financial Reporting', as adopted by the European Union and the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority.

BASIS FOR CONCLUSION

We conducted our review in accordance with International Standard on Review Engagements 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity' issued by the International Auditing and Assurance Standards Board. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures.

A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and, consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

We have read the other information contained in the Interim Financial Report and Unaudited Condensed Consolidated Financial Statements and considered whether it contains any apparent misstatements or material inconsistencies with the information in the interim financial statements.

RESPONSIBILITIES FOR THE INTERIM FINANCIAL STATEMENTS AND THE REVIEW

OUR RESPONSIBILITIES AND THOSE OF THE DIRECTORS

The Interim Financial Report and Unaudited Condensed Consolidated Financial Statements, including the interim financial statements, is the responsibility of, and has been approved by, the directors. The directors are responsible for preparing the Interim Financial Report and Unaudited Condensed Consolidated Financial Statements in accordance with International Accounting Standard 34, 'Interim Financial Reporting', as adopted by the European Union and the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority.

Our responsibility is to express a conclusion on the interim financial statements in the Interim Financial Report and Unaudited Condensed Consolidated Financial Statements based on our review. This report, including the conclusion, has been prepared for and only for the company for the purpose of complying with the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority and for no other purpose. We do not, in giving this conclusion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

PricewaterhouseCoopers CI LLP

PricewaterhouseCoopers CI LLP

Chartered Accountants,
Guernsey, Channel Islands

7 September 2025

(a) The maintenance and integrity of the Starwood European Real Estate Finance Limited website is the responsibility of the directors; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the interim financial statements since they were initially presented on the website.

(b) Legislation in Guernsey governing the preparation and dissemination of interim financial statements may differ from legislation in other jurisdictions.

Unaudited Condensed Consolidated Statement of Comprehensive Income
for the period ended 30 June 2025

	Notes	1 January 2025 to 30 June 2025 £ (unaudited)	1 January 2024 to 30 June 2024 £ (unaudited)	1 January 2024 to 31 December 2024 £ (audited)
Income				
Income from loans advanced	7	6,004,173	10,792,003	18,522,158
Short term deposits interest income		1,158,125	1,443,065	2,656,832
Net foreign exchange gains	3	383,365	452,917	531,720
Total income		**7,545,663**	**12,687,985**	**21,710,710**
Expenses				
Impairment loss on loans advanced	7	6,234,676	-	10,849,579
Impairment reversal on loans advanced	7	-	(143,478)	(143,478)
Investment management fees	16	580,750	1,092,092	1,840,831
Credit facility commitment fees		-	56,610	56,610
Credit facility interest and amortisation of fees		-	8,333	8,333
Other expenses		122,967	143,903	161,138
Audit and non-audit fees		72,331	143,460	420,683
Administration fees		174,315	193,737	322,424
Legal and professional fees		91,769	117,523	231,590
Directors' fees and expenses	16	100,030	99,002	199,279
Broker's fees		25,000	25,000	50,000
Total operating expenses		**7,401,838**	**1,736,182**	**13,996,989**
Operating profit for the period / year before tax		**143,825**	**10,951,803**	**7,713,721**
Taxation	15	100,917	130,100	96,985
Operating profit for the period / year		**42,908**	**10,821,703**	**7,616,736**
Other comprehensive income				
Items that may be reclassified to profit or loss Exchange differences on translation of foreign operations		(22,262)	(74,037)	(137,024)
Other comprehensive loss for the period / year		**(22,262)**	**(74,037)**	**(137,024)**
Total comprehensive income for the period / year		**20,646**	**10,747,666**	**7,479,712**
Weighted average number of shares in issue	4	160,970,087	286,319,699	244,872,140
Basic and diluted earnings per Ordinary Share (pence)	4	0.03	3.78	3.11

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

Unaudited Condensed Consolidated Statement of Financial Position
as at 30 June 2025

	Notes	As at 30 June 2025 £ (unaudited)	As at 30 June 2024 £ (unaudited)	As at 31 December 2024 £ (audited)
Assets				
Cash and cash equivalents	5	48,570,741	117,143,316	45,686,362
Prepayments	6	28,317	33,568	22,822
Financial assets at fair value through profit or loss	8	546,899	947,729	1,012,805
Loans advanced	7	96,121,053	166,864,999	149,508,470
Total assets		**145,267,010**	**284,989,612**	**196,230,459**
Current liabilities				
Trade and other payables	9	1,066,712	1,506,891	1,348,763
Total current liabilities		**1,066,712**	**1,506,891**	**1,348,763**
Net assets		**144,200,298**	**283,482,721**	**194,881,696**
Capital and reserves				
Share capital	10	147,846,278	269,825,015	193,676,118
Retained (deficit) / earnings		(3,280,213)	13,938,224	1,549,089
Translation reserve		(365,767)	(280,518)	(343,511)
Total equity		**144,200,298**	**283,482,721**	**194,881,696**
Number of Ordinary Shares in issue	10	148,039,803	270,178,206	193,929,633
Net asset value per Ordinary Share (pence)		97.41	104.92	100.49

These Unaudited Condensed Consolidated Financial Statements were approved and authorised for issue by the Board of Directors on 5 September 2025, and signed on its behalf by:

John Whittle
Chairman

Charlotte Denton
Director

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

Unaudited Condensed Consolidated Statement of Changes in Equity
for the period ended 30 June 2025

Period ended 30 June 2025	Share capital £ (unaudited)	Retained (deficit) / earnings £ (unaudited)	Translation reserve £ (unaudited)	Total equity £ (unaudited)
Balance at 1 January 2025	**193,676,118**	**1,549,083**	**(343,505)**	**194,881,696**
Shares redeemed	(45,829,840)	(170,125)	-	(45,999,965)
Dividends paid	-	(4,702,079)	-	(4,702,079)
Operating profit for the period	-	42,908	-	42,908
Other comprehensive income:				
Other comprehensive loss for the period	-	-	(22,262)	(22,262)
Balance at 30 June 2025	**147,846,278**	**(3,280,213)**	**(365,767)**	**144,200,298**

Period ended 30 June 2024	Share capital £ (unaudited)	Retained earnings £ (unaudited)	Translation reserve £ (unaudited)	Total equity £ (unaudited)
Balance at 1 January 2024	**313,280,868**	**14,257,318**	**(206,481)**	**327,331,705**
Shares redeemed	(43,455,853)	(1,544,142)	-	(44,999,995)
Dividends paid	-	(9,596,655)	-	(9,596,655)
Operating profit for the period	-	10,821,703	-	10,821,703
Other comprehensive income:				
Other comprehensive loss for the period	-	-	(74,037)	(74,037)
Balance at 30 June 2024	**269,825,015**	**13,938,224**	**(280,518)**	**283,482,721**

Year ended 31 December 2024	Share capital £ (audited)	Retained earnings £ (audited)	Translation reserve £ (audited)	Total equity £ (audited)
Balance at 1 January 2024	**313,280,868**	**14,257,318**	**(206,481)**	**327,331,705**
Shares redeemed	(119,604,750)	(5,395,251)	-	(125,000,001)
Dividends paid	-	(14,929,720)	-	(14,929,720)
Operating profit for the year	-	7,616,736	-	7,616,736
Other comprehensive income:				
Other comprehensive loss for the year	-	-	(137,024)	(137,024)
Balance at 31 December 2024	**193,676,118**	**1,549,083**	**(343,505)**	**194,881,696**

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

Unaudited Condensed Consolidated Statement of Cash Flows
for the period ended 30 June 2025

	1 January 2025 to 30 June 2025 £ (unaudited)	1 January 2024 to 30 June 2024 £ (unaudited)	1 January 2024 to 31 December 2024 £ (audited)
Operating activities:			
Operating profit for the period / year before tax	143,825	10,951,803	7,713,721
Adjustments before tax			
Income from loans advanced	(6,004,173)	(10,792,003)	(18,522,158)
Short term deposits interest income	(1,158,125)	(1,443,065)	(2,656,832)
Impairment loss on loans advanced	6,234,676	-	10,849,579
(Increase) / decrease in prepayments	(5,495)	(9,150)	1,403
Decrease in trade and other payables	(109,918)	(65,135)	(117,686)
Net unrealised losses / (gains) on foreign exchange derivatives	465,906	45,475	(19,601)
Net foreign exchange (gains) / losses	(833,125)	(498,392)	(527,878)
Net foreign exchange losses / (gains) on foreign exchange derivatives	(2,981)	2,142,687	2,737,627
Currency translation difference	(1,410)	977,980	864,010
Impairment reversal on loans advanced	-	(143,478)	(143,478)
Credit facility interest and amortisation of fees	-	8,333	8,333
Credit facility commitment fees	-	56,610	56,610
	(1,270,820)	**1,231,665**	**243,650**
Loans advanced	-	(8,828,699)	(9,883,286)
Loan repayments and amortisation	48,764,280	102,077,030	109,362,030
Interest, commitment and exit fee income from loans advanced	5,243,424	13,255,599	20,573,183
Corporate taxes paid	(289,196)	(131,405)	(188,237)
Net cash inflow from operating activities	**52,447,688**	**107,604,190**	**120,107,340**
Cash flows from investing activities			
Short term deposits interest income	1,158,125	1,443,065	2,656,832
Net cash inflow from investing activities	**1,158,125**	**1,443,065**	**2,656,832**
Cash flows from financing activities			
Share redemptions	(45,999,965)	(44,999,995)	(125,000,001)
Dividends paid	(4,702,079)	(9,596,655)	(14,929,720)
Credit facility commitment fees paid	-	(111,267)	(111,267)
Net cash outflow from financing activities	**(50,702,044)**	**(54,707,917)**	**(140,040,988)**
Net increase / (decrease) in cash and cash equivalents	**2,903,769**	**54,339,338**	**(17,276,816)**
Cash and cash equivalents at the start of the period / year	45,686,362	63,837,644	63,837,644
Net foreign exchange losses on cash and cash equivalents	(19,390)	(1,033,666)	(874,466)
Cash and cash equivalents at the end of the period / year	**48,570,741**	**117,143,316**	**45,686,362**

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

Notes to the Unaudited Condensed Consolidated Financial Statements
for the period ended 30 June 2025

1. GENERAL INFORMATION

Starwood European Real Estate Finance Limited (the "Company") was incorporated with limited liability in Guernsey under the Companies (Guernsey) Law, 2008, as amended, on 9 November 2012 with registered number 55836, and has been authorised by the Guernsey Financial Services Commission (the "GFSC") as a registered closed-ended investment scheme. The registered office and principal place of business of the Company is 1, Royal Plaza, Royal Avenue, St Peter Port, Guernsey, Channel Islands, GY1 2HL.

The Company has appointed Starwood European Finance Partners Limited as the Investment Manager (the "Investment Manager"), a company incorporated in Guernsey and regulated by the GFSC. The Investment Manager has appointed Starwood Capital Europe Advisers, LLP (the "Investment Adviser"), an English limited liability partnership authorised and regulated by the FCA, to provide investment advice pursuant to an Investment Advisory Agreement. The administration of the Company is delegated to Apex Fund and Corporate Services (Guernsey) Limited (the "Administrator").

On 12 December 2012, the Company announced the results of its IPO, which raised net proceeds of £223.9 million. The Company's Ordinary Shares were admitted to the premium segment of the UK FCA's Official List and to trading on the Main Market of the London Stock Exchange as part of its IPO which completed on 17 December 2012. Further issues took place in March 2013, April 2013, July 2015, September 2015, August 2016 and May 2019. On 10 August 2020, the Company announced the appointment of Jefferies International Limited as buy-back agent to effect share buybacks on behalf of the Company. During the years ended 2020, 2021 and 2022 the Company bought back a total of 17,626,702 Ordinary Shares at an average cost of 91.51 pence per share. These Ordinary Shares were held in treasury until they were cancelled in June 2023.

Following the Company's Extraordinary General Meeting ("EGM") on 27 January 2023, the Company's objective changed and is now to conduct an orderly realisation of the assets of the Group and the return of capital to Shareholders. In line with this objective the Board is endeavouring to realise all of the Group's investments in a manner that achieves a balance between maximising the net value received from those investments and making timely returns to Shareholders. By 31 December 2024 this had resulted in a redemption of a total of 201,663,063 shares for an aggregate of £210,002,624. As at 31 December 2024 the Company had 193,929,633 shares (2023: 313,690,942 shares) in issue. During February 2025 the Company redeemed a total of 45,889,830 Ordinary Shares at an average of 100.24 pence per share for an aggregate of £45,999,965. As of 30 June 2025 and the date of issuance of this report, the Company had 148,039,803 shares in issue and the total number of voting rights was 148,039,803.

The Unaudited Condensed Consolidated Financial Statements comprise the financial statements of the Company, Starfin Public Holdco 1 Limited ("Holdco 1"), Starfin Public Holdco 2 Limited ("Holdco 2"), Starfin Lux S.à.r.l ("Luxco"), Starfin Lux 3 S.à.r.l ("Luxco 3") and Starfin Lux 4 S.à.r.l ("Luxco 4") (together, the "Group") as at 30 June 2025.

2. BASIS OF PREPARATION AND PRINCIPAL ACCOUNTING POLICIES

The Company has prepared these Unaudited Condensed Consolidated Financial Statements on a going concern basis in accordance with International Accounting Standard 34, "Interim Financial Reporting", as adopted by the European Union and the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority. This Interim Financial Report does not comprise statutory Financial Statements within the meaning of the Companies (Guernsey) Law, 2008, and should be read in conjunction with the Consolidated Financial Statements of the Group as at and for the year ended 31 December 2024, which have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union and the Companies (Guernsey) Law, 2008. The statutory Financial Statements for the year ended 31 December 2024 were approved by the Board of Directors on 2 April 2025. The opinion of the Auditor on those Financial Statements was unqualified. This Interim Financial Report and Unaudited Condensed Consolidated Financial Statements for the period ended 30 June 2025 has been reviewed by the Auditor but not audited.

In line with the considerations noted in Note 1 above, the Directors have undertaken a comprehensive review and considered it appropriate to adopt the going concern basis of accounting in preparing the Interim Financial Report and Unaudited Condensed Consolidated Financial Statements.

There are a number of new and amended accounting standards and interpretations that became applicable for annual reporting periods commencing on or after 1 January 2025.

These amendments have not had a significant impact on these Unaudited Condensed Consolidated Financial Statements and therefore the additional disclosures associated with first time adoption have not been made.

The preparation of the Unaudited Condensed Consolidated Financial Statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

In preparing these Unaudited Condensed Consolidated Financial Statements, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the Annual Consolidated Financial Statements for the year ended 31 December 2024.

Notes to the Unaudited Condensed Consolidated Financial Statements
for the period ended 30 June 2025

3. NET FOREIGN EXCHANGE GAINS / (LOSSES)

	30 June 2025 £	30 June 2024 £	31 December 2024 £
Loans advanced gains - realised	-	449,103	449,103
Loans advanced losses - realised	(11,600)	(2,294,092)	(2,310,327)
Forward contracts gains - realised	-	2,255,012	2,829,114
Forward contracts losses - realised	(2,981)	(8,500)	(8,500)
Other gains / (losses) - realised	1,461	(85,477)	43,448
Total realised (losses) / gains	**(13,120)**	**316,046**	**1,002,838**
Loans advanced gains - unrealised	862,391	1,305,216	1,305,217
Loans advanced losses - unrealised	-	(1,122,870)	(1,795,936)
Forward contracts gains - unrealised	666,849	4,039,911	4,636,868
Forward contracts losses - unrealised	(1,132,755)	(4,085,386)	(4,617,267)
Total unrealised gains / (losses)	**396,485**	**136,871**	**(471,118)**
Net gains	**383,365**	**452,917**	**531,720**

On occasion, the Group may realise a gain or loss on the roll forward of a hedge if it becomes necessary to extend a capital hedge beyond the initial anticipated loan term. If this situation arises the Group will separate the realised FX gain or loss from other realised FX gains or losses and not consider it available to distribute (or as a reduction in distributable profits). The FX gain or loss will only be considered part of distributable reserves when the rolled hedge matures or is settled and the final net gain or loss on the capital hedges can be determined.

4. EARNINGS PER SHARE AND NET ASSET VALUE PER SHARE

The calculation of basic earnings per Ordinary Share is based on the operating profit of £42,908 (30 June 2024: £10,821,703 and 31 December 2024: £7,616,736) and on the weighted average number of Ordinary Shares in issue at 30 June 2025 of 160,970,087 (30 June 2024: 286,319,699 and 31 December 2024: 244,872,140).

The calculation of NAV per Ordinary Share is based on a NAV of £144,200,298 (30 June 2024: £283,482,721 and 31 December 2024: £194,881,696) and the actual number of Ordinary Shares in issue at 30 June 2025 of 148,039,803 (30 June 2024: 270,178,206 and 31 December 2024: 193,929,633).

5. CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprises bank balances and short term bank deposits held by the Group. The carrying amount of these represents their fair value.

	30 June 2025 £	30 June 2024 £	31 December 2024 £
Cash at bank	230,908	18,661,380	506,395
Short term deposit	48,339,833	98,481,936	45,179,967
	48,570,741	**117,143,316**	**45,686,362**

Cash and cash equivalents comprises cash and short-term deposits held with various banking institutions with original maturities of three months or less.

6. PREPAYMENTS

	30 June 2025 £	30 June 2024 £	31 December 2024 £
Prepayments	28,317	33,568	22,822
	28,317	**33,568**	**22,822**

Notes to the Unaudited Condensed Consolidated Financial Statements
for the period ended 30 June 2025

7. LOANS ADVANCED

	30 June 2025 £	30 June 2024 £	31 December 2024 £
UK			
Industrial Estate, UK	27,045,087	27,261,756	27,109,384
Hospitals, UK	25,363,672	25,354,632	25,367,849
Hotel, North Berwick	15,152,806	15,189,791	15,144,986
Life Science, UK	14,723,529	16,021,354	16,087,880
Hotels, United Kingdom	-	46,046,030	47,083,091
Hotel and Office, Northern Ireland	-	7,579,367	-
Spain			
Office Portfolio, Spain	8,042,772	8,019,380	7,790,072
Ireland			
Office Portfolio, Ireland	5,793,187	21,392,689	10,925,208
	96,121,053	**166,864,999**	**149,508,470**

The Group accounted for an impairment provision on the Office Portfolio, Ireland loan of £6.2 million (€7.3 million) as at 30 June 2025 (31 December 2024: £10.8 million equivalent to €12.9 million), bring the total impairment provision against this loan to £17.0 million (€20.2 million). The amounts above are shown net of these provisions as at 31 December 2024 and 30 June 2025.

7. LOANS ADVANCED (CONTINUED)

The table below reconciles the movement of the carrying value of loans advanced in the period / year.

	30 June 2025 £	30 June 2024 £	31 December 2024 £
Loans advanced at the start of the period / year	**149,508,470**	**264,096,284**	**264,096,284**
Loan repayments	(48,764,280)	(102,077,030)	(109,362,030)
Impairment loss on loans advanced	(6,234,676)	-	(10,849,579)
Interest income received[1]	(5,377,594)	(12,366,928)	(20,338,875)
Exit fees received	(236,671)	(1,163,650)	(1,298,650)
Commitment fees received	(182,941)	(307,042)	(514,116)
Loans advanced[1]	553,782	9,410,527	11,461,744
Foreign exchange gains / (losses)	850,790	(1,662,643)	(2,351,944)
Income from loans advanced	6,004,173	10,792,003	18,522,158
Impairment reversal on loans advanced	-	143,478	143,478
Loans advanced at the end of the period / year	**96,121,053**	**166,864,999**	**149,508,470**
Loans advanced at fair value	**97,432,261**	**178,250,750**	**155,403,126**

[1] These items include interest capitalised of £553,782 (period ended 30 June 2024: £581,828, year ended 31 December 2024: £1,578,458).

8. FINANCIAL ASSETS AND FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

Financial assets at fair value through profit or loss comprise currency forward contracts which represent contractual obligations to purchase domestic currency and sell foreign currency on a future date at a specified price.

The underlying instruments of currency forwards become favourable (assets) or unfavourable (liabilities) as a result of fluctuations of foreign exchange rates relative to their terms. The aggregate contractual or notional amount of derivative financial instruments, the extent to which instruments are favourable or unfavourable, and thus the aggregate fair values of derivative financial assets and liabilities, can fluctuate significantly from time to time. The foreign exchange derivatives are subject to offsetting, enforceable master netting agreements for each counterparty.

The gains and losses relating to the currency forwards are included within "Net foreign exchange gains / (losses)" in the Unaudited Condensed Consolidated Statement of Comprehensive Income.

Fair value estimation

The fair value of financial assets, which comprise derivatives not designated as hedges, are valued based on the difference between the agreed price of selling or buying the financial instruments on a future date and the price quoted on the year end date for selling or buying the same or similar financial instruments.

Notes to the Unaudited Condensed Consolidated Financial Statements
for the period ended 30 June 2025

8. FINANCIAL ASSETS AND FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS (CONTINUED)

The fair value of financial assets and liabilities at fair value through profit or loss are set out below:

30 June 2025	Notional contract amount[1] £	Fair values		Total £
		Assets £	Liabilities £	
Foreign exchange derivatives				
Currency forwards:				
Lloyds Bank plc	39,678,725	883,599	(336,700)	546,899
Total	**39,678,725**	**883,599**	**(336,700)**	**546,899**

30 June 2024	Notional contract amount[1] £	Fair values		Total £
		Assets £	Liabilities £	
Foreign exchange derivatives				
Currency forwards:				
Lloyds Bank plc	72,153,271	1,419,030	(471,301)	947,729
Total	**72,153,271**	**1,419,030**	**(471,301)**	**947,729**

31 December 2024	Notional contract amount[1] £	Fair values		Total £
		Assets £	Liabilities £	
Foreign exchange derivatives				
Currency forwards:				
Lloyds Bank plc	49,537,976	1,996,273	(983,468)	1,012,805
Total	**49,537,976**	**1,996,273**	**(983,468)**	**1,012,805**

[1] Euro amounts are translated at the period / year end exchange rate

9. TRADE AND OTHER PAYABLES

	30 June 2025 £	30 June 2024 £	31 December 2024 £
Audit fees payable	326,975	223,569	383,513
Investment management fees payable	275,431	525,743	364,757
Administration fees payable	240,434	141,865	196,087
Accrued expenses	160,340	273,745	168,741
Tax provision	63,532	341,242	235,665
Directors' fees and expenses payable	-	727	-
	1,066,712	**1,506,891**	**1,348,763**

10. SHARE CAPITAL

The authorised share capital of the Company consists of an unlimited number of redeemable Ordinary Shares of no par value which upon issue the Directors may classify into such classes as they may determine. The Ordinary Shares are redeemable at the discretion of the Board.

At the period end, the Company had issued and fully paid up share capital as follows:

	Six months to 30 June 2025 £	Six months to 30 June 2024 £	Year to 31 December 2024 £
Period to:			
Ordinary Shares of no par value Issued and fully paid at beginning of period	193,929,633	313,690,942	313,690,942
Shares redeemed during period	(45,889,830)	(43,512,736)	(119,761,309)
Total Ordinary Shares at end of period	**148,039,803**	**270,178,206**	**193,929,633**

Notes to the Unaudited Condensed Consolidated Financial Statements
for the period ended 30 June 2025

10. SHARE CAPITAL (CONTINUED)

The Company's share capital is denominated in Sterling. At any general meeting of the Company each ordinary share carries one vote. The Ordinary Shares also carry the right to receive all income of the Company attributable to the Ordinary Shares, and to participate in any distribution of such income made by the Company, such income shall be divided pari passu among the holders of Ordinary Shares in proportion to the number of Ordinary Shares held by them.

Significant share movements

1 January 2025 to 30 June 2025:

	Number	£
Balance at the start of the period	193,929,633	201,966,107
Shares redeemed in six months to June 2025	(45,889,830)	(45,829,840)
Balance at the end of the period	**148,039,803**	**156,136,267**
Issue costs since inception		**(8,289,989)**
Net proceeds		**147,846,278**

1 January 2024 to 30 June 2024:

	Number	£
Balance at the start of the period	313,690,942	321,570,857
Shares redeemed in six months to June 2024	(43,512,736)	(43,455,853)
Balance at the end of the period	**270,178,206**	**278,115,004**
Issue costs since inception		**(8,289,989)**
Net proceeds		**269,825,015**

1 January 2024 to 31 December 2024:

	Number	£
Balance at the start of the period	313,690,942	321,570,857
Shares redeemed in 2024	(119,761,309)	(119,604,750)
Balance at the end of the year	**193,929,633**	**201,966,107**
Issue costs since inception		**(8,289,989)**
Net proceeds		**193,676,118**

11. DIVIDENDS

Dividends will be declared by the Directors and paid in compliance with the solvency test prescribed by Guernsey law. Under Companies (Guernsey) Law, 2008, companies can pay dividends in excess of accounting profit provided they satisfy the solvency test prescribed by the Companies (Guernsey) Law, 2008. The solvency test considers whether a company is able to pay its debts when they fall due, and whether the value of a company's assets is greater than its liabilities. The Company passed the solvency test for each dividend paid.

Subject to market conditions, the financial position of the Group and the investment outlook, it is the Directors' intention to continue to pay quarterly dividends to shareholders (for more information see Chairman's Statement).

The Group paid the following dividends in respect of the period to 30 June 2025:

	Dividend rate per Share (pence)	Net dividend paid (£)	Payment date
Period to:			
31 March 2025 [1]	1.375	2,035,547	23 May 2025
30 June 2025 [2]	1.375	2,035,547	5 September 2025

[1] Declared on 23 Apr 2025 and paid on 23 May 2025 to shareholders on the register as at 2 May 2025.

[2] Declared on 5 August 2025 and to be paid on 5 September 2025 to shareholders on the register as at 15 August 2025. As this was declared after period end it was not accrued at period end.

The Company paid the following dividends in respect of the year to 31 December 2024:

	Dividend rate per Share (pence)	Net dividend paid (£)	Payment date
Period to:			
31 March 2024	1.375	3,714,950	24 May 2024
30 June 2024	1.375	2,666,532	23 August 2024
30 September 2024	1.375	2,666,532	22 November 2024
31 December 2024[1]	1.375	2,666,532	28 February 2025

[1] Declared on 24 January 2025 and paid on 28 February 2025 to shareholders on the register as at 7 February 2025. As this was declared after year end it was not accrued at year end.

Notes to the Unaudited Condensed Consolidated Financial Statements
for the period ended 30 June 2025

12. RISK MANAGEMENT POLICIES AND PROCEDURES

The Group through its investment in whole loans, mezzanine loans and junior loans is exposed to a variety of financial risks, including market risk (including market price risk, currency risk and interest rate risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

It is the role of the Board to review and manage all risks associated with the Group, mitigating these either directly or through the delegation of certain responsibilities to the Audit Committee, Investment Manager and Investment Adviser.

The Board of Directors has established procedures for monitoring and controlling risk. The Group has investment guidelines that set out its overall business strategies, its tolerance for risk and its general risk management philosophy.

In addition, the Investment Manager monitors and measures the overall risk bearing capacity in relation to the aggregate risk exposure across all risk types and activities. Further details regarding these policies are set out below:

(i) Market risk

Market risk includes market price risk, currency risk and interest rate risk.

a) Market price risk

If a borrower defaults on a loan and the real estate market enters a downturn it could materially and adversely affect the value of the collateral over which loans are secured. However, this risk is considered by the Board to constitute credit risk as it relates to the borrower defaulting on the loan and not directly to any movements in the real estate market.

The Investment Manager moderates market risk through a careful selection of loans within specified limits. The Group's overall market position is monitored by the Investment Manager and is reviewed by the Board of Directors on an ongoing basis.

b) Currency risk

The Group, via the subsidiaries, operates across Europe and invests in loans that are denominated in currencies other than the functional currency of the Company. Consequently, the Group is exposed to risks arising from foreign exchange rate fluctuations in respect of these loans and other assets and liabilities which relate to currency flows from revenues and expenses. Exposure to foreign currency risk is hedged and monitored by the Investment Manager on an ongoing basis and is reported to the Board accordingly.

The Group and Lloyds Bank plc entered into an international forward exchange master agreement dated 5 April 2013 and on 7 February 2014 the Group entered into a Professional Client Agreement with Goldman Sachs, pursuant to which the parties can enter into foreign exchange transactions with the intention of hedging against fluctuations in the exchange rate between Sterling and other currencies. The Group does not trade in derivatives but holds them to hedge specific exposures and have maturities designed to match the exposures they are hedging. The derivatives are held at fair value which represents the replacement cost of the instruments at the reporting date and movements in the fair value are included in the Unaudited Condensed Consolidated Statement of Comprehensive Income under net foreign exchange losses/(gains). The Group does not adopt hedge accounting in the Unaudited Condensed Consolidated Statement of Financial Statements. At the end of the reporting period the Group had 9 (June 2024: 19 and December 2024: 9) open forward contracts.

c) Interest rate risk

Interest rate risk is the risk that the value of financial instruments and related income from loans advanced and cash and cash equivalents will fluctuate due to changes in market interest rates.

The majority of the Group's financial assets are loans advanced at amortised cost, prepayments and cash and cash equivalents. The Group's investments have some exposure to interest rate risk but this is limited to interest earned on cash deposits and floating interbank rate exposure for investments designated as loans advanced. Loans advanced have been structured to include a combination of fixed and floating interest rates to reduce the overall impact of interest rate movements. Further protection is provided by including interbank rate floors and preventing interest rates from falling below certain levels.

The loans in place at 30 June 2025 are structured so that 77.7 per cent (30 June 2024: 84.8 per cent, 31 December 2024: 84.3 per cent) are floating rate and all of these floating rate loans are subject to interbank rate floors such that the interest rate cannot drop below a certain level, which offers some protection against downward interest rate risk. The remaining 22.3 per cent by value of the loans are fixed rate, which provides protection from downward interest rate movements to the overall portfolio (but also prevents the Group from benefiting from any interbank rate rises on these positions).

(ii) Credit risk

Credit risk is the risk that a counterparty will be unable to pay amounts in full when due. The Group's main credit risk exposure is in the investment portfolio, shown as loans advanced at amortised cost, where the Group invests in whole loans and also subordinated and mezzanine debt which rank behind senior debt for repayment in the event that a borrower defaults. As at 30 June 2025, the Group spread the credit risk by diversifying the loans being advanced to different geographic locations and different sectors. There is also credit risk in respect of other financial assets as a portion of the Group's assets are cash and cash equivalents or accrued interest. The banks used to hold cash and cash equivalents have been diversified to spread the credit risk to which the Group is exposed. For banks and financial institutions, only independently rated parties with a minimum rating of 'A' are accepted. The Group also has credit risk exposure in its financial assets classified as financial assets through profit or loss which can be diversified between hedge providers in order to spread credit risk to which the Group is exposed. At the period end the derivative exposures were with one counterparty.

The total exposure to credit risk arises from default of the counterparty and the carrying amounts of financial assets best represent the maximum credit risk exposure at the end of the reporting period. As at 30 June 2025, the maximum credit risk exposure was £145,238,693 (30 June 2024: £284,956,044 and 31 December 2024: £196,207,637).

The Investment Manager has adopted procedures to reduce credit risk exposure by conducting credit analysis of the counterparties, their business and reputation which is monitored on an ongoing basis. After the advancing of a loan, a dedicated debt asset manager employed by the Investment Adviser monitors ongoing credit risk and reports to the Investment Manager, with quarterly updates also provided to the Board. The debt asset manager routinely stresses and analyses the profile of the Group's underlying risk in terms of exposure to significant tenants, performance of asset management teams and property managers against specific milestones that are typically agreed at the time of the original loan underwriting, forecasting headroom against covenants, reviewing market data and

Notes to the Unaudited Condensed Consolidated Financial Statements for the period ended 30 June 2025

12. RISK MANAGEMENT POLICIES AND PROCEDURES (CONTINUED)

forecast economic trends to benchmark borrower performance and to assist in identifying potential future stress points. Periodic physical inspections of assets that form part of the Group's security are also completed in addition to monitoring the identified capital expenditure requirements against actual borrower investment.

The Group measures credit risk and expected credit losses using probability of default, exposure at default and loss given default. The Directors consider both historical analysis and forward looking information in determining any expected credit loss. The Directors consider the loss given default to be close to zero as all loans are the subject of very detailed underwriting, including the testing of resilience to aggressive downside scenarios with respect to the loan specifics, the market and general macro changes. In addition to this, all loans have very robust covenants in place, strong security packages and significant loan-to-value headroom.

During the period, one asset which is classified as Stage 1 made a significant repayment decreasing the Group's exposure to loss. The Group accounted for an impairment provision on loans to Office Portfolio, Ireland of £6,234,676 as at 30 June 2025 (2024: impairment provision on its loan to Office Portfolio, Ireland of £10,849,579). The £10.8 million (€12.9 million) loan impairment provision related to Office Portfolio, Ireland loan was announced on 21 October 2024 and an additional impairment provision of £6.2 million (€7.3 million) was announced on 1 August 2025 respectively.

(iii) Liquidity risk

Liquidity risk is the risk that the Group will not have sufficient resources available to meet its liabilities as they fall due. The Group's loans advanced are illiquid and may be difficult or impossible to realise for cash at short notice.

The Group manages its liquidity risk through short term and long term cash flow forecasts to ensure it is able to meet its obligations. Ongoing costs are covered by interest receipts. Dividends are paid from available cash. The Company is permitted to borrow up to 30 per cent of NAV. However, as at 30 June 2025, 30 June 2024 and 31 December 2024 the Company had no credit facilities as it had not pursed the extension of the facilities it had held up to March 2024 (amounting to £25.0 million) as it held sufficient cash reserves.

As at 30 June 2025, the Group had £48,570,741 (30 June 2024: £117,143,316 and 31 December 2024: £45,686,362) available in cash and £1,066,712 (30 June 2024: £1,506,891 and 31 December 2024: £1,348,763) in trade payables outstanding. There were no outstanding loan cash commitments as of 30 June 2025 (30 June 2024: £24.1 million and 31 December 2024: £23.0 million). The Directors consider the Group holds sufficient cash to meet the Group's liabilities.

30 June 2025	Up to 3 months £	Between 3 and 12 months £	Over 12 months £	Total £
Assets				
Loans advanced	29,876,335	39,199,631	27,045,087	96,121,053
Cash and cash equivalents	48,570,741	-	-	48,570,741
Liabilities and commitments				
Loan commitments [1]	-	-	-	-
Trade and other payables	(1,066,712)	-	-	(1,066,712)
	77,380,364	**39,199,631**	**27,045,087**	**143,625,082**

[1] Loan commitments are estimated forecasted drawdowns at year end.

31 December 2024	Up to 3 months £	Between 3 and 12 months £	Over 12 months £	Total £
Assets				
Loans advanced	15,144,986	60,171,009	74,192,475	149,508,470
Cash and cash equivalents	45,686,362	-	-	45,686,362
Liabilities and commitments				
Loan commitments [1]	(6,159,251)	(10,902,785)	(5,974,547)	(23,036,583)
Trade and other payables	(1,348,763)	-	-	(1,348,763)
	53,323,334	**49,268,224**	**68,217,928**	**170,809,486**

[1] Loan commitments are estimated forecasted drawdowns at year end.

Capital management policies and procedures

The Group's capital management objectives are:

- To ensure that the Group will be able to continue as a going concern; and
- To maximise the income and capital return to equity shareholders through an appropriate balance of equity capital and cash reserves.

The capital of the Company is represented by the net assets attributable to the holders of the Company's shares.

In accordance with the Group's current investment policy, the Group's principal use of cash is to fund ongoing operational expenses and payment of dividends in accordance with the Company's dividend policy and the return of capital to shareholders.

The Board, with the assistance of the Investment Manager, monitors and reviews the broad structure of the Company's capital on an ongoing basis. The Company has no imposed capital requirements.

The Company's capital at the end of the reporting period comprises:

	Six months to 30 June 2025 £	Six months to 30 June 2024 £	Year to 31 December 2024 £
Equity			
Equity share capital	147,846,278	269,825,015	193,676,118
Retained (deficit) / earnings and translation reserve	(3,645,980)	13,657,706	1,205,578
Total capital	**144,200,298**	**283,482,721**	**194,881,696**

13. FAIR VALUE MEASUREMENT

IFRS 13 requires the Group to classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

(i) Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1);

(ii) Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices including interest rates, yield curves, volatilities, prepayment rates, credit risks and default rates) or other market corroborated inputs (level 2); and

(iii) Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

Notes to the Unaudited Condensed Consolidated Financial Statements
for the period ended 30 June 2025

13. FAIR VALUE MEASUREMENT (CONTINUED)

The following table analyses within the fair value hierarchy the Group's financial assets and liabilities (by class) measured at fair value:

30 June 2025

	Level 1 £	Level 2 £	Level 3 £	Total £
Assets				
Financial assets at fair value through profit or loss	-	883,599	-	883,599
Short term deposit [1]	48,339,833	-	-	48,339,833
Total	**48,339,833**	**883,599**	**-**	**49,223,432**
Liabilities				
Financial liabilities at fair value through profit or loss	-	(336,700)	-	(336,700)
Total	**-**	**(336,700)**	**-**	**(336,700)**

[1] Presented under cash and cash equivalents in Statement of Financial Position.

30 June 2024

	Level 1 £	Level 2 £	Level 3 £	Total £
Assets				
Financial assets at fair value through profit or loss	-	1,419,030	-	1,419,030
Short term deposit [1]	98,481,936	-	-	98,481,936
Total	**98,481,936**	**1,419,030**	**-**	**99,900,966**
Liabilities				
Financial liabilities at fair value through profit or loss	-	(471,301)	-	(471,301)
Total	**-**	**(471,301)**	**-**	**(471,301)**

[1] Presented under cash and cash equivalents in Statement of Financial Position.

31 December 2024

	Level 1 £	Level 2 £	Level 3 £	Total £
Assets				
Financial assets at fair value through profit or loss	-	1,996,273	-	1,996,273
Short term deposit[1]	45,179,967	-	-	45,179,967
Total	**45,179,967**	**1,996,273**	**-**	**47,176,240**
Liabilities				
Financial liabilities at fair value through profit or loss	-	(983,468)	-	(983,468)
Total	**-**	**(983,468)**	**-**	**(983,468)**

[1] Presented under cash and cash equivalents in Statement of Financial Position.

The Directors are responsible for considering the methodology and assumptions used by the Investment Adviser and for approving the fair values reported at the financial period end.

13. FAIR VALUE MEASUREMENT (CONTINUED)

The following table summarises within the fair value hierarchy the Group's assets and liabilities (by class) not measured at fair value but for which fair value is disclosed:

30 June 2025

	Level 1 £	Level 2 £	Level 3 £	Total fair values £	Total carrying amount £
Assets					
Loans advanced	-	-	97,432,261	97,432,261	96,121,053
Total	**-**	**-**	**97,432,261**	**97,432,261**	**96,121,053**

30 June 2024

	Level 1 £	Level 2 £	Level 3 £	Total fair values £	Total carrying amount £
Assets					
Loans advanced	-	-	178,250,750	178,250,750	166,864,999
Total	**-**	**-**	**178,250,750**	**178,250,750**	**166,864,999**

31 December 2024

	Level 1 £	Level 2 £	Level 3 £	Total fair values £	Total carrying amount £
Assets					
Loans advanced	-	-	155,403,126	155,403,126	149,508,470
Total	**-**	**-**	**155,403,126**	**155,403,126**	**149,508,470**

For cash and cash equivalents, other receivables and trade and other payables the carrying amount is a reasonable approximation of the fair value.

Notes to the Unaudited Condensed Consolidated Financial Statements for the period ended 30 June 2025

13. FAIR VALUE MEASUREMENT (CONTINUED)

The fair value of loans advanced have been determined by discounting the expected cash flows using a discounted cash flow model. For avoidance of doubt, the Group carries its loans advanced at amortised cost.

Cash and cash equivalents include cash at hand and fixed deposits held with banks. Prepayments include the contractual amounts and obligations due to the Group and consideration for advance payments made by the Group. Trade and other payables represent the contractual amounts and obligations due by the Group for contractual payments.

14. CONTROLLING PARTY

In the opinion of the Directors, on the basis of shareholdings advised to them, the Company has no immediate or ultimate controlling party.

15. TAXATION

The Company is exempt from Guernsey taxation under the Income Tax (Exempt Bodies) (Guernsey) Ordinance 1989 for which it pays an annual fee of £1,600 as of 2024 (previously £1,200). The Luxembourg indirect subsidiaries of the Company are subject to the applicable tax regulations in Luxembourg.

The Luxco had no operating gains on ordinary activities before taxation and was therefore subject to the Luxembourg minimum corporate income taxation at €4,815 (year ended 31 December 2024: €4,815). The Luxco 3 and Luxco 4 are subject to Corporate Income Tax and Municipal Business Tax based on a margin calculated on an arm's-length principle. The effective annual tax rate in Luxembourg during the reporting period was 24.94 per cent (year ended 31 December 2024: 24.94 per cent).

16. RELATED PARTY TRANSACTIONS

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions.

The tables below summarise the outstanding balances and transactions which occurred with related parties.

	Outstanding at 30 June 2025 £	Outstanding at 30 June 2024 £	Outstanding at 31 December 2024 £
Investment Manager			
Investment management fees payable	275,431	525,743	364,757

	For the period ended 30 June 2025 £	For the period ended 30 June 2024 £	For the year ended 31 December 2024 £
Directors' fees and expenses			
John Whittle	30,000	30,000	60,000
Shelagh Mason	22,500	22,500	45,000
Charlotte Denton	25,000	25,000	50,000
Gary Yardley	21,000	21,000	42,000
Expenses	1,530	502	2,279
Investment Manager			
Investment management fees earned	580,750	1,092,092	1,840,831
Expenses	29,670	49,197	71,490

Notes to the Unaudited Condensed Consolidated Financial Statements
for the period ended 30 June 2025

16. RELATED PARTY TRANSACTIONS (CONTINUED)

The tables below summarise the dividends paid to and number of Company's shares held by related parties.

	Dividends paid during the period ended 30 June 2025 £	Dividends paid during the period ended 30 June 2024 £	Dividends paid during the year ended 31 December 2024 £
Starwood Property Trust Inc.	108,639	221,727	344,944
SCG Starfin Investor LP	27,160	55,432	86,236
John Whittle	403	822	1,278
Charlotte Denton	528	1,078	1,677
Shelagh Mason	1,341	2,737	4,258
Duncan MacPherson*	2,972	6,011	9,435
Lorcain Egan*	995	2,030	3,158

	As at 30 June 2025 Number of shares	As at 30 June 2024 Number of shares	As at 31 December 2024 Number of shares
Starwood Property Trust Inc.	3,420,384	6,242,339	4,480,649
SCG Starfin Investor LP	855,098	1,560,587	1,120,164
John Whittle	12,677	23,133	16,602
Charlotte Denton	16,633	30,355	21,788
Shelagh Mason	42,218	77,051	55,305
Duncan MacPherson*	93,557	170,743	122,559
Lorcain Egan*	31,315	57,149	41,022

* Employees at the Investment Adviser

RELATED PARTIES' INTEREST IN SHARES

The related parties' interests in the Ordinary Shares of the Company are shown on the table above. Changes in shareholdings between 30 June 2024, 31 December 2024 and 30 June 2025 are as a result of the compulsory share redemptions which took place during those periods.

Other

The Group continues to participate in a number of loans in which Starwood Property Trust, Inc. ("STWD") acted as a co-lender. The details of these loans are shown in the table below.

Loan	Related party co-lenders
Office Portfolio, Spain	STWD
Office Portfolio, Ireland	STWD

17. EVENTS AFTER THE REPORTING PERIOD

Subsequent to 30 June 2025, the following loans have been repaid in full up to the date of publication of this report:

	Local Currency
Hotel, North Berwick	£15,000,000
Life Science, UK	£14,070,000

On 5 August 2025, the Directors declared a dividend in respect of the second quarter of 2025 of 1.375 pence per Ordinary share payable on 5 September 2025 to shareholders on the register at 15 August 2025.

On the 5 September 2025 the Board met, considered and ultimately approved a further impairment provision of £1.9 million (€2.2 million), bringing the recoverable value of the Office Portfolio, Ireland loan investment to €4.8 million. An announcement providing further information in respect of the Board's consideration of the above will follow the morning of 8 September 2025, the same day as the release of these Interim Financial Statements.

Alternative Performance Measures

In accordance with ESMA Guidelines on Alternative Performance Measures ("APMs") the Board has considered what APMs are included in the Interim Financial Report and Unaudited Condensed Consolidated Financial Statements which require further clarification. An APM is defined as a financial measure of historical or future financial performance, financial position, or cash flows, other than a financial measure defined or specified in the applicable financial reporting framework. As stated by FRC, where an APM cannot be reconciled directly to the financial statements (e.g. financial ratios), they expect companies to provide calculations (unless not practical). APMs included in the financial statements, which are unaudited and outside the scope of IFRS and it is not practical to provide calculations. We have set out the calculation mechanism as below:

NAV PER ORDINARY SHARE

The NAV per Ordinary Share represents the net assets attributable to equity shareholders divided by the number of Ordinary Shares in issue, excluding any shares held in treasury. The NAV per Ordinary Share is published monthly. This APM relates to past performance and is used as a comparison to the share price per Ordinary Share to assess performance. There are no reconciling items between this calculation and the Net Asset Value shown on the balance sheet (other than to calculate by Ordinary Share).

NAV TOTAL RETURN

The NAV total return measures the combined effect of any dividends paid, together with the rise or fall in the NAV per Ordinary Share. This APM relates to past performance and takes into account both capital returns and dividends paid to shareholders. Any dividends received by a shareholder are assumed to have been reinvested in the assets of the Company at its NAV per Ordinary Share.

SHARE PRICE TOTAL RETURN

The share price total return measures the combined effects of any dividends paid, together with the rise or fall in the share price. This APM relates to past performance and assesses the impact of movements in the share price on total returns to investors. Any dividends received by a shareholder are assumed to have been reinvested in additional shares of the Company at the time the shares were quoted ex-dividend.

NAV TO MARKET PRICE DISCOUNT / PREMIUM

The discount / premium is the amount by which the share price of the Company is lower (discount) or higher (premium) than the NAV per Ordinary Share at the date of reporting and relates to past performance. The discount or premium is normally expressed as a percentage of the NAV per Ordinary Share.

FUNDED LOAN PORTFOLIO UNLEVERED ANNUALISED TOTAL RETURN

The unlevered annualised return is a calculation at the quarterly reporting date of the estimated annual return on the portfolio at that point in time. It is calculated individually for each loan by summing the one-off fees earned (such as up-front arrangement or exit fees charged on repayment) and dividing these over the full contractual term of the loan, and adding this to the annual returns. Where a loan is floating rate (partially or in whole or with floors), the returns are based on an assumed profile for future interbank rates, but the actual rate received may be higher or lower. The return is calculated only on amounts funded at the quarterly reporting date and excludes committed but undrawn loans and excludes cash not invested. The calculation also excludes origination fees paid to the Investment Manager, which are accounted for within the interest line in the financial statements.

An average, weighted by loan amount, is then calculated for the portfolio.

This APM gives an indication of the future performance of the portfolio (as constituted at the reporting date). The calculation, if the portfolio remained unchanged, could be used to estimate "income from loans advanced" in the Unaudited Condensed Consolidated Statement of Comprehensive Income if adjusted for the origination fee of 0.75 basis points amortised over the average life of the loan. As discussed earlier in this report the figure actually realised may be different due to the following reasons:

- In the quoted return, we amortise all one-off fees (such as arrangement and exit fees) over the contractual life of the loan. However, it has been our general experience that loans tend to repay sooner and as such, these fees are generally amortised over a shorter period
- Many loans benefit from prepayment provisions, which means that if they are repaid before the end of the protected period, additional interest or fees become due. As we quote the return based on the contractual life of the loan these returns cannot be forecast in the return
- The quoted return excludes the benefit of any foreign exchange gains on Euro loans. We do not forecast this as the loans are often repaid early and the gain may be lower than this once hedge positions are settled

Generally speaking, the actual annualised total return is likely to be higher than the reported return for these reasons, but this is not incorporated in the reported figure, as the benefit of these items cannot be assumed.

Alternative Performance Measures

ONGOING CHARGES PERCENTAGE

Ongoing charges represents the management fee and all other operating expenses excluding finance costs and transactions costs, expressed as a percentage of the average monthly net asset values during the year and allows users to assess the running costs of the Group. This is calculated in accordance with AIC guidance and relates to past performance. The charges include the following lines items within the Consolidated Statement of Comprehensive Income:

- Investment management fees
- Administration fees
- Audit and non-audit fees
- Other expenses
- Legal and professional fees
- Directors' fees and expenses
- Broker's fees and expenses
- Agency fees

The calculation adds back any expenses unlikely to occur absent any loan originations or repayments and as such, the costs associated with hedging Euro loans back to sterling have been added back. The calculation does not include origination fees paid to the Investment Manager; these are recognised through "Income from loans advanced".

WEIGHTED AVERAGE PORTFOLIO LTV TO GROUP FIRST AND LAST £

These are calculations made as at the quarterly reporting date of the loan to value ("LTV") on each loan at the lowest and highest point in the capital stack in which the Group participates. LTV to "Group last £" means the percentage which the total loan commitment less any amortisation received to date (when aggregated with any other indebtedness ranking alongside and/or senior to it) bears to the market value determined by the last formal lender valuation received by the quarterly reporting date. LTV to "first Group £" means the starting point of the loan to value range of the loan commitments (when aggregated with any other indebtedness ranking senior to it). For development projects, the calculation includes the total facility available and is calculated against the assumed market value on completion of the project.

An average, weighted by the loan amount, is then calculated for the portfolio.

This APM provides an assessment of future credit risk within the portfolio and does not directly relate to any financial statement line items.

PERCENTAGE OF FUNDED PORTFOLIO IN FLOATING RATE LOANS

This is a calculation made as at the quarterly reporting date, which calculates the value of loans, which have an element of floating rate in part, in whole and including loans with floors, as a percentage of the total value of loans. This APM provides an assessment of potential future volatility of the income on loans, as a large percentage of floating rate loans would mean that income would move up or down with changes in SONIA.

AVERAGE LOAN TERM AND AVERAGE REMAINING LOAN TERM

The average loan term is calculated at the quarterly reporting date by calculating the average length of each loan from initial advance to the contractual termination date. An average, weighted by the loan amount, is then calculated for the portfolio.

The average remaining loan term is calculated at the quarterly reporting date by calculating the average length of each loan from the quarterly reporting date to the contractual termination date. An average, weighted by the loan amount, is then calculated for the portfolio.

This APM provides an assessment of the likely level of repayments occurring in future years (absent any early repayments or loan extensions).

UNUSED LIQUID FACILITIES

Unused liquid facilities is the result of the Group's total cash and cash equivalents plus the available balance to withdraw under existing credit facilities at the reporting date.

PORTFOLIO DIVERSIFICATION

The portfolio diversification statistics are calculated by allocating each loan to the relevant sectors and countries based on the value of the underlying assets. This is then summed for the entire portfolio and a percentage calculated for each sector / country.

This APM provides an assessment of future risk within the portfolio due to exposure to specific sectors or countries and does not directly relate to any financial statement line items.

Corporate Information

STARWOOD
EUROPEAN REAL ESTATE FINANCE

Directors
John Whittle, Chairman
Shelagh Mason
Charlotte Denton
Gary Yardley
(all Non-Executive, Independent and care of the registered office)

Investment Manager
Starwood European Finance Partners Limited
1 Royal Plaza
Royal Avenue
St Peter Port
Guernsey
GY1 2HL

Solicitors to the Company (as to English law and U.S. securities law)
Norton Rose Fullbright LLP
3 More London Riverside
London
SE1 2AQ
United Kingdom

Registrar
Computershare Investor Services (Guernsey) Limited
2nd Floor
Lefebvre Place
Lefebvre Street
St Peter Port
GY1 2JP
Guernsey

Sole Broker
Jefferies Group LLC
100 Bishopsgate
London, EC2N 4JL
United Kingdom

Administrator, Designated Manager and Company Secretary
Apex Fund and Corporate Services (Guernsey) Limited
1 Royal Plaza
Royal Avenue
St Peter Port
Guernsey
GY1 2HL

Registered Office
1 Royal Plaza
Royal Avenue
St Peter Port
Guernsey
GY1 2HL

Investment Adviser
Starwood Capital Europe Advisers, LLP
1 Berkeley Street
London
W1J 8DJ
United Kingdom

Advocates to the Company (as to Guernsey law)
Carey Olsen
PO Box 98
Carey House, Les Banques
St Peter Port
Guernsey
GY1 4BZ

Independent Auditor
PricewaterhouseCoopers CI LLP
Royal Bank Place
1 Glategny Esplanade
St Peter Port
Guernsey
GY1 4ND

Principal Bankers
Barclays Private Clients International Limited
PO Box 41
St Julian's Court
St Julian's Avenue
St Peter Port
Guernsey
GY1 1WA

Website:
www.starwoodeuropeanfinance.com