SPL Guernsey ICC Limited
Chairman's Statement
For the year ended 31 March 2025

As in prior years, the board provides one report as an overview of the affairs of SPL Guernsey ICC Limited and its incorporated Cells (the "ICC") as a whole.

Shareholders will no doubt recall from prior years that we now have a very small number of remaining investment assets and legal claims where we believe there is still meaningful value to recover for investors either in excess of current prices (in the case of investments) or in excess of the costs of pursuit (in the case of legal claims). We also have to carry a prudent liquidity buffer to sustain our ability to prosecute those recoveries.

Greek litigation

We had two concrete successes during the financial year. The first related to a small recovery of €300K by compromising a charge taken against a residential property in the UK used (at least historically) by members of N Koros' family. The amount which could be realised was limited by the value of the property (a small suburban chalet bungalow) and by a prior charge in favour of a mortgagee. The second related to the final disposal of a significant element of one of the diversionary and delaying tactics employed by the defendants to frustrate our recovery attempts.

This counter-suit action was for technical reasons bifurcated by the Greek courts into two sets of parallel proceedings against EU-based defendants and non-EU defendants, the latter including SPL and its cells, although in substance the two sets of proceedings are effectively based on a single factual matrix. In late 2024, the EU leg was irrevocably concluded in favour of the defendants when our opponents' appeal against the lower courts' decisions was rejected by the Greek Supreme Court.

The non-EU leg was stayed a number of years ago pending conclusion of the EU leg and has consequently now been re-activated. Given that the factual matrix is the same, one would therefore expect the case to reach the same conclusion as the Appeal Court decision in the EU leg, which held that there had been no conspiracy against our opponents' interests. We are advised that if all rights of appeal are exercised by the litigants, the proceedings will finally conclude around 2028. We expect to have to go through the full cycle of first instance hearing, Appeal Court hearing and probably Supreme Court hearing as well.

Unless the proceedings are abandoned by the Koros interests, which seems unlikely given that their strategic purpose is self-evidently to delay, SPL therefore faces up to 3 years of inbound proceedings and attendant costs.

As to timescale and cost outflows, the above is the most significant matter and its disposal is not in our gift. We are, of course, as confident as one ever can be in a litigation situation that the eventual outcome will be favourable.

Current trading of Salamis

For completeness, I also note that the defendants' shipyard at Salamis appears to be prospering at the moment, having substantial (sub) contracts with French defence contractors to construct hulls for a class of 3 frigates for the Greek navy and with US contractors in respect of refurbishing a class of patrol craft. The latter is publicly reported to have a face value of €42 million. The former programme is larger still, but it is not easy to work out Salamis' proportion. One might also consider it likely that having established themselves as a significant defence contractor, further work may yet come their way if the present political environment leads to substantial increases in defence spending and given the likely capacity constraints in the supply chain for such equipment.

Dubai

After many years of hard work in Dubai, there has been disappointment this year. The ICC has interests through intermediate companies in two part completed developments in Dubai. In respect of one development, we had expected that our right of recovery would be attributed to the development, now being completed by a new developer appointed by a government committee. However our agreements were rescinded by the Court, which gave us an award in damages instead against the original developer, in actuality devoid of realisable value. There are no further steps open to us to recover on this development. This is extremely disappointing, but we are dealing with a very different legal system to the Anglo-Saxon world. The position on the second development is factually different. It is currently in a Dutch auction process. We are conducting appropriate due diligence and taking advice as to whether there is a viable way forward to establish our rights to a share of the auction proceeds. If we do decide to proceed, recoveries are far from assured but we remain conscious of our duty to shareholders to pursue recoveries where costs can be contained and there is a sufficient prospect of success.

JPEL Private Equity limited

In October 2024, JPEL entered into a put option with the management of its principal remaining private equity investment, Tax Advisory Services Company ("TASC") whereby JPEL has the right to sell its interest at the June 2024 NAV. The option exercise period opens in October 2025 and runs through to October 2026. The December 2024 NAV of JPEL was $1.40 of which 59 cents (42%) was TASC and 29 cents (21%) cash. This compared with the then share price of 72 cents. Historically, JPEL has distributed realisations (net of retentions for operating costs) in cash at latest NAV, typically therefore at a substantial premium to the prevailing market price. As at the time of writing, the market mid-price of JPEL has increased to 96 cents although the spread would indicate that in practice liquidity is low. If, as seems likely, the option is exercised by JPEL, we would expect that the proceeds and any other surplus cash (net of retentions for operating costs) would be distributed by means of a compulsory redemption at full NAV to JPEL shareholders which in the absence of unforeseen circumstances we would pass straight through to a distribution by the relevant ICC cells (SPLR and PE2) to their shareholders. The timing of the option exercise is, of course, a matter for JPEL and its advisers.

Other Assets

We are increasingly optimistic that some of the other assets may have some worthwhile recovery value, but that value remains uncertain both as to timing and quantum. For the sake of brevity, there is nothing more that I can usefully say at this juncture.

Structural

As you will be aware, the Board has sought to contain operational (and legal) costs as much as possible. To this end, we moved to six-monthly valuations during 2024. Most of our service providers are operating on minimum or fixed fees. Others (such as insurance) have fallen significantly as the perceived complexity and risks of the structure have fallen.

Timescales

The principal determinants of the remaining lives of the cells are: Greek litigation and JPEL monetisation. With the latter, we would expect it to be substantially distributed in the next 6 to 20 months. This would imply distributions for both PE2 and SPLR which are the two holders of JPEL and the possible subsequent voluntary liquidation of PE2 (which is predominantly JPEL) depending on the progress to be made by the board of JPEL in respect of monetising its rump portfolio. Most of the other cells are substantially exposed to the Greek litigation which could well run for some time yet. While these actions run their courses, it remains our intention to allow our other assets to monetise naturally rather than seek accelerated liquidity at substantial and unappealing discounts.

The portfolio at 31 March 2025, compared to 31 March 2024, comprised:

	2025	*2024*
	£m	*£m*
Cash and cash equivalents	6.6	6.6
Listed private equity	1.1	1.2
Unlisted funds	0.2	0.4
Other net assets	0.1	0.1
Net assets	8.0	8.3

The principal portfolio movements and costs over the year were:

		£m
Net assets at 31 March 2024		8.3
Changes in investment values:	- London Stock Market quoted investment (JPEL)	-
	- Net gains on other investments	0.4
Costs:	- Litigation costs in UK, Guernsey, Dubai and Greece, net of insurance recovery	(0.3)
	- Other operating expenses	(0.4)
Income:	Settlement of Claims	0.3
Accounting loss for the year		(0.1)
Distributions to shareholders		(0.2)
Net assets at 31 March 2025		8.0

Distribution by SPL Parallel Private Equity (PE2) IC Limited ("PE2")
We received US$478,000 in late November 2023 via the JPEL compulsory redemption referred to above. After conversion to Sterling, this became £198,000 attributable to PE2 and £190,000 to SPL Realisation IC Limited ("SPLR"). After considering the relative cash needs of the two funds, we were able to make a total capital distribution to PE2 shareholders by means of a partial redemption of £247,000 which was paid early in the financial year ended 31 March 2025 (in April 2024). In respect of SPLR and its ongoing litigation needs, the directors considered it prudent to retain the amount in reserve for the time being and so did not make a distribution to SPLR shareholders.

William Scott
Chairman
12 June 2025