24 October 2019

**RDL Realisation Plc**

**(“RDL” or the "Company")**

**Portfolio Update**

The Company today provides the following update on its investment portfolio as of 31 August 2019. All figures are unaudited and based on management accounts.

The table below is an unaudited summary of the Company’s investment portfolio and cash position as of 31 August 2019:

|  |  |  |
| --- | --- | --- |
| **Platform** | **31/8/2019** | **30/6/2019** |
|  | **(USD million)** | **(USD million)** |
|  |  |  |
| SME/CRE Loans Platform | $22.9 | $26.4 |
| Vehicle Services Contract Platform | $0.2 | $28.2 |
| Real Estate Loans Platform | $11.7 | $16.2 |
| Princeton | $15.0 | $15.0 |
| International SME Lending Platform | $3.9 | $3.9 |
| Equipment Loans Platform | $0.4 | $0.5 |
| Invoice Factoring Platform | $0.0 | $0.0 |
| Consumer Loans Platform | $0.0 | $0.0 |
| Third SME Loans Platform | $0.0 | $0.0 |
| **Portfolio Total** | **$54.1** | **$90.2** |
| **Cash held by RDL** | **$8.0** | **$25.5** |
| **Grand Total** | **$62.1** | **$115.7** |

## Significant events during July and August 2019:

## SME/CRE Platform received principal payments in the amount of USD $ 3,482,000.

## Real Estate Loan Platform received principal payments in the amount of USD $ 3,973,000 with approximately USD $ 450,000 in write-offs.

## Equipment Loan Platform received principal payments in the amount of USD $ 66,000.

## International SME Lending Platform received principal payments in the amount of USD $ 24,000.

* The Vehicle Services Contract platform was refinanced in August 2019 and we received USD $27.9 million as a result of our notes being paid off.  The remaining book value is USD $250k and relates to a loan of USD $4.5 million which was made to the manager of this platform. Current efforts are focused on the collection of this loan.

## Significant Events since 31 August 2019:

## In September, the Company received a USD $2.5 million payment on an account in the International SME Lending Platform which includes a substantial bad debt recovery.

**Dividends**

On 22 May 2019, the Board declared a dividend of 17.14 pence per ordinary share (USD 21.71 cents) totaling USD $ 3.5 million. The dividend was paid on 12 July 2019 and charged to revenue reserves.

On 8 August 2019, the Board declared a special dividend of 255.00 pence per ordinary share (equivalent US309.32 cents) in respect of the year ended 31 December 2018 (the “Special Dividend”). The Special Dividend was paid on 30 August 2019 to Shareholders and totaled USD $49.9 million. The Company elected to designate 13% of the Special Dividend as an interest distribution to its Shareholders in order to maintain its investment trust status and 87% as a dividend distribution.

On 3 October 2019, the Board declared a further special dividend of 33 pence per ordinary share (equivalent USD0.40 per ordinary share) (the "Special Dividend"). This Special Dividend will be paid on 1 November 2019 to shareholders on the register as of 11 October 2019. The ex-dividend date is 10 October 2019. The Company elected to designate all of the Special Dividend as a dividend distribution to its shareholders.

**Princeton Update**

A Chapter 11 Plan of Liquidation (the “Plan”) was filed by the Trustee on 19 April 2019 and provides for the orderly liquidation of fund assets by approved professionals and the pursuit of possible third-party litigation claims under the direction of a liquidating trustee to be appointed under the Plan. The Plan also contemplates that the Company’s investment interests will be treated in the same way as other Princeton investors. In addition, in light of the arbitration award that was previously announced by the Company and was later reduced to a final judgment in the Delaware courts, the Company has agreed with the Trustee that it will also be paid USD 2.5 million as an unsecured claim under the Plan, in addition to its investment distribution. This amount will cover part of the costs of the legal proceedings that were incurred by the Company.

After the Trustee filed the Plan, MicroBilt Corporation recruited an informal group of minority investors, who had been solicited to invest in Princeton after the Company made its redemption demand in 2016, to support its alternative Chapter 11 plan (the “MicroBilt Plan”). The MicroBilt Plan is vague in structure and content and utilises asset values which the Trustee has asserted are unreliable. In addition, the MicroBilt plan leaves the fund in bankruptcy for an indeterminate period. The Company believes that the MicroBilt plan is not in the best interest of the Company or other investors. The Company will support the Plan filed by the Chapter 11 Trustee and will join the Trustee in seeking its confirmation before the Bankruptcy Court.

On 29 July 2019, the Trustee filed an adversary complaint in the Bankruptcy Court against MicroBilt Corporation (“MicroBilt”) and various related entities and individuals. The Complaint alleges 15 separate causes of action on behalf of the bankruptcy estate for breach of contract, breach of fiduciary duty, fraudulent conveyance, engaging in racketeering activity and other wrongdoing by MicroBilt and other defendants.

On 5 and 8 August 2019, Ranger participated in a court-ordered settlement conference with a group of minority investors, MicroBilt and the Chapter 11 Trustee. The settlement conference did not result in a settlement of any claims in the bankruptcy proceeding. Soon thereafter, the Trustee filed a motion to affirm his authority to set the relative value of the investors’ capital accounts under the terms of the limited partnership agreement governing the fund. After a hearing on the motion on 10 October 2019, the bankruptcy court granted the Trustee’s motion.

The MicroBilt Plan is based upon the use of NAVs as determined by Princeton’s management as of February 2018, which was the last statement prior to the bankruptcy. The granting of the motion filed by the Trustee allows the Trustee to discard Princeton’s NAV values, since they are deemed unreliable. At the hearing on 10 October 2019, the bankruptcy court also rendered a decision on the Trustee’s motion to disallow certain claims in the bankruptcy case. Among the disallowed claim was a claim by Microbilt under its servicing agreement with the fund in excess of USD $4 million.

As a result of these developments, the Trustee is preparing an amended chapter 11 Plan that will reset the relative values of the investors’ capital accounts and move forward with the liquidation of the fund under a liquidating trust agreement to be administered by a liquidating trustee approved by the bankruptcy court. The Trustee anticipates filing the amended Plan by 14 November 2019.

**For further information, please contact:**

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