

MARKET ABUSE REGULATION ANNOUNCEMENT

Audacia Capital Ireland plc (the “**Issuer**”)

Series 2 Up to GBP 25,000,000 Rialto 5.5% Fixed Rate Bond 2018
(ISIN: IE00BG13JN59) (“**Series 2**”)

NOTEHOLDER MEETING

NOTICE AND REQUEST FOR NOTEHOLDER DIRECTION

Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse (the “**Market Abuse Regulation**”) requires disclosure of inside information relating to the Issuer and the Notes. This announcement contains inside information as defined in Article 7 of the Market Abuse Regulation and is disclosed in accordance with the Issuer's obligations under Article 17 of the Market Abuse Regulation. Capitalised terms used but not otherwise defined in this notice shall have the meanings ascribed to them in the Listing Particulars dated 1 December 2021, as supplemented.

1. **SERIES 2 – CURRENT STATUS**

- 1.1 As previously announced, on 12 December 2023, the Final Maturity Date (as defined) for Series 2 was extended by the Issuer from 31 May 2023 to 31 May 2025 in accordance with the Listing Particulars.
- 1.2 As stated in previous announcements, the most recent of which being 31 January 2024, the Series remains in Default. The Collateral Obligor has only made payments of GBP 104,000 since the final quarter of 2022 against all monies falling due in connection with Series 2 (for details of which, see Section 2 below).
- 1.3 In parallel, as stated in previous announcements, the Series has shown evidence to the Issuer that it has made a number of debt restructuring arrangements with its own creditors and which were hoped to bring a greater overall return to Noteholders than foreclosure and enforcement proceedings for the amounts owing by the Collateral Obligor to the Issuer. In this regard, the Issuer has received relatively regular verbal and written updates from the Collateral Obligor as to the state of its business, the latest being as of January 2025. The Collateral Obligor has shown the Issuer that it holds receivables under a loan portfolio in an amount of approximately GBP 5 million nominal, of which the Collateral Obligor has already written off c. GBP 1,500,000 as the underlying creditors have no prospect of repaying their debts. The Collateral Obligor further anticipates having to write off as irrecoverable other amounts from this portfolio, potentially at least a further GBP 3 million given events to date, unless it is able to restructure payments of the underlying largely illiquid borrowers. It is unclear how much cash the residue of the underlying portfolio will actually realise in liquidation and in what timescale. Meanwhile, the Series cannot remain open indefinitely while costs accrue. **Due to such circumstances, Noteholders should expect heavy losses, including a total loss of the investment in the Notes.**

2. **THE COLLATERAL AND THE AMOUNTS OWING BY THE COLLATERAL OBLIGOR**

- 2.1 The Collateral Obligor remains in default with interest payments under the Securitisation Bonds. The Collateral Obligor was owing to the Issuer **GBP 8,498,700** of principal under the Securitisation Bonds, together with **GBP 1,419,023.47** in accrued and unpaid interest as at 31 March 2025. All outstanding unpaid principal and interest

owing under the Securitisation Bonds is treated as 100% impaired in the financial statements of the Issuer.

- 2.2 The Issuer has retained the reserves of **GBP 237,564** in order to discharge the outstanding unpaid operating costs of the Series all the while no funds are being received from the Collateral Obligor. Notwithstanding that, the Collateral Obligor still owes a further amount of **GBP 102,780** to the Issuer as at 31 March 2025 in relation to Permitted Expenses incurred by the Issuer to maintain and operate the Series, together with the amounts necessary to recover it, including liquidated damages payments, default interest and recovery of losses, costs, claims and expenses.

3. PROPOSED NEXT STEPS

- 3.1 The liquid Collateral of the Series has been exhausted and the Issuer considers the value of the illiquid Collateral comprised in the Securitisation Bonds to be GBP nil as at the date hereof and, to the extent that that is not correct, the amount payable to Noteholders under the Listing Particulars is unlikely to ever exceed nil for the foreseeable future due to the continuing costs of operating the Series. The Series will not be continued in such circumstances. **Noteholders should not expect any form of correspondent payment from the Issuer under the Notes on or following Final Maturity Date, by way of Interest or repayment of principal or otherwise.**
- 3.2 The Issuer has the right to require immediate repayment of the Securitisation Bonds and apply the existing Collateral comprised in cash either wholly or partially against the Permitted Expenses of the Issuer and to use any remaining cash for the Series to appoint an insolvency practitioner to seek to wind up the Collateral Obligor, liquidate its assets and use the proceeds to repay the Issuer. However, in such a case it appears to the Issuer that residual Collateral has no liquid value for the foreseeable future, if any at all. Noteholders of the Series should expect to incur heavy losses in any event, perhaps even a total loss, in any scenario including an insolvency process over the Collateral Obligor. Even were the Issuer to initiate insolvency, the insolvency practitioners appointed will still need to manage out the existing loan portfolio or find a willing buyer for it. In the Issuer's opinion, even an insolvency process is highly unlikely to realise a sum greater than the amounts owing to the Issuer and the insolvency practitioner. In any event, the Issuer has insufficient Collateral to commence this process.
- 3.3 For these reasons, the Issuer considers that it is not in a position to take any further steps in connection with the Series, and therefore the Issuer makes the following proposal to provide an option to Noteholders that wish to continue to pursue a realisation in relation to the Series:

Proposal to wind up the Series for Noteholders consideration

- 3.4 It is the Issuer's proposal to close and wind up the Series and to pass the Issuer's rights in relation to the underlying loan portfolio to the Noteholders. The Collateral Obligor is willing to assign elements of the Series Collateral (as set out in the schedule hereto) directly to the Noteholders in order to permit them to take direct enforcement against the underlying creditors. The Issuer considers this to be the only course of action for the Noteholders to realise a return greater than zero from their investments. In any event, the Issuer can provide no assurance of any realisable value of the underlying loan portfolio which comprises the Collateral so assigned. **By accepting this proposal, the final Redemption Amount of the Notes will be zero and the Noteholders collectively will hold the Collateral directly in order to take this matter forward. The Notes will be treated as redeemed and the Series shall be closed. In other words, this matter is simply a question of whether a Noteholder**

wishes to acquire a direct right of action against the Collateral Obligor's underlying creditors.

- 3.5 If and to the extent that Noteholders do not pass the requisite Noteholder Direction (as defined below), the Issuer reserves the right to write down the value of the Securitisation Bonds to zero and to proceed to liquidate the Series. **In such circumstance, the final Redemption Amount of the Notes will be zero for all Noteholders and this matter shall be closed.**

4. NOTICE OF NOTEHOLDERS MEETING ON FRIDAY, 16 MAY 2025 AND NOTEHOLDER DIRECTION

- 4.1 **NOTICE is hereby given that a meeting of the Series 2 Noteholders will be held at the registered office of the Issuer at 2pm (Irish Time) on Friday, 16 May 2025 (the "Meeting").**

- 4.2 Pursuant to Condition 13 (Meetings of Noteholders and Modifications) of the Terms and Conditions of the Series 2 Notes (the "**Note Terms**"), the Issuer hereby requests the approval and instruction by the Series 2 Noteholders of the following Noteholder Direction by means of the following Extraordinary Resolution:

- (a) that the Series 2 Notes be treated as redeemed in full by way of the global assignment to the Noteholders and their respective nominees and successors in title, pro rata, of the attached underlying credit portfolio in full and final settlement of the Issuer's obligations to the Series 2 Noteholders in respect of the Series 2 Notes; and
- (b) that the Trustee be and is directed, empowered, authorised, instructed and requested to concur in all such documents and to do all acts and things (including, but not limited to, the provision of confirmations, waivers and consents) as may be necessary or expedient to carry out and give effect to this Extraordinary Resolution.

- 4.3 Following, and conditional on, the issue of this Noteholder Direction, in accordance with Condition 4.3 of the Note Terms, the Issuer will procure that a pro rata share of the underlying Collateral Obligor's loan portfolio (as set out in the schedule hereto) is transferred by way of a single global deed of assignment (or such other form, as appropriate) unilaterally executed by the Collateral Obligor in favour of the Noteholders (together with their nominees, successors and assigns) in full and final settlement of the Series 2 Notes.

5. NOTEHOLDER DIRECTION – ACTION TO BE TAKEN BY NOTEHOLDERS

- 5.1 The Noteholders wishing to approve the Noteholder Direction should do so by attending the meeting in person or by proxy and may propose any other direction that they wish, for consideration by the Issuer and which the Trustee shall act upon, subject to the terms of its appointment.
- 5.2 Noteholders may attend the Meeting in person or by proxy. Those wishing to attend by proxy should complete the proxy form attached as the Schedule to this announcement, which (among other matters) sets out the name of the proxy or, in default of any other appointment, Mr Matthew Tracey in his capacity as a director of the Trustee.
- 5.3 Noteholders may direct the proxy to vote for or against any of the directions set out – a vote for or against one direction does not prevent a vote for or against or abstaining from voting on any other direction and there is a freeform section to include any further

direction to the Issuer that the Noteholders may consider in their discretion. Noteholders should deposit their original proxy form at the registered office of the Issuer (whether by post, delivery or electronic means). If delivery is by electronic means please send your proxy to AudaciaCapital@waystone.com. **Proxies must be lodged before 2pm on Thursday, 15 May 2025.**

- 5.4 The necessary quorum for passing of an Extraordinary Resolution will be one or more persons present, holding or representing by proxy not less than 75%, or at any adjourned such meeting not less than 25%, of the nominal amount of all Notes for the time being outstanding. **An Extraordinary Resolution passed at the Meeting will be binding on all Series 2 Noteholders, whether or not they are present at the meeting.** In the event that a quorum is not present at the above meeting, it shall be adjourned to 2pm on 31 May 2025 (which is also the Maturity Date for the Series), whereupon the Series shall be terminated, either as a consequence of the passing of the above Noteholder Direction, or generally as stated in the following paragraph.

6. FAILURE TO APPROVE THE NOTEHOLDER DIRECTION - FORECLOSURE AND TERMINATION OF SERIES 2

- 6.1 If Noteholders do not approve the Noteholder Direction, the Issuer shall close and liquidate the Series without delay. The ISIN shall be cancelled immediately thereafter, with the Notes treated as being redeemed. **In such circumstance, the final Redemption Amount of the Notes will be zero.**

- 6.2 A further announcement shall be made following the Meeting.

Noteholders seeking further information on the status of the Series or the Noteholders' rights in this connection should contact the Note Trustee (AudaciaCapital@waystone.com) which is protecting the interests of all the Noteholders within the Series in accordance with the Listing Particulars and may direct the Issuer accordingly.

IMPORTANT NOTICE

These materials are not intended to and do not constitute investment advice. These materials do not constitute or form any part of and should not be constructed as an offer or commitment to sell or issue, a solicitation, recommendation, commitment or invitation to subscribe for, underwrite or otherwise acquire, and should not be construed as an advertisement for, any securities of the Issuer or any member of its group in any jurisdiction or an inducement to enter into investment activity in any jurisdiction.

CONTACT

For additional information, please contact the Directors of Audacia Capital (Ireland) plc at 31-32 Leeson Street Lower, Dublin 2, Ireland.

Date of this disclosure: 25 April 2025

SCHEDULE A
FORM OF PROXY

We/I, [Insert Name]

of [Insert Address]

being a Noteholder of Series 2,

hereby appoint [Insert Name]

of [Insert Address]

or failing him/her **Mr Matthew Tracey** as proxy to vote on our/my behalf at the Meeting of the Noteholders of Series 2 Notes be held at 31 – 32 Leeson Street Lower, Dublin 2 at 2pm on Friday, 16 May 2025 and at any adjournment thereof. We/I instruct our/my proxy to vote in the manner indicated below in respect of the Resolution. Failing any specific instruction, the proxy will vote at their respective discretion.

| To approve the following Noteholder Directions with effect from the date of the meeting: | In Favour Of | Against | Abstain* |
|--|--------------------------|--------------------------|--------------------------|
| 1. that the Series 2 Notes be treated as redeemed in full by way of the global assignment to the Noteholders and their respective nominees and successors in title, pro rata, of the attached underlying credit portfolio in full and final settlement of the Issuer's obligations to the Series 2 Noteholders in respect of the Series 2 Notes; and | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 2. that the Trustee be and is directed, empowered, authorised, instructed and requested to concur in all such documents and to do all acts and things (including, but not limited to, the provision of confirmations, waivers and consents) as may be necessary or expedient to carry out and give effect to this Extraordinary Resolution. | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Alternative noteholder proposal for consideration: [Insert details of any other direction you wish to be considered] | | | |

Signature: _____

Name: _____

Dated: [] 2025

***Please tick the appropriate box.**

NOTES:

- A Noteholder entitled to attend and vote at the above meeting is entitled to appoint a proxy to attend, speak and vote instead of him/her. A proxy need not be a Noteholder of Series 2.
- To be valid, this proxy form, and if applicable, any power of attorney or other authority under which it is signed, or a notarially certified copy of such power of attorney or other authority, must be deposited at the registered office at least 48 hours before the time for holding the meeting or adjourned meeting (whether by post, delivery or electronic means). If delivery is by electronic means please send your proxy to AudaciaCapital@waystone.com.
- The proxy form must (i) in the case of an individual Noteholder be signed by the noteholder or his/her attorney or (ii) in the case of a corporate Noteholder be executed under its seal or under the hand of a duly authorised officer of the corporate shareholder. In the case of joint Noteholders any one holder may sign.
- A Noteholder is entitled to appoint a proxy of its choice. If a Noteholder wishes to appoint a proxy other than Mr Matthew Tracey, please insert the relevant proxy's name in place of Mr Matthew Tracey.
- The completion and return of this proxy form will not prevent a Noteholder from attending and voting in person, such attendance will have the effect of cancelling the appointment of the proxy.
- If this form of proxy is signed and returned without any indication as to how the person appointed is to vote the proxy will exercise discretion as to how to vote or whether to abstain from voting.

SCHEDULE B
UNDERLYING CREDIT PORTFOLIO

| Borrower | Original Principal Amount (£) | Original Term (months) | Interest p/a (%) | Interest Payment Due |
|-----------------|--|---------------------------------------|-----------------------------|-------------------------------------|
| Borrower A * | 2,493,935.00 | 24 | 12 | Partial Serviced |
| Borrower B * | 194,000.00 | 24 | 12 | Rolled Up |
| Borrower C * | 175,000.00 | 24 | 12 | Rolled Up |
| TOTAL | 2,862,935.00 | | | |

* Redacted so as not to prejudice potential debt restructuring discussions or other recovery processes