



Luxembourg  
24 September 2021

Dear Investors,

In our communications dated 28<sup>th</sup> April 2021 and 16<sup>th</sup> July 2021, we informed you that the Lombard 82 Securitisation Fund (the “Fund”) is currently facing significant liquidity challenges as a result of i) an unprecedented volume of premature redemptions in 2020 and ii) negative results from the investments made by the Fund (the “Underlying Assets”).

Furthermore, we informed you that early redemptions and quarterly interest coupon payments would be deferred until the end of September 2021 whilst the Fund is restructured.

The Board of Xantis S.A., as management company for the Fund, is determined to resume payment of quarterly coupon interest and processing of early redemptions on the EMTNs issued as soon as possible.

However, we must inform you that the challenges facing the Fund have grown and it has become evident that the proposed Fund restructuring exercise is a longer term and more involved piece of work than first anticipated.

The extremely high volume of early redemption requests seen last year and resulting from the Coronavirus pandemic, is persisting this year. The volume of outstanding early redemption requests from EMTNs now exceeds 15% of the total assets of the fund. The pandemic is still having a significant effect on investment funds worldwide.

Additionally, couple of major partners in the UK have recently entered liquidation and this has caused further early redemption requests from EMTNs to be submitted.

In relation to the underlying assets, results continue to be negative. The Fund’s receivable income from its underlying assets was 45% below target last year. This year, income remains significantly below target.

Based on projections from investees, the Fund’s income from underlying assets is not expected to recover to the target profile until late 2023 at the earliest.

For these reasons and in accordance with Article 4 of the Private Investment Memorandum, we must inform bondholders that coupon interest for 2021 on EMTNs will not be payable. In addition, based on our projections of the results from underlying assets, it should be noted that coupon interest in respect of 2022 will almost certainly not be paid. We are extremely sorry for any distress and inconvenience that this may cause.

The decision to cancel coupons and accumulation units on EMTNS will significantly reduce pressure on the Fund’s liquidity, however it will not be sufficient to enable a resumption of early redemptions to the extent necessary to accommodate all of the outstanding redemption requests. Regrettably, under the Fund’s regulations we are unable to selectively accept redemptions. For this reason, all



early redemption requests must continue to be deferred. Subscriptions to the Fund are also suspended.

It has become obvious to the Board that the only way to raise liquidity to the level necessary to execute this volume of redemptions is to dispose of some of the Fund's underlying assets. Accordingly, the Board of Xantis SA has commissioned a third party to dispose of some of the Fund's assets including securitisation investments. The disposal of such assets is complex and sales may take several months to complete.

It should be noted that the Board of Xantis SA, as management company for the Fund, considers that it would be unreasonable to allow the demands of the minority of bondholders who wish to redeem prematurely, to risk an impairment to the value of the Fund affecting all bondholders. Therefore, the Board will only be able to accept a purchase offer for an underlying asset if this would not result in an impairment of value to the Fund. As a consequence, there is a risk that we may not find a buyer for some of these assets in the current economic environment.

The ability of the Fund to resume early redemptions, coupon payments and issuing accumulation units on EMTNs is directly related to the volume of early redemption requests from EMTNs. Therefore, the Board would like to remind EMTN investors that if they wish to withdraw from an already placed early redemption, they may cancel the request. Cancellations should be communicated to the Fund Administrator through the investor's custodian, if in place.

The Board fully understands that the deferral of redemptions, coupon interest payments and issuance of accumulation units are causing uncertainty for EMTN investors as well as financial stress in some cases and we are urgently investigating other potential solutions.

Detailed analysis is taking place to see whether it is feasible and lawful to offer to pay early redemption requests from EMTNs in instalments over a period of time. Furthermore, the Board of Xantis S.A. is continuing to hold discussions with a potential strategic investor, in order for us to be in a position to offer a buyout option to bondholders. It is anticipated that these discussions will conclude before the end of the year and bondholders will be updated accordingly.

Should investors require any further information in relation to the matters referred to in this announcement please contact [fund.administration.manager.luxembourg@xantisfunds.com](mailto:fund.administration.manager.luxembourg@xantisfunds.com) or call +352 661 826 487. A copy of the Investment Memorandum and Key Features Document is available on request.

The Board of Xantis S.A. would like to thank you for your patience and understanding at this time.

For on behalf of the Board of Directors Xantis S.A., Management Company of the Lombard 82 Securitisation Fund