

THIS ANNOUNCEMENT MAY CONTAIN INSIDE INFORMATION FOR THE PURPOSES OF ARTICLE 7 OF THE MARKET ABUSE REGULATION (EU) 596/2014 AND THE MARKET ABUSE (AMENDMENT) (EU EXIT) REGULATIONS 2019.

THIS ANNOUNCEMENT IS IMPORTANT AND REQUIRES THE IMMEDIATE ATTENTION OF NOTEHOLDERS. IF NOTEHOLDERS ARE IN ANY DOUBT AS TO THE ACTION THEY SHOULD TAKE, THEY SHOULD IMMEDIATELY CONSULT THEIR OWN INDEPENDENT PROFESSIONAL ADVISERS AUTHORISED UNDER THE FINANCIAL SERVICES AND MARKETS ACT 2000, AS AMENDED (IF THEY ARE LOCATED IN THE UNITED KINGDOM), OR FROM OTHER APPROPRIATELY AUTHORISED INDEPENDENT PROFESSIONAL ADVISERS (IF THEY ARE LOCATED OUTSIDE OF THE UNITED KINGDOM).

THIS ANNOUNCEMENT CONTAINS IMPORTANT INFORMATION THAT IS OF INTEREST TO THE REGISTERED AND BENEFICIAL OWNERS OF THE NOTES. IF APPLICABLE, ALL DEPOSITORY, CUSTODIANS AND OTHER INTERMEDIARIES RECEIVING THIS ANNOUNCEMENT ARE REQUIRED TO EXPEDITE TRANSMISSION HEREOF TO BENEFICIAL OWNERS OF THE NOTES IN A TIMELY MANNER. IF BENEFICIAL OWNERS OF THE NOTES ARE IN ANY DOUBT AS TO THE MATTERS REFERRED TO IN THIS ANNOUNCEMENT, THEY SHOULD CONSULT THEIR STOCKBROKER, LAWYER, ACCOUNTANT OR OTHER PROFESSIONAL ADVISER WITHOUT DELAY.

If you have recently sold or otherwise transferred your entire holding(s) of Notes referred to below, you should immediately forward this announcement to the purchaser or transferee or to the stockbroker, bank or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

SEGOVIA EUROPEAN CLO 2-2016 DESIGNATED ACTIVITY COMPANY

(a designated activity company limited by shares incorporated under the laws of Ireland, with company registration number 591328, having its registered office at 3rd Floor, Kilmore House, Park Lane, Spencer Dock, Dublin 1, Ireland) (the “Issuer”)

€36,500,000 Subordinated Notes due 2031
(Regulation S ISIN: XS1516367999, Rule 144A ISIN: XS1516367726)

(the “Subordinated Notes”)

NOTICE TO THE SUBORDINATED NOTEHOLDERS

We refer to the trust deed dated 20 December 2016, as supplemented on or about 22 October 2018 (the “**Trust Deed**”) made between (among others) Segovia European CLO 2-2016 Designated Activity Company (previously Halcyon Loan Advisors European Funding 2016 Designated Activity Company) (the “**Issuer**”), U.S. Bank Trustees Limited (the “**Trustee**”) and Segovia Loan Advisors (UK) LLP (previously Halcyon Loan Advisors (UK) LLP) (the “**Collateral Manager**”) including the conditions of the Notes set out in Schedule 3 (*Terms and Conditions of the Notes*) of the Trust Deed (the “**Conditions**”) pursuant to which the Notes were constituted on the terms and subject to the conditions contained therein.

Subordinated Noteholders may consent to the Subordinated Noteholder Instructions (as defined below) and approve the Proposed Written Resolution (as defined below) in accordance with the procedure described below.

Capitalised terms used but not otherwise defined in this notice shall have the meanings ascribed to them in the Trust Deed.

1. Proposed steps to remedy a Potential Note Event of Default

Notice is hereby given to the Subordinated Noteholders that on 20 July 2022 an amount of funds standing to the credit of the Accounts was retained (and not paid to the Subordinated Noteholders on that date) in circumstances where the amounts necessary to ensure the orderly dissolution of the Issuer in accordance with the Transaction Documents had not been ascertained, particularly in light of the Issuer being named as a party to certain litigation proceedings relating to assets previously held by the Issuer (the “**Retention**”).

The Directors of the Issuer have become aware that such Retention constituted a Potential Note Event of Default pursuant to Condition 10(a)(v) (*Breach of Other Obligations*) and the Issuer has notified the Trustee and the Collateral Manager that it intends to take steps to cure such breach within the applicable grace period specified in Condition 10(a)(v) (*Breach of Other Obligations*).

In accordance with Condition 14(b)(vii) (*Meetings of Noteholders, Modification, Waiver and Substitution*) and paragraph 1(e) of Schedule 5 (*Provisions for Meetings of the Noteholders of each Class*) to the Trust Deed, it is proposed that the Subordinated Noteholders acknowledge, agree and resolve that:

- (a) the Issuer retain an estimated amount equal to EUR 179,426 (subject to any adjustment to account for changes in the applicable foreign exchange rates) (the “**Retained Amount**”) to be applied as Administrative Expenses to keep the Issuer funded for a period of up to, but no later than, 31 December 2023 in order to procure an orderly dissolution of the Issuer; and
 - (b) the Issuer be and is hereby authorised, empowered, requested and directed to pay, or procure the payment of, all amounts remaining in the Accounts following the payment of any Administrative Expenses and the retention of the Retained Amount (which is expected to be approximately EUR 519,846, subject to any adjustment to account for changes in the applicable foreign exchange rates) to the Subordinated Noteholders on or before 24 March 2023 (the “**Subordinated Noteholder Payment**”) in order to cure the Potential Note Event of Default,
- sub-paragraphs (a) and (b) together, the “**Subordinated Noteholder Instructions**”.

2. Request

The Issuer hereby requests that the holders of more than 50 per cent. of the aggregate Principal Amount Outstanding of the Subordinated Notes approve the Subordinated Noteholder Instructions by passing a resolution in writing in the form attached hereto in the Schedule (*Form of Written Resolution*) (the “**Proposed Written Resolution**”).

If so sanctioned, the Proposed Written Resolution shall for all purposes be as valid and effective as an Ordinary Resolution passed at a meeting of the Subordinated Noteholders duly convened and held.

Accordingly, holders of the Subordinated Notes are requested to approve and pass the Proposed Written Resolution in accordance with the procedure set out below as soon as possible and in any event by no later than 1 p.m. (London time) on 20 March 2023 or any later date notified by the Issuer to the Subordinated Noteholders and the Trustee in its sole discretion (the “**Approval Deadline**”).

Subordinated Noteholders are advised that, subject to the Trustee having received Written Resolutions from the holders (or their proxies) of more than 50 per cent. of the aggregate Principal Amount Outstanding of the Subordinated Notes (the “**Approval Conditions**”), the Proposed Written Resolution shall be passed on: (1) the Approval Deadline, or (2) such earlier date on which the Approval Conditions are satisfied.

The Subordinated Noteholder Instructions will take effect on the date on which this Ordinary Resolution is passed (which will occur once such outcome is confirmed by the Trustee to the Issuer by email). Notification that the Ordinary Resolution has passed will be provided to all Noteholders in accordance with the Conditions.

Each holder of the Subordinated Notes is solely responsible for making its own independent appraisal of all matters (including those relating to this Notice, the Subordinated Notes and the Issuer) as such holder deems appropriate, and each holder must make its own decision as to whether to consent to the Subordinated Noteholder Instructions and to approve the Proposed Written Resolution.

In accordance with normal practice, the Trustee has not been involved in the formulation or negotiation of the Subordinated Noteholder Instructions and the Proposed Written Resolution outlined in this Notice, and the Trustee expresses no opinion nor makes any representations as to the merits of the Subordinated Noteholder Instructions (which it has not been involved in drafting) or the Proposed Written Resolution nor does the Trustee express any opinion on whether holders of the Subordinated Notes would be acting in their best interests voting for or against the Subordinated Noteholder Instructions and the Proposed Written Resolution, but the Trustee has authorised it to be stated that on the basis of the information contained in this Notice that it has no objection to the Subordinated Noteholder Instructions and the Proposed Written Resolution being submitted to holders of the Subordinated Notes for their consideration. Holders of the Subordinated Notes should take their own independent advice on the merits and consequences of passing or not passing the Proposed Written Resolution, including any tax consequences. The Trustee is not responsible for the accuracy, completeness, validity, relevance, sufficiency or correctness of the statements made in this Notice (including for the avoidance of doubt any information stated to be provided by the Issuer) or omissions herein and make no representation that all relevant information has been disclosed to the holders of the Subordinated Notes in or pursuant to this Notice.

Nothing in this Notice should be construed as a recommendation to the holders of the Subordinated Notes from the Issuer, the Trustee, Collateral Manager, the Collateral Administrator or the Principal Paying Agent to vote in favour of, or against, any of the Subordinated Noteholder Instructions or the Proposed Written Resolution. No person has been authorised to make any recommendation on behalf of the Issuer, the Trustee, the Collateral Manager, the Collateral Administrator or the Principal Paying Agent as to whether or how the holders of the Subordinated Notes should vote pursuant to the Subordinated Noteholder Instructions. No person has been authorised to give any information, or to make any representation in connection therewith, other than those contained herein. If made or given, such recommendation or any such information or representation must not be relied upon as having been authorised by the Issuer, the Trustee, Collateral Manager, the Collateral Administrator or the Principal Paying Agent.

This Notice does not constitute or form part of, and should not be construed as, an offer for sale, exchange or subscription of, or a solicitation of any offer to buy, exchange or subscribe for, any securities of the Issuer or any other entity in any jurisdiction. The distribution of this Notice may nonetheless be restricted by law in certain jurisdictions. Persons into whose possession this Notice comes are required by the Issuer, the Trustee, the Collateral Manager, the Collateral Administrator and the Principal Paying Agent to inform themselves about, and to observe, any such restrictions.

This Notice does not constitute a solicitation in any circumstances in which such solicitation is unlawful. None of the Issuer, the Trustee, Collateral Manager, the Collateral Administrator or the Principal Paying Agent will incur any liability for its own failure or the failure of any other person or persons to comply with the provisions of any such restrictions.

Procedure for voting on the Proposed Written Resolution for holders of the Subordinated Notes

Any holder of a beneficial interest representing the Subordinated Notes wishing to elect to approve the Subordinated Noteholder Instructions should follow the procedures set out in the Proposed Written Resolution.

Any holder of the Subordinated Notes who does not wish to approve the Subordinated Noteholder Instructions need take no action but may be bound by any Written Resolutions which are subsequently passed.

This announcement is released by the Issuer and may contain inside information for the purposes of Article 7 of the Market Abuse Regulation (EU) 596/2014 (MAR) and the Market Abuse (Amendment) (EU Exit) Regulations 2019, encompassing information relating to the Notes described above. For the purposes of MAR and Article 2 of Commission Implementing Regulation (EU) 2016/1055, this announcement is made by the Directors of Segovia European CLO 2-2016 Designated Activity Company.

SEGOVIA EUROPEAN CLO 2-2016 DESIGNATED ACTIVITY COMPANY

Schedule (Form of Written Resolution)

ORDINARY RESOLUTION OF SUBORDINATED NOTEHOLDERS

SEGOVIA EUROPEAN CLO 2-2016 DESIGNATED ACTIVITY COMPANY

3rd Floor, Kilmore House, Park Lane, Spencer Dock

Dublin 1

Ireland

(the “**Issuer**”)

WRITTEN RESOLUTION

of the Subordinated Noteholders

€36,500,000 Subordinated Notes due 2031

(Regulation S ISIN: XS1516367999)

(Rule 144A ISIN: XS1516367726)

(the “**Subordinated Notes**”)

1. We refer to the trust deed dated 20 December 2016, as supplemented on or about 22 October 2018 (the “**Trust Deed**”) made between (among others) Segovia European CLO 2-2016 Designated Activity Company (previously Halcyon Loan Advisors European Funding 2016 Designated Activity Company) (the “**Issuer**”), U.S. Bank Trustees Limited (the “**Trustee**”) and Segovia Loan Advisors (UK) LLP (previously Halcyon Loan Advisors (UK) LLP) (the “**Collateral Manager**”) including the conditions of the Notes set out at Schedule 3 (*Terms and Conditions of the Notes*) of the Trust Deed (the “**Conditions**”) pursuant to which the Notes were constituted on the terms and subject to the conditions contained therein.
2. Capitalised terms used herein and not specifically defined will bear the same meanings as in the Conditions.
3. We acknowledge and understand that this resolution shall take effect as an Ordinary Resolution passed by way of Written Resolution pursuant to Condition 14 (*Meetings of Noteholders, Modification, Waiver and Substitution*) and for the purposes of Schedule 5 (*Provisions for Meetings of the Noteholders of each Class*) of the Trust Deed and shall take effect on the date this Written Resolution is signed by holders holding in aggregate more than 50 per cent. of the aggregate Principal Amount Outstanding of the Subordinated Notes entitled to vote.
4. We, the undersigned, hereby certify that, as at the date of signing this Written Resolution, we are the beneficial owner of the principal amount of Subordinated Notes set out below:

Legal name of Subordinated Noteholder executing the Written Resolution:	
Principal amount of Subordinated Notes beneficially owned:	
Euroclear/Clearstream, Luxembourg/other clearing system Account Number or similar or account details of custodian:	
ISIN of Subordinated Notes:	

5. We undertake to provide the Trustee with evidence of our holding to the satisfaction of the Trustee (including an authorised signatories list and, to the extent the person signing this Written Resolution is not the Noteholder, a power of attorney). Any Subordinated Noteholder wishing to approve this Written Resolution shall send a signed copy of this Written Resolution along with its proof of holding to the Trustee by email to clo.relationship.management@usbank.com and dg.halcyon@usbank.com by 1 p.m. (London time) on 20 March 2023 (the “**Voting Deadline**”).
6. We represent and warrant and hereby undertake that:
- (a) we will procure the giving of irrevocable instructions to the relevant clearing system to block the Subordinated Notes held by us so that no transfer may be effected in relation to such Subordinated Notes; and
- (b) we will not transfer the Subordinated Notes held by us,
- in each case at any time from the date hereof until the earlier of (i) the date that this Written Resolution has been passed and (ii) the Voting Deadline.
7. We authorise any clearing systems and any custodian at which any account specified above is maintained to disclose to each of the addressees of this Written Resolution that we are the owner of the above-specified Subordinated Notes in any above specified account.
8. We hereby acknowledge that:
- (a) on 20th July 2022 an amount of funds standing to the credit of the Accounts was retained (and not paid to the Subordinated Noteholders on that date) in circumstances where the amounts necessary to ensure the orderly dissolution of the Issuer in accordance with the Transaction Documents had not been ascertained, particularly in light of the Issuer being named as a party to certain litigation proceedings relating to assets previously held by the Issuer (the “**Retention**”); and
- (b) the Directors of the Issuer have become aware that such Retention constituted a Potential Note Event of Default pursuant to Condition 10(a)(v) (*Breach of Other Obligations*) and the Issuer has notified the Trustee and the Collateral Manager

that it intends to take steps to cure such breach within the applicable grace period specified in Condition 10 (a)(v) (*Breach of Other Obligations*).

9. We hereby:
 - (a) acknowledge that the Directors wish to keep the Issuer funded for a period of up to, but no later than, 31 December 2023 to allow the litigation proceedings to conclude so that they can bring about an orderly dissolution of the Issuer;
 - (b) acknowledge that the Directors estimate that the Issuer's ongoing costs for that period, together with the Issuer's liquidation costs (which would be payable as Administrative Expenses in any event), will be EUR 179,426 (subject to any adjustment to account for changes in the applicable foreign exchange rates) (the "**Retained Amount**");
 - (c) acknowledge that the Issuer intends to deposit the Retained Amount into the Expense Reserve Account and direct the Account Bank to pay the Issuer's ongoing costs and liquidation costs from the Expense Reserve Account to be applied as Administrative Expenses to procure an orderly dissolution of the Issuer;
 - (d) agree and consent to the Issuer retaining an amount equal to the Retained Amount to be applied as Administrative Expenses to procure an orderly solvent dissolution of the Issuer; and
 - (e) agree and consent to the Issuer depositing the Retained Amount into the Expense Reserve Account and directing the Account Bank to pay the Issuer's ongoing costs and liquidation costs from the Expense Reserve Account to be applied as Administrative Expenses to procure an orderly dissolution of the Issuer.
10. We hereby resolve that the Issuer is hereby authorised, empowered, requested and directed to pay, or procure the payment of, all amounts remaining in the Accounts following the payment of any Administrative Expenses and the retention of the Retained Amount (which is expected to be approximately EUR 519,846, subject to any adjustment to account for changes in the applicable foreign exchange rates) to the Subordinated Noteholders on or before 24 March 2023 (the "**Subordinated Noteholder Payment**") in order to cure the Potential Note Event of Default and each of the Issuer and the Trustee is hereby authorised, empowered, requested and directed to do all such deeds, acts and things as may be necessary, desirable or expedient in its sole opinion to carry out and to give effect to this Written Resolution.
11. We hereby agree and confirm that the Trustee is not required to request or receive any legal opinions in relation to the Subordinated Noteholder Payment, the Retained Amount, their implementation or this Written Resolution.
12. We hereby acknowledge and agree, upon receipt of the Subordinated Noteholder Payment pursuant to paragraph 10 above, to waive any and all existing breaches by the Issuer of the Conditions connected with or arising out of the Retention and shall consider any breach or potential breach pursuant to Condition 10(a)(v) (*Breach of Other Obligations*) as being remedied.

13. We hereby notify the Issuer that if steps are not taken by the Issuer to remedy the Potential Note Event of Default and the Subordinated Noteholder Payment is not paid to the Subordinated Noteholders within the applicable grace period specified in Condition 10(a)(v) (*Breach of Other Obligations*), we intend to exercise our rights pursuant to Condition 11(b) (*Enforcement*) to direct the Trustee to institute such proceedings or take such other action as the Trustee sees fit to enforce the security over the Collateral in accordance with the Trust Deed.
14. We hereby consent to any consequential amendments to any of the Transaction Documents to permit the deposit of the Retained Amount in the Expense Reserve Account and payment of the Issuer's ongoing costs and liquidation costs from the Expense Reserve Account to be applied as Administrative Expenses to procure an orderly dissolution of the Issuer.
15. We hereby resolve that any and every modification, waiver, abrogation, variation, compromise of, or arrangement in respect of, the rights of the holders of the Subordinated Notes against the Issuer, whether such rights shall arise under the Trust Deed, the Conditions or otherwise, involved in or resulting from or to be effected by the authorisation referred to in this Written Resolution and implementation of any of the foregoing are hereby approved.
16. We hereby:
 - (a) discharge, release, indemnify and exonerate the Issuer and the Trustee from all liability and irrevocably waive any claim against the Issuer or the Trustee which arises as a result of any loss or damage to the holders of the Subordinated Notes suffered or incurred as a result of the Issuer and the Trustee following the terms of this Written Resolution and the implementation of this Written Resolution (including, for the avoidance of doubt, the directions and/or instructions contained herein), save in the case of any negligence, wilful default or fraud on the part of the Issuer or the Trustee, provided that the Issuer and the Trustee shall not be negligent or acting in wilful default if and to the extent it acts in accordance with this Written Resolution, even though it may subsequently be found that there is a defect in this Written Resolution or that for any reason this Written Resolution is not valid or binding upon the holders of the Notes;
 - (b) discharge, release, indemnify and exonerate the Collateral Manager from all liability and irrevocably waive any claim against the Collateral Manager which arises as a result of any loss or damage to the holders of the Subordinated Notes suffered or incurred as a result of the Collateral Manager following the terms of this Written Resolution and the implementation of this Written Resolution (including, for the avoidance of doubt, the directions and/or instructions contained herein), save in the case of any gross negligence, wilful misconduct or fraud on the part of the Collateral Manager, provided that the Collateral Manager shall not be grossly negligent or acting in wilful misconduct if and to the extent it acts in accordance with this Written Resolution, even though it may subsequently be found that there is a defect in this Written Resolution or that for any reason this Written Resolution is not valid or binding upon the holders of the Notes; and

- (c) agree that this Written Resolution shall take effect as an Ordinary Resolution passed by a Written Resolution pursuant to paragraph 13 (*Written Resolutions*) of Schedule 5 (*Provisions for Meetings of the Noteholders of each Class*) to the Trust Deed.
17. We hereby acknowledge, understand, affirm and/or represent, as applicable, in connection with this Written Resolution:
- (a) none of the Trustee, the Issuer, the Placement Agent, the Collateral Manager, the Agents, their respective affiliates and any directors, officers or employees of any of the foregoing (each, a “**Relevant Party**”) is acting as a fiduciary (other than the Trustee) or financial or investment adviser for us;
 - (b) we are not relying (for purposes of making any investment decision) upon any advice, counsel or representations (whether written or oral) of any of the Relevant Parties;
 - (c) we have not construed this Written Resolution as a recommendation to the Subordinated Noteholders from a Relevant Party to consent to, withhold consent to, vote in favour of, or against, any of this Written Resolution;
 - (d) none of the parties to the Trust Deed expresses any opinion or makes any representations or recommendations as to the merits (or otherwise) of this Written Resolution and is not responsible for the accuracy, completeness, validity, relevance, sufficiency or correctness of the statements made and documents referred to in this Written Resolution or any omissions from this Written Resolution;
 - (e) nothing in this Written Resolution or otherwise shall be construed as a recommendation to us from the parties to the Trust Deed to either approve or reject this Written Resolution, and any recommendation made by any person has not been relied upon as having been authorised by a Relevant Party;
 - (f) we have consulted with our own legal, regulatory, tax, business, investment, financial and accounting advisers to the extent deemed necessary, and have made our own investment decisions (including decisions regarding the suitability of any transaction pursuant to the documentation) based upon our own judgement and upon any advice from such advisers as deemed necessary and not upon any view expressed by a Relevant Party;
 - (g) we are signing this Written Resolution with a full understanding of all of the terms, conditions and risks hereof and thereof (economic and otherwise), and we are capable of assuming and willing to assume (financially and otherwise) those risks;
 - (h) we are (i) a highly sophisticated institutional investor with extensive knowledge and experience in financial and business matters and expertise in assessing credit and all other relevant risk, (ii) capable of evaluating independently, and have evaluated independently, the merits, risks and suitability of the signing of this Written Resolution and continuing to hold Subordinated Notes, (iii) relying exclusively on our own sources of information, investigation, credit and legal

analysis with respect to the signing of this Written Resolution and our continued holding of Subordinated Notes, the Portfolio and the Issuer and have not relied in any respect on any Relevant Party with respect to information about the same in deciding to sign this Written Resolution or continue to hold Subordinated Notes and (iv) not relying on any communication (written or oral) of a Relevant Party as investment advice or as a recommendation to sign this Written Resolution or continue to hold Subordinated Notes, it being understood that information and explanations related to the terms and conditions of the Subordinated Notes, the Retained Amount and the Subordinated Noteholder Payment shall not be considered to be investment advice or a recommendation to sign this Written Resolution or continue to hold Subordinated Notes;

- (i) each Subordinated Noteholder is solely responsible for making its own independent appraisal of all matters (including those relating to this Written Resolution, the Subordinated Notes and the Issuer) as such holder deems appropriate, and each holder must make its own decision as to whether to consent to the Retained Amount, the Subordinated Noteholder Payment and to sign this Written Resolution;
 - (j) the terms of this Written Resolution have not been formulated by the Trustee, who expresses no view on them, and nothing in this Written Resolution should be construed as a recommendation to Subordinated Noteholders from the Trustee to either approve or reject this Written Resolution; and
 - (k) we are (A) (i) a qualified institutional buyer (“**QIB**”) within the meaning of Rule 144A under the United States Securities Act of 1933, as amended, holding the Subordinated Notes for our own account or for one or more accounts, each of which is a **QIB** and (ii) a qualified purchaser as defined in section 2(a)(51)(A) of the United States Investment Company Act of 1940, as amended; or (B) located outside the United States and not a U.S. Person as defined in Regulation S under the Securities Act.
18. This Written Resolution may be contained in one document or in several documents in like form, each signed by or on behalf of one or more of the holders of the Subordinated Notes.
19. This Written Resolution and any non-contractual obligations arising out of it are governed by and shall be construed in accordance with English law.

Subordinated Noteholder:

Legal name of Subordinated Noteholder

By: _____
Authorised signatory

By: _____
Authorised signatory

Date: