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BCP PROPERTY VALUE ADD FUND

IMPORTANT UPDATE

February 2026

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The BCP Property Value Add Fund has been navigating very difficult market conditions over the last few years, particularly for properties outside core locations. From 2022 onwards, the sharp upwards shift in the interest-rate environment had a material negative impact on asset valuations across the market. Prime assets experienced value declines of at least c.20%, while secondary assets were impaired by multiples of this. Compounding this cyclical shift in capital values, the domestic lending market contracted significantly as pillar banks pulled back from the commercial real estate market and been replaced by alternatives lenders who have significantly higher costs of capital.

Project plans are in place for each of the properties the fund has exposure to. In relation to the property in Fumbally this involved the repurposing of the buildings and entering into binding contracts with the Government regarding alternative use. Unfortunately, events in relation to these contracts have materialised which have had a significant impact on the current valuation for Fumbally and consequently on the Property Value Add Fund's overall unit price.

In this update we will go into detail regarding the circumstances surrounding the Fumbally development and provide a brief update on the fund's other assets.

Please note that the Fund is currently closed to redemptions.

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Fumbally

Fumbally has been one of the fund's more challenging assets, given the structural weakness in Dublin's office market since Covid. As previously reported, the property was facing sustained leasing headwinds and the majority of the building was vacant for an extended period of time. Furthermore, the existing debt funder withdrew which necessitated new funding arrangements with other funding partners. During Q4 2024 and Q2 2025, binding agreements were signed with the Minister for Children, Equality, Disability, Integration and Youth to convert the Fumbally buildings into an IPAS centre for approximately 500 residents and the provision of accommodation services on behalf of the State to international protection applicants. The conversion works were scheduled for Q2 to Q4 2025 and the centre expected to open in Q1 2026. For legally imposed confidentiality reasons, we were not previously able to disclose the conversion of Fumbally into an IPAS centre to accommodate International Protection applicants under a contract with the Irish Government. On the back of agreements with the Minister, all necessary consents were obtained, a main contractor appointed and works commenced in line with the agreed programme.

Despite the binding agreement and the fact that we had made significant progress with the works, the Minister for Justice, Home Affairs and Migration (who had assumed responsibility for IPAS matters) (the "Minister") indicated an intention not to comply with signed agreements and they were deemed to be formally repudiated by the Minister in September 2025. As a result, the development of the IPAS centre will not now proceed, the underlying accommodation contract will not proceed, and there is a half-converted building configured for a use that will not be realised. We have obtained advice from William Fry LLP and a leading Senior Counsel and proceedings against the Minister/ Government have issued in the Commercial Court. The Fund has arranged financing for a full litigation process, albeit at a high cost.

The IPAS strategy required a substantial refinancing package to fund the refinance of the previous senior loan and the conversion works. In committing to this plan, our underwriting was based on a multi-year operating period under the IPAS arrangements, consistent with the scale of the centre and the State's ongoing need for accommodation of this type. The Minister's repudiation of the agreements has created a significant mismatch between the costs incurred in reliance on those agreements (including the cost of the new financing and conversion works), the income profile of the asset in its current partially converted state, and timing and visibility of cash flows from the litigation.

In parallel with the litigation, we are pursuing a repositioning of Fumbally as an aparthotel. We have signed Heads of Terms for a pre-let of the buildings with an aparthotel operator, which we regard as a strong endorsement of the site's long-term potential. However, this strategy still requires us to (i) obtain the necessary planning consents for the aparthotel use, (ii) complete a binding pre-let agreement with the aparthotel operator and (iii) ultimately achieve an attractive exit price. None of these steps is guaranteed, and they will take time and further capital.

Taken together, these factors mean that Fumbally is currently

(1). a highly leveraged, partially converted asset in a weak office sub-market;

(2). with a materially reduced income profile from the IPAS scheme relative to the assumptions that underpinned the recapitalisation;

(3). that is also subject to an uncertain and binary litigation process against the Minister, and;

(4). execution, planning and exit risk around the aparthotel strategy.

While we are actively pursuing both the legal claim and the aparthotel repositioning, and are optimistic regarding the merits of our case against the Minister, the Investment Manager considers it prudent and conservative at this point to write down the value of the fund's exposure to Fumbally. Having considered a moderately successful litigation outcome and property sale, and the priority payments to debt and preferred equity note holders, the **Fumbally writedown results in a negative impact on PVAF's Unit Price of 13.5% as at 30 September 2025.** While this is the Investment Manager's best estimate at this juncture, even a successful litigation result can have a range potential outcomes in terms of damages awarded, and for that reason there is a high degree of uncertainty in the current value of the Fumbally position and there may be further negative impact on PVAF's unit price as a result of the Ministers breach of contract. A mediation process has been agreed by the parties and as the situation becomes clearer the Investment Manager will reflect that in future unit price valuations.

We are acutely aware of how disappointing this outcome is for investors. Throughout 2024 and into 2025, the team prevented foreclosure by the previous senior lender which would have resulted in a full loss of investor equity in this property. We then worked intensively to design and secure a robust repositioning of Fumbally, culminating in execution of the agreements and the mobilisation of a full professional and contracting team to deliver the IPAS conversion. The plan for the IPAS centre was designed to provide a credible route to restoring investors' full equity over time. The Minister's unilateral decision to repudiate the agreements and the consequent loss of a well-structured plan to protect and recover investors' capital is deeply disappointing. Notwithstanding this, we remain fully focused on rigorously pursuing the claim against the Ministers and working to deliver the aparthotel repositioning, so that any value which can be recovered for investors is realised over time.

Although the unexpected events with Fumbally will result in a significant markdown in the fund's unit price, the business plans for the fund's other assets are still progressing as planned. Below is a brief update on each of these.

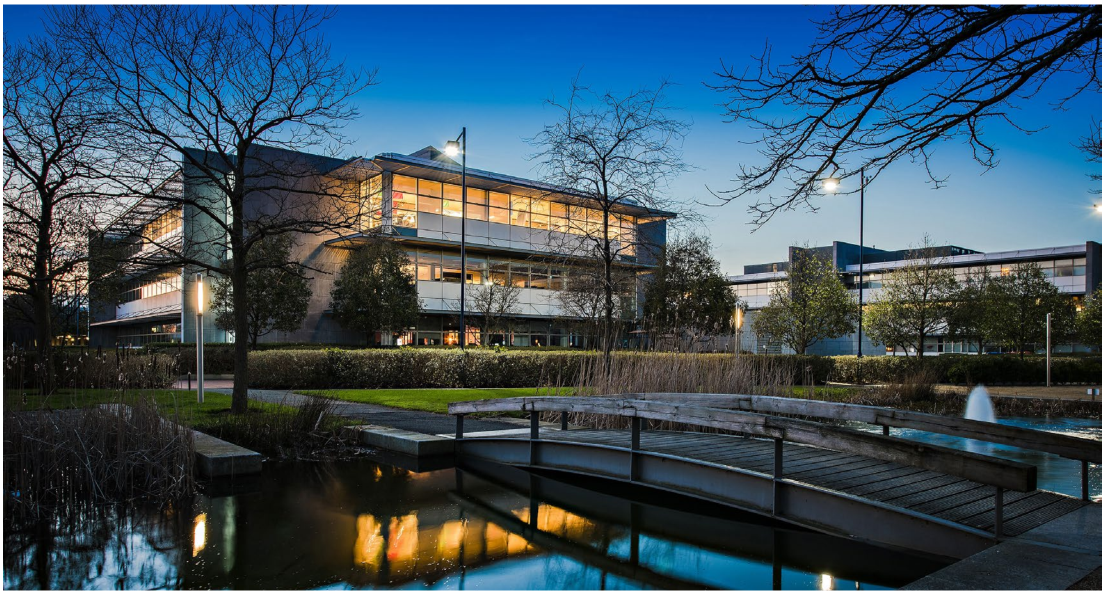
60 Dawson Street

As at the start of 2026, terms have been agreed with two of the remaining vacant retail units and lawyers are instructed by both the landlord and tenant. This will bring the building up to 94% occupancy.

A further lease is close to completion which would mean the scheme would be left with one remaining vacant retail unit which is subject to three expressions of interest.

Given the demand for the last remaining vacant retail unit the project team are now confident that the scheme will be fully let by mid-year 2026.

All of the office leases are now through their rent free periods and the building is producing a significant rental surplus which will support the overall fund performance.



Block R, Eastpoint Business Park, Dublin 3

Google remain in occupation in Block R with rent certainty until September 2027 and eight years remaining on their lease.

The property management team worked hard on securing new debt financing over the summer and were successful replacing Bank of Ireland with Hilco Real Estate Finance, albeit the cost of this finance from this alternative lender is materially higher than traditional bank debt.

St. Andrews House, Dublin 2

St Andrew's House was also successfully refinanced recently with Topland Group supporting the refinancing of Bank of Ireland out of the property. Albeit, again the cost of this finance is materially higher than that from Bank of Ireland.

Benefiting from Topland's support we are progressing with a new business plan to reposition the upper levels of St Andrew's House into a compact luxury aparthotel.

Our plans will add 36-keys across the three upper floors accessed via the main entrance on Exchequer Street.

We received positive initial feedback from Dublin City Council on planning for the change of use. We envisage commencing works mid-summer 2026 with completion by year-end 2027.

We also completed the lease re-gear with Patagonia for a further 10 years without a break while progressing a number of other leasing initiatives within the building which will see improved rental performance and a longer term certain across the retail units which will be accretive to valuation.

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POTENTIAL RISKS AND NOTICES TO INVESTORS

The principal areas of risk for investors are as follows:

- Rents may not increase after rent reviews
- The tenants default and the properties remain vacant
- Properties that are refurbished/ redeveloped may remain vacant after completion of works
- Associated property development risks
- The property market is cyclical and a loss could occur if the assets have to be sold in a downturn
- Asset values and borrowings in the Fund may be subject to exchange rate risk
- Borrowings may in future be subject to a certain level of exposure to fluctuations in interest rate risks. Interest rates have risen sharply but may rise further in the future, which would impact fund returns
- Property is an illiquid asset class and delays could occur in realising the sale of any property assets, which in turn could delay your exit from this investment.
- Borrowing facilities may expire and it might not be possible to refinance these facilities, which could lead to the forced sale of a property and could adversely affect the unit price

MANAGEMENT OF THE FUND

BCP Asset Management undertakes investment management of the assets held by the Fund. BCP's costs are met from the annual management fee. As investment managers, BCP Asset Management will have sole discretion on the timing of the sale of the assets in the Fund.

YOUR INVESTMENT AND ESG

The Sustainable Finance Disclosure Regulations (SFDR) apply to this Fund which is classified as Article 6 'like'. The Fund does not have as its objective sustainable investment, nor does it promote environmental or social characteristics. The investments underlying this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

The impact of sustainability risks on the returns of the Fund have been assessed by the Alternative Investment Fund Manager (AIFM), the Manager and the Investment Manager, taking due account of the nature and scale of its activities. They have elected for the time being not to consider the principal adverse impacts of investment decisions of the Fund on sustainability factors. The AIFM considers this a pragmatic and economical approach to compliance with its obligations under the SFDR.

Please also see the risks outlined in the Prospectus of the Fund.

The Fund is permitted to borrow and enter leverage arrangements. The Fund will not borrow to purchase a property where the resulting level of total leverage would exceed 60% of the gross assets of the Fund. Whilst borrowing gives the potential for enhanced returns, it also increases the potential impact of the risks outlined above.

Warning: Past performance is not a reliable guide to future performance. Warning: Where redemption requests exceed the cash in the Fund, or 10% of the NAV of the Fund, the Fund retains the right to freeze redemptions to avoid circumstances such as a forced sale of assets. Warning: The value of the property assets may fall as well as rise and it is possible that you may lose the total amount invested. The risks involved in geared property are greater than property without gearing. Warning: This is a capital at risk product. Warning: Forecasts are not a reliable indicator of future performance.

PLEASE CONTACT YOUR FINANCIAL ADVISOR OR BCP (01 668 4688 / INVEST@BCP.IE) FOR MORE INFORMATION.

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