Date of Announcement: 27 April 2020

COMPANY ANNOUNCEMENT

The following is a Company Announcement in terms of the Listing Rules regulating the Institutional Financial Securities Market (IFSM)

BY

PCAM ISSUANCE III S.A. acting in respect of its Compartment BER_USD_001

incorporated as a public limited liability company (*société anonyme*) under the laws of the Grand Duchy of Luxembourg, registered with the Luxembourg Trade and Companies Register under number B. 203269 and having its registered office at 51, avenue John F. Kennedy, L-1855 Luxembourg. (The Company)

Relating to the U.S.$600,000,000 Profit Contingent Secured Bonds Programme of a nominal value of USD 200,000 per Bond (ISIN CODE: XS 1453497965)

QUOTE

The Company would like to inform its bondholder that it has been actively monitoring the developments of the COVID-19 pandemic and the challenges posed by these extraordinary circumstances. The COVID-19 pandemic, and the actions of many governments around the world to prohibit or discourage travel, has led to a rapid and unprecedented reduction in air travel globally with subsequent impact on airlines' cashflow. Many air operators have approached their lenders, leasing companies and other creditors, asking for short-term concessions such as deferrals or waivers of payments.

There are also reports of airlines in some countries requesting state support, though the circumstances and available support vary from country to country. It may be the case that state support will enable some airlines to resume activities and pay creditors within a short period of time. However, at this stage it is too early to be able to predict the consequences for airlines' ability to pay.

It is not yet known when the current groundings and travel restrictions will cease, or when air traffic will return to previous levels. Industry analysts already predict that – partly as a result of the expected global economic downturn resulting from the effects of the coronavirus pandemic on economies – there will be a period of reduced traffic and more difficult trading conditions for many airlines even after air travel restrictions are lifted.

Consequently, under several of the loan agreements which the Company has invested in, the ability of borrowers to make payment of their obligations is already affected, or is expected to be affected. It is too early at this stage to say definitively which borrowers will or will not be affected.

Furthermore, as a consequence of the above, it is generally anticipated that there will be a negative impact on the value of aircraft generally, both on sale prices and lease rates. As this is a recent event, industry appraisers have said that they do not yet have line of sight on future asset values, and there are – as yet – no revised aircraft valuations which are generally available. Consequently, under several of the loan agreements which the Company has invested in, the value of the aircraft collateral is likely to be reduced. It is too early at this stage to say which loan agreements will or will not be affected, or by how much.

In previous downturns in the aviation industry (for example after September 11th, 2001, and after the global financial crisis in 2008/2009), there was a period of approximately 2 years of financial difficulty and losses for airlines, before the upwards cycle of traffic growth and improved financial performance resumed.

The Company, as lender in the syndicates under certain loan facilities, has recently received certain requests for temporary forbearance under loan facilities. It is expected that others may be received.

The Company will continue to monitor the situation closely and consider appropriate courses of action in dealing with these and other such requests, and will continue to engage the support and cooperation of the Loan Monitor in determining how to act. The Company has been advised that the prevailing view of lenders in the aviation finance sector appears to be that it is currently better to cooperate with airlines' reasonable requests in the short term, in order to avoid airline failures where possible, to preserve asset values, and to enable airlines to resume payments in the longer term.

The circumstances above may constitute an impairment of the Company's business situation and earnings and may ultimately have an adverse effect on its ability to comply with its payment obligations with respect to the Outstanding Nominal Amount of the Bonds.

The Company shall keep the market duly updated on developments relative to the above as the situation evolves further.

For further information please contact the Company at its registered office address (indicated above) or by e-mail at PCAM_III@sannegroup.com

This announcement has been issued through the Companies Announcement Service of the International Financial Securities Market.

UNQUOTE

By order of the Board of Directors of PCAM Issuance III S.A

Marketa Stranska
Director

Rolf Caspers
Director