

Copenhagen, 24 August 2019

Alleged breach of loan covenants

Company announcement No 13/2019

Santa Fe Group A/S and its financing partner, Proventus Capital Partners (Proventus), reached an agreement by way of a term sheet dated 28 March 2019 with amendments to the original facilities agreement (ref Company announcement no 4/2019).

Proventus has in a letter alleged that Santa Fe Group A/S has breached a payment obligation under the original facilities agreement. The payment obligation was deferred until 1 April 2020 under the agreed term sheet dated 28 March 2019.

Proventus has further alleged that Santa Fe Group A/S has breached a number of its financial covenants, reporting and other obligations under the term sheet.

Santa Fe Group A/S disagrees and is of the view that it has met its obligations arising under the facilities agreement and the term sheet. The company does not recognise the existence of any breach.

If there were, as alleged by Proventus, a breach of payment obligations under the original facilities agreement, or financial covenant, reporting and other obligations under the term sheet, this would constitute an event of default entitling Proventus to accelerate the loan. No acceleration or notice of intent of acceleration has been received.

The company has continuously worked closely and collaboratively with Proventus to develop and implement a restructuring plan for the company. Phase 1 of this plan has been under implementation since April 2019, generating the expected results. Phase 1 is planned to be completed by end of 2019. Phase 2 is more substantive and depends on longer term financing to be in place to secure liquidity and cash reserves throughout the first implementation phase.

As part of the agreed restructuring plan, the company has been in discussion with Proventus about a longer term financing agreement since July 2019, however the formal notification received from Proventus is interpreted by the company as a material risk to the ongoing negotiations and a longer term financing agreement with Proventus.

Yours sincerely,

Santa Fe Group A/S

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