

Investor update

27 August 2026

CVS Lane First Mortgage Fund (FMF, APIR:CVS0681AU)
CVS Lane Property Finance Fund (PFF, APIR:CVS7241AU)

Dear Investor,

On 25 August 2026 Bathla Group appointed voluntary administrators to entities across its group, including the special purpose vehicles that are borrowers associated with the CVS Lane First Mortgage Fund and the CVS Lane Property Finance Fund (**Funds**), of which CVS Lane Capital Partners Pty Ltd is the trustee (**CVS Lane**).

We are writing to provide an update on what this means for CVS Lane investors and the actions we are taking in response, noting CVS Lane currently has nine facilities with the Bathla Group on behalf of the Funds.

Implications for CVS Lane

Voluntary administration is a formal step in the insolvency process under which company directors appoint independent administrators to take control of a company's affairs while they assess its financial position and options regarding its continued operation. It is designed to give the company 'breathing space' while the administrator considers the viability of any possible solutions and appropriate next steps.

We are actively assessing the implications of this appointment alongside our legal and other advisers and are engaging with the administrators to understand their plans and intentions. Protecting investor capital remains our primary focus.

The appointment of voluntary administrators:

- 1. Does not change the legal rights CVS Lane holds over the land securing our loans on behalf of the Funds.**
Our facilities are secured by first mortgages, meaning CVS Lane has priority over Bathla's equity and unsecured creditors in relation to the proceeds of the secured properties. The loans are also cross-collateralised across the portfolio and do not involve any other lenders.
- 2. Does not change the Funds' right to charge interest.**
We note July interest remains unpaid on loans made to Bathla, and we no longer expect Bathla to service interest. Following this failure to pay interest, CVS Lane reserved its rights to take action against the Bathla Group for events of default, including the right to charge default interest on its facilities.
- 3. Does not affect arrangements for existing contracted sales.**
As previously reported, three of CVS Lane's nine facilities with Bathla Group on behalf of the Funds are due to be repaid through contracted sales of the underlying properties by 31 December 2026, including one unconditional sale due to settle in September 2026.

Applications and redemptions

As a result of Bathla's announcement, the Trustee has determined to temporarily suspend the processing of application and redemption requests across the Funds from 5pm on 26 August 2026.

This means the Funds' Redemption Pools will not be available during the temporary suspension period. As per the terms of the Funds' Information Memoranda and associated Fund documents, the Trustee may make

available a Redemption Pool of 1.75% of Net Asset Value (**NAV**) per month at its discretion. The Trustee's discretion includes facilitating approved redemption requests in full, partially on a pro rata basis where redemption requests exceed the Redemption Pool, or not at all by suspending redemptions.

The Funds' redemption provisions are designed to balance investor liquidity with the interests of all investors in the Funds. The Trustee considers a temporary suspension to be in the best interests of investors as a whole, with relevant factors including the current uncertainty surrounding the Bathla administration and the need to ensure any decisions regarding applications and redemptions are made on the basis of the best available information. This approach is consistent with the Trustee's obligations to consider the interests of both redeeming and continuing investors and pursuant to its powers under each of the Funds' governing documents.

Redemption requests received before 5pm on 26 August 2026 will not be processed during the suspension period, noting that redemption requests currently exceed both Funds' Redemption Pools of 1.75% of NAV. Following the temporary suspension period, the Trustee may accept or reject requests received before 5pm on 26 August 2026 in accordance with the Funds' governing documents. During the suspension period, the Trustee will not process new application or redemption requests.

The Trustee will reassess its position by 31 October 2026 and provide a further update to investors at that time.

Distributions

There is currently no change to the Funds' distribution policy, and distributions will continue to be paid in accordance with the existing policy.

Funds' research ratings

As a result of Bathla Group entering administration, SQM Research has placed the research ratings for both Funds on hold. Per SQM's definition, "this is a temporary rating that will remain in place while SQM Research undertakes an assessment of any new information". We have been engaging with SQM on a regular basis and will continue to do so.

Keeping you informed

We understand this news raises questions. We invite you to attend a dedicated investor webinar on Tuesday 1 September where Lee Centra (CEO) will provide more detail. You are also welcome to submit any questions ahead of the webinar by emailing investorservices@cvslane.com.au.

[Register for the webinar here](#)

As further information becomes available, we will also provide updates via our regular reporting and additional communications as required.

If you have any questions in the meantime, please contact your relationship manager or our Investor Services team.

Kind regards,

CVS Lane Capital Partners Pty Ltd

as Trustee for CVS Lane First Mortgage Fund and the CVS Lane Property Finance Fund

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