

Company name IA Capital Structures (Ireland) plc
Headline Notice to Noteholders of Series 9

9 July 2019

THIS NOTICE IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

THIS NOTICE CONTAINS IMPORTANT INFORMATION OF INTEREST TO THE OWNERS OF THE NOTES. IF APPLICABLE, ALL DEPOSITARIES, CUSTODIANS AND OTHER INTERMEDIARIES RECEIVING THIS NOTICE ARE REQUESTED TO PASS THIS NOTICE TO SUCH OWNERS IN A TIMELY MANNER.

If you are in any doubt as to the action you should take, you are recommended to seek your own financial, legal or other advice immediately from your stockbroker, bank manager, solicitor, accountant or other appropriately authorised independent financial adviser.

If you have recently sold or otherwise transferred your entire holding(s) of the Notes referred to below, you should immediately forward this document 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.

NOTICE FROM THE ISSUER TO NOTEHOLDERS

IA Capital Structures (Ireland) plc
(the “**Issuer**”)

Series 2013-9 US\$1,020,000 Equity-linked Real Estate Opportunity Notes due 2023
ISIN: XS0972245285 COMMON CODE: 097224528
(the “**Notes**” or the “**Series**” and the holders thereof the “**Noteholders**”)

Reference is made to the investor letter from Prodigy Shorewood Investment Management LLC (“**PSIM**”) (the “**Investor Notice**”), appended hereto as Annex.

Capitalised terms used but not otherwise defined in this notice shall have the meanings ascribed to them in the Series Memorandum in relation to the Notes dated 17 September 2013 and the Investor Notice.

BACKGROUND

The Issuer hereby delivers to the Noteholders the attached Investor Notice it has received from PSIM.

PROPOSED ACTION

The Issuer proposes no course of action at this time. This notice is for informational purposes only and the Issuer expresses no opinion on the information contained in the Investor Notice.

Further Information

For further information please contact the investment manager at investorrelations@prodigynetwork.com

ANNEX – THE INVESTOR NOTICE

PRODIGY NETWORK

Dear Investors,

On behalf of Prodigy Shorewood Investment Management LLC (“PSIM”), the investment manager of the project, we are writing to inform you of the current status of your investment in the 17 John Street Series of Prodigy Shorewood Master REP Fund, LLC for the property located at 17 John Street in Manhattan (the “Property”).

This communication is the first in a series to come where we will share the strategy for the Property, in response to the current challenges facing the project. We plan to update you in this format as the situation demands to keep you informed and apprised of the work done and the options being considered and implemented by the different stakeholders in the project.

Market

With 2018 Manhattan office leasing volume surpassing 32.4 million square feet, its highest results since 2000, and the investment sales market finishing 35% greater than 2017 with nearly \$50 billion of closed transactions in the city, we remain confident as ever in New York City real estate.¹² Since we opened the Property in Spring 2018, the local coworking market continues to be competitive. Ahead of an upcoming initial public offering, WeWork has opened over 50 locations in New York City and in our neighborhood, our Property constantly competes for members with other coworking operators including Knotel and The Wing. As of last year, there are over 10.5 million square feet of flexible workspace in New York, which represents a 47% increase from 2016.³

Property Performance

Despite consistent revenue growth and implementation of expense-saving strategies over the past year, the Property is operating below the original performance projections. These original projections were critical to defining the property’s debt strategy and anticipated timeline for returning capital to investors. Due to this underperformance and the increase in interest rate, the Property’s net operating income can not sufficiently cover its current and future debt obligations. To cover this shortfall in the past, Prodigy Network contributed approximately \$2 million between working capital, manager loans and withholding collection of asset management fees.

In light of these circumstances, until the property generates enough cash flow to service its debt obligations, we must act preemptively and postpone the bi-annual preferred return payments to the John Street Preferred Series investors, starting with the next scheduled payment on June 30th, to which payments will accrue (accumulate).

¹ <https://therealdeal.com/2019/01/21/manhattans-hotel-market-emerges-from-3-year-slump/>

² <https://therealdeal.com/2019/01/16/nyc-i-sales-hit-nearly-50b-in-2018-breaking-2-year-slump/>

³ <https://www.colliers.com/-/media/files/apac/japan/flexible-workspace-report-us-english.pdf>

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Given the situation, we are consulting with representatives of a large group of LATAM-based investors in the project. These representatives have communicated several ideas and concerns in a collective effort to determine the strategy of the Property moving forward. Meanwhile, we are confident that beyond the current underperformance and capitalization structure of the Property, the New York real estate market remains strong.⁴

Therefore, as investment manager we must act prudently to protect your investment. We intend to engage Newmark Knight Frank as restructuring advisors with a scope of services including but not limited to: valuation services, agent leasing, investment sales, due diligence, capital markets, recapitalization analysis, debt and structured finance. Newmark is one of the world's leading and most trusted commercial real estate advisory firms. Together with London-based partner Knight Frank, 16,000 professionals operate from over 430 offices on 6 continents.

Upon engagement of Newmark, your collaboration will be required to ensure an efficient process that optimizes the recovery of your investment capital.

In the next few weeks, we intend to deliver to you a detailed update on the proposed strategic plan so you can make an educated decision regarding the future of the project.

Please be aware that the alternatives include, but are not limited to:

- Additional capital contributions from you to reduce the debt in the asset,
- Additional leverage on the Property from third-party sources to get sufficient time to increase revenue and/or
- Disposition of the Property at market value.

While we are disappointed that the Property has not performed as expected, we continue to work diligently on delivering the best outcome under these adverse circumstances.

Communication

If you are a REP investor, the most efficient way to get your questions answered as quickly and accurately as possible, is to please submit via email to johnequity@prodigynetwork.com. Your documents can be found on your dashboard which can be accessed via logging into www.prodigynetwork.com with the email address used when you signed your subscription agreement.

⁴ https://www.millersamuel.com/files/2019/02/mandecade_2018.pdf

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Bear in mind that if you are a FLEX investor, all documentation relevant to your investment can be accessed via Bloomberg or by contacting your custodian. You can also email any questions to johnequity@prodigynetwork.com.

We will be gathering all questions and addressing the key inquiries to respond to you as soon as possible. This is the best method to ensure transparency, accuracy, and timeliness of the information.

We will keep you regularly informed on the status of the aforementioned actions as well as strategy updates. Our intention is that these measures will benefit the interest of the investors.

Best,

A handwritten signature in black ink, appearing to read 'R. Nino', with a stylized flourish at the end.

Rodrigo Nino
Prodigy Shorewood Investment Manager, LLC