

PRIVATE & CONFIDENTIAL

German Real Estate Market

Key Observations and Implications for Investors

June 24



one
square

Agenda

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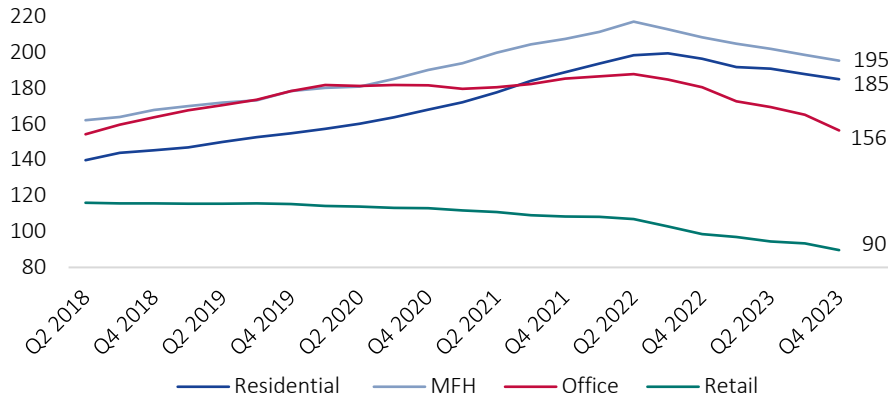
1. German Real Estate Market

Key Observations



German real estate prices declined slightly from Q2 2022 peak levels...

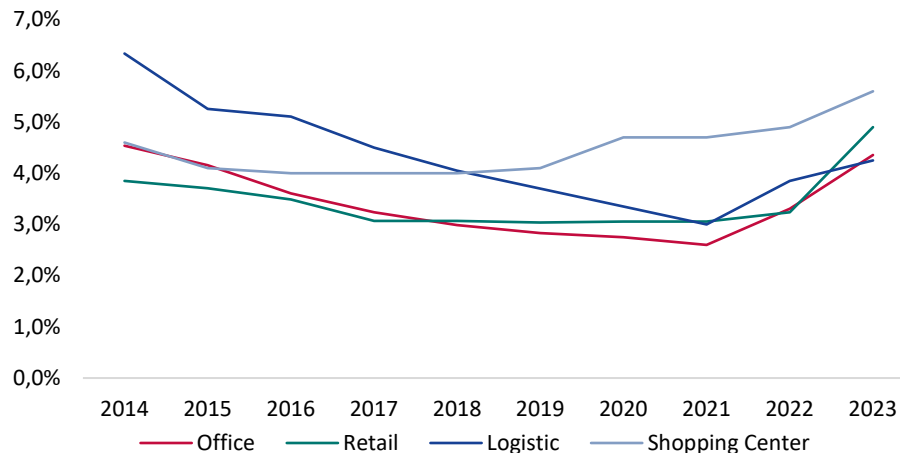
Development of Purchase Prices (2010=100)



Comments

- In the German real estate market, the price index fell by 7.2% in the fourth quarter of 2023 compared to the same quarter of the previous year and by 2.2% compared to the third quarter of 2023
- Residential real estate prices recorded a year-on-year decline of 6.1%
- On the commercial real estate market, there was a significant year-on-year decline of 12.1% and a further decline of 4.9% compared to the previous quarter
- The declining demand for real estate is due to rising mortgage rates in combination with still high real estate prices and increased construction costs as the main cause, leading to a reluctance to buy among households
- Commercial real estate markets in Germany face challenges from the war in Ukraine, the climate crisis, high energy prices, inflation, and rising interest rates
- The reluctance to invest resulted from uncertainties about economic developments and changes in yield expectations on the market

Development of prime yields (net) in Germany

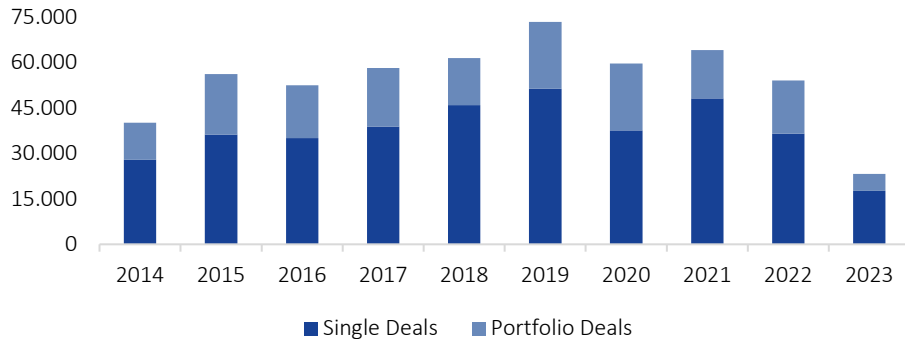


Comments

- The increase in prime yields has continued broadly in recent years after a sharp decline in the year 2014 and following → Indicating a rise in prices over all asset classes
- In the fourth quarter, net prime yields rose slightly as the interest rate cycle of the major central banks was not yet complete
- Prime yields for offices in A locations increased by an average of 23 basis points
- Munich remains the most expensive location with a prime yield of 4.20%, followed by Berlin and Hamburg with 4.25% each
- The prime yield for logistics properties rose by 15 basis points to 4.25%, while inner-city commercial properties remained virtually unchanged at an average of 3.76%

... while transaction volume dropped significantly – and has come to a virtual stand-still in some areas of the market - due to different pricing expectations of buyers and sellers

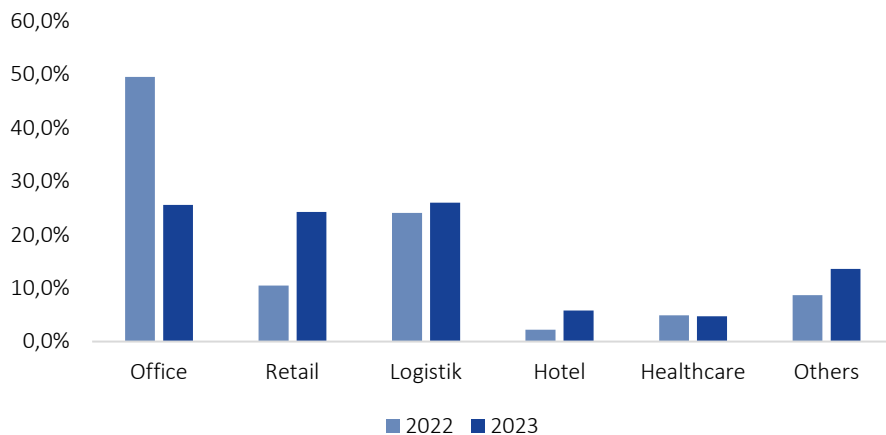
Development of Transaction Volume in Q4



Comments

- Commercial real estate investment market has started the new year with the weakest turnover since 2010
- In 2023, just under € 23.3 billion was invested in commercial real estate, a decline of 57% compared to the previous year
- The transaction volume remains at the level seen shortly after the financial crisis
- The investment volume in the German A-locations (Berlin, Dusseldorf, Frankfurt, Hamburg, Cologne, Munich, Stuttgart) was a good two thirds lower than in the previous year. At around €9.26 billion, this was also the weakest result in the last ten years

Investments by Asset class

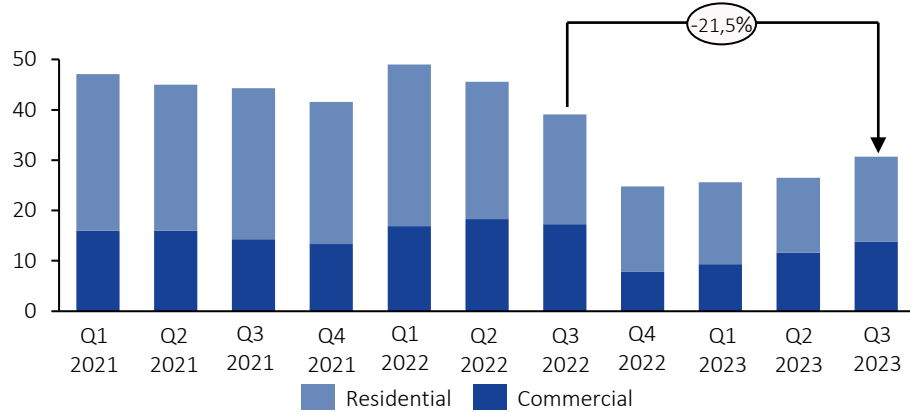


Comments

- For the first time, logistics properties account for the highest share of total commercial investment turnover
- Logistics properties reached just under €6.1 billion, accounting for 26% of the transaction volume
- Office properties follow close behind in second place with an investment of almost €6 billion, which also corresponds to around 26% of total turnover
- Retail investments are in third place and account for around 24% of total turnover, with a transaction volume of just under €5.7 billion

... as higher financing base rates necessitate higher investment yields while sellers are still looking to achieve peak valuations and are not prepared to take substantial haircuts

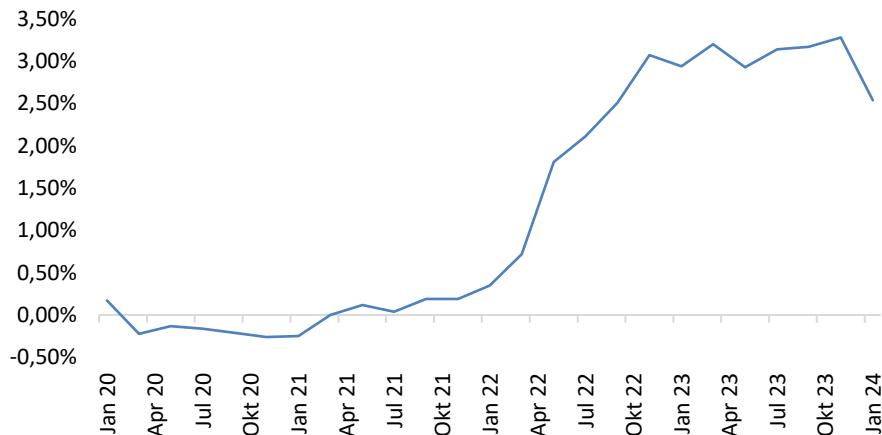
Volume of Financing Granted (in Bn €)



Comments

- Slump in financing in 2023, slight recovery over the course of the year. Despite this, the volume in Q3 is 21,5% lower than in Q3 2022
- The market for commercial real estate financing in Germany recovered strongly in H1 2022, driven by strong demand for office and logistics properties and a favorable interest rate environment
- Financing issuance peaks in Q1 2022; in H2 strong drop in new financings issued due to Ukraine war and strong inflation--> -49% in Q1 2022 to Q4 2022 signs of increasing risk in the market, such as rising property prices and higher loan-to-value ratios

10Y Swap Rates





Comments

- The 10-year swap rate in Germany has been on a generally downward trend since 2018, reaching historic lows in mid-2019 and mid-2020
- This decline in the 10-year swap rate has contributed to a decrease in mortgage rates, making it cheaper for people to borrow money to purchase homes
- As a result, the German real estate market has experienced significant growth, with prices increasing in major cities such as Berlin and Frankfurt
- However, the COVID-19 pandemic has caused some uncertainty in the market, leading to a slowdown in price growth in some areas
- Rising swap rates since 2022 have increased borrowing costs for real estate investors, which has led to decreased demand for new projects and a slowdown in construction activity
- The higher swap rates have also put downward pressure on property prices, as investors are less willing to pay high prices for assets that have lower expected returns due to higher financing costs

Wave of insolvencies for project developers and also property companies (1/2)

Ample opportunities to acquire developments and assets out of sales processes over the coming months

Overview of insolvencies of project developers

Unternehmen	Insolvenzverwalter	Projektvolumen (in € Mio.)	Antragsdatum	Geschäftszweck
 IMVEST Planen und Bauen GmbH	Dr. Matthias Wolgast	450 (2023)	29.02.24	Provision of various services in the property and construction industry
 Schoofs Immobilien GmbH	Dr. Andreas Kleinschmidt	222 (2022)	19.02.24	Purchase and sale of land, development and planning of residential and commercial construction projects
 INTERBODEN GmbH & Co KG	Dr. Uwe Paul	160 (2015)	07.02.24	Property Service Provider
 MATRIX Immobilien GmbH	Dr. Tjark Thies	1.000 (2019)	05.02.24	Acquisition, development, development and sale of developed and undeveloped land
 Tecklenburg Projektentwicklung GmbH	Dr. Markus Kier	400 (2023)	11.01.24	Purchase and sale of developed and undeveloped properties, project development
 ALPHA REAL ESTATE Alpha Real Estate Holding GmbH	Jens Lieser	1.000 (2023)	30.11.23	Services that cover the entire property value creation process, from buying and selling to active and value-enhancing asset and property management
 SIGNA SIGNA	Prof. Dr. Torsten Martini (German proceedings)	9.000 (2020; Gesamte Holding)	24.11.23	Acquisition, ownership, management, utilization, development and exploitation of real estate, buildings and properties, as well as the planning and construction of buildings
 REVITALIS // REVITALIS REAL ESTATE AG	Dr. Sven-Holger Undritz	1.100 (2020)	14.07.23	Management of own assets, in particular the formation of partnerships and corporations
 CENTRUM CENTRUM Holding Deutschland GmbH & Co. KG ⁽¹⁾	Dr. Frank Kebekus	4.500	06.07.23	Acquisition and management of own assets for own account, in particular the holding of participations in companies

Wave of insolvencies for project developers and also property companies (1/2)

Ample opportunities to acquire developments and assets out of sales processes over the coming months

Overview of insolvencies of project developers

Unternehmen	Insolvenzverwalter	Projektvolumen (in € Mio.)	Antragsdatum	Geschäftszweck
 DEVELOPMENT PARTNER GmbH ⁽²⁾	Georg F. Kreplin	2.400 (2021)	07.08.23	Implementation of project development measures and consultancy services for the purchase and sale of properties
 GERCHGROUP AG	Dr. Jens Schmidt	4.200 (2023)	23.08.23	Development and project planning of properties, their purchase and sale, letting and management as well as financing of property investments
 PROJECT Immobilien PROJECT Immobilien Wohnen und Gewerbe GmbH	Volker Böhm	3.200 (2023)	10.08.23	Brokerage, management and realisation of residential and commercial properties in Germany and Austria, as well as execution of property development activities
 Euroboden GmbH	Oliver Scharl	2.000 (2022)	24.08.23	Project development, as well as buying and selling, renting and leasing, and holding and managing properties

Insolvency administrators are looking to monetise asset value...

Insolvency proceedings and distress sales in the outlook

- 22.02.2024: The **Elbtower in Hamburg** is soon to go up for **sale** - or at least the ruined building. The insolvent **Elbtower GmbH** has engaged the real estate agency **CBRE** for this purpose. The sale is set to begin this month to find a new **private investor** who can complete the **project** (Hamburger Morgenpost)
- 14.02.2024: **SIGNA** is starting with the **sale** during its **insolvency proceedings**. As announced by the **insolvency administrator**, buildings including the **Austrian Constitutional Court**, the luxury **Park Hyatt hotel** in Vienna and the upmarket shopping mall "**Goldenes Quartier**" are to find new owners. A **shopping center** in **Innsbruck** is also up for sale (Merkur)
- 02.02.2024: The **sale** of the insolvent department store group **Galeria Karstadt Kaufhof** should be completed within the next two to three months, with the aim of signing the contracts by **April** at the latest. Interested parties can register their non-binding interest until **February 11**, while the deadline for binding offers is **March 8**. The focus is on retaining **Galeria** as a whole, although individual **locations** or **store packages** are also being considered (Handelsblatt)
- 11.01.2024: **Gerch** files for **insolvency** for **further projects**. The residential and commercial development **Inquartier in Ingolstadt**, a planned university campus in **Nuremberg** and the major Frankfurt project **Praesidium** are affected. The next steps are still unclear. It is secretly hoped that a **new investor** will take over the urban development contracts. (Immobilien Zeitung)
- 19.12.2023: **SIGNA Holding** is planning to sell prestigious real estate holdings such as the **Chrysler Building in New York**, the **Elbtower in Hamburg** and the **Alter Akademie in Munich**. The **sale** is part of an **accelerated realization plan**, as the holding company is under pressure to **refinance liabilities** running into the billions (WirtschaftsWoche)
- 08.12.2023: Real estate **sale** of the insolvent "PROJECT Immobilien Wohnen und Gewerbe GmbH" begins. The responsible **insolvency administrator Volker Böhm** has commissioned the **Munich-based brokerage firm BGA Invest** and the consulting firm **Falkensteg** with the **sale of properties and projects**, including **undeveloped plots and construction projects** already underway. The sale will take place as part of an **international bidding process** to generate **proceeds** for the benefit of **creditors and investors** (AssCompact)
- 05.11.2023: The **Euroboden Group** plans to sell all its real estate projects in **Munich** to ensure the best possible **realization** in the interests of its **creditors**. **Euroboden** renovated **listed buildings**. For example, **Euroboden** successfully renovated the **oldest farmhouse in Munich** (Abendzeitung)



... while also non-insolvent companies are looking to sell assets

Sales of real estate projects of non-insolvent companies to improve financial health

- 28.12.2023: Real estate expert **Sven Carstensen** predicts the first **distress sales** on the German real estate market in the coming months due to **high interest rates** and a **25 to 30% drop in sales prices**, particularly among **project developers** (Focus)
- 19.12.2023: **Deutsche Konsum Reit** plans to **sell** real estate as the **retail park investor** is under **financial pressure**. The **proceeds** from the sale are needed to repay two **bonds maturing in 2024**. The listed company would like to **dispose** of numerous **properties** to repay the bonds and **reduce** its **debt level**. This currently amounts to **EUR 633 million**, which corresponds to a **loan-to-value ratio of 61.6%**. The list of properties for sale includes large properties with **high rental income** (Immobilien Zeitung)
- 05.12.2023: **Vonovia** wants to drive forward its **debt reduction** through further **portfolio sales**. Sales with a volume of **three billion euros** are planned for 2024. Unlike in the past, the **focus** of the disposals will be on **commercial properties** and **care homes**. (Wallstreet Online)
- 14.11.2023: The **Adler Group** wanted to build **luxury apartments** on “Wilhelmstrasse” in “Berlin Mitte”. However, nothing has happened on the **construction site** for years. **Consus** (a subsidiary of **Adler Group**) had partially started the construction work, but Consus has commissioned a consulting firm to put the entire property in the hands of a **third party**. The **search for an investor** is underway. (rbb24)
- 03.11.2023: **Vonovia** is planning to **sell properties** worth around **EUR 13 billion** to **reduce** its **debt**. The company wants to **stabilize** itself again, due to the **high interest rates** that have increased **refinancing costs** and **exploding construction costs**. The **gearing ratio** currently stands at **45%**. Vonovia plans to **dispose** of around **66,000 apartments**. (Tagesschau)
- 03.08.2023: DIC Assets intends to **sell further properties**. The aim of the **action programme** is to **sustainably strengthen liquidity** and **reduce debt**. Properties with a value of **EUR 200 million** are to be **sold**. (Immobilienmanager)



Sales out of insolvency are made at a discount event in a good market environment

Attractive opportunities to acquire assets on the horizon

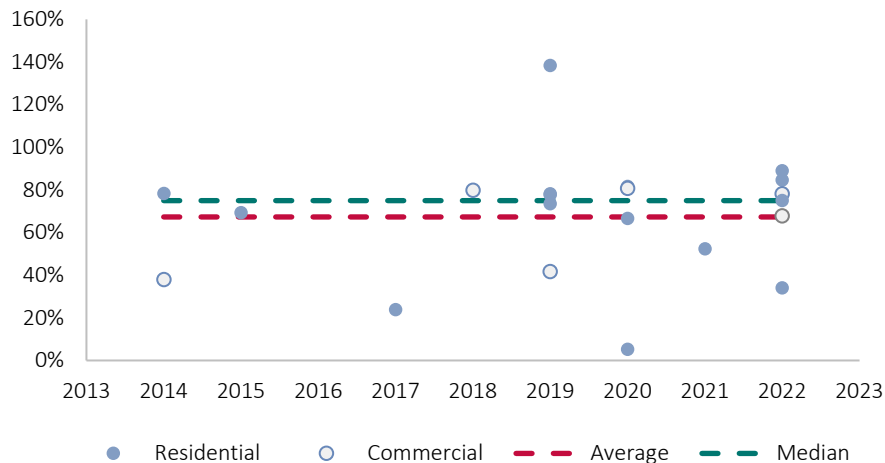
Insolvency Discounts in real estate processes with One Square as party

Insolvency Discounts by Year - Completed Projects			
Insolvency Year	Projects	Aver. Sales Proceeds (%)	Discount
2019 or older	15	70%	30%
2020	4	59%	41%
2021	3	52%	48%
2022	8	71%	29%
Average		67%	33%
Median		75%	25%

Comments

- An analysis of the real estate processes that One Square has been a party to shows a **consistent insolvency discount independent of the asset class and start year of the sales process**. The average insolvency discount is approx. 33% which includes several outliers, so we believe that the median value of 25% might give a better approximation of the applicable pricing discount to market values realized through a sales process out of an insolvency
- There are **several reasons for the discount**:
 - No immediate time pressure in the event of solvent liquidation
 - **Insolvency administrator is under time pressure to start realizing assets immediately or in close temporal connection**, with pressure increasing if the asset for sale does not cover operating costs
 - Creditors have a decisive influence on the type and duration of the proceedings and the realization process, leading to less time for the insolvency administrator to prepare a sale, resulting in suboptimal preparation and lower sale proceeds compared to a sale under solvent conditions
- The **negative connotations associated with insolvency proceedings create a stigma** that impacts the corresponding investor universe and leads to lower sale prices compared to sales under solvent conditions. Furthermore, the **insolvency administrator does not give any seller guarantees in the sales contract**
- Creditors in insolvency proceedings have different interests depending on whether they are secured or unsecured. **Secured creditors are interested in seeing their collateral realized in full or partially and can drive the process** as they need to release the security of the asset to enable a process - secured creditors have no incentive to generate value for unsecured creditors
- The **costs of insolvency proceedings, including court costs, administrator's fees, and realization costs, significantly reduce the proceeds for creditors** and result in lower profits compared to a sale under solvent conditions.
- As a result, for unsecured creditors a **higher realization value for real estate can be expected if the sales process is conducted outside an insolvency procedure**
- Secured creditors can drive the sales process in an insolvency and thus, face a better chance of recovering their secured claims

Sales Proceeds in % of initial market valuation estimate



Not only the asset is attractive – NPL transactions or rescue financing opportunities exist


One Square advises investors as new stakeholders and investment opportunities become relevant

Initial comments on investment options

<p>Purchase of real estate from insolvency proceedings</p> <p><i>Strong access to investment opportunities through network</i></p>	<p>Feasibility of Acquiring Insolvent Properties:</p> <ul style="list-style-type: none"> ⇒ Due to the insolvency and lack of seller guarantees, experience has shown that there is a considerable insolvency discount <p>Challenges and Considerations:</p> <ul style="list-style-type: none"> ⇒ Release of mortgage liens by creditors not always guaranteed, banks might prefer to not release liens in order to get a better price in the future -> is a transaction possible?
<p>Acquisition of non-performing loans - Loan to own</p> <p><i>Relevant alternative to an asset purchase</i></p>	<ul style="list-style-type: none"> ⇒ This strategy becomes viable given suitable price parameters and implementation possibilities ⇒ Effective management of enforcement processes is essential for successful implementation ⇒ One Square Advisors possesses extensive experience in executing loan-to-own strategies ⇒ Leveraging our expertise, we can advise on the acquisition of distressed loans and oversee enforcement processes adeptly; We offer the provision of acquisition vehicles as needed, facilitating the seamless transfer of assets on behalf of the seller.
<p>Investment in a rescue solution for banks – RIVA</p> <p><i>Attractive opportunity to partner with banks to turn assets around</i></p>	<ul style="list-style-type: none"> ⇒ In the midst of the current economic challenges and the increasing insolvencies of project developers, banks and financiers are increasingly looking for solutions to rescue projects with unsatisfactory sales prices ⇒ As part of these initiatives, financiers are being sought to fund key measures ⇒ Attractive opportunity to monetize Equity value from an improvement in market conditions / to partner with banks to turn distressed assets around

One Square Credentials


Sales out of insolvency

 <p>GERCH</p> <p>RE-Development</p> <p>Sale</p> <p>current</p>	 <p>TERRAGON</p> <p>RE-Portfolio</p> <p>Sale</p> <p>current</p>	 <p>eyemaxx</p> <p>RE-Portfolio</p> <p>Evaluation & recovery</p> <p>current</p>
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RIVA

 <p>Turnover EUR 100m</p> <p>Fin. Restructuring SofA Trustee shareholder</p> <p>2010-2015</p>	 <p>Industrial park</p> <p>Development & Financing</p> <p>current</p>
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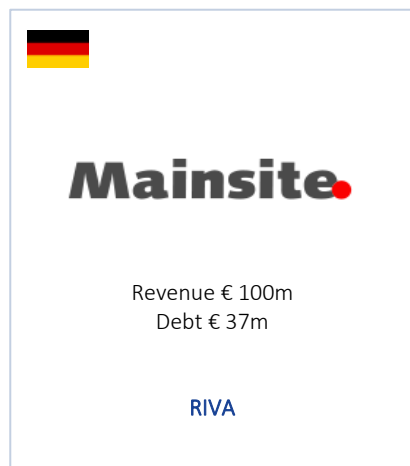
Financial Advisory Real Estate

 <p>Advice to creditors</p> <p>current</p>	 <p>Bond</p> <p>EUR 40m</p> <p>Bond adjustment</p> <p>current</p>	 <p>Advice to creditors</p> <p>current</p>
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One Square Value-Add - Extensive investor and co-operation network

One Square has an extensive network contacts to key stakeholders that are relevant in the current market environment (work-out teams, insolvency administrators); in addition, the cooperation with JLL offers further unparalleled access to a global investor network

Case Study: Management and development of the biggest industrial park in Bavaria enabled Mainsite creditors to achieve an IRR of 69% through RIVA structure

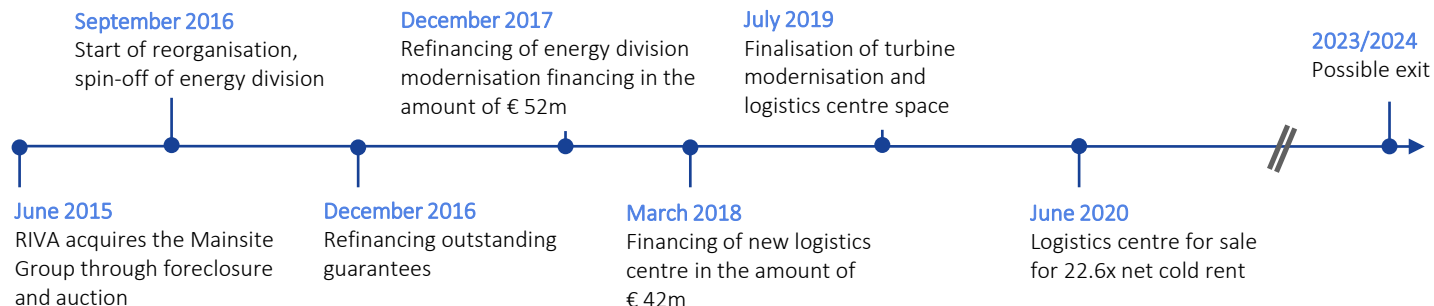


Summary

- In the wake of the crisis in the automotive industry between 2009 and 2011, Kordasi GmbH, formerly owned by CVC and owner of automotive supplier PHP as well as Mainsite, Europe's largest synthetic fibre manufacturing site, underwent a major financial restructuring via a Dutch trust-like STAK led by One Square as trustee. The trustee initially managed the sale of PHP to Indorama Thailand at an attractive price (>12x EBITDA), which has already resulted in a recovery rate of 80% on PHP's FC of € 160m
- In the further course, an insolvency petition was filed for Kordasi GmbH and Mainsite was taken over by a double RIVA structure (German GmbH and Luxembourg parent company) for an enterprise value of € 55m (€ 1 purchase price plus € 55m pension obligations) by executing the share pledges in favour of the consortium creditors of Kordasi. The guarantees of the operating subsidiary to the parent company were maintained, so that the remaining debt capital of Kordasi GmbH was taken over by RIVA. The existing creditors at the Kordasi level were redeemed prior to the transaction by two debt funds, which had paid a total estimated redemption amount of approximately € 17m for the nominal debt capital of € 37m
- Subsequently, an intensive operational and corporate reorganisation was carried out, including the replacement of the management. The existing power plant at the site was extensively renovated with the raising of modernisation financing in the amount of € 52m, and a new logistics centre was built with new debt capital in the amount of € 42m, which was sold to a strategic buyer in 2020 for 22.6x net cold rent
- A sale is planned for 2023/2024. In total, an enterprise value of € 150m is expected on the basis of current market estimates. This would imply total proceeds of € 126m for the RIVA creditors, taking into account redemption payments, interest, fees (totalling € 96m to date) and further participation, which would mean an IRR of around 69% on the original average entry price of the debt funds for a term of 8 years.

<i>in €m</i>	Start	Actual
Enterprise value	55	150
Debt	37	117
<i>thereof OpCo</i>	30	62
<i>thereof HoldCo</i>	7	55
Value Debt RIVA creditor	17	126¹
<i>Quote</i>	46%	341%
<i>IRR</i>		69%

Key milestones until the sale



Joint representative, preparation of realisation concept and realisation of real estate



Real estate portfolio
(selection)

Evaluation & recovery

Current

Core Transaction Team



Frank Guenther
Managing Partner
Munich

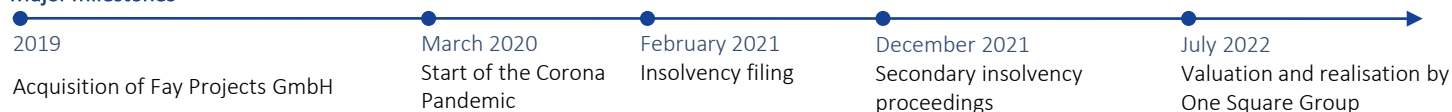


Sibylle Angel
Senior Advisor
Munich

Summary

- Eyemaxx Real Estate AG is a German-based real estate company specialising in the development of residential and commercial real estate and operating in various countries. In February 2021, the company filed for insolvency. The reasons for the insolvency are complex and can be attributed to various factors
- A major factor for the insolvency is the Corona pandemic, which led to economic effects and delays in many projects of Eyemaxx Real Estate AG. This led to financial bottlenecks and liquidity problems. In addition, the acquisition of the company "Fay Projects GmbH" in 2019, which was considered a strategic step to expand the business portfolio, has led to high losses. The integration of the company into the business activities of Eyemaxx proved to be difficult and put a strain on the company's finances
- Another important factor in the insolvency was the issuance of several bonds to raise capital, but this was less successful than expected. This led to further financial difficulties for the company
- The One Square Group was commissioned to conduct various analyses of the Eyemaxx Real Estate AG portfolio and to carry out an evaluation of the current status. Subsequently, a structured marketing approach was carried out for a selection of the properties.

Major milestones



Designation	Emission	Maturity	Volume	Coupon	Type of bond
2021/2022	21.09.2021	21.03.2022	4.260.000	5,0%	Convertible bond
2020/2025	22.07.2020	22.07.2025	30.000.000	5,5%	Bond
2019/2024	20.09.2019	24.09.2024	50.000.000	5,5%	Bond
2018/2023	25.04.2018	26.04.2023	55.000.000	5,5%	Bond

Development of a restructuring concept and realisation of properties



Core Transaction Team



Frank Guenther
Managing Partner
Munich



Alexander Dietel
Managing Director
Frankfurt

Summary

- Terragon AG was a German real estate developer in the field of "Senior Living" and "Serviced Apartments" based in Berlin. At the time of insolvency, the project pipeline amounted to approx. € 800 mln project volume and included around 100 employees
- Due to increased costs and extended project durations, a project sale that was important for the company's liquidity could not be completed, with the result that the company had to file for insolvency in June 2022 due to liquidity problems; the individual project companies were not initially affected by the insolvency
- A few months earlier, an interest payment due on the bond issued in 2019 (volume € 25 mln) was deferred for eight months
- In the course of a structured investor process, a new owner was sought who would take over the ailing parent company via a capital contribution at AG level and overcome the liquidity bottlenecks
- Difficulty: The projects were financed with a high level of leverage - which is not unusual in the real estate sector - and in some cases only 5% pure equity of the holding company was planned; this led to a drastic reduction in project margins with rising construction costs and slowly rising interest rates. This in turn resulted in investors making massive discounts in their purchase price calculations or refraining from submitting an offer altogether. In addition, the sale of the companies was made more difficult in part by obstructive collateralisation by the financiers (including collateralisation by company shares)
- In the end, no investor could be found for the takeover of the holding company (Terragon AG); this led to the project companies being sold or wound up individually

Value Add One Square

- Advising the Company on the deferral of interest payments due
- Preparation of meaningful marketing and valuation materials for the company in the investor process
- Rapidly addressing a broad group of investors, a large number of whom (both strategists and financial investors) were known from previous M&A processes
- Pragmatic adaptation of the investor process to rapidly changing conditions (e.g. switch from total sale to individual sale), taking into account the tight timeline

2. Introduction to One Square



Under the One Square brand, we offer a targeted range of advisory services for restructuring and capital raising

#1

Special Situation Advisor
(Germany)

Seasoned professionals with many years in restructuring and corporate finance

Creative solutions for complex and cross-border situations

Diverse and complementary experience in advisory, operational management and as investors


5

Locations


30

Employees



 **Munich**
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1201 Geneva
Switzerland

Under the One Square brand, we offer a targeted range of advisory services for restructuring and capital raising

Service

Unique One Square Value-Add

1 Financial Restructuring



- Extensive experience in structuring and executing complex financial restructurings, including cross-border capital structures and restructuring regimes
- Uncontested German market leader in bond restructurings
- Personal relationships with a wide range of decision-makers from business and politics

2 Restructuring Shareholder – „RIVA“-Structure




- Platform for the business continuation in special situations where a change of the existing shareholder is necessary
- One Square sets up and manages a trust-like structure that safeguards the interest of the target company's stakeholders
- Superior structure to German double-sided trusteeship (*Doppelnützige Treuhand*)

3 Mergers & Acquisitions
Distressed Real Estate Brokerage

- Extensive experience advising on corporate divestitures and acquisitions in distressed M&A
- In-depth sector knowledge in retail, engineering, automotive supplier, fashion
- Full-service brokerage including extensive network to German and international financial investors and strategic buyers for distressed and special situations real estate

4 Capital Market Advisory



- Advising private as well as listed companies on raising equity and debt capital
- Areas of responsibility include transaction management, structuring and direct investor approach
- Special expertise in high-growth companies






One Square Real Estate

Specialised in real estate in special and distressed situations

Services

<p>Real estate valuation</p> 	<ul style="list-style-type: none"> ⇒ Real estate valuation for opening appraisal (liquidation value) ⇒ Valuation based on valuation methods recognised in the market and all value-relevant property parameters
<p>Full service marketing of all real estate classes</p> 	<ul style="list-style-type: none"> ⇒ Structured real estate marketing (approach according to professional M&A process) ⇒ Development of an individual transaction strategy tailored to the property and examination of alternative uses ⇒ Conducting negotiations with investors and authorities
<p>Financing / Refinancing</p> 	<ul style="list-style-type: none"> ⇒ Development of financing concepts for real estate ⇒ Procurement of mezzanine / co-equity financing ⇒ Market approach of potential lenders
<p>NPL transactions</p> 	<ul style="list-style-type: none"> ⇒ Excellent network to all stakeholders involved - insolvency administrators, banks and investors ⇒ Structuring of a professional bidding process and coordination of the service providers involved
<p>OS Real Trust</p> 	<ul style="list-style-type: none"> ⇒ Purchase price maximisation by eliminating the defects within the framework of a trustee solution together with an entrepreneurial partner ⇒ One Square Real Estate manages the entire process as an active and entrepreneurial trustee - disbursement of sales proceeds to security creditors and/or insolvency estate


Selected references

 <p>GERCH</p> <p>Real estate development Sale current</p>	 <p>Real estate portfolio</p> <p>Sale current</p>	 <p>Industrial property</p> <p>Sale current</p>
 <p>Member of the Creditors' Committee current</p>	 <p>Bond € 40 mln Bond amendment current</p>	 <p>Bond € 45 mln Bond amendment current</p>
 <p>Advice to creditors current</p>	 <p>Industrial park</p> <p>Development & Financing current</p>	 <p>Expert opinion for the high court 2023</p>

Selected References - Focus Real Estate

Selected references of all product areas with focus on real estate projects






 <p>SIGNA</p> <p>Advice to creditors current</p>	 <p>PREOS</p> <p>Bond € 300 mln Bond amendment current</p>	 <p>Aggregate</p> <p>Expert opinion current</p>	 <p>ERWE IMMOBILIEN</p> <p>Bond € 40 mln Bond amendment current</p>	 <p>URBON</p> <p>Advice to creditors current</p>	 <p>eyemaxx REAL ESTATE GROUP</p> <p>Real estate portfolio (Selection) Valuation & utilisation current</p>	 <p>Mainsite</p> <p>Industrial park Development & Financing / RIVA current</p>	 <p>BeA</p> <p>Industrial property Sale current</p>
 <p>ESPG space to innovate</p> <p>Bond € 45 mln Bond amendment 2023</p>	 <p>MADLER GROUP</p> <p>Expert opinion for the High Court 2023</p>	 <p>METRO Belgium</p> <p>Revenue € 646 mln 2,000 Employees RIVA 2022-current</p>	 <p>orsay</p> <p>Revenue € 450 mln 3,500 Employees Sell Side 2022</p>	 <p>TERRAGON Immobilien für Generationen</p> <p>Real estate portfolio Sale 2022</p>	 <p>STRENESSE</p> <p>Industrial property Sale 2022</p>	 <p>pressmetall</p> <p>Operational property & land Sale 2021</p>	 <p>FZT UNAGREB</p> <p>Industrial property RIVA / Sale 2021</p>
 <p>unser heimatzbäcker</p> <p>Head office & production halls Sale 2021</p>	 <p>ETERNA</p> <p>Debt € 90 mln StaRUG (Restructuring) 2021</p>	 <p>DR. WIESENT SEIT 1998</p> <p>Revenue € 10 mln 295 Employees Sell Side 2021</p>	 <p>PVL</p> <p>Industrial property Sale 2020</p>	 <p>TUI</p> <p>Bond € 300 mln 2.125% 2021 Restructuring 2020</p>	 <p>SeniVita</p> <p>Bond € 50 mln 6.500% 2015 / 2020 Restructuring 2019 - 2020</p>	 <p>publity</p> <p>Bond € 50 mln 3.500% 2015 / 2020 Restructuring 2018 - 2020</p>	 <p>SHW High Precision Leasing, Schulbau-Gesamt</p> <p>Revenue € 20 mln 160 Employees RIVA 2019</p>

 Real Estate-related project

One Square Real Estate

Involved in all major insolvencies and restructurings

Overview of real estate insolvencies since 2021 with a consolidated net asset value of more than € 100 mln.

Company	Field of activity	Insolvency administrator	Consolidated asset value (€ mln)	Opening date	One Square Roll
 Eyemaxx Real Estate AG	Management and development of RE projects	Dr. Andreas Kleinschmidt	282	06.12.2021	Joint representative, preparation of utilisation concept and utilisation
 Terragon AG	Real estate development	Dr. Rainer Eckert	111	11.07.2022	M&A Advisor and realisation of the real estate
 Signa	Management and development of RE projects	Prof. Dr. Torsten Martini	27.000	29.11.2023	Financial advisor to creditors
 Euroboden GmbH	Management and development of RE projects	Oliver Schartl	nn	11.08.2023	Financial advisor to creditors
 Gerch	Management and development of RE projects	Dr. Jens Schmidt	4.000	30.08.2023	M&A Advisor and realisation of the real estate

Overview real estate restructuring

Company	Field of activity	Outstanding financing (€ mln)	One Square Roll
 Adler Real Estate AG	Real Estate Investment and Asset Management	3.200	Expert witness before the English High Court
 Corestate Capital AG	Real Estate Investment and Asset Management	800	Designated joint representative
 ERWE Real Estate AG	Project developer, portfolio holder	>300	Financial advisor to the company
 ESPG	Project developer, portfolio holder	200	Financial advisor to the company
 Preos	Project developer, portfolio holder	300	Financial advisor to the company
 Aggregate	Project developer, portfolio holder	5.200	Financial advisor to the company

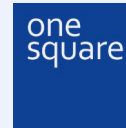
Ensuring utilization and development success– Cooperation JLL / One Square

Cooperation combines expertise for real estate in special situations with global investor network



JLL Deutschland

- International **real estate company** with a strong focus on **investment**
- Specialized teams in **all asset classes** (residential, office, etc.)
- Experienced local teams with excellent **investor access**
- Market leader in the field of **real estate utilization** with an extensive track record
- **Excellent contacts** with cities, municipalities and the relevant building authorities
- **Internal research team** that analyzes all locations as part of the marketing process (rental and purchase price development, etc.)
- **Experienced P&DS team** available to answer all technical and construction-related questions throughout the process



One Square Real Estate

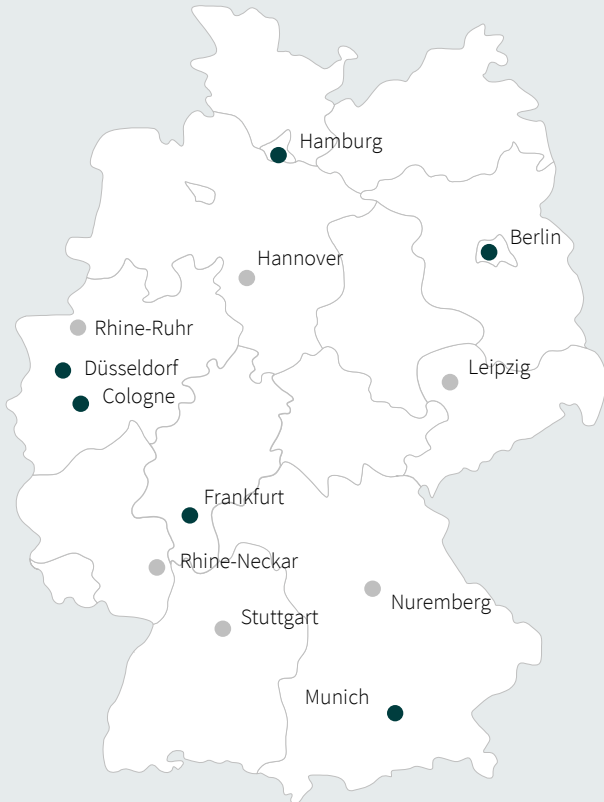
- Specialized in real estate in **special and distressed situations**
- Extensive **insolvency experience**, involved in all major insolvencies and restructurings
- **Market leader** in sales from insolvency (>50 transactions since 2019)
- **Structuring** the best possible transaction structure to maximize the purchase price for the seller
- **Direct access** to international institutional investors and German family offices

Ensuring the success of utilization— JLL as a cooperation partner

Unique market access with 1.100 employees and 12 branches in Germany



Unique market access thanks to regional expertise and a proven track record



1.100
Employees throughout
Germany

50
years of working in Germany

- JLL Residential Investment Germany
- JLL Branches

JLL Residential Germany

01

As an established market player, we have many years of experience in supporting transactions throughout the real estate sector

02

At regional, national and international level, JLL can draw on a robust investor network that meets the requirements of our clients

03

Internal research and regional offices combine crucial local market knowledge to give our customers a strong competitive advantage

04

Experienced and well-coordinated deal teams support our clients throughout the entire transaction process

Option for recovery outside insolvency - proven RIVA structure enables creditors to monetise the upside from a successful restructuring and/or to monetise ins. discount

	Financing parties	Target company
<p>Initial situation Complex crisis situation, upside in going concern</p>	<ul style="list-style-type: none"> • Basic willingness / expectation to restructure • Sale of the investment is not an alternative due to unsatisfactory proceeds • Interest in recovering value and collecting risk premium • No interest in assuming equity role 	<ul style="list-style-type: none"> • Financial (and operational) difficulties • Fundamentally valid business model with positive restructuring prospects • Balance sheet restructuring necessary, possibly additional cash requirements • Shareholders out of the money and not willing to make own contributions

Basic model
RIVA-AcquiCo takes over shares in the interest of creditors





The diagram illustrates the RIVA-AcquiCo structure. At the top, 'one square' controls and manages 'RIVA-AcquiCo'. A 'Financier' provides 'Share acquisition' (Step 1) to RIVA-AcquiCo. RIVA-AcquiCo then provides 'Debt assumption x*% debt' (Step 2) to the 'Target company'. The Target company's debt is reduced from 'Before: 100% debt' to 'New: 100%-x% debt'. 'Credit relationship 2 - NEW x% debt' is established between the Financier and RIVA-AcquiCo, and 'Credit relationship 1' is established between the Financier and the Target company.

- 1 A RIVA acquisition company controlled by the shareholders of One Square takes over the shares of a target company that is over-indebted (under commercial law) as a restructuring shareholder
- 2 The part of the debt capital that is not recoverable on the basis of a restructuring report is taken over by RIVA-AcquiCo by way of an irrevocable debt assumption and bears interest at PIK-rates commensurate with the risk

- After the takeover, a management structure including an operational steering committee will be established to monitor the implementation of the restructuring measures
- After stabilisation, the company is sold and the obligations are repaid at the level of RIVA-AcquiCo

- Advantages**
Flexibility of RIVA compared to classic trusteeship enables higher IRR for creditors
- ✓ Faster implementation of restructuring measures possible, no interference from existing shareholders
 - ✓ Significantly more active shareholder role possible compared to classic trusteeship, thus significantly higher potential for value generation
 - ✓ Implementation of the balance sheet and operational restructuring concept by an experienced restructuring partner, possibly in conjunction with a CRO
 - ✓ Creditors avoid subordination due to equity position, no consolidation required
 - ✓ Existing waterfall of existing creditors is largely retained, thus significantly simplifying the restructuring process
 - ✓ Risk-adequate interest on the debt capital employed

Selected examples of successful mandates as restructuring shareholder or trustee (1 / 2)

Case history	Key measures	Result
 <ul style="list-style-type: none"> • Fourth largest German cable network operator, 1m households • Turnover € 100m, Liabilities € 380m 	<ul style="list-style-type: none"> • Takeover of the group as restructuring shareholder in coordination with international creditor group • One Square took over financial and operational restructuring process as Chairman and CRO 	<ul style="list-style-type: none"> • Company value at takeover in July 2010 approx. € 250m. • Restructuring measures led to a significant increase in the company's substance • Sold in July 2015 for € 710m to TeleColumbus AG
 <ul style="list-style-type: none"> • Largest European industrial park for synthetic fibre production, including power plant capacity of 100 MW • Turnover € 100m, FC € 37m, pension liabilities € 90m 	<ul style="list-style-type: none"> • Takeover as restructuring shareholder from insolvency of German parent company, in coordination with creditors • One Square, as Chairman, carries out financial, operational and corporate restructuring 	<ul style="list-style-type: none"> • Enterprise value at takeover in Dec. 2015 approx. € 45m, EBITDA € 5m, repositioning of energy and logistics division, > € 120m investment • Target sale in 2020 / 21, EBITDA € 26m, enterprise value approx. € 280m
 <ul style="list-style-type: none"> • Leading global manufacturer of polyamide yarns, primarily for automotive applications (airbags) • Turnover € 250m, Liabilities € 160m • CVC during the 2008 / 09 automotive crisis Shareholders 	<ul style="list-style-type: none"> • Takeover of the Group as trustee and majority shareholder in 2011 • Implementation of financial and corporate restructuring • Supervisory Board 	<ul style="list-style-type: none"> • Securing jobs through sale to long-term strategic investor • Sale of the Group - main plant Germany, subsidiaries in the USA, JV China - to Indorama / Thailand in a competitive bidding process
 <ul style="list-style-type: none"> • Sale process of parent company Mefro Wheels GmbH complicated by loss-making subsidiary • Turnover € 9m, EBITDA € -2.3m, FC € 6.7m 	<ul style="list-style-type: none"> • Acquisition of shares in mefro wheels Panamerica, Rosario / Argentina, subsequent liquidation and filing of insolvency proceedings in the "Concurso Preventivo". • Management within the framework of the insolvency proceedings, socially acceptable reduction of employees 	<ul style="list-style-type: none"> • Liquidation of the company and priority satisfaction of employee claims • RIVA facilitated successful sale of original parent Mefro Wheels GmbH to American Accuride Group

Selected examples of successful mandates as restructuring shareholder or trustee (2 / 2)

Case history

Key measures

Result

METRO

- Leading international wholesale group operates six Makro supermarkets and eleven METRO wholesale stores in Belgium as well as a delivery service
- Revenue € 700m., approx. 2,000 employees

- Acquisition of the Belgian Metro activities as restructuring shareholder in June 2022 through a competitive auction process
- Signing and closing of the transaction successfully finalised in June 2022

- Metro AG can divest highly loss-making Belgian activities
- One Square advises acquiror on analysis of strategic options and implementation of restructuring measures
- Reorganisation process initiated in September 2022, successfully concluded in January 2023

FZI/SCHAEFFLER

- Two plants in Germany that manufacture transmission components in small batches
- Turnover € 60m, approx. 250 employees
- Major automotive supplier decides to relocate production to low-wage locations

- Development of a transaction concept together with the automotive supplier and the employee representatives for the two plants
- Purchase agreement signed in December 2019, closing in February 2020

- Short-term closure could be prevented
- Incentive structure of the new shareholder ensures aligned interests between employees and shareholders
- Opportunity to preserve jobs through alt. Use

HWK

- Leading foundry for large rolls for the paper industry
- Turnover € 20m, EBITDA € 0.0m, FC € 0.0m
- Insolvency due to withdrawal of liquidity by the shareholder

- Takeover of the company as a restructuring shareholder in May 2019, with the support of the customers involved and IG Metall
- One Square leads the company as Chairman Crisis stabilisation and uses interim management

- Resumption of production after standstill
- Customers commit to prices and purchases beyond 2020
- Inclusion of the employees in the equity, close cooperation of IG Metall in the development of a future collective agreement

HALBERG GUSS

- Leading European foundry in grey cast iron, supplier to major OEMs worldwide, partly single sourcing
- Turnover € 260.0m, EBITDA € 0.0m, FC € 0.0m
- Broken relationship between shareholder Prevent and OEMs

- Takeover of the group as restructuring shareholder in Dec. 2018, with the support of the OEMs and IG Metall involved.
- One Square led crisis stabilisation as chairman and used interim management

- Resumption of deliveries to OEMs, stabilisation of the liquidity situation
- OEMs commit to prices and acceptances
- Joint coordination of a concept for the future with the works council and IG Metall

3. Team & Contacts



One Square Senior Team

Extensive expertise in corporate finance and restructuring



Frank Guenther

Managing Partner

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- ⇒ Over 25 years of experience in corporate finance and restructuring
- ⇒ CEO and Chairman of the Supervisory Board of Rinol AG, Member of the Supervisory Board of Premiere AG
- ⇒ Co-Head European Media Group, Co-Head Munich at Morgan Stanley
- ⇒ Head of Germany at SalomonSmithBarney , Global Client Relationship German Industry at JP Morgan
- ⇒ Head of the Frankfurt office at Booz Allen
- ⇒ Frank Günther studied business administration at the University of Mannheim and holds a degree in business administration



Wolf Waschkuhn

Managing Partner

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- ⇒ Over 25 years of restructuring experience
- ⇒ Partner at Kroll Talbot Hughes London
- ⇒ Head of Corporate Development / M&A at SGS S.A., Geneva
- ⇒ Partner at KPMG Germany, Restructuring
- ⇒ Director at Arthur Andersen, London and Prague, Corporate Recovery
- ⇒ Head of Development Department Fichtel & Sachs
- ⇒ Studies (Diplom-Ingenieur) Mechanical Engineering at the Ruhr-University Bochum and Business Administration (Master of Science Management) at the London Business School



Head of Real Estate

Sibylle Engel

Senior Advisor

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- ⇒ 20 years of experience in the real estate sector as a practicing lawyer
- ⇒ Many years of experience in real estate administration and management
- ⇒ Structuring and execution of numerous real estate sales from distressed situations
- ⇒ Court appointed trustee for real estate and real estate portfolios ("court appointed trustee")
- ⇒ Sibylle Engel studied law at the Ludwig-Maximilians-University in Munich and has been a practicing attorney since 1995.

One Square Senior Team

Extensive expertise in corporate finance and restructuring



Real Estate Expert



Arnd Stricker

Senior Advisor

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Mobile: +49 (172) 910 78 89

- ⇒ Over 25 years of experience in capital markets and real estate financing
- ⇒ Board positions in 2 real estate banks
- ⇒ Supervisory Board positions at several asset managers
- ⇒ Several years of experience in real estate consulting
- ⇒ Arnd Stricker studied business administration at the FH Reutlingen and the ESC Reims



Restructuring Expert



Tilman Gronau

Managing Director

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- ⇒ Over 8 years of experience in corporate finance & restructuring
- ⇒ Previously worked in Corporate & Investment Banking (Equities) at Deutsche Bank in Frankfurt am Main
- ⇒ Further practical experience in the areas of private equity, auditing and in structured finance
- ⇒ Tilman Gronau received his Bachelor of Science and Master of Science in Business Administration from the Freie Universität Berlin



Real Estate Valuation Expert



Maximilian Englert

Associate

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- ⇒ 2 years of real estate and investment experience
- ⇒ Investment Analyst at Corestate Capital
- ⇒ Internships with US investment banks
- ⇒ Real estate expert with experience in commercial real estate transactions
- ⇒ Maximilian Englert earned a B.Sc. and M.Sc. in Finance from the Frankfurt School of Finance and Management

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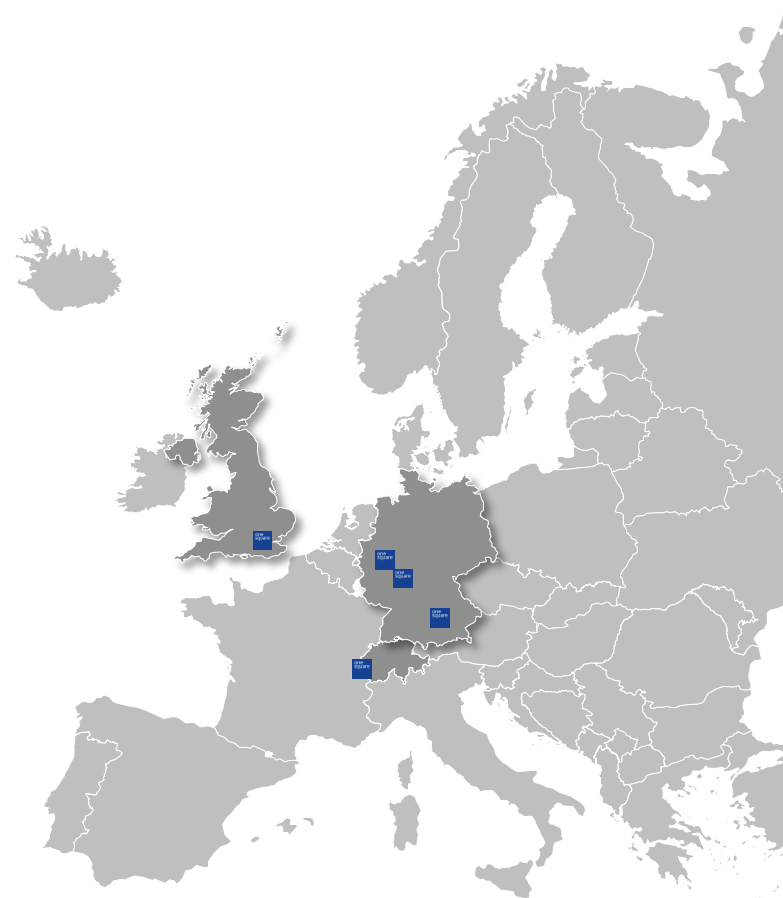
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