



ACCENTRO Real Estate AG

Investor Update
Deferral Proposal – 2026 Notes

9 November 2023

ACCENTRO

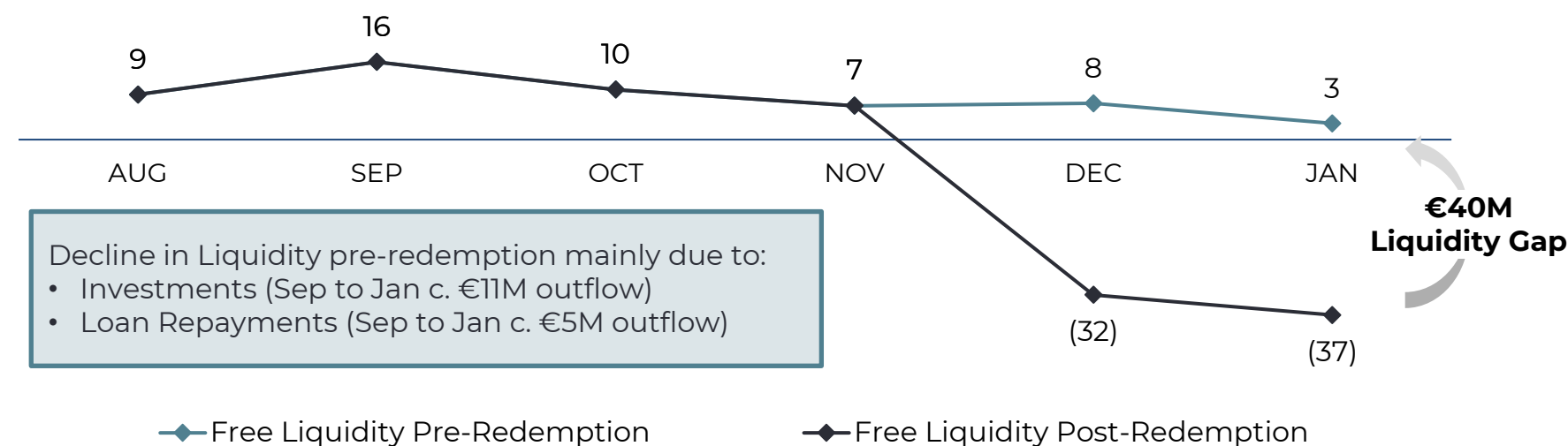
Introductory Remarks

- **Refinancing of €225M Senior Notes due 2026 (“2026 Notes”) and €100M Senior Notes due 2029 (“2029 Notes”) carried out at the beginning of 2023 by way of an amend & extend process**
 - Transaction based on high confidence in key near-term elements of medium-term business plan, including certain disposals and liquidity events
 - On this basis, mandatory redemption schedule agreed on 2026 Notes: €40M latest in Dec-23, further €65M latest in Dec-24 and further €20M latest in Feb-25
- **However, over the course of 2023 market for residential German real estate developed weaker than anticipated**
 - Business activity in trading and privatisation remained subdued and revenue from the sale of inventory properties are substantially below forecasts
 - Envisaged asset disposals impeded by limited interested parties and bid levels significantly below the assets’ fundamental values
 - Loan and receivables monetisation progressed slower than expected and is characterized by uncertainty due to limited influence on liquidity generation
- **Discussions in respect of expression of interest by Shinhan and Nox Capital are still ongoing**
 - While discussions are constructive, there can be no assurance that they will ultimately result in a transaction
 - In addition, due to the current status and complexity of a potential transaction, any equity or equity-like fundraising will not be completed before the end of 2023
- **As a result, ACCENTRO will launch a consent solicitation process in relation to certain near-term payment obligations under the 2026 Notes**
 - Process is intended to avoid value-destructive asset sales in the current market environment
 - Including deferral of upcoming €6M interest payment due in Feb-24 and rescheduling of certain mandatory redemption amounts

Near-Term Context (1/2)

Bondholder process proposed to de-risk near-term payment obligations in light of weak market environment and ongoing process with Shinhan and Nox Capital

Short-Term Liquidity Forecast (€M)



Key Asset Disposals – Current Status

- Structured sales processes run for various assets with several indicative offers received, including:
 - Werdauer Weg
 - Kantstrasse
 - NRW portfolio
- Only very opportunistic interest at the moment and disappointing bid levels (at discounts to fundamental value)
- Company refrained so far from selling at severely distressed levels

Key Observations

- Liquidity forecast indicates c. €8M free liquidity in Dec-23 and €3M in Jan-24, not including €40M mandatory bond redemption
- €40M sources of funding / funding measures required to ensure sufficient liquidity in next 4 months and beyond
- Further key payments beyond 4 months look-forward: €6M 2026 Notes interest in Feb-24

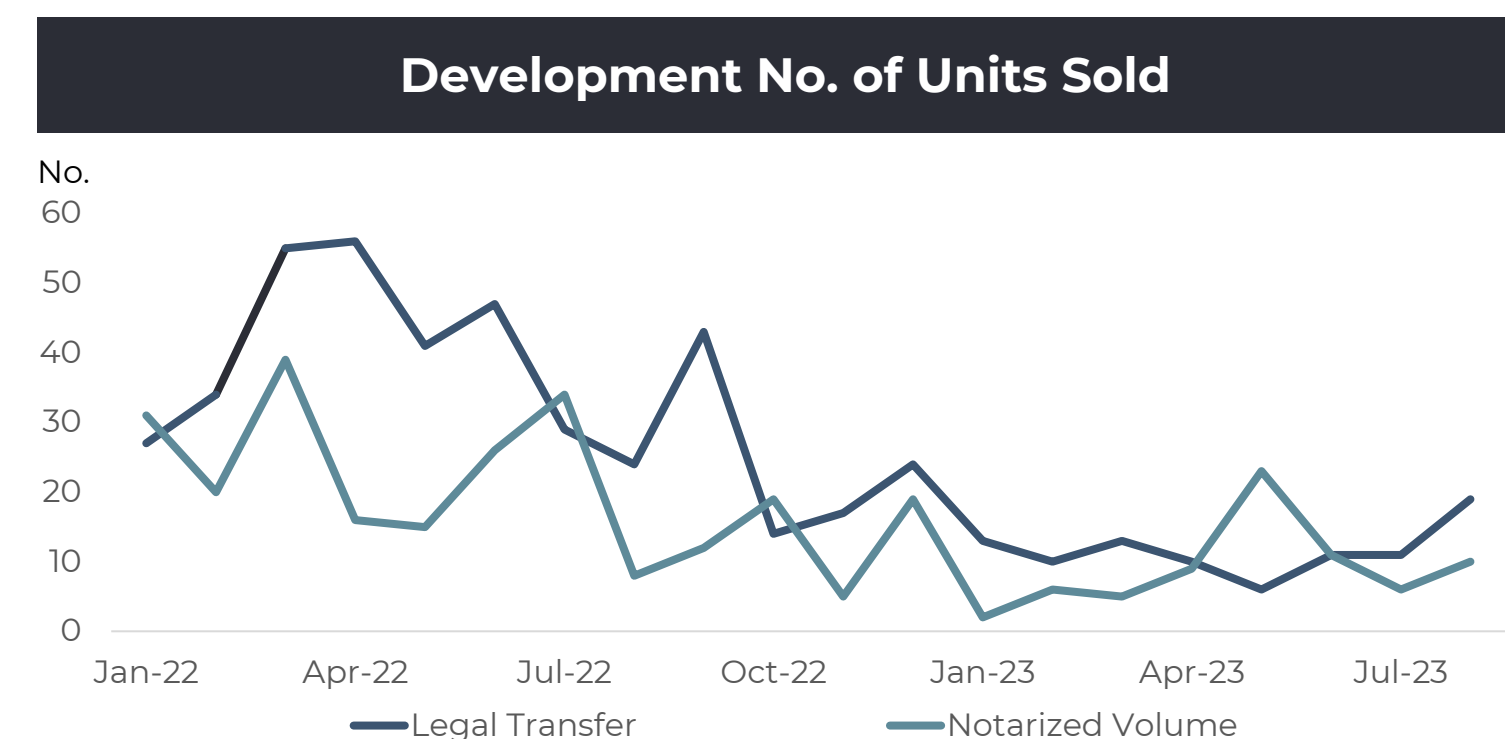
Receivables / Loans – Current Status

DIM	<ul style="list-style-type: none"> • €17.5M receivable • Risk of default on claim estimated at >50-75%
Green Living	<ul style="list-style-type: none"> • €15M loan • No payment received in Dec-22 but indication that payment will happen by end of 2023 • Risk of default on claim estimated at 5%

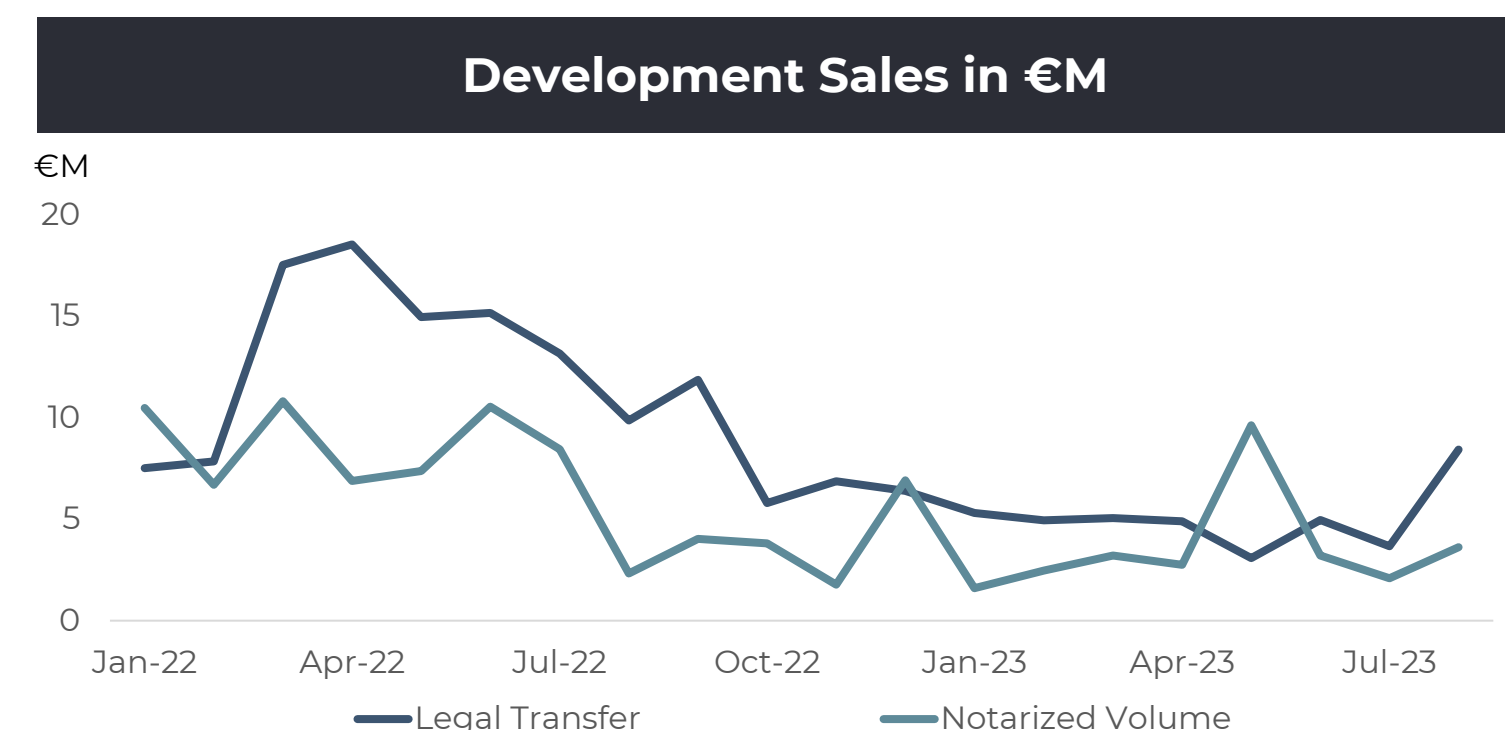
Near-Term Context (2/2)

Sales in privatisation business down approx. 60% versus last year. Market environment expected to remain challenging in the near future

Legal Transfer	H1 22	H1 23	Jul-23*	Aug-23*	YTD-22	YTD-23*
Units	260	63	11	19	313	93
Sales (€M)	81.5	28.3	3.7	8.4	104.6	40.4
Growth %		(65.3%)				(61.4%)



Notarized Volume	H1 22	H1 23	Jul-23*	Aug-23*	YTD-22	YTD-23*
Units	147	56	6	10	189	72
Sales (€M)	52.8	22.9	2.1	3.6	63.5	28.6
Growth %		(56.7%)				(55.0%)



Source: Company
 Note: Based on preliminary figures, company reports current trading actuals on quarterly basis
 YTD as of August 2022 and 2023 respectively
 Notarization and legal transfer not necessarily in the same period

Deferral Proposal – 2026 Notes

Proposal formulated with the objective to address near-term payment obligations under the 2026 Notes and remain on a value-maximising redemption path

Deferred Amounts	<ul style="list-style-type: none"> • Mandatory redemption amounts: <ul style="list-style-type: none"> – Deferral of €40M 2023 minimum redemption to Dec-24 (instead of Dec-23) – Deferral of €65M 2024 minimum redemption to Jun-25 (instead of Dec-24) – Deferral of €20M 2025 minimum redemption to Dec-25 (instead of Feb-25) • Interest: deferral of €6M semi-annual interest payment due in Feb-24 to Dec-24
Other Terms & Conditions	<ul style="list-style-type: none"> • Total service / backstop activities further limited from €65M to €40M on rolling basis
Company Undertakings	<ul style="list-style-type: none"> • Liquidity forecast evidencing fully-financed status until Dec-24, taking into account deferral transaction • Reasonable best efforts undertaking to (i) transfer 89.9% in Riehmers Hofgarten Grundbesitz GmbH and Riehmers Dachgeschoss Grundbesitz GmbH underneath Double LuxCo provided no real estate transfer tax is triggered and (ii) grant first-priority share pledge over remaining 10.1% • Grant first-priority share pledge over 100% in Seeländer Wohnungsgesellschaft mbH
Implementation	<ul style="list-style-type: none"> • Consent solicitation process in accordance with SchVG • Indication of support from key holders of the 2026 Notes

Key Next Steps – Indicative Only

The process timeline targets implementation of the transaction on an accelerated basis

November 2023						
Mo	Tu	We	Th	Fr	Sa	Su
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30			

December 2023						
Mo	Tu	We	Th	Fr	Sa	Su
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	31

January 2024						
Mo	Tu	We	Th	Fr	Sa	Su
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30	31				

9 November	<ul style="list-style-type: none"> Transaction Announcement
10 November	<ul style="list-style-type: none"> Launch with publication in Bundesanzeiger
25 November	<ul style="list-style-type: none"> Registration deadline for bondholder vote
28-30 November	<ul style="list-style-type: none"> Voting period
Early December	<ul style="list-style-type: none"> Announcement of voting results (depending on when results are available)
Early January	<ul style="list-style-type: none"> End of statutory contestation period
30 January	<ul style="list-style-type: none"> End of 30 days grace period for €40M redemption under 2026 Notes

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