

**Summary of the essential content of the Restructuring Plan**

**dated 6 March 2023**

in the public restructuring case of

BRANICKS Group AG

Neue Mainzer Straße 32 - 36, 60311 Frankfurt am Main

represented by the Executive Board:

Sonja Wärntges

Torsten Doyen

Christian Fritzsche

Johannes von Mutius

Local Court of Frankfurt am Main – Restructuring Court

File number 810 RES 3 / 24 B

## 1. OBJECTIVES AND MAIN FEATURES OF THE RESTRUCTURING PLAN

On 5 March 2023, BRANICKS Group AG (**Branicks, Debtor or Company**) notified the Local Court of Frankfurt am Main (*Amtsgericht Frankfurt am Main*) as the competent restructuring court (**Restructuring Court**) pursuant to Section 31 (1) of the German Act on the Stabilization and Restructuring Framework for Companies (*Gesetz über den Stabilisierungs- und Restrukturierungsrahmen für Unternehmen, StaRUG*) of a proposed restructuring. The restructuring case is being conducted as public restructuring proceeding under file number 810 RES 3 / 24 B.

In order to avert the imminent insolvency (*drohende Zahlungsunfähigkeit*) and threat to Branicks existence, it is necessary to prolong the Company's financial liabilities maturing in the course of 2024 until the sale of real estate can take place, the proceeds of which can be used to repay these financial liabilities. The Branicks Group owns a sufficient real estate portfolio for these repayments.

The restructuring plan is intended to achieve the prolongation of the Debtor's promissory note loans maturing in 2024 until 30 June 2025. The prolongation of the other financial liabilities of Branicks maturing in 2024 from a bridge loan agreement, is to be achieved outside of the restructuring plan through an agreement with the bridge lenders.

## 2. KEY CORPORATE INFORMATION

### 2.1 Scope of business

The Debtor is a listed stock corporation (*Aktiengesellschaft*) registered in the Commercial Register of the Local Court of Frankfurt am Main under the registration number HRB 57679. Business scope of the Debtor is the construction, project development, acquisition, management and sale of real estate as well as the letting and leasing of such real estate.

The Company is Germany's leading listed specialist for office and logistics properties and operates in the Commercial Portfolio and Institutional Business segments. In the Commercial Portfolio division, the Company manages its own property assets, which were valued at around EUR 3.7 billion as of 31 December 2023. As part of the Institutional Business segment, Branicks manages properties for institutional investors, which were valued at around EUR 9.6 billion as of 31 December 2023.

The Debtor is the group's central management holding company. In addition to the Company, this includes 191 (direct and indirect) subsidiaries, the majority of which are property holding companies through which the operating business is conducted (together **Branicks Group**). Through the company DIC Real Estate Investments GmbH & Co. KGaA, Branicks Group has held around 69% of the share capital of VIB Vermögen AG (**VIB**), Neuburg an der Donau, which is itself listed on the stock exchange since 2022.

### 2.2 Corporate structure

The Debtor's share capital registered in the commercial register amounts to EUR 83,565,510.00 and is divided into 83,565,510 registered no-par value shares (*Namens-Stückaktien*), each representing EUR 1.00 of the share capital. The Company's shares are listed on the regulated market (Prime Standard) of the Frankfurt Stock Exchange and in over-the-counter trading (*Freiverkehr*) on the stock exchanges in Munich, Düsseldorf, Berlin, Bremen, Hamburg, Stuttgart and Hanover under the International Security Identification Number (ISIN) DE000A1X3XX4 and Securities Identification Number (WKN) A1X3XX.

Based on the last German Securities Trading Act notification (*WpHG-Meldung*) available to the Debtor, 34.3% of the shares are held by Deutsche Immobilien Chancen Group, 10.1% by Mr Yannick Patrick Heller and 10.0% by RAG-Stiftung. The remaining 45.6% of the shares are in free float (*Streubesitz*).

The Debtor is represented by two members of the executive board or by one member of the executive board together with an authorised representative (*Prokurist*).

The Debtor's executive board consists of Ms Sonja Wärtges as chairwoman of the executive board (Chief Executive Officer), Mr Christian Fritzsche (Chief Operations Officer), Mr Torsten Doyen (Chief Institutional Business Officer) and Mr Johannes von Mutius (Chief Investments Officer).

The Debtor's supervisory board consists of five members. The chairman of the supervisory board is Prof Dr Gerhard Schmidt, Glattbach. The deputy chairman of the supervisory board is Mr Michael Zahn, Potsdam. The other members of the supervisory board are Dr Angela Geerling, Munich, Mr Eberhard Vetter, Nauheim and Mr René Zahnd, Berne (Switzerland).

### 2.3 General economic data and financing structure

The Debtor's financial year is the calendar year.

The last annual financial statements of the Company certified by BDO AG Wirtschaftsprüfungsgesellschaft (**BDO**) as the auditor of the annual financial statements are available as of 31 December 2022 (**Financial Year 2022**). In the Financial Year 2022, the Debtor's revenues amounted to EUR 25,318,776.98. The Debtor's total assets as of 31 December 2022 amounted to EUR 2,572,827,400.83. In the Financial Year 2022, the Debtor employed an average of 90 full-time employees.

The audit of the annual financial statements prepared by the Debtor's executive board as of 31 December 2023 has not yet been completed by BDO. According to unaudited figures, the Company's revenue for the financial year 2023 is expected to amount to EUR 6,134,126.71 and its total assets as of 31 December 2023 will amount to EUR 2,463,453,665.61. The Debtor employed an average of 81 full-time employees in 2023.

The Debtor covers its financing requirements both through traditional bank financing and via the capital markets. The following overview illustrates the Debtor's financing agreements and its main outstanding financial liabilities:

<p><b>Bridge Loan</b></p>	<p>In 2022, the Company took out a bridge loan in the amount of EUR 500 million from a banking consortium consisting of HSBC, Goldman Sachs and Société Générale for the acquisition of shares in VIB (<b>Bridge Loan</b>). This loan is currently outstanding in the amount of EUR 200 million. Repayment of the Bridge Loan is due on 27 March 2024. The Bridge Loan is collateralised by the subsequent pledge of the shares held by Branicks Group in VIB. Other collaterals do not exist.</p>
<p><b>Promissory Note Loans</b></p>	<p>The Debtor is also a borrower under various unsecured promissory note loan agreements, repayment of which is due between 31 March 2024 and 31 March 2031. During the course of 2024, promissory note loans with a total nominal amount of EUR 225 million will fall due for repayment, EUR 73.5 million on 31 March 2024 (<b>March SSD</b>), EUR 62.5 million on 21 April 2024 (<b>April SSD</b>), EUR 44 million as of 25 July 2024 (<b>July SSD</b>), EUR 15 million as of 18 November 2024 (<b>November SSD</b>) and EUR 30 million as of 28 December 2024 (<b>December SSD</b>) and together with the March SSD, the April SSD, the July</p>

	<p>SSD, the November SSD and the December SSD, the <b>2024 SSD</b>).</p> <p>In addition, the Debtor is a borrower under further unsecured promissory note loan agreements totaling EUR 247.5 million, repayment of which is owed in the years 2025 to 2031.</p>
<b>Bond</b>	<p>In 2021, Branicks issued an unsecured and fixed-rate green corporate bond (<b>Green Bond</b>) with a total nominal value of EUR 400 million and a term of five years until September 2026. The bond has a denomination of EUR 100,000 each, a coupon of 2.25% and is traded on the Euro MTF market on the Luxembourg Stock Exchange (ISIN: XS2388910270).</p>
<b>VIB-Loan</b>	<p>Finally, the Company has taken out a loan totaling EUR 250 million from VIB (<b>VIB Loan</b>). The VIB Loan has a term until 7 July 2025 and is secured by a 75% pledge of the shares in DIC 27 Portfolio GmbH &amp; Co. KG.</p>

### 3. CAUSES OF THE CURRENT LIQUIDITY SHORTAGE AND RESTRUCTURING EFFORTS

Geopolitical and macroeconomic crises as well as increased financing costs, in particular the rapid rise in interest costs, have been weighing heavily on the real estate sector in Germany since 2022 and have led to property devaluations, which in turn has led to a significant decline in transaction volumes in both the office and logistics sectors. This is exacerbated by the fact that there are lucrative alternative investment opportunities for investors outside the real estate sector in the current market environment.

All of these developments have a negative impact on the Branicks Group. On the one hand, the value of the Commercial Portfolio decreased, while the costs of managing the properties increased. In the Institutional Business, the significantly lower transaction level was reflected in lower fees. Increased interest costs put further pressure on the Branicks Group's result.

In the course of 2023, the Company initiated the "Performance 2024" action plan, which aims to sustainably strengthen liquidity and reduce debt, the further implementation of the planned property transactions from its own portfolio, to strengthen the operating portfolio business with a high letting performance, place further attractive investment vehicles and to optimise and reduce operating costs.

Despite the successes achieved in this respect, the process of repaying both the Bridge Loan and the 2024 SSD in the current financial year poses a challenge for the Company. As it is not easy to refinance this debt in the current environment, Branicks has entered into negotiations with the Bridge Loan lenders and the creditors of the 2024 SSD and asked for a minor adjustment of the maturities. The postponement of the maturities is intended to give the Company the necessary time to sell real estate in the ordinary course of business and repay its liabilities from the proceeds. The maturity profile is to be synchronised with the upcoming property sales. Branicks Group has a sufficient property portfolio for these repayments.

For this purpose, Branicks is negotiating with the Bridge Loan lenders to extend the term of this loan until 31 December 2024. The Company expects that the negotiations can be successfully concluded before 26 March 2024 – the targeted date for the discussion and voting hearing (*Erörterungs- und Abstimmungstermin*) on the submitted restructuring plan.

With regard to the 2024 SSD, the Company is in negotiations with the total of 34 creditors of these promissory note loans (**2024 SSD Creditors**) in order to obtain their consent to a uniform extension of the 2024 SSD to 30 June 2025. In order to ensure that all 2024 SSD Creditors are committed to a prolongation until 30 June 2025, the Company is pursuing the restructuring concept set out in this restructuring plan, the approval of which can be decided by a 75% majority of the 2024 SSD Creditors.

#### **4. MISSION STATEMENT FOR THE RESTRUCTURED COMPANY**

The planned restructuring of the Debtor includes the extension of the maturity of the 2024 SSD in the amount of EUR 225 million and the extension of the Bridge Loan, which shall take place outside of the restructuring plan. The extension of these maturities will allow the Debtor to generate sufficient liquidity for the repayment of the liabilities through orderly and value-maximising asset sales.

#### **5. PLAN-AFFECTED PARTIES AND GROUPING OF PLAN-AFFECTED PARTIES**

The plan affected parties are the 2024 SSD Creditors with all their claims under the 2024 SSD, which are set out in detail in the list of plan affected creditors attached to the Restructuring Plan. The entire claims of the respective creditor (i.e. including claims for payment of interest and costs) arising from and/or in connection with the respective promissory note loan are affected by the plan. The actual amount of the claim is decisive. The Debtor's liabilities in connection with the 2024 SSD shall in any case be included comprehensively and in full in the restructuring plan and be affected by the plan.

For the purposes of the plan vote, a uniform group will be formed consisting of all 2024 SSD creditors as plan-affected parties in accordance with Section 9 (1) StaRUG. No further groups will be formed.

The 2024 SSD Creditors affected by the plan would have to file their claims from the 2024 SSD as non-subordinated insolvency claims (*nicht nachrangige Insolvenzforderungen*) in the event of insolvency proceedings over the Debtor's assets. They are therefore ordinary restructuring creditors (*einfache Restrukturierungsgläubiger*) for which a separate group must be formed in accordance with Section 9 (1) sentence 2 StaRUG.

No optional subgroups are formed in accordance with Section 9 (2) StaRUG, as there is no reason for it.

The Debtor's other financial liabilities and receivables resulting from the Debtor's business operations are not included in the restructuring plan. This applies in particular to receivables from employees arising from or in connection with the employment relationship (including rights from commitments to company pension schemes (*betriebliche Altersvorsorge*)).

#### **6. SUMMARY OF THE RESTRUCTURING MEASURES**

In order to lastingly avert the Debtor's imminent illiquidity and to ensure its viability, it is intended to implement the restructuring measures explained below both within and outside the restructuring plan.

##### **6.1 Restructuring measures provided for in the Restructuring Plan**

The restructuring plan is intended to extend the term of 2024 SSD until 30 June 2025. In return for the prolongation, Branicks offers the 2024 SSD Creditors to increase their interest rates, pay a so-called repayment fee, introduce certain special repayment and negative covenants in their favour and pay an extension fee, the amount of which corresponds to the length of the prolongation of the respective creditor.

The formability of the 2024 SSD follows from Section 7 (1) to (3) in conjunction with Section 2 (1) and (2) StaRUG. The restructuring plan does not intend to structure other liabilities.

The restructuring plan provides for the full satisfaction of the claims by merely postponing the maturity dates. Specifically, this is achieved by amending the main and ancillary terms of the 2024 SSD, as summarised below:

<b>Repayment at maturity in full</b>	Full satisfaction of the 2024 SSD by merely postponing the maturities of the 2024 SSD uniformly to 30 June 2025
<b>Interest</b>	Interest adjustment to standardized EURIBOR reference interest rate + margin of 2.75% p.a. for consecutive interest periods of 3 months, starting from the effective date of the 2024 SSD amendments.
<b>Fees</b>	<ul style="list-style-type: none"> <li>(i) Payment of an initial repayment fee (<i>sog. Erste Rückführungsgebühr</i>) of 1 % on each repayment amount (i.e. all early repayments and the repayment at maturity)</li> <li>(ii) Payment of a second repayment fee (<i>sog. Zweite Rückführungsgebühr</i>) of 4 % of the total repaid loan amount as of 31 December 2025</li> <li>(iii) Payment of an extension fee of 8.3 bps per month of the respective extension within 10 banking days from the effective date of the amendments 2024 SSD</li> </ul>
<b>Mandatory unscheduled repayments</b>	<p>Introduction of the obligation to make unscheduled repayments (<i>Sondertilgungen</i>) after repayment of the Bridge Loan liabilities</p> <ul style="list-style-type: none"> <li>(i) 90% of the net revenue (<i>Nettoeinnahmen</i>) from sales of Relevant Property Sales; and</li> <li>(ii) 90% of the net revenue from Relevant Placements</li> </ul> <p>are to be used for the pro rata repayment of the 2024 SSD, provided that the minimum liquidity in the Branicks Group is maintained at all times.</p>
<b>Information obligations</b>	Introduction of various information obligations, including regular reporting with regard to the Debtor's transformation
<b>Negative covenants</b>	<p>Introduction of certain negative covenants, including</p> <ul style="list-style-type: none"> <li>(i) no payments (dividends and/or distributions in any form) to the shareholders of Branicks</li> <li>(ii) no payments on financial liabilities to third parties (excluding the payment of interest due), with the exception of (y) the refinancing of existing financial liabilities or (z) liabilities under the Bridge Loan agreement or financial liabilities of PropCos</li> </ul>

	(iii) no new loans
--	--------------------

## 6.2 Restructuring measures outside the Restructuring Plan

The term of the Bridge Loan is to be extended until 31 December 2024 by means of an amendment agreement to the Bridge Loan agreement to be concluded outside of the restructuring plan. The Company believes that the negotiations can be successfully concluded before 26 March 2024, i.e. the targeted date for the discussion and voting hearing (*Erörterungs- und Abstimmungstermin*) on the submitted restructuring plan.

The real estate sales required to secure the Debtor's viability, whose proceeds are to be used to repay the financial liabilities, will also take place outside of the restructuring plan. The same applies to the other restructuring measures outlined in the Independent Business Review (**IBR**), which is attached to the restructuring plan. The IBR was issued by FTI-Andersch AG. This applies in particular to restructuring measures relating to PEX (personnel costs) and OPEX (other operating costs), which form the basis of the IBR as planning assumptions. According to the IBR, these restructuring measures are all based on solid planning assumptions.

## 7. COMPARATIVE CALCULATION

The restructuring plan does not place any plan-affected party in a worse position than they would be in without the plan. The effects of the Restructuring Plan on the respective satisfaction prospects of the plan-affected party in the next best alternative scenario are shown in the comparative calculation dated 4 March 2024 attached to the Restructuring Plan.

The scenario with implementation of the restructuring plan leads to higher prospects of satisfaction for the creditors affected by the plan than the relevant next-best alternative scenario "insolvent liquidation". In the absence of better alternatives, the next best alternative scenario is the realisation of the Debtor's assets as part of regular insolvency proceedings (*Regelinsolvenzverfahren*; insolvent liquidation) as the only realistic and therefore decisive alternative scenario.

A going concern scenario for the Debtor is not realistic without implementation of the plan. If the restructuring plan is not implemented, the Debtor will become insolvent due to the maturity of the 2024 SSD and is thus obliged to file for insolvency, meaning that a continuation of the Company outside of insolvency is not possible. However, even within the insolvency proceedings, a going concern scenario for the Debtor is not realistic. While continuation of individual business divisions of the Debtor (CoP, IBU, VIB) after corresponding disposals does appear realistic, it is highly unlikely that the Debtor will be able to continue as a going concern in its current form. This is because it can be assumed that it is more than likely (*überwiegend wahrscheinlich*) that the Company's customers will not continue to do business with an insolvent company. Even in an insolvency scenario the going concern of the Debtor is not realistic.

The comparative calculation has therefore to be based on the assumption of liquidation values. After realisation of the other assets and liabilities within regular insolvency proceedings and taking into account the current income and expenses during the proceedings, an insolvency estate of around EUR 700 million is expected to remain. This will be offset by insolvency liabilities totalling approx. EUR 1,021.2 million, resulting in an insolvency ratio of 68.6%. Assuming an additional contestation (*Anfechtung*) of the pledge on the VIB shares (cf. VIB-Loan in Clause 2.3) by an insolvency administrator appointed at that time, the maximum insolvency ratio would be 73.7%. The extent to which a challenge to the subsequent collateralisation in 2023 has any prospect of success is still unclear. In any case, the duration of the proceedings and thus the satisfaction of the creditors would be further delayed.

In comparison, the restructuring plan ensures that the creditors will still be satisfied in full. Only the time of satisfaction is postponed, while the main and ancillary conditions are changed in favour of the creditors.

The following overview shows the prospects of satisfaction if the restructuring plan is implemented compared to the relevant alternative scenario:

<b>Restructuring Plan</b>	<b>Relevant alternative scenario (liquidation in insolvency proceedings)</b>
Full satisfaction of the claims in the event of a merely postponement of the maturity dates with a change in the main and ancillary conditions as described above in Clause 6.1.	Payment of an insolvency quota of from 68.6% up to 73.7% as unsecured creditors in the insolvency proceedings (see in detail the settlement calculation attached to the restructuring plan).

## 8. GENERAL PROVISIONS

The effects specified in the normative part of the restructuring plan shall take effect upon confirmation of the restructuring plan by the Restructuring Court (cf. Section 67 (1) sentence 1 StaRUG). The restructuring plan is not subject to condition within the meaning of Section 62 StaRUG.

Pursuant to Section 64 (3) StaRUG, funds in the amount of EUR 100,000.00 shall be made available by deposit in a special account of the Debtor in the event that a plan-affected party proves that it is likely to be worse off as a result of the restructuring plan than it would have been without the restructuring plan. The Debtor shall be entitled, but not obliged, to pay the deposited amount if the Restructuring Court deems it necessary to do so in order to reach a decision in favor of the Debtor.

The Debtor shall be obliged to pay out, at the expense of the deposited amount, on the basis of a final decision within the meaning of Section 64 (3) sentence 2 StaRUG on the reason and amount to the plan-affected party who filed the application for refusal of confirmation of the restructuring plan pursuant to Section 64 (1) StaRUG. The Debtor shall be entitled to any amounts released. The claim for compensation must be asserted in court within a preclusion period of one year from the legally binding confirmation of the restructuring plan.

Section 69 (1) and (2) StaRUG shall not apply.

The Debtor is authorized to correct obvious errors in the restructuring plan.

The personal liability of the executive board of the Debtor is excluded to the extent permitted by law.

Monitoring of the restructuring plan is not envisaged.

## 9. SUBMISSION OF THE RESTRUCTURING PLAN AND VOTING MEETING

The vote on the restructuring plan will be carried out by way of a court-led discussion and voting meeting in accordance with Sections 29, 45 StaRUG.