

## IMPORTANT NOTICE

NOTHING IN THIS PUBLICATION CONSTITUTES AN OFFER OF SECURITIES FOR SALE. THE SECURITIES REFERRED TO BELOW HAVE NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR THE SECURITIES LAWS OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES, AND, SUBJECT TO CERTAIN EXEMPTIONS, THE SECURITIES MAY NOT BE OFFERED, SOLD OR DELIVERED, DIRECTLY OR INDIRECTLY, WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS (AS DEFINED IN REGULATION S UNDER THE SECURITIES ACT).

Adler Financing S.à r.l.

46A, Avenue John F. Kennedy, L-1855, Luxembourg

ISIN: DE000A3L3AD6	ISIN: DE000A3L3AE4	ISIN: DE000A3L3AF1
WKN: A3L3AD	WKN: A3L3AE	WKN: A3L3AF
EUR 1,205,304,900	EUR 116,700,000 4.250%	EUR 555,611,000 14.000%
12.500% (PIK)	(PIK)	(PIK)
24/28 Notes	24/29 Notes	24/29 Notes
(the "1L Notes")	(the "1.5L Notes 4.25%")	(the "1.5L Notes 14%")
(the 1L Notes, 1.5L Notes 4.25% and the 1.5L Notes 14% each a "Note" and together, the "Notes")		

issued by  
Adler Financing S.à r.l.  
(the "Issuer")

**Request of a Holder Majority Consent in accordance with § 12 of the respective Terms and Conditions of the Notes**

**Request to Consent until December 20, 2024**

Capitalized terms used but not otherwise defined in this publication shall have the meaning given to them in the Terms and Conditions of each of the Notes.

Under the EUR 1,703,048,800 Facilities Agreement, originally dated 22 April 2023 as amended and restated on 9 September 2024, entered into among, *inter alios*, Adler Group S.A. and Consus Real Estate AG as Borrowers and Original Guarantors and the Issuer as Original Lender, Adler Group S.A. has requested the consent request dated November 25, 2024 attached hereto as Annex 1 (the "**Consent Request CSF Restructuring FA**" from the Issuer as Original Lender.

Under the Intercreditor Agreement originally dated 22 April 2023 as amended and restated on 10 September 2024 entered into among, *inter alios*, Adler Group S.A., AGPS BondCo PLC, Titanium 2L BondCo S.à r.l., and the Issuer, Adler Group S.A. has requested an identical consent request dated November 25, 2024 (the "**Consent Request CSF Restructuring ICA**", and together with the Consent Request CSF Restructuring FA the

**"Consent Requests")** from the Issuer.

For the consent under the Consent Requests, the Issuer requires a Holder Majority Consent pursuant to § 12 (1) (c), (d) of the Terms and Conditions of each of the Notes.

For this purpose, the Issuer needs to obtain the consent of the Holders representing more than 50% of the aggregate principal amount of each of the Notes outstanding held by Holders that expressly have given or rejected their consent within 15 Payment Business Days following a Holder Majority Consent request submitted by the Issuer to Holders in accordance with § 15 of the Terms and Conditions of each of the Notes.

**Therefore, the Issuer hereby requests each Holder**

**in the period from (and including) December 1, 2024 until (and including) December 20, 2024**

**to give or reject their consent to the Consent Requests. Such "Declaration" shall be sent by email together with the evidence of the Holder's entitlement as at November 28, 2024 (the "Record Date") in accordance with § 16 (3) of the Terms and Conditions of the Notes to the Calculation Agent:**

**Joh. Berenberg, Gossler & Co. KG  
Neuer Jungfernstieg 20  
20354 Hamburg  
Germany**

**E-Mail: [Project\\_titanium\\_settlement@berenberg.com](mailto:Project_titanium_settlement@berenberg.com)**

**Attn.: Dr. Martin Kniehase**

**(the " Holder Majority Consent Request CSF Restructuring").**

**For this purpose, the form attached to this Publication as Annex 2 shall be used. You are also kindly asked to submit a letter from the Custodian substantially in the form attached to this Publication as Annex 3.**

The Issuer will publish the result of this Holder Majority Consent Request CSF Restructuring on or about December 30, 2024.

Luxembourg, November 28, 2024

Titanium 2L BondCo S.à r.l.

## **Annex 1**

## CONSENT REQUEST LETTER

To: **Joh. Berenberg, Gossler & Co. KG** as agent of the other Finance Parties (the “**Agent**”) under the EUR 1,703,048,800 facilities agreement originally dated 22 April 2023 between, *inter alios*, the Company (as defined below), Consus Real Estate AG and other subsidiaries of Adler Group S.A. as borrowers and original guarantors, ADLER Financing S.à r.l. as original lender and the GLAS Frankfurt Projekt GmbH as security agent, as amended and/or restated from time to time and most recently amended pursuant to an amendment and restatement agreement dated 9 September 2024 (the “**Stabilisation Debt Facilities Agreement**”)

From: **Adler Group S.A.**, a public limited liability company (*société anonyme*) incorporated under the laws of the Grand Duchy of Luxembourg, having its registered office at 55 Allée Scheffer, L-2520 Luxembourg, Grand Duchy of Luxembourg and registered with the Luxembourg Trade and Companies Register (*Registre de Commerce et des Sociétés Luxembourg*) under number B197554 (the “**Company**”)

Dated: 25 November 2024

Dear Sir or Madam,

### **Project Titanium – Stabilisation Debt Facilities Agreement – Precautionary Consent Request regarding the CSF Restructuring (as defined below)**

#### **1. INTRODUCTION**

- 1.1 Reference is made to the Stabilisation Debt Facilities Agreement. Unless a contrary intention appears in this letter, any word or expression defined in the Stabilisation Debt Facilities Agreement will have the same meaning when it is used in this letter.
- 1.2 The provisions of clauses 1.2 (*Construction*) and 14 (*Costs and Expenses*) of the Stabilisation Debt Facilities Agreement apply to this letter as though they were set out in full in this letter with all necessary consequential changes, and with references in those clauses to “this Agreement” being construed as references to this letter.
- 1.3 The purpose of this letter is, out of utmost precaution, to request the consent of the Majority Lenders pursuant to clause 32.1 (*Required Consents*) of the Stabilisation Debt Facilities Agreement in relation to the CSF Restructuring (as defined below).

#### **2. CSF RESTRUCTURING**

The Group is envisaging a restructuring of the Consus Sub-Group which includes (i) the transfer of shares in Consus Swiss Finance AG (“**CSF**”) currently held by Consus Real Estate AG (“**Consus**”) to Adler Group Holding LuxCo 2 S.à r.l. for a symbolic consideration of EUR 1.00 and (ii) the transfer of any intra-group liabilities held by CSF against PropCos of the Consus Sub-Group to the Company and ADO Lux Finance S.à r.l. at face value (as set out in more detail in the Annex (*CSF Restructuring Summary*), the “**CSF Restructuring**”).

### **3. CONSENT REQUEST**

3.1 The Company hereby requests the consent of the Majority Lenders to the contemplated CSF Restructuring as set out in the Annex (*CSF Restructuring Summary*) (the “**Consent Request**”).

3.2 We ask the Agent to please:

- (a) obtain:
  - (i) the consent of the Majority Lenders to the Consent Request; and
  - (ii) instructions from the Majority Lenders pursuant to clause 23.2 (a) (i) (B) of the Stabilisation Debt Facilities Agreement to consent to the Consent Request; and
- (b) arrange for the countersignature and return of the enclosed copy of this letter to confirm the consent of the Majority Lenders to the Consent Request as soon as a decision by the Majority Lenders has been obtained.

### **4. MISCELLANEOUS**

4.1 The Company hereby expressly authorises the Agent (and, if relevant, the Majority Lenders) to publish this information and this consent request letter as well as any other related documentation in connection with any consent requested from New Money Investors and releases the Agent and the Majority Lenders from any confidentiality obligations pursuant to the Finance Documents in this regard.

4.2 This letter is designated as a Finance Document for the purposes of and under the Stabilisation Debt Facilities Agreement.


4.3 This letter may be executed in any number of counterparts, and this has the same effect as if the signatures on the counterparts were on a single copy of this letter.

4.4 This letter and any non-contractual obligations arising out of or in connection with it are governed by German law and the provisions of clause 36.1 (*Jurisdiction*) of the Stabilisation Debt Facilities Agreement shall be deemed to be incorporated in this letter in full, *mutatis mutandis*, save that references to “this Agreement” shall be construed as references to this letter.

Yours faithfully,

**Adler Group S.A.**

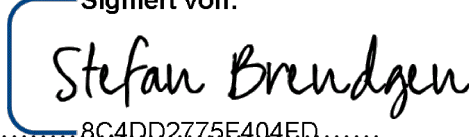
as the Company

Signiert von:  


By: .....469G1A0E4D7E4C8:.....

Name: [Thilo Schmid]

Title: Director

Signiert von:  


By: .....8C4DD2775F404FD:.....

Name: [Stefan Brendgen]

Title: Director

**Annex:**

**CSF Restructuring Summary**

**Acknowledgement**

We acknowledge receipt of your letter of 25 November 2024 ("**Consent Request Letter**") of which this is a copy. We hereby confirm that the Majority Lenders have consented to the Consent Request regarding the CSF Restructuring pursuant to the terms and conditions stated in the Consent Request Letter.

Yours faithfully,

**Joh. Berenberg, Gossler & Co. KG**  
as the Agent

Date: \_\_\_\_\_ 2024

By: .....

By: .....

Name:

Name:

Title:

Title:

## **CSF RESTRUCTURING SUMMARY**



Draft per 14.11.2024

# CSF Restructuring

Simplification of IC relationships in Consus subgroup

14 November 2024

# Management Summary

**Until the restructuring effective date** in September 24 our focus was on **implementing the double LuxCo structure for Titanium**.

In the next step we **further analyzed a potential optimization of the envisaged** disposals in Consus both from a legal and a tax perspective. So far, we had to undertake comprehensive pre-closing restructurings for divestments in order to mitigate legal and tax issues (including potential additional RETT leakage). For past projects we have successfully managed such restructurings but experienced complex discussions with tax authorities which we aim to avoid going forward.

In the last weeks we **further analyzed the complex dependencies between Lux, Swiss and German tax** implications of our structure and finalized our assessment as well as a proposal to solve the issues.

**As a background information: Consus Swiss Finance AG (“CSF”)** acts as **financing vehicle within the Consus Group** (before and after the acquisition of Adler). Liquidity has been provided by CSF (which has received its liquidity via loans from Adler Group SA / ADO Lux Finance) to various Consus PropCos via intercompany loans.

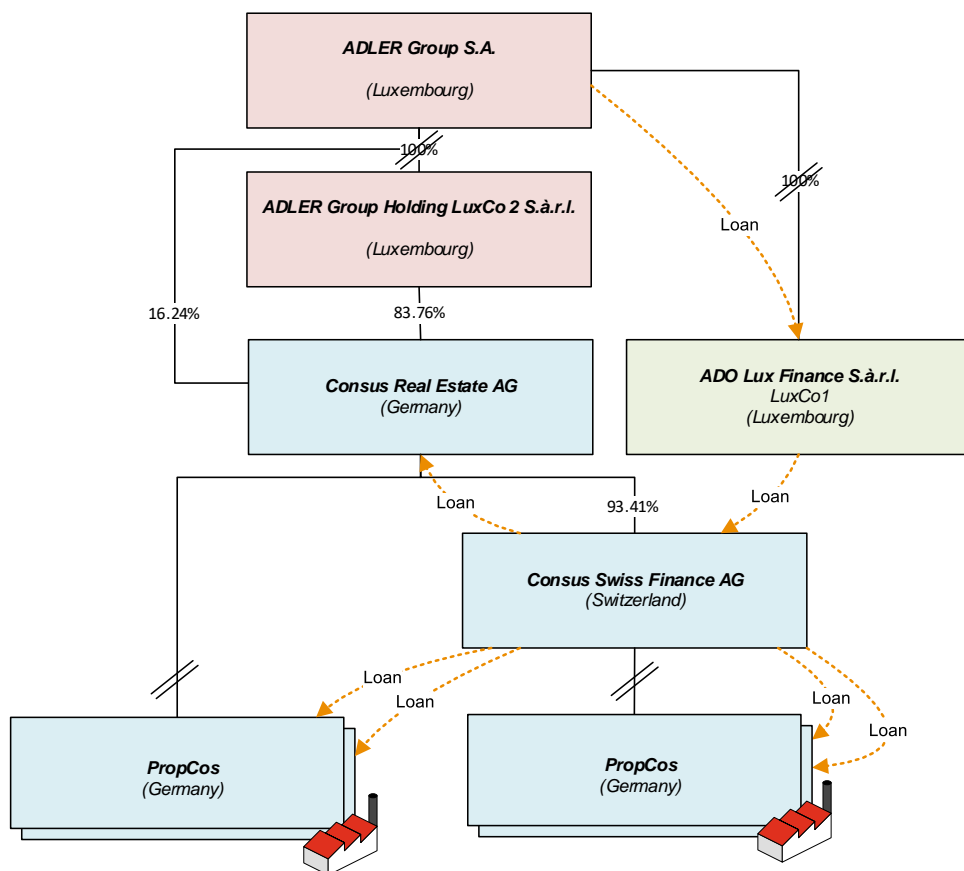
The current **inefficiencies / risks could be eliminated by restructuring the Consus Subgroup** by transferring the shares of CSF currently held by Consus Real Estate AG to Adler Group Holding LuxCo2 **without increasing the exposure of Adler Group towards Consus**. This is expected to be address in particular the following issues:

- **CSF has a negative equity** since the loans provided to individual PropCos were impaired. Due to additional impairments upon further divestments of the receivables CSF is facing a material **withholding tax (“Verrechnungssteuer”) risk in Switzerland** as well as potential German CFC tax risks.

- Due to the negative equity, CSF is currently legally restricted in its actions (e.g. subordinations) regarding up-/cross stream loans granted to PropCos. Potential structures resolving such legal restrictions may **lead to material German RETT** in the context of the planned Consus disposals (namely Kaiserlei, Stolkgasse and UpperNord)

- **Enhance efficiency of the financing structure** is another effect of the reorganization since we going forward could provide liquidity to Consus PropCos directly out of Adler Group up to the defined basket of €265m rather than via the more complex Consus route

# Status quo



## Status quo - critical aspects in the current structure (to be solved)

Consus Subgroup currently faces the following inefficiencies and risks:

- **Financing chain leads to unnecessary complexity / inefficiency:** Consus Subgroup were financed via Adler Group SA / ADO Lux Finance – Consus Swiss Finance AG (“CSF”); The financing chain contains the risk of inefficiency in taxation due to financing margin that has to be generated in CH due to transfer pricing. This margin is subject to (unnecessary) additional tax leakage.
- **Swiss Withholding Tax:** Due to threatened impairments on receivables CSF is facing a material withholding tax risk in Switzerland
- Without restructuring (i.e. Step 1 below), impairments may also cause potential German CFC tax risks
- **Financial Assistance Restrictions:** Due to negative equity CSF is currently restricted in its actions (e.g. subordinations) with regard to up-/cross-stream loans granted to PropCos; this has the potential to complicate or even roadblock disposal options of real estate held by CSF financed entities.
- **German RETT:** Solving the above-mentioned Financial Assistance Restrictions and enabling unrestricted disposals without the below proposed reorganisation steps could lead to material additional RETT leakage for certain entities (mostly organized as partnerships)

## Steps structured to mitigate risk / enhance efficiency of the Consus Subgroup financing structure

1. **Transfer of shares in CSF** (“out from under”) from CREAG to ADLER Group Holding LuxCo 2
2. **Shortening of the already existing financing chain:** CSF is transferring its up-/cross stream receivables towards PropCos at face value rather than FMV as CSF is in a back-to-back onlending position. After this step, Adler Group S.A. and ADO Lux Finance S.à.r.l. will have a direct financing relationship towards Consus Subgroup entities rather than an indirect relationship via CSF.

*Ultimately after solving the major tasks a full consolidation / liquidation of CSF is envisaged to finally reduce inefficiency and complexity*

**Note:** Status quo shows simplified OrgChart after Consus Squeeze out

# Sale of CSF AG

## Key objectives & advantages

	Advantages
<p><b>Step 1:</b></p> <p><b>Transfer of shares in CSF from CREAG to Adler Lux Holding 2</b></p>	<ul style="list-style-type: none"> <li>➤ <b>No consideration:</b> Step 1 should not lead to a consideration to be paid to CREAG as the indicative equity value of CSF should be negative; The transfer of shares should therefore occur at a <b>symbolic consideration of 1 EUR</b></li> <li>➤ <b>No German CFC:</b> Going forward, Step 1 should lead to the result that CSF is no longer considered a German CFC (Controlled Foreign Corporation (niedrig besteuerte ausländische Gesellschaft)). In case Step 1 is implemented still in FY24 this would result in CSF not being a German CFC from the beginning of FY24.</li> <li>➤ Step 2 should not be undertaken without Step 1 in light of above-mentioned CFC tax risks.</li> </ul>
<p><b>Step 2:</b></p> <p><b>Shortening of the existing financing chain</b></p>	<ul style="list-style-type: none"> <li>➤ <b>Regaining the ability to act with regard to company financing (financial assistance)</b> and thus successfully complete divestments: <ul style="list-style-type: none"> <li>• Implementation of Step 2 reinstates the freedom to act on PropCo financing, removing current restrictions that could impede PropCo sales by addressing potential investor demands for IDW S11 reports, while CSF is currently unable to enter into agreements concerning cross- or upstream financing relationships.</li> <li>• Implementation of Step 2 reinstates the flexibility to wind down PropCos after divestments and therefore reduce complexity and cost.</li> </ul> </li> <li>➤ <b>Consideration:</b> Step 2 is implemented by the transfer of loan receivables against PropCos by CSF to ADLER Group S.A.(ASA) and ADO Lux Finance (ADO Lux). <ul style="list-style-type: none"> <li>➤ The <b>transfer</b> is meant to occur <b>at face value rather than FMV</b> as CSF is in a factual back-to-back financing position with ASA and ADO Lux as its major creditors.</li> <li>➤ Step 2 should not lead to a major impact at the level of ASA / ADO Lux as their claims against CSF are in turn already impaired correspondingly given the limited recoverability on CSF level. Therefore, the transfer should not lead to adverse accounting implications on the level of ASA / ADO Lux.</li> </ul> </li> <li>➤ <b>Mitigation of Swiss WHT: Streamlining the financing relationships within the Group mitigates operational, tax and legal risks,</b> (in particular) potential Swiss withholding tax (“<i>Verrechnungssteuer</i>”) risk, as Step 2 confirms the existence of a de facto back-to-back financing arrangement / relationship of CSF</li> </ul>

**AADLER**  
GROUP

**Annex 2**

**To:**

**Adler Financing S.à r.l.**  
46A, Avenue John F. Kennedy  
L-1855, Luxembourg

***to be submitted to the Calculation Agent:***

**Joh. Berenberg, Gossler & Co. KG**  
Neuer Jungfernstieg 20  
20354 Hamburg  
Germany  
Attn.: Dr. Martin Kniehase

per E-Mail: [Project titanium settlement@berenberg.com](mailto:Project_titanium_settlement@berenberg.com)

**Declaration to the request of a Holder Majority Consent of Adler Financing S.à r.l.  
dated November 28, 2024**

**Name of Holder:**

---

**Address:**

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**Aggregate principal amount of 1L Notes  
(ISIN: DE000A3L3AD6) held on the  
Record Date:**

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**Aggregate principal amount of 1.5L Notes  
4.25% (ISIN: DE000A3L3AE4) held on the  
Record Date:**

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**Aggregate principal amount of 1.5L Notes  
14% (ISIN: DE000A3L3AF1) held on the  
Record Date:**

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We

- hereby **declare** consent to the Consent Requests
- hereby **reject** consent to the Consent Requests

of the Holder Majority Consent Request CSF Restructuring pursuant to the publication of the Issuer dated November 28, 2024 (the "**Publication**").

To be attached to the declaration is for purposes of an **Evidence of Holder's entitlement** a statement issued by the Custodian with whom such Holder maintains a securities account in respect of each of the Notes (a) stating the full name and address of the Holder, (b) specifying the aggregate principal amount of each of the Notes credited to such securities account on the Record Date and (c) confirming that the Custodian has given written notice to the Clearing System containing the information pursuant to (a) and (b). The Evidence of Holder's entitlement can also be made in any other valid manner according to § 16 (3) of the Terms and Conditions of each of the Notes.

For purposes of the foregoing, "**Custodian**" means any bank or other financial institution of recognised standing authorised to engage in securities custody business with which the Holder maintains a securities account in respect of each of the Notes and includes the Clearing System.

Capitalized terms used but not otherwise defined in this declaration shall have the meaning given to them in the Publication.

**Declarations to be sent exclusively to the e-mail-address of the Calculation Agent stated above.**

**Attachment:  
Evidence of Holder's entitlement as at the Record Date**

**Annex 3**

**[Letterhead Depository Bank]**

**[Place, Date]**

To: **[Fund Name]**

Address: **[·]**

We hereby confirm according to our records that as of November 28, 2024 you hold

- **[·]** units/nominal of ADLFIN 24/28 (ISIN DE000A3L3AD6)
- **[·]** units/nominal of ADLFIN 24/29 (ISIN DE000A3L3AE4)
- **[·]** units/nominal of ADLFIN 24/29 (ISIN DE000A3L3AF1)

in your account **[·]** at our bank.

The securities are held in custody with Euroclear/CBL account **[·]**.

This letter is also valid without signature.