

Report from the meeting of the Joint Representatives of the Carpevigo Group

Held on 14.10.2020

On 14 October 2020, a meeting was held with the Joint Representatives and the management of the companies involved in Schaan / Liechtenstein.

The subject of the discussion was, in particular, the current status of the restructuring and the situation in the individual creditor areas (banks, bonds, mezzanine loans), as well as the upcoming extension of the term of the bonds.

I. Financial Recovery Progress

The financial recovery, in general, is continuing to run efficiently and smoothly. In 2020, income was at an average level. Due to Corona measures, there was a shortfall in revenue in Italy.

II. Banks

In the banking sector, as always, all obligations have been adequately fulfilled. As in previous years, property financing is steadily being reduced. There is good cooperation with our contact partners at the banks. In some cases, it was possible to negotiate new, more favorable interest rates. The banking sector is therefore stable and is on schedule.

III. Mezzanine loans

Regarding mezzanine loans, the regular annual distributions to the three groups of creditors were duly made per the restructuring plans.

IV. Interest payments

1 Mr. Gonzenbach was unable to attend but was informed about the course of the meeting and agreed with the positioning of the other two joint representatives. All payments planned for 2020 were made:

In the banking sector, debt servicing naturally included repayments and interest.

In the bond area, the interest provided for in the restructuring plan from 2016 was duly paid by 30 September 2020.

In the mezzanine area, the payments have been made per the restructuring plans. The December 2020 distribution is currently in progress.

Overall, there are no backlogs, and there is still a viable concept for the following years.

V. Lending Litigation

Since the last report, further rulings have been made in the various legal disputes pursued by Vexatious litigation. The Munich Higher Regional Court, insofar as there were payment claims, dismissed all claims in the second instance and rejected the appeals of the opposing party with costs. At CARPEVIGO AG, all legal actions were dismissed. At CARPEVIGO Holding AG, the opposing party has appealed to the Federal Court of Justice. It remains to be seen whether these will even be accepted by the BGH for a decision. The BGH has not yet decided in this regard. The BGH has not yet agreed on actions to challenge the resolutions of the creditors' meetings of Carpevigo AG from 2016 and 2017, which were successful in the first and second instances. Again, it remains to be seen if the

local legal means will come to a decision. The complex progress, which also includes various other legal disputes, remains to be seen.

VI. Extension of bonds terms by five years

In 2016, it was decided to extend the term of all bonds until 30 June 2021, at 1.5% interest p.a. Since then, Vexatious litigation has made various new attempts to disrupt and hinder the financial recovery. Multiple lawsuits have been added, and there seems to be no end in sight to these disputes. On the one hand, this legal uncertainty naturally hinders the restructuring to a certain extent. A constructive financial solution that goes beyond the extension of the term is complex. On the other hand, annual deleveraging takes place in the banking sector, and the bonds are still traded on the market to a certain extent.

With this background, it seems advisable to guarantee planning security for further steps in the restructuring and consolidation in corresponding creditors' meetings by extending the bonds by five years (with the same interest rate). The resolutions passed by the creditors' meeting are also intended to remove the legal uncertainty caused by the various lawsuits and thus further ensure the bond's financial market viability.

To continue and advance the previous restructuring and consolidation efforts in the interests of the bondholders as well, an extension of the term of the bond is necessary. All parties involved agreed on this. Therefore, the board of directors will prepare the corresponding meetings and recommend the bondholders to support the resolutions required in reorganization and consolidation. The joint representatives also advocate this step, which ultimately has no alternative if bankruptcy is to be avoided and continue to support the restructuring course. The meeting ended with this shared conviction and positioning of all participants.

Schaan/14.10.2020