

Joint representatives report

Carpevigo Group Joint Representatives meeting report

23 October 2019 in Holzkirchen

On 23 October 2019 a meeting in Holzkirchen business premises took place with joint representatives and the management of the companies involved being present. The subject of the discussion was the current status of the restructuring, and the situation in the individual creditor areas (banks, Bonds, mezzanine loans).

I. Financial recovery progress

The financial recovery in general continues to run smoothly. The income of the project companies from the feed-in tariffs accumulated in 2019 was lower than the previous year but was still within acceptable limits, and was therefore satisfactory.

II. Banks

In the banking sector, all obligations continued to be duly met. As in previous years, the property financing will be steadily returned to a level of approx. 23.8 million in total (with a liquidity reserve of approx. 1.1 million euros) as of 31 December 2019. Improvements were again achieved in the area of interest rates. The average interest rate is now around 2.26%. The banking sector is thus still stable and reaching its targets.

III. Mezzanine loans

In the area of mezzanine loans, the regular annual distributions for the three groups of creditors duly took place in accordance with the restructuring plans.

IV. Interest Payments

All payments planned for 2018 and 2019 have been properly made. In the banking sector, debt servicing naturally included repayments and interest. In the bonds area, the interest stipulated in the resolutions from 2016 has been duly paid. In the mezzanine area, the payments have been made in accordance with the restructuring plans. Overall, there are no backlogs, and there is still a viable concept for the following years.

V. Bonds

In 2016, the term of all bonds was extended to June 30, 2021 and new interest conditions were agreed. Since then, they have been the basis of all transactions on the market.

The extensive attempts of vexatious litigation continues to put pressure on the restructuring through various lawsuits and legal remedies in order to be paid out with a profit before all other parties involved. In the various legal proceedings, complex factual and legal points are consistently dealt with and the processes are operated with different outcomes on all levels and situations. For details, please refer to the publications of the companies on the Internet. An end to these legal disputes is currently not in sight. The action of the vexatious litigation is still aimed at making the progress of the restructuring and regulations for the expiry of the bonds in 2021 more difficult or even completely blocking them.

It was particularly pleasing that the actions to challenge the decisions from 2013 were unsuccessful and have finally been won. Similarly, there were around a dozen payment lawsuits against Carpevigo AG and Carpevigo Holding AG. All claims for payment were dismissed in the first instance. The vexatious litigation has appealed against each of the judgments. The Higher Regional Court has announced in advisory decisions that it will reject all of the vexatious litigation appeals with costs. As a countermeasure, the opposing side in turn lodged an appeal to the Federal Court of Justice and if this will be accepted for decision by the Federal Court of Justice at all, remains to be seen.

Not so encouraging are the actions for rescission against the resolutions of the creditors' meetings of Carpevigo AG in 2016 and 2017 were successful

in the first instance. The company has appealed against the two judgments. A statement by the Higher Regional Court as to how it assesses the factual and legal situation is not yet available. It remains to be seen whether, in the second instance, the resolutions that have been implemented for several years in 2016 will be kept. The efforts of the other bondholders to take over the rights of this party and thus to end the legal disputes have until now, not been successful. The progress, which is complex, and also includes various minor legal disputes, remains to be seen.