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**TERM SHEET**

**Summarising the key terms of the financial  
restructuring of**

**CORESTATE Capital Holding S.A.**

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**The terms set out in this Term Sheet are non-binding and indicative only. This Term Sheet constitutes neither an offer to enter into any transaction nor a waiver of any existing right or claim by any party. Any transaction is, amongst other things, subject to the appointment of a CRO satisfactory to the committee, validation of the business plan and cash flow forecasts by the CRO and confirmatory due diligence by the committee, internal approvals and satisfactory documentation.<sup>1</sup>**

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<sup>1</sup> ***NB***: Paragraph to be deleted in execution version of the term sheet.

## Introduction and Important Notes

This term sheet (the "**Term Sheet**") sets out the key terms of the financial restructuring of the € 200,000,000 1.375% notes due 28 November 2022 (the "**2022 Notes**") and the € 300,000,000 3.50% notes due 15 April 2023 (the "**2023 Notes**" and together with the 2022 Notes, the "**Notes**") issued by Corestate Capital Holding S.A. (the "**Company**" and together with its subsidiaries, the "**Group**") (the "**Proposed Transaction**").

The Proposed Transaction would be effected by an amendment and an exchange of the 2022 Notes and the 2023 Notes by means of, amongst other things, resolutions of the holders of the 2022 Notes and the holders of the 2023 Notes, respectively, pursuant to the German Bond Act (*Schuldverschreibungsgesetz*) and the Debt-to-Equity Swap (as defined below) in order to restructure the debt and equity capital structure of the Company and align the legal ownership of the Company to the commercial ownership of the Company by way of the holders of the 2022 Notes and 2023 Notes becoming the new majority legal owners of the Company as set out in further detail herein. Given the complexities to implement a Debt-to-Equity Swap, the the ad-hoc committee of holders of the Notes (the "**Committee**") would be willing to implement the Proposed Transaction in a two-step process: first, execution of a customary lock-up agreement, comprising this term sheet, and thereafter consenting to an extension of the maturity of the 2022 Notes to 15 April 2023 in a noteholders' meeting to be held in November 2022 and second, implementing the Proposed Transaction, including the Debt-to-Equity Swap, as set out in this Term Sheet (all steps taken together, the "**Restructuring**").

Subject to (i) the reservations, qualifications and limitations set out in this Term Sheet (including its cover page), (ii) the Company (including its management board and supervisory board) constructively engaging on the Proposed Transaction, complying with all outstanding requests and confirming in writing its intention to enter into the Proposed Transaction as described in this Term Sheet (subject to satisfactory documentation), (iii) the appointment of a CRO and (iv) a cleansing regime for the cleansing of the confidential information being agreed between the Committee and the Company as per the noteholder NDA, the Committee would be prepared to conduct the confirmatory due diligence necessary to evaluate the Proposed Transaction (together with the CRO) and collaborate with the Company towards finalizing the details of the Proposed Transaction as set out in this Term Sheet.

***This Term Sheet is provided upon the express request of the Company. The Company has approached the members of the Committee and, as applicable, other holders of Notes to consider committing financial support in the context of the Proposed Transaction and, as the case may be, further financing support and arrangements to achieve a successful financial restructuring of the Company and the Group.***

***This Term Sheet does not constitute an offer to buy or sell securities.***

**A. Key structural elements of Proposed Transaction**

<p><b>CRO:</b></p>	<ul style="list-style-type: none"> <li>• Immediate appointment of Chief Restructuring Officer as an additional member of the Company’s management board with the officeholder and the scope of its responsibilities having to be satisfactory to the Committee (the "<b>CRO</b>").</li> <li>• The Committee has proposed two potential firms (THM Partners and Ankura) to provide the Company with individuals for the CRO position. The Committee expects the management and the supervisory board of the Company to promptly conduct interviews with such firms and the respective individuals and to promptly select one firm to provide the CRO.</li> <li>• CRO to be independent and to act in the best interest of the Company in line with the members of the management board’ duties under Luxembourg law; management board of the Company to delegate to the CRO special powers (limited in scope in accordance with Luxembourg law) for the purposes of implementing the restructuring. The CRO is not meant to replace the incumbent COO but to offer complementary skills for purposes of the necessary operational restructuring and turnaround of the business.</li> <li>• Minimum duration of mandate for the length of the milestone plan and depending on time required for operational restructuring.</li> <li>• The appointment of a CRO is a condition precedent to any agreement by the Committee on a restructuring proposal.</li> </ul>
<p><b>Corporate reorganisation:</b></p>	<p>Corporate reorganization of the Group to be implemented as follows:</p> <ul style="list-style-type: none"> <li>• Corestate Capital Holding S.A. to become, to the extent possible, a pure holding company (the "<b>New HoldCo</b>"), i.e. all assets and liabilities of Corestate Capital Holding S.A. to be transferred to Corestate Capital Group GmbH ("<b>CCG</b>")<sup>2</sup>, unless such hive-down of assets and liabilities of the Company to CCG (the "<b>Hive-down</b>") is either (i) legally not possible, or (ii) would trigger material adverse tax consequences, in particular real estate transfer tax ((i) and (ii), the "<b>Corporate Reorg Requirements</b>").</li> <li>• CCG to act as new OpCo (the "<b>New OpCo</b>") and, subject to the Hive-down, conduct the future operating business of the Group.</li> </ul>

<sup>2</sup> Note: Use of CCG should avoid any RETT issues with regards to the assets etc. currently held by CCG.

	<ul style="list-style-type: none"> <li>• CORESTATE Bank GmbH to be hived-down after the ownership control approval by the German Federal Financial Authority has been obtained (the "<b>Bank Hive-Down</b>").<sup>3</sup></li> <li>• Contribution of CRM (Students Ltd), FranceHoldCo (Corestate Capital France HoldCo SAS) and, to the extent not fully written down, the CCS-loans by the Company into New OpCo.<sup>4</sup></li> <li>• Other subsidiaries, assets, businesses, operations not already held by New OpCo need to be transferred to New OpCo, subject to the Corporate Reorg Requirements.</li> </ul>
<p><b>Debt-to-Equity and Debt-to-Debt-Swap:</b></p>	<ul style="list-style-type: none"> <li>• Each of the 2022 Notes and 2023 Notes to be contributed into the share capital, share premium account and/or the free reserves of the Company, as the case may be (in a ratio consistent with the share capital allocation set out in the Post-Restructuring Capital Structure), as a contribution in kind at fair market value discharging the share subscription price liability resulting from the increase of the share capital using the authorised capital to be created by a decision of the extraordinary shareholders' meeting to be held on 3 November 2022 ("<b>EGM</b>").</li> <li>• As a result of such contribution of the 2022 Notes and the 2023 Notes, the Company as debtor will be released from any and all liabilities and obligations under the 2022 Notes and the 2023 Notes, but only if and when completion of the Restructuring occurs.</li> <li>• As consideration for the contribution of the 2022 Notes and the 2023 Notes, the holders of the 2022 Notes and the 2023 Notes shall be entitled: <ul style="list-style-type: none"> <li>○ To acquire shares issued by the Company under the authorised share capital increase to be created by a decision of the EGM (the "<b>Share Capital Increase</b>") in an aggregate amount constituting [81,25] per cent. of the entire share capital of the Company immediately after completion of the Restructuring (see "<i>Post-Restructuring Capital Structure</i>" below); or</li> <li>○ to receive the proceeds from a sale of such new shares created pursuant to such Share Capital Increase and allocated to such holder of 2022 Notes and/or 2023 Notes and for which the holders of the 2022 Notes and/or 2023 Notes did not exercise their right to acquire the new shares,</li> </ul> </li> </ul>

<sup>3</sup> Note: We understand that the ownership control proceedings have been initiated and are pending at the moment. As BaFin needs to grant its approval to the new ownership structure in any case prior to closing, the Bank Hive-Down can be effected prior to, or simultaneously with, closing.

<sup>4</sup> Note: To date, no evidence has been given that CCS-loans are fully written down. Hence, the contribution of CRM (Students Ltd), FranceHoldCo (Corestate Capital France HoldCo SAS) and the CCS-loans should provide an additional debt capacity of approx. €46m according to documents provided in the data room.

	<p>in each case as set out in further detail in section D (<i>The Debt-to-Equity Swap</i>) below (together, the "<b>Debt-to-Equity-Swap</b>");</p> <p><b>and</b></p> <ul style="list-style-type: none"> <li>○ To acquire new notes (the "<b>New OpCo Notes</b>") in an amount which equals the aggregate number of 2023 Notes and 2022 Notes contributed into the share capital of the Company, i.e. each holder of 2023 Notes and/or 2022 Notes receives one (1) New OpCo Note for each Note contributed;<sup>5</sup> or</li> <li>○ to receive the proceeds from a sale of such new New OpCo Notes allocated to such holder of 2022 Notes and/or 2023 Notes for which the holders of the 2022 Notes and/or 2023 Notes did not exercise their right to acquire the New OpCo Notes,</li> </ul> <p>in each case as set out in further detail in section E (<i>The Debt-to-Debt Swap</i>) below (together, the "<b>Debt-to-Debt-Swap</b>")</p>							
<b>RETT:</b>	<p>Since the acquisition of Hannover Leasing GmbH &amp; Co. KG, approx. [15,971,553] of shares transferred outside stock exchanges count against the 90 per cent. threshold for German real estate transfer tax (RETT) purposes. In the context of a capital increase, approx. [148.028.742] of shares should be capable of being allocated to new shareholders (which would then hold [81.25] per cent. in the entire (increased) share capital) without triggering German real estate transfer tax ("RETT").<sup>6</sup></p>							
<b>Post-Restructuring Capital Structure:</b>	<table border="1"> <thead> <tr> <th data-bbox="531 1211 836 1323"><b>Stakeholder:</b></th> <th data-bbox="836 1211 1401 1323"><b>Participation in the Post-Restructuring Capital Structure:</b></th> </tr> </thead> <tbody> <tr> <td data-bbox="531 1323 836 1429">Holders of 2022 and 2023 Notes</td> <td data-bbox="836 1323 1401 1429">[81.25] per cent. as of closing of the Restructuring, subject to dilution by MIP. <sup>7</sup></td> </tr> <tr> <td data-bbox="531 1429 836 1536">Former Shareholders:</td> <td data-bbox="836 1429 1401 1536">[18.75] per cent.<sup>8</sup> as of closing of the Restructuring, subject to dilution by MIP.</td> </tr> </tbody> </table>	<b>Stakeholder:</b>	<b>Participation in the Post-Restructuring Capital Structure:</b>	Holders of 2022 and 2023 Notes	[81.25] per cent. as of closing of the Restructuring, subject to dilution by MIP. <sup>7</sup>	Former Shareholders:	[18.75] per cent. <sup>8</sup> as of closing of the Restructuring, subject to dilution by MIP.	
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<b>New OpCo Notes:</b>	<ul style="list-style-type: none"> <li>• New OpCo Notes to be issued by New OpCo to the extent (i) the debt capacity of the New OpCo Group, and (ii) legal restrictions permit (see section B (<i>New OpCo Notes</i>) below for further details).</li> <li>• Exact quantum of New OpCo Notes subject to ongoing due diligence around EBITDA trajectory and related debt capacity,</li> </ul>							

<sup>5</sup> **NB:** The New OpCo Notes will have a lower denomination (and principal amount outstanding per note) than the 2022 Notes and the 2023 Notes, see B. (*New OpCo Notes*).

<sup>6</sup> **NB:** Subject to final tax review.

<sup>7</sup> **NB:** As set out below under "*Management incentive program*".

<sup>8</sup> **NB:** Including a participation of management in the amount of [●] per cent. in the Post-Restructuring Capital Structure due the pre-restructuring shareholdings.

	dividend capacity / capital maintenance restrictions at the level of CCG, cash flow profile and deleveraging through asset disposals.
<b>New money injection by existing noteholders – New Super Senior Notes:</b>	<ul style="list-style-type: none"> <li>• The Committee would be willing to, subject to confirmatory due diligence and independent verification and confirmation by a CRO regarding the magnitude of cash burn and new money need, to provide a new money funding up to an amount of € 25m against issuance of new super senior notes by New OpCo ("<b>New Super Senior Notes</b>") and together with the New OpCo Notes, the "<b>Secured Notes</b>").</li> <li>• See section C (<i>New money - New Super Senior Notes</i>) for further details.</li> </ul>
<b>Management incentive program:</b>	<ul style="list-style-type: none"> <li>• Appropriate management incentive program ("<b>MIP</b>") in order to align interests with management to agreed.</li> <li>• Size of MIP: [10] per cent. of the restructured capital structure of the Company (see above).</li> <li>• Structure of MIP:<sup>9</sup> <ul style="list-style-type: none"> <li>– No equity participation of the beneficiaries at closing of the Restructuring. Therefore, the MIP should not have to be taken into account for purposes of the RETT analysis as of closing.</li> <li>– Share options will only be exercisable if (i) the acquisition of shares by management would not give rise to RETT liability within the Group and (ii) [•] months have passed after the closing of the Restructuring.</li> <li>– To the extent share options have not become exercisable in amount equal to the size of the MIP, any remainder would be available through a virtual program providing for an entitlement of the relevant managers to participate in the future increase in the Company's equity value (cash payout only).</li> </ul> </li> </ul>
<b>New Corporate Governance and Anti-Dilution Protection:</b>	<p>In a separate second extraordinary shareholders' meeting to be held <u>prior</u> to the completion of the Restructuring but effective immediately prior to such completion ("<b>EGM 2</b>"), the Company will propose</p> <ul style="list-style-type: none"> <li>• to elect a new supervisory board consisting of three (3) supervisory board members and change the composition of the supervisory board of the Company as follows: <ul style="list-style-type: none"> <li>- The holders of the Notes will be entitled to propose to the Company's management board for such election two (2) members of the supervisory board, including its chairman. Management board (in their capacity as shareholders) and the</li> </ul> </li> </ul>

<sup>9</sup> **NB:** Subject to tax review.

	<p>Company's management board shall be entitled to propose one member of the supervisory board; and</p> <ul style="list-style-type: none"> <li>- The existing members of the supervisory board will resign with immediate effect once the new members of the supervisory board have become elected; and</li> <li>• amendment of the articles of association to implement the agreed governance; and</li> <li>• to cancel any amount under the Authorised Capital (as defined below) which is not required for the Share Capital Increase and issuance of the New Shares (as defined below) to implement the Post-Restructuring Capital Structure and/or the MIP.</li> </ul>
<p><b>Key conditions precedent for the completion of the Restructuring and the implementation of the Proposed Transaction:</b></p>	<ul style="list-style-type: none"> <li>• BaFin approval under the ownership control proceedings for Corestate Bank in respect of the new Post-Restructuring Capital Structure;</li> <li>• Anti-trust clearance by competent anti-trust authorit(ies), where applicable;</li> <li>• Waiver of mandatory takeover offer by <i>Commission de Surveillance du Secteur Financier</i> ("CSSF") pursuant to the Luxembourg Law of 19 May 2006 on takeover bids;</li> <li>• CSSF approvals pursuant to the prospectus regulation of (i) the prospectus for the shares to be issued pursuant to the Share Capital Increase and (ii) the prospectus for the Secured Notes;</li> <li>• Restructuring opinion in accordance with the jurisprudence of the German Federal Court and the IDW S6-standard, confirming, inter alia, the applicability of the so-called restructuring privilege (<i>Sanierungsprivileg</i>);</li> <li>• Extraordinary shareholders' meetings (incl. EGM 2) of the Company have validly resolved upon the increase of the (authorised) share capital and the New Corporate Governance and Anti-Dilution Protection;</li> <li>• Replacement of the supervisory board and cancellation of amounts under the Authorised Capital which are not required to implement the Post-Restructuring Capital Structure as set out under New Corporate Governance and Anti-Dilution Protection;</li> <li>• Appointment of CRO;</li> <li>• Resolutions by the bondholder assemblies of the 2022 Notes and the 2023 Notes have become non-appealable or the respective fast-track proceedings (<i>Freigabeverfahren</i>) have been successfully concluded;</li> <li>• receipt of a favorable opinion from the Independent Auditor (as defined below) containing a description of each of the proposed</li> </ul>

	<p>contributions and of the methods of valuation used which shall state whether the values derived by the application of these methods correspond at least to the number and nominal value or, where there is no nominal value, to the accounting par value of and, as the case may be, to the premium on, the New Shares to be issued;</p> <ul style="list-style-type: none"><li>• <b>[NB:</b> <i>Further requirements to be confirmed from a Luxembourg tax perspective in terms of profits arising from the waiver of the Notes]</i></li></ul> <p>See section F. (<i>Conditions precedent to the implementation of the Proposed Transaction</i>) for further conditions precedent.</p>
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## B. New OpCo Notes

<b>Amount:</b>	<ul style="list-style-type: none"><li>• Exact amount of New OpCo Notes to be determined on the basis as set out under section A (<i>Key structural elements of Proposed Transaction</i>) above and taking into account:<ul style="list-style-type: none"><li>– Approx. € [100]m considered as sustainable debt based on projected recurring EBITDA;</li><li>– € 35m of available/distributable equity at CCG;</li><li>– Approx. € [63.2]m of further dividend / debt capacity based on existing downstream loan provided by the Company (less compensation payments reflecting difference in interest rates under existing downstream loan and New OpCo Notes); and</li><li>– further increase of CCG’s distributable reserves by approx. € [46]m through contribution of assets (including Corestate Bank GmbH, CRM Students Ltd., Corestate Capital France HoldCo SAS and CCS loans) by the Company, and each considered feasible based on information provided by the Company on asset values.</li></ul></li><li>• Corestate Bank:<ul style="list-style-type: none"><li>– If ownership control proceedings regarding Corestate Bank can be concluded prior to closing, a further increase of CCG’s distributable reserves, and thus the amount of the New OpCo Notes, by approx. € [50.6]m through contribution of Corestate Bank would be achievable.</li><li>– Since ownership control proceedings regarding Corestate Bank are required to be concluded in any case prior to closing, the available/distributable equity at CCG can be increased by approx. € [50.6]m by virtue of the Bank Hive-Down.</li></ul></li><li>• Statutory capital maintenance requirements should thus not limit the amount of New OpCo Notes of approx. € [100]m considered as sustainable debt based on projected recurring EBITDA;</li><li>• New OpCo Notes would be structurally senior and benefit from full collateral package of the Group.</li><li>• To the extent statutory capital maintenance requirements limit the amount New OpCo Notes to be issued by New OpCo (for which there are currently no indications), the relevant difference shall be issued by New HoldCo (and supported by a guarantee of New OpCo (subject to limitation language)).</li></ul>
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<b>Pricing:</b>	<ul style="list-style-type: none"> <li>• [4] per cent. cash interest plus PIK, paid semi-annually.</li> <li>• [4] per cent. PIK interest.</li> <li>• PIK toggle: The issuer may elect to also settle up to [100]% of cash interest in PIK in 2023 and 2024 (in return for the equivalent PIK interest plus [1] per cent additional PIK interest), but only if and to the extent Relevant Proceeds do not suffice to discharge the cash interest pursuant to the Relevant Proceeds Waterfall.</li> </ul>
<b>Denomination:</b>	[subject to the amount of reinstated debt, but in any case less than €100k]
<b>Maturity:</b>	[30] December 2026
<b>Ranking:</b>	<ul style="list-style-type: none"> <li>• Senior obligations of CCG.</li> <li>• Junior to the new money (see section C (<i>New Money – New Super Senior Notes</i>) below for further details).</li> </ul>
<b>Security:</b>	<ul style="list-style-type: none"> <li>• Guarantees of all material subsidiaries and New HoldCo.</li> <li>• Security over all material assets of the Group, including, but not limited to the following first ranking security: <ul style="list-style-type: none"> <li>– (Share) pledges to be granted over all subsidiaries, assets etc. of New HoldCo to secure the Secured Notes: <ul style="list-style-type: none"> <li>○ Share pledge over CCG;</li> <li>○ Additional share pledges over all key operating subsidiaries (including Helvetic Financial Services AG, Corestate Bank GmbH, Corestate Capital AG);</li> <li>○ Additional (share) pledges over all subsidiaries, assets etc. to the extent these subsidiaries, assets cannot be transferred to CCG as part of the Corporate reorganisation;</li> <li>○ Security charges over all assets currently considered as part of the deleveraging plan ("<b>Asset Basket</b>"): <ul style="list-style-type: none"> <li>▪ Contract assets and receivables related to performance &amp; promote and sales fees 2021 and 2022 as well as future claims arising from the Stratos funds;</li> <li>▪ Bridge loans included in other current financial assets;</li> <li>▪ Giessen mall;</li> <li>▪ Corestate stake in Opportunity Fund I; and</li> </ul> </li> </ul> </li> </ul> </li> <li>• Corestate stakes in Echo, Liver;</li> </ul>

	<ul style="list-style-type: none"> <li>– First ranking security charges over other unencumbered assets (only if first ranking security is not possible, second ranking security charges): <ul style="list-style-type: none"> <li>○ Investments in associates and JVs;</li> <li>○ Other financial instruments (e.g. Corestate stake in Stratos fund);</li> <li>○ Non-current receivables; and</li> <li>○ Real estate properties included in balance sheet position “Inventories“.</li> </ul> </li> </ul>
<b>Financial covenants:</b>	<ul style="list-style-type: none"> <li>• Minimum liquidity covenant as maintenance covenant based on: € [30]m cash (excluding restricted cash), with a headroom of [to be agreed], provided that after implementation of a cash pool the minimum liquidity shall increase to € [35]m with a headroom of [to be agreed].</li> <li>• Minimum EBITDA as maintenance covenant; level to be set as per the adjusted EBITDA under the business plan with a headroom of [20-25] per cent.</li> </ul>
<b>Mandatory prepayment:</b>	<ul style="list-style-type: none"> <li>• Asset sales: Repayment from net proceeds (net of transaction costs, assumption or repayment of debt related to the assets from Asset Basket (at par)).</li> <li>• Agreement on milestone dates to be met under repayment from asset basket.<sup>10</sup></li> <li>• Change of control.</li> </ul>
<b>Information undertakings:</b>	<ul style="list-style-type: none"> <li>• Reporting obligations customary for turnaround financings of this nature, including (but not limited to): <ul style="list-style-type: none"> <li>– Annual financial statements (to be delivered [120] days after year end);</li> <li>– Quarterly financial statements (to be delivered [60] days after quarter end); and</li> <li>– Monthly financial statements (to be delivered [30] days after year end)].</li> </ul> </li> <li>• During time period until all disposal milestones have been met:<sup>11</sup></li> </ul>

<sup>10</sup> Note: Milestone dates TBD once CRO was able to form a view and has discussed this further with management to form a collective view on how the market for various asset disposals is likely to develop and what therefore an appropriate timeframe for realization will be as well as the CRO’s and management’s collective view on the value maximizing strategy regarding several assets and whether it makes sense to further develop them through Corestate or sell them to someone who is better suited to use them.

<sup>11</sup> Note: Scope and reporting intervals TBD.

	<ul style="list-style-type: none"> <li>– Requirement to deliver every four weeks until end of that time period a 13-week rolling CF forecast.</li> <li>– Regular updates from CRO on: <ul style="list-style-type: none"> <li>○ Progress of disposal process;</li> <li>○ AUM development;</li> <li>○ Loan repayments at HFS level and implications for coupon participation fees;</li> <li>○ Bridge loan repayments; and</li> <li>○ Operational restructuring (e.g., reduction of overheads): can be done also in close coordination with COO<sup>12</sup>.</li> </ul> </li> </ul>
<b>General undertakings:</b>	<p>Covenants and undertakings customary for turnaround financings of this nature, including, but not limited to:</p> <ul style="list-style-type: none"> <li>• Limit baskets for further indebtedness and ensure appropriate anti-layering protection for bondholders (e.g. elimination of any existing Credit Facilities basket which might dilute bondholders);</li> <li>• Milestone plan: Assess sales, wind-down/restructuring of non-core and/or non-value accretive activities;</li> <li>• Appropriate Asset Sales, Permitted Investments and Restricted Payments covenants / dividend restriction; and</li> <li>• Any future shareholder loans to be granted solely to New HoldCo on a subordinated basis; ring-fencing of New OpCo and the rest of the Corestate group.</li> <li>• Undertaking by New OpCo to install a cash pool (with New OpCo as cash pool header) over the Group (other than the Company), to the extent reasonable practicable.</li> </ul>
<b>Events of default:</b>	<p>Acceleration rights customary for turnaround financings of this nature, including, but not limited to:</p> <ul style="list-style-type: none"> <li>• Breach of financial covenants; and</li> <li>• Failure to achieve milestones.</li> </ul>
<b>Governing Law/Jurisdiction:</b>	German law; jurisdiction of courts at Frankfurt/Main

<sup>12</sup> Note: The purpose of the CRO is not to make the COO redundant.

### C. New money – New Super Senior Notes<sup>13</sup>

<b>Amount:</b>	Up to an amount of € [25]m (Subject to confirmatory due diligence and independent verification and confirmation by a CRO regarding the magnitude of cash burn and new money need).
<b>Issuer:</b>	New OpCo
<b>Maturity:</b>	[30] December 2026
<b>Denomination:</b>	€ 100,000
<b>Pricing:</b>	<ul style="list-style-type: none"> <li>• [4] per cent. cash interest plus PIK, paid semi-annually.</li> <li>• [4] per cent. PIK interest.</li> <li>• PIK toggle:  The issuer may elect to also settle up to [100]% of cash interest in PIK in 2023 and 2024 (in return for the equivalent PIK interest plus [1] per cent additional PIK interest), but only if and to the extent Relevant Proceeds do not suffice to discharge the cash interest pursuant to the Relevant Proceeds Waterfall.</li> </ul>
<b>Ranking/security:</b>	<ul style="list-style-type: none"> <li>• Senior to the New OpCo Notes.</li> <li>• Same (first-ranking) security and guarantee package as the New OpCo Notes; super senior status to be achieved through intercreditor agreement.</li> <li>• Priority regarding the distribution of security enforcement proceeds (including proceeds from an enforcement of guarantees).</li> <li>• Intercreditor principles as per senior/super senior-concept.</li> </ul>
<b>Financial covenants:</b>	Same as for New OpCo Notes
<b>Other terms:</b>	Same as New OpCo Notes.
<b>Governing Law/Jurisdiction:</b>	German law; jurisdiction of courts at Frankfurt/Main

<sup>13</sup> Note: Instrument tbc and subject formal requirements of relevant funds represented by the Committee.

#### D. The Debt-to-Equity Swap

<p><b>Share Capital Increase:</b></p>	<ul style="list-style-type: none"> <li>• The EGM shall resolve on the authorisation to increase the current share capital of the Company by an additional share capital of fifteen million Euro (€ 15,000,000), represented by a maximum of two hundred million (200,000,000) shares, each without nominal value (the “<b>Authorised Capital</b>”).</li> <li>• The management board and the supervisory board of the Company shall consent to 1) a decision to issue subscription rights to the Settlement Bank allowing for the subscription of shares in the ratios set out in the Post-Restructuring Capital Structure and 2) upon exercise of such rights, issuing shares resulting from the Share Capital Increase to effect the ratios set out in the Post-Restructuring Capital Structure (the "<b>New Shares</b>").</li> <li>• The Share Capital Increase shall be conducted by way of contribution in kind. For legal reasons, the contribution in kind in relation to the claims of each holder arising from the Notes shall be conducted by the contribution of the claims in their entirety, including any subsidiary claims.</li> <li>• Each of the 2022 Notes and 2023 Notes will be contributed at their relevant fair values as determined by the Independent Auditor. The positive difference between (i) the relevant fair values of the contributed 2022 Notes and 2023 Notes and (ii) the aggregate nominal value of the New Shares will be allocated to the share premium account and/or the free reserves of the Company.</li> <li>• The Company shall commission the Independent Auditor for the report set out below.</li> <li>• The Parties shall be obliged to make and to receive all necessary and appropriate declarations and / or take actions for this purpose.</li> </ul>
<p><b>Independent Auditor:</b></p>	<p>PwC Luxembourg as independent auditor (<i>réviseur d'entreprises</i>).</p>
<p><b>Report of the Independent Auditor (<i>réviseur d'entreprises</i>):</b></p>	<p>The report shall set out the valuation of the 2022 Notes and 2023 Notes to be contributed into the share capital, share premium account and/or the free reserves of the Company and contain a description of each of the proposed contributions as well as of the methods of valuation used and shall state whether the values derived by the application of these methods correspond at least to the number and nominal value and to the premium on the shares to be issued for them (art 420-10 Law 1915).</p>

<b>Settlement Bank:</b>	[●] acting as settlement bank for the Debt-to-Equity Swap (" <b>Settlement Bank</b> ").
<b>Subscription rights of the Settlement Bank and acquisition rights of holders of 2022 Notes and/or 2023 Notes:</b>	<ul style="list-style-type: none"> <li>• Subscription rights of the existing shareholders shall be excluded.</li> <li>• The New Shares shall be exclusively subscribed by the Settlement Bank.</li> <li>• The Settlement Bank shall subscribe the New Shares attributable to the holders of the 2022 Notes and the 2023 Notes to conduct the Debt-to-Equity-Swap within a reasonable period. The process will comprise: <ul style="list-style-type: none"> <li>i. The transfer of all 2022 Notes and 2023 Notes to the Settlement Bank for purposes of contributing such Notes in the Share Capital Increase;</li> <li>ii. the transfer of New Shares to holders of 2022 Notes and/or 2023 Notes who exercised their right to acquire New Shares in the Company; and</li> <li>iii. selling the remaining New Shares and transferring the resulting proceeds minus incurred expenses to such holders of 2022 Notes and/or 2023 Notes which did not exercise their right to acquire New Shares in the Company.</li> </ul> </li> <li>• In the course of the request or offer to exercise the acquisition right (the "<b>Equity Offer Period</b>"), holders of 2022 Notes and/or 2023 Notes shall be entitled to additionally elect that the Settlement Bank shall sell the New Shares to other holders of 2022 Notes and/or 2023 Notes offering the Settlement Bank to purchase these New Shares at least [three (3)] business days prior to the end of the Equity Offer Period.</li> <li>• As regards New Shares attributable to holders of 2022 Notes and/or 2023 Notes not exercising their acquisition rights, the agreement with the Settlement Bank shall include a provision allowing holders of 2022 Notes and/or 2023 Notes to acquire these New Shares prior to the Settlement Bank realising the New Shares in any other way.</li> <li>• The Equity Offer Period shall only commence following the publication of a prospectus approved by CSSF in respect of the New Shares issuance.</li> </ul>
<b>Conversion Ratio:</b>	Each Note contributed by the Settlement Bank for the share capital increase shall entitle the Settlement Bank to subscribe for [●] New Shares vis-à-vis the Company (and entitle the Settlement Bank to a corresponding number of subscription rights for such New Shares).
<b>Execution of the Share Capital Increase:</b>	<ul style="list-style-type: none"> <li>• The Company acknowledges that it is in its best interest to implement the resolutions made by the EGM promptly and effectively.</li> </ul>

	<ul style="list-style-type: none"> <li>The Company shall be obliged to inform the holders of 2022 Notes and/or 2023 Notes on any ongoing discussions or litigation with any shareholder who objects against the resolutions made by the EGM.</li> </ul>
<b>Listing of the New Shares:</b>	<ul style="list-style-type: none"> <li>The New Shares in the Company shall be listed at the regulated market of the Frankfurt Stock Exchange (Prime Standard) and the Company shall use best efforts in order to achieve a listing of the New Shares promptly after completion of the Debt-to-Equity-Swap.</li> <li>In particular, this shall include the publication of a prospectus approved by CSSF and the application for admission to trading at the regulated market (Prime Standard) of the Frankfurt Stock Exchange.</li> </ul>
<b>Timeline:</b>	The Parties shall endeavour to meet the milestones at the relevant dates as set out in Annex 1 ( <i>Timeline</i> ) hereof.
<b>Noteholders' meeting</b>	<ul style="list-style-type: none"> <li>Noteholders' meetings for the holders of the 2022 Notes and for the holders of the 2023 Notes shall be convened in order to resolve on the Debt-to-Equity-Swap and on all necessary means to consummate the Debt-to-Equity-Swap, including the appointment of a holders' representative (<i>gemeinsamer Vertreter</i>) for each series of Notes.</li> <li>Each (first) noteholders' meeting for the 2022 Notes and the 2023 Notes shall be convened for [●] and for [●] the latest.</li> <li>The Company shall closely coordinate with the holders of the 2022 Notes and 2023 Notes prior to convening the noteholders' meetings. No noteholders' meeting shall be convened before the Committee has granted its prior written consent to the agenda of such noteholders' meeting.</li> </ul>
<b>Implementation of the noteholders' resolutions</b>	<ul style="list-style-type: none"> <li>The Company acknowledges that it is in its best interest to procure that the resolutions of each noteholders' meeting will promptly become effective and legally binding.</li> <li>The Company shall inform, and closely coordinate with, the holders of the 2022 Notes and 2023 Notes on any ongoing discussions or litigation with any objecting holder of Notes.</li> </ul>
<b>Closing of the Debt-to-Equity-Swap</b>	<p>As soon as the resolutions of the EGM and the respective noteholders' meetings have become implementable, the Parties shall take any and all measures to implement such resolutions, in particular, but not limited to:</p> <ul style="list-style-type: none"> <li>Decision of management board and supervisory board of the Company to issue New Shares;</li> </ul>



	<ul style="list-style-type: none"><li>• Transfer of all Notes to the Settlement Bank by way of contribution in kind;</li><li>• Settlement Bank to transfer the Notes to the Company by way of contribution in kind;</li><li>• Notarising the acknowledgement deed (<i>Constat d'augmentation de capital</i>) at a Luxembourg notary and to procure that this is filed with the Luxembourg commercial register;</li><li>• Registration of the shareholders' resolution on the capital increase and the contribution in kind as well as registration of the capital increase and the contribution in kind; and</li><li>• Issuance of the New Shares (and subscription rights) to the Settlement Bank by the Company.</li></ul>
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## E. The Debt-to-Debt Swap

<b>Settlement Bank:</b>	<p>[<i>same bank as for D2E swap</i>] acting as settlement bank for the Debt-to-Debt Swap ("<b>Settlement Bank</b>").</p>
<b>Subscription rights of the Settlement Bank and acquisition rights of holders of 2022 Notes and/or 2023 Notes:</b>	<ul style="list-style-type: none"> <li>• The New OpCo Notes shall be exclusively subscribed by the Settlement Bank.</li> <li>• The Settlement Bank shall subscribe the New OpCo Notes attributable to the holders of the 2022 Notes and the holders of the 2023 Notes to conduct the Debt-to-Debt-Swap within a reasonable period. The process will comprise:             <ol style="list-style-type: none"> <li>i. The transfer of all 2022 Notes and 2023 Notes to the Settlement Bank for purposes of contributing such Notes in the Share Capital Increase;</li> <li>ii. the transfer of New OpCo Notes to holders of 2022 Notes and/or 2023 Notes who exercised their right to acquire New OpCo Notes; and</li> <li>iii. selling the remaining New OpCo Notes and transferring the resulting proceeds minus incurred expenses to such holders of 2022 Notes and/or 2023 Notes which did not exercise their right to acquire New OpCo Notes.</li> </ol> </li> <li>• In the course of the request or offer to exercise the acquisition right (the "<b>Notes Offer Period</b>"), holders of 2022 Notes and/or 2023 Notes shall be entitled to additionally elect that the Settlement Bank shall sell the New OpCo Notes to other holders of 2022 Notes and/or 2023 Notes offering the Settlement Bank to purchase these New OpCo Notes at least [three (3)] business days prior to the end of the Notes Offer Period.</li> <li>• As regards New OpCo Notes attributable to holders of 2022 Notes and/or 2023 Notes not exercising their acquisition rights, the agreement with the Settlement Bank shall include a provision allowing holders of 2022 Notes and/or 2023 Notes to acquire these New OpCo Notes prior to the Settlement Bank realising the New OpCo Notes in any other way.</li> <li>• The Notes Offer Period shall only commence following the publication of a prospectus approved by CSSF in respect of the New OpCo Notes issuance.</li> </ul>
<b>Conversion Ratio</b>	<p>1:1, i.e., for each 2022 Note or 2023 Note contributed for the share capital increase, the holders of 2022 Notes or 2023 Notes shall be entitled to one (1) New OpCo Note.</p>
<b>Listing of the New OpCo Notes:</b>	<ul style="list-style-type: none"> <li>• The New OpCo Notes shall be listed at the regulated market of the Luxembourg Stock Exchange and the Company shall use best</li> </ul>

	<p>efforts in order to achieve a listing of the New OpCo Notes promptly after completion of the Debt-To-Debt Swap.</p> <ul style="list-style-type: none"> <li>• In particular, this shall include the publication of a prospectus approved by CSSF and the application for admission to trading at the regulated market of the Luxembourg Stock Exchange.</li> </ul>
<b>Timeline:</b>	The Parties shall endeavour to meet the milestones at the relevant dates as set out in Annex 1 ( <i>Timeline</i> ) hereof.
<b>Noteholders' meeting</b>	<ul style="list-style-type: none"> <li>• Noteholders' meetings for the holders of the 2022 Notes and for the holders of the 2023 Notes shall be convened in order to resolve on the Debt-to-Debt-Swap and on all necessary means to conduct the Debt-to-Debt-Swap, including the appointment of a holders' representative (<i>gemeinsamer Vertreter</i>) for each series of Notes.</li> <li>• Each (first) noteholders' meeting for the 2022 Notes and the 2023 Notes shall be convened for [●] and for [●] the latest.</li> <li>• The Company shall closely coordinate with the holders of the 2022 Notes and 2023 Notes prior to convening the noteholders' meetings. No noteholders' meeting shall be convened before the Committee has granted its prior written consent to the agenda of such noteholders' meeting.</li> </ul>
<b>Implementation of the noteholders' resolutions</b>	<ul style="list-style-type: none"> <li>• The Company acknowledges that it is in its best interest to procure that the resolutions of each noteholders' meeting will promptly become effective and legally binding.</li> <li>• The Company shall inform, and closely coordinate with, the holders of the 2022 Notes and 2023 Notes on any ongoing discussions or litigation with any objecting holder of Notes.</li> </ul>
<b>Closing of the Debt-to-Debt-Swap</b>	<p>As soon as the resolutions of the EGM and the respective noteholders' meetings have become implementable, the Parties shall take any and all measures to implement such resolutions, in particular, but not limited to:</p> <ul style="list-style-type: none"> <li>• Transfer of all Notes to the Settlement Bank</li> <li>• Require the Settlement Bank to transfer the Notes to the Company;</li> <li>• Issuance of the New OpCo Notes to the Settlement Bank by the Company.</li> </ul>

**F. Conditions precedent to the implementation of the Proposed Transaction**

<p><b>Customary CPs:</b></p>	<p>To include customary CPs for transactions of this nature, including:</p> <ul style="list-style-type: none"> <li>• Corporate authorisations (provided that no resolution of the Company’s general meeting shall be required);</li> <li>• Constitutional documents;</li> <li>• Duly executed transaction documents / legally binding noteholder resolutions;</li> <li>• Directors’ certificates;</li> <li>• Legal opinions;</li> <li>• Ratings from at least two recognised rating agencies to be obtained for the Secured Notes (ratings may be issued post-closing)</li> <li>• Equitization of any shareholder loans;</li> <li>• Completion of commercial and financial due diligence by the Committee, including but not limited to,             <ul style="list-style-type: none"> <li>– short term and mid term cash flow projections including detailed monthly cash burn analysis through remainder of 2022 and 2023);</li> <li>– Comprehensive disclosure of the sources of revenue (sustainability and growth potential) and the cost base;</li> <li>– Minimum liquidity requirements of the business and scope for reductions (e.g. introduction of cash pool);</li> <li>– Status of the real estate equity and debt management (historical and threatened AUM losses, potential new mandates)</li> <li>– Comprehensive disclosure of the value of all assets available for monetization and timeline for monetization (bridge loans, JVs/Associates, inventories, other financial assets, also Hannover Leasing, STAM, CRM and Corestate Bank) in order to collectively agree on a realistic recovery from those (requirement to receive, among others, all available valuations from Genost and all other outside valuers (e.g. for the JVs/Associates), details from LOIs received from potential purchasers, details on the status of potential ongoing refinancing processes);</li> <li>– Strategy of management to lift AUM again and develop the various product lines (Life Science, Micro Living) in real estate equity, strategy for development of a senior debt</li> </ul> </li> </ul>
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	<p>fund, strategy for Corestate Bank</p> <ul style="list-style-type: none"><li>– Comprehensive disclosure of management plan, including upsides when the business has been stabilized and additional assets which can be raised on both the equity and debt side;</li><li>– Revised liquidation analysis as per Milbank's email form 31 August 22;</li><li>– Draft restructuring opinion by Andersch; and</li><li>• <i>[others to be agreed].</i></li></ul>
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***[Note: Term Sheet should be signed as part of a lock-up agreement.]***

**Annex 1**  
**Timeline**

**[to come]**