Ad-hoc | 25 November 2022 19:51

Adler Group S.A.

Adler Group S.A.: Agreement with bondholder group on amendment of note terms and provision of secured debt financing

Adler Group S.A. / Key word(s): Capital Reorganisation
Adler Group S.A.: Agreement with bondholder group on amendment of note terms and provision of secured debt financing

---

Disclosure of inside information pursuant to Article 17 of Regulation (EU) No. 596/2014

Agreement with bondholder group on amendment of note terms and provision of secured debt financing

Luxembourg, 25 November 2022 – Adler Group S.A. ("Adler Group") today entered into an agreement with a core group of Adler Group bondholders to amend the terms and conditions of the bonds issued by Adler Group (excluding the convertible bond issued by Adler Group) and to provide the Adler group of companies with secured debt financing. These bondholders hold around 45% of the bonds issued by Adler Group. Adler Group intends to enter into a corresponding agreement with a majority of its bondholders in due course.

According to the agreement, the bond terms shall be amended following a procedure in accordance with the German Bonds Act (*Schuldverschreibungsgesetz*). In the event that the terms and conditions of the bonds cannot be amended with the required quorums and/or majorities, Adler Group intends to amend the bond terms and conditions using alternative implementation procedures, such as initiating a procedure under the German Act on the Stabilisation and Restructuring of Businesses (StaRUG) or a comparable procedure under foreign law. Adler Group intends that the amendment of the terms and conditions becomes effective at the latest in the first quarter 2023.

In particular, the agreement provides for pro rata collateralisation of the bonds issued by Adler Group and a 2.75%-points increase in the interest rate on the bonds, whereby payment of all accrued interest since the last respective interest payment date prior to the effective date shall be deferred until 31 July 2025 and all interest shall be capitalized until that date. In addition, the deadline for Adler Group to publish its audited consolidated financial statements for the 2022 financial year, as required under the bond terms, shall be extended until 31 December 2023. The maturity date of the EUR 400,000,000 bond due on 26 July 2024 shall be moved to 31 July 2025. Furthermore, Adler Group shall be permitted to take on further financial indebtedness, subject to certain restrictions. Adler Group has undertaken, not to declare or pay any dividend or make any other payment or distribution to any of its shareholders.

In this context, Adler Group has entered into an agreement with a core group of bondholders to receive secured debt financing of up to EUR 937.5 million. The loan will accrue payment-in-kind interest at a rate of 12.5%, has a term until 30 June 2025, will be allocated a Contingent Value Right instrument. It will be used in particular to refinance financial indebtedness of Adler Group and its subsidiaries, including ADLER Real Estate AG and Consus Real Estate AG that will become due in the next few years. The loan is secured by the Adler group of companies. The provision of debt financing is subject to a positive restructuring opinion, an amendment of the bond terms, the provision of the agreed collateral as well as further customary conditions.

The secured Contingent Value Right entitles the holder to subscribe 25% of the shares in the Company at a “zero-strike” price. In the event the Company has not delivered shares within six years after utilization of the new money funds the equity instrument will be settled in cash.

In the near future, Adler Group will strengthen its Senior Management with a Chief Restructuring Officer. Additionally, Adler Group intends to propose, and recommend to its shareholders, the increase of its Board of Directors by one additional non-executive director with extensive capital market expertise to support the financial stabilization process. Candidates for both positions will be agreed with Adler Group’s bondholders.

The agreement also provides that the maturity of the loan granted by ADLER Real Estate AG to the Adler Group will be extended to 25 April 2023 and the loan in return will be secured in line with customary market practice. The interest rate will be increased to 5.16% p.a., subject to a confirming transfer pricing study.

ADLER Real Estate AG has undertaken to seek to amend the terms and conditions of its bonds to allow such bonds and payment-in-kind accruing on its new funds which are passed on to ADLER Real Estate AG to be secured second lien.

Notifying Person:

Gundolf Moritz, Head of Investor Relations

+49 151 23680993

g.moritz@adler-group.com

Grand Duchy of Luxembourg, 25 November 2022

Adler Group S.A.

Board of Directors

Contact:
Thierry Beaudemoulin, CEO

Language:	English
Company:	Adler Group S.A.
	55 Allée Scheffer
	2520 Luxembourg
	Luxemburg
Phone:	+352 278 456 710
Fax:	+352 203 015 00
E-mail:	investorrelations@adler-group.com
Internet:	www.adler-group.com
ISIN:	LU1250154413
WKN:	A14U78
Indices:	, FTSE EPRA/NAREIT Global Index, FTSE EPRA/NAREIT Developed Europe Index, FTSE EPRA/NAREIT Germany Index
Listed:	Regulated Market in Frankfurt (Prime Standard); Regulated Unofficial Market in Berlin, Dusseldorf, Hamburg, Hanover, Munich, Stuttgart, Tradegate Exchange; London, Luxembourg Stock Exchange, SIX

EQS News ID:	1498133

End of Announcement	EQS News Service