

Press Release

Gewa Tower's Investor retracts Offer

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- Surprising withdrawal by the investor despite negotiations being at an advanced stage
- Provisional insolvency administrator is working on an alternative solution

The investor, who intended to acquire Gewa Tower, surprisingly withdrew his offer this week. This was announced by Mr Ilkin Bananyarli from PLUTA Rechtsanwalts GmbH, who is the provisional insolvency administrator for GEWA 5 to 1 GmbH & Co. KG.

The reason the investor gave for this step was that the project was not feasible although business concerns did not play any major role in the decision. "This news is a setback and will cost us time in the sales process. In the past three months, we have been negotiating a contract with the investor. We had reached an agreement on almost all the points, but now the investor has unfortunately made a surprising retraction," said the attorney Mr Ilkin Bananyarli.

Recently, there had been two concrete offers from investors for the acquisition of Gewa Tower. The provisional insolvency administrator checked the economic viability of both offers and analysed the impact on the recovery rate for the bond creditors. Both the

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Further information about PLUTA and the contents of these Press information you will find under www.pluta.net

About PLUTA

PLUTA helps companies in legally and economically difficult situations. Since the company was founded in 1982, PLUTA has constantly grown. Today PLUTA has a staff of about 500 employees in Germany, Spain and Italy including more than 290 graduates in business economics and business management, attorneys, business lawyers, tax consultants, public auditors, certified accountants, economists, bankers, bookkeepers, engineers and insolvency administration specialists. Many of them own multiple qualifications what ensures practicable and economically sensible solutions. In particular, PLUTA provides support in restructuring companies affected by a crisis or insolvency and in continuing business operations, if necessary by involving restructuring experts in a responsible role. PLUTA is one of the top enterprises specialising in restructuring and turning around companies, as demonstrated by rankings and awards from INDat, JUVE, The Legal 500, Who's Who Legal, brandeins, and Focus. Further information at www.pluta.net

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administrator and the representative of the bond creditors favoured one of the offers on account of the better terms. Therefore, exclusive negotiations were agreed with the investor until the end of November 2017. With the approval of the joint representative of the bond creditors and the trustee, the provisional insolvency administrator then worked on a purchase agreement with the investor.

The provisional insolvency administrator will now forge ahead with a solution with the second investor. He decided on this step in consultation with the joint representative of the bond creditors. Mr Bananyarli has already contacted the potential investor. Furthermore, he has also received several enquiries from other interested parties. All those concerned will work intensively on an alternative solution so that Gewa Tower can be completed. "We will do everything we can to conclude an agreement. Our task is to achieve a positive result for the bond creditors, the homebuyers and the City of Fellbach," said the PLUTA attorney Ilkin Bananyarli.

The joint representative of the bond creditors, Mr Gustav Meyer zu Schwabedissen from the law firm mzs Rechtsanwälte, commented, "Such a sale is very complex. I have therefore accepted and supported the decision that the investor should be granted exclusivity during the negotiations. Talks will now be held with the second bidder. And there are also other potential investors that are interested in this project. The tower has to be completed."

GEWA 5 to 1 GmbH & Co. KG had to file for insolvency in November 2016. The Local Court of Esslingen has appointed Mr Ilkin Bananyarli from PLUTA Rechtsanwalt

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GmbH as the provisional insolvency administrator. GEWA 5 to 1 GmbH & Co. KG is a project company responsible for building the Gewa Tower in Fellbach near Stuttgart, the structural shell of which was completed in October. When completed, the 107-metre-high Gewa Tower should be the third highest residential block in Germany. The tower is planned to have 34 floors and 66 condominiums as well as a business hotel with 123 rooms. The company had issued an SME bond in 2014 to finance the project.

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