



This announcement contains inside information within the meaning of the Market Abuse Regulation (EU) (No 596/2014).

21 May 2020

BCRE – Brack Capital Real Estate Investments N.V.

(“**BCRE**” or the “**Company**”)

Notice of extraordinary meeting of holders of convertible bonds

to amend the terms and conditions of the 5% convertible bonds due 2022 (the “Convertible Bonds”)

(ISIN XS1489395357)

The Company is pleased to announce that an extraordinary meeting of bondholders (the “**Meeting**” and “**Bondholders**”) will be held at Barbara Strozilaan 201, 1083 HN Amsterdam, the Netherlands on 12 June 2020 at 9:00 a.m. GMT (10:00 a.m. CEST).

1. Introduction

As per the announcements made on 11 February 2020 and 5 May 2020, the pandemic outbreak of COVID-19 is currently delaying the Company’s disposition processes of its non-core assets (CitizenM Hotel at Times Square/NYC, its Russian investments and other investments in non-core markets), pending a clearer view on the virus and the economic backdrop.

The outbreak led most of the Company’s projects to an utter operational halt, whether imposed by regulative requirements (Manhattan construction and Russia retail assets) or by the diminished economic activity (Manhattan lodging and Russia logistics).

In Manhattan, all construction activities have been ordered to stop, and the resulting delay in the completion of the 90 Morton project exposes the Company to risks stemming from its contractual liabilities related to the project.

The Company’s negotiations for the 720 West End Avenue projects construction financing, have also been affected by the outbreak and the Company is currently considering alternative short-term financing with view to reassess the market’s outlook later on when - hopefully - the uncertainty will be reduced.

In Russia, the regulatory requirement to close all of the retail centres is severely affecting the assets and BCRE’s efforts to exit its interest in this market.

As the pandemic outbreak and the governments’ response policies have strongly affected nearly all of the Company’s businesses, the realization of its announced business plan on 6 February 2018 is going to extend beyond the timetable perceived prior to the pandemic outbreak.

As a consequence, and considering the alternatives available to the Company per the terms and conditions of the Convertible Bonds (the “**Terms and Conditions**”), the Company decided to approach the Bondholders to request them to approve the amendment of the Terms and Conditions.



In light of the above, the Company wishes to (i) extend the redemption date of the first 25% of the outstanding Convertible Bonds, issued under the trust deed dated 20 September 2016, as amended and restated on 4 March 2020 (the “**Trust Deed**”), (ii) pay on 31 May 2020 all accrued interest due on all outstanding Convertible Bonds, and make the requisite changes to the Terms and Conditions. Ancillary changes will also have to be made to the Trust Deed and the paying and conversion agency agreement dated 20 September 2016, as amended and restated on 4 March 2020 (the “**Agency Agreement**”). Drafts of the proposed amendments to the Terms and Conditions, the Trust Deed [and the Agency Agreement] are placed on the Company’s website. www.brack-capital.com/investor-relations

Capitalized terms shall have the meaning as set out in the Trust Deed.

Condition 10 of the Terms and Conditions stipulates that the Trust Deed contains provisions for convening meetings of the holders of Convertible Bonds to consider any matter affecting their interests, including the modification of the Terms & Conditions by a resolution passed at a meeting of the bondholders duly convened and held in accordance with the Trust Deed by a majority of at least 60 per cent. of the persons voting thereat upon a show of hands or if a poll is duly demanded by such majority (the “**Extraordinary Resolution**”). The necessary quorum for passing an Extraordinary Resolution will be one or more persons holding or representing not less than two-thirds, or at any adjourned meeting not less than one-third, in principal amount of the Convertible Bonds for the time being outstanding.

To secure the required majority and quorum to pass any resolutions necessary to amend the Terms and Conditions and the Trust Deed, the Company has approached the bondholders concerning the proposed amendments of the Terms and Conditions and based on the general assessment that the Company has received following discussions with the bondholders and/or their representatives, there is an indication that the required majority of bondholders will vote in favour of the proposed amendments of the Terms and Conditions.

By this notice, the Company convenes the Meeting. The agenda and further relevant details are set out below.

2. Amendment of the Terms and Conditions and Trust Deed (voting item)

The proposal envisages (a) the extension of the redemption date of the first 25% of the outstanding Convertible Bonds from 31 May 2020 to the earlier of: (i) 31 May 2021, and (ii) seven Business Days after the sale and delivery of the last unit in the for-sale property 90 Morton Street, New York, NY 10014, United States, (b) the payment on 31 May 2020 of all accrued interest due on 31 May 2020 on all outstanding Convertible Bonds, and certain ancillary changes to the Terms and Conditions, Trust Deed and the Agency Agreement as set out in the proposed amendment to the Terms and Conditions, the Trust Deed and the Agency Agreement, respectively, as all placed on the Company’s website. The proposal requires the approval thereof by the Bondholders.

3. Meeting of bondholders

This press release constitutes a notice convening the Meeting in accordance with Clause 11 of the Terms and Conditions and will be made available on the Company’s website.

4. Authorization to participate

Bondholders or their representatives showing a voting certificate and proxies showing a block voting instruction (the **Block Voting Instruction**) issued by the paying agent (Citibank N.A. London Branch) (the **Paying Agent**) can attend and vote at any meeting.

5. Voting and participation in the Meeting

With reference to schedule 1 (Paragraph 2) of the Trust Deed, a holder of a Convertible Bond (whether in definitive form or represented by a global bond) may obtain a voting certificate in respect of such Convertible Bond from a Paying Agent (as set out below) or require a Paying Agent to issue a Block Voting Instruction in respect of such Convertible Bond by depositing such Convertible Bond with such Paying Agent, or (to the satisfaction of such Paying Agent) by such Convertible Bond being held to its order or under its control, in each case not less than 48 hours before the time fixed for the Meeting and on the terms set out in subparagraph 1(a)(i)(A) or 1(a)(ii)(A) of schedule 1 of the Trust Deed (as the case may be), and (in the case of a Block Voting Instruction) instructing such Paying Agent to the effect set out in subparagraph 1(a)(ii)(B) of schedule 1 of the Trust Deed. The holder of any voting certificate or the proxies named in any Block Voting Instruction shall for all purposes in connection with the Meeting or adjourned meeting of Bondholders be deemed to be the holder of the Convertible Bonds to which such voting certificate or Block Voting Instruction relates and the Paying Agent with which such Convertible Bonds have been deposited or the person holding the same to the order or under the control of such Paying Agent shall be deemed for such purposes not to be the holder of those Convertible Bonds.

As is customary for securities such as the Convertible Bonds, the Convertible Bonds are generally held through banks or other financial institutions (the **Intermediaries**) which have accounts with clearing and depository systems, Clearstream Banking, *société anonyme* (**Clearstream, Luxembourg**) and Euroclear Bank S.A./N.V. (**Euroclear**), through which transactions in the Convertible Bonds are effected.

All of the Convertible Bonds are represented by a bearer global bond (**Global Bond**). The Global Bond is presently held by a common depository for Clearstream, Luxembourg and Euroclear.

Each person (a **Beneficial Owner**) who is the owner of a particular amount of Convertible Bonds, through Clearstream, Luxembourg, Euroclear or their respective account holders with Clearstream, Luxembourg or Euroclear (the **Accountholders**), should be entitled to attend and vote at the Meeting (or any adjourned meeting of Bondholders, as the case may be) in accordance with the procedures set out herein.

If a Bondholder is not wishing to attend and vote at the Meeting or any adjourned meeting of Bondholders in person, he can (i) instruct the Paying Agent to appoint a proxy to attend and vote at the Meeting or any adjourned meeting of Bondholders on his behalf with the type of vote: in favour of / against the proposed resolution or (ii) allow its voting rights in the Meeting or any adjourned meeting of Bondholders to be exercised by an authorized representative, e.g. allow another person of its choice to act as representative. Such authorizations must be issued in writing.

In order to instruct the Paying Agent to appoint a proxy to attend and vote at the Meeting (or any adjourned meeting of Bondholders, as the case may be) in accordance with a Bondholder's instructions, an Accountholder must procure delivery of an electronic voting instruction, in accordance with the procedures of Euroclear or Clearstream, Luxembourg, to the Paying Agent (the **Electronic Voting Instruction**) prior to the Expiration Time on the Expiration Date (as defined below), Voting instructions may be delivered through Accountholders with the type of vote: in favour of / against by stating the principal amount of the Convertible Bonds.

Any Bondholder who wishes to physically attend the Meeting or any adjourned meeting of Bondholders or appoint a representative to this effect shall previously send an instruction to the clearing systems in order to allow them to block the relevant Convertible Bonds. Those instructions must also request the disclosure on the direct participant and disclosure on the Beneficial Owner to the clearing systems.

Beneficial Owners who are not Accountholders must arrange through their broker, dealer, commercial bank, custodian, trust company or other intermediary to contact the Accountholder through which they hold their Convertible Bonds in order to procure delivery of their (voting) instructions via Euroclear or Clearstream, Luxembourg to the Paying Agent prior to the Expiration Time on the Expiration Date.

The expiration time shall be 10 a.m. (CEST) (the **Expiration Time**) 10 June 2020 (the **Expiration Date**).

Once the Paying Agent has issued a Block Voting Instruction for a meeting in respect of Convertible Bonds, it shall not release such Convertible Bonds until either (i) the meeting has been concluded or (ii) the Block Voting Instruction has been surrendered to the Paying Agent. A vote cast in accordance with a Block Voting Instruction may not be revoked or altered.

Beneficial Owners should note that they must allow sufficient time for compliance with the standard operating procedures of Euroclear and Clearstream, Luxembourg and, if applicable, such Accountholder in order to ensure delivery of their voting instructions to the Paying Agent in accordance with the time-frame set out in this notice. Beneficial Owners are urged to contact any such person promptly to ensure timely delivery of such voting instructions.

Once instructions to participate in the Meeting or to vote by proxy have been given, the Beneficial Owner's interest in the Convertible Bonds will be blocked until the conclusion of the Meeting or the adjourned meeting of Bondholders (as the case may be). This means that it may not be possible to sell such Convertible Bonds until the conclusion of the Meeting or any adjourned meeting of Bondholders (as the case may be).

Any instructions to participate in the Meeting or to vote by proxy given by a Beneficial Owner will remain valid and effective for the adjourned meeting of Bondholders, Beneficial Owners who took no action in respect of the Meeting can give instructions for the adjourned meeting of Bondholders by following the same procedure set forth above.

Last deadline to receive the Electronic Voting Instruction: 10 June 2020 at 9:00am GMT (10:00am CEST).

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6. Recommendation



The board of the Company (the “**Board**”) considers the proposed amendments to the Terms and Conditions, the Trust Deed and the Agency Agreement in the best interest of the Company. Accordingly, the Board unanimously recommends the Bondholders to vote in favour of the resolution to amend the Terms and Conditions, the Trust Deed and the Agency Agreement.

ENQUIRIES:

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About BCRE

BCRE is an international real estate development and investment group, headquartered in the Netherlands and listed on the Cyprus Stock Exchange. Through its subsidiary and associated undertakings, the Company is interested in, develops and operates an international portfolio of real estate assets in the markets it operates.

The Company has established local management team platforms with significant local market expertise. At present, the Company has offices and teams in New York, Moscow, Amsterdam and Limassol.

*The Convertible Bonds have not been and will not be registered under the United States Securities Act of 1933, as amended (the “**Securities Act**”) and are subject to United States (the “**US**”) tax law requirements. Subject to certain exceptions, the Convertible Bonds may not be offered, sold or delivered in the US or to or for the account of US persons (as defined in Regulation S under the Securities Act).*

*This announcement is for information purposes only and is not a prospectus and does not constitute an offer to subscribe for or buy shares, the Bonds or other securities of the Issuer (the “**Securities**”) in any jurisdiction. This announcement and the fact of its distribution is not and should not be seen as an inducement in relation to a decision to purchase Securities. Investors should not subscribe for or purchase any Convertible Bonds except on the basis of information contained in the prospectus published by the Company.*

The contents of this announcement have been prepared by and are the sole responsibility of the Company.