Institutional Investors Conference

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Real Estate Life Time Cycle - DD

- Green Field

- Acquisition / Finance

- Development / Pre-Leasing Phase

- Lease Phase / Maintenance

- Demolition / Disposal

  Note: An acquisition (via share or asset deal) can happen at each phase. Different due diligence requirements relating to phases and transaction structure.

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Transaction Structure

- Letter of Intent / Pre-Contract

- Due Diligence Phase

- Negotiation Phase / Acquisition Documents

- Signing

- Closing

- Integration Phase

Note: To meet the requirements of the asset managers involve them as early as in the due diligence phase.

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Answers DD should provide

- What is going to be acquired?

- How will it be acquired?

- Who will acquire it?

  Note: A lot of information can be obtained from publicly accessible registers. Some information should be disclosed by the seller.

  Note: Due diligence is usually performed by teams of experts (legal / tax / technical /environmental part).

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DD – Green Field – Asset Deal

- Details of Owner of Real Estate

- Details of Real Estate

- Information on Title and Encumbrances

- Contractual Situation (lease agreements, rights to construct, options, other rights of third parties…)

- Litigation / Administrative Proceedings

- Zoning, Permissible Use and Permits Required

- Environmental Issues

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DD - Leased out Building- Share Deal

- Corporate Information

- Real Estate

- Human Resources

- Material Contracts

- Intellectual Property

- Litigation

- Public Law Matters

- Miscellaneous

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Lease Agreements

<u>Focus of Due Diligence Report</u>:

- Tenant

- Leased Object / Use

- Beginning of Lease / Term / Termination

- Rent / Indexation

- Security Deposit

- Operating Expenses and Ancillary Costs

- Alternation / Sublet

- Sale of Leased Object

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Exit Due Diligence – Know your risks

Note: Preparation for the exit starts on the day of closing. A complete package of documentation (legal, financial, technical) is of utmost importance.

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Thank you!

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