

PROPERTY ONE

Finance

INFO SHEET FOR BORROWERS

ONE Real Estate Debt Fund

Property One – your expert for private real estate debt.

Summary

The ONE Real Estate Debt Fund was created to allow real estate investors (such as owners of commercial property) access to more financing opportunities using subordinated loans. The fund grants loans which are secured by promissory notes. The amount of the loans ranges between CHF 1 million and CHF 30 million. The maximum term of the loan is 36 months. Loans are granted for investment properties, bridge financing and construction projects (including those intended for sale), for commercial and residential use (excluding owner-occupied housing). All kinds of commercial uses are included (offices, sales, logistics, manufacturing, industry, hotels, etc.).

Lending criteria

Loan

- Minimum volume CHF 1 million
- Maximum term 36 months
- Secured with mortgage certificates
- Interest rate based on CHF-Libor/SARON

Lien on immovable property

- Lending up to maximum of 80% LTV
- All types of use (residential, commercial, etc.)
- Construction projects and plots of land possible
- Only real estate in Switzerland

Attractive source of financing for real estate investors

Demand for alternative forms of financing has been on the rise for years now, as conventional lenders only offer limited lending options. This can result in temporary financing gaps that can be closed using subordinated loans. Subordinated loans can also serve to optimise the capital structure or free up additional equity

for further market opportunities. Property One's offering is aimed at professional players in the Swiss real estate market, including property owners, architects, project developers, building contractors, etc., and offers an additional option alongside conventional real estate financing.

The ONE Real Estate Debt Fund offers financing solutions for:



Example: Increase of return on equity

Investment costs/purchase price: CHF 30 million | gross yield p.a.: 5.5% | net yield p.a.: 4.0%

Conventional financing

	Volume in CHF	LTV	Interest costs p.a. in CHF	Interest p.a.
Bank mortgage	18.0m	60%	180,000	1.00%
Equity and ROE	12.0m	40%	1,020,000	8.50%
Total	30.0m	100%	1,200,000	4.00%

Finanzierungslösung: ONE Real Estate Debt Fund

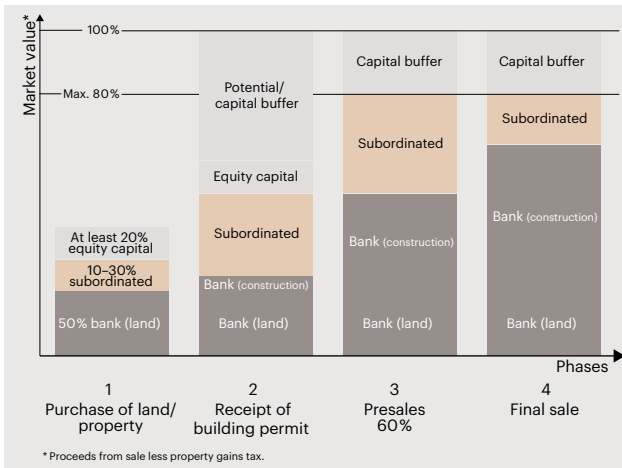
	Volume in CHF	LTV	Interest costs p.a. in CHF	Interest p.a.
Bank mortgage	18.0m	60%	180,000	1.00%
Subordinated loan	6.0m	20%	390,000	6.50%
Equity and ROE	6.0m	20%	630,000	10.50%
Total	30.0m	100%	1,200,000	4.00%

The loan enables the return on equity to be increased from 8.5% to 10.5%. Significantly less equity is required and/or equity is released to take advantage of further investment opportunities.

Your advantages as a borrower

- Increased return on equity through additional leverage up to 80%
- Less equity necessary and thus release of capital for further market opportunities
- More flexible framework conditions from the source of financing regarding repayment methods, interest repayments, project progress, etc.

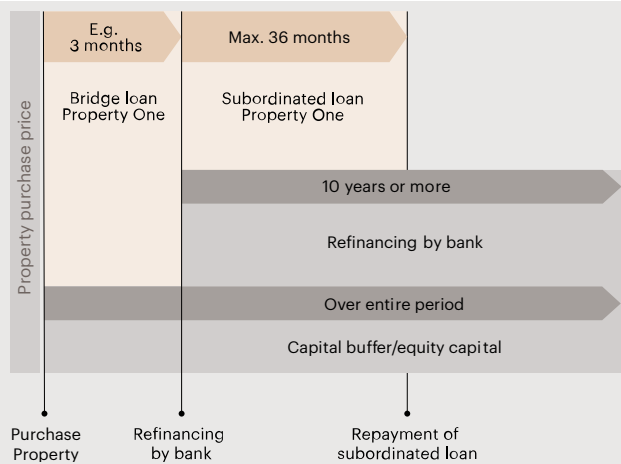
Example: Loan on development project intended for sale



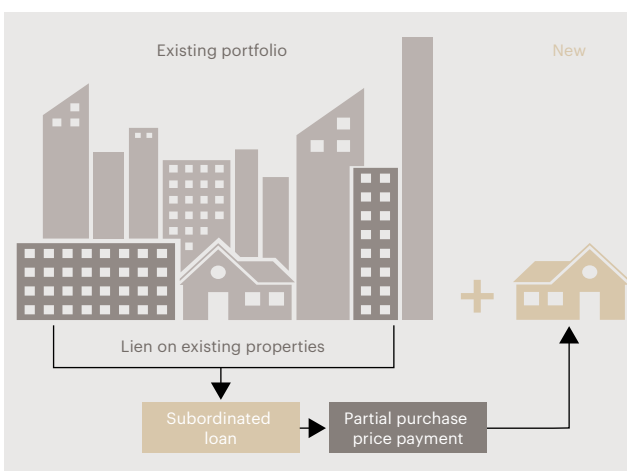
- Property developments which are well thought through, both qualitatively and quantitatively, but have a financing gap can be brought to fruition thanks to the OREDF. The line of credit may be used flexibly and adapted to the particular phase of the project.
- The OREDF guarantees planning reliability and the project can go ahead without having to wait.
- The shorter length of the project – which means lower equity investment – compensates for the interest costs of the loan.

Example: Bridge Loan

- The efficient awarding process allows for short-term purchasing opportunities to be realised.
- There is sufficient time for conventional follow-up financing and thus options for negotiation available.
- The interest costs of the bridge loan are offset over the holding period.
- Part of the bridge loan can be converted to a subordinated loan.



Example: Loan based on existing portfolio



- Subordinated loan on several existing properties, for example, with a term of 12 to 36 months
- Repayment via the rental income that is generated or by increasing the primary financing
- Advantage: purchase opportunity can be exploited

Track record

Property One has been active for many years in the business of granting subordinated loans, which are always secured by mortgage certificates. To date, loan requests exceeding an annual volume of CHF 1 billion have been processed. And subor-

ordinated loans of several hundred million Swiss francs have been granted so far.

Further information: www.finance.propertyone.ch

Property One Investors AG as a specialist for the selection and management of real estate loans

Property One Investors AG (POI) is an owner-run company limited by shares based in Zug. The company was established in 2013. POI is a specialised provider of services covering all aspects of real estate as an investment. The focus is on the real estate and private real estate debt asset classes. POI has

been licensed as a manager of collective assets since December 2020 and is subject to supervision by the Swiss Financial Market Supervisory Authority (FINMA). Other companies in the Property One Group include Property One Partners AG and Property One Ticino SA.

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