

## **ESPG AG announces positive revenue and earnings growth in financial year 2022**

- Science Park portfolio performs well in challenging market environment
- Revenues increase by about 6 percent to Euro 12.5 million
- Earnings before interest and taxes (EBIT) more than doubled to Euro 11.8 million
- Earnings before taxes (EBT) again positive at Euro 3.6 million
- Market Value of real estate portfolio grows to Euro 228.5 million
- Further purchases of Science Parks planned after bond financing

**Cologne, 8 May 2023:** ESPG AG, a real estate company specialising in science parks, today published its preliminary financial statements for the financial year 2022. Revenues and earnings have increased. The science park portfolio shows a stable development and high resilience in an overall challenging market environment.

### **Positive development of all key figures**

Revenues climbed by around 6 percent to Euro 12.5 million (previous year: Euro 11.8 million). The main drivers were new leases amounting around 8,400 m<sup>2</sup> of net lettable area, and inflation-linked increases in passing rents. Earnings before interest and taxes (EBIT) reached Euro 11.8 million – an increase of about 191 percent compared to the previous year's EBIT (Euro 4.1 million). Earnings before taxes (EBT) also rose significantly to Euro 3.6 million, turning positive after minus Euro 4 million in the previous year.

The market value of ESPG's investment properties was appraised at Euro 228.5 million euros as of 31 December 2022. This corresponds to an increase of around 11 percent compared to the previous year. The growth is driven by the acquisition of the Campteq Innovation Campus in June 2022. In addition, the value of the Science Parks portfolio remains stable. Negative market effects were offset by the positive performance of the income side and targeted investments in real estate. Overall, total assets increased to Euro 243.8 million as of 31 December 2022 (31 December 2021: Euro 220.0 million).

**Dr. Ralf Nöcker, CEO of ESPG AG,** comments: "We can look back on an extraordinarily successful financial year 2022. The preliminary figures make it clear

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that ESPG is on a very good path and that the strategic focus on science parks was the right step. Our science parks are enjoying high demand."

### **Clear positioning as a leading specialist for science parks**

The positive operational development is supported by a good performance of the science park portfolio with more than 60 tenants from industries such as life science and green technologies - for example Nuvisan, SAP, ABB or Siemens. With a clear strategic focus, ESPG has positioned itself as the leading specialist for science parks in Germany. As of 31 December 2022, the real estate portfolio already comprised 16 science parks with a total area of 126,000 square metres. The sites are generally located in areas that are considered science clusters or have a high concentration of innovative companies.

The segment for science park real estate in Germany shows a stable positive development in a generally volatile market environment, creating strong growth prospects for ESPG. This was confirmed by a white paper recently published jointly by Colliers and ESPG entitled "Investing in research. Life Sciences & Technology Real Estate in Germany." In each of the last five years, take-up in the Life Sciences and Technology leasing market was around 209,000 square metres per annum, with over one million square metres let in the last five years. There is a strong growth trend in leasing volumes and take-up. This, in combination with rising demand, could lead to a shortage of supply and should further improve the position of specialised asset managers such as ESPG.

**Ralf Nöcker, CEO of ESPG AG**, plans to further strengthen the Science Park portfolio after the successful refinancing of the company's corporate bond: "Following the investment by the new investors, we have started to reduce the debt and in a first step we were able to reduce the LTV to 56.6 percent from the previous 59.2 percent. Further steps to reduce our debt leverage ratio are planned. The next milestone is the refinancing of the ESPG's corporate bond, which matures on 30 September 2023. Following this, we plan to expand the portfolio with the acquisition of further science

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parks. Our common goal is for the company to continue to grow profitably and become a market leader for science parks in Europe."

## About ESPG

The European Science Park Group (ESPG) is a real estate company specialising in science parks. The company focuses on the development of science parks, predominantly characterised by tenants from future-oriented industries such as life sciences, green technologies or digital transformation, which benefit from the proximity to each other and the direct vicinity to universities, hospitals or research locations. ESPG's portfolio already includes 16 science parks across Europe with a total area of 126,000 square meters and a balance sheet value of 250 million euros. The sites are generally located outside metropolises, in areas that are considered science clusters or have a high concentration of innovative companies.

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Key figures Prelim unaudited Numbers 2022 - vAs Agreed 5 May 2023

	31/12/2022	31/12/2021
<b>Balance Sheet (selected Items)</b>		
<b>GAV</b>	<b>228,524,155</b>	<b>205,790,000</b>
Cash	3,015,079	3,672,327
<b>Total Assets</b>	<b><u>243,774,898</u></b>	<b><u>219,977,315</u></b>
<b>Income Statement</b>		
Revenues from property management	12,545,258	11,792,044
<b>EBIT</b>	<b><u>11,778,634</u></b>	<b><u>4,051,567</u></b>
Financial expenses	-8,150,196	-8,062,408
<b>EBT</b>	<b><u>3,628,438</u></b>	<b><u>-4,010,840</u></b>
Secured Net-LTV	56.59%	59.20%