

Translation from German language.

The German text is authoritative.

Consolidated Financial Information for the
period from January 1 to June 30, 2023
according to the

International Financial Reporting Standards (EU)

Compilation Report

ESPG AG
Köln

Consolidated Financial Information

Consolidated Balance Sheet as at June 30, 2023

Appendix 1

Consolidated Income Statement for the period
from January 1 to June 30, 2023

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for the period from January 1 to June 30, 2023

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Consolidated Cash Flow Statement for the period
from January 1 to June 30, 2023

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ESPG AG

Consolidated Balance Sheet

in €	<u>June 30, 2023</u>	<u>December 31, 2022</u>
<u>Assets</u>		
NON-CURRENT ASSETS		
Intangible assets	142,75	1.387,00 €
Property, plant and equipment	349.790,54	373.404,74
Investment Properties	228.500.000,00	228.500.000,00
Lending	8.661.784,81	8.964.351,00
Other non-current assets	1.164.629,13	1.007.204,42
Deferred tax assets	34.748,29	29.616,79
Total non-current assets	<u>238.711.095,53</u>	<u>238.875.963,95</u>
CURRENT ASSETS		
Receivables from supplies and services	88.712,08	496.500,83
Income tax receivables	68.480,89	135.658,58
other current receivables and assets	2.611.302,69	1.251.695,88
Cash and cash equivalents	4.374.652,80	3.015.078,51
Total current assets	<u>7.143.148,46</u>	<u>4.898.933,80</u>
Total assets	<u>245.854.243,98</u>	<u>243.774.897,75</u>
<u>Equity and liabilities</u>		
EQUITY		
Subscribed capital	23.431.820,00	23.431.820,00
Capital reserves	-1.187.357,45	-8.926.022,71
Group retained earning	22.217.406,29	25.261.295,77
Gains and losses attributable to the parent company's shareholders	44.461.868,84	39.767.093,06
Non-controlling interests	9.692.563,53	9.684.095,02
Total equity	<u>54.154.432,37</u>	<u>49.451.188,08</u>
NON-CURRENT LIABILITIES		
Deferred tax liabilities	10.509.593,57	10.557.416,94
Bond	0,00	0,00
Liabilities to banks	75.070.979,92	94.666.798,62
Liabilities to companies in which participations are held	0,00	0,00
Other non-current liabilities	146.908,52	1.170.033,25
Total non-current liabilities	<u>85.727.482,01</u>	<u>106.394.248,81</u>
CURRENT LIABILITIES		
Bond	46.365.263,17	45.843.789,54
Liabilities to banks	51.983.854,06	37.670.714,70
Trade liabilities	1.227.820,53	871.396,80
Income tax liabilities	367.658,61	645.977,00
Other liabilities	6.027.733,24	2.897.582,82
Total current liabilities	<u>105.972.329,60</u>	<u>87.929.460,86</u>
Total equity and liabilities	<u>245.854.243,98</u>	<u>243.774.897,75</u>

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Consolidated Income Statement

in €	<u>Jan 1 - Jun 30, 2023</u>	<u>Jan 1 - Jun 30, 2022</u>
Revenues from property management	6.326.017,23	5.047.678,53
Property management related expenses	<u>-2.385.592,37</u>	<u>-1.542.915,89</u>
Results from property management	3.940.424,87	3.504.762,64
Personnel expenses	-525.887,56	-526.088,92
Other operating income	415.384,59	469.398,43
Other operating expenses	-1.426.897,23	-724.051,06
Depreciation and amortisation of property, plant and equipment and intangible assets	-61.919,16	-62.877,17
Valuation results from investment property	<u>-268.509,49</u>	<u>2.280.007,97</u>
Earnings before interest and taxes (EBIT)	2.072.596,02	4.941.151,89
Financial income	419.203,27	286.118,02
Financial expenses	<u>-5.258.594,72</u>	<u>-4.179.279,89</u>
Earnings before tax (EBT)	-2.766.795,43	1.047.990,02
Income tax	<u>-268.625,53</u>	<u>-504.060,45</u>
Total consolidated income	<u>-3.035.420,95</u>	<u>543.929,58</u>
Of the consolidated profit or loss:		
Shareholders of the parent company	-3.043.889,56	280.067,55
Shares of minority shareholders	8.468,61	263.862,02
Of the total consolidated income:		
Shareholders of the parent company	-3.043.889,56	280.067,55
Shares of minority shareholders	8.468,61	263.862,02

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Consolidated Statement of Changes in Equity

in €	<u>Subscribed capital</u>	<u>Capital reserves</u>	<u>Group retained earning</u>	<u>Gains and losses attributable to the parent company's shareholders</u>	<u>Shares of minority shareholders</u>	<u>Total equity</u>
As at January 1, 2021	23.431.820,00	-17.385.625,47	28.494.155,53	34.540.350,06	3.262.766,97	37.803.117,03
Consolidated profit or loss January 1 - June 30, 2021	0,00	0,00	-2.666.818,88	-2.666.818,88	20.921,78	-2.645.897,10
Change in scope of consolidation or in the percentage of shares held	0,00	96.237,80	0,00	96.237,80	5.091.749,51	5.187.987,31
As at June 30, 2021	23.431.820,00	-17.289.387,67	25.827.336,65	31.969.768,98	8.375.438,26	40.345.207,24
Consolidated profit or loss July 1 - December 31, 2021	0,00	0,00	-1.922.768,22	-1.922.768,21	15.468,47	-1.907.299,74
As at December 31, 2021	23.431.820,00	-17.289.387,67	23.904.568,43	30.047.000,77	8.390.906,73	38.437.907,50
Consolidated profit or loss July 1 - December 31, 2022	0,00	0,00	1.356.727,31	1.356.727,31	721.044,06	2.077.771,37
Contribution to the capital reserve	0,00	8.363.364,96	0,00	8.363.364,96	0,00	8.363.364,96
Change in the scope of consolidation or the participation rate	0,00	0,00	0,00	0,00	572.144,22	572.144,22
As at December 31, 2022	23.431.820,00	-8.926.022,70	25.261.295,74	39.767.093,04	9.684.095,01	49.451.188,05
Consolidated profit or loss January 1 - June 30, 2023	0,00	0,00	-3.043.889,56	-3.043.889,56	8.468,61	-3.035.420,95
Contribution to the capital reserve	0,00	7.738.665,28	0,00	7.738.665,28	0,00	7.738.665,28
Change in scope of consolidation	0,00	0,00	0,00	0,00	0,00	0,00
As at June 30, 2023	23.431.820,00	-1.187.357,42	22.217.406,19	44.461.868,76	9.692.563,62	54.154.432,38

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Consolidated Cash Flow Statement

in €	<u>Jan 1 - Jun 30, 2023</u>	<u>Jan 1 - Jun 30, 2022</u>
Earnings before interest and taxes	2.072.596,02	4.941.151,89
Non-cash expenses/income		
Fair value adjustments of investment properties	268.509,49	-2.280.007,97
Amortisation of intangible assets	61.919,16	62.877,17
other non cash expenses/income	0,00	40.398,60
Change in receivables and other current assets	-492.924,17	-19.394,12
<u>Change in operating liabilities</u>	<u>1.084.013,88</u>	<u>15.816,78</u>
Operating Cashflow	2.994.114,37	2.760.842,35
Interests and additional financial expenses paid	-2.513.698,31	-2.290.278,90
Interests received	105.450,90	6.342,61
<u>Income tax refunds (+) / income tax payments (-)</u>	<u>-532.721,10</u>	<u>-366.621,33</u>
Cashflow from operating activities	53.145,86	110.284,73
Payments for the acquisition of real estate property companies less net cash acquired	0,00	-4.797.340,46
Payments for investments in property investments	-268.509,49	0,00
Proceeds from the sale of investment property and subsidiaries	0,00	0,00
Payments for granted non-current loans	0,00	-450.000,00
Repayments of non-current loans	0,00	0,00
Payments for investments in tangible and intangible assets	-37.060,71	-48.631,85
<u>Cashflow from investment activities</u>	<u>-305.570,20</u>	<u>-5.295.972,31</u>
Contributions to equity	7.386.753,09	0,00
Cash received from credit agreements	0,00	31.683.456,19
Cash received from shareholder loans	854.632,50	3.091.209,97
Payments from repaying credit agreements	-6.586.336,48	-30.013.287,92
Payments from repaying loans	-43.050,48	-41.932,67
<u>Cashflow from financing activities</u>	<u>1.611.998,63</u>	<u>4.719.445,56</u>
Net change in cash	1.359.574,29	-466.242,02
<u>Cash at the beginning of the period</u>	<u>3.015.078,51</u>	<u>3.672.326,84</u>
<u>Cash at the end of the period</u>	<u>4.374.652,80</u>	<u>3.206.084,82</u>
Unrestricted cash at the end of the period	3.515.652,80	2.347.084,82
Restricted cash at the end of the period	859.000,00	859.000,00

Compilation Report

The Management Board of ESPG AG, Cologne - hereinafter also referred to as the "Company" - commissioned us to prepare the consolidated financial statements as at 30 June 2023 in accordance with the principles of the International Financial Reporting Standards - IFRS. This consolidated financial statements does not fulfill the requirements of IAS 34 for interim financial reporting.

The basis for the preparation was the receipts, books and inventory records submitted to us, which we did not audit in accordance with our engagement, as well as the information provided to us.

The preparation of the consolidated financial statements in accordance with IFRS principles is the responsibility of the company's legal representatives.

We conducted our engagement in accordance with the pronouncement of the German Federal Chamber of Tax Advisors on the principles for the preparation of financial statements. This comprises the development of the balance sheet and the profit and loss account as well as the cash flow statement on the basis of the bookkeeping and the inventory as well as the specifications on the accounting and valuation methods to be applied.

We would like to point out that the valuation of the real estate assets was based on appraisals as at 31 December 2022. A revaluation as of 30 June 2023 was not commissioned by the Executive Board.

After the balance sheet date, the bond liabilities, which previously had a term until 30 September 2023, were extended until 1 October 2026.

The Board of Directors is currently in the process of restructuring some loan agreements, as a result of which the liabilities currently shown as short-term are to be given a longer term.

Cologne, September 26, 2023

Seitz Rechtsanwälte Steuerberater
Partnerschaftsgesellschaft mbB

Christoph Frey
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Christian Frank
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