

ESPG: Successful 2023 and optimistic outlook for 2024

- ESGP records sustained high tenant demand for science parks and increases rental income by more than 20 per cent in 2023
- Increase in average net cold rent to €9.89/m² due to new lettings and strong inflation hedging
- Significantly reduced vacancy rate demonstrates high quality of the portfolio
- Leading research institutes from the fields of medical technology, aerospace and LED technologies acquired

Cologne, 15 Januar 2024: The European Science Park Group (ESPG), a real estate company specialising in science parks, can look back on an extraordinarily successful financial year in a challenging market environment. ESGP let a net lettable area of around 14,800 m² in the course of 2023. The annualised net cold rent for the month of December rose by more than 20 percent to around EUR 12.7 million compared to the same period of the previous year due to new lettings and inflation hedging of 6.2 percent.

Dr Ralf Nöcker, board member of ESGP AG, comments: "The past financial year was very successful at an operational and strategic level. With the bond extension in September 2023 and the optimisation of debt financing, we have achieved long-term planning security. In addition, the significant increase in rental income and the reduced vacancy rate confirm the steadily growing attractiveness of our Science Park portfolio."

Due to new rental agreements and the indexation of existing rental agreements, the average net cold rent rose from €9.16/m² in December 2022 to €9.89/m² in December 2023. The focus of the lettings concluded was on companies that are particularly innovative and have a strong credit rating. For example, ESGP signed a lease for the BlueCircle Science Park with an innovative tenant from the aerospace sector. The premises are used for the research and development of small aircraft. Alaxo, a fast-

Corporate News

growing medical technology company, also signed a long-term lease. Alaxo develops innovative nasal stents for optimised breathing. Environmentally friendly technologies such as LED research remained a strong pillar, as evidenced by the letting to Nichia.

At the same time, the diversification of the portfolio continued with new utilisation concepts. For example, a national operator of short-term and furnished flats was acquired, which will operate 54 micro-apartments with a total area of around 1,730 m² in Neuss. At this location in particular, it was possible to realise the planning law requirements in cooperation with the local business development agency as a "first mover".

Markus Drews, board member of ESPG AG, adds: "The success stories in our Science Park portfolio reflect the breadth and innovative strength of the tenants. We are very optimistic about 2024 and expect rental growth to remain robust. On the one hand, this is based on the conclusion of new rental agreements. On the other hand, our growth trajectory is supported by the link between existing rental agreements and consumer price inflation."

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 m² and a balance sheet value of around 244 million euros. The sites are generally located outside metropolitan areas, in areas that are considered science clusters or have a high concentration of innovative companies.

Corporate News

Press contact

Jan Hutterer

T +49 40 60 91 86 83

M +49 172 3462831

espg@kirchhoff.de