

## **ESPG publishes half-year figures and launches restructuring project according to StaRUG**

- **Revenue increases to EUR 7.9 million (H1-2023: EUR 6.3 million)**
- **Net operating profit reaches EUR 3.5 million**
- **EBT of EUR -4.1 million negatively impacted by increased financing costs**
- **Management Board and Supervisory Board resolve to file a restructuring plan in pursuant to StaRUG**
- **Investors commit fresh liquidity of around EUR 9.5 million in the event of successful restructuring**

**Cologne, 10 September 2024:** ESPG AG, a property company specialising in science parks, today published financial figures for the first half of 2024. The half-year figures confirm the continued robust development of the science park portfolio in a very challenging property market overall, while the increased financing costs are weighing on earnings and jeopardising ESPG AG's continued existence.

Revenue increased year-on-year to EUR 7.9 million (H1-2023: EUR 6.3 million). This growth is due in particular to successful lettings and inflation adjustments to existing rents. Net operating income reached EUR 3.5 million and thereof increased compared to the previous period H2-2023. Nevertheless, high financing costs, which were higher than in the first half of the previous year, had a negative impact of EUR -4.1 million on EBT. The options pursued to finance the interest payment on the 2018/2026 bond due on 1 October 2024 have not yet been successfully implemented and the Management Board is no longer pursuing them. The Company is therefore at risk of insolvency.

In order to continue the business plan for the further development of the Science Park portfolio and avert existential threats to ESPG AG, a restructuring plan will be filed with the competent local court in accordance with the German Act on the Stabilisation and Restructuring Framework for Companies (StaRUG). Property-holding subsidiaries and the operating business are not affected by this. The restructuring plan shall include a waiver of the creditors, primarily the bondholders, of all claims in return for appropriate compensation. A potential participation of the bondholders participating in the Company's future success will also be considered.

It is planned to submit the restructuring plan to the court in the short term with the objective that its provisions will take effect by the end of October 2024. The interest payment on the 2018/2026 bond due on 1 October 2024 will no longer be made.

## Corporate News

Subject to certain conditions, in particular the legal effectiveness of the restructuring plan, investors have already pledged to provide fresh liquidity of around EUR 9.5 million to secure the Company's continued existence.

Frank Günther has been appointed General Representative and Chief Restructuring Officer of ESPG AG to support and implement the StaRUG process.

**Frank Günther, Chief Restructuring Officer and Chief Representative of ESPG AG:** 'With over 25 years of experience in the restructuring of financial liabilities and the successful implementation of more than 50 transactions, I am familiar with these situations. We are working intensively to secure the financial stability of ESPG AG quickly and sustainably. The StaRUG procedure is a very good instrument for this and has proven its worth many times over in the recent past. The Company's operational development confirms the positive outlook. The bondholders should also benefit from this. Nevertheless, further measures are necessary to sustainably improve the financial situation of ESPG AG and strengthen the Company in the long term. I am convinced that we will quickly find a good solution in the interests of all stakeholders.'

ESPG will inform the capital market and the public about the progress of the restructuring measures and the further course of the process in accordance with legal requirements. The aim is to stabilise the Company's financial situation in the long term and to reach an agreement with the creditors, in particular the bondholders.

<b>Profit and Loss Statement</b>		
<i>(in €)</i>	<b>H1 2023</b>	<b>H1 2024</b>
<b>Gross rental income</b>	<b>6.326.017</b>	<b>7.917.942</b>
Expenses relating to letting of property	(2.385.592)	(4.390.662)
<b>Net Operating Income</b>	<b>3.940.425</b>	<b>3.527.280</b>
Personnel expenses	(525.888)	(522.298)
Other operating income	415.385	409.712
Other operating expenses	(1.426.897)	(1.231.789)
Depreciation and amortization	(61.919)	(61.026)
Revaluation result 3	(268.509)	-
<b>Earnings before interest and taxes (EBIT)</b>	<b>2.072.596</b>	<b>2.121.879</b>
<i>in % of total income from property mgmt.</i>	33%	27%
Financial income	419.203	336.971
Financial expenses	(5.258.595)	(6.511.204)
<b>Earnings before taxes (EBT)</b>	<b>(2.766.795)</b>	<b>(4.052.354)</b>
<i>in % of total income from property mgmt.</i>	-44%	-51%
Income taxes	(268.626)	14.374
<b>Group earnings</b>	<b>(3.035.421)</b>	<b>(4.037.980)</b>
<i>in % of total income from property mgmt.</i>	-48%	-51%

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<b>Balance Sheet</b>		
<i>(in €)</i>	<b>H1 2023</b>	<b>H1 2024</b>
Investment properties	228.500.000	228.606.400
Loans to minorities	8.661.785	9.860.760
Other fixed assets	1.549.311	1.518.109
<b>Fixed assets</b>	<b>238.711.096</b>	<b>239.985.269</b>
Cash	4.374.653	3.638.225*
Other current receivables	2.611.303	2.190.913
Other current assets	157.193	202.122
Trade receivables	88.712	68.158
Income tax receivables	68.481	133.964
Non-current assets held for sale	0	0
<b>Current assets</b>	<b>7.143.148</b>	<b>6.031.260</b>
<b>Total assets</b>	<b>245.854.244</b>	<b>246.016.529</b>
Subscribed equity capital	23.431.820	23.431.820
Shareholder Reserve	(1.187.357)	911.038
Consolidated balance sheet result	22.217.406	14.352.881
<b>Equity (shareholders of the parent entity)</b>	<b>44.461.869</b>	<b>38.695.739</b>
Minority shares	9.692.564	9.576.422
<b>Total equity</b>	<b>54.154.432</b>	<b>48.272.161</b>
Financial loans	127.054.834	130.451.615
-- of which Senior secured debt	127.054.834	124.321.615
-- of which Junior debt	0	6.130.000
Bond	46.365.263	45.985.478
Deferred tax liabilities	10.509.594	10.318.391
Liabilities held for sale, trade and income tax	1.595.479	1.629.867
Other liabilities	6.174.642	9.359.017
<b>Liabilities, total</b>	<b>191.699.812</b>	<b>197.744.368</b>
<b>Total of Liabilities and Equity</b>	<b>245.854.244</b>	<b>246.016.529</b>
<i>Senior Secured Net LTV</i>	<i>53,7%</i>	<i>52,8%</i>
<i>Secured Net LTV</i>	<i>53,7%</i>	<i>55,5%</i>
<i>Total Net LTV</i>	<i>74,0%</i>	<i>75,6%</i>

\* of which €1.1m in interest are paid on 1st of July and €0.76m are blocked cash reserves

## About ESPG

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



Corporate News

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