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Publication of inside information pursuant to Article 17 of Regulation (EU) No 596/2014

ESPG AG announces reorganisation concept and decides to submit the corresponding restructuring plan to the competent local court in accordance with StaRUG

Cologne, 28 October 2024 - The Management Board of ESPG AG (**'ESPG AG'** or **'Company'**), in consultation with the Supervisory Board, today defined the restructuring plan as part of the restructuring proceedings initiated on 10 September 2024 in accordance with the German Act on the Stabilisation and Restructuring Framework for Companies (*Gesetz über den Stabilisierungs- und Restrukturierungsrahmen für Unternehmen* - StaRUG) and decided to submit it to the competent Local Court of Cologne - Restructuring Court - and to apply for a discussion and voting hearing (*Erörterungs- und Abstimmungstermin*).

The reorganisation concept contained in the restructuring plan initially provides for a reduction of the Company's share capital to zero euros, which will lead to the departure of the current shareholders without compensation. Immediately thereafter, the share capital is to be increased to EUR 50,000. Only two new shareholders, ESPG ReCap Partners SCSp (**'ReCapCo'**) in the amount of EUR 45,000 (corresponding to 90 % of the new share capital of ESPG AG) and ESPG BondCo S.à r.l. (**'BondCo'**) in the amount of EUR 5,000 (corresponding to 10 % of the new share capital of ESPG AG), are to be authorised to subscribe to the new shares.

ReCapCo, a newly founded investment company, has agreed to provide a total of EUR 11,595,000 in new liquidity for the restructuring. Of this EUR 11,595,000, an amount of EUR 2,500,000 has already been paid out in advance to ESPG Asset GmbH, a wholly owned subsidiary of ESPG AG. The remaining EUR 9,095,000 will be provided by ReCapCo in the event that the restructuring plan is confirmed by the court and becomes legally binding (*rechtskräftig*). In addition, following its investment in the Company, ReCapCo has also undertaken to assume all obligations of ESPG AG arising from shareholder loans granted to the Company.

Via the newly founded special purpose entity BondCo, the bondholders of the ESPG Bond are to be enabled to participate indirectly in the further business development of ESPG AG. To this end, BondCo has undertaken to assume all liabilities and other obligations of ESPG AG arising from the bond issued by ESPG AG (ISIN DE000A2NBY22 / WKN: A2NBY2 - **'ESPG Bond'**) by way of an assumption of debt following its investment in the Company. In this context, the terms and conditions of the ESPG Bond are to be amended. In particular, it is planned that BondCo will have to pay out all liquidity that it receives from its shareholding in ESPG AG or from the realisation of this shareholding, less administrative and realisation costs and an appropriate operating profit, to the bondholders. This is also to apply in the form of a variable interest rate to the liquidity exceeding the repayment and interest payment

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obligations under the ESGP Bond, provided it is obtained by a long stop date. At the same time, a qualified subordination for the payment obligations of BondCo under the ESGP Bond is to be included in order to avoid the insolvency of BondCo. To secure the restructuring plan, the joint representative of the bondholders has already held out the prospect of deferring the interest owed as of 1 October 2024 until 30 November 2024. Under the restructuring plan, it is intended that all interest, including the interest then deferred as at 30 November 2024, will fall due on the maturity date of the ESGP Bond and that the new maturity date of the ESGP bond will be 1 October 2036.

The restructuring plan presented is based on a comparative calculation (*Vergleichsrechnung*) that compares the restructuring concept with an alternative insolvency scenario. The auditing firm Forvis Mazars was commissioned to prepare the comparative calculation. A rate of 1.3% was calculated for the group of bondholders affected by the restructuring plan in the event of the insolvency of ESGP AG, taking into account that, according to Forvis Mazars, this could also lead to the insolvency of numerous subsidiaries and corresponding distress sales. In contrast, a ratio of 9.82% was calculated for the bondholders in the event of acceptance of the restructuring plan, which would be significantly higher than the break-up ratio.

The Company 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.