

ESPG AG resolves restructuring concept and provides bondholders with the opportunity to participate in the long-term development of ESG AG

- **Restructuring concept for the complete restructuring of ESG AG submitted to the court**
- **EUR 11.6 million in new liquidity secured primarily for investments in the science park portfolio**
- **Bondholders to participate in future development and upside**

Cologne, 28 October 2024: The European Science Park Group (ESPG), a real estate company specialising in science parks, has adopted a restructuring plan and submitted it to the competent local court in Cologne as part of the ongoing StaRUG proceedings. With the implementation of the measures contained in the plan and accompanying operational activities, ESG AG should be solidly financed in the long term.

Ralf Nöcker, Member of the Management Board of ESG AG: “With the restructuring plan, we have developed a tailor-made solution to ensure the long-term financial stability of ESG AG. The restructuring plan is geared towards the long term and shows a clear path for leading the company into a financially successful future. The bondholders will participate in these prospects as we open up this perspective through comprehensive restructuring. We therefore wanted to develop a participation concept that gives bondholders a share of the upside of the restructured ESG AG and allows them to participate in the long-term economic development.”

Bondholders participate in the positive prospects

Without the realisation of the restructuring programme, ESG AG would not have the funds to pay the bond interest or make sufficient investments into portfolio. Accordingly, the restructuring concept provides a complete write off of the share capital of ESG AG, which will lead to the exit of the current shareholders without compensation. Together with the restructuring of their existing shareholder loans, they will contribute over EUR 50 million to the restructuring of the company. In addition, various creditors waive a large part of their claims against ESG AG. It is also planned that a special purpose entity, which is to acquire a 10 per cent stake in the share capital of the ‘new’ ESG AG as part of the restructuring process, will assume all liabilities arising from the bond from ESG AG. This structure will allow the

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bondholders to participate indirectly in the economic development of ESPG AG. With the financial opportunities thus created, the 'new' ESPG AG will be able to implement a substantial investment programme and significantly reduce the vacancy rate over the next two years without the need for further equity and without taking out substantial new loans.

Conditional upon a successful restructuring being approved by the court and becoming legally binding, the company received commitments for up to EUR 11.6 million of preferred equity capital for the restructuring. EUR 2.5 million of this has already been paid out to enable initial investments. The remaining EUR 9.1 million will be made available if the StaRUG proceedings can be successfully concluded.

Deleveraging and new capital enable the utilisation of opportunities

The company's business plan is to invest around EUR 13.6 million in the further development of the Science Park portfolio over the next three years. This is also intended to eliminate the maintenance backlog. Further amounts are to be used for tenant improvements. At the same time, the annual financing costs of currently EUR 13 million (2024) are to be almost halved by 2026. This will gear the company towards sustainable, profitable growth.

Markus Drews, CEO of ESPG AG: "With the planned investments and the letting measures already initiated, we aim to reduce the vacancy rate to between 12 and 15 per cent. This will enable us to consistently utilise the opportunities that arise. With the increasing importance of science in the modern economy, the demand for specialised real estate is growing. As one of the largest portfolio holders and investors in science parks in Germany, we are well positioned to benefit from this growth potential."

Bondholders will receive more detailed information on the restructuring plan and the further procedure in an investor call on 31 October 2024 at 05.00 p.m. (CET), 04.00 p.m. (GMT) for which they can register at the following link: https://espg.space/investor_relations/corporate-bond-2018-2026/. The presentation will be followed by a Q&A session.

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 sectors such as life sciences, green technologies

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or digital transformation, which benefit from their proximity to each other and their direct proximity to universities, hospitals or research locations. ESGP'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.

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