



Financial Year 2024 Group Financial Statement of ESPG AG

International Financial Reporting Standards (IFRS)

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Science Park the forty-five, Hattingen

INDEPENDENT AUDITOR'S REPORT

To the ESPG AG, Cologne

Audit Opinion

We have audited the consolidated financial statements of ESPG AG and its subsidiaries (the Group), which comprise the consolidated balance sheet as of 31 December 2024, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash-flows for the financial year from 1 January 2024 to 31 December 2024, and notes to the consolidated financial statements, including the presentation of the recognition and measurement policies.

In our opinion, on the basis of the knowledge obtained in the audit, the accompanying consolidated financial statements comply, in all material respects, with the IFRS Accounting Standards issued by the International Accounting Standards Board (IASB) (hereafter "IFRS Accounting Standards"), as adopted by the EU, and the additional requirements of German commercial law pursuant to § 315e (1) HGB and, in compliance with these requirements, give a true and fair view of the assets, liabilities, and financial position of the Group as of 31 December 2024 and of its financial performance for the financial year from 1 January 2024 to 31 December 2024.

Pursuant to § 322 Abs. (3) sent. 1 HGB, we declare that our audit has not led to any reservations relating to the legal compliance of the consolidated financial statements.

Basis for the Audit Opinion

We conducted our audit of the consolidated financial statements in accordance with § 317 HGB and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW). Our responsibilities under those requirements and principles are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements" section of our auditor's report. We are independent of the Group in accordance with the requirements of German commercial and professional law, and we have fulfilled our other German professional responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Reference to an Emphasis of Matter

We draw attention to the explanation in note 5.1 to the financial statements, in which the legal representatives describe that the continuation of the business activities of key group companies as a result of the financial interdependence between the Group companies depends on the new leases currently under negotiation being realized to an appropriate extent and, in addition, on the upcoming refinancing of secured loans including increases in the loan to value relations, which are currently being negotiated with the lending financial institutions. As explained in section 5.1 of the notes to the consolidated financial statements, these events and circumstances indicate that there is significant uncertainty that may cast significant doubt on the group's ability to continue its business activities and therefore, constitutes a risk that could risk its continued existence within the meaning of section 322 (2) sent.- 3 of the German Commercial Code (HGB).

Our opinion on the consolidated financial statements is not modified in respect of this matter.

Responsibilities of the Executive Directors and the Supervisory Board for the Consolidated Financial Statements

The executive directors are responsible for the preparation of the consolidated financial statements that comply, in all material respects, with IFRS Accounting Standards as adopted by the EU and the additional requirements of German commercial law pursuant to § 315e (1) HGB, and that the consolidated financial statements give a true and fair view of the assets, liabilities, financial position, and financial performance of the Group in compliance with German Legally Required Accounting Principles. In addition, the executive directors are responsible for such internal control as they, in accordance with German Legally Required Accounting Principles, have determined necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud (i.e., fraudulent financial reporting and misappropriation of assets) or error.

In preparing the consolidated financial statements, the executive directors are responsible for assessing the Group's ability to continue as a going concern. They also have the responsibility for disclosing, as applicable, matters related to going concern. In addition, they are responsible for financial reporting based on the going concern basis of accounting provided no actual or legal circumstances conflict therewith.

The supervisory board is responsible for overseeing the Group's financial reporting process for the preparation of the consolidated financial statements.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, as well as to issue an auditor's report that includes our audit opinion on the consolidated financial statements.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with section 317 HGB and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer (IDW) will always detect a material misstatement. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

We exercise professional judgment and maintain professional skepticism throughout the audit. We also:

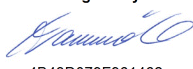
- identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our audit opinion. The risk of not detecting a material misstatement resulting from fraud is higher than the risk of not detecting a material misstatement resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- obtain an understanding of internal control relevant to the audit of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an audit opinion on the effectiveness of internal control within the Group.
- evaluate the appropriateness of accounting policies used by the executive directors and the reasonableness of estimates made by the executive directors and related disclosures.
- conclude on the appropriateness of the executive directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our audit opinion on the consolidated financial statements. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to be able to continue as a going concern.

- evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements present the underlying transactions and events in a manner that the consolidated financial statements give a true and fair view of the assets, liabilities, Auditing Standards financial position and financial performance of the Group in compliance with IFRS Accounting Standards as adopted by the EU and the additional requirements of German commercial law pursuant to § 315e (1) HGB.
- obtained sufficient appropriate audit evidence for the accounting information of the entities or business activities within the Group to express an audit opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the consolidated financial statements. We are solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Hamburg, 3. September 2025

Forvis Mazars GmbH & Co. KG
Wirtschaftsprüfungsgesellschaft
Steuerberatungsgesellschaft

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Hajo Hauschildt
Wirtschaftsprüfer

Signiert von:

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Dr. Joachim Dannenbaum
Wirtschaftsprüfer



Consolidated balance sheet as of 31 December 2024

in	EUR	Appendix	31.12.2024	31.12.2023
Assets				
Non-current assets				
Intangible assets			3.00	3.00
Property, plant and equipment			302,361.71	326,465.74
Investment property	8.1		214,550,000.00	228,600,000.00
Loans	8.2		8,006,368.13	9,591,855.51
Other non-current assets	8.3		1,570,128.20	1,510,740.92
Deferred tax assets	8.10		70,349.99	38,586.12
Total non-current assets			224,499,211.03	240,067,651.29
Current assets				
Receivables from goods and services	8.4		-31,226.94	261,943.77
Income tax receivables			259,565.95	103,935.18
Other current receivables and assets	8.5		712,666.59	503,402.56
Cash	8.6		2,337,125.50	7,160,757.67
Total current assets			3,278,131.10	8,030,039.18
Total assets			227,777,342.13	248,097,690.47
Liabilities				
Equity capital				
Share capital	8.7		23,431,820.00	23,431,820.00
Reserve	8.8		2,410,088.56	911,037.52
Consolidated balance sheet result			-5,031,583.56	18,312,430.60
Equity attributable to shareholders of the parent company			20,810,325.00	42,655,288.12
Non-controlling interests	8.9		8,221,724.86	9,654,852.40
Total equity			29,032,049.86	52,310,140.52
Non-current liabilities				
Deferred tax liabilities	8.10		8,951,297.60	10,512,336.15
Bond	8.11		46,127,816.06	45,843,139.53
Collateralised financial loans	8.12		74,340,436.99	110,640,814.81
Unsecured financial loans	8.12		2,586,005.06	74,662.00
Other non-current liabilities	8.14		1,258,475.59	1,227,204.63
Total non-current liabilities			133,264,031.30	168,298,157.12
Current liabilities				
Collateralised financial loans	8.12		56,149,143.12	21,634,366.89
Unsecured financial loans			0.00	1,131,254.85
Liabilities from deliveries and services			621,433.82	571,911.19
Income tax liabilities	8.13		128,318.60	285,835.44
Other current liabilities	8.14		8,582,365.43	3,866,024.46
Total current liabilities			65,481,260.97	27,489,392.83
Total liabilities and equity			227,777,342.13	248,097,690.47

ESPG AG, Cologne

ESPG AG initiated restructuring proceedings under the StaRUG in 2024. These were approved by all creditor groups on December 4, 2024.

Following the rejection of an objection, the proceedings were formally concluded on January 23, 2025. The capital increase planned as part of the StaRUG proceedings was registered on February 28, 2025. In this respect, the material effects of the proceedings will not be recognized until 2025 in the consolidated financial statements prepared in accordance with IFRS as applicable in the EU.

In order to illustrate the impact of the procedure on the Group's key financial figures, the following pro forma presentation of the consolidated balance sheet assumes that the material effects on the consolidated balance sheet could already be presented as of December 31, 2024.

The pro forma presentation is based on the consolidated balance sheet prepared in accordance with IFRS principles as applicable in the EU as of December 31, 2024 (December 31, 2024 (regular)). Based on this, the significant effects of the StaRUG proceedings concluded in 2025, which were not yet to be recognized in the consolidated financial statements as of December 31, 2024, are presented:

- (1) Simplified capital reduction to zero
- (2) Subsequent capital increase to EUR 50,000
- (3) Contribution of the claims arising from the assumption of debt in relation to the issued bond, including accrued bond interest, at their nominal value by BondCo and subsequent offsetting against the liabilities arising from the bond, including accrued interest.
- (4) The assumption of the existing shareholder loans, including capitalized interest, by way of a debt assumption with discharging effect by the new shareholder ESPG ReCapPartners SCSp, with no impact on the balance sheet presentation, as these were already reported in the reserves prior to the StaRUG proceedings.
- (5) The inclusion of additional shareholder loans of TEUR 6,386, which have been committed but not yet paid out to the Group as of December 31, 2024. These additional funds are presented in the pro forma balance sheet as part of cash and cash equivalents.
- (6) In 2025, further legal and consulting costs of around TEUR 1,250 were incurred in connection with the StaRUG proceedings. These costs are recognized as reducing earnings. At the same time, cash and cash equivalents are reduced.

Pro-Forma consolidated balance sheet post StaRUG**Transition StaRUG**

in EUR	<u>31.12.2024 (regular)</u>	Capital reduction	Bond restructuring	New shareholder loans	Costs StaRUG Proceedings	<u>31.12.2024 (Pro-Forma)</u>
<u>Assets</u>						
Non-current assets						
Intangible assets	3,00					3,00
Property, plant and equipment	302.361,71					302.361,71
Investment property	214.550.000,00					214.550.000,00
Loans	8.006.368,13					8.006.368,13
Other non-current assets	1.570.128,20					1.570.128,20
Deferred tax assets	70.349,99					70.349,99
Total non-current assets	224.499.211,03	0,00	0,00	0,00		224.499.211,03
Current assets						
Receivables from goods and services	-31.226,94					-31.226,94
Income tax receivables	259.565,95					259.565,95
Other current receivables and assets	712.666,59					712.666,59
Cash	2.337.125,50			6.385.900,00 (5)	-1.250.000,00 (6)	7.473.025,50
Total current assets	3.278.131,10	0,00	0,00	6.385.900,00	-1.250.000,00	8.414.031,10
Total assets	227.777.342,13	0,00	0,00	6.385.900,00	-1.250.000,00	232.913.242,13

Pro-Forma consolidated balance sheet post StaRUG

in EUR	31.12.2024 (regulär)	Capital reduction	Bond restructuring	New shareholder loans	Costs StaRUG Proceedings	31.12.2024 (Pro-Forma)
Transition StaRUG						
Liabilities						
Equity capital						
Share capital	23.431.820,00	-23.381.820,00 (1), (2)				50.000,00
Reserve	2.410.088,56	23.381.820,00 (1), (2)	51.670.704,75 (3)			77.462.613,31
Consolidated balance sheet result	-5.031.583,56				-1.250.000,00 (6)	-6.281.583,56
Equity attributable to shareholders of the parent company	20.810.325,00	0,00	51.670.704,75	0,00	-1.250.000,00	71.231.029,75
Non-controlling interests	8.221.724,86					8.221.724,86
Total equity	29.032.049,86	0,00	51.670.704,75	0,00	-1.250.000,00	79.452.754,61
Non-current liabilities						
Deferred tax liabilities	8.951.297,60					8.951.297,60
Bond	46.127.816,06		-46.127.816,06 (3)			0,00
Collateralised financial loans	74.340.436,99					74.340.436,99
Unsecured financial loans	2.586.005,06					2.586.005,06
Other non-current liabilities	1.258.475,59			6.385.900,00 (5)		7.644.375,59
Total non-current liabilities	133.264.031,30	0,00	-46.127.816,06	6.385.900,00	0,00	93.522.115,24
Current liabilities						
Collateralised financial loans	56.149.143,12					56.149.143,12
Unsecured financial loans	0,00					0,00
Liabilities from deliveries and services	621.433,82					621.433,82
Income tax liabilities	128.318,60					128.318,60
Other current liabilities	8.582.365,42		-5.542.888,69 (3)			3.039.476,73
Total current liabilities	65.481.260,97	0,00	-5.542.888,69	0,00	0,00	59.938.372,28
Total liabilities and equity	227.777.342,13	0,00	0,00	6.385.900,00	-1.250.000,00	232.913.242,12

Consolidated statement of comprehensive income / profit & loss statement for the 2024 financial year

in EUR	Appendix	01.01. - 31.12.2024	01.01. - 31.12.2023
Income from property management		16,365,286.88	15,729,753.20
Expenses from property management		<u>-9,084,270.98</u>	<u>-8,386,565.40</u>
Result from property management	9.1	7,281,015.90	7,343,187.80
Personnel expenses	9.2	-981,343.60	-1,057,273.51
Other operating income	9.3	281,348.02	787,683.57
Other operating expenses	9.4	-3,632,012.52	-2,841,969.95
		-128,608.03	-123,728.59
Depreciation and amortisation of property, plant and equipment and intangible assets			
Valuation result from investment property	8.1	<u>-14,066,170.00</u>	<u>-247,323.61</u>
Earnings before interest and taxes		-11,245,770.23	3,860,575.71
Financial income	9.5	1,060,676.60	627,554.27
Financial expenses	9.6	<u>-15,653,363.89</u>	<u>-11,122,840.52</u>
Earnings before taxes		-25,838,457.52	-6,634,710.54
Income taxes	9.7	<u>1,061,315.81</u>	<u>-343,397.45</u>
Consolidated net income / consolidated comprehensive income		<u>-24,777,141.70</u>	<u>-6,978,107.99</u>
of the Group result is attributable to:			
Shareholders of the parent company		-23,344,014.16	-6,948,865.37
Profit attributable to non-controlling interests		-1,433,127.54	-29,242.62

Consolidated cash-flow statement for the 2024 financial year

in EUR	Appendix	2024	2023
Earnings before interest and taxes	10.	-11,245,770.23	3,860,575.71
Non-cash expenses/income			
Valuation result from investment property		14,066,170.00	247,323.61
Depreciation and amortisation of property, plant and equipment and intangible assets		128,608.03	123,728.59
Change in receivables and other current assets		25,050.43	479,313.94
<u>Change in operating liabilities</u>		<u>349,717.19</u>	<u>612,741.69</u>
Operating cash-flow		3,323,775.42	5,323,683.54
Interest paid and ancillary financing costs		-6,723,523.75	-9,725,907.05
Interest received		388,715.64	49.70
<u>Income tax refunds (+) / Income tax payments (-)</u>		<u>-844,634.22</u>	<u>-725,865.74</u>
Cash-flow from operating activities		-3,855,666.91	-5,128,039.55
Payments for investments in investment property		-16,170.00	-347,323.61
Payments for investments in property, plant and equipment and intangible assets		-3,507.34	-40,658.10
<u>assets Cash-flow from investing activities</u>		<u>-19,677.34</u>	<u>-387,981.71</u>
Payments into equity		0.00	8,788,075.10
Proceeds from the raising of financial loans		2,807,361.12	39,061,121.96
Payments from the repayment of financial loans		-3,660,391.40	-38,100,769.01
Payments from the repayment of financial liabilities		-95,257.64	-86,727.63
<u>Cash-flow from financing activities</u>		<u>-948,287.92</u>	<u>9,661,700.42</u>
Net change in cash and cash equivalents		-4,823,632.17	4,145,679.16
<u>Cash and cash equivalents at the beginning of the period</u>		<u>7,160,757.67</u>	<u>3,015,078.51</u>
<u>Cash and cash equivalents at the end of the period</u>	8.6	<u>2,337,125.50</u>	<u>7,160,757.67</u>
of which freely available cash and cash equivalents at the end of the period		1,295,890.15	6,401,726.69
of which restricted cash at the end of the period		1,041,235.35	759,030.98

Consolidated statement of changes in equity for the 2024 financial year

in EUR	Share capital	Reserve	Consolidated retained earnings	The shareholders of the equity attributable to the parent company	Non-controlling interests	Total equity
Appendix	8.7	8.8	9.		8.9	
Status as of 01/01/2022	23,431,820.00	-17,289,387.67	23,904,568.66	30,047,000.99	8,390,906.74	38,437,907.73
Consolidated net income	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 consolidation circuit	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>572,144.22</u>	<u>572,144.22</u>
Status as of 31/12/2022 / 01/01/2023	23,431,820.00	-8,926,022.71	25,261,295.97	39,767,093.26	9,684,095.02	49,451,188.28
Consolidated net income	0.00	0.00	-6,948,865.37	-6,948,865.37	-29,242.62	-6,978,107.99
Contribution to the capital reserve	0.00	9,837,060.23	0.00	9,837,060.23	0.00	9,837,060.23
Change in the consolidation circuit	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
Status as of 31/12/2023 / 01/01/2024	23,431,820.00	911,037.52	18,312,430.60	42,655,288.12	9,654,852.40	52,310,140.52
Consolidated net income	0.00	0.00	-23,344,014.16	-23,344,014.16	-1,433,127.54	-24,777,141.70
Contribution to the capital reserve	0.00	1,499,051.04	0.00	1,499,051.04	0.00	1,499,051.04
Change in the consolidation circuit	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
Status as of 31/12/2024	23,431,820.00	2,410,088.56	-5,031,583.56	20,810,325.00	8,221,724.86	29,032,049.86

ESPG AG initiated restructuring proceedings under the StaRUG in 2024. These were approved by all creditor groups on December 4, 2024. Following the rejection of an objection, the proceedings were formally concluded on January 23, 2025. The capital increase planned as part of the StaRUG proceedings was registered on February 28, 2025. In this respect, the material effects of the proceedings will not be recognized until 2025 in the consolidated financial statements prepared in accordance with IFRS as applicable in the EU.

In order to illustrate the impact of the procedure on the Group's key financial figures, the following pro forma presentation of the consolidated balance sheet assumes that the material effects on the consolidated balance sheet could already be presented as of December 31, 2024.

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- (1) Simplified capital reduction to zero
- (2) Subsequent capital increase to EUR 50,000
- (3) Contribution of the claims arising from the assumption of debt in relation to the issued bond, including accrued bond interest, at their nominal value by BondCo and subsequent offsetting against the liabilities arising from the bond, including accrued interest.
- (4) The assumption of the existing shareholder loans, including capitalized interest, by way of a debt assumption with discharging effect by the new shareholder ESPG ReCapPartners SCSp, with no impact on the balance sheet presentation, as these were already reported in the reserves prior to the StaRUG proceedings.
- (5) The inclusion of additional shareholder loans of TEUR 6,386, which have been committed but not yet paid out to the Group as of December 31, 2024. These additional funds are presented in the pro forma balance sheet as part of cash and cash equivalents.
- (6) In 2025, further legal and consulting costs of around TEUR 1,250 were incurred in connection with the StaRUG proceedings. These costs are recognized as reducing earnings. At the same time, cash and cash equivalents are reduced.

Pro-Forma consolidated statement of changes in equity post StaRUG

in EUR	Share capital	Reserve	Consolidated retained earnings	The shareholders of the equity attributable to the parent company	Non-controlling interests	Total equity
Status as of 01/01/2024	23.431.820,00	911.037,52	18.312.430,60	42.655.288,12	9.654.852,40	52.310.140,52
Consolidated net income	0,00	0,00	-23.344.014,16	-23.344.014,16	-1.433.127,54	-24.777.141,70
Contribution to the capital reserve	0,00	1.499.051,04	0,00	1.499.051,04	0,00	1.499.051,04
Status as of 31/12/2024	23.431.820,00	2.410.088,56	-5.031.583,56	20.810.325,00	8.221.724,86	29.032.049,86
Measures in connection with the StaRUG proceedings						
Capital reduction (cf. Annex 1.a (1), (2))	-23.381.820,00	23.381.820,00	0,00	0,00	0,00	0,00
Bond restructuring (cf. Annex 1.a (3))	0,00	51.670.704,75	0,00	51.670.704,75	0,00	51.670.704,75
Costs of StaRUG proceedings (cf. Annex 1.a (6))	<u>0,00</u>	<u>0,00</u>	<u>-1.250.000,00</u>	<u>-1.250.000,00</u>	<u>0,00</u>	<u>-1.250.000,00</u>
Status as of 31/12/2024 "Pro Forma"	50.000,00	77.462.613,31	-6.281.583,56	71.231.029,75	8.221.724,86	79.452.754,61