

Press release from Green City AG

Green City AG convenes extraordinary general meeting

- **Loss of more than half of the share capital stated in the fiscal year 2021**
- **Write-downs at subsidiaries and expected loss for the fiscal year 2020**

Munich, 17 December 2021 – In accordance with section 92 (1) of the German Stock Corporation Act (AktG), Green City AG has today invited its shareholders in due form and time to an extraordinary general meeting on 20 January 2022 as it is assumed, based on dutiful discretion, that, due to necessary write-downs of receivables, investments in subsidiaries as well as due to expected revenue and earnings shortfalls, a loss of more than half of the company's share capital has occurred in the fiscal year 2021. Because of the COVID-19 pandemic, the meeting will be held online.

Green City AG is facing operational difficulties that are having an adverse impact on the financial position of the Group as a whole, as considerable delays are currently occurring at numerous important wind and solar parks of the Group. In view of the resulting loss of income, Green City AG expects a negative annual result for 2021.

Moreover, in the course of finalising the 2020 annual financial statements, Green City AG identified a need to write down project rights and provisions for future obligations from guarantee commitments, among other things. These result from reduced earnings, losses and delays from and in renewable energy projects, the recoverability of which must be adjusted downwards. The company now expects a negative overall result for the fiscal year 2020.

In addition, three subsidiaries – Green City Energy Kraftwerkspark II GmbH & Co. KG, Green City Energy Kraftwerkspark III GmbH & Co. KG and Green City Solarimpuls I GmbH & Co. KG, whose bonds are traded on the stock exchange – today informed the capital market that they are in a difficult financial situation.

Accordingly, Green City Energy Kraftwerkspark II GmbH & Co. KG may be at risk of insolvency and may be overindebted. Green City Energy Kraftwerkspark III GmbH & Co. KG and Green City Energy Solarimpuls I GmbH & Co. KG could possibly become insolvent and possibly overindebted.

This puts into question the existence of Group companies as a going concern and thus also the repayment of the bearer bonds and interest payments thereon. This is due to the fact that payments by Group companies on loan repayment claims are currently not secured. The payment of interest under the bearer bonds of Green City Energy Kraftwerkspark II GmbH & Co KG, which is due on 30 December 2021, is not secured.

“The present situation has diverse reasons”, says Jens Mühlhaus, CEO of Green City AG. “With the support from external experts, we are closely reviewing our economic and legal situation. We are doing everything we can to overcome the current challenges and then exclusively focus on our day-to-day business again.”

“We have taken immediate action to contain the negative impact on Green City Group’s financial position and are having the extent of the necessary write-downs reviewed,” says Chief Financial Officer Heike von der Heyden, whose team is assessing the overall situation. “To cope with the difficult situation, we are also swiftly developing a comprehensive restructuring concept.”

The key points of the restructuring concept, which Green City AG is developing in close cooperation with demps & partner, a renowned consulting firm based in Munich, will be communicated to company’s shareholders by the Management Board at the upcoming extraordinary general meeting on 20 January 2022.

Meanwhile, the business operations of Green City AG and its subsidiaries will continue unchanged.

About Green City AG: Energy for the city of the future

Green City AG stands for the acceleration of the energy transition, as converting our energy generation to 100% renewable energy is the critical climate protection measure. As a subsidiary of environmental protection association Green City e.V., Green City AG makes an essential contribution to a resource-independent and climate-friendly energy supply from wind and solar power plants. The Green City Group is an integrated provider for the development, construction, financing and operation of renewable energy plants in Europe. Green City AG has been awarded numerous prizes for its high sustainability standards and its commitment to the energy and transport transition, including the Corporate Design Award 2019, the 2018 Mobility Award of the Munich Metropolitan Region, the European Solar Award 2017, the Best Community Award 2016 and the Energy Globe Award 2013.

Further information: <https://ag.greencity.de/investor-relations/>

Corporate Communications contact: Martin Betzold, Green City AG, presse-ag@greencity.de