

Press Release

Insolvency proceedings of Green City AG have been opened - investor process is in final phase

- **Restructuring expert Axel W. Bierbach appointed insolvency administrator**
- **Stabilisation and continuation of business operations successful**
- **Restructuring process is well under way**
- **Investor talks are already well advanced/ Positive continuation forecast**

Munich, 02 May 2022 – The Munich Local Court opened insolvency proceedings against the assets of Green City AG on 01 May 2022 and appointed lawyer and restructuring expert Axel W. Bierbach from the law firm Müller-Heydenreich Bierbach & Kollegen (Munich) as insolvency administrator. Bierbach has already acted as provisional insolvency administrator for the holistic provider for the development, construction, financing and operation of renewable energy plants since the order for provisional insolvency administration was issued on 26 January 2022. During this period, he succeeded in stabilising and fully continuing the business operations with its approximately 120 employees and in initiating the necessary restructuring of the company. The investor process with the aim of selling the insolvent Energiewende company to a suitable buyer is progressing very promisingly and is already in the final phase.

“The examination of the economic situation of Green City AG with its approx. 150 domestic and foreign companies belonging to the group has proven to be extremely challenging. We are working with great effort on the disentanglement of the complex group structures, in particular on the separation of the numerous project companies from the overall group,” said insolvency administrator Axel Bierbach in Munich on Monday. The highest priority, he said, was to sell Green City AG’s project development business with a clear prospect of continuation. “The sale will secure the jobs and the economically and ecologically valuable projects for new power plants, as well as realise the proceeds necessary to satisfy creditors,” Bierbach said.

“We are doing everything we can to put the company in the best possible structural position in the run-up to the sale,” emphasised the insolvency administrator. For example, the project rights for a solar park in Brandenburg have already been sold; the insolvency administrator is currently examining and structuring numerous other assets in the project pipeline, which comprises several hundred megawatts, for sale. There is great interest in project rights for wind and solar power plants against the backdrop of the current market ramp-up in renewable energies. In the course of restructuring and focusing on its core business, Green City AG has also already sold its consulting subsidiary Green City Experience GmbH, which specialises in sustainable mobility and urban development, to a new shareholder.

“I am very pleased that during the period of provisional insolvency administration we managed to maintain Green City’s operating business in full and successfully bring the projects under construction online,” said restructuring expert Bierbach. Since the insolvency application, the wind farm in Merzig, Saarland, and two large solar parks in Saxony have been completed with a capacity of around 25 megawatts (MW). According to the insolvency administrator, the operation of the plants already in operation with a total output of around 150 MW has also been fully secured. “This is also thanks to the staff of Green City AG, who have worked with high motivation for the company in the last three months despite the stressful situation,” Bierbach said. The insolvency administrator emphasised that the prospects for the company and its employees to continue as a going concern were very good in view of the positive general conditions.

The structured investor process for the sale of Green City AG, which the insolvency administrator launched at the beginning of February with the involvement of ACXIT Capital Partners, an advisory firm specialising in M&A transactions, is progressing very promisingly. “There was an exceptionally high number of interested buyers. In the multi-stage investor process, we are now already in the third and final phase and are conducting concrete negotiations with a small selection of highly interested strategic investors,” Bierbach announced. The restructuring expert expects to be able to conclude the sales process for Green City AG by the end of May. “I am extremely confident that we will find a good going concern solution for the company by then, which will also enable the best possible satisfaction of the creditors,” Bierbach said.

For the likewise insolvent Green City Group companies GCE Kraftwerkspark I GmbH, Green City Energy Kraftwerkspark II GmbH & Co. KG, Green City Energy Kraftwerkspark III GmbH & Co. KG and Green City Solarimpuls I GmbH & Co. KG, the insolvency administrator is also examining various solution options.

Due to the complex situation, however, it will take quite some time before this is the case, Bierbach said. According to restructuring expert Bierbach, the insolvency proceedings for the four group companies are expected to be opened at the beginning of July.

Amount Müller-Heydenreich Bierbach & Kollegen

The law firm Müller-Heydenreich Bierbach & Kollegen (www.mhbk.de) has been specialising in restructuring and insolvency administration for many years and has offices throughout Bavaria. A total of six administrators handle insolvency proceedings at numerous local courts in Bavaria and Thuringia. The firm's particular strengths include transferring reorganisation, insolvency plan proceedings, self-administration as well as group and group insolvencies. In the renewable energy sector, the firm has handled the insolvencies of Donauer Solartechnik Vertriebs GmbH and Gehrlicher Solar AG, among others.

Lawyer and insolvency administrator Axel W. Bierbach specialises in business continuations and reorganisations in a wide range of industries. He has already handled a large number of insolvencies. Bierbach has extensive experience in the energy sector. Most recently, he handled the insolvencies of the low-cost electricity provider BEV Bayerische Energieversorgungsgesellschaft mbH and Fulminant Energie GmbH. Bierbach is a board member of the Association of Insolvency Administrators and Administrators in Germany (Verband Insolvenzverwalter und Sachwalter Deutschlands e.V.). (www.vid.de) as well as a member of the Gravenbrucher Kreis, the association of Germany's leading, supra-regionally active insolvency administrators and restructuring experts who act in accordance with the exclusive InsO Excellence standard (www.gravenbrucher-kreis.de). Bierbach is recommended as a top lawyer in the current industry rankings by JUVE, The Legal 500, Best Lawyers and WirtschaftsWoche.

About Green City AG i.I.

Green City AG stands for the acceleration of the energy turnaround, because the conversion of our energy production to 100 percent renewable energies is the decisive climate protection measure. Green City AG makes a significant contribution to a resource-independent and climate-friendly energy supply through 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 received numerous awards for its high sustainability standards and its commitment to the energy and transport turnaround, including the Corporate Design Award 2019, the Mobility Award of the Munich Metropolitan Region 2018, the European Solar Award 2017, the Best Community Award 2016 and the Energy GlobeAward 2013.

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