

Corporate News

ERWE Immobilien AG improves result in the third quarter

- **Income from property management increases by 40 percent**
- **Significant lease signing in large property leads to higher valuation**
- **Further increase in operating income expected**

Frankfurt/M., 12 November 2021. ERWE Immobilien AG (ISIN DE000A1X3WX6, ERWE), Frankfurt/Main, has improved its result in the third quarter of 2021 against the background of rising rental income and successful new lettings. Having achieved a net profit for the Group in the third quarter of the year, the negative half-year result of Euro 2.826 million was reduced by around Euro 0.7 million to a result of minus Euro 2.112 million after nine months – as expected. In the previous year ERWE had achieved a net result of Euro 3.749 million due to higher valuation effects.

The good operating performance of the first months continued in the third quarter. In the period under review, gross rental income increased by a good 40 percent to Euro 5.601 million (previous year: Euro 3.991 million). Accordingly, the result from property lettings improved to Euro 3.286 million (Euro 2.316 million).

A significant new letting in ERWE's second property in Krefeld had a positive effect on the valuation of the property. This was the main effect on the valuation result of Euro 5.399 million, which is Euro 3.736 million higher than the figure for the first six months. In the same period of the previous year, ERWE had reported a valuation result of Euro 8.890 million.

Other key economic data show only minor changes in ERWE Group's nine-month financial statements. ERWE's consolidated balance sheet total increased slightly from the beginning of the year to Euro 221.3 million (Euro 215.2 million) as a result of the investments in the properties. In this respect, the increase is also reflected in the value of the investment property portfolio, the volume of which increased to Euro 200.6 million (Euro 192.7 million).

There was hardly any change in our financial performance indicators. The equity ratio increased slightly to 27.9 per cent (end of 2020: 27.1 per cent) due to the capital increase carried

out by ERWE in July of the year. At 63.5 per cent, the loan-to-value was only marginally above the level of 63.1 per cent at the end of 2020. Net asset value (NAV) at Euro 73.0 million and net reinstatement value (NRV) at Euro 80.7 million were both around seven per cent higher than at the end of 2020. Due to the increase in the number of shares as a result of the capital increase, the values per share for NAV fell from Euro 4.12 to Euro 4.01 and for NRV from Euro 4.87 to Euro 4.73.

"The successful letting in Krefeld exemplifies once again how viable and successful our mixed-use concepts are and how we can make an important contribution to the modernisation and revitalisation of German city centres through targeted revitalisation or new development," says Rüdiger Weitzel, member of the Board of Management of ERWE Immobilien AG. A long-term lease has been signed with a telecommunications group for the property in Krefeld.

We are confident for the remaining period of the current year", says Rüdiger Weitzel. "We expect a further increase in our income from existing properties". In addition, ERWE is planning further acquisitions. "We have a great many opportunities to acquire good properties with corresponding value creation potential in interesting locations."

ERWE Immobilien AG focuses on building a profitable portfolio of mixed-use properties in the office, service, retail, hotel and residential sectors. Its preferred sites are promising downtown locations in German cities and exclusively prime locations in smaller towns and municipalities. ERWE acquires properties whose potential value growth can be sustainably exploited by introducing new utilisation concepts. This way, the company aims to build a highly profitable and valuable portfolio with substantial revenue growth. ERWE Immobilien AG is listed in the Regulated Market (Prime Standard) in Frankfurt and in open trading on the stock exchanges in Frankfurt am Main (XETRA), Berlin, Düsseldorf and Stuttgart (ISIN: DE000A1X3WX6).

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