

Corporate News

ERWE Immobilien AG raises profit in 1st half of 2020

- **Half-year consolidated net income of Euro 5.559 million**
- **Net asset value (NAV) per share increased to Euro 4.40**
- **Occupancy rate improved to 83.1%**

Frankfurt am Main, 31 August 2020. ERWE Immobilien AG (ISIN DE000A1X3WX6, ERWE), Frankfurt am Main, defied the difficult macroeconomic situation and the restrictions imposed due to the coronavirus pandemic and posted a better performance in the first half of 2020 than in the previous year. The company improved its consolidated net income for the first six months to Euro 5.559 million (H1 2019: Euro 2.782 million). Alongside rising revenues from the growing property portfolio, earnings benefited once again from the company's successful acquisition policy. In addition to the acquisition of further properties, the company's earnings figures also benefited from the reversal of deferred taxes in the amount of Euro 2.629 million. EBIT adjusted for one-off items of Euro 5.959 million came in slightly below the result of the comparative figure of the first half of 2019 (Euro 6.911 million).

The income statement of ERWE Immobilien Group reflects the growth achieved. The Group's lettable space rose year-on-year to 71,674 m² at the end of June 2020 (41,168 m², 54,558 m² including parking space). The occupancy rate improved by 8.3 percentage points to 83.1 percent in the period under report. Rental income was affected to a minor extent by the coronavirus crisis.

Gross rental income rose to Euro 2.224 million (H1 2019: Euro 1.673 million). Net of expenses, earnings from property lettings amounted to Euro 1.314 million (H1 2019: Euro 0.679 million).

Thanks to the successful issue of its first 2019/2020 corporate bond, ERWE has received adequate funds to take further growth steps. "Given the coronavirus pandemic, we adopted a cautious approach and have not yet channelled all the funds into new properties", comments ERWE Director Rüdiger Weitzel.

The company nevertheless drew on three opportunities in the first half of the year. Alongside its investment in Coesfeld, ERWE also made a second investment in a prime downtown location in Krefeld. Here, the company will construct a new building tailored to the future needs of the city. "We see ourselves as very well positioned in Krefeld, not least because of our first

investment where we have let all the office space to the city administration on a long-term basis”, he adds. Furthermore, ERWE concluded a contract to acquire a commercial property in Darmstadt in an excellent location for development.

The key financial performance indicators continued to develop satisfactorily. Based on total assets of Euro 171.999 (end of 2019: Euro 131.910 million), the equity ratio came to 30.47 percent at the end of June. Due to the taking up of the bond, the loan-to-value figure stood at 57.2 percent at the balance sheet date, compared with 46.6 percent at the end of 2019. Group LTV thus remains within the target corridor of less than 60 percent. The valuation of ERWE’s assets is reflected in its net asset value per share, which rose from Euro 4.22 at the end of 2019 to Euro 4.40 and is thus still higher than the listed share price.

ERWE intends to grow further in the coming months and beyond. The medium-term goal remains building up a portfolio with a total value of around Euro 500 million to Euro 1 billion. To reach this target ERWE will continue to make use of appropriate capital measures. These are currently being prepared and will be implemented in several steps.

ERWE Immobilien AG focuses on developing a highly profitable commercial real estate portfolio. Its preferred sites involve 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 (General Standard) in Frankfurt and in open trading on the stock exchanges in Frankfurt am Main (XETRA), Berlin, Düsseldorf and Stuttgart (ISIN: DE000A1X3WX6).

Contact for enquiries:

german communications AG
Jörg Bretschneider
Milchstr. 6 B
20148 Hamburg
T. +49-40-4688330, F. +49-40-46883340
presse@german-communications.com

ERWE Immobilien AG
Christian Hillermann
Herriotstrasse 1
60528 Frankfurt am Main
T. +49-69 96376869-0, F +49-69-96376869-30
c.hillermann@erwe-ag.com