



30.09.2022

9M-REPORT



The first 9 months 2022 at a glance

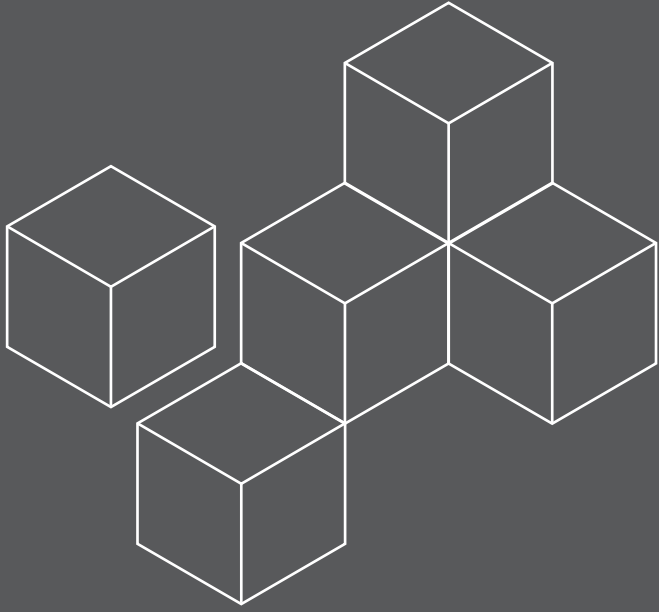
Key Figures

Income statement (EUR 000s)	30 Sept 2022	30 Sept 2021		30 Sept 2022	31 Dec 2021
Gross rental income	6,798	5,601	Total assets	244,656	220,101
Earnings from property lettings	4,228	3,286	Equity	57,753	53,550
EBIT	25	3,790	Number of shares (pc.)	24,562,922	18,219,214
Adjusted EBIT	-414	3,790			
Consolidated net income	-4,863	-2,113	Properties		
			Inventory properties	7	5
Balance sheet (EUR 000s)	30 Sept 2022	31 Dec 2021	Project developments	3	3
Investment properties	225,467	195,495	Participating interest	1	1
Investments in associates	1,073	1,411	Lettable space in qm*	88,996	72,746
Participating interests	8,751	8,751	Occupancy rate in %*	90.6	89.3
Net Reinstatement Value (EPRA)	83,563	77,149			
NRV per share (EUR)	3.40	4.23			
LTV (in %)	70.8	67.8			

Note: * Only Inventory Properties



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Letter from the Board of Directors

Ladies and Gentlemen,
Dear Shareholders,

The very difficult general conditions have continued as the year has progressed. The various crises, starting with the war in Ukraine, through interrupted supply chains, sharply rising inflation and an increasing energy crisis, threaten to stifle economic development. In order to curb inflation, the central banks have once again raised key interest rates significantly, in Europe by the European Central Bank (ECB) and in the USA by the Federal Reserve Bank by 0.75 percentage points in each case, which puts an even greater strain on the refinancing sector, especially in the real estate market, but also on the overall economic development.

But despite the bundle of crises, there are also positive signals. For example, contrary to general expectations, the German economy did not slip into recession in the third quarter of the year, but was even able to achieve slight growth in gross domestic product of 0.3 per cent. On the front of sharply increased energy prices, a slight easing has been evident since mid-October. Gas prices, which had still risen to an unprecedented record high in August, have meanwhile come down substantially again. Market observers believe that inflation in Germany peaked in October at 10.4 per cent. In fact, the US inflation rate in October already decreased by half a percentage point to 7.7 per cent compared to the September figure. ECB President Lagarde had made it clear during the latest interest rate hike that a substantial part of the "monetary tightening" had already happened.

Of course, this does not mean that there is a real end to all crises, nor is there any foreseeable end in sight. Against this backdrop, ERWE Immobilien AG is consistently pursuing its path of cautiously expanding its portfolio, increasing

rental income and developing its land and portfolio properties. In the reporting period of the first nine months of the current business year, we were able to further increase the income from property management and also establish new tenancies within the portfolios or consolidate and expand existing ones. In addition, we made further investments in the reporting period. In both Wuppertal and Bremerhaven, one property was acquired in a central location, whose combined rental space of 15,500 sqm is fully let to C&A on a long-term basis. In the portfolio properties in Speyer ("Postgalerie"), Lübeck (L I C H T H O F) and in Coesfeld ("Kupferpassage"), leases were extended with existing tenants for a total area of around 9,200 sqm. In addition, negotiations are currently underway with interested parties for new leases of around 6,700 sqm of space.

At L I C H T H O F in Lübeck's Old Town, where the main tenant, the City of Lübeck, operates a community centre and has established other administrative units, the occupancy rate increased from 76.2 to 76.8 per cent compared to the end of June this year. One existing

tenant significantly increased its space and opened a new office in September. Building permission for the conversion of office space into flats was already granted in the first quarter. We have concluded a letter of intent with an interested party for the basement that is still vacant.

We are negotiating with companies from the medical sector as well as with fitness facilities and restaurants about the space still available in the Postgalerie Speyer. The new tenant, the first from the medical sector in the Postgalerie, an eye clinic, has started operations. In addition, leases were extended with two existing tenants.

A new, long-term lease agreement for a reduced area was agreed with our main retail space tenant C&A in the City-Colonaden in Krefeld. There is already good demand for the vacant space of around 2,500 sqm. An area of about 1,250 sqm on the ground floor is expected to be re-let to a retailer from the food sector, and another partial area of about 500 sqm on the first floor will be let to an office tenant.



In the Kupferpassage in Coesfeld near Münster, a significant space was also re-let to an existing tenant during the reporting period. As several flats are currently being refurbished for upcoming new lettings, the current occupancy rate of 91.6 per cent will continue to rise.

Our new building in the centre of Krefeld is also making progress. On 23 November 2022, we celebrated the laying of the foundation stone in a festive event. More than two thirds of the new space have already been let. We are conducting promising negotiations with several prospective tenants for the remaining space.

In our commercial property near the A5 motorway in Darmstadt, construction work is scheduled to begin next year after an appropriate pre-letting quota has been achieved. The demolition permit has already been obtained and the building permit is expected soon. The planned new building will have about three times as much space as the existing property.

The start of construction of the new TAUNUS LAB business centre in Friedrichsdorf near Bad Homburg v.d.H. continues to depend on the letting of at least two thirds of the space. In the meantime, building permission has been granted for the first construction phase.

Already in June, our shareholder Elbstein AG became significantly more involved in the course of a cash capital increase of our share capital from the previous 18,249,214 Euros by 6,343,708 Euros to 24,592,922 euros and now directly and indirectly holds a 37.3 percent stake in

ERWE, making it the largest single shareholder. We had expressly welcomed this commitment in the sense of the further development of the company.

The income statement of our Group for the first nine months of the current year shows the improved operating situation in letting. Gross rental income rose by 21.4 percent to 6,798 million Euros (same period last year: 5,601 million Euros). As in the first quarters of this year, earnings from property lettings after nine months have increased disproportionately by 28.6 percent to 4,228 million Euros (same period last year: 3,286 million Euros).

After deduction of only slightly changed expense items, the Group reported earnings before interest and taxes of 0.024 million Euros for the period from January to the end of September, compared to 3,789 million Euros in the same period of the previous year. The difference is mainly due to the lower net result from the fair value measurement of investment property, which fell to 0.611 million Euros compared to 5,398 million Euros in the previous year. After deducting financial expenses, which rose to 5,338 million Euros (5,170 million Euros), and a positive effect from tax calculations of 0.437 million Euros, a consolidated result of minus 4,863 million Euros (previous year: minus 2,112 million Euros) remained.

The development of the balance sheet total reflects the investments in the new properties as well as in the development of the portfolio properties. As a result of the increased volume of investment properties to 225,467 million Euros as of the reporting date (end of 2021: 195,495

million Euros), the consolidated balance sheet total rose to 244,656 million Euros (end of 2021: 220,101 million Euros).

The EPRA NRV per share was 3.40 Euros at the end of the reporting period compared to 4.23 Euros at the beginning of the current financial year. The decline is largely due to the dilution effect from the capital increase. The loan-to-value (LTV) was 70.8 per cent at the end of September 2022 (67.8 per cent at the end of 2021).

We are cautiously optimistic about the year as a whole. The increased demand for rental space in our portfolios and the success of our developments make us confident that our mixed-use concepts will allow us to achieve sustainable success for our properties. In the current year, gross rental income should continue to rise significantly. Further capital measures are planned in order to take advantage of the abundant opportunities for further acquisitions.

We would like to thank Mr Axel Harloff, the co-founder of ERWE Immobilien AG, who left the company in October of the year when his contract expired, for his high level of commitment, his support and the many good initiatives he took to develop our company.

Kind regards



Rüdiger Weitzel / Director

Frankfurt am Main, November 2022



Consolidated Balance Sheet

as of 30 September 2022

Assets

EUR	30 September 2022	31 December 2021
Non-current assets		
Property, plant and equipment and intangible assets	1,235,528	1,431,366
Investment properties	225,466,983	195,495,000
Investments in associates	1,072,755	1,410,755
Participating interests	8,750,877	8,750,877
Prepayments made for property, plant and equipment and intangible assets	1,676,898	0
Prepayments made for investment properties	0	52,094
Prepayments made for investments in associates	0	1,256,000
	238,203,041	208,396,092
Current assets		
Trade receivables and other receivables	163,757	611,257
Receivables from companies linked by virtue of investment	578,624	883,806
Other assets	3,522,780	1,600,979
Income tax receivables	10,031	36,298
Cash and cash equivalents	2,178,232	8,573,056
	6,453,424	11,705,395
Total assets	244,656,465	220,101,487



Liabilities

EUR	30 September 2022	31 December 2021
Equity		
Share capital	24,562,922	18,219,214
Capital reserve	17,410,142	14,687,361
Revenue reserves	14,357,111	14,357,366
Accumulated net profit	-804,449	3,802,797
Equity attributable to shareholders in the parent company	55,525,726	51,066,738
Non-controlling interests	2,227,447	2,482,949
	57,753,173	53,549,687
Non-current liabilities		
Financial debt	102,270,117	113,076,405
Provisions	163,541	975,456
Lease liabilities	1,431,954	1,804,018
Deferred tax liabilities	10,689,658	11,133,137
	114,555,271	126,989,016
Current liabilities		
Income tax liabilities	259,267	0
Financial debt	65,649,140	34,757,455
Trade payables	131,903	227,011
Liabilities to associates	526,301	1,221,142
Liabilities to companies in which participations are held	0	139,200
Lease liabilities	497,460	503,300
Other liabilities	5,283,950	2,714,676
	72,348,021	39,562,784
Total equity and liabilities	244,656,465	220,101,487



Consolidated Statement of Comprehensive Income

for the Period from 1 January to 30 September 2022

EUR	01 Jan 2022 - 30 Sept 2022	01 Jan 2021 - 30 Sept 2021
Gross rental income	6,797,988	5,601,305
Expenses from property lettings	-2,570,401	-2,314,824
Earnings from property lettings	4,227,587	3,286,481
Other operating income	1,210,643	1,144,893
Personnel expenses	-3,405,286	-3,440,955
Other operating expenses	-2,281,764	-2,485,070
Result from measurement of investment properties	611,600	5,398,571
Result from associates measured at equity	-338,000	-114,200
Earnings before interest and taxes (EBIT)	24,781	3,789,720
Financial income	13,126	12,430
Financial expenses	-5,338,230	-5,170,344
Earnings before taxes	-5,300,323	-1,368,194
Taxes on income	437,320	-744,325
Consolidated net income / comprehensive income	-4,863,003	-2,112,519
of which attributable to:		
Shareholders in parent company	-4,607,246	-1,939,100
Non-controlling interests	-255,757	-173,418
Basic earnings per share	-0,22	-0,11
Diluted earnings per share	-0,22	-0,11



Consolidated Statement of Changes in Equity

for the Period from 1 January to 30 September 2022

EUR	Share capital	Capital reserve	Revenue reserves	Accumulated net profit	Total	Non-controlling interests	Total equity
Balance at 1 Jan 2022	18,219,214	14,687,361	14,357,366	3,802,797	51,066,738	2,482,949	53,549,687
Consolidated net income / comprehensive income	0	0	0	-4,607,246	-4,607,246	-255,757	-4,863,003
Capital increase	6,343,708	3,171,854	0	0	9,515,562	0	9,515,562
Cost of raising equity	0	-449,074	0	0	-449,074	0	-449,074
Other changes	0	0	-255	0	-255	255	0
Balance at 30 Sept 2022	24,562,922	17,410,142	14,357,111	-804,449	55,525,726	2,227,447	57,753,173
	Share capital	Capital reserve	Revenue reserves	Accumulated net profit	Total	Non-controlling interests	Total equity
Balance at 1 Jan 2021	16,562,922	11,020,843	14,359,044	13,004,593	54,947,402	3,440,283	58,387,685
Consolidated net income / comprehensive income	0	0	0	-1,939,100	-1,939,100	-173,418	-2,112,519
Capital increase	1,656,292	3,809,472	0	0	5,465,764	0	5,465,764
Cost of raising equity	0	-114,712	0	0	-114,712	0	-114,712
Balance at 30 Sept 2021	18,219,214	14,715,603	14,359,044	11,065,493	58,359,353	3,266,865	61,626,218



EPRA NRV

as of 30 September 2022

EUR 000s	30 September 2022	31 December 2021
Equity	57.753	53.550
- non-controlling interests	-2.227	-2.483
Equity attributable to ERWE shareholders	55.526	51.067
Liabilities for deferred taxes on investment properties, where attributable to shareholders in parent company	14.701	14.467
Property acquisition tax on investment properties	13.336	11.615
EPRA NRV	83.563	77.149
Number of shares	24,562,922	18,219,214
EPRA NRV per share	3.40	4.23

Adjusted EBIT

for the Period from 1 January to 30 September 2022

EUR 000s	2022	2021
Consolidated net income	-4,863	-2,113
+ taxes	-437	744
+/- financial income/costs	5,325	5,158
+/- non-recurring and special items	-439	0
Adjusted EBIT	-414	3,790



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