

The background of the entire page is a low-angle, upward-looking photograph of modern skyscrapers with glass facades. The buildings are bathed in a cool, blue light, suggesting either dawn or dusk. The perspective creates a sense of height and architectural grandeur. The ERWE logo is positioned in the upper right corner, and the report title is in the lower left corner.

ERWE
IMMOBILIEN

HALF-YEAR-REPORT
30 JUNE 2019
ERWE IMMOBILIEN AG

KEY FIGURES

ERWE IMMOBILIEN AG

	Financial year	
	30 June 2019	30 June 2018
INCOME STATEMENT (EUR 000s)		
Gross rental income	1,673	576
Earnings from property lettings	679	243
EBIT	5,985	8,628
Adjusted EBIT	6,911	8,628
Consolidated net income	2,782	5,315
BALANCE SHEET (EUR 000s)		
Investment properties	113,747	101,910*
Interests in properties	5,886	4,586*
Net asset value (EPRA)	66,767	48,767
NAV per share	4.03	4.80
LTV (%)	40.1	51.8
Total assets	131,453	127,120*
Equity	52,368	46,453*
Number of shares (000s)	16,563	10,163
PROPERTIES		
Inventory properties	3	3
Project developments	1	1
Participating interests	1	0
Lettable space in m ² **	41,168	41,168
Occupancy rate in % **	75	64

* Deadline for annual financial statements 31 Dec. 2018

** only inventory properties

HALF-YEAR-REPORT
I JANUARY 2019 - 30 JUNE 2019
ERWE IMMOBILIEN AG

This Half-Year-Report was published on 13 August 2019.
This English version is a translation of the legally definitive
German version.

CONTENTS	
Management Board Foreword	04
Interim Management Report	08
Interim Consolidated Financial Statements	12
Balance Sheet	13
Income Statement	14
Cash Flow Statement	15
Development in Equity	16
Notes to Interim Consolidated Financial Statements	16
Insurance of Legal Representatives	23





*Dear Ladies and Gentlemen,
Dear Shareholders,*

The first six months of the current financial year were marked by follow-up work resulting from the substantial investments we made in the 2018 financial year. The properties we took over last year have to be restructured, renovated and revitalised, all with the aim of achieving sustainable full occupancy rates and thus generating significant and stable value growth.

The sole exception involved taking over land of around 3.3 hectares in total in Friedrichsdorf in the Greater Frankfurt region. There too, however, the acquisition phase already took place well in the past. Having met the necessary preconditions, namely ensuring readiness for construction, the company took the land into its own portfolio in line with its previous plans. In Friedrichsdorf as well, the period under

report was characterised by the work performed to develop a solid commercial property portfolio at this sought-after location close to Bad Hamburg v.d.H. Even now, we are already witnessing considerable demand for the usable space at the emerging TAU-NUS LAB Business Park, and that at prices higher than we calculated.

Our strategy is beginning to prove its worth, as is demonstrated by two major lettings agreed in the first six months of the year. In Lübeck, we were able to let around 7,700 m², and thus more than half the space, at the former shopping centre Königspassage to the City of Lübeck. Once the relevant conversion work is completed, the city administration will be establishing a civic centre with citizens' services. We plan to hand over the first surfaces at the beginning of the



coming year. This success was supplemented by a major letting at the Frankfurt Airport Center opposite Terminal A at Frankfurt Airport, where space of more than 5,000 m² has been let to a large publicly listed company. This means that around 94 percent of the space has now been let. The degree of interest in the remaining space is currently so great that we expect the building to be fully let before the end of this year.

These pleasing developments make us optimistic that we can be just as successful with further acquisitions. Now that the period of consolidation in the first months of the year is over, we have set our sights once again on new and highly interesting properties. We would like to take these over in the second half of the year and then turn them into equally successful properties within our portfolio. To finance these

plans, we have decided to issue a corporate bond with a volume of EUR 40 million. This will enable us to continue growing into a major portfolio holder of highly profitable commercial properties.

Frankfurt am Main, in August 2019

ERWE Immobilien AG

Axel Harloff
Management Board
Member

Heinz-Rüdiger Weitzel
Management Board
Member

INTERIM GROUP MANAGEMENT REPORT

of ERWE Immobilien AG for the 1st Half of 2019

I. Company fundamentals

1.1 Business model

ERWE Immobilien AG focuses on developing a highly profitable commercial real estate portfolio. Its preferred sites involve promising downtown commercial real estate in prime locations in small and medium-sized towns and cities with more than 10,000 inhabitants. 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 invests in particular in real estate that is well located and, following targeted measures, suitable for new concepts tailored to the needs of new tenant groups. The concepts implemented include rededicating properties as attractive office space or for hotels and gastronomy. The enhanced experience offered to visitors to these downtown sites also enables the space to be sustainably let to select retail companies. Here, the company benefits from the longstanding experience and wide network of its Management Board and employees.

ERWE Immobilien AG is listed in the Regulated Market (General Standard) at the Stock Exchange in Frankfurt a.M. (XETRA) and in open trading in Berlin and Düsseldorf (ISIN: DE000A1X3WX6).

1.2 Group structure and management system

ERWE Immobilien AG is the holding company of the ERWE Group and performs central management functions. Via subsidiaries held directly and indirectly, the company owns participating interests in various properties. The company is in some cases linked to its subsidiaries by way of agency agreements and also provides financing in the form of loans to the subsidiaries.

1.3 Financial performance indicators

The company's financial performance indicators are adjusted EBIT, net asset value (NAV) and the loan-to-value (LTV) gearing indicator. The occupancy rate for portfolio properties serves as a nonfinancial performance indicator.

II. Business report

2.1 Macroeconomic and sector-specific framework

In 2019, the German economy has appeared unable to maintain its 10-year growth course in the same way as in previous years. Gross domestic product for the first three months of the year still grew by 0.6 percent compared with the previous year's quarter and by 0.4 percent compared with the previous quarter. Many leading institutes have nevertheless cut their forecasts for 2019 as a whole. The IMF now only expects Germany to generate growth of 0.7 percent in 2019, compared with 1.5 percent in 2018. This slowdown in the country's economic growth is due to both internal and external factors: Within Germany, capacity utilisation rates are high in nearly all sectors of the economy, while outside the country the global economy faces uncertainties, particularly with regard to the trade war between the US and the People's Republic of China.

The dip in growth caused the US Federal Reserve to cut interest rates for the first time once again in July 2019. The Federal Reserve's aim of returning interest rates to previously normal levels therefore appears to have failed. The European Central Bank is also maintaining its low interest rate policy. Market interest rates, particularly for building and property financing, are at historic lows, while the yields on ten-year government bonds are negative.

2.2 Developments in the German commercial property market

Developments in the German real estate sector are being driven once again in 2019 by favourable financing terms and ongoing high demand for residential and office space. The volume of office lettings in the country's seven largest conurbations, for example, grew by a further 5.4 percent in the first half of 2019. This indicates that the letting market is slowly reaching capacity. The cumulative vacancy rate fell year-on-year by a further percentage point to 3.3 percent. Given the clouds on the global economic horizon, the mood among investment companies that invest in larger-scale real estate portfolios is more subdued. At the same time, interest-bearing assets, and especially apartment blocks in conurbations, are being traded at unprecedentedly high prices.

2.3 Business performance and company position

Major events in the first half of 2019

Following its extensive acquisition activities in the 2018 financial year, ERWE did not acquire any further properties in the first half of 2019. Following a long period of preparation, however, at the beginning of the year the company took over pieces of former agricultural land with surfaces of around 3.3 hectares in Friedrichsdorf. At this location close to Bad Homburg v.d.H., and thus in the Greater Frankfurt region, the company plans to build "TAUNUS LAB" – a business park offering total usable space of around 58,000 m².

The local authority has already begun work on developing and accessing the site. The building applications needed to build the first section of the business park will be submitted in the third quarter. As well as the surfaces now taken over, ERWE still has options contractually agreed with the town of Friedrichsdorf concerning the acquisition of a further total of around 1.2 hectares of building land. The construction measures will be gradually implemented once the buildings have been suitably let.

A further major event in the first half of the 2019 financial year involved letting around 7,700 m², and thus just over half of the Königspassage shopping centre in Lübeck to the city administration. Once the relevant conversion work is completed, the city administration will be establishing a civic centre with citizens' services. The first surfaces will be handed over at the beginning of next year already. This means that the long-term lettings status has already reached around two thirds of the space.

Letting these premises to the City of Lübeck has also already created new opportunities for use. Since then, numerous potential tenants who have identified synergies for themselves have indicated their interest in letting smaller surfaces in particular. Since the beginning of the year, work has been underway on converting the premises and reorganising the layout. A further major lettings success was achieved at Airport Center 1 at Frankfurt Airport, a property in which ERWE holds a 10.1 percent stake. In mid-May, a surface of 5,044 m² was let to a large, publicly listed company that has withheld its name. This means that around 92 percent of the space has already been let out. The level of interest shown in the remaining surfaces is so great that the building is expected to be fully let before the end of this year.

In Speyer, conversion work is underway, particularly on building the hotel space let out to the hotel operator Amedia last year already. Following approval of the conversion work, the architectural scheme was also approved in February. Speyer City Council is expected to decide in August on the conclusion of an urban development agreement.

At the portfolio property in Krefeld, the rental agreement with the existing tenant still has a longer term. Negotiations are underway concerning a new letting for the parking block. For the vacant office space of around 2,700 m², potential interested tenants have already reserved initial space. Work on refurbishing the portfolio property has now also begun.

2.4 Notes on earnings, financial and asset position of the Group

Earnings position

The consolidated income statement of ERWE Immobilien AG shows gross rental income of EUR 1.673 million for the first six months of the 2019 financial year. Net of expenses from property lettings, earnings from property lettings came to EUR 0.679 million. The fair value measurement of investment properties pursuant to IFRS led to income of EUR 5.763 million, which is mainly attributable to measurement of the land in Friedrichsdorf. The pleasing lettings situation led to a value adjustment for the Airport Center property, in which ERWE holds a 10.1 percent stake. In line with its shareholding, this led to income of EUR 1.3 million at ERWE in the first half. This has been recognised under income from associates measured at equity.

Other operating expenses amounted to EUR 1.39 million. Net of financial costs and taxes, consolidated net income totalled EUR 2.781 million in the first half of 2019. EBIT, a key indicator for ERWE; came to EUR 5.985 million. Comparison with the previous year's figures is not meaningful, as ERWE only took up its business activities as a real estate company on 2 May 2018.

Financial position

The cash flow statement reflects the considerable investment efforts being made by the Group in the current 2019 financial year as well. A combined total of EUR 4.265 million was thus channelled into purchase price payments and investments in real estate. Operating activities resulted in a net outflow of funds amounting to EUR 4.567 million. Cash and cash equivalents which, mainly as a result of the recently executed cash capital increase had amounted to EUR 19.15 million as of 31 December 2018, halved to EUR 9.62 million at the end of the first half of 2019.

Asset and capital structure

Due above all to the land taken over in Friedrichsdorf, the consolidated balance sheet grew further and included total assets of EUR 131.453 million at the end of the period under report, as against EUR 127.12 million as of 31 December 2018. The largest balance sheet item involves investment properties,

which amounted to EUR 113.747 million compared with EUR 101.91 million at the end of the past financial year. Given the financing needed to acquire the aforementioned pieces of land, invest in the existing portfolio, repay financial debt and finance current operations, cash and cash equivalents fell to EUR 9.62 million (end of 2018: EUR 19.151 million).

Notwithstanding its massive investment activities, which were mainly financed by debt capital, ERWE's consolidated balance sheet reflects the strength of the company's equity resources. The equity ratio came to 39.8 percent at the end of June 2019. This is because the net balance of current and non-current financial debt did not increase, while consolidated net income led shareholders' equity to rise to around the same proportionate extent as total assets.

Consistent with these developments, the loan-to-value key figure was once again very strong at 40.1 percent, as against 36.8 percent at the end of 2018. This means that ERWE continues to enjoy substantial scope for implementing further growth financing. The valuation of ERWE's assets is reflected in a net asset value per share of EUR 4.03, and thus unchanged on the end of 2018. This was significantly higher than the listed share price upon these interim financial statements going to print.

Overall summary of Group's economic position

ERWE Immobilien AG has documented once again in the current 2019 financial year that it has the right business model and strategy. Not only that, the investments made in the period under report enabled the properties to make significant progress in terms of their development. Furthermore, the company's strategy, namely of taking over properties, making targeted investments enabling these to be let to new groups of users and then benefiting from sustainable revenues and strong property valuations, is proving its worth.

III. Outlook

The overall economic climate is expected to deteriorate further in the second half of 2019. The conditions in which ERWE Immobilien AG operates are

nevertheless positive. Following the turnaround in interest rate policy in the USA, interest rates are expected to remain low. Demand for interest-bearing assets, and particularly real estate, is therefore set to remain high. As the company is preparing capital measures for further investments, the demand shown by investors for real estate companies can be expected to impact positively on ERWE as well.

ERWE is continuing to pursue the medium-term objective of building up a portfolio with a total value of around EUR 500 million to EUR 1 billion. In June of this year, the Management Board decided to issue a corporate bond with a total nominal amount of EUR 40 million. This nominal amount may be increased in tranches by a further EUR 20 million. With regard to investing the funds thereby collected, ERWE has several specific investment opportunities in its sights.

Based on the successes reported for the second quarter, and in particular the letting of Königspassage to the City of Lübeck and full occupancy now emerging at the Airport Center, ERWE's economic basis has also improved further. In the second half of 2019, the company will continue implementing its planned investments in order to enhance the portfolio properties acquired and prepare them for sustainable, high-quality letting.

IV. Opportunity and risk report

This abridged opportunity and risk report represents an update of the latest regular opportunity and risk report in the Annual Report as of 31 December 2018 and does not include all necessary information and disclosures. It should therefore always be viewed in conjunction with the opportunity and risk report prepared as of 31 December 2018.

4.1 Opportunities

Like its business risks, the opportunities facing ERWE mainly relate to its further development and growth as a real estate company focusing on commercial properties in Germany. In the first half of 2019, the company was able to further expand its portfolio. The acquisition of land in Friedrichsdorf, where a

new business park is due to arise, has increased the company's total assets. By making such acquisitions, ERWE is accessing substantial opportunities for its portfolios. With a targeted investment strategy, it aims to consistently increase the value of the real estate and generate sustainable revenues from its portfolios.

4.2 Risks

4.2.1 Macroeconomic and sector-specific risks (market risks)

The ERWE Group primarily generates its revenues by letting properties in Germany. In view of this, it pursues a strategy of holding, expanding and optimising its portfolio.

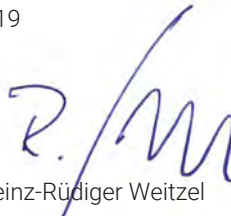
No further risks arose in the first half of 2019 compared with all the risks indicated in the Annual Report for the 2018 financial year. The risks outlined in the 2018 Annual Report also apply to the pieces of land in Friedrichsdorf now included in the balance sheet.

4.3 Overall summary

The Management Board basically expects stable macroeconomic developments and ongoing positive developments on the capital market. Due in particular to crises of confidence recurring on a cyclical basis, macroeconomic developments and the capital markets are nevertheless exposed to risks both now and in future. In its new business environment, ERWE's earnings performance will significantly depend on the development in these risks. Given ERWE's financial stability, the Management Board nevertheless sees the company as being well equipped to manage future risks. No risks that could threaten the company's ongoing existence are currently discernible.

Frankfurt am Main, in August 2019


Axel Harloff


Heinz-Rüdiger Weitzel

INTERIM CONSOLIDATED
FINANCIAL STATEMENTS



ERWE Immobilien AG
Consolidated Balance Sheet at 30 June 2019

	30 Jun 2019	31 Dec 2018
	EUR	EUR
Non-current assets		
Property, plant and equipment and intangible assets	589,595	197,354
Investment properties	113,747,000	101,910,000
Investments in associates	5,885,700	4,585,700
Prepayments made for investment properties	0	88,153
	120,222,295	106,781,207
Current assets		
Trade receivables and other receivables	97,254	222,262
Receivables from associates	695,337	0
Other financial assets	590,977	444,064
Other assets	227,873	520,587
Cash and cash equivalents	9,619,143	19,151,851
	11,230,585	20,338,764
Total assets	131,452,880	127,119,971
Equity		
Share capital	16,562,922	16,562,922
Capital reserve	11,020,843	11,020,843
Revenue reserves	14,366,135	14,390,301
Accumulated net profit	7,243,658	4,479,195
Equity allocable to shareholders in parent company	49,193,558	46,453,261
Non-controlling interests	3,174,357	3,132,041
	52,367,915	49,585,302
Non-current liabilities		
Financial debt	46,000,183	41,501,149
Provisions	3,258	4,758
Other financial liabilities	1,525,739	0
Deferred tax liabilities	17,077,457	15,737,487
	64,606,637	57,243,394
Current liabilities		
Provisions	0	120,117
Income tax liabilities	63,359	77,044
Financial debt	11,650,000	16,810,311
Trade payables	503,831	2,105,888
Other financial liabilities	2,179,836	1,110,517
Other liabilities	81,302	67,398
	14,478,329	20,291,275
Total equity and liabilities	131,452,880	127,119,971

INTERIM CONSOLIDATED FINANCIAL STATEMENTS

ERWE Immobilien AG Consolidated Income Statement for the Period from 1 January to 30 June 2019

	1 Jan - 30 Jun 2019	2 May - 30 Jun 2018
	EUR	EUR
Gross rental income	1,673,135	576,234
Expenses from property lettings	-994,148	-333,287
Earnings from property lettings	678,987	242,946
Other operating income	337,900	48,847
Personnel expenses	-704,883	-103,731
Other operating expenses	-1,390,535	-333,128
Result from measurement of investment properties	5,763,190	8,772,528
Result from associates measured at equity	1,300,000	0
Earnings before interest and taxes (EBIT)	5,984,660	8,627,462
Financial income	3,871	53
Financial expenses	-1,872,529	-495,682
Earnings before taxes (EBT)	4,116,003	8,131,833
Taxes on income	-1,334,324	-2,817,330
Consolidated net income / comprehensive income	2,781,678	5,314,503
of which attributable to:		
Shareholders in parent company	2,764,463	4,820,079
Non-controlling interests	17,215	494,425

ERWE Immobilien AG
Consolidated Cash Flow Statement for the Period
from 1 January to 30 June 2019

	1 Jan - 30 Jun 2019	2 May - 30 Jun 2018
	EUR	EUR
Consolidated earnings before taxes	4,116,003	8,131,833
Depreciation and amortisation of property, plant and equipment and intangible assets	13,817	6,648
Measurement result	(5,763,190)	(8,772,528)
Result from associates measured at equity	(1,300,000)	0
Change in asset and liability items		
(Increase) / decrease in trade receivables	125,008	(213,373)
(Increase) / decrease in other assets	(549,537)	165,896
(Decrease) / increase in provisions	(121,617)	4,373
(Decrease) / increase in trade payables	(1,615,742)	172,008
(Decrease) / increase in other liabilities	348,875	373,904
Other non-cash income / expenses	178,841	0
Cash flow from operating activities	(4,567,542)	(131,239)
Payments for acquisition of investment properties	(3,006,638)	(11,393,671)
Investments in investment properties	(1,054,994)	(967,191)
Investments in property, plant and equipment and intangible assets	(69,997)	(68,001)
Investments in equity instruments of other companies	(133,929)	0
Cash flow from investing activities	(4,265,557)	(12,428,863)
Taking up of financial debt	5,960,000	12,104,308
Repayment of financial debt	(6,659,609)	(775,000)
Cash flow from financing activities	(699,609)	11,329,308
Change in cash and cash equivalents	(9,532,708)	(1,230,794)
Cash and cash equivalents at beginning of period	19,151,851	4,882,843
Cash and cash equivalents at end of period	9,619,143	3,652,049
Supplementary information on payments included in cash flow from operating activities		
Interest received	3,871	25,222
Interest paid	1,042,985	1,321,216
Income taxes paid	8,039	31,797

ERWE Immobilien AG
Consolidated Statement of Changes in Equity
for the Period from 1 January to 30 June 2019

Balance at 1 January 2019

Consolidated net income / comprehensive income

Other changes

Balance at 30 June 2019

Share capital	Capital reserve
EUR	EUR
16,562,922	11,020,843
0	0
0	0
16,562,922	11,020,843

Balance at 2 May 2018

Net income for period

Balance at 30 June 2018

Share capital	Capital reserve
EUR	EUR
10,162,500	107,621
0	0
10,162,500	107,621

SELECT EXPLANATORY NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (IFRS) FOR THE PERIOD FROM 1 JANUARY TO 30 JUNE 2019

A. General disclosures

(1) Information about the company

ERWE Immobilien AG (hereinafter: "ERWE AG") is the parent company of the Group and is entered in the Commercial Register of the District Court in Frankfurt am Main under HRB 113320 at its legal domicile in Frankfurt am Main, Germany. The company has the following business address: Herriotstrasse 1, 60528 Frankfurt am Main, Germany. These abridged interim consolidated financial statements as of 30 June 2019 have as their object ERWE AG and its subsidiaries (hereinafter abbreviated to "ERWE").

The company is listed in the Regulated Market (General Standard) at the Stock Exchange in Frankfurt am Main and in open trading in Berlin, Stuttgart and Düsseldorf.

The business activities of ERWE AG and the subsidiaries included in the consolidated financial statements focus on developing promising downtown commercial real estate in prime locations in small and medium-sized towns and cities with more than 10,000 inhabitants in Germany. Projects include office and hotel use, as well as downtown retail space. ERWE works on its own account and on behalf of third parties to develop projects whose value can be released or significantly enhanced by working with new concepts. As well as recovering the value growth achieved in individual projects, ERWE also aims to sustainably expand its portfolio and generate substantial revenue growth.

Revenue reserves	Accumulated net profit	Total	Non-controlling interests	Total equity
EUR	EUR	EUR	EUR	EUR
14,390,301	4,479,195	46,453,261	3,132,041	49,585,302
0	2,764,463	2,764,463	17,215	2,781,678
-24,166	0	-24,166	25,101	935
14,366,135	7,243,658	49,193,558	3,174,357	52,367,915

Revenue reserves	Accumulated net profit	Total	Non-controlling interests	Total equity
EUR	EUR	EUR	EUR	EUR
14,390,301	0	24,660,422	2,693,483	27,353,905
0	4,820,079	4,820,079	494,425	5,314,503
14,390,301	4,820,079	29,480,500	3,187,908	32,668,408

(2) Basis of preparation

These abridged interim consolidated financial statements of ERWE AG cover the period from 1 January to 30 June 2019. They have been prepared in accordance with the requirements of IAS 34 "Interim Financial Reporting".

Consistent with the requirements of IAS 34, these abridged interim consolidated financial statements provide an update on the most recent regular set of consolidated financial statements and therefore do not include all information and disclosures required of a full set of consolidated financial statements. They focus on current developments and events and do not repeat information already reported. These abridged interim consolidated financial statements of ERWE AG as of 30 June 2019 should therefore always be viewed in conjunction with the consolidated financial statements as of 31 December 2018.

Account has been taken of all International Financial Reporting Standards (IFRS), International Accounting Standards (IAS) and Interpretations of the IFRS Interpretations Committee (IFRS IC) requiring mandatory application in the 2019 financial year.

The abridged interim consolidated financial statements of ERWE AG have been presented in euros (EUR). Unless otherwise indicated, all amounts are stated in euros.

The abridged interim consolidated financial statements have not been audited or subject to an audit review.

The abridged interim consolidated financial statements were approved by the Management Board for publication on 13 August 2019.

B. Principal accounting policies and estimates

First-time application of the requirements of IFRS16 (Leases) has not had any material implications for the consolidated financial statements of ERWE AG compared with the consolidated financial statements as of 31 December 2018. There are only a few cases in which ERWE AG or any of its subsidiaries act as lessees. In these cases, IFRS 16 has merely resulted in a slight increase in total assets and in immaterial reclassifications within the income statement and the cash flow statement. The IFRS 16 amendments relating to accounting treatment at

the lessor are marginal and have not resulted in any material amendments in the consolidated financial statements of ERWE AG.

Apart from this, the accounting policies applied in these abridged interim consolidated financial statements as of 30 June 2019 are consistent with those applied in the consolidated financial statements as of 31 December 2018.

There were also no material changes in estimates compared with the consolidated financial statements as of 31 December 2018.

C. Consolidation principles and scope of consolidation

The interim period under report did not witness any changes in consolidation principles compared with the consolidated financial statements as of 31 December 2018. Including the parent company, the scope of consolidation as of 30 June 2019 comprised 10 companies (31.12.2018: 9 companies). It was extended by ERWE Immobilienmanagement GmbH, in which ERWE Immobilien AG holds a 74.9% stake. Upon the date of initial consolidation, this company had equity of EUR 99,991.44, which was opposed by cash and cash equivalents of EUR 99,989.81 and other assets of EUR 1.63.

D. Notes to the consolidated balance sheet

(1) Investment properties

Investment properties are measured at fair value. The fair values developed as follows in the interim period under report:

	2019
	EUR
Carrying amounts at 1 Jan	101,910,000
Acquisitions (+)	4,606,810
Other additions (+)	1,378,847
Fair value increases (+)	5,763,190
Reclassifications from payments made (+)	88,153
Carrying amounts at 30 Jun	113,747,000

The measurement of investment properties at fair value is allocable to Level 3 of the IFRS 13 measurement hierarchy (measurement based on nonobservable inputs).

As of 30 June 2019, the company has an obligation to acquire two undeveloped pieces of land relating to the Friedrichsdorf real estate project at a purchase price totalling around EUR 2.5 million.

Specifically, the following changes occurred during the period under report:

	1 January 2019	Repayment	Liabilities taken up / increase	Reclassification of maturities	Departure from deconsolidation	30 June 2019
	EUR	EUR	EUR	EUR	EUR	EUR
Non-current financial liabilities	41,501,149	0	6,149,034	-1,650,000		46,000,183
Current financial liabilities	16,810,311	-6,659,609	-150,702	1,650,000	0	11,650,000
Total financial liabilities	58,311,460	-6,659,609	5,998,332	0	0	57,650,183

(2) Financial liabilities

Current and non-current financial liabilities totalled EUR 58,050,183 and decreased by EUR 261,277 compared with 31 December 2018 (EUR 58,311,460). Specifically, these line items changed as seen at the bottom on page 18:

All financial covenants were complied with in the period under report.

(3) Deferred taxes

Pursuant to IAS 12, deferred taxes are recognised for temporary differences between the carrying amounts of assets and liabilities in the consolidated balance sheet and in the tax balance sheet or for tax loss carryovers which have not yet been utilised.

Deferred taxes are measured using the local tax rates of around 31 % (including trade tax) expected to be valid upon the recovery of the asset or the settlement of the liability. They are based on the tax rates valid as of the balance sheet date. The implications of any changes in tax law are recognised through profit or loss in the year in which the amendments take effect. Deferred taxes relating to items recognised directly in equity are recognised directly in equity rather than in the consolidated income statement. Allowances are recognised for deferred tax assets when recovery of the future tax benefits becomes unlikely. Deferred tax assets and liabilities are offset when the claims and obligations relate to the same tax authority.

The deferred tax liabilities recognised as of 30 June 2019 result from temporary differences in the following balance sheet line items:

in EUR	30 Jun 2019	31 Dec 2018
Tax loss carryovers	1,486,632	1,054,215
Deferred tax assets before netting	1,486,632	1,054,215
Netting	-1,486,632	-1,054,215
Deferred tax assets after netting	0	0
Investment properties	18,410,021	16,485,541
Financing expenses	154,069	306,161
Deferred tax liabilities before netting	18,564,089	16,791,702
Netting	-1,486,632	-1,054,215
Deferred tax liabilities after netting	17,077,457	15,737,487

The changes in deferred taxes in the interim period under report are presented in the following table:

No deferred tax assets have been recognised for loss carryovers of EUR 1,287,537.

in EUR

Investment properties	
Financing costs	
Loss carryovers	
Total	

	1 January 2019	Income statement	30 June 2019
Investment properties	-16,485,541	-1,924,480	-18,410,021
Financing costs	-306,161	152,092	-154,069
Loss carryovers	1,054,215	432,417	1,486,632
Total	-15,737,487	-1,339,970	-17,077,457

E. Notes to the consolidated income statement

(1) Earnings from property lettings

The Group recognises leases concluded for commercial lettings of its investment properties as operating leases. No changes arose in this respect in the interim period under report compared with the consolidated financial statements as of 31 December 2018. Lease instalments from operating lease contracts are recognised on a straight-line basis over the term of the respective lease pursuant to IAS 17. Due to its operating nature, this income is recognised as revenue. Accordingly, first-time application of IFRS 16 also did not result in any changes in the recognition and statement of income compared with the consolidated financial statements as of 31 December 2018.

The earnings of EUR 678,987 from property lettings in the interim period under report are structured as follows:

in EUR	1 Jan - 30 Jun 2019	2 May - 30 Jun 2018
Rental income	1,538,867	503,158
Income from operating and ancillary costs	134,268	73,075
	1,673,135	576,234
Property-related operating costs	-994,148	-333,287
Earnings from property rentals	678,987	242,946

The property-specific operating expenses of EUR 994,148 mainly include outlays for operating expenses and ancillary expenses.

(2) Personnel expenses

Personnel expenses were structured as follows in the interim period under report:

in EUR	1 Jan - 30 Jun 2019	2 May - 30 Jun 2018
Salaries	638,407	86,498
Social security contributions	66,476	17,233
Total personnel expenses	704,883	103,731
of which pension expenses	1,428	476

(3) Other operating expenses

Other operating expenses comprised the following items in the interim period under report:

in EUR	1 Jan - 30 Jun 2019	2 May - 30 Jun 2018
Legal and advisory expenses	240,352	94,964
Stock market listing and shareholders' meeting	195,800	26,630
Year-end and audit expenses	172,731	70,584
Expenses for the initial consolidation of equity investments	133,929	0
Insurances	95,955	1,155
Rental / lease expenses	82,099	11,183
Expenses for other accounting periods	78,274	37,221
Advertising expenses	75,422	15,200
Incidental costs of monetary transactions	57,857	54,914
Third-party services and work	52,111	12,430
Travel expenses	43,845	4,639
Supervisory Board compensation	33,750	1,190
Non-deductible input tax	14,915	9,371
Depreciation of items of property, plant and equipment	13,817	6,648
Hardware / software maintenance expenses	13,229	3,062
Vehicle expenses	3,111	4,913
Other	153,069	11,658
Total	1,390,535	333,128

(4) Earnings per share

Basic earnings per share are calculated as follows:

	1 Jan - 30 Jun 2019	2 May - 30 Jun 2018
Consolidated earnings (EUR)		
Consolidated earnings	2,781,678	5,314,503
less non-controlling interests	2,764,463	4,820,079
Dilutive effects	0	0
Consolidated earnings net of dilutive effects	2,764,463	4,820,079
Number of shares		
Shares issued at balance sheet date	16,562,922	10,162,500
Weighted number of shares issued	16,562,922	10,162,500
Dilutive effects	0	0
Weighted number of shares issued (diluted)	16,562,922	10,162,500
Earnings per share (EUR)		
Basic earnings per share	0.17	0.47
Diluted earnings per share	0.17	0.47

Basic earnings per share are calculated by dividing the earnings attributable to the owners of shares in the parent company by the weighted average number of shares in circulation during the period under report.

F. Other disclosures

(1) Related party disclosures

The following material transactions were executed between the Group and related parties in the interim period under report:

The Group has purchase price obligations of EUR 2,500,000 in connection with already concluded property purchase contracts.

in EUR

	30 June 2019 Receivables (+) / Liabilities (-)	1 January - 30 June 2019 Income / interest income (+) / Expense / interest (-)
ERWE as lender:		
Dr. Holger Henkel (Supervisory Board) loan to ERWE AG	0	-17,667
ERWE as recipient of service:		
VGHL Management GmbH	0	-228,515
ERWE Real Estate GmbH	0	-12,268
RW Property Investment GmbH	0	-10,899
Dr. Holger Henkel (Supervisory Board) legal advice	0	-61,135
ERWE as provider of service:		
ERWE Real Estate GmbH		66,000
Axel Harloff (Management Board Member)	0	-160,500
Rüdiger Weitzel (Management Board Member)	0	-157,500
Dr. Olaf Hein (Supervisory Board)	0	-20,000
Dr. Holger Henkel (Supervisory Board)	0	-15,000
Carsten Wolff (Supervisory Board)	0	-10,000

(2) Risk reporting

Reference is made to the risk reporting in the consolidated financial statements as of 31 December 2018 in respect of the objectives and methods of risk management and the risks involved in the company's future business performance. No changes that were either material or required report arose in the Group's risk structure in the interim period under report.

(4) Events after the balance sheet date

No events of particular significance for ERWE's asset, financial and earnings position have occurred since 30 June 2019.

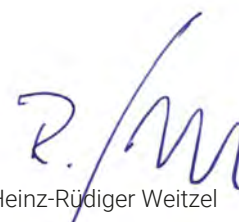
Frankfurt am Main, 13 August 2019
ERWE Immobilien AG

(3) Other financial obligations

In connection with contracts entered into with construction contractors, the Group has obligations of around EUR 18.6 million that are due within one year and of around EUR 6.8 million that are due by the end of 2021.



Axel Harloff
Management Board
member



Heinz-Rüdiger Weitzel
Management Board
member

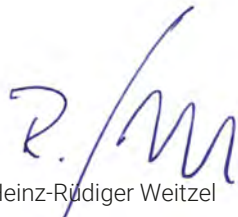
RESPONSIBILITY STATEMENT

We hereby affirm that, to the best of our knowledge, and in accordance with the applicable reporting principles for interim financial reporting, the interim consolidated financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group consistent with the principles of proper accounting, and the interim group management report includes a fair review of the development and performance of the business and the position of the Group, together with a description of the principal opportunities and risks associated with the expected development of the Group in the remainder of the financial year.

Frankfurt am Main, 13 August 2019
ERWE Immobilien AG



Axel Harloff
Management Board
Member



Heinz-Rüdiger Weitzel
Management Board
Member



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