

## Corporate News

### ERWE Immobilien AG posts strong growth in rental income

- **Gross rental income up 64 percent in 1<sup>st</sup> half**
- **Normalisation in wake of coronavirus crisis drives revival in lettings demand**
- **Further operating earnings growth expected for 2021**

**Frankfurt am Main, 27 August 2021.** ERWE Immobilien AG (ISIN DE000A1X3WX6, ERWE), Frankfurt am Main, can report further significant growth in its rental income for the first half of 2021. Driven by successful new lettings and the properties acquired last year, gross rental income surged by 64 percent to Euro 3.654 million (H1 2020: Euro 2.224 million). Net of expenses from property lettings, earnings from property lettings also rose, in this case to Euro 2.126 million (previous year: Euro 1.313 million).

This significant growth in operating earnings at the ERWE Group has been driven on the one hand by the company's successful implementation of several mixed-use concepts in its portfolio properties. In May last year, Lübeck City Administration moved into the remaining space still due to be handed over at LICHTHOF Lübeck. At the end of 2020, the property in Krefeld was fully occupied by letting all office space to Krefeld City Administration. The corresponding income was fully included for the first time in the period under report. At Postgalerie Speyer, the new hotel that has now moved in was able to launch operations and pay rent for the first time.

In the course of revitalising properties, ERWE regularly diversifies the uses to which the space is put and makes them increasingly less dependent on monothematic forms of use, such as retail. In addition to new lettings, the figures for the first half also benefited from contractually agreed income at Kupferpassage in Coesfeld near Münster and at two properties in Darmstadt, all of which were acquired in the previous year.

As no properties were acquired in the period under report, unlike in the previous year's period there were no notable measurement items in the Group's income statement. At Euro 0.731 million, earnings before interest and taxes (H1 2020: Euro 5.956 million) are therefore mainly shaped by the Euro 6.461 million reduction in measurement gains compared with the previous year. Less financial expenses, which rose slightly to Euro 3.440 million (H1 2020: Euro 3.033 million), consolidated net income was negative at Euro -2.826 million and thus declined compared with the previous year (H1 2020: Euro 5.559 million).

At Euro 212.960 million, total assets in the consolidated balance sheet showed a slight decrease of Euro 2.201 million compared with the end of 2020 (Euro 215.161 million), as cash and cash equivalents were used to repay loans and make interest payments. The largest balance sheet item involves investment properties, which amounted to Euro 196.076 million compared with Euro 192.713 million at the end of the past financial year. At 26.09 percent, the ERWE Group's equity ratio fell only slightly compared with the end of 2020 (27.14 percent). The loan-to-value (LTV) key figure rose to 66.4 percent as of 30 June 2021, up from 63.1 percent at the end of 2020. Since the beginning of 2021, ERWE has replaced the net asset value (NAV) figure with the EPRA NRV key management figure. EPRA NRV per share stood at Euro 4.75 as of 30 June 2021, as against Euro 4.87 as of 31 December 2020.

Following a difficult start to the year due to the coronavirus crisis, the situation has improved significantly since the reopening of many areas of the economy from around April onwards after more than five months of lockdown. "We are now seeing increasing lettings demand for all our portfolio properties, as well as for our new construction projects", comments Rüdiger Weitzel, a member of ERWE's Management Board. In July, ERWE generated gross proceeds of Euro 5.47 million from a cash capital increase corresponding to ten percent of share capital. This means that the company is equipped for further steps. "We are still pursuing our goal of doubling the value of our real estate portfolio over the next two to three years", adds Weitzel. Based on the increase of around 40 percent expected in its gross rental income, ERWE expects to achieve further operating earnings growth in 2021.

**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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