

## Corporate News

### ERWE Immobilien AG: Operational growth in the first quarter of 2022

- **Gross rental income increased by around 20 per cent**
- **Special effects burdened consolidated earnings in the first quarter**

**Frankfurt/M., 31 May 2022.** ERWE Immobilien AG (ISIN DE000A1X3WX6), Frankfurt/M., has started the current financial year 2022 with further operational growth. In the first quarter, gross rental income in the Group increased by almost 20 per cent to 2.065 million Euros (previous year's quarter: 1.730 million Euros). Earnings from property lettings also increased by about 20 percent to 1.273 million Euros (previous year's quarter: 1.062 million Euros). The increase stems from rental payments from new lease contracts signed for portfolio properties and first rental payments from newly acquired properties.

The consolidated net income after taxes was burdened by special effects in the first quarter and fell to minus 2.136 million Euros (minus 1.289 million Euros) compared to the same quarter of the previous year. Also, there were costs from the acquisition of two properties in Wuppertal and Bremerhaven. In addition, in contrast to the previous year, no investment properties were revalued within the framework of the fair value measurement according to IAS 40.

"In spite of the difficult market environment, we can be satisfied with the operational progress made," says ERWE Board Member Rüdiger Weitzel. "Our efforts to grow and let space still available in our properties are bearing fruit." The inclusion of the new properties in Wuppertal and Bremerhaven increased the lettable space of the Group's portfolio properties from 72,746 sqm at year-end 2021 to 90.066 sqm as at 31 March 2022. The overall occupancy rate improved slightly from 89.3 per cent to 90.4 per cent.

The ERWE Group's total assets increased to 237.495 million Euros (220.1 million Euros) at the end of the first quarter of 2022 compared to the end of 2021, mainly due to the acquisitions in Wuppertal and Bremerhaven. The value of investment properties increased accordingly to 218.8 million Euros (end of 2021: 195.49 million Euros). The new acquisitions and the consolidated result led to a slight deterioration in ERWE's financial performance indicators, such as the equity ratio of 21.65 per cent (end of 2021: 24.33 per cent) and the loan-to-value ratio of 72.4 per cent (end of 2021: 67.8 per cent). The NRV according to EPRA, however, remained almost unchanged at 4.20 Euros after 4.23 Euros per share at the end of 2021.

ERWE has expanded its partnership with Elbstein AG to be able to take advantage of the major growth opportunities in the market in the future. As a result of the capital increase which was guaranteed by Elbstein, this company has now become ERWE's largest shareholder. In an investor agreement, Elbstein had guaranteed to ERWE and ICF Bank, which accompanied the capital increase, that it would exercise all of its subscription rights and take over all of the unsubscribed new shares from the capital increase of 6,343,708 shares.

"We welcome a higher commitment of Elbstein to ERWE", Weitzel continued. "Elbstein is thus expressing interest in the future development of the company." In this respect, ERWE expects to be able to further expand its operating results in 2022 due to the acquisitions already made and with the help of further new lettings.

**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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