

Corporate News

ERWE Immobilien AG: Valuation effects burden result

- **Final consolidated result confirms preliminary numbers**
- **Significant increase in profit from earnings from property lettings**
- **New growth through acquisitions in the current year**

Frankfurt/M., 14 April 2022. ERWE Immobilien AG (ISIN DE000A1X3WX6), Frankfurt/M., closed the 2021 business year with a negative result due to valuation effects not affecting liquidity. As the Supervisory Board determined in its balance sheet meeting, the consolidated result was minus 10.16 million euros, after a balanced result was achieved in the previous year. The result was due to a lower valuation of the property portfolio, in particular of an ERWE property in Speyer, most of which has retail and hotel space. In the valuation, the appraisers had reacted to the consequences of the Corona pandemic, which mainly affected the stationary retail and hotel sectors.

Irrespective of the valuation difference, ERWE was able to significantly increase its operating income in the 2021 business year. Gross rental income rose by 41 per cent to 7.891 million Euros (previous year: 5.589 million Euros). Earnings from property lettings even improved by 68 percent to 4.422 million Euros (previous year: 2.632 million Euros). In addition to new properties acquired in the previous year, the conclusion of new rental agreements also contributed to the growth in income from property lettings. In a difficult market environment, ERWE's mixed-use strategy for previously monothematic properties in German city centres once again proved its worth.

However, the strong operating growth could not compensate for the valuation effects. While there had still been a positive valuation effect of 6.788 million Euros in the 2020 financial year, the valuation adjustments now had a negative impact of 2.011 million Euros on the ERWE Group's income statement. In addition, the result from an at equity valuation fell from 2.607 million Euros in 2020 to -19k Euros in the past financial year.

"In 2022, we will continue to focus on further improving our operating results and thus contribute to a release of the the value potential of our properties," says ERWE Board Member Axel Harloff. In the current year, gross rental income will increase to approximately ten million euros due to the recent acquisitions of commercial properties in Wuppertal and Bremerhaven and additional new lettings.

The other key figures in the Annual Report 2021 show a solid development. The consolidated balance sheet total increased slightly to 220.1 million Euros (end of 2020: 215.16 million Euros). The largest part of the assets consists of Investment Properties (195.5 million Euros after 192.7 million Euros at the end of 2020). The equity ratio at the end of 2021 was 24.5 per cent (end of 2020: 27.1 per cent).

The increase in LTV to 67.8 per cent (previous year: 63.3 per cent) is the result of additional borrowing to finance investments in the development projects in Krefeld, Darmstadt and Friedrichsdorf. The full annual report can be viewed at www.erwe-ag.com/investor-relations/finanzberichte.

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).

Contacts 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
Hans-Christian Haas
Herriotstrasse 1
60528 Frankfurt am Main
T. +49-69 96376869-25, F +49-69-96376869-30
h.haas@erwe-ag.com