

Corporate News

ERWE Immobilien AG: Earnings from property lettings grow disproportionately in the first half of 2022

- **Gross rental income increased by 21.9 percent**
- **Earnings from property lettings up by 29.9 percent**

Frankfurt/M., 30 August 2022. ERWE Immobilien AG (ISIN DE000A1X3WX6), Frankfurt/M., was able to improve its earnings from property lettings disproportionately in the first half of 2022. While gross rental income increased by 21.9 per cent to €4.455 million (same period of the previous year: €3.654 million), expenses from property lettings did not rise as strongly, so that earnings from property lettings (NOI) increased by 29.9 per cent to €2.761 million (previous year: €2.126 million). "Due to increasing occupancy rates in our properties in the second half of the year, we expect this trend to continue for the year as a whole," says ERWE Board Member Axel Harloff.

Despite difficult general conditions, ERWE was able to extend leases with existing tenants for around 4,300 sqm and is currently negotiating the re-letting of around 6,700 sqm of further space in its portfolio properties. At the end of June, the occupancy rate of all existing properties remained unchanged compared to the end of the year at just under 90 per cent. ERWE expects the occupancy rate to increase in the further course of the year. In the first half of the year, ERWE Immobilien AG also continued to build up its portfolio and acquired two further portfolio properties in Wuppertal and Bremerhaven which are fully let.

The development of the ERWE Group's earnings in the first half of 2022 reflects the growing performance, in particular also the development of own projects for the further expansion of the portfolio. A cost structure that hardly changed compared to the same period of the previous year as well as a significantly lower revaluation effect from the fair value measurement of ERWE's properties of €0.538m (previous year: €1.663m) led to a negative consolidated result of €3.179m (previous year: minus €2.826m).

The other key economic data of the Group moved in line with the growth and the capital increase carried out in June. The consolidated balance sheet total increased to 242.300 million euros (end of 2021: 220.101 million euros). The equity ratio at the end of June 2022 was 24.53 per cent, slightly higher than the 24.33 per cent at the end of 2021. The LTV increased to 69.6 per cent on 30 June 2022 compared to a value of 67.8 per cent at the end of 2021. Due to the capital increase, which increased the issued number of ERWE shares from 18,219,214 to 24,562,922, the EPRA NRV per share decreased to 3.46 euros compared to 4.23 euros on 31 December 2021.

"The acquisitions we implemented in the reporting period will help to further improve the operating performance, i.e. gross rental income", says Rüdiger Weitzel, ERWE Board Member. ERWE expects an increase to more than €10 million in 2022 as a whole (financial year 2021: €7.89 million). In addition, new lettings in the various portfolio properties should create the basis for further growth of the NOI.

For further information, please refer to the semi-annual report as at 30 June 2022 at:

www.erwe-ag.com/fileadmin/Ablage/03_Investor_Relations/Finanzberichte/ERWE_HJBericht_2022.pdf

ERWE Immobilien AG concentrates on building up a profitable portfolio of mixed-use properties in the office, retail, hotel and residential sectors. Preferred locations are promising inner-city locations in major German cities and in exclusively "A" locations in smaller cities and municipalities. Properties are acquired whose potential for value appreciation can be sustainably exploited through new utilisation concepts, resulting in a high-yield, value-retaining portfolio with significantly rising income. The company is listed on the regulated market (General Standard) in Frankfurt and on the stock exchanges in Frankfurt a. M. (XETRA), Berlin, Düsseldorf and Stuttgart in over-the-counter trading (ISIN: DE000A1X3WX6).

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