

Corporate News

ERWE Immobilien AG: Net asset value significantly above mandatory offer of Elbstein AG

- **After review, the Management Board and the Supervisory Board consider the offer to be insufficient**
- **Takeover offer of 2.36 Euros per share is significantly below net asset value**
- **Shareholders should examine the offer individually**

Frankfurt/M., 27 July 2022. The mandatory offer submitted by Elbstein AG, Hamburg, to acquire shares in ERWE Immobilien AG (ISIN: DE000A1X3WX6), Frankfurt/M., is not sufficient in the opinion of the Board of Management and the Supervisory Board of the Company. The offer price of 2.36 Euros per ERWE share submitted by Elbstein, which was based on the weighted average price of ERWE shares over the past six months, is significantly below the value of the company.

In their Joint Statement pursuant to Section 27 para. 1 German Securities Acquisition and Takeover Act (WpÜG), which was adopted independently of each other and unanimously in each case, the Board of Management and the Supervisory Board refer to the independent fairness opinion of Solventis AG, according to whose analysis the consideration to be paid to the shareholders for the shareholders of ERWE "is ... not sufficient from a financial perspective".

The two ERWE boards justify their view by looking at the company's net asset value, measured by the EPRA NRV (Net Reinstatement Value) and the EPRA NTA (Net Tangible Asset). At 3.48 Euros and 2.95 Euros per share (adjusted for the capital increase in May), these ratios were recently significantly above the legal minimum price offered by Elbstein.

The Board of Management and the Supervisory Board therefore recommend that shareholders do not accept the offer. In doing so, they also document their confidence in the further potential of ERWE's business model.

However, ERWE shareholders should make their decision taking into account their individual situation (including their personal tax situation).

ERWE Immobilien AG focuses on building up a profitable portfolio of mixed-use properties in the office, service, 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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