

Publication of inside information pursuant to Article 17 of Regulation (EU) No 596/2014

ERWE Immobilien AG reaches agreement with the elected joint representative of the bondholders on a debt cut to € 7 million plus the deferred interest payment; conditional backstop agreement with investors from the group of major shareholders for a total of € 12 million.

- *Reduction of the nominal amount of the 2019/2023 Bonds to € 7 million and subordination and waiver of interest from 10 June 2023, but subject to resolutions of the Extraordinary General Meeting being enforceable*
- *Subsequent payment of interest due as of 10 June 2023 in the amount of approximately € 1.5 million with resolution of the Annual General Meeting of the Company on cash capital increase*
- *Repayment of the € 7 million bond on 31 December 2023*
- *Investor from the group of major shareholders guarantees repayment of the bond and payment of the interest jointly and severally with the company*
- *Immediate convening of the already announced general meeting of shareholders to pass a resolution on a capital reduction in a ratio of 20 : 1 through the consolidation of shares as well as a subsequent cash capital increase of up to € 12 million; no conversion of the bond into equity capital*
- *Investors from the circle of the major shareholder independently guarantee the full capital increase*

Frankfurt/M., 16 July 2023. The Board of Management of ERWE Immobilien AG (ISIN: DE000A1X3WX6) has today signed a restructuring agreement with the elected joint representative of the bondholders of ERWE's 7.5% Bonds 2019/2023, which provides for a debt haircut. Instead of the exchange of the bonds into 6 million new shares of the company originally offered by the company after a capital reduction in a ratio of 20:1, the nominal amount of the bond will be reduced to € 7 million; the bondholders will thus waive the repayment of € 33 million for restructuring purposes. No interest will be paid for the last interest period from 10 June 2023. In addition, the bond will be subordinated in a qualified manner. The deferral of the interest payment due on 10 June 2023 in the amount of approximately € 1.5 million, which was resolved by the bondholders in the vote without a meeting on 29 June 2023 until 2 July 2023, will be amended to the effect that the interest payment will be paid in arrears on the third banking day after the resolution of the Extraordinary General Meeting of the Company on the cash capital increase. The redemption of the bond, reduced to € 7 million, will take place on 31 December 2023. Bond investors will thus receive a redemption of € 175 per bond (in the nominal amount of € 1,000) plus interest for the interest payment period 10 December 2022 to 9 June 2023 (both inclusive).

An investor from the group of major shareholders guarantees the timely repayment of the bond and the subsequent payment of interest jointly and severally with the company. An amount equal to the reduced nominal amount and the interest to be paid in arrears (together around € 8.5 million) will be paid into the account of a notary until the respective payment claim from the bond falls due.

The obligations of the joint representative of the bondholders as well as of the Company to repay the Bonds and of the Investor to secure the repayment of the Bonds shall only arise if the General Meeting of the Company validly resolves on the aforementioned planned capital reduction and the cash capital increase of up to € 12 million and if these resolutions are enforceable.

ERWE will now immediately convene the already announced Extraordinary General Meeting of shareholders to pass a resolution on a capital reduction at a ratio of 20 : 1 by consolidating shares and a subsequent cash capital increase of up to € 12 million. The originally planned conversion of the bond into equity will no longer take place.

Parallel to the agreement with the joint representative, the Company has also reached an agreement with various investors from the circle of the major shareholder, each acting individually, on subscription guarantees in the form of so-called backstop commitments. Each of the investors irrevocably undertakes vis-à-vis the Company, as soon as it is offered a fixed portion of the total amount of up to 12,000,000 new shares from the planned cash capital increase, to subscribe for these shares at the issue price of € 1.00 per new share. The subscription obligation relates in total to all 12,000,000 new shares from the cash capital increase. In return, the Company undertakes to tender to the investors, in accordance with their takeover quota, all new shares from the planned cash capital increase in respect of which the beneficiaries have not exercised their subscription rights by the end of the subscription period. The obligations of the investors to fulfil their equity commitments are subject to the condition precedent that, inter alia, (i) the joint representative vis-à-vis the Company has reached an agreement on the debt haircut, including the amendments to the terms and conditions of the Bonds required for this purpose (if any). (ii) the Annual General Meeting of the Company validly resolves on the planned capital reduction in a ratio of 20:1 and the planned cash capital increase of up to € 12 million and these resolutions are enforceable; (iii) certain lenders of ERWE Group have agreed to the postponement of maturities and further amendments of their existing financing or have agreed to further payments under their loan agreements. (iv) an Independent Business Review is submitted by the consulting firm Dr. Wieselhuber & Partner GmbH, which, at the time the other conditions are met, demonstrates to the satisfaction of the respective investor the ability of the Company and the ERWE Group to be restructured as well as the suitability of the restructuring measures aimed at with the restructuring concept for the sustainable restructuring of the Company and the ERWE Group; and (v) there are no grounds for filing for insolvency with respect to the Company and its material subsidiaries.

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