

## Corporate News

### ERWE Immobilien AG starts the new year with strongly rising rental income

- **Gross rental income almost doubled in the first quarter**
- **Adjusted EBIT rose by EUR 0.5 million**
- **Further growth through investments into inner-city mixed-use concepts**

**Frankfurt/M., 17 May 2021.** ERWE Immobilien AG (ISIN DE000A1X3WX6), Frankfurt/M. started the year of fiscal 2021 with significantly rising rental income. Gross rental income almost doubled to EUR 1.73 million (previous year: EUR 0.958 million). Deducting the expenses from property lettings led to earnings from property lettings (NOI) of EUR 1.062 million by the end of March (2020: EUR 0.519 million). The good operating development also impacted the adjusted EBIT of the group, a key performance indicator of the company, which rose to EUR 0.518 million (Q1 2020: loss of 0.054 million).

The positive operating performance is on the one hand attributable to bought-in properties. Additionally however, ERWE is now reaping the benefits from the first successfully concluded repositionings of its property holdings. Thus a large part of a former mono-retail shopping center in historic downtown Lübeck has been converted to an inner-city service location by letting it to the City of Lübeck. The retail share of the property's space has in this process been reduced to 15%.

Equally, the unoccupied office space from the portfolio property in Krefeld, situated in a prime inner city location, has been let to the City, which now operates a number of administrative departments there. The building has hence been fully let at the end of 2020. ERWE expects further rising rental income from Postgalerie in Speyer, situated close to the world-renowned cathedral of Speyer. A part of the building's space has been converted to a hotel which is expected to become fully operational shortly, by the end of the Corona-pandemic.

„In this year we are reaping the benefits from our strategy of implementing inner-city mixed-use concepts, which coincidentally offer proof that we can contribute to the revitalization of inner cities that have come under pressure“, said ERWE-board member Rüdiger Weitzel. The

other key figures of the ERWE group in Q1 show that the company is still in the process of financing the building and development of a number of projects acquired in the previous years.

Hence, after considering financial charges, personnel and other operating costs, a negative group result before taxes of minus EUR 1.232 million was recorded, slightly better than in the previous year (minus EUR 1.354 million). The consolidated net result of minus EUR 1.288 million is not compatible with the previous year's period (EUR 2.412 million) as Q1 2020 benefited from a positive earnings contribution from a revaluation of deferred taxes. The result from the measurement of investment properties at EUR 0.835 million is almost unchanged (2020: EUR 0.914 million).

The other results figures of the first quarter 2021 show only minor changes. ERWE's total assets reached EUR 214.4 million (year-end 2020: EUR 215.16 million). The remaining financial indicators were also largely unchanged, such as the equity ratio at 26.6% (31 Dec. 2020: 27.1%) the loan-to-value at 65.0% (31 Dec. 2020: 63.3%), as well as the Net Asset Value per share of EUR 4.06 after EUR 4.12 at the end of 2020 and the EPRA Net Reinstatement Value of EUR 4.82 after EUR 4.87 per share.

„Not all of our properties are yet completely repositioned nor is their development concluded,“ added Weitzel. In this context, ERWE plans further investments in interesting and promising submarkets such as Darmstadt, Krefeld and Friedrichsdorf near Bad Homburg v.d.H. In addition, further acquisitions of inner-city properties are planned that offer scope for repositioning. ERWE hence confirms its growth targets and evaluates future capital measures for the next steps of its growth strategy.

**ERWE Immobilien AG** focuses on developing a highly profitable mixed-use commercial real estate portfolio in the office, retail, hotel and residential segments. Its preferred sites involve 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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