

Corporate News

ERWE Immobilien AG reaches agreement with bondholders and investors on new restructuring concept

- **New restructuring concept for EUR 40 million bond and existing loans**
- **Release from debts and payment obligations in return for the transfer of properties**
- **Trustworthy negotiations with major creditors in a difficult market environment**

Frankfurt/M., 12 December 2023: ERWE Immobilien AG (ISIN DE000A1X3WX6), Frankfurt/M., can once again look to the future with confidence. The basis for this is the agreement on a new restructuring concept with the joint representative of the outstanding 2019/2023 bond of EUR 40 million and other lenders.

The new restructuring concept, which came about after extensive and trusting negotiations, essentially provides for the transfer of four ERWE Group property companies in Krefeld (2 properties), Speyer and Lübeck, together with the real estate financing and investment obligations on them, to a trust company yet to be established in favour of the bondholders and the offsetting of the purchase price for these property companies (still to be specified) against the payment claims under the bond - to be transferred to the trust company by way of a bond exchange. There is to be a waiver of claims (haircut) by the bondholders for the remaining amount. Until the restructuring concept is implemented, the joint representative of the bondholders has deferred the repayment and interest payment claims under the bond, initially until 31 March 2024.

The new restructuring concept will lead to a significant reduction in ERWE's debt and will give bondholders the opportunity to realise a higher satisfaction of their claims through a later sale of the properties than under the concept presented in the summer of this year. The sole purpose of the trust company will be to hold and further develop the properties and to realise added value compared to the current value in favour of the bondholders through a future sale. The company assumes that the term of the bond - rescheduled to the trust company - will be at least 3 years. However, the details of this new bond have not yet been finalised. For the necessary additional investments, the bondholders will be given the opportunity to subscribe

to an additional bond to be issued by the trust company for this purpose against payment of an issue price.

"We are very pleased about this agreement," says ERWE CEO Rüdiger Weitzel. "We consider the agreement, which was reached in a very difficult market environment, to be balanced for both sides. Although we are losing significant assets, we now have the basis and the backing to lead ERWE back into a good future in a changed market environment."

As part of the restructuring concept, ERWE also reached an agreement with the lenders HCK Wohnimmobilien GmbH to extend the existing loans of EUR 5 million until the end of 2025 and to subordinate them. Repayment from 2026 will only take place if a certain minimum liquidity of ERWE is ensured.

To secure the ERWE Group's short-term liquidity, a bond creditor agreed to grant ERWE Properties GmbH, a subsidiary of ERWE Immobilien AG, a bridging loan of EUR 4.0 million (subject to approval by the Supervisory Board).

"This additional loan expresses confidence in our business concept and operational realisation capabilities," Weitzel continues. "The loan will be repaid promptly from planned sales. We are pleased that this significant restructuring step will allow us to concentrate fully on our operating business again"

ERWE Immobilien AG concentrates on building up a profitable portfolio of mixed-use properties in the office, service, retail, hotel and residential sectors. Preferred locations are promising city centre locations in major German cities and exclusively "A" locations in smaller cities and municipalities. The company acquires properties whose potential for value appreciation can be sustainably exploited through new utilisation concepts, resulting in a high-yielding, value-retaining portfolio with significantly increasing income. The company is listed on the Basic Board of the Frankfurt Stock Exchange (ISIN: DE000A1X3WX6).

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