



[Publication of an insider information according to Article 17 of Regulation (EU) No. 596/2014]

## Noratis AG: Merz Real Estate becomes new major shareholder – Capital increase planned

- Merz Real Estate acquires 29.4 % of the shares in Noratis AG and becomes its largest shareholder
- Further capital measures to extend the shareholding planned

**Eschborn, 20 March 2020** – Die Noratis AG (ISIN: DE000A2E4MK4, WKN: A2E4MK) gets with Merz Real Estate GmbH & Co. KG (“**Merz Real Estate**“), an affiliated company of the Merz Group, a new major shareholder. Merz Real Estate has reached an agreement today with two essential shareholders of Noratis AG, including CEO Igor Christian Bugarski, to acquire 1,057,650 of their shares at a price of EUR 21.00. After the completion of the acquisition Merz would then initially hold about 29.4 % of the shares in Noratis AG. Igor Christian Bugarski would remain a shareholder of Noratis AG with 8.0 %.

Moreover, Merz Real Estate has undertaken today vis-à-vis Noratis AG to invest up to EUR 50 million in Noratis AG within the framework of an investor and fixed subscription agreement by the end of fiscal 2024 through capital measures.

It is expected that the Management Board of Noratis AG will decide immediately after this communication, with the approval of the Supervisory Board, to carry out a capital increase against cash contributions through the partial use of the Authorised Capital 2018. The share capital of the company is to be increased, to the exclusion of the subscription right, from currently EUR 3,601,897.00, divided into 3,601,897 no par value ordinary bearer shares (no par value shares), by EUR 252,525.00 to EUR 3,854,422.00 through the issuing of 252,525 new no par value shares, each with a proportionate amount in the share capital of EUR 1.00 and a dividend entitlement from 1 January 2020 onwards. Merz Real Estate will be admitted on an exclusive basis to the subscription and take-over of all new shares. The new shares will be issued at an issuing price of EUR 19.80 per new share. By contrast to the existing shares of the company, they are not entitled to a dividend for the past fiscal year 2019.

The financing obligation of Merz Real Estate is to support the planned portfolio growth of Noratis AG. The most important source of earnings is to remain the sale of real properties optimised by Noratis AG. In this connection it is planned to secure the profitability of the company in future also



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without sales proceeds. Against this backdrop it is expected that Noratis will in the short term sell less properties and hence achieve a result (HGB – German GAAP), which is likely to be significantly below the previous years.

The execution of the transaction with Merz Real Estate is still subject to the reservation of clearance by the *Bundeskartellamt* (Federal Cartel Office).

### **Explanatory part**

The Management Board and the Supervisory Board of Noratis AG welcome the readiness of Merz to invest. This allows for a significant enlargement of the real estate portfolio, a higher stability of the development of earnings and the leveraging of incremental earnings potentials. Noratis AG would, for instance, be able to optimise at the sale from a larger portfolio the timing of the sales of individual properties and keep properties, which generate good rental yield in the portfolio and benefit from their rent surpluses. In future, rental income is hence to account for an even larger share in the sales revenues. During the past fiscal year 2019 it amounted to around 17 percent. The sale of optimised properties would, however, continue to be the most important source of revenues and earnings of Noratis AG. With Merz Real Estate as a major shareholder at its side the growth steps planned by the Management Board can be implemented more rapidly and the resulting earnings potentials can be leveraged.

Igor Christian Bugarski, CEO of Noratis AG: “We are pleased to have with the Merz Family a strong investor at our side which sustainably supports our successful strategy as portfolio developer and appreciates our long-standing experience. With our positioning we occupy a niche with an attractive risk-yield profile, which is to combine the safety of a portfolio manager with the excess return of a project developer. I am personally pleased to continue to contribute to this success story as CEO and shareholder. We want to transform the investment commitments agreed with Merz into a sustainable economic success for our company, its shareholders and stakeholders.”

Dr. Henning Schröder, Managing Director of Merz Real Estate GmbH & Co. KG: “The business model of Noratis AG has convinced us. This includes the multi-stakeholder approach under which the interests of all parties involved are taken into account at the development of the company, from the tenant, through the financing partner to the shareholders. In this way sustainable values with an attractive yield are developed. We see our commitment to Noratis AG as a long-term investment.”

Dr. Florian Stetter, Chairman of the Supervisory Board of Noratis AG: “We highly appreciate the fact that the Merz Family has been gained as a new core investor. We consider the investment as a clear strengthening for Noratis AG, which is excellently positioned und continues to have good perspectives.”



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To ensure a better comparability of the corporate results with other real estate companies, Noratis AG currently prepares the conversion of its accounting from HGB (German GAAP) to IFRS. In this connection the company intends to disclose the market value development of the real estate portfolio, to make the development work in respect of the properties transparent.

**About Noratis:**

Noratis AG ([www.noratis.de](http://www.noratis.de)) is a leading portfolio developer of residential properties in Germany. The company identifies and realizes potentials for tenants, owner-occupiers & investors, thereby creating and preserving attractive and at the same time affordable living space throughout Germany. Noratis specializes in the upgrading of ageing residential portfolios, mostly company-owned apartments, residential areas or housing estates in cities with more than 10,000 inhabitants and in peripheral areas of conurbations. After a successful development, the properties remain in the company's portfolio or are sold in the medium term to investors and/or individually to existing tenants, capital investors and owner-occupiers. In this way, Noratis creates a noticeable and sustainable added value for all stakeholders: from investors, employees and financing partners to current and future tenants. Noratis AG is listed on the Frankfurt Stock Exchange.

**About the Merz Group:**

Merz Real Estate GmbH & Co. KG, with registered office in Frankfurt am Main, is part of the family-owned Merz Group. The main activities of the Merz Group include the globally operating Healthcare company with the businesses Merz Aesthetics, Merz Therapeutics and Merz Consumer Care with the brands tetesept and Merz Spezial. Moreover, the Merz Group engages in entrepreneurial activities in other fields, including the real estate sector.

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