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## Noratis AG issues 5.50 % corporate bond

- Subscription period starting on 26.10.2020 and scheduled until 09.11.2020
- Noratis corporate bond with a volume of up to EUR 50 million
- Inflow of funds for further profitable expansion of the residential portfolio in Germany
- Strong anchor shareholder Merz Real Estate accompanies expansion strategy

**Eschborn, 23 October 2020** – The Management Board of Noratis AG (ISIN: DE000A2E4MK4, WKN: A2E4MK, “Noratis”) has decided, with the approval of the Supervisory Board, to issue a corporate bond 2020/2025 (ISIN: DE000A3H2TV6) with an interest rate of 5.50 % p. a. and a volume of up to EUR 50 million. The subscription period within the framework of the public offer in Germany, Austria and Luxembourg starts on 26.10.2020 and is scheduled to run until 09.11.2020 (12.00 pm), save a preliminary closing or extension.

The Noratis corporate bond with a term of 5 years is issued in denominations of EUR 1,000. Subscription orders may be placed, amongst other things, through the subscription functionality “DirectPlace” of Deutsche Börse AG (from 27 October 2020, 9 am, onwards). In addition, a private placement of the bond is made with institutional investors in other European jurisdictions. The inclusion of the bond in the stock exchange trading in the Open Market (Quotation Board) of the Frankfurt Stock Exchange is scheduled for 11.11.2020. The Sole Global Coordinator and Bookrunner is ICF BANK AG from Frankfurt. The corresponding securities prospectus for the corporate bond 2020/2025 of Noratis AG has been approved today by the Luxembourg Financial Supervisory Authority CSSF. Moreover, the Federal German Financial Supervisory Authority BaFin as well as the Austrian Financial Markets Supervisory Authority FMA have been notified.

With the proceeds from the corporate bond Noratis plans to extend its successful business model as a portfolio developer of attractive and at the same time affordable living space in Germany, and to invest into other profitable real estate portfolios. Noratis currently has a real estate portfolio of more than 3,400 residential units in Germany, including properties already acquired but not yet recognised in its financial statement. During the first half-year 2020 the company generated rental income of EUR 8.0m. Consequently, the rental income was 35 percent above the level of the prior



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year period. At the end of the first half-year 2020 the equity ratio amounted to a very solid 22.6 percent according to German GAAP (HGB), and in September 2020, Noratis strengthened its equity significantly through a capital increase with an inflow of a gross amount of EUR 16.9 million. With Merz Real Estate GmbH & Co. KG (Merz), which is part of the Merz Group, Noratis has a strong anchor shareholder which accompanies the company in its expansion strategy. At present, Merz has a stake of around 47.7 percent in Noratis. Within the framework of an investor and fixed subscription agreement, Merz committed at the beginning of the year to invest up to EUR 50 million equity in Noratis through capital measures up to the end of 2024.

As a portfolio developer Noratis combines the advantages of portfolio property management, such as plannable earnings with the yield opportunities of property development. The developer yields are only recognised in the profit and loss account according to German GAAP (HGB) after the property has been sold; in the meantime, they constitute hidden reserves in the balance sheet. For the subscribers to the new corporate bond Noratis generates a steady return – 5.50 percent every year.

The approved securities prospectus is available for downloading on the website [www.noratis.de](http://www.noratis.de) in the Investor Relations section as well as on the website of the Luxembourg Stock Exchange ([www.bourse.lu](http://www.bourse.lu)).

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*This publication constitutes neither an offer to sell nor a solicitation to buy or subscribe to securities in any jurisdiction nor a prospectus for the purposes of the Regulation (EU) 2017/1129 as amended ("Prospectus Regulation"). A public offer of the notes will be made solely on the basis of the prospectus approved by CSSF and notified to the German Financial Supervisory Authority (Bundesanstalt für Finanzdienstleistungsaufsicht, BaFin) and the Austrian Financial Supervisory Authority (Finanzmarktaufsichtsbehörde, FMA). The information legally required to be provided to investors is contained only in the prospectus. The prospectus approved by CSSF is available free of charge on the internet at the website of the Company ([www.noratis.de](http://www.noratis.de)) under "Investor Relations" and on the website of the Luxembourg Stock Exchange ([www.bourse.lu](http://www.bourse.lu)).*

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### **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.

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