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Noratis AG: Subscription period of the 5.50 % corporate bond starts today

- Public offer scheduled until 09.11.2020
- Possibility to subscribe through DirectPlace of Deutsche Börse, amongst others
- Focus on the expansion of the residential property portfolio and active value development
- Merz Real Estate accompanies expansion strategy as a strong anchor shareholder
- First listing of the bond at the Frankfurt Stock Exchange scheduled for 11.11.2020

Eschborn, 26 October 2020 – As of today private and institutional investors can invest into the 5.50 % corporate bond 2020/2025 (ISIN: DE000A3H2TV6) of Noratis AG (“Noratis”). With the start of the subscription an issuer with a profitable business model on the stable German residential property market addresses the market. Noratis combines recurring rental income from the existing residential properties with portfolio development as a yield kicker. The stable financial basis of the company is underpinned by the new, strong anchor shareholder, the Merz Group. Noratis offers its tenants a high residential standard at affordable prices; the corresponding demand remains high and investors benefit from a steady annual return of 5,50 %.

The Noratis corporate bond can already be subscribed from a denomination of EUR 1,000. Subscription orders may be placed, amongst others, through the subscription functionality “DirectPlace” (from 27 October 2020, 9 am, onwards) of Deutsche Börse AG. Investors can simply place an order via their bank or their online broker with marketplace “Frankfurt”, provided that the respective institution is connected to DirectPlace. The public offer in Germany, Austria and Luxembourg is scheduled until 09.11.2020 (12.00 pm), save in the case of a preliminary closing or extension. The planned issuing volume of the bond amounts to up to EUR 50 million. Apart from the public offer, the bond will be offered for subscription within the framework of a private placement to selected institutional investors. The Sole Global Coordinator and Bookrunner is ICF BANK AG from Frankfurt. 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.



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Noratis AG, whose shares are listed in the selection index “Scale 30” of the Frankfurt Stock Exchange, intends to further expand its real estate portfolio with the issuing proceeds. 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. The value of the portfolio properties is carefully developed by Noratis and supplements the current rental income as additional yield kicker. These yields from portfolio development are only recognised in the profit and loss account after the property has been sold; in the meantime, they constitute hidden reserves in the balance sheet in accordance with German GAAP (HGB).

The rental income of Noratis increased during the first half-year 2020 by 35 percent to EUR 8.0 million and reflects the dynamic portfolio development. At the end of the first half-year the equity ratio amounted to a very solid 22.6 percent according to German GAAP (HGB). As a result of the capital increase placed in September, Noratis had an additional gross inflow of EUR 16.9 million

The anchor shareholder of Noratis AG is Merz Real Estate GmbH & Co. KG (Merz), which is part of the Merz Group, and currently has a stake of around 47.7 percent in Noratis. Within the scope of an investor and fixed subscription agreement, Merz committed, moreover, at the beginning of 2020 to invest up to EUR 50 million equity in Noratis through capital measures up to the end of 2024.

André Speth, CFO of Noratis AG: “A reliable yield requires safety. A proven business model, stable markets, recurring, plannable income, and a strong financial basis – these are the prerequisites to a steady return. This is Noratis. We are pleased that investors can now subscribe to our corporate bond, which will carry 5.50 % interest per year for five years.”

The approved securities prospectus, which governs the offer, is available for downloading on the website www.noratis.de in the Investor Relations section as well as on the website of the Luxembourg Stock Exchange (www.bourse.lu).

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About Noratis:

Noratis AG (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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