

Fair Value REIT-AG reports significant profit increase in fiscal year 2018

- Group net profit up 81% in 2018 to EUR 22.8 million (previous year: EUR 12.6 million)
- Operating result (EBIT) up 60% to EUR 37.8 million (previous year: EUR 23.6 million)
- FFO before non-controlling interests EUR 13.0 million (previous year: EUR 10.5 million), after non-controlling interests EUR 8.1 million (previous year: EUR 6.8 million)
- NAV per share up EUR 1.33 to EUR 10.42 (31 December 2017: EUR 9.09 per share)
- Dividend target for 2018 of EUR 0.15 per share confirmed
- Forecast 2019: FFO before non-controlling interests of EUR 8.4 million to EUR 9.0 million, after non-controlling interests around EUR 5.4 million to EUR 5.8 million or EUR 0.39 to EUR 0.41 per share; target dividend for 2019 of EUR 0.15 per share

Graefelfing, 20 March 2019 – According to the final figures, Fair Value REIT-AG (WKN A0MW97) achieved a significant profit increase in fiscal year 2018 compared to the previous year. The operating result (EBIT) increased by 60% from EUR 23.6 million in 2017 to EUR 37.8 million. Group net profit after non-controlling interests increased by 81% from EUR 12.6 million to EUR 22.8 million. This is equivalent to earnings per share of EUR 1.62 compared to EUR 0.90 in the previous year.

At the same time, the preliminary figures were confirmed in full (see ad hoc announcement from 1 March 2019) and the raised FFO guidance was achieved. Funds from operations (FFO) before non-controlling interests amounted to EUR 13.0 million in 2018 compared to EUR 10.5 million in the previous year and after non-controlling interests to EUR 8.1 million compared to EUR 6.8 million in 2017. Fair Value REIT-AG had originally forecast an FFO before non-controlling interests of between EUR 8.7 million and EUR 9.3 million and after non-controlling interests of between EUR 5.1 million and EUR 5.5 million and recently raised this target (see ad hoc announcement from 1 March 2019) after rental and maintenance expenses were partly shifted from fiscal year 2018 to 2019, among other factors.

In the past fiscal year 2018, equity increased significantly to EUR 146.2 million as of the reporting date (31 December 2017: EUR 127.6 million). This results in a net asset value (NAV) per share of EUR 10.42 compared to EUR 9.09 in the previous year. The equity ratio increased from 40% to 44%; the REIT equity ratio increased to 69.8% of immovable assets compared to 65.9% as of year-end 2017.

The significant profit increase was attributable to the reduction in vacancies, the positive value development of the real estate portfolio, lower expenses relating to real estate as well as lower service charges. The EPRA vacancy rate stood at 8.1% as of the reporting date compared to 8.9% (like-for-like) at the end of the previous year. Fair Value REIT-AG continued to optimise its overall portfolio in fiscal year 2018, prematurely extending its existing rental agreements for the long term. The weighted average lease term (WALT) increased to 5.3 years as of 31 December 2018

compared to 5.1 years in the previous year. Net rental income increased by 14% from EUR 15.9 million to EUR 18.1 million.

Although a property was sold in 2018, the market value increased from EUR 291 million to EUR 314 million as of 31 December 2018. Fair Value REIT-AG's directly and indirectly held real estate portfolio comprised 29 properties as of the reporting date (previous year: 30 properties).

As announced recently, the Management Board plans to propose to the Annual General Meeting to be held on 20 May 2019 to distribute a dividend of EUR 0.15 per share for fiscal year 2018. In accordance with REITG ["Gesetz über deutsche Immobilienaktiengesellschaften mit börsennotierten Anteilen": German REIT Act], this accounts for 90% of net profit for the year pursuant to German GAAP generated in 2018.

Forecast for 2019

For fiscal year 2019, based on the existing real estate portfolio not taking into account any changes in the share of directly owned properties, Fair Value REIT-AG expects funds from operations (FFO) before non-controlling interests to range from EUR 8.4 million to EUR 9.0 million and after non-controlling interests from around EUR 5.4 million to EUR 5.8 million at group level, or from EUR 0.39 to EUR 0.41 per share. A dividend of EUR 0.15 per share is being targeted for the current year 2019, corresponding to a distribution rate of between 36% and 39% of FFO, or around 90% of the expected net profit for the year pursuant to German GAAP.

Ingo Hartlief, CEO of Fair Value REIT-AG: "We are delighted with the extraordinarily successful fiscal year 2018, which saw us make considerable rental progress, increase the market value of our overall portfolio despite continuing to streamline it and generate a leap in profits. Our focus in 2019 will continue to be further developing the real estate portfolio in a way that adds value as well as expanding the share in selected subsidiaries."

The annual report containing the complete consolidated financial statements prepared in accordance with IFRSs and the separate financial statements prepared in accordance with requirements of German GAAP can be accessed at www.fvreit.de in the Financial Reports section (German only).

Selected key financials of Fair Value REIT-AG

EUR million	1/1 – 31/12/2018	1/1 – 31/12/2017
Rental income	21.9	22.1
Net rental income	18.1	15.9
Operating result (EBIT)	37.8	23.6
IFRS group net profit	22.8	12.6
IFRS earnings per share	EUR 1.62	EUR 0.90
FFO before non-controlling interests	13.0	10.5
FFO after non-controlling interests	8.1	6.8
FFO per share	EUR 0.58	EUR 0.48
	31/12/2018	31/12/2017
NAV in the consolidated statement of financial position	146.2	127.6
NAV per share in the consolidated statement of financial position	EUR 10.42	EUR 9.09
EPRA-NAV per share	EUR 10.42	EUR 9.09
Equity ratio pursuant to Sec. 15 REITG	69.8 %	65.9%

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Company profile

Fair Value REIT-AG, with its registered offices in Graefelfing in the Munich district, concentrates its activities on acquiring, leasing, holding portfolios in and selling commercial property in Germany. The primary focus of investing activities is currently placed on retail and office properties in regional centres in Germany.