

Fair Value REIT-AG reports successful first half of 2019

- Company confirms FFO forecast and raises expected dividend; portfolio further optimised through the sale of one property
- FFO after non-controlling interests at prior year's level of EUR 3.9 million
- Market value of real estate portfolio increases to EUR 317 million as of 30 June 2019 (31 December 2018: EUR 314 million)
- NAV as of 30 June 2019 equals EUR 150.8 million or EUR 10.75 per share (31 December 2018: EUR 146.2 million or EUR 10.42 per share)
- REIT equity ratio of 70.9% (31 December 2018: 69.8%)

Graefelfing, 14 August 2019 – Fair Value REIT-AG (WKN A0MW97) continued its positive business development in the first half of 2019. The company has further optimised its portfolio through the sale of a non-strategic property. Despite this sale, the market value of the real estate portfolio as of 30 June 2019 increased to EUR 317 million from EUR 314 million at the end of 2018. Fair Value REIT-AG's directly and indirectly held real estate portfolio comprised 28 properties as of the reporting date (year-end 2018: 29 properties).

As a result of the appreciation in value of the real estate portfolio and the reduction in liabilities, the net asset value (NAV) increased to EUR 150.8 million as of 30 June 2019 compared EUR 146.2 million on 31 December 2018 and corresponds to an NAV per share of EUR 10.75 compared to the previous EUR 10.42. The REIT equity ratio was 70.9% as of the reporting date, compared to 69.8% at year-end 2018.

As a result of the sale of two properties in 2018 and 2019, the net rental income was slightly lower at EUR 8.1 million compared to EUR 8.5 million in the prior year. Key expense items declined during the reporting period with general administrative expenses falling from EUR 1.5 million to EUR 1.3 million and net interest expenses dropping from EUR 1.3 million to EUR 1.2 million.

The operating result (EBIT) came to a total of EUR 10.7 million in the first six months of 2019, after EUR 25.9 million in the prior year period. Group net profit amounted to EUR 6.7 million, compared to EUR 15.8 million in the first half of 2018. A direct comparison of the results with the previous year is distorted by a one-off effect from disposal and measurement in the first half of 2018.

Adjusted for measurement and one-off effects, funds from operations (FFO) before non-controlling interests amounted to EUR 5.6 million in the first half of 2019, compared to EUR 6.2 million in the same period of the previous year, and EUR 3.9 million after non-controlling interests. This is equivalent to FFO per share of approximately EUR 0.27.

The EPRA vacancy rate of the existing portfolio amounted to 9.6% as of 30 June 2019 following a level of 8.1% as of 31 December 2018. The weighted average lease term of the lease agreements equalled 5.0 years, following 5.3 years at the end of 2018.

Forecast for 2019

Based on the existing real estate portfolio and excluding any changes in the share of directly owned properties, Fair Value REIT-AG confirms its FFO forecast for the 2019 financial year for an FFO before non-controlling interests of EUR 8.4 million to EUR 9.0 million and FFO after non-controlling interests of EUR 5.4 million to EUR 5.8 million, which is equal to EUR 0.39 to EUR 0.41 per share. As announced in the ad hoc disclosure on 7 August 2019, net income in accordance with German GAAP (HGB) in 2019 is expected to reach EUR 3.0 million, which exceeds the forecast of EUR 2.3 million. As a result, the target dividend for the 2019 financial year has been raised from the previous EUR 0.15 to a range of EUR 0.17 to EUR 0.19 per currently outstanding share.

Tim Brückner, CEO of Fair Value REIT-AG: "The results in the reporting period are above our projections, and we believe we are very well prepared for our future business development." Kevin Julian Fuhr, Member of the Management Board of Fair Value REIT-AG, adds: "Our priority is to further optimise our real estate portfolio by investing in existing properties and focusing on properties that are strategically relevant for us."

The 2019 semi-annual report are published under the section entitled "Financial Reports" on our website at www.fvreit.de.

Selected key financial ratios of Fair Value REIT-AG

in EUR millions	01/01 – 30/06/2019	01/01 – 30/06/2018
Rental income	10.9	11.0
Net rental income	8.1	8.5
Operating result (EBIT)	10.7	25.9
Group net profit (IFRS)	6.7	15.8
Earnings per share (IFRS)	EUR 0.48	EUR 1.12
FFO before non-controlling interests	5.6	6.2
FFO after non-controlling interests	3.9	3.9
FFO per share	EUR 0.27	EUR 0.28
	30/06/2019	31/12/2018
NAV according to the consolidated statement of financial position	150.8	146.2
NAV per share according to the consolidated statement of financial position	EUR 10.75	EUR 10.42
EPRA NAV per share	EUR 10.75	EUR 10.42
Equity ratio according to Sec. 15 REITG	70.9%	69.8%

Contact:

Fair Value REIT-AG

Tim Brückner

Wuermstraße 13a

82166 Graefelfing

Tel.: 089-9292815-10

Fax: 089-9292815-15

Email: brueckner@fvreit.de

Company profile

Fair Value REIT-AG, with its registered offices in Graefelfing in the Munich district, focuses its activities on acquiring, leasing and holding portfolios, as well as selling commercial property in Germany. Investing activities currently concentrate on retail and office properties in regional centres in Germany.