DEMIRE

INTERIM STATEMENT
1 JANUARY – 31 MARCH 2024

HIGHLIGHTS 3M 2024

KEY EARNINGS FIGURES

7.9
in EUR million
FFO I (after taxes, before minority interests), compared to EUR 9.2 million in 3M 2023

18.6
in EUR million
RENTAL INCOME, compared to EUR 20.8 million in 3M 2023

KEY FINANCIAL INDICATORS

53.9
in %
NET LOAN-TO-VALUE[1] (NET LTV), compared to 57.7% as at year-end 2023

1.77
in % p. a.
AVERAGE NOMINAL INTEREST COSTS, stable compared to year-end 2023

3.23
in EUR
NET ASSET VALUE (PER SHARE, BASIC), compared to EUR 3.24 as at year-end 2023

PORTFOLIO DEVELOPMENT

966
in EUR million
PORTFOLIO VALUE, compared to EUR 1.1 billion as at year-end 2023

4.4
in years
WALT, compared to 4.6 years as at year-end 2023

67.9
in EUR million
ANNUALISED RENTAL INCOME, compared to EUR 76.7 million as at year-end 2023

14.1
in %
EPRA VACANCY RATE[2], compared to 13.1% as at year-end 2023

–4.1
in %
LIKE-FOR-LIKE CHANGE in annualised contractual rent, down 8.8% compared to 3M 2023

8,200
in m^2
LETTING PERFORMANCE, compared to 10,200m^2 as at 3M 2023

[1] According to the definition of bond 2019/24
[2] Excluding properties classified as a project development

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FOREWORD BY THE EXECUTIVE BOARD

Dear Shareholders, dear Readers,

DEMIRE's business performance in the first quarter of 2024 has been robust and thus satisfactory. So far, the weak economic environment and high inflation have not had any significant negative effect on our key performance indicators of rental income and funds from operations. At the level of our operating activities, however, we are confronted with weaker tenant demand. The key areas to focus on in terms of performance during the first quarter of the financial year are as follows:

— Rental income after sales totalled EUR 18.6 million in line with expectations (previous year: EUR 20.8 million).
— Funds from operations (FFO I, after taxes, before minority interests) decreased to EUR 7.9 million compared with EUR 9.2 million in the previous year.
— At around 8,200 m^2, letting performance was down on the previous year's figure of around 10,200 m^2.
— Like-for-like rental growth amounted to – 4.1%, compared to 8.8% in the prior-year period.
— The EPRA vacancy rate (excluding project developments) rose slightly to 14.1% (31 December 2023: 13.1%) and the WALT remained almost constant at 4.4 years compared to the end of 2023.
— NAV per share (basic) was slightly down at EUR 3.23, a fall of EUR 0.01 compared to the end of 2023.
— Net loan-to-value[1] (net LTV) fell significantly to 53.9% following the sale of LogPark, with liquidity totalling EUR 180.6 million as at the reporting date.
— Average nominal financing costs remain at a low level nominally at 1.77% per annum.

The year-on-year decline in rental income and funds from operations (FFO I) after taxes and before minority interests, DEMIRE's two most important performance indicators, resulted from the recent sales, while rent indexation had the opposite effect.

The results obtained in the first three months of 2024 give us confidence that our performance will also be in line with our plans for the financial year as a whole. Despite the current difficult situation on the commercial property rental and transaction markets and the significant increase in financing costs on the capital markets compared to previous years, we expect DEMIRE's stable positioning to allow our company to continue to develop as planned in the foreseeable future.

Now the first quarter has ended, we therefore remain committed to our forecast for the 2024 financial year. In this regard, we expect rental income to be between EUR 64.0 million and EUR 66.0 million (2023: EUR 78.5 million). As there is no set date for the official implementation of the new bond conditions as yet, it is not possible to make a meaningful interim forecast regarding FFO I (after taxes, before minority interests) at this time. However, the Company expects FFO I (after taxes, before minority interests) to fall significantly compared to the previous year (2023: EUR 36.7 million).

Frankfurt am Main, 30 September 2024

Frank Nickel
(CEO)

Tim Brückner
(CFO)

Ralf Bongers
(Member of the Executive Board)

[1] According to the definition of bond 2019/24

DEMIRE AT A GLANCE

KEY GROUP FIGURES

in EUR thousand	01/01/2024 – 31/03/2024	01/01/2023 – 31/03/2023
Key earnings figures		
Rental income	18,616	20,765
Profit/loss from rental income[1]	12,161	14,918
EBIT	**4,751**	**– 14,936**
Financial result	– 3,864	– 4,488
EBT	**887**	**– 19,424**
Net profit/loss for the period	**– 4,365**	**– 19,133**
Net profit/loss for the period attributable to parent company shareholders	**– 4,637**	**– 18,291**
Net profit/loss for the period per share (basic/diluted) (in EUR)	**– 0.04/– 0.04**	**– 0.17/– 0.17**
FFO I (after taxes, before minority interests)	**7,907**	**9,227**
FFO I per share (basic/diluted) (in EUR)	**0.07/0.07**	**0.09/0.09**

[1] In connection with consultancy services in the area of asset management, legal and consultancy fees and general administration expenses were reclassified to rental income. The previous year's figure was adjusted accordingly.

in EUR thousand	31/03/2024	31/12/2023
Key portfolio indicators		
Properties (number)	58	59
Market value (in EUR million)[1]	966.3	1,075.6
Annualised contractual rents (in EUR million)	67.9	76.7
Rental returns	7.0%	7.1%
EPRA vacancy rate[2]	14.1%	13.1%
WALT (in years)	4.4	4.6

[1] The market value (in EUR million) represents the total fair value of DEMIRE's property portfolio as at the reporting date. In contrast to the balance sheet item "Total Core Portfolio", no heritable building rights or operating facilities are recognised.
[2] Excluding properties classified as a project development

in EUR thousand	31/03/2024	31/12/2023
Key balance sheet figures		
Total assets	**1,294,011**	**1,327,532**
Investment properties	950,536	947,276
Non-current assets held for sale	45,850	149,100
Total Core Portfolio	**996,386**	**1,096,376**
Financial and lease liabilities	781,164	816,992
Cash and cash equivalents	180,640	119,989
Net financial liabilities	**600,524**	**697,003**
Net loan-to-value ratio (net LTV) (in %)	**53.9%**	**57.7%**
Equity according to consolidated balance sheet	328,583	333,285
Equity ratio	25.4%	25.1%
Net asset value (NAV)	298,952	303,589
NAV (basic/diluted)	340,969/341,479	341,504/342,014
Number of shares (basic/diluted)	105,513/106,023	105,513/106,023
EPRA NAV per share (basic/diluted) (in EUR)	**3.23/3.22**	**3.24/3.23**

PORTFOLIO HIGHLIGHTS

as at 31 March 2024

966
in EUR million
MARKET VALUE OF THE PROPERTY PORTFOLIO

10.16
in EUR/m²
AVERAGE RENT
across the portfolio

58
ASSETS
at 48 locations
in 11 federal states

14.1
in %
EPRA VACANCY RATE[1]
across the portfolio

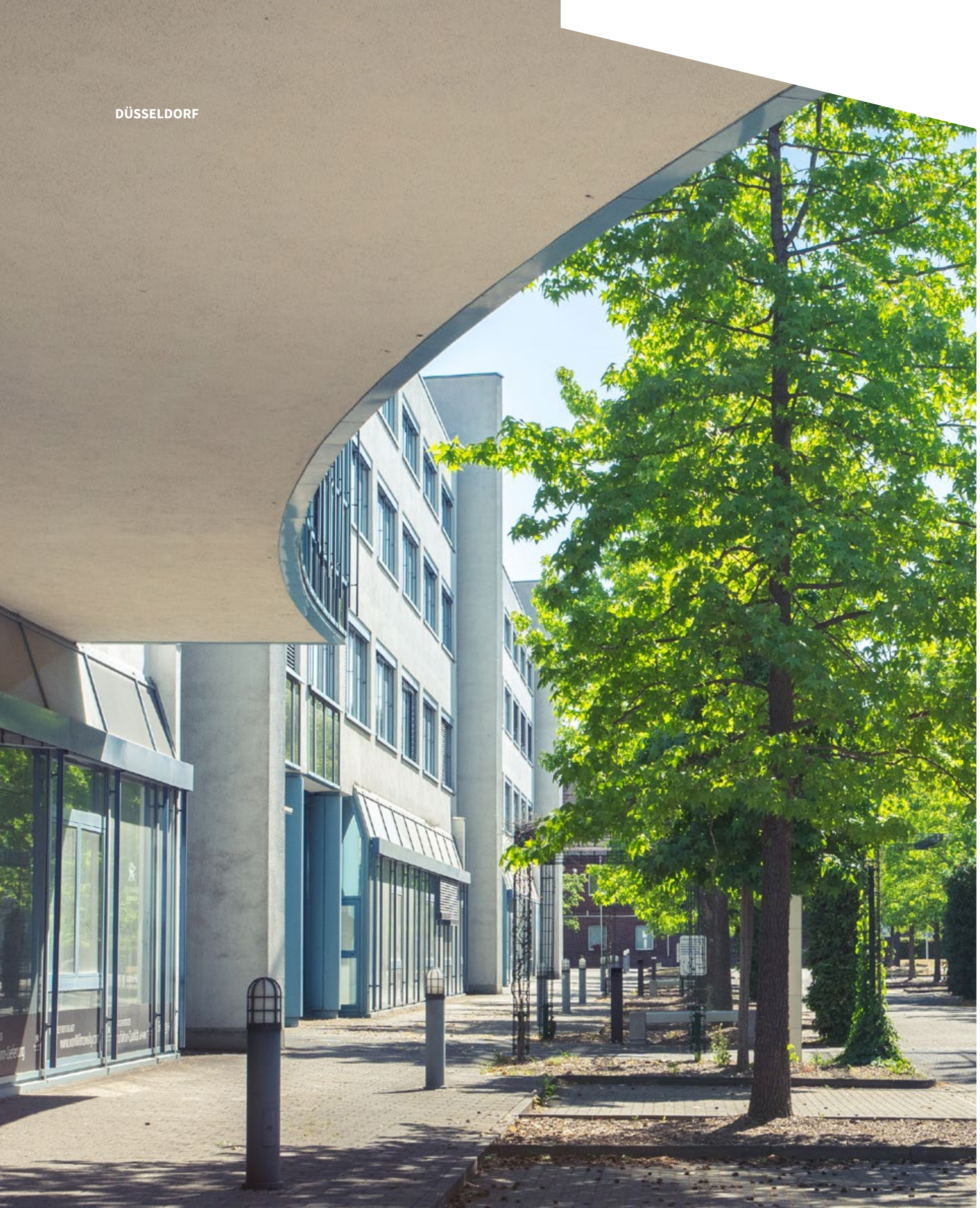
67.9
in EUR million
ANNUALISED CONTRACTUAL RENTS

7.0
in %
GROSS RENTAL RETURNS

–4.1
in %
LIKE-FOR-LIKE CHANGE
in annualised contractual rent

4.4
in years
WEIGHTED AVERAGE
residual lease term (WALT)

[1] Excluding properties classified as a project development



INTERIM GROUP MANAGEMENT REPORT

for the reporting period from 1 January to 31 March 2024

OVERVIEW

BUSINESS PERFORMANCE

DEMIRE's business performed robustly and in line with expectations in the first three months of 2024. The Group's rental income decreased, in particular due to property sales, and is therefore in line with expectations. The difficult economic environment led to a comparatively low letting performance, rising vacancy rates and a negative impact on like-for-like rental development in the first quarter of 2024. The successful sale of LogPark in Leipzig significantly reduced the net loan-to-value at the end of the first quarter. The decrease in funds from operations (FFO I) after taxes and before minority interests is primarily due to a smaller portfolio base compared to the same period last year. In summary, the business development is in line with the expectations and planning of the Executive Board.

Following the successful refinancing of the 2019/24 bond, the Company is focussing on reducing its debt ratio, including through the sale of properties. Additional priorities include implementing the planned value-enhancing investments in the property portfolio and increasing letting performance. The performance during the period under review and in the previous financial year provides a stable basis to perform well during the current financial year.

— Rental income totalled EUR 18.6 million (previous year: EUR 20.8 million), in line with expectations.

— Funds from operations (FFO I, after taxes, before minority interests) decreased to EUR 7.9 million compared with EUR 9.2 million in the previous year.

— At around 8,200 m^2, letting performance was down slightly on the previous year's figure of around 10,200 m^2.

— Like-for-like rental growth amounted to – 4.1%, compared to 8.8% in the prior-year period.

— The EPRA vacancy rate (excluding project developments) increased to 14.1% (31 December 2023: 13.1%) and the WALT decreased slightly by 0.2 years to 4.4 years compared to year-end 2023.

— NAV per share (undiluted) remains almost unchanged at EUR 3.23, compared to EUR 3.24 at the end of 2023.

— Net loan-to-value[1] (net LTV) fell significantly to 53.9% following the sale of LogPark (31 December 2023: 57.7%), while liquidity increased significantly to EUR 180.6 million as at the reporting date.

— The average nominal financing costs are almost unchanged at 1.78% per annum Financing costs will only increase significantly once the 2019/24 bond has been extended..

PERFORMANCE IN LINE WITH FORECAST FOR THE 2024 FINANCIAL YEAR

Against the background of the development in the first quarter of 2024, the Executive Board can confirm the forecast for the 2024 financial year: rental income will be between EUR 64.0 million and EUR 66.0 million (2023: EUR 78.5 million). As there is no set date for the official implementation of the new bond conditions as yet, it is not possible to make a meaningful interim forecast regarding FFO I (after taxes, before minority interests) at this time. However, FFO I (after taxes, before minority interests) is expected to be significantly lower than in the previous year (2023: EUR 36.7 million).

[1] According to the definition of bond 2019/24

PROPERTY PORTFOLIO

Compared to the end of 2023, the property portfolio decreased by one property with the transfer of the sold LogPark property in Leipzig. As at the reporting date of 31 March 2024, the portfolio consists of 58 commercial properties with lettable floor space of around 0.7 million m² and a total market value of around EUR 966.3 billion. An external property valuation of the portfolio was last performed on 31 December 2023.

The EPRA vacancy rate of the portfolio (excluding properties classified as a project development) was 14.1% as at the reporting date of 31 March 2024, a slight increase of 1.0 percentage points compared with the level as at 31 December 2023. The WALT amounts to 4.4 years as at 31 March 2024 and has dipped slightly compared to the end of 2023. In the reporting period, DEMIRE achieved a letting performance of around 8,200 m² (previous year: 10,200 m²), of which around 23.8% was attributable to new lettings and around 76.2% to follow-up lettings.

TOP TEN TENANTS (AS AT 31 MARCH 2024)

No.	Tenant	Type of use	Contractual rents p.a.[1] in EUR million	in % of total
1	GMG/Dt. Telekom	Office	7.3	10.8
2	IMOTEX	Retail	5.4	7.9
3	Bima Bundesanstalt für Immobilienaufgaben	Office	3.2	4.7
4	Roomers	Hotel	2.1	3.1
5	Galeria Karstadt Kaufhof	Retail	2.1	3.0
6	Sparkasse Südholstein	Office	1.8	2.7
7	comdirect bank AG	Office	1.4	2.0
8	Die Autobahn GmbH des Bundes	Office	1.3	1.9
9	BWI GmbH	Office	1.2	1.8
10	CFH Penta Rostock GmbH	Hotel	1.2	1.8
Total			**27.1**	**39.9**
Other			40.9	60.1
Total			**67.9**	**100.0**

[1] Based on annualised contractual rents, excluding ancillary costs

PORTFOLIO BY ASSET CLASS

	Number of properties	Market value[1] in EUR million	Share by market value in %	Lettable space in thousand m²	Market value per m²	Contractual rent in EUR million p.a.	Contractual rent per m²	Rental returns in %	EPRA Vacancy Rate[2] in %	WALT in years
Office	38	623.2	64.5	453.9	1,373	43.2	10.05	6.9	13.9	3.3
Retail	16	281.3	29.1	214.5	1,312	21.5	10.22	7.6	15.1	5.1
Other	4	61.8	6.4	28.8	2,143	3.3	11.31	5.3	10.8	15.3
Total 31 March 2024	**58**	**966.3**	**100.0**	**697.3**	**1,386**	**67.9**	**10.16**	**7.0**	**14.1**	**4.4**
Total 31 December 2023	**59**	**1,075.6**	**100.0**	**858.4**	**1,253**	**76.7**	**9.00**	**7.1**	**13.1**	**4.6**
Change (in %/pp)	– 1	– 10.2	0	– 18.8	10.6	– 11.4	12.8	– 0.1	1.0	– 0.2

[1] The market value (in EUR million) represents the total fair value of DEMIRE's property portfolio as at the reporting date. In contrast to the balance sheet item "Total Core Portfolio", no heritable building rights or operating facilities are recognised.
[2] Excluding properties classified as a project development

ECONOMIC REPORT

Results of operations, net assets and financial position

RESULTS OF OPERATIONS

In the first three months of 2024, the DEMIRE Group generated rental income totalling EUR 18.6 million (previous year: EUR 20.8 million). Rental income fell by 10.3% compared to the same period of the previous year, mainly due to property sales, while rent indexation had the opposite effect. Profit/loss from the rental of real estate decreased by 18.5% to EUR 12.2 million (previous year: EUR 14.9 million).

The result from the sale of properties totalled EUR – 4.5 million (previous year: EUR – 0.1 million) solely due to a provisional purchase price retention in connection with the sale of LogPark in Leipzig.

Impairments on financial and other receivables totalled EUR 0.3 million (previous year: EUR 0.0 million). General administrative expenses remained almost constant at EUR 2.6 million in the first three months of 2024 (previous year: EUR 2.5 million). Other operating expenses fell to EUR 0 million (previous year: EUR 2.0 million). In the previous year, depreciation of rent-free periods associated with the cancellation of Galeria Karstadt Kaufhof in Celle had an impact on earnings. Earnings before interest and taxes (EBIT) rose to EUR 4.8 million, after being impacted by impairments on properties held for sale in the previous year (EUR – 14.9 million).

The financial result amounts to EUR – 3.9 million, compared to EUR – 4.5 million in the prior-year period. This includes loans granted and interest income, which led to financial income of EUR 1.5 million (previous year: EUR 1.2 million). The average nominal interest rate on financial debt as at 31 March 2024 remains almost constant compared to the end of 2023 at a nominal 1.77% per annum.

Earnings before taxes (EBT) rose to EUR 0.9 million in the reporting period, compared to EUR – 19.4 million in the previous year. The profit for the period for the first three months of 2024 was EUR – 4.4 million, compared to EUR – 19.1 million in the same period of the previous year.

CONSOLIDATED INCOME STATEMENT

(selected information in EUR thousand)	01/01/2024 – 31/03/2024	01/01/2023 – 31/03/2023	Change	in %
Rental income	18,616	20,765	– 2,149	– 10.3
Income from utility and service charges	7,322	8,339	– 1,017	– 12.2
Operating expenses to generate rental income[1]	– 13,079	– 13,628	549	– 4.0
Impairment of trade accounts receivable[1]	– 698	– 557	– 141	0.3
Profit/loss from the rental of real estate	**12,161**	**14,918**	**– 2,757**	**– 18.5**
Income from the sale of real estate and real estate companies	99,022	0	99,022	
Expenses related to the sale of real estate and real estate companies	– 103,528	– 97	– 103,431	>100
Profit/loss from the sale of real estate and real estate companies	**– 4,506**	**– 97**	**– 4,409**	**>100**
Profit/loss from fair value adjustments of investment properties	0	0	– 0	– 100.0
Profit/loss from fair value adjustments of assets held for sale	0	– 25,500	25,500	– 100.0
Impairment of financial and other receivables[1]	– 345	– 11	– 334	>100
Other operating income	70	299	– 229	– 76.6
General administrative expenses[1]	– 2,624	– 2,548	– 76	3.0
Other operating expenses	– 5	– 1,998	1,993	– 99.8
Earnings before interest and taxes	**4,751**	**– 14,936**	**19,687**	**>100**
Financial result	– 3,864	– 4,488	624	– 13.9
Earnings before taxes	**887**	**– 19,424**	**20,311**	**>100**
Current income taxes	– 1,149	– 1,108	– 41	3.7
Deferred taxes	– 4,103	1,399	– 5,502	>100
Net profit/loss for the period	**– 4,365**	**– 19,133**	**14,768**	**– 77.2**
of which attributable to parent company shareholders	– 4,637	– 18,291	13,654	– 74.6
Basic earnings per share (in EUR)	– 0.04	– 0.17	0.13	– 74.6
Weighted average number of shares outstanding (in thousands)	105,513	105,513	0	0.0
Diluted earnings per share (in EUR)	– 0.04	– 0.17	0.13	– 74.6
Weighted average number of shares outstanding (diluted) (in thousands)	106,023	106,023	0	0.0

[1] In connection with consultancy services in the area of asset management, legal and consultancy fees and general administration expenses were reclassified to rental income. The previous year's figures were adjusted accordingly.

NET ASSETS

As at 31 March 2024, total assets had decreased slightly by EUR 33.5 million compared to the end of 2023 to approximately EUR 1,294.0 million. The value of investment property amounted to EUR 950.5 million as at 31 March 2024 (31 December 2023: EUR 947.3 million). The increase compared to the value at the end of 2023 is due to the capitalisation of CapEx measures. Following the sale of LogPark in Leipzig, the value of assets held for sale fell to EUR 45.9 million (previous year: EUR 149.1 million).

Group equity as at 31 March 2024 totalled approximately EUR 328.6 million, which was lower compared to the level on 31 December 2023 (EUR 333.3 million) due to the negative result for the period. By contrast, the equity ratio increased slightly to 25.4% (31 December 2023: 25.1%). It should be noted that non-controlling minority interests reported in the Group's borrowed capital of around EUR 73.2 million (31 December 2023: EUR 72.0 million) are carried as non-current liabilities and not as equity in accordance with IAS 32, solely as a result of the legal form of Fair Value REIT's fund participations as partnerships. The corresponding adjusted Group equity totals EUR 401.8 million (31 December 2023: EUR 405.3 million).

Total liabilities as at 31 March 2024 amounted to EUR 965.4 million, down slightly compared to the total as at 31 December 2023 (EUR 994.2 million). The decline is due in particular to the repayment of the loan to finance LogPark in Leipzig, which was repaid when the property was handed over at the end of March 2024.

CONSOLIDATED BALANCE SHEET – ASSETS

(selected information in EUR thousand)	31/03/2024	31/12/2023	Change	in %
Assets				
Total non-current assets	1,032,908	1,026,550	6,358	0.6
Total current assets	215,253	151,882	63,371	41.7
Assets held for sale	45,850	149,100	– 103,250	– 0.7
Total assets	**1,294,011**	**1,327,532**	**– 33,521**	**– 2.5**

CONSOLIDATED BALANCE SHEET – EQUITY AND LIABILITIES

(selected information in EUR thousand)	31/03/2024	31/12/2023	Change	in %
Equity and liabilities				
Equity				
Equity attributable to parent company shareholders	298,952	303,589	– 4,637	– 1.5
Non-controlling interests	29,631	29,696	– 65	– 0.2
Total equity	**328,583**	**333,285**	**– 4,702**	**– 1.4**
Liabilities				
Total non-current liabilities	283,918	279,982	3,936	1.4
Total current liabilities	681,510	714,265	– 32,755	– 4.6
Total liabilities	**965,428**	**994,247**	**– 28,819**	**– 2.9**
Total equity and liabilities	**1,294,011**	**1,327,532**	**– 33,521**	**– 2.5**

FINANCIAL POSITION

Cash flow from operating activities came to EUR 6.3 million (previous year: EUR 15.7 million) in the first three months of 2024, reflecting the Company's operating result.

Cash flow from investing activities during the period under review amounted to EUR 94.5 million, compared to EUR 4.9 million in the previous year. This was primarily driven by proceeds from the sale of LogPark in Leipzig.

Cash flow from financing activities came to EUR –40.1 million, compared to EUR –4.6 million in the same prior-year period. The increase in the reporting period is due to repayments, in particular the repayment of the loan to finance LogPark property in Leipzig following its sale.

Cash and cash equivalents amounted to EUR 180.6 million on 31 March 2024 (31 March 2023: EUR 73.4 million).

CONSOLIDATED STATEMENT OF CASH FLOWS

(selected information in EUR thousand)	01/01/2024 – 31/03/2024	01/01/2023 – 31/03/2023	Change
Cash flow from operating activities	6,251	15,719	–9,467
Cash flow from investing activities	94,451	4,873	89,577
Cash flow from financing activities	–40,051	–4,603	–35,448
Net change in cash and cash equivalents	**60,651**	**15,989**	**44,662**
Cash and cash equivalents at the end of the period	**180,640**	**73,404**	**107,236**

Funds from operations (FFO)

Funds from operations I (after taxes, before minority interests), the key operating performance indicator, fell by 14.3% to EUR 7.9 million in the first quarter of 2024, compared to EUR 9.2 million during the same period of the previous year. On a diluted basis, this corresponds to an FFO I per share of EUR 0.07, compared to EUR 0.09 in the same period of the prior year.

FFO CALCULATION

(selected information in EUR thousand)	01/01/2024 – 31/03/2024	01/01/2023 – 31/03/2023	Change	in %
Earnings before taxes	886	– 19,424	20,310	>100
Minority interests	1,163	1,394	– 231	– 16.6
Earnings before taxes (EBT)	**2,049**	**– 18,030**	**20,079**	**>100**
± Profit/loss from the sale of real estate	4,506	97	4,409	>100
± Profit/loss from the valuation of investment properties	0	25,500	– 25,500	– 100.0
± Other adjustments [1]	2,004	2,805	– 801	– 28.5
FFO I before taxes	**8,559**	**10,373**	**– 1,814**	**– 17.5**
± (Current) income taxes	– 653	– 1,146	493	– 43.0
FFO I after taxes	**7,907**	**9,227**	**– 1,320**	**– 14.3**
of which attributable to parent company shareholders	6,473	7,143	– 669	– 9.4
of which attributable to non-controlling interests	1,433	2,084	– 651	– 31.2
± Profit/loss from the sale of real estate companies/real estate (after taxes)	– 4,506	– 97	– 4,409	>100
FFO II after taxes	**3,401**	**9,130**	**– 5,729**	**– 62.8**
of which attributable to parent company shareholders	1,739	7,046	– 5,306	– 75.3
of which attributable to non-controlling interests	1,661	2,084	– 423	– 20.3
FFO I after taxes and minority interests				
Basic earnings per share (in EUR)	0.06	0.07	– 0.01	– 9.4
Weighted average number of shares outstanding	105,513	105,513	0	0.0
Diluted earnings per share (in EUR)	0.06	0.07	– 0.01	– 9.4
Weighted average number of shares outstanding (diluted)	106,023	106,023	0	0.0
FFO II after taxes and minority interests				
Basic earnings per share (in EUR)	0.02	0.07	– 0.05	– 75.3
Weighted number of shares outstanding	105,513	105,513	0	0.0
Diluted earnings per share (in EUR)	0.02	0.07	– 0.05	– 75.3
Weighted number of shares outstanding (diluted)	106,023	106,023	0	0.0

[1] Other adjustments include:
— One-time refinancing costs and effective interest payments (EUR 1.0 million, previous year: EUR 0.6 million)
— One-time transaction, legal and consultancy fees (EUR 0.1 million, previous year: EUR 0.2 million)
— Expenses/income not related to the accounting period (EUR 0.9 million; previous year: EUR 2.0 million)

Net asset value (NAV)

The basic net asset value went down from EUR 341.5 million as at 31 December 2023 to EUR 341.0 million as at 31 March 2024, largely due to the negative result for the period, offset by higher deferred taxes. On a per-share basis, basic NAV amounted to EUR 3.23 per share on the reporting date (31 December 2023: EUR 3.24 per share).

NET ASSET VALUE (NAV)

in EUR thousand	31/03/2024	31/12/2023	Change	in %
Net asset value (NAV)	298,952	303,589	– 4,637	– 1.5
Deferred taxes	42,017	37,915	4,103	10.8
Goodwill resulting from deferred taxes	0	0	0	0.0
NAV (basic)	**340,969**	**341,504**	**– 535**	**– 0.2**
Number of outstanding shares (basic) (in thousands)	105,513	105,513	0	0.0
NAV per share (basic) (in EUR)	3.23	3.24	– 0.01	– 0.2
Effect of the conversion of convertible bonds and other equity instruments	510	510	0	0.0
NAV (diluted)	**341,479**	**342,014**	**– 535**	**– 0.2**
Number of outstanding shares (diluted) (in thousands)	106,023	106,023	0	0.0
NAV per share (diluted) (in EUR)	**3.22**	**3.23**	**– 0.01**	**– 0.2**

NET LOAN-TO-VALUE RATIO

The DEMIRE Group's net loan-to-value ratio is defined in the 2019/24 bond prospectus as the ratio of net financial liabilities to the sum of all assets less intangible assets and cash and cash equivalents. The net loan-to-value ratio fell to 53.9% as at 31 March 2024 from 57.7% at the end of 2023.

NET LOAN-TO-VALUE RATIO (NET LTV)

in EUR thousand	31/03/2024	31/12/2023
Financial liabilities and lease liabilities	781,164	816,992
Cash and cash equivalents	180,640	119,989
Net financial debt	**600,524**	**697,003**
Total assets	1,294,011	1,327,531
Intangible assets	0	0
Cash and cash equivalents	– 180,640	– 119,989
Total assets less intangible assets and cash and cash equivalents	**1,113,371**	**1,207,542**
Net LTV (in %)	53.9	57.7

Covenants for the 2019/24 corporate bond

Within the scope of issuing the 2019/24 corporate bond, DEMIRE undertook to comply with and regularly report on various covenants. The definition of the covenants to be reported on is listed in the offering prospectus for the 2019/24 corporate bond.

BOND COVENANTS – 31 MARCH 2024

	NET LTV	NET SECURED LTV	ICR
Covenant	max. 60%	max. 40%	min. 2.00
Value	53.9%	6.5%	4.55

As at 31 March 2024, DEMIRE had complied with all covenants of the 2019/24 corporate bond. The planning for the 2024 financial year assumes that the covenants can be complied with.

Opportunities and risks

Please refer to the disclosures made in the opportunities and risks report included within the consolidated financial statements as at 31 December 2023 for information on the opportunities and risks of future business performance. There were no material changes to the Group's opportunity and risk structure in the first three months of 2024.

The opportunities and risks are reviewed continuously and in a structured process. From today's perspective, no risks that could endanger the Company have been identified.

Subsequent events

On 3 April 2024 the Supervisory Board dismissed CEO Prof. Dr Alexander Goepfert with immediate effect. Frank Nickel was appointed as the new CEO until 31 March 2026.

On 10 April 2024, Prof. Dr Hennig informed the Supervisory Board and the Executive Board that she would be resigning her mandate and stepping down from the Supervisory Board with effect from 15 May 2024. After shortening her resignation period, Prof. Dr Hennig then left the Supervisory Board at the end of 1 May 2024. The resulting vacancy on the Supervisory Board was filled by the appointment of Mr Ernö Theuer by court order with effect from 7 May 2024.

Refinancing the 2019/24 corporate bond

As part of a comprehensive transaction, DEMIRE plans to extend its 2019/24 corporate bond with an outstanding total nominal amount of EUR 499 million to the end of 2027 with revised conditions. The bond restructuring was approved by the bondholders at the beginning of September 2024, with more than 90% voting in favour of the restructuring in a vote without an assembly in accordance with Section 18 of the German Bond Act (SchVG). This was followed by the publication of the tender offer described below. The anticipated deadline for tenders is scheduled for 25 October 2024. Following this, the partial early repayment of the bond (see below) will be carried out, and the tender offer will then be settled. The technical implementation of the amendment to the bond conditions is expected to take place at the end of October/beginning of November 2024. Individual provisions of the new bond conditions, in particular new covenants (LTV <70% and interest coverage ratio (ICR) >1.5), will be effectively brought forward to the date of publication of the notice convening the bondholders' meeting due to the need to obtain advance approval from DEMIRE, which is a prerequisite for the amendment of the bond conditions to be implemented. There is no risk of insolvency as a result of the technical interim maturity of the bond from 15 October 2024 until the expected entry into force of the new bond conditions, as bondholders with a volume of more than 90% of the total nominal amount of the bond have declared a non-serious demand. In addition, bondholders representing more than 90% of the total nominal amount of the bond have passed a resolution in accordance with the German Bond Act (SchVG), whereby a joint representative can declare a non-serious demand for repayment on behalf of all bondholders from 15 October 2024.

In addition to the extension of the 2019/24 bond, the transaction includes other elements. This includes a partial early repayment of the 2019/24 bond at total nominal value of EUR 49.9 million.

Subsequently, DEMIRE is offering to buy back bonds at a maximum price of 76.25% as part of a tender offer. Liquidity of up to EUR 159.6 million is available for the buyback. The Company's largest shareholder has agreed to grant DEMIRE a shareholder loan of up to EUR 100 million to support this. The shareholder loan is expected to bear interest of 22% per annum. Interest payments can be made at maturity, i.e. 31 December 2028, taking into account compound interest accrued in the meantime, or during the term. The shareholder loan is scheduled to run until the end of 2028. No dividends can be paid until the extended corporate bond has been repaid in full. The bond buyback is already secured by a backstop agreement or commitment from the largest bondholders at the above price for a nominal amount of EUR 194 million. Participation in the backstop will be remunerated by DEMIRE with a fee of 5% on the allocated backstop amount. Assuming a price of 76.25%, and taking into account the partial repayment of the bond at par that has already been carried out, if the amount available for acquisitions is used up in full, the remaining outstanding amount of the bond is expected to be around EUR 240 million.

The comprehensive amendments to the bond conditions include an extension of the term until 31 December 2027, a cash interest rate of 5.00% and an updated catalogue of credit obligations, in particular the collateralisation of the bond with DEMIRE's material assets. For this collateralisation, a large part of the DEMIRE real estate companies will be transferred to a LuxCo structure. Furthermore, the Company is expected to pay an additional fee of 3% to the bondholders if it fails to reduce the outstanding principal amount of the bond by EUR 50 million of the nominal amount by the end of 2025. An additional fee of 2% is provided for in the event that the Company does not succeed in reducing the outstanding principal amount of the bond by a further EUR 50 million of the nominal amount by the end of 2026. In addition, payment-in-kind interest (PIK) of 3% will be charged on the outstanding bond amount from 2027. All additional interest payments are to be made at maturity, i.e. at the end of 2027 at the latest, taking into account compound interest accrued in the meantime. If the refinancing cannot be carried out as planned, this will jeopardise the Company's ability to continue as a going concern.

Limes subsidiaries

The Executive Board and the management of the Limes subsidiaries were in very promising negotiations for a long time regarding the extension of the loan agreement between the four Limes subsidiaries (DEMIRE Aschheim Max-Planckstraße GmbH, DEMIRE Essen Hatzper Str. Theodor-Althoff-Str. GmbH, DEMIRE Kassel Kölnische Str. Mauerstr. Spohrstr. GmbH and DEMIRE Köln Max-Glomsda-Straße 4 GmbH) and DZ HYP AG for an outstanding loan amount of approximately EUR 83 million, which expired on 30 June 2024. However, the offers that had been exchanged in the past could not be accepted due to the outcome of the negotiations with the bondholders, resulting in the insolvency of the Limes subsidiaries at the end of 30 June 2024. After further unsuccessful negotiations, the management was forced to file for insolvency for these four companies on 22 July 2024. Since then, these companies have been under their own management. The opening of the insolvency proceedings is expected to take place in early October 2024. As a result, these companies are no longer controlled in accordance with IAS 10.21 and were deconsolidated in the third quarter of 2024. This resulted in a deconsolidation loss of EUR 5.1 million. In addition, due to developments during the year in the leasing and contractual situation of the affected properties, a revaluation of the LIMES properties was carried out as at 30 June 2024 and a write-down of EUR 18 million was recognised.

No further events occurred after the interim reporting date that are of relevance to DEMIRE's net assets, financial position and results of operations.

Frankfurt am Main, 30 September 2024

DEMIRE Deutsche Mittelstand Real Estate AG

Frank Nickel
(CEO)

Tim Brückner
(CFO)

Ralf Bongers
(Member of the Executive Board)

INTERIM CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF INCOME

for the reporting period from 1 January to 31 March 2024

in EUR thousand	NOTE	01/01/2024 – 31/03/2024	01/01/2023 – 31/03/2023
Rental income		18,616	20,765
Income from utility and service charges		7,322	8,339
Operating expenses to generate rental income[1]		– 13,079	– 13,628
Impairment of trade accounts receivable[1]		– 698	– 557
Profit/loss from the rental of real estate		**12,161**	**14,918**
Income from the sale of real estate and real estate companies		99,022	0
Expenses related to the sale of real estate and real estate companies		– 103,528	– 97
Profit/loss from the sale of real estate and real estate companies		**– 4,506**	**– 97**
Profit/loss from fair value adjustments of investment properties		0	0
Profit/loss from fair value adjustments of assets held for sale		0	– 25,500
Impairment of financial and other receivables[1]		– 345	– 11
Other operating income		70	299
General administrative expenses		– 2,624	– 2,548
Other operating expenses		– 5	– 1,998
Earnings before interest and taxes	**D 1**	**4,751**	**– 14,936**
Financial income		1,545	1,205
Financial expenses		– 4,246	– 4,299
Minority interests		– 1,163	– 1,394
Financial result	**D 2**	**– 3,864**	**– 4,488**
Earnings before taxes		**887**	**– 19,424**
Current income taxes		– 1,149	– 1,108
Deferred taxes		– 4,103	1,399
Net profit/loss for the period		**– 4,365**	**– 19,133**
of which attributable to:			
Non-controlling interests		**272**	**– 842**
Parent company shareholders		**– 4,637**	**– 18,291**
Basic/diluted earnings per share (in EUR)	D 3	– 0.04	– 0.17

[1] The prior-year figures have been adjusted due to a change in presentation in the reporting period.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the reporting period from 1 January to 31 March 2024

in EUR thousand	01/01/2024 – 31/03/2024	01/01/2023 – 31/03/2023
Net profit/loss for the period	**–4,365**	**–19,133**
Other comprehensive income	**0**	**0**
Total comprehensive income	**–4,365**	**–19,133**
of which attributable to:		
Non-controlling interests	**272**	**–842**
Parent company shareholders	**–4,637**	**–18,291**

CONSOLIDATED BALANCE SHEET

as at 31 March 2024

ASSETS

in EUR thousand	NOTE	31/03/2024	31/12/2023
Assets			
Non-current assets			
Property, plant and equipment		139	153
Investment properties	E 1	950,536	947,276
Shares in companies accounted for using the equity method		351	351
Loans to companies accounted for using the equity method		25,150	25,150
Loans and financial assets		48,441	48,365
Other assets		11,296	8,260
Total non-current assets		**1,035,913**	**1,029,555**
Current assets			
Trade accounts receivable		14,565	14,176
Financial assets		10,377	9,735
Other assets		5,684	3,920
Tax refund claims		982	1,057
Cash and cash equivalents		180,640	119,989
Total current assets		**212,248**	**148,877**
Non-current assets held for sale		**45,850**	**149,100**
Total assets		**1,294,011**	**1,327,532**

CONSOLIDATED BALANCE SHEET

as at 31 March 2024

EQUITY AND LIABILITIES

in EUR thousand	NOTE	31/03/2024	31/12/2023
Equity and liabilities			
Equity			
Subscribed capital		105,513	105,513
Reserves	E 2	193,439	198,076
Equity attributable to parent company shareholders		**298,952**	**303,589**
Non-controlling interests		29,631	29,696
Total equity		**328,583**	**333,285**
Liabilities			
Non-current liabilities			
Deferred tax liabilities		42,017	37,915
Minority interests		73,184	72,021
Financial liabilities	E 3	119,093	120,341
Lease liabilities		25,524	25,605
Market values of non-current options		24,100	24,100
Total non-current liabilities		**283,918**	**279,982**
Current liabilities			
Provisions		2,510	2,639
Trade payables		10,386	10,016
Other liabilities		8,527	6,312
Tax liabilities		23,540	24,252
Financial liabilities	E 3	636,224	670,729
Lease liabilities		323	317
Total current liabilities		**681,510**	**714,265**
Total liabilities		**965,428**	**994,247**
Total equity and liabilities		**1,294,011**	**1,327,532**

CONSOLIDATED STATEMENT OF CASH FLOWS

for the reporting period from 1 January to 31 March 2024

in EUR thousand	01/01/2024 – 31/03/2024	01/01/2023 – 31/03/2023
Earnings before taxes	**887**	**–19,424**
Financial expenses	4,246	4,299
Financial income	– 1,545	– 1,205
Minority interests	1,163	1,394
Change in trade accounts receivable	– 1,433	– 960
Change in other receivables and other assets	– 3,750	– 3,073
Change in provisions	– 9	– 1,444
Change in trade payables and other liabilities	2,386	5,899
Result from the fair value adjustment of investment properties and assets held for sale	0	25,500
Profit/loss from the sale of real estate and real estate companies	4,506	97
Interest proceeds from loans and receivables	372	0
Interest received from loans to companies accounted for using the equity method	0	176
Income taxes paid	– 1,787	3,388
Depreciation and amortisation and impairment	1,215	1,053
Other non-cash items	0	19
Cash flow from operating activities	**6,251**	**15,719**

CONSOLIDATED STATEMENT OF CASH FLOWS

for the reporting period from 1 January to 31 March 2024

in EUR thousand	01/01/2024 – 31/03/2024	01/01/2023 – 31/03/2023
Payments for the acquisition of/investments in investment properties, incl. prepayments, refurbishment measures and prepayments for property, plant and equipment	– 4,073	– 3,359
Proceeds from loans to companies accounted for using the equity method	0	32
Proceeds from the sale of real estate	98,524	8,200
Cash flow from investing activities	**94,451**	**4,873**
Interest paid on financial liabilities	– 1,326	– 1,171
Payments for the redemption of financial liabilities	– 38,646	– 3,326
Payment for the redemption of lease liabilities	– 79	– 106
Cash flow from financing activities	**– 40,051**	**– 4,603**
Net change in cash and cash equivalents	**60,651**	**15,989**
Cash and cash equivalents at the start of the period	119,989	57,415
Cash and cash equivalents at the end of the period	**180,640**	**73,404**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the reporting period from 1 January to 31 March 2024

	Share capital	Reserves				
in EUR thousand	Subscribed capital	Capital reserves	Retained earnings incl. Group profit/loss	Equity attributable to parent company shareholders	Non-controlling interests	Total equity
01/01/2024	**105,513**	**89,767**	**108,309**	**303,589**	**29,696**	**333,285**
Net profit/loss for the period	0	0	– 4,637	– 4,637	272	– 4,365
Other comprehensive income	0	0	0	0	0	0
Total comprehensive income	**0**	**0**	**– 4,637**	**– 4,637**	**272**	**– 4,365**
Dividend payments/distributions	0	0	0	0	0	0
Acquisition of treasury shares	0	0	0	0	0	0
Other changes	0	0	0	0	– 337	– 337
31/03/2024	**105,513**	**89,767**	**103,672**	**298,952**	**29,631**	**328,583**

	Share capital	Reserves				
in EUR thousand	Subscribed capital	Capital reserves	Retained earnings incl. Group profit/loss	Equity attributable to parent company shareholders	Non-controlling interests	Total equity
01/01/2023	**105,513**	**88,366**	**256,347**	**450,226**	**36,465**	**486,691**
Net profit/loss for the period	0	0	– 18,291	– 18,291	– 842	– 19,133
Other comprehensive income	0	0	0	0	0	0
Total comprehensive income	**0**	**0**	**– 18,291**	**– 18,291**	**– 842**	**– 19,133**
Dividend payments/distributions	0	0	0	0	0	0
Acquisition of treasury shares	0	0	0	0	0	0
Other changes	0	0	0	0	1	0
31/03/2023	**105,513**	**88,366**	**238,055**	**431,934**	**35,624**	**467,558**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the reporting period from 1 January to 31 March 2024

A. General information

1. Basis of preparation

DEMIRE Deutsche Mittelstand Real Estate AG (hereafter "DEMIRE AG") is recorded in the commercial register in Frankfurt am Main, Germany, the location of the Company's headquarters, under the number HRB 89041. The Company's registered office is located in Frankfurt am Main, Germany, and the Company's business address is Robert-Bosch-Straße 11, Langen, Germany.

The Company's shares are listed in the Prime Standard segment of the Frankfurt Stock Exchange.

The subject of these condensed interim consolidated financial statements as at 31 March 2024 is DEMIRE AG and its subsidiaries (hereafter "DEMIRE").

DEMIRE AG itself has not carried out any investments in real estate or real estate projects to date. Investments are generally processed through real estate companies. Interests in these property companies are held by DEMIRE AG either directly or indirectly (through intermediate holding companies). DEMIRE focuses on the German commercial real estate market, where it is an active investor and portfolio manager. DEMIRE itself carries out the acquisition, management and leasing of commercial properties. Value appreciation is to be achieved through active real estate management. This may also include the targeted sale of properties when they are no longer a strategic fit or have exhausted their potential for value appreciation.

The condensed interim consolidated financial statements for the period from 1 January to 31 March 2024 were prepared in accordance with the requirements of IAS 34 Interim Financial Reporting (hereafter IAS 34). This report has not been audited or subjected to audit review, and for this reason does not contain an auditor's opinion.

The condensed interim consolidated financial statements of DEMIRE AG were prepared in accordance with the International Financial Reporting Standards (IFRS) published by the International Accounting Standards Board (IASB), as adopted by the European Union (EU), applying Section 315e of the German Commercial Code (HGB). All International Financial Reporting Standards (IFRS), International Accounting Standards (IAS) and interpretations of the IFRS Interpretations Committee (IFRS IC) – formerly the International Financial Reporting Interpretations Committee (IFRIC) and the Standing Interpretations Committee (SIC) – that were mandatory for the 2024 financial year have been taken into consideration. Furthermore, all disclosure and explanation requirements under German law above and beyond the provisions of the IASB have been fulfilled.

Under IAS 34, the condensed interim consolidated financial statements are intended to be an update of the most recent annual financial statements. They therefore do not contain all of the information and disclosures required for consolidated financial statements but rather concentrate on new activities, events and circumstances, so as not to repeat information that has already been reported. The condensed interim consolidated financial statements of DEMIRE AG as at 31 March 2024 should therefore be viewed in conjunction with the consolidated financial statements as at 31 December 2023.

The euro (EUR) is the reporting currency of DEMIRE AG's condensed interim consolidated financial statements. Unless otherwise stated, all amounts are expressed in thousands of euros (EUR thousand). For computational reasons, rounding differences of ± one unit (EUR, %, etc.) may occur in the information presented in these financial statements. The consolidated statement of income has been prepared according to the cost-of-sales method.

Adjustment of previous year's figures

For better comparability with the reporting period, the following changes have been made to the presentation of the previous year's figures: In the income statement, legal and consultancy fees and general administrative costs associated with consultancy services in the asset management area have been reclassified to net rental income; the previous year's income statement has also been adjusted accordingly.

These condensed interim consolidated financial statements of DEMIRE AG were approved for publication by a resolution of the Executive Board on 30 September 2024.

B. Scope and principles of consolidation

In the 2024 reporting period, DEMIRE AG founded the company DEMIRE Holding XIV GmbH. This company was fully consolidated in the Group's interim consolidated financial statements. This did not have any significant effects on the net assets, financial position and results of operations.

C. Accounting policies

The accounting policies applied to these interim consolidated financial statements are the same as those applied to the consolidated financial statements as at 31 December 2023. There were no material changes in estimates compared to those in the consolidated financial statements as at 31 December 2023.

The amendments to IAS 1, 8 and 12, IFRS 9 and 17, and the annual improvements to the IFRS, 2018–2020 cycle, which are to be applied for the first time, have no impact on DEMIRE's consolidated financial statements.

D. Notes to the consolidated statement of income

1. Earnings before interest and taxes

in EUR thousand	01/01/2024 – 31/03/2024	01/01/2023 – 31/03/2023
Net rent	18,616	20,765
Income from utility and service charges	7,322	8,339
Revenue from the rental of real estate	**25,938**	**29,104**
Allocable operating expenses to generate rental income	– 10,507	– 11,265
Non-allocable operating expenses to generate rental income[1]	– 2,572	– 2,363
Impairment of trade accounts receivable[1]	– 698	– 557
Operating expenses to generate rental income	**– 13,777**	**– 14,186**
Profit/loss from the rental of real estate	**12,161**	**14,918**

[1] The prior-year figures have been adjusted due to a change in presentation in the reporting period.

Rental revenue in the interim reporting period resulted exclusively from the rental of commercial real estate and is free from seasonal effects.

The decrease in the result from the rental of real estate to EUR 12,161 thousand (Q1 2023: EUR 14,918 thousand) is mainly the result of lower rental income in the amount of EUR 18,616 thousand (Q1 2023: EUR 20,765 thousand), due in particular to the disposal of the properties in Ulm, Apolda and Bad Oeynhausen, which were sold in the previous period. In addition, income from letting also reflects lower income from the allocation of utility and service charges of EUR 7,322 thousand (Q1 2023: EUR 8,339 thousand), also due to the disposal of properties sold in the previous period and increased vacancy rates in Celle, Düsseldorf and Essen, among others. Non-allocable operating expenses of EUR 2,572 thousand (Q1 2023: EUR 2,363 thousand) increased compared to the prior-year period due in particular to higher maintenance expenses.

Of the operating expenses, an amount of EUR 10,507 thousand (Q1 2023: EUR 11,265 thousand) is generally allocable and can be charged on to tenants. The decline is mainly due to the disposal of properties sold in the previous period.

Profit/loss from the sale of real estate and real estate companies amounts to EUR – 4,506 thousand as at 31 March 2024 (Q1 2023: EUR 97 thousand) and includes the disposal of the logistics park in Leipzig, although the full purchase price had not been paid as at the reporting date. DEMIRE's remaining obligations from the transaction (mainly construction measures) still have to be fulfilled, whereupon further purchase price retentions will be paid out. It is expected that this will take place in the course of 2024.

As in the comparable prior-year period, no revaluation of investment properties was performed as at the 31 March 2024 reporting date. There were also no additional properties that were at an advanced stage of a sales process as at the balance sheet date and were classified as held for sale and remeasured in accordance with IFRS 5.

Impairments on trade accounts receivable amounted to EUR – 698 thousand in the reporting period (Q1 2023: EUR – 557 thousand). A significant portion of the impairment losses in the first quarter of 2024, amounting to EUR – 319 thousand (Q1 2023: EUR – 184 thousand), is attributable to receivables from the tenant Galeria Karstadt Kaufhof, which was again subject to insolvency proceedings in the first quarter of 2024. The other impairments relate to various rent receivables from various tenants.

2. Financial result

in EUR thousand	01/01/2024 – 31/03/2024	01/01/2023 – 31/03/2023
Financial income	1,545	1,205
Financial expenses	– 4,246	– 4,299
Minority interests	– 1,163	– 1,394
Financial result	**– 3,864**	**– 4,488**

Financial income mainly results from the loans to the joint venture JV Theodor-Heuss-Allee-GmbH in the amount of EUR 263 thousand and its shareholder RFR 5 Immobilien GmbH in the amount of EUR 690 thousand.

The interests of minority shareholders in the amount of EUR – 1,163 thousand (Q1 2023: EUR – 1,394 thousand) relate to shares in losses of minority shareholders of Fair Value REIT-AG's subsidiaries, which are managed in the form of partnerships and must be recognised as liabilities in accordance with IAS 32.

3. Deferred taxes

The sale of the LogPark property in Leipzig, Am alten Flughafen 1, resulted in an increase in deferred tax liabilities of EUR –3,372 thousand, which was not recognised under IAS 12.15 due to the initial recognition exemption.

A further increase in deferred tax liabilities of EUR –731 thousand resulted from the reduction in the tax carrying amounts of the entire property portfolio due to depreciation.

4. Earnings per share

in EUR thousand	01/01/2024 – 31/03/2024	01/01/2023 – 31/03/2023
Net profit/loss for the period (in EUR thousand)	**– 4,365**	**– 19,133**
Profit/loss for the period less non-controlling interests	– 4,637	– 18,291
Number of shares (in thousands)		
Number of shares outstanding as at the reporting date	105,513	105,513
Weighted average number of shares outstanding	105,513	105,513
Impact of conversion of convertible bonds and the subscription under the 2015 Stock Option Programme	510	510
Weighted average number of shares (diluted)	106,023	106,023
Earnings per share (in EUR)		
Basic earnings per share	– 0.04	– 0.17
Diluted earnings per share	– 0.04	– 0.17

As at 31 March 2024, the Company had potential ordinary shares outstanding from the 2015 Stock Option Programme entitling the owners to subscribe to 510,000 shares.

E. Notes to the consolidated balance sheet

1. Investment property and non-current assets held for sale

Investment property is accounted for at fair value. This developed as follows during the interim reporting period:

in EUR thousand	Office	Retail	Logistics	Other	Total
Fair value at the beginning of the 2024 financial year	**592,816**	**292,640**	**–**	**61,820**	**947,276**
Additions of properties	3,148	87	–	25	3,260
Fair value as at 31 March 2024	**595,965**	**292,727**	**–**	**61,845**	**950,536**

The additions to investment property totalling EUR 3,260 thousand consist entirely of capitalisation for current investments.

The fair value measurement of investment property is allocated to Level 2 of the valuation hierarchy in accordance with IFRS 13. DEMIRE determines the fair values within the framework of IAS 40 accounting. No revaluation of investment properties was performed as at the 31 March 2024 reporting date.

2. Equity

Subscribed capital amounted to EUR 107,777 thousand (31 December 2023: EUR 107,777 thousand). This was EUR 105,513 thousand after the deduction of treasury shares (31 December 2023: EUR 105,513 thousand).

3. Financial liabilities

Financial liabilities consisted of the following:

FINANCIAL LIABILITIES

in EUR thousand	31/03/2024	31/12/2023
2019/24 corporate bond	497,977	497,564
Other financial liabilities	257,340	293,505
Total	**755,317**	**791,069**

The following table shows the nominal value of financial liabilities:

FINANCIAL LIABILITIES

in EUR thousand	31/03/2024	31/12/2023
2019/24 corporate bond	499,000	499,000
Other financial liabilities	256,584	290,853
Total	**755,584**	**789,853**

The difference between the carrying amounts of financial liabilities and their nominal values is due to the subsequent measurement of financial liabilities at amortised cost using the effective interest method in accordance with IFRS 9.

With the exception of the loan from IC Fonds & Co. Gewerbeobjekte Deutschland 15. KG, all of the Group's financial liabilities have fixed interest rates. The nominal interest rate of the 2019/24 corporate bond is 1.875% per annum. Other financial liabilities mainly include financial liabilities to banks at a weighted average nominal interest rate of 1.57% per annum as at 31 March 2024 (31 December 2023: 1.51% per annum). The average nominal interest rate on debt across all financial liabilities was 1.77% per annum as at 31 March 2024 (31 December 2023: 1.74% per annum).

The change in other financial liabilities during the interim period under review is due to current repayments.

F. Condensed Group segment reporting

1 JANUARY 2024 – 31 MARCH 2024

in EUR thousand	Core Portfolio	Fair Value REIT	Corporate Functions/ Others	Group
Total revenue	**118,478**	**6,482**	**0**	**124,960**
Segment revenue	**118,506**	**6,482**	**43**	**125,030**
Segment expenses	**– 114,783**	**– 2,934**	**– 2,562**	**– 120,279**
EBIT	**3,723**	**3,547**	**– 2,519**	**4,751**
Net profit/loss for the period	**1,428**	**2,180**	**– 7,972**	**– 4,365**
Segment assets as at 31 March 2024	**850,044**	**296,606**	**147,361**	**1,294,011**
of which tax assets	880	102	0	982
of which additions to investment properties	3,161	99	0	3,260
of which non-current assets held for sale	45,850	0	0	45,850
Segment liabilities as at 31 March 2024	**756,499**	**163,458**	**45,471**	**965,428**
of which non-current financial liabilities	60,923	58,170	0	119,093
of which lease liabilities	25,788	0	58	25,847
of which current financial liabilities	625,436	10,789	0	636,224
of which tax liabilities	5,168	5	18,368	23,540

1 JANUARY 2023 - 31 MARCH 2023

in EUR thousand	Core Portfolio	Fair Value REIT	Corporate Functions/ Others	Group
Total revenue	**22,537**	**6,567**	**0**	**29,104**
Segment revenue	**– 2,700**	**6,568**	**34**	**3,903**
Segment expenses	**– 13,562**	**– 2,743**	**– 2,534**	**– 18,841**
EBIT	**– 16,262**	**3,826**	**– 2,501**	**– 14,937**
Net profit/loss for the period	**– 25,633**	**2,181**	**4,318**	**– 19,133**
Segment assets as at 31 March 2023	**1,108,289**	**319,132**	**95,818**	**1,523,238**
of which tax assets	579	54	2,457	3,089
of which additions to investment properties	1,948	198	0	2,147
of which non-current assets held for sale	314,155	0	0	314,155
Segment liabilities as at 31 March 2023	**908,913**	**178,607**	**– 31,839**	**1,055,681**
of which non-current financial liabilities	788,573	70,179	– 48,122	810,630
of which lease liabilities	26,491	0	53	26,544
of which current financial liabilities	13,482	2,568	2,232	18,282
of which tax liabilities	2,231	0	11,929	14,160

The segmentation of the data in the financial statements is based on the internal alignment according to strategic business segments pursuant to IFRS 8. The segment information presented represents the information to be reported to the Executive Board.

The DEMIRE Group is divided into the two reportable business segments Core Portfolio and Fair Value REIT.

The joint venture JV Theodor-Heuss-Allee-GmbH, Frankfurt am Main, accounted for using the equity method, and the fully consolidated company Cielo BVO GmbH, Frankfurt am Main, were allocated to the Core Portfolio operating segment due to their similar commercial characteristics.

In the reporting period, no customer accounted for more than 10% of total sales.

G. Other disclosures

1. Related party disclosures

DEMIRE AG has a loan receivable in the amount of EUR 25,150 thousand from the joint venture JV Theodor-Heuss-Allee-GmbH. Interest income from this loan came to EUR 263 thousand as at 31 March 2024. In addition, an asset management agreement and an agency agreement exist between DEMIRE AG and the purchasing company JV Theodor-Heuss-Allee-GmbH, resulting in receivables of EUR 14 thousand and income of EUR 19 thousand as at 31 March 2024. Furthermore, there were no business transactions with members in key Company positions during the reporting period, except for the compensation of the Executive Board mentioned in Section G.5.

2. Financial instruments

The carrying amounts of the following financial instruments carried at cost or amortised cost do not correspond to their fair values:

	31/03/2024		31/12/2023	
in EUR thousand	Carrying amount under IFRS 9	Fair value	Carrying amount under IFRS 9	Fair value
Loans to companies accounted for using the equity method	25,150	18,359	25,150	23,531
Loans and financial assets	58,818	53,176	58,100	53,291

	31/03/2024		31/12/2023	
in EUR thousand	Carrying amount under IFRS 9	Fair value	Carrying amount under IFRS 9	Fair value
Bonds	497,977	324,649	497,564	303,093
Other financial liabilities	257,341	233,763	293,505	269,799

3. Risk report

Please refer to the disclosures made in the risk reporting included in the consolidated financial statements as at 31 December 2023 for information on the risks of future business performance. In addition to the opportunities and risks recorded as at 31 December 2023, the current financial year was largely determined by the continued weak economic development. All of these factors create a high degree of uncertainty and a clouding of prospects in the operating environment, but this has not yet had a material impact on DEMIRE's key performance indicators. Both rental payments and funds from operations (after taxes, before minority interests) are in line with our expectations. Nevertheless, DEMIRE's Executive Board is closely monitoring whether and how the economic environment is changing and may possibly have an impact on the performance of the portfolio, for example. The risks are reviewed continuously and in a structured process. From today's perspective, no risks that could endanger the Company have been identified.

For a general overview of the risks, please refer to the report on risks and opportunities.

4. Further explanations

As at the reporting date, there were no financial obligations stemming from purchase agreements for properties and real estate companies which are not yet due.

Contractual obligations for modification and expansion measures as well as maintenance and modernisation obligations for the properties totalled EUR 143,880 thousand as at 31 March 2024 (Q1 2023: EUR 112,401 thousand). The increase was mainly due to the construction work on the property in Essen.

Purchase order commitments for maintenance and modernisation, as well as modification and expansion measures, totalled EUR 9,821 thousand as at the interim reporting date (Q1 2023: EUR 6,446 thousand).

As at 31 March 2024, unused credit lines in the amount of EUR 8,500 thousand (31 December 2023: EUR 6,000 thousand) were available.

5. Governing bodies and employees

In accordance with DEMIRE AG's Articles of Association, the Executive Board is responsible for managing business activities.

The following were members of the Executive Board during the interim reporting period:

Prof. Dr Alexander Goepfert (CEO from 1 January 2023 to 3 April 2024)

Mr Frank Nickel (CEO since 3 April 2024)

Mr Tim Brückner (Chief Financial Officer since 1 February 2019)

Mr Ralf Bongers (Member of the Executive Board since 1 April 2023)

For the interim reporting period, performance-based remuneration of EUR 107 thousand (Q1 2023: EUR 86 thousand), fixed remuneration of EUR 245 thousand (Q1 2023: EUR 226 thousand) and share-based payments of EUR –12 thousand (Q1 2023: EUR 100 thousand) were recognised for DEMIRE AG's Executive Board.

No loans or advances were granted to the members of the Executive Board, nor were any contingent liabilities in favour of the members of the Executive Board entered into.

6. Events after the interim reporting date of 31 March 2024

Changes to Executive Board

At its meeting on 3 April 2024, the Supervisory Board dismissed Prof. Dr Goepfert as a member of the Executive Board with immediate effect and appointed Mr Frank Nickel to the Executive Board as CEO.

On 10 April 2024, Prof. Dr Hennig informed the Supervisory Board and the Executive Board that she would be resigning her mandate and stepping down from the Supervisory Board with effect from 15 May 2024. After shortening her resignation period, Prof. Dr Hennig then left the Supervisory Board at the end of 1 May 2024. The resulting vacancy on the Supervisory Board was filled by the appointment of Mr Ernö Theuer by court order with effect from 7 May 2024.

Refinancing the 2019/24 corporate bond

As part of a comprehensive transaction, DEMIRE plans to extend its 2019/24 corporate bond with an outstanding total nominal amount of EUR 499 million to the end of 2027 with revised conditions. The bond restructuring was approved by the bondholders at the beginning of September 2024, with more than 90% voting in favour of the restructuring in a vote without an assembly in accordance with Section 18 of the German Bond Act (SchVG). This was followed by the publication of the tender offer described below. The anticipated deadline for tenders is scheduled for 25 October 2024. Following this, the partial early repayment of the bond (see below) will be carried out, and the tender offer will then be settled. The technical implementation of the amendment to the bond conditions is expected to take place at the end of October/beginning of November 2024. Individual provisions of the new bond conditions, in particular new covenants (LTV <70% and interest coverage ratio (ICR) >1.5), will be effectively brought forward to the date of publication of the notice convening the bondholders' meeting due to the need to obtain advance approval from DEMIRE, which is a prerequisite for the amendment of the bond conditions to be implemented. There is no risk of insolvency as a result of the technical interim maturity of the bond from 15 October 2024 until the expected entry into force of the new bond conditions, as bondholders with a volume of more than 90%

of the total nominal amount of the bond have declared a non-serious demand. In addition, bondholders representing more than 90% of the total nominal amount of the bond have passed a resolution in accordance with the German Bond Act (SchVG), whereby a joint representative can declare a non-serious demand for repayment on behalf of all bondholders from 15 October 2024.

In addition to the extension of the 2019/24 bond, the transaction includes other elements. This includes a partial early repayment of the 2019/24 bond at total nominal value of EUR 49.9 million.

Subsequently, DEMIRE is offering to buy back bonds at a maximum price of 76.25% as part of a tender offer. Liquidity of up to EUR 159.6 million is available for the buyback. The Company's largest shareholder has agreed to grant DEMIRE a shareholder loan of up to EUR 100 million to support this. The shareholder loan is expected to bear interest of 22% per annum. Interest payments can be made at maturity, i.e. 31 December 2028, taking into account compound interest accrued in the meantime, or during the term. The shareholder loan is scheduled to run until the end of 2028. No dividends can be paid until the extended corporate bond has been repaid in full. The bond buyback is already secured by a backstop agreement or commitment from the largest bondholders at the above price for a nominal amount of EUR 194 million. Participation in the backstop will be remunerated by DEMIRE with a fee of 5% on the allocated backstop amount. Assuming a price of 76.25%, and taking into account the partial repayment of the bond at par that has already been carried out, if the amount available for acquisitions is used up in full, the remaining outstanding amount of the bond is expected to be around EUR 240 million.

The comprehensive amendments to the bond conditions include an extension of the term until 31 December 2027, a cash interest rate of 5.00% and an updated catalogue of credit obligations, in particular the collateralisation of the bond with DEMIRE's material assets. For this collateralisation, a large part of the DEMIRE real estate companies will be transferred to a LuxCo structure. Furthermore, the Company is expected to pay an additional fee of 3% to the bondholders if it fails to reduce the outstanding principal amount of the bond by EUR 50 million of the nominal amount by the end of 2025. An additional fee of 2% is provided for in the event that the Company does not succeed in reducing the outstanding principal amount of the bond by a further EUR 50 million of the nominal amount by the end of 2026. In addition, payment-in-kind interest (PIK) of 3% will be charged on the outstanding bond amount from 2027. All additional interest payments are to be made at maturity, i.e. at the end of 2027 at the latest, taking into account compound interest accrued in the meantime. If the refinancing cannot be carried out as planned, this will jeopardise the Company's ability to continue as a going concern.

Limes subsidiaries

The Executive Board and the management of the Limes subsidiaries were in very promising negotiations for a long time regarding the extension of the loan agreement between the four Limes subsidiaries (DEMIRE Aschheim Max-Planckstraße GmbH, DEMIRE Essen Hatzper Str. Theodor-Althoff-Str. GmbH, DEMIRE Kassel Kölnische Str. Mauerstr. Spohrstr. GmbH and DEMIRE Köln Max-Glomsda-Straße 4 GmbH) and DZ HYP AG for an outstanding loan amount of approximately EUR 83 million, which expired on 30 June 2024. However, the offers that had been exchanged in the past could not be accepted due to the outcome of the negotiations with the bondholders, resulting in the insolvency of the Limes subsidiaries at the end of 30 June 2024. After further unsuccessful negotiations, the management was forced to file for insolvency for these four companies on 22 July 2024. Since then, these companies have been under their own management. The opening of the insolvency proceedings is expected to take place in early October 2024. As a result, these companies are no longer controlled in accordance with IAS 10.21 and were deconsolidated in the third quarter of 2024. This resulted in a deconsolidation loss of EUR 5.1 million. In addition, due to developments during the year in the leasing and contractual situation of the affected properties, a revaluation of the LIMES properties was carried out as at 30 June 2024 and a write-down of EUR 18 million was recognised.

Frankfurt am Main, 30 September 2024

DEMIRE Deutsche Mittelstand Real Estate AG

Frank Nickel (CEO)	Tim Brückner (CFO)	Ralf Bongers (Member of the Executive Board)

Declaration by the executive directors

As members of the Executive Board of DEMIRE Deutsche Mittelstand Real Estate AG, we hereby affirm that, to the best of our knowledge, the interim consolidated financial statements give a true and fair view of the Group's net assets, financial position and results of operations in accordance with the applicable accounting principles and that the Group management report gives a true and fair view of the development and performance of the business, including the business results and the position of the Group, together with a description of the principal opportunities and risks associated with the Group's expected development.

Frankfurt am Main, 30 September 2024

DEMIRE Deutsche Mittelstand Real Estate AG

Frank Nickel (CEO)	Tim Brückner (CFO)	Ralf Bongers (Member of the Executive Board)

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