



RESULTS 9M 2021

Conference Call | 11 November 2021



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Agenda

A graphic representing an agenda. It consists of three rounded rectangular boxes stacked vertically. The top box is olive green with the text 'Executive Summary' in white. The bottom two boxes are light green with dark grey text: 'Portfolio Highlights' and 'Financial Highlights'. The boxes are flanked by two large, stylized corner brackets. The left bracket is olive green and the right bracket is grey.

Executive Summary

Portfolio Highlights

Financial Highlights

Executive Summary

REALize Potential

Asset Management

- » **New and prolonged lettings** materially improved to over 138,000sqm
- » **EPRA-Vacancy⁽¹⁾** at 8.8%
- » **WALT** slightly lower at 4.6 years
- » **Annualized contractual** rent affected by disposals at € 81.9m

Acquisitions

- » **Portfolio dynamization:**
 - » **Closing of the sale of eight assets in 2021** with almost 6% premium to market value
 - » **Acquisition of „Cielo“** closed in July and contributed to **significantly improved financial income** in Q3 2021⁽²⁾

Financials

- » **Lower Profit from the rental of real estate** (- € 2.2m) due to disposals compensated by **lower administrative expenses** (- € 0.8m) and **impairments of receivables** (- € 1.6m)
- » **FFO I⁽²⁾** slightly improved to **€ 30.4m** (+ 1.1% y-o-y)
- » **Guidance confirmed:** € 80.0-82.0m rental income and € 34.5-36.5m FFO I⁽³⁾

Processes

- » Reporting of EPRA KPIs recognized with **EPRA-Gold Award** and **EPRA-Most Improved Award**



Corona-Update

- » As of 30 September 2021, DEMIRE has **outstanding rental charges** from its tenants for 2020 and 2021 of € 4.4m, representing c. 2.9% of the target rent
- » Increasing share of vaccinated population and the assumption of no further strict lockdown measures make us confident that our business will not be materially impacted for the remainder of the year

(1) Excl. assets held for sale and assets classified as project developments

(2) No effect of „Cielo“ on portfolio KPIs due to at-equity accounting

(3) After taxes, before minorities

Agenda

A graphic representing an agenda. It consists of three horizontal rounded rectangles stacked vertically. The top and bottom rectangles are light green, and the middle one is a darker green. To the left of these rectangles is a large, dark green L-shaped bracket, and to the right is a large, light gray L-shaped bracket. The text 'Executive Summary', 'Portfolio Highlights', and 'Financial Highlights' is centered within the top, middle, and bottom rectangles respectively.

Executive Summary

Portfolio Highlights

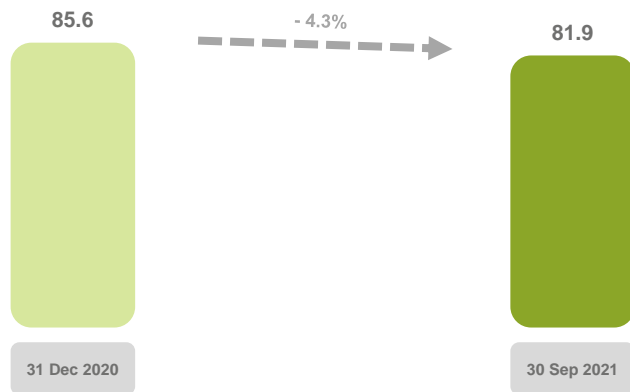
Financial Highlights

Leasing Performance 9M 2021 (1/2)

Annualized Rent slightly lower, Letting Result again exceeding comparative Period

Annualized Rent affected by Disposals

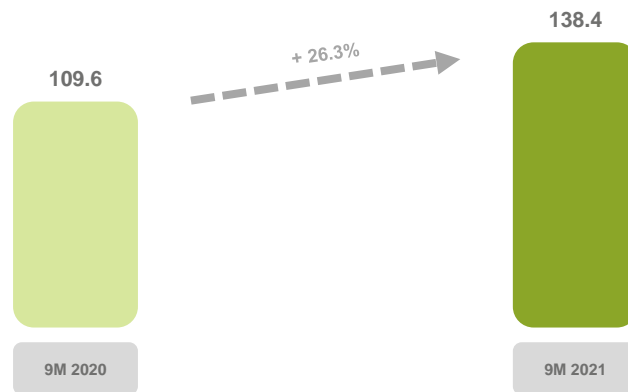
Annualized contractual rent excl. service charges (€ m)



- » **Lower annualized rent** due to the disposal of eight non-strategic assets
- » **Rental income from „Cielo”** (annualized rent of € 9.8m) increases investment income due to JV-structure

Strong Development of Letting Result

New lettings and prolongations (k sqm)



- » Despite corona-influenced market environment, **superb letting result of over 138,000sqm**, on track to reach last years record level
- » Letting activities in 9M 2021 secure **€ 10.3m rental income** per year with a **WALT of 7.4 years**

Leasing Performance 9M 2021 (2/2)

Superb Letting Result driven by numerous new Rental Contracts and Prolongations

	Lease Area (sqm k)	Net cold rent p.m. (€ k)	Weighted average lease term (months)	Net cold rent over lease term (€ m)
New Lease	67.9	475	139	66.1
Renewal	70.5	387	28	10.7
	Σ 138.4	Σ 862	\emptyset 89	Σ 76.8

Top 5 new Leases

Location	Tenant	Lease area (sqm k)	Net cold rent p.a. (€ m)
Leipzig	Amazon	26.1	Not disclosed
Dresden	Twice Hotel	11.6	0.9
Regensburg	BlmA	3.4	0.3
Langenfeld	Limebike	3.2	0.2
Regensburg	Immobilien Freistaat Bayern	2.2	0.2

Top 5 Renewals

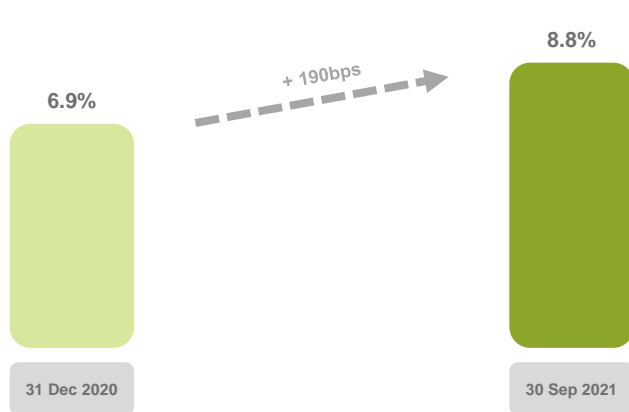
Location	Tenant	Lease area (sqm k)	Net cold rent p.a. (€ m)
Trier	Vereinigte Hospitien	11.3	0.0
Leipzig	Rudolph Automotive	10.8	0.4
Quickborn	comdirect	10.6	1.1
Leipzig	Mobis	10.1	0.4
Essen	MDS	3.0	0.5

EPRA-Vacancy & WALT

EPRA-Vacancy up, WALT slightly lower

EPRA-Vacancy temporarily higher

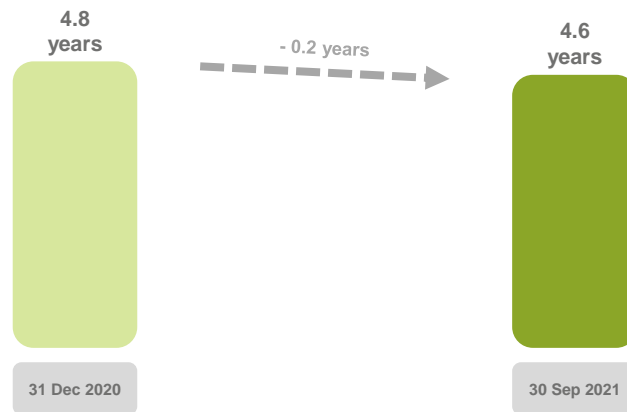
EPRA-Vacancy (%)⁽¹⁾



- » **EPRA-Vacancy higher** due to temporary vacancy in context with the repositioning of the asset in Regensburg

WALT almost stable since End of 2020

WALT (years)



- » **WALT slightly lower, but still solid** with 4.6 years
- » **Natural WALT reduction mitigated** by new/prolonged rental contracts in our largest asset in Essen and by a long-term rental contract with a new hotel operator in Dresden

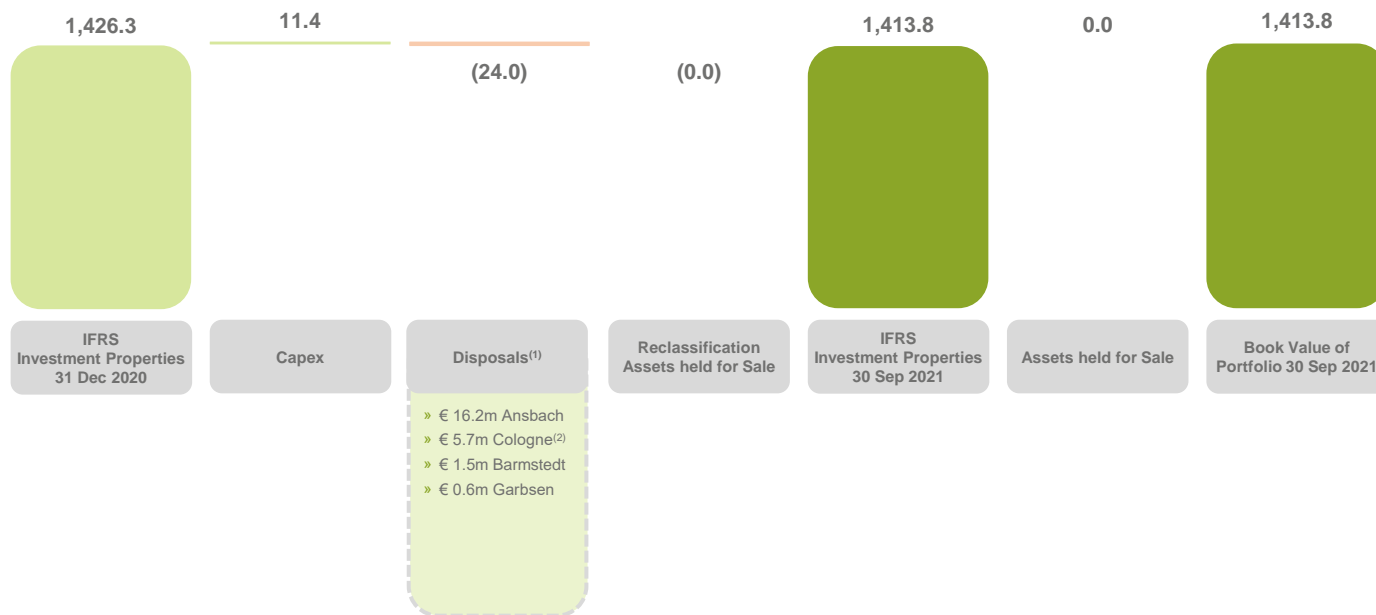
(1) Excl. assets held for sale and assets classified as project developments

Portfolio Development

Investment Properties with no material Changes in 9M 2021

Development of Investment Properties

€ m



(1) Four further asset sales were completed in Q2 relating to properties which were held for sale as of 31 December 2020 and are therefore not shown here

(2) Marconistraße 4-8

Agenda

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Executive Summary

Portfolio Highlights

Financial Highlights

Shortened Profit & Loss Statement 9M 2021

FFO Increase despite smaller Portfolio, moderate Corona-Effects, lower G&A Expenses

	9M 2021 (in € m)	9M 2020 (in € m)	Change (%)	
Rental income 1	62.3	65.8	(5.3%)	
Income from the rental of real estate	51.8	54.0	(4.1%)	1 Lower rental income due to disposals
Profit/loss from the sale of real estate/-companies 2	0.7	(0.7)	> 100%	2 Mainly driven by the sale of one asset in Cologne with a high premium to market value
Profit/loss from revaluation of investment properties 3	1.8	1.2	48.6%	3 Valuation gains due to the premium to selling price for the asset in Ansbach (= new market value)
Other operating income & expenses, net	(0.6)	(1.2)	(> 100%)	
Impairments of receivables 4	(2.9)	(4.4)	(35.4%)	4 Moderate Corona-effects
General and administrative expenses 5	(8.3)	(9.1)	(8.7%)	5 Various cost savings measures lead to lower administrative expenses
Earning before interest and taxes (EBIT)	42.6	39.7	7.1%	
Financial result excl. minorities 6	(11.5)	(12.8)	(10.2%)	6 While financial expenses are broadly stable, granted loans in context of Cielo transaction significantly increase financial income
Earnings before taxes (EBT) excl. minorities	27.3	24.1	13.3%	
Profit/loss from the sale of real estate/-companies	(0.7)	0.7	(> 100%)	
Profit/loss from fair value adjustments in investment properties	(1.8)	(1.2)	(48.6%)	
Other adjustments	3.6	5.4	(32.9%)	
Income taxes	(1.7)	(1.7)	0.5%	
Funds from operations ⁽¹⁾	30.4	30.1	1.1%	» Despite disposals of non-strategic assets, FFO slightly higher

(1) After taxes, before minorities

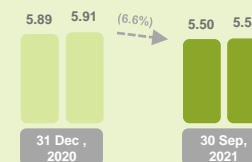
Shortened Balance Sheet 30 September 2021

Uplift in Other Assets driven by granted Loans, Cash Position remains comfortable

	30 Sep 2021 (in € m)	31 Dec 2020 (in € m)	Change (%)
ASSETS			
Investment properties 1	1,413.8	1,426.3	(0.9%)
Other assets 2	133.1	66.4	> 100%
Properties held for sale 3	0.0	31.0	(> 100%)
Cash and cash equivalents	98.4	101.6	(3.2%)
TOTAL ASSETS	1,645.2	1,625.3	1.2%
EQUITY & LIABILITIES			
Total equity	555.5	598.0	(7.1%)
Financial debt 4	895.6	829.7	7.9%
Other liabilities and minority interest	194.1	197.6	(1.8%)
Total liabilities	1,089.7	1,027.3	6.1%
TOTAL EQUITY & LIABILITIES	1,645.2	1,625.3	1.2%

- 1 Sale of four assets with a market value of € 24.0m partly compensated by capex measures
- 2 Increase mainly due to loans granted in context of Cielo transaction
- 3 Sale of four assets held for sale closed in Q2 2021
- 4 Liquidity position strengthened via two secured loans (c. € 67m)

NAV per Share (diluted / undiluted)



» NAV down due to dividend payout, partly offset by positive profit for the period

Key financial KPI's

Solid Net-LTV Ratio and further improved Cost of Debt Level

Leverage only 3 pp. above Target of 50%

Net-LTV (in %)⁽¹⁾



- » **Net-LTV moderately higher** compared to end of 2020 primarily due to the dividend payout and the loans granted in context of the Cielo transaction

Average Cost of Debt keeps trending downwards

Average cost of debt (in %)⁽²⁾



- » **Improvement of average cost of debt continued** in 2021, mainly driven by issuance of a two new loans at favorable interest rates and an interest rate step-down in an existing loan due to operational improvements
- » Average maturity of outstanding debt is at 3.2 years

(1) Calculation according to Bond 19/24-Covenant

(2) Based on nominal interest rate

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Share Information⁽¹⁾

Symbol / Ticker

DMRE

Share Price (XETRA)

€ 4.24

Market Segment

Prime Standard

ISIN

DE000A0XFSF0

Market Capitalisation

€ 457.0m

Free Float⁽²⁾

7.15%

Number of Shares

107,777,324

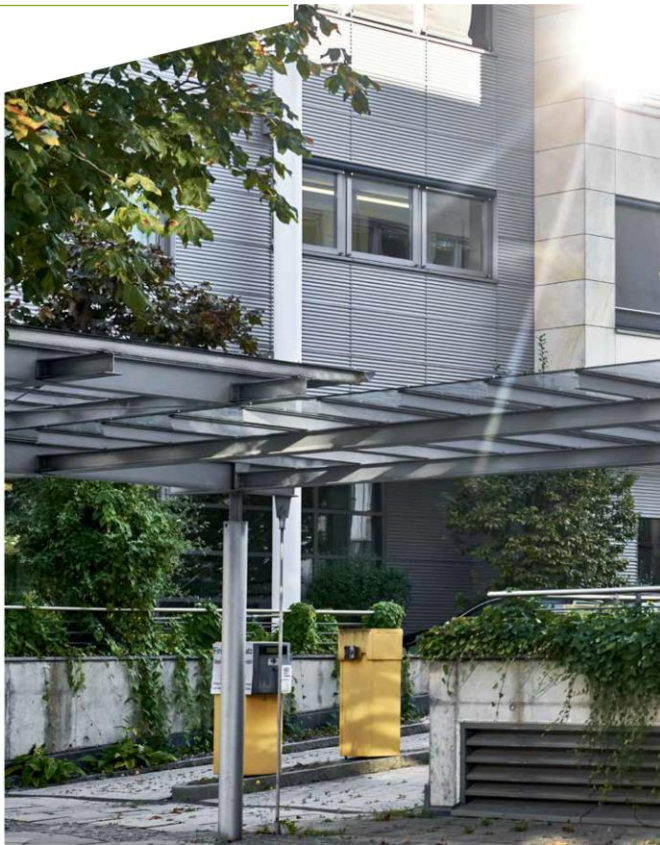
⁽¹⁾ As of 30 September 2021

⁽²⁾ Holdings < 3%



Appendix I

Additional Financial Information



Profit & Loss Statement 9M 2021

Lower Rental Income compensated by lower G&A Expenses, Impairments and Interest Income

	9M 2021 (in € m)	9M 2020 (in € m)
Rental Income 1	62.3	65.8
Income from utility and service charges	16.5	17.8
Other operating expenses to generate rental income	(27.0)	(29.6)
Income from the rental of real estate	51.8	54.0
Profit/loss from the sale of real estate/-companies	0.7	(0.7)
Profit/loss from fair value adjustments in investment properties 2	1.8	1.2
Other operating income & expenses, net	(0.6)	(1.2)
General and administrative expenses 3	(8.3)	(9.1)
Impairments of receivables 4	(2.9)	(4.4)
Earning before interest and taxes (EBIT)	42.6	39.7
Financial income 5	2.1	0.7
Financial expenses	(13.6)	(13.5)
Minorities	(3.7)	(2.8)
Earnings before taxes (EBT)	27.3	24.1
Current income taxes	(1.7)	(1.6)
Deferred taxes	(1.1)	(4.4)
Net profit/loss for the period	24.6	18.1
Of which attributable to:		
Non controlling shareholder	1.9	1.6
Parent company shareholder	22.7	16.5

- 1 Rental income lower due to several disposals
 - 2 Valuation gains due to the premium to selling price for the asset in Ansbach in 2021 (= new market value)
 - 3 Various cost savings measures lead to lower administrative expenses
 - 4 Moderate Corona-effects in both 2020 and 2021
 - 5 Loans granted in context with Cielo transaction increase interest income materially
- » FFO I (after taxes, before minorities) broadly stable: € 30.4m vs. € 30.1m y-o-y

Balance Sheet 30 September 2021

Balance Sheet affected by granted Loans, Disposals, Dividend Payout and new secured Debt

	30 Sep 2021 (in € m)	31 Dec 2020 (in € m)
ASSETS		
Investment properties 1	1,413.8	1,426.3
Other assets 2	133.1	66.4
Properties held for sale 3	0.0	31.0
Cash and cash equivalents	98.4	101.6
TOTAL ASSETS	1,645.2	1,625.3
EQUITY & LIABILITIES		
Subscribed capital	105.5	105.8
Reserves 4	408.3	452.2
Equity attributable to parent company shareholders	513.8	558.0
Non-controlling interests	41.7	40.1
Total equity	555.5	598.0
Minority interest	80.4	78.9
Non-current financial debt 5	876.8	817.3
Current financial debt	18.8	12.4
Other liabilities	113.7	118.7
Total liabilities	1,089.7	1,027.3
TOTAL EQUITY & LIABILITIES	1,645.2	1,625.3

- 1 Sale of four assets with a market value of € 24.0m partly compensated by capex measures
- 2 Granting of two loans in context with the Cielo transaction
- 3 Sale of four assets held for sale closed in Q2 2021
- 4 Dividend payout reduces reserves
- 5 Take up of two secured loans

Financing Structure

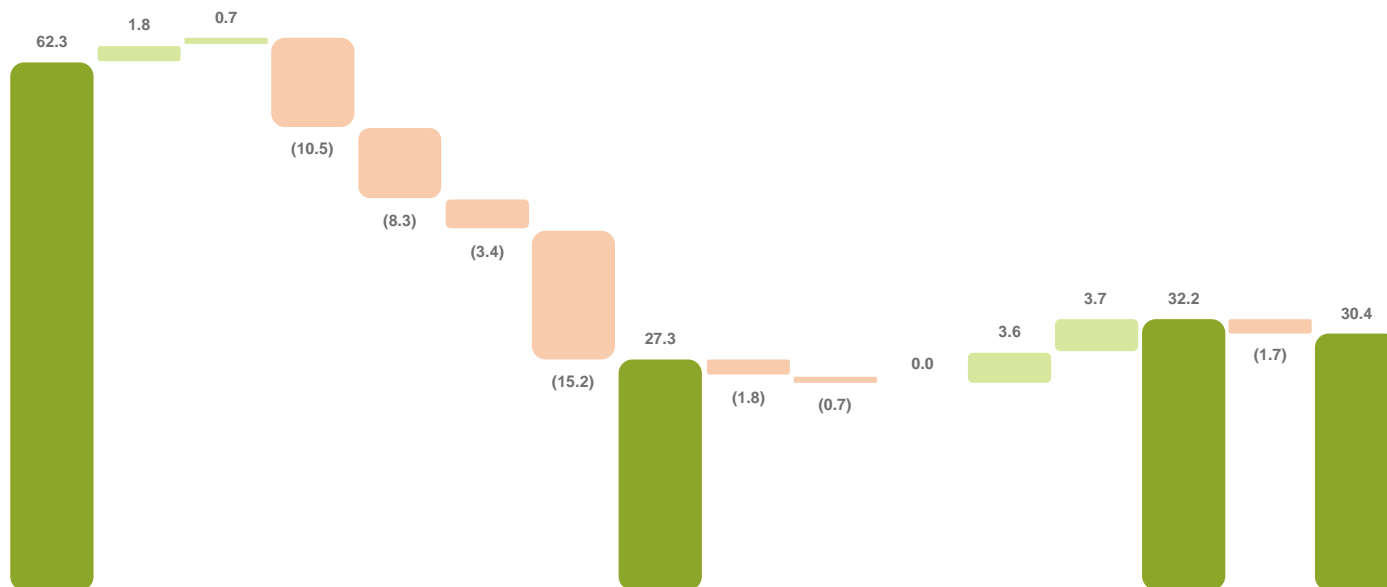
Senior Notes represent about 2/3 of gross financial Debt

Financing Structure (30 Sep 2021)		
Tranche	IFRS Amount (€ m)	Margin / Coupon ⁽¹⁾
Senior unsecured notes	593.5	1.875%
Bank loans on DEMIRE level	217.5	0.990% - 3.250%
Fair Value REIT-AG debt	79.3	1.377% ⁽²⁾
Other ⁽³⁾	5.3	
Gross financial debt	895.6	
Cash & cash equivalents	98.4	
Net financial debt	797.2	

(1) Based on nominal interest rate
 (2) Average across all Fair Value REIT-AG debt
 (3) Accrued interest for the repaid bond 17/22

Funds From Operations I Reconciliation

9M 2021



Rental Income	Fair Value adjustments in investment properties	Sale of real estate	Operating expenses, net ⁽¹⁾	G&A expenses	Other operating result, net ⁽²⁾	Financial result	Profit/loss before taxes	Fair Value adjustments in investment properties	Sale of real estate	Re-valuation of financial instruments	Other adjustments ⁽³⁾	Minority interest	FFO I before taxes	Current income taxes	FFO I after taxes
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(1) Includes income from utility and service charges of € 16.5m and operating expenses to generate rental income of € (27.0)m

11 November 2021

(2) Includes impairment of receivables of € (2.9)m, other op. income of € 0.7m and other op. expenses of € (1.2)m

(3) Other adjustments primarily relate to effective interest rate payments of € 1.7m, one-off other operating expenses of € 1.2m and one-off administrative expenses of € 0.6m



Appendix II

Additional Portfolio Information



Overview of the Real Estate Portfolio

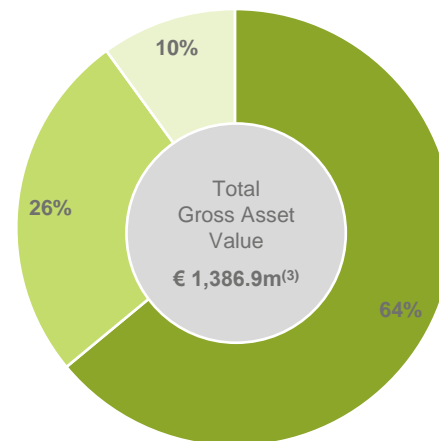
Split by Region and Asset Class

Property Locations⁽¹⁾

	# of Properties	GAV ⁽³⁾ (€ m)	EPRA-Vacancy (%) ⁽²⁾	Total rental space (k sqm)
Baden-Wuerttemberg	5	162.9	5.4	93.6
Bavaria	7	118.5	22.0	87.4
Brandenburg	1	5.5	10.1	3.8
Bremen	1	3.2	30.1	6.2
Hamburg	1	10.0	0.0	4.0
Hesse	7	213.2	8.4	97.3
Mecklenburg-Western Pom.	6	120.0	4.4	58.0
Lower Saxony	5	46.9	0.8	39.1
North Rhine-Westphalia	15	404.4	8.3	223.8
Rhineland Palatinate	2	11.3	49.7	19.3
Saxony	9	183.3	8.9	228.0
Saxony-Anhalt	2	36.3	3.5	24.0
Schleswig-Holstein	5	69.7	5.0	56.7
Thuringia	1	1.8	56.5	5.6
Germany	67	1,386.9	8.8	946.7

Portfolio Split by Asset Class⁽¹⁾

GAV (€ m)



■ Office ■ Retail ■ Logistics & Others

(1) As of 30 September 2021

(2) Excl. assets held for sale and assets classified as project developments

(3) Excl. capitalised leases

Overview of the Real Estate Portfolio

Top 20 Assets

Property Locations⁽¹⁾

	Asset Class	GAV (€ m) ⁽²⁾	Share (%)	EPRA- Vacancy (%) ⁽³⁾	Total rental space (k sqm)	GAV/sqm (€ k)	GRI p.a. (€ m)	WALT (Years)
Essen	Office	98.0	7.1	11.0	45.6	2.2	5.8	3.8
Bonn	Office	89.0	6.4	0.0	38.4	2.3	4.6	3.4
Ulm	Office	85.1	6.1	2.6	47.6	1.8	4.7	3.2
Leipzig (LogPark)	Logistics	76.0	5.5	11.4	147.1	0.5	5.2	2.2
Neuss	Retail	72.1	5.2	0.0	56.1	1.3	5.4	1.3
Rostock	Other	71.6	5.2	0.0	19.3	3.7	4.0	7.8
Kassel	Retail	60.5	4.4	6.6	21.5	2.8	3.6	2.4
Bad Vilbel	Office	47.3	3.4	15.4	26.5	1.8	3.0	5.9
Frankfurt	Other (Hotel)	43.7	3.2	0.0	6.1	7.2	1.9	18.3
Freiburg	Office	39.9	2.9	7.2	22.6	1.8	2.1	5.9
Top 10 Properties		683.2	49.3	5.5	430.6	1.6	40.2	4.3
Regensburg	Office	38.0	2.7	41.2	29.2	1.3	1.7	4.1
Leipzig (Gutenberg-Galerie)	Office	36.3	2.6	5.0	23.4	1.6	2.0	3.2
Düsseldorf	Office	36.0	2.6	21.3	24.3	1.5	2.2	2.6
Aschheim	Office	30.1	2.2	25.8	12.2	2.5	1.2	2.2
Eschborn	Office	29.4	2.1	0.0	18.9	1.6	2.1	3.3
Flensburg	Office	25.0	1.8	9.5	24.2	1.0	1.9	6.0
Lutherstadt-Wittenberg	Retail	23.8	1.7	5.6	14.7	1.6	1.8	2.9
Köln (Max-Glomsda-Straße)	Office	23.3	1.7	0.5	5.2	4.5	1.3	3.7
Zittau	Retail	21.8	1.6	3.5	17.4	1.3	1.3	7.7
Langen	Office	18.9	1.4	26.9	13.7	1.4	1.1	2.7
Top 20 Properties		965.8	69.6	8.5	613.8	1.6	56.8	4.2
Other Properties		421.1	30.4	9.2	332.9	1.3	25.2	5.7
Total Properties		1,386.9	100.0	8.8	946.7	1.5	81.9	4.6

(1) As of 30 September 2021

(2) Excl. capitalised leases

(3) Excl. assets held for sale and assets classified as project developments