

Ad hoc announcement according to section 15 WpHG

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DEMIRE successfully concludes voluntary public takeover offer to Fair Value REIT-AG shareholders

Frankfurt/Main, 21 December 2015 – DEMIRE Deutsche Mittelstand Real Estate AG ("DEMIRE", ISIN DE000A0XFSF0 successfully concluded the voluntary public takeover offer to the shareholders of Fair Value REIT-AG. A total of 10,963,878 Fair Value shares were tendered for exchange within the acceptance period including the extended acceptance period, which represents roughly 77.70 % of Fair Value REIT-AG's share capital and voting rights.

With today's entry into the commercial register of the capital increase against contribution in kind resolved by DEMIRE's Extraordinary General Meeting of September 14, 2015, the final condition was fulfilled for the execution of the voluntary takeover offer. Following the capital increase, DEMIRE Deutsche Mittelstand Real Estate AG's share capital rose from EUR 27,364,529.00 to EUR 49,292,285.00. The aggregate number of DEMIRE shares outstanding now amounts to 49,292,285.

The new DEMIRE shares are expected to be transferred to the custody accounts of the Fair Value REIT-AG shareholders who tendered their shares for exchange on 23 December 2015. Trading in the new shares on the regulated market of the Frankfurt Stock Exchange will also begin on this date.

The Executive Board

Disclaimer

This announcement is neither an offer to exchange nor a solicitation of an offer to exchange Fair Value REIT-AG shares. Moreover, this announcement is neither an offer to purchase nor a solicitation to purchase DEMIRE Deutsche Mittelstand Real Estate AG shares. The terms and further provisions regarding the public Takeover Offer are disclosed in the Offer Document approved by the German Federal Financial Supervisory Authority. Investors and holders of Fair Value REIT-AG shares are strongly recommended to read the Offer Document and all other documents in connection with the public Takeover Offer because they contain or will contain important information.

The Takeover Offer will be carried out exclusively in accordance with the laws of the Federal Republic of Germany and specifically in accordance with the WpÜG and the Regulation on the Content of the Offer Document, the Consideration to be granted in Takeover Offers and Mandatory Takeover Offers and the Exemption from the Obligation to Publish and Launch an Offer (WpÜGAngebV).

Shares of DEMIRE Deutsche Mittelstand Real Estate AG have not been nor will be registered under the United States Securities Act of 1933, as amended, or in accordance with any securities regulations of a state, district or any other jurisdiction in the United States of America. Subject to certain exceptions, DEMIRE Deutsche Mittelstand Real Estate AG shares must not be offered or sold within the United States of America or any other jurisdiction where to do so would constitute a violation of the national laws of such jurisdiction. DEMIRE Deutsche Mittelstand Real Estate AG does not make a public offer with the Takeover Offer under any other jurisdiction than the Federal Republic of Germany (particularly not in the United States of America). No announcements, registrations, admissions or approvals of the Offer Document and/or the Takeover Offer have been applied, procured, or granted outside of the Federal Republic of Germany.

The publication, dispatch, distribution or dissemination of the Offer Document or other documents related to the Takeover Offer outside of the Federal Republic of Germany may generally result in the applicability of the laws of jurisdictions other than those of the Federal Republic of Germany. The publication, dispatch, distribution or dissemination of the Offer Document may be subject to legal restrictions in these jurisdictions. Therefore, the Offer Document as well as any other documents related to the Takeover Offer may not be dispatched, published, distributed or disseminated by third parties in these countries if and to the extent that such a dispatch, publication, distribution or dissemination is in violation of applicable laws or dependent on the compliance with official proceedings of official approval or the satisfaction of additional conditions and such approval is not obtained or such compliance or conditions are not satisfied. The dispatch, distribution or dissemination of the Offer Document or other documents related to the Takeover Offer in countries of the European Union or European Economic Area are not subject to any legal restrictions.

The information in this release may contain forward-looking statements that are subject to various risks and uncertainties. Such forward-looking statements are based on current forecasts, expectations and estimates of DEMIRE's Executive Board at the time of their publication. Such statements constitute neither promises nor guarantees and are subject to various known and unknown risks and uncertainties, some of which are beyond DEMIRE's influence. These risks and uncertainties may lead to actual results differing materially from statements that are mentioned herein. DEMIRE accepts no obligation to update or adjust the forward-looking statements contained in this release to reflect events or circumstances after the date of this release.

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