



DEMIRE Deutsche Mittelstand Real Estate AG

Frankfurt on the Main

OFFER DOCUMENT

Voluntary public share purchase offer to buy back shares of

**DEMIRE Deutsche Mittelstand Real Estate AG
Robert-Bosch-Straße 11, 63225 Langen, Germany**

to its shareholders

**for the acquisition of in total up to
2,000,000 no par value bearer shares of**

**DEMIRE Deutsche Mittelstand Real Estate AG
(ISIN DE000A0XFSF0 / WKN A0XFSF)**

against payment of a cash consideration in the amount of

EUR 4.45

**per no par value bearer share of
DEMIRE Deutsche Mittelstand Real Estate AG**

**Acceptance period:
26 June 2020, 00:00 (CEST),
until and including 13 July 2020, 24:00 (CEST)**

CONVENIENCE TRANSLATION ONLY

Only the German original version of this Offer Document is legally binding.

The regulations of the German Securities Acquisition and Takeover Act
(*Wertpapiererwerbs- und Übernahmegesetz, WpÜG*)
shall not apply with regard to this public share purchase offer to buy back shares.

1. GENERAL INFORMATION AND NOTICES

1.1 Implementation of the share purchase offer to buy back shares under German Law

The share purchase offer to buy back shares described in this offer document (the “**Offer Document**”) addressed to the shareholders of DEMIRE Deutsche Mittelstand Real Estate AG with its seat in Frankfurt on the Main and business address at Robert-Bosch-Straße 11, 63225 Langen, Germany, registered with the commercial register of the local court of Frankfurt on the Main under HRB 89041 (hereinafter also referred to “**DEMIRE**” or the “**Company**”; the Company’s shareholders hereinafter also referred to individually as one “**DEMIRE Shareholder**” and collectively the “**DEMIRE Shareholders**”), is a voluntary public offer to buy back shares in the form of a partial offer for the acquisition of up to 2,000,000 DEMIRE Shares (as defined in number 2.1 below) (the “**Offer**”).

According to the administrative practice of the German Federal Financial Supervisory Authority (*Bundesanstalt für Finanzdienstleistungsaufsicht*, “**BaFin**”), public offers to buy back treasury shares are not subject to the provisions of the German Securities Acquisition and Takeover Act (*Wertpapiererwerbs- und Übernahmegesetz*, “**WpÜG**”). Accordingly, this Offer does not comply with the provisions of the WpÜG and has neither been submitted to BaFin (or any other supervisory authority) for review and approval nor for inspection.

The Offer is exclusively carried out under the laws of the Federal Republic of Germany. An implementation as public purchase offer pursuant to laws and regulations of jurisdictions of countries other than the Federal Republic of Germany (“**Foreign Jurisdictions**”) is neither provided nor intended. Moreover, no notices, registrations, authorizations or approvals for the Offer Document or the Offer have been applied for or arranged outside of the Federal Republic of Germany. Consequently, DEMIRE Shareholders may not claim for or rely on the application of Foreign Jurisdictions concerning the protection of investors.

1.2 Publication of the Offer Document

The Offer Document will be published on the Company’s website at the internet address

www.demire.ag

under the section “Investor Relations – Transactions – 2020 Share Buyback” as well as subsequently in the Federal Gazette (www.bundesanzeiger.de). Apart from this, no further publication or distribution of the Offer Document is intended. This English translation of the Offer Document has been prepared by the Company and is also published on the Company’s website at the internet address

www.demire.ag

under the section "Investor Relations – Transactions – 2020 Share Buyback". However, only the German original version of the Offer Documents is legally binding.

1.3 Distribution and acceptance of the Offer outside the Federal Republic of Germany

The Offer Document is published by the Company exclusively on the basis of the laws of the Federal Republic of Germany. A Publication in accordance with another legal system has not occurred and is neither intended nor permitted by the Company. Any such non-permitted publication, transmission, distribution or circulation of the Offer Document may be subject to the provisions (especially restrictions) of Foreign Jurisdictions. This also applies to any summary or other description of the terms and conditions contained in the Offer Document.

In particular, the Offer is not, whether directly or indirectly, made or distributed in the United States of America. Therefore, neither the Offer Document nor its contents may be published, distributed or disseminated in the United States of America, and in each case neither by means of utilization of a postal service nor by any other means or instruments of commercial trade between the individual states or of foreign trade or the facilities of a national stock exchange of the United States of America. This includes, among others, fax transmission, electronic mail, telex, telephone and the Internet. Consequently, copies of this Offer or any other related documents may also not be transmitted or delivered to the United States of America or within the United States of America.

To the extent a custodian bank or a custodian securities services provider with their registered seat in the Federal Republic of Germany or a German branch of a custodian bank or a custodian securities services provider (in each case a "**Custodian Bank**") has information or transmission obligations to in connection with the Offer vis-à-vis its customers, which are based on the legal provisions governing the custodian relationship, the Custodian Bank is obliged to comply with the aforementioned restrictions and to examine on its own initiative any potential impact of Foreign Jurisdictions on these obligations; the same shall apply to custodian banks or custodian securities services providers with their registered seat outside the Federal Republic of Germany. Any transmissions of the Offer Document, a summary or other description of the provisions of the Offer Document or other information documents related the Offer to shareholders outside the Federal Republic of Germany by Custodian Banks or third parties are neither made on behalf of nor upon instruction nor in the responsibility of the Company.

Apart from said restrictions, and subject to the terms and conditions of this Offer Document, the Offer may generally be accepted by all domestic and foreign DEMIRE Shareholders.

The Company points out that the acceptance of this Offer from outside the Federal Republic of Germany may be subject to legal restrictions. DEMIRE Shareholders intending to accept the Offer from outside the Federal Republic of Germany and/or who are subject to jurisdiction other than the Federal Republic of Germany are recommended to inform themselves about the applicable legal regulations and restrictions thereunder and to comply with them. The Company does not warrant that the acceptance of this Offer from outside the Federal Republic of Germany is permissible. Furthermore, the Company cannot assume any responsibility for the breach of legal provisions or the restrictions of this Offer by third parties. In addition, the Company points out that declarations of acceptance that would directly or indirectly constitute a breach of the aforementioned restrictions, in particular acceptances by shareholders with registered office, domicile or habitual residence in the United States of America will not be accepted by the Company.

Subject to the above statements, this Offer may be accepted by all DEMIRE Shareholders.

1.4 Publication of the decision to launch the buyback offer

DEMIRE published the decision to launch the Offer on 24 June 2020 by means of an ad-hoc-notification pursuant to Article 17 of the Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse ("**Market Abuse Regulation**"). The ad-hoc-notification is also available on the Company's website at the internet address

www.demire.ag

under the section "News – Ad Hoc news".

1.5 Status of the information contained in this Offer Document

Unless explicitly stated otherwise, all information, opinions and intentions as well as forward-looking statements contained in this Offer Document (jointly the "**Information**") are based on currently available information, planning and certain assumptions of the Company at the time of the publication of this Offer Document which may change in the future. In the event of a change in the information, planning and assumptions on which this Offer Document is based, the Company will not update this Offer Document, unless it is or becomes legally required to do so in accordance with the German Securities Trading Act (*Wertpapierhandelsgesetz, WpHG*), the Market Abuse Regulation or other regulations.

2. OFFER TO BUY BACK SHARES

2.1 Subject matter of the Offer

DEMIRE hereby offers all DEMIRE Shareholders, subject to the restrictions described in this Offer Document, to purchase and acquire the Company's no par value bearer shares with a notional amount of EUR 1.00 in the share capital per share (ISIN DE000A0XFSF0 / WKN A0XFSF) held by them, including all rights pertaining to these shares, in particular any potential dividend rights (collectively the "**DEMIRE Shares**" and each one "**DEMIRE Share**"), against payment of a cash consideration in the amount of

EUR 4.45 per DEMIRE Share
(**"Offer Price"**).

The Offer is a partial offer. It is limited to the acquisition of up to 2,000,000 DEMIRE Shares representing a notional amount of the share capital of the Company of up to EUR 2,000,000.00. This equals up to approx. 1.86 % of the Company's share capital existing in the amount of EUR 107,777,324.00, divided into 107,777,324 no par value bearer shares, at the time of the publication of this Offer Document. If declarations of acceptance for more than 2,000,000 DEMIRE Shares are received in the course of this Offer ("**Oversubscription**"), the declarations of acceptance will generally be considered on a pro rata basis in accordance with number 3.5.

2.2 Acceptance period

The period for accepting the offer commences on 26 June 2020, 00:00 (CEST) and ends on 13 July 2020, 24:00 (CEST) ("**Acceptance Period**").

The provisions of the WpÜG are not applicable to this Offer, accordingly, its regulations on a possible extension of the Acceptance Period are not applicable either. The Company reserves the right to extend the Acceptance Period once or repeatedly. Should it decide to extend the Acceptance Period, it will publish such decision in each case prior to the expiry of the Acceptance Period on the Company's website at the internet address

www.demire.ag

under the section "Investor Relations – Transactions – 2020 Share Buyback" as well as subsequently in the Federal Gazette (www.bundesanzeiger.de). In case of an extension of the Acceptance Period, the time limits for the settlement of the offer stated in this Offer Document are deferred accordingly.

2.3 Conditions and approvals

The implementation of this Offer and the sale and transfer agreements concluded upon acceptance of the Offer are not subject to any conditions. Consents or approvals by public authorities are not required and therefore do not have to be observed.

2.4 Changes to the Offer

The provisions of the WpÜG are not applicable to this Offer, accordingly, its regulations on possible changes to the Offer are not applicable either. The Company reserves the right to change the Offer, especially also to increase the Offer Price in compliance with the restrictions set forth in the authorization of the general meeting dated 29 May 2019 (please see below number 4.2) in case of significant changes to the relevant share price after publication of the Offer. If a change is made to the Offer, this will be published on the Company's website at the internet address

www.demire.ag

under the section "Investor Relations – Transactions – 2020 Share Buyback" as well as subsequently in the Federal Gazette (www.bundesanzeiger.de) at the latest on the last day of the Acceptance Period.

If the change to the Offer is published within the last week of the Acceptance Period, the Acceptance Period shall be extended by one week. Reference to this will be made once again in the publication that announces the change to the Offer. DEMIRE Shareholders who have accepted the Offer before a change to the Offer has been announced are entitled to a right of rescission in accordance with number 3.6 below until the expiry of the Acceptance Period. DEMIRE Shareholders are not entitled to a right of rescission in the event of a mere extension of the Acceptance Period.

3. IMPLEMENTATION OF THE OFFER

The Company has engaged Baader Bank Aktiengesellschaft, Unterschleißheim, Germany, as central settlement agent for the technical processing of the Offer ("**Central Settlement Agent**").

3.1 Declaration of acceptance and book transfer

DEMIRE Shareholders who wish to accept the Offer should contact their respective Custodian Bank if they have any questions regarding the acceptance of the Offer or the technical processing. The Custodian Banks will be provided information on the handling of the acceptance and the processing of the Offer separately and are asked to inform clients holding DEMIRE Shares in their securities account about the Offer and the steps necessary to accept it.

DEMIRE Shareholders may only accept the Offer within the Acceptance Period by written declaration vis-à-vis their Custodian Bank. It must be indicated in the declaration for how many DEMIRE Shares the respective DEMIRE Shareholder wishes to accept this Offer.

Furthermore, the respective Custodian Bank has to be instructed to carry out the book transfer of the DEMIRE Shares in the securities accounts of the respective DEMIRE Shareholders for which the Offer shall be accepted to ISIN DE000A289BW1 / WKN A289BW ("**Interim Securities Category**") at Clearstream Banking Aktiengesellschaft, Frankfurt on the Main ("**Clearstream**").

The declaration of acceptance only takes effect if the DEMIRE Shares for which acceptance has been declared have been booked timely to the Interim Securities Category at Clearstream set up for the purposes of implementing this Offer. The book transfer is initiated by the relevant Custodian Bank after receipt of the declaration of acceptance. The book transfer of the DEMIRE Shares to the Interim Securities Category is deemed to have occurred timely if the book transfer is effected by 18:00 (CEST) on (and including) the second Banking Day after the expiry of the Acceptance Period, i.e. until 15 July 2020, 18:00 (CEST) ("**Technical Re-Booking Period**"), subject to any extension of the Offer.

"**Banking Day**" means a day on which the banks in Frankfurt on the Main, Germany, and Munich, Germany, are open for general business and the Trans-European Automated Realtime Gross Settlement Express Transfer system (TARGET) or a comparable system is operational.

Declarations of acceptance that are not received by the relevant Custodian Bank within the Acceptance Period or that are filled in incorrectly or incompletely are not deemed as acceptance of the Offer and do not entitle the respective DEMIRE Shareholder to receive the Offer Price.

The Company assumes no liability whatsoever for the actions and omissions of Custodian Banks in connection with the acceptance of the Offer by DEMIRE Shareholders. In particular, the Company assumes no liability whatsoever if a Custodian Bank fails to notify the Central Settlement Agent properly and timely of the acceptance of the Offer by any DEMIRE Shareholder and to effect the book transfer of the tendered DEMIRE Shares to the Interim Securities Category properly and timely.

3.2 Further declarations of accepting DEMIRE Shareholders

Upon declaration of acceptance of the Offer

- (a) each accepting DEMIRE Shareholder declares (i) that it accepts the Offer of the Company to enter into a sale and purchase agreement for the DEMIRE Shares designated in the declaration of acceptance in accordance with the provisions of this Offer Document and (ii) that it agrees to

transfer the ownership of the relevant DEMIRE Shares to the Company concurrently (*Zug-um-Zug*) against payment of the Offer Price;

- (b) each accepting DEMIRE Shareholder warrants by way of an independent guarantee, regardless of culpability, that it is the sole owner of the DEMIRE Shares tendered for buyback, that the DEMIRE Shares tendered for buyback are not subject to any restrictions on disposal and are free of any third-party rights and claims at the time of the transfer of ownership;
- (c) each accepting DEMIRE Shareholder instructs its Custodian Bank (i) to leave the DEMIRE Shares tendered for buyback initially in its securities account, but to book transfer them to the Interim Securities Category at Clearstream; and (ii) to instruct and authorize Clearstream, in due consideration of the potential pro rata allocation in case the Offer is oversubscribed (cf. number 3.5), to make the DEMIRE Shares for which acceptance has been validly declared available to the Central Settlement Agent immediately following the expiry of the Acceptance Period in its securities account at Clearstream for transfer of ownership to the Company;
- (d) each accepting DEMIRE Shareholder engages and authorizes the Central Settlement Agent as well as its respective custodian bank (in each case under exemption from the prohibition on contracting with oneself pursuant to § 181 of the German Civil Code (*Bürgerliches Gesetzbuch, BGB*)) to conduct all actions necessary or appropriate for processing this Offer under the terms of this Offer Document as well as to issue and receive statements and especially to effect the transfer of ownership of the DEMIRE Shares tendered for buyback to the Company;
- (e) each accepting DEMIRE Shareholder instructs its Custodian Bank to instruct and authorize Clearstream to furnish the Company directly through the Central Settlement Agent or through the Custodian Bank on each trading day with the information necessary to announce the result of this Offer, especially the number of DEMIRE Shares in the securities account of the Custodian Bank at Clearstream that are booked in the Interim Securities Category; and
- (f) each accepting DEMIRE Shareholder instructs and authorizes its respective Custodian Bank, subject to the provisions of this Offer, to transfer the DEMIRE Shares for which acceptance has been declared, in each case including all rights pertaining to them, to the Company concurrently (*Zug-um-Zug*) against payment of the Offer Price to the account of the respective Custodian Bank. In case the declarations of acceptance are taken into consideration on a pro rata basis, the declaration of transfer

of ownership shall apply to the extent of the allocation in accordance with the allocation procedure described in number 3.5.

The instructions, orders, authorizations, declarations and warranties specified in paragraphs (a) through (f) are issued or made irrevocably upon the declaration of acceptance of the Offer.

3.3 Legal consequences of the acceptance of the Offer

By accepting this Offer a contract is concluded between the respective accepting DEMIRE Shareholder and the Company – subject to a potential pro rata consideration of declarations of acceptance (see number 3.5 below) – for the sale and transfer of ownership of the DEMIRE Shares tendered for buyback, including all rights pertaining thereto (in particular any potential dividend claims) in accordance with the terms of this Offer Document. The DEMIRE Shareholders who transfer their DEMIRE Shares to the Company in accordance with this Offer will not receive any dividend anymore for those DEMIRE Shares.

Furthermore, by accepting this Offer, the DEMIRE Shareholders irrevocably declare the instructions, orders and authorizations and issue the declarations and warranties described in number 3.2 in the paragraphs (a) through (f).

3.4 Settlement of the Offer and payment of the Offer Price

The payment of the Offer Price will be effected – potentially subject to the pro rata consideration of acceptance declarations pursuant to number 3.5 – concurrently (*Zug-um-Zug*) against transfer of the DEMIRE Shares tendered for buyback to the securities account of the Central Settlement Agent at Clearstream for transfer of ownership to the Company. The obligation of the Company to pay the Offer Price shall be deemed fulfilled upon crediting the owed Offer Price to the account of the respective Custodian Bank at Clearstream. It is incumbent upon the Custodian Banks to credit the Offer Price to the DEMIRE Shareholders who participate in the Offer.

In case not all tendered DEMIRE Shares are repurchased and the acceptance declarations are considered pro rata, the Central Settlement Agent will instruct Clearstream to re-book these remaining DEMIRE Shares to the original ISIN DE000A0XFSF0 / WKN A0XFSF (cf. number 3.5).

The Offer Price is expected to be available in the securities account of the respective Custodian Bank at Clearstream between the tenth (10th) and twelfth (12th) Banking Day following the expiry of the Acceptance Period. In the event of a pro rata consideration of declarations of acceptance, the payment of the Offer Price may, irrespective of the obligation to immediately effect the payment, be delayed by a few days for processing and technical reasons.

The respective Custodian Bank is instructed to credit the Offer Price to the account specified in the written declaration of acceptance of the respective DEMIRE Shareholder.

3.5 Allocation in case of an Oversubscription of the Offer

The Offer relates to a total of up to 2,000,000 DEMIRE Shares. This equals approx. 1.86 % of the share capital of the Company existing at the time this Offer Document is published.

If declarations of acceptance are submitted through the Custodian Banks in the course of this Offer for the acquisition of more than 2,000,000 DEMIRE Shares, the declarations of acceptance are taken into consideration on a pro rata basis, i.e. as a proportion of the maximum number of DEMIRE Shares to be acquired under this Offer, thus 2,000,000 DEMIRE Shares, to the aggregate number of DEMIRE Shares tendered for buyback by the DEMIRE Shareholders.

The Company makes use of the option of a privileged acceptance of smaller numbers of shares in the volume of up to 100 DEMIRE Shares tendered as provided for by the authorization granted by the general meeting dated 29 May 2019 (cf. number 4.2 below). These are thus privileged and accepted entirely, yet in a maximum volume of 2,000,000 DEMIRE Shares.

The Company will then purchase from each DEMIRE Shareholder who has tendered more than 100 DEMIRE Shares, the pro rata number of DEMIRE Shares tendered. The pro rata number is calculated as follows:

$$\text{Pro rata number} = A / B \times C$$

- “A”** corresponds to the maximum number of DEMIRE Shares that may be purchased under this Offer, thus 2,000,000 DEMIRE Shares, less all DEMIRE Shares tendered by DEMIRE Shareholders who have tendered up to 100 DEMIRE Shares each (**“Deductible DEMIRE Shares”**);
- “B”** corresponds to the total number of DEMIRE Shares timely tendered to the Company by DEMIRE Shareholders in accordance with the terms of this Offer, less all Deductible DEMIRE Shares;
- “C”** corresponds to the number of DEMIRE Shares timely tendered by the respective DEMIRE Shareholder in accordance with the terms of this Offer.

If the number of Deductible DEMIRE Shares exceeds 2,000,000, all DEMIRE Shares tendered in the course of this Offer will be considered in proportion of DEMIRE Shares to be accepted (2,000,000) to the total number of DEMIRE Shares tendered for buyback. In this case the Company will not make use of the option of a privileged acceptance of smaller numbers of shares in the volume of up to

100 DEMIRE Shares tendered as provided for by the authorization granted by the general meeting dated 29 May 2019 (cf. number 4.2 below).

The result of such calculations shall be rounded down to the next natural number, i.e. positive integer; fractional amounts shall not be considered.

As a consequence of the pro rata consideration of declarations of acceptance and the rounding that may be necessary in connection therewith, it is possible that the total number of DEMIRE Shares that are validly tendered and taken into consideration in the course of this offer is lower than the target number of shares also in case of an Oversubscription.

The excess DEMIRE Shares tendered for buyback, but not bought back will be re-booked to the original ISIN DE000A0XFSF0 / WKN A0XFSF by Clearstream after this pro rata allocation has been carried out. The re-booking will be effected between the fifth (5th) and tenth (10th) Banking Day following the expiry of the Acceptance Period.

3.6 Right of rescission

DEMIRE Shareholders who have accepted this Offer are entitled to a contractual right to rescind the contract entered into as a result of the acceptance of this Offer in the event that the Offer is changed in accordance with number 2.4, provided the change is not a mere extension of the Acceptance Period. Apart from that, DEMIRE Shareholders who accepted this Offer are not entitled to a contractual right of rescission.

In case this Offer is amended and the amendment is not merely an extension of the Acceptance Period, rescission is made by a written declaration vis-à-vis the Custodian Bank of the rescinding DEMIRE Shareholder. The declaration of rescission must be received by the Custodian Bank no later than upon expiry of the – where applicable, extended – Acceptance Period.

The rescission shall take effect upon re-booking of the DEMIRE Shares tendered for buyback for which the rescission is intended to apply out of the Interim Securities Category and back to the original ISIN DE000A0XFSF0 / WKN A0XFSF. If the rescission has been declared in writing to the Custodian Bank within the – where applicable, extended – Acceptance Period, the book transfer of the DEMIRE Shares tendered for buyback is deemed to have been made timely if it has been effected no later than upon expiry of the Technical Re-Booking Period.

3.7 Costs of acceptance

All costs related to the acceptance of this Offer and the transfer of the DEMIRE Shares, in particular the costs, expenses and fees charged by the Custodian Banks, are to be borne by the DEMIRE Shareholders themselves.

3.8 No stock exchange trading with tendered DEMIRE Shares

The Company has not and will not apply for admission to trading on any stock exchange for the tendered DEMIRE Shares booked in the separate Interim Securities Category or otherwise provide for any trading in these DEMIRE Shares tendered for buyback. Therefore, DEMIRE Shareholders cannot trade DEMIRE Shares tendered for buyback on the regulated market of the Frankfurt Stock Exchange or over the counter, irrespective of whether the DEMIRE Shares are sold to the Company on the basis of this Offer or are later returned due to a possible Oversubscription.

The other DEMIRE Shares that have not been tendered for buyback and are booked in ISIN DE000A0XFSF0 / WKN A0XFSF continue to be tradable.

4. LEGAL BASIS OF THE OFFER

4.1 Capital structure of the Company

The current share capital of the Company amounts to EUR 107,777,324.00 and is divided into 107,777,324 ordinary no par value bearer shares (no par value shares) with a notional amount of EUR 1.00 in the share capital per share. The shares are admitted to stock exchange trading on the regulated market of the Frankfurt Stock Exchange (Prime Standard) and are traded there.

4.2 Authorization to buy back treasury shares of the Company

The ordinary general meeting of the Company dated 29 May 2019 authorized the management board of the Company under agenda item 7 to buy back DEMIRE Shares as follows (“**Authorization**”):

- “a) The authorization to acquire treasury shares resolved upon by the ordinary general meeting dated 15 October 2014 under agenda item 9 lit. a) through lit. d) is cancelled upon effectiveness of the authorization to acquire treasury shares to be resolved under lit. b) through lit. f).

- b) The Company is authorized until 28 May 2024 and subject to the framework of the statutory limits, to acquire treasury shares up to a total of 10 % of the Company’s registered share capital at the time of the resolution or – if this amount is lower – at the time the authorization is exercised. The shares acquired on the basis of this authorization may not, together with other treasury shares which the Company has acquired and still holds or which are attributable to it, exceed 10 % of the Company’s registered share capital at the time of the resolution or – if this amount is lower – at the time the authorization is exercised. The acquisition for the purpose of trading treasury shares is excluded.

The authorization can be exercised once or repeatedly in full or in partial amounts to pursue one or several purposes by the Company or its group companies or by third parties for the account of the Company or the group companies.

The acquisition of treasury shares may take place, at the Management Board's choice, through the stock exchange or by means of a public offer addressed to all shareholders of the Company or by means of a public invitation to the shareholders to make a sales offer. If the treasury shares are acquired through the stock exchange, the purchase price per share paid by the Company (without ancillary costs) may not be more than 10 % higher or 20 % lower than the average closing prices for comparable shares of the Company in Xetra trading (or a corresponding successor system) on the five trading days of the Frankfurt Stock Exchange prior to the constitution of the obligation to acquire shares.

In the case of a public purchase offer or by means of a public invitation to make a sales offer, the offered purchase price or the limiting values of the purchase price range for each share (without ancillary costs) may not be more than 10 % higher or 20 % lower than the average closing prices for comparable shares of the Company in Xetra trading (or a corresponding successor system) on the five trading days of the Frankfurt Stock Exchange prior to the publication of the offer or public invitation to make a sales offer, respectively. In the event of significant changes to the relevant share price after publication of the purchase offer or public invitation to make a sales offer, respectively, the offer or invitation to make a sales offer, respectively, may be adjusted. In this case, the closing price for comparable shares of the Company in Xetra trading (or a corresponding successor system) on the last trading day prior to the publication of the adjustment will be the relevant share price; the 10 % limit for exceeding and the 20 % limit for falling below such price apply to this relevant share price. The volume of the offer or the invitation to make sales offers, respectively, can be limited. If the total acceptance of the offer or, in case of an invitation to make sales offers, the submitted offers of shareholders exceeds or falls below such limited volume, the share purchase or the acceptance in each case takes place pro rata to the offered shares, insofar under partial exclusion of a potential right of the shareholders to tender delivery. It can, however, be provided that lower amounts of up to 100 offered Company shares for each shareholder of the Company can be acquired on a preferential basis, insofar under partial exclusion of a potential right of the shareholders to tender delivery. The purchase offer or the invitation to

make a sales offer, respectively, can provide for additional conditions.

- c) The management board is authorized to use the shares of the Company acquired on the basis of this or any former authorization for all purposes permitted by law, in particular also for the following purposes:
 - aa) The acquired treasury shares can be sold in other manners besides a sale on the stock exchange or by means of an offer to all shareholders, provided that the shares are sold against payment in cash at a price not significantly lower than the stock price of comparable shares of the Company at the time of disposal. The relevant stock price within the meaning of the preceding provision is the average of the closing prices for comparable shares of the Company in Xetra trading (or a corresponding successor system) on the five trading days of the Frankfurt Stock Exchange prior to the constitution of the obligation to sell the shares. The subscription rights of the shareholders are excluded. This authorization is subject to the condition that the aggregate number shares sold under exclusion of the subscription rights in analogous application of § 186 para. 3 sentence 4 AktG may not exceed 10 % of the share capital whether at the time of the effectiveness or – if this amount is lower – at the time of the exercise of the authorization (“**Maximum Limit**”). Towards the Maximum Limit shall also count any shares that are issued from authorized capital pursuant to §§ 203 para. 2, 186 para. 3 sentence 4 AktG during the term of this authorization. Furthermore, any shares that are issued to satisfy convertible bonds and/or option bonds, profit rights and/or profit bonds (respectively combinations of these instruments) under exclusion of subscription rights in analogous application of § 186 para. 3 sentence 4 AktG shall count towards the Maximum Limit. Such counting towards the limit shall lapse in case authorizations to issue new shares from authorized capital pursuant to §§ 203 para. 2, 186 para. 3 sentence 4 AktG or to issue convertible bonds and/or option bonds, profit rights and/or profit bonds (respectively combinations of these instruments) in analogous application of § 186 para. 3 sentence 4 AktG are granted again by the general meeting after the exercise of such authorizations resulted in counting the issued shares towards the limit.
 - bb) The acquired treasury shares can be sold in other manners besides a sale on the stock exchange or by means of an offer to all shareholders, insofar as they are sold against contribution in kind to third parties, in particular in the course of the acquisition of real estate or real estate portfolios (also by acquisition of real estate

companies or holdings thereof), companies, enterprises, parts of companies or interests in companies, or other contributable assets or claims for the acquisition of assets, including claims against the Company or its group companies or to fulfil conversion rights or conversion obligations by holders or creditors of convertible bonds, options, profit rights and/or profit bonds (respectively combinations of these instruments) issued by the Company or its group companies, in particular – but without being limited thereto – on the basis of the authorization to issue convertible bonds, options, profit rights and/or profit bonds (respectively combinations of these instruments) resolved upon by the general meeting dated 11 February 2019 under agenda item 2. The subscription rights of the shareholders is excluded in each case.

- cc) The acquired treasury shares can be fully or partially redeemed without requiring a further resolution by the general meeting. They can be redeemed also in the simplified procedure without reducing the registered share capital by adjusting the proportion of the other shares in the registered share capital. The redemption can be limited to a part of the acquired shares. If the redemption of the shares takes place in the simplified procedure, the management board is authorized to amend the number of shares in the articles of association.
- d) The authorizations under letter c) also apply to the utilization of shares of the Company acquired on the basis of § 71d sentence 5 AktG.
- e) The authorizations under letter c) can be utilized once or repeatedly, fully or partially, solely or jointly, the authorizations pursuant to letter c, aa) and bb) can also be utilized by dependent companies or by companies in which the Company owns a majority or by third parties for the account of such companies or the account of the Company.
- f) The supervisory board can determine that measures of the management board on the basis of this resolution of the general meeting may only be implemented with its approval.”

The wording of the Authorization has been published with the invitation to the general meeting of the Company on 18 April 2019 in the Federal Gazette (www.bundesanzeiger.de) and on the Company’s website (demire.ag) under the section “Investor Relations – AGM 2019” and is available there.

4.3 Resolution of the management board to launch the Offer, approval of the supervisory board

Based on the Authorization referenced under number 4.2 above, the management board of the Company resolved on 24 June 2020 with the approval of the supervisory board on the same day to buy back up to 2,000,000 DEMIRE Shares by way of a voluntary public offer to buy back shares addressed to all DEMIRE Shareholders. The decision of the management board to launch the Offer has been published as described in more detail under number 1.4 above.

4.4 Previous buybacks and treasury shares

On the day of the publication of the Offer Document, the Company directly holds 5,000 treasury shares. Therefore, in accordance with the statutory provisions, the Company may further acquire up to 2,000,000 DEMIRE Shares in the course of this Offer.

Assuming complete acceptance and implementation of the Offer described in this Offer Document, the Company would directly hold 2,005,000 treasury shares. This equals approx. 1.86 % of the current share capital of the Company.

4.5 Rights of the Company regarding the acquired DEMIRE Shares

The Company will not be entitled to any shareholder rights with respect to DEMIRE Shares acquired in the course of this Offer, in particular, the Company will not be entitled to any voting or dividend rights. Hence, the influence of DEMIRE Shareholders not accepting this Offer will therefore proportionately increase: Since no voting rights may be exercised from own DEMIRE Shares, the shareholding of each DEMIRE Shareholder will have a proportionately higher influence. With regard to the utilization of a balance sheet profit to potentially pay out dividends, the DEMIRE Shares held by the Company will also not be considered.

4.6 Financing of the acquisition and intended utilization of the acquired DEMIRE Shares

The Company has the financial means to fulfill the Offer in full at the time the Offer Price becomes due and payable.

In accordance with the Authorization granted by the general meeting dated 29 May 2019, DEMIRE Shares acquired on the basis of this Offer can be used for all purposes permitted by law and may, among others, also be cancelled. The management board and the supervisory board of the Company have not yet made a decision regarding the utilization of DEMIRE Shares acquired on the basis of this Offer. It is possible that the acquired DEMIRE Shares are initially not utilized, but will simply be held by the Company.

5. INFORMATION ON THE OFFER PRICE

The Offer Price for one DEMIRE Share amounts to EUR 4.45.

The Offer Price takes into account the provisions of the Authorization granted by the general meeting dated 29 May 2019 regarding the determination of the purchase price. According to this, the purchase price per DEMIRE Share (excluding incidental purchase costs) may not be more than 10 % higher or more than 20 % lower than the average of the closing prices of the comparable shares of the Company in Xetra trading (or a comparable successor system) during the five trading days of the Frankfurt Stock Exchange prior to the day of the publication of the Offer.

The time period relevant for the determination of the purchase price therefore includes the stock exchange trading days from 17 June 2020 until and including 19 June 2020 as well as the stock exchange trading days on 22 June 2020 and on 23 June 2020 (“**Reference Period**”).

On these days, the following closing prices of the DEMIRE Shares were established in Xetra trading at the Frankfurt Stock Exchange:

Date	Xetra closing price
17 June 2020	EUR 4.02
18 June 2020	EUR 4.15
19 June 2020	EUR 4.10
22 June 2020	EUR 3.93
23 June 2020	EUR 4.09

The average of the closing prices within the Reference Period amounts to EUR 4.06.

The Offer Price in the amount of EUR 4.45 is 9.6 % higher than the average of the closing prices within the Reference Period and is therefore within the framework determined by the Authorization.

For the avoidance of doubt, the Company clarifies that the Offer Price will not be subject to any judicial review upon application of a DEMIRE Shareholder.

6. IMPACT OF THE OFFER

DEMIRE Shares admitted to trading at the Frankfurt Stock Exchange will remain tradable on the stock exchange under ISIN DE000A0XF5F0 / WKN A0XF5F during the entire Acceptance Period and after completion of the Offer.

It cannot be predicted how the stock price of the DEMIRE Shares will develop during and after the Acceptance Period. It cannot be excluded that the demand for and supply of DEMIRE Shares will be lower after the implementation of the Offer than before and thus the trading liquidity of the DEMIRE Shares will decrease, depending on the acceptance ratio.

A potential decrease of the trading liquidity might also result in higher share price fluctuations than in the past.

7. TAX LAW NOTICE

The acceptance of the Offer under the terms of this Offer Document results in a sale of DEMIRE Shares by the DEMIRE Shareholders accepting the Offer. The Company recommends that, before accepting the Offer, DEMIRE Shareholders obtain tax advice on the tax consequences of accepting this Offer taking their personal circumstances into due consideration.

8. PUBLICATIONS

Additions or changes to this Offer will be published in the same way as the Offer Document (cf. number 1.2). The other specified publications and other notices of the Company in connection with the Offer are made only on the Company's website at the internet address

www.demire.ag

unless there are more extensive statutory publication obligations. If deadlines for carrying out publications are provided in this Offer Document, the publication on the Company's website is decisive for whether these deadlines are complied with.

If the time of publication is relevant or decisive according to the provisions of this Offer Document, the publication will be deemed to have occurred at the time of publication on the Company's website if publication in the Federal Gazette will follow shortly.

Upon expiry of the Technical Re-Booking Period, the Company will publish the final result of the buyback offer and the allocation ratio in case of an Oversubscription (cf. number 3.5) on the Company's website at the internet address

www.demire.ag

under the section "Investor Relations – Transactions – 2020 Share Buyback" as well as subsequently in the Federal Gazette (www.bundesanzeiger.de).

9. APPLICABLE LAW AND PLACE OF JURISDICTION

The Offer as well as the share purchase and transfer agreements concluded as a result of this Offer being accepted are subject exclusively to the laws of the Federal Republic of Germany.

If a DEMIRE Shareholder is a business person, a legal entity under public law or a public law special fund, Frankfurt on the Main, Germany, is agreed as the exclusive place of jurisdiction for all claims arising from or on account of this Offer and from any share purchase and transfer agreements concluded as a result of this Offer being accepted. To the extent permitted by law, the same shall apply to individuals who have no general jurisdiction in the Federal Republic of Germany or individuals who, after entering into the share purchase and transfer agreements concluded as a result of this Offer being accepted, have moved their domicile or habitual residence outside the Federal Republic of Germany or whose domicile or habitual residence is not known at the time a legal action is filed.

Langen, 24 June 2020

DEMIRE Deutsche Mittelstand Real Estate AG

– The Management Board –