



RESULTS Q1 2021

Conference Call | 12 May 2021



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Agenda

A graphic representing an agenda. It consists of a central column of four rounded rectangular boxes. The top box is olive green with white text, and the three boxes below it are light green with dark green text. To the left of these boxes is a thick, dark olive green vertical bar that has a triangular cutout at the top. To the right is a thick, light gray vertical bar with a similar triangular cutout at the top.

Executive Summary

Portfolio Highlights

Financial Highlights

Corona Update

Executive Summary

REALize Potential

Asset Management

- » **New and prolonged lettings** of over 23,000sqm
- » **EPRA-Vacancy⁽¹⁾** temporarily slightly higher at 7.8%
- » **WALT** keeps trending sideways at 4.8 years
- » **Annualized contractual rent** broadly stable at € 85.4m

Acquisitions

- » **Portfolio dynamization:**
 - » **Signing of a disposal of one asset in Ansbach** with € 18.0m proceeds, representing over 13% premium to market value
 - » **Further work on closing of „Cielo“** – expected in Q2/Q3 2021

Financials

- » **Improved profit from the rental of real estate:** € 17.7m vs. € 17.3m in Q1 2020, despite lower rental income due to disposals
- » **FFO I⁽²⁾ significantly improved** from € 9.6m to € 10.8m y-o-y
- » **Guidance confirmed:** € 80.0-82.0m rental income and € 36.5-38.5m FFO I⁽²⁾

Processes

- » **Strengthening of receivables processes management**
- » **Start of property management RfP process**

Corona-Update

- » As of 11 May 2021, DEMIRE has **outstanding rental charges** from its tenants for 2020 and 2021 of € 5.6m, representing c. 5.5% of the target rent
- » Accelerating vaccinations, improving incidence rates and reduced lockdown measures make us confident that a normalization of the situation is within sight

(1) Excl. assets held for sale

(2) After taxes, before minorities

Agenda

A graphic representing an agenda. It consists of four horizontal rounded rectangular boxes stacked vertically. The top and bottom boxes are light green, while the second and third boxes are a darker green. The text 'Portfolio Highlights' is white on the dark green boxes, and the other text is dark green on the light green boxes. The graphic is flanked by two large, stylized corner brackets: a green one on the left and a grey one on the right.

Executive Summary

Portfolio Highlights

Financial Highlights

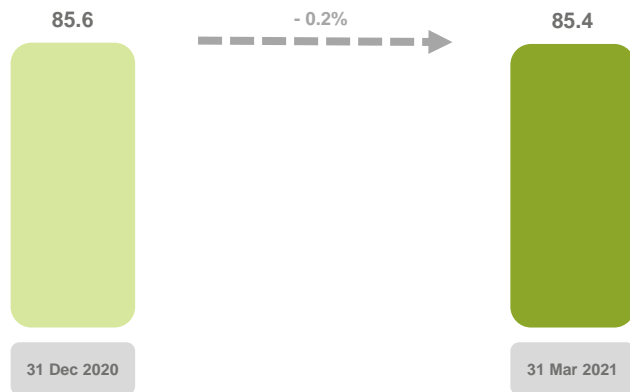
Corona Update

Leasing Performance Q1 2021

Stable Development of Annualized Rent, solid Letting Result

Annualized Rent almost unchanged

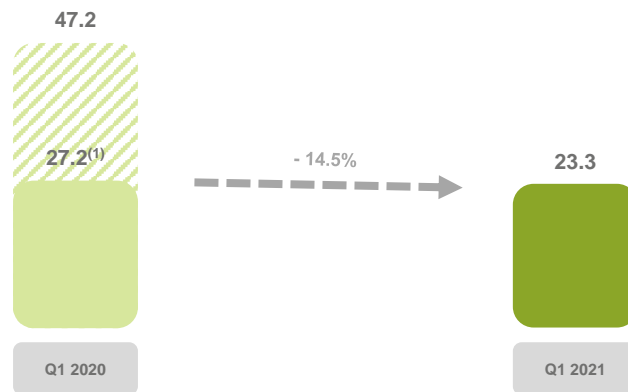
Annualized contractual rent excl. service charges (€ m)



- » **No considerable change** in the amount of annualized contractual rent, mainly due to unchanged portfolio
- » **Top 4 premises with 2% average increase** in annualized rent in Q1 2021

Letting Result close to 2020 Record-Level⁽¹⁾

New lettings and prolongations (k sqm)



- » Despite corona-influenced market environment, **strong letting result** of 23,265sqm
- » Letting activities in Q1 2021 secure **€ 2.2m rental income** per year with a **WALT of almost 5 years**
- » New lettings account for roughly 44% of leased space, 56% renewals

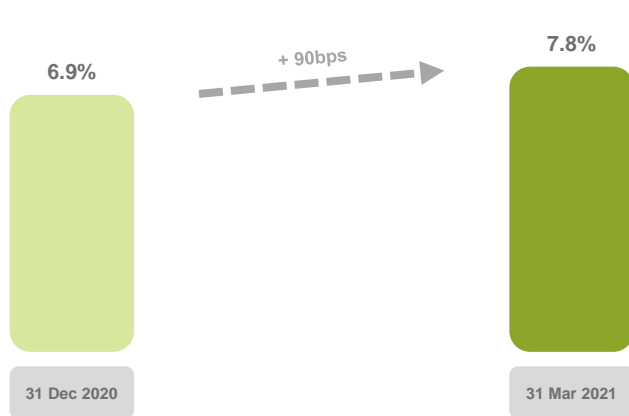
(1) Excl. one large rental contract with Amazon

EPRA-Vacancy & WALT

EPRA-Vacancy slightly up, WALT remains stable

EPRA-Vacancy temporarily higher

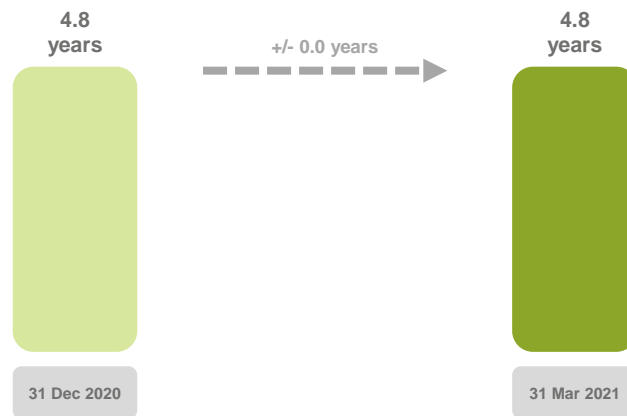
EPRA-Vacancy (%)⁽¹⁾



- » **EPRA-Vacancy moderately higher** due to temporary vacancy in context with the repositioning of the asset in Regensburg (new rental contracts already signed, vacancy will decrease over the course of the year)

WALT stable since End of 2019

WALT (years)



- » Solid Asset Management performance keeps the **WALT at 4.8 years** for the sixth reporting date in a row
- » Main WALT improvements in Rostock, Regensburg and Kempten

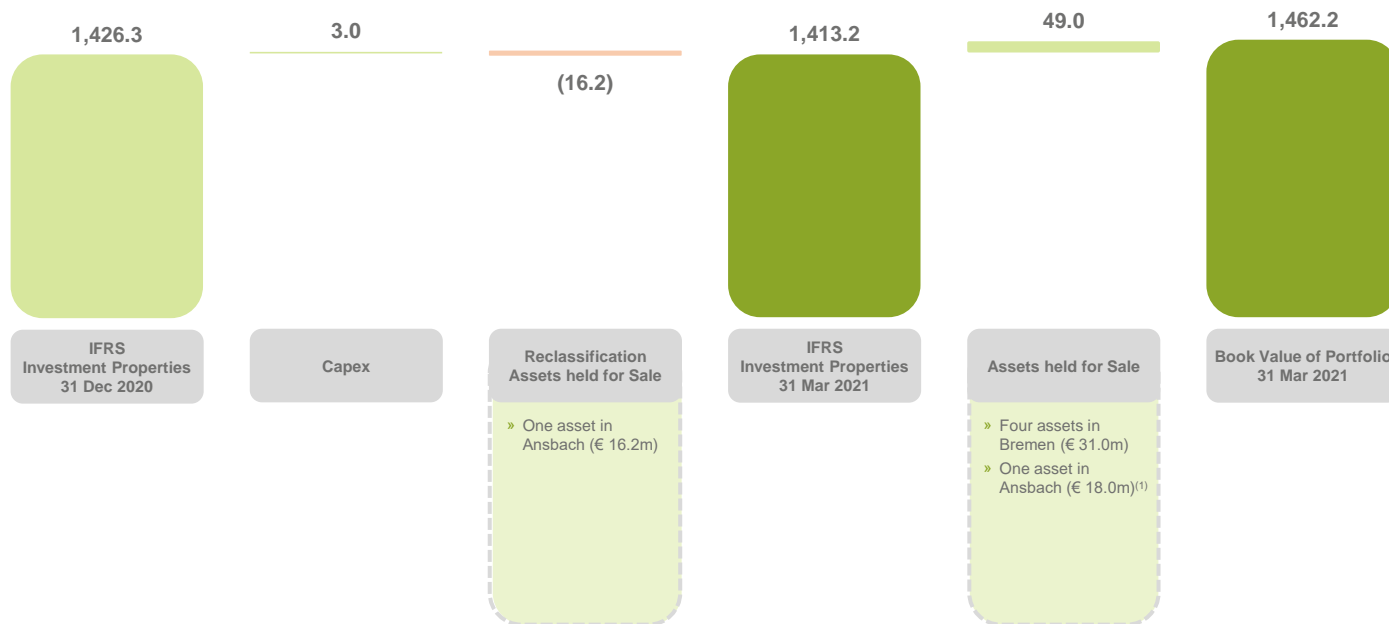
(1) Excl. assets held for sale

Portfolio Development

Investment Properties with no material Changes in Q1 2021

Development of Investment Properties

€ m



(1) Incl. € 1.8m valuation gains due to positive difference between purchase price and book value

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Executive Summary

Portfolio Highlights

Financial Highlights

Corona Update

Shortened Profit & Loss Statement Q1 2021

Strong FFO I⁽¹⁾ Improvement despite lower Rental Income, moderate Corona-effects

	Q1 2021 (in € m)	Q1 2020 (in € m)	Change (%)
Rental income	21.1	22.0	(4.1%)
Income from the rental of real estate 1	17.7	17.3	2.5%
Profit/loss from the sale of real estate/-companies	(0.1)	(1.0)	(92.0%)
Profit/loss from revaluation of investment properties	1.8	0.0	>100%
Other operating income & expenses, net	0.0	0.0	>100%
Impairments of receivables	(0.4)	(0.6)	(36.4%)
General and administrative expenses	(2.6)	(2.8)	(8.0%)
Earning before interest and taxes (EBIT)	16.6	12.9	28.8%
Financial result excl. minorities	(4.1)	(4.5)	(7.8%)
Earnings before taxes (EBT) excl. minorities	12.5	8.4	(48.8%)
Profit/loss from the sale of real estate/-companies	0.1	1.0	(92.0%)
Profit/loss from fair value adjustments in investment properties	(1.8)	(0.0)	(>100%)
Other adjustments	0.5	1.0	(50.8%)
Income taxes	(0.4)	(0.8)	(50.0%)
Funds from operations I⁽¹⁾	10.8	9.6	12.0%

- 1 Lower rental income due to disposals offset by reduced leakage and lower maintenance costs
- 2 Valuation gains due to the premium to selling price for the asset in Ansbach (= new market value)
- 3 Very moderate Corona-effects, lower in comparison to previous year
- 4 Comprehensive work on the debt book pays off in reduced interest expenses

» Despite challenging pandemic-affected market environment FFO I⁽¹⁾ up by 12.0% to € 10.8m

(1) After taxes, before minorities

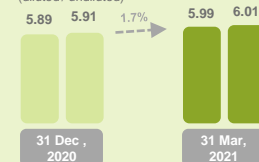
Shortened Balance Sheet 31 March 2021

Liquidity Position further improved by raising of a new Loan

	31 Mar 2021 (in € m)	31 Dec 2020 (in € m)	Change (%)
ASSETS			
Investment properties 1	1,413.2	1,426.3	(0.9%)
Other assets and properties held for sale 2	117.1	97.4	20.2%
Cash and cash equivalents 3	155.2	101.6	52.8%
TOTAL ASSETS	1,685.5	1,625.3	3.7%
EQUITY & LIABILITIES			
Total equity	606.3	598.0	1.4%
Financial debt 3	878.5	829.7	5.9%
Other liabilities and minority interest	200.8	197.6	1.6%
Total liabilities	1,079.2	1,027.3	5.1%
TOTAL EQUITY & LIABILITIES	1,685.5	1,625.3	3.7%

- 1 Decrease in investment properties driven by reclassification of one asset in Ansbach to assets held for sale, partly offset by value accretive capex
- 2 Increase due to reclassification of the asset in Ansbach
- 3 Liquidity position strengthened via new secured loan (c. € 45m)

NAV per Share (diluted / undiluted)



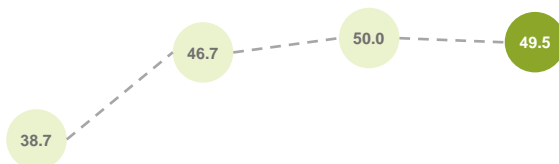
» NAV per share (diluted) up by 10 Cents to € 5.99 from end of 2020 due to positive profit for the period

Key financial KPI's

Solid Net-LTV Ratio and average Cost of Debt Level

Leverage slightly below Target of 50%

Net-LTV (in %)



31 Dec 2018

31 Dec 2019

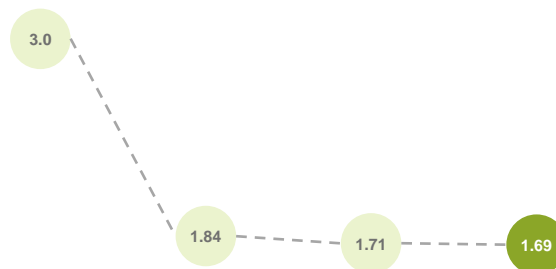
31 Dec 2020

31 Mar 2021⁽¹⁾

- » **Net-LTV slightly lower** compared to end of 2020 due to cash generated by operating activities in Q1 2021
- » Pro-forma signed disposals, „CIELO“ transaction and dividend payout for FY 2020 Net-LTV expected to be around 54%

Average Cost of Debt further improved

Average cost of debt (in %)⁽²⁾



31 Dec 2018

31 Dec 2019

31 Dec 2020

31 Mar 2021

- » **Improvement of average cost of debt continued** in Q1 2021, mainly driven by issuance of a new loan at a favorable interest rate
- » Average maturity of outstanding debt is at 3.5 years

(1) Net-LTV according to bond definition at 48.7%

(2) Based on nominal interest rate

Agenda

A graphic representing an agenda. It consists of four horizontal rounded rectangles stacked vertically. The top three are light green, and the bottom 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 for each item is centered within its respective rectangle.

Executive Summary

Portfolio Highlights

Financial Highlights

Corona Update

Corona-Effect on DEMIRE's Portfolio

Small Impact in 2020, Increase in Q1 2021 expected to decline over Course of the Year



- » As of 11 May 2021, rent suspensions from DEMIRE's tenants in context with the Corona crisis amount to € 5.6m overall (5.5% of target rent)
- » For the first four months of 2021, € 2.2m rents were suspended, representing c. 2.8% of the expected rental income 2021 or 7.9% of the target rent until April
- » The majority among the affected tenants belongs to the asset classes retail (56%) and hotel (37%), while office tenants only account for 2%
- » In Q1 2021, only € 0.3m were classified as irrecoverable receivables and therefor impact the P&L
- » We assume to collect the outstanding rent suspensions in arrears and do not expect further large effects on the P&L

(1) As of 11 May 2021

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Financial Calendar 2021

12 August 2021

Half Year Results 2021

11 November 2021

Interim Results Q3 2021

Share Information⁽¹⁾

Symbol / Ticker

DMRE

Share Price (XETRA)

€ 4.68

Market Segment

Prime Standard

ISIN

DE000A0XFSF0

Market Capitalisation

€ 504.4m

Free Float⁽²⁾

7.15%

Number of Shares

107,777,324

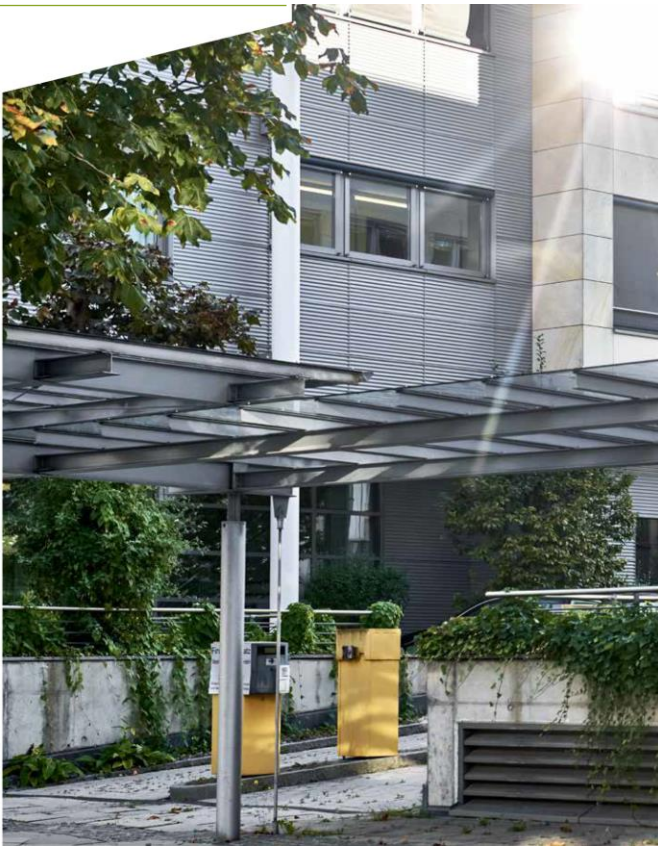
(1) As of 31 March 2021

(2) Holdings < 3%



Appendix I

Additional Financial Information



Profit & Loss Statement Q1 2021

Slightly reduced Rental Income while Administrative Costs and Interest Expenses improved

	Q1 2021 (in € m)	Q1 2020 (in € m)
Rental Income 1	21.1	22.0
Income from utility and service charges	7.6	8.5
Other operating expenses to generate rental income	(11.0)	(13.2)
Income from the rental of real estate 2	17.7	17.3
Profit/loss from the sale of real estate/-companies	(0.1)	(1.0)
Profit/loss from fair value adjustments in investment properties 3	1.8	0.0
Other operating income and impairments of receivables	(0.2)	(0.3)
General and administrative expenses	(2.6)	(2.8)
Other operating expenses	(0.1)	(0.3)
Earning before interest and taxes (EBIT)	16.6	12.9
Financial income	0.2	0.2
Financial expenses 4	(4.3)	(4.7)
Minorities	(1.1)	(0.4)
Earnings before taxes (EBT)	11.3	8.0
Current income taxes	(0.5)	(0.8)
Deferred taxes	(1.4)	(0.3)
Net profit/loss for the period	9.4	6.8
Of which attributable to:		
Non controlling shareholder	0.7	0.7
Parent company shareholder	8.7	6.2

- 1 Rental income slightly lower due to several disposals
 - 2 Leakage improved and maintenance reduced
 - 3 Valuation gains due to the premium to selling price for the asset in Ansbach (= new market value)
 - 4 Lower interest expenses as a consequence of various (re-) financing measures in 2019 and 2020
- » FFO I (after taxes, before minorities) Q1 2021 up 12.0% to € 10.8m (Q1 2020: € 9.6m)

Balance Sheet 31 March 2021

Balance Sheet affected by Issuance of new Debt

	31 Mar 2021 (in € m)	31 Dec 2020 (in € m)
ASSETS		
Investment properties 1	1,413.2	1,426.3
Properties held for sale	49.0	31.0
Other assets	68.1	66.4
Cash and cash equivalents 2	155.2	101.6
TOTAL ASSETS	1,685.5	1,625.3
EQUITY & LIABILITIES		
Subscribed capital	105.5	105.8
Reserves 3	460.0	452.2
Equity attributable to parent company shareholders	565.5	558.0
Non-controlling interests	40.7	40.1
Total equity	606.3	598.0
Minority interest	80.0	78.9
Non-current financial debt 2	860.5	817.3
Current financial debt	18.0	12.4
Other liabilities	120.8	118.7
Total liabilities	1,079.2	1,027.3
TOTAL EQUITY & LIABILITIES	1,685.5	1,625.3

- 1 Reclassification of one asset in Ansbach from investment properties to assets held for sale
 - 2 Liquidity position strengthened via issuance of new secured loan (c. € 45m)
 - 3 Profit for the period increases reserves
- » NAV per share (diluted) up by 10 Cents to € 5.99 from end of 2020 due to positive profit for the period

Financing Structure

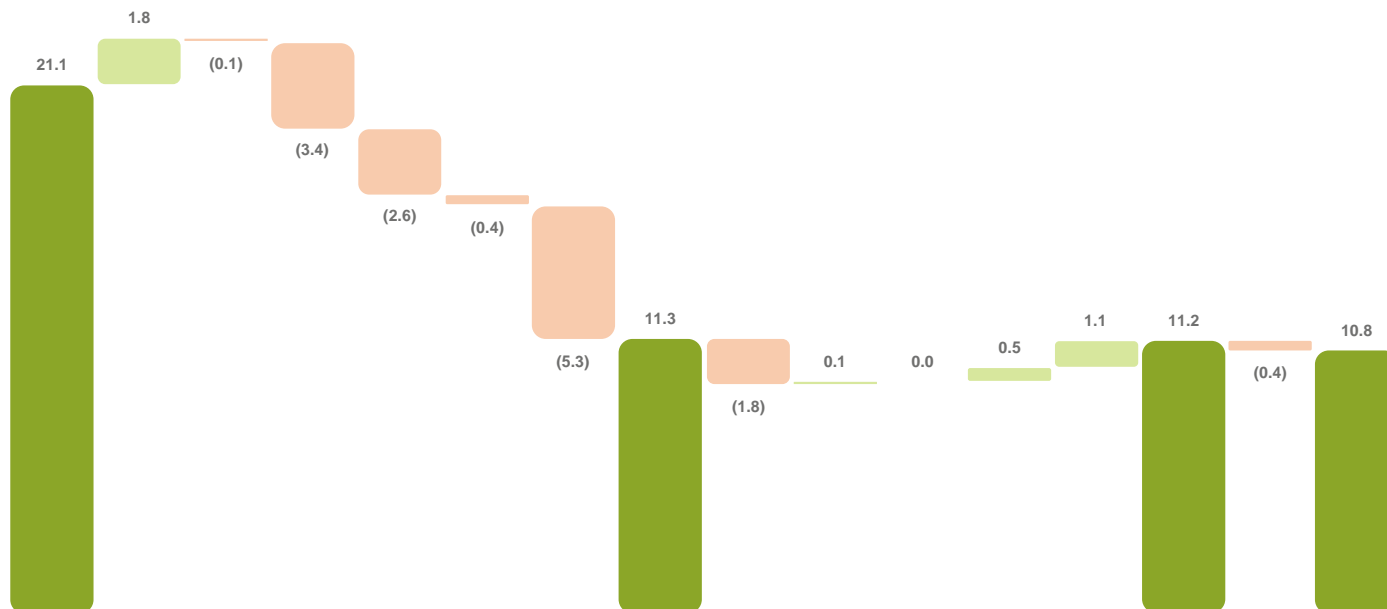
Senior Notes represent about 2/3 of gross financial Debt

Financing Structure (31 Mar 2020)		
Tranche	IFRS Amount (€ m)	Margin / Coupon ⁽¹⁾
Senior unsecured notes	592.5	1.875%
Bank loans on DEMIRE level	199.9	1.150% - 3.250%
Fair Value REIT-AG debt	80.8	1.382% ⁽²⁾
Other ⁽³⁾	5.3	
Gross financial debt	878.5	
Cash & cash equivalents	155.2	
Net financial debt	723.2	
Net-LTV	49.5%	

(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

Q1 2021



Rental Income	Fair Value adjustments in investment properties	Sale of real estate	Operating expenses, net ⁽¹⁾	G&A expenses	Other operating expenses, 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 € 7.6m and operating expenses to generate rental income of € (11.0)m

12 May 2021

(2) Includes impairment of receivables of € (0.4)m, other op. income of € 0.2m and other op. expenses of € (0.1)m

(3) Other adjustments relate to effective interest rate payments of € 0.6m and one-time administrative costs of € (0.1)m



Appendix II

Additional Portfolio Information



Overview of the Real Estate Portfolio

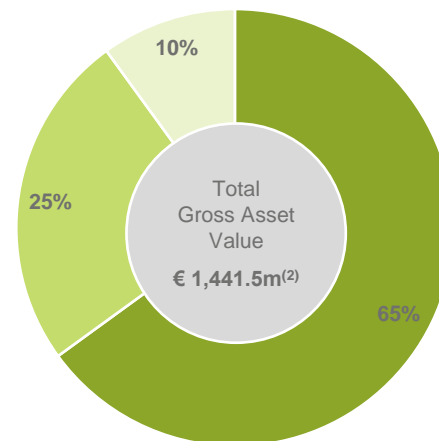
Split by Region and Asset Class

Property Locations⁽¹⁾

	# of Properties	GAV ⁽²⁾ (€ m)	EPRA-Vacancy (%)	Total rental space (k sqm)
Baden-Wuerttemberg	5	162.9	3.5	93.6
Bavaria	8	134.4	19.9	99.8
Brandenburg	1	5.5	10.0	3.8
Bremen	5	34.1	30.1	24.8
Hamburg	1	10.0	0.0	4.0
Hesse	7	213.2	8.2	97.4
Mecklenburg-Western Pom.	6	120.0	4.8	58.0
Lower Saxony	6	47.6	0.8	39.8
North Rhine-Westphalia	16	410.0	7.4	233.3
Rhineland Palatinate	2	11.3	9.4	19.3
Saxony	9	183.3	7.4	227.9
Saxony-Anhalt	2	36.3	3.9	24.0
Schleswig-Holstein	6	71.2	6.3	58.0
Thuringia	1	1.8	56.5	5.6
Germany	75	1,441.5	7.8	989.2

Portfolio Split by Asset Class⁽¹⁾

GAV (€ m)



■ Office ■ Retail ■ Logistics & Others

(1) As of 31 March 2021
(2) Excl. capitalised leases

Overview of the Real Estate Portfolio

Top 20 Assets

Property Locations⁽¹⁾

	Asset Class	GAV (€ m) ⁽²⁾	Share (%)	EPRA- Vacancy (%)	Total rental space (k sqm)	GAV/sqm (€ k)	GRI p.a. (€ m) ⁽³⁾	WALT (Years)
Essen	Office	98.0	6.8	9.1	45.5	2.2	5.7	3.9
Bonn	Office	89.0	6.2	0.0	38.4	2.3	4.6	3.9
Ulm	Office	85.1	5.9	2.2	47.6	1.8	4.3	3.7
Leipzig (LogPark)	Logistics	76.0	5.3	8.6	147.1	0.5	5.2	2.2
Neuss	Retail	72.1	5.0	0.0	56.1	1.3	5.4	1.8
Rostock	Logistics	71.6	5.0	0.6	19.3	3.7	4.0	8.2
Kassel	Retail	60.5	4.2	5.0	21.5	2.8	3.6	5.5
Bad Vilbel	Office	47.3	3.3	15.2	26.5	1.8	2.8	6.4
Frankfurt	Other (Hotel)	43.7	3.0	0.0	6.1	7.2	1.8	18.8
Freiburg	Office	39.9	2.8	7.2	22.6	1.8	2.1	6.3
Top 10 Properties		683.2	47.4	4.7	430.5	1.6	39.6	4.9
Regensburg	Office	38.0	2.6	38.1	29.2	1.3	1.7	3.7
Leipzig (Gutenberg-Galerie)	Office	36.3	2.5	4.8	23.4	1.6	2.0	3.6
Düsseldorf	Office	36.0	2.5	20.4	24.3	1.5	2.2	3.1
Aschheim	Office	30.1	2.1	24.5	12.0	2.5	1.2	2.7
Eschborn	Office	29.4	2.0	0.0	18.9	1.6	2.1	3.8
Flensburg	Office	25.0	1.7	13.3	24.2	1.0	1.7	6.7
Lutherstadt-Wittenberg	Retail	23.8	1.7	6.2	14.7	1.6	1.7	0.7
Köln (Max-Glomsda-Straße)	Office	23.3	1.6	0.4	5.2	4.5	1.3	4.2
Zittau	Retail	21.8	1.5	3.5	17.4	1.3	1.3	8.2
Langen	Office	18.9	1.3	29.1	13.7	1.4	1.1	3.1
Top 20 Properties		965.8	67.0	8.0	613.4	1.6	55.6	4.6
Other Properties		475.7	33.0	7.5	375.7	1.3	29.8	5.2
Total Properties		1,441.5	100.0	7.8	989.2	1.5	85.4	4.8

(1) As of 31 March 2021

(2) Excl. capitalised leases

(3) Annualized contractual rent excluding service charge