

# RESULTS H1 2021

Conference Call | 12 August 2021



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This document includes 'forward-looking statements'. Forward-looking statements are all statements which do not describe facts of the past but contain the words "believe", "estimate", "expect", "anticipate", "assume", "plan", "intend", "could", and words of similar meaning. These forward-looking statements are subject to inherent risks and uncertainties since they relate to future events and are based on current assumptions and estimates of the Company, which might not occur at all or occur not as assumed. They therefore do not constitute a guarantee for the occurrence of future results or performances of the Company. The actual financial position and the actual results of the Company as well as the overall economic development and the regulatory environment may differ materially from the expectations which are assumed explicitly or implicitly in the forward-looking statements and do not comply to them. Therefore, investors are warned to base their investment decisions with respect to the Company on the forward-looking statements mentioned in this document.

# Agenda

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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 green vertical bar that has a triangular cutout at the top. To the right is a thick, light grey 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** significantly improved to 122,000sqm
- » **EPRA-Vacancy<sup>(1)</sup>** at 10.2%
- » **WALT** virtually stable at 4.9 years
- » **Annualized contractual** rent affected by disposals at € 83.1m

### Acquisitions

- » **Portfolio dynamization:**
  - » **Closing of the sale of four assets in Bremen and one in Cologne** 3% above market value
  - » **Signing of a disposal of one asset in Ansbach** 13% above market value
  - » **Acquisition of „Cielo“** – closed in July

### Financials

- » **Improved profit from the rental of real estate:** € 34.2m vs. € 33.0m in H1 2020, despite lower rental income due to disposals
- » **FFO I<sup>(2)</sup>** significantly improved from € 16.9m to € 19.4m y-o-y
- » **Guidance confirmed:** € 80.0-82.0m rental income and € 34.5-36.5m FFO I<sup>(2)</sup>

### Processes

- » **Introduction of all EPRA KPIs** to provide further transparency and comparability with peer group
- » Initiative to further streamline **property management** well on track

### Corona-Update

- » As of 2 August 2021, DEMIRE has **outstanding rental charges** from its tenants for 2020 and 2021<sup>(3)</sup> of € 5.6m, representing c. 4.5% of the target rent
- » Increasing share of vaccinated population, low incidence rates and reduced lockdown measures make us confident that our business will not be materially impacted in the second half of the year

(1) Excl. assets held for sale  
 (2) After taxes, before minorities  
 (3) Excl. rents payable for August 2021

# Agenda

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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 box from the top is a darker green. The text 'Portfolio Highlights' is centered in the dark green box. To the left of the boxes is a large green L-shaped bracket, and to the right is a large grey L-shaped bracket.

**Executive Summary**

**Portfolio Highlights**

**Financial Highlights**

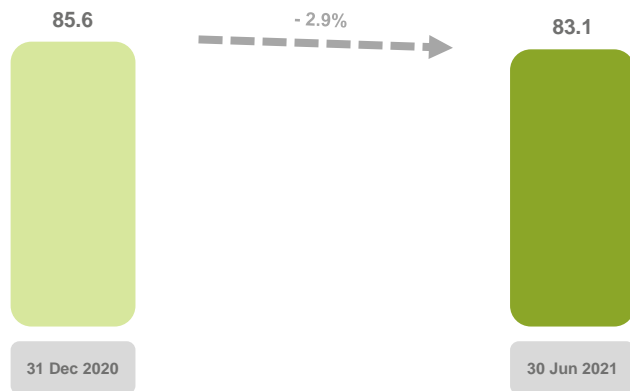
**Corona Update**

# Leasing Performance H1 2021

Annualized Rent slightly lower, superb Letting Result

## Annualized Rent affected by Disposals

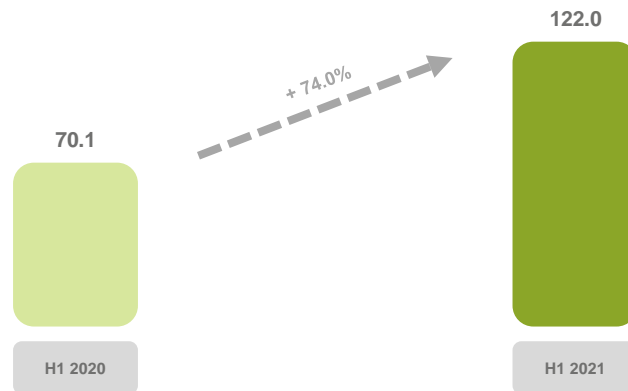
Annualized contractual rent excl. service charges (€ m)



- » **Lower annualized rent** due to the disposal of five non-strategic assets
- » **Top 10 premises with 1% average increase** in annualized rent compared to end of 2020

## Letting Result significantly improved

New lettings and prolongations (k sqm)



- » Despite corona-influenced market environment, **strong letting result** of 121,929sqm, including one new **large rental contract with Amazon** (c. 26,000sqm)
- » Letting activities in H1 2021 secure **€ 9.1m rental income** per year with a **WALT of almost 8 years**

## Successful Repositioning of the LogPark Leipzig continues

Development of a Distribution Centre for Amazon improves KPI's of the Asset significantly

- » DEMIRE transforms the former Quelle high-bay warehouse and builds an energy-efficient distribution centre for Amazon
- » Structural vacancy will be converted into rental space
- » Amazon has signed a fifteen-year lease contract with DEMIRE
- » The area for the distribution hub covers about 26,000sqm plus parking slots
- » Completion of the development planned for autumn 2022
- » The existing lease with the online distributor in the LogPark for 20,000sqm storage space from 2020 will also be extended by 15 years and integrated into the project



Occupancy rate  
rises to c. 92%

WALT increases  
to 6.1 years

Significant  
increase in market  
value

Conversion of  
structural vacancy  
to rental space

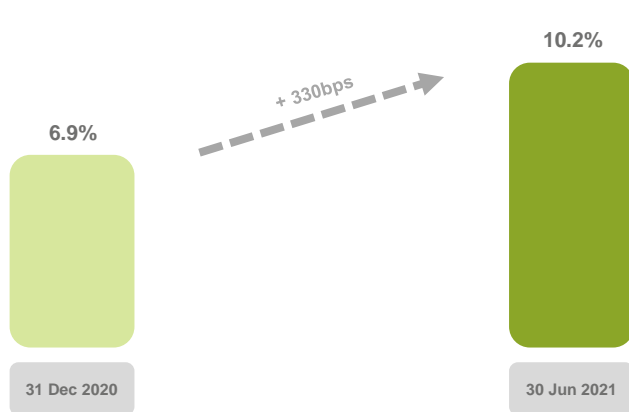
Excellent  
credit quality of  
the tenant

## EPRA-Vacancy & WALT

EPRA-Vacancy up, WALT keeps trending Sideways

### EPRA-Vacancy temporarily higher

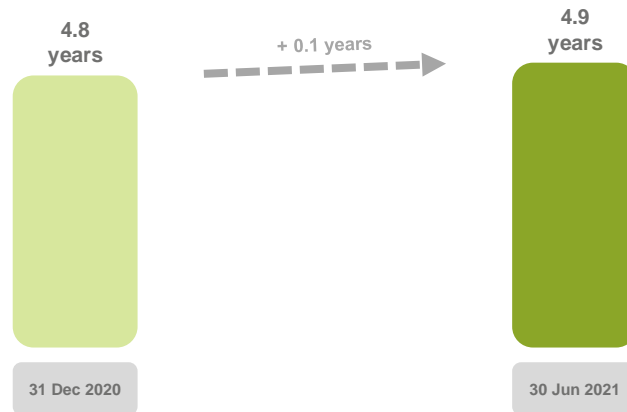
EPRA-Vacancy (%)<sup>(1)</sup>



- » **EPRA-Vacancy 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) and the retail asset in Trier

### WALT stable since End of 2019

WALT (years)



- » Solid Asset Management performance keeps the **WALT at almost 5 years** for the seventh 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 H1 2021

### Development of Investment Properties

€ m



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

(2) Incl. € 0.1m valuation gains due to positive difference between purchase price and book value

# Agenda

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**Executive Summary**

**Portfolio Highlights**

**Financial Highlights**

**Corona Update**

# Shortened Profit & Loss Statement H1 2021

Strong FFO I<sup>(1)</sup> Improvement despite lower Rental Income, very moderate Corona-Effects

	H1 2021 (in € m)	H1 2020 (in € m)	Change (%)
Rental income	42.0	43.8	(4.1%)
<b>Income from the rental of real estate</b> 1	<b>34.2</b>	<b>33.0</b>	<b>3.7%</b>
Profit/loss from the sale of real estate/-companies 2	0.7	(1.8)	> 100%
Profit/loss from revaluation of investment properties 3	1.8	0.0	> 100%
Other operating income & expenses, net	(0.8)	0.1	(> 100%)
Impairments of receivables 4	(0.7)	(3.7)	(82.1%)
General and administrative expenses	(5.7)	(5.7)	1.3%
<b>Earning before interest and taxes (EBIT)</b>	<b>29.5</b>	<b>21.8</b>	<b>35.2%</b>
Financial result excl. minorities	(8.4)	(8.7)	(2.6%)
<b>Earnings before taxes (EBT) excl. minorities</b>	<b>21.1</b>	<b>13.2</b>	<b>59.8%</b>
Profit/loss from the sale of real estate/-companies	(0.7)	1.8	(> 100%)
Profit/loss from fair value adjustments in investment properties	(1.8)	0.0	(> 100%)
Other adjustments	2.0	3.3	(40.7%)
Income taxes	(1.2)	(1.5)	(21.5%)
<b>Funds from operations I<sup>(1)</sup></b>	<b>19.4</b>	<b>16.9</b>	<b>15.2%</b>

FFO-Bridge

1 Lower rental income due to disposals offset by reduced maintenance costs

2 Sale of one asset in Cologne with a significant premium to market value

3 Valuation gains due to the premium to selling price for the asset in Ansbach (= new market value)

4 Very moderate Corona-effects

» Despite smaller portfolio due to disposals of non-strategic assets, FFO I<sup>(1)</sup> up by 15.2% to € 19.4m

(1) After taxes, before minorities

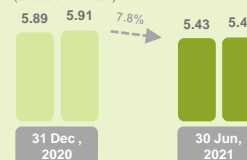
## Shortened Balance Sheet 30 June 2021

### Liquidity Position affected by Dividend Payout, new Loan and Disposals

	30 Jun 2021 (in € m)	31 Dec 2020 (in € m)	Change (%)
<b>ASSETS</b>			
Investment properties <span>1</span>	1,408.3	1,426.3	(1.3%)
Other assets and properties held for sale <span>2</span>	106.2	97.4	9.0%
Cash and cash equivalents <span>3</span>	121.1	101.6	19.2%
<b>TOTAL ASSETS</b>	<b>1,635.6</b>	<b>1,625.3</b>	<b>0.6%</b>
<b>EQUITY &amp; LIABILITIES</b>			
<b>Total equity</b>	<b>546.5</b>	<b>598.0</b>	<b>(8.6%)</b>
Financial debt <span>4</span>	873.3	829.7	5.3%
Other liabilities and minority interest	215.8	197.6	9.2%
<b>Total liabilities</b>	<b>1,089.1</b>	<b>1,027.3</b>	<b>6.0%</b>
<b>TOTAL EQUITY &amp; LIABILITIES</b>	<b>1,635.6</b>	<b>1,625.3</b>	<b>0.6%</b>

- 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 mainly due to reclassification of the asset in Ansbach
- 3 Despite dividend payout, cash position increased due to new secured loan and disposals
- 4 Liquidity position strengthened via new secured loan (c. € 45m)

#### NAV per Share (diluted / undiluted)



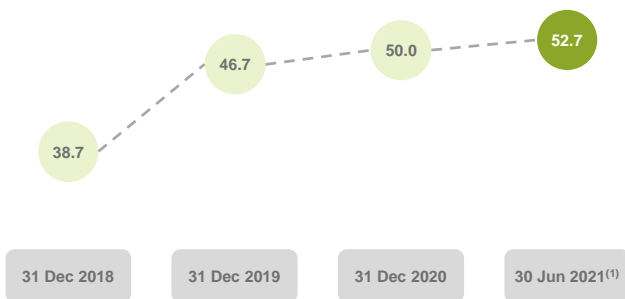
» NAV down due to dividend payout, partly offset by positive profit for the period

## Key financial KPI's

### Solid Net-LTV Ratio and average Cost of Debt Level

#### Leverage still close to Target of 50%

Net-LTV (in %)



- » **Net-LTV moderately higher** compared to end of 2020 primarily due to the dividend payout

#### Average Cost of Debt further improved

Average cost of debt (in %)<sup>(2)</sup>



- » **Improvement of average cost of debt continued** in H1 2021, mainly driven by issuance of a new loan at a favorable interest rate 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) Net-LTV according to bond definition at 51.1%

(2) Based on nominal interest rate

# Agenda

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**Executive Summary**

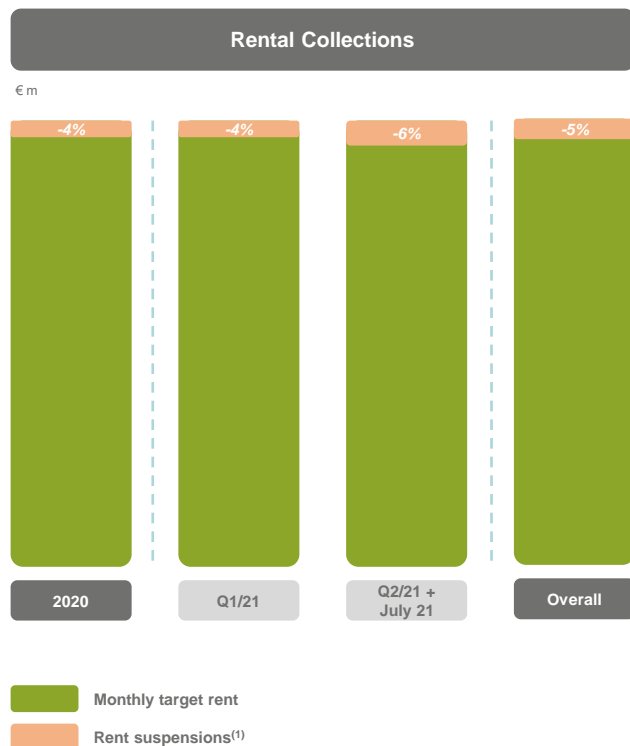
**Portfolio Highlights**

**Financial Highlights**

**Corona Update**

## Corona-Effect on DEMIRE's Portfolio

Small Impact in 2020, Increase in Q2 2021 expected to decline over Course of the Year



- » As of 2 August 2021, rent suspensions from DEMIRE's tenants in context with the Corona crisis amount to € 5.6m overall (4.5% of target rent)
- » For the first seven months of 2021, € 2.4m rents were suspended, representing 3.0% of the expected rental income 2021 or 5.0% of the target rent until July
- » The majority among the affected tenants belongs to the asset classes retail (56%) and hotel (41%), while office tenants only account for 3%
- » In H1 2021, only € 0.5m 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 2 August 2021

## Contact Details & Share Information

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### Financial Calendar 2021

11 November 2021

Interim Results Q3 2021

### Share Information<sup>(1)</sup>

Symbol / Ticker	DMRE
Share Price (XETRA)	€ 4.35
Market Segment	Prime Standard
ISIN	DE000A0XFSF0
Market Capitalisation	€ 468.8m
Free Float <sup>(2)</sup>	7.15%
Number of Shares	107,777,324

(1) As of 30 June 2021

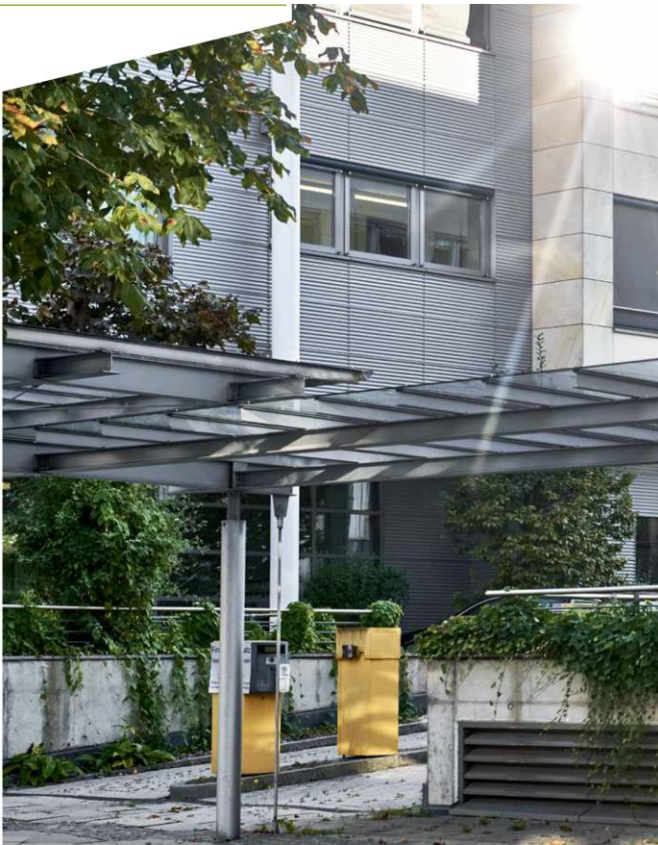
(2) Holdings < 3%





## Appendix I

### Additional Financial Information



## Profit & Loss Statement H1 2021

Positive Effects from Disposals of non-strategic Assets while Rental Income slightly lower

	H1 2021 (in € m)	H1 2020 (in € m)
Rental Income <span>1</span>	42.0	43.8
Income from utility and service charges	12.2	12.4
Other operating expenses to generate rental income	(20.0)	(23.3)
<b>Income from the rental of real estate <span>2</span></b>	<b>34.2</b>	<b>33.0</b>
Profit/loss from the sale of real estate/-companies	0.7	(1.8)
Profit/loss from fair value adjustments in investment properties <span>3</span>	1.8	0.0
Other operating income & expenses, net	(0.8)	0.1
General and administrative expenses	(5.7)	(5.7)
Impairments of receivables <span>4</span>	(0.7)	(3.7)
<b>Earning before interest and taxes (EBIT)</b>	<b>29.5</b>	<b>21.8</b>
Financial income	0.5	0.5
Financial expenses	(8.9)	(9.1)
Minorities	(2.3)	(1.3)
<b>Earnings before taxes (EBT)</b>	<b>18.8</b>	<b>11.9</b>
Current income taxes	(0.9)	(1.5)
Deferred taxes	(2.3)	(1.2)
<b>Net profit/loss for the period</b>	<b>15.5</b>	<b>9.3</b>
Of which attributable to:		
Non controlling shareholder	1.5	1.0
Parent company shareholder	14.0	8.3

- 1 Rental income slightly lower due to several disposals
- 2 Despite disposals, improvement mainly due to lower maintenance expenses
- 3 Valuation gains due to the premium to selling price for the asset in Ansbach (= new market value)
- 4 Very moderate Corona-effects in 2021
  - » FFO I (after taxes, before minorities) H1 2021 up 15.2% to € 19.4m (H1 2020: € 16.9m)

# Balance Sheet 30 June 2021

## Balance Sheet affected by Disposals, Dividend Payout and new secured Loan

	30 Jun 2021 (in € m)	31 Dec 2020 (in € m)
<b>ASSETS</b>		
Investment properties	1,408.3	1,426.3
Properties held for sale	20.2	31.0
Other assets	86.0	66.4
Cash and cash equivalents	121.1	101.6
<b>TOTAL ASSETS</b>	<b>1,635.6</b>	<b>1,625.3</b>
<b>EQUITY &amp; LIABILITIES</b>		
Subscribed capital	105.5	105.8
Reserves	400.0	452.2
<b>Equity attributable to parent company shareholders</b>	<b>505.5</b>	<b>558.0</b>
Non-controlling interests	41.0	40.1
<b>Total equity</b>	<b>546.5</b>	<b>598.0</b>
Minority interest	78.9	78.9
Non-current financial debt	858.1	817.3
Current financial debt	15.2	12.4
Other liabilities	136.9	118.7
<b>Total liabilities</b>	<b>1,089.1</b>	<b>1,027.3</b>
<b>TOTAL EQUITY &amp; LIABILITIES</b>	<b>1,635.6</b>	<b>1,625.3</b>

- 1 Reclassification of two assets (Ansbach & Barmstedt) from investment properties to assets held for sale
  - 2 Granting of one loan in context with the "Cielo" transaction
  - 3 Liquidity position influenced by dividend payout, new loan and disposals
  - 4 Dividend payout reduces reserves
  - 5 Issuance of one secured loan
- » NAV per share (diluted) down by 46 Cents to € 5.43 from end of 2020 due to dividend payout, mitigated by positive profit for the period

## Financing Structure

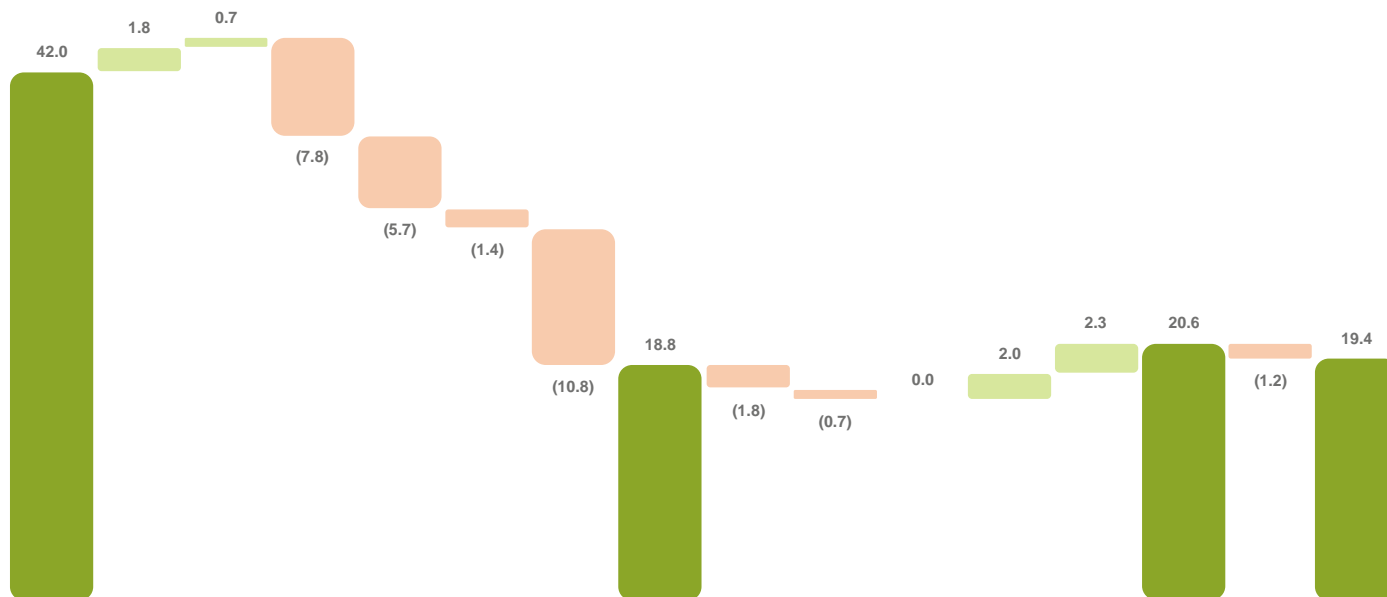
Senior Notes represent about 2/3 of gross financial Debt

Financing Structure (31 Mar 2020)		
Tranche	IFRS Amount (€ m)	Margin / Coupon <sup>(1)</sup>
Senior unsecured notes	593.0	1.875%
Bank loans on DEMIRE level	197.8	0.990% - 3.250%
Fair Value REIT-AG debt	80.0	1.379% <sup>(2)</sup>
Other <sup>(3)</sup>	2.5	
<b>Gross financial debt</b>	<b>873.3</b>	
<b>Cash &amp; cash equivalents</b>	<b>121.1</b>	
<b>Net financial debt</b>	<b>752.2</b>	
<b>Net-LTV</b>	<b>52.7%</b>	

(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

H1 2021



(1) Includes income from utility and service charges of € 12.2m and operating expenses to generate rental income of € (20.0)m

(2) Includes impairment of receivables of € (0.7)m, other op. income of € 0.4m and other op. expenses of € (1.1)m

12 August 2021

(3) Other adjustments primarily relate to effective interest rate payments of € 1.1m and one-time other operating expenses of € 0.9m



## Appendix II

Additional Portfolio Information



# Overview of the Real Estate Portfolio

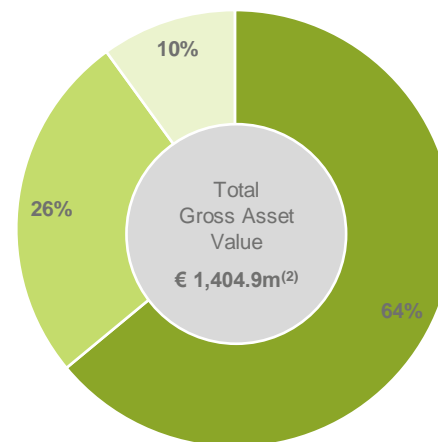
## Split by Region and Asset Class

Property Locations<sup>(1)</sup>

	# of Properties	GAV <sup>(2)</sup> (€ m)	EPRA-Vacancy (%) <sup>(2)</sup>	Total rental space (k sqm)
Baden-Wuerttemberg	5	162.9	4.3	93.6
Bavaria	8	134.4	20.0	99.9
Brandenburg	1	5.5	10.0	3.8
Bremen	1	3.2	30.1	6.1
Hamburg	1	10.0	0.0	4.0
Hesse	7	213.2	7.8	97.4
Mecklenburg-Western Pom.	6	120.0	4.4	58.0
Lower Saxony	6	47.6	0.8	39.8
North Rhine-Westphalia	15	404.4	7.3	233.3
Rhineland Palatinate	2	11.3	90.2	19.3
Saxony	9	183.3	8.5	227.9
Saxony-Anhalt	2	36.3	3.7	24.0
Schleswig-Holstein	6	71.2	6.7	58.0
Thuringia	1	1.8	56.5	5.6
<b>Germany</b>	<b>70</b>	<b>1,404.9</b>	<b>10.2</b>	<b>961.2</b>

Portfolio Split by Asset Class<sup>(1)</sup>

GAV (€ m)



■ Office ■ Retail ■ Logistics & Others

(1) As of 30 June 2021  
 (2) Excl. assets held for sale  
 (3) Excl. capitalised leases



# Overview of the Real Estate Portfolio

## Top 20 Assets

Property Locations <sup>(1)</sup>								
	Asset Class	GAV (€ m) <sup>(2)</sup>	Share (%)	EPRA-Vacancy (%) <sup>(3)</sup>	Total rental space (k sqm)	GAV/sqm (€ k)	GRI p.a. (€ m)	WALT (Years)
Essen	Office	98.0	7.0	9.0	45.5	2.2	5.7	3.6
Bonn	Office	89.0	6.3	0.0	38.4	2.3	4.6	3.7
Ulm	Office	85.1	6.1	2.6	47.6	1.8	4.3	3.4
Leipzig (LogPark)	Logistics	76.0	5.4	10.4	147.1	0.5	5.2	2.1
Neuss	Retail	72.1	5.1	0.0	56.1	1.3	5.4	1.5
Rostock	Logistics	71.6	5.1	0.0	19.3	3.7	3.9	8.1
Kassel	Retail	60.5	4.3	4.4	21.5	2.8	3.6	5.3
Bad Vilbel	Office	47.3	3.4	14.7	26.5	1.8	2.9	6.2
Frankfurt	Other (Hotel)	43.7	3.1	0.0	6.1	7.2	1.8	18.5
Freiburg	Office	39.9	2.8	7.2	22.6	1.8	2.1	5.4
<b>Top 10 Properties</b>		<b>683.2</b>	<b>48.6</b>	<b>4.9</b>	<b>430.6</b>	<b>1.6</b>	<b>39.6</b>	<b>4.7</b>
Regensburg	Office	38.0	2.7	38.1	29.2	1.3	1.7	3.5
Leipzig (Gutenberg-Galerie)	Office	36.3	2.6	5.0	23.4	1.6	2.0	3.4
Düsseldorf	Office	36.0	2.6	20.4	24.3	1.5	2.2	2.8
Aschheim	Office	30.1	2.1	25.8	12.2	2.5	1.2	2.4
Eschborn	Office	29.4	2.1	0.0	18.9	1.6	2.1	3.5
Flensburg	Office	25.0	1.8	14.1	24.2	1.0	1.7	6.5
Lutherstadt-Wittenberg	Retail	23.8	1.7	5.9	14.7	1.6	1.7	3.1
Köln (Max-Glomsda-Straße)	Office	23.3	1.7	0.4	5.2	4.5	1.3	4.0
Zittau	Retail	21.8	1.6	3.5	17.4	1.3	1.3	8.0
Langen	Office	18.9	1.3	28.4	13.7	1.4	1.1	2.8
<b>Top 20 Properties</b>		<b>965.8</b>	<b>68.7</b>	<b>8.1</b>	<b>613.7</b>	<b>1.6</b>	<b>55.9</b>	<b>4.5</b>
<b>Other Properties</b>		<b>439.1</b>	<b>31.3</b>	<b>14.4</b>	<b>347.5</b>	<b>1.3</b>	<b>27.2</b>	<b>5.7</b>
<b>Total Properties</b>		<b>1,404.9</b>	<b>100.0</b>	<b>10.2</b>	<b>961.2</b>	<b>1.5</b>	<b>83.1</b>	<b>4.9</b>

(1) As of 30 June 2021  
(2) Excl. capitalised leases  
(3) Excl. assets held for sale