



DEMIRE Deutsche Mittelstand Real Estate AG

Frankfurt/Main

Announcement regarding the fulfillment of all Closing Conditions pursuant to section 12.5 of the Offer Document

THE INFORMATION CONTAINED IN THIS DOCUMENT IS NOT FOR PUBLICATION OR DISTRIBUTION, EITHER IN WHOLE OR IN PART, TO, FROM OR WITHIN THE UNITED STATES OF AMERICA OR OTHER COUNTRIES WHERE SUCH PUBLICATION OR DISTRIBUTION WOULD BE IN VIOLATION OF THE RELEVANT LAWS OF THE RESPECTIVE COUNTRY.

On 14 October 2015, DEMIRE Deutsche Mittelstand Real Estate AG, Frankfurt/Main, (the *Bidder*) published the Offer Document for the voluntary public takeover offer (in the form of an exchange offer) to the shareholders of Fair Value REIT-AG, Munich, to acquire their no-par value bearer shares of Fair Value REIT-AG (ISIN DE000A0MW975) (the *Fair Value Shares*) for a consideration of two (2) new no-par value bearer shares of the Bidder (the *DEMIRE Offer Shares*) for one (1) Fair Value Share (the *Takeover Offer*). The additional acceptance period for this Takeover Offer ended on 3 December 2015, at 24:00 hours (Central European Time).

1. Pursuant to section 12.1 of the Offer Document the Takeover Offer and any agreement with the shareholders of Fair Value REIT-AG that will come into existence upon the acceptance of the Takeover Offer were subject to the conditions precedent set out in clauses 12.1.1 through 12.1.6 of the Offer Document (the *Closing Conditions*).
2. The fulfillment of the Closing Conditions set out in clauses 12.1.2 through 12.1.6 of the Offer Document had already been announced by the Bidder on 19 November 2015. Now, the Closing Condition set out in clause 12.1.1 of the Offer Document has also been fulfilled: The registration of the implementation of the ordinary capital increase against contributions in kind to the extent required for the implementation of the Takeover Offer with the commercial register of the local court (Amtsgericht) of Frankfurt/Main has taken place on 21 December 2015. Therefore, all Closing Conditions are fulfilled.

Important information:

This announcement is neither an offer to exchange nor a solicitation of an offer to exchange Fair Value REIT-AG shares, but rather contains a mandatory statement in relation to a public takeover offer. 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 or 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 announcement is available on the Internet under:
<http://www.demire.ag/en/investor-relations/takeover-offer>
on the Internet as of 21 December 2015

Frankfurt/Main, 21 December 2015

DEMIRE Deutsche Mittelstand Real Estate AG