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DECLARATION OF CONFORMITY WITH THE GERMAN CORPORATE GOVERNANCE CODE PURSUANT TO SECTION 161 AKTG

The Executive Board and Supervisory Board of DEMIRE Deutsche Mittelstand Real Estate AG (“Company”) monitor compliance with the German Corporate Governance Code. They hereby declare that DEMIRE Deutsche Mittelstand Real Estate AG has been complying with and will continue to comply with the recommendations of the “Government Commission German Corporate Governance Code” in the version dated 16 December 2019, with the following exceptions:

A. I. Principle 3: “The Executive Board sets targets for the proportion of women in the two management levels below the Executive Board.”

Due to the Company’s flat hierarchies, there is no second management level below the Executive Board so no target could be set here.

B. B. 2: “Together with the Executive Board, the Supervisory Board shall ensure long-term succession planning and the procedure for this shall be described in the Corporate Governance Statement.”

There is currently no written concept for succession planning. Discussions on an extension are held between the Executive Board and the Supervisory Board in good time before the Executive Board employment contract concerned ends. If the talks do not result in further cooperation, the Supervisory Board is of the view that it will be able to ensure succession with sufficient advance notice without the need for a written concept.

B. B. 5: “An age limit shall be set for members of the Supervisory Board, and this shall be specified in the Corporate Governance Statement.”

DEMIRE currently has no age limit for members of the Executive Board. It is the Company’s view that age alone is not an appropriate exclusion criterion for appointing members to the Executive Board. The Supervisory Board is of the opinion that it serves the Company’s interest better in certain cases when it can rely on the long-standing expertise of individual members of the Executive Board.

C. I. C. 1: “The Supervisory Board shall define concrete goals for its composition and develop a skills profile for the entire body. The Supervisory Board shall pay attention to diversity when doing so. Proposals of the Supervisory Board to the Annual General Meeting shall take these goals into account while striving to complete the skills profile of the entire body at the same time. The implementation status shall be published in the Corporate Governance Statement. It shall also provide information on what the shareholder representatives in the Supervisory Board consider as the appropriate number of independent shareholder representatives as well as the names of these members.”

The Supervisory Board has not created any concrete goals in writing nor has it developed a skills profile for the entire body. Diversity and neutrality were taken into account when filling the current positions of the Supervisory Board. In the case of changes in personnel, the Supervisory Board shall work out the specific required skills for the proposal of a new member of the Supervisory Board, ensuring that the new member complements the entire body in the best possible way.



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C. I. C. 2: “An age limit shall be set for members of the Supervisory Board, and this shall be specified in the Corporate Governance Statement.”

No age limit has been set for members of the Supervisory Board of DEMIRE. In the opinion of the Company, age is not an appropriate criterion for electing a member of the Supervisory Board. The Supervisory Board is of the opinion that it serves the Company’s interest better in certain cases when it can rely on the long-standing expertise of individual members of the Supervisory Board.

D. I. D. 1: “The Supervisory Board shall establish Rules of Procedure and publish them on the [🔗 Company’s website](#).”

The Supervisory Board of DEMIRE has established Rules of Procedure. However, they are not published on the [🔗 Company’s website](#). The Company does not believe that publication of the Rules of Procedure for the Supervisory Board will give shareholders any additional information.

D. II. D. 5: “The Supervisory Board shall form a Nomination Committee, composed exclusively of shareholder representatives, which names suitable candidates to the Supervisory Board for its proposals to the General Meeting.”


DEMIRE Deutsche Mittelstand Real Estate AG has not formed a Nomination Committee owing to the fact it has a small number of members.

D. IV. D. 12: “The company shall provide an appropriate level of support for the members of the Supervisory Board when they take up their roles and also through further training and education. This shall be described in the Supervisory Board’s report.”

The members of the Company’s Supervisory Board undergo training as a result of their full-time professional activities. The Company provides appropriate support in this regard. As it is not always possible to clearly assign the activities, they are not listed in the Supervisory Board’s report.

G. I. 2. G. 3: “To assess the appropriateness of the specific remuneration of the members of the Executive Board in comparison with other companies, the Supervisory Board shall involve a peer group of other companies and disclose its composition. The peer group comparison shall be used with caution to prevent an automatic upward trend.”

The Supervisory Board did not make use of a peer group when determining the remuneration of the Executive Board. However, the Supervisory Board has refrained from disclosing the specific benchmark companies involved as it does not believe this gives shareholders and stakeholders any additional information.



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This declaration was published immediately and made available to shareholders on the [🔗 website](#). The Declaration of Conformity with the Code of Fair Value REIT-AG, which is included in the consolidated financial statements, dated 18 January 2022, can be found on Fair Value REIT-AG's [🔗 website](#).

Frankfurt am Main, 16 March 2022

Executive Board of DEMIRE
Deutsche Mittelstand Real Estate AG




Ingo Hartlief (FRICS)
(CEO)



Tim Brückner
(CFO)

On behalf of the Supervisory Board of DEMIRE Deutsche Mittelstand Real Estate AG



Prof. Dr. Alexander Goepfert
(Chairman of the Supervisory Board)
