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CORPORATE GOVERNANCE

2022 Corporate Governance Statement pursuant to Sections 315d and 289f of the German Commercial Code (HGB) including the Declaration of Conformity pursuant to Section 161 of the German Stock Corporation Act (AktG)

DEMIRE Deutsche Mittelstand Real Estate AG submits a Statement on Corporate Governance pursuant to Sections 315d and 289f HGB. The Declaration of Conformity with the German Corporate Governance Code pursuant to Section 161 AktG, which is contained in this statement, is also available to shareholders on the [Company's website under the section entitled "Company" > "Governance"](#).

This section of the website also includes the documents to be published on the remuneration report for the previous financial year as well as the auditor's report pursuant to Section 162 AktG, the applicable remuneration system pursuant to Section 87a (1) and (2)(1) AktG and the latest resolution on remuneration pursuant to Section 113 (3) AktG.

Commitment

The governing bodies of DEMIRE Deutsche Mittelstand Real Estate AG are committed to the responsible and value-enhancing management and monitoring of the Company and the Group. Ensuring that the Company's management principles and development are transparent is intended to build, maintain and strengthen the trust of the shareholders, business partners, customers, capital market participants and employees. The Executive Board and the Supervisory Board work closely and faithfully together for the Company's benefit and to ensure that the Company is managed and controlled responsibly through good corporate governance.

Organisation and management

DEMIRE Deutsche Mittelstand Real Estate AG (together with its subsidiaries and associates "the DEMIRE Group") is headquartered in Germany. The registered offices of the subsidiaries/associated companies correspond to the location of their real estate holdings in Germany or other countries in which they conduct a majority of their activities.

The management of the Core Portfolio is the responsibility of the Group's internal asset and portfolio management, which also manages and controls the external property and facility management. Administrative duties are also undertaken by the Risk Management and Compliance, Accounting, Investment Management/Treasury, Corporate Finance/Investor Relations, Legal/ Human Resources/IT, Transactions and Portfolio Controlling divisions.

The Executive Board manages the individual real estate investments based on defined, individual cash-flow-oriented budgets and steers the Group according to an overall plan derived from the individual budgets of the portfolio and property companies and other Group subsidiaries. The development of the individual budgets versus their budget targets is a component of the Executive Board's routine strategy and reporting discussions with the relevant operating managers.

Composition and working practices of the Executive Board and Supervisory Board

As a listed German stock corporation, the Company's management is governed by the German Stock Corporation Act, other legal provisions of corporate and commercial law and the requirements of the German Corporate Governance Code in its current version. German stock corporations are required by law to employ a dual management system. This creates a strict separation of the Executive Board as the managing body of the Company and the Supervisory Board as the supervisory body, whereby the Executive Board and Supervisory Board work together closely and faithfully in the Company's best interest.



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Management and control structure

EXECUTIVE BOARD

The Executive Board is solely responsible for managing the Company and represents the Company in dealings with third parties. It defines the strategy in coordination with the Supervisory Board and implements this strategy keeping the goal of sustainable value creation in mind. Executive Board members are responsible for individual areas independent of their joint responsibility for the Group. They cooperate and inform each other of important events and activities in their areas of responsibility. The Executive Board has adopted Rules of Procedure with the approval of the Supervisory Board. The Executive Board shall obtain the Supervisory Board's approval in cases specified by law. In addition, DEMIRE Deutsche Mittelstand Real Estate AG's Articles of Association and the Executive Board's Rules of Procedure list extraordinary transactions that also require Supervisory Board approval.

The Executive Board informs and reports to the Supervisory Board regularly, promptly and comprehensively on all Company-relevant strategy, planning, business developments and issues concerning risk. Other important events must be reported by the Executive Board to the Chairman of the Supervisory Board. The Supervisory Board's Chairman is also routinely and continually informed of business developments. The Executive Board relies on the risk management system applicable throughout the DEMIRE group of companies to conduct reporting.

MANDATES OF EXECUTIVE BOARD MEMBERS IN SUPERVISORY BOARDS OF OTHER COMPANIES OR COMPARABLE SUPERVISORY BODIES

Mr Ingo Hartlief (FRICS) was Vice Chairman of the Supervisory Board of Fair Value REIT-AG until 31 December 2022.

Mr Tim Brückner does not hold an office in any statutory supervisory boards or comparable supervisory bodies or in any comparable domestic or foreign supervisory bodies of commercial enterprises.

The remuneration of the members of the Executive Board is explained in the [Remuneration Report chapter](#) of the combined group management report and management report of DEMIRE Deutsche Mittelstand Real Estate AG.

SUPERVISORY BOARD

The Supervisory Board appoints the members of the Executive Board, determines their total compensation and oversees their management activities. It also advises the Executive Board on the management of the Company. The Supervisory Board adopts the financial statements and approves the consolidated financial statements. Material decisions of the Executive Board require the approval of the Supervisory Board. In addition, the Supervisory Board has adopted Rules of Procedure.

The Supervisory Board currently consists of three members to be elected by the Annual General Meeting of DEMIRE Deutsche Mittelstand Real Estate AG. The Supervisory Board does not include any former members of the Executive Board.



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All members of the Supervisory Board have the necessary knowledge, skills and professional experience to perform their duties properly. The Supervisory Board is composed in such a way as to ensure a balanced skill profile. Frank Hölzle contributes his expertise in the field of accounting and Prof. Dr Alexander Goepfert his expertise in the field of auditing. Prof. Kerstin Hennig contributes her knowledge of real estate development and management as an expert.

The Supervisory Board has formed an Audit Committee, which – due to the small number of members – includes all members of the Supervisory Board. This committee is chaired by Frank Hölzle.

The Supervisory Board reports on its activities during the 2022 financial year in its [report of the Supervisory Board](#). The remuneration of the members of the Supervisory Board is explained in the [Remuneration Report chapter](#) of the combined group management report and management report of DEMIRE Deutsche Mittelstand Real Estate AG.

The Supervisory Board did not conduct a self-assessment in 2022. Due to the small number of members and the regular exchange of information between the members, a self-assessment is not expected to provide any significant additional knowledge. The Supervisory Board considers the organisation of its work to be very effective.

No changes were made to the composition of the Supervisory Board in the 2022 financial year. With regard to the changes made as at 1 January 2023, please refer to the chapter [Executive Board and Supervisory Board](#).

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MANDATES OF SUPERVISORY BOARD MEMBERS IN SUPERVISORY BOARDS OF OTHER COMPANIES OR COMPARABLE SUPERVISORY BODIES

Name	Company	Position
Prof. Dr Alexander Goepfert (Chairman of the Supervisory Board) (from 27 June 2018 to 31 December 2022)	shareDnC GmbH, Cologne	Ordinary Member of the Advisory Board
	EBS Real Estate Management Institute, Wiesbaden	Chairman of the Board of Trustees
	Proximus Real Estate AG, Cologne	Member of the Supervisory Board
	Institut der Deutschen Immobilienwirtschaft e.V. (iddiw), Frankfurt	Vice President
Frank Hölzle (Vice Chairman of the Supervisory Board) (since 14 February 2017)	Grey Sky Properties AG, Basel	Member of the Board of Directors
	clickworker GmbH, Essen	Chairman of the Advisory Board
	Care4 AG, Care4 Holding AG, IRESI AG, Basel	Member of the Advisory Board
	rankingCoach GmbH, Cologne	Chairman of the Advisory Board
	SIC Invent AG, Basel / Switzerland	Member of the Board of Directors
	sevDesk GmbH, Offenburg	Member of the Advisory Board
	Fair Value REIT-AG, Frankfurt	Chairman of the Supervisory Board
	Evana AG, Saarbrücken	Member of the Supervisory Board
	KUGU Home GmbH, Berlin	Member of the Advisory Board
	Allmyhomes GmbH, Berlin	Member of the Advisory Board
Prof. Dr Kerstin Hennig (since 29 May 2019)	DWS Grundbesitz GmbH, Frankfurt	Ordinary Member of the Supervisory Board
	Urban Land Institute (ULI), Washington D. C.	Member of the Executive Committee
	pbb Deutsche Pfandbriefbank AG, Munich	Ordinary Member of the Supervisory Board
	Institutionelle Investoren Hotel, Frankfurt	Member of the Advisory Board
	Institut der Deutschen Immobilienwirtschaft e.V. (iddiw), Frankfurt	Member of the Executive Committee
	ZIA Deutschland Mitte	Member of the Management Board



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SHARES OF DEMIRE DEUTSCHE MITTELSTAND REAL ESTATE AG OWNED BY MEMBERS OF GOVERNING BODIES AND MAJOR SHAREHOLDERS

DEMIRE Deutsche Mittelstand Real Estate AG had 107,777,324 shares outstanding as at 31 December 2022.

Mr Frank Hölzle holds 1,400 shares in the Company, equivalent to an interest of 0.002% of the Company's outstanding shares.

Members of the Executive Board and Supervisory Board are legally obliged under Article 19 of Regulation (EU) No. 596/2014 of the European Parliament and of the Council on Market Abuse (Market Abuse Regulation) of 16 April 2014 to disclose any manager's transactions in shares or debt instruments of DEMIRE Deutsche Mittelstand Real Estate AG or related derivatives or other related financial instruments to the extent that the total amount of transactions effected by the member and persons closely associated with them reaches or exceeds the sum of EUR 5,000 within a calendar year. DEMIRE Deutsche Mittelstand Real Estate AG's business dealings of the previous year were published on time on the [Company's website](#).

Shares owned by major shareholders at the end of the 2022 financial year: Based on the information available to the Company, Apollo (AEPF III 15 S.à r.l.) held 58.61% of the Company's outstanding shares and the Wecken Group held 32.14% of the Company's outstanding shares.

Of the remaining 9.25%, 2.10% were held by the Company as treasury shares, and 7.15% were held by institutional and private investors. None of these shareholders held an interest over or equal to 3%.

SHAREHOLDERS AND THE ANNUAL GENERAL MEETING

The shareholders of DEMIRE Deutsche Mittelstand Real Estate AG exercise their administrative and control rights at the Annual General Meeting. The Annual General Meeting executes all of its duties assigned by law in its meeting, which takes place in the first eight months of each financial year. Since the realignment in 2014, DEMIRE Deutsche Mittelstand Real Estate AG's financial year ends on 31 December. The Chairman of the Supervisory Board presides over the Annual General Meeting. Each shareholder is entitled to attend the Annual General Meeting, address the agenda items and demand information about Company matters to the extent necessary for a proper assessment of any agenda item of the Annual General Meeting.

All of the outstanding shares of DEMIRE Deutsche Mittelstand Real Estate AG are no-par value bearer shares with identical rights and obligations. Each share grants one vote at the Annual General Meeting, and there are no special voting rights or limits on the number of voting rights per shareholder. Resolutions of the Annual General Meeting usually require a simple majority of the votes cast. To the extent that the law prescribes a majority of the capital represented for resolutions, the Articles of Association provide for a simple majority of the capital represented as long as a larger majority is not required by law.

ACCOUNTING AND AUDITING OF FINANCIAL STATEMENTS

The consolidated financial statements are prepared in accordance with International Financial Reporting Standards (IFRS) as applicable in the EU. DEMIRE Deutsche Mittelstand Real Estate AG regularly provides shareholders and third parties with information during the financial year through its publication of the consolidated financial statements, the half-year financial report and the interim statements for the first and third quarters.



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The Executive Board shall prepare the financial statements (balance sheet, statement of income and notes) and the Company's management report within the first three months of each financial year and immediately provide it to the auditor. After the auditor has performed the audit, the Executive Board shall submit the financial statements including the audit report along with the Board's proposal for the appropriation of retained earnings to the Supervisory Board.

The Annual General Meeting elects the auditor for DEMIRE Deutsche Mittelstand Real Estate AG and the Group as well as for the audit review of interim financial reports and statements. The Supervisory Board awards the mandate for the audit following the election by the Annual General Meeting and concludes the fee agreement with the auditor. The auditing firm PricewaterhouseCoopers GmbH, Frankfurt am Main, was elected as the auditor and Group auditor of DEMIRE Deutsche Mittelstand Real Estate AG for the 2022 financial year, as well as the auditor for a possible audit review of condensed financial statements and interim statements. The declaration on independence required under the German Corporate Governance Code was obtained from this auditing firm.

The following arrangements have been agreed with the auditor:

- The Chairman of the Supervisory Board shall be notified immediately when potential grounds for exclusion or bias arise during the audit and these issues cannot be resolved immediately.
- The auditor reports on all findings and occurrences that arise during the audit, and which are of importance for the tasks of the Supervisory Board.
- If during the audit the auditor discovers inaccuracies in the Declaration of Conformity with the German Corporate Governance Code that was submitted by the Executive Board and the Supervisory Board, the auditor is to make a note of this in the audit report and inform the Chairman of the Supervisory Board.

COMMUNICATION AND TRANSPARENCY

At DEMIRE Deutsche Mittelstand Real Estate AG, timely, consistent and comprehensive information is a top priority. Transparent corporate governance and good communication with shareholders and the public contribute to strengthening the confidence of investors and of the public. When disclosing information to the public, the Executive Board considers the principles of transparency, promptness, openness, clarity and the equal treatment of shareholders. DEMIRE Deutsche Mittelstand Real Estate AG therefore provides comprehensive information on the Company's development as part of its investor relations activities. Reports on the Group's situation, development and especially its financial results are included in the annual report, three-month and nine-month interim statements and half-year financial report. The Group also informs the public through press releases and ad hoc announcements pursuant to Article 17 (1) of the Market Abuse Regulation (MAR). In addition, the Executive Board communicates extensively on financial issues with the relevant capital market participants in Germany and abroad. All financial publications, announcements, and presentations that are created for reporting purposes are available on [DEMIRE's website](#). The Company's financial calendar is also available on the website and lists the scheduled financial reporting dates and key publication dates as well as the date for the Annual General Meeting. The Articles of Association, all declarations of conformity and documentation for corporate governance are also available on [DEMIRE Deutsche Mittelstand Real Estate AG's website](#).

DEMIRE Deutsche Mittelstand Real Estate AG maintains an insider list pursuant to the provisions of Article 18 MAR. Persons affected are informed of their statutory duties and penalties.



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INFORMATION ON CORPORATE PRACTICES

Good corporate governance is a top priority at DEMIRE Deutsche Mittelstand Real Estate AG and also includes the application of corporate practices that extend beyond the statutory requirements and allow for the hands-on implementation of the German Corporate Governance Code. Good corporate governance also includes taking a responsible approach to risks so as not to jeopardise the Company as a going concern. The Executive Board has therefore established an adequate risk management system that is constantly evolving in line with the performance of the DEMIRE Group. Further information on this can be found in the [section entitled “Risk report”](#).

Responsible and sustainable management is part of DEMIRE Deutsche Mittelstand Real Estate AG’s corporate culture and everyday business. Living up to our ethical and legal responsibilities as a company is a top priority for us. This is the only way in which we can be seen as a partner that stands for integrity and reliability in the real estate industry, by tenants, business partners, authorities and the general public. Consequently, we have put a compliance programme in place within our Company and have prepared a Code of Conduct that all employees make a commitment to when they start working for us.

The fact corporate governance is a top priority at DEMIRE Deutsche Mittelstand Real Estate AG is demonstrated by its membership of the Institute of Corporate Governance (ICG), which it was certified for back in 2019 and then re-certified in 2021.

Information on corporate governance at DEMIRE Deutsche Mittelstand Real Estate AG is also publicly available on the [Company’s website under Company > Corporate Governance](#).

TARGETS FOR THE PROPORTION OF WOMEN ON THE SUPERVISORY BOARD, EXECUTIVE BOARD AND TWO MANAGEMENT LEVELS BELOW THE EXECUTIVE BOARD

The Act on the Equal Participation of Women and Men in Leadership Positions in the Private and Public Sector (Erstes Führungspositionen-Gesetz – FüPoG), which came into force on 1 May 2015, obliges DEMIRE’s Supervisory Board to self-determine a target for the proportion of women on the Supervisory Board and the Executive Board. It also obliges the Executive Board to set a target for the proportion of women in the two management levels below the Executive Board. The Act to Supplement and Amend the Regulations for the Equal Participation of Women and Men in Leadership Positions in the Private and Public Sector (Zweites Führungspositionen-Gesetz – FüPoG II) of 2021 is intended to improve the effectiveness of the FüPoG and to close any loopholes. No further requirements arise for DEMIRE from FüPoG II, however.

In June 2022, the targets for the proportion of women on the Executive Board and at the first level of management below the Executive Board were set for the period from 1 July 2022 to 31 December 2024. The target for the Executive Board is zero. This is because, at the time the resolution was passed, the two male members of the Executive Board still had current contracts and no changes in the composition of the Executive Board were planned or foreseeable. At the first management level below the Executive Board, a target of 25% was set. The proportion of women at the first management level below the Executive Board was 25% as at 31 December 2022. This means that the target was achieved in the reporting period. Due to the flat hierarchies in the Company, a target figure was not set for the second management level below the Executive Board.

The target for the proportion of women on the Supervisory Board was last set at 20% in December 2022. Currently, the proportion of women is 33.3%, which means that the target is met.



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DIVERSITY

DEMIRE Deutsche Mittelstand Real Estate AG does not have a written diversity plan. Nevertheless, the Supervisory Board and the Executive Board pay attention to the issue of diversity within the Company and consider it a matter of course. This is also expressed in DEMIRE Deutsche Mittelstand Real Estate AG's Code of Conduct, which enshrines both protection against discrimination and the fundamental principle of mutual respect. The Company believes that providing extensive protection against discrimination is an appropriate way of sufficiently promoting diversity within the Company.

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. The following exceptions apply:

A. I. Principle 3: "The Executive Board stipulates target values for the proportion of women in the two management levels below the Executive Board."

Due to the flat hierarchies in the Company, there is no second management level below the Executive Board. As a result, no target figure 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 Executive 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. 2.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 already undergo a great deal 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 made 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.

On 27 June 2022, the German Corporate Governance Code as amended on 28 April 2022 came into effect. The Executive Board and Supervisory Board 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 28 April 2022. The following exceptions apply:

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

Due to the flat hierarchies in the Company, there is no second management level below the Executive Board. As a result, no target figure could be set here.



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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 Executive 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. The skills profile of the Supervisory Board shall also include expertise on sustainability issues of importance to the Company. 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 status of implementation is to be disclosed in the form of a qualification matrix 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. Accordingly, no qualification matrix is published in the Corporate Governance Statement. 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.

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. 2. D. 4: “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.”

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

	
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D. IV. D. 10: “The Audit Committee shall discuss with the auditor the assessment of the audit risk, the audit strategy and audit planning as well as the audit results. The Chair of the Audit Committee shall regularly discuss the progress of the audit with the auditor and report to the committee. The Audit Committee shall regularly consult with the auditor, also without the Executive Board.”

In 2022, no consultations between the Audit Committee and the auditor took place without the Executive Board. Such consultations are planned for 2023.

D. IV. D. 11: “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 already undergo a great deal of 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.

D. IV. D. 12: “The Supervisory Board shall regularly assess how effectively the Supervisory Board as a whole and its committees perform their duties. In the Corporate Governance Statement, the Supervisory Board shall report whether and how a self-assessment has been carried out.”

DEMIRE’s Supervisory Board comprises only three members and therefore also simultaneously constitutes the Audit Committee. Due to this small number of members on the one hand and the constant exchange between the members of the Supervisory Board on the other hand—including on questions of efficiency in the fulfilment of tasks—regular self-assessment generally takes place informally. A formal self-assessment did not take place in 2022, but it is planned for 2023.

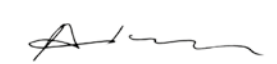
G. I. 2. G. 3: “To assess the appropriateness of the specific remuneration of the members of the Executive Board in comparison with other companies, the Supervisory Board shall involve a peer group of other companies and disclose its composition. The peer group comparison shall be used with caution to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


The Supervisory Board made 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.

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 17 February 2023, is published on [Fair Value REIT-AG’s website](#).


Frankfurt am Main, 17 February 2023

The Executive Board of DEMIRE
Deutsche Mittelstand Real Estate AG


Prof. Dr Alexander Goepfert
(CEO)


Tim Brückner
(CFO)

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


Markus Hofmann
(Chairman of the Supervisory Board)