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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.

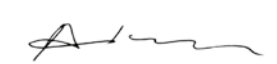
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The Supervisory Board made use of a peer group when determining the remuneration of the Executive Board. However, the Supervisory Board has refrained from disclosing the specific benchmark companies involved as it does not believe this gives shareholders 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)