## Sale of property in Ulm

Demire has announced that it has sold a property (lettable area: 48k sqm) in Ulm to a German family office. Tenant is Deutsche Telekom, the sales price was not disclosed. Based upon latest available portfolio data (Q3 2022) the property had a WAULT of 2.2 years, annual rental income of EUR 4.8 m and a vacancy rate of $2 \%$. Market value amounted to EUR 87.6m. Given the challenging market environment we would estimate a sales price of around EUR 80m (equivalent to c. $10 \%$ below book value). We see the announcement positively as it should increase Demire's cash position (assuming that the property has been not burdened with external debt) and should be thus another important step in preparation of the company's refinancing of its maturing debt next year. Assuming no cash outflows from the operative business the company's cash position should increase to slightly above EUR 200 m once it has received the cash from the sale of the properties in Leipzig and UIm. Negatively, it will c.p. lead to a lower rental income in 2023. We stick to our Hold rating with a target price of EUR 1.90.
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