



Company Presentation

May 2023

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This document includes 'forward-looking statements'. Forward-looking statements are all statements which do not describe facts of the past but contain the words "believe", "estimate", "expect", "anticipate", "assume", "plan", "intend", "could", and words of similar meaning. These forward-looking statements are subject to inherent risks and uncertainties since they relate to future events and are based on current assumptions and estimates of the Company, which might not occur at all or occur not as assumed. They therefore do not constitute a guarantee for the occurrence of future results or performances of the Company. The actual financial position and the actual results of the Company as well as the overall economic development and the regulatory environment may differ materially from the expectations which are assumed explicitly or implicitly in the forward-looking statements and do not comply to them. Therefore, investors are warned to base their investment decisions with respect to the Company on the forward-looking statements mentioned in this document.



DEMIRE at a glance

Strategy & portfolio

Financials

DEMIRE at a glance



DEMIRE at a glance¹⁾

Applying the ABBA-approach²⁾

DEMIRE is a leading German public Real Estate Firm focused on Office, Retail, Logistic and Hotel Properties across Germany foremost in Secondary Locations (ABBA)

Sizeable € 1.6bn German commercial portfolio consisting of 62 Assets

German-wide diversified portfolio with c. 60% office overweight

€ 84.1m contractual rent representing 6.4% gross yield

EPRA-Vacancy rate at 9.2%³⁾, high quality tenant roster with 4.6 years WALT

Company credit rating (B3) from Moody's

2022 rental income guidance beat: € 78.0 - € 80.0 with € 81.1m
2022 FFO I⁴⁾ guidance beat: € 38.5 - € 40.5 with € 41.8m

Guidance 2023 affected by planned disposals: rental income € 71.0 - € 73.0m and FFO I⁴⁾ € 30.0 - € 32.0m

Note: GAV incl. office property „Cielo“, where DEMIRE owns c. 50% of the building, other KPIs excl. „Cielo“

1) Data as of 31 March 2023

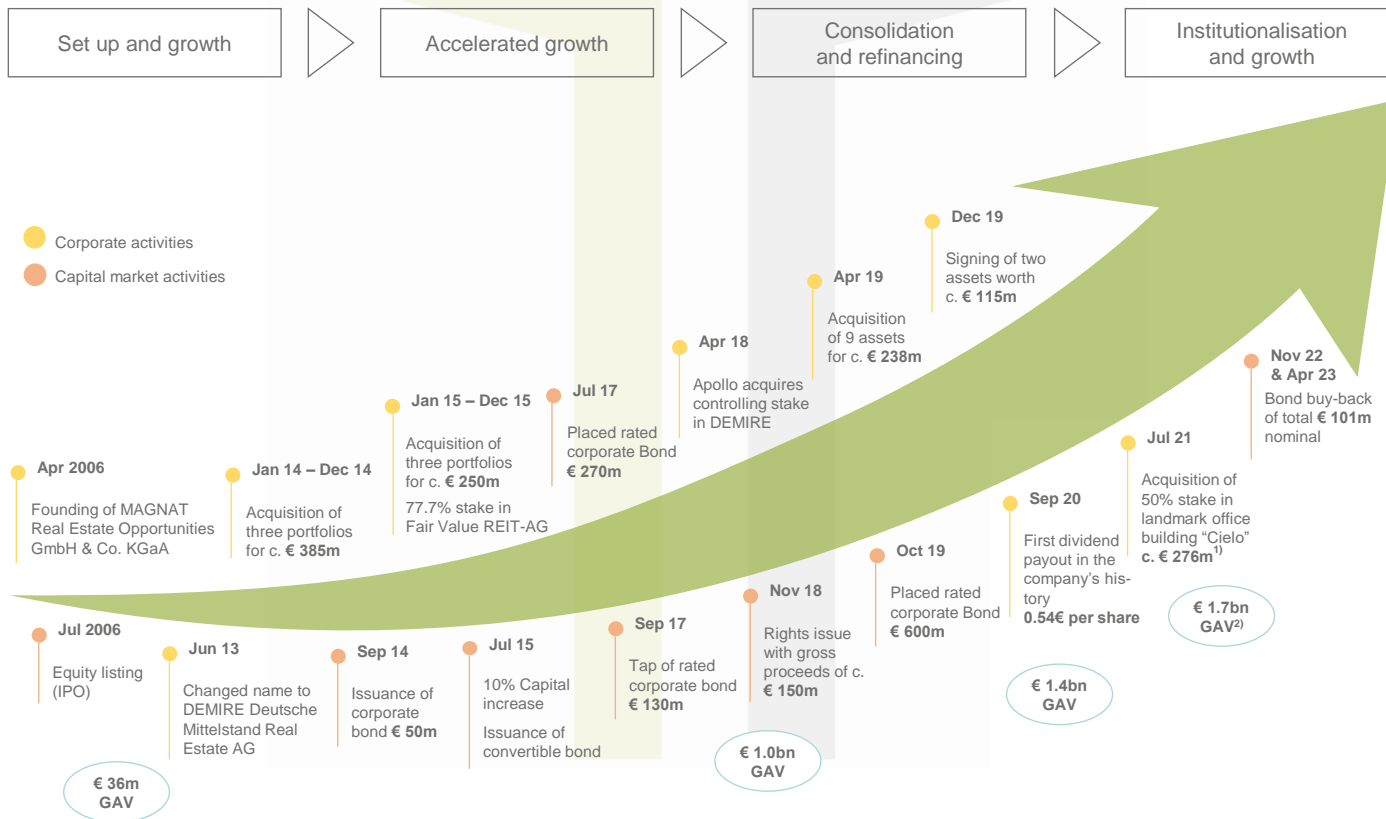
2) A-locations in B-cities and B-locations in A-cities

3) Excl. assets classified as project developments

4) After taxes, before minorities

DEMIRE at a glance

From founding to one of the leading commercial real estate platforms in Germany



1) Overall transaction volume and property value

2) Incl. office property „Cielo“, where DEMIRE owns c. 50% of the building

Strategy & portfolio



Office Building, Eckernförder Landstrasse 65, Flensburg

Strategy

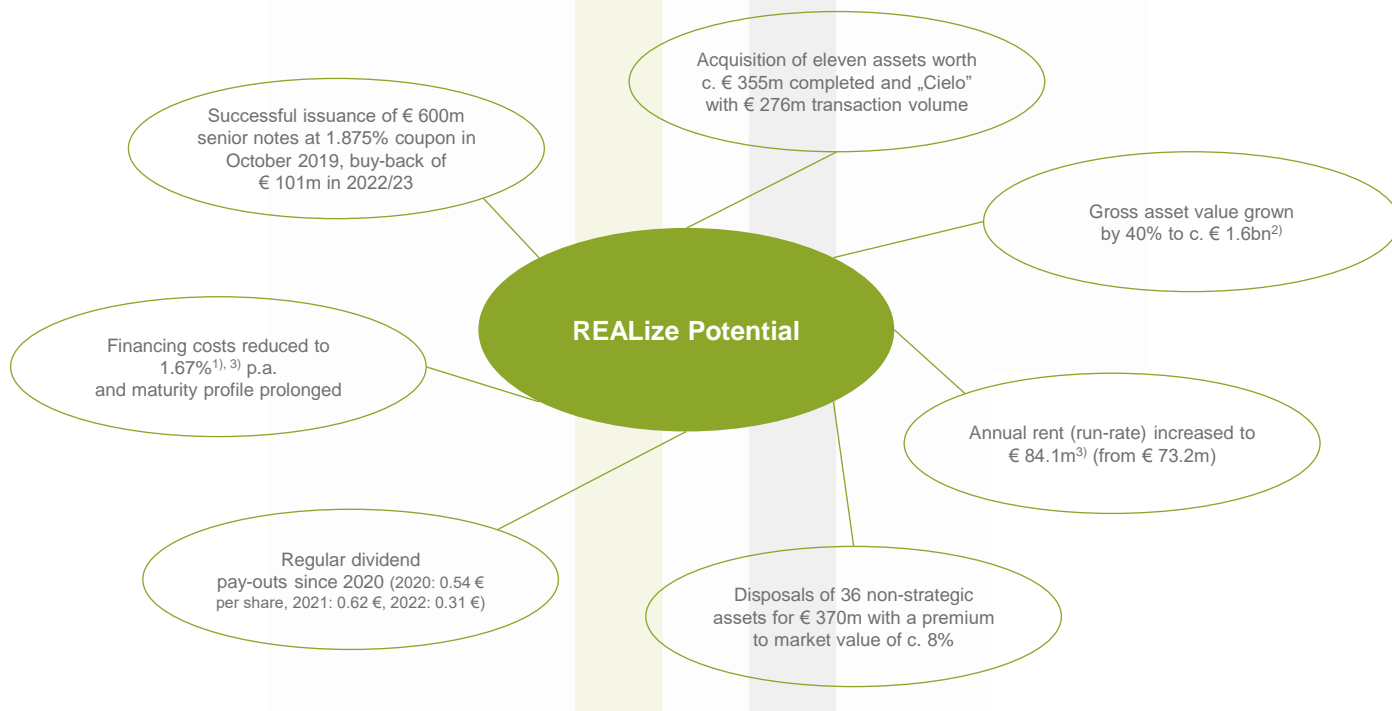
REALize Potential: four strategic goals ultimately aiming at FFO accretion



1) After taxes, before minorities

Key achievements since 2019

Substantial improvements as sound basis for strong future development



1) Based on nominal interest

2) Incl. office property „Cielo“, where DEMIRE owns c. 50% of the building

3) As of 31 March 2023

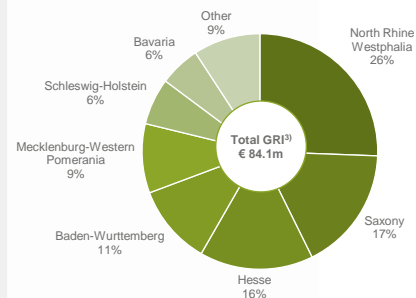
Attractive € 1.6bn¹⁾ commercial portfolio

German-wide diversified portfolio with office overweight

Property locations



Distribution by federal state²⁾



Distribution by asset class²⁾



1) As of 31 March 2023, incl. office property „Cielo“, where DEMIRE owns c. 50% of the building

2) Excl. „Cielo“

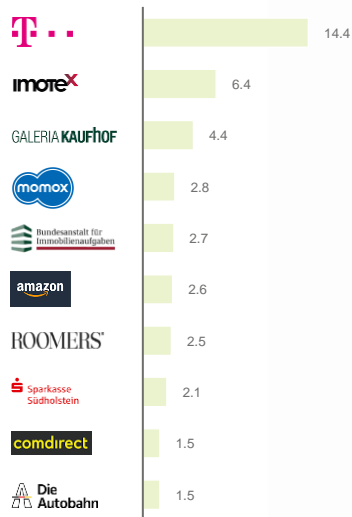
3) Annualised contractual rent as of 31 March 2023

Portfolio breakdown¹⁾

Top 10 tenants and portfolio KPI's

Top 10 tenants

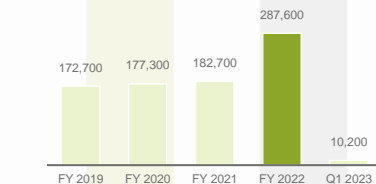
% of annualised contractual rent of portfolio



- » Attractive and diversified tenant base with a small number of large tenants and a large share of medium-sized tenants
- » Top 10 tenants account for c. 40% of annualised contractual rent

Letting performance

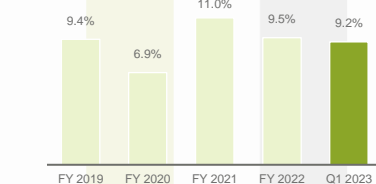
sqm



- » Record level leasing performance for four consecutive years
- » All-time high in 2022 with over 50% increase y-o-y

EPRA-Vacancy rate²⁾

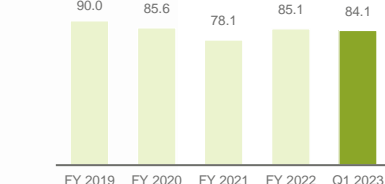
%



- » Vacancy typically below 10%
- » Pro-forma Cielo, EPRA-Vacancy below 8%

Annualised contractual rent

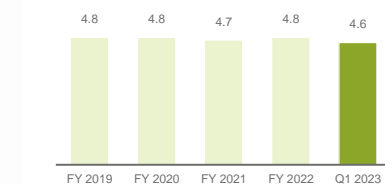
€ m



- » Reduction since FY 2019 primarily driven by disposals of several non-strategic assets
- » Recent increase due to new Amazon rental contract and indexations

WALT

years



- » WALT broadly stable since 2019

¹⁾ As of 31 March 2023, excl. „Cielo“

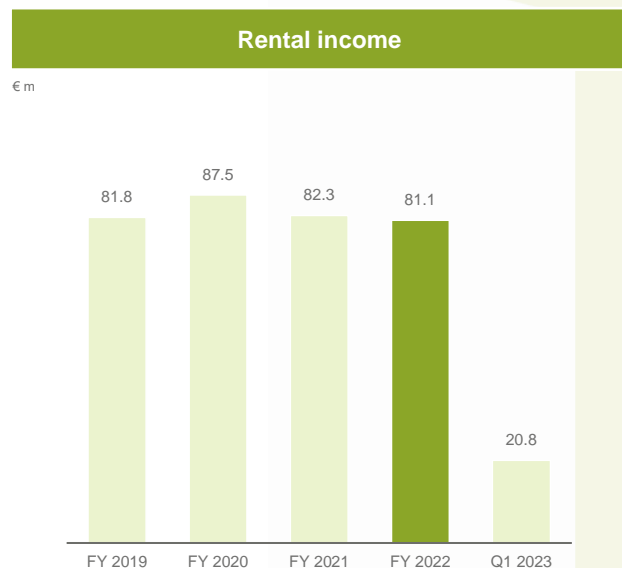
²⁾ Q1 2023 excl. properties classified as project developments, FY 2022 and prior excl. assets held for sale and properties classified as project developments

Financials



Development of key P&L figures (1/3)

Rental income and profit from the rental of real estate



- » After a portfolio consolidation phase until 2018, intensified acquisition and letting efforts led to substantially increased rental income in FY 2019 and FY 2020
- » Due to the disposals of various non-strategic properties from FY 2020 on, rental income down to € 81.1m last year

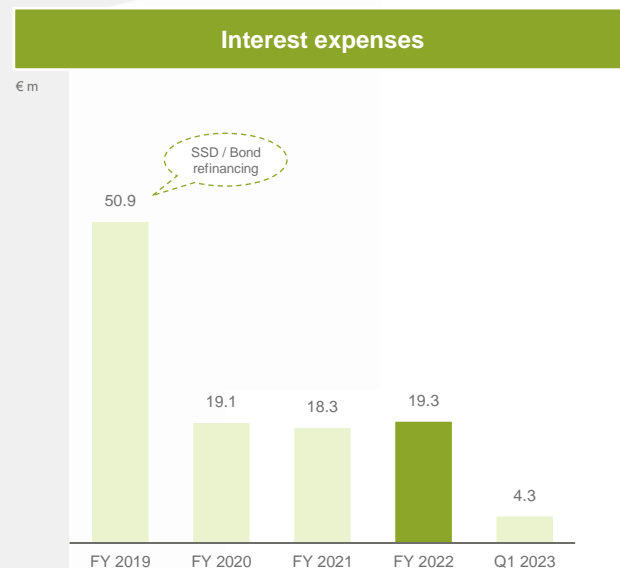
- » Development of profit from the rental of real estate largely follows rental income development with increases until 2020 and reduction since 2021
- » NOI margin constantly between 77% and 82%

Development of key P&L figures (2/3)

Administrative expenses and interest expenses



- » Despite portfolio expansion, administrative costs reduced as a consequence of various cost savings measures
- » Administrative expense ratio¹⁾ more than halved: down from 28.0% in FY 2018 to 13.2% in FY 2022



- » After comprehensive refinancings at attractive terms in 2019 and 2020, interest expenses at € 18-19m per year
- » 2022 affected by fees in context with bond buy-back

1) Administrative expenses / rental income

Development of key P&L figures (3/3)

Funds from operations I¹⁾

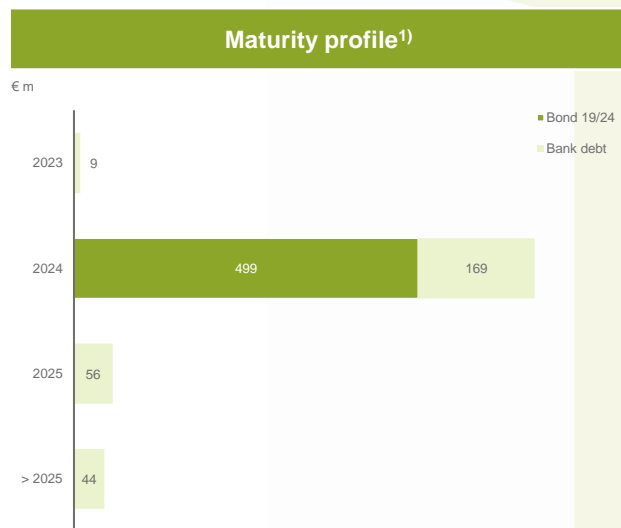


- » FFO I¹⁾ accretion of over € 7m since FY 2019 leading to € 41.8m in FY 2022
- » Main drivers include upscaled portfolio, improved NOI margin, much lower administrative expenses, reduced interest expenses and improved financial income
- » FFO I¹⁾ guidance for FY 2023 at € 30.0 - € 32.0m indicating anticipated disposals

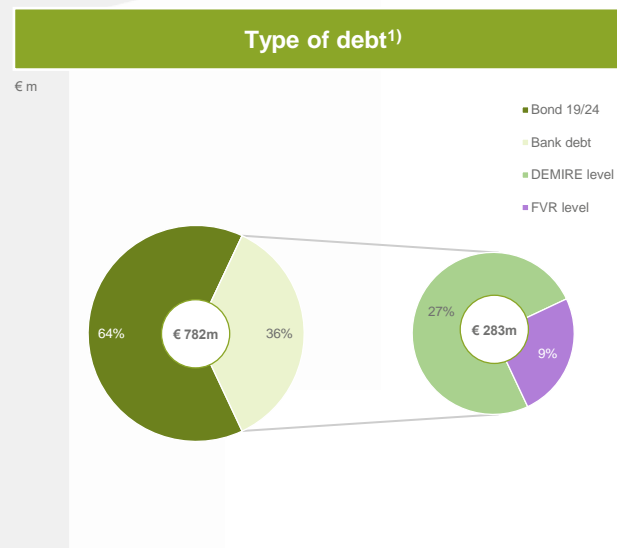
1) After taxes, before minorities

Debt book

Maturity profile and type of debt



- » No refinancing needs before end of Q2 2024, only scheduled repayments
- » Staggered maturities from 2025 onwards
- » Mitigation of funding need 2024 intended by building of a liquidity cushion
- » Bond buy-backs in November 2022 and April 2023 reduced outstanding bond nominal to € 499m



- » Unsecured debt accounts for roughly 2/3 of total financial debt volume
- » Majority of mortgage loan volume on DEMIRE level

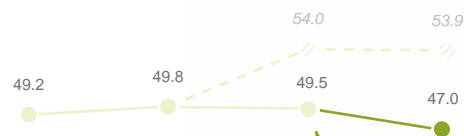
¹⁾ As of 31 March 2023, pro-forma bond buy-back in April 2023, nominal values (IFRS values differ slightly)

Development of key financial metrics (1/2)

Net-LTV ratio and average cost of debt

Net-LTV¹⁾

%



FY 2020 FY 2021 FY 2022 Q1 2023

Average cost of debt

% p.a. (nominal)



FY 2020 FY 2021 FY 2022 Q1 2023

- » Pro-forma disposals²⁾, Net-LTV still below level of 50%
- » Net-LTV also on DEMIRE stand-alone level drastically reduced to c. 54% (pro-forma disposals²⁾)
- » Comfortable headroom to covenant breach level of 60%

- » Utilised favourable interest rate environment in 2019 and 2020 to lower average cost of debt
- » No new debt has been raised since mid-2021, hence cost of debt remain attractively low

1) Bond 19/24 covenant definition

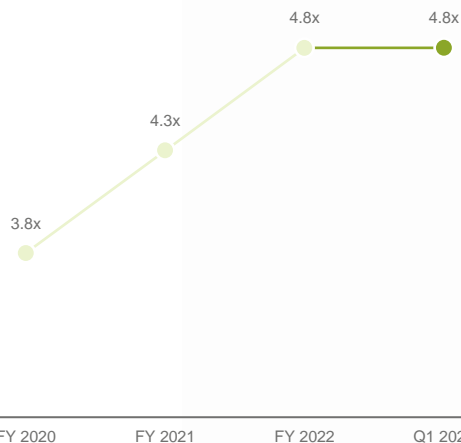
2) FY 2022: pro-forma proceeds from disposals of LogPark and asset in Ludwigsburg, Q1 2023: pro-forma proceeds from disposals of LogPark and asset in Ulm

Development of key financial metrics (2/2)

Interest coverage ratio and unencumbered asset ratio

Interest coverage ratio¹⁾

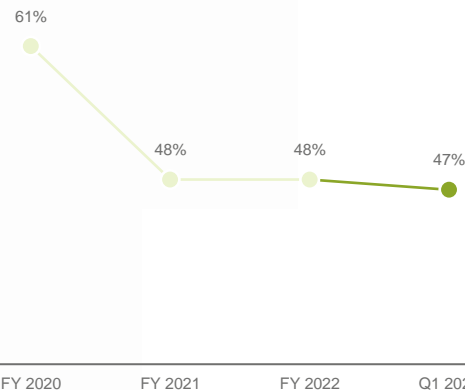
times



- » Interest coverage ratio substantially increased since 2019, primarily driven by increased rental income, improved efficiency on asset- and corporate level as well as lower interest expenses
- » Comfortable headroom to covenant breach level of 2.0x

Unencumbered asset ratio

%



- » Despite take up of several new secured debt instruments in FY 2020 and FY 2021, unencumbered asset ratio on the level of FY 2019
- » Pro-forma sale of LogPark, unencumbered asset ratio up to c. 51%

1) Bond 19/24 covenant definition

Guidance FY 2023

Lower rental income and FFO due to planned disposals

Rental income	€ 71.0 - € 73.0m
FFO I⁽¹⁾	€ 30.0 - € 32.0m

Appendix: additional financial information



Additional financial information (1/3)

Shortened P&L statement and FFO-bridge **Q1 2023**: Strong rental income while FFO remains solid

	Q1 2023 (€ m)	Q1 2022 (€ m)	Change (%)
Rental income	1 20.8	19.3	7.4
Income from utility and service charges	8.3	9.2	-9.4
Operating expenses to generate rental income	-13.2	-12.9	2.1
Profit / loss from the rental of real estate	15.9	15.6	1.8
Profit / loss from fair value adjustments in investment properties	0.0	0.0	0.0
Profit / loss from fair value adjustments in assets held for sale	2 -25.5	0.0	>100
Profit / loss from the sale of real estate	-0.1	-0.1	90.2
Impairment of receivables	3 -0.6	0.1	>100
Other operating income / expenses (net)	4 -1.7	0.1	>100
General and administrative expenses	-3.0	-2.7	9.3
Earnings before interest and taxes (EBIT)	-14.9	13.1	>100
Financial income	1.2	1.6	-24.0
Finance expenses	5 -4.3	-4.7	-7.8
Earnings before taxes and minority interests (EBTM)	-19.4	10.0	>100
± Profit / loss from the sale of real estate	0.1	0.1	90.2
± Profit / loss from fair value adjustments in investment properties	0.0	0.0	0.0
± Profit / loss from fair value adjustments in assets held for sale	25.5	0.0	>100
± Other adjustments	2.8	0.8	>100
FFO I before taxes, before minorities	10.4	10.9	-4.7
± (Current) income taxes	6 -1.1	-0.4	>100
FFO I after taxes, before minorities	9.2	10.5	-12.5

- 1 Despite smaller portfolio, rental income improved as a consequence of indexation adjustments
- 2 Adjustment of values of reclassified assets (to assets held for sale)
- 3 Impairment of rents of Galeria Karstadt Kaufhof reflected in Q1 2023
- 4 Impairment of rent free periods of Galeria Karstadt Kaufhof in vacated property in Celle
- 5 Lower interest as bond volume reduced by 10% in 2022
- 6 Higher taxes, among other factors, due to partially used up losses carried forward in some SPVs

Additional financial information (2/3)

Shortened balance sheet **Q1 2023**: reclassification of assets to held for sale category, cash increased

	Q1 2023 (€ m)	FY 2022 (€ m)	Change (%)
Investment properties	1a 1,014.6	1,231.1	-17.6
Non-current assets held for sale	1b 314.2	121.0	>100
Lendings and financial assets	87.4	87.5	-0.1
Other non-current assets	7.0	7.2	-2.7
Total non-current assets	1,423.2	1,446.8	-1.6
Other current assets	26.7	32.6	-18.3
Cash and cash equivalents	2 73.4	57.4	27.8
Total current assets	100.1	90.0	11.1
TOTAL ASSETS	1,523.2	1,536.9	-0.9
Subscribed capital	105.5	105.5	0.0
Reserves	326.4	344.7	-5.3
Equity attributable to parent company shareholders	431.9	450.2	-4.1
Non-controlling interests	35.6	36.5	-2.3
TOTAL EQUITY	467.6	486.7	-3.9
Long-term financial and lease liabilities	836.8	839.6	-0.3
Other non-current liabilities	156.4	156.4	0.0
Total non-current liabilities	993.2	996.0	-0.3
Short-term financial and lease liabilities	18.7	16.0	16.5
Other current liabilities	43.8	38.1	15.0
Total current liabilities	62.5	54.1	15.5
TOTAL LIABILITIES	1,055.7	1,050.2	0.5
TOTAL EQUITY AND LIABILITIES	1,523.2	1,536.9	-0.9

- 1 Reclassification of properties in advanced stages of selling processes
- 2 Disposal proceeds from Ludwigsburg and cash upstream from portfolio increase available cash

Additional financial information (3/3)

Shortened P&L statement and FFO-bridge **FY 2022**: FFO increased despite reduced portfolio

		FY 2022 (€ m)	FY 2021 (€ m)	Change (%)
Rental income	1	81.1	82.3	- 1.5
Income from utility and service charges	2a	28.1	20.2	+ 38.9
Operating expenses to generate rental income	2b	-46.8	-35.4	+ 32.5
Profit / loss from the rental of real estate		62.3	67.2	- 7.2
Profit / loss from fair value adjustments in investment properties	3	-61.2	47.0	> 100
Profit / loss from fair value adjustments in assets held for sale	4	-37.7	1.8	> 100
Profit / loss from the sale of real estate		-8.2	1.4	> 100
Impairment of receivables	5	-1.5	-3.5	- 56.8
Other operating income / expenses (net)	6	-16.0	-0.8	> 100
General and administrative expenses	7	-10.7	-11.2	- 4.8
Earnings before interest and taxes (EBIT)		-72.9	101.9	> 100
Financial income	8	18.1	3.2	> 100
Finance expenses	9	-19.3	-18.3	+ 5.3
Earnings before taxes and minority interests (EBTM)		-74.1	87.8	> 100
± Profit / loss from the sale of real estate		8.2	-1.4	> 100
± Profit / loss from fair value adjustments in investment properties		61.2	-47.0	> 100
± Profit / loss from fair value adjustments in assets held for sale		37.7	-1.8	> 100
± Other adjustments		11.6	6.0	+ 92.9
FFO I before taxes, before minorities		44.6	43.6	+ 2.3
± (Current) income taxes		-2.8	-3.8	- 24.7
FFO I after taxes, before minorities	10	41.8	39.8	+ 4.8

- 1 Despite smaller portfolio, rental income almost stable due to strong letting performance and indexations
- 2 Increased energy costs passed on to the tenants, slightly higher maintenance compared to previous year
- 3 Excl. LogPark, portfolio moderately devaluated (-4.7%)
- 4 Adjustment of market value of LogPark following revaluation during the year
- 5 Materially lower impairments (net), partially driven by cancellation of old impairments
- 6 Larger one-offs in 2022: depreciation of goodwill (FVR) and tenant improvements
- 7 Running G&A further improved
- 8 Revenues from bond buy-back below par and higher income from Cielo investment
- 9 Increase mainly due to costs in context with bond-buyback
- 10 FFO increase despite reduced portfolio size