

## Q1 results in line with our forecast on FFO I level

*Demire reported a mixed set of Q1 results. While FFO I (after taxes, before minorities) was with EUR 9.2m bang in line with our forecast (EUR 9.2m), EBIT was with EUR -14.9m weaker than forecasted (EUR 3.1m) due to a negative valuation result of EUR 25m (PAsE: EUR 10m) which is related to the planned sale of different real estate properties. Positively, rental income was up by 7% yoy. Demire seems to have been able to realize further rent increases. Net LTV was down by 10 bps qoq to 53.9%, taking into account the announced sales of properties in Leipzig and Ulm, LTV amounted to around 47%. The cash level has increased by EUR 16m qoq to EUR 73m. Vacancy rate declined by 30 bps qoq to 9.2%, the WALT declined by 0.2x to 4.8 years. All in all, mixed Q1 results, however, the decline of the pro-forma LTV and the increased cash level are good news for the company's funding challenge. We stick to our Hold rating with a target price of EUR 1.90.*

Dr Philipp Häßler CFA

+49 69 58997 414, philipp.haessler@paretosec.com