

## Negotiations with group of bondholders confirmed

*Demire has confirmed that it is in negotiations with a group of bondholders regarding the restructuring of the 2019/2024 bond which will mature on 15 October 2024. The Bond has an outstanding nominal amount of EUR 499m. According to the company it is in negotiations with a group of bondholders that hold well over 50% of the bond to extend the Bond until 31 December 2027 and restructure the Bond on adjusted terms (e.g. higher interest rate). One member of the group of bondholders intends to sell a 20% position in the Bond. The company is considering submitting a bid to acquire the position. We estimate that Demire had around EUR 200m of cash at the end of 2023 (incl. the proceeds from the sale of LogPark Leipzig), i.e. should have the financials means to acquire around 20% of the outstanding Bond. An agreement on the Bond would be clearly good news for Demire, in our view. For the shareholders the earnings impact would, however, be clearly negative as interest costs from a restructured Bond should be significantly higher and/or rental income would further decline in case of additional asset sales. Hence, we stick to our Hold rating.*

### Additional details on a possible agreement with the bondholders

According to the company statement the so-called lock-up agreement would include, among other things, the approval of the bondholders of the above-mentioned group in a vote without meeting, in which an extension of the term until 31 December 2027, an increase in the interest rate and various compensation payments for the bondholders are to be resolved. In addition, the Company is to undertake to make mandatory prepayments of the Bond from the company's planned net sales proceeds and to waive dividend payments or other distributions to its shareholders during the extended term of the Bond. The Bond is also to be additionally secured in favour of the bondholders. Whether the Lock-up Agreement will be concluded and the exact terms of the Lock-up Agreement are currently still open, as the negotiations between the Company and the above-mentioned group have not yet been finalised.

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