RESULTS Q3 2024

Conference Call | 7 November 2024

DEMIRE

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Executive summary

Portfolio highlights

Financial highlights

Executive Summary

Bond restructuring to be successfully completed over the next days, strong letting performance

Asset Management

- Annualised contractual rent as of September 2024 at € 57.6m, lower compared to year-end 2023 (€ 76.7m), mainly as a result of the disposal of the “LogPark” in Leipzig and the deconsolidation of the “LIMES” portfolio
- Solid letting performance with over 60,000sqm despite still challenging market environment
- EPRA-Vacancy(1) per 30 September 2024 at 14.7% and WALT at 4.4 years

Transactions

- Closing of the sale of the “LogPark” in Leipzig, three further disposals signed and expected to be closed until year-end
- Continued focus on opportunistic disposals of smaller non-strategic assets and mature assets

Financials

- Rental income with € 50.6m c. 15% lower compared to the previous period given reduced portfolio size
- FFO I (after taxes, before minorities) at € 23.0m also hit by declining rental income (- 17.5% vs. comparative period)
- Net-LTV(2) lowered to 52.3% with further reduction expected at the end of 2024

Processes

- **Formal process to implement the new terms and conditions of the bond is in the final steps and will be successfully completed over the next days**
- **Partial redemption and result of tender offer have led to a reduced bond volume of c. € 253m**(3)

Guidance

- Guidance for FY 2024 confirmed: rental income expected to be between € 64.0m - € 66.0m and FFO I (after taxes, before minorities) expected to be significantly lower compared to FY 2023

(1) Excl. properties classified as project developments
(2) Bond 19/24 covenant definition
(3) As of 6 November 2024, subject to minimal changes until final settlement

Executive summary

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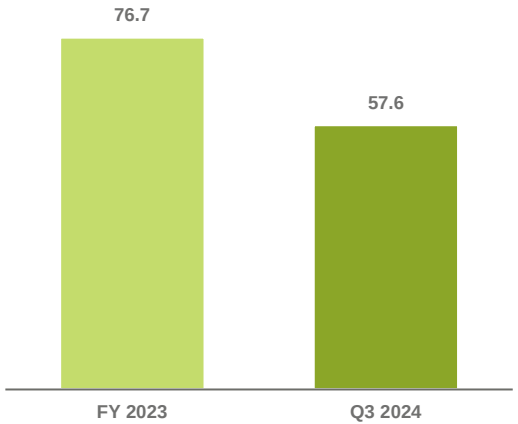
Portfolio highlights

Lower contractual rents due to smaller portfolio, letting performance back on track

Annualised contractual rent

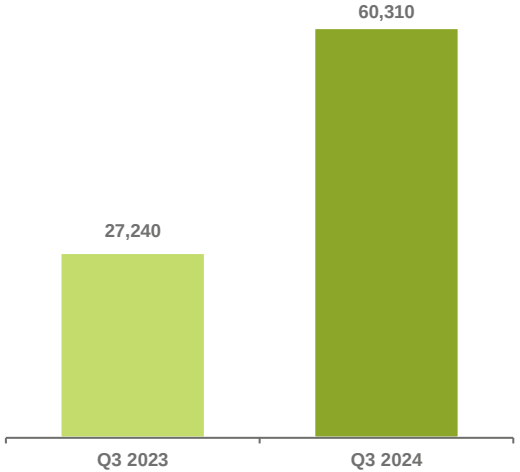
€ m



- Decrease of annualised contractual rent primarily due to the sale of the “LogPark” in Leipzig (- € 7.8m) and the deconsolidation of the “LIMES” portfolio (- € 9.7 Mio.)
- More than half of the properties of the portfolio with increasing contractual rents since end of 2023, mainly driven by indexations

Letting performance

sqm

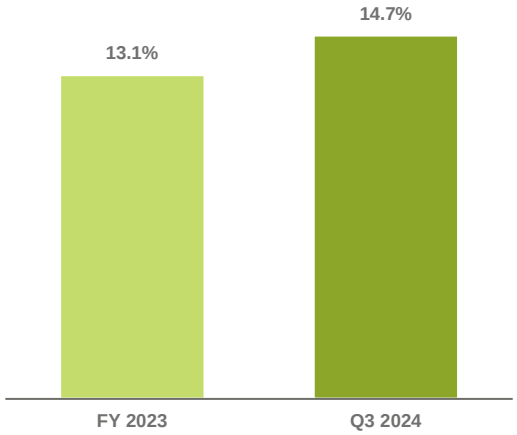


- Significant improvement of the letting performance by more than doubling the leased space from the comparative period
- Among others, achieved a prolongation of the rental contract with Deutsche Telekom in our largest asset (Bonn)

Portfolio highlights

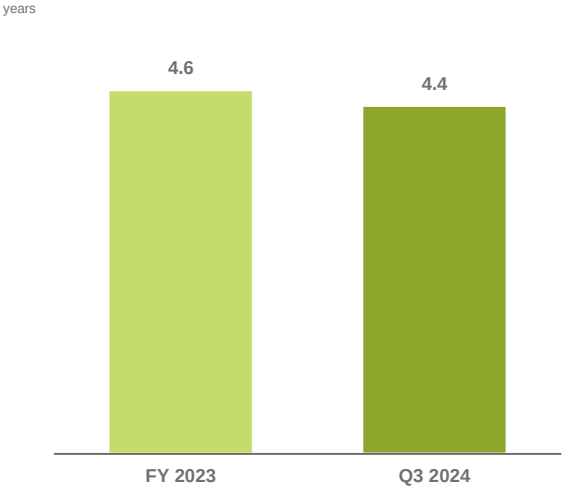
EPRA-Vacancy with temporary increase, while WALT remains on a solid level

EPRA-Vacancy(1)



- EPRA-Vacancy increased since the end of 2023 following Mein REAL leaving the asset in Querfurt
- Reduction compared to H1 2024 (- 0.8pp) points towards trend reversion

Weighted average lease term



- WALT slightly lower due to natural reduction
- With 4.4 years still at a solid level for a portfolio with an office overweight

(1) Excl. assets classified as project developments

Executive summary

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Shortened P&L statement & FFO-bridge: rental result further impacted by asset disposals

		Q3 2024 (€ m)	Q3 2023 (€ m)	Change (%)
Rental income	1	50.6	59.9	*(15.4)*
Income from utility and service charges		13.9	18.0	*(22.5)*
Operating expenses to generate rental income	2	(30.2)	(34.5)	*(12.6)*
Profit / loss from the rental of real estate		**34.4**	**43.4**	***(20.6)***
Profit / loss from fair value adjustments in properties	3	(26.6)	(85.0)	*(68.6)*
Profit / loss from the sale of real estate	4	(5.2)	(12.9)	*(59.6)*
Impairment of financial and other receivables		(1.5)	(0.5)	*(44.8)*
Other operating income / expenses (net)	5	(5.8)	(0.9)	*>100*
General and administrative expenses		(9.1)	(8.6)	*4.8*
Earnings before interest and taxes (EBIT)		**(13.8)**	**(64.6)**	***(78.6)***
Financial income	6	6.4	20.9	*(67.7)*
Finance expenses		(12.3)	(12.9)	*(4.6)*
Earnings before taxes and minority interests (EBTM)		**(19.7)**	**(56.6)**	***(65.2)***
± Profit / loss from the sale of real estate		5.2	12.9	*(59.6)*
± Profit / loss from fair value adjustments in properties		26.6	85.0	*(68.6)*
± Other adjustments	7	12.7	(9.7)	*>100*
FFO I before taxes, before minorities		**24.9**	**31.6**	***(21.0)***
± (Current) income taxes		(2.0)	(3.7)	*(47.3)*
FFO I after taxes, before minorities		**23.0**	**27.8**	***(17.5)***

1. Lower rental income mainly driven by sale of “LogPark” in Leipzig and deconsolidation of the “LIMES” portfolio
2. No proportional reduction as maintenance expenses € 0.3m higher compared to previous year and increased vacancy costs
3. Revaluation of the whole portfolio in 2023 while until Q3 2024 only assets held for sale and four other properties (“LIMES” portfolio) have been revalued
4. 2023 loss primarily due to disposal of asset in Ulm, 2024 driven by partial purchase price retention of LogPark disposal proceeds
5. 2024 impacted by deconsolidation effect of “LIMES” portfolio
6. Bond buy-back below par in 2023, while no such transaction conducted until Q3 2024
7. 2023 impacted by bond buy-back below par, 2024 mainly driven by positive adjustments accounting for the deconsolidation effect of the “LIMES” portfolio

Financial highlights

Shortened balance sheet: Impacts from deconsolidation of the „LIMES“ SPV‘s, cash increased

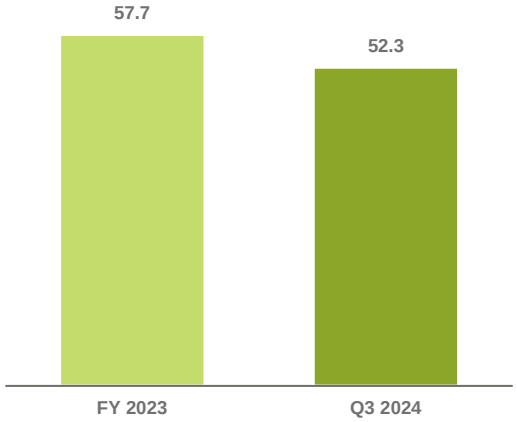
		Q3 2024 (€ m)	FY 2023 (€ m)	Change (%)
Investment properties	1	755.2	947.3	(20.3)
Non-current assets held for sale	2	81.8	149.1	(45.1)
Lendings and financial assets	3	125.6	73.5	70.8
Other non-current assets	4	28.7	8.8	>100
Total non-current assets		**991.3**	**1,178.7**	**(15.9)**
Other current assets		19.1	28.9	(33.9)
Cash and cash equivalents	5	164.5	120.0	37.1
Total current assets		**183.6**	**148.9**	**23.3**
TOTAL ASSETS		**1,174.9**	**1,327.5**	**(11.5)**
Subscribed capital		105.5	105.5	0.0
Reserves	6	177.0	198.1	(10.7)
Equity attributable to parent company shareholders		**282.5**	**303.6**	**(7.0)**
Non-controlling interests		25.7	29.7	(13.6)
TOTAL EQUITY		**308.1**	**333.3**	**(7.5)**
Long-term financial and lease liabilities		143.6	145.9	(1.6)
Other non-current liabilities		129.2	134.0	(3.6)
Total non-current liabilities		**272.8**	**280.0**	**(2.6)**
Short-term financial and lease liabilities	7	549.8	671.0	(18.1)
Other current liabilities		44.2	43.2	2.3
Total current liabilities		**594.0**	**714.3**	(16.8)
TOTAL LIABILITIES		**866.8**	**994.2**	**(12.8)**
TOTAL EQUITY AND LIABILITIES		**1,174.9**	**1,327.5**	**(11.5)**

1. Reduction primarily following the deconsolidation of the “LIMES” portfolio
2. Decline driven by sale of LogPark, partially mitigated by reclassifications from investment properties category
3. Former inter-company loans to “LIMES” SPV’s now constitute receivables against external parties
4. Increase driven by capitalised refinancing costs and positive equity value of one of the “LIMES” SPV’s
5. Increase reflects net proceeds from LogPark sale, mitigated by capex expenses and bond refinancing costs
6. Decline as a consequence of negative profit for the period
7. Main drivers of reduced debt are the redemption of the loan on LogPark following the sale of the asset and the deconsolidation of the “LIMES” SPV’s (incl. the loan on the portfolio)

Financial highlights

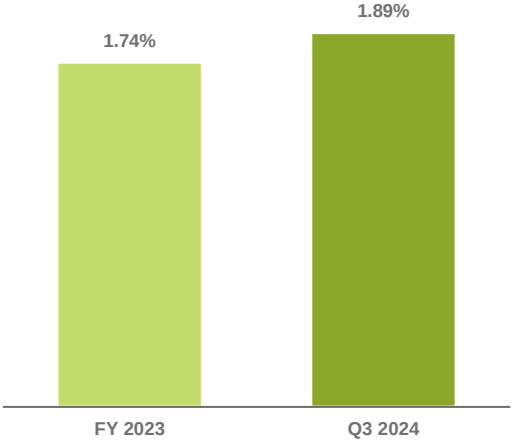
Net-LTV significantly reduced, cost of debt still low ahead of bond refinancing

Net-LTV(1)



- Material reduction driven by improved cash position primarily from proceeds from the sale of LogPark
- After implementation of the bond restructuring measures, Net-LTV expected to fall further to below 50%

Average cost of debt(2)



- Average cost of debt as of 30 September still very low at 1.89% p.a.(2), although expected to increase to c. 3.50% after the amended conditions of the bond will become effective
- Advanced negotiations with banks about prolongation of maturing mortgage loans in 2024

(1) Bond 19/24 covenant definition
(2) Nominal

Guidance FY 2024

Guidance confirmed: rental income and FFO expected to come in lower given smaller portfolio

Rental income	**€ 64 – 66m**
FFO I (after taxes, before minorities)	**significantly lower compared to FY 2023**

Q & A

Thank you!