



ANNUAL REPORT
2025





53.5

RENTAL INCOME

in EUR million – sales-related fall of 18.1% from EUR 65.3 million in the previous year



10.1

in EUR million

FFO I (after taxes, before minority interests and interest on shareholder loans), –61.5% compared to EUR 26.2 million in the previous year

41.8

in %

NET LOAN-TO-VALUE RATIO (NET LTV) as defined in the 2019/2027 corporate bond

PROFILE

DEMIRE Deutsche Mittelstand Real Estate AG acquires and holds commercial real estate in medium-sized cities and up-and-coming regions bordering metropolitan areas across Germany. We focus on office properties, with retail and hotel properties also featured in our portfolio. As at 31 December, we managed 43 properties with lettable floor space of around 536,800 m² and a total market value of around EUR 688.3 million. The Cielo property in Frankfurt is accounted for using the equity method, so is not included in the property-specific figures.

We offer our international and regional tenants state-of-the-art, functional properties for long-term use. Sustainability is part of DEMIRE's corporate strategy. The Company is committed to the climate goals of the Paris Agreement and is endeavouring to reduce the carbon emissions of its business activities as part of the Company's sustainable transformation.

KEY INDICATORS

in EUR million	2025	2024
Key earnings figures		
Rental income	53.5	65.3
Profit/loss from the rental of real estate	36.8	44.5
Profit/loss from the sale of real estate	-0.1	-7.3
Profit/loss from fair-value adjustments of investment properties	-18.6	-48.9
Profit/loss from fair-value adjustments of assets held for sale	-40.3	-9.8
EBIT	-34.9	-93.0
FFO I (after taxes, before minorities and interests on shareholder loans)	10.1	26.2
Key balance sheet figures (31 Dec.)		
Total assets	849.2	951.2
Equity ratio (in %)	17.8	25.4
Net-LTV (excl. shareholder loan, in %)	41.8	40.9
Average nominal interest costs, p.a. (excl. shareholder loan, in %)	4.83	4.35
Key portfolio indicators (31 Dec.)		
Market value of the portfolio ¹	688.3	779.3
Annualised contractual rents	51.3	56.4
Rental yield (in %)	7.5	7.2
WALT (in years)	4.7	4.6
EPRA vacancy rate ² (in %)	16.4	15.1
Further indicators (31 Dec.)		
NAV (basic)	168.1	258.1
NAV per share (basic)	1.59	2.45

¹ The market value (in EUR million) represents the total fair value of DEMIRE's property portfolio as at the reporting date. In contrast to the balance sheet total of the "Total portfolio", no leaseholds or operating facilities are recognised.

² Excluding project developments

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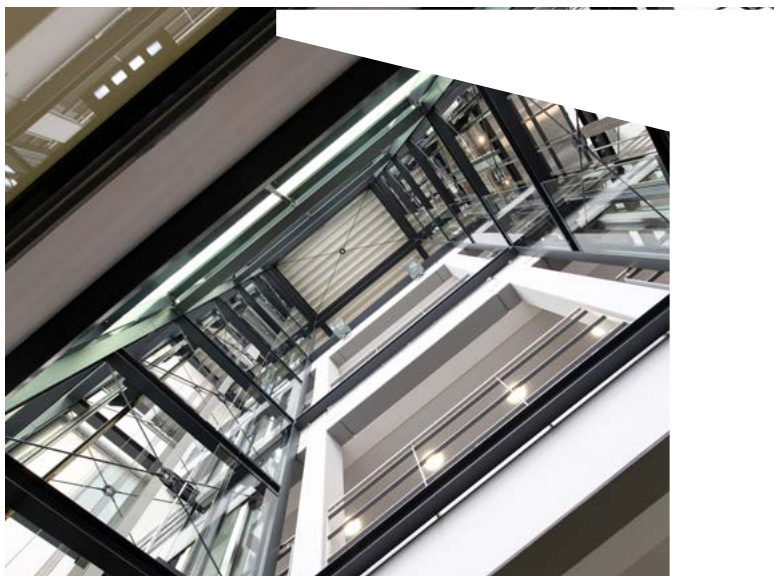


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FOREWORD BY THE EXECUTIVE BOARD

Dear Readers,

The economic environment in 2025 was once again characterised by considerable challenges. The stabilisation of the financial environment had a positive effect on us as a real estate company. However, this overall improvement was tempered by continuing economic stagnation in Germany. The German commercial property market remained unattractive internationally, and both the transaction and rental markets continued to show sluggish momentum.



As the Company's new CEO, in 2026 my focus will be on helping DEMIRE to make strategic progress, increasing efficiency and fully realising the potential of our portfolio."

DR DIRK RÜFFEL, CEO

The Executive Board of DEMIRE Deutsche Mittelstand Real Estate AG:
Tim Brückner, Chief Financial Officer (left),
Dr Dirk Ruffel, Chief Executive Officer (centre) and
Ralf Bongers, Executive Board Member for Transactions (right)



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Despite the persistently challenging market environment, we have nonetheless succeeded in selling further properties. DEMIRE sold a total of eleven properties with a total sales volume of EUR 64.1 million. However, we decided not to proceed with all of the sales planned for the beginning of 2025. These decisions were made in light of purchase offers that were often below our expectations and our assessment that the transaction markets would improve in 2026.

As a result, the additional liquidity from property sales was lower than originally anticipated, meaning that the bond could not be reduced by EUR 50 million at the end of 2025 as planned. From an economic perspective, we consider this approach to be appropriate, as we believe that the additional fee of 3% on the bond amount is outweighed by the potentially higher sales proceeds once the property markets recover.

The persistently subdued situation on the real estate market in 2025 was also reflected in the valuation of the real estate portfolio carried out by an independent third party at the end of the year, which again resulted in a slight reduction in the value of the portfolio.

Since summer 2025, we have seen an upturn in the financing market for real estate companies, which we have used to extend bank loans for four properties and secure new financing for one property totalling approximately EUR 77 million. Some of the loans were also revalued.

The newly structured asset management division, with its new team, delivered its first successes in 2025. Despite weak rental demand throughout the year, we succeeded in significantly increasing the rental volume to 127,800 m² compared with previous years. However, we have not yet reached our goal. Larger new vacancies caused our vacancy rate¹ to rise slightly again to 16.4% over the year as a whole, but this figure is significantly lower than at the beginning of 2025. The adjusted

¹ Excluding project developments



Focused property sales, the targeted leveraging of the financial environment and the optimisation of our Group structure have enabled us to exceed our original planning targets and strengthen our liquidity base for 2026.”

TIM BRÜCKNER, CFO

contractual rent decreased by 2.8% in the reporting period, mainly as a result of a temporary increase in vacancies. Our primarily indexed rental agreements had a supportive effect, mitigating the impact of this development. In addition, we were able to increase the average contractual rent per m² once again, achieving growth of 1.7%. We expect the rental market to remain challenging in the first half of 2026, as experience shows that the expected slightly positive changes in the overall economic environment are only reflected in the rental markets after an initial delay.



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“
In 2025’s challenging market environment, we managed to successfully sell eleven properties despite subdued demand. Once again, we have been extremely selective with these sales in order to optimise our position for improved transaction opportunities when the market picks up in 2026.”

RALF BONGERS, VORSTAND TRANSAKTIONEN

At the end of 2025, we restructured the centre management for the Imotex fashion wholesale centre in Neuss, meaning that from 2026 onwards, the fashion centre will be managed by a new external service provider. As a result, we expect improved performance for our tenants and a sustainable increase in income.

In 2025’s challenging macroeconomic environment, DEMIRE achieved results that exceeded its original projections from March 2025. This was mainly due to the adjustment of the real estate sales target in the second half of the year and lower administrative costs due in part to an optimised group structure. As a result, the

forecast was updated and, as expected, the financial year closed within the adjusted forecast range. Rental income amounted to EUR 53.5 million, while funds from operations I (FFO I) reached EUR 10.1 million.

We have made significant progress in 2025 on the path to becoming a sustainable real estate company. We have concluded a framework agreement for the supply of renewable electricity for our portfolio. We are also promoting the introduction of smart meters and the digitisation of sub-metering in our properties. This helps us lay the groundwork for making consumption transparent and reducing it in a sustainable way – which is also in the best interests of our tenants.

At the same time, we are gradually implementing our plan to expand our network of electric vehicle charging stations, helping to promote electric vehicle use in our fleet. In the first properties, we have already achieved savings in energy consumption and CO₂ emissions by optimising building services. These measures are central components of our sustainability strategy.

We are aware that the transition to becoming a sustainable real estate company takes time. We therefore see sustainability as an integral part of our business activities and a prerequisite for long-term success.

In addition to continuing to develop our portfolio, it is very important to us to maintain a high level of transparency. As was the case last year, our sustainability report and EPRA financial figures met EPRA’s highest transparency requirements, and we were once again awarded the Gold Award. We are also committed to further improving the quality and depth of our sustainability reporting in the future.

In 2026, in addition to strengthening our cash position through selective property sales, we will focus explicitly on proactively refinancing our 2019/2027 bond. We will continue to pursue our sales programme as planned. As part of the bond refinancing process, we are reviewing all options available on the market in order to identify and implement the most economically advantageous solution for DEMIRE.



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We will also continue to improve the Company's profitability, leveraging in particular our strengthened asset management capabilities. The sustainable reduction of vacancies remains the key lever in this regard. Parallel to this, as already stated, we are continuing to pursue the goal of making our real estate portfolio more sustainable.

The DEMIRE team will remain fully committed to these goals in 2026. We would like to take this opportunity to express our sincere thanks to all our employees for their outstanding performance in 2025.

We hope you find our annual report an inspiring read and look forward to continuing our discussions with you.

Frankfurt am Main, 18 March 2026

The DEMIRE AG Executive Board AG

Dr Dirk Rüffel
(CEO)

Tim Brückner
(CFO)

Ralf Bongers
(Executive Board Member
for Transactions)



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EXECUTIVE BOARD AND SUPERVISORY BOARD

EXECUTIVE BOARD

Dr Dirk Rüffel (CEO)

CEO since 1 February 2026
Appointment until 31 January 2027

Dr Dirk Rüffel (born 1976) has been the Chief Executive Officer of DEMIRE Deutsche Mittelstand Real Estate AG in Langen since 1 February 2026. Before joining the Board, the German lawyer with many years of national and international experience in real estate and asset management was Managing Director of Lapithus Management GmbH in Frankfurt, the German subsidiary of a pan-European asset manager, where he was responsible for real estate assets of around EUR 3 billion across various property types. From 2015 to 2024, he worked at Cerberus, most recently as Managing Director, where he managed large-volume real estate portfolios in Germany and Europe in the asset management division. Between 2009 and 2015, he held senior positions at Argoneo Real Estate (later Bilfinger Real Estate Argoneo), where he was responsible for extensive real estate portfolios and complex transactions as Head of Transactions. Before that, Dr Rüffel worked for several US law firms.

Frank Nickel (Chief Executive Officer)

CEO since 3 April 2024
Resignation effective 19 January 2026

Mr Frank Nickel (born 1959) was the Chief Executive Officer of DEMIRE Deutsche Mittelstand Real Estate AG in Langen until 19 January 2026. Mr Nickel has been serving as a Senior Advisor since September 2022. From 2016 to 2019, Mr Frank Nickel was Chair of the Executive Board of CA Immobilien Anlagen AG (CA Immo) in Vienna. Before that, he was Chair of the Executive Board of Cushman & Wakefield Germany in Frankfurt from 2013 to 2015, and was Chair of the Corporate Finance Business Unit of EMEA Cushman & Wakefield. Both of these positions gave him extensive experience in the strategic realignment of real estate companies. Mr Nickel served as Managing Director at Deutsche Bank in Frankfurt from 2006 to 2012. Prior to that, he worked at various companies including Fortress Investment Group Germany and Commerzbank.

Tim Brückner (CFO)

CFO since 1 February 2019
Appointment until 31 December 2026

Mr Tim Brückner (born 1977) has been the Chief Financial Officer of DEMIRE Deutsche Mittelstand Real Estate AG in Langen since 1 February 2019. He was also appointed as the CEO of Fair Value REIT-AG with effect from 20 May 2019. From 2012 until 2019, the trained banker held various positions at Corpus Sireo Real Estate, including Managing Director of the subsidiary in Luxembourg and Head of Portfolio Management. From 2007 until 2012, Mr Brückner worked at Rothschild GmbH, his last position there being that of Vice President. From 2005 until 2007, he worked in the Global Advisory Division at HSBC in London. In 2005, Mr Brückner completed a bachelor's degree in Business Administration, Banking and Finance, and a master's degree in Banking and Finance, at the Hochschule für Bankwirtschaft (today's Frankfurt School of Finance & Management). During his studies, he worked as an analyst at BHF Bank AG and NG Investment Banking.

Ralf Bongers (Executive Board Member for Transactions)

Member of the Executive Board since 1 April 2023
Appointment until 31 March 2026

Mr Ralf Bongers (born 1966) has been the Executive Board Member for Transactions – Chief Investment Officer – of DEMIRE Deutsche Mittelstand Real Estate AG in Langen since 1 April 2023. Mr Bongers brings with him more than 30 years of experience in the real estate industry, including more than 20 years as an advisor to international financial investors and institutional real estate companies. From 2013 to 2015, he worked as a consultant for AXA Investment Managers Germany. In 2016, he took on a permanent management position in Asset Management at AXAIM. From 2017 until March 2023, he was Head of Asset Management Germany at AXAIM and in this role was operationally responsible for a total portfolio of over EUR 10 billion and sales transactions of over EUR 3.5 billion.

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SUPERVISORY BOARD

Dr Matthias Prochaska (Chair of the Supervisory Board)

Member of the Supervisory Board since 26 September 2025

Chair of the Supervisory Board since 2 October 2025

Dr Matthias Prochaska (born 1979) is a German solicitor specialising in corporate and property law. Since 2020, he has been Executive Director at the Lapithus Management Group in Luxembourg, where he has held various management positions since 2013. Before that, he was an associate at Arendt & Medernach in Luxembourg and a research assistant at Norton Rose LLP in Frankfurt. He holds a doctorate from the University of Trier, an LL.M. from the University of East Anglia and an M.A. in Real Estate Investment & Finance from EBS, Oestrich-Winkel. Dr Prochaska has more than 15 years of experience in private equity and real estate.

Markus Hofmann (Chair of the Supervisory Board)

Member of the Supervisory Board since 1 January 2023

Chair of the Supervisory Board since 25 January 2023

Resignation effective 15 September 2025

Mr Markus Hofmann (born 1969) holds a degree in business administration and real estate economics from EBS, Oestrich-Winkel, where he also worked as a lecturer for over ten years. Since 2009, Mr Hofmann has been managing director of Renocle GmbH in Frankfurt. From 2017 to 2022, he was also a senior advisor at the Arminius Group, based in Frankfurt, and from 2014 to 2017, he was a partner at Oceans & Company GmbH in Frankfurt. Over the past 26 years, Markus Hofmann has successfully completed numerous German and European real estate transactions, asset management activities and financing projects. Other professional positions include managing director of Feldberg Capital GmbH in Frankfurt, head of the German and Central European business of Citi Property Investors in Frankfurt and London as well as activities in private equity at The Carlyle Group, in real estate investment banking at Deutsche Bank and in real estate project financing at Bayerische Landesbank.

Frank Hölzle (Vice Chair of the Supervisory Board)

Vice Chair of the Supervisory Board since 14 February 2017

Mr Frank Hölzle (born 1968) holds a degree in economics and has been the CEO of Care4 AG, a single family office located in Basel, Switzerland, since 2015. From 2003 until 2010, Mr Hölzle was a member of the Executive Board and partner of eCapital entrepreneurial Partners AG, a venture capital company located in Münster. Since 2010, he has worked at Care4 AG, a single family office located in Basel, and has been the Company's CEO since 2015. Mr Frank Hölzle also sits on the supervisory boards of Fair Value REIT-AG and Evana AG as well as on the boards of directors of SIC Invent AG based in Basel and Ferrina AG in Liechtenstein. Mr Hölzle is a trained coach for managing directors, board members and executives.

Ernö Theuer (Member of the Supervisory Board)

Member of the Supervisory Board since 7 May 2024

Mr Ernö Theuer (born 1962) has been a managing partner of the CRESPI Group in Frankfurt am Main since 2006. The company specialises in initiating, holding and managing investments. He has also been a managing partner of CK Holding GmbH since 2021, and managing director of SC Finance Four GmbH since the beginning of 2024. Mr Theuer also held several managing positions prior to this, for example at T&P Management Consultants AG, PE Verlag für Wirtschaftsinformationen GmbH and HEGRA GmbH & Co. KG, after working as an assistant to the Executive Board and sales manager in the consumer goods industry. Ernö Theuer is a senior advisor at a German listed private equity company and is accredited as a start-up and financing advisor at two globally recognised credit institutions for reconstruction and the World Bank.



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REPORT OF THE SUPERVISORY BOARD

Dear Readers, Dear Shareholders,

In the 2025 financial year, the Supervisory Board continued to perform the tasks and exercise the responsibilities incumbent upon it pursuant to the law, DEMIRE Deutsche Mittelstand Real Estate AG's Articles of Association and its Rules of Procedure.

The Supervisory Board and the Executive Board continuously worked together and communicated intensively and constructively throughout the entire financial year. In addition to the topics explicitly mentioned in this report, the work and communication of the boards extended to all other material issues concerning the Company and the Group. The Supervisory Board consulted regularly with the Executive Board and supervised the conducting of business in consideration of legality, effectiveness and economic efficiency. The Executive Board directly involved the Supervisory Board in decisions of fundamental significance for the Company and the Group.

As in previous years, the Executive Board kept the Supervisory Board informed by means of regular written and verbal Executive Board reports. These reports included a detailed discussion of important issues related to the development of the markets relevant for the Company and the Group, current and potential real estate transactions, short and long-term corporate planning and current business performance. The position of the Company and the Group, the liquidity, financing and risk situation, the Group-wide risk management system, current real estate projects and the further strategic development of the Group were also part of these discussions. In this context, the Supervisory Board performed its supervisory duties intensively, in particular with regard to asset management, transactions, liquidity planning and the refinancing schedule. The Supervisory Board critically reviewed the information provided by the Executive Board, checking its plausibility.

The Executive Board explained in detail deviations in business from the previously adopted plans and targets, as well as appropriate measures to counteract these deviations or to communicate them to the capital market. This was then checked by the Supervisory Board. After careful examination and consultation, the Supervisory Board members approved the reports and resolution proposals of the Executive Board to the extent required by the provisions of the law, the Articles of Association and the Rules of Procedure.

The Chair of the Supervisory Board was informed by the Executive Board by way of written and verbal reports – also outside of Supervisory Board meetings – of particular business transactions that, in the opinion of the Executive Board, were of key significance in assessing the position and development of the Company and the Group, and for their management. Matters requiring approval were promptly submitted by the Executive Board for resolution. The Chair of the Supervisory Board was in close personal contact with the Management Board both before and after the change at the top of the Supervisory Board and received regular updates on the current course of business and significant business transactions. He also kept the other Supervisory Board members informed outside of the scheduled meetings and discussed developments with them.

There were no consulting or other service relationships between members of the Supervisory Board and the Company in 2025. Conflicts of interest on the part of the members of the Executive Board or Supervisory Board that would require immediate disclosure to the Supervisory Board and notification to the Annual General Meeting did not exist in the reporting year.



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Composition of the Supervisory Board

MEMBERS OF THE SUPERVISORY BOARD IN THE 2024 FINANCIAL YEAR

Dr Matthias Prochaska (Member since 26 September 2025, Chair since 2 October 2025)
Markus Hofmann (Chair until 15 September)
Frank Hölzle (Vice-Chair)
Ernö Theuer (Member since 7 May 2024)

SUPERVISORY BOARD COMMITTEES

An Audit Committee was constituted in November 2021, with Mr Frank Hölzle as its Chair. Other members of the Auditing Committee in the reporting year are Dr Matthias Prochaska (since 26 September 2025), Mr Markus Hofmann (until 15 September 2025) and Mr Ernö Theuer.

Work of the plenum in the reporting year

The Supervisory Board held six face-to-face meetings in the 2025 financial year on 12 February 2025, 25 March 2025, 14 May 2025, 2 October 2025, 12 November 2025 and 18 December 2025. In addition, it discussed current issues in three telephone and video meetings on 14 and 19 March 2025 and on 10 September 2025, particularly in connection with the sale of properties, the strategic orientation of the Company and financing planning. All of the Supervisory Board members participated in each one of the nine face-to-face and virtual Supervisory Board meetings, i.e. 100% attendance. Regular coordination meetings continued to be held in the form of video conferences.

FIRST QUARTER OF 2025

In the first quarter of 2025, the Supervisory Board held two face-to-face meetings and two hybrid meetings. On 12 February 2025, the Supervisory Board discussed various sales and leasing activities and approved the plans for 2025. At its meeting on 14 March 2025, the Supervisory Board was presented with the preliminary audit results of the auditing firm PwC. At its meeting on 19 March 2025, the Supervisory Board approved the 2024 annual financial statements and management report, the 2024 dependency report, the 2024 remuneration report and the 2024 consolidated financial statements and Group management report. At its meeting on 25 March 2025, the Supervisory Board received a detailed explanation of the Company's risk management system. The Supervisory Board and Executive Board also discussed various administrative and operational matters. Topics discussed included the Company's current transaction activities, vacant properties and rental opportunities, the status of the Limes portfolio and the Cielo property, and the tendering processes for auditing and energy cost optimisation.

SECOND QUARTER OF 2025

In the second quarter of 2025, following the Annual General Meeting on 14 May 2025, the Supervisory Board addressed issues including bond restructuring costs, leasing status and administrative costs.

THIRD QUARTER OF 2025

In the third quarter, business development and the liquidity situation were discussed in detail at an in-person meeting on 10 September 2025. Other topics discussed at this meeting included the status of the Cielo property, the succession of the Chair of the Supervisory Board and the 2025 employee survey. In addition, the Supervisory Board was briefed on the topics of administrative cost analysis, the Limes portfolio, the Neuss Fashion Centre and the legal dispute concerning Kind.



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FOURTH QUARTER OF 2025

In the fourth quarter, the Supervisory Board once again held three in-person meetings. On 2 October 2025, the Supervisory Board elected Dr Matthias Prochaska as Chair of the Supervisory Board and received reports on current transactions, asset management and the financing raised by the Company. The key topics at the meeting on 12 November 2025 were updates on the Company's current transaction activities, current developments in asset management, the cost structure and liquidity of DEMIRE Deutsche Mittelstand Real Estate AG, and the timing of future refinancing. At its last in-person meeting on 18 December 2025, the committee addressed administrative and operational issues, including the provisional business plan for 2026, asset management and the latest developments concerning various transactions.

Dependency Report pursuant to Section 312 (1) AktG

In the 2025 financial year, DEMIRE Deutsche Mittelstand Real Estate AG was a dependent company of Apollo Global Management Inc. and members of the Wecken Group, as defined by Section 312 AktG. AEPF III 15 and the Wecken Group (Wecken & Cie., Mr Klaus Wecken, Mr Ferry Wecken and Ms Ina Wecken) are bound by a voting agreement. On this basis, the Company is jointly controlled by AEPF III 15 and thus ultimately by Apollo Global Management Inc. and the members of the Wecken Group by way of a multi-parent company structure in accordance with Section 17 (1) AktG.

The Executive Board of DEMIRE Deutsche Mittelstand Real Estate AG has therefore prepared an Executive Board report on the relationships with affiliated companies ("Dependency Report") in accordance with Section 312 (1) AktG, which contains the following concluding declaration:

"Our Company received appropriate consideration for each legal transaction according to the circumstances known to us at the time the legal transactions were carried out. No measures as defined by Section 312 AktG were either taken or omitted by our Company in the year under review."

Following the final result of the examination by the Supervisory Board, the latter raised no objections to the declaration of the Executive Board on the report on relationships with affiliated companies.

A WORD OF THANKS FROM THE SUPERVISORY BOARD

The Supervisory Board would like to thank the Group's employees for their great commitment, particularly in the context of the financial statements, successful asset management, transaction and financing activities, and for their overall constructive cooperation in the 2025 financial year.

This report was discussed in detail and adopted by the Supervisory Board in its conference call on 18 March 2026.

Frankfurt am Main, 18 March 2026

Dr Matthias Prochaska
(Chair of the Supervisory Board)



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DEMIRE ON THE CAPITAL MARKET

An overview of DEMIRE shares

The share capital of DEMIRE Deutsche Mittelstand Real Estate AG consists of 107.78 million no-par value bearer shares that are admitted for trading on the Frankfurt Stock Exchange and the Xetra electronic trading platform.

DEMIRE KEY SHARE DATA

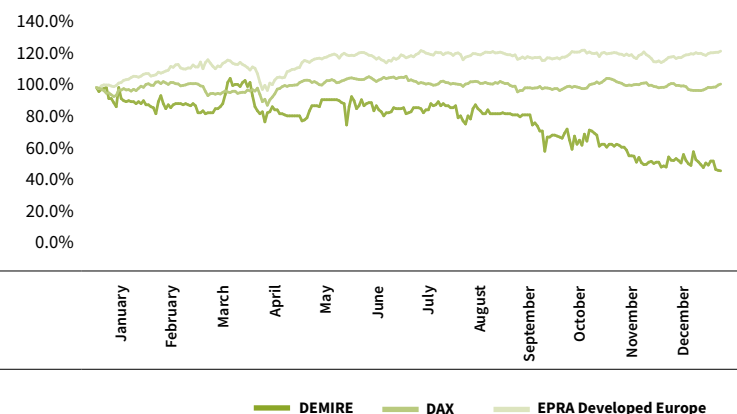
Share	31/12/2025	31/12/2024
ISIN	DE000A0XFSF0	DE000A0XFSF0
Symbol/ticker	DMRE	DMRE
Stock exchange	Frankfurt Stock Exchange (FSE); XETRA Open markets in Stuttgart, Berlin, Düsseldorf	Frankfurt Stock Exchange (FSE); XETRA Open markets in Stuttgart, Berlin, Düsseldorf
Market segment	Regulated Market (Prime Standard)	Regulated Market (Prime Standard)
Designated sponsors	Hauck Aufhäuser	BaaderBank, Pareto Securities AS
Share capital	TEUR 107,777	TEUR 107,777
Number of shares	107,777,324	107,777,324
Closing 31 December (XETRA)	EUR 0.39	EUR 0.75
Avg. daily Xetra trading volume 1 January to 31 December	4,895	9,773
Market capitalisation	EUR 42 million	EUR 81 million
Free float < 3% (in %)	7.15	7.15

Development of the stock market and DEMIRE shares

In the 2025 stock market year, the capital markets continued their upward trajectory from the previous year. The DAX rose by around 23% over the year and closed near its all-time high at the end of the year.

Marked by weak interest in real estate shares on the German stock exchange and a generally weak economic environment for commercial real estate companies, the DEMIRE share price fell by 51% to EUR 0.39 over the course of the year. DEMIRE shares therefore performed differently to the EPRA Developed Europe index of European real estate shares, which rose slightly over the year (2.3%).

SHARE PRICE DEVELOPMENT 2025





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Dividend

The Executive Board therefore proposes that no dividend be paid for the 2025 financial year. Taking into account the amended terms and conditions of the 2019/2027 corporate bond, the insufficient net profit and the existing loss carryforwards, no dividend payment is possible.

Development of DEMIRE bonds

While European government bond markets tended to move laterally in 2025, corporate bonds, especially those with an investment grade rating, enjoyed high demand. In this environment, the DEMIRE bond was trading at 91.44 at the beginning of 2025. At the end of 2025, the bond was then trading at 94.11.

2019/2027 CORPORATE BOND

Name	DEMIRE Senior Notes 2019/2027
Issuer	DEMIRE Deutsche Mittelstand Real Estate AG
Bond rating	B (Fitch), B (Scope)
Stock exchange listing/trading	Open market of the Luxembourg Stock Exchange (Euro MTF)
Applicable law	German law
ISIN	DE000A2YPAK1
WKN	A2YPA
Issue volume	EUR 600,000,000
Total outstanding capital amount	EUR 247,052,500
Denomination	EUR 100,000
Coupon	5.000%
Interest payments	On 15 June and 15 December
Maturity date	31 Dezember 2027
Repayment	Callable at nominal value plus accrued and unpaid interest
Distribution	Regulation S, excluding registration rights
Change of control	101% plus accrued and unpaid interest
Closing price 31 December 2025	94.1

Rating by Fitch and Scope

With the rating assessments, DEMIRE strengthens transparency and supports the independent assessment of its business activities. DEMIRE maintained regular contact with the rating agencies throughout the year and reported on business developments in a timely manner.

The rating agency Moody's withdrew its rating in July 2025 at the Company's request.

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The rating agency Scope has assigned a B rating to the 2019/2027 corporate bond. The rating agency has assigned DEMIRE a corporate rating of B- with a negative outlook.

In June 2025, the rating agency Fitch assigned a B rating to the 2019/2027 corporate bond. DEMIRE is rated CCC+ as an issuer.

The detailed current ratings for the bond are available on Fitch’s website at www.fitchratings.com and the Scope website at www.scooperatings.com and also on [DEMIRE’s website](#).

DEMIRE RATING – AS AT 31 DECEMBER 2025

Rating agency	Company		Bonds
	Rating	Outlook	Rating
Scope	B-	negative	B
Fitch	CCC+	–	B

Annual General Meeting

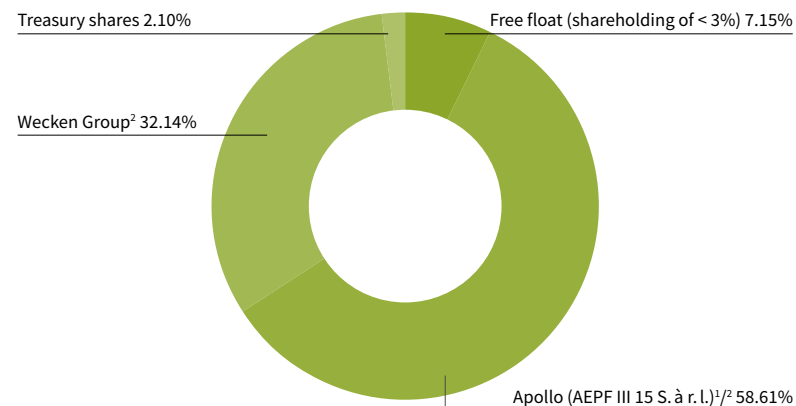
The DEMIRE Annual General Meeting was held online on 14 May 2025. All agenda items submitted by the management, including the grant of a new authorisation to acquire and use treasury shares in accordance with Section 71 (1) Item 8 AktG and to exclude shareholders’ subscription and tender rights, were approved by a large majority of shareholders.

Shareholder structure

The DEMIRE shareholder structure did not change in the 2025 financial year. Apollo and the Wecken Group remain the Company’s major shareholders and still hold around 90.7% of the shares in the Company between them.

SHAREHOLDER STRUCTURE AS AT 31 DECEMBER 2025

in %



¹ Including subsidiaries

² Acting in concert

Source: Notifications from WpHG (German Securities Trading Act) and own calculations



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IR activities

The Investor Relations department is responsible for approaching investors and analysts in a professional manner and communicating with debt specialists. The department thus handles communication for all capital market activities and is responsible for the reporting requirements for equity and bond investors as well as for the rating agencies.

DEMIRE once again took part in German and international equity and debt capital market conferences in the 2025 financial year. In addition, it regularly presented the Company's latest developments to existing and new equity and bond investors and to the rating agencies Moody's, Fitch and Scope.

DEMIRE regularly and comprehensively informs its stakeholders of the Company's latest developments. This includes publishing its results as at the reporting date and organising telephone conferences for interested investors, analysts and the media, and reporting in detail on the results.

On the capital market, DEMIRE relies on active and transparent dialogue with all current and potential investors. With the support of existing shareholders, DEMIRE's market capitalisation and visibility on the capital market are expected to continue to rise.

In the Investor Relations section on the [website](#), all investors, analysts and media representatives have access to a wide range of documents, such as all published annual reports, half-year reports and quarterly statements. There are also summary presentations of these, as well as recordings of conference calls, the latest company presentations and further information, such as reports from equity analysts. DEMIRE is committed to the equal treatment of bond investors and analysts, as well as equity investors and analysts.

Analyst coverage

DEMIRE shares are currently being monitored and evaluated by a financial analyst.

DEMIRE RATING – AS AT FEBRUARY 2026

Bank/broker	Analyst	Current rating	Current target price EUR
Nuways	Philipp Sennewald	Buy	1.00



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CORPORATE GOVERNANCE

2025 Corporate Governance Statement pursuant to Sections 315d and 289f of the German Commercial Code (HGB) including the Declaration of Conformity pursuant to Section 161 of the German Stock Corporation Act (AktG)

DEMIRE Deutsche Mittelstand Real Estate AG submits a Corporate Governance Statement pursuant to Sections 315d and 289f HGB. The Declaration of Conformity with the German Corporate Governance Code pursuant to Section 161 AktG, which is contained in this statement, is also available to shareholders on the [🔗 Company's website under the section entitled "Company" > "Governance"](#).

This section of the [🔗 website](#) also includes the documents to be published on the remuneration report for the previous financial year as well as the applicable remuneration system pursuant to Section 87a (1) and (2) (1) AktG and the latest resolution on remuneration pursuant to Section 113 (3) AktG. The auditor's report pursuant to Section 162 AktG has been published as part of the annual report on the [🔗 Company's website under Investor Relations > Publications](#).

Commitment

The governing bodies of DEMIRE Deutsche Mittelstand Real Estate AG are committed to the responsible and value-enhancing management and monitoring of the Company and the Group. Ensuring that the Company's corporate governance principles and development are transparent is intended to build, maintain and strengthen the trust of the shareholders, business partners, customers, capital market participants and employees. The Executive Board and the Supervisory Board work closely and faithfully together for the Company's benefit and to ensure that the Company is managed and controlled responsibly through good corporate governance.

Organisation and management

DEMIRE Deutsche Mittelstand Real Estate AG (together with its subsidiaries and associates the "DEMIRE Group") is headquartered in Germany. The registered offices of the subsidiaries and associated companies correspond to the location of their real estate holdings in Germany or other countries in which they conduct a majority of their activities.

The management of the Core Portfolio is the responsibility of the Group's internal asset and portfolio management team, which also manages and controls external property and facility management. Administrative duties are also undertaken by the Risk Management and Compliance, Accounting/Investment Management/Treasury, Corporate Finance/Investor Relations, Legal/Human Resources/IT, Transactions and Portfolio Controlling divisions.

The Executive Board manages the individual real estate investments based on defined, individual cash-flow-oriented budgets and steers the Group according to an overall plan derived from the individual budgets of the portfolio and property companies and other Group subsidiaries. The development of the individual budgets versus their budget targets is a component of the Executive Board's routine strategy and reporting discussions with the relevant operating managers.

Composition and working practices of the Executive Board and Supervisory Board

As a listed German stock corporation, the Company's management is governed by the German Stock Corporation Act, other legal provisions of corporate and commercial law, and the requirements of the German Corporate Governance Code in its current version. German stock corporations are required by law to employ a dual management system. This creates a strict separation of the Executive Board as the managing body of the Company and the Supervisory Board as the oversight body, whereby the Executive Board and Supervisory Board work together closely, and in a spirit of trust, in the Company's best interest.



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Management and control structure

EXECUTIVE BOARD

The Executive Board is solely responsible for managing the Company and represents the Company in dealings with third parties. It defines the strategy in coordination with the Supervisory Board and implements this strategy, keeping the goal of sustainable value creation in mind. Executive Board members are responsible for individual areas independent of their joint responsibility for the Group. In 2023, the Executive Board gained another member. The members of the Executive Board work together as colleagues and inform each other of important events and activities in their areas of responsibility. The Executive Board has adopted Rules of Procedure with the approval of the Supervisory Board. The Executive Board must obtain the Supervisory Board's approval in cases specified by law. In addition, DEMIRE Deutsche Mittelstand Real Estate AG's Articles of Association and the Executive Board's Rules of Procedure set out extraordinary transactions that also require Supervisory Board approval.

The Executive Board informs and reports to the Supervisory Board regularly, promptly and comprehensively on all Company-relevant strategy, planning, business developments and issues concerning risk. Other important events must be reported by the Executive Board to the Chair of the Supervisory Board. In addition, the Chair of the Supervisory Board is routinely and continually informed of business developments. The Executive Board relies on the risk management system applicable throughout the DEMIRE Group to provide these reports.

MANDATES OF EXECUTIVE BOARD MEMBERS IN SUPERVISORY BOARDS OF OTHER COMPANIES OR COMPARABLE SUPERVISORY BODIES

Mr Frank Nickel holds (Chief Executive Officer since 3 April 2024) the following mandates:

— Member of the Supervisory Board of PROXIMUS Real Estate AG (Cologne)

Mr Tim Brückner and Mr Ralf Bongers do not hold any offices in any statutory supervisory boards or comparable supervisory bodies or in any comparable domestic or foreign supervisory bodies of commercial enterprises.

The remuneration of the members of the Executive Board is explained in the [Remuneration Report section](#) of the combined Group management report and management report of DEMIRE Deutsche Mittelstand Real Estate AG.

SUPERVISORY BOARD

The Supervisory Board appoints the members of the Executive Board, determines their total compensation and oversees their management activities. It also advises the Executive Board on the management of the Company. The Supervisory Board adopts the financial statements and approves the consolidated financial statements. Material decisions of the Executive Board require the approval of the Supervisory Board. In addition, the Supervisory Board has adopted Rules of Procedure.

The Supervisory Board currently consists of three members to be elected by the Annual General Meeting of DEMIRE Deutsche Mittelstand Real Estate AG. There was a change of personnel in 2025. Mr Markus Hoffmann has stepped down as Chair of the Supervisory Board. Dr Matthias Prochaska has taken over this position. The Supervisory Board does not include any former members of the Executive Board.

All members of the Supervisory Board have the necessary knowledge, skills and professional experience to perform their duties properly. According to recommendation C.1 of the German Corporate Governance Code (GCGC), the Supervisory Board is to draw up a profile of skills and expertise for the entire Board. Accordingly,

	
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the Supervisory Board must be composed in such a way that its members have the knowledge, skills and professional experience required to fulfil their supervisory duties properly. Against this background, the Supervisory Board of DEMIRE Deutsche Mittelstand Real Estate AG has defined a professional skills profile with the following elements:

- Industry knowledge
- Strategy and management experience
- Accounting and auditing of financial statements
- Controlling
- Financing
- Financial and capital markets
- Portfolio and asset management
- Legal/compliance/corporate governance
- Risk management
- Sustainability/ESG
- IT
- Internationality

The Supervisory Board should cover the aforementioned areas of expertise, although it is not necessary for all members of the Supervisory Board to have all areas of expertise, but rather for the individual members to complement each other in their individual areas of expertise.

Even when new appointments are made, the aim is to fulfil the competence profile for the entire Board. In addition, the principle of diversity should be applied to the composition of the Board and various aspects, such as cultural/ethical background, gender, age, nationality or professional and educational background, should be given appropriate consideration.

Against this background, the individual skills profile of the Supervisory Board of DEMIRE Deutsche Mittelstand Real Estate AG is as follows:

Name	Dr Matthias Prochaska	Frank Hölzle	Ernö Theuer
Industry knowledge	X	X	X
Strategy and management experience	X	X	X
Accounting and auditing of financial statements	X	X	X
Controlling	X	X	X
Financing	X	X	X
Financial and capital markets	X	X	X
Portfolio and asset management	X		
Legal/compliance/corporate governance	X		X
Risk management			X
Sustainability/ESG		X	X
IT		X	X
Internationality	X	X	X

The Supervisory Board has formed an Audit Committee, which – due to the small number of members – includes all members of the Supervisory Board. This committee is chaired by Mr Frank Hölzle.

The Supervisory Board reports on its activities during the 2025 financial year in its report to shareholders. The remuneration of the members of the Supervisory Board is explained in the [Remuneration Report](#) of the combined Group management report and management report of DEMIRE Deutsche Mittelstand Real Estate AG.

The Supervisory Board carried out a self-appraisal of their work in 2024 in line with recommendation D.V.D.12 of the German Corporate Governance Code. All Supervisory Board members evaluate the work of the Supervisory Board via a questionnaire and propose suggestions for improvement. The evaluated questionnaires are then discussed by the Supervisory Board, then discussion turns to which suggestions for improvement will be taken and implemented. In 2025, no self-assessment was carried out, partly due to changes in personnel. A new self-assessment is planned for 2026.

	
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MANDATES OF SUPERVISORY BOARD MEMBERS IN SUPERVISORY BOARDS OF OTHER COMPANIES OR COMPARABLE SUPERVISORY BODIES

Name	Company	Position
Markus Hofmann, Chair of the Supervisory Board from 1 January 2023 to 15 September 2025, Executive Director	Renocle GmbH, Frankfurt EVAMA Vermögensverwaltung GmbH & Co. KG, Munich	Managing partner Managing partner
Dr Matthias Prochaska, Chair of the Supervisory Board since 2 October 2025, Executive Director	Lapithus Management, Luxembourg	Executive Director
Frank Hölzle, Vice Chair of the Supervisory Board since 14 February 2017, CEO	Fair Value REIT-AG, Langen	Chair of the Supervisory Board
	Care4 AG, Basel/Switzerland	Executive Board
	clickworker GmbH, Essen	Chair of the Advisory Board
	rankingCoach international GmbH, Cologne	Chair of the Advisory Board
	SIC Invent AG, Basel/Switzerland	Member of the Board of Directors
	SevDesk GmbH, Offenburg	Member of the Advisory Board
	GreySky Properties AG, Basel/Switzerland	Member of the Board of Directors
Ernö Theuer, since 7 May 2024, Managing Director	Evana AG, Saarbrücken	Member of the Supervisory Board
	KUGU Home GmbH, Berlin	Member of the Advisory Board
	FERRINA AG, Vaduz/Liechtenstein	Member of the Board of Directors
	CRESPI Group, Frankfurt am Main	Managing partner
	SC Finance Four GmbH (Soravia Gruppe), Neu-Isenburg	Managing Director (CRO)
CK Holding GmbH, Frankfurt am Main	PRO Flughafen e. V., Frankfurt am Main	Managing partner
		CEO

SHARES OF DEMIRE DEUTSCHE MITTELSTAND REAL ESTATE AG OWNED BY MEMBERS OF GOVERNING BODIES AND MAJOR SHAREHOLDERS

DEMIRE Deutsche Mittelstand Real Estate AG had 107,777,324 shares outstanding as at 31 December 2025.

Mr Frank Hölzle holds 1,400 shares in the Company, which is equivalent to an interest of 0.001% of the Company's outstanding shares.

Members of the Executive Board and Supervisory Board are legally obliged under Article 19 of Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014 on Market Abuse (Market Abuse Regulation) to disclose any manager's transactions in shares or debt instruments of DEMIRE Deutsche Mittelstand Real Estate AG or related derivatives or other related financial instruments to the extent that the total amount of transactions effected by the member and persons closely associated with them reaches or exceeds the sum of EUR 5,000 within a calendar year. DEMIRE Deutsche Mittelstand Real Estate AG's business dealings of the previous year were published on time on the [Company's website](#).

Shares owned by major shareholders at the end of the 2025 financial year: Based on the information available to the Company, Apollo (AEPF III 15 S.à.r.l.) held 58.61% of the Company's outstanding shares and the Wecken Group held 32.14% of the Company's outstanding shares.

Of the remaining 9.25%, 2.10% were held by the Company as treasury shares and 7.15% were held by institutional and private investors. None of these shareholders held an interest over or equal to 3%.



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SHAREHOLDERS AND THE ANNUAL GENERAL MEETING

The shareholders of DEMIRE Deutsche Mittelstand Real Estate AG exercise their administrative and control rights at the Annual General Meeting. The Annual General Meeting executes all of its duties assigned by law in its meeting, which takes place in the first eight months of each financial year. DEMIRE Deutsche Mittelstand Real Estate AG's financial year ends on 31 December. The Chair of the Supervisory Board presides over the Annual General Meeting. Each shareholder is entitled to attend the Annual General Meeting, address the agenda items and request information about Company matters to the extent necessary for a proper assessment of any agenda item of the Annual General Meeting.

All of the outstanding shares of DEMIRE Deutsche Mittelstand Real Estate AG are no-par value bearer shares with identical rights and obligations. Each share grants one vote at the Annual General Meeting, and there are no special voting rights or limits on the number of voting rights per shareholder. A voting agreement exists between the major shareholders. Resolutions of the Annual General Meeting usually require a simple majority of the votes cast. To the extent that the law prescribes a majority of the capital represented for resolutions, the Articles of Association provide for a simple majority of the capital represented as long as a larger majority is not required by law.

ACCOUNTING AND AUDITING OF FINANCIAL STATEMENTS

The consolidated financial statements are prepared in accordance with International Financial Reporting Standards (IFRS) as applicable in the EU. DEMIRE Deutsche Mittelstand Real Estate AG regularly provides shareholders and third parties with information during the financial year through its publication of the consolidated financial statements, the half-year financial report and the interim statements for the first and third quarters.

The Executive Board must prepare the financial statements (balance sheet, statement of income and notes) and the Company's management report within the first four months of each financial year and immediately provide these to the auditor. After the auditor has performed the audit, the Executive Board shall submit the financial statements including the audit report along with the Board's proposal for the appropriation of retained earnings to the Supervisory Board.

The Annual General Meeting elects the auditor for DEMIRE Deutsche Mittelstand Real Estate AG and the Group as well as for the audit review of interim financial reports and statements. The Supervisory Board awards the mandate for the audit following the election by the Annual General Meeting and concludes the fee agreement with the auditor. BDO AG Wirtschaftsprüfungsgesellschaft, Frankfurt am Main, was appointed as the auditor and Group auditor of DEMIRE Deutsche Mittelstand Real Estate AG for the 2025 financial year and as the auditor for any review of consolidated financial statements and interim reports. The declaration on independence required under the German Corporate Governance Code was obtained from this auditing firm.

The following arrangements have been agreed with the auditor:

- The Chair of the Supervisory Board shall be notified immediately when potential grounds for exclusion or bias arise during the audit and these issues cannot be resolved immediately.
- The auditor shall report on all findings and occurrences that arise during the audit, and which are of importance for the tasks of the Supervisory Board.
- If, during the audit, the auditor discovers inaccuracies in the Declaration of Conformity with the German Corporate Governance Code that was submitted by the Executive Board and the Supervisory Board, then the auditor shall make a note of this in the audit report and inform the Chair of the Supervisory Board.



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COMMUNICATION AND TRANSPARENCY

At DEMIRE Deutsche Mittelstand Real Estate AG, timely, consistent and comprehensive information is a top priority. Transparent corporate governance and good communication with shareholders and the public contribute to strengthening the confidence of investors and of the public. When disclosing information to the public, the Executive Board takes the principles of transparency, promptness, openness, clarity and the equal treatment of shareholders into account. DEMIRE Deutsche Mittelstand Real Estate AG therefore provides comprehensive information on the Company's development as part of its investor relations activities. Reports on the Group's situation, development and especially its financial results are included in the annual report, three-month and nine-month interim statements and half-year financial report.

The Group also informs the public through press releases and ad hoc announcements pursuant to Article 17 (1) of the Market Abuse Regulation (MAR). In addition, the Executive Board communicates extensively on financial issues with the relevant capital market participants in Germany and abroad. All financial publications, announcements, and presentations that are created for reporting purposes are available on [DEMIRE's website](#). The Company's financial calendar is also available on the website and provides timely financial information on key publication dates and the date for the Annual General Meeting. The Articles of Association, all declarations of conformity, and documentation for corporate governance are also available on [DEMIRE Deutsche Mittelstand Real Estate AG's website](#).

DEMIRE Deutsche Mittelstand Real Estate AG maintains an insider list pursuant to the provisions of Article 18 MAR. Persons affected are informed of their statutory duties and penalties.

INFORMATION ON CORPORATE PRACTICES

Good corporate governance is a top priority at DEMIRE Deutsche Mittelstand Real Estate AG and also includes the application of corporate practices that extend beyond the statutory requirements and allow for the hands-on implementation of the German Corporate Governance Code. Good corporate governance also includes taking a responsible approach to risks so as not to jeopardise the Company as a going concern. The Executive Board has therefore established an appropriate risk management system that is constantly evolving in line with the performance of the DEMIRE Group. Further information on this can be found in the ["Risk report" section](#).

Responsible and sustainable management is part of DEMIRE Deutsche Mittelstand Real Estate AG's corporate culture and everyday business. Living up to our ethical and legal responsibilities as a company is a top priority for us. This is the only way in which we can be seen as a partner that stands for integrity and reliability in the real estate industry, by tenants, business partners, authorities and the general public. Consequently, we have put a compliance programme in place within our Company and have prepared a Code of Conduct that all employees commit to when they start working for us.

The fact that corporate governance is a top priority at DEMIRE Deutsche Mittelstand Real Estate AG is demonstrated by its membership of the Institute of Corporate Governance (ICG), for which it was successfully certified for the first time in 2019 and subsequently recertified.

Information on corporate governance at DEMIRE Deutsche Mittelstand Real Estate AG is also publicly available on the [Company's website under "Company" > "Governance"](#).

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TARGETS FOR THE PROPORTION OF WOMEN ON THE SUPERVISORY BOARD, ON THE EXECUTIVE BOARD AND IN THE TWO MANAGEMENT LEVELS BELOW THE EXECUTIVE BOARD

The Act on Equal Participation of Men and Women in Executive Positions in the Public and Private Sectors (Erstes Führungspositionen-Gesetz – FüPoG), which came into force on 1 May 2015, obliges DEMIRE’s Supervisory Board to itself determine a target for the proportion of women on the Supervisory Board and the Executive Board. It also obliges the Executive Board to set a target for the proportion of women in the two management levels below the Executive Board. The Act to Supplement and Amend the Regulations for the Equal Participation of Women and Men in Executive Positions in the Public and Private Sectors (Zweites Führungspositionen-Gesetz – FüPoG II) of 2021 is intended to improve the effectiveness of the FüPoG and to close any gaps. No further requirements arise for DEMIRE Deutsche Mittelstand Real Estate AG from FüPoG II, however.

As part of their meeting on 2 October 2024, the Supervisory Board of DEMIRE Deutsche Mittelstand Real Estate AG has stipulated the target values for the share of women both in the Executive Board and the Supervisory Board.

A target value of zero was set for both the Executive Board and the Supervisory Board. This is because, at the time the resolution was passed, both committees consisted only of men and no changes in the composition of the Executive Board were planned or foreseeable.

A target value of 25% was stipulated for the first management level below the Executive Board in 2022 for the period between 1 July 2022 and 30 June 2027. The proportion of women in the first management level below the Executive Board was 28.57% as at 31 December 2025 and therefore above the set target.

DIVERSITY

DEMIRE Deutsche Mittelstand Real Estate AG does not have a written diversity policy. Nevertheless, the Supervisory Board and the Executive Board pay attention to the issue of diversity within the Company and consider it a matter of course. This is also

expressed in DEMIRE Deutsche Mittelstand Real Estate AG’s Code of Conduct, which enshrines both protection against discrimination and the fundamental principle of mutual respect. The Company believes that providing extensive protection against discrimination is an appropriate way of sufficiently promoting diversity within the Company.

DECLARATION OF CONFORMITY WITH THE GERMAN CORPORATE GOVERNANCE CODE PURSUANT TO SECTION 161 AKTG

The Executive Board and Supervisory Board of DEMIRE Deutsche Mittelstand Real Estate AG (“Company”) monitor compliance with the German Corporate Governance Code. They hereby declare that DEMIRE Deutsche Mittelstand Real Estate AG has been complying with and will continue to comply with the recommendations of the “Government Commission German Corporate Governance Code” in the version dated 28 April 2022. The following exceptions apply:

A. I. Principle 3: “The Executive Board stipulates target values for the share of women in the two management levels below the Executive Board.”

Due to the flat hierarchies in the Company, there is no second management level below the Executive Board. As a result, no target figure could be set here.

B. B. 2: “Together with the Executive Board, the Supervisory Board shall ensure that there is long-term succession planning. The approach shall be described in the Corporate Governance Statement.”

There is currently no written policy for succession planning. Discussions on an extension are held between the Executive Board and the Supervisory Board in good time before the Executive Board employment contract concerned ends. If the talks do not result in further cooperation, the Supervisory Board is of the view that it will be able to ensure succession with sufficient advance notice without the need for a written policy.



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B. B. 5: “An age limit shall be specified for members of the Executive Board and disclosed in the Corporate Governance Statement.”

DEMIRE currently has no age limit for members of the Executive Board. It is the Company’s view that age alone is not an appropriate exclusion criterion for appointing members to the Executive Board. The Supervisory Board is of the opinion that it serves the Company’s interest better in certain cases when it can rely on the long-standing expertise of individual members of the Executive Board.

C. I. C. 2: “An age limit shall be specified for members of the Supervisory Board and disclosed in the Corporate Governance Statement.”

No age limit has been set for members of the Supervisory Board of DEMIRE. In the opinion of the Company, age is not an appropriate criterion for electing a member of the Supervisory Board. The Supervisory Board is of the opinion that it serves the Company’s interest better in certain cases when it can rely on the long-standing expertise of individual members of the Supervisory Board.

D. I. D. 1: “The Supervisory Board shall adopt its own Rules of Procedure and shall publish these on the [🔗 Company’s website](#).”

The Supervisory Board of DEMIRE has established Rules of Procedure. However, they are not published on the [🔗 Company’s website](#). The Company does not believe that publication of the Rules of Procedure for the Supervisory Board will give shareholders any additional information.

D. II. 2. D. 4: “The Supervisory Board shall form a Nomination Committee, composed exclusively of shareholder representatives, which names suitable candidates to the Supervisory Board for its proposals to the General Meeting.”

The Supervisory Board of DEMIRE Deutsche Mittelstand Real Estate AG has not formed a Nomination Committee due to the fact it has a small number of members.

D. IV. D. 11: “The Company shall support Supervisory Board members sufficiently upon their appointment and during training and professional development measures, and shall disclose such measures in the report of the Supervisory Board.”

The members of the Company’s Supervisory Board already undergo a great deal of training as a result of their full-time professional activities. The Company provides sufficient support in this regard. As it is not always possible to clearly assign the activities, they are not listed in the report of the Supervisory Board.

G. I. 2. G. 3: “In order to assess whether the specific total remuneration of Executive Board members is in line with usual levels compared to other enterprises, the Supervisory Board shall use an appropriate peer group of other third-party entities, and shall disclose the composition of such group. The peer-group comparison shall be applied with a sense of perspective, in order to prevent an automatic upward trend.”

The Supervisory Board made use of a peer group when determining the remuneration of the Executive Board. However, the Supervisory Board has refrained from disclosing the specific benchmark companies involved as it does not believe this gives shareholders and stakeholders any additional information.



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This declaration was published immediately and made available to shareholders on the [🔗 website](#). The Declaration of Conformity with the Code from Fair Value REIT-AG, which is included in the consolidated financial statements, dated 26 January 2026, is published on [🔗 Fair Value REIT-AG's website](#).

Frankfurt am Main, 27 January 2026

The Executive Board of DEMIRE
Deutsche Mittelstand Real Estate AG

Dr Dirk Ruffel
(CEO)

Tim Brückner
(CFO)

Ralf Bongers
(Executive Board Member
for Transactions)

On behalf of the Supervisory Board of DEMIRE Deutsche Mittelstand Real Estate AG

Dr Matthias Prochaska
(Chair of the Supervisory Board)

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OVERVIEW OF OUR PORTFOLIO

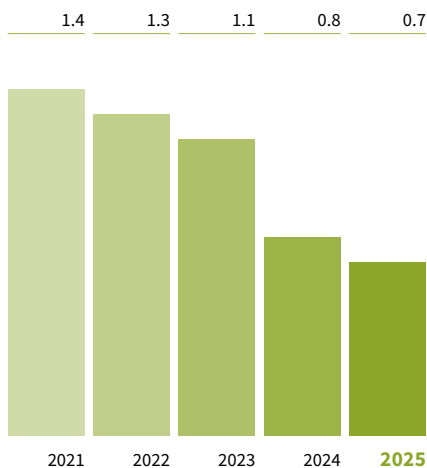
We focus on commercial properties that are suitable for holding in our portfolio for the long term. Our top priority is location. In addition to the micro and macro location, we also look very closely at the long-term prospects of the location. When making our investment decisions, we also rely on support from external experts in local and regional real estate markets.

Our portfolio is geared towards secondary locations. We also add a small number of properties in prime locations to our portfolio. Analyses by bulwiengesa, for example, in the study “Office property market – investment opportunities in secondary

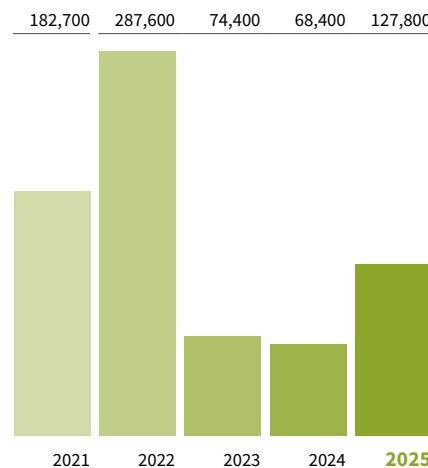
locations” show that office properties in secondary locations in particular offer comparatively high return potential with lower volatility compared to A-cities.

Our portfolio’s focus shows investors and tenants alike that DEMIRE provides a solid foundation on which to build sustainable development and attractive future prospects.

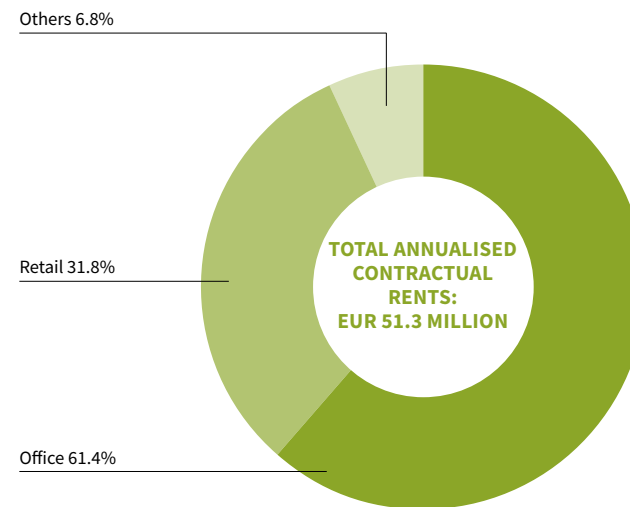
MARKET VALUE (IN EUR BILLION)¹



LETTING PERFORMANCE (IN M²)



ANNUALISED CONTRACTUAL RENTS BY ASSET CLASS



¹ The market value (in EUR million) represents the total fair value of DEMIRE’s property portfolio as at the reporting date. In contrast to the balance sheet total of the “Total portfolio”, no leaseholds or operating facilities are recognised.



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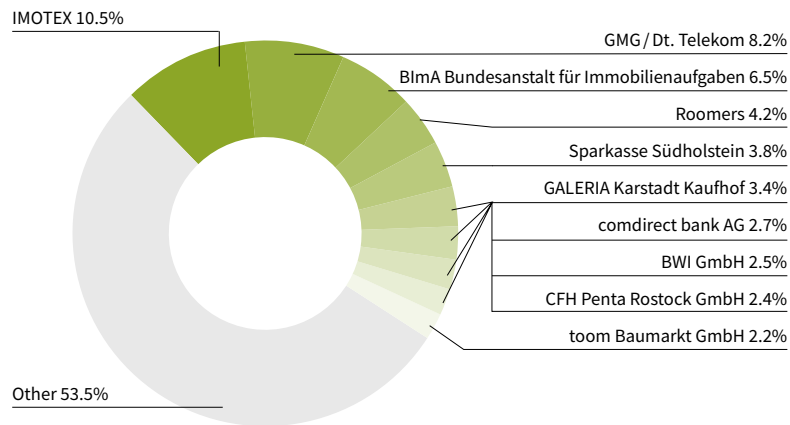
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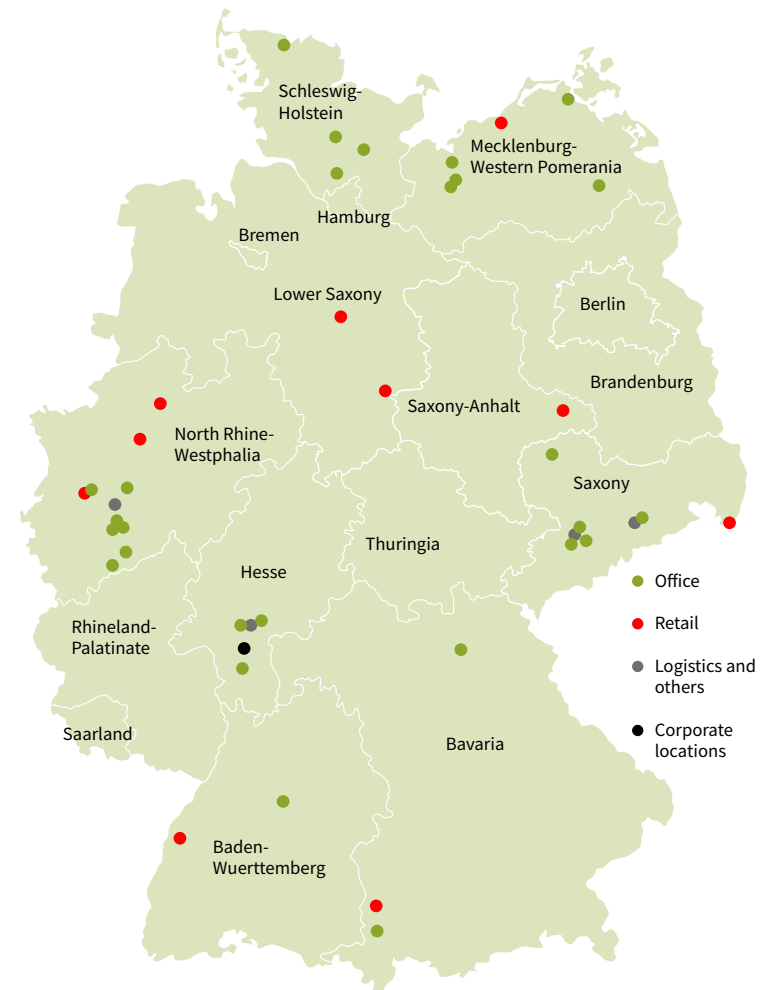
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This broad expertise in real estate allows us to cover a wide range of asset classes in our search for suitable properties. We embrace diversification in geographical terms, too. Investment candidates can be located in all German regions. Our properties are used by solvent tenants with good reputations and stable business prospects. Of our entire rental income, 46.5% comes from our ten biggest tenants. Public sector tenants also account for 26.2% of rental income. The mix of a few large and a large number of medium-sized tenants enables us to keep management costs at a reasonable cost-benefit ratio.

BREAKDOWN OF ANNUALISED CONTRACTUAL RENTS BY TENANT



PORTFOLIO BREAKDOWN BY REGION



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GROUP PRINCIPLES

The combined management report reports on business development at DEMIRE Deutsche Mittelstand Real Estate AG (“the Company”), Frankfurt am Main, and the Group (“DEMIRE” or “the DEMIRE Group”) for the financial year from 1 January to 31 December 2025. The Company prepares its financial statements according to the provisions of the German Commercial Code (HGB) and the provisions of the German Stock Corporation Act (AktG). The consolidated financial statements are prepared in accordance with International Financial Reporting Standards (IFRS) as applicable in the EU and the additional requirements of German commercial law pursuant to Section 315e (1) HGB.

Set-up and orientation

Business activities

Acquisition and value-oriented development of commercial real estate

DEMIRE acquires and holds commercial real estate in regional centres, medium-sized cities and up-and-coming regions bordering metropolitan areas across Germany. In such cases, the quality of the property, together with the location, is a material investment criterion. The portfolio has potential for real estate investments and is attractive both to international and regional tenants.

At the same time, these markets showed particular price resilience due to what tends to be the high stability of tenant demand in a region characterised by its medium-sized companies as well as public administration (see [bulwiengesa – “Office Real Estate Market Study – Investment Opportunities in Secondary Locations” – 2021 Demire Sekundärstandorte.pdf](#)). Successful property management in these regions requires comprehensive regional market knowledge and a functioning network of local private companies and public tenants. DEMIRE meets these requirements, thanks to its employees' presence and networking on site.

In principle, the Company focuses its portfolio on a mix of office, retail and hotel properties. With a current surplus in office properties, DEMIRE considers the return/risk structure for the commercial real estate business segment to be appropriate.

The Company attaches great importance to signing contracts with solvent tenants and the realisation of the potential inherent in real estate. As a result, DEMIRE continues to expect stable, sustainable rental income at property level. In addition to operating performance, the development of property values is largely determined by general market conditions.

The business approach is fundamentally geared towards portfolio growth, and the Company disposes of any properties that are not consistent with its strategy. Successful extension of the 2019/2024 corporate bond until the end of 2027 led to a temporary adjustment of the strategy to ensure long-term stability of business operations. The loan-to-value ratio should therefore be reduced even further. This is likely to be achieved through property sales, among other things, so it is currently assumed that the portfolio base will continue to shrink.

DEMIRE continues to advance the organisation from an operational and procedural perspective by implementing all kinds of different measures. Alongside cost discipline, operating performance is improved by means of directing external property managers and other service providers in a targeted manner, as well as by expanding the internal asset and portfolio management structures.

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Listing on the stock market allows shareholders to participate in growth

DEMIRE's securities are listed on the regulated market (Prime Standard segment) of the Frankfurt Stock Exchange.

Satisfying the interests of shareholders is at the heart of DEMIRE's work to advance the business. The aim is to increase the value of the Company's portfolio in their interests. At the same time, the Company aims to generate stable income.

When it comes to possible acquisitions, the Company focuses on assets with development potential. Economically mature assets and smaller properties that are not part of the Core Portfolio will be sold. As at the reporting date, there were purchase offers for properties with a market value of EUR 103.5 million, meaning that these are classified as held for sale in the consolidated financial statements. The purchase offers are subject to further review and may not lead to the conclusion of a sale. As at the reporting date, DEMIRE has a real estate portfolio of 43 properties with lettable space of around 536,790 m² and a market valuation of around EUR 688.3 million (including properties held for sale). The Cielo office property in Frankfurt am Main (JV Theodor-Heuss-Allee GmbH) is not included in these figures as it is held within a joint venture and accounted for using the equity method.

Division of the business into two segments

DEMIRE divides its business into two segments: Core Portfolio and Fair Value REIT. The strategically important Core Portfolio segment comprises the assets and activities of DEMIRE's subsidiaries and sub-subsidiaries that are not allocated to the Fair Value REIT-AG subsidiary. The Fair Value REIT segment comprises the investment activities in direct and indirect real estate holdings of this listed subsidiary with REIT status in a Group context. The administrative and cross-segment tasks within the Group, such as risk management, finance, controlling, investor relations, legal, IT and compliance, which cannot be allocated to either of the two segments, are reported as activities of the Group holding company.

Strategy and objectives

DEMIRE is pursuing the following long-term goals:

1. Increasing portfolio quality for risk-adjusted company growth
2. Re-establishing the Company's ability to pay dividends in the long run
3. Achieving an investment grade rating

In order to achieve these objectives, the Company pursues four central approaches or strategic levers:

1. **Transactions** – Continued optimisation of the portfolio structure and acquiring additional liquidity to lower the loan-to-value ratio, the medium-term objective is to expand the portfolio in secondary locations corresponding to the market situation
2. **Management** – Exhausting real estate potential through active and value-oriented property management
3. **Financials** – Reducing the debt ratio and long-term stabilisation of the financing structure
4. **Processes** – Realising optimisation potential in processes and structures

These levers are described in detail as follows:

Transactions

The long-term objective of portfolio growth is currently on hold with the aim of strategically aligning DEMIRE for new growth by reducing the loan-to-value ratio. To achieve this, properties are to be sold; this will probably reduce the real estate portfolio for the time being over the next few years. The additional liquidity will also be used to invest in potential in the portfolio in order to further develop the portfolio in a value-creating and sustainable manner.



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After completing stabilisation of the financing structure, the Company will, from a strategic perspective, continue to focus its acquisitions on regional centres, medium-sized cities and up-and-coming regions bordering metropolitan areas throughout Germany. In order to optimise the risk structure, DEMIRE's portfolio is distributed across the office, retail and other (including hotel) types of use in line with the market.

Expanding the portfolio in the long term allows the Company to exploit economies of scale, with a positive impact on the cost structure, for example, by further reducing administrative, financing and service costs.

Management

The Company's aim is to further leverage real estate potential by continuing to improve its real estate management with a value-based approach. This includes the expansion of the Company's in-house portfolio and asset management capacities. This strengthening of capacity enables the portfolio and asset management team, for example, to develop dedicated individual property strategies, also while taking increasing sustainability requirements into account. At the same time, it is possible to focus on managing existing tenants and new lettings whilst also improving the optimisation of cost structures at individual property level through the intensive control of property and facility management.

In terms of portfolio management, the Company is actively working to optimise the portfolio structure. This involves disposing of small, less profitable properties in non-strategic areas and locations and acquiring properties that are in line with the strategy. Properties that require restructuring due to changes in market conditions are repositioned using DEMIRE's active asset management approach. Another focus of portfolio management is the ongoing development of the properties, especially whilst also taking sustainability criteria into account.

DEMIRE also maintains and continuously expands its regional network of administrations, trade associations, brokers and other regional real estate players.

Financials

DEMIRE continuously reviews its financial performance indicators with the aim of optimising them. In these endeavours, the Company pays special attention to cost structures. In addition to monitoring the performance indicators, DEMIRE regularly reviews and benchmarks non-operating costs in particular.

Overall, the Group's financial liabilities including lease liabilities (excluding shareholder loans) fell to EUR 387 million compared with the end of 2024 (EUR 416 million).

Administrative costs fell to EUR 10.0 million in 2025 (-27.6% compared to the previous year). In addition to cost savings in the reporting year, consulting costs were incurred in the previous year in connection with the extension of the bond. The negative financial result of EUR -51.8 million (previous year: EUR 10.4 million) mainly reflects the increase in interest costs of the shareholder loan and the corporate bond. In the previous year, income from bond repurchases below nominal value was also generated. Despite declining financial liabilities (excluding shareholder loans), the net loan-to-value ratio (excluding shareholder loans) rose slightly to 41.8%, compared with 40.9% at the end of 2024, primarily due to the decline in assets following valuation losses.

Processes

DEMIRE's corporate culture includes the continuous improvement of existing processes, procedures and structures. The DEMIRE Group continued to optimise and standardise its processes in 2025. The asset management division was reorganised and additional staff were recruited. At the same time, Fitch was commissioned as a new, second rating agency for the 2019/2027 corporate bond. Furthermore, our EPRA key figures in the annual report and our sustainability report were once again awarded Gold by EPRA in 2025, demonstrating that we continue to meet the highest transparency requirements in this area.





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Corporate management

Management: key performance indicators are geared towards earnings and value development

We make use of a range of financial indicators to manage our Company. They relate to income and liquidity on the one hand, whilst also looking at asset value. The most important performance indicators for management purposes are rental income and funds from operations after taxes, before minority interests and excluding interest on the shareholder loan (FFO I), for which budgeted figures are also published as part of the forecast report.

On the earnings side, DEMIRE uses rental income and the operating result as reported in the funds from operations after taxes, before minority interests and excluding interest on the shareholder loan (FFO I) as key performance indicators. In order to grow FFO I, management is tasked with improving the cash flow of the real estate portfolio over time and through active portfolio management. To achieve this, the development of the occupancy rate, the actual net rent per m², excluding service charges, ongoing maintenance and operating costs, allocable service charges, rent losses and the net operating income of the properties (NOI) are monitored and actively controlled at the operating level by means of regular evaluations. Integrated cash flow planning links both the business segments and the individual properties together. For DEMIRE AG, the most important performance indicators are revenue and net profit for the year as determined in accordance with the provisions of German commercial law.

In addition to the earnings position, we also continuously monitor the liquidity situation. Revenue and cash flows are aggregated and evaluated at Group level.

Interest expenses are also of major importance because they have a significant impact on the financial result and thus also on the profit/loss for the period and the development of cash flow. The active and ongoing management of the debt financing portfolio, combined with continuous market observation and evaluation, aims to steadily optimise the financial result in line with market conditions.

The key performance indicator related to the balance sheet for measuring added value is the change in net asset value (NAV), adjusted for dividend payouts.

Another key figure for the Group is the net loan-to-value (net LTV) ratio, which, according to the definition of the 2019/2027 corporate bond, is calculated as financial and leasing liabilities (without shareholder loan) minus cash and cash equivalents as a ratio to total assets minus goodwill and cash or cash equivalents (see [➔ “Net loan-to-value ratio”](#)).

Corporate governance: Executive Board and Supervisory Board

The Group’s parent company is DEMIRE AG. It is controlled by the Executive Board, which assumes responsibility for managing the business and determining the Company’s strategic direction. The strategy is implemented in close coordination with the Supervisory Board. The Supervisory Board monitors the activities of the Executive Board and receives regular information from the latter regarding business developments, strategy and potential opportunities and risks. In 2025, the Executive Board consisted of the Chief Executive Officer, Mr Frank Nickel, the Chief Financial Officer, Mr Tim Brückner, and the Executive Board Member for Transactions, Mr Ralf Bongers.

The Executive Board is monitored by the Supervisory Board. In the 2025 financial year, this consisted of three members. Mr Markus Hofmann was Chair until 15 September 2025, and Dr Matthias Prochaska took over on 2 October 2025 following his official appointment on 26 September 2025. Other members of the Supervisory Board were Vice-Chair Mr Frank Hölzle and Mr Ernö Theuer.

The Executive Board and Supervisory Board are committed to the responsible management and monitoring of the Company in line with the principles of good corporate governance. The principles are a prerequisite for sustainable corporate success and a central guideline for conduct in DEMIRE AG’s day-to-day business. The Executive Board and the Supervisory Board are convinced that good corporate governance strengthens trust in the Company among business partners and employees, as well as the general public.



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Portfolio

Diversified portfolio with a focus on office properties

As at 31 December 2025, the Core Portfolio comprised 43 commercial properties (previous year: 51) with total lettable floor space of 536,790 m² (previous year: 603,450 m²).

The **market value** of the properties as at 31 December 2025 totalled EUR688.3 million (previous year: EUR 779.3 million). Office properties accounted for the largest share of this portfolio in terms of market value, at around 62% (previous year: 63%). Retail properties account for approximately 31% (previous year: 29%). Other properties (particularly hotels) account for around 8% (previous year: 8%). The market value per square metre averages EUR1,282 (previous year: EUR1,291) and is significantly below the replacement cost, i.e. the cost of constructing a comparable new building, across all property classes.

TOP TEN TENANTS (AS AT 31 DECEMBER 2025)

No.	Tenant	Type of use	Contractual rents p.a. ¹ in EUR million	in % of total
1	IMOTEX	Retail	5.4	10.5
2	GMG/Dt. Telekom	Office	4.2	8.2
3	Bima Bundesanstalt für Immobilienaufgaben	Office	3.3	6.5
4	Roomers	Hotel	2.2	4.2
5	Sparkasse Südholstein	Office	1.9	3.8
6	GALERIA Karstadt Kaufhof	Retail	1.8	3.4
7	comdirect bank AG	Office	1.4	2.7
8	BWI GmbH	Office	1.3	2.5
9	CFH Penta Rostock GmbH	Hotel	1.2	2.4
10	toom Baumarkt GmbH	Retail	1.1	2.2
Total			23.8	46.5
Other			27.5	53.5
Total			51.3	100.0

¹ Based on annualised contractual rents, excluding ancillary costs



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PORTFOLIO BY ASSET CLASS

	Number of properties	Market value ¹ in EUR million	Share by market value in %	Lettable space in thousand m ²	Market value/m ²	Contractual rent in EUR million p.a.	Contractual rent per m ²	Rental returns in %	EPRA vacancy rate ² in %	WALT in years
Office	28	424.9	61.7	343.8	1,236	31.5	9.84	7.4	20.2	3.5
Retail	11	210.3	30.6	164.2	1,281	16.3	9.36	7.8	10.6	5.0
Other	4	53.1	7.7	28.8	1,842	3.5	11.94	6.6	10.4	14.1
Total 31 Dezember 2025	43	688.3	100.0	536.8	1,282	51.3	9.80	7.5	16.4	4.7
Total 31 December 2024	51	779.3	100.0	603.5	1,291	56.4	9.63	7.2	15.1	4.6
Change (in %/pp)	-8	-11.7%	0	-11.0%	-0.7%	-9.0%	1.7%	0.2	1.3	0.1

¹ The market value (in EUR million) represents the total fair value of DEMIRE's property portfolio as at the reporting date.
In contrast to the balance sheet total of the "Total portfolio", no leaseholds or operating facilities are recognised.

² Excluding project developments



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Portfolio and asset management

DEMIRE defines active asset management as a key factor in achieving positive portfolio development in the long run. This requires regular contact with all stakeholders, especially tenants. This strategy also played a key role last year in the successful letting of properties despite the difficult economic conditions.

Active portfolio management is also part of our comprehensive asset management approach and is aimed at keeping the real estate portfolio attractive and competitive in the long term. As part of these endeavours, DEMIRE is continuously refining its portfolio and taking advantage of attractive acquisition opportunities, as well as selling in a targeted manner small properties that are no longer consistent with its strategy and repositioned properties with mature potential for value appreciation.

The valuation of the entire portfolio was carried out by the independent real estate appraiser Savills as at the reporting date, 31 December 2025. The change in value compared to the previous year, from EUR 779.3 million to EUR 688.3 million is due to the completed sales of nine properties with a total market value of EUR 58.0 million as at 31 December 2024 and the property valuation of EUR -33.0 million at the end of 2025.

Letting performance

At around 127,820 m², letting performance in 2025 was significantly higher than in the previous year (approximately 68,400 m²). This significant increase is mainly attributable to individual leases in the Imotex fashion wholesale business being transferred from a master tenant to DEMIRE. 10.0% of the letting performance in 2025 was attributable to new lettings and 90.0% to follow-on lettings. The annualised contractual rent of EUR 51.3 million (previous year: EUR 56.4 million) declined, primarily due to property sales (EUR 3.6 million) and increased vacancies (EUR 2.3 million), offset by rent indexation (EUR 0.8 million).

The EPRA Vacancy Rate for the Core Portfolio – excluding project developments – was 16.4% as at the reporting date, which was higher than the previous year’s figure of 15.1% but lower than during the course of the year. A key reason for the increase in vacancies is the expiry of tenancy agreements without acquiring new tenants, particularly the partial departure of a tenant in Bonn. The weighted average remaining term (WALT) of the entire portfolio rose slightly to 4.7 years from 4.6 years in the previous year.

The annualised contractual rents generated from the real estate portfolio fell by 2.8% in like-for-like terms in the financial year mainly due to the higher vacancy rate. The indexing of rental agreements had the opposite effect. If we take a more differentiated look at rental growth by asset class, the following picture emerges:

DEVELOPMENT OF ANNUALISED CONTRACTUAL RENTS IN 2025

Asset class	Like-for-like rental development
Office	-5.8%
Retail	0.8%
Others	9.7%
Total	-2.8%



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Active portfolio management

In the 2025 financial year, nine properties in Freiburg, Hamburg, Querfurt, Goslar (Rosenstrasse 15), Bad Kreuznach, Celle (Bergstrasse, car park), Dortmund, Lichtenfels and Trier were sold for a total of EUR 46.6 million. This corresponds to a cumulative reduction of 20.8% on the market value as at 31 December 2024, but reflects the externally validated market value at the time of sale. The sales agreements for Flensburg and Bonn (partial sale of a residential building) with a total sales volume of EUR 17.5 million were signed at the end of 2025. The transfer of assets and liabilities took place in January 2026 for the property in Flensburg and in February 2026 for the property in Bonn.

DISPOSALS 2025

Location	Asset class	Market value (31/12/2024) in EUR	Selling price in EUR
Hamburg	Retail	7,950,000	7,950,000
Dortmund	Office	1,780,000	1,780,000
Bad Kreuznach	Office	3,000,000	3,000,000
Trier	Retail	1	1
Celle, Bergstraße (car park)	Retail	300.000 ³	2,100,000
Lichtenfels	Office	1,810,000	185,000
Freiburg	Office	33,500,000	24,750,000
Goslar, Rosenstraße 15	Office	4,070,000	3,300,000
Querfurt	Retail	5,910,000	3,500,000
Flensburg ¹	Office	21,600,000	16,350,000
Bonn (Partial sale of multi-family building) ²	Office	1.010.000 ²	1,150,000
Total		80,930,001	64,065,001

¹ Signing in 2025, transfer of benefits and encumbrances at the end of January 2026

² Contract concluded in 2025, transfer of assets and liabilities in February 2026. Valuation took place on 31 July 2025.

³ Valuation as at 30 April 2025

Non-financial performance indicators

Non-financial performance indicators are non-quantifiable values that are not used to directly control the Company but rather play a fundamental role in the success of the Company's development and the appreciation in DEMIRE's value. The non-financial performance indicators are based on competencies, competitive advantages and qualifications that have accumulated through the Company's history in the context of current business activities and the people involved. We consider our employees, as well as the maintenance of our network of actual and potential tenants and the comprehensive topic of sustainability, to be non-financial performance indicators.

Personnel

KEY SPECIALISTS AND CENTRAL DEVELOPMENT DRIVERS

The Group employed a total of 29 employees, excluding the Executive Board, as at 31 December 2025 (31 December 2024: 29 employees). These figures include all consolidated entities.

DEMIRE embraces and promotes diversity throughout the Company. The age structure of our employees (including the Executive Board) is widely distributed. Around 13% of our employees are younger than 30 years of age, around 22% are between 30 and 40 years old, and around 47% are aged between 40 and 50. Around 6% of employees are aged between 50 and 60, and around 13% are aged over 60.

DEMIRE's corporate structure is based on flat hierarchies. We offer motivated and committed employees a variety of responsibilities and areas of activity. Lean decision-making processes and direct, open communication between all levels provide ideal conditions for constructive cooperation. The Company creates the framework for this, recognising the fact that employees are at the heart of the Company's success, as well as being an essential component in allowing it to achieve its medium to long-term corporate goals.



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A market- and performance-oriented remuneration system encourages the management's and employees' focus on achieving corporate and departmental goals. Remuneration is reviewed regularly within the Company and adjusted to the Company-wide operational and personnel targets.

Our employees have opportunities to undertake internal and external training, thus helping to advance their personal and professional skills. This ensures the areas they can be deployed in are in line with the Company's performance requirements.

Employees have access to modern workstations and recreational areas designed to encourage dialogue on specialist topics and collaboration within working and project groups.

The organisational structure facilitates cross-divisional project work. This encourages communication between departments and collaboration between employees with different professional backgrounds.

Subsidies are granted for health-promoting sports and wellness activities. In addition, there are opportunities for mobile working and part-time work to accommodate different personal circumstances.

DEMIRE also provides its employees with a Deutschland-Ticket free of charge.

DEMIRE WELCOMES DIVERSITY AND VARIETY

The Executive Board and Supervisory Board believe that diversity has a positive impact on the Company's culture and commercial success. DEMIRE AG embraces an inclusive work environment and an open work culture in which individual differences are respected, valued and encouraged. We are committed to having a diverse team in which each and every individual can fully develop and utilise their individual potential and strengths.

Tenant relationship management and network maintenance

DEMIRE's commercial success plays a significant role in the Company's ability to maintain and further expand its relationships with the environment around it. Maintaining regular dialogue and encouraging partnerships with our tenants ensures that we can identify potential need for action at an early stage in order to secure a lease for the long term.

On the operational side, we are regularly in constructive dialogue with all of our many cooperation partners. We integrate them into our processes, depending on the requirements and project cycle in question. These partners include experts (such as lawyers, architects or building specialists) and partners with special local knowledge (such as estate agents or local authorities).

CLOSE TENANT SUPPORT

Our Company relies on maintaining trust in our relationships with tenants. Our employees responsible for ensuring this are in regular contact with our tenants by telephone, but also by providing regular direct support on location.

DEMIRE generally aims for long-term tenancies when drafting its lease agreements. This involves a review and discussion of the requirements and overall conditions by both sides at the beginning of a tenancy, making it easier for both parties to plan and minimising the default risks for DEMIRE.

Close tenant support by the Asset Management team also paid off in the past year. Dialogue with tenants allowed individual solutions to be found in the vast majority of cases, keeping rent default risks to a minimum. In addition, "Green Lease" clauses were also agreed with renters which make it possible in the future to better record the renter's consumption data and to raise efficiency in management.



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NETWORKING

DEMIRE is a member of the European Public Real Estate Association (EPRA), the association of listed European real estate companies. As part of this, we support the EPRA best practice recommendations promoting the transparent presentation of key performance indicators for listed real estate companies. We have presented detailed key financial figures as defined by EPRA since the 2020 financial year and have published an EPRA Sustainability Report since 2022.

DEMIRE is also a member of DIRK e.V., the German Investor Relations Association. The association represents the interests of German listed companies on the capital market and provides them with professional support, access to networks and hands-on capital market knowledge so as to optimise dialogue between capital market participants.

Sustainability

HIGHEST EPRA AWARD FOR THE SUSTAINABILITY REPORT

The importance of environmental, social and governance (ESG) aspects has continued to grow in recent years. DEMIRE has therefore been publishing a sustainability report in accordance with EPRA recommendations for several years. The EPRA sustainability report was published for the fourth time in 2025, and once again received the EPRA Gold Award for transparency.

The Company views this as affirmation of its reporting practices. The aim is to continuously improve the Company's ESG reporting and increase transparency regarding the environmental and social impacts of its business activities.

ESG – ENVIRONMENTAL, SOCIAL & GOVERNANCE

The Company takes environmental, social and governance aspects into account in its business activities. This includes measures to reduce energy consumption and emissions as well as compliance with the principles of good corporate governance.

A cross-divisional working group was established to ensure the topic of sustainability was firmly embedded within the organisation. This group is responsible for developing the sustainability strategy further and implementing specific measures. The key objectives defined include reducing the Company's own CO₂ emissions (Scope 1 and 2), systematically recording emissions and energy consumption in the property portfolio and increasing efficiency through optimised building technology. In addition, the expansion of charging infrastructure for electric vehicles is being driven forward in consultation with tenants. Another key focus is on improving the data quality and coverage of the EPRA sustainability report.

In 2019, the Company underwent an external audit to document and apply the principles of good corporate governance based on the standards of the Institute for Corporate Governance (ICG). Following successful certification in 2020, the Company was admitted as a member. The re-certifications and self-audits required by the regulations have since been carried out on time and have so far confirmed compliance with the standards. The next recertification is scheduled for 2026.



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ECONOMIC REPORT

Economic environment

Macroeconomic situation

In 2025, the macroeconomic situation in Germany continued to be significantly influenced by cyclical and structural pressures, with increasing competition for German exports, high energy costs and low investment volumes playing a particularly significant role. Driven by private and government consumption expenditure, the German Federal Statistical Office (destatis) forecasts a slight increase in inflation-adjusted, seasonally adjusted and calendar-adjusted gross domestic product (GDP) of 0.3% for 2025 compared with the previous year (2024: -0.2%). The labour market continued to reflect this economic weakness in 2025. At 6.3%, the average unemployment rate for the year was 0.3 percentage points above the previous year's figure.

Price trends stabilised in 2025. In 2025, there was an increase of 2.2% compared to the previous year (2024: 2.2%), based on the consumer price index. According to the German Federal Statistical Office, this development is primarily due to significant price increases for services.

The stabilising inflation rate prompted the European Central Bank (ECB) to gradually lower the main refinancing rate from 3.15% at the beginning of the year to 2.15% in June 2025 and then to keep it stable until the end of 2025.

DEVELOPMENT OF THE REAL ESTATE AND CONSTRUCTION SECTORS

In 2025, revenue on the German real estate investment market declined after a slight upturn in the previous year. According to the Investment Market Overview by international brokerage house Jones Lang Lasalle (JLL), properties with transaction volumes of EUR 33.9 billion were traded in the reporting period, down by 4% year-on-year. The reasons for the lower transaction volume are largely attributed to the unstable geopolitical and economic conditions.

The industry association BAUINDUSTRIE forecasts a real increase in revenue of 1.0% for 2025 compared to the previous year. The association expects a further increase in revenue of 2.5% for 2026, mainly due to rising investment in commercial construction.

The section below outlines developments in the sub-markets that are the most relevant to DEMIRE in 2025.

OFFICE REAL ESTATE MARKET

The office rental market will see relatively stable revenue growth in 2025 following a slight recovery in the previous year. JLL calculates office space take-up in "A cities" (Berlin, Düsseldorf, Frankfurt am Main, Hamburg, Cologne, Munich and Stuttgart) at 2.7 million m², which is 0.8% less than in the previous year. Vacancies at these top locations totalled 8.1%, which was 130 base points above the previous year's value. According to JLL, both the rising vacancy rates and stagnant revenue in the rental market are due to the continued difficult economic situation. As in previous years, prime rents rose by 5% year-on-year, which is due in particular to the continued high demand for high-quality space on the part of tenants.

Revenue in the office investment market declined again in 2025. As far as the total transaction volume in Germany is concerned, figures from the international real estate agency CBRE show revenue of EUR 5.5 billion for 2025, which is around 11% less than the previous year's result. The market was slowed by differing price expectations between buyers and sellers, as well as high financing and equity requirements. Additionally, the uncertain macroeconomic situation and the ongoing recalibration of the office property asset class led to a significant reduction in large-scale deals and portfolio transactions. Peak net initial yields remained stable at 4.76% on average in the top 7 locations for first-class office properties.



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RETAIL REAL ESTATE MARKET

German retail sales in 2025 rose by 2.7% in real terms, as reported by the German Federal Statistical Office. However, sales growth slowed significantly in the second half of 2025. In online retail, sales rose at an above-average rate of 10.1% in real terms compared with the previous year, acting as a driver for overall retail sales.

The transaction volume for retail properties increased slightly in 2025. CBRE recorded a year-on-year increase of around 2% in the transaction volume on the German market to approximately EUR6.4 billion. Specialist stores and retail parks accounted for the largest share of the investment market with 49% (previous year: 33%), followed by prime retail properties with 28% (previous year: 47%) and shopping centres with 10% (previous year: 15%).

Prime yields remained virtually stable overall in 2025. There were slight increases in yields in the last quarter of 2025 for shopping centres to 7.75% (+25 basis points compared to the previous year). Declining yields were recorded for retail properties in prime locations in major cities (around 4.4%, down 20 basis points on the previous year), food markets (around 4.6%, down 10 basis points on the previous year) and retail parks (4.9%, down 10 basis points on the previous year).

HOTEL REAL ESTATE MARKET

According to analyses conducted by BNP Paribas Real Estate, in 2025 transaction volumes in the hotel real estate market were up by around 29% year-on-year to EUR1.8 billion. This brought the investment volume back to almost the same level as in 2022. Overall, there was a broad surge in demand in 2025 for both individual transactions and portfolio transactions. Given the continuing high number of overnight stays, the hotel segment should remain in demand in 2026, provided there are no geopolitical tensions that could negatively impact overnight stays. According to BNP Paribas Real Estate, the segment is expected to continue the upward trend in revenues seen in the previous year.

Implications for DEMIRE

The macroeconomic and real estate market environment was challenging once again in 2025. However, DEMIRE also benefited throughout this period from its many years of experience and expertise in real estate asset management in secondary markets. Despite the difficult environment, DEMIRE increased its letting volume compared with the previous year. Nevertheless, vacancy rates in the portfolio continued to rise, mainly due to tenants downsizing, tenant insolvencies and weak demand in the rental markets. Market-related impairment losses also had to be recognised in the real estate portfolio in the 2025 financial year, although these were within the normal market range and therefore lower compared to the previous year.



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General assessment of the Executive Board

General statement on the business performance and position of the Group

DEMIRE once again closed the 2025 financial year successfully, in view of the continued adverse circumstances with regard to the key performance indicators of rental income and FFO I, but had to report a negative result for the year mainly due to market factors resulting in devaluations of the real estate portfolio and increased financing costs. Rental income, as a key performance indicator, developed in line with our expectations, and the originally forecast FFO I was even exceeded after the planned sales were not fully implemented and additional cost savings were achieved. After successfully streamlining the portfolio over the last few years and our efforts since summer 2022 to generate additional liquidity through sales, the sale of a total of nine properties, including the government centre in Freiburg, was completed in 2025. As a result of the sales, and due to the write-downs on the real estate portfolio amounting to EUR 18.6 million, the value of the portfolio recognised in the balance sheet, excluding assets held for sale, decreased to EUR 591.9 million as at the reporting date (previous year: EUR 724.7 million). The sales of two further properties, which had already been signed at the end of 2025 and were transferred to the buyers in 2026, are no longer included in this portfolio value as properties classified as held for sale, but are reported together with other properties as properties held for sale (EUR 103.5 million; previous year: EUR 76.7 million).

TARGET/ACTUAL COMPARISON

Indicator/date in EUR million	2024 actual	Forecast 20/03/2025	Comparison to Forecast 20/03/2025	Forecast 04/12/2025	2025 actual
Rental income	65.3	51.0–53.0	Exceeded	52.0–54.0	53.5
FFO I (after taxes, before minority interests and interests on shareholder loans)	26.2	3.5–5.5	Exceeded	9.0–11.0	10.1

Despite achieving (forecast rental income) or exceeding (forecast FFO I) the key performance indicators, the results for the 2025 financial year reflect the ongoing challenges posed by a difficult macroeconomic and real estate environment. Our proven active management approach enabled us to achieve the best possible results even under these conditions. Furthermore, the powerful and scalable platform provides a solid foundation that allows future acquisitions to be integrated efficiently and at low marginal cost.

In the 2025 financial year, the Company's financing costs rose significantly. This is partly due to the increase in interest rates for newly concluded property financing agreements and partly due to the extended 2019/2027 bond and the shareholder loan granted by a major shareholder. Thanks to its broad banking network, DEMIRE succeeded in extending bank loans for four properties and securing new financing for one property. A total of around EUR 76.6 million was therefore refinanced. In some cases, existing financing arrangements were also revalued.



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As part of a comprehensive transaction, DEMIRE plans to extend its 2019/2024 bond with an outstanding total nominal amount of EUR 499 million to the end of 2027 with revised conditions (2019/2027 bond). Following the transaction, which included a partial repayment at nominal value and a partial buyback below nominal value as part of a tender offer, as well as the granting of a shareholder loan by a major shareholder, the extended bond amount was reduced to EUR 252.3 million.

The comprehensive amendments to the bond conditions include an extension of the term until 31 December 2027, a cash interest rate of 5.00% and an updated catalogue of credit obligations, in particular the collateralisation of the bond with DEMIRE's material assets. For this collateralisation, a large part of the DEMIRE real estate companies were transferred to a LuxCo structure. DEMIRE will not pay dividends or other distributions to shareholders until the bond has been repaid in full. Furthermore, the Company is required to pay an additional fee of 3% on the outstanding nominal amount to the bondholders if the Company fails to reduce the outstanding principal amount of the bond by EUR 50 million of the nominal amount by the end of 2025. Due to the weak commercial property market in the second half of 2025, DEMIRE decided against further property sales to generate additional liquidity and therefore did not repay EUR 50 million of the bond at the end of 2025 as originally planned. The additional fee of 3% on the outstanding nominal amount thus totals around EUR 7.4 million.

In July 2025, DEMIRE made a partial repayment of EUR 5.4 million, reducing the total outstanding principal amount of the bond to EUR 247.1 million as at 31 December 2025.

An additional fee of 2% is expected to be incurred in 2026 if the Company fails to reduce the outstanding principal amount of the bond by a further EUR 50 million of the nominal amount by the end of 2026. In addition, payment-in-kind interest (PIK) of 3% will be charged on the outstanding bond amount from 2027. All additional interest payments are to be made at maturity, i.e. at the end of 2027 at the latest, taking into account compound interest accrued in the meantime.

Measures were taken to actively shape the real estate portfolio in the financial year under review, even though the development of the transaction market for real estate triggered weak demand for real estate investments in 2025 in view of the continuing uncertain macroeconomic environment and rising interest rates. Nine properties were sold for a total of EUR 46.6 million and transferred to buyers in the 2025 financial year. For two further properties with a sale price of EUR 17.5 million, the transfer of assets and liabilities took place in the first quarter of 2026. Despite predominantly index-linked tenancies, the annualised like-for-like contractual rent, i.e. excluding acquisitions and sales, fell by -2.8% (previous year: -3.2%), primarily due to a tenant partially vacating a property in Bonn. The EPRA Vacancy Rate, which excludes project developments, rose by 130 basis points to 16.4% compared to the reporting date. The WALT (weighted average lease term, weighted by annual rent) rose slightly to 4.7 years compared with the end of 2024.

In summary, DEMIRE performed well in terms of its key performance indicators in the 2025 financial year and achieved solid results in view of the challenging economic environment, although the devaluation of the property portfolio and increased financing costs led to a negative annual result. In the coming financial year 2026, the Company will focus on examining possible refinancing options for the bond, taking advantage of sales opportunities and further strengthening its operating performance.





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Results of operations, net assets and financial position

Results of operations

In 2025, rental income (EUR53.5 million; previous year: EUR65.3 million) and the profit/loss from the rental of real estate (EUR36.8 million; previous year: EUR44.5 million) decreased significantly compared to the previous year, mainly due to the sales in 2024 and 2025, as was to be expected. Profit/loss from the sale of real estate totalled EUR-0.1 million (previous year: EUR-7.3 million). Due primarily to the market situation, the profit/loss from the fair value adjustment of investment properties (EUR-18.6 million; previous year: EUR-48.9 million) is in negative territory, but is significantly less negative than in the previous year. In addition, there was a market-related negative contribution from the fair value adjustment of properties held for sale (EUR-40.3 million; previous year: EUR-9.8 million). Furthermore, impairments on financial and other receivables fell significantly (EUR-2.9 million; previous year: EUR-48.8 million). In the previous year, these were mainly influenced by the insolvent Limes companies. This resulted in improved, albeit still negative, earnings before interest and taxes (EUR-34.9 million; previous year: EUR-93.0 million). The financial result (EUR-51.8 million; previous year: EUR10.4 million) is negative overall and shows higher financial expenses than in the previous year due to the shareholder loan and the extended 2019/2027 corporate bond.



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CONSOLIDATED INCOME STATEMENT

(selected information in EUR thousand)	2025	2024	Change	in %
Rental income	53,514	65,285	-11,771	-18.0
Income from utility and service charges	12,576	16,932	-4,356	-25.7
Operating expenses to generate rental income	-27,987	-36,044	8,057	-22.4
Impairment of trade receivables	-1,318	-1,699	381	-22.4
Profit/loss from the rental of real estate	36,785	44,474	-7,689	-17.3
Income from the sale of real estate and real estate companies	50,461	109,714	-59,253	-54.0
Expenses related to the sale of real estate and real estate companies	-50,577	-117,003	66,426	-56.8
Profit/loss from the sale of real estate and real estate companies	-116	-7,289	7,173	-98.4
Profit/loss from fair value adjustments of investment properties	-18,551	-48,923	30,372	-62.1
Result from the fair value adjustment of assets held for sale	-40,262	-9,753	-30,509	>-100
Impairment of receivables	-2,902	-48,817	45,915	-94.1
Other operating income	1,678	1,022	656	64.2
General and administrative expenses	-10,017	-13,836	3,819	-27.6
Other operating expenses	-1,523	-9,894	8,371	-84.6
Earnings before interest and taxes	-34,908	-93,016	58,108	-62.5
Financial result	-51,758	10,396	-62,154	>-100
Earnings before taxes	-86,666	-82,620	-4,046	4.9
Current income taxes	-4,519	-1,750	-2,769	>-100
Deferred taxes	845	-3,109	3,954	>100
Net profit/loss for the period	-90,340	-87,479	-2,861	3.3
Thereof attributable to parent company shareholders	-88,499	-86,483	-2,016	2.3
Basic earnings per share (in EUR)	-0.84	-0.82	-0.02	2.3
Weighted average number of shares outstanding	105,513	105,513	-0	-0.0
Diluted earnings per share (in EUR)	-0.84	-0.82	-0.02	2.3
Weighted average number of shares outstanding (diluted)	105,513	105,513	0	0.0



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DEVELOPMENT OF THE MAIN ITEMS OF THE STATEMENT OF INCOME

In the 2025 financial year, the DEMIRE Group generated rental income totalling EUR 53.5 million (previous year: EUR 65.3 million). As expected, the decline is attributable to the sales in the previous year, with offsetting effects from rent indexations and new lettings. Rental income is above the forecast range of EUR 51.0 million to EUR 53 million published in March 2025, but within the forecast of EUR 52.0 million to EUR 54.0 million published in August 2025 and confirmed in December 2025.

Income from utility and service charges of EUR 12.6 million (previous year: EUR 16.9 million) includes tenant prepayments for operating costs. Operating **expenses to generate rental income** include incidental rental costs, maintenance expenses, legal and consulting fees and staff costs related to asset management. They totalled EUR 28.0 million (previous year: EUR 36.0 million). Overall, the **result from the rental of real estate** fell by 17.3% to EUR 36.8 million in the financial year (previous year: EUR 44.5 million), which is due in particular to property sales.

The **result from the sale** of real estate amounted to EUR –0.1 million in the 2025 financial year (previous year: EUR –7.3 million), resulting from completed sales of nine properties in Freiburg, Hamburg, Querfurt, Goslar (Rosenstraße 15), Bad Kreuznach, Celle (Bergstraße, car park), Dortmund, Lichtenfels and Trier. Due to market conditions, the properties were sold at an average discount of 20.8% at the market value as at 31 December 2024.

The **profit/loss from fair value adjustments** of investment properties (valuation result) amounted to EUR –18.6 million (previous year: EUR –48.9 million). While the majority of properties recorded a further negative fair value adjustment due to lower market-driven multiples, individual properties in the portfolio were revalued upwards due to property-specific factors. The result from the fair value adjustment of properties held for sale amounted to EUR –40.3 million (previous year: EUR –9.8 million).

Impairments of financial and other receivables amounted to EUR 2.9 million in the reporting period (previous year: EUR 48.8 million) and related primarily to a write-down in connection with a loan to the joint venture partner of the Cielo property. In the previous year, impairment losses in particular were influenced by write-downs in connection with shareholder loans in the Limes portfolio. At the end of the year, all receivables relating to the Limes portfolio were fully written down.

Other operating income rose to EUR 1.7 million compared with the previous year (EUR 1.0 million).

General administrative expenses fell to EUR 10.0 million in 2025 (previous year: EUR 13.8 million). In addition to cost reductions in the reporting year, higher legal and consulting costs incurred in connection with the extension of the 2019/2027 bond contributed to higher costs in the previous year.

Other operating expenses fell to EUR 1.5 million (previous year: EUR 9.9 million). In the previous year, expenses of EUR 4.0 million were incurred for the reporting date valuation of options in connection with the property company Cielo, which is valued at equity. In addition, expenses of EUR 4.9 million were incurred in the previous year due to the deconsolidation of the insolvent Limes companies.

As a result of all of the factors referred to above, **earnings before interest and taxes (EBIT)** came to EUR –34.9 million, compared to EUR –93.0 million in the previous year.



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The **financial result** fell significantly in 2025 to EUR –51.8 million (previous year: EUR 10.4 million). Financial income decreased from EUR 44.8 million in the previous year to EUR 6.8 million in the reporting year. In the previous year, income from the buyback of bonds below nominal value was recognised as part of the extension of the corporate bond. The losses assumed from minority shareholders fell to EUR –2.5 million (previous year: EUR –1.7 million), primarily due to the higher devaluation of the real estate portfolio of Fair Value REIT-AG’s subsidiaries compared to the previous year. Financial expenses rose to EUR 56.0 million (previous year: EUR 32.8 million) due to higher interest expenses, in particular for the extended 2019/2027 bond and the shareholder loan.

The deferred tax expense was EUR 0.8 million (previous year: EUR –3.1 million). The gradual change in corporation tax rates for 2027–2031 from 15% to 10%, which was decided in 2025, led to one-off effects resulting from the revaluation of deferred tax assets and liabilities.

The Group profit/loss for the period came to EUR –90.3 million in the 2025 financial year compared with EUR –87.5 million in the previous year.

FUNDS FROM OPERATIONS (FFO)

Funds from operations (FFO) measure the operating result of the DEMIRE Group. It corresponds to the earnings before or after taxes, which are adjusted for valuation results, other sales and one-off effects and non-periodic income and expenses.

FFO CALCULATION

in EUR thousand	2025	2024	Change	in %
Earnings before taxes	– 86,666	– 82,619	– 4,047	4.9
Interests of minority shareholders	2,490	1,713	777	45.4
Earnings before taxes (EBT)	– 84,176	– 80,906	– 3,270	4.0
± Profit/loss from the sale of real estate	116	7,289	– 7,173	– 98.4
± Profit/loss from the valuation of investment properties and the valuation of assets held for sale	58,813	58,676	137	0.2
± Other adjustments ¹	18,530	40,894	– 22,365	– 54.7
FFO I before taxes and minorities	– 6,717	25,953	– 32,671	> -100
± Current income taxes	– 1,625	– 2,574	949	– 36.9
FFO I after taxes and before minorities	– 8,342	23,380	– 31,722	> -100
of which attributable to parent company shareholders	– 10,223	20,502	– 30,726	> -100
General and administrative expenses	1,881	2,877	– 996	– 34.6
± Interest expenses from shareholder loans (including effect on current income taxes)	18,430	2,851	15,579	> 100
FFO I after taxes, before minorities and interest on shareholder loans²	10,088	26,231	– 16,143	– 61.5
Thereof attributable to parent company shareholders	8,207	23,354	– 15,147	– 64.9
Thereof attributable to non-controlling interests	1,881	2,877	– 996	– 34.6



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FFO CALCULATION

in EUR thousand	2025	2024	Change	in %
FFO I after taxes and before minorities	- 8,342	23,380	- 31,722	>-100
± Profit/loss from the sale of real estate and real estate companies (after taxes)	- 61	- 7,289	7,228	- 99.2
FFO II after taxes and before minorities	- 8,403	16,091	- 24,493	>-100
of which attributable to parent company shareholders	- 10,376	12,904	- 23,281	>-100
of which attributable to non-controlling interests	1,974	3,187	- 1,213	- 38.1
± Interest expenses from shareholder loans (including effect on current income taxes)	18,430	2,851	15,579	>100
FFO II after taxes, before minorities and interest on shareholder loans²	10,028	18,942	- 8,914	- 47.1
Thereof attributable to parent company shareholders	8,054	15,756	- 7,702	- 48.9
Thereof attributable to non-controlling interests	1,974	3,187	- 1,213	- 38.1
FFO I after taxes and minority interests	- 10,223	20,502	- 30,726	>-100
Basic earnings per share (in EUR)	- 0.10	0.19	- 0.29	>-100
Weighted average number of shares outstanding (in thousands)	105,513	105,513	0	0.0
Diluted earnings per share (in EUR)	- 0.10	0.19	- 0.29	>-100
Weighted average number of shares outstanding (diluted) (in thousands)	105,513	105,513	0	0.0
FFO II after taxes and minority interests	- 10,376	12,904	- 23,281	>-100
Basic earnings per share (in EUR)	- 0.10	0.12	- 0.22	>-100
Weighted average number of shares outstanding (in thousands)	105,513	105,513	0	0.0
Diluted earnings per share (in EUR)	- 0.10	0.12	- 0.22	>-100
Weighted average number of shares outstanding (diluted) (in thousands)	105,513	105,513	0	0.0

¹ Other adjustments include:

- One-time refinancing costs (EUR 14.7 million, previous year: EUR 29.9 million)
- One-time legal and consultancy fees (EUR 0.7 million, previous year: EUR 1.0 million)
- One-time administrative costs (EUR 0.2 million, previous year: EUR 0.1 million)
- Non-period expenses (EUR 3.2 million, previous year: EUR 4.2 million)
- Expenses from impairment of loans and other extraordinary write-offs (EUR -0.8 million, previous year: EUR 61.5 million)
- Non-cash expenses (EUR 0.6 million, previous year: EUR 4.0 million)

² When calculating FFO I after tax but before interest on shareholder loans, it was assumed that the shareholder loan should be treated as equity. Accordingly, interest expenses were not taken into account here. To determine the potential tax burden resulting from the reduction in interest expenses, a simplified calculation was used to approximate this tax burden. A complex Group-wide calculation was not performed for reasons of cost and simplification.



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FFO I (after taxes, before minority interests and interest on shareholder loans) decreased to EUR 10.1 million in the 2025 financial year (previous year: EUR 26.2 million), primarily due to lower rental income following the sale of properties.

Taking into account the result from the sale of real estate, funds from operations (FFO II) amounted to EUR –8.4 million after taxes and before minority interests (previous year: EUR 16.1 million), and to EUR –10.4 million (previous year: EUR 12.9 million) after taxes and after minority interests.

Other adjustments to FFO during the period under review amounted to EUR 18.5 million compared to EUR 40.9 million in the previous year. The adjustments in the reporting year are mainly due to one-off refinancing costs (EUR 14.7 million; previous year: EUR 29.9 million) and expenses relating to other periods of EUR 3.2 million (previous year: EUR 4.2 million).



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SEGMENT DEVELOPMENT

The segmentation of the data in the consolidated financial statements is based on the internal alignment according to strategic business segments pursuant to IFRS 8 “Operating Segments”. The segment information presented represents the information to be reported to DEMIRE’s Executive Board. Segment information is presented on a net basis, minus consolidation entries.

The key segment data developed as follows during the 2025 financial year:

SELECTED DISCLOSURES FROM THE CONSOLIDATED INCOME STATEMENT

in EUR thousand	Core Portfolio		Fair Value REIT		Corporate Functions/Others		Group	
	2025	2024	2025	2024	2025	2024	2025	2024
External revenue	88,781	163,670	27,770	28,262	0	0	116,551	191,931
Total revenue	88,781	163,670	27,770	28,262	0	0	116,551	191,931
Profit/loss from fair value adjustments of investment properties	-48,102	-47,991	-10,710	-10,685	0	0	-58,813	-58,676
Other income	735	617	697	159	246	246	1,678	1,022
Segment revenue	41,413	116,295	17,756	17,737	246	246	59,416	134,277
Expenses relating to the sale of real estate	-46,545	-113,181	-3,605	-3,799	-428	-23	-50,577	-117,003
Other expenses	-20,672	-745	-10,761	-10,570	-12,313	-98,975	-43,747	-110,290
Segment expenses	-67,217	-113,926	-14,366	-14,369	-12,741	-98,998	-94,324	-227,293
EBIT	-25,804	2,369	3,391	3,368	-12,494	-98,752	-34,908	-93,016
Financial income	141	526	231	400	6,437	43,876	6,809	44,803
Financial expenses	-5,933	-13,208	-1,437	-1,247	-48,631	-18,301	-56,001	-32,757
Profit/loss from companies accounted for using the equity method	-76	63	0	0	0	0	-76	63
Interests of minority shareholders	0	0	-2,490	-1,713	0	0	-2,490	-1,713
Income taxes	-3,203	-723	2,676	1,453	-3,147	-5,590	-3,674	-4,860
Net profit/loss for the period	-34,876	-10,973	2,371	2,261	-57,836	-78,767	-90,340	-87,479
Significant non-cash items	50,814	56,038	8,142	9,238	3,580	5,664	62,536	70,941
Impairment losses in net profit/loss for the period	1,316	1,057	2	643	2,902	48,817	4,220	50,517



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The two business segments Core Portfolio and Fair Value REIT each represent sub-areas of the real estate portfolio that are held for the purpose of generating rental income and achieving value appreciation. The “Corporate Functions/Others” column mainly contains the activities of DEMIRE AG in its function as the Group holding company.

Revenue in the Core Portfolio segment amounted to EUR 88.8 million in 2025 (previous year: EUR 163.7 million). Net profit/loss for the 2025 period totalled EUR –34.9 million compared to EUR –11.0 million in the previous year.

Revenue in the Fair Value REIT segment amounted to EUR 27.8 million in 2025 (previous year: EUR 28.3 million). Net profit/loss for the period totalled EUR 2.4 million in 2025 (previous year: EUR 2.3 million).

The activities of the Group holding company detailed in the “Corporate Functions/ Others” column generated revenue of EUR 0 million in 2025 (previous year: EUR 0 million). Net profit/loss for the period totalled EUR –57.8 million in 2025 (previous year: EUR –78.8 million).

At Group level, revenue came to EUR 116.6 million in 2025 compared with EUR 191.9 million in the previous year. The Group’s net profit/loss for the period amounted to EUR –90.3 million in 2025, compared to EUR –87.5 million in the previous year.

Further information on segment reporting can be found in the [Notes to the consolidated financial statements](#).

Net assets

NET ASSET VALUE (NAV)

NAV, previously known as EPRA NAV, is the value of all property, plant and equipment and intangible assets of the Company minus liabilities and adjusted for the market values of derivative financial instruments, deferred taxes and goodwill from deferred taxes.

NET ASSET VALUE (NAV/NNNAV)

in EUR thousand	31/12/2025	31/12/2024	Change	in %
Net asset value (NAV)	129,148	218,105	–88,957	–40.8
Deferred taxes	38,957	39,999	–1,041	–2.6
Operating expenses to generate rental income	0	0	0	0.0
NAV (basic)	168,105	258,103	–89,998	–34.9
Number of outstanding shares (basic) (in thousands)	105,513	105,513	–0	–0.0
NAV per share (basic) (in EUR)	1.59	2.45	–0.85	–34.9
Effect of the conversion of convertible bonds and other equity instruments	0	0	0	0.0
NAV (diluted)	168,105	258,103	–89,998	–34.9
Number of outstanding shares (diluted) (in thousands)	105,513	105,513	–0	–0.0
NAV per share (diluted) (in EUR)	1.59	2.45	–0.85	–34.9

In 2025, diluted NAV decreased by 34.9% to EUR 168.1 million, down from EUR 258.1 million at the end of 2024, due primarily to the lower value of the real estate portfolio and sales below the market value as determined at the end of 2024. Based on the number of shares outstanding equalling EUR 105.5 million, diluted NAV per share equalled EUR 1.59, compared to EUR 2.45 at the end of 2024.

	
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Total assets down by 10.7%

Total assets of the DEMIRE Group as at 31 December 2025 amounted to EUR 849.2 million (previous year: EUR 951.2 million), down by 10.7% in a year-on-year comparison.

For the real estate portfolio (investment properties), the external real estate appraiser Savills determined a total market value of EUR 688.3 million as at the reporting date (previous year: EUR 779.3 million). The difference compared to the property value shown in the balance sheet is due to accounting accruals, deferrals and capitalisations.

SELECTED DISCLOSURES FROM THE CONSOLIDATED BALANCE SHEET

CONSOLIDATED BALANCE SHEET – ASSETS

in EUR thousand	31/12/2025	31/12/2024	Change	in %
Assets				
Total non-current assets	676,052	793,115	-117,063	-14.8
Total current assets	69,598	81,395	-11,797	-14.5
Non-current assets held for sale	103,540	76,680	26,860	35.0
Total assets	849,190	951,190	-102,000	-10.7

As at 31 December 2025, non-current assets decreased by EUR 117.1 million to EUR 676.1 million (previous year: EUR 793.1 million). Investment property accounted for the largest part of the decline, with a decrease of EUR 132.8 million, which was mainly due to the negative valuation result (EUR -18.6 million), the reclassification of properties as non-current assets held for sale (EUR -60.1 million) and sales of properties (EUR -21.5 million). Capitalised, value-enhancing expansion measures and rent incentives (EUR 7.6 million) had the opposite effect.

Loans to companies accounted for using the equity method were reported at EUR 22.3 million (previous year: EUR 25.2 million). This relates to an interest-bearing shareholder loan to the joint venture in conjunction with the purchase of the Cielo property. Borrowings and financial assets increased to EUR 61.5 million (previous year: EUR 37.7 million), in particular due to the write-up of a loan granted to a joint venture partner.

As at 31 December 2025, the DEMIRE Group's current assets fell by EUR 11.8 million to EUR 69.6 million (previous year: EUR 81.4 million). The decline is mainly due to the decrease of EUR 18.4 million in current financial assets to EUR 1.0 million as a result of impairments of loans to the insolvent Limes companies. This was offset in particular by the increase of EUR 9.4 million in cash and cash equivalents to EUR 54.2 million.

As at 31 December 2025, a total of seven properties (EUR 103.5 million) were classified as assets held for sale (previous year: EUR 76.7 million).



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CONSOLIDATED BALANCE SHEET – EQUITY AND LIABILITIES

in EUR thousand	31/12/2025	31/12/2024	Change	in %
Equity and liabilities				
Operating expenses to generate rental income				
Equity attributable to parent company shareholders	129,148	218,105	- 88,957	- 40.8
Non-controlling interests	21,662	23,818	- 2,156	- 9.1
Total equity	150,810	241,923	- 91,113	- 37.7
Liabilities				
Total non-current liabilities	573,380	535,699	37,681	7.0
Total current liabilities	125,000	173,568	- 48,568	- 28.0
Total liabilities	698,380	709,267	- 10,887	- 1.5
Total equity and liabilities	849,190	951,190	- 102,000	- 10.7

Group equity fell to EUR 150.8 million in 2025 (previous year: EUR 241.9 million). The decline is attributable to the negative result for the period of EUR 90.3 million. Due to the lower equity, the equity ratio came to 17.8% as against 25.4% at the end of 2024. Non-controlling minority interests in the amount of EUR 68.5 million (previous year: EUR 71.0 million) are reported in non-current liabilities and not under equity in accordance with IFRS, primarily due to the legal form of a partnership. The corresponding adjusted Group equity totalled EUR 219.3 million or 25.8% of total equity and liabilities (previous year: EUR 312.9 million or 32.9%).

Non-current liabilities amounted to EUR 573.4 million at the end of 2025 (previous year: EUR 535.7 million) and current liabilities came to EUR 125.0 million (previous year: EUR 173.6 million). The total debt of the DEMIRE Group fell to EUR 698.4 million as at 31 December 2025 (previous year: EUR 709.3 million), mainly due to the decline in long-term and current liabilities.

In the short and long-term financial liabilities totalling EUR 502.6 million (previous year: EUR 486.0 million), the 2019/2027 bond issued in 2019 and extended in the fourth quarter of 2024 is reported with a carrying amount of EUR 238.5 million as at the reporting date (previous year: EUR 225.0 million). The carrying amount of financial liabilities differs from the nominal value stated above due to transaction costs and valuation effects. Furthermore, there are liabilities to banks of EUR 139.6 million (previous year: EUR 162.7 million) and a shareholder loan of EUR 124.5 million (previous year: EUR 97.3 million). The proportion of unsecured properties as at 31 December 2025 came to 49.8% (previous year: 54.2%). There was a variable interest rate agreement for EUR 25.6 million as at the reporting date. The average nominal interest rate on financial liabilities increased by 48 basis points to 4.83% per annum as at the reporting date of 31 December 2025, mainly due to the extension and new conclusion of bank loans (excluding interest on the shareholder loan, see [section on the Executive Board's overall assessment](#)), compared with 4.35% per annum at the end of 2024. The average remaining term of liabilities decreased from 2.9 years at the end of 2024 to 2.5 years at the end of 2025.

As at 31 December 2025, trade payables decreased to EUR 10.9 million (previous year: EUR 23.8 million). In the previous year, legal and consulting costs were incurred for the refinancing of the 2019/2024 bond, which were not incurred in the reporting year. Non-current lease liabilities fell to EUR 8.1 million following the sale of the leasehold in Trier (previous year: EUR 26.9 million).

Deferred tax liabilities decreased slightly to EUR 39.0 million (previous year: EUR 40.0 million).



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Contingent liabilities

As at the reporting date, the following contingent liabilities existed for matters for which DEMIRE AG or its subsidiaries have pledged guarantees in favour of third parties:

The contingent liabilities as at the end of the period under review consist of mortgages under Section 1191 of the German Civil Code (BGB) in the amount of EUR 213.3 million (previous year: EUR 222.6 million). The maximum liability for these properties is limited to the amount recognised as market value as at the reporting date, which is EUR 213.3 million (previous year: EUR 222.6 million).

Due to the bond maturing in 2024, DEMIRE AG has set up a Luxembourg holding company at the request of bondholders, who wish to benefit from Luxembourg enforcement law regarding extension of the maturity date and a change to the bond conditions. The Group companies that were brought into this Luxembourg holding structure serve as collateral for the bondholders.

Financial position

Financial management

The financial management of the DEMIRE Group ensures liquidity control and financing, and contributes to the optimisation of cash flows within the Group through central liquidity analysis. The primary objective is to secure liquidity for the entire Group and maintain financial independence. The focus is on maintaining a long-term, stable and cost-optimised financing mix that supports the development of the operating business in a positive and sustainable manner.

Providing regular information on the financial position to the Supervisory Board is an essential part of DEMIRE's risk management system. Cash and cash equivalents in the amount of EUR 54.2 million (previous year: EUR 44.8 million) include cash in hand and bank balances carried at their nominal value.



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SELECTED DISCLOSURES FROM THE CONSOLIDATED STATEMENT OF CASH FLOWS

CONSOLIDATED STATEMENT OF CASH FLOWS

in EUR thousand	2025	2024	Change	in %
Cash flow from operating activities	29,924	34,524	-4,600	-13.3
Cash flow from investing activities	35,223	88,611	-53,388	-60.2
Cash flow from financing activities	-55,722	-198,309	142,587	-71.9
Net change in cash and cash equivalents	9,425	-75,173	84,598	>100
Cash and cash equivalents at the end of the period	54,241	44,816	9,425	21.0

Positive cash flow development

The cash flow trend in the 2025 financial year is positive overall due to the positive operating cash flow and positive cash flow from investing activities, which collectively offset the negative cash flow from financing activities.

Cash flow from operating activities amounted to EUR 29.9 million at the end of the 2025 financial year (previous year: EUR 34.5 million). The decline reflects the reduced portfolio base following sales.

Cash flow from investing activities amounted to EUR 35.2 million in 2025, compared with EUR 88.6 million in the previous year. Payments for modernisation measures (EUR -10.0 million, previous year: EUR -14.0 million) were positively offset by proceeds from sales of EUR 45.2 million (previous year: EUR 106.9 million).

Cash flow from financing activities amounted to EUR -55.7 million (previous year: EUR -198.3 million). This mainly includes payments for the repayment of financial liabilities totalling EUR -70.8 million (previous year: EUR -246.0 million) and interest paid on financial liabilities (EUR 18.9 million, previous year: EUR 27.4 million) as well as proceeds from the raising of financial liabilities of EUR 44.1 million (previous year: EUR 93.5 million).

The net change in cash and cash equivalents amounted to EUR -9.4 million at the end of the 2025 financial year (previous year: EUR -75.2 million). Total cash and cash equivalents at the end of the period under review amounted to EUR 54.2 million (previous year: EUR 44.8 million).

The DEMIRE Group was able to meet its payment obligations in full at all times throughout the 2025 reporting period.

Net debt ratio rose slightly due to declining assets

The DEMIRE Group's net loan-to-value ratio (LTV) is defined as the ratio of net financial liabilities without shareholder loans to total assets less goodwill and cash and cash equivalents. The net LTV as at the reporting date was as follows:

NET LOAN-TO VALUE (NET LTV)

in EUR thousand	31/12/2025	31/12/2024
Financial liabilities and lease liabilities ¹	386,539	415,953
Cash and cash equivalents	54,241	44,816
Net financial debt	332,298	371,137
Total assets	849,190	951,190
Intangible assets	0	0
Cash and cash equivalents	-54,241	-44,816
Total assets less intangible assets and cash and cash equivalents	794,949	906,374
Net LTV (in %)	41.8	40.9

¹ Excluding shareholder loans and their accrued interest



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The net debt ratio rose slightly to 41.8% compared with 40.9% in the previous year, primarily due to the decline in the value of assets. At the same time, financial liabilities and lease liabilities fell year-on-year by EUR 29.4 million to EUR 386.5 million.

The maturities of the existing loan agreements are concentrated mainly in the corporate bond in the 2027 financial year, with EUR 246.9 million, and in the shareholder loan, including capitalised interest, in 2028, with EUR 213.7 million. As at 31 December 2025, the liquidity requirements for follow-up financing and repayments in the coming years are as follows:

MATURITIES

in EUR million	2026	2027	2028	2029	2030	from 2031
	41.9	254.8	238,2 ¹	16.8	36.5	6.4

¹ The presentation assumes that the interest on the shareholder loan is capitalised.

Covenants for the corporate bond adhered to

Within the scope of extending the 2019/2027 corporate bond, DEMIRE undertook to comply with and regularly report on various covenants. The definitions of the covenants to be reported on are listed in the terms and conditions for the 2019/2027 corporate bond.

As at the reporting date, seven properties were held for sale. Of these, a letter of intent (LOI) was signed for five properties and a purchase agreement was signed for two properties.

The weighted average lease term (WALT) of the 20 largest properties increased to 5.0 years (previous year: 4.8 years) as at 31 December 2025. New and extended leases for the properties in Rostock and Zittau account for a significant portion of the increase.

BOND COVENANTS
31/12/2025

	NET LTV	ICR
Covenant	max. 70%	min. 1.50
Value	41.8%	2.21

As at 31 December 2025, DEMIRE had complied with all covenants of the 2019/2027 corporate bond. The planning for the 2026 financial year and beyond assumes that all covenants will be complied with at all times.

WALT TOP 20 ASSETS

in years	31/12/2025	31/12/2024
Property		
Rostock (Kröpeliner Straße 26-28)	8.8	6.8
Bonn (Bonner Talweg 100/ Reuterstrasse)	4.1	3.2
Neuss (Breslauer Str. 8)	0.0	1.0
Bad Vilbel (Konrad-Adenauer-Allee 1-11)	5.2	5.8
Düsseldorf (Wiesenstr. 70)	3.0	3.3
Frankfurt (Gutleutstraße 85)	14.0	15.0
Leipzig (Gutenbergplatz 1 a-e)	1.6	1.6
Eschborn (Frankfurter Str. 29 - 35)	4.0	5.0
Lutherstadt Wittenberg (Lerchenbergstraße112/113, Annendorfer Straße 15/16)	5.9	7.2
Zittau (Hochwaldstraße 20)	6.6	4.6
Langen (Robert-Bosch-Straße 11)	3.7	4.5
Quickborn (Pascalkehre 15 / 15a)	1.9	2.8
Flensburg (Eckernförder Landstrasse 65)	5.2	4.3
Meckenheim (Auf dem Steinbüchel 20)	5.0	2.0
Dresden (Königsbrücker Straße 121 a)	20.0	21.0
Stralsund (Tribseer Damm 76)	4.8	5.5
Dresden (Nossener Brücke 8 - 12)	2.8	3.2



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WALT TOP 20 ASSETS

in years	31/12/2025	31/12/2024
Bayreuth (Nürnberg Str. 38)	1.9	2.2
Leverkusen (Goetheplatz 1-4)	4.0	5.0
Kempton (Alpenstr., Bahnhofstr., Hirschstr.)	4.2	2.0
Average	5.0	4.8

Other financial obligations and contingent liabilities

Obligations totalling EUR 10.4 million (previous year: EUR 16.8 million) have been incurred for conversion and extension works, as well as maintenance and modernisation measures on the real estate properties. These obligations are fixed in terms of their scope. The purchase order commitment from commissioned maintenance and investment activities amounted to EUR 7.6 million (previous year: EUR 6.4 million) as at the reporting date.

The amounts were determined on the basis of contractual agreements with tenants, agreed contract amounts and cost estimates from contractors such as architects, manual workers and general contractors. There is uncertainty surrounding the timing of cash outflows as construction activities can be delayed due to disruptions in supply chains or the availability of staff and materials. There is also uncertainty about the required amounts as price fluctuations may occur to a certain extent for services that have not yet been contractually agreed. It is currently assumed that around 79% of the funds required for contractual obligations will be incurred within one year and around 21% within a period of one to five years.

Economic development of DEMIRE AG

The section below explains the development of the Company. The basic statements on the market, strategy and management, as well as on the opportunities and risks of the business activities, presented in the Group management report also apply equally to the Company.

The Company is the operational management unit of the DEMIRE Group. It does not hold any of its own properties. In the 2025 financial year, it generated revenue from management services rendered for the project companies. The number of employees, excluding Executive Board members, averaged 28 in the reporting year (2024: 28 employees).

DEMIRE's financial statements as at 31 December 2025 were prepared in accordance with the provisions of the German Commercial Code (HGB) and the supplementary provisions of the German Stock Corporation Act (AktG). Supplementary provisions from the Articles of Association did not arise.

Results of operations, net assets and financial position

In the financial year, the main drivers for the net loss for the year were impairments on financial assets due to lower market values, expenses from the absorption of losses as a result of devaluations of shares and loans to affiliated companies at subsidiaries, and interest expenses. Other operating income and income from loans from financial assets counteracted this, but did not fully compensate for it.



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RESULTS OF OPERATIONS OF THE COMPANY

STATEMENT OF INCOME

in EUR thousand	2025	2024	Change	in %
Revenue	4,690	4,005	685	17.1
Other operating income	38,860	56,010	-17,150	-30.6
Personnel expenses	5,122	5,177	-55	-1.1
Depreciation und amortisation	27,695	55,633	-27,938	-50.2
Other operating expenses	50,626	36,207	14,419	39.8
Income from long-term equity investments	254	248	6	2.4
Income from profit transfer agreements	3,589	61,052	-57,463	-94.1
Income from loans of financial assets	38,414	19,214	19,200	99.9
Other interest and similar income	2,674	3,343	-669	-20.0
Impairment of financial assets	18,948	43,097	-24,149	-56.0
Expenses from the assumption of losses	3,048	1,009	2,039	>100
Interest and similar expenses	41,841	28,099	13,742	48.9
Expenses from compensation payments to minority shareholders	0	35	-35	-100.0
Profit before income taxes	-58,801	-25,388	-33,413	131.6
Income taxes	-4,102	-101	-4,001	>-100
Net loss	-62,903	-25,489	-37,414	146.8
Loss carried forward	-103,627	-78,138	-25,489	32.6
Accumulated loss	-166,530	-103,627	-62,903	60.7

The Company's **revenue** results mainly from management fees related to the provision of internal Group services to the subsidiaries and sub-subsidiaries of DEMIRE. DEMIRE's revenue increased by EUR 0.7 million to EUR 4.7 million, mainly due to higher management fees.

Other operating income of EUR 38.9 million (previous year: EUR 56.0 million) mainly comprises income from revaluations of other loans in the amount of EUR 23.7 million (previous year: EUR 0 million), income from revaluations of loans to affiliated companies in the amount of EUR 8.6 million, reversals of provisions in the amount of EUR 6.4 million (previous year: EUR 0.1 million), the below-par repayment of the 2019/2024 bond in the amount of EUR 0 million (previous year: EUR 47.5 million) and income from the contribution of shares in affiliated companies to DEMIRE Holding XV SCSp at fair value in the amount of EUR 0 million (previous year: EUR 8.1 million). Other operating income includes income relating to other periods in the amount of EUR 6.4 million (previous year: EUR 0.1 million), mainly comprising income from the reversal of provisions.

Staff costs fell slightly to EUR 5.1 million (previous year: EUR 5.2 million).

Other operating expenses and depreciation and amortisation of EUR 78.3 million (previous year: EUR 91.8 million) mainly consist of amortisation on loan receivables from the Limes companies amounting to EUR 17.2 million (previous year: EUR 53.0 million), amortisation on interest receivables from associates of EUR 3.7 million (previous year: EUR 0) as well as from a recognised risk provision for a penalty for JV Theodor-Heuss-Allee of EUR 38.5 million (previous year: EUR 0 million), for bond fees of EUR 7.4 million (previous year: EUR 0), legal and consulting fees of EUR 1.7 million (previous year: EUR 29.5 million).

In the 2025 financial year, income totalling EUR 3.6 million was collected on the basis of the existing **control and profit transfer agreements** (previous year: EUR 61.1 million). The high income in the previous year resulted in particular from the profit transfer agreements concluded with the property company of LogPark in Leipzig in the amount of EUR 58.9 million due to the sale of the property.



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Income from investments amounted to EUR 0.3 million, almost unchanged from the previous year.

Income from loans of financial assets in the amount of EUR 38.4 million (previous year: EUR 19.2 million) relates predominantly to loans granted to affiliated companies to finance the acquisition of real estate companies and properties by subsidiaries and sub-subsidiaries (EUR 35.6 million) and income from other loans (EUR 2.8 million).

Interest expense in the 2025 financial year came to EUR 41.8 million (previous year: EUR 28.1 million). This significant increase is primarily attributable to higher interest expenses for the bond and the shareholder loan. Write-downs on financial assets amounted to EUR 18.9 million in the 2025 financial year (previous year: EUR 43.1 million) and mainly comprised impairment losses on loans and shares in affiliated companies as well as other loans.

Profit before income taxes amounted to EUR –58.8 million in the 2025 financial year, compared with EUR –25.4 million in the previous year.

The net loss for the year (**earnings after tax**) amounted to EUR –62.9 million in the 2025 financial year (previous year: EUR –25.5 million). The accumulated loss from the previous year was carried forward to new account. Consequently, the Company's accumulated loss amounted to EUR –166.5 million (previous year: EUR –103.6 million).

NET ASSETS OF THE COMPANY

BALANCE SHEET – ASSETS (EXCERPT)

in EUR thousand	31/12/2025	31/12/2024	Change	in %
Assets				
Fixed assets	576,539	568,202	8,337	1.5
Current assets/ prepaid assets	14,857	42,651	–27,794	–65.2
Total assets	591,396	610,853	–19,457	–3.2

BALANCE SHEET – EQUITY AND LIABILITIES (EXCERPT)

in EUR thousand	31/12/2025	31/12/2024	Change	in %
Equity and liabilities				
Equity	98,863	161,766	–62,903	–38.9
Provisions	62,299	33,738	28,561	84.7
Liabilities	430,233	415,350	14,883	3.6
Total equity and liabilities	591,396	610,853	–19,457	–3.2

The Company's total assets amounted to EUR 591.4 million as at the reporting date of 31 December 2025. This represents a drop of 3.2% compared to the previous year (31 December 2024: EUR 610.9 million).

Fixed assets rose slightly in the financial year compared with the previous year to EUR 576.5 million (previous year: EUR 568.2 million), which is attributable in particular to higher other loans.

Current assets including prepaid expenses decreased by 65.2% to EUR 14.9 million compared to EUR 42.7 million on the previous year's reporting date. In particular, receivables from affiliated companies fell significantly from EUR 19.1 million to EUR 3.9 million, which is attributable to the amortisation of receivables from insolvent Limes companies. Cash and cash equivalents amounted to EUR 5.1 million (previous year: EUR 10.7 million).



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On the liabilities side of the statement of financial position, the **Company's equity** fell from EUR 161.8 million as at 31 December 2024 to EUR 98.9 million as at 31 December 2025. This was due to the net loss for 2025. The equity ratio declined accordingly from 26.5% as at 31 December 2024 to 16.7% as at 31 December 2025.

Provisions of EUR 62.3 million as at 31 December 2025 (31 December 2024: EUR 33.7 million) mainly relate to a penalty for a purchase option in connection with JV Theodor-Heuss-Allee GmbH of EUR 38.5 million, as well as tax provisions and personnel costs.

The Company's **liabilities** increased slightly, mainly due to the end-of-term business loan, from EUR 415.4 million as at 31 December 2024 to EUR 430.2 million as at 31 December 2025.

FINANCIAL POSITION OF THE COMPANY

The Company's financial management is carried out in accordance with the instructions of the Executive Board. The primary objectives are to ensure liquidity and maintain financial independence. As at the reporting date, all financing obligations, including the agreed financial covenants, were met.

Regularly providing information on the financial position to the Supervisory Board is an integral part of the risk management system of DEMIRE AG.

STATEMENT OF CASH FLOWS (EXCERPT)

in EUR thousand	2025	2024	Change	in %
Cash flow from operating activities	-31,755	55,562	-87,317	>-100
Cash flow from investing activities	44,250	162,451	-118,201	-72.8
Cash flow from financing activities	-18,067	-236,971	218,904	-92.4
Net change in cash and cash equivalents	-5,572	-18,958	13,386	-70.6
Cash and cash equivalents at the end of the period	5,097	10,668	-5,571	-52.2

Operating activities resulted in a cash outflow of EUR 31.8 million in 2025, after a cash inflow of EUR 55.6 million in the previous year. The significant change in cash flow compared to the previous year is due to lower interest income, a decrease in provisions and depreciation of fixed assets.

Cash flow from investing activities amounted to EUR 44.3 million, compared to EUR 162.5 million the previous year. The decline compared with the previous year is mainly due to lower proceeds from financial assets in the form of repaid or written-off loan receivables and lower dividend payments.



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The cash flow from **financing activities** amounted to EUR –18.1 million in the 2025 financial year, compared to EUR –237.0 million in the previous year. The difference is primarily attributable to the partial repurchases of the corporate bond in the previous year. This was offset once again by repayments from loans taken out, albeit to a lesser extent than in the previous year.

DEMIRE was able to meet its payment obligations at all times during the 2025 financial year.

Apart from the non-recurring other operating expenses and depreciation and amortisation, the development of the net assets, financial position and results of operations was in line with the Executive Board’s expectations, resulting in unfavourable business development overall.

FORECAST REPORT FOR THE COMPANY¹

The following qualitative forecast levels are used for the forecast: strong increase (>10%), significant increase (5% to 10%), slight increase (2% to 5%), stable/at previous year’s level (+/-2%), slight decrease (-2% to -5%), significant decrease (-5% to -10%), strong decrease (>-10%).

Contrary to expectations, the significant increase in net profit forecast for 2025 has fallen sharply due to non-recurring other operating expenses and depreciation and amortisation.

Revenue is expected to remain at the previous year’s level in 2026. Assuming the absence of impairment losses from the previous year and other one-off effects, net profit should show a strong increase compared to the previous year.

DIVIDEND

DEMIRE did not distribute a dividend in the reporting period due to the lack of retained earnings in the 2024 financial year. No dividend will be distributed for the 2025 financial year either due to the lack of retained earnings. According to the terms and conditions of the 2019/2027 corporate bond, this is generally only possible again after the end of its term.

¹ The following qualitative forecast levels are used for the forecast: strong increase (>10%), significant increase (5% to 10%), slight increase (2% to 5%), stable/at previous year’s level (+/-2%), slight decrease (-2% to -5%), significant decrease (-5% to -10%), strong decrease (>-10%).



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COMPOSITION OF SUBSCRIBED CAPITAL

a) As at 31 December 2025

As at 31 December 2025, the Company had fully paid-up subscribed capital in the amount of EUR 107,777,324.00 divided into 107,777,324 no-par value bearer shares with a notional interest in share capital of EUR 1.00; DEMIRE AG itself held 2,264,728 of these shares as at the reporting date. DEMIRE shares have been admitted for trading in the Prime Standard of the Frankfurt Stock Exchange.

b) Development after 31 December 2025

There were no changes after the reporting date.

RESTRICTIONS ON VOTING RIGHTS AND TRANSFER OF SHARES

There are no restrictions on voting rights or the transfer of shares.

DIRECT OR INDIRECT CAPITAL INTERESTS THAT EXCEED 3% OF THE VOTING RIGHTS

a) As at 31 December 2025

In 2025, the Company did not receive any voting rights notifications with regard to direct or indirect shareholdings exceeding 3%, 5% or 10% of the voting rights. As at 31 December 2024, the following shareholders held interests in the Company, representing more than 3%, 5% or 10% of the voting rights:

- The Apollo Group, via AEPF III 15 S.à r.l., held a total of 58.61% of the shares
- The Wecken Group of Mr Klaus Wecken, Basel, Switzerland held a total of 32.14% of the shares through various subsidiaries.

The voting rights held by both the Apollo Group and Wecken Group are reciprocally attributed to them due to an Acting in Concert agreement between the Apollo Group and Wecken Group. Both the Apollo Group and the Wecken Group therefore (indirectly) held 90.75% of voting rights in the Company.

b) Development after 31 December 2025

The Company did not receive voting right notifications with regard to direct or indirect interests that exceeded 3%, 5% or 10% of the voting rights, up to the date of this Annual Report's publication.

HOLDERS OF SHARES ENDOWED WITH SPECIAL RIGHTS CONFERRING POWER OF CONTROL

Such shares do not exist.

TYPE OF VOTING RIGHT CONTROL WHEN EMPLOYEES HOLD AN INTEREST IN SHARE CAPITAL AND DO NOT EXERCISE THEIR CONTROL RIGHTS DIRECTLY

Such interests do not exist.

LEGAL REGULATIONS AND PROVISIONS OF THE ARTICLES OF ASSOCIATION GOVERNING THE APPOINTMENT AND REPLACEMENT OF MEMBERS OF THE EXECUTIVE BOARD AND AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Appointment and replacement of Executive Board members

Pursuant to Section 84 of the German Stock Corporation Act (AktG), Executive Board members are appointed by the Supervisory Board for a term of no more than five years. Repeat appointments are permissible. The Executive Board of the Company consists of one or more persons. The number of Executive Board members is stipulated by the Supervisory Board. The Supervisory Board decides on the appointment, revocation of appointment and the conclusion, modification and termination of employment contracts to be concluded with Executive Board members. The Supervisory Board is authorised to appoint chairpersons and vice chairpersons and deputy members to the Executive Board.



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Amendments to the Articles of Association

Amendments to the Articles of Association require a resolution of the Annual General Meeting pursuant to Section 179 (1) AktG, which requires a majority of three-quarters of the capital represented in the voting pursuant to Section 179 (2) AktG, unless specified otherwise in the Articles of Association. However, where an amendment relates to a change in the purpose of the Company, the Articles of Association may only specify a larger majority. Section 20 (1) of DEMIRE's Articles of Association makes use of the option to deviate therefrom pursuant to Section 179 (2) AktG and provides that resolutions can generally be passed by a simple majority vote and, if a capital majority is required, by a simple capital majority, unless mandatory provisions require otherwise. The Supervisory Board is authorised to resolve amendments to the Articles of Association that relate to their wording only. The Supervisory Board is also authorised to amend the wording of Section 5 of the Articles of Association with respect to the amount and composition of the share capital in correspondence to the scope of capital increases from authorised capital.

AUTHORISATION OF THE EXECUTIVE BOARD TO ISSUE AND REPURCHASE SHARES

Authorised Capital

a) As at 31 December 2025

Pursuant to Section 6 of the Articles of Association, the Executive Board is authorised, with the approval of the Supervisory Board, to increase the Company's share capital up to and including 20 November 2029 by issuing, in one or more tranches, a total of up to 53,888,662 new no-par value bearer shares (no-par value shares) for cash and/or non-cash contributions up to a total of EUR 53,888,662 (Authorised Capital 2024/1). Authorisation may be exercised in part. The Executive Board is authorised, with the consent of the Supervisory Board, to set out further content of share rights and the conditions for share issuance (including profit sharing deviating from Section 60 (2) AktG). The Executive Board is authorised, with the approval of the Supervisory Board, to exclude shareholders' statutory subscription rights on one or more occasions in certain cases, e.g. when issuing in exchange for cash contributions, provided that the issue price is not significantly lower than the stock market price

of the Company's existing shares of the same class and with the same features at the time the issue price is finally determined and the proportionate amount of the shares issued pursuant to Section 186 (3) sentence 4 AktG with the exclusion of subscription rights does not exceed 20% of the share capital at the time of entry of this authorisation in the commercial register or – if the latter amount is lower – at the respective time of exercise of the authorisation, whereby shares issued or sold under certain other authorisations with the exclusion of subscription rights shall also be taken into account for the purposes of the 20% limit. Further details, in particular the options for excluding subscription rights and the limits thereof, are set out in Section 6 of the Articles of Association.

Authorised Capital 2024/1 had not yet been utilised by 31 December 2025.

b) Development after 31 December 2025

There were no changes after the reporting date.

Conditional Capital

a) As at 31 December 2025

Pursuant to Section 5 (4) of the Articles of Association, the Company's share capital is conditionally increased by up to EUR 560,000.00 through the issue of up to 560,000 new no-par value bearer shares (Conditional Capital 2018/1). The conditional capital increase will only be carried out if the holders of share options issued by the Company during the acquisition period under the 2015 share option plan pursuant to the authorisation resolution of the Extraordinary General Meeting of 6 March 2015 exercise their subscription rights to shares in the Company and the Company does not grant its own shares in fulfilment of the subscription rights. The new shares in the Company resulting from the exercise of these subscription rights shall be entitled to participate in profits from the beginning of the financial year for which no resolution on the distribution of retained earnings is passed by the Annual General Meeting at the time the subscription rights are exercised. The Supervisory Board is authorised to amend the wording of the Company's Articles of Association in line with the scope of the capital increase from conditional capital.



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As at 31 December 2025, Conditional Capital 2018/1 had not been utilised.

Furthermore, pursuant to Section 5 (5) of the Articles of Association, the Company's share capital is conditionally increased by up to EUR 53,888,662.00 through the issue of up to 53,888,662 no-par value bearer shares (Conditional Capital 2024/1). The conditional capital increase serves to grant no-par value bearer shares to the holders or creditors of convertible bonds and/or bonds with warrants and/or profit participation rights and/or income bonds (or combinations of these instruments) that were or will be issued by the Company or companies in which the Company holds a direct or indirect majority interest on the basis of the authorisation to issue convertible bonds and/or bonds with warrants and/or profit participation rights and/or income bonds (or combinations of these instruments) resolved by the Annual General Meeting on 21 November 2024 under agenda item 9 b) have been or will be issued by the Company or companies in which the Company holds a direct or indirect majority interest and grant a conversion or option right to new no-par value bearer shares in the Company or establish a conversion or option exercise obligation. The new shares shall be issued at the exercise or conversion price to be determined in accordance with the respective authorisation resolution of the Annual General Meeting. The conditional capital increase will only be carried out to the extent that the holders or creditors of conversion or option rights exercise these rights or the holders with conversion or option obligations fulfil their conversion or option obligations, unless cash compensation is granted or treasury shares or shares created from authorised capital are used to service this obligation. The new shares participate in the profit from the beginning of the financial year in which they are issued, and for all subsequent financial years. Provided it is legally permissible, and with the approval of the Supervisory Board, the Executive Board may decide to amend the profit entitlement schedule for the new shares, particularly, that the new shares may participate in the profit from the start of a past financial year for which no resolutions on the appropriation of profits had been made by the Annual General Meeting at the time at which the new shares were issued. The Executive Board is authorised, with the consent of the Supervisory Board, to determine the further details of the implementation of a conditional capital increase.

As at 31 December 2025, Conditional Capital 2024/1 had not been utilised.

b) Development after 31 December 2025

There were no changes after the reporting date.

Authorisation to issue convertible and/or option bonds and/or profit-sharing rights and/or profit-sharing bonds

With the authorisation granted by resolution of the Annual General Meeting of 21 November 2024, the Executive Board was authorised, with the consent of the Supervisory Board, to issue subordinated or non-subordinated bearer or registered convertible bonds and/or bonds with warrants, profit participation rights and/or profit participation bonds (or combinations of these instruments; collectively "bonds") with or without a limited term to maturity in the total nominal amount of up to EUR 325,000,000.00 on one or more occasions, also simultaneously in different tranches, up to 20 November 2029, and to grant or impose conversion or option rights and conversion or option obligations to/on holders or creditors of bonds for a total of up to 53,888,662 no-par value bearer shares of the Company with a notional interest in the share capital totalling up to EUR 53,888,662 in accordance with the more detailed provisions of the bond conditions.

The bond terms may also establish a conversion or option exercise obligation at the end of the term or at an earlier date or upon a specific event (in each case, "maturity") or grant the Company the right to grant the creditors of the option and/or convertible bonds, in whole or in part, shares in the Company or another listed company in accordance with the exchange ratio instead of paying the amount due upon final maturity.

The conversion and option rights as well as any conversion or option exercise obligations may be satisfied from existing or conditional capital to be decided upon at this or future Annual General Meetings and from existing or future authorised capital to be decided upon.



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Shareholders are generally entitled to subscription rights to bonds.

However, if bonds with conversion and/or option rights or conversion and/or option obligations are to be issued in exchange for cash, the Executive Board is authorised, with the approval of the Supervisory Board, to issue bonds with conversion and/or option rights or conversion and/or option obligations in accordance with Section 186 (3) sentence 4 AktG, excluding subscription rights, provided that the issue price is not significantly lower than the theoretical market value of the bonds with conversion and/or option rights or conversion and/or option obligations determined using recognised financial mathematical methods. This authorisation to exclude subscription rights shall only apply to the extent that the shares issued or to be issued to service the conversion and option rights or to fulfil the conversion and option exercise obligation do not exceed a proportionate amount of the share capital of EUR21,555,464.00 or, if this amount is lower, a total of no more than 20% of the share capital at the time the authorisation is exercised (the “**maximum amount**”). The share capital attributable to shares issued or sold on or after 21 November 2024 in direct or analogous application of Section 186 (3) sentence 4 AktG shall be credited against the maximum amount for the exclusion of subscription rights.

Further details of the authorisation, in particular regarding the terms and conditions of the bonds and the exclusion of subscription rights, are specified in the authorisation resolution passed by the Annual General Meeting on 21 November 2024.

The authorisation to issue bonds, which was approved at the Annual General Meeting on 21 November 2024, was not used prior to 31 December 2025.

Authorisation to acquire and use own shares

The Company was authorised by the Annual General Meeting on 14 May 2025 to acquire own shares with a proportionate amount of the share capital of up to a total of 10% of the share capital existing at the time of the resolution or at the time of exercising this authorisation until 13 May 2030 if the latter value is lower. The acquired shares, together with other own shares held by the Company or attributable to it pursuant to Sections 71d and 71e AktG, may not at any time exceed 10% of the share capital. At the discretion of the Executive Board, the acquisition shall be made (1) via the stock exchange, (2) by means of a public purchase offer addressed to all shareholders, or (3) by means of a public invitation to all shareholders to submit offers for sale.

The Executive Board was also authorised to use the Company’s own shares, which are or were acquired pursuant to this or an earlier authorisation in accordance with Section 71 (1) Item 8 AktG or in any other manner, for all legally permissible purposes. In particular, the shares may be sold on the stock exchange or by public offering to all shareholders in proportion to their shareholdings.

Further details of the authorisations, in particular the conditions for the acquisition of shares, are set out in the authorisation resolution passed by the Annual General Meeting on 14 May 2025.

As at 31 December 2025, the authorisations to acquire or use own shares, which were approved at the Annual General Meeting on 14 May 2025, had not been used.

Treasury shares in the amount of EUR 2,005 thousand were acquired in 2020 (2,004,999 no-par-value shares). These treasury shares are used for all legally permissible purposes and can also, for example, be redeemed. Treasury shares with a nominal value in the amount of EUR 260 thousand were acquired in 2021



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(259,729 no-par-value shares). These treasury shares are used for all legally permissible purposes and can also, for example, be redeemed. The aim of the share buy-backs was to increase the share price.

MATERIAL AGREEMENTS OF THE COMPANY SUBJECT TO A CHANGE OF CONTROL AS A RESULT OF A TAKEOVER BID AND THE RESULTING EFFECTS

The majority of existing debt financing agreements (including the 2019/2027 bond) stipulate that creditors have an extraordinary right of termination in the event of a change of control at the affected Group companies.

COMPANY COMPENSATION AGREEMENTS WITH THE EXECUTIVE BOARD AND EMPLOYEES IN THE EVENT OF A TAKEOVER BID

None of the Executive Board members or employees have an extraordinary special right of termination in the event of the direct or indirect acquisition of control of the voting rights of the Company of at least 50% of the voting rights or a comparable situation that restricts the power of management of the Executive Board of the Company.

(Group) Corporate Governance Statement

On 27 January 2026, the Executive Board of the Company issued its Corporate Governance Statement in accordance with Sections 315d and 289f of the German Commercial Code (HGB) and made it generally and permanently accessible on the Company's website at www.demire.ag in the "Company" section under the heading "Corporate Governance".

CONCLUDING STATEMENT TO THE DEPENDENCY REPORT PURSUANT TO SECTION 312 AKTG

In accordance with Section 312 AktG, the Executive Board issues the following concluding statement: "Our Company received appropriate consideration for each legal transaction according to the circumstances known to us at the time the legal transactions were carried out. No measures by our Company as defined by Section 312 AktG were either taken or omitted in the year under review."

Remuneration Report 2025

The Remuneration Report, pursuant to Section 162 of the German Stock Corporation Act (AktG), provides details regarding the remuneration of current and former Executive Board and Supervisory Board members of DEMIRE Deutsche Mittelstand Real Estate AG ("DEMIRE AG") during the 2025 financial year.

The remuneration report contains detailed information on the remuneration system that is necessary for understanding the disclosures on the remuneration of the services of the members of the Executive Board and Supervisory Board and also contains additional explanations of how the remuneration affects the long-term development of DEMIRE AG.

Pursuant to Section 162 AktG, the Executive Board and Supervisory Board are responsible for preparing the Remuneration Report.

Overview of the 2025 financial year

RESOLUTION ON THE APPROVAL OF THE REMUNERATION REPORT FOR THE PREVIOUS FINANCIAL YEAR 2024

The Remuneration Report prepared by DEMIRE in accordance with the requirements of Section 162 AktG regarding the remuneration granted and owed to the current and former members of the Executive Board and Supervisory Board of DEMIRE Deutsche Mittelstand Real Estate AG in the previous financial year 2024 was approved by the Annual General Meeting on 14 May 2025 with a majority of 99.38% of the capital represented pursuant to Section 120a (4) AktG. Due to the approval, there was no reason to adjust the reporting.



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REMUNERATION SYSTEM FOR THE EXECUTIVE BOARD MEMBERS
IN THE 2025 FINANCIAL YEAR

At the Annual General Meeting held on 28 April 2021, a new remuneration system (“**New remuneration system**”) for the members of the Executive Board of DEMIRE AG was approved by a majority of 99.71% of the capital represented. The “New remuneration system” was adjusted slightly by the Supervisory Board in a resolution dated 2 October 2024. The adjustment related solely to the increase in the planned maximum remuneration for ordinary members of the Executive Board, which was raised from EUR 960,000 p.a. to EUR 1,180,000 p.a. The amended remuneration system for the members of the Executive Board of DEMIRE AG was approved by a majority of 98.99% of the capital represented at the Annual General Meeting on 21 November 2024. This adjustment to the new remuneration system is taken into account in the following presentation.

The Executive Board service contract of Mr Tim Brückner (since 1 February 2019) was extended from 26 May 2021 to 31 December 2024 by way of an extension agreement and has been extended to 31 December 2026 by way of an extension agreement dated 18/20 July 2024.

The Executive Board service contracts for Mr Ralf Bongers (since 1 April 2023) and Mr Frank Nickel (Chair since 3 April 2024) include the “New remuneration system”.

As the agreed changes to the remuneration of Tim Brückner in accordance with the extension agreements dated 26 May 2021 and 18/20 July 2024, as well as the Executive Board service contracts of Mr Ralf Bongers (including the amendment agreement dated 16 January 2025) and Mr Frank Nickel all came into effect after the new remuneration system took effect on 28 April 2021, all active members of the Executive Board were granted remuneration in accordance with the provisions of the new remuneration system (“**New remuneration system**”) from the 2022 financial year onwards. Accordingly, the “New remuneration system” is presented below.

The remuneration of the Executive Board is reviewed on a regular basis by the Supervisory Board. Furthermore, the Supervisory Board laid down the performance criteria with regard to performance-related variable remuneration elements for the 2025 financial year.

REMUNERATION SYSTEM FOR THE SUPERVISORY BOARD MEMBERS
IN THE 2025 FINANCIAL YEAR

The remuneration system for the Supervisory Board, as laid down in Section 16 of the Articles of Association, was also approved at the Annual General Meeting held on 28 April 2021. This was passed with a majority of 99.99% of the capital represented. A resolution was passed at the Annual General Meeting held on 28 April 2021 to increase the remuneration of Supervisory Board members from EUR 30,000.00 to EUR 40,000.00 for each regular Supervisory Board member, with effect from the start of the 2021 financial year. The Chair of the Supervisory Board receives triple the aforementioned amount and the Vice Chair receives double the aforementioned amount.

The remuneration of the Supervisory Board, as set out in Section 16 of the Articles of Association in conjunction with the resolution passed by the Annual General Meeting on 28 April 2021 and outlined in the description of the remuneration of Supervisory Board members, was confirmed by the Annual General Meeting on 14 May 2025 with a majority of almost 100% of the capital represented.

The remuneration system for the Supervisory Board was applied in full in the financial year 2025, as set out in Section 16 of the Articles of Association.



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Detailed breakdown of Executive Board remuneration during the 2025 financial year

OVERVIEW OF “NEW REMUNERATION SYSTEM”

The “New remuneration system” for Executive Board members is aligned with the Company’s sustainable corporate performance in the long term and is therefore set up as a relevant element for implementing DEMIRE AG’s corporate strategy.

From the Company’s perspective, the “New remuneration system” makes a significant contribution to promoting the corporate strategy and the long-term, sustainable development of the Company. It incentivises achieving the Company’s strategic goals and creates effective incentives for the long-term growth of the Company in the interests of our investors, business partners, employees and society as a whole. As non-financial (qualitative) performance criteria are fundamentally important to the Company in addition to financial performance criteria, aspects such as sustainability, employee satisfaction and diversity are also taken into account in the variable remuneration.

With this in mind, the “New remuneration system” is divided into variable and fixed remuneration elements. The remuneration for the Executive Board consists of the basic remuneration, pension expenses, fringe benefits, a one-year variable remuneration amount (short-term incentive [STI] = bonus) and a multi-year variable remuneration amount (long-term incentive [LTI] = virtual stock option programme).

The amount of variable remuneration is therefore based on the achievement of specific targets laid down in advance.

In order to provide better insight, there is a corresponding table below that summarises the key features of the “New remuneration system”.

Key elements of the remuneration system since 1 January 2022 (“New remuneration system”)

REMUNERATION ELEMENT

Fixed remuneration	Basis for calculation/parameter
Basic remuneration	Contractually agreed fixed remuneration paid in twelve monthly instalments.
Fringe benefits	Provision of a company car, continued cover under the existing directors’ and officers’ liability insurance policy (D&O insurance), taking out of accident and disability insurance within the framework of a Group accident insurance policy, continued remuneration in the event of illness or accident, and payment of death benefits.
Pension expenses	Payment of contributions to statutory or appropriate private health insurance and nursing care insurance schemes subject to corresponding application of Section 257 of Volume V of the German Social Code (SGB V) and Section 61 of Volume XI of the German Social Code (SGB XI).



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REMUNERATION ELEMENT

Variable remuneration	Basis for calculation/parameter
Bonus (short-term incentive)	<p>Cap: Double the target amount</p> <p>Performance criteria: – 25%–50% Key performance indicators for the Company – 25%–50% Operational performance criteria – 10%–30% Non-financial performance criteria (strategic targets for the Company; environmental, social and governance policy targets)</p> <p>Payment: At the end of the month in which the Company’s annual financial statements for the previous year are adopted.</p>
Virtual stock option programme (long-term incentive)	<p>Cap: Capped by way of an annual allocation defined in the contract. There is no provision for vesting of more than 100% of the granted PSUs. Regardless of the target achievement or number of vested PSUs, the maximum payment per PSU is capped at 250% of the price when granted. The maximum value and the threshold for the share price increase are determined in advance by the Supervisory Board. Likewise, the maximum value and the threshold for the relative total shareholder return performance are also defined in advance by the Supervisory Board.</p> <p>Performance criteria: – 50% Annual share price increase – 50% Relative total shareholder return</p> <p>Payment: On 31 March of the year following vesting (vesting takes place four years after the grant date, depending on the achievement of pre-defined performance targets)</p>

REMUNERATION ELEMENT

Other remuneration provisions	Basis for calculation/parameter
Maximum remuneration	<p>Capping of total remuneration granted for a given financial year in accordance with Section 87a (1) (2) No. 1 AktG: – Chief Executive Officer: EUR 1,580,000.00 gross p.a – Regular Executive Board members: EUR 1,180,000.00 gross p.a.</p>
Severance payment cap	<p>The severance payment must not exceed an amount equating to two years’ annual salary and must not provide remuneration for more than the remaining term of the contract (“severance payment cap”). The severance payment cap is calculated based on the total remuneration for the past financial year and, where applicable, the expected total remuneration for the current financial year.</p>
Malus and clawback provision	<p>Possible to partially or fully reduce or claw back variable remuneration.</p> <p>Any remuneration benefits paid to undertake intra-Group Supervisory Board mandates are accounted for against the remuneration in accordance with this remuneration system. The same applies to the assumption of intra-Group Executive Board mandates. With regard to the assumption of supervisory board mandates external to the Group, the Supervisory Board is responsible for deciding whether and to what extent remuneration paid for these mandates is to be accounted for.</p>
Remuneration for other mandates both within and external to the DEMIRE Group	<p>Any remuneration benefits paid to undertake intra-Group Supervisory Board mandates are accounted for against the remuneration in accordance with this remuneration system. The same applies to the assumption of intra-Group Executive Board mandates. With regard to the assumption of supervisory board mandates external to the Group, the Supervisory Board is responsible for deciding whether and to what extent remuneration paid for these mandates is to be accounted for.</p>



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DETAILED BREAKDOWN OF FIXED REMUNERATION ELEMENTS IN THE 2025 FINANCIAL YEAR

Basic remuneration in 2025 financial year

The basic remuneration for the Executive Board members is paid in twelve equal partial amounts at the end of each calendar month, representing a fixed income for Executive Board members. The annual basic remuneration for 2025 was EUR 420,000.00 gross per annum for the CEO Mr Frank Nickel, EUR 310,000.00 gross per annum for the CFO Mr Tim Brückner, and EUR 277,300.00 gross per annum for the Executive Board Member for Transactions Mr Ralf Bongers.

Fringe benefits in 2025 financial year

In addition to the basic remuneration, Executive Board members are also entitled to fringe benefits. Notable items in this context are the provision of a company car, continued cover under the existing directors' and officers' liability insurance policy (D&O insurance), taking out of accident and disability insurance within the framework of a Group accident insurance policy, continued remuneration in the event of illness or accident, and payment of death benefits.

The D&O insurance includes the minimum deductible, as stipulated by law, of 10% of the loss up to the annual amount of one-and-a-half times the fixed annual remuneration pursuant to Section 93 (2) (3) AktG.

The Company also has an accident insurance policy in place as part of a Group accident insurance policy, including payment of insured benefits in the amount of EUR 500,000.00 in the event of death and EUR 500,000.00 in the event of disability. The insurance premiums are paid by the Company. In the event of death, the insured benefits under the terms and conditions of insurance shall be due to a person nominated by the Executive Board or to the heirs.

The Chair of the Executive Board, Mr Frank Nickel, was granted the right to receive a company car in the form of a car allowance as an additional salary component amounting to EUR 1,500.00 gross per month.

In addition, the Company made a contractual commitment to Executive Board member Mr Tim Brückner to assume the costs of a private pension plan up to the value of the maximum voluntary monthly contribution to the statutory pension insurance scheme, this was a net allocation¹. This provision applies accordingly to board member Mr Ralf Bongers; in this case, it is a gross payment.

Furthermore, Executive Board member Mr Tim Brückner was granted the right to receive a company car in the form of a car allowance as an additional salary component totalling EUR 1,700.00 gross per month. This salary component also covers all travel expenses of the Executive Board member (for example, business trips with a private car, taxi rides, trips with a rental car or on public transport) to the extent that a company car would have been used, had it been provided.

In more detailed formulation of the regulations of the remuneration system, it is regulated in the Executive Board employment contracts that in the case of a temporary incapacity to work owing to illness, accident or other reason for which the Executive Board member is not responsible, the fixed annual salary shall continue to be paid for a period of up to six months from the date said incapacity to work commenced, but not beyond the termination of the Executive Board employment contract in question. The Executive Board member must offset any sickness allowance or pensions they received from health insurance funds, pension funds or other insurers or pension funds against these payments, unless the benefits are based exclusively on the contributions made by the Executive Board member in question.

¹ This is an additional non-wage benefit that is not explicitly referred to as such in the "New remuneration system". This deviation from the "New remuneration system" is justified by the increased social awareness of the need to make private pension provisions, which is also reflected in negotiations on the terms of employment contracts. The additional non-wage benefit serves not only as an incentive for individual Executive Board members, but also indirectly encourages the achievement of the strategic goals of the Company as a whole, thereby providing an effective incentive for the long-term growth of the Company.

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If the Executive Board member dies during the term of the Executive Board employment contract, then their spouse or civil partner within the meaning of Section 1 of the German Act on Registered Life Partnerships (Lebenspartnerschaftsgesetz – LPartG) – or dependent children as joint creditors – shall be entitled to receive the full fixed annual salary for the month in which the Executive Board members dies and for the following three months, although not longer than until the end of the regular term of the Executive Board employment contract.

Pension expenses in 2025 financial year

Pension expenses consist of payment of contributions to voluntary statutory or private health insurance and nursing care insurance schemes subject to corresponding application of Section 257 SGBV and Section 61 SGB XI.

DETAILED BREAKDOWN OF VARIABLE REMUNERATION ELEMENTS IN THE 2025 FINANCIAL YEAR

The variable remuneration is composed of a one-year performance-based bonus (short-term incentive) and a multi-year performance-based bonus (long-term incentive).

Short-term variable remuneration, which was paid out in the 2025 financial year (2024 bonus under the “New remuneration system”)

Basic structure (“New remuneration system” to be applied here)

The amount of the bonus is based on the achievement of certain targets set by the Supervisory Board at its reasonable discretion for the financial year in question. The Supervisory Board sets the targets for the financial year in advance by the end of January of the year in question. Each target can have a target achievement of between 0% and 200%, whereby the individual target value corresponds to a target achievement of 100% (target value); a target achievement value of less than 100% represents a target underachievement and a target achievement value of more than 100% represents a target overachievement. The upper limit for exceeding the target is set at twice the target value (i.e. the value if 200% of the target is achieved). When setting the targets, the Supervisory Board selects targets, of which 25% to 50% must be corporate key figures, 25% to 50% operational performance criteria and 10% to 30% non-financial performance criteria.

Financial performance criteria

Financial performance criteria include the key performance indicators and operational performance criteria. The Company key figures include the key figures published in the Company’s forecast report (for example, rental income or funds from operations) as well as other key figures that are suitable for assessing the Company’s financial development. The operational performance criteria mainly focus on property-specific key figures, such as key figures relating to rents and the rental environment. In addition, key operating figures are used to assess the Company’s performance. These include, for example, specific targets from the human resources department or the Company’s investment management team. The Supervisory Board is free to select individual or all performance criteria from the aforementioned management criteria at its reasonable discretion when determining the specific catalogue of criteria for a financial year, provided that, when setting the targets, the Supervisory Board selects targets of which 25% to 50% are corporate key figures and 25% to 50% are operational performance criteria.

Non-financial performance criteria

These non-financial performance criteria include strategic targets for the Company in addition to ESG targets relating to areas such as health, compliance, employee health and safety, energy and the environment, and corporate culture. Here, too, the Supervisory Board is free to select individual or all performance criteria from the aforementioned management criteria at its reasonable discretion when determining the specific catalogue of criteria for a financial year, provided that the Supervisory Board selects targets of which 10% to 30% are non-financial performance criteria when setting the targets.

Accordingly, the contractually agreed target bonus, i.e. the bonus for 100% target achievement, was EUR 215,000.00 gross for Mr Nickel, EUR 132,000.00 gross for Mr Brückner, and EUR 110,000.00 gross for Mr Bongers.



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FOR MR FRANK NICKEL:

Financial performance criteria

The quantitative targets related to the success of the restructuring measures to be implemented, the achievement of the corporate goals communicated to the capital market (forecast values for rental income and FFO), not exceeding a defined LTV level, and operational performance criteria (in particular transaction, letting and financing targets).

Non-financial performance criteria

Qualitative targets were focused primarily on the Company's strategic aims, environmental, social and governance-related targets.

With regard to Mr Nickel, the Supervisory Board unanimously concluded that, based on an overall assessment, the targets set were exceeded in a market environment that was extremely challenging for the Company, and that exceeding the target bonus was therefore justified. This applies in particular to the target of successfully refinancing the 2019/2024 bond, which was significantly exceeded and was fundamental to the 2024 annual financial statements audited by the auditing firm PwC on 19 March 2025, as well as the target of not exceeding the defined LTV value. The Company's targets communicated to the capital market, such as rental income and FFO, were also almost fully achieved. The qualitative targets were also significantly exceeded. Due to the extremely challenging market environment, not all operational performance criteria could be met 100%.

In general, the Supervisory Board came to the conclusion that Mr Nickel should be entitled to a bonus of 131.5% of the basic bonus.

FOR MR TIM BRÜCKNER:

Financial performance criteria

The quantitative targets related to the success of the restructuring measures to be implemented, the achievement of the corporate goals communicated to the capital market (forecast values for rental income and FFO), not exceeding a defined LTV level, and operational performance criteria (in particular transaction and financing targets).

Non-financial performance criteria

Qualitative targets were focused primarily on the Company's strategic aims, environmental, social and governance-related targets.

With regard to Mr Brückner, the Supervisory Board unanimously concluded that, based on an overall assessment, the targets set were exceeded in a market environment that was extremely challenging for the Company, and that exceeding the target bonus was therefore justified. This applies in particular to the target of successfully refinancing the 2019/2024 bond, which was significantly exceeded and was fundamental to the 2024 annual financial statements audited by the auditing firm PwC on 19 March 2025, as well as the target of not exceeding the defined LTV value. The Company's targets communicated to the capital market, such as rental income and FFO, were also almost fully achieved. The qualitative targets were also significantly exceeded. Due to the extremely challenging market environment, not all operational performance criteria could be met 100%.

In general, the Supervisory Board came to the conclusion that Tim Brückner should be entitled to a bonus of 136.9% of the basic bonus.



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FOR MR RALF BONGERS:

Financial performance criteria

The quantitative targets related to the success of the restructuring measures to be implemented, the achievement of the corporate goals communicated to the capital market (forecast values for rental income and FFO), and operational performance criteria (in particular transaction and financing targets).

Non-financial performance criteria

Qualitative targets were focused primarily on the Company's strategic aims, environmental, social and governance-related targets.

With regard to Mr Bongers, the Supervisory Board unanimously concluded that, based on an overall assessment, the targets set were exceeded in a market environment that was extremely challenging for the Company, and that exceeding the target bonus was therefore justified. This applies in particular to the target of successfully refinancing the 2019/2024 bond, which was significantly exceeded and was fundamental to the 2024 annual financial statements audited by the auditing firm PwC on 19 March 2025. The Company's targets communicated to the capital market, such as rental income and FFO, were also almost fully achieved. The qualitative targets were also significantly exceeded. Due to the extremely challenging market environment, not all operational performance criteria could be met 100%.

The Supervisory Board came to the conclusion that Ralf Bongers should be entitled to a bonus of 120% of the target bonus.

VIRTUAL STOCK OPTION PROGRAMME (LONG-TERM INCENTIVE) IN THE 2025 FINANCIAL YEAR

Payment of 2021/2025 tranche

The 2021 tranche for Mr Brückner was paid out in 2025. The performance targets of the virtual stock option programme comprise 50% of the annual share price increase and 50% of the relative total shareholder return (relative TSR), measured over the four-year performance period. In its resolution of 13/14 April 2025, the Supervisory Board decided that, based on the conditions for a permitted temporary deviation, the 2021 tranche due to be vested for Mr Brückner has been earned in full on a one-off basis without taking into account the aforementioned performance targets and will be settled at a price of EUR 0.81 per PSU. The Supervisory Board attributed this discrepancy to the recognition of Mr Tim Brückner's individual achievements as the Company's CFO in the bond restructuring, which is an important component of the Company's long-term prosperity. The maximum number of PSUs earned for the 2021 tranche was 45,232 for Mr Brückner, which – multiplied by a price of EUR 0.81 – resulted in a payout amount of EUR 36,638.00.

CALCULATION OF 2021 TRANCHE

as at 31 December 2024	Tim Brückner
Allotment	EUR 185,000.00
Average share price	EUR 4.09
Number of PSUs	45,232
Target achievement – share performance	n/a
Target achievement – relative TSR	n/a
Target achievement – total	100%
Vested PSUs	45,232
60-day average price per share	EUR 0.81
Payment amount	EUR 36,638.00



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Basic structure (2025/2029 tranche)

Executive Board members of DEMIRE AG are to be granted annual virtual stock options (PSUs) as part of a long-term, share-based variable remuneration package in the form of a virtual stock plan (performance share plan). Provision is made here for the tranches of the virtual stock options to be granted on 1 January of a given year. The number of PSUs granted each year is calculated using an annual allocation contractually agreed in advance that is divided by the average share price² of DEMIRE AG 60 trading days prior to 1 January of a given year (“grant date”).

The number of granted PSUs is shared by the Supervisory Board in a grant letter written to the Executive Board members within four weeks of the grant date.

The granted PSUs are also vested after a performance period of four years after the grant date (“**date of any vesting**”, also referred to as “**vesting**”), depending on the achievement of performance targets laid down in advance. As a result, the number of PSUs originally granted may fit within a range of between 0% and 100% depending on the performance level achieved. If the performance level is below a defined threshold in the respective targets as described, 0% of the granted PSUs will be vested. Upon reaching the respective threshold, 50%–100% of the granted PSUs will then be vested.

The vested PSUs are paid out in cash in euros on 31 March of the year after vesting. The payment amount is calculated by multiplying the number of vested PSUs by the average share price of DEMIRE AG 60 trading days prior to vesting. This long-term variable remuneration in the form of the performance share plan aims to align the interests of the Executive Board members and the shareholders even more closely with each other so as to achieve sustainable growth in the Company’s value. The performance share plan also ensures that the Executive Board is committed to the Company in the long term and increases its motivation level.

Performance criteria for performance share plan for the 2025/2029 tranche

The performance targets for the virtual stock option programme comprise 50% for the annual share price increase and 50% for the relative total shareholder return (relative TSR), each measured over the four-year performance period.

Once the four-year performance period has ended, the Supervisory Board shall then review the extent to which the targets have been achieved. The individual target achievement is then measured in terms of whether and indeed how many virtual shares were actually vested. The maximum possible number of PSUs (100% of granted PSUs) are vested if the maximum value of the share price increase target and the maximum value of the relative TSR target, as defined in advance by the Supervisory Board for each tranche, are achieved. At least 50% of granted PSUs are vested if the share price increase threshold and the relative TSR threshold, as defined in advance by the Supervisory Board for each tranche, are achieved.

Each plan tranche is subject to a performance period of four years. The annual share price increase is calculated as a compound annual growth rate over the four-year performance period. The relative TSR compares the development of DEMIRE’s total shareholder return with the performance of the EPRA/NAREIT Developed Europe ex UK Index over the four-year period.

At the start of a given year, i.e. the grant date (see above), the maximum value and the threshold for the annual DEMIRE AG share price increase are defined by the Supervisory Board. With regard to the 2025 tranche, the maximum value is 14% p.a. and the corresponding threshold is 7% p.a.

² The weighted average share price of DEMIRE AG on the 60th trading day prior to 1 January of each year is used as the basis for the specific application of the principles of long-term variable remuneration (performance share plan) under the “New remuneration system”. This also takes into account the trading volume of the Company’s shares, resulting in more accurate results.



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Likewise, the maximum value and the threshold for the relative TSR performance are also defined in advance by the Supervisory Board. With regard to the 2025 tranche, the maximum value for the relative TSR is ten percentage points and the corresponding threshold is minus ten percentage points.

Achievement of the maximum value of both the share price increase target and the TSR target will result in 100% of the granted PSUs being vested. Achievement of the threshold for both the share price increase target and the TSR target will result in 50% of the granted PSUs being vested.

Within the range between the threshold and maximum value within the respective target, 50%–100% of the granted PSUs will be vested in a linear manner. If the performance level falls below the threshold in the respective targets, the respective granted PSUs will lapse.

There is no provision for vesting of more than 100% of the granted PSUs.

Regardless of the target achievement or number of vested PSUs, the maximum payment per PSU is capped at 250% of the price when granted.

In the more detailed formulation of the LTI regulation, the Supervisory Board has included explanations on dilution protection in the LTI programme. Accordingly, if, during the LTI term, DEMIRE AG undertakes corporate actions that impact the value of its real shares, the Executive Board member shall be treated in the same way as the owner of real shares in relation to the PSUs granted to them. If shares are split or consolidated during the LTI term, the number of PSUs shall be increased or reduced in accordance with the respective rules for the share split or share consolidation. If, during the LTI term, shareholders are granted shares out of the Company's own funds ("bonus shares"), the number of PSUs shall be increased in accordance with the acquisition rules for the real bonus shares.

The inclusion of a remuneration element linked to the share price harmonises the goals and interests of senior management and shareholders.

The incentive given here to Executive Board members to increase the Company's value in a robust and sustainable way, including in their own interests, will therefore benefit everyone.

In addition, use of the relative total shareholder return ensures greater objectivity as this performance criterion is linked to the capital markets and also allows comparisons to be made with peers.

PSUs granted in the 2025 financial year (2025/2029 tranche)

In total, 959,753 PSUs were provisionally granted to the Executive Board members in the 2025 financial year (contractually agreed annual allocation divided by the average share price 60 trading days prior to the grant date; for more information see the explanation of "grant date" [p. 72](#)):

DETAILED BREAKDOWN OF PSUS GRANTED

	Contractually agreed annual allotment	Allotment price (Average DEMIRE share price 60 trading days prior to the grant date)	Number of provisionally allotted PSUs
Frank Nickel	EUR 325,000 gross	0.81	401,235
Tim Brückner	EUR 240,000 gross	0.81	296,296
Ralf Bongers	EUR 212,400 gross	0.81	262,222

Certain circumstances surrounding an individual's departure may result in the forfeiture of PSUs whose performance period has not yet concluded ("bad leaver").



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OTHER REMUNERATION PROVISIONS IN THE 2025 FINANCIAL YEAR

Details regarding the defined maximum remuneration amounts for Executive Board members and compliance with said amounts in the 2025 financial year

The remuneration for Executive Board members is capped by value. The variable remuneration elements are subject to upper limits.

A maximum limit of 200% of the target amount is therefore stipulated for the STI (bonus).

The LTI (virtual stock option programme) also stipulates various capping provisions.

With regard to the 2025/2029 tranche, it is not just the allocation that is capped by way of an annual amount stipulated in the contract. There is also no provision for vesting of more than 100% of the granted PSUs. Thirdly, the maximum payment per PSU is capped at 250% of the share price as at the grant date, regardless of the target achievement or number of vested PSUs.

The following illustration shows that these maximum limits were all complied with in relation to the variable remuneration granted and owed in the 2025 financial year:

COMPLIANCE WITH THE STIPULATED MAXIMUM AMOUNTS WITH REGARD TO THE VARIABLE REMUNERATION ELEMENTS IN THE 2025 FINANCIAL YEAR

FRANK NICKEL – CHAIRMAN OF THE EXECUTIVE BOARD SINCE 3 APRIL 2024

in EUR (gross)		Target (for the business year 2024)	Maximum (for the business year 2024)	Payment (for the business year 2024)
One-year variable remuneration	Bonus for 2025 (short-term incentive)	161.250 ¹	322.500 ¹	212.043,75 (see above for the business year 2024)
	LTI (2023/2027 tranche)		609,375 ²	
Multi-year variable remuneration	Value of granted PSUs (2023/2027 tranche) = EUR 243,750 ¹	243.750 ²	(Cap of 2.5x upon payment)	no payment in 2025

¹ Due to Mr Nickel joining the Company during the year on 3 April 2024 (shown in the table as 9/12), the target bonus and maximum bonus are reduced on a pro rata temporis basis.

² The 2024 remuneration report stated PSU values of 242,418 and 605,545. However, the actual numbers committed were 243,750 and 609,375 respectively.

TIM BRÜCKNER – CHIEF FINANCIAL OFFICER SINCE 1 FEBRUARY 2019

in EUR (gross)		Target (for business year 2024)	Maximum (for business year 2024)	Payment (for business year 2024)
One-year variable remuneration	Bonus for 2025 (short-term incentive)	132,000	264,000	180,708 (for FY 2024, see above)
	LTI (2024/2028 tranche)		480,000	
Multi-year variable remuneration	Value of granted PSUs (2024/2028 tranche) = 192,000	192,000	(Cap of 2.5x upon payment)	Payment of 2021/2025 tranche in the amount of 36,638



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RALF BONGERS – CHIEF INVESTMENT OFFICER SINCE 1 APRIL 2023

in EUR (gross)		Target (for business year 2024) remuneration	Maximum (for business year 2024)	Payment (for business year 2024)
One-year variable remuneration	Bonus for 2025 (short-term incentive)	110,000	220,000	132,000 (see above for business year 2024)
	LTI (2024/2028 tranche)		450,000 (Cap of 2.5x upon payment)	
Multi-year variable remuneration	Value of granted PSUs (2024/2028 tranche) = 180,000	180,000		no payment in 2025

Furthermore, the Supervisory Board has set a maximum remuneration in accordance with Section 87a (1) (2) No. 1 AktG. The maximum remuneration (sum of basic remuneration, fringe benefits, including pension expenses, as well as short-term and long-term variables) is as follows:

- Chief Executive Officer: EUR 1,580,000 gross per annum
- Regular Executive Board members: EUR 1,180,000 gross per annum

The maximum remuneration refers to the sum of all payments resulting from the remuneration regulations in a financial year. This maximum remuneration can only be reviewed retrospectively when the payment from the LTI tranche issued for the respective financial year has been determined.

The term of the 2021/2025 LTI tranche ended in the 2025 financial year. Mr Brückner received a payment of EUR 36,638 in April 2025. With total remuneration of EUR 588,538 gross in 2025, Mr Brückner remained within the aforementioned maximum remuneration for an ordinary member of the Executive Board. For the 2025 financial year, this also applies to the Chief Executive Officer, Mr Nickel, with total remuneration of EUR 653,572 gross, and to Mr Bongers with total remuneration of EUR 446,018 gross.

REMUNERATION ON TERMINATION OF CONTRACT

Severance payment provisions

In the event that the appointment of an individual as an Executive Board member is effectively revoked pursuant to Section 84 (3) AktG without there being a compelling reason for the Company to effect extraordinary termination within the meaning of Section 626 (1) of the German Civil Code (BGB) or without such revocation being based on a gross dereliction of duties or inability to properly manage the Company's affairs within the meaning of Section 84 (3) AktG, the employment contracts of the Executive Board member may provide for a severance payment to compensate for the residual remuneration claims for the period up to the regular end of the respective employment contract of the Executive Board member. A maximum remaining contractual term of two years shall be considered for this purpose. The severance payment must not exceed an amount equating to two years' annual salary and must not provide remuneration for more than the remaining term ("severance payment cap"). The severance payment cap is calculated based on the total remuneration for the past financial year and, where applicable, the expected total remuneration for the current financial year. Only the following elements are taken into account for the calculation here:

- The fixed annual basic salary
- 100% of the bonus (STI)
- 100% of the allotment of the virtual stock option programme (LTI)

If the respective Executive Board member has resigned for "good cause", has not received an extension of their Executive Board employment contract or ends their activity as an Executive Board member owing to disability (invalidity), retirement or death (also known as a "good leaver"), the performance share plan will differ as follows:

In the event of disability (invalidity) or death, all granted and vested PSUs shall be paid out immediately at the DEMIREAG share price valid at that time, regardless of the extent of any target achievement. In all other instances constituting a good leaver, provision is in place for an accelerated pro-rata vesting of outstanding and/or granted PSUs. No further amounts shall be granted from other tranches.

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Payment shall be made at the date originally specified and regardless of the extent of any target achievement. The Supervisory Board may deviate from these provisions in justified individual circumstances.

As part of a settlement, the following amounts were agreed with Prof. Dr Alexander Goepfert:

- Outstanding remuneration and STI for 2023 and 2024 of EUR 292 thousand.
- Severance payment: EUR 123 thousand.
- Claims under the LTI for 2023 and 2024 arise as follows:

For the year 2023, 151,374 PSUs will mature on 31 March 2027, with the gross payout amount being determined by the number of PSUs mentioned above multiplied by the average share price of DEMIRE 60 trading days prior to 1 January 2027.

For the year 2024, 108,817 PSUs will fall due on a pro-rata basis (45/120) on 31 March 2028, with the amount of the gross payout being calculated based on the number of PSUs referred to above multiplied by the average share price of DEMIRE 60 trading days prior to 1 January 2028.

The LTI items shown above are not included in the tables.

Post-contractual non-competition clause

There are no post-contractual non-competition clauses. As a result, there is no provision in place in the remuneration system for payment of compensation for restrictions on competition.

Change of control

In the event of (a) the direct or indirect acquisition of control of at least 50% of the voting rights of the Company or (b) a comparable situation that would similarly restrict the Executive Board's managerial authority over the Company, the Supervisory Board may decide to continue or bring about early termination of the virtual stock plan and settle any such early termination at its own discretion. If the Supervisory

Board decides in favour of paying out the PSUs early as part of a change of control, this must be completed, where possible, either immediately or, at the very latest, three months after notification of the change of control or comparable situation is received. If, within twelve months of a change of control and in the case of the continuation of the virtual stock plan, the managerial authority of an Executive Board member is restricted or the benefits contractually assured to the Executive Board member are reduced, the Executive Board member in question will be treated as a good leaver in the event of termination within twelve months of the change of control with regard to the severance payment for instruments already granted and yet to be vested (for more information see [Severance payment provisions](#)).

There is no provision in place for additional assurances of benefits arising from the early termination of the employment contract by the Executive Board member as a result of a change of control.

Malus/clawback

The Supervisory Board has the option under Section 87 (2) AktG to reduce the payments or other benefits.

Furthermore, according to the "New remuneration system", the Supervisory Board may exert its reasonable discretion (Section 315 BGB) in the event of a clear and unequivocal gross breach by the Executive Board member. In such cases, it may reduce the bonus granted for the financial year in which the breach occurred and the PSUs granted for the financial year in question, either in part or in full to zero.

In further detailing the malus/clawback provision of the "New remuneration system", the Supervisory Board has made additional provisions within the scope of the Executive Board employment contracts regarding its discretionary decision. Accordingly, the decision to be made at the Supervisory Board's discretion must take into account the severity of the breach, its consequences for the Company (including in particular financial and reputation damage) and the degree of fault on the part of the Executive Board member. The Supervisory Board must also ensure it observes the principle of proportionality in making its discretionary decision.



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Furthermore, the Supervisory Board must also consult the Executive Board member prior to a corresponding decision being taken and give them the opportunity to give their opinion subject to granting a reasonable deadline (hearing period). The variable remuneration may only be reduced by more than 50% if the Executive Board member acts with gross intent or a substantial loss is incurred. The Supervisory Board may only make a decision on reducing remuneration within three months of the date on which the Chair of the Supervisory Board becomes aware of the facts relevant to making the decision on reducing remuneration (the start date of the period is similarly in accordance with Section 626 (2) (2) BGB). However, a decision may not be taken any later than three years after the gross breach occurs. In the case of ongoing breaches, the start date of said breaches must be taken into account. The periods laid down above are suspended during the hearing period (similar to Section 209 BGB).

If the bonus or the PSUs had already been paid out by the date the decision on reducing remuneration was taken, the Executive Board member must return any overpayments that they received. This repayment obligation is limited to the net amount paid to the Executive Board member.

The Company is also entitled in such cases to offset these amounts against the Executive Board member's other remuneration claims. A plea of impoverishment within the meaning of Section 818 (3) BGB is excluded in this regard.

In further detailing the malus/clawback provision of the remuneration system, the Supervisory Board clarified within the scope of the Executive Board employment contracts that any claims for damages by the Company against the Executive Board member, in particular under Section 93 (2) AktG, as well as the Company's right to give notice of termination for cause within the meaning of Section 626 (1) BGB, shall remain unaffected by the corresponding provisions.

In 2025, the Supervisory Board was not aware of any case that would have given cause to make use of the clawback options. Therefore, no clawback has been made.

In the event that the Executive Board member is unable to work for more than 90 calendar days in total in the respective financial year ("threshold"), the bonus and PSUs for the respective financial year shall be reduced by 1/365th for each day of the respective financial year that the inability to work continues beyond the threshold or increases. If the employment contract was not in force for the entire financial year, the 90-day threshold will be reduced accordingly on a pro-rata basis.

Third-party benefits

During the 2025 financial year, no Executive Board member was promised or granted benefits from a third party regarding their activity as an Executive Board member.

Remuneration for Executive Board and/or Supervisory Board mandates both within and external to the DEMIRE Group

Any remuneration benefits paid to undertake intra-Group Supervisory Board mandates are accounted for against the remuneration in accordance with the remuneration system. The same applies to the assumption of intra-Group Executive Board mandates.

Mr Tim Brückner was appointed CEO of Fair Value REIT-AG on 20 May 2019.

Frank Nickel has been a member of the Supervisory Board of Fair Value REIT-AG since 3 July 2024.



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As part of a reclassification agreement with Fair Value REIT-AG, it was agreed that salary expenses (fixed remuneration) for Mr Tim Brückner, including incidental personnel expenses and additional remuneration such as a company car, are to be passed on to Fair Value REIT-AG on a pro-rata basis. A reallocation was charged at a ratio of 30%. Executive Board member Tim Brückner did not receive separate remuneration for his activities as a member of the Executive Board of Fair Value REIT-AG.

In accordance with the remuneration system, Mr Frank Nickel did not receive separate remuneration for their position as Chair of the Supervisory Board of Fair Value REIT-AG.

Mr Frank Nickel is a member of the Supervisory Board of PROXIMUS Real Estate AG, Cologne.

Mr Frank Nickel, Mr Tim Brückner and Mr Ralf Bongers did not hold any other Executive Board and/or Supervisory Board mandates external to the Group during the 2025 financial year.

Detailed breakdown of Executive Board member remuneration during the 2025 financial year

Illustration of remuneration (including respective relative proportion) granted or owed to Executive Board members Mr Frank Nickel, Mr Tim Brückner and Mr Ralf Bongers for the 2025 financial year pursuant to Section 162 AktG

The tables below show the fixed and variable remuneration elements granted and owed to the Executive Board members Mr Frank Nickel, Mr Tim Brückner and Mr Ralf Bongers for the 2025 financial year. This illustration also includes the respective relevant proportion pursuant to Section 162 AktG. This includes the basic remuneration paid during the financial year, the fringe benefits incurred, the pension expenses paid out and the bonus paid out in the 2025 financial year, which was vested in the 2024 financial year.

Payments under the virtual share option programme are also presented.



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REMUNERATION GRANTED AND OWED PURSUANT TO SECTION 162 AKTG FOR FY 2025

Frank Nickel – Chairman of the Executive Board since 3 April 2024

		in EUR (gross)	in %
Fixed remuneration components			
	Basic remuneration 2025	420,000	64.3
	Fringe benefits 2025	18,000	2.8
Fixed remuneration	Pension expenses 2025	3,529	0.5
Total		441,529	67.6
Variable remuneration components			
One-year variable remuneration	2024 bonus (payment in March 2025)	212,043	32.4
Multi-year variable remuneration	LTI 2024/2028	-	-
	LTI 2025/2029	-	-
Total		212,043	32.4
Total			
Total remuneration		653,572	100.0

REMUNERATION GRANTED AND OWED PURSUANT TO SECTION 162 AKTG FOR FY 2025

Tim Brückner – Chief Financial Officer since 1 February 2019

		in EUR (gross)	in %
Fixed remuneration components			
	Basic remuneration 2025	310,000	52.7
	Fringe benefits 2025	21,867	3.7
Fixed remuneration	Pension expenses 2025	39,325	6.7
Total		371,192	63.1
Variable remuneration components			
One-year variable remuneration	2024 bonus (payment in March 2025)	180,708	30.7
Multi-year variable remuneration	LTI 2021/2025 (payment in April 2024)	36,638	6.2
	LTI 2022/2026	-	-
	LTI 2023/2027	-	-
	LTI 2024/2028	-	-
	LTI 2025/2029	-	-
Total		217,346	36.9
Total			
Total remuneration		588,538	100.0



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REMUNERATION GRANTED AND OWED PURSUANT TO SECTION 162 AKTG FOR FY 2025

Ralf Bongers – Chief Investment Officer since 1 April 2023

		in EUR (gross)	in %
Fixed remuneration components			
	Basic remuneration 2025	277,300	62.2
	Fringe benefits 2025	11,906	2.7
Fixed remuneration	Pension expenses 2025	24,812	5.5
Total		314,018	70.4
Variable remuneration components			
One-year variable remuneration	2024 bonus (payment in March 2025)	132,000	29.6
	LTI 2023/2027	-	-
Multi-year variable remuneration	LTI 2024/2028	-	-
	LTI 2025/2029	-	-
Total		132,000	29.6
Total			
Total remuneration		446,018	100.0

Remuneration granted and owed to former Executive Board members during the 2025 financial year

Based on a settlement with the former Chair of the Executive Board, Prof. Dr Goepfert, a total amount of EUR 415,000 was paid to him in March 2025. This included outstanding basic remuneration for 2024, bonuses for 2023 and 2024, and severance pay. Furthermore, the settlement granted potential entitlements from LTI 2023 and LTI 2024, which will not be paid out until 2027 and 2028, respectively.

SUPERVISORY BOARD REMUNERATION FOR THE 2025 FINANCIAL YEAR

Basic structure of the Supervisory Board remuneration

The remuneration system for the Supervisory Board is laid down in Section 16 of the Articles of Association. This ensures that the remuneration for Supervisory Board members is always in line with the remuneration system approved at the Annual General Meeting. Pursuant to Section 16 of the Articles of Association, Supervisory Board members are entitled either to a fixed remuneration element or an attendance fee. A remuneration amount payable annually may be stipulated for Supervisory Board members. The value of said remuneration is to be decided at the Annual General Meeting. The most recently resolved remuneration will remain valid until the Annual General Meeting resolves on amended remuneration. In the case of committee members, an attendance fee may be stipulated alongside the remuneration amount payable annually. The value of said attendance fee is to be decided at the Annual General Meeting. The Chair receives triple the remuneration amount payable annually to a regular Supervisory Board member, while the Vice Chair receives double said remuneration. Supervisory Board members who were only part of the Supervisory Board for a portion of a given financial year shall receive their remuneration on a pro-rata basis.

The remuneration is payable within one month of the end of the respective financial year. Supervisory Board members also receive compensation for all expenses they incur as a result of exercising their official duties, along with compensation for any VAT to be paid on their remuneration and expenses. Where such a policy exists, Supervisory Board members are covered by a directors' and officers' liability insurance policy taken out by the Company in its own interest, and featuring appropriate cover for members of executive bodies. The premiums for this policy are paid by



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the Company. A resolution was passed at the Annual General Meeting held on 28 April 2021 to increase the Supervisory Board remuneration from EUR 30,000.00 to EUR 40,000.00 for each regular Supervisory Board member, with effect from the start of the 2021 financial year as a result of the significantly increased workload of the Supervisory Board members, due in particular to the complex regulatory requirements and the large amount of time associated with this. The Chair of the Supervisory Board receives triple the aforementioned amount here, and the Vice Chair receives double the aforementioned amount. Any VAT accruing on these amounts, where applicable, shall also be paid.

Details regarding the specific Supervisory Board remuneration for the 2025 financial year

The table below shows the remuneration granted to the current and former Supervisory Board members for the 2025 financial year, including the respective relative proportion pursuant to Section 162 AktG. Pursuant to Section 16(3) of the Company's Articles of Association, the Supervisory Board remuneration is due within one month of the end of the financial year in question.

The table below shows the remuneration granted and owed for Supervisory Board activities in the 2025 financial year, in particular the fixed annual remuneration paid for the 2024 financial year. For this reason, the (proportionate) fixed annual remuneration that Dr Matthias Prochaska will receive for the 2025 financial year is not included in this table.

The payment of an attendance fee in line with the remuneration alternative selected herein is provided solely for committee members. No attendance fees were accrued in either the 2024 financial year or the 2025 financial year.

REMUNERATION GRANTED AND OWED PURSUANT TO SUPERVISORY BOARD MEMBER IN THE 2025 FINANCIAL YEAR

	Fixed remuneration		Total remuneration	
	in EUR	in %	in EUR	in %
Current Supervisory Board members				
Dr Matthias Prochaska (Chair since 2 October 2025) ^{1, 2}	–	–	–	–
Markus Hofmann (Chairman until 15 September 2025)	120,000	100	120,000	100
Frank Hölzle (Deputy Chair)	80,000	100	80,000	100
Ernö Theuer	40,000 ³	100	40,000	100
Total	240,000	100	240,000	100

¹ Appointed by the court as a full member of the Supervisory Board since 26 September 2025, Chairman since 2 October 2025.

² No remuneration was owed or granted in the 2025 financial year.

³ Despite Mr Theuer joining the Supervisory Board on 7 May 2024, he was granted the full annual remuneration for his Supervisory Board activities for 2024 as agreed. This one-time deviation from the 'new remuneration system' is justified by the fact that, during the ongoing negotiations on the refinancing of the 2019/2024 bond at the time, the Company had a substantial interest in a Supervisory Board capable of acting and thus in a short-term replacement for the position on the Supervisory Board that had been vacant since 2 May 2024.



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Comparative presentation pursuant to Section 162 (1) No. 2 AktG

The following table illustrates the annual change in remuneration granted and owed to current and former Executive Board and Supervisory Board members, the Company's earnings performance and the remuneration of employees on a full-time equivalent basis, whereby the latter is based on the average wages and salaries

earned by employees of DEMIREAG in the respective financial year, namely including any benefits in kind, bonuses, cars, social security contributions, maternity allowances, housing allowances and so on. For comparative purposes, an average salary was calculated from the salaries of all DEMIRE AG employees (excluding the members of the Executive Board).

COMPARATIVE ILLUSTRATION PURSUANT TO SECTION 162 (1) NO. 2 AKTG FOR EXECUTIVE BOARD MEMBERS

	Remuneration granted and owed for 2025		Remuneration granted and owed for 2024		Change in 2025 compared to 2024		Change in 2024 compared to 2023		Change in 2023 compared to 2022		Change in 2022 compared to 2021	
	in EUR	in EUR	in EUR	in EUR	in %	in EUR	in %	in EUR	in %	in EUR	in %	
Current Executive Board members												
Frank Nickel (since 3 April 2024)	653,538	331,095 ¹	322,443	97	331,095	100	–	–	–	–	–	–
Tim Brückner	588,535	442,342	146,193	33	–91,375	–18	40,311	8	45,498	53		
Ralf Bongers (since 1 April 2023)	446,018	365,445	80,573	22	163,132	81	202,313 ²	100	–	–		
Former Executive Board members												
Prof Dr Alexander Goepfert (until 3 April 2024)	415,000 ³	526,042 ⁴	–111,042	–21	82,121 ⁴	18	443,921	100	–	–	–	–
Ingo Hartlief	–	–	–	–	–1,350,000	–100	635,380	89	–74,970	–9		
Ralf Kind	–	–	–	–	–	–	–1,700,000	–100	–	–		
Employees												
Employee average	109,620	108,817	803	– ⁵	11,419	12	1,918	2	–11,222	–11		
Development of earnings												
Net profit (+)/Net loss (–) for the financial year – DEMIRE Group (in EUR thousand)	–90,340	–87,479	–2,861	3	64,487	–42	–80,464	113	–133,089	–216		
Net profit (+)/Net loss (–) for the financial year – DEMIRE AG (in EUR thousand)	–62,903	–25,489	–37,414	147	26,888	–51	–26,413	102	–58,807	–179		

¹ In the 2024 financial year, remuneration was only paid on a pro rata basis (9/12) as the position was not held for the entire year.

² In the 2023 financial year, remuneration was only paid on a pro rata basis (9/12) as the position was not held for the entire year.

³ Based on a settlement agreement, the amount was paid out in March 2025.

⁴ In the 2024 financial year, remuneration was only paid on a pro rata basis (3/12) as the position was not held for the entire year.

⁵ Percentage value not shown due to insignificance.



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Comparative presentation pursuant to Section 162 (1) No. 2 AktG

The remuneration of the Supervisory Board shown below relates to the remuneration granted and owed in the financial year that was earned in the previous year.

COMPARATIVE ILLUSTRATION PURSUANT TO SECTION 162 (1) NO. 2 AKTG FOR SUPERVISORY BOARD MEMBERS

	Remuneration granted and owed for 2025		Remuneration granted and owed for 2024		Change in 2025 compared to 2024		Change in 2024 compared to 2023		Change in 2023 compared to 2022		Change in 2022 compared to 2021	
	in EUR	in EUR	in EUR	in %	in EUR	in %	in EUR	in %	in EUR	in %	in EUR	in %
Current Supervisory Board members												
Dr Matthias Prochaska (since 25 September 2025) ¹	0	-	-	-	-	-	-	-	-	-	-	-
Markus Hofmann (until 15 September 2025)	120,000	120,000	0	0	120,000	100 ²	-	-	-	-	-	-
Frank Hölzle	80,000	80,000	0	0	0	0	0	0	20,000 ³	33		
Ernö Theuer (since 7 May 2024)	40,000	-	40,000	100	-	-	-	-	-	-	-	-
Former Supervisory Board members												
Prof. Dr Kerstin Hennig (until 1 May 2024)	-	53,333 ⁴	-53,333	-100	0	0	0	0	10,000	33		
Prof. Dr Alexander Goepfert (until 31 December 2022)	-	-	-	-	-120,000	-100	0	0	30,000	33		
Employees												
Employee average	109,620	108,817	803	- ⁵	11,419	12	1,918	2	-11,222	-11		
Development of earnings												
Net profit (+)/Net loss (-) for the financial year – DEMIRE Group (in EUR thousand)	-90,340	-87,479	-2,861	3	64,487	-42	-80,464	113	-133,089	-216		
Net profit (+)/Net loss (-) for the financial year – DEMIRE AG (in EUR thousand)	-62,903	-25,489	-37,414	147	26,888	-51	-26,413	102	-58,807	-179		

¹ No remuneration was paid out in 2025.

² In the previous year, a value of '-1' was entered here for Mr Hofmann. However, the correct value is '100' (%), as Mr Hofmann was a member of the Supervisory Board for the first time in the previous year 2023 and has not yet received any remuneration this year (2023).

³ Last year, a value of '22,000' was stated here for Mr Hölzle. The correct value is '20,000'.

⁴ The amount comprises the Supervisory Board remuneration for the 2023 financial year (EUR 40,000) and the pro rata Supervisory Board remuneration for the 2024 financial year (EUR 13,333).

⁵ Percentage value not shown due to insignificance.



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OPPORTUNITIES AND RISKS

Risk report

Basic principles of DEMIRE risk management

DEMIRE's risk policy principally involves striking an appropriate balance between growth ambitions and increasing the value of the Company while taking into account the associated risk. The intention is to avoid inappropriate risks. DEMIRE's risk management system is an integral part of the corporate strategy, with the risk policy being set by the Executive Board.

Risk management system

The objectives of DEMIRE's risk management system are primarily to ensure the lasting viability of the Company, to recognise risks at an early stage, to monitor compliance with the risk strategy derived from the corporate strategy, to control risks through appropriate actions, and to monitor and optimise the performance-risk ratio. Risk management covers all organisational rules and activities and the periodic and Group-wide implementation of the risk strategy. The Group-wide risk management system covers all of the DEMIRE Group's affiliated companies included in the consolidated financial statements, especially Fair Value REIT-AG.

EARLY RISK WARNING SYSTEM

DEMIRE AG's early warning system is intended to detect all relevant risks and their causes, as well as to quantify and communicate them, thereby ensuring that any necessary countermeasures can be initiated at an early stage. The early risk warning system is audited and assessed annually by the auditor as part of the audit of the annual financial statements with regard to its compliance with the requirements set forth in the German Stock Corporation Act (AktG) in accordance with Section 317 (4) of the German Commercial Code (HGB). In addition, an audit of the risk management system was carried out for the first time in 2020 with the help of an external service provider, which was repeated in 2023 and will be repeated again in 2025. All audits were completed without any significant findings.

The early risk warning system is being developed on an ongoing basis.

RISK IDENTIFICATION AND EVALUATION

Risk identification forms the basis for the appropriate and effective handling of risks. Our employees are called upon to consciously and responsibly deal with risks and opportunities within their scope of responsibility. The risks are assigned to the respective business areas according to responsibility. They are assessed in terms of their percentage probability of occurring and evaluated in terms of the potential extent of loss. The best, expected, and worst-case scenarios are reported on a gross basis to begin with, and then on a net basis once the risk management process is completed.

RISK MANAGEMENT

The risk officers determine the appropriate risk management approach by developing suitable control measures and monitoring them regularly. If necessary, this can also be carried out together with the Executive Board.

Risk-bearing capacity

Based on the identified and assessed risks, the risk-bearing capacity is determined. The Monte Carlo method is used for risk aggregation. This means extremely detailed results regarding the actual bearing capacity of risks by the Company can now be obtained, including in extreme scenarios.

RISK REPORTING

The reports of the risk officers are aggregated centrally in order to be able to assess the overall risk position of the DEMIRE Group. The Executive Board is provided with quarterly information – including on the reporting date and, if necessary, on an ad hoc basis. This is how DEMIRE ensures that all information on material risks is communicated in full and in a timely manner.

The Supervisory Board is regularly (at least once a year) informed in detail of the development of the business, the performance of investments and the status and ongoing development of the risk management system. New risks that pose a major risk or any sharply negative changes in existing risks are reported to the Supervisory Board on an ad hoc basis.



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Internal control and risk management system

IT SYSTEMS

At DEMIRE AG, the IT systems are controlled and monitored centrally. To guarantee high availability of all necessary systems and components at all times, the programs and interfaces used are monitored regularly to ensure they are operating correctly. The results of this monitoring are utilised for the ongoing optimisation of the processes. The entire IT system is secured against unauthorised access and malicious programs, such as viruses and Trojan horses, based on a multi-level concept. The DEMIRE Group's internal network is protected from outside access using firewalls.

KEY FEATURES OF THE ACCOUNTING-RELATED INTERNAL CONTROL SYSTEM (ICS)

The overarching objective of DEMIRE's accounting-related ICS is to ensure the accuracy of financial reporting in addition to asset protection and risk minimisation.

The internal control and risk management system used in the financial reporting and consolidation processes represents one of the cornerstones of the Group's risk management. This system comprises all accounting-related processes and all risks and controls with respect to accounting.

The financial reporting processes are structured to achieve the following objectives:

- Safeguarding the efficiency of operations and protecting assets
- Guaranteeing the accuracy and reliability of internal and external accounting
- Ensuring compliance with applicable legal provisions, in particular the compliance of the annual financial statements, the consolidated financial statements and the combined management report with current standards

The (interim) consolidated financial statements are prepared in accordance with the statutory requirements (in accordance with the single-entity principle pursuant to Section 297 (3) HGB), the main features of which are the consolidation of expenses and income, and the consolidation of debt and capital.

As the legal parent company, DEMIRE Deutsche Mittelstand Real Estate AG also prepares the consolidated financial statements. Impairment tests carried out centrally, particularly the market valuation of all properties by independent external experts, ensure the uniform and standardised application of the valuation criteria. The aggregation and preparation of required data for the Notes to the consolidated financial statements and the combined management report are also carried out at the Group level. These processes are preceded by the bookkeeping, the preparation of the annual financial statements and the gathering of additional information from the Group companies included in the consolidated financial statements in accordance with uniform requirements, partly by external property management and partly, via agency agreements, by the employees of DEMIRE AG.

The required reports and the preparation of the quarterly, interim, annual and consolidated financial statements are fully and promptly communicated and internally monitored. For risk management purposes, the plausibility, accuracy and completeness of postings are monitored and reviewed by the Group's own employees. The employees involved in this process meet the qualitative requirements and are trained regularly. The dual control principle is an important control instrument in this process.



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Other essential tools include:

- The clear separation of duties and assignment of responsibilities between the internal and external departments involved in the accounting process
- The use of external specialists to the extent necessary to provide an expert opinion, e.g. on the market value of real estate

Together with our external consultants and service providers, new laws, accounting standards and other official pronouncements are continuously analysed for their relevance and their impact on the annual and consolidated financial statements and the combined management report. The Group makes adjustments to Group accounting policies when necessary. The following measures and controls are regularly implemented, evaluated and further developed in a structured process with our service providers to ensure the appropriateness of the accounting and the correct overall presentation of the consolidated and annual financial statements and the combined management report:

- Identification and analysis of the main risk areas and control areas
- Monitoring and plausibility checks to monitor processes and their results at the level of the Executive Board and operating units
- Preventive control measures in finance and accounting as well as in the operational corporate processes essential for accounting
- Measures to ensure the proper, complete and timely computer-aided processing of accounting-related facts and data
- Measures to monitor the accounting-related internal control and risk management system and measures to eliminate any control weaknesses

The Executive Board assesses the adequacy and effectiveness of the ICS at the end of each financial year. As at 31 December 2025, there are no indications that DEMIRE's ICS in its entirety was inadequate or ineffective.¹

¹ This paragraph has not been audited.

General risk situation

In the 2025 financial year, DEMIRE's earnings position deteriorated, mainly due to the difficult market environment caused by the economic downturn, persistently high interest rates and increased financing costs, as well as the reduced portfolio base. Both financial and operational key figures of the Company have worsened as a result. Successful lettings and applying cost discipline have mitigated the negative impacts on these key figures.

The valuation result arising from property valuations reflects the deterioration in market conditions. The partially increased cash flows from the properties had the opposite effect. However, the economic environment is leaving a lasting mark on the Group's financial and operating figures. Average financing costs are expected to continue rising in the future.

Individual risks

The following gives an overview of the major risks for the DEMIRE Group.



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The individual risks are assessed on the basis of the amount of loss (“very low” = EUR 0.2 to 1 million, “low” = EUR 1 to 2.5 million, “medium” = EUR 2.5 to 5 million, “high” = EUR 5 to 10 million, “very high” = over EUR 10 million) and the probability of occurrence (“very unlikely” = 0% to 5%, “unlikely” = 5% to 25%, “possible” = 25% to 50%, “likely” = 50% to 75%, “very likely” = 75% to 100%). The following allocation of the risk category reports the net risk whilst taking into account the probability of occurrence (i.e. the net expected loss).

The review period for the risk assessment is five years from the reporting date.

VALUE LIMITS

from	to	Probability of occurrence							
75%	100%	very likely	low	medium	high	high	very high		
50%	75%	likely	low	medium	medium	high	high		
25%	50%	possible	low	low	medium	medium	high		
5%	25%	unlikely	low	low	low	medium	medium		
0%	5%	very unlikely	very low	low	low	low	medium		
		Amount of loss		in EUR million (from)	0.2 (very low)	1.0 (low)	2.5 (medium)	5.0 (high)	10.0 (very high)

Note: Determination of the value limits for the extent of loss classes is based on the FFO results of previous years



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MACROECONOMIC, MARKET-RELATED AND SECTOR RISKS

Macroeconomic changes can have positive or negative effects on the Group’s net assets, financial position and results of operations. In 2025, the weak economic situation and continued high interest rates had a negative impact on economic conditions. In spite of this, the annual targets were able to be achieved. For 2026, the economic experts are also giving a cautious forecast. Due to the expected continued weak economic development, demand for space in the office, retail and hotel sectors is likely to remain weak for the time being.

DEMIRE’s economic performance is directly related to the development of the German real estate market. The future development of rental income represents a risk that may also indirectly affect the valuation of the portfolio. In addition, there is strong competition in the commercial real estate sector, which entails the risk of the Company not being able to assert itself sufficiently.

Risks of macroeconomic changes and those from negative development of the real estate market and other environmental and industry risks with indirect effects on net assets, financial position and results of operations are currently classified as **medium** on average

FINANCIAL RISKS

Risks from covenant obligations

There is a risk of a decline in the income and market values of real estate. This could impair compliance with loan conditions (covenant obligations) for property loans such as the loan-to-value ratio (LTV), the debt service coverage ratio (DSCR) and the interest coverage ratio (ICR), and make it more difficult to service debt. As a result, DEMIRE may be obliged to provide further collateral, make additional redemption payments or increase deposits in pledged deposit accounts to provide more collateral or, ultimately, be confronted with the extraordinary termination of individual financing arrangements with immediate maturity or an increase in extraordinary terminations. This could lead to a significant negative effect on DEMIRE’s liquidity.

As at the reporting date, the LTVs of all of the Group’s financial liabilities were below the levels stipulated in the respective financing agreements. The 2019/2027 corporate bond stipulates the following covenants: the net LTV (net loan-to-value ratio) based on financial and leasing liabilities without shareholder loans minus cash and cash equivalents in relation to total assets minus goodwill and cash and cash equivalents must be <70%, and the interest coverage ratio (ICR) based on consolidated EBITDA in relation to net cash interest (interest expenses to third parties minus interest income from third parties minus one-off financing costs, early repayment penalties) shall be at least 1.5x. The covenants agreed as part of the bond extension are currently being met and will be met until further notice. For information on the amount of the individual covenants, including their status as at 31 December 2025 for the corporate bond, please refer to the [➤ “Financial position” section](#) in the economic report.

The international rating agency Fitch has assigned a CCC+ rating to the 2019/2027 corporate bond. The rating agency Scope assigned the corporate bond a B rating. Compliance with the relevant covenants and rating conditions is monitored continuously and reported to the Executive Board.

In view of the difficult market environment with possible negative effects on the rental situation and possible devaluations of the market value of real estate, the Executive Board estimates the risk from the deterioration of the covenants and the rating and the resulting effects on net assets, financial position and results of operations to be **low** (previous year: low).



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Financing risks from bank loans and the corporate bond

The Company has proactively addressed the final maturities of financial liabilities in 2025 and 2026. In addition, the process for refinancing the 2019/2027 corporate bond will be started well in advance of its maturity at the end of 2027. The changes in the overall conditions on the credit markets for financing are reflected in the corporate planning. DEMIRE plans to repay most of the loan for the property in Bonn by the due date of 30 June 2026 and to extend the remaining amount with the financing bank. The Executive Board currently classifies the financing risk from bank loans and the 2019/2027 corporate bond as **medium** (previous year: medium).

Interest rate risk from bank loans

The DEMIRE Group uses outside capital to finance German commercial real estate. In addition to the corporate bond mentioned above, these are bank loans with fixed interest rates that are secured by property. The interest rate policy is evaluated at regular intervals in close coordination with the Supervisory Board. Due to the predominantly fixed interest rate agreements, no derivatives are used. In the light of the development of the European Central Bank's interest rates and German government bonds, stable to slightly lower rates are expected in terms of future financing, whereas inflation and current or potential developments in interest rates have already been taken into account in corporate planning. The Executive Board estimates the interest rate risk beyond this to be **very low** (previous year: very low).

Operational liquidity risks

Liquidity management serves the purpose of ensuring the Group's solvency at all times. Under conservative assumptions, the funds required for the operational management of the Group in particular are budgeted and scheduled at the level of the Group companies and the Company. Liquidity is derived from current income from properties, minus management, administrative and financing costs at the respective property holding level and at the level of the Company, as well as from inflows from Group companies in the form of dividends, profit distributions, profit transfers and withdrawals.

In principle, there is the risk that the Company may not have sufficient liquidity at all times during the year to meet its current obligations. There is also a risk that follow-up financing of expiring financial liabilities may not be obtained or may only be obtained in part or at less favourable conditions than planned. Additional liquidity requirements from events beyond DEMIRE's control may also result, first and foremost, from the operating and other risks listed below.

The funds available as at the reporting date and the planned cash flow in 2026 and 2027, taking into account the successful refinancing of the 2019/2027 bond, are sufficient to meet the current needs of ongoing business operations, although the liquidity buffers are likely to be closer to the lower liquidity limit on a monthly basis in 2026 than in the previous year. This is mainly due to the risk of not achieving sufficient liquidity through property sales. Liquidity is also increasingly dependent on planned property sales. The Executive Board therefore considers operational liquidity risk to be **medium** (previous year: very low).

Risks from investments

DEMIRE holds the Cielo property in Frankfurt, which is accounted for using the equity method, via a joint venture with RFR Immobilien 4 GmbH, Frankfurt am Main. As part of the structure, a loan totalling EUR 60 million was granted to RFR Immobilien 5 GmbH. Due to the default on interest payments by RFR Immobilien 5 GmbH in 2023, 2024 and 2025, there is a risk of partial default on the loan of EUR 60 million. As a precaution, impairments of EUR 9.1 million were recognised in the balance sheet as at the reporting date for this loan and the interest accruing on it. In addition, the market value of the property in the investment JV Theodor-Heuss-Allee GmbH has fallen significantly, which may result in a penalty of EUR 43.5 million (or EUR 38.5 million after offsetting against the investment value) becoming due in 2026 in order to reverse the transaction (put option). The probability of a reversal is reflected in the balance sheet as at the reporting date with the recognition of negative market values of the existing options in the amount of EUR 28.7 million. The Executive Board considers the risk from the investment to be **high** (previous year: high).

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DUE DILIGENCE

Investments in real estate assets could perform poorly due to misjudgements, unforeseen problems or unrecognised risks. Investments in shares in real estate partnerships could be adversely affected by misjudgements or negative developments on the real estate market.

The Executive Board estimates the due diligence risk and the resulting financial effects to be low.

OPERATING RISK

Commercial properties in particular demonstrate the classic risks associated with letting. In view of the current market situation in Germany, there are also valuation risks.

Rental and property management risks

When renting and managing real estate, there is the risk of rent reductions, loss of rent (e.g. in connection with tenant insolvencies) or vacant space. In extreme cases, rents may also fall due to the index. In addition to loss of income, letting-related costs (for example, broker's fees or rental incentives such as expansion costs, assumption of relocation costs or rent-free periods) may arise. Generally, we strive to secure long-term rental agreements and take early action to ensure follow-up rentals and new rentals. Should DEMIRE not succeed in letting its properties under attractive conditions, or should rental agreements be deficient in form and therefore unenforceable, this may have a negative effect on the Company's net assets, financial position and results of operations.

There are risks associated with property management, such as unexpected maintenance costs or the need to adapt properties to meet current and regulatory requirements. Delays in the implementation of construction measures and tenant improvements, for example due to the late granting of building permits, may also have an impact on rental income and profitability if these lead to corresponding postponements in the tenancy start date. Based on the Group's tenant structure, at

the time of this report's preparation there was no significant rental risk that would have a direct impact on the Group's earnings situation. Default risks from rent receivables are taken into account by recognising impairments. We also generally try to avoid depending on large tenants and to gradually reduce existing dependencies. In the 2025 financial year, the ten largest tenants accounted for 46.5% (31 December 2024: 46.2%; 31 December 2023: 38%) of contractual leases. These are reputable tenants that are active in the public sector, telecommunications and retail in particular. This small percentage increase from 2024 to 2025 is due to total rental income falling by around EUR 5 million, in absolute terms the rental income from the ten biggest tenants as at 31 December 2025 was EUR 2.2 million lower than as at 31 December 2024. There is therefore a dependency on a few tenants who account for a significant share of rental income. The largest tenant, accounting for 10.5% of the total contractual rents of the real estate portfolio, is the master tenant Imotex Modecenter GmbH & Co. KG in Neuss. On 1 January 2026, a new centre manager was appointed for this property and the master tenant's sublease agreements were transferred to DEMIRE as the direct landlord, thereby reducing the risk of dependence on the previous master tenant. Should it not be possible to find other key tenants from the ten largest tenants after the end of the contract or extraordinary termination of the contract, this would lead to a considerable decline in rental income and, consequently, to a material negative effect on the Company's net assets, financial position, and results of operations. Thanks to our own well-executed asset and portfolio management, we are positioned close to our tenants and maintain long-term tenant loyalty. Through the change from single-tenant properties for Telekom to multi-tenant properties, we were able to significantly reduce our dependence on our master tenant in 2024. Subsequent lettings were mainly to tenants from the public sector.

The Executive Board therefore estimates the average rental and property management risk and the resulting effects on assets, financial position and results of operations to be **medium** (previous year: medium).

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Valuation risks

In the subsequent valuation, the investment properties in the consolidated financial statements are carried at fair value in accordance with IFRS 13. The fair values are based on appraisals that are prepared at least once a year by independent appraisers. Various factors play a role here: circumstances such as the development of lease terms, rent levels and vacancies as well as qualitative factors such as the location and condition of the property are included as parameters in the valuation.

In the course of the subsequent measurement of investment properties in the quarterly, half-year or annual financial statements, negative changes in the fair value of the respective properties may occur due to a possible change in the internal and external parameters included in the valuation reports. This then leads to impairments, which may also have a significant negative impact on consolidated earnings under certain circumstances. This would not, however, have a direct impact on the Group's funds from operations (FFO) or liquidity.

The current market development also has an impact on the valuation of real estate, resulting in the risk of devaluations, both for the Group and for the Company.

As extensive impairment losses have already been recognised in the past and the market is showing the first signs of stabilisation, the Executive Board still considers the risk from the valuation and the resulting effects on the net assets, financial position and results of operations to be **high** (previous year: high).

Sales risks

DEMIRE is using property sales from the Core Portfolio to reduce cluster risk in the sectoral and regional portfolio structure, achieve profit and drive debt reduction, thereby lowering financial risks, in particular refinancing risks. In addition,

following the sale of properties, the buyer could assert warranty claims if the properties do not have the features promised – for example, the level of modernisation, freedom from contamination and occupancy rate. These could have a negative impact on the Company's net assets, financial position and results of operations.

The Executive Board estimates sales risks and the resulting effects on net assets, financial position and results of operations as **low** (previous year: low).

Legal risks

In respect of DEMIRE's business model, risks can arise from various aspects, such as changes in the legal framework and regulations. DEMIRE may also need to pay for contaminated sites, environmental pollution and harmful building substances that are currently unrecognised, or be held liable for non-compliance with building law requirements in accordance with the applicable legal situation.

Other legal risks can generally result from various types of disputes, for example in rental or personnel matters. Rental disputes are part of the unavoidable everyday business of real estate companies and are handled accordingly. There are currently no pending or foreseeable major legal disputes that could pose a significant risk. Adequate provisions have been made for current legal disputes.

In addition, the subsidiary Fair Value REIT-AG is liable as a limited partner in real estate funds up to the amount of its contribution.

Overall, the Executive Board estimates the legal risk and the financial effect on the Company's net assets, financial position and results of operations to be **low** (previous year: low).



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Compliance risks

Responsible and sustainable management is part of DEMIRE's corporate culture and everyday business. We are therefore continuing to develop our Compliance Programme with the aim of supporting employees in complying with relevant legal regulations and standards of conduct. DEMIRE's Compliance Programme includes a code of conduct as well as regular staff training, among other things.

Since 2020, DEMIRE has also been a certified member of the Institute for Corporate Governance (Instituts für Corporate Governance in der deutschen Immobilienwirtschaft e. V.), which regularly requires external audits and self-certification to be carried out – the last one was in 2023. The current certification for DEMIRE applies until April 2026.

A compliance officer is the contact person for questions regarding compliance and for information on non-compliance. However, our existing compliance processes and controls may not be sufficient to prevent deliberate unlawful conduct by DEMIRE Group employees, which could damage DEMIRE's reputation and the trust in our business. In addition, if DEMIRE is unable to detect illegal conduct and take appropriate organisational and disciplinary action, it could face sanctions and fines that could adversely affect the Company's net assets, financial position and results of operations.

The Executive Board considers the risk from compliance risks and the resulting effects on net assets, financial position and results of operations to be **low** (previous year: low) on average.

Tax risks

DEMIRE's tax structure is complex because of the different taxable entities (tax groups and taxation at the level of individual companies) and various legal forms existing within the Group. In addition, changes in the tax regulations, particularly the (intra-Group) use of losses carried forward, could lead to higher tax expenses and payments. In the Company's opinion, there are currently no significant tax risks

that would need to be recognised in addition to those previously recognised. However, tax risks may arise in connection with external tax audits and routine changes to the existing portfolio or in connection with the portfolio's expansion primarily through the acquisition of shares in the companies holding the properties.

The Executive Board estimates tax risks and the resulting effects on net assets, financial position and results of operations as **low** (previous year: very low).

Risks related to the REIT status of Fair Value REIT-AG

In its capacity as a German real estate investment trust corporation (REIT), Fair Value REIT-AG must fulfil certain statutory requirements in order to benefit from exemptions from corporation tax and trade tax. If it fails to fulfil the requirements, it could be subject to penalties and – if repeated several times – the loss of its tax exemption and withdrawal of its status as a German REIT. This could result in additional tax payments and a substantial outflow of liquidity under certain circumstances, and in the event that Fair Value REIT-AG loses its REIT status, this could also result in Fair Value REIT-AG's shareholders possibly having claims for compensation. These events could have a material negative impact on the Company's net assets, financial position and results of operations.

The Executive Board estimates tax risks and the resulting effects on net assets, financial position and results of operations as **low** (previous year: low).

Personnel risks

Competent, committed and motivated employees are an essential prerequisite for DEMIRE's successful development. The DEMIRE Group may lose members of the Executive Board or other key personnel, or may not be able to replace them in a timely manner, nor with sufficiently qualified personnel. The Executive Board is convinced that the current personnel structure also means that the positions will be filled on a longer-term basis. The staff departures that nevertheless occurred in 2025 were compensated for successfully by hiring new staff in a timely manner.



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Although the demand for well-qualified personnel is very high, the Executive Board nevertheless considers the risk associated with the loss of employees and the resulting effects on net assets, financial position and results of operations to be **low** (previous year: low), based on its experiences gained in the past few years.

IT risks

The IT systems of DEMIRE, its subsidiaries and its service providers could irretrievably lose important data or experience unauthorised access to data from outside. Both could cause disruptions in business operations and incur costs, and ultimately lead to financial losses. DEMIRE has protected itself against IT risks with its own network, modern hardware and software solutions and measures against external attacks; data will continue to be additionally secured. Detailed access rights regulations ensure that employees only have access to the systems and documents necessary for their work.

The Executive Board estimates IT risks and the resulting effects on net assets, financial position and results of operations as **low** (previous year: low).

INSURANCE

There is a risk that DEMIRE is not insured against losses to the extent required. The Executive Board estimates the insurance risks and the resulting effects on net assets, financial position and results of operations as very **low**.

Overall assessment of the risk situation

The risk situation of the DEMIRE Group and the Company worsened in the reporting period due to continued high financing costs and the generally difficult economic situation. The operational successes in management and renting, and particularly the refinancing of the 2019/2024 corporate bond are helping DEMIRE to successfully counter the increased risks described above. The Executive Board also monitors the risks as described on an individual and combined basis and regularly assesses the resulting probability of occurrence. The process for determining the risk-bearing capacity also supports the Executive Board in conducting a comprehensive assessment of DEMIRE's risk situation.

Based on the current assessment and following the extension of the term of the corporate bond until the end of 2027, the Executive Board is not aware of any risks that, either individually or collectively, could endanger the Company's existence. The Company is convinced that it will be able to continue to take advantage of the opportunities and challenges that arise in future without having to subject itself to unjustifiably high risk.

The Executive Board assesses the adequacy and effectiveness of the risk management system at the end of each financial year. As at 31 December 2025, there are no indications that DEMIRE's risk management system in its entirety was inadequate or ineffective.¹

¹ This paragraph has not been audited.



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Description of major individual opportunities

Risks can also present opportunities. Accordingly, DEMIRE derives opportunities for the Company from the risk inventory as at the reporting date, among other things. It also examines the business plan and the operating areas for any opportunities that may arise as at the reporting date. As in the risk report, the observation period is five years from the reporting date. In our opinion, the opportunities described below could be derived in particular.

Opportunities arising from the current market situation

MACROECONOMIC AND SECTOR OPPORTUNITIES

DEMIRE considers the macroeconomic and sector-specific environment to be slightly negative for the 2026 financial year following an equally slightly negative assessment in the previous year. In 2026, the German Council of Economic Experts expects slight economic growth, driven primarily by rising government spending and the high number of working days due to the calendar. The resulting stagnation in demand for office and retail space is expected to have a negative impact on DEMIRE. Historically, however, DEMIRE's rental markets in secondary markets have proven to be comparatively resilient in phases of economic downturn compared to primary markets. Opportunities could arise from higher demand for rental space, contrary to expectations.

With regard to the German real estate market, opportunities could arise for sales in particular. The DEMIRE Group intends to use this environment in particular to reduce its leverage through real estate sales and to avoid additional financing costs and increase liquidity. Opportunities could arise here from sales proceeds that exceed the carrying amounts of the properties and thus create additional liquidity.

At the same time, property prices on the German commercial real estate market may stabilise earlier than expected, which in our view depends largely on the development of key interest rates and the economy, meaning that the valuation result in 2026 could be better than expected.

In addition, the active property management of the existing portfolio will be continued. As evidenced by the macroeconomic slowdown in 2025, DEMIRE can achieve operational success even in a difficult environment.

As in the previous year, DEMIRE is therefore cautiously optimistic as it looks ahead to 2026. The strategy and structure proved their worth again in 2025, even under the continuing challenging economic conditions.

Business opportunities

In the reporting period, the solid positioning of portfolio management and partially externalised asset management proved its worth in terms of expertise and personnel. The renowned property and facility management service providers also contribute to greater efficiency and financial benefits. At the same time, the integration of fund and asset management for parts of the Fair Value REIT-AG Group's portfolio has proven to be economically viable.

The expectation for 2026 is that the professional and committed support that the Company provides will result in longer lease terms and better chances of follow-on lettings, while tenant fluctuation and vacancy rates could improve compared to the level as at the reporting date, particularly if the economy develops better than is currently expected.



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FINANCIAL OPPORTUNITIES

As at 31 December 2025, DEMIRE's financing consists of bank loans totalling EUR 137.9 million and the 2019/2027 bond with a nominal value of EUR 247.1 million, which is scheduled to mature at the end of 2027, as well as a shareholder loan of EUR 112.1 million, which is scheduled to mature at the end of 2028. In view of the staggered maturities of the bank liabilities, a large number of financing options are still available for properties and will remain available for the foreseeable future from the Company's perspective.

Opportunities could arise in 2026 from falling key interest rates and, as a result, refinancing costs that are lower again. Furthermore, opportunities could arise from the early repayment of the bond due to higher liquidity inflows, for example from the sale of property, and consequently lower financing costs than planned.

Overall assessment of DEMIRE's opportunities

DEMIRE has laid the essential foundations for its long-term success as a portfolio holder of German commercial real estate with a predictable cash flow. On this basis and given the challenging macroeconomic environment, opportunities lie primarily in higher letting performance and a reduction in vacancy rates, as well as additional property sales at higher prices than expected. This could lead to early repayment of the 2019/2027 corporate bond, but the sales would also result in a reduction in the portfolio base. The Executive Board believes that DEMIRE has an overall good chance of increasing the operational performance of the property management platform and of achieving the Group's medium-term targets.



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OUTLOOK

Expected development of the overall environment and sector

ECONOMIC ENVIRONMENT AND SECTOR OUTLOOK

According to forecasts by the German Council of Economic Experts, there will be a slight recovery in the German economy in 2026. Nevertheless, the German Council of Economic Experts believes that the German economy is still in a phase of structural weakness. The expected 0.9% increase in GDP is likely to be driven mainly by rising government spending and the high number of working days due to calendar effects.

The industry association BAUINDUSTRIE expects real revenue growth of 2.5% in the construction sector in 2026. As a result of the economic upturn, the real estate consultancy firm JLL expects the office real estate market to see an increase in rentals of around 11% in 2026. For the entire investment market, including residential property, JLL expects a recovery to around EUR 40 billion in 2026 (previous year: EUR 33.9 billion) against the backdrop of an improving economy and thus stronger demand on the rental markets.

The Company is keeping a close eye on how the conflict in Iran is developing and the possible economic impact it might have. At the time of reporting, no specific impacts on the Company's development are currently foreseeable.

Anticipated development of the sector

Transaction market for commercial real estate

CBRE expects a transaction volume of EUR 35 billion to EUR 40 billion (previous year: EUR 33 billion) for the real estate market in 2026, depending on large landmark transactions and the growing importance of real estate as a safe haven. BNP Paribas Real Estate expects the commercial real estate market (without residential property) to generate revenue of around EUR 40 billion in 2026 (previous year: EUR 25.1 billion), assuming an expected economic recovery and positive developments on the financial markets as well as a well-filled sales pipeline.

JLL expects a recovery in the transaction markets for real estate investment in 2026 with an increase of 18% year-on-year.

Rental market

BNP PARIBAS REAL ESTATE believes that the office rental market will be bolstered by rising tenant demand in 2026. The recent trend towards high-quality space is stronger than ever, while older portfolio properties outside the core locations are still under pressure to adapt. With trade and geopolitical conflicts continuing to dominate the news, the possibility of further market volatility remains high. Nevertheless, the rental market is expected to pick up overall in 2026.

Expected development of the Group

Overall assessment

GENERAL STATEMENT ON THE EXPECTED DEVELOPMENT OF THE DEMIRE GROUP

DEMIRE expects significantly lower rental income and funds from operations (FFO I after taxes, before minority interests and interest on the shareholder loan) for the 2026 financial year compared to the previous year due to the challenging economic conditions and rise in financing costs as well as the completed and planned property sales.

Expected development in operating business

In view of the persistently challenging economic conditions at the start of 2026, DEMIRE expects demand for space to be similarly moderate compared to the previous year. As in the previous year, DEMIRE remains focussed on the positive development of its key operating figures. The real estate portfolio will continue to be optimised through active property management, the reduction of vacancies and the realisation of value creation potential.



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The increased interest rate level, together with the 2019/2027 bond, which was extended in November 2024 at adjusted conditions, and the shareholder loan, has significantly increased the Company's financing costs from 2025. The aim is therefore to further reduce DEMIRE's loan-to-value ratio via sales of real estate, among other things.

Anticipated development of the key economic indicators

EXPECTED DEVELOPMENT OF DEMIRE'S KEY PERFORMANCE INDICATORS

In light of the completed and planned property sales, the Company expects rental income of between EUR 41.5 million and EUR 43.5 million in 2026. This means that a markedly lower figure than in the previous year is expected. DEMIRE expects Funds from Operations (FFO I after taxes, before minority interests and interest from the shareholder loan) of EUR -1.0 million to EUR 1.0 million, which is also significantly below the figure for the previous year and is attributable to the expected decline in rental income.

With regard to non-financial performance indicators, DEMIRE's primary objectives are to keep staff turnover stable at a low level, to reduce vacancy rates through active asset management and by engaging in targeted network maintenance activities, and to keep outstanding rents at a low level. DEMIRE is also intending to expand its sustainability strategy and reduce its own emissions.

FORECAST

in EUR million	Forecast 20/03/2025	Forecast 14/08/2025	Forecast 04/12/2025	Result for 2025	Forecast for 2026
Rental income	51.0–53.0	52.0–54.0	52.0–54.0	53.5	41.5–43.5
FFO I (after taxes, before minority interests and interest of the shareholder loan)	3.5–5.5	5.0–7.0	9.0–11.0	10.1	-1.0–1.0

SUBSEQUENT EVENTS

Chief Executive Officer Frank Nickel resigned from his position with immediate effect on 19 January 2026. The Supervisory Board appointed Dr Dirk Rüffel as Chair of the Executive Board, effective from 1 February 2026.

Purchase agreements were concluded for the properties in Flensburg and Bonn in 2025. The transfer of assets and liabilities of the properties took place in Flensburg in January 2026 and in Bonn in February 2026.

A loan of EUR 12.5 million, which was originally due to expire on 30 December 2026, was extended in March 2026 until the end of 2029.

The Company is keeping a close eye on how the conflict in Iran is developing and the possible economic impact it might have. At the time of reporting, no specific impacts on the Company's development are currently foreseeable.

No further events of material significance for DEMIRE's net assets, financial position and results of operations occurred after the reporting date.

Frankfurt am Main, 18 March 2026
DEMIRE Deutsche Mittelstand Real Estate AG

Dr Dirk Rüffel
(CEO)

Tim Brückner
(CFO)

Ralf Bongers
(Executive Board Member
for Transactions)



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CONSOLIDATED STATEMENT OF INCOME

for the financial year 1 January 2025 to 31 December 2025

In EUR thousand	NOTE	2025	2024
Rental income		53,514	65,285
Income from utility and service charges		12,576	16,932
Operating expenses to generate rental income		-27,987	-36,044
Impairment of trade receivables		-1,318	-1,699
Profit/loss from the rental of real estate	D 1	36,785	44,474
Income from the sale of real estate and real estate companies	D 2	50,461	109,714
Expenses related to the sale of real estate and real estate companies	D 2	-50,577	-117,003
Profit/loss from the sale of real estate and real estate companies	D 2	-116	-7,289
Profit/loss from fair value adjustments of investment properties	D 3	-18,551	-48,923
Profit/loss from fair value adjustments of non-current assets held for sale	D 3	-40,262	-9,753
Impairment of financial and other receivables	D 4	-2,902	-48,817
Other operating income	D 5	1,678	1,022
General and administrative expenses	D 6	-10,017	-13,836
Other operating expenses	D 7	-1,523	-9,894
Earnings before interest and taxes		-34,908	-93,016
Financial income	D 8	6,809	44,803
Financial expenses	D 8	-56,001	-32,757
Profit/loss from companies accounted for using the equity method		-76	63
Minority interests		-2,490	-1,713
Financial result	D 8	-51,758	10,396
Earnings before taxes		-86,666	-82,620
Current income taxes	D 9	-4,519	-1,750
Deferred taxes	D 9	845	-3,109
Net profit/loss for the period		-90,340	-87,479
of which attributable to:			
Non-controlling interests		-1,841	-996
Parent company shareholders		-88,499	-86,483
Basic earnings per share (in EUR)	D 10	-0.84	-0.82
Diluted earnings per share (in EUR)	D 10	-0.84	-0.82



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CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the financial year 1 January 2025 to 31 December 2025

In EUR thousand	2025	2024
Net profit/loss for the period	-90,340	-87,479
Other comprehensive income	0	0
Total comprehensive income	-90,340	-87,479
thereof attributable to:		
Non-controlling interests	-1,841	-996
Parent company shareholders	-88,499	-86,483



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CONSOLIDATED BALANCE SHEET

as at 31 December 2025

ASSETS

In EUR thousand	NOTE	31.12.2025	31.12.2024
Assets			
Non-current assets			
Property, plant and equipment	E 1.2	88	80
Investment property	E 1.3	591,946	724,706
Shares in companies accounted for using the equity method	E 1.4	260	406
Loans to companies accounted for using the equity method	E 1.5	22,259	25,150
Loans and financial assets	E 1.6	61,499	37,710
Other assets		0	5,063
Total non-current assets		676,052	793,115
Current assets			
Trade accounts receivable	E 2.1	10,373	11,983
Financial assets	E 2.2	1,043	19,464
Other assets	E 2.1	603	2,186
Tax refund claims	E 2.3	3,338	2,946
Cash and cash equivalents	E 2.4	54,241	44,816
Total current assets		69,598	81,395
Non-current assets held for sale	E 3	103,540	76,680
Total assets		849,190	951,190



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CONSOLIDATED BALANCE SHEET

as at 31 December 2025

EQUITY AND LIABILITIES

In EUR thousand	NOTE	31.12.2025	31.12.2024
Equity and liabilities			
Equity			
Subscribed capital	E 4	105,513	105,513
Reserves	E 4	23,635	112,592
Equity attributable to parent company shareholders		129,148	218,105
Non-controlling interests	E 4	21,662	23,818
Total equity		150,810	241,923
Liabilities			
Non-current liabilities			
Deferred tax liabilities	E 5.1	38,957	39,999
Minority interests	E 5.2	68,502	71,018
Financial liabilities	E 5.3	429,121	369,693
Lease liabilities	E 7.2	8,100	26,889
Market values of options	E 5.4	28,700	28,100
Total non-current liabilities		573,380	535,699
Current liabilities			
Provisions	E 6.1	1,791	2,077
Trade payables	E 6.2	10,872	23,848
Other liabilities	E 6.2	10,141	7,125
Tax liabilities	E 6.3	28,354	23,805
Financial liability	E 5.3	73,527	116,288
Lease liabilities	E 7.2	315	425
Total current liabilities		125,000	173,568
Total liabilities		698,380	709,267
Total equity and liabilities		849,190	951,190



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CONSOLIDATED STATEMENT OF CASH FLOWS

for the financial year 1 January 2025 to 31 December 2025

In EUR thousand	NOTE	2025	2024
Earnings before taxes		- 86,666	- 82,620
Financial expenses	D 8	56,001	32,757
Financial income	D 8	- 6,733	- 44,866
Minority interests	D 8	2,490	1,713
Change in trade accounts receivable		292	- 1,760
Change in other receivables and other assets		1,065	2,681
Change in provisions		- 286	117
Change in trade payables and other liabilities		404	9,526
Profit/loss from fair value adjustments of investment properties	D 3	58,813	58,676
Profit/loss from the sale of real estate and real estate companies	D 2	116	7,289
Interest deposits from loans, receivables, and term deposits		310	2,280
Interest received from loans to companies accounted for using the equity method		1,054	1,136
Income tax payments		- 580	- 4,402
Depreciation and amortisation and impairment		3,477	52,158
Distributions from companies accounted for using the equity method		64	0
Other non-cash items		102	- 160
Cash flow from operating activities		29,924	34,524



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CONSOLIDATED STATEMENT OF CASH FLOWS

for the financial year 1 January 2025 to 31 December 2025

In EUR thousand	NOTE	2025	2024
Payments for acquisition of/investments in investment property, including advance payments, and payments for property, plant and equipment ¹		- 9,998	- 14,023
Outflow of cash and cash equivalents due to the deconsolidation of subsidiaries		0	- 4,287
Proceeds from the sale of real estate		45,221	106,921
Cash flow from investing activities		35,223	88,611
Payments for borrowing costs		- 6,679	- 14,687
Proceeds from borrowings	E 5.3	44,077	93,500
Distributions to minority shareholders/dividends		- 3,317	- 2,759
Interest paid on financial liabilities		- 18,914	- 27,415
Payments for the purchase of additional shares in a subsidiary		0	- 658
Payments for the redemption of financial liabilities		- 70,770	- 246,032
Payment for the redemption of lease liabilities		- 120	- 258
Cash flow from financing activities		- 55,722	- 198,309
Net change in cash and cash equivalents		9,425	- 75,173
Cash and cash equivalents at the start of the period	E 2.4	44,816	119,989
Cash and cash equivalents at the end of the period	E 2.4	54,241	44,816

¹ In the reporting period, investment and financing transactions amounting to EUR 233 thousand (previous year: EUR 447 thousand) were carried out, which are classified as noncash-effective in accordance with IAS 7



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CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the financial year 1 January 2025 to 31 December 2025

In EUR thousand	Share capital		Reserves			Total equity
	Subscribed capital	Capital reserves	Retained earnings incl. Group profit/loss	Equity attributable to parent company shareholders	Non-controlling interests	
01.01.2025	105,513	89,767	22,825	218,105	23,818	241,923
Net profit/loss for the period	0	0	-88,499	-88,499	-1,841	-90,340
Total comprehensive income	0	0	-88,499	-88,499	-1,841	-90,340
Dividend payments/distributions	0	0	0	0	-574	-574
Other changes	0	0	-458	-458	259	-199
31.12.2025	105,513	89,767	-66,132	129,148	21,662	150,810



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CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the financial year 1 January 2024 to 31 December 2024

In EUR thousand	Share capital		Reserves			Non-controlling interests	Total equity
	Subscribed capital	Capital reserves	Retained earnings incl. Group profit/loss	Equity attributable to parent company shareholders			
01.01.2024	105,513	89,767	108,309	303,589	29,696	333,285	
Net profit/loss for the period	0	0	- 86,483	- 86,483	- 996	- 87,479	
Total comprehensive income	0	0	- 86,483	- 86,483	- 996	- 87,479	
Dividend payments/distributions	0	0	0	0	- 532	- 532	
Other changes	0	0	999	999	- 4,350	- 3,351	
31.12.2024	105,513	89,767	22,825	218,105	23,818	241,923	

	
	
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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the financial year 1 January 2025 to 31 December 2025

A. General information

1. Basis of preparation

DEMIRE Deutsche Mittelstand Real Estate AG (hereafter “DEMIRE AG”) is recorded in the commercial register in Frankfurt am Main, Germany, the location of the Company’s headquarters, under the number HRB 89041. As at 31 December 2025, the Company’s scope of consolidation pursuant to Section 313 (2) of the German Commercial Code (HGB) includes DEMIRE AG as the parent company and the companies listed in the [Schedule of shareholdings](#) (“DEMIRE” or “the DEMIRE Group”). The Company’s registered office is located in Frankfurt am Main, Germany, and the Company’s business address is Robert-Bosch-Straße 11, Langen, Germany. The Company’s shares are listed in the Prime Standard segment of the Frankfurt Stock Exchange.


DEMIRE AG itself has not carried out any investments in real estate or real estate projects to date. Investments are generally processed through real estate companies. Interests in these property companies are held by DEMIRE AG either directly or indirectly (through intermediate holding companies). DEMIRE focuses on the German commercial real estate market, where it is an active investor and portfolio manager. DEMIRE itself carries out the acquisition, management and leasing of commercial properties. Value appreciation is to be achieved through active real estate management. This may also include the targeted sale of properties when they are no longer a strategic fit or have exhausted their potential for value appreciation. Other fundamental Company data can be found in [Appendix 4 to the consolidated financial statements](#).

The euro (EUR) is the presentation currency of DEMIRE AG’s consolidated financial statements. Unless otherwise stated, all amounts are expressed in thousands of euros (EUR thousand). For computational reasons, rounding differences of ± one unit (EUR, %, etc.) may occur in the information presented in these financial statements. The financial year corresponds to the normal calendar year. The consolidated statement of income has been prepared according to the cost-of-sales method. Net rental income and profit from the sale of real estate are recognised separately.

The consolidated financial statements were prepared based on the assumption of a going concern. In the opinion of the Executive Board, there is no intention or need to discontinue business activities.

As DEMIRE AG is a listed company, its consolidated financial statements for the financial year ending 31 December 2025 were prepared in accordance with International Financial Reporting Standards (IFRS) published by the International Accounting Standards Board (IASB), as adopted by the European Union (EU), pursuant to Section 315e of the German Commercial Code (HGB). All International Financial Reporting Standards (IFRS), International Accounting Standards (IAS) and interpretations of the IFRS Interpretations Committee (IFRS IC) – formerly the International Financial Reporting Interpretations Committee (IFRIC) and the Standing Interpretations Committee (SIC) – that were mandatory for the 2025 financial year have been taken into consideration. Furthermore, all statutory disclosure and explanation requirements of the German Commercial Code (HGB) that are in addition to the provisions of the IASB have been fulfilled, particularly those for the preparation of a Group management report, which is contained with the management report of the separate financial statements.

These consolidated financial statements were prepared by the Executive Board on 17 March 2026. The Supervisory Board approved them at its meeting on 18 March 2026.



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2. New and amended standards and interpretations


2.1 FIRST-TIME APPLICATION OF NEW AND AMENDED STANDARDS AND INTERPRETATIONS IN THE 2025 FINANCIAL YEAR

The following new accounting policies and amended standards and interpretations were applied to the consolidated financial statements for the first time in the 2025 financial year.

FIRST-TIME APPLICATION OF STANDARDS AND INTERPRETATIONS IN THE 2025 FINANCIAL YEAR

		Date of publication	Mandatory application for financial years beginning on or after	Effect on DEMIRE AG's consolidated financial statements
Amendments to IAS 21	Lack of exchangeability	13/11/2024	01/01/2025	No effect

The amendments to IAS 21 clarify the reporting of foreign currency items in situations where free currency exchange is not possible due to legal, regulatory or economic restrictions. If exchangeability is limited, companies are required to use an estimated exchange rate based on the best available information, such as parallel market rates, historical data or observable transactions, and to disclose the underlying assumptions and effects. The amendments do not have any effect on the consolidated financial statements, as the Group does not prepare its transactions in foreign currencies.

	
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2.2 STANDARDS AND INTERPRETATIONS FOR FUTURE MANDATORY APPLICATION

The following IASB standards have been endorsed by the EU but are only mandatory after 31 December 2025:

STANDARDS AND INTERPRETATIONS FOR FUTURE MANDATORY APPLICATION

		Date of publication	Mandatory application for financial years beginning on or after	Effect on DEMIRE AG's consolidated financial statements
	Annual improvements to the IFRS Accounting Standards – volume 11 (published on 18 July 2024) affect the following standards:			
Amendments to IFRS 1	Recognition of hedging instruments by a first-time user	10/07/2025	01/01/2026	No effect
Amendments to IFRS 7	Profit or loss from derecognition Disclosure in the event of deviations between the fair value and the transaction price Disclosure regarding credit risk	10/07/2025	01/01/2026	No effect
Amendments to IFRS 9	Derecognition of leasing liabilities Transaction price	10/07/2025	01/01/2026	No effect
Amendments to IFRS 10	Determining a “de facto agent”	10/07/2025	01/01/2026	No effect
Amendments to IAS 7	Cost method	10/07/2025	01/01/2026	No effect
Amendments to IFRS 9 and IFRS 7	Classification and evaluation of financial instruments (published on 30 May 2024)	28/05/2025	01/01/2026	No effect
Amendments to IFRS 9 and IFRS 7	Amendments to IFRS 9 and IFRS 7: Contracts Referencing Nature-dependent Electricity (published on 18 December 2024)	01/07/2025	01/01/2026	No effect
IFRS 18	Primary financial statements (published by the IASB on 9 April 2024)	16/02/2026	01/01/2027	The expected effects on the consolidated financial statements relate in particular to the presentation of expected changes in the statement of income and the statement of cash flows as well as to additional disclosures on the management performance measures (MPM) and the Company's main activities.

DEMIRE has not made use of the early application option.

	
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The EU has not yet transposed the following pronouncements adopted by the IASB or IFRS IC into European law:

STANDARDS AND INTERPRETATIONS FOR FUTURE MANDATORY APPLICATION

		Approved on	Mandatory application for financial years beginning on or after	Effect on DEMIRE AG's consolidated financial statements
IFRS 19	Subsidiaries not publicly accountable: information (to be published on 9 May 2024)	Pending	01/01/2027	No effect
Amendments to IFRS 19	Subsidiaries not publicly accountable: information (to be published on 21 August 2025)	Pending	01/01/2027	No effect
Amendments to IAS 21	Conversion of a non-high-inflation currency into a high-inflation reporting currency (published on 13 November 2025)	Pending	01/01/2027	No effect

Where applicable, DEMIRE plans to apply the new standards mentioned above when they take effect in the EU. The IASB and/or IFRS IC standards will be implemented into European law through their endorsement by the EU. Early adoption is impossible due to the pending endorsement. Based on our current knowledge, there is likely to be only an immaterial effect on the presentation of DEMIRE's net assets, financial position and results of operations from the standards not yet adopted into European law. This does not include IFRS 18, which is currently expected to have a more far-reaching impact on future reporting.



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3. Key judgements, estimates and assumptions

In DEMIRE's consolidated financial statements, estimates, judgements and assumptions were made that affect the amount and recognition of the assets and liabilities, income and expenses and contingent liabilities. The estimation of future business development takes into account the future economic environment that, at the time of preparing the consolidated financial statements, is deemed realistic in the sectors and regions in which DEMIRE AG and its subsidiaries operate. All knowledge currently available is taken into account. The estimates are based on past experience and other assumptions that are considered appropriate for the circumstances. The estimates, judgements and assumptions made by DEMIRE AG are reviewed on an ongoing basis but may in future differ from the actual amounts.

When applying the accounting policies, the Company's management must make judgements. This applies to the following matters in particular:

When valuing investment properties, the key valuation parameters are, in particular, expected cash flows, assumed vacancy rates, and discount and capitalisation rates. Valuation is performed using the discounted cash flow method, in which future cash flows are discounted back to the reporting date. These estimates contain assumptions about the future. The valuation parameters used in the valuation model reflect normal market expectations and represent forecasts based on analysed market information and past values of the properties to be valued or comparable properties.


If DEMIRE AG obtains direct or indirect control over an acquired entity or acquires assets, it must be determined whether the transaction should be classified as a business combination according to IFRS 3 or as an acquisition of a group of assets or net assets (aggregated assets). This initially involves carrying out a concentration test that evaluates whether the full fair value of the acquired gross assets is concentrated in one asset or in a group of similar assets. If this is the case, they do not constitute business operations and are thus not deemed a business combination as defined by IFRS 3.

If a business operation under IFRS 3 is acquired with assets and liabilities, this constitutes a business combination that must be accounted for according to IFRS 3.

According to IFRS 3.B7–B8, a business exists when there are inputs and a substantive process that together are capable of producing outputs.

Business processes in the areas of property management, for example, would be defined as an integrated group of activities. Additionally, the fact that staff is employed at the acquired real estate company is another indication that a business operation has been acquired.

The inclusion method (equity consolidation/full consolidation) of JV Theodor-Heuss Allee GmbH in the consolidated financial statements of DEMIRE AG is determined taking into account the decision-making power over relevant activities of the joint venture and the associated risk of fluctuating returns. The type of inclusion is determined by an assessment of the rights to which the Group is entitled to acquire further voting shares, subject to the joint venture exercising a purchase option with regard to the land. If the rights to acquire further voting shares in the joint venture are substantial, this would give DEMIRE control over the joint venture.

	
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As at 31 December 2025, DEMIRE does not consider these rights to be substantial. The conditions for the further acquisition of shares by DEMIRE can only be established jointly with the other main shareholder and are therefore not at the free discretion of DEMIRE. Due to the market situation with regard to the property and possible significant economic disadvantages for DEMIRE, an acquisition of the land by the joint venture and the associated possibility of control is highly unlikely. Accordingly, this constitutes a joint arrangement within the meaning of IFRS 11.3 f. and therefore JV Theodor-Heuss-Allee GmbH is included in the consolidated financial statements as a joint venture. See also [➤ Section B \(IFRS 12 Disclosures\)](#).

The valuation of the other contractual options contained in the shareholder agreement regarding the sale of shares in the company JV Theodor-Heuss-Allee GmbH represent derivative financial instruments that are to be measured at fair value. The potential cash flows resulting from the options depend in particular on the market value of the land and the associated decision by JV Theodor-Heuss-Allee GmbH to exercise the land purchase option. The determination of the market value of the land is subject to discretionary and assumption-based uncertainties. Key valuation indicators are the future expected cash flows, the assumed vacancy rate and the discount and capitalisation rates. Other influencing factors lie in the voting behaviour of the shareholders. These assumptions were derived from game theory, taking economic and legal aspects into account.

The fair value of financial instruments that are not traded in active markets is determined based on valuation methods. The Group makes judgements when selecting relevant methods and assumptions, which are primarily based on the market conditions existing at the end of each period under review.

When accounting for leases in accordance with IFRS 16, the assessment of the exercise or non-exercise of unilaterally granted termination or renewal options as well as the determination of the interest rate underlying the lease may involve discretionary judgement. Generally speaking, lease payments are discounted using the implicit interest rate in the lease, if determinable. Otherwise they are discounted using the incremental borrowing rate.

The need to include information concerning the future in the valuation of expected credit losses results in judgements regarding the impact that changes in economic factors and the creditworthiness of counterparties will have on the expected defaults.

The realisability of deferred tax assets depends on whether sufficient taxable income is generated at the time of the reversal of temporary differences between the consolidated balance sheet and the tax statement from which the temporary differences can be deducted. The basis for this assessment is the tax planning of DEMIRE. The assessment of the recoverability of the loss carry-forwards and the resulting recognition of deferred tax assets is based on a planning horizon of five years.

An explanation of the estimates and assumptions made with respect to individual items in the consolidated balance sheet, consolidated statement of income or consolidated statement of comprehensive income is given in the following items in the Notes to the consolidated financial statements together with the respective relevant Note disclosures.

Investment property	Note E. 1.3
Impairment of receivables	Note C
Impairment of financial and other receivables	Note D.4
Deferred tax assets and liabilities	Note E. 5.1
Equity accounting/valuation of options	Note E. 1.4/B
Leases	Note E. 7



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B. Scope and principles of consolidation

The consolidated financial statements include DEMIRE AG and all its controlled subsidiaries. The scope of consolidation can be found in the ["Shareholdings" section](#).

As in the previous year, Panacea Property GmbH, Berlin, was not included in the consolidated financial statements due to its insignificance for the Group. The aim is to liquidate this company.

As at the reporting date, the consolidated financial statements comprise the DEMIRE subgroup and the subsidiaries of the Fair Value REIT subgroup. The subgroup DEMIRE comprises the consolidated financial statements of DEMIRE AG and its subsidiaries as at the acquisition date, i.e. from the date on which control was acquired. The Fair Value REIT subgroup comprises the consolidated financial statements of Fair Value REIT-AG and its subsidiaries. Fair Value REIT-AG, which is also listed, is the parent company of the Fair Value REIT subgroup and a subsidiary of the DEMIRE subgroup.

The financial statements of DEMIRE AG's subsidiaries are prepared using uniform accounting policies on the same reporting date as the parent company's financial statements.

DEMIRE AG's direct and indirect interests in the subsidiaries also correspond to the share of voting rights. The contributions of the non-consolidated companies to the Group's revenue, net income and total assets were not considered to be significant as at the reporting date. These companies were therefore not included in the consolidated financial statements.


DEMIRE only controls an investee when all of the following characteristics have been met:

- the power of control over the investee (i.e. based on its existing rights, DEMIRE has the option of controlling those activities of the investee that have a material influence on the investee's return),
- risk exposure from or rights to variable returns from its involvement with the investee, and
- the ability to use its power of control over the investee to influence the return on the investee.

Generally, the ownership of a majority of the voting rights is assumed to result in control. If DEMIRE does not hold a majority of the voting rights or comparable rights in an investee, then all facts and circumstances are taken into account when assessing whether DEMIRE has the power of control over this investee. Factors to consider include:

- contractual agreements with others exercising voting rights,
- rights resulting from other contractual agreements, and
- voting rights and potential voting rights of the Group.

The consolidation of a subsidiary begins on the day on which DEMIRE acquires control over the subsidiary. It ends when DEMIRE loses control over the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or sold during the period under review are recognised in the consolidated financial statements as at the date on which DEMIRE acquires control over the subsidiary until the date on which control ceases.



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Business combinations are accounted for using the acquisition method when the Group obtains control. In the course of the necessary revaluation, all hidden reserves and liabilities of the acquired company are released. Any positive difference remaining after the release of hidden reserves and liabilities is capitalised as goodwill in the balance sheet. The consideration transferred upon acquisition and the identifiable net assets acquired are generally measured at fair value. Transaction costs are recognised as an expense immediately, unless they are costs for raising capital or issuing liabilities.

Acquisitions of real estate companies that do not constitute business operations as defined by IFRS 3 are recognised as the direct purchase of properties. The acquisition cost of the property company is allocated to individually identifiable assets and liabilities based on their relative fair values.


Interests in the net assets of subsidiaries that are not partnerships and not attributable to DEMIRE (non-controlling interests) are recorded under the item "Non-controlling interests" within the Group's equity, but separately from the DEMIRE AG shareholders' equity.

Interests in the net assets of subsidiaries that are in the legal form of a partnership and not attributable to DEMIRE are recorded in the Group's liabilities, since the minority shareholders have the right to terminate their investments at any time. In accordance with IAS 32, the interests of these minority shareholders are assessed as potential compensation claims and reported as liabilities. Upon initial recognition,

they are measured at fair value, which corresponds to the minority shareholders' interests in the net assets of the respective company. The liability reported corresponds to the notional share of minority shareholders in the net assets of the respective subsidiary at their carrying amounts. Adjustments to the liability are recognised through profit and loss in the income statement.

DEMIRE's interests in associates are measured and accounted for using the equity method in accordance with IAS 28. Associates are all companies over which the Group exercises significant influence but not control or joint control. This is generally the case when the Group holds at least 20% of the voting rights.

Under the equity method, the investment in an associate or a joint venture is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the associate or joint venture since the acquisition date. Goodwill relating to the associate or joint venture is included in the carrying amount of the investment and is neither amortised on a straight-line basis nor subject to a separate impairment test. The financial statements of the associate or joint venture are prepared subject to the same accounting rules as the Group. The reporting dates also match those applicable for the DEMIRE Group.

	
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CHANGES TO THE SCOPE OF CONSOLIDATION AND STRUCTURAL CHANGES IN THE PERIOD UNDER REVIEW

During the reporting period, the subsidiaries DEMIRE GO HB GmbH, DEMIRE Bad Oeynhaus Dr.-Neuhäuser-Straße 4 GmbH, DEMIRE Limbach-Oberfrohna Moritzstraße 13 GmbH, DEMIRE Ankauf 8 GmbH and DEMIRE Ankauf 9 GmbH were merged with other companies of the DEMIRE Group. In addition, DEMIRE Assekuranzmakler GmbH & Co. KG, which was accounted for using the equity method, was liquidated.

In the reporting year, 10.1% of the shares in DEMIRE Trier Simeonstraße 46 GmbH were acquired by the Group for a purchase price of EUR 1. The Group now holds 100% of the shares in the company. The increase in the proportion of shareholdings has not resulted in any change in the nature of involvement.

CHANGES TO THE SCOPE OF CONSOLIDATION IN THE PREVIOUS YEAR

In the previous year, DEMIRE Holding 15 SCSp to DEMIRE Holding 20 SCSp and DEMIRE GP 15 S.à r.l. to DEMIRE GP 20 S.à r.l. (all twelve companies based in Luxembourg) and DEMIRE Holding XIV GmbH were included in the scope of consolidation for the first time. In addition, DEMIRE Köln Max-Glomsda-Straße 4 GmbH, DEMIRE Essen Hatzper Str. Theodor-Althoff-Str. GmbH, DEMIRE Aschheim Max-Planckstraße GmbH and DEMIRE Kassel Kölnische Str. Mauerstr. Spohrstr. GmbH (Limes subsidiaries) were deconsolidated. DEMIRE Leipzig Am alten Flughafen 1 GmbH also merged with DEMIRE Ankauf 9 GmbH. This did not have any significant impact on the consolidated financial statements.

Disclosures according to IFRS 12

A) DISCLOSURES RELATING TO FULLY CONSOLIDATED SUBSIDIARIES

In the period under review, dividend distributions of EUR 574 thousand were distributed to the non-controlling shareholders of Fair Value REIT-AG (previous year: EUR 532 thousand).

The carrying amount of the non-controlling interests of Fair Value REIT-AG minority interests, which are reported within DEMIRE's equity, amounted to EUR 18,631 thousand as at 31 December 2025 (previous year: EUR 18,990 thousand). In addition, DEMIRE recognises the minority interests within the Fair Value REIT-AG subgroup – the minority interests in the funds (subsidiaries of Fair Value REIT-AG) – under the item “Non-current financial liabilities” (in accordance with IAS 32). These amounted to EUR 68,502 thousand (previous year: EUR 71,018 thousand) as at the reporting date. A share in the Group loss for the period in the amount of EUR 215 thousand was attributable to non-controlling shareholders for the 2025 financial year pursuant to the IFRS consolidated financial statements (previous year: loss of EUR 268 thousand).

Information on Fair Value REIT's financial ratios can be found in the table below.

FAIR VALUE REIT-AG SUBGROUP FINANCIAL STATEMENTS

in EUR thousand	31/12/2025	31/12/2024
Non-current assets	244,307	259,085
Current assets	31,617	23,629
Of which cash and cash equivalents	25,040	20,542
Non-current borrowing	133,191	101,452
Of which non-controlling interests	68,502	71,018
Current borrowing	7,152	40,579
Of which financial liabilities	2,047	36,615
Net assets	135,581	140,683



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FAIR VALUE REIT-AG SUBGROUP FINANCIAL STATEMENTS

in EUR thousand	31/12/2025	31/12/2024
Statement of income		
Revenue	24,519	24,694
Financial income	228	387
Financial expenses	-1,437	-1,247
Net profit/loss for the period/ total comprehensive income	-1,314/-1,314	254/254
Cash flow information		
Cash flow from operating activities	10,774	11,466
Cash flow from investing activities	609	-5,123
Cash flow from financing activities	-6,885	-8,599
Net change in cash and cash equivalents	4,498	-2,255
Cash and cash equivalents at the end of the period	25,040	20,542

Through its REIT status, Fair Value REIT-AG is exempt from corporation tax and trade tax. The prerequisite for this tax exemption is compliance with specific requirements relating to capital and company law. In particular, these legal requirements arise from the REIT Act (Real Estate Investment Trust Act). The REIT Act stipulates standardised specifications in terms of free float, asset requirements, income requirements, distribution to shareholders (dividend), exclusion of real estate trading and minimum equity. The regulations aim to achieve the sustainable management of a predominantly commercial real estate portfolio and to facilitate ongoing dividend payments to the shareholders.

For more information on the fully consolidated subsidiaries, please refer to the [Schedule of shareholdings](#), which forms an integral part of the Notes to the consolidated financial statements.

B) DISCLOSURES ON ASSOCIATES AND JOINT VENTURES

Joint ventures:

In the 2021 financial year, the joint venture JV Theodor-Heuss-Allee GmbH, Frankfurt am Main, Germany, was formed with share capital of EUR 25 thousand. The Group holds a 49.5% stake in the joint venture has been reporting this interest using the equity method since 1 July 2021.

In the 2021 financial year, JV Theodor-Heuss-Allee-GmbH entered into a leasehold contract with a term of 99 years with Objekt Frankfurt THA 100 GmbH & Co. KG. The price for the leasehold included a one-off payment of EUR 152.9 million and annual ground rent of EUR 1.25 million. JV Theodor-Heuss-Allee-GmbH has a contractual purchase option to acquire the land subject to the leasehold in the period between the end of the 54th and 60th months of the leasehold at a fixed purchase price of EUR 122.8 million (land purchase option). The shareholders of the joint venture jointly decide whether or not to exercise this land purchase option. The decision not to exercise this option can be made unilaterally by one of the two shareholders or by mutual agreement and, depending on the voting behaviour of the individual shareholders, may result in the payment of contractual penalties and may lead to an increase in the annual ground rent to EUR 5 million.

The following table provides information on the key financial figures of JV Theodor-Heuss-Allee GmbH in accordance with IFRS accounting standards as applicable in the EU:



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ANNUAL FINANCIAL STATEMENTS OF JV THEODOR-HEUSS-ALLEE GMBH

in EUR thousand	31/12/2025	31/12/2024
Non-current assets	187,800	193,400
Current assets	15,442	11,874
Cash and cash equivalents	14,878	11,638
Current liabilities	130,806	3,416
Of which current financial liabilities included under current liabilities	130,568	3,022
Non-current liabilities ¹	122,406	249,368
Of which non-current financial liabilities included under non-current liabilities	25,150	155,628
Net assets¹	- 49,970	- 47,510
Revenue	14,147	13,921
Interest income	158	166
Interest expenses	- 7,745	- 6,696
Income tax expenditure or revenue	- 455	- 173
Net profit/loss for the period¹	25,264	17,814
Other comprehensive income	0	0
Total comprehensive income¹	25,264	17,814
Reconciliation of carrying amount of investment		
Equity of JV Theodor-Heuss-Allee GmbH ¹	- 49,970	- 47,510
of which 49.5% ¹	- 24,735	- 23,517
Cumulative losses not recognised in DEMIRE's consolidated financial statements	- 24,735	- 23,517
Carrying amount of investment in the DEMIRE Group	0	0
Value adjustment of the equity method	0	0

¹ The estimate of the term of the leasehold and thus the present value of future payments was adjusted to EUR 27,725 thousand in light of the option structure (see disclosures on sensitivities) in the reporting period and previous periods. However, this does not result in any change to DEMIRE's financial statements for the previous year, as the joint venture's equity remains negative.

Pursuant to Section 7(b) of the terms and conditions of the 2024/2027 corporate bond, DEMIRE has contractually undertaken not to acquire any properties above its market value. Consequently, as at the reporting date, it is impossible to acquire control of the joint venture in the future by means of a purchase option. This must be taken into account when deciding on the consolidation method (in accordance with IFRS 10.B23(a) and (c)). The Company therefore recognises the JV using the equity method as at the reporting date.


JV Theodor-Heuss-Allee GmbH (JV) is accounted for using the equity method due to the fact that DEMIRE exercises joint control with RFR Immobilien 4 GmbH over the joint venture. The shareholders' agreement includes purchase options on both the land used by the joint venture and the remaining shares in the joint venture, which may have an impact on the accounting method. See disclosures according to [IFRS 12 B \(Disclosures on associates and joint ventures\)](#).

Key basic assumptions for the calculation of options and the sensitivity analysis of the assumptions made

The option values on the investment are determined on the basis of an established valuation model, taking into account observable market data. The material valuation factors for this purpose are the basic price, volatility, the risk-free interest rate and the remaining term.

Observable inputs are inputs derived from market data that are observable and publicly available, derived from actual events or transactions and reflect the assumptions that market participants would use when pricing the asset or liability.

Unobservable inputs are inputs derived from information about the assumptions that market participants would use when pricing the asset or liability.

	
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The basic price (underlying = property value) is an unobservable factor because there are no observable transactions for this individual property (unique) and there is no market value for similar properties with the same parameters (city, location, floor, amenities, etc.). Therefore, general market data on the rental value of similar properties was used. A basic value calculation was carried out on the basis of the rental value assumption. The valuation was carried out by an external expert. For the valuation method, please refer to [section E. 1.3.](#)

Volatility is also an unobservable factor, as the assumption of price changes is used. The volatility value is calculated as a statistical standard deviation.

In the event of a significant decline in the market value of the property held by the JV, DEMIRE has no incentive as a shareholder of JV Theodor-Heuss-Allee GmbH to exercise the above-mentioned purchase option on the land. In this case, and subject to a vote on RFR Immobilien 4 GmbH to exercise the land purchase option, RFR Immobilien 4 GmbH will receive a call option and DEMIRE will receive a put option for the JV shares held by DEMIRE. The purchase price for the JV shares held by DEMIRE is calculated in both cases from DEMIRE's capital contributions (including shareholder loans) less a penalty for DEMIRE in the amount of EUR 43,500 thousand. In addition, the loan previously granted by DEMIRE to RFR 5 must be repaid. In the event of a put option, the agreement provides for the penalty to be offset against the two loans issued by both parties. In such a put scenario, both the EUR 25,100 thousand loan to the JV and the EUR 60,000 thousand loan to RFR 5 can be offset against the penalty. The triggering of the penalty is subject to the condition that both loans are repaid in full. DEMIRE therefore bears the risk of a significant decline in the market value of the property, limited to EUR 43,500 thousand (or EUR 38,500 thousand, taking into account the purchase price of the investment of EUR 5,000 thousand). As explained above in relation to the consolidation method, DEMIRE is not permitted to exercise the purchase option in this case (the exercise price of the purchase option is significantly higher than the market value of the property) due to its contractual obligation under the bond terms. Consequently, the valuation of options at the reporting date resulted in a negative option value (level 3 fair value) of EUR –28,700 thousand (previous year: EUR –28,100 thousand), which was recognised as a derivative financial liability.

An increase or decrease in rental cash flow of 10% or an increase or decrease in volatility of 10% would not result in any change in the voting behaviour of the shareholders and thus the market value of the options (put and call options) as at 31 December 2025.

A key factor that influences the value of the option is the voting behaviour of RFR Immobilien 4 GmbH. In addition to the aforementioned put/call options (and the potential penalties), there is also the possibility that DEMIRE and RFR will agree to continue the joint venture. In this scenario, the options lose their value. In the event of an extension, DEMIRE's shareholder loan would fall due in June 2027, but only six months after the ordinary final maturity of the DZHyp loan (which is owed by the JV).

Associates

In addition to the interests in joint ventures listed above, the Group holds interests in several individually immaterial associates accounted for using the equity method. These include G+Q Effizienz GmbH, based in Berlin.

The table below provides an aggregated breakdown of the carrying amount and share of profit and other comprehensive income of these associates.

in EUR thousand	31/12/2025	31/12/2024
Total carrying amounts of individually immaterial associates	260	406
Total Group share in:		
Profit or loss from continuing operations	–8	63
Profit or loss after taxes from discontinued operations	0	0
Other comprehensive income	–138	–8
Total comprehensive income	–146	55



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C. Accounting policies

Assets and liabilities are presented according to their terms (due in more than/up to one year). Deferred taxes are generally reported as non-current.

Assets are generally measured at amortised acquisition or production costs, except for the fair value measurement of investment properties pursuant to IAS 40. According to IFRS 5.5(d), real estate held for sale is carried at fair value. The fair value in this case is the expected selling price.

Assets, equity and debt instruments, excluding share-based payments under IFRS 2, that are measured at fair value based on other standards are valued uniformly according to the provisions of IFRS 13. Within this context, financial assets and financial liabilities are classified and recognised in accordance with the categories of IFRS 9. Accordingly, financial assets are classified in the categories “at amortised cost”, “at fair value through other comprehensive income” or “at fair value through profit or loss”.

Financial instruments are classified as “at amortised cost” if they are held as part of a business model and the objective is to hold them to collect the contractual cash flows, and if the contractual terms and conditions of the financial asset result in cash flows at specified dates, which represent exclusively principal and interest payments on the outstanding principal.

Financial instruments classified at fair value relate to derivative financial instruments used for interest rate hedging. These are measured at fair value both when accounted for initially as well as during subsequent periods, with changes in measurement from subsequent measurement recognised in profit or loss. The measurement of fair value is based on established valuation models that take into account observable market data, such as the Black Scholes model or the Monte Carlo method. The valuation factors for this purpose are the basic price and its volatility, the risk-free interest rate and the remaining term.

If fair value is determined using a valuation method, the fair value should be assigned to one of the following three levels of the fair value hierarchy, depending on the available observable parameters and the respective importance of these parameters for the overall measurement:

Level 1: Input factors are quoted prices in active markets for identical assets or liabilities that are available as at the valuation date.

Level 2: Other input factors than the quoted prices in Level 1 and factors which are either directly observable or can be indirectly derived for the asset or liability.

Level 3: Input factors for the asset or liability are not observable.

As at the reporting date, the Group only holds financial instruments in the categories “at amortised cost” and “at fair value through profit or loss”.



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The following table presents the measurement hierarchy, valuation methods and significant input factors used to determine fair values exclusively for financial assets and liabilities that are measured using Level 3 non-observable input factors. A special feature results from the fact that the fair value of the 2019/2027 corporate bond was determined on the basis of the stock exchange price on 31 December 2025 and was thus determined using the Level 1 parameter.

Type	Hierarchy	Measurement methods and significant input factors
Financial receivables and other financial assets	Level 3	Discounted cash flows based on risk-free interest rates observable on the market at the valuation date, risk premiums of counterparties not observable on the market
Non-current financial liabilities and options	Level 3	Discounted cash flows based on risk-free interest rates observable on the market at the valuation date, DEMIRE-specific risk premium

Please refer to [Section E.1.3](#) for information on investment properties in accordance with IAS 40.

No transfers took place between the different levels of the measurement hierarchy during the period under review or comparative periods.

Financial assets and financial liabilities are recognised in the consolidated balance sheet for the first time when a Group company becomes a party to a financial instrument. The initial recognition of a financial instrument is at fair value including any transaction costs.

The maximum default risk is reflected by the amortised carrying amounts of the receivables and other financial assets recognised in the balance sheet. Credit risk and default risk are the risk that counterparties – essentially the tenants of the properties held by DEMIRE – will not be able to meet their contractual payment

obligations, which could result in a loss for the Company. In order to mitigate and manage default risks as much as possible, DEMIRE reviews the creditworthiness of tenants for new lettings.

DEMIRE mainly has receivables from letting and purchase price receivables from properties located in Germany, as well as loans to third parties and companies accounted for using the equity method. The credit risk is classified at the level of each counterparty, as some of them have different default rates and require different methods for determining the need for impairment.

In principle, default risks exist for all classes of financial instruments, but especially for trade accounts receivable and purchase price receivables as well as loan receivables from JV partners.

Impairment of trade accounts receivable, contractual assets and lease payments receivable according to the simplified model

DEMIRE states valuation allowances for expected credit losses (“ECL” in accordance with IFRS 9) for financial assets measured at amortised cost.

In accordance with the general impairment model of IFRS 9, impairments are based on the expected twelve-month credit loss, provided that the default risk (e.g. the credit default risk over the expected term) has not increased significantly since initial recognition. The Group applies the simplified approach according to IFRS 9.5.5.15. to determine impairment losses on trade receivables. The expected credit loss is determined exclusively over the entire term.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit losses, the Group considers appropriate and reliable information that is relevant and available without undue time and cost. This includes both quantitative and qualitative information and analyses based on the Group's past experience and sound estimates, including forward-looking information.

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DEMIRE's trade receivables are almost entirely lease receivables and receivables from operating costs. DEMIRE assumes that the default risk of a financial asset other than trade accounts receivable has increased significantly if the outstanding payments are more than 30 days past due. In the case of trade receivables, the number of days overdue can be significantly higher, as the tenant will generally carry out checks on the items in ancillary costs statements, which regularly results in a delay that DEMIRE accepts until consent is obtained. The same applies to rent receivables that are not paid by tenants at the time due to other disputes in connection with the tenancy.

Financial assets with impaired credit ratings

The Group assesses at each reporting date whether financial assets at amortised cost are credit-impaired. A financial asset is credit-impaired if one or more events occur that have an adverse effect on the expected future cash flows of the financial asset.

Indicators that a financial asset is credit-impaired include the following observable data:

- Significant financial difficulties of the issuer or borrower
- A breach of contract, such as a payment default or overdue payment of more than 90 days
- It is likely that the borrower will enter bankruptcy or other restructuring process

In individual cases, classification as a financial asset with an impaired credit rating may be waived, even if the past-due period is prolonged, provided that the delay is not due to a lack of creditworthiness.


Measurement of expected credit losses

Expected credit losses are the probability-weighted estimates of credit losses. Credit losses are measured as the present value of payment defaults (i.e. the difference between the payments owed to an entity under the contract and the payments the entity expects to collect). DEMIRE uses a commission matrix to measure expected credit losses on trade receivables. For the exact structure and/or the parameters used, see [▶ Section E.2.1.](#)

Amortisation

The gross carrying amount of a financial asset is amortised if the Group does not have a reasonable expectation that the financial asset will be recovered in full or in part. For tenants, the Group performs an individual assessment of the amount of impairment at the reporting date based on expected credit losses (for an explanation of the application of the expected credit loss model, see [▶ Section E.2.1.](#)

In the event of a write-down, the Group no longer assumes that the amortised amounts will be received. Amortised financial assets may nevertheless be subject to enforcement actions to recover overdue receivables.



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Impairments of loans to third parties and companies accounted for using the equity method, and other financial assets according to the three-stage model

With regard to impairments of loans to third parties and companies accounted for using the equity method, the three-stage model of expected credit losses is applied in accordance with the requirements laid down by IFRS 9.5. The basic principle behind this model is to map progress of the deterioration or improvement in the credit quality of financial instruments, taking into account losses that have already occurred. The approach used in IFRS 9 includes the following measurement levels:

Stage 1: Twelve-month credit defaults: Applicable to all items (since initial recognition) provided that the credit quality has not deteriorated significantly. The future expected credit loss is determined by taking into account any prospective information regarding the probability of default and the potential loss in the event of default. Given there is no rating information at a counterparty level, the probabilities of default and loss ratios are derived from the statistical data from unsecured bonds with an adequate default risk so as to measure expected credit losses. The corresponding (historical) recovery rates are also taken into account. Individual assessments and scenarios were also taken into account. These include, in particular, qualitative assessments of individual creditworthiness and risks from external financing, which are taken into account when determining expected credit losses as part of scenario analyses.

Stage 2: Credit defaults over the lifetime: Applicable if the credit risk for individual financial instruments or a group of financial instruments has increased significantly. A transfer from Stage 1 to Stage 2 is made if the contractual payments are more than 30 days past due. If an item has been past due for more than 90 days, there is a rebuttable presumption that there is objective evidence of a credit default and the financial instrument must therefore be transferred to Stage 3.

Stage 3: Credit losses over the lifetime when considered on an individual basis: Where there is objective evidence (e. g. contractual payments are more than 90 days past due, signs of insolvency, etc.) that an asset would be impaired when considered on an individual basis, consideration of the lifetime of the financial instrument is decisive here.



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D. Notes to the consolidated statement of income

DEMIRE has entered into commercial property lease agreements for its investment properties. These agreements stipulate that DEMIRE shall retain all the significant risks and opportunities connected with the ownership of properties rented and therefore classifies these lease contracts as operating leases. The income from these contracts is recognised as rental income and is generally free from seasonality. However, the sale and/or acquisition of one or several properties can have a significant influence on the net rental income. Revenue from ancillary rental costs is allocable ancillary costs that are passed on to tenants.

Revenues include rental income, income from ancillary rental costs and revenue from the sale of real estate and real estate companies. Pure rental income is accounted for according to IFRS 16, with income from utility and service charges and the sale of real estate accounted for according to IFRS 15.

1. Profit/loss from the rental of real estate

Rental income is generated in connection with leases classified as operating leases. The average monthly rent per square metre as at the reporting date was EUR 9.82 (previous year: EUR 9.63). This figure is calculated by dividing the monthly net rent, excluding service charges, by the floor space. Properties and project developments already registered as being for sale are not included in this calculation. The property taxes and insurance settled as part of service charges do not constitute a separate performance obligation and are allocated to the rents accordingly. They are accounted for as other lease components in accordance with IFRS 16. In the case of other costs (gas, electricity, water, etc.), the Company has come to the conclusion that it is acting in the role as principal and continues to bear significant risks. Accordingly, revenues and related costs continue to be presented on a gross basis. Revenue and other operating costs are accounted for according to IFRS 15. Under this standard, prepayments made by tenants for allocable operating costs are recognised as income from utility and service charges in the year in which they are incurred and in the amount that is included in the allocable operating costs.

The profit/loss from the rental of real estate in the amount of EUR 36,785 thousand (previous year: EUR 44,474 thousand) consists of the following:

in EUR thousand	2025	2024
Net rent	53,514	65,285
Income from utility and service charges	12,576	16,932
Rental revenue from real estate	66,090	82,217
Allocable operating expenses to generate rental income	-18,181	-24,717
Non-allocable operating expenses to generate rental income	-9,806	-11,327
Impairment of receivables	-1,318	-1,699
Operating expenses to generate rental income	-29,305	-37,743
Profit/loss from the rental of real estate	36,785	44,474

The decrease in income from property rentals to EUR 36,785 thousand (previous year: EUR 44,474 thousand) is mainly due to lower rental income of EUR 53,514 thousand (previous year: EUR 65,285 thousand), in particular as a result of the sale of properties in Bad Kreuznach, Dortmund, Hamburg and Freiburg, the properties in Leipzig, Lohfelden, Osnabrück and Bayreuth, Karl-Marx-Str., which were sold in the previous period, and the deconsolidation of the Limes portfolio. Non-allocable operating expenses were lower than in the previous period at EUR 9,806 thousand (previous year: EUR 11,327 thousand). This results from lower maintenance expenses of EUR -4,943 thousand (previous year: EUR -5,721 thousand) in the remaining properties and a change in the reporting of expenses for tenant improvements and depreciation on rental incentives, which are reported under net rents in the reporting period. Of the operating expenses, an amount of EUR -18,181 thousand (previous year: EUR -24,717 thousand) is generally allocable and can be charged to tenants. The decline is mainly due to the disposal of properties sold in the reporting period as well as deconsolidation of the Limes portfolio in the previous year. The decrease in non-allocable expenses is also shown in the decrease in income from the allocation of utility and service charges.



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In the reporting period, there were three properties that did not generate any income. Operating expenses of EUR 887 thousand (previous year: EUR 927 thousand) were incurred for these properties. The costs mainly relate to ongoing maintenance, administrative and operating costs; no other significant expenses were incurred.

Assets and liabilities from contracts with customers were as follows:

ASSETS AND LIABILITIES FROM CONTRACTS WITH CUSTOMERS

in EUR thousand	31/12/2025	31/12/2024
Current contract assets from operating costs	2,173	3,542
Total contract assets	2,173	3,542
Current contract liabilities from operating costs	649	519
Total contract liabilities	649	519

Receivables from operating costs include service charge payments by the DEMIRE Group to the tenants, while contract liabilities include payments already made by the tenants for outstanding service charges. The decrease in receivables from operating costs is due to the sale of properties and deconsolidation of the Limes portfolio. As in the previous year, no impairment losses were recognised on receivables from operating costs in the reporting period.

In accordance with IFRS 15, DEMIRE generates revenue both based on a point in time and over a period of time in the following areas:

DEMIRE generates revenue in accordance with IFRS 15 and IFRS 16 (rental income) both based on a period of time (continuous provision of services) and based on a point in time (one-off revenue) from the following categories:

- Rental income and service charge payments to tenants: based on a period of time, as the services are provided continuously over the reporting period
- Sale of properties or real estate companies: based on a point in time, as the performance obligation is fulfilled upon transfer of the property or company.

The amounts shown in this breakdown of revenue are directly related to the revenue recognised for the respective reportable segments in accordance with IFRS 8. For more information, see [Section F](#).

2025

in EUR thousand	Rental income and income from service charge re-allocations	Revenue from sale of real estate
Point in time	0	50,461
Period	66,090	0
Total	66,090	50,461

2024

in EUR thousand	Rental income and income from service charge re-allocations	Revenue from sale of real estate
Point in time	0	109,714
Period	82,217	0
Total	82,217	109,714

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Income is realised as per IFRS 15 when selling real estate companies and real estate if the following five criteria have been satisfied:

- There is a contract in place with the customer which clearly sets out the rights and obligations of both parties as well as the payment terms.
- DEMIRE can determine for each contractual party which rights they receive regarding the goods or services to be transferred.
- Payment terms in the contract are made clear.
- The contract has economic substance, i.e. it is expected that the economic situation of both DEMIRE and the customers in question is changed by the contract.
- It is likely that DEMIRE receives the consideration that is due as set out in the contract.

2. Profit/loss from the sale of real estate and real estate companies

In the financial year, the Group generated profit/loss of EUR –116 thousand (previous year: EUR –7,289 thousand) from the sale of real estate. These are properties in Freiburg, Hamburg, Dortmund, Goslar, Querfurt, Bad Kreuznach, Celle, Lichtenfels and the sale of the heritable building right in Trier, which were sold in the 2025 financial year with transfer of ownership, benefits and encumbrances.

3. Result from the fair value adjustment of investment properties and assets held for sale


The profit/loss from the fair value adjustment of investment properties (Core Portfolio) amounted to EUR –18,551 thousand as at 31 December 2025 (previous year: EUR –48,923 thousand).

The valuation of assets held for sale or sold during the reporting period, amounting to EUR –40,262 thousand (previous year: EUR –9,753 thousand), is mainly attributable to properties in Bonn, Freiburg, Kempten, Leipzig, Flensburg, Querfurt, Goslar, Celle, Hamburg, Chemnitz, Frankfurt am Main and Lichtenfels and the associated impairment.

Investment property recorded a 11.0% reduction in value across the Group in the 2025 financial year. In addition to ongoing geopolitical tensions, the ongoing economic slowdown in Germany and the decline in transaction volume on the German commercial property market compared with the same period last year, the following factors, among others, had a direct impact on the valuation result:

The configuration and nature of the land at Telekom's office and technology site in Bonn were subject to substantial changes during the reporting period. Part of the property included an eight-unit residential building located on a separate, adjacent plot of land. In October 2025, a sales contract for the residential building was notarised for portfolio strategy reasons. As the transfer of ownership, benefits and encumbrances will not have taken place in 2025, this will be recognised as an asset held for sale as at 31 December 2025. In addition, there is a concrete sales plan for a commercial building component, meaning that this is also recognised as an asset held for sale. Due to the change in the scope of valuation, there has been a 25.7% decrease in the valuation of the Bonn property held as a financial investment. When the properties held for sale – the eight-unit residential building and the separate building – are added on an accrual basis, the depreciation of the Bonn property amounts to only 1.4% compared to the previous year.

The scope of the valuation of the property in Celle previously used by Karstadt has also changed significantly due to the sale of the associated car park and its adjacent land in 2025. The valuation result for the department store property, which is encumbered by two leaseholds, and the adjacent former administration building therefore decreased by 93.4% compared with the previous year. In a direct comparison and taking into account the sold portion, the devaluation of the Celle property is 51.7% compared to the previous year.



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The primary user of the property in Neumünster, Sparkasse Südholstein, has decided to terminate the lease agreement effective 31 January 2026. To support the re-letting efforts started in 2025, a comprehensive feasibility study was conducted by the consulting firm BNP Paribas Real Estate Consult GmbH, based on which discussions are already taking place on the market. The Asset Management team is confident that it will be able to find a new use for this well-located property in Neumünster. Due to the considerable investment required for a possible change of use, an impairment was recognised at fair value.

In Meckenheim, the headquarters of the state office tenant BWI, an early contract extension of four years was secured. This leads to a sustainable stabilisation of cash flow and a 6% increase in valuation.

In Eschborn, construction work is ongoing, including extensive refurbishment to bring fire safety up to current legal requirements. The sustainable increase in property value has resulted in a valuation increase of 3.6%.

The current inflationary environment is also driving positive indexation of rents, which is having an impact on values. In general, successful letting leads to an increase in actual rents, a reduction in vacancies and stabilisation of the cash flows of the valuation properties.

Changes in interest rates and new market conditions have a direct impact on the property valuation. Interest rates and cautious lending behaviour by banks have resulted in a low number of transactions on the real estate markets during the 2025 financial year. Risks, such as devaluations of tenant credit ratings and reductions in rental applications, have already been taken into account in the valuation. This was counteracted across the portfolio by active rental management and proactively retaining existing tenants.

The changed market environment continues to affect global economies and real estate markets. Still, there is sufficient data and information available as at the valuation date to produce valid appraisals that reflect the ordinary course of business according to the legal circumstances and actual characteristics, the location and other characteristics.

The fair value of real estate is based on the valuation report of the external independent expert Savills Advisory Services Germany GmbH & Co. KG, a company with its registered office based in Frankfurt am Main. Please refer to [▶ Section E.1.3](#) for details on the valuation method applied.

4. Impairment of financial and other receivables

Impairments on financial receivables and other receivables totalled EUR –2,902 thousand in the reporting period (previous year: EUR –48,817 thousand) and mainly comprise the impairment of the loan to JV Theodor-Heuss-Allee GmbH in the amount of EUR –2,891 thousand.

The impairments recorded in the comparative period essentially comprise a devaluation of the Limes loans and interest receivables due on these amounting to EUR –38,080 thousand. In addition, an impairment of EUR –9,000 thousand on the loan including open interest receivables to RFR Immobilien 5 GmbH was recognised in accordance with IFRS 9.5 for the expected credit loss based on the three-stage model. In total, the impairment on the loan and the interest accrued on it amounted to EUR –10,388 thousand in the previous year, which was allocated to risk level 3.

Please refer to [▶ Section C “Accounting policies”](#) for more information on accounting principles and the expected credit loss model.



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5. Other operating income

in EUR thousand	2025	2024
Income from agency services (LIMES portfolio and JV Theodor-Heuss-Allee-GmbH)	675	556
Income from settled legal disputes	637	0
Derecognition of liabilities	74	285
Other	292	181
Total	1,678	1,022

The income from settled legal disputes resulted from a settlement agreement between an external service provider and BBV Immobilien-Fonds Nr. 8 GmbH & CO.KG.

In the reporting year, liabilities amounting to EUR 74 thousand (previous year: EUR 285 thousand) were derecognised due to expiry of the limitation period.

6. General administrative expenses

in EUR thousand	2025	2024
Staff costs	-4,301	-4,362
Legal and consulting fees	-2,154	-5,057
Accounting and audit costs	-1,095	-1,667
Non-deductible input taxes	-360	-211
Insurance	-317	-190
IT costs	-289	-327
Supervisory Board remuneration	-282	-266
Investor relations expenses	-192	-251
Custodial compensation	-191	-212
Fees and incidental costs from monetary transactions	-134	-222
Fund administration costs	-155	-182
Annual General Meeting and shareholder advisory expenses	-86	-76
Travel expenses	-74	-173
Other	-387	-640
Total	-10,017	-13,836

Staff costs for the staff employed at the level of the ultimate parent company and Fair Value REIT-AG are included in general administrative expenses and rental income.

The higher legal and consulting costs in the previous year were primarily due to the refinancing of the 2019/2024 corporate bond. Legal and consulting fees mainly relate to tax consulting fees, consulting fees for financing and transactions, and legal and consulting fees.



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The increase in non-deductible input tax is attributable to the sale of properties in Freiburg, Hamburg, Bad Kreuznach and Goslar. These sales were carried out as part of a complete sale of the business and consequently no input tax could be deducted in this context (e. g. for estate agent fees).

The higher costs for preparing and auditing the financial statements in the previous year were primarily due to additional expenses incurred in connection with the refinancing of the 2019/2024 corporate bond.

7. Other operating expenses

in EUR thousand	2025	2024
Fair value adjustment option JV Theodor Heuss-Allee	-600	-4,000
Non-period expenses	-377	-56
Expenses assumed from a profit and loss transfer agreement with the LIMES portfolio	-270	-710
Compensation payments to RETT Blocker	-84	-83
Provision expenses from legal disputes	-40	-22
Deconsolidation effect LIMES portfolio	0	-4,907
Other	-152	-116
Total	-1,523	-9,894

In the financial year, expenses relating to other periods primarily relate to maintenance expenses associated with the sale of the Leipzig logistics park (LogPark) in 2024 in the amount of EUR -191 thousand.

8. Financial result

in EUR thousand	2025	2024
Financial income	6,809	44,803
Financial expenses	-56,001	-32,757
Profit/loss from companies accounted for using the equity method	-76	63
Minority interests	-2,490	-1,713
Financial result	-51,758	10,396

Financial income of EUR 6,809 thousand (previous year: EUR 44,803 thousand) comprises income from loans and interest on credit balances. The decline in financial income is mainly attributable to the partial repurchase of the 2019/2027 corporate bond below its nominal value in the previous year, which resulted in income of EUR 37,765 thousand.

Losses from companies accounted for using the equity method in the amount of EUR -76 thousand (previous year: EUR 63 thousand) relate to loss shares from G+Q Effizienz GmbH.

The main components of financial expenses are as follows: Interest on the 2019/2027 corporate bond in the amount of EUR -25,119 thousand (previous year: EUR -14,459 thousand), interest on the shareholder loan amounting to EUR -23,455 thousand (previous year: EUR -3,842 thousand) and interest on other loans amounting to EUR -6,776 thousand (previous year: EUR -4,291 thousand).

Minority interests totalling EUR -2,490 (previous year: EUR -1,713 thousand) relate to the share of profits of minority shareholders in Fair Value REIT-AG's subsidiaries, which are classified as liabilities in accordance with IAS 32. The decline in profit shares compared with the same period last year is mainly due to the proportionate valuation result for real estate in the previous year.



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9. Income taxes

The reported income tax expense (-) and income (+) can be broken down as follows:

in EUR thousand	2025	2024
Tax expense	-4,519	-1,750
Deferred tax expense (tax income)	845	-3,109
Total income taxes	-3,674	-4,859

Income taxes of EUR -4,519 thousand (previous year: EUR -1,750 thousand) include corporation tax and trade tax and arose entirely in Germany.

Deferred tax income of EUR 845 thousand (previous year: EUR -3,109 thousand) comprise deferred tax expenses of EUR -19,106 thousand (previous year: EUR -7,944 thousand) and deferred tax benefits of EUR 19,951 thousand (previous year: EUR 4,835 thousand). The gradual change in corporation tax rates for 2027-2031 from 15% to 10%, which was decided in 2025, led to one-off effects resulting from the revaluation of deferred tax assets and liabilities. The adjustment was made using the future tax rates adopted on the reporting date. If temporary differences are not expected to reverse until after 31 December 2031, the reduced tax rate of 10.55% is taken into account for the calculation of deferred taxes. The resulting amounts of EUR 6,768 thousand were recognised in revenue.

Deferred tax expenses are primarily attributable to temporary differences in connection with the impairment of the loan to RFR Immobilien 5 GmbH and the option valuation in connection with the Theodor-Heuss-Allee joint venture and lease liabilities. The income from deferred taxes mainly results from the reduction in the tax rate and the depreciation of real estate and the associated reversal of deferred tax liabilities. As at the reporting date, there were total unused corporate income tax loss carryforwards of EUR 43,297 thousand (previous year: EUR 119,933 thousand) for the companies included in the consolidated financial statements. In the DEMIRE Group, deferred taxes on loss carry-forwards were capitalised only at the level of the same taxable entities to the extent that deferred tax liabilities existed.

Tax adjustments relating to other periods recognised in the period amounted to EUR -3,323 thousand (previous year: EUR 0 thousand). These adjustments resulted from the revision of tax returns from previous periods and from changes in estimates relating to previous periods. The adjustments relate to both current tax liabilities and accounts receivable from previous years.

TAX RECONCILIATION

The tax reconciliation between the theoretical and actual tax expense is presented on the basis of the Group tax rate of 29.30% (previous year: 29.30%). The Group tax rate includes the 15% corporation tax rate, 5.5% solidarity surcharge and 13.475% trade tax (municipal rate for Langen: 385%; basic federal rate 3.5%). From 2028 onwards, a gradual reduction in the corporation tax rates of 1 percentage point per year was taken into account, meaning that the tax rate will be 10% in 2032 and will remain unchanged thereafter. To calculate the deferred taxes of the domestic real estate companies, an individually calculated tax rate was determined depending on the expected reversal effect of the difference between the IFRS carrying amount and the tax base, which takes into account the above-mentioned reduction in the corporation tax rate.



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These companies generate income exclusively from managing their own real estate. Only the corporation tax rate and the solidarity surcharge apply to these companies because of the option to deduct the profit from the management of own real estate from the profit under trade tax law.

in EUR thousand	2025	2024
Earnings before taxes	- 86,666	- 82,620
Group tax rate (in %)	29.30	29.30
Expected income taxes	- 25,393	- 24,208
Trade tax effects	12,337	11,588
Tax effects from non-deductible operating expenses and similar items	2,661	9,459
Effect of tax rate changes	- 6,768	0
Initial difference	188	0
Tax effects from the value change of loss carry forwards	- 1,903	6,911
Tax effects of tax-free income	0	- 543
Valuation allowance on deferred tax assets	8,672	0
Tax effects resulting from the non-recognition of deferred tax assets	9,691	0
Tax effects from prior period adjustments	3,323	0
Other	866	1,652
Current tax expense (+)/tax income (-) in the reporting period	3,674	4,859

According to IAS 12, deferred tax liabilities are also to be recognised on the difference between the proportionate share in equity of a subsidiary in the consolidated statement of income and the carrying amount of the subsidiary in the parent company's balance sheet under tax law ("outside basis differences"), if realisation is to be expected. These differences mainly resulted from retained earnings from foreign and domestic subsidiaries.

Recognising deferred taxes on outside basis differences as temporary differences means that future tax effects must be reported at the time profits originate, even if a distribution of profits to the parent company and the corresponding taxation of the parent company will occur only in future periods. The Company can determine the timing of distributions and the retention of earnings from subsidiaries. Except for the mandatory distributions from Fair Value REIT-AG, dividend distributions from subsidiaries are neither planned nor foreseeable. Therefore, deferred taxes on outside basis differences are not recognised, with the exception of Fair Value REIT, JV Theodor-Heuss-Allee GmbH, Frankfurt am Main, and G+Q Effizienz GmbH, Berlin. The recognition of deferred taxes for outside basis differences at the level of Fair Value REIT amounted to EUR 12,997 thousand as at 31 December 2025 (previous year: EUR 15,689 thousand). The BEPS Pillar 2 regulations, which came into force on 1 January 2024 and were incorporated into the Minimum Tax Act at the end of 2023, do not apply to DEMIRE because the Group does not generate any international revenue and the revenue threshold pursuant to Section 1 (1) of the Minimum Tax Act was not reached. For other disclosures relating to deferred tax assets and liabilities, please refer to [Section E.5.1](#).

DEMIRE did not recognise deferred tax assets for the accumulated results of subsidiaries amounting to EUR -1,630 thousand (previous year: EUR 1,817 thousand).



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10. Earnings per share

EARNINGS PER SHARE


Basic earnings per share are computed by dividing the net profit/loss for the period attributable to DEMIRE AG shareholders by the weighted average number of shares outstanding during the year. Diluted earnings per share are computed by adjusting net profit/loss for the period and the number of shares outstanding based on the assumption that convertible instruments are converted and options in connection with share-based payments are exercised.

in EUR thousand	2025	2024
Net profit/loss for the period (in EUR thousand)	- 90,340	- 87,479
Profit/loss for the period less non-controlling interests	- 88,499	- 86,483
Number of shares (in thousands)		
Number of shares outstanding as at the reporting date	105,513	105,513
Weighted average number of shares outstanding	105,513	105,513
Earnings per share (in EUR)		
Basic and diluted earnings per share	- 0.84	- 0.82

11. Personnel expenses

in EUR thousand	2025	2024
Salaries	- 3,750	- 3,956
Statutory social expenses	- 551	- 407
Total	- 4,301	- 4,362

Staff costs amounting to EUR -4,301 thousand (previous year: EUR -4,362 thousand) are reported under general administrative expenses and in rental income and are attributable to DEMIRE AG (EUR -4,171 thousand; previous year: EUR -4,242 thousand) and Fair Value REIT-AG (EUR -130 thousand; previous year: EUR -120 thousand). Of the statutory social expenses, about half are attributable to contributions to statutory pension insurance.

	
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E. Notes to the consolidated balance sheet

1. Non-current assets

The development of the individual items can be found in the statement of fixed assets ([Appendix 3](#)).

1.1 INTANGIBLE ASSETS

Upon initial recognition, individually acquired intangible assets are measured at their acquisition cost. Subsequently, intangible assets with a limited period of use are amortised on a straight-line basis usually over a period of three to five years based on their estimated useful economic life and are tested for possible impairment when there are any relevant indications thereof. Impairment of intangible assets is recognised in profit or loss.

1.2 PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment totalling EUR 88 thousand (previous year: EUR 80 thousand) includes operating and office equipment. This is carried at historical acquisition cost less depreciation. Historical acquisition cost includes expenses that can be directly allocated to the acquisition of operating and office equipment. Straight-line depreciation is based on a useful life of three to fifteen years. The depreciation figures in the amount of EUR -38 thousand (previous year: EUR -54 thousand) are reported in the statement of income under other operating expenses.


1.3 INVESTMENT PROPERTY

The Group's investment properties include those properties that are held for rental income generation and value appreciation and not for their proprietary use or sale in the ordinary course of business, as well as rights-of-use for ground leases and general permanent rights-of-use. Investment properties are carried at acquisition cost plus incidental acquisition costs at the time of acquisition. In accordance with the option provided for in IAS 40, these properties are subsequently measured at fair value, whereby changes in the fair value are generally recognised in profit or loss. Prepayments for real estate purchases are recognised as advance payments within item "Properties held as investment properties".

Valuation of the properties and sensitivity analysis Procedures and assumptions

The Company has commissioned Savills Advisory Services Germany GmbH & Co. KG (Savills), based in Frankfurt am Main, to carry out a valuation of the properties held by DEMIRE Deutsche Mittelstand Real Estate AG as at 31 December 2025. Savills is a real estate consulting firm and employs, among others, members of the Royal Institution of Chartered Surveyors (RICS Registered Valuer) and real estate experts certified by HypZert GmbH in its Valuation division.

The valuation was carried out in accordance with the RICS Valuation – Global Standards 2025 ("Red Book", January 2025 version) of the Royal Institution of Chartered Surveyors and is consistent with IFRS 13 of the International Financial Reporting Standards (IFRS).



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The market value for each property was determined in accordance with VPS 2.4 of the RICS Valuation – Global Standards 2025:

The market value (using the DCF method) was determined in each case after deducting incidental acquisition costs (land transfer tax, estate agent's commission and notary and solicitor's fees) and reported as net cash value.

The market value of the individual properties was determined using the internationally recognised discounted cash flow method. Only the property at Hartmannstraße 1, Chemnitz, which is directly owned by Fair Value REIT-AG, was valued at its liquidation value, which essentially corresponds to the land value plus the contractually agreed rents from existing leases as at the valuation date, less estimated demolition costs at the assumed liquidation date.

After identifying all value-relevant factors, the expected and partially projectable future cash flows are totalled for each period. The result of the cash inflows and outflows is discounted up to a fixed point in time (valuation date). In contrast to the German income valuation method according to the Property Valuation Ordinance (ImmoWertV), in which the land value is determined separately and a residual useful life is applied, and all growth expectations are included in the property interest rate, the internationally used DCF method explicitly presents growth over the cash flow period, an exit value is estimated at the end, and cash flow payments and exit value are then discounted to the reporting date.

Since the impact of future cash flows decreases as a result of discounting, and the forecast uncertainty increases over the period under review, real estate investment considerations are usually capitalised using a growth-implicit minimal interest rate after a ten-year period (detailed review period) to arrive at the stabilised net income (capitalisation rate) and discounted to the valuation date.

The valuation parameters are determined by an external expert as part of the market value assessment and can be divided into two groups:

The property-specific valuation parameters include, for example, market rental rates for initial or subsequent lettings, property-specific renewal options for existing leases, vacancy periods and vacancy costs, non-apportionable ancillary costs and expected capital expenditure by the owner (e.g. for major refurbishment measures), fitting-out and letting costs for initial and subsequent lettings, or a property and lease-specific overall return on the capital tied up in the investment.

Macroeconomic factors include, in particular, the development of market and rental prices during the detailed observation period and the inflation expectations assumed in the calculation model.

The determination of fair values depends on the underlying key, non-observable input factors (Level 3), which are specified in [Appendix 1](#) to the consolidated financial statements.

A sensitivity analysis of the key unobservable input parameters showed the following effect on the fair value of investment properties. A substantial increase in maintenance costs or vacancy rates would lead to a lower fair value for the properties if the assumptions for the remaining input parameters remained unchanged. The sensitivity analysis can be found in [Appendix 2](#) to the consolidated financial statements.



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Fair value development during the reporting period:


in EUR thousand	31/12/2025	Office	Retail	Other
Fair value at the beginning of the financial year	724,706	422,036	239,640	63,030
Additions of properties	12,561	5,694	6,356	511
Disposals	-21,450	-1,810	-19,640	0
Disposal of deconsolidation (LIMES portfolio)	0	0	0	0
Reclassifications to non-current assets held for sale	-105,320	-61,083	-5,937	-38,300
Gain on fair value adjustment of investment property	4,359	980	3,369	10
Loss on fair value adjustment of investment property	-22,910	-16,741	-5,916	-253
Net gain / loss from measurement at fair value	-18,551	-15,761	-2,548	-243
Fair value at the end of the financial year	591,946	349,076	217,872	24,998

in EUR thousand	31/12/2024	Office	Retail	Other
Fair value at the beginning of the financial year	947,276	592,816	292,640	61,820
Additions of properties	14,186	10,733	3,362	90
Disposals	-4,013	0	-4,013	0
Disposal of deconsolidation (LIMES portfolio)	-138,465	-99,223	-39,242	0
Reclassifications to non-current assets held for sale	-45,355	-45,855	500	0
Gain on fair value adjustment of investment property	2,257	0	858	1,399
Loss on fair value adjustment of investment property	-51,180	-36,435	-14,466	-279
Net gain / loss from measurement at fair value	-48,923	-36,435	-13,608	1,120
Fair value at the end of the financial year	724,706	422,036	239,640	63,030

The additions to investment properties totalling EUR 12,561 thousand (previous year: EUR 14,186 thousand) consist of capitalisations for current investments (CapEx, subsequent capitalisations), rental incentives, rent-free periods and construction cost subsidies.

Disposals of EUR -21,450 thousand were made during the period under review. These are the properties in Lichtenfels, Celle and Trier. During the comparative period, the property in Osnabrück was sold for EUR -4,013 thousand.

The Limes subsidiaries were deconsolidated in the comparative period, which resulted in a reduction in the fair value of the properties totalling EUR 138,465 thousand.

	
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Information about losses and gains from fair value measurement is provided in [Section D.3.](#)

The fair value of the capitalised leaseholds and rights-of-use, which belong to the retail asset class and are reported under investment properties, developed as follows:

in EUR thousand	2025
Fair value at the beginning of the financial year	21,910
Disposals from the sale of real estate	- 14,940
Gains from fair value measurement	100
Losses from fair value measurement	- 130
Fair value at the end of the financial year	6,940

in EUR thousand	2024
Fair value at the beginning of the financial year	20,580
Gains from fair value measurement	1,430
Losses from fair value measurement	- 100
Fair value at the end of the financial year	21,910

Please refer to [Section 7.2](#) for further information in conjunction with the accounting of leaseholds and rights-of-use.

1.4 SHARES IN COMPANIES ACCOUNTED FOR USING THE EQUITY METHOD

Shares in companies accounted for using the equity method amounted to EUR 260 thousand (previous year: EUR 406 thousand). This pertains to the investment in G+Q Effizienz GmbH, Berlin, with a loss of EUR -76 thousand (previous year: profit of EUR 63 thousand).


1.5 LOANS TO COMPANIES ACCOUNTED FOR USING THE EQUITY METHOD

Loans to companies accounted for using the equity method of EUR 22,259 thousand (previous year: EUR 25,150 thousand) include a loan not secured by real estate granted by DEMIRE AG to JV Theodor-Heuss-Allee GmbH.

The impairment was calculated over the entire term when analysed individually in accordance with risk level 2 of the risk level model, as the credit risk of JV Theodor-Heuss-Allee GmbH rose considerably.

The following table shows the development of impairments on loans to companies accounted for using the equity method:

in EUR thousand	2025	2024
As at 1 January	0	0
Additions	2,891	0
As at 31 December	2,891	0

	
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1.6 LOANS AND FINANCIAL ASSETS

Loans and financial assets amounted to EUR 61,499 thousand (previous year: EUR 37,710 thousand).

The carrying amount of loans totals EUR 59,490 thousand (previous year: EUR 34,797 thousand) and includes a loan in the amount of the nominal value of EUR 60 million to RFR Immobilien 5 GmbH. This is an affiliate of RFR Immobilien 4 GmbH, the joint venture partner of JV Theodor-Heuss-Allee GmbH. The difference between the carrying amount and the nominal value results from the recognised expected credit losses according to the three-stage model in the amount of EUR 510 thousand (previous year: EUR 24,195 thousand), and an accrued amount of EUR 857 thousand (previous year: EUR 1,009 thousand) resulting from the effective interest calculation in accordance with IFRS 9. Income of EUR 23,685 thousand from the reduction in impairments is recognised in the consolidated statement of income under “Impairment of trade receivables”. The reduction in risk provisions was the result of a change in assessment in the financial year, which was attributable in particular to the first-instance court clarification regarding the maturity of accrued interest and the advanced negotiations with the RFR Group regarding a possible extension of the Cielo ownership structure. This led to a change in the assessment of the credit risk and an increase in expected future cash flows.

In addition, impairment was recognised for the current portion of the bond receivables, see [Section E 2.2](#). The impairment totalling EUR 9,061 thousand was initially allocated to interest receivables according to their maturity and the remaining portion to non-current receivables.

The impairment was calculated over the entire term when analysed individually in accordance with risk level 3 of the risk level model, as a default on interest payments occurred in the reporting period.

The following table shows the development of impairments in accordance with risk level 3 on loans to third parties:

in EUR thousand	2025	2024
As at 1 January	24,195	15,195
Additions	0	9,000
Reversal	-23,685	0
As at 31 December	510	24,195

In addition, non-current financial assets in the amount of EUR 2,866 thousand (previous year: EUR 2,913 thousand) include non-current loan receivables from Taurecon GmbH, Berlin, in the amount of EUR 145 thousand (previous year: EUR 145 thousand), from Taurecon Beteiligungs GmbH in the amount of EUR 1,686 thousand (previous year: EUR 1,733 thousand) and from LKS Beteiligungs-gesellschaft mbH in the amount of EUR 1,035 thousand (previous year: EUR 1,035 thousand).

All loan receivables mentioned above are allocated to level 3 as their measurement is based on non-observable input factors. Impairments in accordance with risk level 1 were only insignificant.



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2. Current assets

2.1 TRADE ACCOUNTS RECEIVABLE AND OTHER RECEIVABLES AND ASSETS

The following table shows the composition of trade accounts receivable and other assets as at 31 December 2025:

in EUR thousand	31/12/2025 Gross	Impairment	31/12/2025 Net	31/12/2024 Gross	Impairment	31/12/2024 Net
Trade accounts receivable	10,673	2,473	8,200	12,076	3,635	8,441
Receivables from operating costs	2,173	0	2,173	3,542	0	3,542
Subtotal of trade accounts receivable	12,846	2,473	10,373	15,618	3,635	11,983
Rent incentives	0	0	0	937	0	937
Receivables from processing value-added taxes	213	0	213	310	0	310
Other assets	388	0	388	938	0	938
Subtotal of other assets	601	0	601	2,185	0	2,185
Total	13,448	2,473	10,975	17,803	3,635	14,169

¹ Rental incentives in accordance with IFRS 16 are recognised on the reporting date under investment property in accordance with IAS 40.

Impairments of financial assets are presented using an age structure matrix. DEMIRE uses this matrix to determine the required risk provision depending on the maturity or overdue payment of the individual receivables. The age structure matrix is based on historical experience and current expectations and is updated at each reporting date.



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On this basis, the following change in value rates apply to DEMIRE:

in %	0-90 days past due	91-180 days past due	181-360 days past due	more than 360 days past due
Default rate	12%	14%	16%	20%

¹ The reported impairment rates differ from the calculated general impairment rates based on historical default rates for the following reasons. Impairment is recognised on the net amount of the receivable excluding VAT. In addition, credit balances of tenants in the individual age structure clusters (0-90 days, 81-180 days, etc.) reduce the gross amount of receivables within the age structure clusters. No value adjustments are made on these balances. It is therefore not possible to directly reconcile the calculated impairment rates with historical default rates.

Trade and other receivables due from DEMIRE's tenants are measured as follows:

in Days / in EUR thousand	Gross carrying amount	Risk provisions for credit losses expected over the total term	Net carrying amounts
0-90 days	1,546	188	1,359
91-180 days	1,028	144	884
181-360 days	871	136	734
more than 360 days	2,175	432	1,743
Total	5,620	900	4,720



In addition to the value adjustments shown in the provision matrix, the portfolio of individual value adjustments amounts to EUR 1,573 thousand (previous year: EUR 2,578 thousand). Individual value adjustments are made, for example, in the case of legal disputes with tenants or in insolvency cases. These related to gross carrying amounts of EUR 3,276 thousand (previous year EUR 5,487 thousand).

Impairment losses of EUR 147 thousand (previous year: EUR 67 thousand) relate to a former office tenant in Cologne with whom the Company is involved in a legal dispute. The gross receivables from this tenant amount to EUR 177 thousand as at the end of the reporting period (previous year EUR 159 thousand). In addition, impairment losses of EUR 115 thousand (previous year: EUR 52 thousand) relate to a former office tenant in Bad Vilbel, with whom the Company is also involved in a legal dispute. The gross receivables from this tenant amount to EUR 171 thousand as at the end of the reporting period (previous year EUR 125 thousand).

Gross receivables of EUR 1,777 thousand (previous year EUR 1,151 thousand) were not yet due. No value adjustments were made on these receivables. No value adjustments were made on the operating cost receivables of EUR 2,173 thousand (previous year EUR 3,542 thousand), as these were also not yet due as at the reporting date.

The trade receivables from the previous period and other receivables from DEMIRE's tenants and loans were measured as follows:

in Days / in EUR thousand	Gross carrying amount	Risk provisions for credit losses expected over the total term	Net carrying amounts
0-90 days	1,518	73	1,445
91-180 days	484	54	429
181-360 days	2,196	327	1,869
more than 360 days	1,240	602	638
Total	5,438	1,057	4,381

	
	
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The value adjustment of trade receivables developed as follows:

RECONCILIATION OF IMPAIRMENTS

in EUR thousand	
Impairments pursuant to IFRS 9 as at 31 Dezember 2024	3,635
Increase in impairments through profit or loss in the financial year	1,409
Utilisation of impairments in the financial year	- 33
Decrease in impairments through profit or loss in the financial year	- 2,537
Impairments pursuant to IFRS 9 as at 31 Dezember 2025	2,473

RECONCILIATION OF IMPAIRMENTS FROM THE PREVIOUS YEAR

in EUR thousand	
Impairments pursuant to IFRS 9 as at 01 Januar 2024	5,357
Increase in impairments through profit or loss in the financial year	1,830
Utilisation of impairments in the financial year	- 2,069
Decrease in impairments through profit or loss in the financial year	- 1,483
Impairments pursuant to IFRS 9 as at 31 Dezember 2024	3,635

As in the previous year, all trade accounts receivable are current in nature and usually due within a period of less than three months.

The calculation of impairments on trade accounts receivable is presented within the scope of the accounting policies in [Section C](#).



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2.2 CURRENT FINANCIAL ASSETS

Financial assets in the amount of EUR 1,043 thousand (previous year: EUR 19,464 thousand) consist of the following:

in EUR thousand	31/12/2025 Gross	Impairment	31/12/2025 Net	31/12/2024 Gross	Impairment	31/12/2024 Net
Interest receivable on loans	11,026	10,889	137	7,119	5,538	1,581
Other purchase price receivables	907	0	907	1,365	0	1,365
Loans to deconsolidated subsidiaries	91,267	91,267	0	91,267	74,750	16,517
Total	103,199	102,156	1,043	99,752	80,288	19,464

Other purchase price receivables are assigned to risk level 2, while loans to third parties and loans to deconsolidated subsidiaries are assigned to risk level 3.

Other purchase price receivables in the amount of EUR 907 thousand (previous year: EUR 1,365 thousand) relate primarily to purchase price receivables in conjunction with the sale of the properties in Goslar, Freiburg and Leipzig (logistics park).

Loans to third parties consist mainly of interest receivables due for loans to RFR Immobilien 5 GmbH. An impairment loss of EUR 4,309 thousand (previous year: EUR 1,388 thousand) was recognised for this interest receivable in 2025. Interest receivables from RFR Immobilien 5 GmbH have accrued in the amount of EUR 8,551 thousand (previous year: EUR 5,774 thousand), as there was a legal dispute regarding the existence and maturity date of the interest payments, which was subject to judicial clarification in the first instance in the course of 2025.

The impairment of loans to deconsolidated subsidiaries relates to the derecognition of receivables due to uncollectibility. The expenses recognised in connection with the increase in impairments is recognised in the consolidated statement of income under "Impairment of trade receivables".


2.3 TAX ASSETS

During the period under review, the tax assets in the amount of EUR 3,338 thousand (previous year: EUR 2,946 thousand) primarily related to refund claims from retained capital gains tax in the amount of EUR 1,632 thousand including the solidarity surcharge for distributions (previous year: EUR 1,032 thousand).

2.4 CASH AND CASH EQUIVALENTS

Cash and cash equivalents in the amount of EUR 54,241 thousand (previous year: EUR 44,816 thousand) include cash on hand and bank balances carried at their nominal value. Of this amount, EUR 692 thousand is earmarked for maintenance costs as at 31 December 2025 (previous year: EUR 380 thousand). A further amount of EUR 1,500 thousand is subject to a restriction and is conditional on the extension and revaluation of the loan for CapEx financing in the Lutherstadt Wittenberg property (previous year: EUR 3,229 thousand). There is no need to write down cash and cash equivalents.


All covenants were fulfilled as at 31 December 2025 and up to the date of preparation of the financial statements. Further information on the contractually agreed covenants can be found in [Section G 1](#).



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3. Non-current assets held for sale

For assets held for sale, it must be determined whether they can be sold in their present state and whether their disposal is highly probable. If this is the case, assets held for sale are recognised and measured in accordance with the relevant regulations of IFRS 5. Non-current assets held for sale are generally carried at the lower of the carrying amount and the fair value less costs to sell. In accordance with the exceptions set out in IFRS 5.5(d), properties that are already accounted for at fair value must continue to be carried at fair value. The fair value of non-current assets held for sale is equal to their selling price less disposal costs, which are assigned to Level 2.

As at 31 December 2025 the properties in Bonn, Flensburg, Kempten, Leipzig (Gutenberggalerie), Frankfurt am Main and Chemnitz were accounted for in the amount of EUR 103,540 thousand as properties held for sale. There were delays in the sales process for these properties in the 2025 financial year, but the Executive Board expects the sales to take place in 2026 (see also  [“Subsequent events”](#)). The valuation loss here amounts to EUR 40,262 thousand.

In the previous year, the properties in Leipzig (Gutenberggalerie), Flensburg, Kempten, Dortmund, Hamburg and Bad Kreuznach were reported as properties held for sale in the total amount of EUR 76,680 thousand.

4. Equity

SUBSCRIBED CAPITAL

On 31 December 2025, the Company had fully paid in subscribed capital in the amount of EUR 107,777,324 divided into 107,777,324 no-par value bearer shares with a notional interest of EUR 1.00. The shares of DEMIRE AG have been admitted for trading in the Prime Standard segment of the Frankfurt Stock Exchange.


Subscribed capital remained unchanged in the reporting period. There were also no changes in the same period last year. No treasury shares were acquired in 2025. Overall, DEMIRE holds a total of 2,264,728 treasury shares with a nominal value of EUR 2,265 thousand as at the reporting date.

CAPITAL RESERVES

Capital reserves include premiums from capital increases carried out, i.e. from payments by shareholders that exceed the nominal value of the shares issued, less capital procurement costs. The share capital itself is not included under capital reserves and is reported separately. As at the reporting date, capital reserves amounted to EUR 89,767 thousand (previous year: EUR 89,767 thousand).

RETAINED EARNINGS

Retained earnings amounted to EUR –66,132 thousand as at 31 December 2025 (previous year: EUR 22,825 thousand). The change was mainly due to the net result for the reporting year of EUR –88,499 thousand (previous year: EUR –86,483 thousand).

	
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AUTHORISED CAPITAL

in EUR thousand	2025	2024
As at 1 January	53,889	53,889
Utilisation of authorised capital	0	0
As at 31 December	53,889	53,889


The shareholders are generally entitled to subscription rights. The Executive Board is empowered, with approval of the Supervisory Board, to exclude the subscription rights of shareholders. This applies for cash capital increases of up to 20% of the share capital at an issue price that is not significantly lower than the market price, as well as to service option or conversion rights and in the case of capital increases against contributions in kind.

CONDITIONAL CAPITAL 2018/I

Pursuant to Section 5 (4) of the Articles of Association, DEMIRE AG's share capital is conditionally increased by up to EUR 560,000.00 through the issue of up to 560,000 new no-par value bearer shares (Conditional Capital 2018/1). The conditional capital increase will only be carried out if the holders of share options issued by the Company during the acquisition period under the 2015 share option plan pursuant to the authorisation resolution of the Extraordinary General Meeting of 6 March 2015 exercise their subscription rights to shares in the Company and the Company does not grant its own shares in fulfilment of the subscription rights. The new shares in the Company resulting from the exercise of these subscription rights shall be entitled to participate in profits from the beginning of the financial year for which no resolution on the distribution of retained earnings is passed by the Annual General Meeting at the time the subscription rights are exercised. The Supervisory Board is authorised to amend the wording of the Company's Articles of Association in line with the scope of the capital increase from conditional capital. As at 31 December 2025, Conditional Capital 2018/1 had not been utilised.

CONDITIONAL CAPITAL 2024/I

Furthermore, pursuant to Section 5 (5) of the Articles of Association, the Company's share capital is conditionally increased by up to EUR 53,888,662.00 through the issue of up to 53,888,662 no-par value bearer shares (Conditional Capital 2024/1). The conditional capital increase serves to grant no-par value bearer shares to the holders or creditors of convertible bonds and/or bonds with warrants and/or profit participation rights and/or income bonds (or combinations of these instruments) that were or will be issued by the Company or companies in which the Company holds a direct or indirect majority interest on the basis of the authorisation to issue convertible bonds and/or bonds with warrants and/or profit participation rights and/or income bonds (or combinations of these instruments) resolved by the Annual General Meeting on 21 November 2024 under agenda item 9 b) have been or will be issued by the Company or companies in which the Company holds a direct or indirect majority interest and grant a conversion or option right to new no-par value bearer shares in the Company or establish a conversion or option exercise obligation. The new shares shall be issued at the exercise or conversion price to be determined in accordance with the respective authorisation resolution of the Annual General Meeting. The conditional capital increase will only be carried out to the extent that the holders or creditors of conversion or option rights exercise these rights or the holders with conversion or option obligations fulfil their conversion or option obligations, unless cash compensation is granted or treasury shares or shares created from authorised capital are used to service this obligation. The new shares participate in the profit from the beginning of the financial year in which they are issued, and for all subsequent financial years. Provided it is legally permissible, and with the approval of the Supervisory Board, the Executive Board may decide to amend the profit entitlement schedule for the new shares, particularly, that the new shares may participate in the profit from the start of a past financial year for which no resolutions on the appropriation of profits had been made by the Annual General Meeting at the time at which the new shares were issued. The Executive Board is authorised, with the consent of the Supervisory Board, to determine the further details of the implementation of a conditional capital increase. As at 31 December 2025, Conditional Capital 2024/1 had not been utilised.



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AUTHORISATION TO ISSUE CONVERTIBLE AND/OR OPTION BONDS AND/OR PROFIT-SHARING RIGHTS AND/OR PROFIT-SHARING BONDS

With the authorisation granted by resolution of the Annual General Meeting of 21 November 2024, the Executive Board was authorised, with the consent of the Supervisory Board, to issue subordinated or non-subordinated bearer or registered convertible bonds and/or bonds with warrants, profit participation rights and/or profit participation bonds (or combinations of these instruments; collectively “bonds”) with or without a limited term to maturity in the total nominal amount of up to EUR 325,000,000.00 on one or more occasions, also simultaneously in different tranches, up to 20 November 2029, and to grant or impose conversion or option rights and conversion or option obligations to/on holders or creditors of bonds for a total of up to 53,888,662 no-par value bearer shares of the Company with a notional interest in the share capital totalling up to EUR 53,888,662 in accordance with the more detailed provisions of the bond conditions.

The bond terms may also establish a conversion or option exercise obligation at the end of the term or at an earlier date or upon a specific event (in each case, “maturity”) or grant the Company the right to grant the creditors of the option and/or convertible bonds, in whole or in part, shares in the Company or another listed company in accordance with the exchange ratio instead of paying the amount due upon final maturity.


The conversion and option rights as well as any conversion or option exercise obligations may be satisfied from existing or conditional capital to be decided upon at this or future Annual General Meetings and from existing or future authorised capital to be decided upon.

Shareholders are generally entitled to subscription rights to bonds.

However, if bonds with conversion and/or option rights or conversion and/or option obligations are to be issued in exchange for cash, the Executive Board is authorised, with the approval of the Supervisory Board, to issue bonds with conversion and/or option rights or conversion and/or option obligations in accordance with Section 186 (3) sentence 4 AktG, excluding subscription rights, provided that the issue price is not significantly lower than the theoretical market value of the bonds with conversion and/or option rights or conversion and/or option obligations determined using recognised financial mathematical methods. This authorisation to exclude subscription rights shall only apply to the extent that the shares issued or to be issued to service the conversion and option rights or to fulfil the conversion and option exercise obligation do not exceed a proportionate amount of the share capital of EUR 21,555,464.00 or, if this amount is lower, a total of no more than 20% of the share capital at the time the authorisation is exercised (the “maximum amount”). The share capital attributable to shares issued or sold on or after 21 November 2024 in direct or analogous application of Section 186 (3) sentence 4 AktG shall be credited against the maximum amount for the exclusion of subscription rights.

Further details of the authorisation, in particular regarding the terms and conditions of the bonds and the exclusion of subscription rights, are specified in the authorisation resolution passed by the Annual General Meeting on 21 November 2024.

The authorisation to issue bonds, which was approved at the Annual General Meeting on 21 November 2024, was not used prior to 31 December 2025.

	
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AUTHORISATION TO PURCHASE TREASURY SHARES

The Company was authorised by the Annual General Meeting on 14 May 2025 to acquire own shares with a proportionate amount of the share capital of up to a total of 10% of the share capital existing at the time of the resolution or at the time of exercising this authorisation until 13 May 2030 if the latter value is lower. The acquired shares, together with other own shares held by the Company or attributable to it pursuant to Sections 71d and 71e AktG, may not at any time exceed 10% of the share capital. At the discretion of the Executive Board, the acquisition shall be made (1) via the stock exchange, (2) by means of a public purchase offer addressed to all shareholders, or (3) by means of a public invitation to all shareholders to submit offers for sale.

The Executive Board was also authorised to use the Company's own shares, which are or were acquired pursuant to this or an earlier authorisation in accordance with Section 71 (1) Item 8 AktG or in any other manner, for all legally permissible purposes. In particular, the shares may be sold on the stock exchange or by public offering to all shareholders in proportion to their shareholdings.

Further details of the authorisations, in particular the conditions for the acquisition of shares, are set out in the authorisation resolution passed by the Annual General Meeting on 14 May 2025.

As at 31 December 2025, the authorisations to acquire or use own shares, which were approved at the Annual General Meeting on 14 May 2025, had not been used.

The number of treasury shares did not change during the year under review:

Reconciliation of number of shares (in thousands)	2025	2024
Total number of shares as at 1 January	105,513	105,513
Acquisition of treasury shares	0	0
Total number of shares less treasury shares as at 31 December	105,513	105,513

The "Non-controlling interests" item refers to the interests of shareholders outside of the Group in the equity and the net profit of fully consolidated subsidiaries. Non-controlling interests concerns the interests of third-party shareholders in the equity and net profit/loss of fully consolidated subsidiaries.

5. Non-current liabilities

5.1 DEFERRED TAX ASSETS AND LIABILITIES

In accordance with IAS 12, deferred tax assets and deferred tax liabilities are recognised for temporary differences between the carrying amounts of assets and liabilities in the consolidated balance sheet and the tax statement of financial position or for unused tax loss carry-forwards (liability method). In accounting for deferred tax assets, DEMIRE considers whether it is more likely or less likely that deferred taxes can be realised. The realisability of deferred tax assets depends on whether sufficient taxable income is generated at the time of the reversal of temporary differences between the consolidated balance sheet and the tax statement from which the temporary differences can be deducted. The basis for this assessment is the tax planning of DEMIRE. Deferred tax assets for tax loss carry-forwards were recognised in the amount of EUR 3,060 thousand (previous year: EUR 1,245 thousand). The assessment of the recoverability of the loss carry-forwards and the resulting recognition of deferred tax assets is based on a planning horizon of five years.



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Deferred taxes are measured using the local tax rates expected to apply when the asset is realised or the liability is settled. The tax rates applicable on the reporting date are used as a basis. The effects of changes in tax law are recognised in profit or loss in the year in which the changes take effect. Deferred taxes relating to items recognised directly in equity are not recognised in the statement of income, but are recognised directly in equity via other comprehensive income. Deferred tax assets are not recognised if it becomes unlikely that the future tax benefits will be realised. Deferred tax assets and liabilities are offset against each other if the claims and obligations relate to the same tax authority.

DEMIRE recognised deferred taxes for temporary differences of Fair Value REIT-AG by applying the Company-specific tax rate as at the reporting date. As Fair Value REIT-AG is generally exempt from taxes, no taxes are incurred at its level, as long as the status as a tax-exempt REIT is maintained. Nevertheless, deferred taxes were recognised for Fair Value REIT-AG according to the “tax-transparent entity” approach. This approach assumes a deemed disposal of all properties directly held by Fair Value REIT-AG and indirectly held through trusts.

Deferred tax assets and liabilities consist of temporary differences in the following items in the balance sheet:

in EUR thousand	31/12/2025	31/12/2024
Deferred tax assets on loss carryforwards	3,060	1,245
Deferred tax assets on financial liabilities / assets	179	8,486
Deferred tax assets on lease liabilities	1,098	3,467
Deferred tax assets before offsetting	4,337	13,199
Deferred tax liabilities on investment properties and right-of-use assets	39,028	53,198
Deferred tax liabilities on financial liabilities / assets	4,266	0
Deferred tax liabilities before offsetting	43,294	53,198
Offsetting of deferred tax assets with liabilities	- 4,337	- 13,199
Deferred tax liabilities	38,957	39,999
Deferred tax assets before offsetting	0	0

Pursuant to IAS 12.74, deferred tax assets on loss carry-forwards are only recognised to the extent to which deferred tax liabilities exist for the same taxable entity to the same tax authorities and for the same tax type. Regarding the deferred tax assets recognised on tax loss carry-forwards before offsetting in the amount of EUR 3,060 thousand (previous year: EUR 1,245 thousand), the requirements of IAS 12.74 have been met. Tax loss carry-forwards and deductible temporary differences that were not considered when calculating deferred taxes and that generally do not expire, amounted to EUR 100,598 thousand (previous year: EUR 111,150 thousand). In the year under review, there are unrecognised deferred tax assets in the amount of EUR 18,995 thousand (previous year: EUR 17,590 thousand).



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The following table shows the change in deferred taxes in the period under review:

in EUR thousand	01/01/2025	Statement of income	31/12/2025
Investment properties and right-of-use assets	-53,198	14,169	-39,028
Loans	8,486	-8,308	179
Lease liabilities	3,467	-2,369	1,098
Tax loss carryforwards	1,245	1,814	3,060
Market values of options	8,233	-8,233	0
Financial liabilities	-8,233	3,967	-4,266
Total	-39,999	1,042	-38,957

The “Financial liabilities” item refers primarily to deferred taxes related to the 2019/2027 corporate bond.

The change in deferred taxes in the previous year and its structure can be broken down as follows:

in EUR thousand	01/01/2024	Statement of income	31/12/2024
Investment properties and right-of-use assets	-53,799	601	-53,198
Loans	5,683	2,803	8,486
Lease liabilities	3,257	210	3,467
Tax loss carryforwards	1,311	-65	1,245
Market values of options	7,019	1,214	8,233
Financial liabilities	-1,385	-6,847	-8,233
Total	-37,915	-2,084	-39,999

5.2 MINORITY INTERESTS

Minority interests reported under the Group's liabilities concern the capital of limited partners, who are mainly natural persons, in real estate funds in the legal form of a GmbH & Co. KG, totalling EUR 68,502 thousand as at the reporting date (previous year: EUR 71,018 thousand). Please refer to [Section B](#) for information about the consolidation principle used for minority interests.

5.3 FINANCIAL LIABILITIES

Financial liabilities are measured at their fair value on the date of assumption less directly attributable transaction costs and discounts. The fair value at the time of incurring the financial liabilities corresponds to the present value of the future payment obligations based on a maturity- and risk-congruent market rate. Subsequent measurement is carried out at amortised cost using the effective interest method. The effective interest rate is determined at the time of the initial recognition of the financial liabilities. Changes to the conditions relating to the amount or timing of interest and repayments result in a recalculation of the carrying amount of the financial liabilities at their present value and based on the originally determined effective interest rate. Any differences to the previously recognised carrying amounts of the financial liabilities are recognised through profit or loss.

Financial liabilities as at 31 December 2025 consisted of the following:

FINANCIAL LIABILITIES

in EUR thousand	Fixed interest	Variable interest	Total
2019/2027 corporate bond	238,519	0	238,519
Shareholder loan	124,524	0	124,524
Other financial liabilities	114,036	25,569	139,605
Total	477,079	25,569	502,648



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Financial liabilities as at 31 December 2024 consisted of the following:

FINANCIAL LIABILITIES FOR THE PREVIOUS YEAR

in EUR thousand	Fixed interest	Variable interest	Total
2019/2027 corporate bond	224,976	0	224,976
Shareholder loan	97,342	0	97,342
Other financial liabilities	163,663	0	163,663
Total	485,981	0	485,981

The following table shows the nominal value of financial liabilities as at 31 December 2025:

FINANCIAL LIABILITIES

in EUR thousand	Fixed interest	Variable interest	Total
2019/2027 corporate bond	246,853	0	246,853
Shareholder loan	124,524	0	124,524
Other financial liabilities	112,337	25,569	137,906
Total	483,714	25,569	509,283

The following table shows the nominal value of financial liabilities as at 31 December 2024:

FINANCIAL LIABILITIES FOR THE PREVIOUS YEAR

in EUR thousand	Fixed interest	Variable interest	Total
2019/2027 corporate bond	252,250	0	252,250
Shareholder loan	97,342	0	97,342
Other financial liabilities	162,883	0	162,883
Total	512,475	0	512,475

The difference between the carrying amounts of financial liabilities and their nominal values is due to the subsequent measurement of financial liabilities at amortised cost using the effective interest method in accordance with IFRS 9.

In the reporting period 2024, DEMIRE AG accepted a loan in the amount of EUR 93,500 thousand from AEPF III 15 S.à r.l. which was valued at an additional EUR 3,727 thousand on 1 January 2025. The interest rate is 22% per annum, and the final maturity date of the loan is 31 December 2028. Interest payments can be made at maturity, i.e. 31 December 2028, taking into account compound interest accrued in the meantime, or during the term. The interest rate on the shareholder loan was determined by an independent third-party expert based on a market comparison and therefore reflects the market situation at the time the loan was taken out. The interest accrued in 2025 amounting to EUR 23,455 thousand was revalued. The loan liability amounts to EUR 124,524 thousand as at 31 December 2025.

The corporate bond represents a significant portion of financial liabilities. On 16 October 2024, this was extended until 31 December 2027 at an interest rate of 5.00%.

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Other financial liabilities mainly comprise financial liabilities to credit institutions at a weighted average nominal interest rate of 4.54 % (previous year: 3.34%). The weighted average nominal interest rate on all financial liabilities amounted to 8.35% per annum as at 31 December 2025 (31 December 2024: 7.59% per annum).

As at the reporting date, financial liabilities were collateralised by assets in the amount of EUR 213,342 thousand (previous year: EUR 222,542 thousand). As in the previous year, no assets of DEMIRE had been encumbered with a mortgage as a guarantee for third-party liabilities.

As part of the refinancing of the 2019/2024 corporate bond, a LuxCo structure was established to secure the restructured 2019/2027 corporate bond.

The reduction in other financial liabilities of EUR 24,058 thousand compared with the previous year is primarily attributable to the settlement of liabilities amounting to EUR 18,588 thousand in connection with the sale of the property in Freiburg. In addition, the scheduled repayment of borrowings justifies the rest of the decrease.

COLLATERAL IN THE CONTEXT OF BOND RESTRUCTURING

Due to the bond maturing in 2024, DEMIRE AG has set up a Luxembourg holding company at the request of bondholders, as they would benefit from Luxembourgian enforcement law regarding extension of the due date and a change to the bond conditions. The Luxembourg holding structure consists of DEMIRE Holding 15 SCSp, founded on 1 October 2024, and its five Luxembourg subsidiaries, DEMIRE Holding 16 SCSp, founded on 10 October 2024, DEMIRE Holding 20 SCSp, founded on 11 October 2024, and DEMIRE Holding 17 SCSp, DEMIRE Holding 18 SCSp, DEMIRE Holding 19 SCSp, all established on 18 October 2024 (referred to together as the "LuxCo structure"). Furthermore, on 25 September 2024, DEMIRE GP 15 S. à r. l., on 9 October 2024, DEMIRE GP 16 S. à r. l., on 16 October 2024, DEMIRE GP 17 S. à r. l., DEMIRE GP 18 S.à r. l., DEMIRE GP 19 S. à r. l. and on 11 October 2024 DEMIRE GP 20 S. à r. l. were founded.

With a contribution agreement dated 11 October 2024 and 5 December 2024, DEMIRE AG has transferred 89.9% of shares in their previously directly held subsidiaries at market value and transferred these to the LuxCo structure as security for the DEMIRE AG loan. In the case of PANACEA Property Investment GmbH just 51% was transferred, whilst this figure was 83.9% with Sihlegg Investments Holding GmbH, 84.8% with DEMIRE HB HZ B HST GmbH, 100% with DEMIRE Holding I GmbH and 94.9% with DEMIRE Apolda Wurzen GmbH. The properties which were not transferred to the LuxCo structure were DEMIRE Köln Max-Glomsda-Straße 4 GmbH, DEMIRE Essen Hatzper Str. Theodor-Althoff-Str. GmbH, DEMIRE Aschheim Max-Planckstraße GmbH, DEMIRE Kassel Kölnische Str. Mauerstr. Spohrstr. GmbH, DEMIRE Holding XII GmbH and DEMIRE Holding XIV GmbH.

COVENANTS

Generally, all loan agreements for the properties financed stipulate information requirements that DEMIRE's subsidiaries as debtors must fulfil with respect to the banks or investors as creditors. Depending on the type and scope of the loan, the information requirements range from providing key financial ratios (such as financial statements) to reporting on the compliance with covenants.

The monitoring, compliance and reporting of the covenants specified in the loan agreements for the properties financed are carried out by DEMIRE's Management, Treasury and Asset Management areas and external service providers. Depending on the specific credit agreement, the appropriate reporting on the covenants as well as the basis for the underlying business ratios are to be submitted to the creditors quarterly, semi-annually or annually. If the key financial figures specified in the covenants are not met, the creditors are entitled to demand additional collateral from DEMIRE. The loans are then in default. If the default persists for a longer period of time and cannot be permanently remedied, the creditors typically have a special right of termination.



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DEMIRE has complied with all contractual requirements (covenants) linked to existing loan agreements. In particular, these contain financial key figures which must be monitored regularly. There were no breaches against the agreed covenants at the end of the reporting period. Depending on circumstances, non-compliance could lead to liabilities becoming immediately liable. Management continuously monitors the relevant key figures to ensure compliance and also to detect potential risks in good time. Further information on the contractually agreed covenants can be found in [Section G 1](#).

CHANGES TO LIABILITIES ARISING FROM FINANCING ACTIVITY

The table below displays the development of Group liabilities arising from financing activity, including any net and non-cash changes.

in EUR thousand	Financial liabilities	Lease liabilities
01/01/2025	485,981	27,314
Net changes		
Proceeds from borrowings	44,077	0
Repayments of financial liabilities	- 70,770	0
Interest paid	- 18,249	- 552
Repayment of lease liabilities	0	- 122
Non-cash changes		
Valuation effects from the calculation of effective interest rates	20,379	0
Accrued interest	41,230	552
Disposal Leasing liabilities	0	- 18,822
Admission of lease liabilities	0	45
31/12/2025	502,648	8,415

in EUR thousand	Financial liabilities	Lease liabilities
01/01/2024	791,070	25,922
Net changes		
Proceeds from borrowings	93,500	0
Repayments of financial liabilities	- 246,032	0
Payments for borrowing costs	- 14,687	0
Interest paid on financial liabilities	- 26,539	- 876
Repayment of lease liabilities	0	- 258
Non-cash changes		
Accrual of refinancing costs	- 15,004	0
Valuation effects from the calculation of effective interest rates	5,036	0
Residual amortisation of redeemed financial liabilities	- 82,825	0
Accrued interest	28,929	876
Other valuation effects	- 47,466	0
Adjustment of lease liabilities owing to contractual adjustment	0	1,650
31/12/2024	485,981	27,314

In addition to the 2019/2027 corporate bond and the shareholder loans, there are financial liabilities (carrying amount at amortised cost using the effective interest method in accordance with IFRS 9) totalling EUR 139,605 thousand (previous year: EUR 163,663 thousand), of which EUR 73,527 thousand (previous year: EUR 116,288 thousand) are classified as current as at the reporting date. This is due to the contractual maturity dates of these financial liabilities.

There is also a credit line noted at the end of the reporting period in the amount of EUR 2,500 thousand (previous year: EUR 2,500 thousand).



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5.4 MARKET VALUES OF OPTIONS

Key basic assumptions for the calculation of options and the sensitivity analysis of the assumptions made

The fair value of the options is assessed using the established valuation model, taking into account observable and non-observable market data.

The increase in the market value of options recognised as liabilities is mainly due to the lower remaining term. As at the measurement date of 31 December 2025, the option valuation resulted in a negative amount of EUR 28,700 thousand. This probability-weighted value was recognised at fair value through profit or loss and recognised as a liability. The input parameters for the measurement of the options are allocated to level 3 of the fair value hierarchy.

in EUR thousand	Market values of options
31/12/2024	28,100
Non-cash changes	600
Valuation effects after modelling (recognised through profit or loss in other operating expenses)	600
31/12/2025	28,700

A change in cash flows would not result in a different value for the options, which can be seen in the sensitivity analysis in [Section B](#).

6. Current liabilities

6.1 PROVISIONS

Provisions have been recognised as liabilities in the period under review for obligations to third parties that are likely to result in a future outflow of resources. The value of the provisions is reviewed at each reporting date.

DEMIRE assumes that the provisions will be fully utilised in the following financial year. Provisions are utilised annually in accordance with their utilisation and amounts no longer required are reversed through profit or loss.

Provisions developed as follows during the period under review:

in EUR thousand	31/12/2024	Utilisation	Reversal	Additions	31/12/2025
Staff costs	1,698	-1,664	0	1,244	1,278
Other provisions	379	0	-353	487	513
Total	2,077	-1,664	-353	1,731	1,791

Provisions developed as follows during the previous year:

in EUR thousand	01/01/2024	Utilisation	Reversal	Additions	31/12/2024
Staff costs	1,034	-678	0	1,342	1,698
Other provisions	1,605	-703	-548	25	379
Total	2,639	-1,381	-548	1,367	2,077

Staff provisions mainly contain obligations for the variable performance-related remuneration of the Executive Board and employees (see [Section G.2](#)).

Other provisions in the amount of EUR 513 thousand include provisions for legal disputes (previous year: EUR 379 thousand). The provisions recognised represent the best possible estimate with regard to the outcome of the legal disputes. It is expected that a settlement regarding the legal dispute will be reached in the current reporting period.



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6.2 TRADE PAYABLES AND OTHER LIABILITIES

Liabilities are recognised at amortised cost after their initial recognition.

As at the reporting date, trade payables and other liabilities were as follows:

in EUR thousand	31/12/2025	31/12/2024
Trade payables	9,845	22,602
Accounting and audit costs	1,027	1,245
Subtotal of other trade payables	10,872	23,848
Accounts receivable with credit balances	2,176	2,225
Purchase price liabilities	1,626	500
Profit and loss transfer agreement	994	724
Operating costs	649	519
Liabilities arising from retained collateral	492	485
PRAP	455	549
Compensation payments	263	229
Liabilities arising from distributions	225	168
Expenditure for personnel	98	48
Liabilities arising from liquidation costs	30	30
Other	2,540	1,498
Subtotal of financial liabilities	9,548	6,975
Liabilities from value-added tax	593	150
Total other non-financial liabilities	593	150
Total	21,013	30,973

Trade payables relate primarily to current liabilities incurred as part of property management activities and/or in conjunction with the maintenance and repair of properties. As was the case in the previous year, all liabilities are due for payment within one year. As was the case on 31 December 2025, all trade payables amounting to EUR 10,872 thousand (previous year: EUR 23,848 thousand) are current in nature.


The decrease in accounts payable was mainly due to the settlement of outstanding liabilities and payments for legal and consulting services in connection with the extension of the 2024/2027 corporate bond (total: EUR 12,500 thousand).

Purchase price liabilities increased by EUR 1,626 thousand due to the disposal of leasehold rights in Trier, with payment obligations continuing until the end of the first quarter of 2027.

Compensation payments concern guaranteed dividends to non-controlling shareholders under profit and loss transfer agreements within the framework of a tax group created for income tax purposes. The decrease in compensation payments results from offsetting for the current period. The not yet offset compensatory payments amount to EUR 263 thousand as at the reporting date.

6.3 TAX LIABILITIES

Current income tax liabilities of EUR 28,354 thousand (previous year: EUR 23,805 thousand) are divided into corporation taxes of EUR 19,012 thousand (previous year: EUR 17,860 thousand) and trade taxes of EUR 9,342 thousand (previous year: EUR 5,945 thousand).

	
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7. Leases

7.1 OPERATING LEASES – DEMIRE AS LESSOR

The leases concluded by DEMIRE as lessor constitute operating leases within the meaning of IFRS 16.

The minimum lease payments as shown in the overview include net rents to be collected over the term of the lease in accordance with the currently applicable rental agreements. Rent agreements are usually concluded over fixed minimum terms of up to ten years. In some cases, tenants are entitled to extension options. In these cases, contractual rent escalation clauses effectively reduce the market risk of a long-term commitment. In the case of unlimited tenancies extended on a recurring basis with a remaining term of under one year as well as generally unlimited tenancies, an appropriate remaining term of the rental period of three years from the reporting date was recognised. Cash inflows from operating leases are recognised in cash flow from operating activities.


When renting and managing real estate, there is the risk of rent reductions, loss of rent or vacant space. Index-related rent increases may not always be implemented in full, immediately or at all. In addition to loss of income, letting-related costs (for example, broker's fees or rent incentives such as expansion costs, assumption of relocation costs, rent-free periods, etc.) may arise.

in EUR thousand	31/12/2025	31/12/2024
Due within 1 year	47,333	53,798
Due within 2 years	45,185	41,375
Due within 3 years	40,810	34,713
Due within 4 years	34,419	29,113
Due within 5 years	18,094	26,108
Due after more than 5 years	82,376	88,048
Total future rental income	268,217	273,155

7.2 DEMIRE AS LESSEE

Leases are accounted for at the time the lease asset is made available. According to IFRS 16, the lessee reports a lease liability for all leases in the balance sheet in the amount of the present value of the future lease payments and simultaneously capitalises a corresponding right of use to the underlying asset plus directly attributable costs. The lease instalment is divided into an interest component and a repayment component over the term of the lease, with the repayment component reducing the lease liability.

DEMIRE measures the present value of the outstanding lease payments at the time the lease is provided. The lease liabilities are discounted using the incremental borrowing rate.

	
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- Rights-of-use of assets that are not regarded as investment properties are depreciated on a straight-line basis over their expected useful lives. This applies to car leases. The rights-of-use for vehicles are reported under property, plant and equipment.
- Rights-of-use of investment properties, which are measured at fair value in accordance with IAS 40, are measured in line with the accounting policies laid down by IAS 40 and also reported under this item. This applies to leaseholds and permanent rights-of-use of an underground car park. The valuation is based on an appraisal carried out by an independent external expert. This right-of-use is therefore not amortised. Please refer to [Section E.1.3](#) for details on the valuation method applied.

Payments for short-term leases and low-value leases are recognised as an expense in the statement of income in accordance with IFRS 16.6. Short-term leases are all agreements with a term of less than twelve months. Such expenses were only incurred to an immaterial extent during the period under review and in the previous year.

The following amounts related to leases are shown in the balance sheet:

RIGHTS-OF-USE

in EUR thousand	31/12/2025	31/12/2024
Leasehold contracts	6,940	21,910
Vehicles	50	34
Total	6,990	21,944

Please refer to [Section E.1.3](#) "Investment properties" for information on profit derived from the valuation of rights-of-use.

LEASE LIABILITIES


in EUR thousand	31/12/2025	31/12/2024
Non-current	8,100	26,889
Current	315	425
Total	8,415	27,314

Lease liabilities comprise the obligations from the leasehold contracts of the Galeria Karstadt Kaufhof portfolio acquired in 2020 in the amount of EUR 8,365 thousand (previous year: EUR 27,278 thousand). The sharp decline in long-term lease liabilities results from the sale of the leasehold in Trier.

The leasehold contracts generally have long terms and expire in March 2083 at the latest. When calculating the present values of the lease liabilities upon initial recognition, the financing structure of the respective companies in terms of IFRS 16 was considered in determining the incremental borrowing rate, since the implied interest rate on which the lease is based cannot be determined. The following lease-related amounts are shown in the consolidated statement of income:

AMORTISATION EXPENSES FOR RIGHTS-OF-USE

in EUR thousand	2025	2024
Vehicles	30	34
Total	30	34

	
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OTHER LEASE INTEREST EXPENSES

in EUR thousand	2025	2024
Interest expense (included in financial expense)	553	876

Of the lease interest expenses of EUR 553 thousand (previous year: EUR 876 thousand), EUR 552 thousand (previous year: EUR 874 thousand) is attributable to interest expenses from leasehold contracts.

The cash outflows for leases in 2025 came to a total of EUR 674 thousand (previous year: EUR 1,133 thousand), of which EUR 643 thousand (previous year: EUR 1,098 thousand) is attributable to leasehold payments. Repayments of lease liabilities and interest payments on lease liabilities are recognised in cash flow from financing activities.

8. Contingencies

The contingent liabilities as at the reporting date consist of mortgages under Section 1191 of the German Civil Code (BGB) in the amount of EUR 213,342 thousand (previous year: EUR 222,642 thousand). The maximum liability for these properties is limited to the market value as at the reporting date of EUR 213,342 thousand (previous year: EUR 353,270 thousand, revised to EUR 222,642 thousand).

Due to the bond maturing in 2024, DEMIRE AG has set up a Luxembourg holding company at the request of bondholders, who wish to benefit from Luxembourg enforcement law regarding extension of the maturity date and a change to the bond conditions. The Group companies that were brought into this Luxembourg holding structure serve as collateral for the bondholders. For further information on collateralisation in the context of bond restructuring, please refer to [Section E.5.3](#).

9. Other financial obligations and contingent liabilities

Obligations for modification and expansion measures, as well as maintenance and modernisation work on the properties, totalled EUR 10,406 thousand (previous year: EUR 16,802 thousand). These obligations are fixed in terms of their scope. The purchase order commitment from commissioned maintenance and investment activities amounted to EUR 7,603 thousand (previous year: EUR 6,430 thousand) as at the reporting date.

The amounts were determined on the basis of contractual agreements with tenants, agreed contract amounts and cost estimates from contractors such as architects, manual workers and general contractors. There is uncertainty surrounding the timing of cash outflows as construction activities can be delayed due to disruptions in supply chains or the availability of staff and materials. There is also uncertainty about the required amounts as price fluctuations may occur to a certain extent for services that have not yet been contractually agreed. It is currently assumed that around 79% of the funds required for contractual obligations will be incurred within one year and around 21% within a period of one to five years.



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F. Group segment reporting

The segmentation of the data in the consolidated financial statements is based on the internal alignment according to strategic business segments pursuant to IFRS 8. The segment information presented corresponds primarily to the key performance indicators regularly reported to the Executive Board of DEMIRE AG as the main decision-making body. The Executive Board manages the profitability of the operating segments based on revenue, segment revenue, expenses from the sale of real estate, earnings before interest and taxes (EBIT), financial expenses and the profit or loss for the period.

The Group is divided into the two reportable business segments Core Portfolio and Fair Value REIT. The focus is on the sustainable management of the respective properties. These properties are held for the purpose of generating rental income and value appreciation.

The Core Portfolio segment contains the commercial properties that are held by the subsidiaries of DEMIRE AG, with the exception of the properties of Fair Value REIT. Due to their similar economic characteristics, internal reporting is performed on an aggregated basis.

Fair Value REIT is listed in the General Standard and, due to its status as a REIT company, is subject to the requirements of the REIT Act. When making management decisions, these requirements must be considered. As a result, a distinction is made between the Core Portfolio segment and the Fair Value REIT segment. Due to their similar economic characteristics, internal reporting is performed on an aggregated basis.

2025

in EUR thousand	Core Portfolio	Fair Value REIT	Corporate functions/ others	Group
External revenue	88,781	27,770	0	116,551
Total revenue	88,781	27,770	0	116,551
Profit/loss from fair value adjustments of investment properties and assets held for sale	-48,102	-10,710	0	-58,813
Other income	735	697	246	1,678
Segment revenue	41,413	17,756	246	59,416
Expenses relating to the sale of real estate	-46,545	-3,605	-428	-50,577
Other expenses	-20,672	-10,761	-12,313	-43,747
Segment expenses	-67,217	-14,366	-12,741	-94,324
EBIT	-25,804	3,391	-12,494	-34,908
Financial income	141	231	6,437	6,809
Financial expenses	-5,933	-1,437	-48,631	-56,001
Profit/loss from companies accounted for using the equity method	-76	0	0	-76
Interests of minority shareholders	0	-2,490	0	-2,490
Income taxes	-3,203	2,676	-3,147	-3,674
Net profit/loss for the period	-34,876	2,371	-57,836	-90,340
Significant non-cash items	50,814	8,142	3,580	62,536
Impairment losses in net profit/loss for the period	1,316	2	2,902	4,220

In the Core Portfolio segment, non-cash items mainly comprise fair value adjustments in investment properties in the amount of EUR 12,297 thousand (previous year: EUR 38,456 thousand), income taxes in the amount of EUR 402 thousand (previous year: EUR 1,646 thousand), deferred taxes in the amount of EUR 2,802 thousand (previous year: EUR -923 thousand) and the profit/loss from companies accounted for using the equity method in the amount of EUR -76 thousand (previous year: EUR 63 thousand).



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31/12/2025

in EUR thousand	Core Portfolio	Fair Value REIT	Corporate functions/ others	Group
Segment assets	479,383	278,479	91,328	849,190
Of which tax assets	1,078	111	2,149	3,338
Of which additions to investment properties	4,221	107	0	4,327
Of which non-current assets held for sale	99,340	4,200	0	103,540
Segment liabilities	512,558	153,331	32,491	698,380
Of which non-current financial liabilities	364,432	64,688	0	429,121
Of which lease liabilities	8,365	0	49	8,415
Of which current financial liabilities	71,480	2,047	0	73,527
Of which tax liabilities	6,509	0	21,845	28,354

The “Corporate Functions/Others” column mainly contains the activities of DEMIRE AG for its subsidiaries in its function as the Group holding company in areas such as risk management, finance and controlling, financing, legal, IT and compliance. The activities as the Group holding company do not constitute a separate segment but rather reconcile items that cannot be allocated to the other segments.

No customer accounted for 10% or more of total revenue (revenue from the tenancy agreement) in the reporting period.

As at 31 December 2025, the Fair Value REIT segment generated revenue of EUR 252 thousand (previous year: EUR 229 thousand) from business transactions with the Corporate Functions segment.

Conversely, Corporate Functions generated revenue of EUR 24 thousand (previous year: EUR 23 thousand) from business transactions with the Fair Value REIT segment.

Business transactions between the segments are processed based on terms and conditions at arm's length.

2024

in EUR thousand	Core Portfolio	Fair Value REIT	Corporate functions/ others	Group
External revenue	163,670	28,262	0	191,931
Total revenue	163,670	28,262	0	191,931
Profit/loss from fair value adjustments of investment properties	-47,991	-10,685	0	-58,676
Other income	617	159	246	1,022
Segment revenue	116,295	17,737	246	134,277
Expenses relating to the sale of real estate	-113,181	-3,799	-23	-117,003
Other expenses	-745	-10,570	-98,975	-110,290
Segment expenses	-113,926	-14,369	-98,998	-227,293
EBIT	2,369	3,368	-98,752	-93,016
Financial income	526	400	43,876	44,803
Financial expenses	-13,208	-1,247	-18,301	-32,757
Profit/loss from companies accounted for using the equity method	63	0	0	63
Interests of minority shareholders	0	-1,713	0	-1,713
Income taxes	-723	1,453	-5,590	-4,859
Net profit/loss for the period	-10,973	2,261	-78,767	-87,479
Significant non-cash items	56,038	9,238	5,664	70,941
Impairment losses in net profit/loss for the period	1,057	643	48,817	50,517



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31/12/2024

in EUR thousand	Core Portfolio	Fair Value REIT	Corporate functions/ others	Group
Segment assets	574,985	282,897	93,309	951,190
Of which tax assets	1,509	153	1,283	2,946
Of which additions to investment properties	12,755	8,880	0	21,635
Of which non-current assets held for sale	76,680	0	0	76,680
Segment liabilities	507,113	157,686	44,468	709,267
Of which non-current financial liabilities	339,259	30,434	0	369,693
Of which lease liabilities	27,279	0	35	27,314
Of which current financial liabilities	79,673	36,615	0	116,288
Of which tax liabilities	6,058	5	17,742	23,805



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G. Other disclosures

1. Financial instruments

For further details and information, please also refer to the risk report section of the management report.

FINANCIAL RISK MANAGEMENT

The credit risk arising for DEMIRE as part of its operating activities as well as risk arising from financing activities are continuously monitored and actively managed by the Executive Board. As a result of these measures, the consolidated financial statements were prepared under the assumption of a going concern.


DEMIRE's financial assets mainly consist of loans to companies accounted for using the equity method, other loans, trade accounts receivable and other receivables, financial receivables, other financial assets and bank balances. The majority of trade accounts receivable consists of rent receivables. Potential defaults in this context are taken into consideration.

DEMIRE's financial liabilities mainly comprise bonds, bank loans, other loans, lease liabilities and trade payables. The main purpose of these financial liabilities is to finance DEMIRE's operations.

DEMIRE is exposed to various financial risks as a result of its business activities: interest rate risk, credit risk and liquidity risk. The overarching risk management system concentrates on the continual identification and active management of typical business risks. This system accepts risks within a certain range if they offer the opportunity for commensurate returns. The goal is to limit the exposure to peak risks so that DEMIRE's continuance is not jeopardised.

The Executive Board identifies, evaluates and hedges financial risk in close collaboration with the risk officer and in coordination with DEMIRE AG's Supervisory Board.

Loan agreements exist in the Group that contain certain financial covenants stipulated by the creditors. Non-compliance with these financial covenants could lead to extraordinary terminations of these agreements by the creditors. The financial covenants concern financial ratios of the respective real estate portfolio, particularly the debt service coverage ratio (DSCR), the interest coverage ratio (ICR) and the loan-to-value (LTV) debt ratio. The calculations are based on the specifications set by the creditors in the loan agreement. The monitoring, compliance and reporting of the financial covenants specified in the loan agreements for the properties financed are carried out by DEMIRE's Management, Treasury and Portfolio Management areas and by external service providers. Depending on the type of financing, the financial covenants are reported to the creditors on a quarterly, semi-annual or annual basis, or the creditors are provided with the underlying economic ratios. Should DEMIRE fail to comply with the financial covenants, the creditors would be entitled to demand additional collateral from DEMIRE. The loans are then in default. If the default persists for a longer period of time and cannot be permanently remedied, the creditors have a special right of termination.



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INTEREST RATE RISK

To finance its German commercial real estate, the DEMIRE Group uses liabilities with fixed interest loans to a degree customary for the industry. This involves both loans with fixed interest rates and tradable instruments.

Interest rate risks relating to cash flows exist with respect to liquid funds placed in Company accounts. The Company does not anticipate significant negative effects from interest rate changes over the long term because the liquid funds on the reporting date are only available until investments and repayments are made and will subsequently be tied up in projects according to plan.

All existing loans, as well as the bond and shareholder loans, have a fixed interest rate.

Since transaction prices for real estate increase when interest rates are low and fall when interest rates are high, the Level of interest rates also has an impact on the purchase prices of newly acquired real estate. In addition, interest rates play an important role in the valuation of investment properties.

The interest rate policy is evaluated at regular intervals and in close consultation with the Supervisory Board of DEMIRE AG.

CREDIT RISK

The reported financial instruments represent the maximum credit risk and default risk. Counterparty risk is uniformly assessed and monitored within the framework of Group-wide risk management. The aim is to minimise the risk of defaults. Counterparty risk is not insured. Potential risks are already taken into account in the expected credit loss model. For more information, see [Section D.4](#).

Rental deposits amounting to EUR 1,373 thousand (previous year: EUR 2,887 thousand) are available as security in the event a tenant defaults. For an analysis of the impaired receivables, please refer to [Section E.2.1](#).

LIQUIDITY RISK

Liquidity management serves the purpose of ensuring the Group's solvency at all times. In principle, there is the risk that the Company may not have sufficient liquidity at all times during the year to meet its current obligations, and that the refinancing of expiring financial liabilities may not be obtained or may only be obtained at less favourable conditions than planned. Additional liquidity requirements from events beyond DEMIRE's control may also result, first and foremost, from the operating risks and other risks listed below. The funds available at the reporting date and the planned cash flows in 2026 are sufficient for the current needs of the operating activities.

MACROECONOMIC, MARKET-RELATED AND SECTOR RISKS

Macroeconomic changes can have positive or negative effects on the Group's net assets, financial position and results of operations. In 2025, the weak economic situation and continued high interest rates had a negative impact on economic conditions. In spite of this, the annual targets were able to be achieved. For 2026, the economic experts are also giving a cautious forecast. Due to the expected continued weak economic development, demand for space in the office, retail and hotel sectors is likely to remain weak for the time being.

DEMIRE's economic performance is directly related to the development of the German real estate market. The future development of rental income represents a risk that may also indirectly affect the valuation of the portfolio. In addition, there is strong competition in the commercial real estate sector, which entails the risk of the Company not being able to assert itself sufficiently.



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CAPITAL MANAGEMENT AND CONTROL

The primary objective of the Group's capital management is to ensure that DEMIRE's debt eligibility and its financial substance are maintained in the future. The capital structure is managed according to economic and regulatory requirements. DEMIRE strives for a capital structure that is appropriate for the business risk and in doing so is also subject to the minimum capital requirements of the German Stock Corporation Act, the compliance of which is monitored by DEMIRE AG's Executive Board. The requirements were met both in the reporting year and in the previous year.

DEMIRE monitors its capital using the equity ratio, which is also an important indicator for investors, analysts and banks.

The equity ratio as at 31 December 2025 was 17.8% after 25.4% at the end of 2024. Non-controlling minority interests in the amount of EUR 68.5 million (previous year: EUR 71 million) are reported in non-current liabilities and not under equity in accordance with IFRS, primarily due to the legal form of a partnership. The corresponding adjusted Group equity totalled EUR 219.3 million or 25.8% of total equity and liabilities (31 December 2024: EUR 312.9 million or 32.9%).

As part of refinancing the 2019/2024 bond, the largest shareholder Apollo has granted DEMIRE a shareholder loan which matures at the end of 2028 and is worth EUR 94.4 million. The shareholder loan will bear interest of 22% per annum. Interest payments can be made either at the half-yearly calculation dates or – taking into account compound interest accrued – at the end of the loan term. No dividend payments are permitted until the 2019/2027 corporate bond has been repaid in full.

OTHER DISCLOSURES ON FINANCIAL INSTRUMENTS

Financial assets and financial liabilities are classified and accounted for at the date of acquisition according to the categories of IFRS 9. The accounting policies are presented in [Section C](#).

The classification of financial instruments required by IFRS 7 is in line with the respective items in the consolidated balance sheet. The tables below present the carrying amounts, valuations and fair values of the financial assets and liabilities for each individual category of financial instruments and reconcile these values to the measurement categories. Under IFRS 9, the relevant measurement category for DEMIRE is “at amortised cost”.

Other financial liabilities (other liabilities) are non-derivative financial liabilities that are subsequently measured at amortised cost. Differences between the amount received and the expected repayment amount are spread over the term through profit or loss. DEMIRE allocates financial liabilities and other liabilities to this category.





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31/12/2025

in EUR thousand	Measurement category	Carrying amount under IFRS 9	Fair Value
Assets			
Trade accounts receivable	At amortised cost	10,373	10,373
Loans to companies accounted for using the equity method	At amortised cost	22,259	24,171
Loans and financial assets	At amortised cost	62,543	60,514
Cash and cash equivalents	At amortised cost	54,241	54,241
Equity and liabilities			
Bonds	At amortised cost	239,060	232,315
Shareholder loan	At amortised cost	124,524	105,995
Other non-current financial liabilities	At amortised cost	96,655	85,172
Minority interests	At amortised cost	68,502	61,814
Trade payables	At amortised cost	10,872	10,872
Other financial liabilities	At amortised cost	1,389	1,389
Current financial liabilities	At amortised cost	42,410	42,410
Market value option	At fair value through profit or loss (FVTPL)	28,700	28,700

¹ The previous year's figure was adjusted by EUR 6,518 thousand.

31/12/2024

in EUR thousand	Measurement category	Carrying amount under IFRS 9	Fair Value
Assets			
Trade accounts receivable	At amortised cost	11,983	11,983
Loans to companies accounted for using the equity method	At amortised cost	25,150	21,717
Loans and financial assets	At amortised cost	57,174	56,546
Cash and cash equivalents	At amortised cost	44,816	44,816
Equity and liabilities			
Bonds	At amortised cost	224,976	231,977
Shareholder loan	At amortised cost	97,342	97,342
Other non-current financial liabilities	At amortised cost	88,260	80,494
Minority interests	At amortised cost	71,018	71,018
Trade payables	At amortised cost	23,848	23,848
Other financial liabilities ¹	At amortised cost	229	229
Current financial liabilities	At amortised cost	75,404	75,404
Market value option	At fair value through profit or loss (FVTPL)	28,100	28,100



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The fair value of the loans was determined using observable market parameters (Level 2 inputs). As no direct CCC index is available, a benchmark index was used that tracks the performance of euro-denominated corporate bonds with a rating of CCC or lower (Moody's, S&P, Fitch; excluding defaulted bonds). The index comprises standard financial instruments with a minimum term of one year. The credit spread derived from this index was used as the basis for discounting future cash flows.

The fair values of other financial liabilities were determined using observable market parameters, namely the risk-free yield curve and a credit risk-adequate spread (Level 2 inputs) in line with the credit rating of the debtors (B/CCC to AAA). For all other financial instruments, the carrying amount at amortised cost largely corresponds to fair value, as there have been no changes to cash flows, maturities or interest rates and no significant changes in market prices. Therefore, there is no significant difference between the carrying amount and fair value.

Fair value is the amount at which financial assets and liabilities could be exchanged between independent business partners on the valuation date. For the purpose of determining the fair value of the bond and other non-current financial liabilities, please refer to [Section C](#).

Due to the short maturity of cash and cash equivalents, trade accounts receivable and trade payables and other current receivables and liabilities, it is assumed that the respective fair value corresponds to the carrying amount. The lease liabilities of EUR 8,415 thousand (previous year: EUR 27,314 thousand) are recognised in accordance with IFRS 16.

NET GAINS/LOSSES ON FINANCIAL INSTRUMENTS IN 2025

in EUR thousand	Net gains/losses	Of which from interest
Assets		
At amortised cost	3,906	6,808
Equity and liabilities		
At amortised cost	- 58,072	- 55,448
At fair value through profit or loss (FVTPL)	- 600	0

NET GAINS/LOSSES ON FINANCIAL INSTRUMENTS IN 2024

in EUR thousand	Net gains/losses	Of which from interest
Assets		
At amortised cost	- 50,972	7,038
Equity and liabilities		
At amortised cost	13,105	- 22,730
At fair value through profit or loss (FVTPL)	- 4,000	0

The following table shows the future maturities in accordance with IFRS 7.B11(a) for interest and repayments of liabilities at the reporting date as well as liabilities to minority interests:



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AS AT 31/12/2025

in EUR thousand	2026	2027	2028	2029	2030	after 31.12.2030
2019/2027 corporate bond	62,343	220,547	0	0	0	0
Shareholder loan ²	0	0	209,773	0	0	0
Bank liabilities	75,855	47,198	75,245	18,787	38,145	7,482
Minority interests ¹	0	68,502	0	0	0	0
Lease liabilities	443	437	435	421	4,037	13,484
Trade payables	10,872	0	0	0	0	0
Other liabilities	40,632	0	0	0	0	0
Total	190,145	336,684	285,454	19,208	42,182	20,966

¹ The disclosure of the maturities of liabilities to minority shareholders was based on the earliest possible termination date and thus the earliest possible payment obligation, which must be disclosed in accordance with IFRS 7.B11 (a). This is not based on the actual due date, but it takes into account a possible due date derived from the earliest possible termination date. By way of derogation from the rules laid down in IFRS 7.B11 (a), the Group's internal liquidity planning makes provision for a due date after five years.

² It is assumed that the interest expenses amounting to TEUR 85,249 will be fully capitalized.

AS AT 31/12/2024

in EUR thousand	2025	2026	2027	2028	2029	after 31.12.2029
2019/2027 corporate bond	62,613	60,113	164,446	0	0	0
Shareholder loan ²	0	0	0	224,450	0	0
Bank liabilities	73,201	106,805	51,006	27,310	6,128	6,059
Minority interests ¹	0	71,018	0	0	0	0
Lease liabilities	1,150	1,125	1,120	1,120	1,120	41,650
Trade payables	23,848	0	0	0	0	0
Other liabilities	9,202	28,100	0	0	0	0
Total	170,014	267,161	216,572	252,880	7,248	47,709

¹ The disclosure of the maturities of liabilities to minority shareholders was based on the earliest possible termination date and thus the earliest possible payment obligation, which must be disclosed in accordance with IFRS 7.B11 (a). This is not based on the actual due date, but it takes into account a possible due date derived from the earliest possible termination date. By way of derogation from the rules laid down in IFRS 7.B11 (a), the Group's internal liquidity planning makes provision for a due date after five years.

² It is assumed that the interest expenses amounting to TEUR 127,108 will be fully capitalized.



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The Company's liquidity management considers these liabilities to minority shareholders to be due after five years, provided the minority shareholders have not given notice of termination. This is a result of a long history spanning several years, which shows only a small number of terminations.

As at the reporting date, liabilities from minority interests arising from outstanding limited partnership contributions are reported in the consolidated balance sheet as medium-term liabilities, as their settlement within twelve months of the reporting date is neither expected nor required (IAS 1.69). If the minority shareholder has not given effective notice of termination by the reporting date, such notice can only be given on the following reporting date. In turn, the settlement balance is only due for payment six months after its binding agreement (on the termination date). Thus, in the case of limited partnership contributions that are still ongoing as at the reporting date, a payout is due no earlier than 18 months after the reporting date.

2. Related party disclosures

RELATED PARTIES

Companies and persons are considered to be related if they have the ability to control DEMIRE and its subsidiaries or exercise significant influence over their financial and operating policies. The existing control relationships were taken into account to determine the degree of significant influence that related companies and persons have on the Company's financial and operating policies. As at the reporting date, AEPF III 15 S. à r. l. Luxembourg, Luxembourg, held a share of 58.6% in DEMIRE AG. The ultimate parent company is Apollo Global Management, Inc. (Delaware NYSE listed). Together with the shareholders of the Wecken Group, who hold a 32.14% stake in DEMIRE AG, there is a multi-parent company structure between the two main shareholders. The consolidated financial statements of DEMIRE AG are the largest and the smallest scope of consolidation in which DEMIRE AG is included.

In the reporting period 2024, DEMIRE AG accepted a loan in the amount of EUR 93,500 thousand from AEPF III 15 S.à r.l. which was valued at an additional EUR 3,727 thousand on 1 January 2025. The interest rate is 22% per annum, and the final maturity date of the loan is 31 December 2028. Interest payments can be made at maturity, i.e. 31 December 2028, taking into account compound interest accrued in the meantime, or during the term. The interest rate on the shareholder loan was determined by an independent third-party expert based on a market comparison and therefore reflects the market situation at the time the loan was taken out. The interest accrued in 2025 amounting to EUR 23,455 thousand was revalued. The loan liability amounts to EUR 124,524 thousand as at 31 December 2025.

Alongside the fully consolidated subsidiaries, the group of related companies also includes joint ventures and associated companies accounted for using the equity method. As at 31 December 2025, these include JV Theodor-Heuss-Allee GmbH, G+Q Effizienz GmbH, DEMIRE Köln Max-Glomsda-Straße 4 GmbH, DEMIRE Essen Hatzper Str. Theodor-Althoff-Str. GmbH, DEMIRE Aschheim Max-Planckstraße GmbH and DEMIRE Kassel Kölnische Str. Mauerstr. Spohrstr. GmbH.

Due to their significant influence, the following key personnel of the parent company are considered to be related persons as defined by IAS 24:

- Members of the Executive Board of DEMIRE AG and their close relatives and
- Members of the Supervisory Board of DEMIRE AG and their close relatives.

Related party disclosures

In the financial year under review, transactions with related parties were exclusively carried out at customary market conditions.

The transactions, revenues and rendering of services between DEMIRE AG and its subsidiaries were settled in the same manner as those between unrelated parties and eliminated in the context of consolidation. Therefore, they are not explained in the Notes to the consolidated financial statements.

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COMPANIES ACCOUNTED FOR USING THE EQUITY METHOD

In the 2025 reporting period, we had the following business relationships with companies accounted for using the equity method:

In the first half of 2021, the purchasing company JV Theodor-Heuss-Allee GmbH, Frankfurt am Main, was founded, in which the then Chair of the Executive Board, Prof. Dr Alexander Goepfert, held a minority stake of 1% in JV Theodor-Heuss-Allee GmbH (Cielo). The majority shareholders are DEMIRE Holding XIII GmbH with a 49.5% stake and RFR Immobilien 4 GmbH. As part of the Cielo transaction, the shareholders have various options regarding the land purchase of Theodor-Heuss-Allee 100, Frankfurt am Main, and the remaining shares in JV Theodor-Heuss-Allee GmbH. Furthermore, in the event of non-exercise of the share purchase option by DEMIRE, Prof. Dr Goepfert has the right to purchase RFR 4's shares. For more information, see [➤ Disclosures according to IFRS 12 B \(Disclosures on associates and joint ventures\)](#).

Furthermore, DEMIRE AG has issued an unsecured loan in the amount of EUR 25,150 thousand to JV Theodor-Heuss-Allee GmbH (Cielo), which bears interest at 4.135% per annum. The interest income from this loan in the reporting period amounted to EUR 1,054 thousand. (previous year: EUR 1,057 thousand). An impairment (expected credit loss) of EUR 2,891 thousand (previous year: EUR 0 thousand) was recognised on this loan as at the reporting date.

Since 12 August 2021, a contract has been in place with JV Theodor-Heuss-Allee GmbH for the provision of asset management services by DEMIRE AG in the amount of EUR 50 thousand per annum. For the 2025 financial year, this resulted in income of EUR 50 thousand plus VAT (previous year: EUR 50 thousand). The contract runs for an indefinite period and can be cancelled with three months' notice to the end of the quarter.


In addition, since 12 August 2021, there has also been an agreement in place with JV Theodor-Heuss-Allee GmbH covering treasury, controlling, financial accounting and investment management matters in the amount of EUR 25 thousand per year. For the 2025 financial year, this resulted in income of EUR 25 thousand (previous year: EUR 25 thousand). The contract runs for an indefinite period and can be cancelled with three months' notice to the end of the quarter. There were no receivables from these two contracts as at 31 December 2025.

In the 2025 reporting period, DEMIRE Holding XIII GmbH received no disbursement from JV Theodor-Heuss-Allee GmbH.

In the year under review, DEMIRE received no distributions from the associate G+Q Effizienz GmbH.

LIMES PORTFOLIO

In the prior-year period, DEMIRE Köln Max-Glomsda-Straße 4 GmbH, DEMIRE Essen Hatzper Str. Theodor-Althoff-Str. GmbH, DEMIRE Aschheim Max-Planckstraße GmbH and DEMIRE Kassel Kölnische Str. Mauerstr. Spohrstr. GmbH were deconsolidated from the Group due to the insolvency of this portfolio and the associated loss of control. After deconsolidation, business relationships still existed with these companies in the form of investments, which neither had control nor any significant impact on their decision-making processes. The remaining carrying amount of the loans, amounting to EUR 16,517 thousand, was written down in full in the reporting period (previous year: EUR 74,750 thousand). Interest income amounting to EUR 2,187 thousand (previous year: EUR 1,144 thousand) was also fully written down. In addition, income from service agreements amounted to EUR 600 thousand (previous year: EUR 481 thousand).

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THE EXECUTIVE BOARD

The members of the Executive Board during the reporting period and the comparative period were:

Mr Frank Nickel (Chief Executive Officer since 3 April 2024, contract term until 19 January 2026)

Mr Tim Brückner (Chief Financial Officer since 1 February 2019, contract term until 31 December 2026)

Mr Ralf Bongers (Executive Board Member for Transactions since 1 April 2023, contract term until 31 March 2026)

At the Annual General Meeting held on 28 April 2021, a new remuneration system ("New remuneration system") for the members of the Executive Board of DEMIRE AG was approved by a majority of 99.71% of the capital represented ([🔗 www.demire.ag/en/annual-general-meeting](https://www.demire.ag/en/annual-general-meeting)).

As the agreed changes to the remuneration of Tim Brückner in accordance with the extension agreements dated 26 May 2021 and 18/20 July 2024, as well as the Executive Board service contracts of Mr Ralf Bongers (including the amendment agreement dated 16 January 2025) and Mr Frank Nickel all came into effect after the new remuneration system took effect on 28 April 2021, all active members of the Executive Board were granted remuneration in accordance with the provisions of the new remuneration system ("New remuneration system") from the 2022 financial year onwards. This "New remuneration system" has already been described above in the combined management report.

The remuneration of the Executive Board is reviewed on a regular basis by the Supervisory Board. Adjustments to the performance-related remuneration of the members of the Executive Board in the 2025 financial year compared with the previous year are shown above.

Furthermore, the Supervisory Board laid down the performance criteria with regard to performance-related variable remuneration elements for the 2025 financial year.

The performance-related variable remuneration for the Executive Board consists of one-year variable remuneration (short-term incentive [STI] = bonus) and multi-year variable remuneration (long-term incentive [LTI] = virtual stock option programme). The amount of variable remuneration is therefore based on the achievement of specific targets laid down in advance.

The following performance criteria are used to assess whether and to what extent a bonus is granted:

- 25%–50% Key performance indicators: forecast values (rental income & FFO); successful refinancing; not exceeding a defined LTV value
- 25%–50% operational performance criteria: including transaction, letting and financing targets
- 10%–30% Non-financial performance criteria: strategic targets for the Company; environmental, social and governance targets

The bonus is limited to twice the target amount.

The STI remuneration for the 2024 financial year for Mr Frank Nickel amounts to EUR 212 thousand, EUR 180 thousand for Mr Tim Brückner and EUR 132 thousand for Mr Ralf Bongers. This was approved by the Supervisory Board in March 2025 and was paid out in March 2025.

Virtual stock option programme (long-term incentive)

In addition to the bonus, annual virtual stock options (PSUs) are granted as part of a long-term, share-based variable remuneration package in the form of a virtual stock plan (performance share plan). The virtual stock option programme is capped by way of an annual allocation defined in the contract. There is no provision for vesting of more than 100% of the granted PSUs. Regardless of the target achievement or number of vested PSUs, the maximum payment per PSU is capped at 250% of the price when granted.



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Accounting for the share-based payments issued within the Group is in accordance with IFRS 2 Share-based Payment. The virtual stock options are share-based remuneration transactions that are settled using cash and are measured at the fair value as at the reporting date. The remuneration expense is aggregated in instalments under consideration of the work performance completed on a pro-rata basis during the vesting period and is recognised in profit and loss as a provision until vesting.

The PSUs are paid out after a performance period of four years from the grant date, depending on whether performance targets are reached. The performance targets consist of 50% annual share price increases and 50% relative total shareholder return (TSR). The relative TSR compares the development of DEMIRE's TSR with the return of the EPRA/NAREIT Developed Europe ex UK Index over the four-year performance period. The entitlement is forfeited if the respective member of the Executive Board resigns from office during the performance period.

The maximum value and the threshold for the share price increase are determined in advance by the Supervisory Board. The same applies to the maximum value and the threshold for relative total shareholder return performance.

The liabilities arising from cash-settled share-based payment transactions are recognised as provisions and measured at fair value once again on each reporting date. The expenditure is also recognised as personnel expenses over the vesting period. As at 31 December 2025, the provision for the virtual stock option programme valid as at 2019 amounts to EUR 59 thousand (previous year: EUR 85 thousand).

In addition to the 2022 tranche, the 2023, 2024 and 2025 tranches were also taken into account. The 60-day average price before granting is EUR 4.29 for the 2022 tranche, EUR 2.14 or EUR 2.52 respectively for the 2023 tranche (Mr Bongers joined on 1 April 2023), and EUR 1.12 or EUR 0.88 respectively for the 2024 tranche (Mr Nickel joined), and EUR 0.81 for the 2025 tranche.

In 2025, the PSUs vested from the 2021 tranche for Mr Brückner were paid out, resulting in a gross payment of EUR 36,638.

Remuneration of key management personnel in accordance with IAS 24.17

in EUR thousand	2025	2024
Short-term benefits	593	1,219
Benefits in connection with the termination of employment	415	0
Share-based remuneration	37	11
Total	1,045	1,230

As at the reporting date, EUR 59 thousand (previous year: EUR 85 thousand) of share-based payments and EUR 732 thousand (previous year: EUR 525 thousand) of bonus payments were still outstanding. In contrast to the previous year, the fixed performance-related remuneration for 2025, which will be paid out in 2026, is shown in the table. The remuneration of the Executive Board members in office during the financial year is as follows:

in EUR thousand	Fixed remuneration	Variable remuneration	Share-based remuneration	Total 2025
Frank Nickel	442	312	220	974
Tim Brückner	371	232	162	765
Ralf Bongers	314	188	122	624
Total	1,127	732	504	2,363

This table shows the remuneration of Executive Board members in accordance with Section 314 (1) No. 6a of the German Commercial Code (HGB); this results in a difference to IFRS for share-based payments. Under HGB rules, the fair value at the grant date must be disclosed.



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The remuneration of the Executive Board members in office in the prior year was as follows:

in EUR thousand	Fixed remuneration	Variable remuneration	Share-based remuneration	Total 2024
Frank Nickel	331	212	209	752
Prof. Dr Alexander Goepfert ¹	111	0	0	111
Tim Brückner	307	285	130	722
Ralf Bongers	271	227	122	620
Total	1,020	724	461	2,205

¹ On a prorated basis until the end of March 2024

No loans or advances were granted to members of the Executive Board and no contingencies were assumed for the benefit of Executive Board members.

THE SUPERVISORY BOARD


The members of DEMIRE AG's Supervisory Board, their professions and Supervisory Board remuneration vested during the past financial year are listed in the table below.

in EUR thousand	Position	Profession	Period	2025 ¹	2024
Markus Hofmann	Chair	Managing director	since 01 January 2023 - till 15 September 2025	85	120
Frank Hölzle	Vice Chair	Managing director	since 14 February 2017	80	80
Ernö Theuer	Member	Managing director	since 8 May 2024	40	40
	Member		since 26 September 2025		
Dr Matthias Prochaska	Chair	Executive Director	since 2 Oktober 2025	30	0
Total				235	240

¹ Paid out in January 2026

Furthermore, Supervisory Board members were reimbursed for travel expenses incurred of EUR 1 thousand in total (previous year: EUR 1 thousand).

No loans or advances were granted to members of the Supervisory Board and no contingencies were assumed for the benefit of members of the Supervisory Board either.

	
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3. Personnel

The number of employees is listed in the following table:

	31/12/2025	31/12/2024
Executive Board members	3	3
Permanent employees	29	28
Total	32	31

The average number of members of the Executive Board in the 2025 financial year was 3.0 (previous year: 3.0), the average number of permanent employees in administration in the 2025 financial year was 27 (previous year: 27), resulting in an average total number of employees (including the Executive Board) of 30 (previous year: 30).

4. Auditor's fee

The total fee charged during the reporting period by the Group auditors BDO AG Wirtschaftsprüfungsgesellschaft, Frankfurt am Main, and PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft, Frankfurt am Main, in relation to DEMIRE (including the Fair Value REIT-AG subgroup) is as follows:

in EUR thousand	2025	2024
Auditing services	705	1,275
of which for the previous years	0	334
Other assurance services	5	17
Other services	0	72
Total	710	1,364

In addition to the audit of the consolidated financial statements and the annual financial statements of the Company and individual subsidiaries, the fee for auditing services also includes the fee for auditing the Remuneration Report.

BDO AG Wirtschaftsprüfungsgesellschaft, Frankfurt am Main, was appointed as auditor for the 2025 financial year.

PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft, Frankfurt am Main, was appointed as auditor for the financial years 2018 to 2024.

The amount of the fee in the comparative period is primarily due to subsequent payments from the previous year resulting from the bond restructuring. Other services relate to services in connection with regulatory issues. No non-audit services were provided by the auditor in the reporting period or in the previous period.



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5. Subsequent events

Chief Executive

Officer Frank Nickel resigned from his position with immediate effect on 19 January 2026. The Supervisory Board appointed Dr Dirk Rüffel as Chair of the Executive Board, effective from 1 February 2026.

Purchase agreements were concluded for the properties in Flensburg and Bonn in 2025. The transfer of assets and liabilities of the properties took place in Flensburg in January 2026 and in Bonn in February 2026.

A loan of EUR 12.5 million, which was originally due to expire on 30 December 2026, was extended in March 2026 until the end of 2029.

The Company is keeping a close eye on how the conflict in Iran is developing and the possible economic impact it might have. At the time of reporting, no specific impacts on the Company's development are currently foreseeable.

No further events of material significance for DEMIRE's net assets, financial position and results of operations occurred after the reporting date.



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SHAREHOLDINGS

Schedule of shareholdings pursuant to Section 313 (2) HGB

Company	Share in capital in %	Equity 31/12/2025 in EUR	2025 net profit in EUR
GERMANY/LUXEMBOURG			
Fully consolidated subsidiaries			
DEMIRE Holding XIV GmbH, Frankfurt am Main	100.00	-39,712.42	-27,006.99
DEMIRE GP 15 S.à r.l., Luxemburg	100.00	-53,387.44	-43,487.79
DEMIRE Holding 15 SCSp, Luxemburg	100.00	228,408,438.31	-38,065.71
DEMIRE Holding 17 SCSp, Luxemburg	100.00	38,319,825.64	928,429.39
FVR Beteiligungsgesellschaft Erste mbH & Co. KG, Frankfurt am Main	100.00	10,627,184.54	0.00
FVR Beteiligungsgesellschaft Zweite mbH & Co. KG, Frankfurt am Main	100.00	10,626,613.02	0.00
FVR Beteiligungsgesellschaft Dritte mbH & Co. KG, Frankfurt am Main	100.00	10,627,176.97	0.00
DEMIRE Holding 18 SCSp, Luxemburg	100.00	38,309,859.82	922,742.55
FVR Beteiligungsgesellschaft Vierte mbH & Co. KG, Frankfurt am Main	100.00	10,627,208.85	0.00
FVR Beteiligungsgesellschaft Fünfte mbH & Co. KG, Frankfurt am Main	100.00	10,626,509.39	0.00
FVR Beteiligungsgesellschaft Sechste mbH & Co. KG, Frankfurt am Main	100.00	10,626,318.11	0.00
DEMIRE Holding 19 SCSp, Luxemburg	100.00	25,089,465.43	406,206.83
FVR Beteiligungsgesellschaft Siebente mbH Co. KG, Frankfurt am Main	100.00	10,626,322.79	0.00
FVR Beteiligungsgesellschaft Achte mbH & Co. KG, Frankfurt am Main	100.00	8,749,760.81	0.00
FVR Beteiligungsgesellschaft Neunte mbH & Co. KG, Frankfurt am Main	100.00	-456,873.90	-398,213.69
DEMIRE Holding 20 SCSp, Luxemburg	100.00	-51,302.88	-803,781.76
DEMIRE Holding XIII GmbH, Frankfurt am Main	100.00	-28,141,171.42	-893,554.60
DEMIRE GP 16 S.à r.l., Luxemburg	100.00	-43,910.27	-36,333.88
DEMIRE GP 17 S.à r.l., Luxemburg	100.00	-44,127.56	-36,497.03
DEMIRE GP 18 S.à r.l., Luxemburg	100.00	-44,190.33	-36,559.80
DEMIRE GP 19 S.à r.l., Luxemburg	100.00	-44,262.88	-36,568.08
DEMIRE GP 20 S.à r.l., Luxemburg	100.00	-44,387.31	-38,446.76
DEMIRE Holding 16 SCSp, Luxemburg	100.00	122,955,610.22	-5,292,228.83
DEMIRE Apolda Wurzen GmbH, Frankfurt am Main	94.90	317,593.54	-27,750.13
DEMIRE HB HZ B HST GmbH, Frankfurt am Main	94.90	14,222,955.66	-59,480.83
DEMIRE Holding I GmbH, Frankfurt am Main	100.00	574,234.61	94,268.26



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GERMANY/LUXEMBOURG			
DEMIRE Holding XI GmbH, Frankfurt am Main	100.00	2,517,909.72	0.00
DEMIRE Bad Vilbel Konrad Adenauer Allee 1–11 GmbH, Frankfurt am Main	100.00	-3,564,475.46	-1,411,328.00
DEMIRE Neuss Breslauer Straße GmbH, Frankfurt am Main	100.00	-12,903,504.85	-6,383,965.72
DEMIRE Frankfurt Gutleutstraße 85 GmbH, Frankfurt am Main	100.00	-21,178,836.00	-11,031,055.11
DEMIRE Trier Simeonstraße 46 GmbH, Frankfurt am Main	100.00	-1,115,389.11	6,735,009.99
DEMIRE Trier Celle GmbH, Frankfurt am Main	94.90	-20,986,047.73	-2,631,820.79
DEMIRE Goslar, Rosentorstraße 1 GmbH, Frankfurt am Main	94.90	556,648.23	-175,789.10
DEMIRE Memmingen, Königsgraben 3 GmbH, Frankfurt am Main	94.90	-77,795.96	-279,558.25
DEMIRE Offenburg Lindenplatz 3 GmbH, Frankfurt am Main	94.90	410,380.19	-358,807.21
DEMIRE Ankauf 10 GmbH, Frankfurt am Main	100.00	2,453,919.10	53,815.12
DEMIRE Betriebsvorrichtungen Nr. 2 GmbH, Frankfurt am Main	100.00	-81,806.23	71,333.21
Cielo BVO GmbH, Frankfurt am Main	100.00	154,220.63	-1,418.89
DEMIRE Holding IV GmbH, Frankfurt am Main	100.00	78,301.00	0.00
DEMIRE Holding V GmbH, Frankfurt am Main	100.00	53,300.00	0.00
DEMIRE Holding VI GmbH, Frankfurt am Main	100.00	25,000.00	0.00
DEMIRE Leonberg Neue Ramtelstraße GmbH, Frankfurt am Main	94.00	-2,548,097.53	-818,508.33
DEMIRE Ludwigsburg Uhlandstraße 21 GmbH, Frankfurt am Main	94.00	-888,722.30	827,409.46
DEMIRE Holding VII GmbH, Frankfurt am Main	100.00	25,000.00	0.00
DEMIRE Darmstadt Artillerie Str. 9 GmbH, Frankfurt am Main	94.00	-87,470.03	-463,613.74
DEMIRE Kempten Bahnhofstr. Hirschstr. Alpenstr. GmbH, Frankfurt am Main	94.00	-4,466,142.00	-1,098,824.07
DEMIRE BT HB DO H CLZ KS KO GmbH, Frankfurt am Main	94.00	994,705.62	1,717,406.69
DEMIRE Holding VIII GmbH, Frankfurt am Main	100.00	25,000.00	0.00
DEMIRE Bayreuth Nürnberger Straße 38 GmbH, Frankfurt am Main (formaly DENSTON INVESTMENTS LIMITED, Nicosia)	94.00	-398,812.76	138,580.31
DEMIRE Eschborn Frankfurter Straße GmbH, Frankfurt am Main	94.00	-3,739,800.36	-1,871,190.11
DEMIRE Bad Kreuznach Brückes Hochstr. GmbH, Frankfurt am Main	94.00	75,376.69	0.00
DEMIRE Holding IX GmbH, Frankfurt am Main	100.00	25,000.00	0.00
DEMIRE Düsseldorf Wiesenstraße 70 GmbH, Frankfurt am Main	94.00	-1,347,198.33	-1,848,564.23
DEMIRE Lichtenfels Bamberger Straße 20 GmbH, Frankfurt am Main	94.00	206,863.96	0.00



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GERMANY/LUXEMBOURG			
DEMIRE Betriebsvorrichtungen Nr. 1 GmbH, Frankfurt am Main	100.00	- 416,996.10	- 63,533.49
DEMIRE Holding II GmbH, Frankfurt am Main	100.00	12,201,667.48	389,910.95
DEMIRE Meckenheim Merl GmbH, Frankfurt am Main	100.00	10,171,667.71	0.00
DEMIRE Schwerin at Margaretenhof 18 GmbH, Frankfurt am Main	94.90	553,944.63	- 116,159.41
DEMIRE Holding X GmbH, Frankfurt am Main	100.00	25,000.00	0.00
DEMIRE AN BN R PM FR FL GmbH, Frankfurt am Main	94.90	39,400,967.78	0.00
DEMIRE Holding III GmbH, Frankfurt am Main	100.00	25,000.00	0.00
DEMIRE Worms Liebenauer Straße GmbH, Frankfurt am Main	100.00	- 74,028.38	- 17,445.14
DEMIRE Schwerin Am Margaretenhof 22-24, Frankfurt am Main	94.00	1,009,737.61	84,585.89
DEMIRE Holding XII GmbH, Frankfurt am Main	100.00	- 27,871,964.55	- 3,439,667.79
Fair Value REIT-AG, Frankfurt am Main	84.35	81,250,132.00	- 890,722.29
GP Value Management GmbH, Langen	84.35	107,323.27	6,382.28
BBV 10 Geschäftsführungs-GmbH & Co. KG, Langen	84.35	24,842.73	0.00
BBV 14 Geschäftsführungs-GmbH & Co. KG, Langen	84.35	24,839.84	0.00
BBV Immobilien-Fonds Nr. 8 GmbH & Co. KG, Langen ²	50.95	8,694,282.53	3,290,980.24
BBV Immobilien-Fonds Nr. 10 GmbH & Co. KG, Langen ²	45.56	10,811,273.11	- 1,637,800.03
BBV Immobilien-Fonds Nr. 14 GmbH & Co. KG, Langen ²	45.11	14,523,644.26	2,392,228.15
IC Fonds GmbH & Co. Gewerbeobjekte Deutschland 15. KG, Langen ²	41.23	14,183,671.31	1,014,826.31
IC Fonds & Co. SchmidtBank-Passage KG, Langen ²	48.09	3,449,071.29	- 2,606,262.55
Shares in joint ventures and associated companies			
Panacea Property GmbH, Berlin ¹	51.00	0.00	0.00
G+Q Effizienz GmbH, Berlin	49.00	531,500.07	- 16,765.90
JV Theodor-Heuss-Allee GmbH, Frankfurt am Main	49.50	- 42,080,506.18	4,483,954.35



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GERMANY/LUXEMBOURG			
Investments in deconsolidated companies, in insolvency proceedings			
DEMIRE Köln Max-Glomsda-Straße 4 GmbH, Frankfurt am Main	100.00	- 185,327.33	- 380,643.00
DEMIRE Essen Hatzper Str. Theodor-Althoff-Str. GmbH, Frankfurt am Main	100.00	- 25,836,576.51	- 4,837,354.82
DEMIRE Aschheim Max-Planckstraße GmbH, Frankfurt am Main	100.00	- 4,322,069.00	- 1,314,220.27
DEMIRE Kassel Kölnische Str. Mauerstr. Spohrstr. GmbH, Frankfurt am Main	94.90	- 18,943,783.79	- 19,815,318.96
SWITZERLAND			
Sihlegg Investments Holding GmbH, Zug	94.0	- 1,527,234.27	- 87,676.50

¹ Not fully consolidated due to its insignificance for the Group

² Fully consolidated because de facto control is exercised through quorum majority at the shareholder meeting



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DISCLOSURES ON REAL ESTATE VALUATION

Appendix 1 to the consolidated financial statements

	31/12/2025	31/12/2024
Average market rent (in EUR per m ² per year)	115.34	114.20
Range of market rents (in EUR per m ² per year)	50.51 – 354.00	51.22 – 342.00
Lettable space as at reporting date (in m ²)	536,794	603,450
Vacant space as at reporting date (in m ²)	91,242.95	94,887.28
Value-based vacancy rate according to EPRA (in %)	16.38%	15.11%
Average vacancy rate based on lettable space (in %)	17.29%	16.27%
Range of vacancy rates based on lettable space (in %)	0.00 – 100	0.00 – 100
Weighted average lease term – WALT (in years)	4.69	4.59

The reduction in total lettable space compared with the previous period is due to the disposal of the properties in Freiburg (22,591 m²), Trier (11,267 m²), Querfurt (9,331 m²), Bad Kreuznach (7,996 m²), Lichtenfels (4,868 m²), Goslar, Rosentorstr. 15 (4,601 m²), Hamburg (3,989 m²) and Dortmund (1,966 m²). In addition, there was a slight adjustment to the floor space in Bad Vilbel due to the conclusion of new leases.

As in the previous period, the project development property in Cologne, Colonia-Allee 11 (vacant space 9,108 m²) was not included in the vacancy analysis.

The basis for rental income planning is the rental payments contractually agreed with the tenants as well as prevailing customary local market rents for unleased space on the valuation date. The contractually agreed monthly rents per m² on the valuation date for the various types of use are shown in the following table:

CONTRACTUAL RENTS

in EUR per m ² per month		2025	2024
Office	Min.	6.91	5.97
	Max.	16.58	16.16
	Avg.	9.84	9.60
Retail	Min.	3.03	3.79
	Max.	21.15	18.71
	Avg.	9.36	9.29
Other	Min.	5.62	5.59
	Max.	29.78	29.24
	Avg.	11.94	12.52
	Min.	3.03	3.79
	Max.	29.78	29.24
Total	Avg.	9.80	9.63



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Capitalisation and discount rate ranges

The following capitalisation and discount rate ranges were used for the various types of use in a year-on-year comparison:

2025

Portfolio	Lettable space in m ²	Number of properties	Fair value as at 31 December 2025 in EUR thousand	Calculation method	Unobservable inputs	Range Min.	Range Max.	Weighted average
Office	279,010	25	372,000	DCF	Discount rate	5.40%	8.50%	6.66%
					Exit cap rate	5.40%	7.50%	6.09%
Retail	210,320	11	210,320	DCF	Discount rate	5.90%	8.50%	6.64%
					Exit cap rate	5.60%	8.25%	6.34%
Other	28,544	3	60,900	DCF	Discount rate	5.50%	7.75%	5.72%
					Exit cap rate	5.10%	7.00%	5.50%

* Weighting based on fair value

2024

Portfolio	Lettable space in m ²	Number of properties	Fair value as at 31 December 2025 in EUR thousand	Calculation method	Unobservable inputs	Range Min.	Range Max.	Weighted average
Office	306,143	27	414,370	DCF	Discount rate	5.40%	9.00%	6.42%
					Exit cap rate	5.40%	7.50%	6.09%
Retail	184,791	13	217,730	DCF	Discount rate	5.75%	8.50%	6.78%
					Exit cap rate	5.50%	8.25%	6.27%
Other	28,544	3	60,500	DCF	Discount rate	5.25%	8.00%	5.60%
					Exit cap rate	5.10%	7.00%	5.51%

* Weighting based on fair value



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SENSITIVITY ANALYSIS OF REAL ESTATE VALUATION AS AT 31 DECEMBER 2025

Appendix 2 to the consolidated financial statements

in EUR							
Discount Rate				Capitalisation rate			
	+ 0.50%	in %	± 0.00%	in %	- 0.50%	in %	
TOTAL							
+ 0.50%	- 52,340,000	- 9%	- 23,560,000	- 4%	10,410,000	2%	
± 0.00%	- 30,140,000	- 5%	0	0%	35,930,000	6%	
- 0.50%	- 6,680,000	- 1%	24,940,000	4%	62,440,000	11%	
OFFICE							
+ 0.50%	- 31,380,000	- 9%	- 14,010,000	- 4%	6,130,000	2%	
± 0.00%	- 18,040,000	- 5%	0	0%	21,360,000	6%	
- 0.50%	- 3,740,000	- 1%	14,970,000	4%	37,430,000	11%	
RETAIL							
+ 0.50%	- 18,840,000	- 9%	- 8,580,000	- 4%	3,790,000	2%	
± 0.00%	- 10,850,000	- 5%	0	0%	13,080,000	6%	
- 0.50%	- 2,480,000	- 1%	8,980,000	4%	22,510,000	11%	
OTHER							
+ 0.50%	- 2,120,000	- 8%	- 970,000	- 4%	490,000	2%	
± 0.00%	- 1,250,000	- 5%	0	0%	1,490,000	6%	
- 0.50%	- 460,000	- 2%	990,000	4%	2,500,000	10%	



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A difference in the market rent led to the following changes:

Market Rent	Value	Absolute Delta	Relative Delta
TOTAL			
- 10 %	524,880,000	- 59,910,000	- 10%
- 5 %	555,040,000	- 29,750,000	- 5%
± 0 %	584,790,000	0	0%
+ 5 %	615,110,000	30,320,000	5%
+ 10 %	645,190,000	60,400,000	10%

Market Rent	Value	Absolute Delta	Relative Delta
OFFICE			
- 10 %	314,200,000	- 35,130,000	- 10%
- 5 %	331,930,000	- 17,400,000	- 5%
± 0 %	349,330,000	0	0%
+ 5 %	367,120,000	17,790,000	5%
+ 10 %	384,730,000	35,400,000	10%

Market Rent	Value	Absolute Delta	Relative Delta
RETAIL			
- 10 %	187,670,000	- 22,650,000	- 11%
- 5 %	199,040,000	- 11,280,000	- 5%
± 0 %	210,320,000	0	0%
+ 5 %	221,790,000	11,470,000	5%
+ 10 %	233,200,000	22,880,000	11%

Market Rent	Value	Absolute Delta	Relative Delta
OTHER			
- 10 %	23,010,000	- 2,130,000	- 8%
- 5 %	24,070,000	- 1,070,000	- 4%
± 0 %	25,140,000	0	0%
+ 5 %	26,200,000	1,060,000	4%
+ 10 %	27,260,000	2,120,000	8%



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AS AT 31 DECEMBER 2024

in EUR

	Discount Rate			Capitalisation rate		
	+ 0.50%	in %	± 0.00%	in %	- 0.50%	in %
TOTAL						
+ 0.50%	- 62,840,000	- 9%	- 27,950,000	- 4%	13,130,000	2%
± 0.00%	- 36,810,000	- 5%	0	0%	42,750,000	6%
- 0.50%	- 9,030,000	- 1%	29,160,000	4%	74,020,000	11%
OFFICE						
+ 0.50%	- 37,190,000	- 9%	- 16,420,000	- 4%	7,850,000	2%
± 0.00%	- 21,980,000	- 5%	0	0%	25,370,000	6%
- 0.50%	- 5,260,000	- 1%	17,200,000	4%	43,820,000	11%
RETAIL						
+ 0.50%	- 20,160,000	- 9%	- 9,150,000	- 4%	3,990,000	2%
± 0.00%	- 11,590,000	- 5%	0	0%	13,600,000	6%
- 0.50%	- 2,810,000	- 1%	9,470,000	4%	23,710,000	11%
OTHER						
+ 0.50%	- 5,490,000	- 9%	- 2,380,000	- 4%	1,290,000	2%
± 0.00%	- 3,240,000	- 5%	0	0%	3,780,000	6%
- 0.50%	- 960,000	- 2%	2,490,000	4%	6,490,000	10%



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Market Rent	Value	Absolute Delta	Relative Delta
TOTAL			
- 10 %	621,660,000	- 73,470,000	- 11%
- 5 %	658,210,000	- 36,920,000	- 5%
± 0 %	695,130,000	0	0%
+ 5%	731,750,000	36,620,000	5%
+ 10%	768,450,000	73,320,000	11%
OFFICE			
- 10 %	371,360,000	- 43,010,000	- 10%
- 5 %	392,770,000	- 21,600,000	- 5%
± 0 %	414,370,000	0	0%
+ 5%	435,880,000	21,510,000	5%
+ 10%	457,290,000	42,920,000	10%
RETAIL			
- 10 %	191,820,000	- 25,910,000	- 12%
- 5 %	204,790,000	- 12,940,000	- 6%
± 0 %	217,730,000	0	0%
+ 5%	230,570,000	12,840,000	6%
+ 10%	243,580,000	25,850,000	12%
OTHER			
- 10 %	58,480,000	- 4,550,000	- 7%
- 5 %	60,650,000	- 2,380,000	- 4%
± 0 %	63,030,000	0	0%
+ 5%	65,300,000	2,270,000	4%
+ 10%	67,580,000	4,550,000	7%



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STATEMENT OF FIXED ASSETS

Appendix 3 to the consolidated financial statements

in EUR thousand	Other intangible assets		Operating and office equipment		Technical equipment		Prepayments	
	2025	2024	2025	2024	2025	2024	2025	2024
Acquisition costs at the beginning of the financial year	0	0	967	1,008	0	0	0	0
Accumulated depreciation/amortisation/impairment as at the beginning of the financial year	0	0	887	855	0	0	0	0
Carrying amounts as at the beginning of the financial year	0	0	80	153	0	0	0	0
Additions	0	0	46	3	0	0	0	0
Reclassifications	0	0	0	0	0	0	0	0
Disposals	0	0	235	44	0	0	0	0
Depreciation/amortisation	0	0	-197	32	0	0	0	0
Acquisition costs at the end of the financial year	0	0	778	967	0	0	0	0
Accumulated depreciation/amortisation/impairment as at the end of the financial year	0	0	690	887	0	0	0	0
Carrying amounts as at the end of the financial year	0	0	88	80	0	0	0	0



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FUNDAMENTAL COMPANY DATA

Appendix 4 to the consolidated financial statements

Name of the reporting company	DEMIRE Deutsche Mittelstand Real Estate AG
Company's registered office	Frankfurt am Main
Company's legal form	German stock corporation (AG)
Country in which the Company is registered as a legal entity	Germany
Address of the registered office	Robert-Bosch-Straße 11, Langen
Headquarters	Germany
Description of nature of business activity	Real estate portfolio holder and investor focused on acquiring and managing commercial real estate in secondary locations
Name of the parent company	AEPF III 15 S. à r. l. Luxembourg and Wecken Group (Wecken & Cie., Mr Klaus Wecken, Mr Ferry Wecken and Ms Ina Wecken)
Name of the ultimate parent companies	Apollo Global Management, Inc. (Delaware NYSE listed)



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STATEMENT BY DEMIRE AG

on the German Corporate Governance Code pursuant to Section 161 AktG

On 27 January 2026, the Executive Board and Supervisory Board of DEMIRE Deutsche Mittelstand Real Estate AG, issued the latest Declaration of Conformity pursuant to Section 161 AktG. The Declaration has been made permanently accessible to shareholders on the [Company's website](#).

On 26 January 2026, the Executive Board and Supervisory Board of Fair Value REIT-AG, which was included in the consolidated financial statements, issued the latest Declaration of Conformity pursuant to Section 161 of the German Stock Corporation Act (AktG). The Declaration has been made permanently accessible to shareholders on this [Company's website](#).

Frankfurt am Main, 18 March 2026
DEMIRE Deutsche Mittelstand Real Estate AG

Dr Dirk Ruffel
(CEO)

Tim Brückner
(CFO)

Ralf Bongers
(Executive Board Member
for Transactions)

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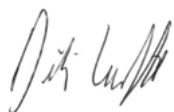
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DECLARATION BY THE EXECUTIVE DIRECTORS

As a member of the Executive Board of DEMIRE Deutsche Mittelstand Real Estate AG, I hereby affirm that, to the best of my knowledge, the consolidated financial statements and the annual financial statements give a true and fair view of the Group and the Company's net assets, financial position and results of operation in accordance with the applicable accounting principles and that the Group management report, which is combined with the Company's management report, gives a true and fair view of the development and performance of the business, including the business results and the position of the Group and the Company, together with a description of the principal opportunities and risks associated with the expected development of the Group and the Company.

Frankfurt am Main, 19 March 2025



Dr Dirk Ruffel
(CEO)



Tim Brückner
(CFO)



Ralf Bongers
(Executive Board Member
for Transactions)



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INDEPENDENT AUDITOR'S REPORT

To DEMIRE Deutsche Mittelstand Real Estate AG, Frankfurt am Main

Report on the audit of the consolidated financial statements and of the combined management report

AUDIT OPINIONS

We have audited the consolidated financial statements of DEMIRE Deutsche Mittelstand Real Estate AG, Frankfurt am Main, and its subsidiaries (the group), which comprise the consolidated balance sheet as at 31 December 2025, the consolidated statement of profit or loss, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the financial year from 1 January 2025 to 31 December 2025 and notes to the consolidated financial statements, including material accounting policy information.

In addition, we have audited the combined management report (report on the position of the company and of the group) of DEMIRE Deutsche Mittelstand Real Estate AG for the financial year from 1 January 2025 to 31 December 2025. In accordance with the German legal requirements, we have not audited the content of those parts of the combined management report listed in section "OTHER INFORMATION".

In our opinion, on the basis of the knowledge obtained in the audit,

— the accompanying consolidated financial statements comply, in all material respects, with the IFRS Accounting Standards issued by the International Accounting Standards Board (IASB) (hereafter "IFRS Accounting Standards") as adopted by the EU, and the additional requirements of German commercial law pursuant to § 315e (1) HGB [Handelsgesetzbuch: German Commercial Code] and, in compliance with these requirements, give a true and fair view of the


assets, liabilities and financial position of the group as at 31 December 2025, and of its financial performance for the financial year from 1 January 2025 to 31 December 2025, and

— the accompanying combined management report as a whole provides an appropriate view of the group's position. In all material respects, this combined management report is consistent with the consolidated financial statements, complies with German legal requirements and appropriately presents the opportunities and risks of future development. Our opinion on the combined management report does not cover the content of those parts of the combined management report listed in section "OTHER INFORMATION".

Pursuant to § 322 (3) sentence 1 HGB (German Commercial Code), we declare that our audit has not led to any reservations relating to the legal compliance of the consolidated financial statements and of the combined management report.

BASIS FOR THE AUDIT OPINIONS

We conducted our audit of the consolidated financial statements and of the combined management report in accordance with § 317 HGB and the EU Audit Regulation (No. 537/2014, referred to subsequently as "EU Audit Regulation") and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW). Our responsibilities under those requirements and principles are further described in the "AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS AND OF THE COMBINED MANAGEMENT REPORT" section of our auditor's report. We are independent of the group entities in accordance with the requirements of European law and German commercial and professional law, and we have fulfilled our other German professional responsibilities in accordance with these requirements.



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In addition, in accordance with Article 10 (2) letter (f) of the EU Audit Regulation, we declare that we have not provided non-audit services prohibited under Article 5 (1) of the EU Audit Regulation.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions on the consolidated financial statements and on the combined management report.

KEY AUDIT MATTERS IN THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the financial year from 1 January 2025 to 31 December 2025. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our audit opinion thereon; we do not provide a separate audit opinion on these matters.

We have identified the following matters as key audit matters to be disclosed in our auditor's report:

1. Measurement of investment properties
2. Accounting treatment of the joint venture JV Theodor-Heuss-Allee-GmbH with land purchase option and measurement of recoverability of the loans to RFR Immobilien 5 GmbH and to JV Theodor-Heuss-Allee GmbH

1. Measurement of investment properties Matter

Investment properties amounting to EUR 591.9 Mio., representing 69.7% of total assets, are accounted for in the consolidated financial statements of DEMIRE Deutsche Mittelstand Real Estate AG as at 31 December 2025. The company accounts for investment properties, applying the option under IAS 40.30, at their

fair values in accordance with IFRS 13. Accordingly, in addition to gains or losses realised on sales, unrealised fluctuations in fair value are also recognised in profit or loss as part of the measurement at fair value. In the past financial year, expenses resulting from unrealised changes in fair value amounting to EUR 18.6 million were recognised in the consolidated statement of income.

Fair values are determined using a valuation model developed by the executive directors with the assistance of an external consulting firm, based on the projected net cash flows from the operation of the properties using the discounted cash flow method. In determining fair values, it is assumed that the current use of the property corresponds to its highest and best use. For properties without positive net cash flow (typically vacant buildings), fair value is determined based on the land value plus expected rental income and minus estimated demolition costs. Where possible, information observable on the market is used for the valuation (sources include, for example, publications by appraisal committees, rent indices, and market reports, as well as transaction databases).

The measurement of investment property takes into account numerous parameters that are inherently subject to certain estimation uncertainties and the exercise of judgment by the legal representatives and are based on the assessments of the external consulting firm. Significant valuation parameters include, in particular, expected cash flows (primarily rents and operating costs), assumptions regarding lease renewals and re-lettings, and the discount and capitalization rates used. Due to the judgment decisions and estimation uncertainties associated with the valuation of investment property, as well as the materiality of investment property for the consolidated balance sheet and consolidated statement of income, this constitutes a particularly significant audit matter.

The company's disclosures regarding investment properties are included in sections C, D.3, and E.1.3 of the notes to the consolidated financial statements.

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Auditor's response

Firstly, we gained an understanding of the planning methodology and process, as well as the key assumptions made by the legal representatives during the planning phase. We assessed the underlying plan for plausibility by comparing the key planning assumptions with historical actual data and property-specific characteristics and conducted variance analysis.

As part of our audit, with the assistance of internal specialists, we assessed the valuation model used to value investment property for compliance with IAS 40 in conjunction with IFRS 13. In doing so, we evaluated the accuracy and completeness of the data on the property portfolios used in the external valuation report. In addition, we performed analytical and detailed audit procedures regarding the key parameters affecting value. As part of these audit procedures, we prepared a property-specific comparative analysis for a deliberate, risk-based selection of investment properties, taking into account the valuation parameters used by the executive directors. In doing so, we assessed the appropriateness of the valuation parameters used (expected market rents, planned investment and maintenance costs, assumptions regarding re-leasing and subsequent leasing, as well as the discount and capitalisation rates). To assess their appropriateness, we compared them with data observable on the market (in particular rent indices, transaction data, market reports, and publications by expert committees) and also assessed whether the discount and capitalization rates adequately account for property-specific risks. In addition, we obtained extensive explanations regarding the key drivers of the expected cash flows from the legal representatives and employees of the external consulting firm involved.

In addition, we have compared the determined fair values with our expectations regarding value performance at both the portfolio and individual property levels for validation purposes.

2. Accounting treatment of the joint venture JV Theodor-Heuss-Allee-GmbH with land purchase option and measurement of recoverability of the loans to RFR Immobilien 5 GmbH and to JV Theodor-Heuss-Allee GmbH

Matter

In the financial year 2021, a subsidiary of DEMIRE Deutsche Mittelstand Real Estate AG (DEMIRE AG) established the company JV Theodor-Heuss-Allee GmbH. As of the balance sheet date, the ownership interest in JV Theodor-Heuss-Allee GmbH amounts to 49.5%. In addition to the contribution of share capital, DEMIRE AG granted a shareholder loan to JV Theodor-Heuss-Allee GmbH in the amount of € 25.15 million. The consolidation of JV Theodor-Heuss-Allee GmbH in DEMIRE AG's consolidated financial statements is influenced by voting rights, contractual rights, and potential voting rights arising from option agreements. JV Theodor-Heuss-Allee GmbH is accounted for in the consolidated financial statements as a joint venture in accordance with IFRS 11.24 using the equity method under IAS 28.

In the financial year 2021, JV Theodor-Heuss-Allee GmbH entered into a leasehold agreement with Objekt Frankfurt THA 100 GmbH & Co. KG for the Cielo office property for a term of 99 years. The price for the leasehold interest was a one-time payment of € 152.9 million, and the annual leasehold rent is € 1.25 million. JV Theodor-Heuss-Allee GmbH has a contractual option to purchase the leasehold property between the 54th and 60th month of the leasehold term at a fixed purchase price of € 122.8 million (property purchase option). The shareholders of JV Theodor-Heuss-Allee GmbH jointly decide whether to exercise this property purchase option. The option may be waived unilaterally by one of the two shareholders or unanimously, and – depending on the voting behaviour of the individual shareholders – may result in the payment of contractual penalties and may lead to an increase in the annual leasehold rent to € 5 million. Upon exercise or non-exercise of the land purchase option, additional options at the shareholder level regarding the purchase or sale of shares in the JV Theodor-Heuss-Allee GmbH become exercisable. The negative fair value of the options regarding the purchase or sale of shares (€ –28.7 million) is reported as a derivative financial liability under the balance sheet item “Market values of options”.



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In the present structure, the terms and valuation of the options are of decisive importance for determining whether JV Theodor-Heuss-Allee GmbH should be included in DEMIRE AG's consolidated financial statements through full consolidation or as a joint venture using the equity method. Whether DEMIRE AG's potential voting rights are substantial and thus should be included in the analysis of control depends largely on the performance of the property, including the land.

In connection with the establishment of the joint venture, DEMIRE AG granted RFR Immobilien 5 GmbH a loan with a face value of € 60.0 million and a maturity date of June 2027. RFR Immobilien 5 GmbH is an affiliate of RFR Immobilien 4 GmbH, which, together with the DEMIRE group company DEMIRE Holding XIII GmbH, holds the shares in JV Theodor-Heuss-Allee GmbH.

The loan is reported in the company's consolidated financial statements under the balance sheet item "Loans and financial assets" in the amount of € 61.5 million. The loan is measured at amortised cost, taking into account the three-stage model for expected credit losses under IFRS 9. Since the financial year 2023, RFR Immobilien 5 GmbH has not met the interest obligations due in connection with the loan. A write-up of EUR 23.69 million was recognised in income during the financial year for the loan to RFR Immobilien 5 GmbH. The reduction in the loan loss allowance resulted from a revised assessment during the financial year of the default risk and expected future cash flows, attributable in particular to the first-instance court ruling regarding the due date of accrued interest and to the advanced negotiations with the RFR Group regarding a possible extension of the Cielo investment structure. The unpaid interest receivables were fully written down as of the balance sheet date. During the financial year, additions to the allowance for interest receivables in the amount of EUR 4.2 million were recognised as an expense.


Due to the complex structure and valuation of the options, as well as the uncertainty surrounding future cash flows from the loan, both matters related to the joint venture involve a significant degree of judgment. In particular, there is a risk of incorrect consolidation of JV Theodor-Heuss-Allee GmbH in DEMIRE AG's consolidated

financial statements, as well as an inappropriate valuation of the options and the loan. The valuation of the options is based on valuation models using input factors that are in part unobservable (Level 3 under IFRS 13) and is therefore subject to significant estimation uncertainties. Against this background and given the material significance for the financial position, results of operations, and cash flows, the accounting treatment of JV Theodor-Heuss-Allee GmbH, as well as the assessment of the impairment of the loan, were particularly important audit matters.

The company's disclosures regarding JV Theodor-Heuss-Allee GmbH and the land purchase option held by that company, as well as the loan granted to RFR Immobilien 5 GmbH, are included in sections B, C, E.1.6, E.5.4, E.5.5, and G.2 of the notes to the consolidated financial statements notes.

Auditor's response

To assess the accounting treatment of the investment in JV Theodor-Heuss-Allee GmbH, the shareholder loan, and the recoverability of the loan extended to RFR Immobilien 5 GmbH, we examined, as part of our audit, the corporate law framework of JV Theodor-Heuss-Allee GmbH as well as other relevant contractual provisions, including the collateral agreed upon for the loans. In doing so, we assessed the contractual provisions, existing voting rights, and the existence of substantial potential voting rights arising from the share purchase and sale options to determine whether they enable DEMIRE AG to exercise control over JV Theodor-Heuss-Allee GmbH, which would have resulted in its inclusion as a fully consolidated entity in the consolidated financial statements in accordance with IFRS 10. In doing so, we assessed, in particular, whether the potential voting rights are currently exercisable and economically substantial and would therefore need to be considered in the assessment of control. Furthermore, we evaluated the fulfilment of the requirements for a joint venture in accordance with IFRS 11.24 as well as the resulting accounting under the equity method in accordance with IAS 28, with the involvement of our internal specialists.

	
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In addition, with the support of internal specialists, we reviewed the valuation model used to value the options to buy or sell shares in JV Theodor-Heuss-Allee GmbH for compliance with IFRS 13 and for mathematical accuracy, and assessed the appropriateness of the valuation parameters used, in particular the underlying assumptions regarding future cash flows, the performance of the underlying real estate, including the land, the interest rate used, and information provided by third parties.

With regard to the shareholder loan that DEMIRE AG extended to JV Theodor-Heuss-Allee GmbH, an examination was conducted to determine whether this constitutes a net investment under IAS 28, which would need to be considered when recognising further shares of losses. In addition, the calculation of the credit loss allowance in accordance with IFRS 9 was analysed. In this context, we particularly assessed the appropriateness of the underlying assumptions regarding the recoverability of the receivable.

With regard to the assessment of the loan extended to RFR Immobilien 5 GmbH, the stage classification in the impairment model under IFRS 9 was analysed, and the underlying assumptions and estimates regarding the borrower's future ability to pay were evaluated. To this end, we reviewed underlying documents, obtained information from third parties, conducted discussions with the legal representatives of DEMIRE AG, and reviewed a court judgment to understand the background of RFR Immobilien 5 GmbH's payment defaults. To assess the legal representatives' assessment of the expected cash flows from the loan receivable, we held discussions with the legal representatives, reviewed the documents underlying the measurement, and evaluated the value of existing collateral.

OTHER INFORMATION

The executive directors or the supervisory board are responsible for the other information. The other information comprises:


- the separately disclosed group corporate governance statement to which reference is made in the section "Other statutory disclosures" of the combined management report
- the disclosures included in the "Opportunities and risks" section of the combined management report which do not form part of the management report and are marked as unaudited
- the other parts of the annual report, except for the audited consolidated financial statements and combined management report as well as our auditor's report.

Our audit opinions on the consolidated financial statements and on the combined management report do not cover the other information, and consequently we do not express an opinion or any other form of assurance conclusion thereon.

In connection with our audit, our responsibility is to read the other information and thereby acknowledge whether the other information

- is materially inconsistent with the consolidated financial statements, with the combined management report, or our knowledge obtained in the audit or
- otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.



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RESPONSIBILITIES OF THE EXECUTIVE DIRECTORS AND THE SUPERVISORY BOARD FOR THE CONSOLIDATED FINANCIAL STATEMENTS AND THE COMBINED MANAGEMENT REPORT

The executive directors are responsible for the preparation of the consolidated financial statements that comply, in all material respects, with the IFRS Accounting Standards as adopted by the EU and the additional requirements of German commercial law pursuant to § 315e (1) HGB and that the consolidated financial statements, in compliance with these requirements, give a true and fair view of the assets, liabilities, financial position and financial performance of the group. In addition, the executive directors are responsible for such internal control as they have determined necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud (i.e. fraudulent financial reporting and misappropriation of assets) or error.

In preparing the consolidated financial statements, the executive directors are responsible for assessing the group's ability to continue as a going concern. They also have the responsibility for disclosing, as applicable, matters related to going concern. In addition, they are responsible for financial reporting based on the going concern basis of accounting unless there is an intention to liquidate the group or to cease operations, or there is no realistic alternative but to do so.

Furthermore, the executive directors are responsible for the preparation of the combined management report that, as a whole, provides an appropriate view of the group's position and is, in all material respects, consistent with the consolidated financial statements, complies with German legal requirements, and appropriately presents the opportunities and risks of future development. In addition, the executive directors are responsible for such arrangements and measures (systems) as they have considered necessary to enable the preparation of a combined management report that is in accordance with the applicable German legal requirements, and to be able to provide sufficient appropriate evidence for the assertions in the combined management report.

The supervisory board is responsible for overseeing the group's financial reporting process for the preparation of the consolidated financial statements and of the combined management report.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS AND OF THE COMBINED MANAGEMENT REPORT

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and whether the combined management report as a whole provides an appropriate view of the group's position and, in all material respects, is consistent with the consolidated financial statements and the knowledge obtained in the audit, complies with the German legal requirements and appropriately presents the opportunities and risks of future development, as well as to issue an auditor's report that includes our opinions on the consolidated financial statements and on the combined management report.

Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with § 317 HGB and the EU Audit Regulation and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer (IDW) and supplementary compliance with the ISAs will always detect a material misstatement. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements and this combined management report.



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We exercise professional judgment and maintain professional scepticism throughout the audit. We also

— identify and assess the risks of material misstatement of the consolidated financial statements and of the combined management report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our audit opinions. The risk of not detecting a material misstatement resulting from fraud is higher than the risk of not detecting a material misstatement resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.

— obtain an understanding of internal controls relevant to the audit of the consolidated financial statements and of arrangements and measures relevant to the audit of the combined management report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an audit opinion on the effectiveness of the internal controls or these arrangements and measures.

— evaluate the appropriateness of accounting policies used by the executive directors and the reasonableness of estimates made by the executive directors and related disclosures.


— conclude on the appropriateness of the executive directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the consolidated financial statements and in the combined management report or, if such disclosures are inadequate, to modify our respective audit opinions. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group to cease to be able to continue as a going concern.

— evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements present the underlying transactions and events in a manner that the consolidated financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the group in compliance with the IFRS Accounting Standards, as adopted by the EU, and the additional requirements of German commercial law pursuant to § 315e (1) HGB.

— plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming the audit opinions on the consolidated financial statements and on the combined management report. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinions.

— evaluate the consistency of the combined management report with the consolidated financial statements, its conformity with German law, and the view of the group's position it provides.

— perform audit procedures on the prospective information presented by the executive directors in the combined management report. On the basis of sufficient appropriate audit evidence we evaluate, in particular, the significant assumptions used by the executive directors as a basis for the prospective information and evaluate the proper derivation of the prospective information from these assumptions. We do not express a separate opinion on the prospective information and on the assumptions used as a basis. There is a substantial unavoidable risk that future events will differ materially from the prospective information.



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We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal controls that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with the relevant independence requirements and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and, where applicable, the actions taken or safeguards applied to eliminate independence threats. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter.


Other legal and regulatory requirements

Report on the assurance of the electronic rendering of the consolidated financial statements and the combined management report, prepared for publication purposes in accordance with § 317 (3a) HGB

ASSURANCE OPINION

We have performed assurance work in accordance with § 317 (3a) HGB to obtain reasonable assurance as to whether the rendering of the consolidated financial statements and the combined management report (hereinafter the "ESEF documents") contained in the electronic file "demire-2025-12-31-de.xbri" and prepared for publication purposes complies in all material respects with the requirements of § 328 (1) HGB for the electronic reporting format ("ESEF format"). In accordance with German legal requirements, this assurance work extends only to the conversion of the information contained in the consolidated financial statements and the combined management report into the ESEF format and therefore relates neither to the information contained within these renderings nor to any other information contained in the file identified above.

In our opinion, the rendering of the consolidated financial statements and the combined management report contained in the electronic file identified above and prepared for publication purposes complies in all material respects with the requirements of § 328 (1) HGB for the electronic reporting format. Beyond this assurance opinion and our audit opinion on the accompanying consolidated financial statements and the accompanying combined management report for the financial year from 1 January 2025 to 31 December 2025 contained in the "Report on the audit of the consolidated financial statements and of the combined management report" above, we do not express any assurance opinion on the information contained within these renderings or on the other information contained in the file identified above.



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BASIS FOR THE ASSURANCE OPINION

We conducted our assurance work on the rendering of the consolidated financial statements and the combined management report contained in the file identified above in accordance with § 317 (3a) HGB and the IDW Assurance Standard: Assurance Work on the Electronic Rendering of Financial Statements and Management Reports, Prepared for Publication Purposes in Accordance with § 317 (3a) HGB (IDW AuS 410 (06.2022)) and the International Standard on Assurance Engagements 3000 (Revised)]. Our responsibility in accordance therewith is further described in the “Auditor’s Responsibilities for the Assurance Work on the ESEF Documents” section. Our audit firm has applied the requirements of the IDW Quality Management Standard: Requirements for Quality Management in the Audit Firm (IDW QMS 1 (09.2022)).

RESPONSIBILITIES OF THE EXECUTIVE DIRECTORS AND THE SUPERVISORY BOARD FOR THE ESEF

The executive directors of the company are responsible for the preparation of the ESEF documents with the electronic renderings of the consolidated financial statements and the combined management report in accordance with § 328 (1) sentence 4 No. 1 HGB and for the tagging of the consolidated financial statements in accordance with § 328 (1) sentence 4 No. 2 HGB.


In addition, the executive directors of the company are responsible for such internal controls that they have considered necessary to enable the preparation of ESEF documents that are free from material intentional or unintentional non-compliance with the requirements of § 328 (1) HGB for the electronic reporting format.

The supervisory board is responsible for overseeing the process for preparing the ESEF documents as part of the financial reporting process.

AUDITOR’S RESPONSIBILITIES FOR THE ASSURANCE WORK ON THE ESEF DOCUMENTS

Our objective is to obtain reasonable assurance about whether the ESEF documents are free from material intentional or unintentional non-compliance with the requirements of § 328 (1) HGB. We exercise professional judgment and maintain professional scepticism throughout the assurance work. We also

- identify and assess the risks of material intentional or unintentional non-compliance with the requirements of § 328 (1) HGB, design and perform assurance procedures responsive to those risks, and obtain assurance evidence that is sufficient and appropriate to provide a basis for our assurance opinion.
- obtain an understanding of internal control relevant to the assurance on the ESEF documents in order to design assurance procedures that are appropriate in the circumstances, but not for the purpose of expressing an assurance opinion on the effectiveness of these controls.
- evaluate the technical validity of the ESEF documents, i. e. whether the file containing the ESEF documents meets the requirements of the Delegated Regulation (EU) 2019/815, in the version in force at the date of the financial statements, on the technical specification for this electronic file.
- evaluate whether the ESEF documents provide an XHTML rendering with content equivalent to the audited consolidated financial statements and to the audited combined management report.
- evaluate whether the tagging of the ESEF documents with Inline XBRL technology (iXBRL) in accordance with the requirements of Articles 4 and 6 of the Delegated Regulation (EU) 2019/815, in the version in force at the date of the financial statements, enables an appropriate and complete machine-readable XBRL copy of the XHTML rendering.



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FURTHER INFORMATION PURSUANT TO ARTICLE 10 OF THE EU AUDIT REGULATION

We were elected as auditor by the annual general meeting on 14 May 2025. We were engaged by the supervisory board on 4 June 2025. We have been the auditor of the consolidated financial statements of DEMIRE Deutsche Mittelstand Real Estate AG since the financial year 2025.

We declare that the audit opinions expressed in this auditor's report are consistent with the additional report to the audit committee pursuant to Article 11 of the EU Audit Regulation (long-form audit report).

Other matter – Use of the auditor's report

Our auditor's report must always be read together with the audited consolidated financial statements and the audited combined management report as well as the assured ESEF documents. The consolidated financial statements and the combined management report converted to the ESEF format – including the versions to be published in the German Company Register – are merely electronic renderings of the audited consolidated financial statements and the audited combined management report and do not take their place. In particular, the ESEF report and our assurance opinion contained therein are to be used solely together with the assured ESEF documents provided in electronic form.

German public auditor responsible for the engagement

The German Public Auditor responsible for the engagement is Christian Rucker.

Frankfurt am Main, 18 March 2026

BDO AG
Wirtschaftsprüfungsgesellschaft

Sgd. Gebhardt
Auditor

Sgd. Rucker
Auditor

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EPRA DISCLOSURES

General overview

DEMIRE AG supplements its reporting in accordance with International Financial Reporting Standards (IFRS) with the best practice recommendations of the European Public Real Estate Association (EPRA).

We report on the following key figures: EPRA Net Reinstatement Value (EPRA NRV), EPRA Net Tangible Assets (EPRA NTA), EPRA Net Disposals Value (EPRA NDV), EPRA Net Initial Yield (EPRA NIY or “Topped-Up” NIY), EPRA Cost Ratios, EPRA Earnings and EPRA LTV. We also supplement the key figures with a breakdown of capital expenditure and a detailed overview of like-for-like rental growth in the DEMIRE portfolio.

OVERVIEW OF EPRA KEY FIGURES

in EUR thousand	31/12/2025	31/12/2024
EPRA Net Asset Value (EPRA NAV)	168,105	258,103
EPRA Triple Net Asset Value (EPRA-NNNAV)	133,401	213,012
EPRA Net Reinstatement Value (EPRA-NRV)	214,832	325,913
EPRA Net Tangible Assets (EPRA-NTA)	146,956	244,701
EPRA Net Disposal Value (EPRA-NDV)	133,401	213,012
EPRA Net Initial Yield (in %)	5.9	5.7
EPRA “Topped-Up” Net Initial Yield (in %)	6.0	5.8
EPRA Vacancy Rate ¹ (in %)	16.4	15.1
EPRA Loan-to-Value (EPRA LTV) (in %)	76.4	77.2
	2025	2024
EPRA Earnings ²	- 7,720	7,043
EPRA Cost Ratio including direct vacancy costs (in %)	45.0	42.5
EPRA Cost Ratio excluding direct vacancy costs (in %)	38.9	33.1

¹ Excluding project developments.

² The previous year's figures were adjusted due to a change in presentation in the reporting period.



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EPRA NAV & EPRA NNAV

The **EPRA Net Asset Value** (EPRA NAV) is the historical reporting standard of the EPRA, which is still used for better comparability. This indicates the net asset value or intrinsic value of a real estate company. The value is calculated on the basis of the Group equity (before minority interests) adjusted for effects from the exercise of options, convertible bonds and other rights to equity as well as the market values of derivative financial instruments and deferred taxes, i. e. adjusted for items that have no influence on the long-term development of the Group.

HISTORICAL REPORTING STANDARD: EPRA NET ASSET VALUE (NAV/EPRA NNAV)

in EUR thousand	31/12/2025	31/12/2024	Change	in %
Net Asset Value (NAV)	129,148	218,105	-88,957	-40.8
Deferred taxes	38,957	39,999	-1,041	0.0
Goodwill resulting from deferred taxes	0	0	0	0.0
EPRA NAV (basic)	168,105	258,103	-89,998	-34.9
Number of outstanding shares (basic) (in thousands)	105,513	105,513	-0	-0.0
EPRA NAV per share (basic) (in EUR)	1.59	2.45	-0.85	-34.9
Effect of the conversion of convertible bonds and other equity instruments	0	0	0	0.0
EPRA NAV (diluted)	168,105	258,103	-89,998	-34.9
Number of outstanding shares (diluted) (in thousands)	105,513	105,513	-0	-0.0
EPRA NAV per share (basic) (in EUR)	1.59	2.45	-0.85	-34.9
Market value adjustments in liabilities (bonds)	6,015	-7,185	13,200	>100
Deferred taxes	-40,720	-37,906	-2,814	7.4
EPRA NNAV (diluted)	133,401	213,012	-79,612	-37.4
EPRA NNAV per share (diluted) (in EUR)	1.26	2.02	-0.75	-37.4



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EPRA NRV, EPRA NTA, EPRA NDV

The following three key figures on net asset value reflect the current EPRA reporting standard.

The **EPRA Net Tangible Assets** (EPRA NTA) indicator represents the intrinsic value of a company adjusted by the pro-rata deferred taxes on fair value adjustments of investment properties, the fair value of financial instruments and all intangible assets.

The EPRA Net Disposal Value (EPRA NDV) indicator shows the intrinsic value of a company adjusted by the full deferred taxes on fair value adjustments, the recognised goodwill and the market value adjustment of fixed-interest liabilities.

The **EPRA Net Reinstatement Value** (EPRA NRV) indicator represents the intrinsic value of a company adjusted for fair value adjustments and the fair value of financial instruments.

CURRENT REPORTING STANDARD: EPRA NAV

in EUR thousand	31/12/2025			31/12/2024		
	EPRA NRV	EPRA NTA	EPRA NDV	EPRA NRV	EPRA NTA	EPRA NDV
IFRS shareholders' equity	129,148	129,148	129,148	218,105	218,105	218,105
Plus:						
I. Hybrid financial instruments	0	0	0	0	0	0
Diluted NAV	129,148	129,148	129,148	218,105	218,105	218,105
plus:¹						
II. a) Revaluation of IP (when applying the IAS 40 cost option)	0	0	0	0	0	0
II. b) Revaluation of IPUC (when applying the IAS 40 cost option)	0	0	0	0	0	0
II. c) Revaluation of other assets	0	0	0	0	0	0
III. Revaluation of leases held as finance leases	0	0	0	0	0	0
IV. Revaluation of real estate inventory	0	0	0	0	0	0



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CURRENT REPORTING STANDARD: EPRA NAV

in EUR thousand	31/12/2025			31/12/2024		
	EPRA NRV	EPRA NTA	EPRA NDV	EPRA NRV	EPRA NTA	EPRA NDV
Diluted NAV at market value	129,148	129,148	129,148	218,105	218,105	218,105
less: ¹						
V. Deferred taxes on valuation gains from investment properties	35,617	17,809	x	53,192	26,596	x
VI. Market value of derivative financial instruments	0	0	x	0	0	x
VII. Goodwill as a result of deferred taxes	0	0	0	0	0	0
Goodwill						
VIII. a) according to IFRS balance sheet	x	0	0	x	0	0
VIII. b) Intangible assets according to IFRS balance sheet	x	0	x	x	0	x
plus: ²						
IX. Market value of fixed-interest liabilities (bonds)	x	x	4,253	x	x	-5,092
X. Revaluation of intangible assets at fair value (optional)	0	x	x	0	x	x
XI. Land transfer tax/ acquisition costs	50,067	0	x	54,616	0	x
NAV	214,832	146,956	133,401	325,913	244,701	213,012
Number of shares (fully diluted)	105,513	105,513	105,513	105,513	105,513	105,513
NAV per share	2.04	1.39	1.26	3.09	2.32	2.02

¹ Plus = assets (+) liabilities (-), whether on or off the balance sheet

² Less = assets (-); liabilities (+) (part of balance sheet)



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EPRA Net Initial Yield

The **EPRA Net Initial Yield** (EPRA NIY) indicator is the annualised contractual rent in relation to the fair value of the completed real estate portfolio plus an investor's estimated ancillary acquisition costs.

The EPRA Net Initial Yield compares the annualised rental income (excluding non-allocable property expenses) with the market value of the real estate portfolio as at the reporting date. The "topped-up" calculation includes hypothetical rents for expiring rent-free periods.

EPRA NET INITIAL YIELD/TOPPED-UP (EPRA NIY)

in EUR thousand	31/12/2025	31/12/2024	Change	in %
Investment property	591,946	724,706	-132,760	-18.3
Shares in companies accounted for using the equity method	260	406	-146	-36.0
Real estate held for sale	103,540	76,680	26,860	-
Real estate portfolio (net)	695,746	801,792	-106,046	-13.2
Estimated ancillary acquisition costs	34,787	40,090	-5,302	-13.2
Real estate portfolio (gross)	730,533	841,882	-111,348	-13.2
Annualised cash rental income	51,029	55,562	-4,533	-8.2
Non-allocable real estate operating costs	-7,792	-7,660	-132	1.7
Annualised net cash rental income	43,237	47,903	-4,666	-9.7
Rent-free periods	283	848	-565	-66.6
Annualised "Topped-Up" net rental income	43,521	48,751	-5,230	-10.7
EPRA Net Initial Yield (in %)	5.9	5.7	20 bp	3.5
EPRA "Topped-Up" Net Initial Yield (in %)	6.0	5.8	20 bp	3.4



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EPRA Earnings

The **EPRA Earnings** indicator reflects the recurring earnings from the core operating business. The EPRA Earnings indicator is adjusted in particular for valuation effects, deferred taxes and the sales earnings from the consolidated result.

In addition, several adjustments were made for one-off effects for the 2024 and 2025 financial years. Firstly, in 2024 a loan receivable was partially written off due to a deterioration in the borrower's credit rating (see [▶ Section D. 4.](#) of the Notes to the consolidated financial statements) and secondly, the market value of an option to sell shares in a joint venture was reduced (see [▶ Section D. 7.](#) of the Notes to the consolidated financial statements). In addition, effects from the deconsolidation of the Limes companies (see Notes to the consolidated financial statements, [▶ Section G. 2.](#) Limes subsidiaries) and from the repurchase of the corporate bond at below par (see Notes to the consolidated financial statements, [▶ Section D. 8.](#) Bond restructuring) were taken into account for the 2024 financial year.

The Company-specific adjustments for the 2025 financial year mainly relate to the reversal of the loan that was partially written off in the 2023 financial year (see [▶ Section E. 1.6](#) of the Notes to the consolidated financial statements) and further impairments in connection with the deconsolidation of the Limes companies (see Notes to the consolidated financial statements, [▶ Section G. 2.](#) Limes subsidiaries). The effect of these adjustments on deferred taxes for both financial years was also recognised in the adjusted EPRA result. In addition, the interest expense from shareholder loans was adjusted for both financial years under the item "Adjustments related to funding structure" (see Notes to the consolidated financial statements, [▶ Section D. 8.](#)).

EPRA EARNINGS

in EUR thousand	2025	2024	Change	in %
Net profit/loss for the period	-90,340	-87,479	-2,862	3.3
Profit/loss from fair-value adjustments of the property portfolio	58,813	58,676	137	0.2
Profit/loss from the sale of real estate and real estate companies	116	7,289	-7,173	-98.4
Profit/loss from companies accounted for using the equity method	76	-63	139	>100
Profit/loss from the sale of real estate inventory	0	0	0	0.0
Taxes on sales earnings	0	0	0	0.0
Goodwill impairment	0	0	0	0.0
Valuation result of financial instruments	0	0	0	0.0
Acquisition costs for share deals and for shares in non-controlling joint ventures	0	0	0	0.0
Adjustments related to funding structure	23,455	0	23,455	>100
Adjustments related to non-operating and exceptional items	2,750	27,703	-24,953	-90.1
Deferred taxes on EPRA adjustments	-845	10,322	-11,167	>-100
Non-controlling interests	-1,745	-2,928	1,183	-40.4
EPRA Earnings	-7,720	13,520	-21,240	>-100
Number of outstanding shares (basic)	105,513	105,513	-0	-0.0
EPRA earnings per share (EPS basic)	-0.07	0.13	-0.20	>-100
Number of outstanding shares (diluted)	105,513	105,513	-0	-0.0
EPRA earnings per share (EPS diluted)	-0.07	0.13	-0.20	>-100



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EPRA Cost Ratio

As a ratio of EPRA costs to gross rental income, the **EPRA Cost Ratio** provides a statement on the cost efficiency of a real estate company – once including and once excluding direct vacancy costs.

In the reporting period, EUR 0.4 million in letting commissions and EUR 1.3 million in rent incentives were capitalised (previous year: EUR 1.2 million and EUR 1.3 million respectively). General administrative costs, maintenance costs and operating costs are generally not capitalised.

EPRA COST RATIO

in EUR thousand	2025	2024	Change	in %
Administrative and operational costs according to IFRS	27,015	33,925	-6,910	-20.4
General and administrative expenses	10,041	13,859	-3,817	-27.5
Other operating expenses	1,515	966	549	56.8
Operating expenses to generate rental income	29,406	37,358	-7,953	-21.3
Income from utility and service charges	-13,946	-18,258	4,312	-23.6
Amortisation and depreciation	38	54	-15	-28.4
EPRA costs (including vacancy costs)	27,054	33,979	-6,925	-20.4
Direct vacancy costs	-3,621	-3,676	55	-1.5
EPRA costs (excluding vacancy costs)	23,433	30,303	-6,869	-22.7
Rental income	60,176	70,850	-10,675	-15.1
EPRA Cost Ratio (including vacancy costs) (in %)	45.0	48.0	-300 bp	-6.3
EPRA Cost Ratio (excluding vacancy costs) (in %)	38.9	42.8	-390 bp	-9.1



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EPRA Capital Expenditure

The investments under Core Portfolio 2024 and 2025 mainly relate to value-enhancing conversion and expansion measures at various properties in our portfolios. Interest is generally not capitalised.

EPRA CAPITAL EXPENDITURE ANALYSE

	2025		
in EUR thousand	DEMIRE Portfolio	Joint Venture	Total
Acquisitions	0	0	0
Development portfolio ¹	0	0	0
Core Portfolio ²	4,980	0	4,980
Incremental letting space	0	0	0
No incremental letting space	4,980	0	4,980
Building cost subsidies	4,356	0	4,356

	2024		
in EUR thousand	DEMIRE Portfolio	Joint Venture	Total
Acquisitions	0	0	0
Development portfolio ¹	0	0	0
Core Portfolio ²	11,235	0	11,235
Incremental letting space	4,054	0	4,054
No incremental letting space	7,181	0	7,181
Building cost subsidies	1,331	0	1,331

¹ DEMIRE AG does not engage in real estate development

² No capitalised interest



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EPRA Vacancy Rate

The **EPRA Vacancy Rate** is the ratio of market rent for vacant space to the market rent for the total space in the portfolio (as at the reporting date).

EPRA VACANCY RATE¹

in EUR thousand	31/12/2025	31/12/2024	Change	in %
Estimated market rent for vacancies	9,958	9,925	33	0.3
Estimated market rent for total portfolio	60,797	65,666	- 4,869	- 7.4
EPRA Vacancy Rate (in %)	16.4	15.1	130 bp	8.6

¹ Excluding project developments

The increase in the EPRA vacancy rate as at 31 December 2025 compared to the previous year is mainly due to the expiry of tenancy agreements without re-letting, particularly the partial departure of a tenant in Bonn.



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EPRA-like-for-like rental development

Like-for-like rental income is rental income from properties in a portfolio that have been held continuously within two comparison periods. Changes from portfolio additions and disposals are therefore not included. In a comparison of the periods, the organic component of the change in rental income from letting activities becomes particularly clear.

LIKE-FOR-LIKE RENTAL GROWTH 31/12/2025

	Total portfolio		Like-for-like portfolio				
			31/12/2025	31/12/2024	in EUR million	in %	
in EUR thousand	Market value ¹	Annualised contractual rents	Market value ¹	Annualised contractual rents	Annualised contractual rents	LFL growth	LFL growth
Office	424.9	31.5	424.9	31.5	33.5	-1.9	-5.8
Retail	210.3	16.3	210.3	16.3	16.2	0.1	0.8
Logistics&Other	53.1	3.5	53.1	3.5	3.2	0.3	9.7
Total	688.3	51.3	688.3	51.3	52.8	-1.5	-2.8

¹ As at the reporting date, the overall portfolio consisted of 43 properties which were part of the like-for-like analysis. Eight properties were sold during the reporting year. Four properties were sold in the previous year. Four further properties were no longer included in the like-for-like analysis due to the deconsolidation of the Limes portfolio. On the previous year's reporting date of 31 December 2024, the overall portfolio consisted of 51 properties.

The market value (in EUR million) represents the total fair value of DEMIRE's property portfolio as at the reporting date. In contrast to the balance sheet total of the "Total portfolio", no leaseholds or operating facilities are recognised.



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LIKE-FOR-LIKE RENTAL GROWTH 31/12/2024

	Total portfolio				Like-for-like portfolio	
	31/12/2024		31/12/2023		in EUR million	in %
in EUR thousand	Market value ¹	Annualised contractual rents	Market value ¹	Annualised contractual rents	Annualised contractual rents	LFL growth
Office	490.6	36.3	490.6	36.3	36.7	-0.4
Retail	225.7	17.0	225.7	17.0	18.4	-1.4
Logistics&Other	63.0	3.2	63.0	3.2	3.2	-0.1
Total	779.3	56.4	779.3	56.4	58.3	-1.9

¹ The market value (in EUR million) represents the total fair value of DEMIRE's property portfolio as at the reporting date. In contrast to the balance sheet total of the "Total portfolio", no leaseholds or operating facilities are recognised.



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EPRA Loan-to-Value

The **EPRA Loan-to-Value** (EPRA LTV) is the ratio of net financial liabilities to the value of the assets, as defined by EPRA.

EPRA LOAN TO VALUE (EPRA LTV) 31/12/2025

in EUR thousand	Proportionate consolidation				Combined
	Group EPRA LTV before proportionate consolidation	Share of joint ventures	Share of material associates	Non-controlling interests (NCI)	
Net debt					
Include:					
Borrowings from financial institutions	139,605	77,080	0	-29,820	186,865
Commercial paper	0	0	0	0	0
Hybrids (including convertibles, preference shares, debt, options, perpetuals)	124,524	0	0	0	124,524
Bond loans	238,519	0	0	0	238,519
Foreign currency derivatives (futures, swaps, options and forwards)	0	0	0	0	0
Net payables	111,873	48,125	0	-1,125	158,873
Owner-occupied property (debt)	0	0	0	0	0
Current accounts (Equity characteristic)	0	0	0	0	0
Exclude:					
Cash and cash equivalents	-54,241	-7,365	0	9,960	-51,646
Net debt (a)	560,280	117,841	0	-20,985	657,135
Investment property portfolio and other eligible assets					



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EPRA LOAN TO VALUE (EPRA LTV) 31/12/2025

in EUR thousand	Group EPRA LTV before proportionate consolidation	Proportionate consolidation			Combined
		Share of joint ventures	Share of material associates	Non-controlling interests (NCI)	
Owner-occupied property	0	0	0	0	0
Investment properties at fair value	591,946	92,961	0	-96,706	585,520
Properties held for sale	103,540	0	0	0	103,540
Properties under development	0	0	0	0	0
Intangibles	0	0	0	0	0
Net receivables	0	0	0	0	0
Financial assets	83,758	0	0	0	83,758
Loans to companies accounted for using the equity method	22,259	0	0	0	0
Loans and financial assets	61,499	0	0	0	0
Total property portfolio and other eligible assets (b)	779,244	92,961	0	-96,706	775,499
LTV (a/b) (in %)	71.9	126.8	0.0	21.7	84.7



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EPRA LOAN TO VALUE (EPRA LTV) 31/12/2024



in EUR thousand	Group EPRA LTV before proportionate consolidation	Proportionate consolidation			Combined
		Share of joint ventures	Share of material associates	Non-controlling interests (NCI)	
Net debt					
Include:					
Borrowings from financial institutions	163,663	77,304	0	-10,493	230,475
Commercial paper	0	0	0	0	0
Hybrids (including convertibles, preference shares, debt, options, perpetuals)	97,342	0	0	0	97,342
Bond loans	224,976	0	0	0	224,976
Foreign currency derivatives (futures, swaps, options and forwards)	0	0	0	0	0
Net payables	110,647	61,367	0	0	172,014
Owner-occupied property (debt)	0	0	0	0	0
Current accounts (Equity characteristic)	0	0	0	0	0
Exclude:					
Cash and cash equivalents	-44,816	-5,761	0	3,178	-47,399
Net debt (a)	551,812	132,911	0	-7,315	677,407
Investment property portfolio and other eligible assets					
Owner-occupied property	0	0	0	0	0
Investment properties at fair value	724,706	95,733	0	-40,416	780,023
Properties held for sale	76,680	0	0	0	76,680
Properties under development	0	0	0	0	0
Intangibles	0	0	0	0	0
Net receivables	0	0	0	-24	-24
Financial assets	62,860	0	0	0	62,860
Loans to companies accounted for using the equity method	25,150	0	0	0	0
Loans and financial assets	37,710	0	0	0	0
Total property portfolio and other eligible assets (b)	864,246	95,733	0	-40,440	919,539
LTV (a/b) (in %)	63.8	138.8	0.0	18.1	73.7



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