



**2025 MANAGEMENT REPORT AND  
ANNUAL FINANCIAL STATEMENTS**



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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 m<sup>2</sup> 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 m<sup>2</sup>, 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 m<sup>2</sup> (previous year: 603,450 m<sup>2</sup>).

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. <sup>1</sup> 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
<b>Total</b>			<b>23.8</b>	<b>46.5</b>
Other			27.5	53.5
<b>Total</b>			<b>51.3</b>	<b>100.0</b>

<sup>1</sup> Based on annualised contractual rents, excluding ancillary costs



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## PORTFOLIO BY ASSET CLASS

	Number of properties	Market value <sup>1</sup> in EUR million	Share by market value in %	Lettable space in thousand m <sup>2</sup>	Market value/m <sup>2</sup>	Contractual rent in EUR million p.a.	Contractual rent per m <sup>2</sup>	Rental returns in %	EPRA vacancy rate <sup>2</sup> 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
<b>Total 31 Dezember 2025</b>	<b>43</b>	<b>688.3</b>	<b>100.0</b>	<b>536.8</b>	<b>1,282</b>	<b>51.3</b>	<b>9.80</b>	<b>7.5</b>	<b>16.4</b>	<b>4.7</b>
<b>Total 31 December 2024</b>	<b>51</b>	<b>779.3</b>	<b>100.0</b>	<b>603.5</b>	<b>1,291</b>	<b>56.4</b>	<b>9.63</b>	<b>7.2</b>	<b>15.1</b>	<b>4.6</b>
Change (in %/pp)	-8	-11.7%	0	-11.0%	-0.7%	-9.0%	1.7%	0.2	1.3	0.1

<sup>1</sup> 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.

<sup>2</sup> 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 m<sup>2</sup>, letting performance in 2025 was significantly higher than in the previous year (approximately 68,400 m<sup>2</sup>). 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%
<b>Total</b>	<b>–2.8%</b>



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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 <sup>3</sup>	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 <sup>1</sup>	Office	21,600,000	16,350,000
Bonn (Partial sale of multi-family building) <sup>2</sup>	Office	1.010.000 <sup>2</sup>	1,150,000
<b>Total</b>		<b>80,930,001</b>	<b>64,065,001</b>

<sup>1</sup> Signing in 2025, transfer of benefits and encumbrances at the end of January 2026

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

<sup>3</sup> 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 CO<sub>2</sub> 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 m<sup>2</sup>, 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
<b>Profit/loss from the rental of real estate</b>	<b>36,785</b>	<b>44,474</b>	<b>-7,689</b>	<b>-17.3</b>
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
<b>Profit/loss from the sale of real estate and real estate companies</b>	<b>-116</b>	<b>-7,289</b>	<b>7,173</b>	<b>-98.4</b>
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
<b>Earnings before interest and taxes</b>	<b>-34,908</b>	<b>-93,016</b>	<b>58,108</b>	<b>-62.5</b>
Financial result	-51,758	10,396	-62,154	>-100
<b>Earnings before taxes</b>	<b>-86,666</b>	<b>-82,620</b>	<b>-4,046</b>	<b>4.9</b>
Current income taxes	-4,519	-1,750	-2,769	>-100
Deferred taxes	845	-3,109	3,954	>100
<b>Net profit/loss for the period</b>	<b>-90,340</b>	<b>-87,479</b>	<b>-2,861</b>	<b>3.3</b>
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.

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:



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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
<b>Earnings before taxes (EBT)</b>	<b>– 84,176</b>	<b>– 80,906</b>	<b>– 3,270</b>	<b>4.0</b>
± 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 <sup>1</sup>	18,530	40,894	– 22,365	– 54.7
<b>FFO I before taxes and minorities</b>	<b>– 6,717</b>	<b>25,953</b>	<b>– 32,671</b>	<b>&gt;–100</b>
± Current income taxes	– 1,625	– 2,574	949	– 36.9
<b>FFO I after taxes and before minorities</b>	<b>– 8,342</b>	<b>23,380</b>	<b>– 31,722</b>	<b>&gt;–100</b>
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
<b>FFO I after taxes, before minorities and interest on shareholder loans<sup>2</sup></b>	<b>10,088</b>	<b>26,231</b>	<b>– 16,143</b>	<b>– 61.5</b>
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 %
<b>FFO I after taxes and before minorities</b>	<b>- 8,342</b>	<b>23,380</b>	<b>- 31,722</b>	<b>&gt;-100</b>
± Profit/loss from the sale of real estate and real estate companies (after taxes)	- 61	- 7,289	7,228	-99.2
<b>FFO II after taxes and before minorities</b>	<b>- 8,403</b>	<b>16,091</b>	<b>- 24,493</b>	<b>&gt;-100</b>
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
<b>FFO II after taxes, before minorities and interest on shareholder loans<sup>2</sup></b>	<b>10,028</b>	<b>18,942</b>	<b>- 8,914</b>	<b>- 47.1</b>
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
<b>FFO I after taxes and minority interests</b>	<b>- 10,223</b>	<b>20,502</b>	<b>- 30,726</b>	<b>&gt;-100</b>
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
<b>FFO II after taxes and minority interests</b>	<b>- 10,376</b>	<b>12,904</b>	<b>- 23,281</b>	<b>&gt;-100</b>
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

<sup>1</sup> 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)

<sup>2</sup> 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
<b>Total revenue</b>	<b>88,781</b>	<b>163,670</b>	<b>27,770</b>	<b>28,262</b>	<b>0</b>	<b>0</b>	<b>116,551</b>	<b>191,931</b>
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
<b>Segment revenue</b>	<b>41,413</b>	<b>116,295</b>	<b>17,756</b>	<b>17,737</b>	<b>246</b>	<b>246</b>	<b>59,416</b>	<b>134,277</b>
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
<b>Segment expenses</b>	<b>-67,217</b>	<b>-113,926</b>	<b>-14,366</b>	<b>-14,369</b>	<b>-12,741</b>	<b>-98,998</b>	<b>-94,324</b>	<b>-227,293</b>
<b>EBIT</b>	<b>-25,804</b>	<b>2,369</b>	<b>3,391</b>	<b>3,368</b>	<b>-12,494</b>	<b>-98,752</b>	<b>-34,908</b>	<b>-93,016</b>
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
<b>Net profit/loss for the period</b>	<b>-34,876</b>	<b>-10,973</b>	<b>2,371</b>	<b>2,261</b>	<b>-57,836</b>	<b>-78,767</b>	<b>-90,340</b>	<b>-87,479</b>
<b>Significant non-cash items</b>	<b>50,814</b>	<b>56,038</b>	<b>8,142</b>	<b>9,238</b>	<b>3,580</b>	<b>5,664</b>	<b>62,536</b>	<b>70,941</b>
<b>Impairment losses in net profit/loss for the period</b>	<b>1,316</b>	<b>1,057</b>	<b>2</b>	<b>643</b>	<b>2,902</b>	<b>48,817</b>	<b>4,220</b>	<b>50,517</b>



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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
<b>NAV (basic)</b>	<b>168,105</b>	<b>258,103</b>	<b>–89,998</b>	<b>–34.9</b>
Number of outstanding shares (basic) (in thousands)	105,513	105,513	–0	–0.0
<b>NAV per share (basic) (in EUR)</b>	<b>1.59</b>	<b>2.45</b>	<b>–0.85</b>	<b>–34.9</b>
Effect of the conversion of convertible bonds and other equity instruments	0	0	0	0.0
<b>NAV (diluted)</b>	<b>168,105</b>	<b>258,103</b>	<b>–89,998</b>	<b>–34.9</b>
Number of outstanding shares (diluted) (in thousands)	105,513	105,513	–0	–0.0
<b>NAV per share (diluted) (in EUR)</b>	<b>1.59</b>	<b>2.45</b>	<b>–0.85</b>	<b>–34.9</b>

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 %
<b>Assets</b>				
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
<b>Total assets</b>	<b>849,190</b>	<b>951,190</b>	<b>-102,000</b>	<b>-10.7</b>

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 %
<b>Equity and liabilities</b>				
<b>Operating expenses to generate rental income</b>				
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
<b>Total equity</b>	<b>150,810</b>	<b>241,923</b>	<b>- 91,113</b>	<b>- 37.7</b>
<b>Liabilities</b>				
Total non-current liabilities	573,380	535,699	37,681	7.0
Total current liabilities	125,000	173,568	- 48,568	- 28.0
<b>Total liabilities</b>	<b>698,380</b>	<b>709,267</b>	<b>- 10,887</b>	<b>- 1.5</b>
<b>Total equity and liabilities</b>	<b>849,190</b>	<b>951,190</b>	<b>- 102,000</b>	<b>- 10.7</b>

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
<b>Net change in cash and cash equivalents</b>	<b>9,425</b>	<b>-75,173</b>	<b>84,598</b>	<b>&gt;100</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>54,241</b>	<b>44,816</b>	<b>9,425</b>	<b>21.0</b>

#### 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 <sup>1</sup>	386,539	415,953
Cash and cash equivalents	54,241	44,816
<b>Net financial debt</b>	<b>332,298</b>	<b>371,137</b>
Total assets	849,190	951,190
Intangible assets	0	0
Cash and cash equivalents	-54,241	-44,816
<b>Total assets less intangible assets and cash and cash equivalents</b>	<b>794,949</b>	<b>906,374</b>
<b>Net LTV (in %)</b>	<b>41.8</b>	<b>40.9</b>

<sup>1</sup> 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 <sup>1</sup>	16.8	36.5	6.4

<sup>1</sup> 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
<b>Property</b>		
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
<b>Average</b>	<b>5.0</b>	<b>4.8</b>

### 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
<b>Profit before income taxes</b>	<b>-58,801</b>	<b>-25,388</b>	<b>-33,413</b>	<b>131.6</b>
Income taxes	-4,102	-101	-4,001	>-100
<b>Net loss</b>	<b>-62,903</b>	<b>-25,489</b>	<b>-37,414</b>	<b>146.8</b>
Loss carried forward	-103,627	-78,138	-25,489	32.6
<b>Accumulated loss</b>	<b>-166,530</b>	<b>-103,627</b>	<b>-62,903</b>	<b>60.7</b>

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 %
<b>Assets</b>				
Fixed assets	576,539	568,202	8,337	1.5
Current assets/ prepaid assets	14,857	42,651	–27,794	–65.2
<b>Total assets</b>	<b>591,396</b>	<b>610,853</b>	<b>–19,457</b>	<b>–3.2</b>

### BALANCE SHEET – EQUITY AND LIABILITIES (EXCERPT)

in EUR thousand	31/12/2025	31/12/2024	Change	in %
<b>Equity and liabilities</b>				
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
<b>Total equity and liabilities</b>	<b>591,396</b>	<b>610,853</b>	<b>–19,457</b>	<b>–3.2</b>

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
<b>Net change in cash and cash equivalents</b>	<b>- 5,572</b>	<b>- 18,958</b>	<b>13,386</b>	<b>- 70.6</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>5,097</b>	<b>10,668</b>	<b>- 5,571</b>	<b>- 52.2</b>

**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 COMPANY<sup>1</sup>

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.

<sup>1</sup> 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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# OTHER STATUTORY DISCLOSURES

## Disclosures pursuant to Section 289a/315a HGB

### 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.

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



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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



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with a nominal value in the amount of EUR 260 thousand were acquired in 2021 (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](https://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> <hr/> <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> <hr/> <p>Payment:                      At the end of the month in which the Company's annual financial statements for the previous year are adopted.</p> <hr/>
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> <hr/> <p>Performance criteria:                      – 50% Annual share price increase                      – 50% Relative total shareholder return</p> <hr/> <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> <hr/>

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> <hr/> <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> <hr/>
Severance payment cap	<p>Possible to partially or fully reduce or claw back variable remuneration.</p> <hr/>
Malus and clawback provision	<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> <hr/>
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> <hr/>



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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 allocation<sup>1</sup>. 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.

<sup>1</sup> 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 price<sup>2</sup> 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 return 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.

<sup>2</sup> 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. 46](#)):

#### 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 <sup>1</sup>	322.500 <sup>1</sup>	212.043,75 (see above for the business year 2024)
	LTI (2023/2027 tranche)		609,375 <sup>2</sup>	
Multi-year variable remuneration	Value of granted PSUs (2023/2027 tranche) = EUR 243,750 <sup>1</sup>	243.750 <sup>2</sup>	(Cap of 2.5x upon payment)	no payment in 2025

<sup>1</sup> 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.

<sup>2</sup> 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 %
<b>Fixed remuneration components</b>			
	Basic remuneration 2025	420,000	64.3
	Fringe benefits 2025	18,000	2.8
Fixed remuneration	Pension expenses 2025	3,529	0.5
<b>Total</b>		<b>441,529</b>	<b>67.6</b>
<b>Variable remuneration components</b>			
One-year variable remuneration	2024 bonus (payment in March 2025)	212,043	32.4
Multi-year variable remuneration	LTI 2024/2028	-	-
	LTI 2025/2029	-	-
<b>Total</b>		<b>212,043</b>	<b>32.4</b>
<b>Total</b>			
<b>Total remuneration</b>		<b>653,572</b>	<b>100.0</b>

### 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 %
<b>Fixed remuneration components</b>			
	Basic remuneration 2025	310,000	52.7
	Fringe benefits 2025	21,867	3.7
Fixed remuneration	Pension expenses 2025	39,325	6.7
<b>Total</b>		<b>371,192</b>	<b>63.1</b>
<b>Variable remuneration components</b>			
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	-	-
<b>Total</b>		<b>217,346</b>	<b>36.9</b>
<b>Total</b>			
<b>Total remuneration</b>		<b>588,538</b>	<b>100.0</b>



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

### 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 %
<b>Current Supervisory Board members</b>				
Dr Matthias Prochaska (Chair since 2 October 2025) <sup>1, 2</sup>	–	–	–	–
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 <sup>3</sup>	100	40,000	100
<b>Total</b>	<b>240,000</b>	<b>100</b>	<b>240,000</b>	<b>100</b>

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

<sup>2</sup> No remuneration was owed or granted in the 2025 financial year.

<sup>3</sup> 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 %	in EUR	in %	in EUR	in %	in EUR	in %	in EUR	in %
<b>Current Executive Board members</b>												
Frank Nickel (since 3 April 2024)	653,538	331,095 <sup>1</sup>	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 <sup>2</sup>	100	–	–	–	–
<b>Former Executive Board members</b>												
Prof Dr Alexander Goepfert (until 3 April 2024)	415,000 <sup>3</sup>	526,042 <sup>4</sup>	–111,042	–21	82,121 <sup>4</sup>	18	443,921	100	–	–	–	–
Ingo Hartlief	–	–	–	–	–1,350,000	–100	635,380	89	–74,970	–9	–	–
Ralf Kind	–	–	–	–	–	–	–1,700,000	–100	–	–	–	–
<b>Employees</b>												
Employee average	109,620	108,817	803	– <sup>5</sup>	11,419	12	1,918	2	–11,222	–11	–	–
<b>Development of earnings</b>												
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	–	–

<sup>1</sup> 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.

<sup>2</sup> 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.

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

<sup>4</sup> 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.

<sup>5</sup> 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 %
<b>Current Supervisory Board members</b>												
Dr Matthias Prochaska (since 25 September 2025) <sup>1</sup>	0		-		-	-	-	-	-	-	-	-
Markus Hofmann (until 15 September 2025)	120,000		120,000		0	0	120,000	100 <sup>2</sup>	-	-	-	-
Frank Hölzle	80,000		80,000		0	0	0	0	0	0	20,000 <sup>3</sup>	33
Ernö Theuer (since 7 May 2024)	40,000		-		40,000	100	-	-	-	-	-	-
<b>Former Supervisory Board members</b>												
Prof. Dr Kerstin Hennig (until 1 May 2024)	-		53,333 <sup>4</sup>		-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
<b>Employees</b>												
Employee average	109,620		108,817		803	- <sup>5</sup>	11,419	12	1,918	2	-11,222	-11
<b>Development of earnings</b>												
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

<sup>1</sup> No remuneration was paid out in 2025.

<sup>2</sup> 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).

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

<sup>4</sup> 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).

<sup>5</sup> 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.<sup>1</sup>

<sup>1</sup> 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		
		<b>Amount of loss</b>		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.

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.



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### 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.<sup>1</sup>

<sup>1</sup> Dieser Absatz ist ungeprüft.



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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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# BALANCE SHEET

as at 31 December 2025

## ASSETS

in EUR	31.12.2025	31.12.2024
<b>A. Fixed assets</b>		
<b>I. Property, plant and equipment</b>		
1. Land, leasehold rights and buildings, including buildings on third-party property	5.00	5.00
2. Other equipment, operating and office equipment on third-party property	9,703.00	13,192.00
	<b>9,708.00</b>	<b>13,197.00</b>
<b>II. Financial assets</b>		
1. Investments in affiliated companies	241,110,816.95	241,110,716.96
2. Loans to affiliated companies	250,803,601.86	263,209,364.50
3. Loans to companies in which shares are held	22,259,217.19	25,150,000.00
4. Other loans	62,355,865.08	38,718,432.34
	<b>576,529,501.08</b>	<b>568,188,513.80</b>
	<b>576,539,209.08</b>	<b>568,201,710.80</b>
<b>B. Current assets</b>		
<b>I. Receivables and other assets</b>		
1. Trade accounts receivable	780,690.28	245,173.62
2. Receivables from affiliated companies	3,926,813.14	19,065,531.10
3. Other assets	5,036,554.08	12,443,004.21
	<b>9,744,057.50</b>	<b>31,753,708.93</b>
<b>II. Cash on hand and bank balances</b>	<b>5,096,715.25</b>	<b>10,668,185.99</b>
	<b>14,840,772.75</b>	<b>42,421,894.92</b>
<b>C. Prepaid expenses</b>	<b>16,108.25</b>	<b>229,694.68</b>
	<b>591,396,090.08</b>	<b>610,853,300.40</b>



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# BALANCE SHEET

as at 31 December 2025

## EQUITY AND LIABILITIES

in EUR	31.12.2025	31.12.2024
<b>A. Equity</b>		
<b>I. Subscribed capital</b>	<b>107,777,324.00</b>	<b>107,777,324.00</b>
Treasury shares	-2,264,728.00	-2,264,728.00
<b>Issued capital</b>	<b>105,512,596.00</b>	<b>105,512,596.00</b>
<b>II. Capital reserves</b>	<b>159,880,547.45</b>	<b>159,880,547.45</b>
<b>III. Accumulated loss</b>	<b>-166,529,713.62</b>	<b>-103,627,128.66</b>
	<b>98,863,429.83</b>	<b>161,766,014.79</b>
<b>B. Provisions</b>		
1. Tax provisions	21,844,725.17	17,742,325.30
2. Other provisions	40,454,601.95	15,995,384.66
	<b>62,299,327.12</b>	<b>33,737,709.96</b>
<b>C. Liabilities</b>		
1. Bonds	246,852,500.00	252,250,000.00
2. Trade payables	611,770.05	680,239.65
3. Liabilities due to affiliated companies	49,004,422.62	61,673,448.36
Other liabilities		
4. of which taxes EUR 537,146.76 (previous year: EUR 88,766.22) of which social security EUR 10,421.62 (previous year: EUR 0.00)	133,764,640.46	100,745,887.64
	<b>430,233,333.13</b>	<b>415,349,575.65</b>
	<b>591,396,090.08</b>	<b>610,853,300.40</b>


	
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# STATEMENT OF INCOME

for the financial year 1 January 2025 to 31 December 2025

in EUR	2025	2024
1. Revenue	4,690,309.06	4,004,657.32
2. Other operating income	38,859,651.97	56,009,520.34
	<b>43,549,961.03</b>	<b>60,014,177.66</b>
3. Staff costs		
a) Wages and salaries	4,593,204.15	4,704,338.79
b) Social security contributions and expenses for pension schemes and related benefits of which pension expenses EUR 42,046.74 (previous year: EUR 34,090.11)	528,831.29	472,886.59
	<b>5,122,035.44</b>	<b>5,177,225.38</b>
4. Depreciation		
a) of equipment	5,387.08	16,522.57
b) of assets reported as part of the current assets, to the extent that they exceed the depreciations customarily stated for the share capital company	27,689,685.01	55,616,773.77
	<b>27,695,072.09</b>	<b>55,633,296.34</b>
5. Other operating expenses	50,626,254.11	36,207,348.25
6. Income from investments	253,675.68	247,620.68
7. Profits transferred due to profit transfer agreements	3,588,811.75	61,052,419.77
8. Income from loans of financial assets	38,413,682.93	19,213,687.43
9. Other interest and similar income	2,673,824.83	3,343,046.53
10. Impairment of financial assets	18,947,781.81	43,097,078.79
11. Expenses from the assumption of losses	3,047,624.79	1,009,369.99
12. Interest and similar expenses	41,841,373.07	28,099,038.37
13. Expenses from compensation payments to minority shareholders	-	35,492.01
14. Income taxes	4,102,399.87	101,172.00
<b>15. Earnings after taxes</b>	<b>- 62,902,584.96</b>	<b>- 25,489,069.06</b>
<b>17. Net loss</b>	<b>- 62,902,584.96</b>	<b>- 25,489,069.06</b>
18. Loss carried forward	- 103,627,128.66	- 78,138,059.60
<b>19. Accumulated deficit</b>	<b>- 166,529,713.62</b>	<b>- 103,627,128.66</b>

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# GENERAL INFORMATION AND BASIS OF PRESENTATION OF THE ANNUAL FINANCIAL STATEMENTS

## General information

The annual financial statements of DEMIRE Deutsche Mittelstand Real Estate AG (“DEMIRE AG” or “the Company”) as at 31 December 2025 were prepared in accordance with the provisions of the German Commercial Code (HGB) concerning the accounting of corporations and the supplementary regulations of the German Stock Corporation Act (AktG). There were no additional provisions regarding accounting arising from the Company’s Articles of Association. The annual financial statements were prepared in EUR, with individual amounts stated in EUR thousands. The financial year corresponds to the calendar year.

DEMIRE AG is the parent company in the DEMIRE Group. In its function as the Group management holding company, DEMIRE AG is responsible for determining the overall strategy and implementing corporate objectives. The Company assumes financing, service and coordination tasks for the Group entities and is also responsible for the Group’s management, control and risk management systems.

As at the reporting date, the Company met the size criteria for small corporations pursuant to Section 267 (1) HGB. As the Company makes use of a regulated market as defined by Section 264d HGB in conjunction with Section 2 (11) of the German Securities Trading Act (WpHG) through securities issued by it, the Company is considered a large corporation pursuant to Section 267 (3) (2) HGB. Therefore, the Company is subject to the regulations for large corporations under commercial law.

The balance sheet categories comply with the category format under commercial law in accordance with Section 266 HGB, while the profit and loss account has been prepared in a tiered format using the total cost method in accordance with Section 275 (2) HGB.

The Company is headquartered in Frankfurt am Main. The Company’s business address and head management office is located in Langen (state of Hesse, Germany). The Company is recorded under HRB 89041 in the commercial register in Frankfurt am Main.

DEMIRE AG’s shares are listed in the Prime Standard segment of the regulated market of the Frankfurt Stock Exchange.

As the ultimate parent company, DEMIRE AG has prepared consolidated financial statements as at 31 December 2025 according to International Financial Reporting Standards (IFRS), as applicable in the European Union, and the supplementary provisions of the German Commercial Code pursuant to Section 315e (1) HGB, which are published in the Register of Businesses. The consolidated financial statements are also available on the [Company’s website](#).

The Company’s management report was combined with the Group management report by applying the provisions of Section 315 (5) HGB in conjunction with Section 298 (2) HGB.

Control and profit and loss transfer agreements have been concluded between DEMIRE AG and its subsidiaries DEMIRE Holding III GmbH, Frankfurt am Main, DEMIRE Holding IV GmbH, Frankfurt am Main, DEMIRE Holding X GmbH, Frankfurt am Main, and DEMIRE Holding XI GmbH, Frankfurt am Main. The Company is also the parent company of the value-added tax group for some of the subsidiaries.

The Company’s annual financial statements were prepared under the going-concern assumption.



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# INFORMATION ON ACCOUNTING POLICIES

The accounting policies applied and presented below are unchanged compared to the previous year:

## Non-current assets

### INTANGIBLE FIXED ASSETS

Acquired intangible fixed assets are measured at acquisition cost and amortised on a straight-line basis over their estimated useful economic life of three years. Internally generated intangible assets are not capitalised. If intangible assets are expected to be permanently impaired, their carrying amount is reduced to the lower fair value.

### PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment is carried at acquisition cost pursuant to Section 255 (1) HGB, less straight-line depreciation over the expected useful lives pursuant to Section 253 (1) and (3) HGB. The depreciation of the individual groups of property, plant and equipment is based on the useful lives ranging from three to 13 years. Additions to property, plant and equipment during the year are depreciated on a pro-rata basis. If intangible assets are expected to be permanently impaired, their carrying amount is written down to the lower fair value. If there are no longer any grounds for a lower valuation, a revaluation is carried out in accordance with Section 253 (5) HGB.

### LOW-VALUE ASSETS

Movable fixed assets with finite useful lives that can be used independently and have an acquisition cost of up to EUR 800 are fully depreciated in the year of acquisition. Fixed assets with an acquisition cost of more than EUR 800 are depreciated over their expected useful lives.


### LONG-TERM FINANCIAL ASSETS

Investments in affiliated companies are carried at acquisition cost. The cost of raising equity in the context of a capital increase that is related to the acquisition of subsidiaries is not capitalised as an incidental acquisition cost of the interests in affiliated companies in accordance with Section 248 (1) No.2 HGB. If companies are acquired in the context of capital increases against a mixed contribution in kind, the incidental acquisition cost for the cash component is capitalised on a pro-rata basis of the total expenses of the capital increase.

Loans to affiliated companies, loans to companies in which shares are held and other loans are generally carried at their nominal values.

If financial assets are expected to be permanently impaired, their carrying amount is reduced to the fair value recognising an impairment loss. These are recorded under "Impairment of financial assets" in the profit and loss account. If the reasons for the expected permanent impairment no longer exist, the impairment loss is reversed and recorded under "Other operating income" in the profit and loss account.

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## Current assets

### RECEIVABLES AND OTHER ASSETS

Trade accounts receivable, receivables due from affiliated companies, and other assets are carried at their nominal values. All identified risks are taken into account based on a corresponding impairment charge to the lower fair value. The amount of the impairment charge is based on the expected default risk.

### CASH IN HAND AND BANK BALANCES

Cash in hand and bank balances are carried at their nominal values as at the reporting date.

### PREPAID EXPENSES

Expenses incurred before the reporting date that represent expenditure for a certain period after that date are capitalised as prepaid expenses in accordance with Section 250 (1) HGB.

### DEFERRED TAXES

The amount of deferred taxes arising from temporary differences between the carrying amounts of assets, liabilities as well as prepaid expenses and deferred income in the commercial accounts and the tax carrying amounts is determined by applying the Company's individual tax rate at the time the difference is eliminated. The resulting tax expenses or tax benefits are not discounted. In addition, temporary differences between the carrying amounts of assets and liabilities, prepaid expenses

and deferred income in the commercial accounts and the tax carrying amounts of entities included in the tax group are recognised to the extent that the reversal of temporary differences is expected to result in future tax expenses or tax benefits at the Company as the tax group's parent company.

Any resulting net tax expenses are recognised on the balance sheet as deferred tax liabilities. Any resulting net tax benefits are not recognised under the respective capitalisation option. The Company had deferred tax assets both in the reporting year and the previous year. Deferred tax assets and liabilities are recognised on a net basis.

Deferred taxes are calculated based on the Company's combined income tax rate of 29.30% (31 December 2024: 29.30%) expected to be applicable at the time the differences will be reversed. The combined income tax rate includes corporation taxes, trade taxes and the solidarity surcharge.

### EQUITY

Subscribed capital is carried at its nominal value and is fully paid in.

The calculated value of the acquired own shares is deducted transparently from the item "Subscribed capital". The difference between the nominal value and the acquisition cost shall be offset against the freely available reserves.

Capital reserves result from various capital increases and are recognised at their nominal amount.



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## PROVISIONS

Provisions take into account all identifiable risks and uncertain obligations. They are carried at amounts deemed necessary to settle the future payment obligation based on a reasonable commercial assessment, including future cost and price increases, provided there is sufficient objective evidence that they will occur.

Provisions with a term of more than one year are initially recognised by applying the net method. Their measurement is based on the average market interest rate of the previous seven financial years of Deutsche Bundesbank in accordance with their maturity. For subsequent measurement, non-current provisions are to be reassessed, and the accrued interest is recorded under “Interest and similar expenses”.

## LIABILITIES

Liabilities are recognised at their settlement amount. When a liability's settlement amount is higher than its issuance amount, the difference is recognised as prepaid expenses and written down over the term of the liability.

## CONTINGENT LIABILITIES

The carrying amount of contingent liabilities corresponds to the liability's scope as at the reporting date. For more information, please refer to the presentation of the contingencies.



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# NOTES TO THE BALANCE SHEET

## Non-current assets

The classification and development of fixed assets, including depreciation and amortisation, during the financial year from 1 January 2025 to 31 December 2025 is covered from [page 98](#) of the attached statement of fixed assets.

## FINANCIAL ASSETS

Investments in affiliated companies amounted to EUR241,111 thousand (31 December 2024: EUR241,111 thousand).

Loans to affiliated companies of EUR250,804 thousand (31 December 2024: EUR263,209 thousand) relate to loans granted to the Company's subsidiaries and sub-subsidiaries to finance the acquisition of real estate companies and properties. These loan agreements are concluded within the Group and include a management premium on the interest rate.


There were no extraordinary impairments on shares in affiliated companies (previous year: EUR7,314 thousand). Impairments on loans to affiliated companies were recognised in the amount of EUR16,057 thousand (previous year: EUR33,749 thousand) to adjust them to fair value. During the financial year, loans to affiliated companies were revalued at a total of EUR8,647 thousand (previous year: EUR0 thousand).

For loans to affiliated companies, repayments amounted to EUR7,030 thousand from DEMIRE Meckenheim Merl GmbH, EUR5,520 thousand from DEMIRE Holding V GmbH and EUR4,907 thousand from DEMIRE Leonberg Neue Ramtelstraße GmbH. Loans in the amount of EUR8,647 thousand were attributed and increased loans to affiliated companies. The financial year also includes extraordinary depreciation of, among other things, EUR5,770 thousand against DEMIRE Neuss Breslauer Straße GmbH, EUR4,710 thousand against DEMIRE Frankfurt Gutleutstraße 85 GmbH and EUR4,560 thousand against DEMIRE Eschborn Frankfurter Straße GmbH.

For information on shareholdings, please refer to [page 99](#) of the attached Schedule of shareholdings as at 31 December 2025 in accordance with Section 285 Nos. 11, 11a and 11b HGB.

Loans to companies in which shares are held amount to EUR22,259 thousand (31 December 2024: EUR25,150 thousand) and relate to loan receivables from a company in which there is a shareholding of less than 50%. In the financial year, impairments of EUR2,891 thousand (31 December 2024: EUR0 thousand) were recognised on the loan.

Other loans include loan receivables from minority shareholders of affiliated companies in the amount of EUR2,866 thousand (31 December 2024: EUR2,913 thousand). Furthermore, a loan of EUR60,000 thousand was granted to a sister company in 2021 by a minority shareholder who, together with a subsidiary of DEMIRE AG, holds a stake of less than 50% in a joint venture, which was reported at EUR59,490 thousand as at the reporting date (31 December 2024: EUR35,805 thousand). The reduction in risk provisions of EUR23,685 thousand 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 JV Theodor-Heuss-Allee GmbH 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 on current interest receivables, see Section "Income statement" under "Depreciation and amortisation of current assets". The accumulated impairment totalling EUR9,061 thousand was initially allocated to interest receivables according to their maturity and the remaining portion to non-current receivables.

	
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## Current assets

Current assets consisting of receivables and other assets, as well as cash in hand and bank balances, totalled EUR 14,841 thousand as at the reporting date (31 December 2024: EUR 42,422 thousand).

In the 2025 financial year, impairment losses of EUR 23,532 thousand (31 December 2024: EUR 55,617 thousand) were recognised on receivables from companies in which DEMIRE Deutsche Mittelstand Real Estate AG indirectly holds a 100% interest (Limes portfolio and DEMIRE Holding XI GmbH) in order to adjust the assets to the lower fair value.

### Receivables and other assets

Trade accounts receivable of EUR 781 thousand (31 December 2024: EUR 245 thousand) concern mainly claims from service agreements with affiliated companies.

Receivables from affiliated companies of EUR 3,927 thousand (31 December 2024: EUR 19,066 thousand) comprise receivables arising from the profit and loss transfer agreements between consolidated tax group subsidiaries of EUR 3,589 thousand (31 December 2024: EUR 2,177 thousand), other receivables of EUR 4 thousand (31 December 2024: EUR 4 thousand), and claims arising from the tax group of EUR 334 thousand (31 December 2024: EUR 367 thousand).

The decline can be primarily attributed to the complete amortisation of loan receivables from companies in the Limes portfolio in the amount of EUR 16,517 thousand. This was offset by an increase of EUR 1,607 thousand from the profit and loss transfer agreement with DEMIRE Holding XI GmbH.

Other assets in the amount of EUR 5,037 thousand (31 December 2024: EUR 12,443 thousand) declined by EUR 7,406 thousand year-on-year. The decline is mainly due to interest receivables from affiliated companies that were settled during the year. In addition, interest receivables from minority shareholders of subsidiaries of DEMIRE AG

exist in the amount of EUR 0 thousand (31 December 2024: EUR 1,433 thousand). These have a nominal value of EUR 8,551 thousand, but have been written down in the amount of EUR 8,551 thousand due to a payment default. Other assets include interest receivables from affiliated companies in the amount of EUR 2,796 thousand.

As in the prior year, all receivables and other assets are due within one year.

### CASH AND CASH EQUIVALENTS

Cash and cash equivalents in the amount of EUR 5,097 thousand (31 December 2024: EUR 10,668 thousand) include cash in hand and current bank balances.

## Prepaid expenses

The active prepaid expenses in the amount of EUR 16 thousand (31 December 2024: EUR 230 thousand) consist of invoices for licences paid in the 2025 financial year but relating to the 2026 financial year.


## 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 at EUR 107,777 thousand in the period under review. 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.

No dividend was distributed in the 2025 financial year.

	
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Treasury shares in the amount of EUR2,005 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 EUR260 thousand were acquired in 2021 (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.

#### AUTHORISED CAPITAL


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 EUR53,888,662 (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.

in EUR thousand	2025	2024
As at 1 January	53,888.66	53,888.66
Utilisation of authorised capital	0.00	0.00
<b>As at 31 December</b>	<b>53,888.66</b>	<b>53,888.66</b>

#### CONDITIONAL CAPITAL 2024/I

Pursuant to Section 5 (4) of the Articles of Association, the Company's share capital is conditionally increased by up to EUR560,000.00 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.

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

	
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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.

#### **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.

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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 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.


### **Stock option programme**

#### **2019 Virtual Stock Option Programme**

In addition to the bonus, annual virtual stock options (otherwise known as "performance share units" or "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.

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.

This share option programme was issued effective 1 February 2019 for Mr Tim Brückner, effective 1 April 2023 for Mr Ralf Bongers and effective 1 April 2024 for Mr Frank Nickel (who has since left the Company). Under this stock option programme, each member of the Executive Board is granted PSUs every year. The number of PSUs granted per year is determined based on the allocation amount divided by the average share price of DEMIRE AG 60 trading days prior to the grant date. The grant is made annually, with the first grant made on the date mentioned above.

	
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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 the granting is EUR 4.29 for the 2022 tranche, EUR 2.14 and EUR 2.52 for the 2023 tranche (Mr. Bongers joining on 1 April 2023), and EUR 1.12 and EUR 0.88 for the 2024 tranche (Mr Nickel joined on 1 April 2024) and EUR 0.81 for the 2025 tranche.

### CAPITAL RESERVES

As at 31 December 2025, capital reserves amounted to EUR 159,881 thousand (31 December 2024: EUR 159,881 thousand).

As at the reporting date, capital reserves include full amounts in accordance with Section 272 (2) No. 1 HGB.

### ACCUMULATED LOSS

The Company's accumulated loss as at the reporting date is as follows:

In EUR thousand	2025	2024
Accumulated loss carried forward from the previous year (previous year: Accumulated profit)	- 103,627	- 78,138
Dividend payments	-	-
Net profit/loss for the period	- 62,903	- 25,489
<b>Accumulated loss as at 31 December</b>	<b>- 166,530</b>	<b>- 103,627</b>

### CHANGES IN EQUITY


The individual components of equity developed as follows during the reporting year:

In EUR thousand	Subscribed capital	Treasury shares	Capital reserves	Accumulated loss
<b>As at 1 January 2025</b>	<b>107,777</b>	<b>- 2,265</b>	<b>159,881</b>	<b>- 103,627</b>
2025 net profit	0	0	0	- 62,903
<b>As at 31 December 2025</b>	<b>107,777</b>	<b>- 2,265</b>	<b>159,881</b>	<b>- 166,530</b>

### PROVISIONS

Tax provisions include the tax burden determined for the taxable income of DEMIRE as at 31 December 2025. There were additions to the corporate income tax provision for the 2025 financial year in the amount of EUR 728 thousand. Additions to the trade tax provision in the amount of EUR 3,374 thousand were made.

Other provisions amounted to EUR 40,455 thousand (31 December 2024: EUR 15,995 thousand) and include obligations for outstanding invoices (EUR 421 thousand), accounting and audit (EUR 279 thousand), and staff costs (EUR 1,254 thousand).

	
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The shareholder agreement of DEMIRE Holding XIII GmbH with RFR Immobilien 4 (RFR 4) in connection with the joint venture JV Theodor-Heuss-Allee GmbH (JV) contains contractual options for the purchase or sale of shares in the JV. 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.

In the event of a significant decline in the market value of the property held by the JV, DEMIRE Holding XIII GmbH has no incentive as a shareholder of the JV to exercise the above-mentioned purchase option on the land. In this case, and subject to a vote on RFR 4 to exercise the land purchase option, RFR 4 will receive a call option and DEMIRE Holding XIII GmbH will receive a put option for the JV shares that it holds. The purchase price for the JV shares held by DEMIRE Holding XIII GmbH is calculated in both cases from its capital contributions less a penalty for DEMIRE Holding XIII GmbH in the amount of EUR 43,500 thousand. In addition, the loan previously granted by DEMIRE AG to RFR 5 must be repaid. The agreement includes DEMIRE AG and, in the event of a put option, provides for the penalty to be offset against the two loans it has issued in this structure. 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 AG 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).

A key factor that influences the value of the option is the voting behaviour of RFR 4. In addition to the aforementioned put/call options (and the potential penalties), there is also the possibility that DEMIRE AG (indirectly via DEMIRE Holding XIII GmbH) and RFR will agree to continue the joint venture. In this scenario, the options lose their value. In the event of an extension, DEMIRE AG's loan (to the JV) 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).


As at the reporting date, the Executive Board considers it highly likely that the put option will be exercised in 2026, and that the two loans will therefore be offset against the penalty. For this reason, a provision is required for the penalty, for which an amount of EUR 38,500 thousand has been recognised. This is recognised as a correction to the previous-year period in the current account.

## Liabilities

### CORPORATE BOND (2019/2024)/(2019/2027)

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.

	
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Furthermore, the Company is required to pay an additional fee of 3% to the bondholders if the Company fails to reduce the outstanding principal amount of the bond by EUR50 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 EUR50 million of the bond at the end of 2025 as originally planned.

In July 2025, DEMIRE made a partial repayment of EUR5.4 million, reducing the total outstanding principal amount of the bond to EUR246.9 million as at 31 December 2025.

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.

#### **Liabilities due to affiliated companies**

As at the reporting date, liabilities due to affiliated companies came to EUR49,005 thousand (31 December 2024: EUR61,673 thousand). This includes liabilities from loans to affiliated companies in the amount of EUR43,747 thousand (31 December 2024: EUR57,978 thousand), liabilities from profit and loss transfer agreements in the amount of EUR5,229 thousand (31 December 2024: EUR3,475 thousand), liabilities from the value-added tax group in the amount of EUR24 thousand (31 December 2024: EUR216 thousand) and other liabilities in the amount of EUR5 thousand (31 December 2024: EUR5 thousand).

#### **Other liabilities**

Other liabilities amounting to EUR133,765 thousand (31 December 2024: EUR100,746 thousand) mainly include loan liabilities to AEPF III 15 S.à r.l. in the amount of EUR124,524 thousand (31 December 2024: EUR97,342 thousand) and interest liabilities from the 2024/2027 bond in the amount of EUR534 thousand (31 December 2024 from the 2019/2024 bond: EUR551 thousand). Other liabilities include liabilities to affiliated companies in the amount of EUR534 thousand (31 December 2024: EUR2,554 thousand).



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The structure and the remaining term of the liabilities and details on collateralisation are shown in the schedule of liabilities below.

**31 DECEMBER 2025 (31 DECEMBER 2024)**

in EUR	up to 1 year	over 1 year	of which more than 5 years	Total
1. Bonds	0.00 (0.00)	246,852,500.00 (252,250,000.00)	0.00 (0.00)	<b>246,852,500.00</b> (252,250,000.00)
2. Trade payables	611,770.05 (680,239.65)	0.00 (0.00)	0.00 (0.00)	<b>611,770.05</b> (680,239.65)
3. Liabilities due to affiliated companies	5,257,900.71 (3,695,926.45)	43,746,521.91 (57,977,521.91)	0.00 (0.00)	<b>49,004,422.62</b> (61,673,448.36)
4. Other liabilities	1,835,101.56 (3,403,854.40)	131,929,538.90 (97,342,033.24)	0.00 (0.00)	<b>133,764,640.46</b> (100,745,887.64)
<b>Total</b>	<b>7,704,772.32</b> (7,780,020.50)	<b>422,528,560.81</b> (407,569,555.15)	<b>0.00</b> (0.00)	<b>430,233,333.13</b> (415,349,575.65)

**Contingencies**


DEMIRE AG has pledged liens and other guarantees to affiliated companies through the conclusion of credit and loan agreements:

Contingent liabilities exist from the provision of collateral for third-party liabilities with a value of EUR940 thousand (31 December 2024: EUR940 thousand) to affiliated companies. The risk of the above contingent liabilities being used is categorised as low. The net assets and earnings position of the affiliated companies is stable, and the companies can manage their liabilities independently.

**Collateralisation of liabilities**

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.

	
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### Other financial obligations and off-balance-sheet transactions

As at the reporting date, other financial obligations according to Section 285 No. 3 and 3a HGB totalling EUR279 thousand (31 December 2024: EUR259 thousand) consist of rental and lease contracts, each with the following maturities:

In EUR thousand	Total	up to 1 year	over 1 year	of which more than 5 years
Rental and lease contracts	279	250	29	0
of which from affiliated companies	228	228	0	0

Rental and lease contracts concern an office building rented from a subsidiary, leased property and operating and office equipment.

Off-balance-sheet transactions represent the rental and lease contracts described. As the Company is not obliged to purchase the assets, such transactions help optimise the balance sheet ratios. The future financial effects of the rental and lease contracts concluded are not material in assessing the Company's financial position.


### Deferred taxes

There was a surplus of deferred tax assets as at the reporting date.

Deferred taxes are measured at a combined tax rate of 29.30% (31 December 2024: 29.30%). This tax rate includes corporate taxes, trade taxes and a solidarity surcharge. For different valuations of financial assets, a tax rate of only 1.47% (5% of 29.30%) is applied due to the prohibition on making deductions to reduce taxable income. The surplus of deferred tax assets is not recognised in accordance with Section 274 (1) No. 2 HGB (negative figures represent deferred tax liabilities):

### BALANCE SHEET ITEMS

in EUR thousand	Deferred taxes
Investments in affiliated companies	- 152
Fixed assets of affiliated companies (profit and loss transfer agreement)	2,506
<b>Surplus of deferred tax assets</b>	<b>2,354</b>


	
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The year-on-year change in deferred tax assets consists of the following:

#### CHANGES IN DEFERRED TAXES

in EUR thousand	Deferred taxes
Deferred tax assets as at 1 January 2025	10,234
Investments in affiliated companies	404
Loans to affiliated companies	- 810
Other loans	- 4,452
Fixed assets of affiliated companies (profit and loss transfer agreement)	- 1,009
Receivables and other assets	- 2,013
<b>Deferred tax assets as at 31 December 2025</b>	<b>2,354</b>

Deferred tax assets primarily result from differences in other loans to affiliated companies, fixed assets between the commercial and tax balance sheets of companies with which a profit and loss transfer agreement exists, and differences in receivables and assets.

	
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# NOTES TO THE STATEMENT OF INCOME

## Revenue

Revenues of EUR 4,690 thousand (previous year: EUR 4,005 thousand) relate to services in the amount of EUR 4,334 thousand (previous year: EUR 3,920 thousand) to German companies and in the amount of EUR 356 thousand (previous year: EUR 85 thousand) to foreign companies, insofar as the place of management is located abroad. Revenues mainly include income from agency agreements with affiliated companies.

## Other operating income

Other operating income of EUR 38,860 thousand (previous year: EUR 56,010 thousand) mainly comprises income from revaluations of other loans in the amount of EUR 23,685 thousand (previous year: EUR 0 thousand), income from revaluations of loans to affiliated companies in the amount of EUR 8,647 thousand, reversals of provisions in the amount of EUR 6,385 thousand (previous year: EUR 124 thousand), the below-par repayment of the 2019/2024 bond in the amount of EUR 0 thousand (previous year: EUR 47,486 thousand) and income from the contribution of shares in affiliated companies to DEMIRE Holding XV SCSp at fair value in the amount of EUR 0 thousand (previous year: EUR 8,077 thousand).

Other operating income includes income relating to other periods in the amount of EUR 6,402 thousand (previous year: EUR 125 thousand), mainly comprising income from the reversal of provisions.


## Write-downs on current assets

Depreciation and amortisation of current assets includes depreciation and amortisation of loan receivables from companies in the Limes portfolio in the amount of EUR 17,201 thousand (previous year: EUR 53,040 thousand), depreciation on interest receivables attributable to these in the amount of EUR 2,624 thousand (previous year: EUR 2,577 thousand) and depreciation on an interest receivable from an affiliated company in the amount of EUR 3,707 thousand (previous year: EUR 0 thousand). In addition, write-downs on interest receivables for the RFR loan amounting to EUR 4,157 thousand (previous year: EUR 0 thousand) are included.

## Other operating expenses

Other operating expenses totalling EUR 50,626 thousand (previous year: EUR 36,207 thousand) mainly comprise a recognised risk provision for a penalty for JV Theodor-Heuss-Allee of EUR 38,500 thousand (previous year: EUR 0 thousand), expenses for a consent fee for the bond of EUR 7,406 thousand (previous year: EUR 0 thousand), legal and consulting fees of EUR 1,698 thousand (previous year: EUR 29,330 thousand), expenses for accounting, preparation and auditing of the annual and consolidated financial statements of EUR 516 thousand (previous year: EUR 1,081 thousand) and third-party services and labour of EUR 352 thousand (previous year: EUR 423 thousand).

Other operating expenses include expenses relating to other periods totalling EUR 38,500 thousand.

	
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## Income from investments

Income from investments of EUR 254 thousand (previous year: EUR 248 thousand) relates entirely to the allocation of 10.1% of the earnings of Fair Value REIT-AG Beteiligungsgesellschaft Erste bis Neunte mbH & Co. KG (previous year: 10.1%).

## Profits transferred due to profit transfer agreements

Profits received under profit transfer agreements in the amount of EUR 3,589 thousand (previous year: EUR 61,052 thousand) result from the profit transfer agreements concluded with DEMIRE Holding X GmbH, Frankfurt am Main, in the amount of EUR 1,954 thousand (previous year: EUR 2,149 thousand) and DEMIRE Holding XI GmbH, Frankfurt am Main, in the amount of EUR 1,635 thousand (previous year: EUR 27 thousand) and DEMIRE Leipzig Am alten Flughafen 1 GmbH, Frankfurt am Main, in the amount of EUR 0 thousand (previous year: EUR 58,876 thousand).

## Income from loans of financial assets

Income from loans of financial assets in the amount of EUR 38,414 thousand (previous year: EUR 19,214 thousand) relates predominantly to income from loans granted to affiliated companies to finance the acquisition of real estate companies and properties by subsidiaries and sub-subsidiaries (EUR 35,571 thousand) and income from other loans (EUR 2,843 thousand).

## Interest result

Other interest and similar income consists of interest on fixed-term investments and interest on receivables from the Limes portfolio in the amount of EUR 2,624 thousand (previous year: EUR 3,315 thousand).

Interest and similar expenses of EUR 41,841 thousand (previous year: EUR 28,099 thousand) mainly relate to interest payments for the existing 2019/2027 corporate bond, interest-related expenses from the bond buyback, and interest expenses to AEPF III 15 S.à r.l.

Interest and similar expenses due to affiliated companies amounted to EUR 5,897 thousand (previous year: EUR 3,506 thousand).

## Impairment of financial assets

Impairment of financial assets relates to impairment losses in the amount of EUR 18,948 thousand (previous year: EUR 43,097 thousand) on loans to and shares in affiliated companies and other loans.

## Expenses from the assumption of losses


Expenses from the assumption of losses in the amount of EUR 3,048 thousand (previous year: EUR 1,009 thousand) relate to the assumption of losses from existing control and profit and loss transfer agreements with subsidiaries. EUR 2,964 thousand (previous year: EUR 933 thousand) is attributable to DEMIRE Holding IV GmbH, Frankfurt am Main, and EUR 84 thousand (previous year: EUR 76 thousand) is attributable to DEMIRE Holding III GmbH, Frankfurt am Main.

## Income taxes

As the parent company of the tax group, the Company is also subject to taxation for subsidiaries included in the income tax group of consolidated companies through control and profit and loss transfer agreements.

Income taxes include expenses relating to other periods totalling EUR 3,571 thousand (previous year: EUR 0 thousand).

During the reporting period, the Swiss Federal Tax Administration in Bern, Switzerland, confirmed taxable capital contribution reserves (CCR) of EUR 47,069 thousand as at 31 December 2022 with regard to equity as at 31 December 2022.

	
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# OTHER DISCLOSURES

## Governing bodies

### EXECUTIVE BOARD MEMBERS AND REMUNERATION

The following were members of the Executive Board during the period under review and comparable prior-year period:

Mr Dirk Rüffel (CEO since 1 February 2026, term until 19 January 2027)

Mr Tim Brückner (CFO since 1 February 2019, term until 31 December 2026)

Mr Ralf Bongers (CIO since 1 April 2023, term until 31 March 2026)

Mr Frank Nickel (CEO from 3 April 2024, stepped down on 19 January 2026)

For the 2025 financial year, performance-related remuneration of EUR 525 thousand (previous year: EUR 199 thousand), fixed remuneration (without consideration of the severance payment) of EUR 1,127 thousand (previous year: EUR 1,020 thousand) and share-based remuneration of EUR 504 thousand (previous year: EUR 461 thousand) were recognised for the Executive Board of DEMIRE AG. 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.

The remuneration of the Executive Board members in office during the financial year is as follows:

in EUR thousand	Fixed remuneration	Performance-based remuneration	Share-based remuneration	Total 2025	Total 2024
Frank Nickel	442	212	220	874	540
Tim Brückner	371	217 <sup>1</sup>	162	750	552
Ralf Bongers	314	132	122	568	488
Alexander Goepfert <sup>3</sup>	0	0	0	415 <sup>2</sup>	111
<b>Total</b>	<b>1,127</b>	<b>561</b>	<b>504</b>	<b>2,607</b>	<b>1,691</b>

<sup>1</sup> In addition to the 2024 performance-related bonus (STI) of EUR 181 thousand, this also includes the multi-year variable remuneration from the 2021/2025 LTI tranche of EUR 37 thousand (differences in the total amount are due to rounding).


<sup>2</sup> This included outstanding basic remuneration for 2024, bonuses for 2023 and 2024, and severance pay.

<sup>3</sup> Stepped down on 2 April 2024

The Executive Board's fixed remuneration consists of fixed salary and fringe benefits. The fringe benefits consist of benefits in kind. Essentially, this includes the provision of a company car (if necessary, through a car allowance as an additional salary component).

Pension obligations and post-employment benefits for active or former members of the Executive Board did not exist or were not granted during the reporting year.

The members of the Executive Board were not granted any loans or advances, and no contingencies were assumed for their benefit.

	
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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, the 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.

The remuneration of the Executive Board is reviewed on a regular basis by the Supervisory Board.

Any 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 in the remuneration report as part of the management report.

Furthermore, the Supervisory Board laid down the performance criteria with regard to performance-related variable remuneration elements for the 2025 financial year. Details on the Executive Board members’ bonuses that were vested in the 2025 financial year are reserved for the remuneration report from the consolidated financial statements for the 2026 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 figures (rental income & FFO)
- 25%–50% Operational performance criteria: transaction and letting 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 for the 2024 financial year for Frank Nickel amounts to EUR212 thousand, EUR181 thousand for Tim Brückner and EUR132 thousand for Ralf Bongers. This was approved by the Supervisory Board in March 2025 and was paid out in 2025.

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

- Outstanding remuneration and STI for 2023 and 2024 of EUR 292 thousand
- Severance payment: EUR 123 thousand
- Further claims from the LTI for 2023 and 2024 (2027/2028 payment)

	
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## SUPERVISORY BOARD MEMBERS AND REMUNERATION

The names and professions of the Company's Supervisory Board members are shown in the table below.

The Supervisory Board's total remuneration for the financial year amounted to EUR 235 thousand (previous year: EUR 240 thousand). In addition, Supervisory Board members were reimbursed by the Company for travel expenses of EUR 1 thousand (previous year: EUR 1 thousand) incurred in the context of Supervisory Board meetings.

The following members of the Company's Supervisory Board held positions on other supervisory boards or in other supervisory bodies as defined by Section 125 (1) (5) AktG:


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

Name	Company	Position
Dr Matthias Prochaska, member of the Supervisory Board since 26 September 2025, Chair of the Supervisory Board since 2 October 2025, Executive Director	Lapithus Management, Luxemburg	Executive Director
Markus Hofmann Chair of the Supervisory Board until 15 September 2025, Managing Director	Renocle GmbH, Frankfurt am Main EVAMA Vermögensverwaltung GmbH & Co. KG, Munich	Managing partner Managing partner

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

Name	Company	Position
Frank Hölzle, Vice Chair of the Supervisory Board since 1 December 2017	Institut der Deutschen Immobilienwirtschaft e.V. (iddiw), Frankfurt	Vice President
	clickworker GmbH, Essen	Chair of the Advisory Board
	PROXIMUS Real Estate AG, Cologne	Member of the Supervisory Board
	SIC Invent AG, Basel/Switzerland	Member of the Board of Directors
	RankingCoach international GmbH, Cologne	Chair of the Advisory Board
	Care4 AG, Basel/Switzerland	Executive Board
	DEMIRE Deutsche Mittelstand Real Estate AG, Frankfurt am Main	Vice Chair of the Supervisory Board
	shareDnC GmbH, Cologne	Ordinary Member of the Advisory Board
	SevDesk GmbH, Offenburg	Member of the Advisory Board
	GreySky Properties AG, Basel/Switzerland	Member of the Board of Directors
	Darius Invest Frankfurt GmbH, Düsseldorf	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
	Frankfurt School Real Estate Institute, Frankfurt	Chair of the Practice Advisory Board
Ernö Theuer, Member of the Supervisory Board since 7 May 2024, Managing Director	CRESPI Group, Frankfurt am Main PRO Flughafen e. V., Frankfurt am Main	Managing partner CEO

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## Employees

The Company employed an average of 28 (previous year: 33) employees (excluding Executive Board) in the 2025 financial year. All of them were working in administration.

## Related party transactions

Related parties are legal or natural persons that can exercise influence over the Company or are subject to control or significant influence exercised by the Company.

Parties related to DEMIRE AG include the members of the Executive and Supervisory Boards, shareholders and governing bodies of subsidiaries, including their closely associated family members, and such entities over which the members of the Company's Executive and Supervisory Boards and/or their closely associated family members can exert significant influence or entities in which they hold significant voting rights. Related parties also include entities in which the Company holds an interest that allows it to significantly influence the investee's operating policies. Finally, the Company's major shareholders are also considered related parties.

Transactions with related parties are carried out mainly with subsidiaries.

## Statement with regard to the German Corporate Governance Code

The Supervisory Board and the Executive Board of DEMIRE AG are committed to the responsible and transparent management and control of the Company, geared to long-term value creation. The Declaration of Conformity with the German Corporate Governance Code required under Section 161 of the German Stock Corporation Act (AktG) has been made permanently available to shareholders on the [website of DEMIRE Deutsche Mittelstand Real Estate AG](#) under the section titled "Company".

## Total auditor's fee

The disclosure of the total fee paid to the auditor BDO AG Wirtschaftsprüfungsgesellschaft, Frankfurt am Main, in accordance with Section 285 No. 17 HGB is provided in the Notes to the Company's consolidated financial statements, which are published in the Register of Businesses.

## Disclosures on the parent company

As the parent company, the Company prepares consolidated financial statements according to the International Financial Reporting Standards (IFRS), as applicable in the EU, and the supplementary provisions of the German Commercial Code pursuant to Section 315e (1) HGB, which are published in the Register of Businesses. The consolidated financial statements of DEMIRE are the largest and the smallest scope of consolidation in which DEMIRE AG is included.

## Disclosures under Section 160 (1) Item 8 AktG

Under Section 160 (1) No. 8 AktG, the Company must disclose existing shareholdings that were notified to the Company in accordance with Section 33 (1) or (2) of the German Securities Trading Act (WpHG) during the reporting period, as well as those published under Section 40 (1) WpHG. In addition, further shareholdings that were notified to the Company after the end of the reporting period and until the preparation of the annual financial statements, and that were disclosed under Section 40 (1) WpHG, were considered. In the reporting period and up to the preparation of the annual financial statements, the Company received no such notifications. For the current status of notifications, please refer to the [Company's website](#).

## Executive Board's proposal for the appropriation of profits/losses

The Executive Board proposes to carry forward the net deficit for the year.



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## Responsibility Statement under Section 264 (2) (3) HGB

The Executive Board, as the legal representatives of DEMIRE AG, hereby confirms that, to the best of its knowledge and in accordance with the applicable reporting principles, the annual financial statements give a true and fair view of the net assets, financial position and results of operations of the Company, and the combined management report includes a fair review of the development of the business including the results and the position of the Company, together with a description of the principal opportunities and risks associated with the expected development of the Company.

## Events of particular significance after the reporting date

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

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 Ruffel  
(CEO)

Tim Brückner  
(CFO)

Ralf Bongers  
(Member of the  
Executive Board)



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# STATEMENT OF FIXED ASSETS

in EUR	Acquisition costs				
	01/01/2025	Additions	Disposals	Reclassifications	31.12.2025
<b>I. Property, plant and equipment</b>					
1. Land, leasehold rights and buildings, including buildings on third-party property	146,904.45	0.00	0.00	0.00	146,904.45
2. Other equipment, operating and office equipment on third-party property	105,136.04	1,898.08	0.00	0.00	107,034.12
	<b>252,040.49</b>	<b>1,898.08</b>	<b>0.00</b>	<b>0.00</b>	<b>253,938.57</b>
<b>II. Financial assets</b>					
1. Investments in affiliated companies	248,424,645.27	99.99	-	0.00	248,424,745.26
2. Loans to affiliated companies	318,690,616.06	48,356,501.16	53,352,263.80	0.00	313,694,853.42
3. Loans to companies in which shares are held	25,150,000.00	0.00	0.00	0.00	25,150,000.00
4. Other loans	63,261,246.46	0.00	47,334.60	0.00	63,213,911.86
	<b>655,526,507.79</b>	<b>48,356,601.15</b>	<b>53,399,598.40</b>	<b>0.00</b>	<b>650,483,510.54</b>
<b>Total</b>	<b>655,778,548.28</b>	<b>48,358,499.23</b>	<b>53,399,598.40</b>	<b>0.00</b>	<b>650,737,449.11</b>



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in EUR	Accumulated depreciation and amortisation					Carrying amounts		
	01/01/2025	Depreciation and amortisation financial year	Disposals	Reclassifications	Write-ups	31.12.2025	31.12.2025	31/12/2024
<b>II. Property, plant and equipment</b>								
1. Land, leasehold rights and buildings, including buildings on third-party property	146,899.45	0.00	0.00	0.00	0.00	146,899.45	5.00	5.00
2. Other equipment, operating and office equipment on third-party property	91,944.04	5,387.08	-	0.00	0.00	97,331.12	9,703.00	13,192.00
	<b>238,843.49</b>	<b>5,387.08</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>244,230.57</b>	<b>9,708.00</b>	<b>13,197.00</b>
<b>III. Financial assets</b>								
1. Investments in affiliated companies	7,313,928.31	0.00	0.00	0.00	0.00	7,313,928.31	241,110,816.95	241,110,716.96
2. Loans to affiliated companies	55,481,251.56	16,056,999.00	0.00	0.00	8,646,999.00	62,891,251.56	250,803,601.86	263,209,364.50
3. Loans to companies in which shares are held	-	2,890,782.81	0.00	0.00	0.00	2,890,782.81	22,259,217.19	25,150,000.00
4. Other loans	24,542,814.12	-	0.00	0.00	23,684,767.34	858,046.78	62,355,865.08	38,718,432.34
	<b>87,337,993.99</b>	<b>18,947,781.81</b>	<b>0.00</b>	<b>0.00</b>	<b>32,331,766.34</b>	<b>73,954,009.46</b>	<b>576,529,501.08</b>	<b>568,188,513.80</b>
<b>Total</b>	<b>87,576,837.48</b>	<b>18,953,168.89</b>	<b>0.00</b>	<b>0.00</b>	<b>32,331,766.34</b>	<b>74,198,240.03</b>	<b>576,539,209.08</b>	<b>568,201,710.80</b>



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# SCHEDULE OF SHAREHOLDINGS

pursuant to Section 285 Nos. 11, 11A and 11B HGB

Company	Share in capital in %	Equity 31/12/2025 in EUR	2025 net profit in EUR
<b>GERMANY</b>			
DEMIRE Apolda Wurzten 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
Panacea Property GmbH, Berlin <sup>1,3</sup>	51.00	-3,987.45	-3,177.57
Fair Value REIT-AG, Frankfurt am Main	84.35	81,250,132.00	-890,722.29
IC Fonds & Co. SchmidtBank-Passage KG, Langen <sup>2</sup>	48.09	3,449,071.29	-2,606,262.55
BBV Immobilien-Fonds Nr. 14 GmbH & Co. KG, Langen <sup>2</sup>	45.11	14,523,644.26	2,392,228.15
BBV Immobilien-Fonds Nr. 8 GmbH & Co. KG, Langen <sup>2</sup>	50.95	8,694,282.53	3,290,980.24
GP Value Management GmbH, Frankfurt am Main	84.35	107,323.27	6,382.28
BBV 10 Geschäftsführungs-GmbH & Co. KG, Offenbach am Main	84.35	24,842.73	0.00
BBV 14 Geschäftsführungs-GmbH & Co. KG, Offenbach am Main	84.35	24,839.84	0.00
BBV Immobilien-Fonds Nr. 10 GmbH & Co. KG, Langen <sup>2</sup>	45.56	10,811,273.11	-1,637,800.03
IC Fonds GmbH & Co. Gewerbeobjekte Deutschland 15. KG, Langen <sup>2</sup>	41.23	14,183,671.31	1,014,826.31
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
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
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



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Company	Share in capital in %	Equity 31/12/2025 in EUR	2025 net profit in EUR
<b>GERMANY</b>			
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 Margaretenhof 18 GmbH, Frankfurt am Main	94.90	553,944.63	- 116,159.41
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, Berlin	94.00	1,009,737.61	84,585.89
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 Holding VII GmbH, Frankfurt am Main	100.00	25,000.00	0.00
DEMIRE Holding VIII GmbH, Frankfurt am Main	100.00	25,000.00	0.00
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
DEMIRE Holding I GmbH, Frankfurt am Main	100.00	574,234.61	94,268.26
G+Q Effizienz GmbH, Berlin <sup>1</sup>	49.00	531,500.07	- 16,765.90
DEMIRE Kassel Kölnische Str. Mauerstr. Spohrstr. GmbH, Frankfurt am Main <sup>4</sup>	94.90	- 18,943,783.79	- 19,815,318.96
DEMIRE Betriebsvorrichtungen Nr. 2 GmbH, Frankfurt am Main	100.00	- 81,806.23	71,333.21
DEMIRE Betriebsvorrichtungen Nr. 1 GmbH, Frankfurt am Main	100.00	- 416,996.10	- 63,533.49
DEMIRE Holding XI GmbH, Frankfurt am Main	100.00	2,517,909.72	0.00
DEMIRE Holding X GmbH, Frankfurt am Main	100.00	25,000.00	0.00
DEMIRE Holding XII GmbH, Frankfurt am Main	100.00	- 27,871,964.55	- 3,439,667.79



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Company	Share in capital in %	Equity 31/12/2025 in EUR	2025 net profit in EUR
<b>GERMANY</b>			
DEMIRE Holding XIII GmbH, Frankfurt am Main	100.00	- 28,141,171.42	- 893,554.60
DEMIRE AN BN R PM FR FL GmbH, Frankfurt am Main	94.90	39,400,967.78	0.00
DEMIRE Kempten Bahnhofstr. Hirschstr. Alpenstr. GmbH, Frankfurt am Main	94.00	- 4,466,142.00	- 1,098,824.07
DEMIRE Köln Max-Glomsda-Straße 4 GmbH, Frankfurt am Main <sup>4</sup>	100.00	- 185,327.33	- 380,643.00
DEMIRE Bad Vilbel Konrad Adenauer Allee 1-11 GmbH, Frankfurt am Main	100.00	- 3,564,475.46	- 1,411,328.00
DEMIRE Essen Hatzper Str. Theodor-Althoff-Str. GmbH, Frankfurt am Main <sup>4</sup>	100.00	- 25,836,576.51	- 4,837,354.82
DEMIRE Aschheim Max-Planckstraße GmbH, Frankfurt am Main <sup>4</sup>	100.00	- 4,322,069.00	- 1,314,220.27
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 Ankauf 10 GmbH, Frankfurt am Main	100.00	2,453,919.10	53,815.12
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 BT HB DO H CLZ KS KO GmbH, Frankfurt am Main	94.00	994,705.62	1,717,406.69
DEMIRE Darmstadt Artillerie Str. 9 GmbH, Frankfurt am Main	94.00	- 87,470.03	- 463,613.74
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
Cielo BVO GmbH, Frankfurt am Main	100.00	154,220.63	- 1,418.89
JV Theodor-Heuss-Allee GmbH, Frankfurt am Main	49.50	- 42,080,506.18	4,483,954.35
DEMIRE Holding XIV GmbH, Frankfurt am Main	100.00	- 39,712.42	- 27,006.99
DEMIRE Bayreuth Nürnberger Straße 38 GmbH, Frankfurt am Main	94.00	- 398,812.76	138,580.31

	
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Company	Share in capital in %	Equity 31/12/2025 in EUR	2025 net profit in EUR
<b>SWITZERLAND</b>			
Sihlegg Investments Holding GmbH, Zug	94.0	-1,527,234.27	-87,676.50
<b>LUXEMBOURG</b>			
DEMIRE Holding 15 SCSp, Luxembourg	100.0	228,408,438.31	-38,065.71
DEMIRE Holding 16 SCSp, Luxembourg	100.0	122,955,610.22	-5,292,228.83
DEMIRE Holding 17 SCSp, Luxembourg	100.0	38,319,825.64	928,429.39
DEMIRE Holding 18 SCSp, Luxembourg	100.0	38,309,859.82	922,742.55
DEMIRE Holding 19 SCSp, Luxembourg	100.0	25,089,465.43	406,206.83
DEMIRE Holding 20 SCSp, Luxembourg	100.0	-51,302.88	-803,781.76
DEMIRE GP 15 S.à r.l, Luxembourg	100.0	-53,387.44	-43,487.79
DEMIRE GP 16 S.à r.l, Luxembourg	100.0	-43,910.27	-36,333.88
DEMIRE GP 17 S.à r.l, Luxembourg	100.0	-44,127.56	-36,497.03
DEMIRE GP 18 S.à r.l, Luxembourg	100.0	-44,190.33	-36,559.80
DEMIRE GP 19 S.à r.l, Luxembourg	100.0	-44,262.88	-36,568.08
DEMIRE GP 20 S.à r.l, Luxembourg	100.0	-44,387.31	-38,446.76

<sup>1</sup> Not fully consolidated due to its insignificance for the Group

<sup>2</sup> Fully consolidated because de facto control is exercised through quorum majority at the shareholder meeting

<sup>3</sup> 31st December 2024

<sup>4</sup> Not fully consolidated due to insolvency proceedings



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# INDEPENDENT AUDITOR'S REPORT

To DEMIRE Deutsche Mittelstand Real Estate AG, Frankfurt am Main

## Report on the audit of the annual financial statements and of the combined management report

### AUDIT OPINIONS

We have audited the annual financial statements of DEMIRE Deutsche Mittelstand Real Estate AG, Frankfurt am Main – which comprise the balance sheet as at 31 December 2025, the statement of income for the financial year from 1 January 2025 to 31 December 2025 and the notes to the financial statements, including the presentation of the recognition and measurement policies.

In addition, we have audited the combined management report of DEMIRE Deutsche Mittelstand Real Estate AG including the remuneration report in section “Remuneration report 2025“ and the associated information 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 the 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 annual financial statements comply, in all material respects, with the requirements of German commercial law applicable to business corporations and give a true and fair view of the assets, liabilities and financial position of the company as at 31 December 2025 and of its financial performance for the financial year from 1 January 2025 to 31 December 2025 in compliance with German Legally Required Accounting Principles, and

- the accompanying combined management report as a whole provides an appropriate view of the company's position. In all material respects, this combined management report is consistent with the annual financial statements, complies with German legal requirements and appropriately presents the opportunities and risks of future development. Our audit 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 annual financial statements and of the combined management report.

### BASES FOR THE AUDIT OPINIONS

We conducted our audit of the annual 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 ANNUAL FINANCIAL STATEMENTS AND OF THE COMBINED MANAGEMENT REPORT” section of our auditor's report. We are independent of the company 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.

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.

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We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions on the annual financial statements and on the combined management report.

### KEY AUDIT MATTERS IN THE AUDIT OF THE ANNUAL FINANCIAL STATEMENTS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the annual 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 annual 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 investments in and recoverability of loans to affiliated companies
2. Recoverability of loans to RFR Immobilien 5 GmbH and to JV Theodor-Heuss-Allee GmbH

#### 1. Measurement of investments in and recoverability of loans to affiliated companies

##### Matter

In DEMIRE Deutsche Mittelstand Real Estate AG's annual financial statements, investments in affiliated companies amounting to EUR 241.1 million (40.8% of total assets) and loans to affiliated companies amounting to EUR 263.2 million (42.5% of total assets) are reported under financial assets and thus constitute significant balance sheet items.

Investments in and loans to affiliated companies are generally recognised at cost or nominal value, or – where there is an impairment that is expected to be permanent – at the lower fair value. The fair values of investments in and loans to affiliated companies are based primarily on the fair values of the real estate held by the respective affiliated companies. The fair values of the real estate held by affiliated companies 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 management of the properties using the discounted cash flow method. To the extent possible, information observable on the market is used for the valuation (sources include, for example, publications by expert committees, rent indices, and market reports, as well as transaction databases). The remaining assets and liabilities of the affiliated companies are included in the determination of the fair values of the equity interests and loans to affiliated companies. During the financial year extraordinary write-downs on loans to affiliated companies in the amount of EUR 16.1 million (previous year: EUR 34.4 million) and write-ups on loans to affiliated companies in the amount of EUR 8.6 million (previous year: EUR 0.0 million) were recognized to state these at fair value. On the other hand, no impairment losses were recognised on investments in affiliated companies (previous year: EUR 7.3 million).

The valuation of equity interests and loans to affiliated companies depends on the legal representatives' assessment of future cash flows, as well as the discount and capitalisation rates and growth rates used in each case. Due to the significant impact of investments in and loans to affiliated companies on the company's financial position, the high complexity of the valuation, and the uncertainties associated with estimates, the valuation of investments and the impairment of loans to affiliated companies constitute a key audit matter.

	
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The company's disclosures regarding the valuation of equity interests and loans to affiliated companies are included in the Notes to the financial statements under sections "Information on Accounting Policies" under "Financial Assets" and "Notes to the Balance Sheet" under "Financial Assets".

#### Auditor's response

As part of our audit, we assessed the appropriateness of the executive directors' approach to identifying impairments, as well as the valuation model used and the assumptions made for the valuation. We assessed the underlying planning for plausibility by comparing the key planning assumptions with historical actual data and property-specific characteristics, and we performed variance analyses.

We first gained an understanding of the valuation process, the planning assumptions used, and the valuation model, and assessed the methodological and computational accuracy of the valuation model employed. In particular, with the assistance of internal specialists, we assessed whether the fair values of the properties were determined appropriately using discounted cash flow models in accordance with the relevant valuation standards. As part of these audit procedures, we performed a property-by-property comparative analysis for a deliberate, risk-based selection of real estate held by affiliated companies, taking into account the valuation parameters used by the legal representatives. In doing so, we assessed the appropriateness of the valuation parameters used (the expected market rents, the planned investment and maintenance costs, the assumptions regarding re-leasing and subsequent leasing, as well as the discount and capitalisation rates). To assess their appropriateness, we compared these with data observable in the market (in particular rent indices, transaction data, market reports, and publications by expert committees) and also assessed whether the discount and capitalisation rates appropriately 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. Furthermore, for the purpose of plausibility checks, we compared the determined fair values with our expectations regarding value development at both the portfolio and individual property levels.

Finally, we assessed whether the values of the real estate determined for each affiliated company, taking into account other assets and liabilities, were appropriately compared to the corresponding carrying amount of the financial investments in order to identify any need for impairment or write-ups of the equity interests, as well as any potential need for impairment of the equity interests and loans to affiliated companies.

## 2. RECOVERABILITY OF LOANS TO RFR IMMOBILIEN 5 GMBH AND TO JV THEODOR-HEUSS-ALLEE GMBH

### Matter

The company's financial statements report, under the balance sheet item "Financial Assets," other loans totalling EUR 62.4 million (previous year: EUR 38.7 million) as well as loans to companies in which the company holds an equity interest totalling EUR 22.3 million (previous year: EUR 25.2 million). Together, these account for 14.3% of total assets. Of this amount, a portion of EUR 59.5 million (previous year: EUR 35.8 million) relates to a loan to RFR Immobilien 5 GmbH, Frankfurt am Main, which the company granted in the course of the formation of JV Theodor-Heuss-Allee GmbH, Frankfurt am Main, in the original amount of EUR 60.0 million. Since the financial year 2023, RFR Immobilien 5 GmbH has not paid the interest due in connection with the loan. Loans to companies in which the company holds an equity interest are entirely attributable to a loan to JV Theodor-Heuss-Allee GmbH.

Loans are recognized at their nominal values and, in accordance with Section 253(3), sentence 5 of the German Commercial Code (HGB), are measured at the lower of cost or fair value if there is evidence of an impairment that is expected to be permanent. Revaluations are made when the reasons for an impairment that is expected to be permanent no longer exist.

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A write-up of EUR 23.7 million was recognized in income during the financial year in connection with the loan to RFR Immobilien 5 GmbH. The write-up 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 JV GmbH (Cielo) ownership structure. The unpaid interest receivables were fully written down as of the balance sheet date. Of this amount, additions to the allowance for interest receivables in the amount of EUR 4.2 million were recognized as an expense during the financial year.

An impairment charge of EUR 2.9 million was recognized for the loan to JV Theodor-Heuss-Allee GmbH during the financial year.

The assessment of the loans' recoverability depends to a large extent on how the executive directors estimate future cash flows from the loans and it is therefore subject to significant uncertainties and judgement options. In particular, there is a risk that the loans are overvalued due to inappropriate assumptions regarding future cash flows. Against this background and given the material significance for the company's financial position, results of operations, and cash flows, this matter was of particular importance in the context of our audit.

The company's disclosures regarding the valuation of the loan are included in the notes to the financial statements under sections "Information on Accounting Policies" and "Financial Assets".

#### **Auditor's response**

As part of our audit, we first gained an understanding of the key terms contained in the loan agreement with RFR Immobilien 5 GmbH, including the agreed securities. In addition, we reviewed the contractual framework of JV Theodor-Heuss-Allee GmbH and obtained an overview of the legal and economic conditions surrounding the granting of the loan.

We have assessed the assumptions and estimates underlying the loan valuations regarding the future solvency of both borrowers. To this end, we reviewed the underlying documents, obtained information from third parties, conducted discussions with the legal representatives of DEMIRE AG, and reviewed a court judgment in order to understand the background of the payment defaults by RFR Immobilien 5 GmbH. To assess the executive directors' assessment of the expected cash flows from the loan receivables, we held discussions with the executive directors, reviewed the documents underlying the valuation, and assessed the recoverability of the existing securities.

#### **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.

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Our audit opinions on the annual financial statements and on the combined management report do not cover the other information, and consequently we do not express an audit 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 annual 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.

#### **RESPONSIBILITIES OF THE EXECUTIVE DIRECTORS AND THE SUPERVISORY BOARD FOR THE ANNUAL FINANCIAL STATEMENTS AND THE COMBINED MANAGEMENT REPORT**

The executive directors are responsible for the preparation of the annual financial statements that comply, in all material respects, with the requirements of German commercial law applicable to business corporations, and that the annual financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the company in compliance with German Legally Required Accounting Principles. In addition, the executive directors are responsible for such internal control as they, in accordance with German Legally Required Accounting Principles, have determined necessary to enable the preparation of annual 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 annual financial statements, the executive directors are responsible for assessing the company'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, provided no actual or legal circumstances conflict therewith.

Furthermore, the executive directors are responsible for the preparation of the combined management report that as a whole provides an appropriate view of the company's position and is, in all material respects, consistent with the annual 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 company's financial reporting process for the preparation of the annual financial statements and of the combined management report.

The executive directors and the supervisory board are also responsible for the preparation of the remuneration report, contained in a separate section of the combined management report, including the associated information, which meets the requirements of § 162 AktG. They are also responsible for such internal controls as they determined necessary to enable the preparation of a remuneration report, including related information, that is free from material misstatement, whether due to fraud or error.

	
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## AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE ANNUAL FINANCIAL STATEMENTS AND OF THE COMBINED MANAGEMENT REPORT

Our objectives are to obtain reasonable assurance about whether the annual 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 company's position and, in all material respects, is consistent with the annual 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 audit opinions on the annual 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) 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 annual financial statements and this combined management report.

We exercise professional judgment and maintain professional scepticism throughout the audit. We also

- identify and assess the risks of material misstatement of the annual 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 annual 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 of the company.
- 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 company'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 annual 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 company to cease to be able to continue as a going concern.
- evaluate the overall presentation, structure and content of the annual financial statements, including the disclosures, and whether the annual financial statements present the underlying transactions and events in a manner that the annual financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the company in compliance with German Legally Required Accounting Principles.
- evaluate the consistency of the combined management report with the annual financial statements, its conformity with German law, and the view of the company's position it provides.

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— 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 audit 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.

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 annual 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.

## AN OTHER MATTER – FORMAL EXAMINATION OF THE REMUNERATION REPORT

The audit of the combined management report described in this audit report includes the formal review of the remuneration report required by § 162 (3) of the German Stock Corporation Act (AktG), including the issuing of a note on this audit. Since we express an unrestricted opinion on the combined management report, this audit opinion implies that the disclosures pursuant to § 162 (1) and (2) of the German Stock Corporation Act (AktG) have been made in the remuneration report in all material respects.

## Other legal and regulatory requirements

**Report on the assurance on the electronic rendering of the annual 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 annual financial statements and the combined management report (hereinafter the "ESEF documents") contained in the electronic file "demire-2025-12-31-de.xhtml" 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 annual 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.

	
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In our opinion, the rendering of the annual 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 annual 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 ANNUAL 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.

#### **BASIS FOR THE ASSURANCE OPINION**

We conducted our assurance work on the rendering of the annual 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 DOCUMENTS**

The executive directors of the company are responsible for the preparation of the ESEF documents with the electronic renderings of the annual financial statements and the combined management report in accordance with § 328 (1) sentence 4 No. 1 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 annual financial statements and to the audited combined management report.



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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 4 June 2025. We have been the auditor of the 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 annual financial statements and the audited combined management report as well as the assured ESEF documents. The annual 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 annual 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  
Public auditor



sgd. Rucker  
Public auditor



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# IMPRINT

## COMPANY CONTACT

DEMIRE Deutsche Mittelstand Real Estate AG  
Robert-Bosch-Straße 11  
63225 Langen, Germany  
T +49 (0) 6103 – 372 49 – 0  
F +49 (0) 6103 – 372 49 – 11  
ir@demire.ag   
www.demire.ag 



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