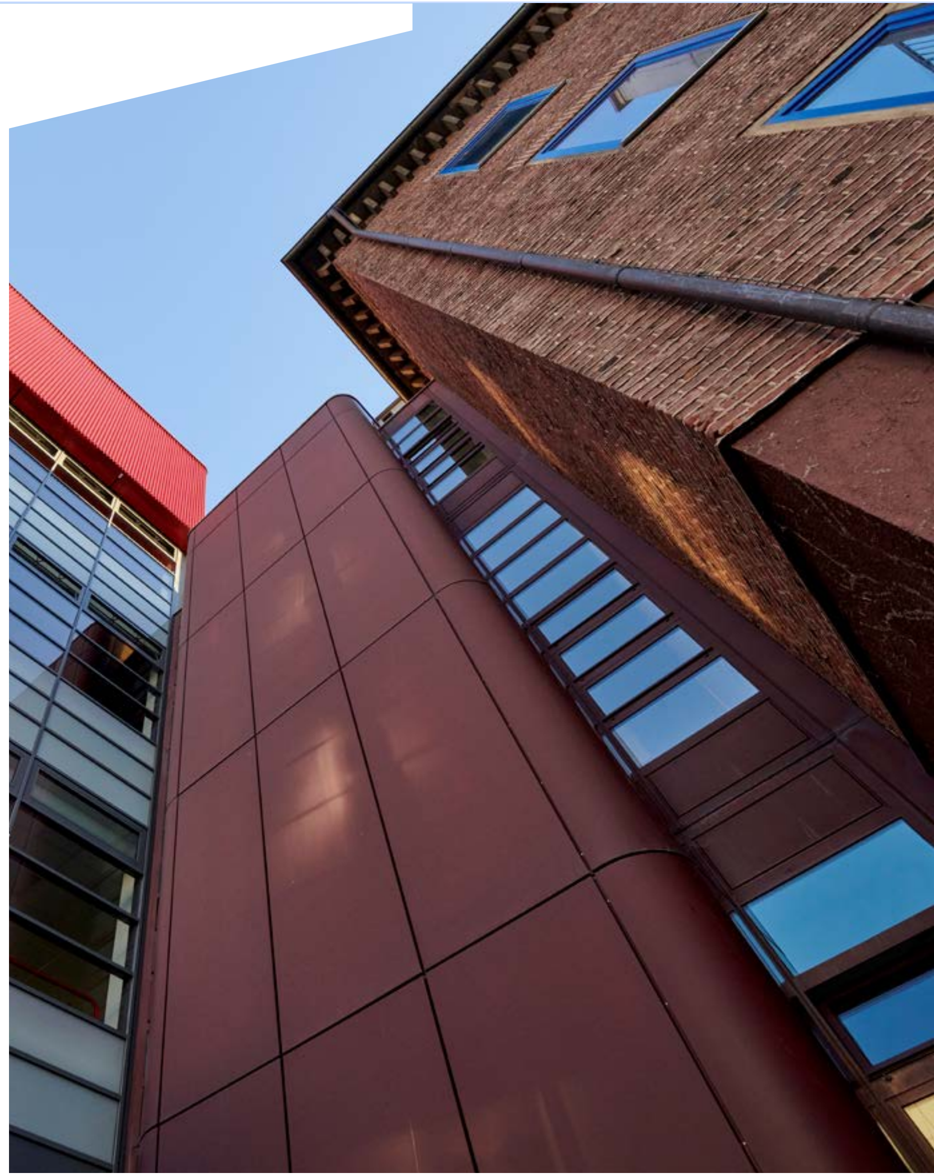
DEMIRE

ANNUAL REPORT 2024



65.3

RENTAL INCOME in EUR million – sales-related fall of 16.9% from EUR 78.5 million in 2023

23.4

in EUR million
FFO I (after taxes, before minority interests), – 36.4% compared to EUR 36.7 million in 2023

40.9

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

PROFILE

DEMIRE Deutsche Mittelstand Real Estate AG acquires and holds commercial real estate in medium-sized cities and up-and-coming regions bordering metropolitan areas across Germany. We focus on office properties, with retail and hotel properties also featured in our portfolio. As at 31 December, we managed 51 properties with lettable floor space of around 603,500 m² and a total market value of around EUR 779.3 million. The Cielo property in Frankfurt is accounted for using the equity method, so is not included in the property-specific figures.

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

KEY INDICATORS

in EUR million	2024	2023
Key earnings figures		
Rental income	65.3	78.5
Profit/loss from the rental of real estate[1]	44.5	56.2
Profit/loss from the sale of real estate	– 7.3	– 14.3
Profit/loss from fair-value adjustments of investment properties	– 48.9	– 146.3
Profit/loss from fair-value adjustments of assets held for sale	– 9.8	– 30.5
EBIT	– 93.0	– 187.9
FFO I (after taxes, before minorities)	23.4	36.7
Key balance sheet figures (31 Dec.)		
Total assets	951.2	1,328.0
Equity ratio (in %)	25.4	25.1
Net-LTV (excl. shareholder loan, in %)	40.9	57.7
Average nominal interest costs, p.a. (excl. shareholder loan, in %)	4.35	1.74
Key portfolio indicators (31 Dec.)		
Market value of the portfolio[2]	779.3	1,075.6
Annualised contractual rents	56.4	76.7
Rental yield (in %)	7.2	7.1
WALT (in years)	4.6	4.6
EPRA vacancy rate[3] (in %)	15.1	13.1
Further indicators (31 Dec.)		
NAV (basic)	258.1	341.5
NAV per share (basic)	2.45	3.24

[1] In the 2024 reporting year and as a change to the previous year's figures, expenses from agency agreements and legal advice that are directly allocated to the generation of rental income were recognised accordingly in net rental income. In addition, impairments of trade receivables are presented as a component of direct expenses for the generation of rental income and have therefore been recognised in the income statement item profit/loss from the rental of real estate.
[2] The market value (in EUR million) represents the total fair value of DEMIRE's property portfolio as of the reporting date. In contrast to the balance sheet total of the "Total portfolio", no leaseholds or operating facilities are recognised.
[3] Excluding project developments

Key for navigating the annual report:

Reference to table of contents

Reference to another page in the annual report

Reference to websites

CONTENTS

COMPANY AND SHAREHOLDERS 2
Foreword by the Executive Board 3
Executive Board and Supervisory Board 6
Report of the Supervisory Board 8
DEMIRE on the capital market 11
Corporate governance 15
Overview of our portfolio 24

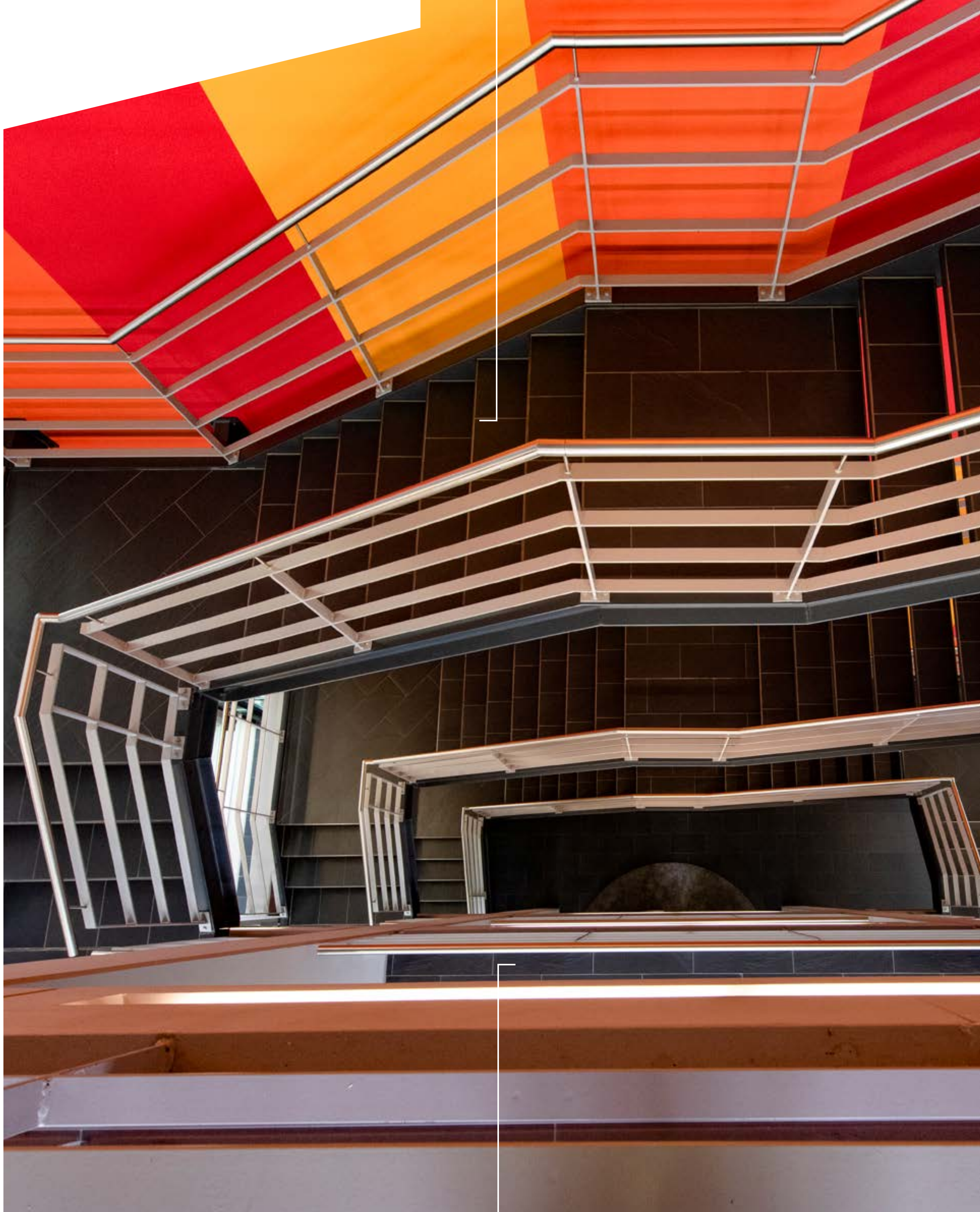
COMBINED MANAGEMENT REPORT 26
Group principles 27
Economic report 37
Other statutory disclosures 57
Opportunities and risks 82
Outlook 93

CONSOLIDATED FINANCIAL STATEMENTS 95
Consolidated statement of income 96
Consolidated statement of comprehensive income 97
Consolidated balance sheet 98
Consolidated statement of cash flows 100
Consolidated statement of changes in equity 102
Notes to the consolidated financial statements 104
Shareholdings 166
Statement of fixed assets 170
Declaration by the executive directors 171
Independent auditor's report 172
Disclosures on real estate valuation 181
Sensitivity analysis of real estate valuation as at 31 December 2024 183
Fundamental company data 187

FURTHER DISCLOSURES 188
EPRA disclosures 189
Contact & imprint 203

COMPANY AND SHAREHOLDERS

Foreword by the Executive Board	3
Executive Board and Supervisory Board	6
Report of the Supervisory Board	8
DEMIRE on the capital market	11
Corporate governance	15
Overview of our portfolio	24



COMPANY AND SHAREHOLDERS 2
Foreword by the Executive Board 3
Executive Board and Supervisory Board 6
Report of the Supervisory Board 8
DEMIRE on the capital market 11
Corporate governance 15
Overview of our portfolio 24

COMBINED MANAGEMENT REPORT 26

CONSOLIDATED FINANCIAL STATEMENTS 95

FURTHER DISCLOSURES 188

FOREWORD BY THE EXECUTIVE BOARD

Dear Readers,

We would like to start this review of 2024 by mentioning a major success, namely the successful extension of our bond, which we have achieved together with our bondholders, shareholders and the DEMIRE team. We have found a fair solution for all parties involved after comprehensive negotiations. Amongst other things, we have repaid around EUR 194 million of the bond, which is considerably below par, and achieved revenues of around EUR 38 million for the company. The remaining and approximate sum of EUR 253 million has been successfully extended at an attractive nominal interest rate per annum of 5.0% until the end of 2027.

The economic environment in 2024 was once again characterised by considerable challenges. Positive developments included the substantial drop in inflation during the course of the year and associated reductions in the European Central Bank's interest rate since the summer of 2024. Nevertheless, these fundamentally positive developments for the real estate industry have been overshadowed by continued contraction of the German economy for the second year in succession.

"2024 was marked by the successful bond refinancing. Operationally, it was a year of transition in which DEMIRE prepared for the future by optimising its portfolio in a targeted manner."

FRANK NICKEL, CEO

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

COMPANY AND SHAREHOLDERS 2
Foreword by the Executive Board 3
Executive Board and Supervisory Board 6
Report of the Supervisory Board 8
DEMIRE on the capital market 11
Corporate governance 15
Overview of our portfolio 24

COMBINED MANAGEMENT REPORT 26

CONSOLIDATED FINANCIAL STATEMENTS 95

FURTHER DISCLOSURES 188

The commercial property real estate market remained subdued in the light of continued sluggish economic development. As a result, DEMIRE's portfolio value was externally valued within the normal market range and fell in value by around – 3%. This considerably lower value correction compared to the previous year signals that transaction prices are stabilising. Despite the ongoing difficult market environment, DEMIRE achieved the highest annual sales volume in its history with sales of EUR 131 million. The logistics property LogPark in Leipzig and six smaller properties, among others, were sold off in order to streamline the portfolio. Proceeds from the sales will help the company continue to progress. We have made considerable progress here with the partial repayment of the corporate bond and a net loan-to-value ratio of 40.9% at the end of 2024.

Despite this progress, movement in the rental market is restrained due to the difficult economic environment, as was also the case last year. Letting performance in 2024 was around 68,000 m², meaning it was lower than the previous year's figures and also below average compared to the last few years. The EPRA Vacancy Rate[1] rose to 15.1% (+2.0 percentage points compared to the previous year), predominantly due to our former main tenant MeinReal leaving the building in Querfurt after becoming insolvent as well as increased cases of empty property in both Düsseldorf and Langenfeld. The like-for-like contractual rent fell by 3.2%, primarily due to the increase in vacancies. Our largely index-linked rental agreements created positive effects. In addition, we achieved further growth in the average contractual rent per m2 by 6.9%. We expect the rental market to remain weak during the first half of 2025 as such markets tend to run a few months behind economic development.

In 2024's challenging macroeconomic environment, DEMIRE achieved a result in line with its budget for the year. Rental income of EUR 65.3 million and funds from operations I (FFO I) of EUR 23.4 million were both within the forecast range.

> **"Successful refinancing and targeted reduction of debt mean we have improved DEMIRE's financial stability and have created the conditions for long-term flexibility in a challenging market environment."**
>
> **TIM BRÜCKNER,** CFO

We have made considerable progress in 2024 on the path to becoming a sustainable real estate company. For example, we also offer "green leases" to tenants to work together with us for improving the sustainability of properties and enhance their efficiency. Other examples include gradually fitting our properties with smart meters for automatically calculating and optimising consumption whilst also making the conversion to purchase power from renewable sources. All these measures are stepping stones on our way to greater sustainability as a real estate company. We are aware that such changes need time – the necessary steps are too far-reaching to be implemented overnight. We understand the path to becoming a sustainable real estate company as being part of what we do as a company to be successful in the long run. Alongside the specific measures to develop sustainability in our portfolio, we also strive to improve the level of transparency.

[1] Excluding project developments

COMPANY AND SHAREHOLDERS 2
Foreword by the Executive Board 3
Executive Board and Supervisory Board 6
Report of the Supervisory Board 8
DEMIRE on the capital market 11
Corporate governance 15
Overview of our portfolio 24

COMBINED MANAGEMENT REPORT 26

CONSOLIDATED FINANCIAL STATEMENTS 95

FURTHER DISCLOSURES 188

> **“By clearly focusing on transactions and streamlining the portfolio, we have achieved the highest sales volumes in company history – a major contribution in successful bond refinancing and also in optimising our portfolio.”**

RALF BONGERS, EXECUTIVE BOARD MEMBER FOR TRANSACTIONS

As was the case last year, our sustainability report fulfilled the most stringent requirements as set out by EPRA, the pan-European association for all real estate companies listed on the stock exchange, and was granted the Gold Award as a result. The quality and depth of sustainability reporting will be further improved in the future. In 2024, we worked hard to identify the key sustainability indicators and information for our company, with the aim of further improving the data quality and scope of the EPRA Sustainability Report.

We have started 2025 full of purpose and with significant new projects so that DEMIRE can continue its development and be in the best possible position. Furthermore, a digital contract management and signature system has been introduced at the start of 2025 to further accelerate operative processes on top of the numerous activities being carried out to enhance sustainability. In addition, we in our role as the Executive Board have also set important financial and operative targets alongside these various measures for improvement. It is important for us to further reduce the loan-to-value ratio at DEMIRE, whose current net loan-to-value (net LTV) ratio is 40.9%, and to make an early partial repayment of the corporate bond. Property sales will play a major part in achieving this target. We will continue to follow our strategy and sell properties that do not conform with strategy. The resulting streamlined, core portfolio will position DEMIRE for organic growth once again. This challenging economic environment means we also want to take advantage of any profitable rental opportunities for the company, and we have reorganised and recruited new members for our Asset Management team so we are in a position to do so.

Positive signals from the market due to easing of the interest rate environment could give further impetus regarding transactions in the coming months. In addition, the completed extension to our bond has given us a high level of financial planning security. The DEMIRE will make every effort once again in 2025 to achieve its targets. At this point we would like to express our gratitude to all staff in 2024 for their excellent work.

We hope you enjoy reading our annual report and look forward to also exchanging ideas with you.

Frankfurt am Main, 19 March 2025

The DEMIRE AG Executive Board

Frank Nickel (CEO)	Tim Brückner (CFO)	Ralf Bongers (Executive Board Member for Transactions)

COMPANY AND SHAREHOLDERS 2
Foreword by the Executive Board 3
Executive Board and Supervisory Board 6
Report of the Supervisory Board 8
DEMIRE on the capital market 11
Corporate governance 15
Overview of our portfolio 24

COMBINED MANAGEMENT REPORT 26

CONSOLIDATED FINANCIAL STATEMENTS 95

FURTHER DISCLOSURES 188

EXECUTIVE BOARD AND SUPERVISORY BOARD

EXECUTIVE BOARD

Frank Nickel (Chief Executive Officer)
CEO since 3 April 2024
Appointment until 31 March 2026

Mr Frank Nickel (born 1959) has been the Chief Financial Officer of DEMIRE Deutsche Mittelstand Real Estate AG in Langen since 3 April 2024. Mr Nickel has been serving as a Senior Advisor since September 2022. From 2016 to 2019, Mr Frank Nickel was Chair of the Executive Board of CA Immobilien Anlagen AG (CA Immo) in Vienna. Before that, he was Chair of the Executive Board of Cushman & Wakefield Germany in Frankfurt from 2013 to 2015, and was Chair of the Corporate Finance Business Unit of EMEA Cushman & Wakefield. Both of these positions gave him extensive experience in the strategic realignment of real estate companies. Mr Nickel served as Managing Director at Deutsche Bank in Frankfurt from 2006 to 2012. Prior to that, he worked at various companies including Fortress Investment Group Germany and Commerzbank.

Prof. Dr Alexander Goepfert (CEO)
CEO since 1 January 2023
Stepped down on 3 April 2024

Prof. Dr Alexander Goepfert (born 1956) was CEO of DEMIRE Deutsche Mittelstand Real Estate AG in Langen from 1 January 2023 to 3 April 2024. He was previously Chair of the Supervisory Board from 2018 until the end of 2022. He was a member of the Supervisory Board of Fair Value REIT-AG from the beginning of 2023 to July 2024. Prof. Dr Alexander Goepfert is an honorary professor at the EBS University of Business and Law in Wiesbaden/Oestrich-Winkel and heads the Competence Center for Real Estate Law there. Until the end of 2020, he was a Senior Advisor at Apollo Global Management, one of the world's leading private equity investors. Between 2011 and 2018, Prof. Dr Alexander Goepfert was a partner at the law firm Noerr Partnerschaftsgesellschaft mbB, where he set up and headed the international Noerr Real Estate Investment Group. Prior to that, Prof. Dr Alexander Goepfert worked for many years as a partner at Freshfields Bruckhaus Deringer LLP and its predecessor firm Bruckhaus Westrick Stegemann.

Tim Brückner (CFO)
CFO since 1 February 2019
Appointment until 31 December 2026

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

Ralf Bongers (Executive Board Member for Transactions)
Member of the Executive Board since 1 April 2023
Appointment until 31 March 2026

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

COMPANY AND SHAREHOLDERS 2
Foreword by the Executive Board 3
Executive Board and Supervisory Board 6
Report of the Supervisory Board 8
DEMIRE on the capital market 11
Corporate governance 15
Overview of our portfolio 24

COMBINED MANAGEMENT REPORT 26

CONSOLIDATED FINANCIAL STATEMENTS 95

FURTHER DISCLOSURES 188

SUPERVISORY BOARD

Markus Hofmann (Chair of the Supervisory Board)
Member of the Supervisory Board since 1 January 2023
Chair of the Supervisory Board since 25 January 2023

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

Frank Hölzle (Vice Chair of the Supervisory Board)
Vice Chair of the Supervisory Board since 14 February 2017

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

Ernö Theuer (Member of the Supervisory Board)
Member of the Supervisory Board since 7 May 2024

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

Prof. Dr Kerstin Hennig (Member of the Supervisory Board)
Member of the Supervisory Board since 29 May 2019
Resignation from the Supervisory Board as of 1 May 2024

Prof. Dr Kerstin Hennig (born 1964) holds the title of Dr rer. pol. She is a professor of real estate management and headed the EBS Real Estate Management Institute (REMI) at the EBS University of Business and Law until 2023. She is now a professor at the Frankfurt School of Finance & Management and teaches and researches in the field of property economics with a focus on impact investment, innovation, and entrepreneurship and leadership, as well as sustainability. In recent years, Prof. Dr Kerstin Hennig has also been involved in the real estate sector, focusing on the areas of real estate management and investment. The companies where she previously held positions include debis Immobilienmanagement, Tishman Speyer Properties, UBS AG, IVG Immobilien AG and Groß & Partner. At the same time, Prof. Dr Kerstin Hennig has regularly held positions as a lecturer and assistant lecturer at various universities and institutes.

COMPANY AND SHAREHOLDERS 2
Foreword by the Executive Board 3
Executive Board and Supervisory Board 6
Report of the Supervisory Board 8
DEMIRE on the capital market 11
Corporate governance 15
Overview of our portfolio 24

COMBINED MANAGEMENT REPORT 26

CONSOLIDATED FINANCIAL STATEMENTS 95

FURTHER DISCLOSURES 188

REPORT OF THE SUPERVISORY BOARD

Dear Readers, Dear Shareholders,

In the 2024 financial year, the Supervisory Board continued to perform the tasks and exercise the responsibilities incumbent upon it pursuant to the law, DEMIRE Deutsche Mittelstand Real Estate AG's Articles of Association and its Rules of Procedure.

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

As in previous years, the Executive Board kept the Supervisory Board informed by means of regular written and verbal Executive Board reports. These reports included a detailed discussion of important issues related to the development of the markets relevant for the Company and the Group, current and potential real estate transactions, short and long-term corporate planning and current business performance. The position of the Company and the Group, the liquidity, financing and risk situation, the Group-wide risk management system, current real estate projects and the further strategic development of the Group were also part of these discussions. In this case, the Supervisory Board paid particular attention to its supervisory role, particularly in refinancing the 2019/2024 corporate bond that was completed in November 2024. The Supervisory Board critically reviewed the information provided by the Executive Board, checking its plausibility.

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

The Chair of the Supervisory Board was informed by the Executive Board by way of written and verbal reports – also outside of Supervisory Board meetings – of particular business transactions that, in the opinion of the Executive Board, were of key significance in assessing the position and development of the Company and the Group, and for their management. Regarding the ongoing restructuring process and the completed refinancing process, the Executive Board regularly reported to the Supervisory Board both in writing and orally about the state of the process as well as the liquidity situation in a shared forum. Matters requiring approval were promptly submitted by the Executive Board for resolution. The Chair of the Supervisory Board was in personal contact with the Executive Board and kept himself regularly informed of current business developments and significant business transactions. He also kept the other Supervisory Board members informed outside of the scheduled meetings and discussed developments with them.

There were no consulting or other service relationships between members of the Supervisory Board and the Company in 2024. There has been a grant agreement with the Frankfurt School of Finance & Management since 2024 to promote academic research. Prof. Dr Kerstin Hennig has been a professor at the Frankfurt School since 2023 and heads the Real Estate Institute, of which the Company is a founding member. Conflicts of interest on the part of the members of the Executive Board or Supervisory Board that would require immediate disclosure to the Supervisory Board and notification to the Annual General Meeting did not exist in the reporting year.

COMPANY AND SHAREHOLDERS 2
Foreword by the Executive Board 3
Executive Board and Supervisory Board 6
Report of the Supervisory Board 8
DEMIRE on the capital market 11
Corporate governance 15
Overview of our portfolio 24

COMBINED MANAGEMENT REPORT 26

CONSOLIDATED FINANCIAL STATEMENTS 95

FURTHER DISCLOSURES 188

Composition of the Supervisory Board

MEMBERS OF THE SUPERVISORY BOARD IN THE 2024 FINANCIAL YEAR

Markus Hofmann (Chair)
Frank Hölzle (Vice Chair)
Ernö Theuer (Member since 7 May 2024)
Prof. Dr Kerstin Hennig (Member until 1 May 2024)

SUPERVISORY BOARD COMMITTEES

An Audit Committee was constituted in November 2021, with Mr Frank Hölzle as its Chair. Other members of the Audit Committee in the reporting year include Mr Markus Hofmann and Mr Ernö Theuer (as of 7 May 2024) as well as Prof. Dr Kerstin Hennig (until 1 May 2024).

Work of the plenum in the reporting year

In the 2024 financial year, the Supervisory Board held three hybrid or face-to-face meetings on 30 January 2024, 2 October 2024, and a constituent meeting on 21 November 2024 following the Annual General Meeting. The Supervisory Board also discussed current topics in six telephone and video conference calls, particularly in connection with holding the Extraordinary and Annual General Meeting, the sale of properties, the strategic alignment of the Company, and financial planning. All of the Supervisory Board members participated in each one of the nine face-to-face and virtual Supervisory Board meetings, i.e. 100% of them. In addition there was – complete with external consultants – a regular forum which regularly reported to the Supervisory Board about the progress of refinancing negotiations.

FIRST QUARTER OF 2024

In the first quarter of 2024, the Supervisory Board held one meeting in person and one hybrid meeting.

The Supervisory Board focused on various sales and rental activities as well as the Declaration of Conformity on 30 January 2024. The risk management system was introduced to the Supervisory Board in the meeting dated 23 February 2024 and reports were given about the current state of affairs regarding Büropark Bredeney in Essen and Theodor-Heuss-Allee in Frankfurt am Main (Cielo). In addition, the Supervisory Board adopted the updated business plan.

SECOND QUARTER OF 2024

In the second quarter of 2024, the Supervisory Board convened via video conference for an urgent resolution on 3 April 2024. In particular, the objects of the resolution were (i) revocation of the appointment of Prof. Dr Alexander Goepfert as a member of DEMIRE's Executive Board as well as (ii) the appointment of Frank Nickel as a member and Chairman of the Executive Board from 3 April 2024. In addition, several information events about the progress of refinancing negotiations took place – some of which also involved external consultants.

THIRD QUARTER OF 2024

In the third quarter, the future strategic alignment of DEMIRE AG was discussed at one face-to-face meeting and two virtual meetings. In addition, the Supervisory Board was informed in detail by the Executive Board about various new letting matters and significant business transactions. The Supervisory Board continued to work on refinancing the 2019/2024 corporate bond, corporate structures as well as internal procedures. In the virtual meeting of 30 September 2024, the Supervisory Board focused on approval and authorisation of the 2023 annual financial statements alongside the management report, the separate financial statements for 2023, the 2023 remuneration report as well as the 2023 consolidated financial statements and group management report.

COMPANY AND SHAREHOLDERS 2
Foreword by the Executive Board 3
Executive Board and Supervisory Board 6
Report of the Supervisory Board 8
DEMIRE on the capital market 11
Corporate governance 15
Overview of our portfolio 24

COMBINED MANAGEMENT REPORT 26

CONSOLIDATED FINANCIAL STATEMENTS 95

FURTHER DISCLOSURES 188

FOURTH QUARTER OF 2024

In the fourth quarter, the Supervisory Board convened again for two face-to-face meetings and one video conference. The Supervisory Board focused on filling the positions for the Executive Board and Supervisory Board in terms of FüPoG, the German Act on Equal Participation of Men and Women in Executive Positions in the Public and Private Sectors, and FüPoG II as well as amendments to the remuneration system for the Executive Board. Furthermore, the Supervisory Board convened on 21 November 2024 for a constituent meeting following the Virtual General Meeting. On top of that, the Supervisory Board were advised in depth about the leasing and sales situation and also focused on operational planning for the 2025 financial year. For the first time, the Supervisory Board carried out a self-appraisal in accordance with recommendation D.V.D.12 of the German Corporate Governance Code during the final quarter of 2024. Further information in this respect can be found in the section on the statement for corporate governance.

Dependency Report pursuant to Section 312 (1) AktG

In the 2024 financial year, DEMIRE Deutsche Mittelstand Real Estate AG was a dependent company of Apollo Global Management Inc. and members of the Wecken Group, as defined by Section 312 AktG. AEPF III 15 and the Wecken Group (Wecken & Cie., Mr Klaus Wecken, Mr Ferry Wecken and Ms Ina Wecken) are bound by a voting agreement. On this basis, the company is jointly controlled by AEPF III 15 and thus ultimately by Apollo Global Management Inc. and the members of the Wecken Group by way of a multi-parent company structure in accordance with Section 17 (1) AktG.

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

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

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

A WORD OF THANKS FROM THE SUPERVISORY BOARD

The Supervisory Board would like to thank the Group’s staff for their tremendous dedication, particularly within the scope of preparing the financial statements, managing assets, undertaking transactional and financing activities and for their valuable collaboration in the 2024 financial year.

This report was discussed in detail and adopted by the Supervisory Board in its conference call on 19 March 2025.

Frankfurt am Main, 19 March 2025

Markus Hofmann
(Chair of the Supervisory Board)

COMPANY AND SHAREHOLDERS 2
Foreword by the Executive Board 3
Executive Board and Supervisory Board 6
Report of the Supervisory Board 8
DEMIRE on the capital market 11
Corporate governance 15
Overview of our portfolio 24

COMBINED MANAGEMENT REPORT 26

CONSOLIDATED FINANCIAL STATEMENTS 95

FURTHER DISCLOSURES 188

DEMIRE ON THE CAPITAL MARKET

An overview of DEMIRE shares

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

DEMIRE KEY SHARE DATA

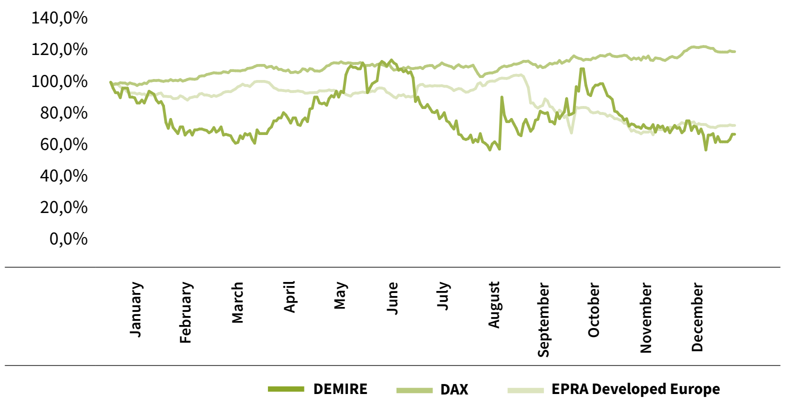
Share	31/12/2024	31/12/2023
ISIN	DE000A0XFSF0	DE000A0XFSF0
Symbol/ticker	DMRE	DMRE
Stock exchange	Frankfurt Stock Exchange (FSE); XETRA Open markets in Stuttgart, Berlin, Düsseldorf	Frankfurt Stock Exchange (FSE); XETRA Open markets in Stuttgart, Berlin, Düsseldorf
Market segment	Regulated Market (Prime Standard)	Regulated Market (Prime Standard)
Designated sponsors	BaaderBank, Pareto Securities AS	BaaderBank, Pareto Securities AS
Share capital	EUR 107,777 thousand	EUR 107,777 thousand
Number of shares	107,777,324	107,777,324
Closing 31 December (XETRA)	EUR 0.75	EUR 1.08
Ø daily Xetra trading volume 1 January to 31 December	9,773	9,760
Market capitalisation	EUR 81 million	EUR 116 million
Free float < 3% (in %)	7.15	7.15

Development of the stock market and DEMIRE shares

Capital markets recovered strongly during the 2024 stock market year. Over the course of the year, the DAX rose by almost 19% and reached a new all-time high in the first half of December. In particular, the cycle of interest rate cuts from the central banks from the middle of this year onwards had a positive effect on the DAX.

Characterised by the generally weak economic environment for commercial real estate companies and uncertainty about the effects of refinancing the 2019/2024 corporate bond up to November 2024, DEMIRE's share price fell by 30% over the course of the year to EUR 0.75. DEMIRE shares therefore weakened compared to the EPRA Developed Europe index of European property shares, which remained practically unchanged (0%) over the course of the year.

SHARE PRICE DEVELOPMENT 2024



COMPANY AND SHAREHOLDERS 2
Foreword by the Executive Board 3
Executive Board and Supervisory Board 6
Report of the Supervisory Board 8
DEMIRE on the capital market 11
Corporate governance 15
Overview of our portfolio 24

COMBINED MANAGEMENT REPORT 26

CONSOLIDATED FINANCIAL STATEMENTS 95

FURTHER DISCLOSURES 188

Dividend

Taking into account the strategy adjusted in summer 2022 to create a liquidity reserve for refinancing purposes, DEMIRE waived the distribution of a dividend for the 2023 financial year, as in the previous year. The Executive Board suggests that no dividend distribution takes place for the 2024 financial year either, in order to further reduce the loan-to-value (LTV) debt ratio. In addition, the new terms and conditions of the extended 2019/2027 corporate bond do not allow for any disbursement before the bond has been fully repaid.

Development of DEMIRE bonds

In view of the cycle of falling key interest rates from central banks, the European bond markets were characterised by falling prices until autumn 2024. Sentiment on the bond markets recovered towards the end of the quarter in view of the foreseeable end point of the interest rate reduction cycle. In this environment, the DEMIRE bond was trading at 61.55 at the beginning of 2024. The key reason for this reduction at this time was that the extension of the bond beyond the deadline of 15 October 2024 had not yet been completed. The bond price has been consistently recovering since initial company reports in April 2024 of a possible agreement with bondholders regarding extension of the bond term. The DEMIRE bond was trading at 91.13 at the end of 2024.

2019/2027 CORPORATE BOND

Name	DEMIRE Senior Notes 2019/2027
Issuer	DEMIRE Deutsche Mittelstand Real Estate AG
Bond rating	B (Scope), Caa2 (Moody's)
Stock exchange listing/trading	Open market of the Luxembourg Stock Exchange (Euro MTF)
Applicable law	German law
ISIN	DE000A2YPAK1
WKN	A2YPA
Issue volume	EUR 600,000,000
Total outstanding capital amount	EUR 252,450,000
Denomination	EUR 100,000
Coupon	5.000%
Interest payments	On 15 June and 15 December
Maturity date	31 December 2027
Repayment	Callable at nominal value plus accrued and unpaid interest
Distribution	Regulation S, excluding registration rights
Change of control	101% plus accrued and unpaid interest
Closing price 31 December 2024	91.1

Ratings from Moody's and Scope

With the rating assessments, DEMIRE strengthens transparency and supports the independent assessment of its business activities.

The rating agency Moody's raised the rating for the 2019/2027 corporate bond after successful extension of the bond in November 2024, giving the Company and the bond a Caa2 rating. DEMIRE was in regular contact with the rating agency throughout the year and reported promptly on its business development.

COMPANY AND SHAREHOLDERS 2
Foreword by the Executive Board 3
Executive Board and Supervisory Board 6
Report of the Supervisory Board 8
DEMIRE on the capital market 11
Corporate governance 15
Overview of our portfolio 24

COMBINED MANAGEMENT REPORT 26

CONSOLIDATED FINANCIAL STATEMENTS 95

FURTHER DISCLOSURES 188

The rating agency Scope examined the rating for the 2019/2027 corporate bond in December 2024 and gave it a B rating. The rating agency views DEMIRE's corporate rating of B- with a positive outlook, which reflects the further stabilisation of the capital structure that Scope expects.

Full ratings for the bond can be found on the Moody's website at www.moodys.com, Scope's website at www.scoperatings.com, as well as on DEMIRE's website itself.

DEMIRE RATING – AS AT 31 DECEMBER 2024

	Company		Bonds
Rating agency	Rating	Outlook	Rating
Scope	B-	positive	B
Moody's	Caa2	stable	Caa2

Annual General Meeting

An Extraordinary General Meeting took place virtually on 2 October 2024 as part of extending the 2019/2024 corporate bond. The agenda items proposed by the management, including introduction of a "double LuxCo" structure, were all passed by the shareholders with a large majority.

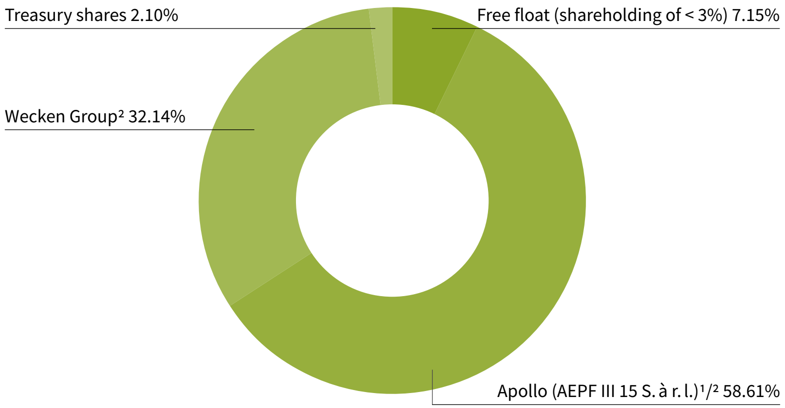
The DEMIRE Annual General Meeting was held online on 21 November 2024. All agenda items proposed by management, including re-election or election of the Supervisory Board members and creating approved capital 2024 I and conditional capital 2024/I, were passed by a large majority.

Shareholder structure

The DEMIRE shareholder structure did not change in the 2024 financial year. Apollo and the Wecken Group remain the Company's major shareholders and still hold around 90.7% of the shares in the Company between them.

SHAREHOLDER STRUCTURE AS AT 31 DECEMBER 2024

in %



[1] Including subsidiaries
[2] Acting in concert
Source: Notifications from WpHG (German Securities Trading Act) and own calculations

COMPANY AND SHAREHOLDERS 2
Foreword by the Executive Board 3
Executive Board and Supervisory Board 6
Report of the Supervisory Board 8
DEMIRE on the capital market 11
Corporate governance 15
Overview of our portfolio 24

COMBINED MANAGEMENT REPORT 26

CONSOLIDATED FINANCIAL STATEMENTS 95

FURTHER DISCLOSURES 188

IR activities

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

DEMIRE once again took part in German and international equity and debt capital market conferences in the 2024 financial year. It also regularly presented the Company's current development to existing and potential equity and bond investors and the rating agencies Moody's and Scope.

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

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

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

Analyst coverage

DEMIRE's shares are currently covered and valued by two financial analysts.

DEMIRE RATING – AS AT FEBRUARY 2025

Bank/broker	Analyst	Current rating	Current target price EUR
Hauck & Aufhäuser	Philipp Sennewald	Buy	1.50
Baader Bank	Andre Remke	Reduce	1.25

COMPANY AND SHAREHOLDERS 2
Foreword by the Executive Board 3
Executive Board and Supervisory Board 6
Report of the Supervisory Board 8
DEMIRE on the capital market 11
Corporate governance 15
Overview of our portfolio 24
COMBINED MANAGEMENT REPORT 26
CONSOLIDATED FINANCIAL STATEMENTS 95
FURTHER DISCLOSURES 188

CORPORATE GOVERNANCE

2024 Corporate Governance Statement pursuant to Sections 315d and 289f of the German Commercial Code (HGB) including the Declaration of Conformity pursuant to Section 161 of the German Stock Corporation Act (AktG)

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

This section of the website also includes the documents to be published on the remuneration report for the previous financial year as well as the auditor's report pursuant to Section 162 AktG, the applicable remuneration system pursuant to Section 87a (1) and (2) (1) AktG and the latest resolution on remuneration pursuant to Section 113 (3) AktG.

Commitment

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

Organisation and management

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

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

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

Composition and working practices of the Executive Board and Supervisory Board

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

COMPANY AND SHAREHOLDERS 2
Foreword by the Executive Board 3
Executive Board and Supervisory Board 6
Report of the Supervisory Board 8
DEMIRE on the capital market 11
Corporate governance 15
Overview of our portfolio 24

COMBINED MANAGEMENT REPORT 26

CONSOLIDATED FINANCIAL STATEMENTS 95

FURTHER DISCLOSURES 188

Management and control structure

EXECUTIVE BOARD

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

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

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

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

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

Prof. Dr Alexander Goepfert holds (CEO until 3 April 2024) the following mandates:

— Deputy Chair of the Supervisory Board of Fair Value REIT-AG (Langen)
— Ordinary Member of the Advisory Board of shareDnC GmbH (Cologne)
— Chair of the Board of Trustees of the EBS Real Estate Management Institute (Wiesbaden)
— Member of the Supervisory Board of PROXIMUS Real Estate AG (Cologne)
— Vice President of Institut der Deutschen Immobilienwirtschaft e. V. (iddiw) (Frankfurt)
— Managing Director of Darius Invest Frankfurt GmbH (Düsseldorf).

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

The remuneration of the members of the Executive Board is explained in the Remuneration Report section of the combined group management report and management report of DEMIRE Deutsche Mittelstand Real Estate AG.

SUPERVISORY BOARD

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

COMPANY AND SHAREHOLDERS 2
Foreword by the Executive Board 3
Executive Board and Supervisory Board 6
Report of the Supervisory Board 8
DEMIRE on the capital market 11
Corporate governance 15
Overview of our portfolio 24

COMBINED MANAGEMENT REPORT 26

CONSOLIDATED FINANCIAL STATEMENTS 95

FURTHER DISCLOSURES 188

The Supervisory Board currently consists of three members to be elected by the Annual General Meeting of DEMIRE Deutsche Mittelstand Real Estate AG. There was a change of personnel in 2024. Prof. Dr Kerstin Hennig left the Supervisory Board. Mr Ernö Theuer has replaced her as a new member. The Supervisory Board does not include any former members of the Executive Board.

All members of the Supervisory Board have the necessary knowledge, skills and professional experience to perform their duties properly. According to recommendation C.1 of the German Corporate Governance Code (GCGC), the Supervisory Board is to draw up a profile of skills and expertise for the entire Board. Accordingly, the Supervisory Board must be composed in such a way that its members have the knowledge, skills and professional experience required to properly fulfil their supervisory duties properly. Against this background, the Supervisory Board of DEMIRE Deutsche Mittelstand Real Estate AG has defined a professional skills profile with the following elements:

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

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

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

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

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

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

COMPANY AND SHAREHOLDERS 2
Foreword by the Executive Board 3
Executive Board and Supervisory Board 6
Report of the Supervisory Board 8
DEMIRE on the capital market 11
Corporate governance 15
Overview of our portfolio 24

COMBINED MANAGEMENT REPORT 26

CONSOLIDATED FINANCIAL STATEMENTS 95

FURTHER DISCLOSURES 188

The Supervisory Board reports on its activities during the 2024 financial year in its report to shareholders. The remuneration of the members of the Supervisory Board is explained in the Remuneration Report of the combined group management report and management report of DEMIRE Deutsche Mittelstand Real Estate AG.

The Supervisory Board carried out a self-appraisal of their work in 2024 in line with recommendation D.V.D.12 of the German Corporate Governance Code. All Supervisory Board members evaluate the work of the Supervisory Board via a questionnaire and propose suggestions for improvement. The evaluated questionnaires are then discussed by the Supervisory Board, then discussion turns to which suggestions for improvement will be taken and implemented.

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

Name	Company	Position
Markus Hofmann Chair of the Supervisory Board since 1 January 2023, Managing Director	Renocle GmbH, Frankfurt	Managing partner
	EVAMA Vermögensverwaltung GmbH & Co. KG, Munich	Managing partner
Frank Hölzle Vice Chair of the Supervisory Board since 14 February 2017, CEO	Fair Value REIT-AG, Langen	Chair of the Supervisory Board
	Care4 AG, Basel/Switzerland	Executive Board
	clickworker GmbH, Essen	Chair of the Advisory Board
	rankingCoach international GmbH, Cologne	Chair of the Advisory Board
	SIC Invent AG, Basel, Switzerland	Member of the Board of Directors
	SevDesk GmbH, Offenburg	Member of the Advisory Board
	GreySky Properties AG, Basel / Switzerland	Member of the Board of Directors
	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
Ernö Theuer, since 7 May 2024, Managing Director	CRESPI Group, Frankfurt am Main	Managing partner
	SC Finance Four GmbH (Soravia Group), Neu-Isenburg	Managing Director (CRO)
	CK Holding GmbH, Frankfurt am Main	Managing partner
	PRO Flughafen e. V., Frankfurt am Main	CEO
Prof. Dr Kerstin Hennig since 29 May 2019, stepped down on 1 May 2024 Professor of Practice in Real Estate Management, Frankfurt School of Finance	DWS Grundbesitz GmbH, Frankfurt	Member of the Supervisory Board
	Urban Land Institute (ULI), Washington D.C.	Member of the Executive Committee
	pbb Deutsche Pfandbriefbank AG, Munich	Member of the Supervisory Board
	Ehret & Klein GmbH, Starnberg	Member of the Advisory Board
	Kingstone Investment Management GmbH, Munich	Member of the Advisory Board
	Institut der Deutschen Immobilienwirtschaft e. V. (iddiw), Frankfurt	Member of the Executive Committee
	ZIA Deutschland Mitte, Frankfurt	Member of the Executive Board

COMPANY AND SHAREHOLDERS 2
Foreword by the Executive Board 3
Executive Board and Supervisory Board 6
Report of the Supervisory Board 8
DEMIRE on the capital market 11
Corporate governance 15
Overview of our portfolio 24
COMBINED MANAGEMENT REPORT 26
CONSOLIDATED FINANCIAL STATEMENTS 95
FURTHER DISCLOSURES 188

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

DEMIRE Deutsche Mittelstand Real Estate AG had 107,777,324 shares outstanding as at 31 December 2024.

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

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

Shares owned by major shareholders at the end of the 2024 financial year: Based on the information available to the Company, Apollo (AEPF III 15 S.à r.l.) held 58.61% of the Company's outstanding shares and the Wecken Group held 32.14% of the Company's outstanding shares.

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

SHAREHOLDERS AND THE ANNUAL GENERAL MEETING

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

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

ACCOUNTING AND AUDITING OF FINANCIAL STATEMENTS

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

COMPANY AND SHAREHOLDERS 2
Foreword by the Executive Board 3
Executive Board and Supervisory Board 6
Report of the Supervisory Board 8
DEMIRE on the capital market 11
Corporate governance 15
Overview of our portfolio 24

COMBINED MANAGEMENT REPORT 26

CONSOLIDATED FINANCIAL STATEMENTS 95

FURTHER DISCLOSURES 188

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

The Annual General Meeting elects the auditor for DEMIRE Deutsche Mittelstand Real Estate AG and the Group as well as for the audit review of interim financial reports and statements. The Supervisory Board awards the mandate for the audit following the election by the Annual General Meeting and concludes the fee agreement with the auditor. The auditing firm PricewaterhouseCoopers GmbH, Frankfurt am Main, was elected as the auditor and Group auditor of DEMIRE Deutsche Mittelstand Real Estate AG for the 2024 financial year, as well as the auditor for a possible audit review of condensed financial statements and interim statements. The declaration on independence required under the German Corporate Governance Code was obtained from this auditing firm.

The following arrangements have been agreed with the auditor:

— The Chair of the Supervisory Board shall be notified immediately when potential grounds for exclusion or bias arise during the audit and these issues cannot be resolved immediately.

— The auditor shall report on all findings and occurrences that arise during the audit, and which are of importance for the tasks of the Supervisory Board.

— If, during the audit, the auditor discovers inaccuracies in the Declaration of Conformity with the German Corporate Governance Code that was submitted by the Executive Board and the Supervisory Board, then the auditor shall make a note of this in the audit report and inform the Chair of the Supervisory Board.

COMMUNICATION AND TRANSPARENCY

At DEMIRE Deutsche Mittelstand Real Estate AG, timely, consistent and comprehensive information is a top priority. Transparent corporate governance and good communication with shareholders and the public contribute to strengthening the confidence of investors and of the public. When disclosing information to the public, the Executive Board takes the principles of transparency, promptness, openness, clarity and the equal treatment of shareholders into account. DEMIRE Deutsche Mittelstand Real Estate AG therefore provides comprehensive information on the Company's development as part of its investor relations activities. Reports on the Group's situation, development and especially its financial results are included in the annual report, three-month and nine-month interim statements and half-year financial report. The Group also informs the public through press releases and ad hoc announcements pursuant to Article 17 (1) of the Market Abuse Regulation (MAR). In addition, the Executive Board communicates extensively on financial issues with the relevant capital market participants in Germany and abroad. All financial publications, announcements and presentations that are created for reporting purposes are available on DEMIRE's website. The Company's financial calendar is also available on the website and provides timely financial information on key publication dates and the date for the Annual General Meeting. The Articles of Association, all declarations of conformity, and documentation for corporate governance are also available on DEMIRE Deutsche Mittelstand Real Estate AG's website.

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

COMPANY AND SHAREHOLDERS 2
Foreword by the Executive Board 3
Executive Board and Supervisory Board 6
Report of the Supervisory Board 8
DEMIRE on the capital market 11
Corporate governance 15
Overview of our portfolio 24

COMBINED MANAGEMENT REPORT 26

CONSOLIDATED FINANCIAL STATEMENTS 95

FURTHER DISCLOSURES 188

INFORMATION ON CORPORATE PRACTICES

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

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

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

Information on corporate governance at DEMIRE Deutsche Mittelstand Real Estate AG is also publicly available on the Company’s website under “Company” > “Governance”.

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

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

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

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

A target value of 25% was stipulated for the first management level below the Executive Board in 2022 for the period between 1 July 2022 and 30 June 2027. The proportion of women in the first management level below the Executive Board was 28.57% as at 31 December 2024 and therefore above the set target.

DIVERSITY

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

COMPANY AND SHAREHOLDERS 2
Foreword by the Executive Board 3
Executive Board and Supervisory Board 6
Report of the Supervisory Board 8
DEMIRE on the capital market 11
Corporate governance 15
Overview of our portfolio 24

COMBINED MANAGEMENT REPORT 26

CONSOLIDATED FINANCIAL STATEMENTS 95

FURTHER DISCLOSURES 188

which enshrines both protection against discrimination and the fundamental principle of mutual respect. The Company believes that providing extensive protection against discrimination is an appropriate way of sufficiently promoting diversity within the Company.

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

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

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

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

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

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

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

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

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

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

D. I. D. 1: "The Supervisory Board shall adopt its own Rules of Procedure and shall publish these on the Company's website."

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

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

COMPANY AND SHAREHOLDERS 2
Foreword by the Executive Board 3
Executive Board and Supervisory Board 6
Report of the Supervisory Board 8
DEMIRE on the capital market 11
Corporate governance 15
Overview of our portfolio 24

COMBINED MANAGEMENT REPORT 26

CONSOLIDATED FINANCIAL STATEMENTS 95

FURTHER DISCLOSURES 188

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

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

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

D. IV. D. 12: “The Supervisory Board shall regularly assess how effectively the Supervisory Board as a whole and its committees perform their duties. In the Corporate Governance Statement, the Supervisory Board shall report whether and how a self-assessment has been carried out.“

DEMIRE’s Supervisory Board comprises only three members and therefore also simultaneously constitutes the Audit Committee. Due to this small number of members and the regular dialogue between the members of the Supervisory Board – including on questions of efficiency in the fulfilment of tasks – regular self-assessment generally takes place informally. A formal self-evaluation was carried out in 2024

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

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

This declaration was published immediately and made available to shareholders on the website. The Declaration of Conformity with the Code from Fair Value REIT-AG, which is included in the consolidated financial statements, dated 27 January 2025, is published on Fair Value REIT-AG’s website.

Frankfurt am Main, 5 February 2025

The Executive Board of DEMIRE
Deutsche Mittelstand Real Estate AG

Frank Nickel (CEO)	Tim Brückner (CFO)	Ralf Bongers (Executive Board Member for Transactions)

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

Markus Hofmann
(Chair of the Supervisory Board)

COMPANY AND SHAREHOLDERS 2
Foreword by the Executive Board 3
Executive Board and Supervisory Board 6
Report of the Supervisory Board 8
DEMIRE on the capital market 11
Corporate governance 15
Overview of our portfolio 24

COMBINED MANAGEMENT REPORT 26

CONSOLIDATED FINANCIAL STATEMENTS 95

FURTHER DISCLOSURES 188

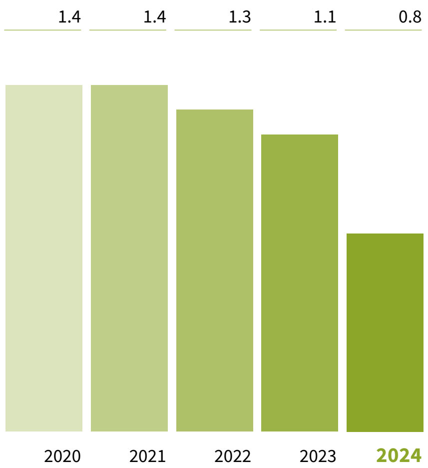
OVERVIEW OF OUR PORTFOLIO

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

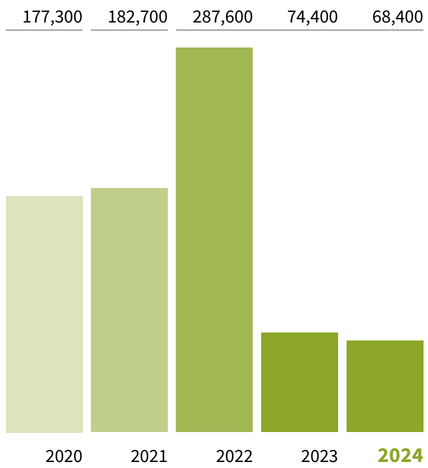
Our portfolio is geared towards secondary locations. We also add a small number of properties in prime locations to our portfolio. The fact that we are positioning ourselves correctly with our focus on secondary locations is proven, for example, by the analyses prepared together with bulwiengesa in the “Office Real Estate Market Study – Investment Opportunities in Secondary Locations”. According to this study, office properties in secondary locations in particular boast comparatively high potential returns and are subject to lower volatility than A cities.

This alignment of our portfolio sends an important message to both our investors and our tenants: DEMIRE provides them with a stable foundation for the development of their interests, on which good prospects can be built.

MARKET VALUE (IN EUR BILLION)[1]

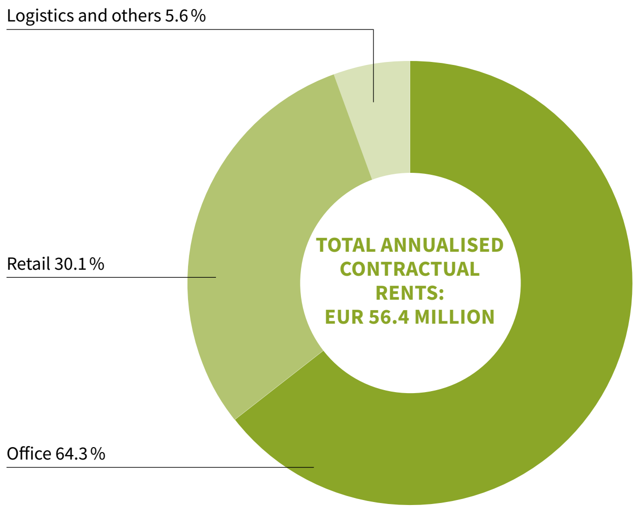


LETTING PERFORMANCE(IN M²)



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

ANNUALISED CONTRACTUAL RENTS BY ASSET CLASS



COMPANY AND SHAREHOLDERS 2
Foreword by the Executive Board 3
Executive Board and Supervisory Board 6
Report of the Supervisory Board 8
DEMIRE on the capital market 11
Corporate governance 15
Overview of our portfolio 24

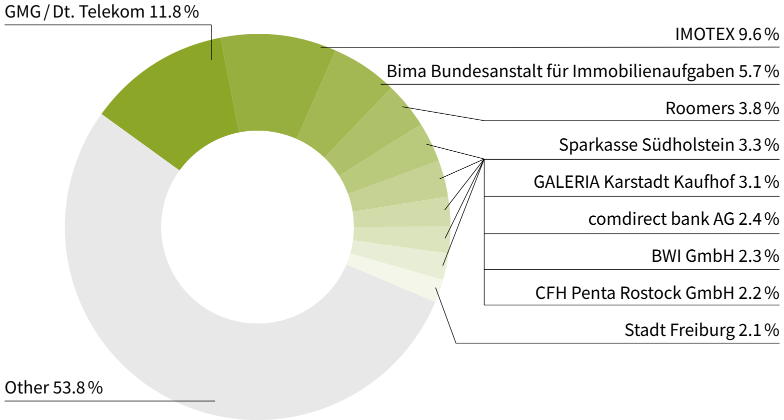
COMBINED MANAGEMENT REPORT 26

CONSOLIDATED FINANCIAL STATEMENTS 95

FURTHER DISCLOSURES 188

This broad expertise in real estate allows us to cover a wide range of asset classes in our search for suitable properties. We embrace diversification in geographical terms, too. Investment candidates can be located in all German regions, allowing us to take advantage of regional real estate cycles. Our properties are used by solvent tenants with good reputations and stable business prospects. Of our entire rental income, 46.2% comes from our ten biggest tenants. The mix of a small number of large tenants and a large number of medium-sized tenants allows us to strike a good balance between management expenses and the resulting benefits.

BREAKDOWN OF ANNUALISED CONTRACTUAL RENTS BY TENANT



PORTFOLIO BREAKDOWN BY REGION

COMBINED MANAGEMENT REPORT

Group principles	27
Economic report	37
Other statutory disclosures	57
Opportunities and risks	82
Outlook	93

COMPANY AND SHAREHOLDERS 2
COMBINED MANAGEMENT REPORT 26
Group principles 27
Economic report 37
Other statutory disclosures 57
Opportunities and risks 82
Outlook 93
CONSOLIDATED FINANCIAL STATEMENTS 95
FURTHER DISCLOSURES 188

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 2024. 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. The composition of the scope of consolidation, which forms an integral part of the consolidated financial statements, is shown in the Notes to the consolidated financial statements starting on page 112.

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 object, 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 cf. bulwiengesa – "Office Real Estate Market Study – Investment Opportunities in Secondary Locations" – 2021_Demire_Sekundärstandorte.pdf). Efficient real estate management in such regions requires a specific understanding of the regional markets along with an excellent network of local private enterprises and public sector tenants – DEMIRE has both to a particular degree. 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. DEMIRE therefore continues to expect stable and sustainable rental income and solid values in line with the market trend.

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. Amongst other things, this is likely to be via property sales so it is fair to assume that the portfolio base will be smaller.

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.

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 76.7 million, meaning

COMPANY AND SHAREHOLDERS 2

COMBINED MANAGEMENT REPORT 26
Group principles 27
Economic report 37
Other statutory disclosures 57
Opportunities and risks 82
Outlook 93

CONSOLIDATED FINANCIAL STATEMENTS 95

FURTHER DISCLOSURES 188

that they are classified as held for sale. 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 51 properties with lettable space of around 603,450 m² and a market valuation of around EUR 779.3 million (including properties held for sale). The Cielo office property in Frankfurt am Main 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 three segments

DEMIRE divides its business into three segments: Core Portfolio, Fair Value REIT and Corporate Functions/Others. 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 Corporate Functions/Others segment comprises the Group's administrative and cross-segment tasks such as risk management, finance, controlling, investor relations, legal, IT and compliance.

Strategy and objectives

The strategic medium-term plan “REALize Potential”, which was drawn up in 2019 and focuses on the further development of DEMIRE, continues to set the general direction, but was adjusted due to market conditions and the successful refinancing in 2024 of the corporate bond, which is now due in 2027. DEMIRE is pursuing the following long-term goals:

1. Enhancing portfolio quality to aim 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.

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. To optimise the risk structure, DEMIRE diversifies the portfolio according to a mix of uses appropriate to the German commercial real estate market. These are office, retail and other (including hotel).

COMPANY AND SHAREHOLDERS 2

COMBINED MANAGEMENT REPORT 26

Group principles 27

Economic report 37

Other statutory disclosures 57

Opportunities and risks 82

Outlook 93

CONSOLIDATED FINANCIAL STATEMENTS 95

FURTHER DISCLOSURES 188

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 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 on optimising its portfolio structure and the consistent implementation of the ABBA strategy. As part of this, small, less profitable properties in non-strategic areas are sold and properties consistent with the strategy are acquired. 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 its regional network of administrations, trade associations, estate agents and other regional real estate players, and expands this when opportunities arise.

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.

With proactive liquidity management, financial reserves were gradually built up in 2024 to provide financial headroom for the repayment of the 2019/2024 corporate bond (nominal value EUR 499 million). After partial repayment of the bond, cash and cash equivalents fell as of the end of 2023 (EUR 120 million) to EUR 45 million at the end of 2024. Overall, financial liabilities fell to EUR 490 million compared to the end of 2023 (EUR 791 million). Depending on further liquidity inflows, particularly from real estate sales, the 2019/2027 corporate bond is to be partially repaid early.

Administrative expenses rose in 2024 to EUR 13.8 million (+31.6% compared to the previous year), largely due to higher consultancy fees linked to extension of the bond. The financial result was positive again at EUR 10.4 million (–0.9% compared to the previous year), reflecting in particular the income from the repurchase of bonds at less than par as part of the bond restructuring. The net loan-to-value ratio (net loan-to-value, excluding shareholder loans) fell to 40.9%, largely due to partial repayment of the bond that was under par as well as property sales, compared to the end of 2023 (57.7%).

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 2024. As a result, the Asset Management team was reorganised and recruitment took place for the role of Head of Asset Management. At the same time, the transaction team was reorganised and more staff were recruited to it. A centralised digital document management system was introduced at the end of 2024. At the same time, a second rating was obtained from the rating

COMPANY AND SHAREHOLDERS 2

COMBINED MANAGEMENT REPORT 26
Group principles 27
Economic report 37
Other statutory disclosures 57
Opportunities and risks 82
Outlook 93

CONSOLIDATED FINANCIAL STATEMENTS 95

FURTHER DISCLOSURES 188

agency Scope for the 2019/2027 corporate bond. Furthermore, our sustainability report was given the Gold award by EPRA for the second time in 2024, meaning that we also demonstrably adhere to the most stringent requirements in this field.

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.

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^2, 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 key 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 (p. 51).

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 the first quarter of 2024, the Executive Board consisted of CEO Prof. Dr Alexander Goepfert, Chief Financial Officer Mr Tim Brückner, and Executive Board Member for Transactions Mr Ralf Bongers. In April 2024 Prof. Dr Goepfert was dismissed by the Supervisory Board and Mr Frank Nickel was appointed as the new CEO by the Supervisory Board.

The Executive Board is monitored by the Supervisory Board. In the 2024 financial year, the latter consisted of three members, who were confirmed in office or appointed at the 2024 Annual General Meeting. Mr Markus Hofmann was the Chair, and Mr Frank Hölzle was the Vice Chair. Prof. Dr Kerstin Hennig was also a member of the Supervisory Board until mid-May. Prof. Dr Hennig stepped down in May 2024. Mr Ernö Theuer was then appointed as a member of the Supervisory Board by court order in May 2024, then appointed in November 2024 in the Annual General Meeting.

COMPANY AND SHAREHOLDERS 2

COMBINED MANAGEMENT REPORT 26
Group principles 27
Economic report 37
Other statutory disclosures 57
Opportunities and risks 82
Outlook 93

CONSOLIDATED FINANCIAL STATEMENTS 95

FURTHER DISCLOSURES 188

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. It enhances the Company's competitive standing and secures the trust of financial partners in DEMIRE AG.

Portfolio

Diversified portfolio with a focus on office properties

As at 31 December 2024, the Core Portfolio comprised 51 commercial properties (previous year: 59) with total lettable floor space of 603,450 m² (previous year: 858,392 m²).

The **market value of the properties** as of 31 December 2024 totalled EUR 779.3 million (previous year: EUR 1,075.6 million). Office properties accounted for the largest share of this portfolio in terms of market value, at around 63% (previous year: 59%). Retail properties account for approximately 29% (previous year: 26%). Other properties (particularly hotels) account for around 8% (previous year: 15%). The market value per square metre averages EUR 1,291 (previous year: EUR 1,253) 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 2024)

No.	Tenant	Type of use	Contractual rents p.a.[1] in EUR million	in % of total
1	GMG/Dt. Telekom	Office	6.7	11.8
2	IMOTEX	Retail	5.4	9.6
3	Bima Bundesanstalt für Immobilienaufgaben	Office	3.2	5.7
4	Roomers	Hotel	2.1	3.8
5	Sparkasse Südholstein	Office	1.9	3.3
6	GALERIA Karstadt Kaufhof	Retail	1.7	3.1
7	comdirect bank AG	Office	1.4	2.4
8	BWI GmbH	Office	1.3	2.3
9	CFH Penta Rostock GmbH	Hotel	1.2	2.2
10	Stadt Freiburg	Office	1.2	2.1
Total			**26.1**	**46.2**
Other			30.3	53.8
Total			**56.4**	**100.0**

[1] Based on annualised contractual rents, excluding ancillary costs

COMPANY AND SHAREHOLDERS 2

COMBINED MANAGEMENT REPORT 26
Group principles 27
Economic report 37
Other statutory disclosures 57
Opportunities and risks 82
Outlook 93

CONSOLIDATED FINANCIAL STATEMENTS 95

FURTHER DISCLOSURES 188

PORTFOLIO BY ASSET CLASS

	Number of properties	Market value[1] in EUR million	Share by market value in %	Lettable space in thousand m²	Market value/m²	Contractual rent in EUR million p.a.	Contractual rent per m²	Rental returns in %	EPRA vacancy rate[2] in %	WALT in years
Office	33	490.6	63.0	385.8	1,271	36.3	9.60	7.4	15.1	3.6
Retail	14	225.7	29.0	188.8	1,195	17.0	9.29	7.5	15.0	6.2
Other	4	63.0	8.1	28.8	2,185	3.2	12.52	5.0	15.9	15.6
Total 31 December 2024	**51**	**779.3**	**100.0**	**603.5**	**1,291**	**56.4**	**9.63**	**7.2**	**15.1**	**4.6**
Total 31 December 2023	**59**	**1,075.6**	**100.0**	**858.4**	**1,253**	**76.7**	**9.00**	**7.1**	**13.1**	**4.6**
Change (in %/pp)	– 8	– 27.5%	0	– 29.7%	3.1%	– 26.5%	6.9%	0.1	2.0	0.0

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

COMPANY AND SHAREHOLDERS 2

COMBINED MANAGEMENT REPORT 26
Group principles 27
Economic report 37
Other statutory disclosures 57
Opportunities and risks 82
Outlook 93

CONSOLIDATED FINANCIAL STATEMENTS 95

FURTHER DISCLOSURES 188

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 2024. The change in value compared to the previous year, from EUR 1,075.6 million to EUR 779.3 million is due to the completed sales of four properties with a total market value of EUR 112.3 million as at 31 December 2023, deconsolidation of the Limes portfolio (market value on 31 December 2023: EUR 152.0 million) and a change in property value of EUR – 32.1 million at the end of 2024.

Letting performance

At around 68,400 m², the letting performance in 2024 was slightly below the previous year's level (around 74,400 m²). This was primarily due to the weak economic environment in the reporting year. 29.4% of the letting performance in 2024 was attributable to new lettings and 70.6% to follow-on lettings. Rental income fell to EUR 65.3 million, in particular due to property sales, while rental indexation had the opposite effect (previous year: EUR 78.5 million).

The EPRA Vacancy Rate for the Core Portfolio – excluding properties classified as a project development – was 15.1% as at the reporting date, which was below the previous year's value of 13.1%. One of the main reasons for the increase in vacancies is the expiry of rental agreements without re-letting, in particular the insolvency of the former tenant MeinReal in Querfurt. The weighted average lease term (WALT) for the portfolio as a whole remained unchanged from the previous year at 4.6 years.

The annualised contractual rents generated from the real estate portfolio fell by 3.2% 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 2024

Asset class	Like-for-like rental development
Office	– 1.1%
Retail	– 7.6%
Others	– 2.2%
Total	**– 3.2%**

Active portfolio management

In the 2024 financial year, seven properties in Leipzig (LogPark), Lohfelden, Osnabrück, Bayreuth (Karl-Marx-Straße), Hamburg, Dortmund and Bad Kreuznach were sold for a total of EUR 123.8 million. This corresponds to a cumulative reduction of 3.5% on the market value of 31 December 2023, which reflects the externally validated market value at the time of sale. The sales agreements for Hamburg, Dortmund and Bad Kreuznach with a total sales volume of EUR 12.7 million were concluded at the end of 2024. The transfer of benefits and encumbrances for Bad Kreuznach took place in January 2025, for Dortmund in February 2025 and will be in the second half of 2025 for Hamburg.

COMPANY AND SHAREHOLDERS 2

COMBINED MANAGEMENT REPORT 26
Group principles 27
Economic report 37
Other statutory disclosures 57
Opportunities and risks 82
Outlook 93

CONSOLIDATED FINANCIAL STATEMENTS 95

FURTHER DISCLOSURES 188

DISPOSALS 2024

Location	Asset class	Market value (31/12/2023) in EUR	Selling price in EUR
LogPark - Leipzig	Logistics	103,250,000	103,250,000
Lohfelden	Office	1,510,000	1,350,000
Osnabrück	Retail	4,010,000	3,795,000
Bayreuth, Karl-Marx-Straße	Office	3,480,000	2,650,000
Hamburg[1]	Retail	9,000,000	7,950,000
Dortmund[1]	Office	1,880,000	1,780,000
Bad Kreuznach[1]	Office	5,170,000	3,000,000
Total		**128,300,000**	**123,775,000**

[1] The contract was concluded in 2024, and the benefits and encumbrances are expected to be transferred in 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 key performance indicators.

Personnel

KEY SPECIALISTS AND CENTRAL DEVELOPMENT DRIVERS

The Group employed a total of 28 employees, excluding the Executive Board, as at 31 December 2024 (31 December 2023: 34 employees). These figures include all consolidated entities. The reduction in staff compared to the previous year is largely due to selling the LogPark in Leipzig. Staff employed by DEMIRE Leipzig Am alten Flughafen 1 GmbH were re-employed immediately under new employment conditions by the purchaser and their managing company.

DEMIRE embraces and promotes diversity throughout the Company. The age structure of our employees is widely distributed. Around 14% of our employees are younger than 30 years of age, around 31% are between 30 and 40 years old, and around 45% are aged between 40 and 50. Around 3% of our employees are between 50 and 60 years of age, and just under 7% are 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.

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.

COMPANY AND SHAREHOLDERS 2

COMBINED MANAGEMENT REPORT 26
Group principles 27
Economic report 37
Other statutory disclosures 57
Opportunities and risks 82
Outlook 93

CONSOLIDATED FINANCIAL STATEMENTS 95

FURTHER DISCLOSURES 188

Our employees benefit from a contemporary working environment, with modern workplaces and generously sized recreational areas to help foster team building. This supports the targeted exchange of knowledge within the workforce and promotes cooperation between the various working areas and project groups.

Flat hierarchies and the formation of cross-divisional project groups encourage communication between departments and employees with different professional experiences. To support the health and fitness of the employees, subsidies are paid towards the costs of gym memberships. Offers such as mobile working and the option to work part-time take into account the individual life circumstances of our employees. Furthermore, DEMIRE offers all its staff a free DEUTSCHLAND ticket.

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 careful 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 also paid off in the past year. Constructive dialogue 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.

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.

COMPANY AND SHAREHOLDERS 2

COMBINED MANAGEMENT REPORT 26
Group principles 27
Economic report 37
Other statutory disclosures 57
Opportunities and risks 82
Outlook 93

CONSOLIDATED FINANCIAL STATEMENTS 95

FURTHER DISCLOSURES 188

Sustainability

HIGHEST EPRA AWARD FOR THE SUSTAINABILITY REPORT

In recent years, social and environmental factors have, alongside economic aspects, become much more important. For this reason, DEMIRE has been exploring the topic in greater depth over the last few years and in 2024 prepared its third EPRA sustainability report. This was given the highest possible award for transparency by EPRA, the Gold Award, which pays homage to our increased focus on transparency in sustainability reporting. We aim to further improve ESG reporting and continually increase transparency on the ESG impacts of our business.

ESG – ENVIRONMENTAL, SOCIAL & GOVERNANCE

Our Company strives to act responsibly and sustainably in every situation. In doing so, we observe ecological and social aspects in our business activities and act in accordance with the principles of good corporate governance. We support measures that help to save energy and reduce emissions. In the future, our Company will continue to pay attention to the sustainable use of environmental resources and consider the impact of our entrepreneurial activities on them. Dealing with our employees, customers, business partners and the general public in a responsible and fair way is a matter of course for us. This comes from the high demands we place on implementing a responsible corporate culture.

Our Company strives to further anchor sustainability by implementing guidelines in the Group. Among other things, a cross-departmental working group has been formed for this purpose in order to integrate a sustainability strategy as an integral part of the Company's actions. Initial goals identified include a noticeable reduction in the Company's own CO_2 emissions (Scope 1 and 2), the recording of CO_2 emissions and the energy consumption of our properties as well as savings through optimised building technology. In addition, we have prepared a materiality assessment in 2024 as part of the requirements of the European Corporate Sustainability Reporting Directive (CSRD). We will monitor and evaluate the legal changes planned by the EU in the course of 2025 and align our additional reporting requirements with them. At the same time, however, our goal is to further improve the data quality and coverage of the EPRA sustainability report.

In 2019, our 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) and was admitted as a member following successful certification in 2020. The re-certifications and self-audits required by the ICG regulations have since been completed at the specified intervals and have so far confirmed compliance with the standards.

COMPANY AND SHAREHOLDERS 2

COMBINED MANAGEMENT REPORT 26
Group principles 27
Economic report 37
Other statutory disclosures 57
Opportunities and risks 82
Outlook 93

CONSOLIDATED FINANCIAL STATEMENTS 95

FURTHER DISCLOSURES 188

ECONOMIC REPORT

Economic environment

Macroeconomic situation

The macroeconomic situation in Germany in 2024 was very much characterised by economic and structural issues, particularly increasing competition for the German export industry, high energy costs, persistently high interest rates and uncertain economic perspectives were of importance. The German Federal Statistical Office (destatis) reported a decrease in price, season and calendar-adjusted gross domestic product (GDP) of 0.2% for 2024 compared to the previous year (2023: – 0.1%). The weak economic situation was also reflected in the labour market during 2024. At 6.0%, the average unemployment rate for the year was 0.3 percentage points above the previous year's figure.

Price development weakened considerably in 2024 after the high inflation of the two previous years. In 2024, there was an increase of 2.2% compared to the previous year (2022: 5.9%), 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 weakening inflation rate was the reason for the European Central Bank (ECB) to gradually cut the key interest rate from 4.5% at the beginning of the year to 3.0% in December 2024.

DEVELOPMENT OF THE REAL ESTATE AND CONSTRUCTION SECTORS

The German real estate investment market recovered slightly in 2024 after a weak year before that. According to the Investment Market Overview by international brokerage house Jones Lang Lasalle (JLL), properties with transaction volumes of EUR 35.3 billion were traded in the reporting period, up by 14% year-on-year. The reasons for this minor increase lay particularly with the lowered key interest rates from the ECB. JLL forecasts further moderate growth in the investment market during 2025 as the interest rate reduction cycle continues.

The industry association BAUINDUSTRIE predicts a real decline in revenue of 3.5% in 2024 compared to the previous year. The association expects revenue to fall by a further 1.4% in 2025, primarily due to falling investment in residential construction.

The section below outlines developments in the sub-markets that are the most relevant to DEMIRE in 2024.

OFFICE REAL ESTATE MARKET

In 2024 the office rental market saw a slight increase in revenue after the historic lows reached the previous year. JLL calculates office space take-up in "A cities" (Berlin, Düsseldorf, Frankfurt am Main, Hamburg, Cologne, Munich and Stuttgart) at 2.7 million m², which is 6% more than in the previous year, when demand was very weak. Vacancies at these top locations totalled 6.8%, which was 100 base points above the previous year's value. According to JLL, both the rising vacancy rates and low revenues in the rental market are due to the difficult economic situation. As in previous years, prime rents rose by a total of 6% year-on-year, which is due in particular to the continued high demand for high-quality space on the part of tenants.

The office investment market has picked up compared to the previous year. As far as transaction volumes across Germany are concerned, the figures from the international real estate agency Savills show revenue of EUR 5.3 billion for 2024, which is 10% higher than the previous year's level and is still a lower turnover compared to the average over the past ten years. Office transactions accounted for 16% of all commercial real estate investments in the reporting year. In terms of prime yields, A cities recorded yields of 4.4% and were therefore 100 basis points above the average over the last ten years.

COMPANY AND SHAREHOLDERS 2

COMBINED MANAGEMENT REPORT 26

Group principles 27

Economic report 37

Other statutory disclosures 57

Opportunities and risks 82

Outlook 93

CONSOLIDATED FINANCIAL STATEMENTS 95

FURTHER DISCLOSURES 188

RETAIL REAL ESTATE MARKET

German retail sales in 2024 rose by 1.1% in real terms, as reported by the German Federal Statistical Office. There was a noticeable recovery in retail activity during the second half of 2024. Online retail revenue during the reporting year rose by an above-average 5% in real terms year-on-year.

The transaction volume for retail real estate increased significantly in 2024. CBRE recorded a year-on-year increase of around 28% in the transaction volume on the German market to approximately EUR 6.1 billion. High street retailers achieved the largest share of the investment market with a share of 47% (previous year: 31%), followed by specialist stores and specialist retail parks with 33% (previous year: 59%) and shopping centres with 15% (previous year: 5%).

The gross initial yields varied depending on the type of use and location at the end of 2024. They ranged from around 4.6% (–20 basis points year-on-year) for retail properties in 1A locations within top cities to 4.7% to 5.8% (+0 basis points year-on-year) for food stores and specialist retail parks, to 7.5% (+30 basis points year-on-year) for shopping centres in B locations.

HOTEL REAL ESTATE MARKET

According to analyses conducted by BNP Paribas Real Estate, in 2024 transaction volumes in the hotel real estate market were up by around 5% year-on-year to EUR 1.4 billion. This means that the investment volume was around 56% lower than the ten-year average. Portfolio transactions, in particular, were still missing in the market. Transaction activity picked up noticeably in the fourth quarter of 2024 and, according to BNP Paribas Real Estate, revenue is expected to continue rising in 2025 as conditions brighten.

LOGISTICS REAL ESTATE MARKET

The rental income on the industrial and logistics real estate market shrank by 8% compared to the previous year due to the difficult economic environment, according to surveys from the international brokerage firm Cushman & Wakefield. Prime rents and prime yields moved sideways in 2024. Increasing prime rents and lower prime yields are expected for 2025. Turnover on the rental market should remain stable at least. Recovery continued on the transaction market for industrial and logistics real estate during 2024 and revenue increased by 3% year-on-year.

Implications for DEMIRE

The macroeconomic and real estate market environment was challenging once again in 2024. Even in this period, however, DEMIRE benefited from the portfolio focus on economically strong German secondary locations. Secondary locations were not exposed to excessive market fluctuations and were less affected by yield fluctuations than A locations, as joint studies by DEMIRE and bulwiengesa have shown in the past. Nevertheless, market-related impairment losses had to be recognised in the real estate portfolio in the 2024 financial year, although these were within the normal market range and therefore lower compared to the previous year.

COMPANY AND SHAREHOLDERS 2

COMBINED MANAGEMENT REPORT 26
Group principles 27
Economic report 37
Other statutory disclosures 57
Opportunities and risks 82
Outlook 93

CONSOLIDATED FINANCIAL STATEMENTS 95

FURTHER DISCLOSURES 188

General assessment of the Executive Board

General statement on the business performance and position of the Group

DEMIRE once again closed the 2024 financial year successfully, particularly 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 such as devaluations of the real estate portfolio and the deconsolidation of the Limes portfolio. Rental income and FFO I as key management indicators developed in line with our expectations. After successfully streamlining the portfolio over the last few years and our efforts to generate further liquidity through sales since the summer of 2022, four properties in total were sold in 2024, including the LogPark in Leipzig. As a result of the sales, and due to the write-downs on the real estate portfolio amounting to EUR 58.7 million, the value of the portfolio recognised in the balance sheet, excluding assets held for sale, decreased to EUR 724.7 million as statement of financial position at the reporting date (previous year: EUR 947.3 million). The sale of three further properties, which had already been signed at the end of 2024 and is set to be transferred to the buyers in 2025, 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 76.7 million; previous year: EUR 149.1 million).

TARGET/ACTUAL COMPARISON

Indicator/date in EUR million	2023 actual	Forecast 30/09/2023	2024 actual
Rental income	78.5	64.0–66.0	65.3
FFO I (after taxes, before minority interests)	36.7	significant fall	23.4

In the 2024 financial year, DEMIRE extended its 2019/2024 bond until the end of 2027. As part of a broader transaction, the terms of the bond with a total nominal amount of EUR 499 million outstanding before the transaction were adjusted. The bond restructuring was approved by the bondholders at the beginning of September 2024, with more than 90% voting in favour of the restructuring in a vote without an assembly in accordance with Section 18 of the German Bond Act (SchVG). The publication of the public buyback offer (tender offer) described below then began. The technical implementation of the amendment to the bond conditions took place in November 2024.

In addition to the extension to the term of the 2019/2024 bond, the transaction included other elements. This included a partial early repayment of the 2019/2024 bond at total nominal value of EUR 49.9 million. Subsequently, DEMIRE then bought back bonds at a previously stipulated maximum price of 76.25% of the nominal amount as part of a tender offer. DEMIRE has set aside liquidity in the amount of EUR 55.7 million for the bond buyback and has taken a shareholder loan of EUR 93.5 million from the largest shareholder in the company. The shareholder loan will bear interest of 22% per annum. Interest payments can be made at maturity, i.e. 31 December 2028, taking into account compound interest accrued in the meantime, or during the term. The shareholder loan is scheduled to run until the end of 2028. After carrying out the buyback on par as well as the tender offer, the bond amount is now EUR 252.5 million. The buyback as part of the tender offer meant DEMIRE achieved revenue of EUR 37.7 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, after agreement at the Extraordinary General Meeting dated 2 October 2024, 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 expected to pay an additional fee of 3.00% to the bondholders if it fails to reduce the outstanding principal amount of the bond by

COMPANY AND SHAREHOLDERS 2

COMBINED MANAGEMENT REPORT 26

Group principles 27

Economic report 37

Other statutory disclosures 57

Opportunities and risks 82

Outlook 93

CONSOLIDATED FINANCIAL STATEMENTS 95

FURTHER DISCLOSURES 188

EUR 50 million of the nominal amount by the end of 2025. An additional fee of 2.00% is provided for in the event that the Company does not succeed in reducing the outstanding principal amount of the bond by a further EUR 50 million of the nominal amount by the end of 2026. In addition, interest of 3.00% will be charged on the outstanding bond amount from the beginning of 2027. These 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.

With regard to the Limes portfolio, which includes four properties in Essen, Cologne (Max-Glomsda-Straße) and Aschheim, the Management Board and the management of the companies were in very promising negotiations for a long time regarding the extension of the loan agreement that expired on 30 June 2024 between the Limes companies and DZ HYP AG (“DZ HYP”) for an outstanding loan amount of approximately EUR 82.89 million (the “DZ HYP Loan”). However, the offers that had been exchanged in the past could not be accepted due to the outcome of the negotiations with the bondholders, resulting in the insolvency of the Limes subsidiaries at the end of 30 June 2024. Despite further negotiations with DZ HYP regarding an extension to the DZ HYP loan beyond 30 June 2024, including the involvement of DEMIRE’s main shareholder, no agreement was reached. As a result, the Limes subsidiaries had to file for the opening of insolvency proceedings in the form of self-administration over their assets on 22 July 2024. The standard insolvency proceedings were started at the beginning of December 2024 for all four Limes companies after further unsuccessful negotiations with DZ HYP.

Despite the successful achievement of the key performance indicators, the results for 2024 reflect the challenges presented by the difficult macroeconomic and real estate market environment. Our proven active management approach also helped us to achieve the best possible results in this environment. It is also easy to add any future acquisitions to this effective platform with low marginal costs.

In the financial year 2024, the Company continued to benefit significantly from low financing costs. In light of rising interest rates and the extension to the 2019/2027 bond in November 2024, somewhat higher financing costs can be seen from the 2025 financial year onwards.

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 2024 in view of the uncertain macroeconomic environment and rising interest rates. Four properties were sold for a total of EUR 111.0 million and transferred to buyers in the 2024 financial year. For a further three properties with a sales price of EUR 12.7 million, the transfer of benefits and obligations is planned for 2025. Despite the fact that most of the leases are indexed, the annualised contractual rent fell by –3.2% on a like-for-like basis, i.e. excluding sales, (previous year: –3.5%), mainly due to the insolvency of the former tenant MeinReal in Querfurt. The EPRA Vacancy Rate, which excludes properties classified as a development project, rose by 200 basis points to 15.1% compared to the reporting date. The WALT remained stable compared to the end of 2023 at 4.6 years.

In summary, DEMIRE achieved positive operating development in the 2024 financial year in terms of its key performance indicators and in view of the challenging economic environment, even though the write-downs on the real estate portfolio and the deconsolidation of the Limes companies led to a negative annual result. Following the successful extension of the 2019/2024 bond, the focus in the 2025 financial year will be on refinancing bank loans, taking advantage of sales opportunities, and further efforts to strengthen asset management. Due to the sales and the significant increase in financing costs, the Company expects to see a decline in rental income and FFO I (after tax, before minority interests and interest on the shareholder loan) for the 2025 financial year.

COMPANY AND SHAREHOLDERS 2

COMBINED MANAGEMENT REPORT 26
Group principles 27
Economic report 37
Other statutory disclosures 57
Opportunities and risks 82
Outlook 93

CONSOLIDATED FINANCIAL STATEMENTS 95

FURTHER DISCLOSURES 188

Results of operations, net assets and financial position

Results of operations

In 2024, rental income (EUR 65.3 million; previous year: EUR 78.5 million) and the profit/loss from the rental of real estate (EUR 44.5 million; previous year: EUR 56.2 million) decreased significantly compared to the previous year, mainly due to the sales in 2023 and 2024, as was to be expected. Profit/loss from the sale of real estate totalled EUR –7.3 million (previous year: EUR –14.3 million). Due primarily to the market situation, the profit/loss from the fair value adjustment of investment properties (EUR –48.9 million; previous year: EUR –146.3 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 –9.8 million; previous year: EUR –30.5 million), with the discounts being significantly lower than in the previous year. Furthermore, the impairment of financial and other receivables increased significantly due to the deconsolidation of the insolvent Limes companies (EUR –48.8 million; previous year: EUR –16.7 million). This resulted in improved, albeit still negative, earnings before interest and taxes (EUR –93.0 million; previous year: EUR –187.9 million). The financial result (EUR 10.4 million; previous year: EUR 10.5 million) remained almost unchanged overall, but recorded both higher financial expenses and higher financial income due to the bond buybacks at below par compared to the previous year.

COMPANY AND SHAREHOLDERS 2

COMBINED MANAGEMENT REPORT 26
Group principles 27
Economic report 37
Other statutory disclosures 57
Opportunities and risks 82
Outlook 93

CONSOLIDATED FINANCIAL STATEMENTS 95

FURTHER DISCLOSURES 188

CONSOLIDATED INCOME STATEMENT

(selected information in EUR thousand)	2024	2023	Change	in %
Rental income	65,285	78,519	– 13,234	– 16.9
Income from utility and service charges	16,932	23,004	– 6,072	– 26.4
Operating expenses to generate rental income[1]	– 36,044	– 43,126	7,082	– 16.4
Impairment of trade receivables[1]	– 1,699	– 2,161	462	– 21.4
Profit/loss from the rental of real estate	**44,474**	**56,236**	**– 11,762**	**– 20.9**
Income from the sale of real estate and real estate companies	109,714	70,450	39,264	55.7
Expenses related to the sale of real estate and real estate companies	– 117,003	– 84,784	– 32,219	38.0
Profit/loss from the sale of real estate and real estate companies	**– 7,289**	**– 14,334**	**7,045**	**– 49.1**
Profit/loss from fair value adjustments of investment properties	– 48,923	– 146,280	97,357	– 66.6
Result from the fair value adjustment of assets held for sale	– 9,753	– 30,527	20,774	– 68.1
Impairment of receivables	– 48,817	– 16,745	– 32,072	> 100
Other operating income	1,022	1,043	– 21	– 2.0
General and administrative expenses[1]	– 13,836	– 10,514	– 3,322	31.6
Other operating expenses	– 9,894	– 26,826	16,932	– 63.1
Earnings before interest and taxes	**– 93,016**	**– 187,947**	**94,931**	**– 50.5**
Financial result	10,396	10,486	– 90	– 0.9
Earnings before taxes	**– 82,620**	**– 177,461**	**94,841**	**– 53.4**
Current income taxes	– 1,750	– 12,638	10,888	– 86.2
Deferred taxes	– 3,109	38,133	– 41,242	> 100
Net profit/loss for the period	**– 87,479**	**– 151,966**	**64,487**	**– 42.4**
of which attributable to parent company shareholders	– 86,483	– 147,190	60,707	– 41.2
Basic earnings per share (in EUR)	– 0.82	– 1.40	0.58	– 41.2
Weighted average number of shares outstanding	105,513	105,513	– 0	– 0.0
Diluted earnings per share (in EUR)	– 0.82	– 1.40	0.58	– 41.2
Weighted average number of shares outstanding (diluted)	105,513	105,513	0	0.0

[1] The prior-year figures have been adjusted due to a change in presentation in the reporting period.

COMPANY AND SHAREHOLDERS 2

COMBINED MANAGEMENT REPORT 26
Group principles 27
Economic report 37
Other statutory disclosures 57
Opportunities and risks 82
Outlook 93

CONSOLIDATED FINANCIAL STATEMENTS 95

FURTHER DISCLOSURES 188

DEVELOPMENT OF THE MAIN ITEMS OF THE STATEMENT OF INCOME

In the 2024 financial year, the DEMIRE Group generated **rental income** totalling EUR 65.3 million (previous year: EUR 78.5 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 within the range of the forecast of EUR 64.0 million to EUR 66.0 million published in September 2024.

Income from utility and service charges of EUR 16.9 million (previous year: EUR 23.0 million) includes tenant prepayments for operating costs. **Expenses incurred to generate rental income** include incidental rental costs, maintenance expenses, write-downs of rental incentives and impairments of rent receivables, as well as legal and consulting fees and personnel costs related to the rental. They totalled EUR 36.0 million (previous year: EUR 43.1 million). Overall, the **result from the rental of real estate** fell by 20.8 % to EUR 44.5 million in the financial year (previous year: EUR 56.2 million), which is due in particular to property sales.

The **profit/loss from the sale** of real estate amounted to EUR – 7.3 million (previous year: EUR – 14.3 million) and resulted from the completed sales of four properties in Leipzig (LogPark), Lohfelden, Osnabrück and Bayreuth. Due to market conditions, the properties were sold at an average discount of 1.1% at the market value as at 31 December 2023.

The **profit/loss from fair value adjustments** of investment properties (valuation result) amounted to EUR – 48.9 million (previous year: EUR – 146.3 million). While the value of the majority of properties fell due to lower multipliers caused by market conditions, individual properties in the portfolio were revalued due to property-specific factors. The result from the fair value adjustment of properties held for sale amounted to EUR – 9.8 million (previous year: EUR – 30.5 million).

Impairments of financial and other receivables amounted to EUR 48.8 million in the reporting period (previous year: EUR 16.7 million) and related primarily to a write-down in connection with loans of the Limes portfolio.

Other operating income remained unchanged from the previous year at EUR 1.0 million (previous year: EUR 1.0 million).

General and administrative expenses rose to EUR 13.8 million in 2024 (previous year: EUR 10.5 million), due in particular to higher legal and consulting fees incurred on a one-time basis in connection with the extension of the 2019/2027 bond.

Other operating expenses fell to EUR 9.9 million (previous year: EUR 26.8 million). After expenses of EUR 24.1 million were incurred in the previous year for the valuation of options as of the reporting date in connection with the equity-accounted property company Cielo, expenses of EUR 4.0 million were incurred in this context in the reporting year. In addition, expenses of EUR 4.9 million were incurred in the reporting 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 – 93.0 million, as against EUR – 187.9 million in the previous year.

The **financial result** for 2024 remains almost unchanged at EUR 10.4 million (previous year: EUR 10.5 million). Financial income increased from EUR 21.5 million in the previous year to EUR 44.8 million in the reporting year, mainly due to the bond buy-back below par as part of the extension of the corporate bond. The share of losses assumed from minority shareholders fell to EUR –1.7 million (previous year: EUR 5.1 million), primarily due to the less significant devaluation of the real estate portfolio of Fair Value REIT-AG's subsidiaries compared to the previous year. Financial expenses rose to EUR 32.8 million (previous year: EUR 17.1 million) due to higher interest expenses, in particular for the extended 2019/2027 bond and the shareholder loan, as well as impairments in connection with the insolvent property company in Kassel (Limes portfolio).

The **deferred tax expense** was EUR – 3.1 million (previous year: EUR 38.1 million). In the previous year, there had been a significantly stronger effect as a result of the reversal of deferred tax liabilities, primarily due to the negative fair value adjustments of the real estate portfolio.

COMPANY AND SHAREHOLDERS 2

COMBINED MANAGEMENT REPORT 26
Group principles 27
Economic report 37
Other statutory disclosures 57
Opportunities and risks 82
Outlook 93

CONSOLIDATED FINANCIAL STATEMENTS 95

FURTHER DISCLOSURES 188

The **net profit/loss for the period** came to EUR – 87.5 million in the 2024 financial year compared with EUR – 152.0 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 taxes, which are adjusted for valuation results, other sales and one-off effects and non-periodic income and expenses.

FFO CALCULATION

in EUR thousand	2024	2023	Change	in %
Earnings before taxes	– 82,619	– 177,461	94,842	– 53.4
Interests of minority shareholders	1,713	– 5,086	6,799	>100
Earnings before taxes (EBT)	**– 80,906**	**– 182,547**	**101,641**	**– 55.7**
± Profit/loss from the sale of real estate	7,289	14,334	– 7,045	– 49.1
± Profit/loss from the valuation of investment properties and the valuation of assets held for sale	58,676	176,807	– 118,131	– 66.8
± Other adjustments [1]	40,894	32,868	8,026	24.4
FFO I before taxes and minorities	**25,953**	**41,461**	**– 15,508**	**– 37.4**
± Current income taxes	– 2,574	– 4,720	2,146	– 45.5
FFO I after taxes and before minorities	**23,380**	**36,741**	**– 13,361**	**– 36.4**
of which attributable to parent company shareholders	20,502	31,446	– 10,944	– 34.8
of which attributable to non-controlling interests	2,877	5,295	– 2,418	– 45.7
± Interest expenses from shareholder loans (including effect on current income taxes)	2,851	0	2,851	
FFO I after taxes, before minorities and interest on shareholder loans	**26,231**	**36,741**	**– 10,510**	**– 28.6**
of which attributable to parent company shareholders	23,354	31,446	– 8,092	– 25.7
of which attributable to non-controlling interests	2,877	5,295	– 2,418	– 45.7
FFO I after taxes and before minorities	**23,380**	**36,741**	**– 13,361**	**– 36.4**
± Profit/loss from the sale of real estate and real estate companies (after taxes)	– 7,289	– 18,954	11,665	– 61.5
FFO II after taxes and before minorities	**16,091**	**17,787**	**– 1,696**	**– 9.5**
of which attributable to parent company shareholders	12,904	9,867	3,037	30.8
of which attributable to non-controlling interests	3,187	7,920	– 4,733	– 59.8
± Interest expenses from shareholder loans (including effect on current income taxes)	2,851	0	2,851	

COMPANY AND SHAREHOLDERS 2

COMBINED MANAGEMENT REPORT 26

Group principles 27

Economic report 37

Other statutory disclosures 57

Opportunities and risks 82

Outlook 93

CONSOLIDATED FINANCIAL STATEMENTS 95

FURTHER DISCLOSURES 188

FFO CALCULATION

in EUR thousand	2024	2023	Change	in %
FFO II after taxes, before minorities and interest on shareholder loans	**18,942**	**17,787**	**1,155**	**6.5**
of which attributable to parent company shareholders	15,756	9,867	5,889	59.7
of which attributable to non-controlling interests	3,187	7,920	– 4,733	– 59.8
FFO I after taxes and minority interests	**20,502**	**31,446**	**– 10,944**	**– 34.8**
Basic earnings per share (in EUR)	0.19	0.30	– 0.11	– 35.2
Weighted average number of shares outstanding (in thousands)	105,513	105,513	– 0	– 0.0
Diluted earnings per share (in EUR)	0.19	0.30	– 0.11	– 35.2
Weighted average number of shares outstanding (diluted) (in thousands)	105,513	106,023	– 510	– 0.5
FFO II after taxes and minority interests	**12,904**	**9,867**	**3,037**	**30.8**
Basic earnings per share (in EUR)	0.12	0.09	0.03	35.9
Weighted average number of shares outstanding (in thousands)	105,513	105,513	– 0	– 0.0
Diluted earnings per share (in EUR)	0.12	0.09	0.03	35.9
Weighted average number of shares outstanding (diluted) (in thousands)	105,513	106,023	– 510	– 0.5

[1] Other adjustments include:
— One-time refinancing costs (EUR 29.9 million; previous year: EUR 2.6 million)
— Legal and consulting fees (EUR 1.0 million; previous year: EUR 1.1 million)
— One-time administrative costs (EUR 0.1 million; previous year: EUR 0.0 million)
— Expenses unrelated to the accounting period (EUR 4.2 million; previous year: EUR 11.7 million)
— Expenses from impairment of loan receivables and other extraordinary depreciation (EUR 61.5 million; previous year: EUR 16.7 million)
— Non-cash expenses from financial instruments (EUR 4.0 million; previous year: EUR 24.1 million)

FFO I (after taxes, before minority interests) decreased to EUR 23.4 million in the 2024 financial year (previous year: EUR 36.7 million), primarily due to lower rental income following the sale of properties. After minority interests and taxes, FFO I totalled EUR 20.5 million (previous year: EUR 31.4 million). Starting with the 2024 reporting year, DEMIRE will also report FFO I after taxes, before minority interests and interest on shareholder loans and will use this new key figure with immediate effect as a new control parameter in its corporate forecasts. According to the definition, the interest expense in connection with the shareholder loan granted is not taken into account in FFO I (after taxes, before minority interests and interest on shareholder loans), and at the same time the income tax effects of these interest expenses are adjusted in the calculation. FFO I (after taxes, before minority interests and interest on shareholder loans) amounted to EUR 26.2 million (previous year: EUR 36.7 million).

Taking into account the result from the sale of real estate, funds from operations (FFO II) amounted to EUR 16.1 million after taxes and before minority interests (previous year: EUR 17.8 million), and to EUR 12.9 million (previous year: EUR 9.9 million) after taxes and after minority interests. Other adjustments to FFO during the period under review amounted to EUR 40.9 million compared to EUR 32.9 million in the previous year. The adjustments in the reporting year are mainly due to one-time refinancing costs (EUR 29.9 million; previous year: EUR 2.6 million) and impairments, in particular on loans of EUR 61.5 million (previous year: EUR 16.7 million).

COMPANY AND SHAREHOLDERS 2

COMBINED MANAGEMENT REPORT 26
Group principles 27
Economic report 37
Other statutory disclosures 57
Opportunities and risks 82
Outlook 93

CONSOLIDATED FINANCIAL STATEMENTS 95

FURTHER DISCLOSURES 188

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 2024 financial year:

SELECTED DISCLOSURES FROM THE CONSOLIDATED INCOME STATEMENT

	Core Portfolio		Fair Value REIT		Corporate Functions/Others		Group	
in EUR thousand	2024	2023	2024	2023	2024	2023	2024	2023
External revenue	163,670	147,967	28,262	24,006	0	0	191,931	171,973
Total revenue	**163,670**	**147,967**	**28,262**	**24,006**	**0**	**0**	**191,931**	**171,973**
Profit/loss from fair value adjustments of investment properties	– 47,991	– 151,872	– 10,685	– 24,935	0	0	– 58,676	– 176,807
Other income	617	372	159	440	246	230	1,022	1,043
Segment revenue	**116,295**	**– 3,533**	**17,737**	**– 488**	**246**	**230**	**134,277**	**– 3,791**
Expenses relating to the sale of real estate	– 113,181	– 84,743	– 3,799	0	– 23	– 41	– 117,003	– 84,784
Other expenses	– 745	– 39,006	– 10,570	– 10,320	– 98,975	– 50,044	– 110,290	– 99,371
Segment expenses	**– 113,926**	**– 123,749**	**– 14,369**	**– 10,320**	**– 98,998**	**– 50,085**	**– 227,293**	**– 184,154**
EBIT	**2,369**	**– 127,282**	**3,368**	**– 10,808**	**– 98,752**	**– 49,856**	**– 93,016**	**– 187,946**
Financial income	526	883	400	297	43,876	20,362	44,803	21,542
Financial expenses	– 13,208	– 4,377	– 1,247	– 1,173	– 18,301	– 11,600	– 32,757	– 17,150
Profit/loss from companies accounted for using the equity method	63	1,007	0	0	0	0	63	1,007
Interests of minority shareholders	0	0	– 1,713	5,086	0	0	– 1,713	5,086
Income taxes	– 723	12,438	1,453	2,743	– 5,590	10,314	– 4,860	25,495
Net profit/loss for the period	**– 10,973**	**– 117,331**	**2,261**	**– 3,855**	**– 78,767**	**– 30,780**	**– 87,479**	**– 151,966**
Significant non-cash items	**56,038**	**153,435**	**9,238**	**22,195**	**5,664**	**– 10,209**	**70,941**	**165,422**
Impairment losses in net profit/loss for the period	**1,057**	**1,522**	**643**	**639**	**48,817**	**16,745**	**50,517**	**18,906**

COMPANY AND SHAREHOLDERS 2

COMBINED MANAGEMENT REPORT 26
Group principles 27
Economic report 37
Other statutory disclosures 57
Opportunities and risks 82
Outlook 93

CONSOLIDATED FINANCIAL STATEMENTS 95

FURTHER DISCLOSURES 188

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 segment mainly contains the activities of DEMIRE AG in its function as the Group holding.

Revenue in the Core Portfolio segment amounted to EUR 163.7 million in 2024 (previous year: EUR 148.0 million). Net profit/loss for the 2024 period totalled EUR – 11.0 million compared to EUR – 117.3 million in the previous year.

Revenue in the Fair Value REIT segment amounted to EUR 28.3 million in 2024 (previous year: EUR 24.0 million). Net profit/loss for the period totalled EUR 2.3 million in 2024 (previous year: EUR – 3.9 million).

The Corporate Functions/Others segment generated revenue of EUR 0 million in 2024 (previous year: EUR 0 million). Net profit/loss for the 2024 period totalled EUR – 78.8 million compared to EUR – 30.8 million in the previous year.

At Group level, revenue came to EUR 191.9 million in 2024 compared with EUR 172.0 million in the previous year. The Group's net profit/loss for the period amounted to EUR – 87.5 million in 2024, compared to EUR – 152.0 million in the previous year.

Further information on segment reporting can be found in the Notes to the consolidated financial statements starting on p. 151.

Net assets

NET ASSET VALUE (NAV)

NAV, previously known as EPRA NAV, is the value of all tangible 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	31/12/2024	31/12/2023	Change	in %
Net asset value (NAV)	218,105	303,589	– 85,484	– 28.2
Deferred taxes	39,999	37,915	2,084	5.5
Goodwill resulting from deferred taxes	0	0	0	0.0
NAV (basic)	**258,103**	**341,504**	**– 83,400**	**– 24.4**
Number of outstanding shares (basic) (in thousands)	105,513	105,513	0	0.0
NAV per share (basic) (in EUR)	**2.45**	**3.24**	**– 0.79**	**– 24.4**
Effect of the conversion of convertible bonds and other equity instruments	0	510	– 510	– 100.0
NAV (diluted)	**258,103**	**342,014**	**– 83,910**	**– 24.5**
Number of outstanding shares (diluted) (in thousands)	105,513	106,023	– 510	– 0.5
NAV per share (diluted) (in EUR)	**2.45**	**3.23**	**– 0.78**	**– 24.2**

In 2024, diluted NAV decreased by 24.5% to EUR 258.1 million, down from EUR 342.0 million at the end of 2023, due primarily to the lower value of the real estate portfolio and the deconsolidation of the Limes portfolio. Based on the number of shares outstanding equalling EUR 105.5 million, diluted NAV per share equalled EUR 2.45, compared to EUR 3.23 at the end of 2023. The number of underlying shares decreased by EUR 0.5 million (– 0.5%) year on year due to the expiration of a stock option programme.

COMPANY AND SHAREHOLDERS 2

COMBINED MANAGEMENT REPORT 26
Group principles 27
Economic report 37
Other statutory disclosures 57
Opportunities and risks 82
Outlook 93

CONSOLIDATED FINANCIAL STATEMENTS 95

FURTHER DISCLOSURES 188

Total assets down by 28.3%

Total assets of the DEMIRE Group as at 31 December 2024 amounted to EUR 951.2 million (previous year: EUR 1,327.5 million), down by 28.3% 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 779.3 million as at the reporting date (previous year: EUR 1,075.6 million). The difference compared to the property value shown in the balance sheet is due to accounting accruals, deferrals and capitalisations. This is explained in the Notes to the consolidated financial statements (Section E.1.3).

SELECTED DISCLOSURES FROM THE CONSOLIDATED BALANCE SHEET

CONSOLIDATED BALANCE SHEET – ASSETS

in EUR thousand	31/12/2024	31/12/2023	Change	in %
Assets				
Total non-current assets	793,115	1,029,555	–236,440	–23.0
Total current assets	81,395	148,877	–67,482	–45.3
Non-current assets held for sale	76,680	149,100	–72,420	–48.6
Total assets	**951,190**	**1,327,532**	**–376,342**	**–28.3**

As at 31 December 2024, non-current assets decreased by EUR 236.4 million to EUR 793.1 million (previous year: EUR 1,029.6 million). Investment properties accounted for the largest share of the decline with minus EUR 222.6 million, which is mainly due to the deconsolidation of the Limes companies (EUR –138.5 million), the negative valuation result (EUR –48.9 million), and the reclassification of properties as non-current assets held for sale (EUR –46.3 million). Capitalised, value-enhancing expansion measures and rent incentives (EUR 11.2 million) had the opposite effect.

Loans to companies accounted for using the equity method were reported at EUR 25.2 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 fell to EUR 37.7 million (previous year: EUR 48.4 million), in particular due to impairments on loans, also in connection with Cielo.

As at 31 December 2024, the DEMIRE Group's current assets fell by EUR 67.5 million to EUR 81.4 million (31 December 2023: EUR 148.9 million). The decline is mainly due to the decrease in cash and cash equivalents, which amounted to EUR 44.8 million (previous year: EUR 120.0 million) as a result of cash outflows in connection with the bond buyback. This was offset by the increase in current financial assets by EUR 9.7 million to EUR 19.5 million.

As of 31 December 2024, a total of six properties (EUR 76.7 million) were held as assets held for sale (previous year: EUR 149.1 million).

COMPANY AND SHAREHOLDERS 2

COMBINED MANAGEMENT REPORT 26
Group principles 27
Economic report 37
Other statutory disclosures 57
Opportunities and risks 82
Outlook 93

CONSOLIDATED FINANCIAL STATEMENTS 95

FURTHER DISCLOSURES 188

CONSOLIDATED BALANCE SHEET – EQUITY AND LIABILITIES

in EUR thousand	31/12/2024	31/12/2023	Change	in %
Equity and liabilities				
Equity				
Equity attributable to parent company shareholders	218,105	303,589	–85,484	–28.2
Non-controlling interests	23,818	29,696	–5,878	–19.8
Total equity	**241,923**	**333,285**	**–91,362**	**–27.4**
Liabilities				
Total non-current liabilities	535,699	279,982	255,717	91.3
Total current liabilities	173,568	714,265	–540,697	–75.7
Total liabilities	**709,267**	**994,247**	**–284,980**	**–28.7**
Total equity and liabilities	**951,190**	**1,327,532**	**–376,342**	**–28.3**

Financial liabilities down 38.6%

Group equity fell to EUR 241.9 million in 2024 (previous year: EUR 333.3 million). The decline is attributable to the negative result for the period of EUR 87.5 million. Due to the total assets, the equity ratio came to 25.4% as against 25.1% at the end of 2023. Non-controlling minority interests in the amount of EUR 71.0 million (previous year: EUR 72.0 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 312.9 million or 32.9% of total equity and liabilities (previous year: EUR 405.3 million or 30.5%).

Non-current liabilities amounted to EUR 535.7 million at the end of 2024 (previous year: EUR 280.0 million) and current liabilities came to EUR 173.6 million (previous year: EUR 714.3 million). The increase in non-current liabilities and the decrease in current liabilities are mainly due to the 2019/2027 bond, which was extended in the fourth quarter of 2024. As of 31 December 2024, total liabilities of the DEMIRE Group decreased to EUR 709.3 million (previous year: EUR 994.2 million), mainly due to the partial repayment of the 2019/2024 bond in connection with its extension until the end of 2027.

The total financial liabilities of EUR 486.0 million (previous year: EUR 791.1 million) includes the 2019/2027 bond issued in 2019 and extended in the fourth quarter, which is reported at a carrying amount of EUR 225.0 million (previous year: EUR 497.6 million). Furthermore, there are liabilities to banks of EUR 162.7 million (previous year: EUR 291.2 million) and a shareholder loan of EUR 97.3 million (previous year: EUR 0 million). The proportion of unsecured properties as at 31 December 2024 came to 54.2% (previous year: 51.5%). There was a variable interest rate agreement for EUR 34.2 million as at the reporting date. The average nominal interest rate on financial liabilities increased significantly by 261 basis points to 4.35% per annum (excluding interest on the shareholder loan, see the chapter "General assessment of the Executive Board") as of the 31 December 2024 balance sheet date, compared with 1.74% per annum at the end of 2023, mainly due to the extended bond. The average remaining term of the liabilities increased from 1.1 years at the end of 2023 to 2.9 years at the end of 2024.

As of 31 December 2024, trade payables increased to EUR 23.8 million (previous year: EUR 10.0 million), mainly due to legal and consulting fees related to the refinancing of the 2019/2024 bond. In addition, a negative market value of options related to the Cielo joint venture amounting to EUR 28.1 million (previous year: EUR 24.1 million) was shown as of the reporting date.

Deferred tax liabilities increased slightly to EUR 40.0 million (previous year: EUR 37.9 million).

COMPANY AND SHAREHOLDERS 2

COMBINED MANAGEMENT REPORT 26
Group principles 27
Economic report 37
Other statutory disclosures 57
Opportunities and risks 82
Outlook 93

CONSOLIDATED FINANCIAL STATEMENTS 95

FURTHER DISCLOSURES 188

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 222.6 million (previous year: EUR 358.4 million). The maximum liability for these properties is limited to the carrying amount as at the reporting date of EUR 353.3 million (previous year: EUR 358.4 million).

As part of the extension of the 2019/2024 corporate bond, DEMIRE introduced a Luxembourg holding structure (see notes to the consolidated financial statements, Section A 3.3). With a contribution agreement, DEMIRE has transferred 89.9% of shares in its previously directly held subsidiaries at market value to the LuxCo structure as security for the bond. Further companies were included in varying proportions. The insolvent Limes companies were not transferred to the LuxCo structure.

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. The principles and objectives of capital management and control are presented in the Notes to the consolidated financial statements. Cash and cash equivalents in the amount of EUR 44.8 million (previous year: EUR 120.0 million) include cash in hand and bank balances carried at their nominal value.

SELECTED DISCLOSURES FROM THE CONSOLIDATED STATEMENT OF CASH FLOWS

CONSOLIDATED STATEMENT OF CASH FLOWS

in EUR thousand	2024	2023	Change	in %
Cash flow from operating activities	34,525	40,709	– 6,184	– 15.2
Cash flow from investing activities	88,611	65,421	23,190	35.4
Cash flow from financing activities	– 198,309	– 43,556	– 154,753	< 100
Net change in cash and cash equivalents	**– 75,173**	**62,574**	**– 137,747**	**< 100**
Cash and cash equivalents at the end of the period	**44,816**	**119,989**	**– 75,173**	**– 62.6**

Liquidity used to reduce debt

Cash flow development in the 2024 financial year is negative overall due to the partial repurchase of the corporate bond as part of its extension to the end of 2027. The primarily resulting negative cash flow from financing activities cannot be fully

COMPANY AND SHAREHOLDERS 2

COMBINED MANAGEMENT REPORT 26
Group principles 27
Economic report 37
Other statutory disclosures 57
Opportunities and risks 82
Outlook 93

CONSOLIDATED FINANCIAL STATEMENTS 95

FURTHER DISCLOSURES 188

offset by the positive operating cash flow and positive cash flow from investing activities in 2024.

Cash flow from operating activities amounted to EUR 34.5 million at the end of the 2024 financial year (previous year: EUR 40.7 million). The decline reflects the reduced portfolio base following sales.

Cash flow from investing activities amounted to EUR 88.6 million in 2024, compared to EUR 65.4 million in 2023. Payments for modernisation measures (EUR –14.0 million, previous year: EUR –12.9 million) were positively offset by proceeds from sales of EUR 106.9 million (previous year: EUR 78.3 million).

Cash flow from financing activities amounted to EUR –198.3 million (previous year: EUR –43.6 million). This mainly includes repayments of financial liabilities in the amount of EUR –246.0 million (previous year: EUR –48.1 million), in particular for the repurchase of the bond (EUR 200.0 million), interest paid on financial liabilities (EUR 27.4 million; previous year: EUR 14.8 million) and cash inflows from borrowing of EUR 93.5 million (previous year: EUR 23.3 million), which includes the shareholder loan.

The net change in cash and cash equivalents amounted to EUR –75.2 million at the end of the 2024 financial year (previous year: EUR 62.6 million). Total cash and cash equivalents at the end of the period under review amounted to EUR 44.8 million (previous year: EUR 120.0 million).

The DEMIRE Group was able to meet its payment obligations in full at all times throughout the 2024 reporting period. In 2024, an agreement was reached with the bondholders to extend the corporate bond (see chapter “Economic report”, General statement on the business performance and position of the Group). At the same time, the bank financing of the Limes companies, consisting of the four properties in Essen, Kassel, Aschheim and Cologne (Max-Glomsda-Straße), which expires on 30 June 2024, could not be extended with the financing bank, meaning that the property companies are in insolvency proceedings at the time of publication of this report (see Section 3.4 Limes subsidiaries, Notes to the consolidated financial statements).

The detailed consolidated statement of cash flows precedes the Notes to the consolidated financial statements.

Net loan-to-value ratio falls significantly

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	31/12/2024	31/12/2023
Financial liabilities and lease liabilities[1]	415,953	816,992
Cash and cash equivalents	44,816	119,989
Net financial debt	**371,137**	**697,003**
Total assets	951,190	1,327,532
Intangible assets	0	0
Cash and cash equivalents	– 44,816	– 119,989
Total assets less intangible assets and cash and cash equivalents	**906,374**	**1,207,543**
Net LTV (in %)	**40.9**	**57.7**

[1] Excluding shareholder loans and their accrued interest.

The net loan-to-value ratio of 40.9% is significantly lower than the previous year’s figure of 57.7%, primarily due to the sale of real estate and the partial repurchase of the corporate bond below par. At the same time, financial liabilities and lease liabilities fell year-on-year by EUR 401.0 million to EUR 416.0 million.

COMPANY AND SHAREHOLDERS 2

COMBINED MANAGEMENT REPORT 26
Group principles 27
Economic report 37
Other statutory disclosures 57
Opportunities and risks 82
Outlook 93

CONSOLIDATED FINANCIAL STATEMENTS 95

FURTHER DISCLOSURES 188

The maturities of the existing loan agreements are concentrated mainly in the corporate bond in the 2027 financial year, with EUR 255.9 million, and in the shareholder loan, including capitalised interest, in 2028, with EUR 228.5 million. As at 31 December 2024, the liquidity requirements for follow-up financing and repayments in the coming years are as follows:

MATURITIES

in EUR million	2025	2026	2027	2028	2029	from 2030
	75.9	41.5	259.1	228,5[1]	6.0	6.0

[1] The illustration 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.

BOND COVENANTS 31/12/2024

	NET LTV	ICR
Covenant	max. 70%	min. 1.50
Value	40.9%	2.17

As at 31 December 2024, DEMIRE had complied with all covenants of the 2019/2027 corporate bond. The planning for the 2025 financial year and beyond assumes that all covenants will be complied with at all times.

Other financial obligations and contingent liabilities

The real estate purchase agreements concluded in the 2024 financial year that were not still in effect as at the reporting date resulted in no financial obligations as at 31 December 2024. There were no financial obligations arising from purchase agreements as at the reporting date in the previous year either.

Obligations for modification and expansion measures, as well as maintenance and modernisation work on the properties, totalled EUR 16.8 million (previous year: EUR 144.8 million). These obligations are fixed in terms of their scope. The year-on-year decline is mainly due to the deconsolidation of the company with the conversion project in Essen. The purchase order commitment from commissioned maintenance amounted to EUR 6.4 million (previous year: EUR 8.5 million) as at the reporting date.

COMPANY AND SHAREHOLDERS 2

COMBINED MANAGEMENT REPORT 26
Group principles 27
Economic report 37
Other statutory disclosures 57
Opportunities and risks 82
Outlook 93

CONSOLIDATED FINANCIAL STATEMENTS 95

FURTHER DISCLOSURES 188

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 2024 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 (2023: 27 employees).

DEMIRE's financial statements as at 31 December 2024 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 of the net loss for the year were the impairments recognised on financial assets due to lower market values and expenses from loss absorption as a result of devaluations of shares and loans to affiliated companies at subsidiaries. This was offset, but not fully compensated, by other operating income from the bond buyback.

RESULTS OF OPERATIONS

STATEMENT OF INCOME (EXCERPT)

in EUR thousand	2024	2023	Change	in %
Revenue	4,005	4,972	– 967	– 19.4
Other operating income	56,010	21,591	34,419	< 100
Personnel expenses	– 5,177	– 4,730	– 447	9.5
Depreciation and amortisation	55,633	64	55,569	< 100
Other operating expenses	36,207	9,953	26,254	< 100
Income from long-term equity investments	248	3,719	– 3,471	– 93.3
Income from profit transfer agreements	61,052	9,712	51,340	< 100
Income from loans of financial assets	19,214	17,623	1,591	9.0
Other interest and similar income	3,343	508	2,835	<100
Impairment of financial assets	– 43,097	– 57,140	14,043	– 24.6
Expenses from the assumption of losses	– 1,009	– 19,967	18,958	– 94.9
Interest and similar expenses	– 28,099	– 11,031	– 17,068	< 100
Expenses from compensation payments to minority shareholders	– 35	– 142	107	– 75.4
Result from ordinary activities	**– 25,388**	**– 44,903**	**19,515**	**– 43.5**
Income taxes	– 101	– 7,474	7,373	– 98.6
Net loss	**– 25,489**	**– 52,377**	**26,888**	**– 51.3**
Loss carried forward	– 78,138	– 25,761	– 52,377	< 100
Accumulated loss	**– 103,627**	**– 78,138**	**– 25,489**	**32.6**

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 revenues fell by EUR 1.0 million to EUR 4.0 million, mainly due to lower management fees.

COMPANY AND SHAREHOLDERS 2

COMBINED MANAGEMENT REPORT 26

Group principles 27

Economic report 37

Other statutory disclosures 57

Opportunities and risks 82

Outlook 93

CONSOLIDATED FINANCIAL STATEMENTS 95

FURTHER DISCLOSURES 188

Other operating income rose significantly by EUR 34.4 million from EUR 21.6 million in 2023 to EUR 56.0 million and mainly includes income from the below-par repayment of the 2019/2024 bond in the amount of EUR 47.5 million (previous year: EUR 16.0 million) and income from the contribution of shares in affiliated companies to DEMIRE Holding XV SCSp at fair value in the amount of EUR 8.1 million (previous year: EUR 0 million).

Staff costs increased slightly to EUR 5.2 million (previous year: EUR 4.7 million).

Other operating expenses, **depreciation and amortisation** of EUR 91.8 million (previous year: EUR 10.0 million) mainly comprise one-off legal and consulting fees of EUR 29.3 million in connection with the refinancing of the 2019/2024 corporate bond (previous year: EUR 3.7 million), as well as write-downs on loan receivables from the Limes companies of EUR 53.0 million (previous year: EUR 0 million) and write-downs on interest receivables on these loan receivables in the amount of EUR 2.6 million (previous year: EUR 0 million).

In the 2024 financial year, income totalling EUR 61.1 million was collected on the basis of the existing **control and profit transfer agreements** (previous year. EUR 9.7 million). This resulted in particular from the profit and loss 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 (previous year: EUR 6.0 million).

Income from investments came to EUR 0.2 million as against EUR 3.7 million in the previous year.

Income from loans of financial assets in the amount of EUR 19.2 million (previous year: EUR 17.6 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 16.4 million) and income from other loans (EUR 2.9 million).

Interest expense in the 2024 financial year came to EUR 28.1 million (previous year: EUR 11.0 million). **Write-downs on financial assets** amounted to EUR 43.1 million in the 2024 financial year (previous year: EUR 57.1 million) and mainly comprised impairment losses on loans and shares in affiliated companies as well as other loans.

The **result from ordinary activities** amounted to EUR – 25.4 million in the 2024 financial year, compared to EUR – 44.9 million in the previous year.

Earnings after taxes amounted to EUR – 25.5 million in the 2024 financial year (previous year: EUR – 52.4 million). The accumulated loss from the previous year was carried forward to new account. Consequently, the Company’s accumulated loss amounted to EUR – 103.6 million (previous year: EUR – 78.1 million).

NET ASSETS

BALANCE SHEET – ASSETS (EXCERPT)

in EUR thousand	31/12/2024	31/12/2023	Change	in %
Assets				
Fixed assets	568,202	694,290	– 126,088	– 18.2
Current assets/ prepaid assets	42,651	59,033	– 16,382	– 27.8
Total assets	**610,853**	**753,322**	**– 142,469**	**– 18.9**

BALANCE SHEET – EQUITY AND LIABILITIES (EXCERPT)

in EUR thousand	31/12/2024	31/12/2023	Change	in %
Equity and liabilities				
Equity	161,766	187,255	– 25,489	– 13.6
Provisions	33,738	19,924	13,814	69.3
Liabilities	415,350	546,144	– 130,794	– 23.9
Total equity and liabilities	**610,853**	**753,322**	**– 142,469**	**– 18.9**

COMPANY AND SHAREHOLDERS 2

COMBINED MANAGEMENT REPORT 26

Group principles 27

Economic report 37

Other statutory disclosures 57

Opportunities and risks 82

Outlook 93

CONSOLIDATED FINANCIAL STATEMENTS 95

FURTHER DISCLOSURES 188

The Company's total assets as at the 31 December 2024 reporting date amounted to EUR 610.9 million. This represents a drop of 18.9% compared to the previous year (31 December 2023: EUR 753.3 million).

Fixed assets decreased in the financial year under review compared to the previous year by EUR 126.1 million to EUR 568.2 million (previous year: EUR 694.3 million), due in particular to lower loans to affiliated companies, repayments and impairments. The decline in loans to affiliated companies in the amount of EUR 118.4 million is influenced by three factors. In the financial year, write-downs on loans amounting to EUR 33.7 million were recognised. The loans against the Limes portfolio were called in due to the cancellation of the loan agreements and were reclassified as receivables from affiliated companies (EUR 69.6 million). In addition, loans from subsidiaries totalling EUR 147.0 million were repaid.

Current assets including prepaid expenses decreased by 27.8 % to EUR 42.7 million compared to EUR 59.0 million on the previous year's reporting date. Current assets increased due to the repayment of the loan receivables from the companies in the Limes portfolio (in the previous year, these were reported under loans to affiliated companies). These were reclassified from loans to affiliated companies to receivables from affiliated companies in the amount of EUR 69.6 million as of 23 July 2024. Of this amount, interest receivables of EUR 2.6 million were still outstanding as of 31 December 2024. In the financial year 2024, write-downs of EUR 53.0 million were made on the loan receivables and write-downs of EUR 2.6 million on the interest receivables. As of the reporting date, loan receivables of EUR 16.5 million still existed. Cash and cash equivalents amounted to EUR 10.7 million (previous year: EUR 29.6 million).

On the liabilities side of the statement of financial position, the Company's **equity** fell from EUR 187.3 million as at 31 December 2023 to EUR 161.8 million as at 31 December 2024. This was due to the net loss for 2024.

The equity ratio increased from 24.9% on 31 December 2023 to 26.5% on 31 December 2024 due to the lower balance sheet total.

Provisions of EUR 33.7 million as of 31 December 2024 (31 December 2023: EUR 19.9 million) mainly relate to unbilled legal and consulting fees in connection with the bond refinancing, as well as tax provisions, other personnel costs and costs for the preparation and audit of the annual and consolidated financial statements.

The Company's **liabilities** fell, mainly as a result of the partial buyback of the 2019/2024 corporate bond, from EUR 546.1 million as at 31 December 2023 to EUR 415.4 million as at 31 December 2024. This was offset by the assumption of a shareholder loan in the amount of EUR 97.3 million and the increase in liabilities to affiliated companies by EUR 42.5 million to EUR 61.7 million (previous year: EUR 42.6 million).

FINANCIAL POSITION

The Company's financial management is carried out in accordance with the Rules of Procedure adopted by the Executive Board. The primary objectives are to ensure liquidity and maintain financial independence. Apart from one loan, the financing obligations, including the financial covenants, were met as of the balance sheet date. This loan has since been extended to 30 June 2026 with the financing bank.

COMPANY AND SHAREHOLDERS 2

COMBINED MANAGEMENT REPORT 26
Group principles 27
Economic report 37
Other statutory disclosures 57
Opportunities and risks 82
Outlook 93

CONSOLIDATED FINANCIAL STATEMENTS 95

FURTHER DISCLOSURES 188

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	2024	2023	Change	in %
Cash flow from operating activities	55,562	– 36,652	92,214	< 100
Cash flow from investing activities	162,451	77,808	84,643	< 100
Cash flow from financing activities	– 236,971	– 51,453	– 185,518	< 100
Net change in cash and cash equivalents	**– 18,958**	**26,318**	**– 45,276**	**< 100**
Cash and cash equivalents at the end of the period	**10,668**	**29,626**	**– 18,958**	**– 64.0**

Operating activities resulted in a cash inflow of EUR 55.6 million in 2024, after a cash outflow of EUR 36.7 million in the previous year. The significant change in cash flow results from the investment income after the sale of the LogPark property in Leipzig and the improved result for the period.

Cash flow from investing activities amounted to EUR 162.5 million, compared to EUR 77.8 million the previous year. The increase is mainly due to higher dividend payments.

DEMIRE AG's cash flow from financing activities amounted to EUR – 237.0 million in the 2024 financial year, compared to EUR – 51.5 million in 2023. The deviation from the previous year is mainly due to the partial repurchases of the corporate bond. This was offset by cash inflows from the shareholder loan and from the financing of liabilities in affiliated companies.

Apart from the loan that has since been extended, DEMIRE was able to meet its payment obligations at all times during the 2024 fiscal year.

OUTLOOK

The net profit forecast for 2024 is higher than in the previous year, in line with expectations. A significantly improved result is expected in 2025 due to the lower administrative expenses that are emerging, which in the previous year included a high one-off effect in connection with the refinancing of the corporate bond.

SUBSEQUENT EVENTS

A loan of EUR 33.9 million that was originally set to mature on 30 November 2024 was initially extended by two months to 30 January 2025. In January 2025, this loan was extended until 30 June 2026 and the interest rate was adjusted to market rates.

In March 2025, the subsidiary Fair Value REIT-AG received cash of EUR 567,000 from an out-of-court settlement.

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

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."

Dividend

DEMIRE did not distribute a dividend in the reporting period due to the lack of retained earnings in the 2023 financial year. No dividend will be distributed for the 2024 financial year either due to the lack of retained earnings. According to the terms and conditions of the 2019/2027 corporate bond, this is only possible again after the end of its term.

COMPANY AND SHAREHOLDERS 2

COMBINED MANAGEMENT REPORT 26

Group principles 27

Economic report 37

Other statutory disclosures 57

Opportunities and risks 82

Outlook 93

CONSOLIDATED FINANCIAL STATEMENTS 95

FURTHER DISCLOSURES 188

OTHER STATUTORY DISCLOSURES

Disclosures pursuant to Section 289a/315a HGB

COMPOSITION OF SUBSCRIBED CAPITAL

a) As at 31 December 2024

As at 31 December 2024, 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 2024

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 2024

In 2024, the Company received a voting rights notification from Apollo Global Management Inc., which is published on DEMIRE's website. 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 held (indirectly) 90.75% of voting rights in the company.

b) Development after 31 December 2024

The Company did not receive additional 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.

COMPANY AND SHAREHOLDERS 2

COMBINED MANAGEMENT REPORT 26
Group principles 27
Economic report 37
Other statutory disclosures 57
Opportunities and risks 82
Outlook 93

CONSOLIDATED FINANCIAL STATEMENTS 95

FURTHER DISCLOSURES 188

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

The Authorised Capital 2019/I expired on 10 February 2024 and was not used.

a) As at 31 December 2024

By resolution of the Annual General Meeting on 21 November 2024, the Executive Board was authorised, with the consent of the Supervisory Board, to increase the share capital of the Company on one or more occasions on including or before 20 November 2029 by up to a total of EUR 53,888,662.00 by issuing up to a total of 53,888,662 new no-par value bearer shares against cash contributions and/or contributions in kind (Authorised Capital 2024/I).

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. This means that the profit entitlement for the new shares may differ from what is set out in Section 60 (2) German Stock Corporation Act (AktG).

A subscription right for the new shares is usually granted if a capital increase comes around due to a cash injection. The new shares must be underwritten by at least one credit institution, one investment institution or other companies within the context of Section 186 (5) (1) AktG with the obligation to offer these to shareholders for subscription. The Executive Board is authorised, with the consent of the Supervisory Board, to exclude the statutory subscription right for shareholders on one or more occasions in the following cases:

1) if the new shares according to Section 186 (3) (4) AktG are issued for cash injections to an issue price which does not significantly undercut the share price of the Company's existing shares of the same type and with the same options at the time the issue price is finally stipulated, and that the notional interest of the shares in share capital issued according to Section 186 (3) (4) AktG excluding the subscription right does not exceed 20% of the share capital at the time such authorisation is entered into the commercial register or – provided that the following sum is lower – at the time the authorisation is exercised. Regarding the restriction to 20% of the share capital, the following must be accounted for:

(a) shares issued or shares that are to be issued for the servicing of convertible bonds and/or bonds with warrants, profit participation rights and/or profit participation bonds (or combinations of these instruments), provided that these are issued during the term of this authorisation in compliance with Section 186 (3) (4) AktG excluding the subscription right, as well as

COMPANY AND SHAREHOLDERS 2

COMBINED MANAGEMENT REPORT 26

Group principles 27

Economic report 37

Other statutory disclosures 57

Opportunities and risks 82

Outlook 93

CONSOLIDATED FINANCIAL STATEMENTS 95

FURTHER DISCLOSURES 188

(b) treasury shares which are sold during the term of this authorisation in compliance with Section 186 (3) (4) whilst excluding the shareholder's subscription rights.

2) in the event of capital increases against property, plant and equipment, particularly for the acquisition of property or property portfolios (also the acquisition of property companies or parts thereof), companies, operators, parts of companies or shareholdings in companies, or other contributable assets or claims on the acquisition of contributable assets including receivables from the company or Group companies;

3) to remove fractional amounts from the subscription right, and

4) to grant holders of conversion or option rights issued by the company or companies in which the company directly or indirectly holds a majority interest a subscription right to new shares to the extent to which they would be entitled after exercising the conversion or option rights or after fulfilment of conversion obligations in order to protect against dilution.

The Supervisory Board is authorised to correspondingly amend the wording of the Articles of Association after utilisation of the authorised capital 2024/1 or after the deadline for utilisation of authorised capital 2024/1 has elapsed.

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

b) Development after 31 December 2024

There were no changes after the reporting date.

Conditional capital

The Conditional Capital 2020/I was not used in the 2024 financial year and was replaced by the Conditional Capital 2024/I at the Annual General Meeting on 21 November 2024.

a) As at 31 December 2024

By resolution of the ordinary Annual General Meeting of 21 November 2024, the Executive Board was authorised, with the consent of the Supervisory Board, to conditionally increase the share capital of the Company by up to EUR 53,888,662.00 by issuing up to 53,888,662 no-par value bearer shares (Conditional Capital 2024/I). 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, profit participation rights and/or profit participation bonds (or combinations of these instruments) which were issued or will be issued on the basis of the authorisation resolved by the Annual General Meeting on 21 November 2024 under Agenda Item 9 b) to issue convertible bonds and/or bonds with warrants, profit participation rights and/or profit participation bonds (or combinations of these instruments) by the Company or its direct or indirect subsidiaries and grant a conversion or option right to new no-par value bearer shares of the Company or establish a conversion or option 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

COMPANY AND SHAREHOLDERS 2

COMBINED MANAGEMENT REPORT 26
Group principles 27
Economic report 37
Other statutory disclosures 57
Opportunities and risks 82
Outlook 93

CONSOLIDATED FINANCIAL STATEMENTS 95

FURTHER DISCLOSURES 188

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.

Conditional Capital 2024/I had not yet been utilised by 31 December 2024.

b) Development after 31 December 2024
There were no changes after the reporting date.

Authorisation to issue convertible bonds or bonds with warrants
The authorisation to issue convertible bonds or bonds with warrants based on the resolution of the Annual General Meeting of 11 February 2019 expired on 10 February 2024 and was not used.

Authorisation to purchase treasury shares
On the basis of the resolution of the Annual General Meeting of 28 April 2021, the Company is authorised until 27 April 2026 to acquire up to a total of 10% of the share capital existing at the time of the resolution or, if lower, the share capital existing at the time the authorisation is exercised. Together with other treasury shares acquired and owned by the Company or attributable to the Company, the treasury shares acquired on the basis of this authorisation may at no time exceed 10% of the Company's share capital existing at the time of the resolution or, if this value is lower, at the time the authorisation is exercised. Acquisition for the purpose of trading in treasury shares is excluded. The authorisation may be exercised in whole or in part, once or several times, in pursuit of one or several objectives by the Company or its Group companies or by third parties for its or their account.

The shares may be acquired on the stock exchange or by way of a public repurchase offer or a public invitation to the Company's shareholders to submit offers for sale:

If the shares are acquired on the stock exchange, the consideration per share paid by the Company (in each case without consideration of ancillary acquisition costs) may not exceed the average closing price of the Company's shares in Xetra trading on the Frankfurt Stock Exchange (or a comparable successor system) on the last three trading days prior to the acquisition by more than 10% or fall below this price by more than 10%. If the Company is listed on several stock exchanges, the respective last ten closing prices of the Company on the Frankfurt Stock Exchange are decisive.

At the Executive Board's discretion, Company shares may be acquired on the stock exchange or by means of a public purchase offer to all shareholders or public invitation to submit an offer to sell. If purchased on the stock exchange, the consideration paid per share (excluding ancillary acquisition costs) may not be more than 10% higher or 20% lower than the average closing price of the Company's shares of the same class in XETRA trading (or a comparable successor system) on the last five trading days of the Frankfurt Stock Exchange prior to entering into the obligation to purchase.

COMPANY AND SHAREHOLDERS 2

COMBINED MANAGEMENT REPORT 26
Group principles 27
Economic report 37
Other statutory disclosures 57
Opportunities and risks 82
Outlook 93

CONSOLIDATED FINANCIAL STATEMENTS 95

FURTHER DISCLOSURES 188

In the event of a public offer to buy or a public invitation to submit an offer to sell, the purchase price offered or the limits of the purchase price range per share (excluding incidental acquisition costs) may not be more than 10% higher or 20% lower than the average closing price of the Company's shares of the same class in XETRA trading (or a comparable successor system) on the last five trading days on the Frankfurt Stock Exchange before the date of publication of the offer or the public invitation to submit an offer to sell.

The volume of the offer or the invitation to submit offers may be limited. If the total acceptance of the offer or the offers made by shareholders in response to an invitation to submit offers exceeds this volume, the acquisition or acceptance must be effected in proportion to the shares offered, partially excluding any tender rights of shareholders. Preferential acquisition or preferential acceptance of smaller quantities of up to 100 shares of the Company offered for acquisition per shareholder of the Company may be provided for, to the extent that the shareholders' right to tender may be partially excluded.

In addition to selling the purchased shares of the Company on the stock exchange, the Executive Board is authorised to retire the acquired treasury shares of the Company and, reducing the share capital, to transfer them to third parties as consideration in business combinations or the acquisition of companies or equity interests, or to offer them to employees for purchase, use them to service option or conversion rights or to sell them in a way other than on the stock exchange, provided that the selling price is not significantly lower than the stock exchange price.

The purchase offer or the invitation to submit an offer to sell may stipulate further conditions.

MATERIAL AGREEMENTS OF THE COMPANY THAT ARE CONDITIONAL UPON A CHANGE OF CONTROL FOLLOWING A TAKEOVER BID AND THE RESULTING EFFECTS

The majority of the existing debt financing agreements (including the 2019/2027 corporate bond) provide for an extraordinary termination right for the creditors of Group companies concerned in the event of a change of control.

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.

Corporate Governance Statement

On 5 February 2025, the Executive Board of the Company issued its Corporate Governance Statement in accordance with Sections 315d and 289f of the German Commercial Code (HGB) and made it generally and permanently accessible on the Company's website at www.demire.ag in the "Company" section under the heading "Corporate Governance".

CONCLUDING STATEMENT TO THE DEPENDENCY REPORT PURSUANT TO SECTION 312 AKTG

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

COMPANY AND SHAREHOLDERS 2

COMBINED MANAGEMENT REPORT 26
Group principles 27
Economic report 37
Other statutory disclosures 57
Opportunities and risks 82
Outlook 93

CONSOLIDATED FINANCIAL STATEMENTS 95

FURTHER DISCLOSURES 188

Remuneration Report 2024

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 2024 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 2024 financial year

RESOLUTION ON THE APPROVAL OF THE REMUNERATION REPORT FOR THE PREVIOUS FINANCIAL YEAR 2023

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 2023 was approved by the Annual General Meeting on 21 November 2024 with a majority of 99.08% of the capital represented pursuant to Section 120a (4) AktG. Due to the approval, there was no reason to adjust the reporting.

REMUNERATION SYSTEM FOR THE EXECUTIVE BOARD MEMBERS IN THE 2024 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 (www.demire.ag/en/annual-general-meeting).

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

The Executive Board service contracts for Prof. Dr Alexander Goepfert (CEO since 1 January 2023, dismissed 3 April 2024), Mr Ralf Bongers (since 1 April 2023) and Mr Frank Nickel (Chair since 3 April 2024) include the "New remuneration system".

Given that the agreed changes to the remuneration of the Executive Board in accordance with the extension agreements dated 26 May 2021, as well as the agreements themselves, came into effect as at **1 January 2022**, the active Executive Board members were granted remuneration as at the 2022 financial year in accordance with the requirements of the new remuneration system (**"New remuneration system"**). Accordingly, the "New remuneration system" is presented below.

Mr Tim Brückner's Executive Board contract was extended in 2024, but will not take effect until 1 January 2025. The "Old remuneration system" is therefore still relevant for the 2024 financial year. For this reason, the relevant key points of the "Old remuneration system" are presented at the appropriate place in this remuneration report (see 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 2024 financial year.

COMPANY AND SHAREHOLDERS 2

COMBINED MANAGEMENT REPORT 26
Group principles 27
Economic report 37
Other statutory disclosures 57
Opportunities and risks 82
Outlook 93

CONSOLIDATED FINANCIAL STATEMENTS 95

FURTHER DISCLOSURES 188

REMUNERATION SYSTEM FOR THE SUPERVISORY BOARD MEMBERS IN THE 2024 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 system for the Supervisory Board was applied in full, as set out in Section 16 of the Articles of Association.

Detailed breakdown of Executive Board remuneration during the 2024 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.

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”.

COMPANY AND SHAREHOLDERS 2

COMBINED MANAGEMENT REPORT 26
Group principles 27
Economic report 37
Other statutory disclosures 57
Opportunities and risks 82
Outlook 93

CONSOLIDATED FINANCIAL STATEMENTS 95

FURTHER DISCLOSURES 188

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).

REMUNERATION ELEMENT

Variable remuneration	Basis for calculation/parameter
Bonus (short-term incentive)	Cap: Double the target amount
	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)
	Payment: At the end of the month in which the Company's annual financial statements for the previous year are adopted.
Virtual stock option programme (long-term incentive)	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.
	Performance criteria: – 50% Annual share price increase – 50% Relative total shareholder return
	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)

COMPANY AND SHAREHOLDERS 2

COMBINED MANAGEMENT REPORT 26
Group principles 27
Economic report 37
Other statutory disclosures 57
Opportunities and risks 82
Outlook 93

CONSOLIDATED FINANCIAL STATEMENTS 95

FURTHER DISCLOSURES 188

REMUNERATION ELEMENT

Other remuneration provisions	Basis for calculation/parameter
Maximum remuneration	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.
Severance payment cap	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.
Malus and clawback provision	Possible to partially or fully reduce or claw back variable remuneration.
Remuneration for other 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 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.

DETAILED BREAKDOWN OF FIXED REMUNERATION ELEMENTS IN THE 2024 FINANCIAL YEAR

Basic remuneration in 2024 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 was EUR 420,000.00 gross per annum for the CEO Prof. Dr Alexander Goepfert (until 3 April 2024), (therefore EUR 105,000.00 gross for 2024), EUR 252,000.00 gross per annum for the CFO Mr Tim Brückner, EUR 235,000.00 gross per annum for the Executive Board Member for Transactions Mr Ralf Bongers, and for the new Chair Mr Frank Nickel (from 3 April 2024) it was EUR 420,000.00 gross per annum (EUR 315,000.00 gross for 2024).

Fringe benefits in 2024 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

COMPANY AND SHAREHOLDERS 2

COMBINED MANAGEMENT REPORT 26
Group principles 27
Economic report 37
Other statutory disclosures 57
Opportunities and risks 82
Outlook 93

CONSOLIDATED FINANCIAL STATEMENTS 95

FURTHER DISCLOSURES 188

insured benefits under the terms and conditions of insurance shall be due to a person nominated by the Executive Board or to the heirs.

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. Furthermore, Executive Board member Mr Tim Brückner was granted the right to waive the provision of a company car and instead receive a car allowance as an additional salary component totalling EUR 1,500.00 gross per month. This salary component also covers all travel expenses of the Executive Board (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. These regulations correspondingly apply to Mr Bongers, in assuming the costs of a private pension then in this case it is a gross allocation.

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.

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 2024 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 SGB V and Section 61 SGB XI.

DETAILED BREAKDOWN OF VARIABLE REMUNERATION ELEMENTS IN THE 2024 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 2024 financial year (2023 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.

COMPANY AND SHAREHOLDERS 2

COMBINED MANAGEMENT REPORT 26
Group principles 27
Economic report 37
Other statutory disclosures 57
Opportunities and risks 82
Outlook 93

CONSOLIDATED FINANCIAL STATEMENTS 95

FURTHER DISCLOSURES 188

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 132,000.00 gross for Mr Brückner, EUR 110,000.00 gross for Mr Bongers.

FOR MR TIM BRÜCKNER:

Financial performance criteria

The quantitative targets related to the achievement of the corporate goals communicated to the capital market (forecast values of rental income and FFO) and operational performance criteria (transaction and letting 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 came to the unanimous conclusion that the targets that were set could not be fully achieved in an extremely demanding market environment. In particular, the planned measures for restructuring the portfolio could not be implemented to the desired degree due to market conditions, meaning that the targets set in this area could not be fully achieved. However, the targets linked to preparation and implementation of the bond share buyback were achieved.

Furthermore, the Company's key figures such as rental income and FFO were achieved on schedule despite the challenges faced in the rental markets and were indeed exceeded in some cases so that targets in this field were deemed in general to have been achieved. The continued reduction in administrative expenses, expansion of digitalisation and publication of the sustainability report also took place on schedule and in accordance with the defined targets.

In general, the Supervisory Board came to the conclusion that Tim Brückner should be entitled to a bonus of 79% of the basic bonus.

COMPANY AND SHAREHOLDERS 2

COMBINED MANAGEMENT REPORT 26

Group principles 27

Economic report 37

Other statutory disclosures 57

Opportunities and risks 82

Outlook 93

CONSOLIDATED FINANCIAL STATEMENTS 95

FURTHER DISCLOSURES 188

FOR MR RALF BONGERS:

Financial performance criteria

The quantitative targets related to the achievement of the corporate goals communicated to the capital market (forecast values of rental income and FFO) and operative performance criteria (transaction and letting targets).

Non-financial performance criteria

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

When calculating the bonus for Mr Bongers, the Supervisory Board has noted that the target bonus has been exceeded when taking everything into consideration over a period of twelve months and this is justifiable as Mr Bongers played a crucial part in the critical (second) transaction for DEMIRE with LogPark Leipzig. Being responsible for the corresponding conclusion of the sales contract and fully completing this was fundamental for the later success of refinancing negotiations regarding the 2019/2024 bond and ultimately also for the 2023 annual financial statements that were certified by the auditor PwC on 30 September 2024. The Supervisory Board came to the conclusion that Ralf Bongers should be entitled to a bonus of 115% of the target bonus.

VIRTUAL STOCK OPTION PROGRAMME (LONG-TERM INCENTIVE) IN THE 2024 FINANCIAL YEAR

Payment of 2020/2024 tranche

The 2020 tranche for Mr Brückner was paid out in 2024. 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.

In relation to the share price increase component, the target achievement was 0%, while the target achievement for the relative TSR component was 55%, corresponding to an overall target achievement of 27%. The maximum number of PSUs for the 2020 tranche for Mr Brückner was 36,062, meaning that a total of 9,848.29 PSUs were vested. 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 amounted to EUR 1.12, resulting in a payout amount of EUR 11,030.08.

CALCULATION OF 2020 TRANCHE

as of 31 December 2023	Tim Brückner
Allotment	EUR 185,000.00
Average share price	EUR 5.13
Number of PSUs	36,062.38
Target achievement – share performance	0%
Target achievement – relative TSR	55%
Target achievement – total	27%
Vested PSUs	9,848.29
60-day average price per share	EUR 1.12
Payment amount	EUR 11,030.08

Basic structure (2024/2028 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 allotment contractually agreed in advance that is divided by the average share price of DEMIRE AG 60 trading days prior to 1 January of a given year ("**grant date**").

COMPANY AND SHAREHOLDERS 2

COMBINED MANAGEMENT REPORT 26

Group principles 27

Economic report 37

Other statutory disclosures 57

Opportunities and risks 82

Outlook 93

CONSOLIDATED FINANCIAL STATEMENTS 95

FURTHER DISCLOSURES 188

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 2024/2028 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 2024 tranche, the maximum value is 14% p.a. and the corresponding threshold is 7% p.a.

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 2024 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.

COMPANY AND SHAREHOLDERS 2

COMBINED MANAGEMENT REPORT 26
Group principles 27
Economic report 37
Other statutory disclosures 57
Opportunities and risks 82
Outlook 93

CONSOLIDATED FINANCIAL STATEMENTS 95

FURTHER DISCLOSURES 188

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 2024 financial year (2024/2028 tranche)
In total, 607,250 PSUs were provisionally granted to the Executive Board members in the 2024 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" above):

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 242,418 gross	0,881[1]	275,107
Tim Brückner	EUR 192,000 gross	1.120	171,429
Ralf Bongers	EUR 180,000 gross	1.120	160,714

[1] The fact that Mr Nickel joined the company during the year on 3 April 2024 results in a different allocation rate.

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

OTHER REMUNERATION PROVISIONS IN THE 2024 FINANCIAL YEAR

Details regarding the defined maximum remuneration amounts for Executive Board members and compliance with said amounts in the 2024 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 2022/2026 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.

COMPANY AND SHAREHOLDERS 2

COMBINED MANAGEMENT REPORT 26
Group principles 27
Economic report 37
Other statutory disclosures 57
Opportunities and risks 82
Outlook 93

CONSOLIDATED FINANCIAL STATEMENTS 95

FURTHER DISCLOSURES 188

The following illustration shows that these maximum limits were all complied with in relation to the variable remuneration granted and owed in the 2024 financial year:

COMPLIANCE WITH THE STIPULATED MAXIMUM AMOUNTS WITH REGARD TO THE VARIABLE REMUNERATION ELEMENTS IN THE 2024 FINANCIAL YEAR

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

in EUR (gross)		Target (for the business year 2023) remuneration	Maximum (for the business year 2023)	Payment (for the business year 2023)
One-year variable remuneration	Bonus for 2024 (short-term incentive)	n/a	n/a	n/a
Multi-year variable remuneration	LTI (2023/2027 tranche) Value of granted PSUs (2023/2027 tranche) = EUR 242,418	242.418	605,545 (Cap of 2.5x upon payment)	no payment in 2024

TIM BRÜCKNER – CHIEF FINANCIAL OFFICER SINCE 1 FEBRUARY 2019

in EUR (gross)		Target (for business year 2023) remuneration	Maximum (for business year 2023)	Payment (for business year 2023)
One-year variable remuneration	Bonus for 2024 (short-term incentive)	132,000	264,000	104,115 (for FY 2023, see above)
Multi-year variable remuneration	LTI (2023/2027 tranche) Value of granted PSUs (2023/2027 tranche) = 192,000	192,000	480,000 (Cap of 2.5x upon payment)	Payment of 2020/2024 tranche in the amount of 11,030

RALF BONGERS – CHIEF INVESTMENT OFFICER SINCE 1 APRIL 2023

in EUR (gross)		Target (for business year 2023) remuneration	Maximum (for business year 2023)	Payment (for business year 2023)
One-year variable remuneration	Bonus for 2024 (short-term incentive)	n/a	n/a	EUR 94,914 gross (see above for financial year 2023)
Multi-year variable remuneration	LTI (2023/2027 tranche) Value of granted PSUs (2023/2027 tranche) = 180,000	180,000	450,000 (Cap of 2.5x upon payment)	no payment in 2024

PROF. DR. ALEXANDER GOEPFERT – CHAIRMAN OF THE EXECUTIVE BOARD UNTIL 3 APRIL[1]

in EUR (gross)		Target (for the business year 2023) remuneration	Maximum (for the business year 2023)	Payment (for the business year 2023)
One-year variable remuneration	Bonus for 2024 (short-term incentive)	n/a	n/a	n/a
Multi-year variable remuneration	LTI (2023/2027 tranche) Value of granted PSUs (2023/2027 tranche) = EUR 0	0	0 (Cap of 2.5x upon payment)	no payment in 2024

[1] See the following section “Remuneration on termination of contract – Severance payment provisions”

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 1,580,000.00 gross per annum
— Regular Executive Board members: EUR 1,180,000.00 gross per annum

COMPANY AND SHAREHOLDERS 2

COMBINED MANAGEMENT REPORT 26
Group principles 27
Economic report 37
Other statutory disclosures 57
Opportunities and risks 82
Outlook 93

CONSOLIDATED FINANCIAL STATEMENTS 95

FURTHER DISCLOSURES 188

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 2020/2024 LTI tranche ended in the 2024 financial year. Mr Brückner received a payment of EUR 11,030.08. With total remuneration of EUR 422,341.98, the maximum remuneration was complied with.

Otherwise, no conclusive assessment of compliance with the maximum remuneration can be made in this remuneration report.

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 DEMIRE AG 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. 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.

COMPANY AND SHAREHOLDERS 2
COMBINED MANAGEMENT REPORT 26
Group principles 27
Economic report 37
Other statutory disclosures 57
Opportunities and risks 82
Outlook 93
CONSOLIDATED FINANCIAL STATEMENTS 95
FURTHER DISCLOSURES 188

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.

The employment contracts of the Executive Board in the version of these valid until 31 December 2022 provided for a corresponding regulation, but relating to clear and unequivocal gross breaches of essential obligations. Within the framework of extending the Executive Board employment contracts, the previous regulations have been retained. This tightening of the wording of the remuneration system was necessary in order to increase the likelihood that the corresponding clauses would withstand a review of their content according to the standard of Section 305 et seq. BGB and thus actually be enforceable in the event of a dispute.

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. 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

COMPANY AND SHAREHOLDERS 2

COMBINED MANAGEMENT REPORT 26

Group principles 27

Economic report 37

Other statutory disclosures 57

Opportunities and risks 82

Outlook 93

CONSOLIDATED FINANCIAL STATEMENTS 95

FURTHER DISCLOSURES 188

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 2024, 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 2024 financial year, no Executive Board member was promised or granted benefits from a third party regarding their activity as an Executive Board member.

COMPANY AND SHAREHOLDERS 2

COMBINED MANAGEMENT REPORT 26
Group principles 27
Economic report 37
Other statutory disclosures 57
Opportunities and risks 82
Outlook 93

CONSOLIDATED FINANCIAL STATEMENTS 95

FURTHER DISCLOSURES 188

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.

Prof. Dr Alexander Goepfert has been a member of the Supervisory Board of Fair Value REIT-AG from 1 January 2023 to 3 July 2024.

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

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 Mr 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, Prof. Dr Alexander Goepfert and Mr Frank Nickel did not receive separate remuneration for their position as Chair of the Supervisory Board of Fair Value REIT-AG.

Prof. Dr Goepfert is a member of the Supervisory Board of PROXIMUS Real Estate AG, Cologne.

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

Mr Frank Nickel, Prof. Dr Alexander Goepfert, Mr Tim Brückner and Mr Ralf Bongers did not observe any other Executive Board and/or Supervisory Board mandates external to the Group during the 2024 financial year.

Detailed breakdown of Executive Board member remuneration during the 2024 financial year

Illustration of remuneration (including respective relative proportion) granted or owed to Executive Board members Prof. Dr Alexander Goepfert, Mr Frank Nickel, Mr Tim Brückner and Mr Ralf Bongers for the 2024 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 Prof. Dr Alexander Goepfert, Mr Frank Nickel, Mr Tim Brückner and Mr Ralf Bongers for the 2024 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 2024 financial year, which was vested in the 2023 financial year.

Payments under the virtual share option programme are also presented.

COMPANY AND SHAREHOLDERS 2

COMBINED MANAGEMENT REPORT 26

Group principles 27

Economic report 37

Other statutory disclosures 57

Opportunities and risks 82

Outlook 93

CONSOLIDATED FINANCIAL STATEMENTS 95

FURTHER DISCLOSURES 188

REMUNERATION GRANTED AND OWED PURSUANT TO SECTION 162 AKTG FOR FY 2024

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

		in EUR (gross)	in %
Fixed remuneration components			
	Basic remuneration 2024	315,000	95.1
	Fringe benefits 2024	13,500	4.1
Fixed remuneration	Pension expenses 2024	2,594	0.8
Total		**331,094**	**100.0**
Variable remuneration components			
One-year variable remuneration	2023 bonus (payment in September 2024)	–	–
Multi-year variable remuneration	LTI 2024/2028	–	–
Total		**0**	**0.0**
Total			
Total remuneration		**331,094**	**100.0**

REMUNERATION GRANTED AND OWED PURSUANT TO SECTION 162 AKTG FOR FY 2024

Tim Brückner – Chief Financial Officer since 1 February 2019

		in EUR (gross)	in %
Fixed remuneration components			
	Basic remuneration 2024	252,000	59.7
	Fringe benefits 2024	19,489	4.6
Fixed remuneration	Pension expenses 2024	35,707	8.4
Total		**307,196**	**72.7**
Variable remuneration components			
One-year variable remuneration	2022 bonus (payment in March 2023)	104,115	24.7
	LTI 2019/2023	–	–
	LTI 2020/2024	11,030	2.6
	LTI 2021/2025	–	–
	LTI 2022/2026	–	–
	LTI 2023/2027	–	–
Multi-year variable remuneration	LTI 2024/2028		
Total		**115,145**	**27.3**
Total			
Total remuneration		**422,341**	**100.0**

COMPANY AND SHAREHOLDERS 2

COMBINED MANAGEMENT REPORT 26
Group principles 27
Economic report 37
Other statutory disclosures 57
Opportunities and risks 82
Outlook 93

CONSOLIDATED FINANCIAL STATEMENTS 95

FURTHER DISCLOSURES 188

REMUNERATION GRANTED AND OWED PURSUANT TO SECTION 162 AKTG FOR FY 2024

Ralf Bongers – Chief Investment Officer since 1 April 2023

		in EUR (gross)	in %
Fixed remuneration components			
	Basic remuneration 2024	235,000	64.3
	Fringe benefits 2024	8,286	2.3
Fixed remuneration	Pension expenses 2024	27,243	7.5
Total		**270,530**	**74.0**
Variable remuneration components			
One-year variable remuneration	2022 bonus (payment in March 2023)	94,914	26.0
Multi-year variable remuneration	LTI 2023/2027	–	–
	LTI 2024/2028	–	–
Total		**94,914**	**26.0**
Total			
Total remuneration		**365,444**	**100.0**

REMUNERATION GRANTED AND OWED PURSUANT TO SECTION 162 AKTG FOR FY 2024

Prof. Dr. Alexander Goepfert – Chairman of the Executive Board from 1 January 2023 until 3 April 2024

		in EUR (gross)	in %
Fixed remuneration components			
	Basic remuneration 2024	105,000	20.0
	Fringe benefits 2024	4,647	9.0
Fixed remuneration	Pensions expenses 2024	1,395	0.2
	Payments as part of a settlement (includes basic remuneration STI 2023, STI 2024 and a severance payment)	415,000	78.9
Total		**526,042**	**100.0**
Variable remuneration components			
One-year variable remuneration	2023 bonus (payment in September 2024)	–	–
Multi-year variable remuneration	LTI 2024/2028	–	–
Total		**0**	**0.0**
Total			
Total remuneration		**526,042**	**100.0**

COMPANY AND SHAREHOLDERS 2

COMBINED MANAGEMENT REPORT 26
Group principles 27
Economic report 37
Other statutory disclosures 57
Opportunities and risks 82
Outlook 93

CONSOLIDATED FINANCIAL STATEMENTS 95

FURTHER DISCLOSURES 188

Remuneration granted and owed to former Executive Board members during the 2024 financial year

At the present time, a long-term incentive remains in place for the former Executive Board member Andreas Steyer in the form of a stock option plan. The long-term incentive arising from the 2015 stock option plan is owed to Mr Steyer. In the 2015 financial year, share-based payments were issued for this purpose in the form of subscription rights (stock options) to the Executive Board of DEMIRE AG and to a selected group of persons within the DEMIRE Group. The stock option programme is an option plan that is settled with equity instruments (equity-settled stock option plan). The option plan only provides for the possibility of settling the stock option programme in shares of DEMIRE AG. Accounting for the share-based payments issued is in accordance with IFRS 2. The exercise of subscription rights is subject to the Company's share price through trading using Xetra (or a comparable successor system) on the Frankfurt Stock Exchange being at least 10% higher than the basic price on the trading day preceding the exercise of the subscription rights. 400,000 stock options were issued to Mr Steyer. The fair value of each option from the first tranche was EUR 2.74. In the period under review, there were no changes in the number of shares issued in comparison to the previous period. The option term is nine years from the issue date. The first four years constitute a vesting period. In the reporting period, no further expenses arose from this stock option programme. This was also the case the previous year.

The entitlement elapsed in 2024.

SUPERVISORY BOARD REMUNERATION FOR THE 2024 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 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.

COMPANY AND SHAREHOLDERS 2

COMBINED MANAGEMENT REPORT 26
Group principles 27
Economic report 37
Other statutory disclosures 57
Opportunities and risks 82
Outlook 93

CONSOLIDATED FINANCIAL STATEMENTS 95

FURTHER DISCLOSURES 188

Details regarding the specific Supervisory Board remuneration for the 2024 financial year

The table below shows the remuneration granted to the current and former Supervisory Board members for the 2023 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 presentation below includes the fixed annual remuneration for Supervisory Board activities during the 2023 financial year, which was paid out in the 2024 financial year. 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 2023 financial year or the 2024 financial year.

REMUNERATION GRANTED TO SUPERVISORY BOARD MEMBERS IN THE 2024 FINANCIAL YEAR

	Fixed remuneration		Total remuneration	
	in EUR	in %	in EUR	in %
Current Supervisory Board members				
Markus Hofmann (Chairman since 1 January 2023)	120,000	100	120,000	100
Frank Hölzle	80,000	100	80,000	100
Ernö Theuer (since 2 May 2024)[1]	–	–	–	–
Dr. Kerstin Hennig (until 1 May 2024)	40,000	100	40,000	100
Total	**240,000**	**100**	**240,000**	**100**

[1] No remuneration was paid in 2024.

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 DEMIRE AG 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).

COMPANY AND SHAREHOLDERS 2

COMBINED MANAGEMENT REPORT 26
Group principles 27
Economic report 37
Other statutory disclosures 57
Opportunities and risks 82
Outlook 93

CONSOLIDATED FINANCIAL STATEMENTS 95

FURTHER DISCLOSURES 188

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

	Remuneration granted and owed for 2024	Remuneration granted and owed for 2023	Change in 2024 compared to 2023		Change in 2023 compared to 2022		Change in 2022 compared to 2021		Change in 2021 compared to 2020	
	in EUR	in EUR	in EUR	in %	in EUR	in %	in EUR	in %	in EUR	in %
Current Executive Board members										
Prof. Dr. Alexander Goepfert (1 January 2023 to 3 April 2024)	526,042[1]	443,921	82,121	18	443,921	100	–	–	–	–
Frank Nickel (since 3 April 2024)	331,095[2]	0	331,095	100	–	–	–	–	–	–
Tim Brückner	442,342	513,717	– 91,375	– 18	40,311	8	45,498	53	179,762	49
Ralf Bongers (since 1 April 2023)	365,445	202,313[3]	163,132	81	202,313	100	–	–	–	–
Former Executive Board members										
Ingo Hartlief	0	1,350,000	– 1,350,000	– 100	635,380	89	– 74,970	– 9	– 314,622	– 28
Ralf Kind	–	–	–	–	– 1,700,000	– 100	–	–	–	–
Employees										
Employee average	108,817	97,398	11,419	12	1,918	2	– 11,222	– 11	11,046	12
Development of earnings										
Net loss for the financial year – DEMIRE Group (in EUR thousand)	– 87,479	– 151,966	64,487	– 42	– 80,464	113	– 133,089	– 216	52,420	572
Net loss for the financial year – DEMIRE AG (in EUR thousand)	– 25,489	– 52,377	26,888	– 51	– 26,413	102	– 58,807	– 179	3,675	13

[1] In the 2024 financial year, only 3/12 of the remuneration was paid out pro rata, as the activity was not performed for the entire year.
[2] In the 2024 financial year, only 9/12 of the remuneration was paid out pro rata, as the activity was not performed for the entire year.
[3] In the 2023 financial year, only 9/12 of the remuneration was paid out pro rata, as the activity was not performed for the entire year.

COMPANY AND SHAREHOLDERS 2

COMBINED MANAGEMENT REPORT 26
Group principles 27
Economic report 37
Other statutory disclosures 57
Opportunities and risks 82
Outlook 93

CONSOLIDATED FINANCIAL STATEMENTS 95

FURTHER DISCLOSURES 188

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

The remuneration of the Supervisory Board shown below relates to the remuneration paid 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 2024	Remuneration granted and owed for 2023	Change in 2024 compared to 2023		Change in 2023 compared to 2022		Change in 2022 compared to 2021		Change in 2021 compared to 2020	
	in EUR	in EUR	in EUR	in %	in EUR	in %	in EUR	in %	in EUR	in %
Current Supervisory Board members										
Prof. Dr. Alexander Goepfert (until 31 December 2022)	0	120,000	– 120,000	– 100	0	0	30,000	33	0	0
Markus Hofmann (since 1 January 2023)	120,000	0	120,000	–	–	–	–	–	–	–
Frank Hölzle	80,000	80,000	0	0	0	0	22,000	33	0	0
Ernö Theuer (since 2 May 2024)[1]	–	–	–	–	–	–	–	–	–	–
Prof. Dr. Kerstin Hennig (until 1 May 2024)	40,000	40,000	0	0	0	0	10,000	33	12,500	71[2]
Employees										
Employee average	108,817	97,398	11,419	12	1,918	2	– 11,222	– 11	11,046	12
Development of earnings										
Net loss for the financial year – DEMIRE Group (in EUR thousand)	– 87,479	– 151,966	64,487	– 42	– 80,464	113	– 133,089	– 216	52,420	572
Net loss for the financial year – DEMIRE AG (in EUR thousand)	– 25,489	– 52,377	26,888	– 51	– 26,413	102	– 58,807	– 179	3,675	13

[1] No remuneration was paid out in 2024.
[2] The deviation results solely from the prorated payment of the amount for the previous year.

COMPANY AND SHAREHOLDERS 2

COMBINED MANAGEMENT REPORT 26
Group principles 27
Economic report 37
Other statutory disclosures 57
Opportunities and risks 82
Outlook 93

CONSOLIDATED FINANCIAL STATEMENTS 95

FURTHER DISCLOSURES 188

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 and was carried out again in 2023.

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.

COMPANY AND SHAREHOLDERS 2

COMBINED MANAGEMENT REPORT 26
Group principles 27
Economic report 37
Other statutory disclosures 57
Opportunities and risks 82
Outlook 93

CONSOLIDATED FINANCIAL STATEMENTS 95

FURTHER DISCLOSURES 188

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 we use are monitored regularly to ensure they are operating correctly. The results of this monitoring are utilised for the ongoing optimisation of the processes. DEMIRE's 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, the consolidation of debt and capital and, if necessary, the elimination of inter-Company results.

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.

COMPANY AND SHAREHOLDERS 2

COMBINED MANAGEMENT REPORT 26
Group principles 27
Economic report 37
Other statutory disclosures 57
Opportunities and risks 82
Outlook 93

CONSOLIDATED FINANCIAL STATEMENTS 95

FURTHER DISCLOSURES 188

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 2024, there are no indications that DEMIRE's ICS in its entirety was inadequate or ineffective.[1]

[1] This paragraph has not been audited.

General risk situation

In the 2024 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. For the quantification of risk, particularly with respect to the impact of changes in interest rates, please see the sensitivity analysis contained in the Notes to the consolidated financial statements under the section "Investment properties".

COMPANY AND SHAREHOLDERS 2

COMBINED MANAGEMENT REPORT 26
Group principles 27
Economic report 37
Other statutory disclosures 57
Opportunities and risks 82
Outlook 93

CONSOLIDATED FINANCIAL STATEMENTS 95

FURTHER DISCLOSURES 188

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

VALUE LIMITS

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

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

COMPANY AND SHAREHOLDERS 2

COMBINED MANAGEMENT REPORT 26
Group principles 27
Economic report 37
Other statutory disclosures 57
Opportunities and risks 82
Outlook 93

CONSOLIDATED FINANCIAL STATEMENTS 95

FURTHER DISCLOSURES 188

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 2024, 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 2025, the economic experts are 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 the 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 cause a deterioration in the ratio of financial liabilities to market value (loan-to-value ratio – LTV), the debt service coverage ratio (DSCR), the interest coverage rate (ICR) or the ability to service debt, which could ultimately result in a violation of the covenant obligations arising from debt financing. 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 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: LTV (net loan-to-value ratio) based on 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; ICR (interest coverage ratio) based on Group EBITDA as a ratio to net cash interest (interest expenses to third parties minus interest income from third parties, net of one-time financing costs and early repayment penalties). For information on the amount of the individual covenants, including their status as at 31 December 2024 for the corporate bond, please refer to the "Financial position" section in the economic report. From today's perspective, the new covenants agreed as part of the bond extension are currently being met and will be met until further notice (LTV <70%, ICR 1.5x).

The international ratings agency Moody's has raised the rating for the 2019/2027 corporate bond from Caa3 to Caa2 after successful extension at the beginning of November. The rating agency Scope examined the rating for the corporate bond in December 2024 and gave it a B rating.

Compliance with the relevant covenants and rating conditions is monitored and reported to the Executive Board on an ongoing basis. 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: very low).

Financing risks from bank loans

The company has proactively addressed the final maturities of financial liabilities in 2024 and 2025. The changes in the overall conditions on the credit markets for financing are reflected in the corporate planning. In the meantime, the bank financing of the Limes portfolio, consisting of the four properties in Essen, Kassel, Aschheim and Cologne (Max-Glomsda-Straße), which expires on 30 June 2024, could not be extended with the financing bank, meaning that the properties were in

COMPANY AND SHAREHOLDERS 2

COMBINED MANAGEMENT REPORT 26
Group principles 27
Economic report 37
Other statutory disclosures 57
Opportunities and risks 82
Outlook 93

CONSOLIDATED FINANCIAL STATEMENTS 95

FURTHER DISCLOSURES 188

insolvency proceedings at the time of publication of this report (see also “Outlook”, “Expected development of the Group”). The as yet incomplete extension of a loan for three objects in the portfolio was completed in the meantime via an agreement with the financing bank. DEMIRE is also in negotiations with a bank to replace a loan expiring on 30 December 2025 to finance the property in Rostock. The Executive Board currently classifies the financing risk from bank loans 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, 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 any further interest rate risk to be **very low**, (previous year: very low) partly in view of the first interest rate cuts by the European Central Bank.

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 at the reporting date and the planned cash flows in 2025 and 2026 are sufficient for the current needs of the operating activities. The Executive Board therefore considers operational liquidity risk to be very low (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 5 GmbH, Frankfurt am Main. As part of the structure, a loan totalling EUR 60 million was granted to RFR Immobilien. Due to the default on interest payments by RFR Immobilien in 2023 and 2024, there is a risk of partial default on the loan of EUR 60 million. As a precaution, impairments of EUR 28.5 million were recognised in the balance sheet as of 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 becoming due in 2026 in order to reverse the transaction (put option). The significantly increased probability of a reversal compared to the previous year 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 28.1 million. The Executive Board considers the risk from the investment to be high (previous year: **medium**).

COMPANY AND SHAREHOLDERS 2

COMBINED MANAGEMENT REPORT 26
Group principles 27
Economic report 37
Other statutory disclosures 57
Opportunities and risks 82
Outlook 93

CONSOLIDATED FINANCIAL STATEMENTS 95

FURTHER DISCLOSURES 188

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 or vacant space. Index-related rent increases may not always be implemented in full, immediately or at all. In addition to loss of income, letting-related costs (for example, broker's fees or tenant 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 is the risk that unexpected costs for maintenance and repair measures or for adapting the properties to modern requirements may also be incurred as a result of delays in implementation, such as a later issue of the building permit, which could result in a corresponding change in the rental date and, in turn, the inflow of rental income and profitability.

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. In the 2024 financial year, the ten largest tenants accounted for 46.2% (31 December 2023: 38%; 31 December 2022: 40.4%) of contractual leases. These are reputable tenants that are active in the public sector, telecommunications and retail in particular. This percentage increase is due to total rental income falling by around EUR 20 million, in absolute terms the rental income from the ten biggest tenants as of 31 December 2024 was EUR 3 million lower than as of 31 December 2023. There is therefore a dependency on a few tenants who account for a significant share of rental income. The largest tenant, with a cumulative share of 11.8% (31 December 2023: 9.5%; 31 December 2022: 14.2%) of total contractual rents in the real estate portfolio across several leases and real estate locations, is Deutsche Telekom (GMG Generalmietgesellschaft GmbH), although the dependence on this major tenant has been more than halved in recent years. Should it not be possible to find subsequent tenants for this property or 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 have been able to significantly reduce our dependence on our main tenant. 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 the net assets, financial position and results of operations to be medium (previous year: **medium**).

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.

COMPANY AND SHAREHOLDERS 2
COMBINED MANAGEMENT REPORT 26
Group principles 27
Economic report 37
Other statutory disclosures 57
Opportunities and risks 82
Outlook 93
CONSOLIDATED FINANCIAL STATEMENTS 95
FURTHER DISCLOSURES 188

The current market development also has an impact on the valuation of real estate, resulting in the risk of devaluations. In the past, DEMIRE was able to partly avoid this development through good operating results. After the significant discounts that have already taken place in previous years, the market is showing a lower loss in value in 2024, as DEMIRE sales also confirm.

In general, the Executive Board therefore considered the risk from the valuation and the resulting effects on the net assets, financial position and results of operations to be high (previous year: **very 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. 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.

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).

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 (Institut 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 the net assets, financial position and results of operations to be **low** (previous year: low) on average.

COMPANY AND SHAREHOLDERS 2

COMBINED MANAGEMENT REPORT 26
Group principles 27
Economic report 37
Other statutory disclosures 57
Opportunities and risks 82
Outlook 93

CONSOLIDATED FINANCIAL STATEMENTS 95

FURTHER DISCLOSURES 188

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 **very 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 2024 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 the net assets, financial position and results of operations to be **low** (previous year: low), based on its experiences gained in the past few years.

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

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

COMPANY AND SHAREHOLDERS 2

COMBINED MANAGEMENT REPORT 26
Group principles 27
Economic report 37
Other statutory disclosures 57
Opportunities and risks 82
Outlook 93

CONSOLIDATED FINANCIAL STATEMENTS 95

FURTHER DISCLOSURES 188

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 interest rates and the generally difficult economic situation. The operational successes 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 2024, there are no indications that DEMIRE's risk management system in its entirety was inadequate or ineffective.[1]

1 This paragraph has not been audited.

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 2025 financial year following an equally slightly negative assessment in the previous year. In the course of 2025, the German Council of Economic Experts expects slight economic growth driven by private consumption, while the export-driven economy and thus a large part of the economy and our tenants are still not expected to grow. DEMIRE will not be able to completely escape the weakened demand for office and retail space that is expected as a result. 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. Opportunities could arise here from sales proceeds that exceed the carrying amounts of the properties and thus create additional liquidity.

COMPANY AND SHAREHOLDERS 2

COMBINED MANAGEMENT REPORT 26
Group principles 27
Economic report 37
Other statutory disclosures 57
Opportunities and risks 82
Outlook 93

CONSOLIDATED FINANCIAL STATEMENTS 95

FURTHER DISCLOSURES 188

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 2025 could be better than expected.

In addition, the successful active property management of the existing portfolio will be continued. As evidenced by the macroeconomic slowdown in 2024, 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 2025. The strategy and structure proved their worth again in 2024, 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. The internalisation of fund and asset management for partial portfolios of the Fair Value REIT-AG Group also contributes further to improved earnings. The expectation for 2025 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.

FINANCIAL OPPORTUNITIES

As at 31 December 2024, DEMIRE had financing in the form of bank loans with a total nominal value of EUR 162.5 million and the 2019/2027 bond with a nominal value of EUR 252.5 million, which were subject to a scheduled final maturity in 2027. In view of the staggered maturities of the bank liabilities (2025: EUR 75.8 million, 2026: EUR 41.5 million, 2027: EUR 6.7 million, 2028: EUR 26.5 million, 2029: EUR 6.0 million, from 2030: EUR 6.0 million), a large number of financing options are still available for properties and will remain available for the foreseeable future from the Company's perspective. At the time of publication, a bank loan of EUR 34.2 million, which originally matured in the 2025 financial year, was refinanced. Opportunities could arise in 2025 from falling key interest rates and, as a result, refinancing costs that are lower again. Additional financial opportunities may arise from an unplanned liquidity inflow due to the insolvency proceedings for the Limes portfolio. 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

Since 2019, 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. However, the opportunities for early repayment of the 2019/2027 corporate bond arising from property sales would lead to a temporary reduction in the portfolio base. The Executive Board nevertheless believes that DEMIRE has a good chance of increasing the operational performance of the property management platform and of achieving the Group's medium-term targets.

COMPANY AND SHAREHOLDERS 2

COMBINED MANAGEMENT REPORT 26
Group principles 27
Economic report 37
Other statutory disclosures 57
Opportunities and risks 82
Outlook 93

CONSOLIDATED FINANCIAL STATEMENTS 95

FURTHER DISCLOSURES 188

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 2025. Despite increasing income in real terms, private consumer spending will not rise in 2025 due to a high proclivity to save, according to the German Council of Economic Experts. The outlook for the German economy remains subdued due to economic and structural problems. Overall, the German Council of Economic Experts expects GDP to increase slightly by a total of 0.4% for 2025.

The industry association BAUINDUSTRIE expects revenue in the construction sector to fall by around 1.4% in 2025. 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 7% in 2025. JLL forecasts recovery to continue in the investment market during 2025 and an increase in revenues of 13–19% depending on interest rate and economic developments.

Anticipated development of the sector

Transaction market for commercial real estate

CBRE expects a transaction volume of a good EUR 40 billion (previous year: EUR 34.3 billion) for the real estate market in 2025. Savills expects revenue in the commercial real estate market (without residential property) to be between EUR 25 billion and EUR 30 billion (previous year: EUR 24.4 billion). JLL expects further recovery in the transaction markets for real estate investment during 2025 with an increase of 13% to 19% year-on-year. Savills also expects somewhat higher transaction volumes and intermittent yield compression within individual real estate asset classes during 2025. After a dynamic rally at the end of 2024, CBRE forecasts the start of a new upward trend in 2025 that is powered by interest rate impulses and low entry-level prices.

Rental market

BNP PARIBAS REAL ESTATE believes that the office rental market will still face challenges due to the difficult economic environment in the first half of 2025. However, from the second half of the year onwards, the economy is expected to pick up and more positive rental dynamics will appear so that a very moderate increase in space turnover is expected for the whole of 2025. At the same time, the vacancy rate should pass through its cyclical high. Prime rents are expected to rise further due to the high demand for high-quality space.

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 2025 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 2025, 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.

COMPANY AND SHAREHOLDERS 2

COMBINED MANAGEMENT REPORT 26
Group principles 27
Economic report 37
Other statutory disclosures 57
Opportunities and risks 82
Outlook 93

CONSOLIDATED FINANCIAL STATEMENTS 95

FURTHER DISCLOSURES 188

The increased interest rate level, which has only been falling slightly again since June 2024, together with the bond 2019/2027, which was extended in December 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 51.0 million and EUR 53.0 million in 2025. 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 3.5 million and EUR 5.5 million, which is also significantly below the figure for the previous year and is due to reduced rental income as well as increased financial expenses.

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 30/9/2024	Result for 2024	Forecast for 2025
Rental income	64.0–66.0	65.3	51.0–53.0
FFO I (after taxes, before minority interests and interest of the shareholder loan)	–[1]	23.4	3.5–5.5

[1] Significantly lower

Frankfurt am Main, 19 March 2025
DEMIRE Deutsche Mittelstand Real Estate AG

Frank Nickel
(CEO)

Tim Brückner
(CFO)

Ralf Bongers
(Executive Board Member for Transactions)

CONSOLIDATED FINANCIAL STATEMENTS

Consolidated statement of income	96
Consolidated statement of comprehensive income	97
Consolidated balance sheet	98
Consolidated statement of cash flows	100
Consolidated statement of changes in equity	102
Notes to the consolidated financial statements	104
Shareholdings	166
Statement of fixed assets	170
Declaration by the executive directors	171
Independent auditor's report	172
Disclosures on real estate valuation	181
Sensitivity analysis of real estate valuation as at 31 December 2024	183
Fundamental company data	187

COMPANY AND SHAREHOLDERS 2

COMBINED MANAGEMENT REPORT 26

CONSOLIDATED FINANCIAL STATEMENTS 95

Consolidated statement of income 96

Consolidated statement of comprehensive income 97

Consolidated balance sheet 98

Consolidated statement of cash flows 100

Consolidated statement of changes in equity 102

Notes to the consolidated financial statements 104

Shareholdings 166

Statement of fixed assets 170

Declaration by the executive directors 171

Independent auditor's report 172

Disclosures on real estate valuation 181

Sensitivity analysis of real estate valuation as at 31 December 2024 183

Fundamental company data 187

FURTHER DISCLOSURES 188

CONSOLIDATED STATEMENT OF INCOME

for the financial year 1 January 2024 to 31 December 2024

In EUR thousand	NOTE	2024	2023
Rental income		65,285	78,519
Income from utility and service charges		16,932	23,004
Operating expenses to generate rental income[1]		– 36,044	– 43,126
Impairment of trade receivables [1]		– 1,699	– 2,161
Profit/loss from the rental of real estate	**D 1**	**44,474**	**56,236**
Income from the sale of real estate and real estate companies		109,714	70,450
Expenses related to the sale of real estate and real estate companies		– 117,003	– 84,784
Profit/loss from the sale of real estate and real estate companies	**D 2**	**– 7,289**	**– 14,334**
Profit/loss from fair value adjustments of investment properties	D 3	– 48,923	– 146,280
Profit/loss from fair value adjustments of non-current assets held for sale	D3	– 9,753	– 30,527
Impairment of financial and other receivables[1]	D 4	– 48,817	– 16,745
Other operating income	D 5	1,022	1,043
General and administrative expenses[1]	D 6	– 13,836	– 10,514
Other operating expenses	D 7	– 9,894	– 26,826
Earnings before interest and taxes		**– 93,016**	**– 187,947**
Financial income		44,803	21,542
Financial expenses		– 32,757	– 17,149
Profit/loss from companies accounted for using the equity method		63	1,007
Minority interests		– 1,713	5,086
Financial result	**D 8**	**10,396**	**10,486**
Earnings before taxes		**– 82,620**	**– 177,461**
Current income taxes	D 9	– 1,750	– 12,638
Deferred taxes	D 9	– 3,109	38,133
Net profit/loss for the period		**– 87,479**	**– 151,966**
of which attributable to:			
Non-controlling interests		**– 996**	**– 4,776**
Parent company shareholders		**– 86,483**	**– 147,190**
Basic earnings per share (in EUR)	D 10	– 0.82	– 1.39
Diluted earnings per share (in EUR)	D 10	– 0.82	– 1.39

[1] The previous year's figures were adjusted based on reporting changes during the period under review

COMPANY AND SHAREHOLDERS 2

COMBINED MANAGEMENT REPORT 26

CONSOLIDATED FINANCIAL STATEMENTS 95

Consolidated statement of income 96

Consolidated statement of comprehensive income 97

Consolidated balance sheet 98

Consolidated statement of cash flows 100

Consolidated statement of changes in equity 102

Notes to the consolidated financial statements 104

Shareholdings 166

Statement of fixed assets 170

Declaration by the executive directors 171

Independent auditor's report 172

Disclosures on real estate valuation 181

Sensitivity analysis of real estate valuation as at 31 December 2024 183

Fundamental company data 187

FURTHER DISCLOSURES 188

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the financial year 1 January 2024 to 31 December 2024

In EUR thousand	2024	2023
Net profit/loss for the period	**–87,479**	**–151,966**
Other comprehensive income	0	0
Total comprehensive income	**–87,479**	**–151,966**
of which attributable to:		
Non-controlling interests	**–996**	**–4,776**
Parent company shareholders	**–86,483**	**–147,190**

COMPANY AND SHAREHOLDERS 2

COMBINED MANAGEMENT REPORT 26

CONSOLIDATED FINANCIAL STATEMENTS 95

Consolidated statement of income 96

Consolidated statement of comprehensive income 97

Consolidated balance sheet 98

Consolidated statement of cash flows 100

Consolidated statement of changes in equity 102

Notes to the consolidated financial statements 104

Shareholdings 166

Statement of fixed assets 170

Declaration by the executive directors 171

Independent auditor's report 172

Disclosures on real estate valuation 181

Sensitivity analysis of real estate valuation as at 31 December 2024 183

Fundamental company data 187

FURTHER DISCLOSURES 188

CONSOLIDATED BALANCE SHEET

as at 31 December 2024

ASSETS

In EUR thousand	NOTE	31/12/2024	31/12/2023
Assets			
Non-current assets			
Property, plant and equipment	E 1.2	80	153
Investment properties	E 1.3	724,706	947,276
Shares in companies accounted for using the equity method	E 1.4	406	351
Loans to companies accounted for using the equity method	E 1.5	25,150	25,150
Loans and financial assets	E 1.6	37,710	48,365
Other assets	E 1.7	5,063	8,260
Total non-current assets		**793,115**	**1,029,555**
Current assets			
Trade accounts receivable	E 2.1	11,983	14,176
Financial assets	E 2.2	19,464	9,735
Other assets	E 2.1	2,186	3,920
Tax refund claims	E 2.3	2,946	1,057
Cash and cash equivalents	E 2.4	44,816	119,989
Total current assets		**81,395**	**148,877**
Non-current assets held for sale	**E 3**	**76,680**	**149,100**
Total assets		**951,190**	**1,327,532**

COMPANY AND SHAREHOLDERS 2

COMBINED MANAGEMENT REPORT 26

CONSOLIDATED FINANCIAL STATEMENTS 95

Consolidated statement of income 96

Consolidated statement of comprehensive income 97

Consolidated balance sheet 98

Consolidated statement of cash flows 100

Consolidated statement of changes in equity 102

Notes to the consolidated financial statements 104

Shareholdings 166

Statement of fixed assets 170

Declaration by the executive directors 171

Independent auditor’s report 172

Disclosures on real estate valuation 181

Sensitivity analysis of real estate valuation as at 31 December 2024 183

Fundamental company data 187

FURTHER DISCLOSURES 188

CONSOLIDATED BALANCE SHEET

as at 31 December 2024

EQUITY AND LIABILITIES

In EUR thousand	NOTE	31/12/2024	31/12/2023
Equity and liabilities			
Equity			
Subscribed capital	E 4	105,513	105,513
Reserves	E 4	112,592	198,076
Equity attributable to parent company shareholders		**218,105**	**303,589**
Non-controlling interests		23,818	29,696
Total equity		**241,923**	**333,285**
Liabilities			
Non-current liabilities			
Deferred tax liabilities	E 5.1	39,999	37,915
Minority interests	E 5.2	71,018	72,021
Financial liabilities	E 5.3	369,693	120,341
Lease liabilities	E 7.2	26,889	25,605
Market values of options		28,100	24,100
Total non-current liabilities		**535,699**	**279,982**
Current liabilities			
Provisions	E 6.1	2,077	2,639
Trade payables	E 6.2	23,848	10,016
Other liabilities	E 6.2	7,125	6,312
Tax liabilities	E 6.3	23,805	24,252
Financial liabilities	E 5.3	116,288	670,729
Lease liabilities	E 7.2	425	317
Total current liabilities		**173,568**	**714,265**
Total liabilities		**709,267**	**994,247**
Total equity and liabilities		**951,190**	**1,327,532**

COMPANY AND SHAREHOLDERS 2

COMBINED MANAGEMENT REPORT 26

CONSOLIDATED FINANCIAL STATEMENTS 95

Consolidated statement of income 96

Consolidated statement of comprehensive income 97

Consolidated balance sheet 98

Consolidated statement of cash flows 100

Consolidated statement of changes in equity 102

Notes to the consolidated financial statements 104

Shareholdings 166

Statement of fixed assets 170

Declaration by the executive directors 171

Independent auditor's report 172

Disclosures on real estate valuation 181

Sensitivity analysis of real estate valuation as at 31 December 2024 183

Fundamental company data 187

FURTHER DISCLOSURES 188

CONSOLIDATED STATEMENT OF CASH FLOWS

for the financial year 1 January 2024 to 31 December 2024

In EUR thousand	NOTE	2024	2023
Earnings before taxes		**– 82,620**	**– 177,461**
Financial expenses	D 8	32,757	17,149
Financial income		– 44,866	– 22,550
Minority interests	D 8	1,713	– 5,086
Change in trade accounts receivable		– 1,760	– 19,237
Change in other receivables and other assets		2,681	7,015
Change in provisions		117	– 907
Change in trade payables and other liabilities		9,526	22,369
Profit/loss from fair value adjustments of investment properties	D 3	58,676	176,807
Profit/loss from the sale of real estate and real estate companies	D 2	7,289	14,334
Interest deposits from loans, receivables, and term deposits		2,280	1,116
Interest received from loans to companies accounted for using the equity method		1,136	1,048
Income tax payments		– 4,402	4,230
Change in reserves		0	1,401
Depreciation and amortisation and impairment		52,158	19,893
Distributions from companies accounted for using the equity method		0	691
Other non-cash items		– 160	– 102
Cash flow from operating activities		**34,524**	**40,709**

COMPANY AND SHAREHOLDERS 2

COMBINED MANAGEMENT REPORT 26

CONSOLIDATED FINANCIAL STATEMENTS 95

Consolidated statement of income 96

Consolidated statement of comprehensive income 97

Consolidated balance sheet 98

Consolidated statement of cash flows 100

Consolidated statement of changes in equity 102

Notes to the consolidated financial statements 104

Shareholdings 166

Statement of fixed assets 170

Declaration by the executive directors 171

Independent auditor's report 172

Disclosures on real estate valuation 181

Sensitivity analysis of real estate valuation as at 31 December 2024 183

Fundamental company data 187

FURTHER DISCLOSURES 188

CONSOLIDATED STATEMENT OF CASH FLOWS

for the financial year 1 January 2024 to 31 December 2024

In EUR thousand	NOTE	2024	2023
Payments for the acquisition of/investments in investment properties, incl. prepayments, refurbishment measures and prepayments for property, plant and equipment [1]		– 14,023	– 12,882
Proceeds from loans to companies accounted for using the equity method		0	32
Outflow of cash and cash equivalents due to the deconsolidation of subsidiaries		– 4,287	0
Proceeds from the sale of real estate		106,921	78,271
Cash flow from investing activities		**88,611**	**65,421**
Payments for borrowing costs		– 14,687	0
Proceeds from borrowings	E 5.3	93,500	23,300
Distributions to minority shareholders/dividends		– 2,759	– 3,424
Interest paid on financial liabilities		– 27,415	– 14,761
Payments for the purchase of additional shares in a subsidiary		– 658	– 231
Payments for the redemption of financial liabilities		– 246,032	– 48,095
Payment for the redemption of lease liabilities		– 258	– 345
Cash flow from financing activities		**– 198,309**	**– 43,556**
Net change in cash and cash equivalents		**– 75,173**	**62,574**
Cash and cash equivalents at the start of the period	E 2.4	119,989	57,415
Cash and cash equivalents at the end of the period	**E 2.4**	**44,816**	**119,989**

[1] In the reporting period, investment and financing transactions amounting to EUR 447 thousand (previous year: EUR 162 thousand) were carried out, which are classified as noncash-effective in accordance with IAS 7

COMPANY AND SHAREHOLDERS 2

COMBINED MANAGEMENT REPORT 26

CONSOLIDATED FINANCIAL STATEMENTS 95

Consolidated statement of income 96

Consolidated statement of comprehensive income 97

Consolidated balance sheet 98

Consolidated statement of cash flows 100

Consolidated statement of changes in equity 102

Notes to the consolidated financial statements 104

Shareholdings 166

Statement of fixed assets 170

Declaration by the executive directors 171

Independent auditor's report 172

Disclosures on real estate valuation 181

Sensitivity analysis of real estate valuation as at 31 December 2024 183

Fundamental company data 187

FURTHER DISCLOSURES 188

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the financial year 1 January 2024 to 31 December 2024

	Share capital	Reserves				
In EUR thousand	Subscribed capital	Capital reserves	Retained earnings incl. Group profit/loss	Equity attributable to parent company shareholders	Non-controlling interests	Total equity
1/1/2024	**105,513**	**89,767**	**108,309**	**303,589**	**29,696**	**333,285**
Net profit/loss for the period	0	0	– 86,483	– 86,483	– 996	– 87,479
Total comprehensive income	**0**	**0**	**– 86,483**	**– 86,483**	**– 996**	**– 87,479**
Dividend payments/distributions	0	0	0	0	– 532	– 532
Other changes	0	0	999	999	– 4,350	– 3,351
31/12/2024	**105,513**	**89,767**	**22,825**	**218,105**	**23,818**	**241,923**

COMPANY AND SHAREHOLDERS 2

COMBINED MANAGEMENT REPORT 26

CONSOLIDATED FINANCIAL STATEMENTS 95

Consolidated statement of income 96

Consolidated statement of comprehensive income 97

Consolidated balance sheet 98

Consolidated statement of cash flows 100

Consolidated statement of changes in equity 102

Notes to the consolidated financial statements 104

Shareholdings 166

Statement of fixed assets 170

Declaration by the executive directors 171

Independent auditor's report 172

Disclosures on real estate valuation 181

Sensitivity analysis of real estate valuation as at 31 December 2024 183

Fundamental company data 187

FURTHER DISCLOSURES 188

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the financial year 1 January 2023 to 31 December 2023

	Share capital	Reserves				
In EUR thousand	**Subscribed capital**	**Capital reserves**	**Retained earnings incl. Group profit/loss**	**Equity attributable to parent company shareholders**	**Non-controlling interests**	**Total equity**
1/1/2023	**105,513**	**88,366**	**256,347**	**450,226**	**36,465**	**486,691**
Net profit/loss for the period	0	0	– 147,190	– 147,190	– 4,776	– 151,966
Total comprehensive income	**0**	**0**	**– 147,190**	**– 147,190**	**– 4,776**	**– 151,966**
Dividend payments/distributions	0	0	0	0	– 798	– 798
Other changes[1]	0	1,401	– 848	553	– 1,195	– 642
31/12/2023	**105,513**	**89,767**	**108,309**	**303,589**	**29,696**	**333,285**

[1] The presentation of the reduction of non-controlling interests from other changes has been adjusted in the statement of changes in equity (EKVR) compared to the previous year for the purpose of improved and consistent presentation.

COMPANY AND SHAREHOLDERS 2

COMBINED MANAGEMENT REPORT 26

CONSOLIDATED FINANCIAL STATEMENTS 95

Consolidated statement of income 96

Consolidated statement of comprehensive income 97

Consolidated balance sheet 98

Consolidated statement of cash flows 100

Consolidated statement of changes in equity 102

Notes to the consolidated financial statements 104

Shareholdings 166

Statement of fixed assets 170

Declaration by the executive directors 171

Independent auditor's report 172

Disclosures on real estate valuation 181

Sensitivity analysis of real estate valuation as at 31 December 2024 183

Fundamental company data 187

FURTHER DISCLOSURES 188

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the financial year 1 January 2024 to 31 December 2024

A. General information

1. Basis of preparation

DEMIRE Deutsche Mittelstand Real Estate AG (hereafter "DEMIRE AG") is recorded in the commercial register in Frankfurt am Main, Germany, the location of the Company's headquarters, under the number HRB 89041. As at 31 December 2024, the Company's scope of consolidation pursuant to Section 313 (2) of the German Commercial Code (HGB) includes DEMIRE AG as the parent company and the companies listed in the Schedule of shareholdings ("DEMIRE" or "the DEMIRE Group"). The Company's registered office is located in Frankfurt am Main, Germany, and the Company's business address is Robert-Bosch-Straße 11, Langen, Germany. The Company's shares are listed in the Prime Standard segment of the Frankfurt Stock Exchange.

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

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

The consolidated financial statements of DEMIRE AG for the financial year ending 31 December 2024 were prepared in accordance with International Financial Reporting Standards (IFRS) published by the International Accounting Standards Board (IASB), as adopted by the European Union (EU), pursuant to Section 315e of the German Commercial Code (HGB). All International Financial Reporting Standards (IFRS), International Accounting Standards (IAS) and interpretations of the IFRS Interpretations Committee (IFRS IC) – formerly the International Financial Reporting Interpretations Committee (IFRIC) and the Standing Interpretations Committee (SIC) – that were mandatory for the 2024 financial year have been taken into consideration. Furthermore, all statutory disclosure and explanation requirements of the German Commercial Code (HGB) that are in addition to the provisions of the IASB have been fulfilled, particularly those for the preparation of a group management report, which is contained with the management report of the separate financial statements.

These consolidated financial statements were prepared by the Executive Board on 17 March 2025. These were made available to the Supervisory Board at the Supervisory Board meeting on 19 March 2025.

2. Adjustment of the previous year's figures

In the consolidated statement of income, the item "Impairment of trade receivables" has been incorporated into "Profit/loss from the rental of real estate" and "Impairment of financial and other receivables" has been incorporated into "Earnings before interest and taxes".

COMPANY AND SHAREHOLDERS 2

COMBINED MANAGEMENT REPORT 26

CONSOLIDATED FINANCIAL STATEMENTS 95

Consolidated statement of income 96

Consolidated statement of comprehensive income 97

Consolidated balance sheet 98

Consolidated statement of cash flows 100

Consolidated statement of changes in equity 102

Notes to the consolidated financial statements 104

Shareholdings 166

Statement of fixed assets 170

Declaration by the executive directors 171

Independent auditor's report 172

Disclosures on real estate valuation 181

Sensitivity analysis of real estate valuation as at 31 December 2024 183

Fundamental company data 187

FURTHER DISCLOSURES 188

The previous year's presentation of the item "General administrative expenses" in the statement of income has been reduced by legal and consultancy fees in the amount of EUR 451 thousand (2024 financial year: EUR 397 thousand) and by general administrative expenses associated with consultancy services in the area of asset management in the amount of EUR 676 thousand (2024 financial year: EUR 850 thousand) as these are now recognised under "Operating expenses to generate rental income".

In addition, the previous year's "Impairment of trade receivables" item has been reduced by EUR 2,161 thousand (2024 financial year: EUR 1,699 thousand). The previous year's "Impairment of financial and other receivables" item only includes impairments for loans in the amount of EUR 16,745 thousand (2024 financial year: EUR 11,881 thousand). Impairment of trade accounts receivable is now recognised as part of the result from the rental of real estate.

3. Going Concern

The measurement used in the consolidated financial statements is based on the assumption that the Company will continue its business activities, as in the opinion of the Executive Board there are no actual or legal circumstances to indicate the contrary. In the opinion of the Executive Board, there is no intention or need to discontinue business activities.

3.1 LIQUIDITY

The liquidity forecast of the Executive Board for the period up until 2029, which is based on in-house company planning, has successful restructuring of the bond as a background and expects it will proceed.

3.2 BOND RESTRUCTURING

As part of a comprehensive transaction, DEMIRE plans to extend its 2019/2024 bond with an outstanding total nominal amount before the transaction of EUR 499 million to the end of 2027 with revised conditions (2019/2027 bond). The bond restructuring was approved by the bondholders at the beginning of September 2024, with more than 90% voting in favour of the restructuring in a vote without an assembly in accordance with Section 18 of the German Bond Act (SchVG). This was followed by the publication of the tender offer described below. The technical implementation of the amendment to the bond conditions took place in November 2024.

In addition to the extension to the term of the 2019/2024 bond, the transaction included other elements. This includes a partial early repayment of the 2019/2024 bond at total nominal value of EUR 49.9 million. Subsequently, DEMIRE then bought back bonds at a previously stipulated maximum price of 76.25% of the nominal amount as part of a tender offer. DEMIRE has set aside liquidity in the amount of EUR 55.7 million for the bond buyback and has taken a shareholder loan of EUR 93.5 million from the largest shareholder in the company. The shareholder loan will bear interest of 22% per annum. The shareholder loan is scheduled to run until the end of 2028. Interest payments can be made at maturity, i.e. 31 December 2028, taking into account compound interest accrued in the meantime, or during the term. The bond buyback was secured by a backstop agreement or commitment from the largest bondholders at the above price for a nominal amount of EUR 194 million (see Section A.3.3). Participation in the backstop was remunerated by DEMIRE with a fee of 5% on the allocated backstop amount. After carrying out the buyback on par as well as the tender offer, the extended bond amount is now EUR 252.5 million. The buyback as part of the tender offer meant DEMIRE achieved revenue of EUR 37.7 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, after agreement at the Extraordinary General Meeting dated 2 October 2024, a large part of the DEMIRE real estate companies were transferred into a so-called Double LuxCo structure (see Section A.3.3). DEMIRE will not pay dividends or other distributions to shareholders until the bond has been repaid in full. Furthermore, the Company is expected to pay an additional fee of 3% to the bondholders if it fails to reduce the outstanding principal amount of the bond by EUR 50 million of the nominal amount by

COMPANY AND SHAREHOLDERS 2

COMBINED MANAGEMENT REPORT 26

CONSOLIDATED FINANCIAL STATEMENTS 95

Consolidated statement of income 96

Consolidated statement of comprehensive income 97

Consolidated balance sheet 98

Consolidated statement of cash flows 100

Consolidated statement of changes in equity 102

Notes to the consolidated financial statements 104

Shareholdings 166

Statement of fixed assets 170

Declaration by the executive directors 171

Independent auditor's report 172

Disclosures on real estate valuation 181

Sensitivity analysis of real estate valuation as at 31 December 2024 183

Fundamental company data 187

FURTHER DISCLOSURES 188

the end of 2025. An additional fee of 2% is provided for in the event that the Company does not succeed in reducing the outstanding principal amount of the bond by a further EUR 50 million of the nominal amount by the end of 2026. In addition, interest of 3% will be charged on the outstanding bond amount from 1 January 2027. All additional interest payments are to be made at maturity, i.e. at the end of 2027 at the latest, taking into account interest and compound interest accrued in the meantime.

3.3 COLLATERALISATION AS PART OF BOND RESTRUCTURING

Due to the bond maturing in 2024, DEMIRE AG has set up a Luxembourg holding company at the request of bondholders, as they would benefit from Luxembourgian enforcement law regarding extension of the due date and a change to the bond conditions. The new Luxembourg holding structure consists of DEMIRE Holding 15 SCSp, founded on 1 October 2024, along with their five Luxembourgian subsidiaries, DEMIRE Holding 16 SCSp founded on 10 October 2024, DEMIRE Holding 20 SCSp founded on 11 October 2024 as well as DEMIRE Holding 17 SCSp, DEMIRE Holding 18 SCSp, DEMIRE Holding 19 SCSp that were all founded on 18 October 2024 (referred to together as "LuxCo structure"). Furthermore, DEMIRE GP 15 S. à r. l. was founded on 25 September 2024, DEMIRE GP 16 S. à r. l. on 9 October 2024, DEMIRE GP 17 S. à r. l., DEMIRE GP 18 S. à r. l., DEMIRE GP 19 S. à r. l. on 16 October 2024, and DEMIRE GP 20 S. à r. l. on 11 October 2024.

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 94.9%. 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.

3.4 LIMES SUBSIDIARIES

In assessing the Company's ability to continue as a going concern, the Executive Board also takes into account the performance of the subsidiaries DEMIRE Aschheim Max-Planckstraße GmbH, DEMIRE Essen Hatzper Str. Theodor-Althoff-Str. GmbH, DEMIRE Kassel Kölnische Str. Mauerstr. Spohrstr. GmbH and DEMIRE Köln Max-Glomsda-Straße 4 GmbH (collectively: "Limes subsidiaries" or "Limes portfolio"). The Executive Board and the management of the Limes subsidiaries were in very promising negotiations for a long time regarding the extension of the loan agreement between the Limes subsidiaries and DZ HYP AG ("DZ HYP") for an outstanding loan amount of approximately EUR 82.89 million ("DZ HYP Loan"), which expired on 30 June 2024. However, the offers that had been exchanged in the past could not be accepted due to the outcome of the negotiations with the bondholders, resulting in the insolvency of the Limes subsidiaries at the end of 30 June 2024.

Despite further negotiations with DZ HYP regarding an extension to the DZ HYP loan beyond 30 June 2024, including the involvement of DEMIRE's main shareholder, no agreement was reached. As a result, the Limes subsidiaries had to file for the opening of insolvency proceedings in the form of self-administration over their assets on 22 July 2024. The assets (EUR 158.1 million) and liabilities (EUR 88.8 million) attributable to the companies were subsequently deconsolidated from the Group (see Section B). The standard insolvency proceedings were started at the beginning of December 2024 for all four Limes companies after further unsuccessful negotiations with DZ HYP.

The Executive Board has examined these developments at the Limes subsidiaries in terms of their impact on DEMIRE as a going concern and has come to the conclusion that the insolvency proceedings against the assets of the Limes subsidiaries will not trigger an increase in the Group's liabilities. In particular, DEMIRE is not liable for the repayment of the DZ HYP loan. In particular, the Executive Board has investigated whether the insolvency of the Limes subsidiaries and the resulting insolvency proceedings would lead to a right of termination for the bondholders or other contractual partners of DEMIRE ("cross default"). Two external law firms that have been commissioned to carry out this task have come to the conclusion that this is not the

COMPANY AND SHAREHOLDERS 2

COMBINED MANAGEMENT REPORT 26

CONSOLIDATED FINANCIAL STATEMENTS 95

Consolidated statement of income 96

Consolidated statement of comprehensive income 97

Consolidated balance sheet 98

Consolidated statement of cash flows 100

Consolidated statement of changes in equity 102

Notes to the consolidated financial statements 104

Shareholdings 166

Statement of fixed assets 170

Declaration by the executive directors 171

Independent auditor's report 172

Disclosures on real estate valuation 181

Sensitivity analysis of real estate valuation as at 31 December 2024 183

Fundamental company data 187

FURTHER DISCLOSURES 188

case for the bond and for the existing rental contracts in the Group. Furthermore, a further investigation of all bilateral loan agreements and other relevant contractual relationships did not reveal any such cancellation rights. DEMIRE is not subject to any compensation obligations arising from control and profit transfer agreements. However, the opening of insolvency proceedings against the assets of the Limes subsidiaries will have a disadvantageous effect in relation to the significant proportion of DEMIRE's claims for repayment of the subordinated shareholder loans granted, totalling approximately EUR 91.2 million. In view of the considerable value of the properties held by the Limes subsidiaries and the resulting over-collateralisation of DZ HYP, the Executive Board assumes at the time of preparation that a partial amount of EUR 16.5 million will be recoverable. In view of the fact that the effects on the Group cannot be predicted, the Executive Board considers the risk of any insolvency proceedings against the assets of the Limes subsidiaries to be very low.

3.5 CONCLUSION AND ASSESSMENT

In light of the above observations and considerations, the Executive Board considers that there is no intention or need to discontinue business activities.

4. New and amended standards and interpretations

4.1 FIRST-TIME APPLICATION OF NEW AND AMENDED STANDARDS AND INTERPRETATIONS IN THE 2024 FINANCIAL YEAR

The following new accounting policies and amended standards and interpretations were applied to the consolidated financial statements for the first time in the 2024 financial year.

FIRST-TIME APPLICATION OF STANDARDS AND INTERPRETATIONS IN THE 2024 FINANCIAL YEAR

		Approved on	Mandatory application for financial years beginning on or after	Effect on DEMIRE AG's consolidated financial statements
Amendments to IAS 1	Classification of Liabilities as Current or Non-current	20/12/2023	01/01/2024	No effect
Amendments to IAS 1	Non-current Liabilities with Covenants	20/12/2023	01/01/2024	No effect
Amendments to IFRS 16	Lease Liabilities in a Sale and Leaseback	20/12/2023	01/01/2024	No effect
Amendments to IFRS 7 and IAS 7	Supplier finance arrangements	16/05/2024	01/01/2024	No effect

The amendments to IAS 1 clarify the criteria for classifying liabilities as either current or non-current by placing the focus on the company's contractual rights at the end of the reporting period. The key matter is whether the company has the unrestricted right to defer settlement of the liabilities for at least twelve months. These amendments do not have any effect on the consolidated financial statements.

The amendments to IAS 1 regarding non-current liabilities with covenants specify that such conditions for classification of a liability as current or non-current are only relevant if they had to be fulfilled on the reporting date. Conditions that only apply after the reporting date do not have an impact on classification but must be stated in the Note disclosures if non-compliance could have an effect on the maturity date. The amendments have no impact on the consolidated financial statements, as the covenants to which the Group is subject are all effective at all times.

COMPANY AND SHAREHOLDERS 2

COMBINED MANAGEMENT REPORT 26

CONSOLIDATED FINANCIAL STATEMENTS 95

Consolidated statement of income 96

Consolidated statement of comprehensive income 97

Consolidated balance sheet 98

Consolidated statement of cash flows 100

Consolidated statement of changes in equity 102

Notes to the consolidated financial statements 104

Shareholdings 166

Statement of fixed assets 170

Declaration by the executive directors 171

Independent auditor's report 172

Disclosures on real estate valuation 181

Sensitivity analysis of real estate valuation as at 31 December 2024 183

Fundamental company data 187

FURTHER DISCLOSURES 188

The amendments to IFRS 16 concern recognition of lease liabilities from a Sale and Leaseback transaction. They make clear that a seller-lessee has taken the cash flows based on the contractual framework of the transaction and the requirements of IFRS 16 into account when valuing the liability. Furthermore, profits from the same may only be recognised to the extent that corresponds to the proportion of the transferred rights-of-use. The amendments do not have any effect on the consolidated financial statements as the Group does not have a Sale and Leaseback transaction.

Due to the amendments to IFRS 7 and IAS 7, the duties of disclosure for supplier finance agreements has been extended so that companies must provide additional information regarding their conditions, scope, effects on liabilities and payment dates as well as potential risks. Companies must also clearly show the changes in net current assets and their impact on cash flow presentation. Such additional information should provide investors and other stakeholders with in-depth awareness of the company's financial stability. DEMIRE does not have any supplier finance agreements, which is why this amendment has no effect on the consolidated financial statements.

The IFRIC clarifications to IFRS 8 "Disclosure of Revenues and Expenses for Reportable Segments (IFRS 8 Operating Segments)—Agenda Paper 2" relate to the disclosure of revenues and expenses for reportable segments. Companies must disclose these amounts if they are included in the segment result measurement or are regularly submitted to the chief operating decision maker. DEMIRE already provides all relevant information that is regularly submitted to the chief operating decision maker. Significant income and expense items are fully disclosed in the segment reporting. Therefore, this amendment has no effect on the consolidated financial statements.

4.2 STANDARDS AND INTERPRETATIONS FOR FUTURE MANDATORY APPLICATION

The following IASB standards have been endorsed by the EU but are only mandatory after 31 December 2024:

STANDARDS AND INTERPRETATIONS FOR FUTURE MANDATORY APPLICATION

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

DEMIRE has not made use of the early application option.

COMPANY AND SHAREHOLDERS 2

COMBINED MANAGEMENT REPORT 26

CONSOLIDATED FINANCIAL STATEMENTS 95

Consolidated statement of income 96

Consolidated statement of comprehensive income 97

Consolidated balance sheet 98

Consolidated statement of cash flows 100

Consolidated statement of changes in equity 102

Notes to the consolidated financial statements 104

Shareholdings 166

Statement of fixed assets 170

Declaration by the executive directors 171

Independent auditor's report 172

Disclosures on real estate valuation 181

Sensitivity analysis of real estate valuation as at 31 December 2024 183

Fundamental company data 187

FURTHER DISCLOSURES 188

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

STANDARDS AND INTERPRETATIONS FOR FUTURE MANDATORY APPLICATION

		Approved on	Mandatory application for financial years beginning on or after	Effect on DEMIRE AG's consolidated financial statements
	Annual improvements to the			
Amendments to IFRS 1	Annual improvements to the IFRS Accounting Standards – volume 11 (published on 18 July 2024) affect the following standards:	Pending	01/01/2026	No effect
Amendments to IFRS 7	Profit or loss from derecognition Disclosure in the event of deviations between the fair value and the transaction price Disclosure regarding credit risk	Pending	01/01/2026	No effect
Amendments to IFRS 9	Derecognition of leasing liabilities Transaction price	Pending	01/01/2026	No effect
Amendments to IFRS 10	Determining a "de facto agent"	Pending	01/01/2026	No effect
Amendments to IAS 7	Cost method	Pending	01/01/2026	No effect
Amendments to IFRS 9 and IFRS 7	Classification and evaluation of financial instruments (published on 30 May 2024)	Pending	01/01/2026	No effect
Amendments to IFRS 9 and IFRS 7	Amendments to IFRS 9 and IFRS 7: Contracts for natural electricity supply	Pending	01/01/2026	No effect
IFRS 18	Primary financial statements (to be published on 9 April 2024)	Pending	01/01/2027	Effects on the Group are being currently analysed
IFRS 19	Subsidiaries not publicly accountable: information (to be published on 9 May 2024)	Pending	01/01/2027	No effect

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

COMPANY AND SHAREHOLDERS 2

COMBINED MANAGEMENT REPORT 26

CONSOLIDATED FINANCIAL STATEMENTS 95

Consolidated statement of income 96

Consolidated statement of comprehensive income 97

Consolidated balance sheet 98

Consolidated statement of cash flows 100

Consolidated statement of changes in equity 102

Notes to the consolidated financial statements 104

Shareholdings 166

Statement of fixed assets 170

Declaration by the executive directors 171

Independent auditor’s report 172

Disclosures on real estate valuation 181

Sensitivity analysis of real estate valuation as at 31 December 2024 183

Fundamental company data 187

FURTHER DISCLOSURES 188

5. Key judgements, estimates and assumptions

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

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

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

If DEMIRE AG obtains direct or indirect control over an acquired entity or acquires assets, it must be determined whether the transaction should be classified as a business combination according to IFRS 3 or as an acquisition of a group of assets or net assets (aggregated assets). This involves carrying out a concentration test that evaluates whether the full fair value of the acquired gross assets is concentrated in one asset or in a group of similar assets. If this is the case, they do not constitute business operations and are thus not deemed a business combination as defined by IFRS 3. If a business operation defined as an integrated group of activities is acquired in addition to assets and liabilities, this constitutes a business combination that must be accounted for according to IFRS 3. Business processes in the areas of property management, credit management and accounting, for example, would be defined as an integrated group of activities. Additionally, the fact that staff is employed at the acquired real estate company is another indication that a business operation has been acquired.

The inclusion method (equity consolidation/full consolidation) of JV Theodor-Heuss-Allee GmbH in the consolidated financial statements of DEMIRE AG is determined taking into account future opportunities and risks and the associated fluctuations in the value of the investment. The type of inclusion is determined by the assessment of the rights to which the Group is entitled from a purchase option for the property within the joint venture. Insofar as these rights are considered insubstantial and thus a future exercise of the land purchase option on the part of DEMIRE, as well as the subsequent acquisition of the minority interests by DEMIRE is always to be assumed, there are no further relevant activities within the meaning of IFRS 10.

However, DEMIRE estimates the rights to be substantial as at 31 December 2024. The decision to exercise the land purchase option constitutes a relevant activity. This is also jointly managed. Accordingly, this constitutes a joint arrangement within the meaning of IFRS 11.3 f. and therefore JV Theodor-Heuss-Allee GmbH is included in the consolidated financial statements as a joint venture. See also Section B (IFRS 12 Disclosures).

COMPANY AND SHAREHOLDERS 2

COMBINED MANAGEMENT REPORT 26

CONSOLIDATED FINANCIAL STATEMENTS 95

Consolidated statement of income 96

Consolidated statement of comprehensive income 97

Consolidated balance sheet 98

Consolidated statement of cash flows 100

Consolidated statement of changes in equity 102

Notes to the consolidated financial statements 104

Shareholdings 166

Statement of fixed assets 170

Declaration by the executive directors 171

Independent auditor's report 172

Disclosures on real estate valuation 181

Sensitivity analysis of real estate valuation as at 31 December 2024 183

Fundamental company data 187

FURTHER DISCLOSURES 188

The inclusion method for JV Theodor-Heuss-Allee GmbH takes into account future risks and the associated fluctuations in the value of the investment. It is necessary for DEMIRE to make regular assumptions regarding the type of inclusion (equity consolidation/full consolidation). Insofar as the rights from a purchase option of the land within the joint venture are considered insubstantial and thus an exercise of the land purchase option as well as the subsequent acquisition of the minority interests by DEMIRE is always to be assumed, there are no further relevant activities within the meaning of IFRS 10. Since DEMIRE is exposed to variable returns as defined by IFRS 10.7(b) and can also influence these by exercising its control as defined by IFRS 10.7(c), DEMIRE would therefore exercise control over the joint venture as defined by IFRS 10.

For the purposes of the valuation of the included optionalities in connection with the Company JV Theodor-Heuss-Allee GmbH, fair value is measured using the established valuation model, taking into account observable market data (Monte Carlo method). The valuation is subject to the scope of judgement, in particular due to input factors chosen. The input factors used here include the risk-free interest rate, the volatility of the base value and ultimately the value of the base value itself. The base value itself is significantly influenced by the market value of the property and is also subject to a judgement-based or assumption-based valuation model. Key valuation indicators are the future expected cash flows, the assumed vacancy rate and the discount and capitalisation rates. Valuation is performed using the discounted cash flow method, in which future cash flows are discounted back to the reporting date. The valuation parameters used in the valuation model (Monte Carlo method) reflect normal market expectations and represent forecasts based on analysed market information and past values of the factors used.

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

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

The need to include information concerning the future in the valuation of expected defaults (expected credit loss) results in judgements regarding the impact that changes in economic factors will have on the expected defaults.

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

Income taxes	Note D. 9
Investment properties	Note E. 1.3
Impairment of receivables	Note C
Impairment of financial and other receivables	Note D.4
Deferred tax assets and liabilities	Note E. 5.1
Accounting using the equity method/call option	Note E. 1.4/B
Leases	Note E. 7

COMPANY AND SHAREHOLDERS 2

COMBINED MANAGEMENT REPORT 26

CONSOLIDATED FINANCIAL STATEMENTS 95

Consolidated statement of income 96

Consolidated statement of comprehensive income 97

Consolidated balance sheet 98

Consolidated statement of cash flows 100

Consolidated statement of changes in equity 102

Notes to the consolidated financial statements 104

Shareholdings 166

Statement of fixed assets 170

Declaration by the executive directors 171

Independent auditor's report 172

Disclosures on real estate valuation 181

Sensitivity analysis of real estate valuation as at 31 December 2024 183

Fundamental company data 187

FURTHER DISCLOSURES 188

B. Scope and principles of consolidation

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

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

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

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

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

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

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

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

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

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

COMPANY AND SHAREHOLDERS 2

COMBINED MANAGEMENT REPORT 26

CONSOLIDATED FINANCIAL STATEMENTS 95

Consolidated statement of income 96

Consolidated statement of comprehensive income 97

Consolidated balance sheet 98

Consolidated statement of cash flows 100

Consolidated statement of changes in equity 102

Notes to the consolidated financial statements 104

Shareholdings 166

Statement of fixed assets 170

Declaration by the executive directors 171

Independent auditor's report 172

Disclosures on real estate valuation 181

Sensitivity analysis of real estate valuation as at 31 December 2024 183

Fundamental company data 187

FURTHER DISCLOSURES 188

In the case of company acquisitions, DEMIRE assesses whether a business combination according to IFRS 3 or acquisition of a group of assets and liabilities exists as aggregated assets. This involves carrying out a concentration test that evaluates whether the full fair value of the acquired gross assets is concentrated in one asset or in a group of similar assets. If this is the case, they do not constitute business operations and are thus not deemed a business combination as defined by IFRS 3.

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

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

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

Interests in the net assets of subsidiaries that are in the legal form of a partnership and not attributable to DEMIRE are recorded in the Group's liabilities, since the minority shareholders have the right to terminate their investments. In accordance with IAS 32, the interests of these minority shareholders are assessed as potential compensation claims and reported as liabilities. Upon initial recognition, they are measured at fair value, which corresponds to the minority shareholders' interests in the net assets of the respective company. The liability reported corresponds to the notional share of minority shareholders in the net assets of the respective subsidiary at their carrying amounts.

DEMIRE's interests in associates are measured and accounted for using the equity method in accordance with IAS 28. Associates are all companies over which the Group exercises significant influence but not control or joint control. This is generally the case when the Group holds between 20 % and 50 % of the voting rights.

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

COMPANY AND SHAREHOLDERS 2

COMBINED MANAGEMENT REPORT 26

CONSOLIDATED FINANCIAL STATEMENTS 95

Consolidated statement of income 96

Consolidated statement of comprehensive income 97

Consolidated balance sheet 98

Consolidated statement of cash flows 100

Consolidated statement of changes in equity 102

Notes to the consolidated financial statements 104

Shareholdings 166

Statement of fixed assets 170

Declaration by the executive directors 171

Independent auditor's report 172

Disclosures on real estate valuation 181

Sensitivity analysis of real estate valuation as at 31 December 2024 183

Fundamental company data 187

FURTHER DISCLOSURES 188

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

For the first time, DEMIRE Holding 15 SCSp to DEMIRE Holding 20 SCSp as well as DEMIRE GP 15 S.à r.l. to DEMIRE GP 20 S.à r.l. (all twelve companies based in Luxembourg) and DEMIRE Holding XIV GmbH are included in the scope of consolidation.

During the reporting period, DEMIRE Köln Max-Glomsda-Straße 4 GmbH, DEMIRE Essen Hatzper Str. Theodor-Althoff-Str. GmbH, DEMIRE Aschheim Max- Planckstraße GmbH and DEMIRE Kassel Kölnische Str. Mauerstr. Spohrstr. GmbH (Limes subsidiaries) were deconsolidated from the Group. This resulted in a deconsolidation expense (see section D.7).

During the reporting period, DEMIRE Leipzig Am alten Flughafen 1 GmbH merged with DEMIRE Ankauf 9 GmbH. This did not have any significant impact on the consolidated financial statements.

The company DEMIRE Assekuranzmakler GmbH & Co. KG, which is accounted for at equity, is currently in liquidation, which is expected to be completed in 2025.

CHANGES TO THE SCOPE OF CONSOLIDATION IN THE PREVIOUS YEAR

A merger of DEMIRE Ulm Bahnhofplatz Olgastr. Zeitblomstr. GmbH with DEMIRE Ankauf 8 GmbH was carried out last year. This did not have any significant impact on the consolidated financial statements.

Disclosures according to IFRS 12

A) DISCLOSURES RELATING TO FULLY CONSOLIDATED SUBSIDIARIES

In the period under review, dividend distributions of EUR 532 thousand were distributed to the non-controlling shareholders of Fair Value REIT-AG (previous year: EUR 798 thousand).

The carrying amount of the non-controlling interests of Fair Value REIT-AG minority interests, which are reported within DEMIRE's equity, amounted to EUR 18,990 thousand as at 31 December 2024 (previous year: EUR 19,314 thousand). In addition, DEMIRE recognises the minority interests within the Fair Value REIT-AG subgroup – the minority interests in the funds (subsidiaries of Fair Value REIT-AG) – under the item "Non-current financial liabilities" (in accordance with IAS 32). These amounted to EUR 71,018 thousand (previous year: EUR 72,021 thousand) as at the reporting date. A share in the Group loss for the period in the amount of EUR – 268 thousand was attributable to non-controlling shareholders for the 2024 financial year pursuant to the IFRS consolidated financial statements (previous year: loss of EUR – 742 thousand).

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

FAIR VALUE REIT-AG SUBGROUP FINANCIAL STATEMENTS

in EUR thousand	31/12/2024	31/12/2023
Non-current assets	259,085	264,446
Current assets	23,629	25,756
Of which cash and cash equivalents	20,542	22,797
Non-current borrowing	101,452	130,977
Of which non-controlling interests	71,018	72,021
Current borrowing	40,579	14,907
Of which financial liabilities	36,615	10,958
Net assets	**140,683**	**144,318**
Statement of income		
Revenue	24,694	24,222
Financial income	387	292
Financial expenses	– 1,247	– 1,173
Net profit/loss for the period/ total comprehensive income	**254/254**	**-7.520/-7.520**
Cash flow information		
Cash flow from operating activities	**11,466**	**12,277**
Cash flow from investing activities	**– 5,123**	**– 1,287**
Cash flow from financing activities	**– 8,599**	**– 11,287**
Net change in cash and cash equivalents	**– 2,255**	**– 298**
Cash and cash equivalents at the end of the period	**20,542**	**22,797**

COMPANY AND SHAREHOLDERS 2

COMBINED MANAGEMENT REPORT 26

CONSOLIDATED FINANCIAL STATEMENTS 95

Consolidated statement of income 96

Consolidated statement of comprehensive income 97

Consolidated balance sheet 98

Consolidated statement of cash flows 100

Consolidated statement of changes in equity 102

Notes to the consolidated financial statements 104

Shareholdings 166

Statement of fixed assets 170

Declaration by the executive directors 171

Independent auditor's report 172

Disclosures on real estate valuation 181

Sensitivity analysis of real estate valuation as at 31 December 2024 183

Fundamental company data 187

FURTHER DISCLOSURES 188

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

For more information on the fully consolidated subsidiaries, please refer to the Schedule of shareholdings for more information on the fully consolidated subsidiaries.

B) DISCLOSURES ON ASSOCIATES AND JOINT VENTURES

Joint ventures:

In the 2021 financial year, the joint venture JV Theodor-Heuss-Allee GmbH, Frankfurt am Main, Germany, was formed with share capital of EUR 25 thousand. The Group holds a 49.5% stake in the joint venture and reports this interest using the equity method. JV Theodor-Heuss-Allee GmbH was first included using the equity method in DEMIRE AG's consolidated financial statements on 1 July 2021.

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

ANNUAL FINANCIAL STATEMENTS OF JV THEODOR-HEUSS-ALLEE GMBH

in EUR thousand	31/12/2024	31/12/2023
Non-current assets	193,400	209,353
Current assets	11,874	5,819
Cash and cash equivalents	11,638	4,888
Current liabilities	3,416	2,327
Current financial liabilities included under current liabilities	3,022	2,037
Non-current liabilities	277,092	278,168
Non-current financial liabilities included under non-current liabilities	155,628	157,583
Net assets	**– 75,234**	**– 65,323**
Revenue	13,921	15,002
Interest income	166	52
Interest expenses	– 6,696	– 9,791
Income tax expenditure or revenue	– 173	– 64
Net profit/loss for the period	**– 9,911**	**– 50,549**
Other comprehensive income	**0**	**0**
Total comprehensive income	**– 9,911**	**– 50,549**
Reconciliation of carrying amount of investment		
Equity of JV Theodor-Heuss-Allee GmbH	– 75,234	– 65,323
of which 49.5%	– 37,241	– 32,335
Carrying amount of investment in the DEMIRE Group	0	0
Value adjustment of the equity method	0	0

The non-recognised part of losses from JV Theodor-Heuss-Allee GmbH for the 2024 financial year is EUR – 4,906 thousand and as of the reporting date of 31 December 2024 it is cumulated as EUR – 37,241 thousand.

COMPANY AND SHAREHOLDERS 2

COMBINED MANAGEMENT REPORT 26

CONSOLIDATED FINANCIAL STATEMENTS 95

Consolidated statement of income 96

Consolidated statement of comprehensive income 97

Consolidated balance sheet 98

Consolidated statement of cash flows 100

Consolidated statement of changes in equity 102

Notes to the consolidated financial statements 104

Shareholdings 166

Statement of fixed assets 170

Declaration by the executive directors 171

Independent auditor's report 172

Disclosures on real estate valuation 181

Sensitivity analysis of real estate valuation as at 31 December 2024 183

Fundamental company data 187

FURTHER DISCLOSURES 188

JV Theodor-Heuss-Allee GmbH is accounted for using the equity method due to the fact that DEMIRE exercises joint control with RFR Group over the joint venture. The shareholders' agreement includes purchase options on both the land used by the joint venture and the remaining shares in the joint venture, which may have an impact on the accounting method. However, further regulations are laid down in the shareholders' agreement that allow both parties different courses of action, which in turn also have an impact on the accounting method chosen. The management's assessment of whether the accounting method applied to the shares is appropriate is made at each reporting date with reference to the following four possible scenarios:

A. High increase in the market value of properties held by the joint venture
In the event of a high increase in the market value of the property or land, DEMIRE has an incentive to exercise both the purchase option on the land and the purchase option on the remaining shares in the joint venture. It is necessary, however, to obtain the consent of the equal co-partner of the joint venture in order to exercise the option to purchase the land. However, the co-partner may have an incentive to disagree under certain circumstances. In this case, it is contractually regulated that DEMIRE is entitled to a put option and the co-partner RFR Immobilien 4 GmbH (RFR 4) is entitled to a call option for the land or DEMIRE's shares in the JV. The purchase price for the shares held by DEMIRE is calculated in both cases from DEMIRE's capital contributions (including shareholder loans) and a penalty for RFR 4 in the amount of EUR 45,000 thousand. Furthermore, RFR 5 Immobilien GmbH (RFR 5) must pay back the loan granted to it by DEMIRE. For more information, see Section E. 1.6 (Loans and financial assets). If RFR 4 is unable or unwilling to raise the purchase price or RFR 5 the loan repayment, DEMIRE has the option to acquire the remaining shares in the joint venture for EUR 1 and subsequently exercise the land option. From RFR 4's perspective, the threshold value for an increase in property value that would argue against exercising the option would be at least EUR 45,000 thousand, i.e. an amount exceeding the above-mentioned penalty.

B. Significant decline in the market value of properties held by the joint venture
In the event of a significant decline in the market value of the property held by the JV, DEMIRE has no incentive to exercise the above-mentioned purchase option on the land. In this case, RFR 4 receives a call option and DEMIRE receives a put option for the JV shares held by DEMIRE. The purchase price for the JV shares held by DEMIRE is calculated in both cases from DEMIRE's capital contributions (including shareholder loans) less a penalty for DEMIRE in the amount of EUR 43,500 thousand. In addition, the loan previously granted by DEMIRE to RFR 5 must be repaid. DEMIRE thus bears the risk of a significant decline in the market value of the property, limited to EUR 43,500 thousand.

C. Moderate development in the market value of properties held by the joint venture
This scenario occurs if there is no or only a moderate change in the value of the property in the period between the acquisition of the JV in 2021 and 2026 – within the limits set by the above-mentioned penalties. In this configuration, the land purchase option of the joint venture is exercised at an exercise price of EUR 122,813 thousand after a unanimous resolution by the shareholders of DEMIRE and RFR 4. Upon the joint venture exercising the land purchase option, DEMIRE acquires the right to purchase RFR 4's shares in the joint venture at a purchase price of EUR 5,000 thousand.

In the event that DEMIRE waives this option, the minority shareholder acquires the rights to the call option of DEMIRE and can subsequently acquire the remaining shares in the joint venture under the predetermined conditions. However, if the minority shareholder also assigns its right, DEMIRE is obliged to acquire RFR 4's shares under the conditions stated.

D. Continuation of the JV irrespective of the market value development of the property held by the JV
Irrespective of the market value development of the property held by the JV, it is possible that the shareholder benefiting from the market value development under scenarios A to C will not be able to guarantee the financing required for the

COMPANY AND SHAREHOLDERS 2
COMBINED MANAGEMENT REPORT 26
CONSOLIDATED FINANCIAL STATEMENTS 95
Consolidated statement of income 96
Consolidated statement of comprehensive income 97
Consolidated balance sheet 98
Consolidated statement of cash flows 100
Consolidated statement of changes in equity 102
Notes to the consolidated financial statements 104
Shareholdings 166
Statement of fixed assets 170
Declaration by the executive directors 171
Independent auditor's report 172
Disclosures on real estate valuation 181
Sensitivity analysis of real estate valuation as at 31 December 2024 183
Fundamental company data 187
FURTHER DISCLOSURES 188

transaction at the time the options are exercised. In this case, DEMIRE and RFR 4 could mutually decide against exercising the property purchase option and continue to maintain the existing JV unchanged.

Assessment regarding consolidation

Due to the current market situation, DEMIRE expects a significant reduction in the market value of the property held by the JV as at 31 December 2024 with a high degree of probability at the time the option is exercised. This assessment is also reflected in the distinctly negative option value of EUR –28.1 million as at the reporting date (previous year: EUR –24.1 million). The Company therefore recognises the JV using the equity method as at the reporting date.

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

The options constitute a financial instrument that was split into two components for valuation purposes: the Black–Scholes model was used to determine the fair value of the land purchase option. The option values on the investment are determined on the basis of an established valuation model, taking into account observable market data (Monte Carlo method). The material valuation factors for this purpose are the basic price, volatility, the risk-free interest rate and the remaining term.

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

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

The basic price (underlying = property value) is an unobservable factor because there is no market for this particular property (it is unique) and there is no market value for similar properties with the same parameters (city, location, floor, amenities, etc.). Instead, there is general market data on the rental value of similar properties. A basic value calculation was carried out on the basis of the rental value assumption.

When valuing the basic price, the key valuation parameters and estimates are, in particular, expected cash flows, assumed vacancy rates, their changes over the planning period, and discount and capitalisation rates. The valuation is carried out by an external, independent reviewer.

The fair value of the basic price is determined using the discounted cash flow method.

After identifying all value-relevant factors, the expected and partially projectable future cash flows are totalled for each period. The result of the cash inflows and outflows is discounted up to a fixed point in time (valuation date) using the discount rate.

The valuation parameters are assessed in the context of determining the market value at the discretion of the appraiser and can be divided into two groups:

The property-specific valuation parameters include, for example, rental revenue for initial and subsequent rentals, extension probabilities for the existing rental agreements, vacancy periods and vacancy costs, non-allocable ancillary costs, expected capital expenditures by the owner, and expansion and rental costs for initial and subsequent rentals.

Macroeconomic factors include, in particular, the development of market and rental prices during the detailed observation period and the inflation expectations assumed in the calculation model.

Volatility is also an unobservable factor, as the assumption of price changes is used. The volatility figure is calculated using the standard deviation formula.

COMPANY AND SHAREHOLDERS 2

COMBINED MANAGEMENT REPORT 26

CONSOLIDATED FINANCIAL STATEMENTS 95

Consolidated statement of income 96
Consolidated statement of comprehensive income 97
Consolidated balance sheet 98
Consolidated statement of cash flows 100
Consolidated statement of changes in equity 102
Notes to the consolidated financial statements 104
Shareholdings 166
Statement of fixed assets 170
Declaration by the executive directors 171
Independent auditor's report 172
Disclosures on real estate valuation 181
Sensitivity analysis of real estate valuation as at 31 December 2024 183
Fundamental company data 187

FURTHER DISCLOSURES 188

As at the reporting date, the option valuation resulted in a negative figure of EUR –28,100 thousand (previous year: EUR –24,100 thousand), which was recognised as a liability and represents the probability-weighted value from the scenarios described above.

A 10% increase in rental cash flow would result in an option market value of EUR –28,100 thousand as at 31 December 2024 (previous year: EUR –22,600 thousand). In the event of a corresponding decrease in rental cash flow of 10%, the market value of the options would be EUR –28,100 thousand (previous year: EUR –25,500 thousand). The effects of the other valuation factors as at the reporting date are immaterial.

All other things being equal, a 10% increase in volatility would result in an option market value (call and put options) of EUR –28,100 thousand as at 31 December 2024 (previous year: EUR –23,400 thousand). All other things being equal, in the event of a corresponding decrease in volatility of 10%, the market value of the options would be EUR –28,100 thousand (previous year: EUR –24,900 thousand).

Associates

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

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

in EUR thousand	31/12/2024	31/12/2023
Total carrying amounts of individually immaterial associates	406	351
Total Group share in:		
Profit or loss from continuing operations	63	69
Profit or loss after taxes from discontinued operations	0	0
Other comprehensive income	0	0
Total comprehensive income	**63**	**69**

COMPANY AND SHAREHOLDERS 2

COMBINED MANAGEMENT REPORT 26

CONSOLIDATED FINANCIAL STATEMENTS 95

Consolidated statement of income 96

Consolidated statement of comprehensive income 97

Consolidated balance sheet 98

Consolidated statement of cash flows 100

Consolidated statement of changes in equity 102

Notes to the consolidated financial statements 104

Shareholdings 166

Statement of fixed assets 170

Declaration by the executive directors 171

Independent auditor's report 172

Disclosures on real estate valuation 181

Sensitivity analysis of real estate valuation as at 31 December 2024 183

Fundamental company data 187

FURTHER DISCLOSURES 188

C. Accounting policies

The consolidated financial statements were prepared based on the assumption of a going concern. In the opinion of the Executive Board, there is no intention or need to discontinue business activities. Please refer to Section A.3 for further details on the going concern.

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

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

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

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

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

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

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

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

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

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

COMPANY AND SHAREHOLDERS 2
COMBINED MANAGEMENT REPORT 26
CONSOLIDATED FINANCIAL STATEMENTS 95
Consolidated statement of income 96
Consolidated statement of comprehensive income 97
Consolidated balance sheet 98
Consolidated statement of cash flows 100
Consolidated statement of changes in equity 102
Notes to the consolidated financial statements 104
Shareholdings 166
Statement of fixed assets 170
Declaration by the executive directors 171
Independent auditor's report 172
Disclosures on real estate valuation 181
Sensitivity analysis of real estate valuation as at 31 December 2024 183
Fundamental company data 187
FURTHER DISCLOSURES 188

The following table shows the measurement hierarchy, measurement methods and significant input factors for determining the fair values of the various measurement categories of financial assets and liabilities. A special feature results from the fact that the fair value of the 2019/2027 corporate bond was determined on the basis of the stock exchange price on 31 December 2024 and was thus determined using the Level 1 measurement method.

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

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

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

The maximum default risk is reflected by the amortised carrying amounts of the receivables and other financial assets recognised in the balance sheet. Credit risk and default risk are the risk that counterparties – essentially the tenants of the properties held by DEMIRE – will not be able to meet their contractual payment obligations, which could result in a loss for the Company. In order to mitigate and manage default risks as much as possible, DEMIRE reviews the creditworthiness of tenants for new lettings.

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

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

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

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

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

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

DEMIRE's trade receivables are almost entirely lease receivables and receivables from operating costs. DEMIRE assumes that the default risk of a financial asset that is not a trade receivable and is measured at the amount of the expected credit loss over the term, using the simplified approach, has increased significantly if it is more than 30 days past due. In the case of trade receivables, the number of days overdue

COMPANY AND SHAREHOLDERS 2

COMBINED MANAGEMENT REPORT 26

CONSOLIDATED FINANCIAL STATEMENTS 95

Consolidated statement of income 96

Consolidated statement of comprehensive income 97

Consolidated balance sheet 98

Consolidated statement of cash flows 100

Consolidated statement of changes in equity 102

Notes to the consolidated financial statements 104

Shareholdings 166

Statement of fixed assets 170

Declaration by the executive directors 171

Independent auditor's report 172

Disclosures on real estate valuation 181

Sensitivity analysis of real estate valuation as at 31 December 2024 183

Fundamental company data 187

FURTHER DISCLOSURES 188

can be significantly higher, as the tenant will generally carry out checks on the items in ancillary costs statements, which regularly results in a delay that DEMIRE accepts until consent is obtained. The same applies to rent receivables that are not paid by tenants at the time due to other disputes in connection with the tenancy.

Financial assets with impaired credit ratings

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

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

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

Measurement of expected credit losses

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

Amortisation

The gross carrying amount of a financial asset is amortised if the Group does not have a reasonable expectation that the financial asset will be recovered in full or in part. In the case of tenants, the Group makes an individual assessment of the timing and amount of the amortisation based on whether there is a reasonable expectation of recovery.

In cases involving a write-off, the Group does not expect any significant recovery of the amortised amount. Amortised financial assets may nevertheless be subject to enforcement actions to recover overdue receivables.

COMPANY AND SHAREHOLDERS 2

COMBINED MANAGEMENT REPORT 26

CONSOLIDATED FINANCIAL STATEMENTS 95

Consolidated statement of income 96

Consolidated statement of comprehensive income 97

Consolidated balance sheet 98

Consolidated statement of cash flows 100

Consolidated statement of changes in equity 102

Notes to the consolidated financial statements 104

Shareholdings 166

Statement of fixed assets 170

Declaration by the executive directors 171

Independent auditor's report 172

Disclosures on real estate valuation 181

Sensitivity analysis of real estate valuation as at 31 December 2024 183

Fundamental company data 187

FURTHER DISCLOSURES 188

Impairments of loans to third parties and companies accounted for using the equity method, and other financial assets according to the three-stage model
With regard to impairments of loans to third parties and companies accounted for using the equity method, the three-stage model of expected credit losses is applied in accordance with the requirements laid down by IFRS 9.5. The basic principle behind this model is to map progress of the deterioration or improvement in the credit quality of financial instruments, whereby losses that are already expected are taken into account. The approach used in IFRS 9 includes the following measurement levels:

Stage 1: Twelve-month credit defaults: Applicable to all items (since initial recognition) provided that the credit quality has not deteriorated significantly. The future expected credit loss is determined by taking into account any prospective information regarding the probability of default and the loss ratio. Given there is no rating information at a counterparty level, the probabilities of default and loss ratios are derived from the statistical data from unsecured bonds with an adequate default risk so as to measure expected credit losses. The corresponding (historical) recovery rates are also taken into account. From the Group's perspective, a financial asset poses a low default risk if its credit risk rating is “Investment Grade”, based on the global definition. The Group considers this to be the case for a BBB rating or higher from Moody's Corporation, New York, USA.

Stage 2: Credit defaults over the lifetime: Applicable if the credit risk for individual financial instruments or a group of financial instruments has increased significantly. A transfer from Stage 1 to Stage 2 is made if the contractual payments are more than 30 days past due. If an item has been past due for more than 90 days, there is a rebuttable presumption that there is objective evidence of a credit default and the financial instrument must therefore be transferred to Stage 3.

Stage 3: Credit losses over the lifetime when considered on an individual basis: Where there is objective evidence (e.g. contractual payments are overdue, signs of insolvency, etc.) that an asset would be impaired when considered on an individual basis, consideration of the lifetime of the financial instrument is decisive here.

COMPANY AND SHAREHOLDERS 2

COMBINED MANAGEMENT REPORT 26

CONSOLIDATED FINANCIAL STATEMENTS 95

Consolidated statement of income 96

Consolidated statement of comprehensive income 97

Consolidated balance sheet 98

Consolidated statement of cash flows 100

Consolidated statement of changes in equity 102

Notes to the consolidated financial statements 104

Shareholdings 166

Statement of fixed assets 170

Declaration by the executive directors 171

Independent auditor's report 172

Disclosures on real estate valuation 181

Sensitivity analysis of real estate valuation as at 31 December 2024 183

Fundamental company data 187

FURTHER DISCLOSURES 188

D. Notes to the consolidated statement of income

DEMIRE has entered into commercial property lease agreements for its investment properties. These agreements stipulate that DEMIRE shall retain all the significant risks and opportunities connected with the ownership of properties rented and therefore classifies these lease contracts as operating leases. The income from these contracts is recognised as rental income and is generally free from seasonality. However, the sale and/or acquisition of one or several properties can have a significant influence on the net rental income. Revenue from ancillary rental costs is allocable ancillary costs that are passed on to tenants.

Revenues include rental income, income from ancillary rental costs and revenue from the sale of real estate and real estate companies. Pure rental income is accounted for according to IFRS 16, with income from utility and service charges and the sale of real estate accounted for according to IFRS 15.

1. Profit/loss from the rental of real estate

Rental income is generated in connection with leases classified as operating leases and is recognised as rental income over time. The average monthly rent per square metre as at the reporting date was EUR 9.63 (previous year: EUR 10.04). This figure is calculated by dividing the monthly net rent, excluding service charges, by the floor space. Properties and project developments already registered as being for sale are not included in this calculation. The property taxes and insurance settled as part of service charges do not constitute a separate performance obligation and are allocated to the rents accordingly. They are accounted for as other lease components in accordance with IFRS 16. In the case of other costs (gas, electricity, water, etc.), the Company has come to the conclusion that it is acting in the role as principal and continues to bear significant risks. Accordingly, revenues and related costs continue to be presented on a gross basis. Revenue and other operating costs are accounted for according to IFRS 15. Under this standard, prepayments made by tenants for allocable operating costs are recognised as income from utility and service charges in the year in which they are incurred and in the amount that is included in the allocable operating costs.

The profit/loss from the rental of real estate in the amount of EUR 44,474 thousand (previous year: EUR 56,236 thousand) consists of the following:

in EUR thousand	2024	2023
Net rent	65,285	78,519
Income from utility and service charges	16,932	23,004
Rental revenue from real estate	**82,217**	**101,523**
Allocable operating expenses to generate rental income	– 24,717	– 31,934
Non-allocable operating expenses to generate rental income[1]	– 11,327	– 11,192
Impairment of receivables[1]	– 1,699	– 2,161
Operating expenses to generate rental income	**– 37,743**	**– 45,287**
Profit/loss from the rental of real estate	**44,474**	**56,236**

[1] The previous year's figures were adjusted based on reporting changes during the period under review

The decrease in the result from the rental of real estate to EUR 44,474 thousand (previous year: EUR 56,236 thousand) is mainly the result of lower rental income in the amount of EUR 65,285 thousand (previous year: EUR 78,519 thousand) due in particular to the properties sold in the reporting period in Leipzig, Lohfelden and Osnabrück, the properties in Ulm, Apolda and Bad Oeynhausen sold during the previous period, and deconsolidation of the Limes portfolio. Despite the smaller portfolio, the non-allocable operating expenses are in the amount of EUR – 11,327 thousand (previous year: EUR – 11,192 thousand) and are therefore at practically the same level as last year. This fundamentally results from higher maintenance expenses in the amount of EUR – 5,721 thousand (previous year: EUR – 5,560 thousand) in the remaining properties as well as higher expenses for tenant improvements and depreciation of rental incentives (EUR – 1,560 thousand; previous year: EUR – 1,477 thousand). Of the operating expenses, an amount of EUR – 24,717

COMPANY AND SHAREHOLDERS 2
COMBINED MANAGEMENT REPORT 26
CONSOLIDATED FINANCIAL STATEMENTS 95
Consolidated statement of income 96
Consolidated statement of comprehensive income 97
Consolidated balance sheet 98
Consolidated statement of cash flows 100
Consolidated statement of changes in equity 102
Notes to the consolidated financial statements 104
Shareholdings 166
Statement of fixed assets 170
Declaration by the executive directors 171
Independent auditor's report 172
Disclosures on real estate valuation 181
Sensitivity analysis of real estate valuation as at 31 December 2024 183
Fundamental company data 187
FURTHER DISCLOSURES 188

thousand (previous year: EUR –31,934 thousand) is generally allocable and can be charged to tenants. The decline is mainly due to the disposal of properties sold in the reporting period as well as deconsolidation of the Limes portfolio. The decrease in non-allocable expenses is also shown in the decrease in income from the allocation of utility and service charges.

Assets and liabilities from contracts with customers were as follows:

ASSETS AND LIABILITIES FROM CONTRACTS WITH CUSTOMERS

in EUR thousand	31/12/2024	31/12/2023
Current contract assets from operating costs	3,542	3,902
Total receivables from operating costs	**3,542**	**3,902**
Current contract liabilities from operating costs	519	496
Total contract liabilities	**519**	**496**

Receivables from operating costs include service charge payments by the DEMIRE Group to the tenant, while contract liabilities include payments already made by the tenant for outstanding service charges. The decrease in receivables from operating costs is due to the sale of properties and deconsolidation of the Limes portfolio. As in the previous year, no impairment losses were recognised on receivables from operating costs in the reporting period.

In accordance with IFRS 15, DEMIRE generates revenue both based on a point in time and over a period of time in the following areas:

2024

in EUR thousand	Income from utility and service charges	Revenue from sale of IAS 40 real estate
Point in time	0	109,714
Period	16,932	0
Total	**16,932**	**109,714**

2023

in EUR thousand	Income from utility and service charges	Revenue from sale of IAS 40 real estate
Point in time	0	70,450
Period	23,004	0
Total	**23,004**	**70,450**

Income is realised as per IFRS 15 when selling real estate companies and real estate if the following five criteria have been satisfied:

- There is a contract in place with the customer which clearly sets out the rights and obligations of both parties as well as the payment terms.
- DEMIRE can determine for each contractual party which rights they receive regarding the goods or services to be transferred,
- Payment terms in the contact are made clear.
- The contract has economic substance, i.e. it is expected that the economic situation of both DEMIRE and the customers in question is changed by the contract.
- It is likely that DEMIRE receives the consideration that is due as set out in the contract.

COMPANY AND SHAREHOLDERS 2

COMBINED MANAGEMENT REPORT 26

CONSOLIDATED FINANCIAL STATEMENTS 95

Consolidated statement of income 96

Consolidated statement of comprehensive income 97

Consolidated balance sheet 98

Consolidated statement of cash flows 100

Consolidated statement of changes in equity 102

Notes to the consolidated financial statements 104

Shareholdings 166

Statement of fixed assets 170

Declaration by the executive directors 171

Independent auditor's report 172

Disclosures on real estate valuation 181

Sensitivity analysis of real estate valuation as at 31 December 2024 183

Fundamental company data 187

FURTHER DISCLOSURES 188

2. Profit/loss from the sale of real estate and real estate companies

In the financial year, the Group generated profit/loss of EUR –7,289 thousand (previous year: EUR –14,334 thousand) from the sale of real estate. In this case, these are properties in Leipzig (Logistikpark), Osnabrück, Lohfelden and Bayreuth that were sold with transfer of ownership, benefits and obligations during the 2024 financial year.

3. Result from the fair value adjustment of investment properties and assets held for sale

The profit/loss from the fair value adjustment of investment properties (Core Portfolio) amounted to EUR –48,923 thousand as at 31 December 2024 (previous year: EUR –146,280 thousand).

The valuation result of assets held for sale of EUR –9,753 thousand (previous year: EUR –30,527 thousand) is mainly due to the pending sale of property in Leipzig (Gutenberggalerie) and sales of properties in Hamburg, Bad Kreuznach, Flensburg, Dortmund and Kempten along with the resulting impairment.

The primary reason for the impairment in the 2024 financial year is the general market environment, particularly the low volume of transactions on the German real estate market, which is primarily due to subdued forecasts, more cumbersome credit approval processes and cautious behaviour on the part of institutional investors.

A significant devaluation occurred, among other things, in the Lichtenfels property, which amounted to 17.4%. Since Deutsche Post AG left the building in 2023, it has predominantly stood empty. It consists of offices and hall spaces whilst also being located very near Lichtenfels railway station. A real estate agency that is active nationwide has been commissioned with examining the opportunities for rental or sale of this property to resolve this vacancy issue. At the same time, appointments have been made with the local chamber of commerce and the Mayor of the town of Lichtenfels. DEMIRE AG is optimistic that a solution will be found in due course.

This also goes for the former Karstadt premises in Celle, which was subject to an impairment of 17.0% during the reporting period. On the one hand, this is due to the indexing of ground rent, but it is also due to the difficult rental situation in the commercial real estate market within Celle. DEMIRE AG is currently in constructive discussions with the local authorities in Celle as well as another potential tenant. Based on the solutions in hand, DEMIRE AG is confident that the envisaged concepts will be implemented soon.

In Darmstadt, the tenant Telekom vacated around 50% of the rental space on 30 June 2024 whilst rental of the remaining space has been extended for five years. This has led to an impairment of 12.9% during the course of the observation period. However, the Asset and Rental Management team are already in productive discussions with potential tenants so a solution to this issue is expected soon.

Conversely, targeted investment for a Frankfurt-based hotel resulted in an indexing of the rent, the reduction of CapEx measures, and an increase in value of 3.8%. Rent indexation led to an increase of value of 1.4% in Meckenheim. An increase of 1.3% for the Karstadt premises in Goslar was also due to rent indexation.

In principle, successful lettings lead to an increase in actual rents, while a reduction in vacancies stabilises the cash flows of the valuation properties; these, however, do not increase in value due to the higher discount rates, but in some cases only have a stabilising effect as at the reporting date.

Changes in interest rates and new market conditions have a direct impact on the property valuation. Interest rates and cautious lending behaviour by banks have

COMPANY AND SHAREHOLDERS 2

COMBINED MANAGEMENT REPORT 26

CONSOLIDATED FINANCIAL STATEMENTS 95

Consolidated statement of income 96

Consolidated statement of comprehensive income 97

Consolidated balance sheet 98

Consolidated statement of cash flows 100

Consolidated statement of changes in equity 102

Notes to the consolidated financial statements 104

Shareholdings 166

Statement of fixed assets 170

Declaration by the executive directors 171

Independent auditor's report 172

Disclosures on real estate valuation 181

Sensitivity analysis of real estate valuation as at 31 December 2024 183

Fundamental company data 187

FURTHER DISCLOSURES 188

resulted in a rather muted number of transactions on the real estate markets during the 2024 financial year. Risks, such as devaluations of tenant credit ratings and reductions in rental applications, have already been taken into account in the valuation. This was counteracted across the portfolio by active rental management and proactively retaining existing tenants.

The changed market environment continues to affect global economies and real estate markets. Still, there is sufficient data and information available as at the valuation date to produce valid appraisals that reflect the ordinary course of business according to the legal circumstances and actual characteristics.

The fair value of real estate is based on the valuation report of the external independent expert Savills Advisory Services Germany GmbH & Co. KG, a company with its registered office based in Frankfurt am Main. Please refer to Section E.1.3 for details on the valuation method applied.

4. Impairment of financial and other receivables

Impairments on financial receivables and other receivables in the reporting period amount to EUR –48,817 thousand (previous year: EUR –16,745 thousand).

The impairments essentially comprise a devaluation of the Limes loans and interest receivables due on these amounting to EUR –38,080 thousand. In addition, an impairment of EUR –9,000 thousand on the loan to RFR Immobilien 5 GmbH was recognised in accordance with IFRS 9.5 for the expected credit loss based on the three-stage model. In total, the impairments for loans and the accrued interest totalled EUR –10,388 thousand as at the reporting date (previous year: EUR –16,745 thousand), which is allocated to risk level 3.

Please refer to Section C "Accounting policies" for more information on accounting principles and the expected credit loss model.

5. Other operating income

in EUR thousand	2024	2023
Income from agency services (Limes portfolio and JV Theodor-Heuss-Allee GmbH)	556	75
Derecognition of liabilities	285	450
Income from the cancellation of a maintenance maintenance and repair contract	0	234
Other	181	284
Total	**1,022**	**1,043**

Liabilities in the amount of EUR 285 thousand were written off in the year under review, primarily owing to the fact they were time-barred (previous year: EUR 450 thousand).

In the comparable prior-year period, the income from the termination of contracts for maintenance and repairs in the amount of EUR 234 thousand results from an agreement arising from the termination of a tenancy.

COMPANY AND SHAREHOLDERS 2

COMBINED MANAGEMENT REPORT 26

CONSOLIDATED FINANCIAL STATEMENTS 95
Consolidated statement of income 96
Consolidated statement of comprehensive income 97
Consolidated balance sheet 98
Consolidated statement of cash flows 100
Consolidated statement of changes in equity 102
Notes to the consolidated financial statements 104
Shareholdings 166
Statement of fixed assets 170
Declaration by the executive directors 171
Independent auditor's report 172
Disclosures on real estate valuation 181
Sensitivity analysis of real estate valuation as at 31 December 2024 183
Fundamental company data 187

FURTHER DISCLOSURES 188

6. General administrative expenses

in EUR thousand	2024	2023
Legal and consulting fees	– 5,057	– 1,966
Staff costs	– 4,362	– 4,168
Accounting and audit costs	– 1,667	– 1,239
Non-deductible input taxes	– 211	– 505
Expenses for real estate expert opinions	– 171	– 196
IT costs	– 327	– 285
Supervisory Board remuneration	– 266	– 270
Custodial compensation	– 212	– 256
Fees and incidental costs from monetary transactions	– 222	– 207
Advertising and travel expenses	– 173	– 200
Investor relations expenses	– 251	– 179
Fund administration costs	– 182	– 137
Insurance	– 190	– 108
Annual General Meeting and shareholder advisory expenses	– 76	– 102
Other	– 469	– 696
Total	**– 13,836**	**– 10,514**

The personnel expenses for the staff employed at the level of the ultimate parent company and of Fair Value REIT-AG and, in the previous year, of LogPark in Leipzig are reported within general administrative expenses and in the rental income (see Section A.2 for details).

The increase in legal and consulting fees is due to the activities in relation to the refinancing of the corporate bond. Legal and consulting fees mainly relate to tax consulting fees, consulting fees for financing and transactions, and legal and consulting fees.

The increase in accounting and audit costs is fundamentally due to additional charges for the previous year which are also linked to refinancing the 2019/2024 corporate bond.

7. Other operating expenses

in EUR thousand	2024	2023
Deconsolidation effect Limes portfolio	– 4,907	0
Fair value adjustment option JV Theodor Heuss-Allee	– 4,000	– 24,100
Expenses assumed from a profit and loss transfer agreement with the Limes portfolio	– 710	0
Write-downs on rent incentives/ rent-free periods / FF&E subsidies	0	– 1,822
Addition to provision for legal disputes	0	– 618
Other	– 277	– 286
Total	**– 9,894**	**– 26,826**

Deconsolidation expenses of EUR – 4,907 thousand were incurred as part of deconsolidation of the Limes subsidiaries. As at 31 December 2024, the option valuation in connection with JV Theodor Heuss-Allee (see Section B for details) resulted in an expense of EUR – 4,000 thousand.

In the previous period, due to the insolvency of a tenant, the recoverability of deferred items pursuant to IFRS 16 (rental incentives, rent-free periods and FF&E grants) were assessed pursuant to IAS 36 and written off in the amount of EUR – 1,822 thousand.

In the comparable prior-year period, the provisions for legal disputes are related to the LogPark property in Leipzig.

COMPANY AND SHAREHOLDERS 2

COMBINED MANAGEMENT REPORT 26

CONSOLIDATED FINANCIAL STATEMENTS 95

Consolidated statement of income 96

Consolidated statement of comprehensive income 97

Consolidated balance sheet 98

Consolidated statement of cash flows 100

Consolidated statement of changes in equity 102

Notes to the consolidated financial statements 104

Shareholdings 166

Statement of fixed assets 170

Declaration by the executive directors 171

Independent auditor's report 172

Disclosures on real estate valuation 181

Sensitivity analysis of real estate valuation as at 31 December 2024 183

Fundamental company data 187

FURTHER DISCLOSURES 188

8. Financial result

in EUR thousand	2024	2023
Financial income	44,803	21,542
Financial expenses	– 32,757	– 17,149
Profit/loss from companies accounted for using the equity method	63	1,007
Minority interests	– 1,713	5,086
Financial result	**10,396**	**10,486**

Financial income of EUR 44,803 thousand (previous year: EUR 21,542 thousand) increased mainly due to the partial buyback of the 2019/2027 corporate bond below its nominal value, which resulted in income of EUR 37,765 thousand (previous year EUR 15,683 thousand). The item also includes income from loans and interest from credit balances totalling EUR 7,039 thousand (previous year: EUR 5,858 thousand).

Profits from companies accounted for using the equity method in the amount of EUR 63 thousand (previous year: EUR 1,007 thousand) relate to profit shares from G+Q Effizienz GmbH. The profit shares in the previous year mainly related to the distribution of JV Theodor-Heuss-Allee GmbH, Frankfurt am Main, in the amount of EUR 938 thousand.

The financial expenses include a nominal interest expense of EUR – 19,249 thousand (previous year: EUR – 14,541 thousand) and an impairment of the stake in DEMIRE Kassel Kölnische Str. Mauerstr. Spohrstr. GmbH in the amount of EUR – 9,192 thousand.

Minority interests totalling EUR – 1,713 (previous year: EUR 5,086 thousand) relate to the share of profits of minority shareholders in Fair Value REIT-AG's subsidiaries, which are recognised as liabilities in accordance with IAS 32. The increase in the share of minority interests compared to the previous year is mainly due to proportional valuation results on properties.

9. Income taxes

The reported income tax expense (–) and income (+) can be broken down as follows:

in EUR thousand	2024	2023
Tax expense	– 1,750	– 12,638
Deferred tax expense (tax income)	– 3,109	38,133
Total income taxes	**– 4,859**	**25,495**

Income taxes of EUR – 1,750 thousand (previous year: EUR – 12,638 thousand) include corporation tax and trade tax and arose entirely in Germany.

The tax expense in the previous year was mainly driven by the repurchase of the 2019/2024 corporate bond at below par. During the reporting period, corporate bonds were also repurchased at a discount as part of the refinancing. However, significant expenses were incurred for legal advice in connection with the refinancing, which significantly reduced profits in the reporting period and resulted in a considerable decline in tax expenses.

Deferred tax expenses of EUR – 3,109 thousand (previous year: EUR 38,133 thousand) comprise deferred tax expenses of EUR – 7,944 thousand (previous year: EUR – 315 thousand) and deferred tax benefits of EUR 4,835 thousand (previous year: EUR 38,448 thousand).

COMPANY AND SHAREHOLDERS 2
COMBINED MANAGEMENT REPORT 26
CONSOLIDATED FINANCIAL STATEMENTS 95
Consolidated statement of income 96
Consolidated statement of comprehensive income 97
Consolidated balance sheet 98
Consolidated statement of cash flows 100
Consolidated statement of changes in equity 102
Notes to the consolidated financial statements 104
Shareholdings 166
Statement of fixed assets 170
Declaration by the executive directors 171
Independent auditor's report 172
Disclosures on real estate valuation 181
Sensitivity analysis of real estate valuation as at 31 December 2024 183
Fundamental company data 187
FURTHER DISCLOSURES 188

Deferred tax expenses result primarily from temporary differences in connection with the valuation of investment properties pursuant to IAS 40 and IFRS 13. The income from deferred taxes is mainly due to the lower value of properties and the associated reversal of deferred tax liabilities, and from the option valuation as well as impairment from the loan to RFR in connection with JV Theodor Heuss-Allee. As at the reporting date, there were total unused corporate income tax loss carry-forwards of EUR 119,933 thousand (previous year: EUR 65,757 thousand) for the companies included in the consolidated financial statements. In the DEMIRE Group, deferred taxes on loss carry-forwards were capitalised only at the level of the same taxable entities to the extent that deferred tax liabilities existed.

TAX RECONCILIATION

The tax reconciliation between the theoretical and actual tax expense is presented on the basis of the Group tax rate of 29.30% (previous year: 29.125%). The Group tax rate includes the 15% corporation tax rate, 5.5% solidarity surcharge and 13.475% trade tax (municipal rate for Langen: 385%; basic federal rate 3.5%). The calculation of the deferred taxes of domestic real estate companies is based on a tax rate of 15.83 %. These companies generate income exclusively from managing their own real estate. Only the corporation tax rate and the solidarity surcharge apply to these companies because of the option to deduct the profit from the management of own real estate from the profit under trade tax law.

in EUR thousand	2024	2023
Earnings before taxes	**– 82,620**	**– 177,461**
Group tax rate (in %)	**29.30**	**29.125**
Expected income taxes	**– 24,208**	**– 51,686**
Trade tax effects	11,588	26,438
Tax effects from non-deductible operating expenses and similar items	9,459	30
Initial difference	0	– 1,898
Tax effects from the value change of loss carry forwards	6,911	3,148
Tax effects of tax-free income	– 543	– 141
Other	1,652	– 1,387
Current tax expense (+)/tax income (–) in the reporting period	**4,859**	**– 25,495**

According to IAS 12, deferred tax liabilities are also to be recognised on the difference between the proportionate share in equity of a subsidiary in the consolidated statement of income and the carrying amount of the subsidiary in the parent company's balance sheet under tax law ("outside basis differences"), if realisation is to be expected. These differences mainly resulted from retained earnings from foreign and domestic subsidiaries.

DEMIRE did not recognise deferred tax liabilities for the accumulated results of subsidiaries amounting to EUR 1,817 thousand (previous year: EUR 5,038 thousand), since these profits are intended to be reinvested indefinitely.

Recognising deferred taxes on outside basis differences as temporary differences means that future tax effects must be reported at the time profits originate, even if a distribution of profits to the parent company and the corresponding taxation of the parent company will occur only in future periods. The Company can determine the timing of distributions and the retention of earnings from subsidiaries. Except

COMPANY AND SHAREHOLDERS 2

COMBINED MANAGEMENT REPORT 26

CONSOLIDATED FINANCIAL STATEMENTS 95

Consolidated statement of income 96

Consolidated statement of comprehensive income 97

Consolidated balance sheet 98

Consolidated statement of cash flows 100

Consolidated statement of changes in equity 102

Notes to the consolidated financial statements 104

Shareholdings 166

Statement of fixed assets 170

Declaration by the executive directors 171

Independent auditor's report 172

Disclosures on real estate valuation 181

Sensitivity analysis of real estate valuation as at 31 December 2024 183

Fundamental company data 187

FURTHER DISCLOSURES 188

for the mandatory distributions from Fair Value REIT-AG, dividend distributions from subsidiaries are neither planned nor foreseeable. Therefore, deferred taxes on outside basis differences are not recognised, with the exception of Fair Value REIT, JV Theodor-Heuss-Allee GmbH, Frankfurt am Main, and G+Q Effizienz GmbH, Berlin. The recognition of deferred taxes for outside basis differences at the level of Fair Value REIT amounted to EUR 15,689 thousand as at 31 December 2024 (previous year: EUR 17,145 thousand). The BEPS Pillar 2 regulations, which came into force on 1 January 2024 and were incorporated into the Minimum Tax Act at the end of 2023, do not apply to DEMIRE because the Group does not generate any international revenue and the revenue threshold pursuant to Section 1 (1) of the Minimum Tax Act was not reached.

For other disclosures relating to deferred tax assets and liabilities, please refer to Section E.5.1.

10. Earnings per share

EARNINGS PER SHARE

Basic earnings per share are computed by dividing the net profit/loss for the period attributable to DEMIRE AG shareholders by the weighted average number of shares outstanding during the year. Diluted earnings per share are computed by adjusting net profit/loss for the period and the number of shares outstanding based on the assumption that convertible instruments are converted and options in connection with share-based payments are exercised.

in EUR thousand	2024	2023
Net profit/loss for the period (in EUR thousand)	**–87,479**	**–151,966**
Profit/loss for the period less non-controlling interests	–86,483	–147,190
Number of shares (in thousands)		
Number of shares outstanding as at the reporting date	105,513	105,513
Weighted average number of shares outstanding	105,513	105,513
Impact of conversion of convertible bonds and exercise under the 2015 Stock Option Programme	0	510
Weighted average number of shares (diluted)	105,513	106,023
Earnings per share (in EUR)		
Basic earnings per share	–0.82	–1.39
Diluted earnings per share	–0.82	–1.39

Participants in the 2015 Stock Option Programme were entitled to subscribe to 510,000 shares (previous year: 510,000 shares). This programme has a limited term and ended with no exercised options in the course of the 2024 financial year.

11. Staff costs

in EUR thousand	2024	2023
Salaries	–3,956	–3,670
Statutory social expenses	–407	–498
Total	**–4,362**	**–4,168**

Staff costs amounting to EUR –4,362 thousand. (previous year: EUR –4,168 thousand) were included in general and administrative expenses as well as in rental income, and are omitted from DEMIRE AG (EUR –4,242 thousand; previous year: EUR –4,054 thousand) and Logistikpark Leipzig and Fair Value REIT-AG (EUR –120 thousand; previous year: EUR –114 thousand). Of the statutory social expenses, about half are attributable to contributions to statutory pension insurance.

COMPANY AND SHAREHOLDERS 2
COMBINED MANAGEMENT REPORT 26
CONSOLIDATED FINANCIAL STATEMENTS 95
Consolidated statement of income 96
Consolidated statement of comprehensive income 97
Consolidated balance sheet 98
Consolidated statement of cash flows 100
Consolidated statement of changes in equity 102
Notes to the consolidated financial statements 104
Shareholdings 166
Statement of fixed assets 170
Declaration by the executive directors 171
Independent auditor's report 172
Disclosures on real estate valuation 181
Sensitivity analysis of real estate valuation as at 31 December 2024 183
Fundamental company data 187
FURTHER DISCLOSURES 188

E. Notes to the consolidated balance sheet

1. Non-current assets

The development of the individual items can be found in the statement of fixed assets (Appendix 3).

1.1 INTANGIBLE ASSETS

Upon initial recognition, individually acquired intangible assets are measured at their acquisition cost. Subsequently, intangible assets with a limited period of use are amortised on a straight-line basis usually over a period of three to five years based on their estimated useful economic life and are tested for possible impairment when there are any relevant indications thereof. Impairment of intangible assets is recognised in profit or loss.

1.2 PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment totalling EUR 80 thousand (previous year: EUR 153 thousand) includes operating and office equipment. This is carried at historical acquisition cost less depreciation. Historical acquisition cost includes expenses that can be directly allocated to the acquisition of operating and office equipment. Straight-line depreciation is based on a useful life of three to fifteen years. The depreciation figures in the amount of EUR –54 thousand (previous year: EUR –93 thousand) are reported in the statement of income as depreciation of rights-of-use, as well as under other operating expenses.

1.3 INVESTMENT PROPERTIES

The Group's investment properties include those properties that are held for rental income generation and value appreciation and not for their proprietary use or sale in the ordinary course of business, as well as rights-of-use for ground leases and general permanent rights-of-use. Investment properties are carried at acquisition cost plus incidental acquisition costs at the time of acquisition. In accordance with the option provided for in IAS 40, these properties are subsequently measured at fair value, whereby changes in the fair value are generally recognised in profit or loss. Prepayments for real estate purchases are recognised as advance payments within item "Properties held as investment properties".

COMPANY AND SHAREHOLDERS 2
COMBINED MANAGEMENT REPORT 26
CONSOLIDATED FINANCIAL STATEMENTS 95
Consolidated statement of income 96
Consolidated statement of comprehensive income 97
Consolidated balance sheet 98
Consolidated statement of cash flows 100
Consolidated statement of changes in equity 102
Notes to the consolidated financial statements 104
Shareholdings 166
Statement of fixed assets 170
Declaration by the executive directors 171
Independent auditor's report 172
Disclosures on real estate valuation 181
Sensitivity analysis of real estate valuation as at 31 December 2024 183
Fundamental company data 187
FURTHER DISCLOSURES 188

Valuation of properties and sensitivity analysis

When valuing investment properties, the key valuation parameters and estimates are, in particular, expected cash flows, assumed vacancy rates, their changes over the planning period, and discount and capitalisation rates. The valuation is carried out by an external, independent reviewer in accordance with International Financial Reporting Standards (IFRS), International Standards of Valuation of Real Estate for Investment Purposes ("International Valuation Standards") and the RICS Valuation Global Standards 2022 ("Red Book" dated January 2022) of the Royal Institution of Chartered Surveyors.

The fair value of DEMIRE's investment properties is determined using the discounted cash flow method.

The discounted cash flow method provides the basis for the dynamic investment calculation and is used to calculate the present value of future expected, time-staggered and varying levels of cash flows. After identifying all value-relevant factors, the expected and partially projectable future cash flows are totalled for each period. The result of the cash inflows and outflows is discounted up to a fixed point in time (valuation date) using the discount rate. In contrast to the German discounted earnings model of the German Property Valuation Regulation (Immobilienwertermittlungsverordnung – ImmoWertV), however, the cash flows during the period under consideration are explicitly quantified and not shown as annuity payments.

Since the importance of future cash flows decreases as a result of discounting and the forecast uncertainty increases over the observation period, the stabilised net income of a property is usually capitalised (capitalisation rate) following a ten-year period (detailed observation period) and discounted to the valuation date when assessing investment decisions in real estate.

These valuation parameters reflect the customary market expectations as well as the extrapolation of analysed past values of the property to be valued or of one or more comparable properties.

The valuation parameters are assessed in the context of determining the market value at the discretion of the appraiser and can be divided into two groups:

The property-specific valuation parameters include, for example, rental revenue for initial and subsequent rentals, extension probabilities for the existing rental agreements, vacancy periods and vacancy costs, non-allocable ancillary costs, expected capital expenditures by the owner, and expansion and rental costs for initial and subsequent rentals.

Macroeconomic factors include, in particular, the development of market and rental prices during the detailed observation period and the inflation expectations assumed in the calculation model.

The Group's management team is closely involved in and oversees the process of evaluating investment properties, which takes place at least once per financial year. In doing so, the results made available by independent experts are checked for plausibility and compared with values in previous years. The evaluation results are also compared to the management's own assumptions made in the framework of early risk detection and any deviations are discussed with the expert. The portfolio's performance is also discussed in regular meetings with the Supervisory

COMPANY AND SHAREHOLDERS 2

COMBINED MANAGEMENT REPORT 26

CONSOLIDATED FINANCIAL STATEMENTS 95

Consolidated statement of income 96

Consolidated statement of comprehensive income 97

Consolidated balance sheet 98

Consolidated statement of cash flows 100

Consolidated statement of changes in equity 102

Notes to the consolidated financial statements 104

Shareholdings 166

Statement of fixed assets 170

Declaration by the executive directors 171

Independent auditor's report 172

Disclosures on real estate valuation 181

Sensitivity analysis of real estate valuation as at 31 December 2024 183

Fundamental company data 187

FURTHER DISCLOSURES 188

Board, which ensures that the development of the real estate portfolio's value is continuously monitored.

The determination of fair values depends on the underlying key, non-observable input factors (Level 3), which are specified in Appendix 1.

A sensitivity analysis of the key unobservable input parameters showed the following effect on the fair value of investment properties. A substantial increase in maintenance costs or vacancy rates would lead to a lower fair value for the properties if the assumptions for the remaining input parameters remained unchanged. The sensitivity analysis can be found in Appendix 2.

Fair value development during the reporting period:

in EUR thousand	31/12/2024	Office	Retail	Other
Fair value at the beginning of the financial year	**947,276**	**592,816**	**292,640**	**61,820**
Additions of properties	14,186	10,733	3,362	90
Disposals	– 4,013	0	– 4,013	0
Disposal of deconsolidation	– 138,465	– 99,223	– 39,242	0
Reclassifications to non-current assets held for sale	– 45,355	– 45,855	500	0
Unrealised gains from fair value measurement	2,257	0	858	1,399
Unrealised losses from fair value measurement	– 51,180	– 36,435	– 14,466	– 279
Fair value at the end of the financial year	**724,706**	**422,036**	**239,640**	**63,030**

in EUR thousand	31/12/2023	Office	Retail	Other
Fair value at the beginning of the financial year	**1,231,072**	**821,356**	**342,176**	**67,540**
Additions of properties	11,616	7,891	3,289	436
Disposals	– 90,320	– 88,840	– 1,480	0
Reclassifications to non-current assets held for sale	– 58,627	– 46,597	– 12,030	0
Unrealised losses from fair value measurement	– 146,465	– 100,994	– 39,315	– 6,156
Fair value at the end of the financial year	**947,276**	**592,816**	**292,640**	**61,820**

COMPANY AND SHAREHOLDERS 2
COMBINED MANAGEMENT REPORT 26
CONSOLIDATED FINANCIAL STATEMENTS 95
Consolidated statement of income 96
Consolidated statement of comprehensive income 97
Consolidated balance sheet 98
Consolidated statement of cash flows 100
Consolidated statement of changes in equity 102
Notes to the consolidated financial statements 104
Shareholdings 166
Statement of fixed assets 170
Declaration by the executive directors 171
Independent auditor's report 172
Disclosures on real estate valuation 181
Sensitivity analysis of real estate valuation as at 31 December 2024 183
Fundamental company data 187
FURTHER DISCLOSURES 188

The additions to investment properties totalling EUR 14,186 thousand consist of capitalisations for current investments (CapEx).

Disposal of the real estate in Osnabrück with a carrying amount of EUR –4,013 thousand took place during the period under review. Disposals of EUR –90,320 thousand were made during the comparative period. These relate to the properties in Ulm, Bad Oeynhausen and Apolda.

The Limes portfolio of subsidiaries with a carrying amount of EUR 138,465 thousand were deconsolidated from the core portfolio during the reporting period.

The carrying amount of the properties held for sale, amounting to EUR 76,680 thousand, is mainly attributable to properties in Leipzig (Gutenbergplatz), Hamburg, Kempten, Dortmund, Bad Kreuznach and Flensburg.

Information about unrealised losses and profits from measurement at fair value is provided in Section D.3.

The fair value of the capitalised leaseholds and rights-of-use, which belong to the retail asset class and are reported under investment properties, developed as follows:

in EUR thousand	2024
Fair value at the beginning of the financial year	**20,580**
Unrealised gains from fair value measurement	1,430
Unrealised losses from fair value measurement	– 100
Fair value at the end of the financial year	**21,910**

in EUR thousand	2023
Fair value at the beginning of the financial year	**22,056**
Additions arising from extension of the contractual term (term, interest)	843
Unrealised losses from fair value measurement	– 2,319
Fair value at the end of the financial year	**20,580**

Please refer to Section 7.2 for further information in conjunction with the accounting of leaseholds and rights-of-use.

1.4 SHARES IN COMPANIES ACCOUNTED FOR USING THE EQUITY METHOD

Shares in companies accounted for using the equity method amounted to EUR 406 thousand (previous year: EUR 351 thousand). This pertains to the investment in G+Q Effizienz GmbH, Berlin, with a profit of EUR 63 thousand (previous year: EUR 62 thousand).

1.5 LOANS TO COMPANIES ACCOUNTED FOR USING THE EQUITY METHOD

Loans to companies accounted for using the equity method of EUR 25,150 thousand (previous year: EUR 25,150 thousand) include a loan not secured by real estate granted by DEMIRE AG to JV Theodor-Heuss-Allee GmbH.

The following table shows the development of impairments on loans to companies accounted for using the equity method:

in EUR thousand	2024	2023
As at 1 January	**0**	**430**
Reversal	0	– 430
As at 31 December	**0**	**0**

COMPANY AND SHAREHOLDERS 2

COMBINED MANAGEMENT REPORT 26

CONSOLIDATED FINANCIAL STATEMENTS 95

Consolidated statement of income 96

Consolidated statement of comprehensive income 97

Consolidated balance sheet 98

Consolidated statement of cash flows 100

Consolidated statement of changes in equity 102

Notes to the consolidated financial statements 104

Shareholdings 166

Statement of fixed assets 170

Declaration by the executive directors 171

Independent auditor's report 172

Disclosures on real estate valuation 181

Sensitivity analysis of real estate valuation as at 31 December 2024 183

Fundamental company data 187

FURTHER DISCLOSURES 188

1.6. LOANS AND FINANCIAL ASSETS

Loans and financial assets amounted to EUR 37,710 thousand (previous year: EUR 48,365 thousand).

The carrying amount of loans totals EUR 34,797 thousand (previous year: EUR 43,493 thousand) and includes a loan in the amount of the nominal value of EUR 60 million to RFR Immobilien 5 GmbH. This is an affiliate of RFR Immobilien 4 GmbH, the joint venture partner of JV Theodor-Heuss-Allee GmbH. The difference between the carrying amount and the nominal value results from the recognised expected credit losses according to the three-stage model in the amount of EUR 24,195 thousand (previous year: EUR 15,195 thousand). This is offset by an accrued amount of EUR 1,009 thousand (previous year: EUR 1,312 thousand) resulting from the effective interest calculation in accordance with IFRS 9. The impairment was calculated over the entire term when analysed individually in accordance with risk level 3 of the risk level model, as a default on interest payments occurred in the reporting period.

Non-current financial assets in the amount of EUR 2,913 thousand (previous year: EUR 4,871 thousand) include non-current loan receivables from Taurecon GmbH, Berlin, in the amount of EUR 145 thousand (previous year: EUR 1,708 thousand), from Taurecon Beteiligungs GmbH in the amount of EUR 1,733 thousand (previous year: EUR 1,781 thousand) and from LKS Beteiligungsgesellschaft mbH in the amount of EUR 1,035 thousand (previous year: EUR 1,382 thousand).

The following table shows the development of impairments on loans to third parties:

in EUR thousand	2024	2023
As at 1 January	**15,195**	**1,025**
Additions	9,000	14,170
As at 31 December	**24,195**	**15,195**

1.7 OTHER ASSETS

Other non-current assets total EUR 5,063 thousand (previous year: EUR 8,260 thousand) and include, among other things, the capitalised rent incentives in the amount of EUR 2,323 thousand (previous year: EUR 1,983 thousand) as well as the deferral of rent-free periods arising from the store portfolio leases in the amount of EUR 2,668 thousand (previous year: EUR 2,838 thousand). Other assets also include furniture, fixtures and equipment (FF&E) grants in the amount of EUR 68 thousand (previous year: EUR 1,054 thousand).

As movable property, FF&E generally have no permanent connection to the property. In the previous year, other assets also included refinancing costs of EUR 2,385 thousand for the refinancing of the bond.

COMPANY AND SHAREHOLDERS 2

COMBINED MANAGEMENT REPORT 26

CONSOLIDATED FINANCIAL STATEMENTS 95

Consolidated statement of income 96

Consolidated statement of comprehensive income 97

Consolidated balance sheet 98

Consolidated statement of cash flows 100

Consolidated statement of changes in equity 102

Notes to the consolidated financial statements 104

Shareholdings 166

Statement of fixed assets 170

Declaration by the executive directors 171

Independent auditor's report 172

Disclosures on real estate valuation 181

Sensitivity analysis of real estate valuation as at 31 December 2024 183

Fundamental company data 187

FURTHER DISCLOSURES 188

2. Current assets

2.1 TRADE ACCOUNTS RECEIVABLE AND OTHER ASSETS

The following table shows the composition of trade accounts receivable and other assets as at 31 December 2024:

in EUR thousand	31/12/2024 Gross	Impairment	31/12/2024 Net	31/12/2023 Gross	Impairment	31/12/2023 Net
Trade accounts receivable	12,076	3,635	8,441	15,630	5,357	10,274
Receivables from operating costs	3,542	0	3,542	3,902	0	3,902
Subtotal of trade accounts receivable	**15,618**	**3,635**	**11,983**	**19,533**	**5,357**	**14,176**
Rent incentives	937	0	937	1,494	0	1,494
Receivables from processing value-added taxes	310	0	310	168	0	168
Other assets	938	0	938	2,257	0	2,257
Subtotal of other assets	**2,185**	**0**	**2,185**	**3,919**	**0**	**3,919**
Total	**17,803**	**3,635**	**14,169**	**23,452**	**5,357**	**18,095**

[1] The previous year's figure was changed by EUR 46 thousand in the statement, as these do not represent rental incentives.

Impairments of financial assets are presented using a provision matrix. DEMIRE uses this matrix to determine the required risk provision depending on the maturity or overdue payment of the individual receivables. The provision matrix is based on historical experience and current expectations and is updated at each reporting date.

COMPANY AND SHAREHOLDERS 2
COMBINED MANAGEMENT REPORT 26
CONSOLIDATED FINANCIAL STATEMENTS 95
Consolidated statement of income 96
Consolidated statement of comprehensive income 97
Consolidated balance sheet 98
Consolidated statement of cash flows 100
Consolidated statement of changes in equity 102
Notes to the consolidated financial statements 104
Shareholdings 166
Statement of fixed assets 170
Declaration by the executive directors 171
Independent auditor's report 172
Disclosures on real estate valuation 181
Sensitivity analysis of real estate valuation as at 31 December 2024 183
Fundamental company data 187
FURTHER DISCLOSURES 188

On this basis, the following change in value rates apply to DEMIRE:

in %	0–90 days past due	91–180 days past due	181–360 days past due	more than 360 days past due
Default rate	5%	11%	15%	49%

Trade and other receivables due from DEMIRE's tenants are measured as follows:

in Days / in EUR thousand	Gross carrying amount	Risk provisions for credit losses expected over the total term	Net carrying amounts
0–90 days	1,518	73	1,445
91–180 days	484	54	429
181–360 days	2,196	327	1,869
more than 360 days	1,240	602	638
Total	**5,438**	**1,057**	**4,381**

In addition to the value adjustments shown in the provision matrix, the portfolio of individual value adjustments amounts to EUR 2,578 thousand (previous year: EUR 3,751 thousand). Individual value adjustments are made, for example, in the case of legal disputes with tenants or in insolvency cases. These related to gross carrying amounts of EUR 5,487 thousand (previous year EUR 5,630 thousand).

In the previous year, a large proportion of the impairment losses related to the former hotel operator in Kassel (EUR 1,069 thousand). These individual value adjustments are omitted at the reporting date due to deconsolidation of the Limes portfolio. Impairments totalling EUR 362 thousand (previous year: EUR 183 thousand) are attributable to a tenant in the gastronomy sector in Rostock, which is subject to insolvency proceedings. The gross receivables from this tenant amount to EUR 453 thousand as at the end of the reporting period (previous year EUR 312 thousand).

Gross rent receivables of EUR 1,151 thousand (previous year: EUR 3,573 thousand) were not yet due. No value adjustments were made on these receivables. No value adjustments were made on the operating cost receivables of EUR 3,542 thousand (previous year EUR 3,902 thousand), as these were not yet due as at the balance sheet date.

The trade receivables from the previous period and other receivables from DEMIRE's tenants and loans were measured as follows:

in days / in EUR thousand	Gross carrying amount	Risk provisions for credit losses expected over the total term	Net carrying amounts
0–90 days	1,373	65	1,308
91–180 days	583	65	518
181–360 days	1,758	428	1,330
more than 360 days	2,713	1,047	1,666
Total	**6,427**	**1,605**	**4,822**

The value adjustment of trade receivables developed as follows:

RECONCILIATION OF IMPAIRMENTS

in EUR thousand	
Impairments pursuant to IFRS 9 as at 31 December 2023	**5,357**
Increase in impairments through profit or loss in the financial year	1,830
Utilisation of impairments in the financial year	– 2,069
Decrease in impairments through profit or loss in the financial year	– 1,483
Impairments pursuant to IFRS 9 as at 31 December 2024	**3,635**

COMPANY AND SHAREHOLDERS 2

COMBINED MANAGEMENT REPORT 26

CONSOLIDATED FINANCIAL STATEMENTS 95

Consolidated statement of income 96

Consolidated statement of comprehensive income 97

Consolidated balance sheet 98

Consolidated statement of cash flows 100

Consolidated statement of changes in equity 102

Notes to the consolidated financial statements 104

Shareholdings 166

Statement of fixed assets 170

Declaration by the executive directors 171

Independent auditor's report 172

Disclosures on real estate valuation 181

Sensitivity analysis of real estate valuation as at 31 December 2024 183

Fundamental company data 187

FURTHER DISCLOSURES 188

RECONCILIATION OF IMPAIRMENTS FROM THE PREVIOUS YEAR

in EUR thousand	
Impairments pursuant to IFRS 9 as at 31 December 2022	**3,357**
Increase in impairments through profit or loss in the financial year	2,232
Utilisation of impairments in the financial year	– 69
Decrease in impairments through profit or loss in the financial year	– 162
Impairments pursuant to IFRS 9 as at 31 December 2023	**5,357**

As in the previous year, all trade accounts receivable are current in nature and usually due within a period of less than three months.

The calculation of impairments on trade accounts receivable is presented within the scope of the accounting policies in Section C.

2.2 CURRENT FINANCIAL ASSETS

Financial assets in the amount of EUR 19,464 thousand (previous year: EUR 9,735 thousand) consist of the following:

in EUR thousand	31/12/2024 Gross	Impairment	31/12/2024 Net	31/12/2023 Gross	Impairment	31/12/2023 Net
Other purchase price receivables	1,365	0	1,365	0	0	0
Interest receivable on loans	7,119	5,538	1,581	3,114	3,005	109
Loans to deconsolidated subsidiaries	53,450	36,933	16,517	0	0	0
Other financial assets	0	0	0	9,626	0	9,626
Total	**99,752**	**80,288**	**19,464**	**12,740**	**3,005**	**9,735**

COMPANY AND SHAREHOLDERS 2

COMBINED MANAGEMENT REPORT 26

CONSOLIDATED FINANCIAL STATEMENTS 95

Consolidated statement of income 96

Consolidated statement of comprehensive income 97

Consolidated balance sheet 98

Consolidated statement of cash flows 100

Consolidated statement of changes in equity 102

Notes to the consolidated financial statements 104

Shareholdings 166

Statement of fixed assets 170

Declaration by the executive directors 171

Independent auditor's report 172

Disclosures on real estate valuation 181

Sensitivity analysis of real estate valuation as at 31 December 2024 183

Fundamental company data 187

FURTHER DISCLOSURES 188

Other purchase price receivables in the amount of EUR 1,365 thousand are the result of contractually agreed, as yet still outstanding payments for construction measures carried out as part of the transaction that are linked to the sale of LogPark in Leipzig.

The interest receivable on loans essentially consists of interest receivable on loans to RFR. The impairment for 2024 was set in the amount of EUR 1,388 thousand, which corresponds to 50% of the interest income. Loans to deconsolidated subsidiaries were recognised at an initial value of EUR 53,450 thousand, reduced by EUR 37,817 thousand, while the nominal value of the loans amounts to EUR 91,267 thousand.

The cash trap accounts reported as other financial assets in the amount of EUR 9,462 thousand are part of the Limes portfolio and are written off as part of deconsolidation.

2.3 TAX ASSETS

During the period under review, the tax assets in the amount of EUR 2,946 thousand (previous year: EUR 1,057 thousand) primarily related to refund claims from retained capital gains tax in the amount of EUR 1,032 thousand including the solidarity surcharge for distributions (previous year: EUR 819 thousand).

2.4 CASH AND CASH EQUIVALENTS

Cash and cash equivalents in the amount of EUR 44,816 thousand (previous year: EUR 119,989 thousand) include cash on hand and bank balances carried at their nominal value. Of this amount, EUR 380 thousand is earmarked for maintenance costs as at 31 December 2024 (previous year: EUR 289 thousand). A further amount of EUR 3,229 thousand is subject to a restriction and is conditional on the extension and revaluation of the loan for CapEx financing in the Lutherstadt Wittenberg property (previous year: EUR 2,827 thousand). There is no need to write down cash and cash equivalents.

3. Non-current assets held for sale

For assets held for sale, it must be determined whether they can be sold in their present state and whether their disposal is highly probable. If this is the case, assets held for sale are recognised and measured in accordance with the relevant regulations of IFRS 5. Non-current assets held for sale are generally carried at the lower of the carrying amount and the fair value less costs to sell. In accordance with the exceptions of IFRS 5.5(d), real estate that is measured using the fair value model continues to be carried at fair value. The fair value of non-current assets held for sale is equal to their selling price less disposal costs, which are assigned to Level 1.

As of 31 December 2024 the office properties in Leipzig (Gutenberggalerie), Flensburg, Kempten, Dortmund, Hamburg and Bad Kreuznach were accounted for in the amount of EUR 76,680 thousand as properties held for sale. The valuation loss here amounts to EUR 9,753 thousand. The transfer of benefits and encumbrances for these properties is scheduled for the 2025 financial year.

In the previous year, the LogPark properties in Leipzig and the properties in Flensburg, Hamburg, Kempten and Trier were listed as properties held for sale in the total amount of EUR 149,100 thousand.

4. Equity

SUBSCRIBED CAPITAL

On 31 December 2024, 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.

COMPANY AND SHAREHOLDERS 2

COMBINED MANAGEMENT REPORT 26

CONSOLIDATED FINANCIAL STATEMENTS 95

Consolidated statement of income 96

Consolidated statement of comprehensive income 97

Consolidated balance sheet 98

Consolidated statement of cash flows 100

Consolidated statement of changes in equity 102

Notes to the consolidated financial statements 104

Shareholdings 166

Statement of fixed assets 170

Declaration by the executive directors 171

Independent auditor's report 172

Disclosures on real estate valuation 181

Sensitivity analysis of real estate valuation as at 31 December 2024 183

Fundamental company data 187

FURTHER DISCLOSURES 188

Subscribed capital remained unchanged in the reporting period. There were also no changes in the same period last year. No treasury shares were acquired in 2024. Overall, DEMIRE holds a total of 2,264,728 treasury shares with a nominal value of EUR 2,265 thousand as at the reporting date.

CAPITAL RESERVES

As at 31 December 2024, capital reserves amounted to EUR 89,767 thousand (previous year: EUR 89,767 thousand).

RETAINED EARNINGS

Retained earnings amounted to EUR 22,825 thousand as at 31 December 2024 (previous year: EUR 108,309 thousand). The change was mainly due to the net result for the reporting year of EUR –86,483 thousand (previous year: EUR –147,190 thousand).

AUTHORISED CAPITAL

in EUR thousand	2024	2023
As at 1 January	53,889	53,889
Utilisation of authorised capital	0	0
As at 31 DECEMBER	**53,889**	**53,889**

The shareholders are generally entitled to subscription rights. The Executive Board is empowered, with approval of the Supervisory Board, to exclude the subscription rights of shareholders. This applies for cash capital increases of up to 20% of the share capital at an issue price that is not significantly lower than the market price, as well as to service option or conversion rights and in the case of capital increases against contributions in kind.

CONDITIONAL CAPITAL 2024/I

At the ordinary Annual General Meeting of 21 November 2024, Conditional Capital 2020/I was cancelled and replaced with Conditional Capital 2024/I in the amount of up to EUR 53,888,662.00, divided into up to 53,888,662 new no-par value bearer shares with a corresponding amendment to the Articles of Association. 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). or combinations of these instruments) 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. The Conditional Capital 2024/I had not been utilised by the reporting date.

COMPANY AND SHAREHOLDERS 2

COMBINED MANAGEMENT REPORT 26

CONSOLIDATED FINANCIAL STATEMENTS 95

Consolidated statement of income 96

Consolidated statement of comprehensive income 97

Consolidated balance sheet 98

Consolidated statement of cash flows 100

Consolidated statement of changes in equity 102

Notes to the consolidated financial statements 104

Shareholdings 166

Statement of fixed assets 170

Declaration by the executive directors 171

Independent auditor's report 172

Disclosures on real estate valuation 181

Sensitivity analysis of real estate valuation as at 31 December 2024 183

Fundamental company data 187

FURTHER DISCLOSURES 188

AUTHORISATION TO PURCHASE TREASURY SHARES

On 28 April 2021, the ordinary Annual General Meeting of the Company resolved that, where legally permissible, the Company is authorised to acquire, by 27 April 2026, treasury shares up to 10% of the share capital existing on the date of the resolution or – if lower – up to 10% of the share capital existing at the time the authorisation is exercised. Together with other treasury shares acquired and owned by the Company or attributable to the Company, the treasury shares acquired on the basis of this authorisation may at no time exceed 10% of the Company's share capital existing at the time of the resolution or, if this value is lower, at the time the authorisation is exercised. Acquisition for the purpose of trading in treasury shares is excluded.

The number of treasury shares did not change during the year under review:

Reconciliation of number of shares (in thousands)	2024	2023
Total number of shares as at 1 January	105,513	105,513
Acquisition of treasury shares	0	0
Total number of shares less treasury shares as at 31 December	**105,513**	**105,513**

The "Non-controlling interests" item refers to the interests of shareholders outside of the Group in the equity and the net profit of fully consolidated subsidiaries. Non-controlling interests concerns the interests of third-party shareholders in the equity and net profit/loss of fully consolidated subsidiaries.

5. Non-current liabilities

5.1 DEFERRED TAX ASSETS AND LIABILITIES

In accordance with IAS 12, deferred tax assets and deferred tax liabilities are recognised for temporary differences between the carrying amounts of assets and liabilities in the consolidated balance sheet and the tax statement of financial position or for unused tax loss carry-forwards (liability method). In accounting for deferred tax assets, DEMIRE considers whether it is more likely or less likely that deferred taxes can be realised. The realisability of deferred tax assets depends on whether sufficient taxable income is generated at the time of the reversal of temporary differences between the consolidated balance sheet and the tax statement from which the temporary differences can be deducted. The basis for this assessment is the tax planning of DEMIRE. Deferred tax assets for tax loss carry-forwards were recognised in the amount of EUR 1,245 thousand (previous year: EUR 1,311 thousand). The assessment of the recoverability of the loss carry-forwards and the resulting recognition of deferred tax assets is based on a planning horizon of ten years.

Deferred taxes are measured using the local tax rates expected to apply when the asset is realised or the liability is settled. The tax rates applicable on the reporting date are used as a basis. The effects of changes in tax law are recognised in profit or loss in the year in which the changes take effect. Deferred taxes relating to items recognised directly in equity are not recognised in the statement of income but directly in equity. Deferred tax assets are impaired if it becomes unlikely that the future tax benefits will be realised. Deferred tax assets and liabilities are offset against each other if the claims and obligations relate to the same tax authority.

DEMIRE recognised deferred taxes for temporary differences of Fair Value REIT-AG by applying the Company-specific tax rate as at the reporting date. As Fair Value REIT-AG is generally exempt from taxes, no taxes are incurred at its level, as long as the status as a tax-exempt REIT is maintained. Nevertheless, deferred taxes were recognised for Fair Value REIT-AG according to the "tax-transparent entity" approach. This approach assumes a deemed disposal of all properties directly held by Fair Value REIT-AG and indirectly held through trusts.

COMPANY AND SHAREHOLDERS 2

COMBINED MANAGEMENT REPORT 26

CONSOLIDATED FINANCIAL STATEMENTS 95

Consolidated statement of income 96

Consolidated statement of comprehensive income 97

Consolidated balance sheet 98

Consolidated statement of cash flows 100

Consolidated statement of changes in equity 102

Notes to the consolidated financial statements 104

Shareholdings 166

Statement of fixed assets 170

Declaration by the executive directors 171

Independent auditor's report 172

Disclosures on real estate valuation 181

Sensitivity analysis of real estate valuation as at 31 December 2024 183

Fundamental company data 187

FURTHER DISCLOSURES 188

Deferred tax assets and liabilities consist of temporary differences in the following items in the balance sheet:

in EUR thousand	31/12/2024	31/12/2023
Deferred tax assets on loss carryforwards	1,245	1,311
Deferred tax assets on financial liabilities / assets	8,486	11,317
Deferred tax assets on lease liabilities	3,467	3,257
Deferred tax assets before offsetting	**13,199**	**15,884**
Deferred tax liabilities on investment properties and right-of-use assets	53,198	53,799
Deferred tax liabilities before offsetting	**53,198**	**53,799**
Offsetting of deferred tax assets with liabilities	– 13,199	– 15,884
Deferred tax liabilities	**39,999**	**37,915**
Deferred tax assets before offsetting	**0**	**0**

Pursuant to IAS 12.74, deferred tax assets on loss carry-forwards are only recognised to the extent to which deferred tax liabilities exist for the same taxable entity to the same tax authorities and for the same tax type. Regarding the deferred tax assets recognised on tax loss carry-forwards before offsetting in the amount of EUR 1,245 thousand (previous year: EUR 1,311 thousand), the requirements of IAS 12.74 have been met. Tax loss carry-forwards and deductible temporary differences that were not considered when calculating deferred taxes and that generally do not expire, amounted to EUR 111,150 thousand (previous year: EUR 56,915 thousand). In the year under review, there are unrecognised deferred tax assets in the amount of EUR 17,590 thousand (previous year: EUR 9,007 thousand).

The following table shows the change in deferred taxes in the period under review:

in EUR thousand	31/12/2023	Statement of income	31/12/2024
Investment properties and right-of-use assets	– 53,799	601	– 53,198
Loans	5,683	2,989	8,672
Lease liabilities	3,257	210	3,467
Tax loss carryforwards	1,311	– 65	1,245
Market values of options	7,019	1,214	8,233
Financial liabilities	– 1,385	– 7,033	– 8,419
Total	**– 37,915**	**– 2,084**	**– 39,999**

The “Financial liabilities” item refers primarily to deferred taxes related to the 2019/2027 corporate bond.

The change in deferred taxes in the previous year and its structure can be broken down as follows:

in EUR thousand	31/12/2022	Statement of income	31/12/2023
Investment properties and right-of-use assets	– 84,799	31,000	– 53,799
Loans	823	4,860	5,683
Lease liabilities	4,207	– 950	3,257
Tax loss carryforwards	4,657	– 3,346	1,311
Market values of options	0	7,019	7,019
Financial liabilities	– 935	– 450	– 1,385
Total	**– 76,047**	**38,133**	**– 37,915**

COMPANY AND SHAREHOLDERS 2

COMBINED MANAGEMENT REPORT 26

CONSOLIDATED FINANCIAL STATEMENTS 95

Consolidated statement of income 96

Consolidated statement of comprehensive income 97

Consolidated balance sheet 98

Consolidated statement of cash flows 100

Consolidated statement of changes in equity 102

Notes to the consolidated financial statements 104

Shareholdings 166

Statement of fixed assets 170

Declaration by the executive directors 171

Independent auditor's report 172

Disclosures on real estate valuation 181

Sensitivity analysis of real estate valuation as at 31 December 2024 183

Fundamental company data 187

FURTHER DISCLOSURES 188

5.2 MINORITY INTERESTS

Minority interests reported under the Group's liabilities concern the capital of limited partners, who are mainly natural persons, in real estate funds in the legal form of a GmbH & Co. KG, totalling EUR 71,018 thousand as at the reporting date (previous year: EUR 72,021 thousand). Please refer to Section B for information about the consolidation principle used for minority interests.

5.3 FINANCIAL LIABILITIES

Financial liabilities are measured at their fair value on the date of assumption less directly attributable transaction costs and discounts. The fair value at the time of incurring the financial liabilities corresponds to the present value of the future payment obligations based on a maturity- and risk-congruent market rate. Subsequent measurement is carried out at amortised cost using the effective interest method. The effective interest rate is determined at the time of the initial recognition of the financial liabilities. Changes to the conditions relating to the amount or timing of interest and repayments result in a recalculation of the carrying amount of the financial liabilities at their present value and based on the originally determined effective interest rate. Any differences to the previously recognised carrying amounts of the financial liabilities are recognised through profit or loss.

Financial liabilities as at 31 December 2024 consisted of the following:

FINANCIAL LIABILITIES

in EUR thousand	Fixed interest	Variable interest	Total
2019/2027 corporate bond	224,976	0	224,976
Shareholder loans	97,342	0	97,342
Other financial liabilities	163,663	0	163,663
Total	**485,981**	**0**	**485,981**

Financial liabilities as at 31 December 2023 consisted of the following:

FINANCIAL LIABILITIES FOR THE PREVIOUS YEAR

in EUR thousand	Fixed interest	Variable interest	Total
2019/2024 corporate bond	497,564	0	497,564
Other financial liabilities	289,112	4,393	293,505
Total	**786,676**	**4,393**	**791,069**

The following table shows the nominal value of financial liabilities as at 31 December 2024:

FINANCIAL LIABILITIES

in EUR thousand	Fixed interest	Variable interest	Total
2019/2027 corporate bond	252,250	0	252,250
Shareholder loans[1]	97,342	0	97,342
Other financial liabilities	162,883	0	162,883
Total	**512,475**	**0**	**512,475**

[1] The amount shown consists of the nominal value of the loan of EUR 93.5 million and the interest accrued and capitalised as of the balance-sheet date, which amounted to EUR 3,842 thousand.

The following table shows the nominal value of financial liabilities as at 31 December 2023:

COMPANY AND SHAREHOLDERS 2

COMBINED MANAGEMENT REPORT 26

CONSOLIDATED FINANCIAL STATEMENTS 95

Consolidated statement of income 96

Consolidated statement of comprehensive income 97

Consolidated balance sheet 98

Consolidated statement of cash flows 100

Consolidated statement of changes in equity 102

Notes to the consolidated financial statements 104

Shareholdings 166

Statement of fixed assets 170

Declaration by the executive directors 171

Independent auditor's report 172

Disclosures on real estate valuation 181

Sensitivity analysis of real estate valuation as at 31 December 2024 183

Fundamental company data 187

FURTHER DISCLOSURES 188

FINANCIAL LIABILITIES FOR THE PREVIOUS YEAR

in EUR thousand	Fixed interest	Variable interest	Total
2019/2024 corporate bond	499,000	0	499,000
Other financial liabilities	286,510	4,342	290,853
Total	**785,510**	**4,342**	**789,853**

The difference between the carrying amounts of financial liabilities and their nominal values is due to the subsequent measurement of financial liabilities at amortised cost using the effective interest method in accordance with IFRS 9.

As part of refinancing the 2019/2024 corporate bond in October 2024, DEMIRE took a shareholder loan from Apollo in the amount of EUR 93,500 thousand at an interest rate of 22%. The loan is due on 31 December 2028.

The corporate bond represents a significant portion of financial liabilities. On 16 October 2024, this was extended until 31 December 2027 at an interest rate of 5.00% (previous year: 1.875%). Further information on the corporate bond can be found in Section A.3 Going concern.

Other financial liabilities mainly comprise financial liabilities to credit institutions at a weighted average nominal interest rate of 3.34 % (previous year: 1.51 %). The weighted average nominal interest rate on all financial liabilities amounted to 7.59% per annum as at 31 December 2024 (31 December 2023: 1.74% per annum).

As at the reporting date, financial liabilities were collateralised by assets in the amount of EUR 222,542 thousand (previous year: EUR 358,400 thousand). As in the previous year, no assets of DEMIRE had been encumbered with a mortgage as a guarantee for third-party liabilities. As part of the refinancing of the 2019/2024 corporate bond, a LuxCo structure was established to secure the restructured 2019/2027 corporate bond. Detailed information can be found in Section A.3.3. Going concern.

The decrease in other financial liabilities in the amount of EUR 127,970 compared to the previous year is largely due to deconsolidation of the Limes subsidiaries in the amount of EUR 82,660 thousand. Another part of the decrease in the amount of EUR 35,223 thousand reflects settlement of liabilities linked to the sale of LogPark in Leipzig. In addition, the scheduled repayment of borrowings justifies the rest of the decrease.

Generally, all loan agreements for the properties financed stipulate information requirements that DEMIRE's subsidiaries as debtors must fulfil with respect to the banks or investors as creditors. Depending on the type and scope of the loan, the information requirements range from providing key financial ratios (such as financial statements) to reporting on the compliance with covenants.

The monitoring, compliance and reporting of the covenants specified in the loan agreements for the properties financed are carried out by DEMIRE's Management, Treasury and Asset Management areas and other external service providers. Depending on the specific credit agreement, the appropriate reporting on the covenants as well as the basis for the underlying business ratios are to be submitted to the creditors quarterly, semi-annually or annually. If DEMIRE fails to comply with the stipulated values in the covenants, the creditors are entitled to demand additional collateral from DEMIRE. The loans are then in default. If the default persists for a longer period of time and cannot be permanently remedied, the creditors typically have a special right of termination.

DEMIRE has complied with all contractual requirements (covenants) linked to existing loan agreements. In particular, these contain financial key figures which must be monitored regularly. There were no breaches against the agreed covenants at the end of the reporting period. Depending on circumstances, non-compliance could lead to liabilities becoming immediately liable. Management continuously monitors the relevant key figures to ensure compliance and also to detect potential risks in good time.

COMPANY AND SHAREHOLDERS 2

COMBINED MANAGEMENT REPORT 26

CONSOLIDATED FINANCIAL STATEMENTS 95

Consolidated statement of income 96

Consolidated statement of comprehensive income 97

Consolidated balance sheet 98

Consolidated statement of cash flows 100

Consolidated statement of changes in equity 102

Notes to the consolidated financial statements 104

Shareholdings 166

Statement of fixed assets 170

Declaration by the executive directors 171

Independent auditor's report 172

Disclosures on real estate valuation 181

Sensitivity analysis of real estate valuation as at 31 December 2024 183

Fundamental company data 187

FURTHER DISCLOSURES 188

Financing has been extended by Landesbank Baden-Württemberg (LBBW) until the middle of 2026 after the end of the reporting period.

CHANGES TO LIABILITIES ARISING FROM FINANCING ACTIVITY

The table below displays the development of Group liabilities arising from financing activity, including any net and non-cash changes.

in EUR thousand	Financial liabilities	Lease liabilities
31/12/2023	**791,070**	**25,922**
Net changes		
Proceeds from borrowings	93,500	0
Repayments of financial liabilities	– 246,032	0
Payments for borrowing costs	– 14,687	0
Interest paid	– 26,539	– 876
Repayment of lease liabilities	0	– 258
Non-cash changes		
Accrual of refinancing costs	– 15,004	0
Valuation effects from the calculation of effective interest rates	5,036	0
Deconsolidation effect of LIMES portfolio	– 82,825	0
Accrued interest	28,929	876
Proceeds from repurchase of the 2019/2024 bond below par	– 47,466	0
Adjustment of lease liabilities owing to contractual adjustment	0	1,649
31/12/2024	**485,981**	**27,313**

in EUR thousand	Financial liabilities	Lease liabilities
31/12/2022	**829,055**	**26,599**
Net changes		
Proceeds from borrowings	23,300	0
Repayments of financial liabilities	– 48,095	0
Interest paid	– 13,856	– 905
Repayment of lease liabilities	0	– 353
Non-cash changes		
Valuation effects from the calculation of effective interest rates	2,608	0
Accrued interest	13,856	905
Other valuation effects	– 15,798	0
Disposal Leasing liabilities	0	– 1,262
Admission of lease liabilities	0	94
Adjustment of lease liabilities owing to contractual adjustment	0	843
31/12/2023	**791,070**	**25,922**

In addition to the 2019/2027 corporate bond and the shareholder loans, there are financial liabilities totalling EUR 162,882 thousand (previous year: EUR 290,852 thousand), of which EUR 116,288 thousand (previous year: EUR 170,527 thousand) are classified as current as at the reporting date. This results from the expected maturities of these financial liabilities.

There is also a credit line noted at the end of the reporting period in the amount of EUR 2,500 thousand (previous year: EUR 6,000 thousand).

COMPANY AND SHAREHOLDERS 2

COMBINED MANAGEMENT REPORT 26

CONSOLIDATED FINANCIAL STATEMENTS 95

Consolidated statement of income 96

Consolidated statement of comprehensive income 97

Consolidated balance sheet 98

Consolidated statement of cash flows 100

Consolidated statement of changes in equity 102

Notes to the consolidated financial statements 104

Shareholdings 166

Statement of fixed assets 170

Declaration by the executive directors 171

Independent auditor's report 172

Disclosures on real estate valuation 181

Sensitivity analysis of real estate valuation as at 31 December 2024 183

Fundamental company data 187

FURTHER DISCLOSURES 188

5.4 MARKET VALUES OF OPTIONS

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

The fair value of the options is measured using the established valuation model, taking into account observable and non-observable market data.

The fall in the market values of options is mainly due to the changed market conditions which affect the scenarios described in Section B.B. As at the measurement date of 31 December 2024, the option valuation resulted in a negative amount of EUR 28.1 million. This probability-weighted value was recognised at fair value through profit or loss and recognised as a liability. The options are measured using the fair value hierarchy level 3.

In EUR thousand	Market values of options
31 December 2023	**24,100**
Non-cash changes	
Valuation effects after modelling	4,000
31 December 2024	**28,100**

A change in cash flows would not result in a different value for the options, which can be seen in the sensitivity analysis in Section B.

6. Current liabilities

6.1 PROVISIONS

Provisions have been recognised as liabilities in the period under review for obligations to third parties that are likely to result in a future outflow of resources. The value of the provisions is reviewed at each reporting date.

DEMIRE assumes that the provisions will be fully utilised in the following financial year.

Provisions developed as follows during the period under review:

in EUR thousand	31/12/2023	Utilisation	Reversal	Additions	31/12/2024
Staff costs	1,034	– 678	0	1,342	1,698
Other provisions	1,605	– 703	– 548	25	379
Total	**2,639**	**– 1,381**	**– 548**	**1,367**	**2,077**

Provisions developed as follows during the previous year:

in EUR thousand	31/12/2022	Utilisation	Reversal	Additions	31/12/2023
Staff costs	2,060	– 1,941	0	915	1,034
Other provisions	951	922	– 596	328	1,605
Total	**3,011**	**– 1,019**	**– 596**	**1,243**	**2,639**

Staff provisions mainly contain obligations for the variable performance-related remuneration of the Executive Board and employees (see Section G.2).

Other provisions in the amount of EUR 379 thousand include provisions for legal disputes (previous year: EUR 1,605 thousand). The provisions recognised represent the best possible estimate with regard to the outcome of the legal disputes. It is expected that a settlement regarding the legal dispute will be reached in the current reporting period.

COMPANY AND SHAREHOLDERS 2

COMBINED MANAGEMENT REPORT 26

CONSOLIDATED FINANCIAL STATEMENTS 95

Consolidated statement of income 96

Consolidated statement of comprehensive income 97

Consolidated balance sheet 98

Consolidated statement of cash flows 100

Consolidated statement of changes in equity 102

Notes to the consolidated financial statements 104

Shareholdings 166

Statement of fixed assets 170

Declaration by the executive directors 171

Independent auditor's report 172

Disclosures on real estate valuation 181

Sensitivity analysis of real estate valuation as at 31 December 2024 183

Fundamental company data 187

FURTHER DISCLOSURES 188

6.2 TRADE PAYABLES AND OTHER LIABILITIES

Liabilities are recognised at amortised cost after their initial recognition.

As at the reporting date, trade payables and other liabilities were as follows:

in EUR thousand	31/12/2024	31/12/2023
Trade payables	22,602	9,421
Accounting and audit costs	1,245	596
Subtotal of other trade payables	**23,848**	**10,016**
Accounts receivable with credit balances	2,225	887
Liabilities arising from retained collateral	485	597
Profit and loss transfer agreement	724	0
PRAP	549	745
Purchase price liabilities	500	500
Operating costs	519	496
Compensation payments	229	337
Advance payments received	48	70
Liabilities arising from liquidation costs	30	0
Liability from distribution	168	0
Other	1,498	1,522
Subtotal of financial liabilities	**6,975**	**5,154**
Liabilities from value-added taxes	150	1,158
Total other non-financial liabilities	**150**	**1,158**
Total	**30,973**	**16,328**

Trade payables relate primarily to current liabilities incurred as part of property management activities and/or in conjunction with the maintenance and repair of properties. As was the case in the previous year, all liabilities are due for payment within one year. As was the case on 31 December 2024, all trade payables amounting to EUR 23,848 thousand (previous year: EUR 10,016 thousand) are current in nature.

The increase in debtors with net credit balances is primarily due to the service charge settlements for 2022 and 2023 from a tenant in LogPark Leipzig which now has refund claims in the amount of EUR 1.1 million.

Liabilities arising from retained collateral amounting to EUR 128 thousand were written off as the underlying liabilities on the part of the counterparty no longer exist.

The liability from the profit and loss transfer arose from a profit and loss transfer agreement with the deconsolidated company DEMIRE Kassel Kölnische Str., Mauerstr., Spohrstr. GmbH, which was terminated as of 30 November 2024.

Compensation payments concern guaranteed dividends to non-controlling shareholders under profit and loss transfer agreements within the framework of a tax group created for income tax purposes. The decrease in compensation payments results from offsetting for the current period. The not yet offset compensatory payments amount to EUR 229 thousand as at the balance sheet date.

6.3 TAX LIABILITIES

Current income tax liabilities of EUR 23,805 thousand (previous year: EUR 24,252 thousand) are divided into corporation taxes of EUR 17,860 thousand (previous year: EUR 18,795 thousand) and trade taxes of EUR 5,945 thousand (previous year: EUR 5,457 thousand).

COMPANY AND SHAREHOLDERS 2

COMBINED MANAGEMENT REPORT 26

CONSOLIDATED FINANCIAL STATEMENTS 95

Consolidated statement of income 96

Consolidated statement of comprehensive income 97

Consolidated balance sheet 98

Consolidated statement of cash flows 100

Consolidated statement of changes in equity 102

Notes to the consolidated financial statements 104

Shareholdings 166

Statement of fixed assets 170

Declaration by the executive directors 171

Independent auditor's report 172

Disclosures on real estate valuation 181

Sensitivity analysis of real estate valuation as at 31 December 2024 183

Fundamental company data 187

FURTHER DISCLOSURES 188

7. Leases

7.1 OPERATING LEASES – DEMIRE AS LESSOR

The leases concluded by DEMIRE as lessor constitute operating leases within the meaning of IFRS 16.

The minimum lease payments as shown in the overview include net rents to be collected over the term of the lease in accordance with the currently applicable rental agreements. Rent agreements are usually concluded over fixed minimum terms of up to ten years. In some cases, tenants are entitled to extension options. In these cases, contractual rent escalation clauses effectively reduce the market risk of a long-term commitment. In the case of unlimited tenancies extended on a recurring basis with a remaining term of under one year as well as generally unlimited tenancies, an appropriate remaining term of the rental period of three years from the reporting date was recognised. Cash inflows from operating leases are recognised in cash flow from operating activities.

When renting and managing real estate, there is the risk of rent reductions, loss of rent or vacant space. Index-related rent increases may not always be implemented in full, immediately or at all. In addition to loss of income, letting-related costs (for example, broker's fees or rent incentives such as expansion costs, assumption of relocation costs, rent-free periods, etc.) may arise.

in EUR thousand	31/12/2024	31/12/2023
Due within 1 year	53,798	72,788
Due within 2 years	41,375	61,143
Due within 3 years	34,713	49,029
Due within 4 years	29,113	42,887
Due within 5 years	26,108	35,410
Due after more than 5 years	88,048	236,407
Total future rental income	**273,155**	**497,664**

7.2 DEMIRE AS LESSEE

Leases are accounted for at the time the lease asset is made available. According to IFRS 16, the lessee reports a lease liability for all leases in the balance sheet in the amount of the present value of the future lease payments and simultaneously capitalises a corresponding right of use to the underlying asset plus directly attributable costs. The lease instalment is divided into an interest component and a repayment component during the lease term.

DEMIRE measures the present value of the outstanding lease payments at the time the lease is provided. The lease liabilities are discounted using the incremental borrowing rate.

— Rights-of-use of assets that are not regarded as investment properties are depreciated on a straight-line basis over their expected useful lives. This relates to leases of vehicles. The rights-of-use for vehicles are reported under property, plant and equipment.

— Rights-of-use of investment properties, which are measured at fair value in accordance with IAS 40, are measured in line with the standard accounting policies laid down by IAS 40 and also reported under this item. This applies to leaseholds and permanent rights-of-use of an underground car park. The

COMPANY AND SHAREHOLDERS 2

COMBINED MANAGEMENT REPORT 26

CONSOLIDATED FINANCIAL STATEMENTS 95

Consolidated statement of income 96

Consolidated statement of comprehensive income 97

Consolidated balance sheet 98

Consolidated statement of cash flows 100

Consolidated statement of changes in equity 102

Notes to the consolidated financial statements 104

Shareholdings 166

Statement of fixed assets 170

Declaration by the executive directors 171

Independent auditor's report 172

Disclosures on real estate valuation 181

Sensitivity analysis of real estate valuation as at 31 December 2024 183

Fundamental company data 187

FURTHER DISCLOSURES 188

measurement is therefore based on the report of the external independent expert Savills Advisory Services Germany GmbH & Co. KG, a company with its registered office based in Frankfurt am Main. Depreciation of the right-of-use on a straight-line basis over its useful life is therefore not effected. Please refer to Section E.1.3 for details on the valuation method applied.

Payments for short-term leases and low-value leases are recognised as an expense in the statement of income in accordance with IFRS 16.6. Short-term leases are all agreements with a term of less than twelve months. Such expenses were only incurred to an immaterial extent during the period under review and in the previous year.

The following amounts related to leases are shown in the balance sheet:

RIGHTS-OF-USE

in EUR thousand	31/12/2024	31/12/2023
Leasehold contracts	21,910	20,580
Vehicles	34	68
Total	**21,944**	**20,648**

Please refer to Section E.1.3 "Investment properties" for information on profit derived from the valuation of rights-of-use.

LEASE LIABILITIES

in EUR thousand	31/12/2024	31/12/2023
Non-current	26,889	25,605
Current	425	317
Total	**27,314**	**25,922**

Lease liabilities comprise the obligations from the leasehold contracts of the Galeria Karstadt Kaufhof portfolio acquired in 2020 in the amount of EUR 27,278 thousand (previous year: EUR 25,853 thousand). The slight increase in non-current lease liabilities is mainly due to the adjustment of the conditions for leaseholds in Celle.

The leasehold contracts generally have long terms and expire in March 2083 at the latest. When calculating the present values of the lease liabilities upon initial recognition, the financing structure of the respective companies in terms of IFRS 16 was considered in determining the incremental borrowing rate, since the implied interest rate on which the lease is based cannot be determined. The following lease-related amounts are shown in the consolidated statement of income:

AMORTISATION EXPENSES FOR RIGHTS-OF-USE

in EUR thousand	2024	2023
Vehicles	34	40
Total	**34**	**40**

OTHER LEASE INTEREST EXPENSES

in EUR thousand	2024	2023
Interest expense (included in financial expense)	876	905

COMPANY AND SHAREHOLDERS 2

COMBINED MANAGEMENT REPORT 26

CONSOLIDATED FINANCIAL STATEMENTS 95

Consolidated statement of income 96

Consolidated statement of comprehensive income 97

Consolidated balance sheet 98

Consolidated statement of cash flows 100

Consolidated statement of changes in equity 102

Notes to the consolidated financial statements 104

Shareholdings 166

Statement of fixed assets 170

Declaration by the executive directors 171

Independent auditor's report 172

Disclosures on real estate valuation 181

Sensitivity analysis of real estate valuation as at 31 December 2024 183

Fundamental company data 187

FURTHER DISCLOSURES 188

Of the lease interest expenses of EUR 876 thousand (previous year: EUR 905 thousand), EUR 874 thousand (previous year: EUR 887 thousand) is attributable to interest expenses from leasehold contracts.

The cash outflows for leases in 2024 came to a total of EUR 1,133 thousand (previous year: EUR 1,193 thousand), of which EUR 1,098 thousand (previous year: EUR 1,152 thousand) is attributable to leasehold payments. Repayments of lease liabilities and interest payments on lease liabilities are recognised in cash flow from financing activities.

8. Contingencies

The contingent liabilities as at the reporting date consist of mortgages under Section 1191 of the German Civil Code (BGB) in the amount of EUR 222,642 thousand (previous year: EUR 358,400 thousand). The maximum liability for these properties is limited to the market value as at the reporting date of EUR 353,270 thousand (previous year: EUR 358,400 thousand).

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 Group companies that were brought into this Luxembourg holding structure serve as collateral for the bondholders. For further information on the collateralisation in the context of the bond restructuring, please refer to Section A.3.3 (Going concern).

9. Other financial obligations and contingent liabilities

Obligations for modification and expansion measures, as well as maintenance and modernisation work on the properties, totalled EUR 16,802 thousand (previous year: EUR 144,827 thousand). These obligations are fixed in terms of their scope. The decrease compared to the previous year is primarily due to deconsolidation of the Limes portfolio, particularly due to the absence of contractual obligations in connection with the conversion of the property in Essen into a police headquarters.

The purchase order commitment from commissioned maintenance amounted to EUR 6,430 thousand (previous year: EUR 8,502 thousand) as at the reporting date.

The amounts were determined on the basis of contractual agreements with tenants, agreed contract amounts and cost estimates from contractors such as architects, manual workers and general contractors. There is uncertainty surrounding the timing of cash outflows as construction activities can be delayed due to disruptions in supply chains or the availability of staff and materials. There is also uncertainty about the required amounts as price fluctuations may occur to a certain extent for services that have not yet been contractually agreed. It is currently assumed that around 25% of the funds required for contractual obligations will be incurred within one year and around 75% within a period of one to five years.

COMPANY AND SHAREHOLDERS 2

COMBINED MANAGEMENT REPORT 26

CONSOLIDATED FINANCIAL STATEMENTS 95

Consolidated statement of income 96

Consolidated statement of comprehensive income 97

Consolidated balance sheet 98

Consolidated statement of cash flows 100

Consolidated statement of changes in equity 102

Notes to the consolidated financial statements 104

Shareholdings 166

Statement of fixed assets 170

Declaration by the executive directors 171

Independent auditor's report 172

Disclosures on real estate valuation 181

Sensitivity analysis of real estate valuation as at 31 December 2024 183

Fundamental company data 187

FURTHER DISCLOSURES 188

F. Group segment reporting

The segmentation of the data in the consolidated financial statements is based on the internal alignment according to strategic business segments pursuant to IFRS 8. The segment information presented corresponds primarily to the key performance indicators regularly reported to the Executive Board of DEMIRE AG as the main decision-making body. The Executive Board manages the profitability of the operating segments based on revenue, segment revenue, expenses from the sale of real estate, earnings before interest and taxes (EBIT), financial expenses and the profit or loss for the period.

The Group is divided into the two reportable business segments Core Portfolio and Fair Value REIT. The focus is on the sustainable management of the respective properties. These properties are held for the purpose of generating rental income and value appreciation.

The Core Portfolio segment contains the commercial properties that are held by the subsidiaries of DEMIRE AG, with the exception of the properties of Fair Value REIT. Due to their similar economic characteristics, internal reporting is performed on an aggregated basis.

Fair Value REIT is listed in the General Standard and, due to its status as a REIT company, is subject to the requirements of the REIT Act. When making management decisions, these requirements must be considered. As a result, a distinction is made between the Core Portfolio segment and the Fair Value REIT segment. Due to their similar economic characteristics, internal reporting is performed on an aggregated basis.

2024

in EUR thousand	Core Portfolio	Fair Value REIT	Corporate functions/ others	Group
External revenue	163,670	28,262	0	191,931
Total revenue	**163,670**	**28,262**	**0**	**191,931**
Profit/loss from fair value adjustments of investment properties and assets held for sale	– 47,991	– 10,685	0	– 58,676
Other income	617	159	246	1,022
Segment revenue	**116,295**	**17,737**	**246**	**134,277**
Expenses relating to the sale of real estate	– 113,181	– 3,799	– 23	– 117,003
Other expenses	– 745	– 10,570	– 98,975	– 110,290
Segment expenses	**– 113,926**	**– 14,369**	**– 98,998**	**– 227,293**
EBIT	**2,369**	**3,368**	**– 98,752**	**– 93,016**
Financial income	526	400	43,876	44,803
Financial expenses	– 13,208	– 1,247	– 18,301	– 32,757
Profit/loss from companies accounted for using the equity method	63	0	0	63
Interests of minority shareholders	0	– 1,713	0	– 1,713
Income taxes	– 723	1,453	– 5,590	– 4,860
Net profit/loss for the period	**– 10,973**	**2,261**	**– 78,767**	**– 87,479**
Significant non-cash items	**56,038**	**9,238**	**5,664**	**70,941**
Impairment losses in net profit/loss for the period	**1,057**	**643**	**48,817**	**50,517**

In the Core Portfolio segment, non-cash items mainly comprise fair value adjustments in investment properties in the amount of EUR 38,456 thousand (previous year: EUR 121,345 thousand), income taxes in the amount of EUR 1,646 thousand (previous year: EUR 5,129 thousand), deferred taxes in the amount of EUR – 923 thousand (previous year: EUR – 17,567 thousand) and the profit/loss from companies accounted for using the equity method in the amount of EUR 63 thousand (previous year: EUR – 316 thousand).

COMPANY AND SHAREHOLDERS 2

COMBINED MANAGEMENT REPORT 26

CONSOLIDATED FINANCIAL STATEMENTS 95

Consolidated statement of income 96

Consolidated statement of comprehensive income 97

Consolidated balance sheet 98

Consolidated statement of cash flows 100

Consolidated statement of changes in equity 102

Notes to the consolidated financial statements 104

Shareholdings 166

Statement of fixed assets 170

Declaration by the executive directors 171

Independent auditor's report 172

Disclosures on real estate valuation 181

Sensitivity analysis of real estate valuation as at 31 December 2024 183

Fundamental company data 187

FURTHER DISCLOSURES 188

31/12/2024

in EUR thousand	Core Portfolio	Fair Value REIT	Corporate functions/ others	Group
Segment assets	**574,985**	**282,897**	**93,309**	**951,190**
Of which tax assets	1,509	153	1,283	2,946
Of which additions to investment properties	12,755	8,880	0	21,635
Of which non-current assets held for sale	76,680	0	0	76,680
Segment liabilities	**507,113**	**157,686**	**44,468**	**709,267**
Of which non-current financial liabilities	339,259	30,434	0	369,693
Of which lease liabilities	27,279	0	35	27,313
Of which current financial liabilities	79,673	36,615	0	116,288
Of which tax liabilities	6,058	5	17,742	23,805

The "Corporate Functions/Others" column mainly contains the activities of DEMIRE AG for its subsidiaries in its function as the Group holding company in areas such as risk management, finance and controlling, financing, legal, IT and compliance. The activities as the Group holding company do not constitute a separate segment but rather reconcile items that cannot be allocated to the other segments.

No single customer generated more than 10% of total revenue (income from tenancies) in the Core Portfolio segment. During the previous year, these amounted to EUR 9,908 thousand.

Business transactions between the segments are processed based on terms and conditions at arm's length.

2023

in EUR thousand	Core Portfolio	Fair Value REIT	Corporate functions/ others	Group
External revenue	147,967	24,006	0	171,973
Total revenue	**147,967**	**24,006**	**0**	**171,973**
Profit/loss from fair value adjustments of investment properties	– 151,872	– 24,935	0	– 176,807
Other income	372	440	231	1,043
Segment revenue	**– 3,533**	**– 488**	**230**	**– 3,791**
Expenses relating to the sale of real estate	– 84,743	0	– 41	– 84,784
Other expenses	– 39,006	– 10,320	– 50,044	– 99,370
Segment expenses	**– 123,749**	**– 10,320**	**– 50,085**	**– 184,154**
EBIT	**– 127,282**	**– 10,808**	**– 49,856**	**– 187,946**
Financial income	883	297	20,362	21,542
Financial expenses	– 4,377	– 1,173	– 11,600	– 17,150
Profit/loss from companies accounted for using the equity method	1,007	0	0	1,007
Interests of minority shareholders	0	5,086	0	5,086
Income taxes	12,438	2,743	10,314	25,495
Net profit/loss for the period	**– 117,331**	**– 3,855**	**– 30,780**	**– 151,966**
Significant non-cash items	**153,435**	**22,195**	**– 10,209**	**165,422**
Impairment losses in net profit/loss for the period	**1,522**	**639**	**16,745**	**18,906**

COMPANY AND SHAREHOLDERS 2

COMBINED MANAGEMENT REPORT 26

CONSOLIDATED FINANCIAL STATEMENTS 95

Consolidated statement of income 96

Consolidated statement of comprehensive income 97

Consolidated balance sheet 98

Consolidated statement of cash flows 100

Consolidated statement of changes in equity 102

Notes to the consolidated financial statements 104

Shareholdings 166

Statement of fixed assets 170

Declaration by the executive directors 171

Independent auditor's report 172

Disclosures on real estate valuation 181

Sensitivity analysis of real estate valuation as at 31 December 2024 183

Fundamental company data 187

FURTHER DISCLOSURES 188

31/12/2023

in EUR thousand	Core Portfolio	Fair Value REIT	Corporate functions/ others	Group
Segment assets	**927,566**	**293,986**	**105,980**	**1,327,532**
Of which tax assets	965	92	0	1,057
Of which additions to investment properties	10,416	1,015	0	11,431
Of which non-current assets held for sale	149,100	0	0	149,100
Segment liabilities	**781,254**	**162,721**	**50,272**	**994,247**
Of which non-current financial liabilities	61,384	58,956	0	120,341
Of which lease liabilities	25,854	0	69	25,922
Of which current financial liabilities	659,771	10,958	0	670,729
Of which tax liabilities	6,537	0	17,715	24,252

COMPANY AND SHAREHOLDERS 2

COMBINED MANAGEMENT REPORT 26

CONSOLIDATED FINANCIAL STATEMENTS 95

Consolidated statement of income 96

Consolidated statement of comprehensive income 97

Consolidated balance sheet 98

Consolidated statement of cash flows 100

Consolidated statement of changes in equity 102

Notes to the consolidated financial statements 104

Shareholdings 166

Statement of fixed assets 170

Declaration by the executive directors 171

Independent auditor's report 172

Disclosures on real estate valuation 181

Sensitivity analysis of real estate valuation as at 31 December 2024 183

Fundamental company data 187

FURTHER DISCLOSURES 188

G. Other disclosures

1. Financial instruments

For further details and information, please also refer to the risk report section of the management report.

FINANCIAL RISK MANAGEMENT

The credit risk arising for DEMIRE as part of its operating activities as well as risk arising from financing activities are continuously monitored and actively managed by the Executive Board. As a result of these measures, the consolidated financial statements were prepared under the assumption of a going concern.

DEMIRE's financial assets mainly consist of loans to companies accounted for using the equity method, other loans, trade accounts receivable and other receivables, financial receivables, other financial assets and bank balances. The majority of trade accounts receivable consists of rent receivables. Potential defaults in this context are taken into consideration.

DEMIRE's financial liabilities mainly comprise bonds, bank loans, other loans, lease liabilities and trade payables. The main purpose of these financial liabilities is to finance DEMIRE's operations.

DEMIRE is exposed to various financial risks as a result of its business activities: interest rate risk, credit risk and liquidity risk. The overarching risk management system concentrates on the continual identification and active management of typical business risks. This system accepts risks within a certain range if they offer the opportunity for commensurate returns. The goal is to limit the exposure to peak risks so that DEMIRE's continuance is not jeopardised.

The Executive Board identifies, evaluates and hedges financial risk in close collaboration with the risk officer and in coordination with DEMIRE AG's Supervisory Board.

Loan agreements exist in the Group that contain certain financial covenants stipulated by the creditors. Non-compliance with these financial covenants could lead to extraordinary terminations of these agreements by the creditors. The financial covenants concern financial ratios of the respective real estate portfolio, particularly the debt service coverage ratio (DSCR), the interest coverage ratio (ICR) and the loan-to-value (LTV) debt ratio. The calculations are based on the specifications set by the creditors in the loan agreement. The monitoring, compliance and reporting of the financial covenants specified in the loan agreements for the properties financed are carried out by DEMIRE's Management, Treasury and Portfolio Management areas and by external service providers. Depending on the type of financing, the financial covenants are reported to the creditors on a quarterly, semi-annual or annual basis, or the creditors are provided with the underlying economic ratios. Should DEMIRE fail to comply with the financial covenants, the creditors would be entitled to demand additional collateral from DEMIRE. The loans are then in default. If the default persists for a longer period of time and cannot be permanently remedied, the creditors have a special right of termination.

COMPANY AND SHAREHOLDERS 2

COMBINED MANAGEMENT REPORT 26

CONSOLIDATED FINANCIAL STATEMENTS 95

Consolidated statement of income 96

Consolidated statement of comprehensive income 97

Consolidated balance sheet 98

Consolidated statement of cash flows 100

Consolidated statement of changes in equity 102

Notes to the consolidated financial statements 104

Shareholdings 166

Statement of fixed assets 170

Declaration by the executive directors 171

Independent auditor's report 172

Disclosures on real estate valuation 181

Sensitivity analysis of real estate valuation as at 31 December 2024 183

Fundamental company data 187

FURTHER DISCLOSURES 188

INTEREST RATE RISK

To finance its German commercial real estate, the DEMIRE Group uses liabilities with fixed interest loans to a degree customary for the industry. This involves both loans with fixed interest rates and tradable instruments.

Interest rate risks relating to cash flows exist with respect to liquid funds placed in Company accounts. The Company does not anticipate significant negative effects from interest rate changes over the long term because the liquid funds on the reporting date are only available until investments and repayments are made and will subsequently be tied up in projects according to plan.

All existing loans, as well as the bond and shareholder loans, have a fixed interest rate.

Since transaction prices for real estate increase when interest rates are low and fall when interest rates are high, the level of interest rates also has an impact on the purchase prices of newly acquired real estate. In addition, interest rates play an important role in the valuation of investment properties.

The interest rate policy is evaluated at regular intervals and in close consultation with the Supervisory Board of DEMIRE AG.

CREDIT RISK

The reported financial instruments represent the maximum credit risk and default risk. Counterparty risk is uniformly assessed and monitored within the framework of Group-wide risk management. The aim is to minimise the risk of defaults. Counterparty risk is not insured. Possible risks are taken into account as part of the expected credit loss model. For more information, see Section D.4.

Rental deposits amounting to EUR 2,887 thousand (previous year: EUR 2,751 thousand) are available as security in the event a tenant defaults. For an analysis of the impaired receivables, please refer to Section E.2.1.

LIQUIDITY RISK

Liquidity management serves the purpose of ensuring the Group's solvency at all times. In principle, there is the risk that the Company may not have sufficient liquidity at all times during the year to meet its current obligations, and that the refinancing of expiring financial liabilities may not be obtained or may only be obtained at less favourable conditions than planned. Additional liquidity requirements from events beyond DEMIRE's control may also result, first and foremost, from the operating risks and other risks listed below. The funds available at the reporting date and the planned cash flows in 2025 are sufficient for the current needs of the operating activities.

CAPITAL MANAGEMENT AND CONTROL

The primary objective of the Group's capital management is to ensure that DEMIRE's debt eligibility and its financial substance are maintained in the future. The capital structure is managed according to economic and regulatory requirements. DEMIRE strives for a capital structure that is appropriate for the business risk and in doing so is also subject to the minimum capital requirements of the German Stock Corporation Act, the compliance of which is monitored by DEMIRE AG's Executive Board. The requirements were met both in the reporting year and in the previous year.

DEMIRE monitors its capital using the equity ratio, which is also an important indicator for investors, analysts and banks.

The equity ratio as at 31 December 2024 was 25.4% after 25.1% at the end of 2023. Non-controlling minority interests in the amount of EUR 71 million (previous year: EUR 72 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 312.9 million or 32.9% of total equity and liabilities (31 December 2023: EUR 405.3 million or 30.5%).

As part of refinancing the 2019/2024 bond, the largest shareholder Apollo has granted DEMIRE a shareholder loan which matures at the end of 2028 and is worth EUR 94.4 million. The shareholder loan will bear interest of 22% per annum. Interest payments can be made either at the half-yearly calculation dates or – taking into account

COMPANY AND SHAREHOLDERS 2

COMBINED MANAGEMENT REPORT 26

CONSOLIDATED FINANCIAL STATEMENTS 95

Consolidated statement of income 96

Consolidated statement of comprehensive income 97

Consolidated balance sheet 98

Consolidated statement of cash flows 100

Consolidated statement of changes in equity 102

Notes to the consolidated financial statements 104

Shareholdings 166

Statement of fixed assets 170

Declaration by the executive directors 171

Independent auditor's report 172

Disclosures on real estate valuation 181

Sensitivity analysis of real estate valuation as at 31 December 2024 183

Fundamental company data 187

FURTHER DISCLOSURES 188

compound interest accrued – at the end of the loan term. No dividend payments are permitted until the 2019/2027 corporate bond has been repaid in full.

OTHER DISCLOSURES ON FINANCIAL INSTRUMENTS

Financial assets and financial liabilities are classified and accounted for at the date of acquisition according to the categories of IFRS 9. The accounting policies are presented in Section C.

The classification of financial instruments required by IFRS 7 is in line with the respective items in the consolidated balance sheet. The tables below present the carrying amounts, valuations and fair values of the financial assets and liabilities for each individual category of financial instruments and reconcile these values to the measurement categories. Under IFRS 9, the relevant measurement category for DEMIRE is "at amortised cost".

Other financial liabilities (other liabilities) are non-derivative financial liabilities that are subsequently measured at amortised cost. Differences between the amount received and the expected repayment amount are spread over the term through profit or loss. DEMIRE allocates financial liabilities and other liabilities to this category.

31/12/2024

in EUR thousand	Measurement category	Carrying amount under IFRS 9	Fair Value
Assets			
Trade accounts receivable	At amortised cost	11,983	11,983
Loans to companies accounted for using the equity method	At amortised cost	25,150	21,717
Loans and financial assets	At amortised cost	57,174	56,546
Cash and cash equivalents	At amortised cost	44,816	44,816
Equity and liabilities			
Bonds	At amortised cost	224,976	231,977
Shareholder loan	At amortised cost	97,342	97,342
Other non-current financial liabilities	At amortised cost	88,260	80,494
Minority interests	At amortised cost	71,018	71,018
Trade payables	At amortised cost	23,848	23,848
Other financial liabilities	At amortised cost	6,747	6,747
Current financial liabilities	At amortised cost	75,404	75,404
Compensation payments to minority shareholders	At amortised cost	28,329	28,329

COMPANY AND SHAREHOLDERS 2

COMBINED MANAGEMENT REPORT 26

CONSOLIDATED FINANCIAL STATEMENTS 95

Consolidated statement of income 96

Consolidated statement of comprehensive income 97

Consolidated balance sheet 98

Consolidated statement of cash flows 100

Consolidated statement of changes in equity 102

Notes to the consolidated financial statements 104

Shareholdings 166

Statement of fixed assets 170

Declaration by the executive directors 171

Independent auditor's report 172

Disclosures on real estate valuation 181

Sensitivity analysis of real estate valuation as at 31 December 2024 183

Fundamental company data 187

FURTHER DISCLOSURES 188

31/12/2023

in EUR thousand	Measurement category	Carrying amount under IFRS 9	Fair Value
Assets			
Trade accounts receivable	At amortised cost	14,176	14,176
Loans to companies accounted for using the equity method	At amortised cost	25,150	23,531
Loans and financial assets	At amortised cost	58,100	53,291
Cash and cash equivalents	At amortised cost	119,989	119,989
Equity and liabilities			
Bonds	At amortised cost	497,564	303,093
Other non-current financial liabilities	At amortised cost	120,341	96,635
Minority interests	At amortised cost	72,021	72,021
Trade payables	At amortised cost	10,016	10,016
Other financial liabilities	At amortised cost	4,818	4,818
Current financial liabilities	At amortised cost	173,164	173,164
Compensation payments to minority shareholders	At amortised cost	24,437	24,437

Fair value is the amount at which financial assets and liabilities could be exchanged between independent business partners on the valuation date. For the purpose of determining the fair value of the bond and other non-current financial liabilities, please refer to Section C.

Due to the short maturity of cash and cash equivalents, trade accounts receivable and trade payables and other current receivables and liabilities, it is assumed that the respective fair value corresponds to the carrying amount. The lease liabilities of EUR 27,313 thousand (previous year: EUR 25,922 thousand) are recognised in accordance with IFRS 16.

NET GAINS/LOSSES ON FINANCIAL INSTRUMENTS IN 2024

in EUR thousand	Net gains/losses	Of which from interest
Assets		
At amortised cost	– 50,972	7,038
Equity and liabilities		
At amortised cost	14,818	– 22,730

NET GAINS/LOSSES ON FINANCIAL INSTRUMENTS IN 2023

in EUR thousand	Net gains/losses	Of which from interest
Assets		
At amortised cost	– 13,048	5,858
Equity and liabilities		
At amortised cost	– 824	– 16,301

COMPANY AND SHAREHOLDERS 2
COMBINED MANAGEMENT REPORT 26
CONSOLIDATED FINANCIAL STATEMENTS 95
Consolidated statement of income 96
Consolidated statement of comprehensive income 97
Consolidated balance sheet 98
Consolidated statement of cash flows 100
Consolidated statement of changes in equity 102
Notes to the consolidated financial statements 104
Shareholdings 166
Statement of fixed assets 170
Declaration by the executive directors 171
Independent auditor's report 172
Disclosures on real estate valuation 181
Sensitivity analysis of real estate valuation as at 31 December 2024 183
Fundamental company data 187
FURTHER DISCLOSURES 188

The following table shows the future maturities in accordance with IFRS 7.B11(a) for interest and repayments of liabilities at the reporting date as well as liabilities to minority interests:

AS AT 31/12/2024

in EUR thousand	2025	2026	2027	2028	2029	after 31/12/2029
2019/2027 corporate bond	62,613	60,113	164,446	0	0	0
Shareholder loan [2]	0	0	0	224,450	0	0
Bank liabilities	73,201	106,805	51,006	27,310	6,128	6,059
Minority interests[1]	0	71,018	0	0	0	0
Lease liabilities	1,150	1,125	1,120	1,120	1,120	41,650
Trade payables	23,848	0	0	0	0	0
Other liabilities	9,202	28,100	0	0	0	0
Total	**170,014**	**267,161**	**216,572**	**252,880**	**7,248**	**47,709**

[1] The disclosure of the maturities of liabilities to minority shareholders was based on the earliest possible termination date and thus the earliest possible payment obligation, which must be disclosed in accordance with IFRS 7.B11 (a). This is not based on the actual due date, but it takes into account a possible due date derived from the earliest possible termination date. By way of derogation from the rules laid down in IFRS 7.B11 (a), the Group's internal liquidity planning makes provision for a due date after five years.
[2] The company assumes that the interest liabilities arising up to the final maturity of the loan will be valued at EUR 127,108 thousand.

AS AT 31/12/2023

in EUR thousand	2024	2025	2026	2027	2028	after 31/12/2028
2019/2024 corporate bond	508,356	0	0	0	0	0
Bank liabilities	174,150	42,232	36,208	4,614	4,595	47,274
Minority interests[1]	0	72,021	0	0	0	0
Lease liabilities	1,152	1,150	1,125	1,120	1,120	42,770
Trade payables	10,016	0	0	0	0	0
Other liabilities	8,951	24,100	0	0	0	0
Total	**702,626**	**139,503**	**37,333**	**5,734**	**5,715**	**90,044**

[1] The disclosure of the maturities of liabilities to minority shareholders was based on the earliest possible termination date and thus the earliest possible payment obligation, which must be disclosed in accordance with IFRS 7.B11 (a). This is not based on the actual due date, but it takes into account a possible due date derived from the earliest possible termination date. By way of derogation from the rules laid down in IFRS 7.B11 (a), the Group's internal liquidity planning makes provision for a due date after five years.

COMPANY AND SHAREHOLDERS 2

COMBINED MANAGEMENT REPORT 26

CONSOLIDATED FINANCIAL STATEMENTS 95

Consolidated statement of income 96

Consolidated statement of comprehensive income 97

Consolidated balance sheet 98

Consolidated statement of cash flows 100

Consolidated statement of changes in equity 102

Notes to the consolidated financial statements 104

Shareholdings 166

Statement of fixed assets 170

Declaration by the executive directors 171

Independent auditor's report 172

Disclosures on real estate valuation 181

Sensitivity analysis of real estate valuation as at 31 December 2024 183

Fundamental company data 187

FURTHER DISCLOSURES 188

The Company's liquidity management considers these liabilities to minority shareholders to be due after five years, provided the minority shareholders have not given notice of termination. This is a result of a long history spanning several years, which shows only a small number of terminations.

Liabilities from minority interests are reported as non-current at the reporting date from ongoing limited partnership contributions as settlement is neither expected nor can be demanded within twelve months after the reporting date (IAS 1.69). If the minority shareholder has not given effective notice of termination by the reporting date, such notice can only be given on the following reporting date. In turn, the settlement balance is only due for payment six months after its binding agreement (on the termination date). Thus, in the case of limited partnership contributions that are still ongoing as at the reporting date, a payout is due no earlier than 18 months after the reporting date.

2. Related party disclosures

RELATED PARTIES

Companies and persons are considered to be related if they have the ability to control DEMIRE and its subsidiaries or exercise significant influence over their financial and operating policies. The existing control relationships were taken into account to determine the degree of significant influence that related companies and persons have on the Company's financial and operating policies. As at the reporting date, AEPF III 15 S.à r.l. Luxembourg, Luxembourg, held a share of 58.6% in DEMIRE AG. The ultimate parent company is Apollo Global Management, Inc. (Delaware NYSE listed). Together with the shareholders of the Wecken Group, who hold a 32.14% stake in DEMIRE AG, there is a multi-parent company structure between the two main shareholders. The consolidated financial statements of DEMIRE AG are the largest and the smallest scope of consolidation in which DEMIRE AG is included.

DEMIRE accepted a loan in the amount of EUR 93.5 million from AEPF III 15 S.à r.l. during the reporting period. The interest rate is 22% and the final due date of the loan is 31 December 2028.

Alongside the fully consolidated subsidiaries, the group of related companies also includes joint ventures and associated companies accounted for using the equity method. As at 31 December 2024, these include JV Theodor-Heuss-Allee GmbH, DEMIRE Assekuranzmakler GmbH & Co. KG as well as G+Q Effizienz GmbH, DEMIRE Köln Max-Glomsda-Straße 4 GmbH, DEMIRE Essen Hatzper Str. Theodor-Althoff-Str. GmbH, DEMIRE Aschheim Max-Planckstraße GmbH and DEMIRE Kassel Kölnische Str. Mauerstr. Spohrstr. GmbH.

Due to their significant influence, the following key personnel of the parent company are considered to be related persons as defined by IAS 24:

- Members of the Executive Board of DEMIRE AG and their close relatives and
- Members of the Supervisory Board of DEMIRE AG and their close relatives.

Legal transactions with related parties

In the financial year under review, transactions with related parties were exclusively carried out at customary market conditions.

The transactions, revenues and rendering of services between DEMIRE AG and its subsidiaries were settled in the same manner as those between unrelated parties and eliminated in the context of consolidation. Therefore, they are not explained in the Notes to the consolidated financial statements.

COMPANY AND SHAREHOLDERS 2

COMBINED MANAGEMENT REPORT 26

CONSOLIDATED FINANCIAL STATEMENTS 95

Consolidated statement of income 96

Consolidated statement of comprehensive income 97

Consolidated balance sheet 98

Consolidated statement of cash flows 100

Consolidated statement of changes in equity 102

Notes to the consolidated financial statements 104

Shareholdings 166

Statement of fixed assets 170

Declaration by the executive directors 171

Independent auditor's report 172

Disclosures on real estate valuation 181

Sensitivity analysis of real estate valuation as at 31 December 2024 183

Fundamental company data 187

FURTHER DISCLOSURES 188

COMPANIES ACCOUNTED FOR USING THE EQUITY METHOD:

During the 2024 reporting period, the following business relationships existed with companies accounted for using the equity method:

The purchasing company, JV Theodor-Heuss-Allee GmbH, Frankfurt am Main, was established in the first half of 2021. The former CEO, Prof. Dr Alexander Goepfert, is a minority shareholder with a 1% stake in JV Theodor-Heuss-Allee GmbH (Cielo). The majority shareholders are DEMIRE Holding XIII GmbH with a 49.5% stake and RFR Immobilien 4 GmbH. As part of the Cielo transaction, the shareholders have various options regarding the land purchase of Theodor-Heuss-Allee 100, Frankfurt am Main, and the remaining shares in JV Theodor-Heuss-Allee GmbH. Furthermore, in the event of non-exercise of the share purchase option by DEMIRE, Prof. Dr Goepfert has the right to purchase RFR 4's shares. For more information, see Disclosures according to IFRS 12 B). (Disclosures on associates and joint ventures).

Furthermore, DEMIRE AG has issued an unsecured loan in the amount of EUR 25,150 thousand to JV Theodor-Heuss-Allee GmbH (Cielo), which bears interest at 4.135% per annum. The interest income from this loan in the reporting period amounted to EUR 1,057 thousand.

Since 12 August 2021, a contract has been in place with JV Theodor-Heuss-Allee GmbH for the provision of asset management services by DEMIRE AG in the amount of EUR 50 thousand per annum. For the 2024 financial year, this resulted in income of EUR 50 thousand plus VAT (previous year: EUR 50 thousand). The contract runs for an indefinite period and can be cancelled with three months' notice to the end of the quarter.

In addition, since 12 August 2021, there has also been an agreement in place with JV Theodor-Heuss-Allee GmbH covering treasury, controlling, financial accounting and investment management matters in the amount of EUR 25 thousand per year. For the 2024 financial year, this resulted in income of EUR 25 thousand (previous year: EUR 25 thousand). The contract runs for an indefinite period and can be cancelled with three months' notice to the end of the quarter.

As at 31 December 2024, there were receivables of EUR 0 thousand from these two contracts.

In the 2024 reporting period, DEMIRE Holding XIII GmbH received no disbursement from JV Theodor-Heuss-Allee GmbH.

In the year under review, DEMIRE received no distributions from the associate G+Q Effizienz GmbH

LIMES PORTFOLIO

During the reporting period, DEMIRE Köln Max-Glomsda-Straße 4 GmbH, DEMIRE Essen Hatzper Str. Theodor-Althoff-Str. GmbH, DEMIRE Aschheim Max- Planckstraße GmbH and DEMIRE Kassel Kölnische Str. Mauerstr. Spohrstr. were deconsolidated from the Group.

After deconsolidation, business relationships still existed with these companies in the form of investments, which neither had control nor any significant impact on their decision-making processes. All outstanding former intercompany loans in the amount of EUR 91,267 thousand were valued at their fair value (EUR 53,431 thousand) at the time of deconsolidation and written down by EUR 36,914 thousand to EUR 16,517 thousand at the end of the year. These loans are reported as loans to third parties. Interest income of EUR 1,144 thousand has been accrued between the time of deconsolidation and the end of the reporting period, which has been fully written down.

In addition, earnings of EUR 481 thousand were achieved from service agreements.

COMPANY AND SHAREHOLDERS 2

COMBINED MANAGEMENT REPORT 26

CONSOLIDATED FINANCIAL STATEMENTS 95

Consolidated statement of income 96

Consolidated statement of comprehensive income 97

Consolidated balance sheet 98

Consolidated statement of cash flows 100

Consolidated statement of changes in equity 102

Notes to the consolidated financial statements 104

Shareholdings 166

Statement of fixed assets 170

Declaration by the executive directors 171

Independent auditor's report 172

Disclosures on real estate valuation 181

Sensitivity analysis of real estate valuation as at 31 December 2024 183

Fundamental company data 187

FURTHER DISCLOSURES 188

THE EXECUTIVE BOARD

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

Prof. Dr Alexander Goepfert (Chief Executive Officer since 1 January 2023, stepped down on 3 April 2024)

Frank Nickel, Chief Executive Officer since 3 April 2024, contract term until 31 March 2026)

Mr Tim Brückner (Chief Financial Officer since 1 February 2019, contract term until 31 December 2026)

Mr Ralf Bongers (Executive Board Member for Transactions since 1 April 2023, contract term until 31 March 2026)

At the Annual General Meeting held on 28 April 2021, a new remuneration system ("New remuneration system") for the members of the Executive Board of DEMIRE AG was approved by a majority of 99.71% of the capital represented (www.demire.ag/en/annual-general-meeting).

Given that the agreed changes to the remuneration of the Executive Board in accordance with the extension agreements dated 26 May 2021, as well as the agreements themselves, came into effect as at 1 January 2022, the Executive Board members were granted remuneration as at the 2022 financial year in accordance with the requirements of the new remuneration system ("New remuneration system"). Accordingly, the "New remuneration system" is presented below.

The remuneration of the Executive Board is reviewed on a regular basis by the Supervisory Board. Adjustments made to the target remuneration of the Executive Board members in the 2024 financial year in comparison to the previous year are presented below.

Furthermore, the Supervisory Board laid down the performance criteria with regard to performance-related variable remuneration elements for the 2024 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 2023 financial year amounts to EUR 104 thousand for Mr Tim Brückner and EUR 95 thousand for Mr Ralf Bongers. This was approved by the Supervisory Board in September 2024 and was paid out in 2024.

Virtual stock option programme (long-term incentive)
In addition to the bonus, annual virtual stock options (PSUs) are granted as part of a long-term, share-based variable remuneration package in the form of a virtual stock plan (performance share plan). The virtual stock option programme is capped by way of an annual allocation defined in the contract. There is no provision for vesting of more than 100% of the granted PSUs. Regardless of the target achievement or number of vested PSUs, the maximum payment per PSU is capped at 250% of the price when granted.

Accounting for the share-based payments issued within the Group is in accordance with IFRS 2 Share-based Payment. The virtual stock options are share-based remuneration transactions that are settled using cash and are measured at the fair value as at the reporting date. The remuneration expense is aggregated in instalments under consideration of the work performance completed on a pro-rata basis during the vesting period and is recognised in profit and loss as a provision until vesting.

COMPANY AND SHAREHOLDERS 2

COMBINED MANAGEMENT REPORT 26

CONSOLIDATED FINANCIAL STATEMENTS 95

Consolidated statement of income 96

Consolidated statement of comprehensive income 97

Consolidated balance sheet 98

Consolidated statement of cash flows 100

Consolidated statement of changes in equity 102

Notes to the consolidated financial statements 104

Shareholdings 166

Statement of fixed assets 170

Declaration by the executive directors 171

Independent auditor's report 172

Disclosures on real estate valuation 181

Sensitivity analysis of real estate valuation as at 31 December 2024 183

Fundamental company data 187

FURTHER DISCLOSURES 188

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 2024, the provision for the virtual stock option programme valid as of 2019 amounts to EUR 85 thousand (previous year: EUR 36 thousand).

In addition to the 2021 tranche, the 2022, 2023 and 2024 tranches were also taken into account. The 60-day average price before granting is EUR 4.09 for the 2021 tranche, EUR 4.29 for the 2022 tranche, EUR 2.14 or EUR 2.52 respectively for the 2023 tranche (Mr Bongers joined on 1 April 2023), and EUR 1.12 or EUR 0.88 respectively for the 2024 tranche (Mr Nickel joined).

In 2024, the PSUs vested from the 2020 tranche for Mr Brückner were paid out, resulting in a gross payment of EUR 11,030.

in EUR thousand	2024	2023
Short-term benefits	1,219	1,159
Benefits related to termination of employment	0	0
Share-based remuneration	60	– 66
Total	**1,279**	**1,093**

This table shows share-based payments according to IFRS 2.

As at the reporting date, EUR 85 thousand (previous year: EUR 36 thousand) of share-based payments and EUR 525 thousand (previous year: EUR 199 thousand) of bonus payments were still outstanding. In contrast to the previous year, the fixed performance-related remuneration for 2024, which will be paid out in 2025, is shown in the table.

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

2024

in EUR thousand	Fixed remuneration	Variable remuneration	Share-based remuneration	Total 2024
Frank Nickel	331	212	209	752
Prof. Dr. Alexander Goepfert [1]	111	0	0	111
Tim Brückner	307	285	130	722
Ralf Bongers	271	227	122	620
Total	**1,020**	**724**	**461**	**2,205**

[1] On a prorated basis until the end of March 2024

This table shows the remuneration of Executive Board members in accordance with Section 314 (1) No. 6a of the German Commercial Code (HGB); this results in a difference to IFRS for share-based payments. Under HGB rules, the fair value at the grant date must be disclosed.

COMPANY AND SHAREHOLDERS 2

COMBINED MANAGEMENT REPORT 26

CONSOLIDATED FINANCIAL STATEMENTS 95

Consolidated statement of income 96

Consolidated statement of comprehensive income 97

Consolidated balance sheet 98

Consolidated statement of cash flows 100

Consolidated statement of changes in equity 102

Notes to the consolidated financial statements 104

Shareholdings 166

Statement of fixed assets 170

Declaration by the executive directors 171

Independent auditor's report 172

Disclosures on real estate valuation 181

Sensitivity analysis of real estate valuation as at 31 December 2024 183

Fundamental company data 187

FURTHER DISCLOSURES 188

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.
— Further claims from the LTI (payment in 2027/2028)

The items are not included in the table.

The remuneration of the Executive Board members in office in the prior year was as follows:

2023

in EUR thousand	Fixed remuneration	Variable remuneration	Share-based remuneration	Total 2023
Ingo Hartlief	1,350	0	0	1,350
Prof. Dr. Alexander Goepfert	444	0	243	687
Tim Brückner	304	199	146	649
Ralf Bongers	202	0	86	288
Total	**2,300**	**199**	**475**	**2,974**

No loans or advances were granted to members of the Executive Board and no contingencies were assumed for the benefit of Executive Board members.

THE SUPERVISORY BOARD

The members of DEMIRE AG's Supervisory Board, their professions and Supervisory Board remuneration vested during the past financial year are listed in the table below.

in EUR thousand	Position	Profession	Period	2024	2023
Markus Hofmann	Chair	Managing director	since 01 January 2023	120	120
Frank Hölzle	Vice Chair	Managing director	since 14 February 2017	80	80
Prof. Dr Kerstin Hennig	Member	Professor	from 29 May 2019 until 1 May 2024	13	40
Ernö Theuer	Member	Managing director	since 8 May 2024	27	0
Total				**240**	**240**

Furthermore, Supervisory Board members were reimbursed for travel expenses incurred of EUR 1 thousand in total (previous year: EUR 1 thousand).

No loans or advances were granted to members of the Supervisory Board and no contingencies were assumed for the benefit of members of the Supervisory Board either.

3. Employees and share-based remuneration

A. EMPLOYEES

The number of employees is listed in the following table:

	31/12/2024	31/12/2023
Executive Board members	3	3
Permanent employees	28	34
Total	**31**	**37**

The average total number of employees (including the Executive Board) in the 2024 financial year was 29.54 (previous year: 33.00). This fall is explained by the departure of staff from LogPark.

COMPANY AND SHAREHOLDERS 2

COMBINED MANAGEMENT REPORT 26

CONSOLIDATED FINANCIAL STATEMENTS 95

Consolidated statement of income 96

Consolidated statement of comprehensive income 97

Consolidated balance sheet 98

Consolidated statement of cash flows 100

Consolidated statement of changes in equity 102

Notes to the consolidated financial statements 104

Shareholdings 166

Statement of fixed assets 170

Declaration by the executive directors 171

Independent auditor's report 172

Disclosures on real estate valuation 181

Sensitivity analysis of real estate valuation as at 31 December 2024 183

Fundamental company data 187

FURTHER DISCLOSURES 188

B. SHARE-BASED PAYMENT

2015 Stock Option Programme

In the 2015 financial year, share-based payments were issued in the form of subscription rights (stock options) to the Executive Board of DEMIRE AG as well as to a selected group of persons within the DEMIRE Group. This program expired on 31 December 2024 without any options being exercised.

4. Auditor's fee

The total fee charged in the reporting period by the Group auditor Pricewaterhouse-Coopers GmbH Wirtschaftsprüfungsgesellschaft, Frankfurt am Main, in relation to DEMIRE (including the Fair Value REIT-AG subgroup) breaks down as follows:

in EUR thousand	2024	2023
Auditing services	1,275	874
of which for the previous years	334	25
Other assurance services	17	16
Other services	72	0
Total	**1,364**	**890**

PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft, Frankfurt am Main, has been appointed as the auditor starting in the 2018 financial year.

The increase of the fee in the reporting year is primarily due to subsequent payments from the previous year resulting from the bond restructuring. Other services relate to services in connection with regulatory issues.

5. Subsequent events

A loan of EUR 33.9 million that was originally set to mature on 30 November 2024 was initially extended by two months to 30 January 2025. In January 2025, this loan was extended until 30 June 2026 and the interest rate was adjusted to market rates.

In March 2025, the subsidiary Fair Value REIT-AG received cash of EUR 567,000 from an out-of-court settlement.

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

COMPANY AND SHAREHOLDERS 2

COMBINED MANAGEMENT REPORT 26

CONSOLIDATED FINANCIAL STATEMENTS 95

Consolidated statement of income 96

Consolidated statement of comprehensive income 97

Consolidated balance sheet 98

Consolidated statement of cash flows 100

Consolidated statement of changes in equity 102

Notes to the consolidated financial statements 104

Shareholdings 166

Statement of fixed assets 170

Declaration by the executive directors 171

Independent auditor's report 172

Disclosures on real estate valuation 181

Sensitivity analysis of real estate valuation as at 31 December 2024 183

Fundamental company data 187

FURTHER DISCLOSURES 188

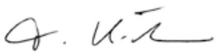
6. Statement from DEMIRE AG regarding the German Corporate Governance Code in accordance with Section 161 AktG

On 5 February 2025, the Executive Board and Supervisory Board of DEMIRE Deutsche Mittelstand Real Estate AG issued the latest Declaration of Conformity pursuant to Section 161 of the German Stock Corporation Act (AktG). The Declaration has been made permanently accessible to shareholders on the Company's website.

On 27 January 2025, the Executive Board and Supervisory Board of Fair Value REIT-AG, which was included in the consolidated financial statements, issued the latest Declaration of Conformity pursuant to Section 161 of the German Stock Corporation Act (AktG). The Declaration has been made permanently accessible to shareholders on this Company's website.

Frankfurt am Main, 19 March 2025
DEMIRE Deutsche Mittelstand Real Estate AG

Frank Nickel
(CEO)



Tim Brückner
(CFO)

Ralf Bongers
(Executive Board Member for Transactions)

COMPANY AND SHAREHOLDERS 2

COMBINED MANAGEMENT REPORT 26

CONSOLIDATED FINANCIAL STATEMENTS 95

Consolidated statement of income 96

Consolidated statement of comprehensive income 97

Consolidated balance sheet 98

Consolidated statement of cash flows 100

Consolidated statement of changes in equity 102

Notes to the consolidated financial statements 104

Shareholdings 166

Statement of fixed assets 170

Declaration by the executive directors 171

Independent auditor's report 172

Disclosures on real estate valuation 181

Sensitivity analysis of real estate valuation as at 31 December 2024 183

Fundamental company data 187

FURTHER DISCLOSURES 188

SHAREHOLDINGS

Schedule of shareholdings pursuant to Section 313 (2) HGB

Company	Share in capital in %	Equity 31/12/2024 in EUR	2024 net profit in EUR
GERMANY/LUXEMBOURG			
Fully consolidated subsidiaries			
DEMIRE Holding XIV GmbH, Frankfurt am Main	100.00	–12,705.43	–37,705.43
DEMIRE GP 15 S.à r.l., Luxemburg	100.00	–9,899.65	–21,899.65
DEMIRE Holding 15 SCSp, Luxemburg	99.99	215,955,248.30	–13,938.52
DEMIRE Holding 17 SCSp, Luxemburg	99.99	29,499,048.55	834,766.25
FVR Beteiligungsgesellschaft Erste mbH & Co. KG, Frankfurt am Main	100.00	10,627,283.44	0.00
FVR Beteiligungsgesellschaft Zweite mbH & Co. KG, Frankfurt am Main	100.00	10,626,710.60	0.00
FVR Beteiligungsgesellschaft Dritte mbH & Co. KG, Frankfurt am Main	100.00	10,627,272.76	0.00
DEMIRE Holding 18 SCSp, Luxemburg	99.99	29,494,774.02	830,487.27
FVR Beteiligungsgesellschaft Vierte mbH & Co. KG, Frankfurt am Main	100.00	10,627,304.41	0.00
FVR Beteiligungsgesellschaft Fünfte mbH & Co. KG, Frankfurt am Main	100.00	10,626,598.58	0.00
FVR Beteiligungsgesellschaft Sechste mbH & Co. KG, Frankfurt am Main	100.00	10,626,413.68	0.00
DEMIRE Holding 19 SCSp, Luxemburg	99.99	17,902,595.85	480,472.60
FVR Beteiligungsgesellschaft Siebente mbH Co. KG, Frankfurt am Main	100.00	10,626,415.88	0.00
FVR Beteiligungsgesellschaft Achte mbH & Co. KG, Frankfurt am Main	100.00	8,749,872.01	0.00
FVR Beteiligungsgesellschaft Neunte mbH & Co. KG, Frankfurt am Main	100.00	–58,608.51	–58,260.59
DEMIRE Holding 20 SCSp, Luxemburg	99.99	7,859.88	–14,615.12
DEMIRE Holding XIII GmbH, Frankfurt am Main	100.00	–27,247,616.82	–4,000,780.21
DEMIRE GP 16 S.à r.l., Luxemburg	100.00	–7,576.39	–19,576.39
DEMIRE GP 17 S.à r.l., Luxemburg	100.00	–7,630.53	–19,630.53
DEMIRE GP 18 S.à r.l., Luxemburg	100.00	–7,630.53	–19,630.53
DEMIRE GP 19 S.à r.l., Luxemburg	100.00	–7,694.80	–19,694.80
DEMIRE GP 20 S.à r.l., Luxemburg	100.00	–5,940.55	–17,940.55
DEMIRE Holding 16 SCSp, Luxemburg	99.99	98,065,083.57	–43,130,935.95
DEMIRE Apolda Wurzen GmbH, Frankfurt am Main	94.90	345,343.67	63,998.80
DEMIRE HB HZ B HST GmbH, Frankfurt am Main	94.90	14,290,759.93	610,281.32

COMPANY AND SHAREHOLDERS 2
COMBINED MANAGEMENT REPORT 26
CONSOLIDATED FINANCIAL STATEMENTS 95
Consolidated statement of income 96
Consolidated statement of comprehensive income 97
Consolidated balance sheet 98
Consolidated statement of cash flows 100
Consolidated statement of changes in equity 102
Notes to the consolidated financial statements 104
Shareholdings 166
Statement of fixed assets 170
Declaration by the executive directors 171
Independent auditor's report 172
Disclosures on real estate valuation 181
Sensitivity analysis of real estate valuation as at 31 December 2024 183
Fundamental company data 187
FURTHER DISCLOSURES 188

Company	Share in capital in %	Equity 31/12/2024 in EUR	2024 net profit in EUR
GERMANY/LUXEMBOURG			
DEMIRE Holding I GmbH, Frankfurt am Main	100.00	479,966.35	17,603.16
DEMIRE Holding XI GmbH, Frankfurt am Main	100.00	2,517,909.72	0.00
DEMIRE Bad Vilbel Konrad Adenauer Allee 1–11 GmbH, Frankfurt am Main	100.00	– 2,057,958.46	– 729,810.64
DEMIRE Neuss Breslauer Straße GmbH, Frankfurt am Main	100.00	– 6,519,539.13	– 8,495,418.27
DEMIRE Frankfurt Gutleutstraße 85 GmbH, Frankfurt am Main	100.00	– 10,144,064.08	– 822,874.75
DEMIRE Trier Simeonstraße 46 GmbH, Frankfurt am Main	89.90	– 7,850,399.10	– 2,642,253.03
DEMIRE Ankauf 9 GmbH, Frankfurt am Main	100.00	4,449,701.85	4,506,575.16
DEMIRE Trier Celle GmbH, Frankfurt am Main	94.90	– 18,354,226.94	– 4,563,461.18
DEMIRE Goslar, Rosentorstraße 1 GmbH, Frankfurt am Main	94.90	732,437.33	112,607.46
DEMIRE Memmingen, Königsgraben 3 GmbH, Frankfurt am Main	94.90	201,762.29	37,942.83
DEMIRE Offenburg Lindenplatz 3 GmbH, Frankfurt am Main	94.90	769,187.40	101,287.95
DEMIRE Ankauf 10 GmbH, Frankfurt am Main	100.00	2,400,103.98	– 43,852.90
DEMIRE Betriebsvorrichtungen Nr. 2 GmbH, Frankfurt am Main	100.00	– 153,139.44	131,553.44
Cielo BVO GmbH, Frankfurt am Main	100.00	155,639.52	11,304.37
DEMIRE Holding IV GmbH, Frankfurt am Main	100.00	78,301.00	0.00
DEMIRE Holding V GmbH, Frankfurt am Main	100.00	53,300.00	0.00
DEMIRE Holding VI GmbH, Frankfurt am Main	100.00	25,000.00	0.00
DEMIRE Leonberg Neue Ramtelstraße GmbH, Frankfurt am Main	94.00	– 1,720,193.31	– 33,614.08
DEMIRE GO HB GmbH, Frankfurt am Main	94.00	405,653.17	– 75,857.36
DEMIRE Ludwigsburg Uhlandstraße 21 GmbH, Frankfurt am Main	94.00	– 1,716,131.76	– 42,759.00
DEMIRE Holding VII GmbH, Frankfurt am Main	100.00	25,000.00	0.00
DEMIRE Darmstadt Artillerie Str. 9 GmbH, Frankfurt am Main	94.00	376,143.71	78,804.44
DEMIRE Kempten Bahnhofstr. Hirschstr. Alpenstr. GmbH, Frankfurt am Main	94.00	– 3,356,562.02	21,256.98
DEMIRE BT HB DO H CLZ KS KO GmbH, Frankfurt am Main	94.00	– 802,540.73	1,613,312.98
DEMIRE Ankauf 8 GmbH, Frankfurt am Main	100.00	7,596,180.57	426,769.93
DEMIRE Holding VIII GmbH, Frankfurt am Main	100.00	25,000.00	0.00
DEMIRE Bayreuth Nürnberger Straße 38 GmbH, Frankfurt am Main (formaly DENSTON INVESTMENTS LIMITED, Nicosia)	94.00	– 537,393.07	12,255.54
DEMIRE Eschborn Frankfurter Straße GmbH, Frankfurt am Main	94.00	– 1,831,828.19	– 3,766,561.40
DEMIRE Bad Kreuznach Brückes Hochstr. GmbH, Frankfurt am Main	94.00	75,376.69	0.00

COMPANY AND SHAREHOLDERS 2

COMBINED MANAGEMENT REPORT 26

CONSOLIDATED FINANCIAL STATEMENTS 95

Consolidated statement of income 96

Consolidated statement of comprehensive income 97

Consolidated balance sheet 98

Consolidated statement of cash flows 100

Consolidated statement of changes in equity 102

Notes to the consolidated financial statements 104

Shareholdings 166

Statement of fixed assets 170

Declaration by the executive directors 171

Independent auditor's report 172

Disclosures on real estate valuation 181

Sensitivity analysis of real estate valuation as at 31 December 2024 183

Fundamental company data 187

FURTHER DISCLOSURES 188

Company	Share in capital in %	Equity 31/12/2024 in EUR	2024 net profit in EUR
GERMANY/LUXEMBOURG			
DEMIRE Holding IX GmbH, Frankfurt am Main	100.00	25,000.00	0.00
DEMIRE Düsseldorf Wiesenstraße 70 GmbH, Frankfurt am Main	94.00	504,277.47	– 605,781.91
DEMIRE Bad Oeynhausen Dr. Neuhäußer Straße 4 GmbH, Frankfurt am Main	94.00	37,528.89	0.00
DEMIRE Lichtenfels Bamberger Straße 20 GmbH, Frankfurt am Main	94.00	206,863.96	0.00
DEMIRE Limbach Oberfrohna Moritzstraße 13 GmbH, Frankfurt am Main	94.00	25,000.00	0.00
DEMIRE Betriebsvorrichtungen Nr. 1 GmbH, Frankfurt am Main	100.00	– 353,462.61	– 26,666.80
DEMIRE Holding II GmbH, Frankfurt am Main	100.00	11,921,157.96	– 31,642,502.94
DEMIRE Meckenheim Merl GmbH, Frankfurt am Main	100.00	10,171,667.71	0.00
DEMIRE Schwerin at Margaretenhof 18 GmbH, Frankfurt am Main	94.90	692,628.19	101,706.70
DEMIRE Holding X GmbH, Frankfurt am Main	100.00	25,000.00	0.00
DEMIRE AN BN R PM FR FL GmbH, Frankfurt am Main	94.90	39,400,967.78	0.00
DEMIRE Holding III GmbH, Frankfurt am Main	100.00	25,000.00	0.00
DEMIRE Worms Liebenauer Straße GmbH, Frankfurt am Main	100.00	– 56,583.24	– 388,008.91
DEMIRE Schwerin Am Margaretenhof 22–24,Frankfurt am Main	94.00	934,878.50	143,981.67
DEMIRE Holding XII GmbH, Frankfurt am Main	100.00	– 24,432,296.76	– 13,029,647.49
Fair Value REIT-AG, Frankfurt am Main	84.35	85,928,687.80	3,917,008.61
GP Value Management GmbH, Langen	84.35	100,940.99	13,820.15
BBV 10 Geschäftsführungs-GmbH & Co. KG, Langen	84.35	22,986.51	– 2,013.49
BBV 14 Geschäftsführungs-GmbH & Co. KG, Langen	84.35	22,828.03	– 2,171.97
BBV Immobilien-Fonds Nr. 8 GmbH & Co. KG, Langen [2]	50.87	5,434,988.10	474,466.84
BBV Immobilien-Fonds Nr. 10 GmbH & Co. KG, Langen [2]	45.38	15,327,048.69	4,809,254.81
BBV Immobilien-Fonds Nr. 14 GmbH & Co. KG, Langen [2]	44.63	14,587,899.59	2,755,612.37
IC Fonds & Co. Gewerbeobjekte Deutschland 15. KG, Langen [2]	41.10	14,255,349.38	998,781.62
IC Fonds & Co. SchmidtBank-Passage KG, Langen [2]	47.99	6,070,890.34	31,539.68
Shares in joint ventures and associated companies			
Panacea Property GmbH, Berlin [1]	51.00	0.00	– 3,177.57
DEMIRE Assekuranzmakler GmbH & Co. KG, Düsseldorf [3]	47.50	0.00	0.00
G+Q Effizienz GmbH, Berlin	49.00	485,345.31	128,398.26
JV Theodor-Heuss-Allee GmbH, Frankfurt am Main	49.50	– 46,564,460.53	– 5,860,735.48

COMPANY AND SHAREHOLDERS 2

COMBINED MANAGEMENT REPORT 26

CONSOLIDATED FINANCIAL STATEMENTS 95

Consolidated statement of income 96

Consolidated statement of comprehensive income 97

Consolidated balance sheet 98

Consolidated statement of cash flows 100

Consolidated statement of changes in equity 102

Notes to the consolidated financial statements 104

Shareholdings 166

Statement of fixed assets 170

Declaration by the executive directors 171

Independent auditor's report 172

Disclosures on real estate valuation 181

Sensitivity analysis of real estate valuation as at 31 December 2024 183

Fundamental company data 187

FURTHER DISCLOSURES 188

Company	Share in capital in %	Equity 31/12/2024 in EUR	2024 net profit in EUR
GERMANY/LUXEMBOURG			
Investments in deconsolidated companies, in insolvency proceedings			
DEMIRE Köln Max-Glomsda-Straße 4 GmbH, Frankfurt am Main	100.00	331,324.26	–51,555.28
DEMIRE Essen Hatzper Str. Theodor-Althoff-Str. GmbH, Frankfurt am Main	100.00	–21,030,515.33	–2,287,050.12
DEMIRE Aschheim Max-Planckstraße GmbH, Frankfurt am Main	100.00	–2,697,373.14	–223,810.53
DEMIRE Kassel Kölnische Str. Mauerstr. Spohrstr. GmbH, Frankfurt am Main	94.90	378,987.69	–502,064.40
SWITZERLAND			
Sihlegg Investments Holding GmbH, Zug	94.0	–1,439,557.77	182,963.87

[1] Not fully consolidated due to its insignificance for the Group
[2] Fully consolidated because de facto control is exercised through quorum majority at the shareholder meeting
[3] In liquidation

COMPANY AND SHAREHOLDERS 2

COMBINED MANAGEMENT REPORT 26

CONSOLIDATED FINANCIAL STATEMENTS 95

Consolidated statement of income 96

Consolidated statement of comprehensive income 97

Consolidated balance sheet 98

Consolidated statement of cash flows 100

Consolidated statement of changes in equity 102

Notes to the consolidated financial statements 104

Shareholdings 166

Statement of fixed assets 170

Declaration by the executive directors 171

Independent auditor's report 172

Disclosures on real estate valuation 181

Sensitivity analysis of real estate valuation as at 31 December 2024 183

Fundamental company data 187

FURTHER DISCLOSURES 188

STATEMENT OF FIXED ASSETS

Appendix 3 to the consolidated financial statements

	Other intangible assets		Operating and office equipment		Technical equipment		Prepayments	
in EUR thousand	2024	2023	2024	2023	2024	2023	2024	2023
Acquisition costs at the beginning of the financial year	0	0	1,008	1,196	0	1	0	0
Accumulated depreciation/amortisation/impairment as at the beginning of the financial year	0	0	855	1,032	0	1	0	0
Carrying amounts as at the beginning of the financial year	0	0	153	164	0	0	0	0
Additions	0	0	3	79	0	0	0	0
Reclassifications	0	0	0	– 116	0	0	0	0
Disposals	0	0	44	151	0	1	0	0
Depreciation/amortisation	0	0	32	– 177	0	– 1	0	0
Acquisition costs at the end of the financial year	0	0	967	1,008	0	0	0	0
Accumulated depreciation/amortisation/impairment as at the end of the financial year	0	0	887	855	0	0	0	0
Carrying amounts as at the end of the financial year	0	0	80	153	0	0	0	0

COMPANY AND SHAREHOLDERS 2

COMBINED MANAGEMENT REPORT 26

CONSOLIDATED FINANCIAL STATEMENTS 95

Consolidated statement of income 96

Consolidated statement of comprehensive income 97

Consolidated balance sheet 98

Consolidated statement of cash flows 100

Consolidated statement of changes in equity 102

Notes to the consolidated financial statements 104

Shareholdings 166

Statement of fixed assets 170

Declaration by the executive directors 171

Independent auditor's report 172

Disclosures on real estate valuation 181

Sensitivity analysis of real estate valuation as at 31 December 2024 183

Fundamental company data 187

FURTHER DISCLOSURES 188

DECLARATION BY THE EXECUTIVE DIRECTORS

As a member of the Executive Board of DEMIRE Deutsche Mittelstand Real Estate AG, I hereby affirm that, to the best of my knowledge, the consolidated financial statements and the annual financial statements give a true and fair view of the Group and the Company's net assets, financial position and results of operation in accordance with the applicable accounting principles and that the group management report, which is combined with the Company's management report, gives a true and fair view of the development and performance of the business, including the business results and the position of the Group and the Company, together with a description of the principal opportunities and risks associated with the expected development of the Group and the Company.

Frankfurt am Main, 19 March 2025

Frank Nickel
(CEO)

Tim Brückner
(CFO)

Ralf Bongers
(Executive Board Member for Transactions)

COMPANY AND SHAREHOLDERS 2

COMBINED MANAGEMENT REPORT 26

CONSOLIDATED FINANCIAL STATEMENTS 95

Consolidated statement of income 96

Consolidated statement of comprehensive income 97

Consolidated balance sheet 98

Consolidated statement of cash flows 100

Consolidated statement of changes in equity 102

Notes to the consolidated financial statements 104

Shareholdings 166

Statement of fixed assets 170

Declaration by the executive directors 171

Independent auditor's report 172

Disclosures on real estate valuation 181

Sensitivity analysis of real estate valuation as at 31 December 2024 183

Fundamental company data 187

FURTHER DISCLOSURES 188

Translation - the German text is authoritative

INDEPENDENT AUDITOR'S REPORT

To DEMIRE Deutsche Mittelstand Real Estate AG, Frankfurt am Main

Report on the audit of the consolidated financial statements and of the group management report

AUDIT OPINIONS

We have audited the consolidated financial statements of DEMIRE Deutsche Mittelstand Real Estate AG, Frankfurt am Main, and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at 31 December 2024, and the consolidated statement of comprehensive income, consolidated statement of profit or loss, consolidated statement of changes in equity and consolidated statement of cash flows for the financial year from 1 January to 31 December 2024, and notes to the consolidated financial statements, including material accounting policy information. In addition, we have audited the group management report of DEMIRE Deutsche Mittelstand Real Estate AG, which is combined with the Company's management report, including the remuneration report pursuant to § [Article] 162 AktG [Aktiengesetz: German Stock Corporation Act], including the related disclosures, included in section "Remuneration Report 2024" for the financial year from 1 January to 31 December 2024. In accordance with the German legal requirements, we have not audited the disclosures marked as unaudited in section "Opportunities and Risks" of the group management report.

In our opinion, on the basis of the knowledge obtained in the audit,

— the accompanying consolidated financial statements comply, in all material respects, with the IFRS Accounting Standards issued by the International Accounting Standards Board (IASB) (the IFRS Accounting Standards) as adopted by the EU and the additional requirements of German commercial law pursuant to § 315e Abs. [paragraph] 1 HGB [Handelsgesetzbuch: German Commercial Code] and, in compliance with these requirements, give a true and fair view of the assets, liabilities, and financial position of the Group as at 31 December 2024, and of its financial performance for the financial year from 1 January to 31 December 2024, and

— the accompanying group management report as a whole provides an appropriate view of the Group's position. In all material respects, this group management report is consistent with the consolidated financial statements, complies with German legal requirements and appropriately presents the opportunities and risks of future development. Our audit opinion on the group management report does not cover the content of the disclosures in section "Opportunities and Risks" referred to above.

Pursuant to § 322 Abs. 3 Satz [sentence] 1 HGB, we declare that our audit has not led to any reservations relating to the legal compliance of the consolidated financial statements and of the group management report.

BASIS FOR THE AUDIT OPINIONS

We conducted our audit of the consolidated financial statements and of the group management report in accordance with § 317 HGB and the EU Audit Regulation (No. 537/2014, referred to subsequently as "EU Audit Regulation") in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW). Our responsibilities under those requirements and principles are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements and of the Group Management Report" section of our auditor's report. We are independent of the group entities in accordance with the requirements of European law and German commercial and professional law, and we have fulfilled our other German professional responsibilities in accordance with these requirements. In addition, in accordance with Article 10 (2) point (f) of the EU Audit Regulation, we declare that we have not provided non-audit services prohibited under Article 5 (1) of the EU Audit Regulation. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions on the consolidated financial statements and on the group management report.

COMPANY AND SHAREHOLDERS 2
COMBINED MANAGEMENT REPORT 26
CONSOLIDATED FINANCIAL STATEMENTS 95
Consolidated statement of income 96
Consolidated statement of comprehensive income 97
Consolidated balance sheet 98
Consolidated statement of cash flows 100
Consolidated statement of changes in equity 102
Notes to the consolidated financial statements 104
Shareholdings 166
Statement of fixed assets 170
Declaration by the executive directors 171
Independent auditor's report 172
Disclosures on real estate valuation 181
Sensitivity analysis of real estate valuation as at 31 December 2024 183
Fundamental company data 187
FURTHER DISCLOSURES 188

KEY AUDIT MATTERS IN THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the financial year from 1 January to 31 December 2024. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our audit opinion thereon; we do not provide a separate audit opinion on these matters.

In our view, the matters of most significance in our audit were as follows:

1. Recoverability of investment properties
2. Accounting treatment of the joint venture JV Theodor-Heuss-Allee GmbH, Frankfurt am Main, with land purchase option and recoverability of a loan in connection with the joint venture

Our presentation of these key audit matters has been structured in each case as follows:

1. Matter and issue
2. Audit approach and findings
3. Reference to further information

Hereinafter we present the key audit matters:

1. Recoverability of investment properties

1. Investment properties amounting to € 724.7 million (76.2% of total assets) are reported in the Company's consolidated financial statements as of December 31, 2024. The Company exercises the option set out in IAS 40.30 to account for investment properties using the fair value model in accordance with IFRS 13. Accordingly, changes in market value realized when properties are sold, as well as unrealized changes in market value, are recognized at fair value through profit or loss. In the financial year ended, € –48.9 million in unrealized changes in market value were recognized through profit or loss in the consolidated income statement.

   When determining the fair value of investment property, it is assumed that the current use corresponds to the highest and best use of the property. Fair values are determined using a measurement model developed by the executive directors with assistance from an external consulting firm, based on projections of net cash inflows from the management of the properties which are derived using the discounted cash flow method. A market value is determined for properties with no positive net cash inflows (usually vacant buildings) using a liquidation valuation method. Undeveloped land is usually measured based on an indirect comparison of indicative land values. To the extent possible, the valuation uses data directly observable on the market (sources include expert committees and public and subscriptions-based market databases). The measurement of investment properties is based on a large number of relevant parameters that are generally subject to specific uncertainties with regard to estimates and judgments. Significant measurement parameters include in particular expected cash flows, the assumed vacancy rate and the discount and capitalization rate. Even small changes in the measurement parameters can result in material changes in fair value. In our view, this matter was of particular significance in the context of our audit because the measurement of investment properties is generally subject to substantial judgments and estimation uncertainties, and there is the risk that

COMPANY AND SHAREHOLDERS 2

COMBINED MANAGEMENT REPORT 26

CONSOLIDATED FINANCIAL STATEMENTS 95

Consolidated statement of income 96

Consolidated statement of comprehensive income 97

Consolidated balance sheet 98

Consolidated statement of cash flows 100

Consolidated statement of changes in equity 102

Notes to the consolidated financial statements 104

Shareholdings 166

Statement of fixed assets 170

Declaration by the executive directors 171

Independent auditor's report 172

Disclosures on real estate valuation 181

Sensitivity analysis of real estate valuation as at 31 December 2024 183

Fundamental company data 187

FURTHER DISCLOSURES 188

the changes in fair value recognized through profit or loss do not fall within an appropriate range.

2. As part of our audit, and with the assistance of internal specialists, we assessed the valuation model used to measure investment properties as regards its conformity with IAS 40 in conjunction with IFRS 13, the correctness and completeness of the property portfolio data used, and the appropriateness of the measurement parameters used, such as the expected cash flows (market rent per m², planned maintenance per m²), the assumed vacancy rate and the discount and capitalization rate. We also carried out analytical audit procedures and tests of details with respect to the material parameters having an influence on value. Furthermore, we checked the results at the level of the individual properties and the portfolio for plausibility by comparing them against our expectations as regards changes in value. As part of our audit, we prepared a property-specific comparison calculation on a test basis using the discounted cash flow method. The valuation technique used to measure investment properties is appropriately designed and suitable for calculating fair values in accordance with the IFRSs. The underlying assumptions reflect the current market level.

3. The Company's disclosures relating to investment properties are contained in sections C. and E.1.3 of the notes to the consolidated financial statements.

2. Accounting treatment of the joint venture JV Theodor-Heuss-Allee GmbH, Frankfurt am Main, with land purchase option and recoverability of a loan in connection with the joint venture

1. In the financial year 2021, the joint venture JV Theodor-Heuss-Allee GmbH was founded by a Group company of DEMIRE Deutsche Mittelstand Real Estate AG (DEMIRE AG). The shareholding in the joint venture as at the balance sheet date amounts to 49.5%. Inclusion in the consolidated financial statements is compliant with IFRS 11.24 based on the equity method in accordance with IAS 28. In the financial year 2021, the joint venture entered into a leasehold contract with a term of 99 years. The price for ordering the leasehold amounted to € 152.9 million. The joint venture has a contractual purchase option to acquire the land in the period between the end of the 57th and 60th months of the leasehold at a fixed purchase price of € 122.8 million (land purchase option). The shareholders of the joint venture jointly decide whether or not to exercise this land purchase option. The decision to not exercise this option can be made unilaterally by one of the two shareholders or by mutual agreement and will, where applicable, result in the payment of contractual penalties. If the land purchase option is exercised or is not exercised, further options will become exercisable by the shareholders. In the present structure, the substance and thus the valuation of the options is of decisive importance for the degree to which the joint venture is included in the consolidated financial statements of DEMIRE AG. Whether the values are substantial or not depends heavily on the development in value of the property, including the land. The fair value of the options (€ –24.1 million) is recognised in the balance sheet under "Market values of options".

   In the course of setting up the joint venture, DEMIRE AG granted a loan to RFR Immobilien 5 GmbH with a nominal value of € 60.0 million and a term until June 2026. RFR Immobilien 5 GmbH is an affiliate of RFR Immobilien 4 GmbH, which, together with the DEMIRE Group company DEMIRE Holding XIII GmbH, holds the shares in JV Theodor-Heuss-Allee GmbH.

COMPANY AND SHAREHOLDERS 2

COMBINED MANAGEMENT REPORT 26

CONSOLIDATED FINANCIAL STATEMENTS 95

Consolidated statement of income 96

Consolidated statement of comprehensive income 97

Consolidated balance sheet 98

Consolidated statement of cash flows 100

Consolidated statement of changes in equity 102

Notes to the consolidated financial statements 104

Shareholdings 166

Statement of fixed assets 170

Declaration by the executive directors 171

Independent auditor's report 172

Disclosures on real estate valuation 181

Sensitivity analysis of real estate valuation as at 31 December 2024 183

Fundamental company data 187

FURTHER DISCLOSURES 188

The loan is recognised in the Company's consolidated financial statements under the balance sheet item "Loans and financial assets" (€ 34.8 million). The loan is measured at amortised cost, taking into account the three-stage model of expected credit losses. RFR Immobilien 5 GmbH has not paid the interest due on the loan of € 2.6 million in the reporting year. Against this background, the Company recognised an cumulative impairment on the loan of € 24.2 million in the financial year, following an impairment of 15.2 million in the previous year.

Due to the complex structure of the options and the uncertainty of future cash flows from the loan, this matter involves considerable scopes of judgement. Against this background and due to its material significance for the Group's net assets, financial position and financial performance, this matter was of particular significance in the context of our audit.

2. In order to assess the appropriate accounting for the joint venture and the valuation of the loan awarded to RFR Immobilien 5 GmbH, as part of our audit we examined the principles of company law and the provisions of the underlying agreement, among other matters. In connection with this, we have examined and assessed the fulfilment of the requirements of a joint venture in accordance with IFRS 11, the resulting effects on the consolidated financial statements and the valuation based on the equity method in accordance with IAS 28. Furthermore, with the support of internal specialists, we assessed the valuation model used to assess the options regarding conformity with IFRS 13 as well as the appropriateness of the valuation parameters used, in particular their volatility, the underlying performance of the property and the risk-free interest rate. As part of our audit procedures, we prepared a comparison calculation. The valuation method for options is appropriately designed and is generally suitable for calculating fair values of options in accordance with IFRS and reflecting the current market level with regard to the underlying assumptions. Furthermore, as part of our audit, we conducted interviews with the executive directors and inspected the underlying documents to verify the executive directors' assessment of the need for impairment of the loan. We were able to satisfy ourselves that the presentation and accounting of the joint venture, the mutual options and the loan receivable were documented in a comprehensible manner and that the recognised effects were determined appropriately.

3. The information provided by the Company on the joint venture and the land purchase options held by this Company, as well as on the loan issued to RFR Immobilien 5 GmbH, are contained in Sections B., C., E.1.6, E.5.4 and G.2 of the notes to the consolidated financial statements.

OTHER INFORMATION

The executive directors are responsible for the other information. The other information comprises the disclosures marked as unaudited included in section "Opportunities and Risks" of the group management report as non-audited parts of the group management report.

The other information comprises further

— the statement on corporate governance pursuant to § 289f HGB and § 315d HGB

— all remaining parts of the annual report – excluding cross-references to external information – with the exception of the audited consolidated financial statements, the audited group management report and our auditor's report

Our audit opinions on the consolidated financial statements and on the group 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.

COMPANY AND SHAREHOLDERS 2

COMBINED MANAGEMENT REPORT 26

CONSOLIDATED FINANCIAL STATEMENTS 95

Consolidated statement of income 96

Consolidated statement of comprehensive income 97

Consolidated balance sheet 98

Consolidated statement of cash flows 100

Consolidated statement of changes in equity 102

Notes to the consolidated financial statements 104

Shareholdings 166

Statement of fixed assets 170

Declaration by the executive directors 171

Independent auditor's report 172

Disclosures on real estate valuation 181

Sensitivity analysis of real estate valuation as at 31 December 2024 183

Fundamental company data 187

FURTHER DISCLOSURES 188

In connection with our audit, our responsibility is to read the other information mentioned above and, in so doing, to consider whether the other information

— is materially inconsistent with the consolidated financial statements, with the group management report disclosures audited in terms of content or with our knowledge obtained in the audit, or

— otherwise appears to be materially misstated.

RESPONSIBILITIES OF THE EXECUTIVE DIRECTORS AND THE SUPERVISORY BOARD FOR THE CONSOLIDATED FINANCIAL STATEMENTS AND THE GROUP MANAGEMENT REPORT

The executive directors are responsible for the preparation of the consolidated financial statements that comply, in all material respects, with IFRS Accounting Standards as adopted by the EU and the additional requirements of German commercial law pursuant to § 315e Abs. 1 HGB and that the consolidated financial statements, in compliance with these requirements, give a true and fair view of the assets, liabilities, financial position, and financial performance of the Group. In addition, the executive directors are responsible for such internal control as they have determined necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud (i. e., fraudulent financial reporting and misappropriation of assets) or error.

In preparing the consolidated financial statements, the executive directors are responsible for assessing the Group's ability to continue as a going concern. They also have the responsibility for disclosing, as applicable, matters related to going concern. In addition, they are responsible for financial reporting based on the going concern basis of accounting unless there is an intention to liquidate the Group or to cease operations, or there is no realistic alternative but to do so.

Furthermore, the executive directors are responsible for the preparation of the group management report that, as a whole, provides an appropriate view of the Group's position and is, in all material respects, consistent with the consolidated financial statements, complies with German legal requirements, and appropriately presents the opportunities and risks of future development. In addition, the executive directors are responsible for such arrangements and measures (systems) as they have considered necessary to enable the preparation of a group 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 group management report.

The supervisory board is responsible for overseeing the Group's financial reporting process for the preparation of the consolidated financial statements and of the group management report.

The executive directors and the supervisory board are further responsible for the preparation of the remuneration report, including the related disclosures, which is included in a separate section of the group management report and complies with the requirements of § 162 AktG. They are also responsible for such internal control as they determine is necessary to enable the preparation of a remuneration report, including the related disclosures, that is free from material misstatement, whether due to fraud or error.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS AND OF THE GROUP MANAGEMENT REPORT

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and whether the group management report as a whole provides an appropriate view of the Group's position and, in all material respects, is consistent with the consolidated financial statements and the knowledge obtained in the audit, complies with the German legal requirements and appropriately presents the opportunities and risks of future development, as well as to issue an auditor's report that includes our audit opinions on the consolidated financial statements and on the group management report.

COMPANY AND SHAREHOLDERS 2

COMBINED MANAGEMENT REPORT 26

CONSOLIDATED FINANCIAL STATEMENTS 95

Consolidated statement of income 96

Consolidated statement of comprehensive income 97

Consolidated balance sheet 98

Consolidated statement of cash flows 100

Consolidated statement of changes in equity 102

Notes to the consolidated financial statements 104

Shareholdings 166

Statement of fixed assets 170

Declaration by the executive directors 171

Independent auditor's report 172

Disclosures on real estate valuation 181

Sensitivity analysis of real estate valuation as at 31 December 2024 183

Fundamental company data 187

FURTHER DISCLOSURES 188

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 consolidated financial statements and this group management report.

We exercise professional judgment and maintain professional skepticism throughout the audit. We also:

— Identify and assess the risks of material misstatement of the consolidated financial statements and of the group 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 for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.

— Obtain an understanding of internal control relevant to the audit of the consolidated financial statements and of arrangements and measures (systems) relevant to the audit of the group 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 control and these arrangements and measures (systems), respectively.

— Evaluate the appropriateness of accounting policies used by the executive directors and the reasonableness of estimates made by the executive directors and related disclosures.

— Conclude on the appropriateness of the executive directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the consolidated financial statements and in the group management report or, if such disclosures are inadequate, to modify our respective audit opinions. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to be able to continue as a going concern.

— Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements present the underlying transactions and events in a manner that the consolidated financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Group in compliance with IFRS Accounting Standards as adopted by the EU and the additional requirements of German commercial law pursuant to § 315e Abs. 1 HGB.

— Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming audit opinions on the consolidated financial statements and on the group management report. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinions.

— Evaluate the consistency of the group management report with the consolidated financial statements, its conformity with German law, and the view of the Group's position it provides.

COMPANY AND SHAREHOLDERS 2

COMBINED MANAGEMENT REPORT 26

CONSOLIDATED FINANCIAL STATEMENTS 95

Consolidated statement of income 96

Consolidated statement of comprehensive income 97

Consolidated balance sheet 98

Consolidated statement of cash flows 100

Consolidated statement of changes in equity 102

Notes to the consolidated financial statements 104

Shareholdings 166

Statement of fixed assets 170

Declaration by the executive directors 171

Independent auditor's report 172

Disclosures on real estate valuation 181

Sensitivity analysis of real estate valuation as at 31 December 2024 183

Fundamental company data 187

FURTHER DISCLOSURES 188

— Perform audit procedures on the prospective information presented by the executive directors in the group 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 control 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, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter.

Other legal and regulatory requirements

Report on the Assurance on the Electronic Rendering of the Consolidated Financial Statements and the Group Management Report Prepared for Publication Purposes in Accordance with § 317 Abs. 3a HGB

ASSURANCE OPINION

We have performed assurance work in accordance with § 317 Abs. 3a HGB to obtain reasonable assurance as to whether the rendering of the consolidated financial statements and the group management report (hereinafter the "ESEF documents") contained in the electronic file DEMIRE_AG_KA+KLB_ESEF-2024-12-31.zip and prepared for publication purposes complies in all material respects with the requirements of § 328 Abs. 1 HGB for the electronic reporting format ("ESEF format"). In accordance with German legal requirements, this assurance work extends only to the conversion of the information contained in the consolidated financial statements and the group 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 electronic file identified above.

In our opinion, the rendering of the consolidated financial statements and the group management report contained in the electronic file identified above and prepared for publication purposes complies in all material respects with the requirements of § 328 Abs. 1 HGB for the electronic reporting format. Beyond this assurance opinion and our audit opinion on the accompanying consolidated financial statements and the accompanying group management report for the financial year from 1 January to 31 December 2024 contained in the "Report on the Audit of the Consolidated Financial Statements and on the Group 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 electronic file identified above.

COMPANY AND SHAREHOLDERS 2
COMBINED MANAGEMENT REPORT 26
CONSOLIDATED FINANCIAL STATEMENTS 95
Consolidated statement of income 96
Consolidated statement of comprehensive income 97
Consolidated balance sheet 98
Consolidated statement of cash flows 100
Consolidated statement of changes in equity 102
Notes to the consolidated financial statements 104
Shareholdings 166
Statement of fixed assets 170
Declaration by the executive directors 171
Independent auditor's report 172
Disclosures on real estate valuation 181
Sensitivity analysis of real estate valuation as at 31 December 2024 183
Fundamental company data 187
FURTHER DISCLOSURES 188

BASIS FOR THE ASSURANCE OPINION

We conducted our assurance work on the rendering of the consolidated financial statements and the group management report contained in the electronic file identified above in accordance with § 317 Abs. 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 Abs. 3a HGB (IDW AsS 410 (06.2022)) and the International Standard on Assurance Engagements 3000 (Revised). Our responsibility in accordance therewith is further described in the "Group Auditor's Responsibilities for the Assurance Work on the ESEF Documents" section. Our audit firm applies the IDW Standard on Quality Management: 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 including the electronic rendering of the consolidated financial statements and the group management report in accordance with § 328 Abs. 1 Satz 4 Nr. [number] 1 HGB and for the tagging of the consolidated financial statements in accordance with § 328 Abs. 1 Satz 4 Nr. 2 HGB.

In addition, the executive directors of the Company are responsible for such internal control as they have considered necessary to enable the preparation of ESEF documents that are free from material non-compliance with the requirements of § 328 Abs. 1 HGB for the electronic reporting format, whether due to fraud or error.

The supervisory board is responsible for overseeing the process for preparing the ESEF documents as part of the financial reporting process.

GROUP 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 non-compliance with the requirements of § 328 Abs. 1 HGB, whether due to fraud or error. We exercise professional judgment and maintain professional skepticism throughout the assurance work. We also:

— Identify and assess the risks of material non-compliance with the requirements of § 328 Abs. 1 HGB, whether due to fraud or error, 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 work 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 electronic 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 consolidated financial statements on the technical specification for this electronic file.

— Evaluate whether the ESEF documents provide an XHTML rendering with content equivalent to the audited consolidated financial statements and to the audited group management report.

— Evaluate whether the tagging of the ESEF documents with Inline XBRL technology (iXBRL) in accordance with the requirements of Articles 4 and 6 of the Delegated Regulation (EU) 2019/815, in the version in force at the date of the consolidated financial statements, enables an appropriate and complete machine-readable XBRL copy of the XHTML rendering.

COMPANY AND SHAREHOLDERS 2

COMBINED MANAGEMENT REPORT 26

CONSOLIDATED FINANCIAL STATEMENTS 95

Consolidated statement of income 96

Consolidated statement of comprehensive income 97

Consolidated balance sheet 98

Consolidated statement of cash flows 100

Consolidated statement of changes in equity 102

Notes to the consolidated financial statements 104

Shareholdings 166

Statement of fixed assets 170

Declaration by the executive directors 171

Independent auditor's report 172

Disclosures on real estate valuation 181

Sensitivity analysis of real estate valuation as at 31 December 2024 183

Fundamental company data 187

FURTHER DISCLOSURES 188

FURTHER INFORMATION PURSUANT TO ARTICLE 10 OF THE EU AUDIT REGULATION

We were elected as group auditor by the annual general meeting on 21 November 2024. We were engaged by the supervisory board on 3 February 2025. We have been the group auditor of the DEMIRE Deutsche Mittelstand Real Estate AG, Frankfurt am Main, without interruption since the financial year 2018.

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).

Reference to an other matter – Use of the auditor's report

Our auditor's report should always be read in conjunction with the audited consolidated financial statements and the audited group management report, as well as the audited ESEF documents. The consolidated financial statements and group management report, which have been converted to ESEF format – including the versions to be included in the Register of Businesses – are merely electronic reproductions of the audited consolidated financial statements and the audited group management report and are not intended to replace them. In particular, the "Report on the audit of the electronic versions of the consolidated financial statements and the group management report pursuant to Section 317(3a) HGB created for the purposes of disclosure" and the audit opinion expressed therein can only be used in conjunction with the audited ESEF documents provided in electronic form.

German Public Auditor responsible for the engagement

The German Public Auditor responsible for the engagement is Christiane Lawrenz.

Frankfurt am Main, 19 March 2025

PricewaterhouseCoopers GmbH
Wirtschaftsprüfungsgesellschaft

Christiane Lawrenz	Julian Fersch
Auditor	Auditor

COMPANY AND SHAREHOLDERS 2

COMBINED MANAGEMENT REPORT 26

CONSOLIDATED FINANCIAL STATEMENTS 95

Consolidated statement of income 96

Consolidated statement of comprehensive income 97

Consolidated balance sheet 98

Consolidated statement of cash flows 100

Consolidated statement of changes in equity 102

Notes to the consolidated financial statements 104

Shareholdings 166

Statement of fixed assets 170

Declaration by the executive directors 171

Independent auditor's report 172

Disclosures on real estate valuation 181

Sensitivity analysis of real estate valuation as at 31 December 2024 183

Fundamental company data 187

FURTHER DISCLOSURES 188

DISCLOSURES ON REAL ESTATE VALUATION

Appendix 1 to the consolidated financial statements

	31/12/2024	31/12/2023
Average market rent (in EUR per m² per year)	114.20	116.91
Range of market rents (in EUR per m² per year)	51,22-342,00	51,22-342,00
Lettable space as at reporting date (in m²)	603,450	858,392
Vacant space as at reporting date (in m²)	94,887.28	108,333.69
Value-based vacancy rate according to EPRA (in %)	15.11%	13.14%
Average vacancy rate based on lettable space (in %)	16.27%	13.67%
Range of vacancy rates based on lettable space (in %)	0,00-100	0,00-100
Weighted average lease term – WALT (in years)	4.59	4.58

The year-on-year reduction in total lettable space resulted from the disposal of the properties in Leipzig, Am alten Flughafen (160,989 m²), Lohfelden (1,874 m²), Osnabrück (4,207 m²), Bayreuth, Karl-Marx-Str. (3,453 m²) and the deconsolidation of the Limes portfolio (84,426 m²). There was a small increase in floor space in individual properties due to new floor space measurements or conclusion of new rental agreements.

In addition, two of the project development properties in Trier (vacant space 11,267 m²) and Cologne, Colonia-Allee 11 (vacant space 9,108 m²) were not incorporated into the vacant space calculation.

The basis for rental income planning is the rental payments contractually agreed with the tenants as well as prevailing customary local market rents for unleased space on the valuation date. The contractually agreed monthly rents per m² on the valuation date for the various types of use are shown in the following table:

CONTRACTUAL RENTS

in EUR per m² per month		2024	2023
	Min.	5.97	5.90
	Max.	16.16	22.71
Office	Avg.	9.60	9.98
	Min.	3.79	4.56
	Max.	18.71	24.61
Retail	Avg.	9.29	10.34
	Min.	5.59	5.22
	Max.	29.24	28.58
Other	Avg.	12.52	11.14
	Min.	**3.79**	**4.56**
	Max.	**29.24**	**28.58**
Total	**Avg.**	**9.63**	**10.16**

COMPANY AND SHAREHOLDERS 2

COMBINED MANAGEMENT REPORT 26

CONSOLIDATED FINANCIAL STATEMENTS 95

Consolidated statement of income 96

Consolidated statement of comprehensive income 97

Consolidated balance sheet 98

Consolidated statement of cash flows 100

Consolidated statement of changes in equity 102

Notes to the consolidated financial statements 104

Shareholdings 166

Statement of fixed assets 170

Declaration by the executive directors 171

Independent auditor's report 172

Disclosures on real estate valuation 181

Sensitivity analysis of real estate valuation as at 31 December 2024 183

Fundamental company data 187

FURTHER DISCLOSURES 188

Capitalisation and discount rate ranges

The following capitalisation and discount rate ranges were used in the valuation of investment properties:

2024

Portfolio	Lettable space in m²	Number of properties	Fair value as at 31 Dec. 2024 in EUR thousand	Calculation method	Unobservable inputs	Range min.	Range max.	Weighted average[1]
Office	306,143	27	414,370	DCF	Discount rate	5.40%	9.00%	6.42%
					Exit cap rate	5.40%	7.50%	6.09%
Retail	184,791	13	217,730	DCF	Discount rate	5.75%	8.50%	6.78%
					Exit cap rate	5.50%	8.25%	6.27%
Others	28,544	3	60,500	DCF	Discount rate	5.25%	8.00%	5.60%
					Exit cap rate	5.10%	7.00%	5.51%

[1] Weighting after fair value

2023

Portfolio	Lettable space in m²	Number of properties	Fair value as at 31 Dec. 2023 in EUR thousand	Calculation method	Unobservable inputs	Range min.	Range max.	Weighted average[1]
Office	412,684	36	592,600	DCF	Discount rate	4.90%	7.75%	5.94%
					Exit cap rate	4.75%	7.50%	5.75%
Retail	199,234	14	272,060	DCF	Discount rate	4.50%	8.50%	6.48%
					Exit cap rate	5.50%	8.00%	6.19%
Others	28,544	3	59,250	DCF	Discount rate	4.50%	7.75%	5.41%
					Exit cap rate	4.90%	6.75%	5.16%

[1] Weighting after fair value

COMPANY AND SHAREHOLDERS 2

COMBINED MANAGEMENT REPORT 26

CONSOLIDATED FINANCIAL STATEMENTS 95

Consolidated statement of income 96

Consolidated statement of comprehensive income 97

Consolidated balance sheet 98

Consolidated statement of cash flows 100

Consolidated statement of changes in equity 102

Notes to the consolidated financial statements 104

Shareholdings 166

Statement of fixed assets 170

Declaration by the executive directors 171

Independent auditor's report 172

Disclosures on real estate valuation 181

Sensitivity analysis of real estate valuation as at 31 December 2024 183

Fundamental company data 187

FURTHER DISCLOSURES 188

SENSITIVITY ANALYSIS OF REAL ESTATE VALUATION AS AT 31 DECEMBER 2024

Appendix 2 to the consolidated financial statements

in EUR						
Discount rate						**Capitalisation rate**
	+ 0.50%	**in %**	**± 0.00%**	**in %**	**– 0.50%**	**in %**
TOTAL						
+ 0.50%	– 62,840	– 9%	– 27,950	– 4%	13,130	2%
± 0.00%	– 36,810	– 5%	0	0%	42,750	6%
– 0.50%	– 9,030	– 1%	29,160	4%	74,020	11%
OFFICE						
+ 0.50%	– 37,190	– 9%	– 16,420	– 4%	7,850	2%
± 0.00%	– 21,980	– 5%	0	0%	25,370	6%
– 0.50%	– 5,260	– 1%	17,200	4%	43,820	11%
RETAIL						
+ 0.50%	– 20,160	– 9%	– 9,150	– 4%	3,990	2%
± 0.00%	– 11,590	– 5%	0	0%	13,600	6%
– 0.50%	– 2,810	– 1%	9,470	4%	23,710	11%
OTHER						
+ 0.50%	– 5,490	– 9%	– 2,380	– 4%	1,290	2%
± 0.00%	– 3,240	– 5%	0	0%	3,780	6%
– 0.50%	– 960	– 2%	2,490	4%	6,490	10%

COMPANY AND SHAREHOLDERS 2

COMBINED MANAGEMENT REPORT 26

CONSOLIDATED FINANCIAL STATEMENTS 95

Consolidated statement of income 96

Consolidated statement of comprehensive income 97

Consolidated balance sheet 98

Consolidated statement of cash flows 100

Consolidated statement of changes in equity 102

Notes to the consolidated financial statements 104

Shareholdings 166

Statement of fixed assets 170

Declaration by the executive directors 171

Independent auditor's report 172

Disclosures on real estate valuation 181

Sensitivity analysis of real estate valuation as at 31 December 2024 183

Fundamental company data 187

FURTHER DISCLOSURES 188

A difference in the market rent led to the following changes:

Market Rent	Value	Absolute Delta	Relative Delta
TOTAL			
– 10 %	621,660,000	– 73,470,000	– 11%
– 5 %	658,210,000	– 36,920,000	– 5%
± 0 %	695,130,000	0	0%
+ 5%	731,750,000	36,620,000	5%
+ 10%	768,450,000	73,320,000	11%
OFFICE			
– 10 %	371,360,000	– 43,010,000	– 10%
– 5 %	392,770,000	– 21,600,000	– 5%
± 0 %	414,370,000	0	0%
+ 5%	435,880,000	21,510,000	5%
+ 10%	457,290,000	42,920,000	10%
RETAIL			
– 10 %	191,820,000	– 25,910,000	– 12%
– 5 %	204,790,000	– 12,940,000	– 6%
± 0 %	217,730,000	0	0%
+ 5%	230,570,000	12,840,000	6%
+ 10%	243,580,000	25,850,000	12%
OTHER			
– 10 %	58,480,000	– 4,550,000	– 7%
– 5 %	60,650,000	– 2,380,000	– 4%
± 0 %	63,030,000	0	0%
+ 5%	65,300,000	2,270,000	4%
+ 10%	67,580,000	4,550,000	7%

COMPANY AND SHAREHOLDERS 2

COMBINED MANAGEMENT REPORT 26

CONSOLIDATED FINANCIAL STATEMENTS 95

Consolidated statement of income 96

Consolidated statement of comprehensive income 97

Consolidated balance sheet 98

Consolidated statement of cash flows 100

Consolidated statement of changes in equity 102

Notes to the consolidated financial statements 104

Shareholdings 166

Statement of fixed assets 170

Declaration by the executive directors 171

Independent auditor's report 172

Disclosures on real estate valuation 181

Sensitivity analysis of real estate valuation as at 31 December 2024 183

Fundamental company data 187

FURTHER DISCLOSURES 188

AS AT 31 DECEMBER 2023

in EUR						
Discount Rate						**Capitalisation rate**
	+ 0.50 %	**in %**	**± 0.00%**	**in %**	**– 0.50%**	**in %**
TOTAL						
+ 0.50%	– 95,790,000	– 10%	– 41,240,000	– 4%	23,520,000	3%
± 0.00%	– 57,390,000	– 6%	0	0%	67,820,000	7%
– 0.50%	– 17,070,000	– 2%	42,610,000	5%	114,090,000	12%
OFFICE						
+ 0.50%	– 63,560,000	– 11%	– 26,860,000	– 5%	16,790,000	3%
± 0.00%	– 38,530,000	– 7%	0	0%	45,740,000	8%
– 0.50%	– 12,250,000	– 2%	27,700,000	5%	75,800,000	13%
RETAIL						
+ 0.50%	– 26,270,000	– 10%	– 11,780,000	– 4%	5,130,000	2%
± 0.00%	– 15,190,000	– 6%	0	0%	17,650,000	6%
– 0.50%	– 3,570,000	– 1%	12,280,000	4%	31,010,000	11%
OTHER						
+ 0.50%	– 5,960,000	– 10%	– 2,600,000	– 4%	1,600,000	3%
± 0.00%	– 3,670,000	– 6%	0	0%	4,430,000	7%
– 0.50%	– 1,250,000	– 2%	2,630,000	4%	7,280,000	12%

COMPANY AND SHAREHOLDERS 2

COMBINED MANAGEMENT REPORT 26

CONSOLIDATED FINANCIAL STATEMENTS 95

Consolidated statement of income 96

Consolidated statement of comprehensive income 97

Consolidated balance sheet 98

Consolidated statement of cash flows 100

Consolidated statement of changes in equity 102

Notes to the consolidated financial statements 104

Shareholdings 166

Statement of fixed assets 170

Declaration by the executive directors 171

Independent auditor's report 172

Disclosures on real estate valuation 181

Sensitivity analysis of real estate valuation as at 31 December 2024 183

Fundamental company data 187

FURTHER DISCLOSURES 188

Market Rent	Value	Absolute Delta	Relative Delta
TOTAL			
– 10 %	825,030,000	– 102,510,000	– 11%
– 5 %	876,040,000	– 51,500,000	– 6%
± 0 %	927,540,000	0	0%
+ 5%	978,320,000	50,780,000	5%
+ 10%	1,029,360,000	101,820,000	11%
OFFICE			
– 10 %	527,890,000	– 64,710,000	– 11%
– 5 %	560,050,000	– 32,550,000	– 5%
± 0 %	592,600,000	0	0%
+ 5%	624,670,000	32,070,000	5%
+ 10%	657,000,000	64,400,000	11%
RETAIL			
– 10 %	240,370,000	– 32,750,000	– 12%
– 5 %	256,690,000	– 16,430,000	– 6%
± 0 %	273,120,000	0	0%
+ 5%	289,400,000	16,280,000	6%
+ 10%	305,690,000	32,570,000	12%
OTHER			
– 10 %	56,770,000	– 5,050,000	– 8%
– 5 %	59,300,000	– 2,520,000	– 4%
± 0 %	61,820,000	0	0%
+ 5%	64,250,000	2,430,000	4%
+ 10%	66,670,000	4,850,000	8%

COMPANY AND SHAREHOLDERS 2

COMBINED MANAGEMENT REPORT 26

CONSOLIDATED FINANCIAL STATEMENTS 95

Consolidated statement of income 96

Consolidated statement of comprehensive income 97

Consolidated balance sheet 98

Consolidated statement of cash flows 100

Consolidated statement of changes in equity 102

Notes to the consolidated financial statements 104

Shareholdings 166

Statement of fixed assets 170

Declaration by the executive directors 171

Independent auditor's report 172

Disclosures on real estate valuation 181

Sensitivity analysis of real estate valuation as at 31 December 2024 183

Fundamental company data 187

FURTHER DISCLOSURES 188

FUNDAMENTAL COMPANY DATA

Appendix 4 to the consolidated financial statements

Name of the reporting company	DEMIRE Deutsche Mittelstand Real Estate AG
Company's registered office	Frankfurt am Main
Company's legal form	German stock corporation (AG)
Country in which the Company is registered as a legal entity	Germany
Address of the registered office	Robert-Bosch-Straße 11, Langen
Headquarters	Germany
Description of nature of business activity	Real estate portfolio holder and investor focused on acquiring and managing commercial real estate in secondary locations
Name of the parent company	AEPF III 15 S. à r. l. Luxembourg
Name of the ultimate parent companies	Apollo Global Management, Inc. (Delaware NYSE listed) and Wecken Group (Wecken & Cie., Mr Klaus Wecken, Mr Ferry Wecken and Ms Ina Wecken)

FURTHER DISCLOSURES

EPRA disclosures 189

Contact & imprint 203

COMPANY AND SHAREHOLDERS 2

COMBINED MANAGEMENT REPORT 26

CONSOLIDATED FINANCIAL STATEMENTS 95

FURTHER DISCLOSURES 188

EPRA disclosures 189

Contact & imprint 203

EPRA DISCLOSURES

General overview

DEMIRE AG supplements its reporting in accordance with International Financial Reporting Standards (IFRS) with the best practice recommendations of the European Public Real Estate Association (EPRA).

We report on the following key figures: EPRA Net Reinstatement Value (EPRA NRV), EPRA Net Tangible Assets (EPRA NTA), EPRA Net Disposals Value (EPRA NDV), EPRA Net Initial Yield (EPRA NIY or "Topped-Up" NIY), EPRA Cost Ratios, EPRA Earnings and EPRA LTV. We also supplement the key figures with a breakdown of capital expenditure and a detailed overview of like-for-like rental growth in the DEMIRE portfolio.

OVERVIEW OF EPRA KEY FIGURES

in EUR thousand	31/12/2024	31/12/2023
EPRA Net Asset Value (EPRA NAV)	258,103	342,014
EPRA Triple Net Asset Value (EPRA-NNNAV)	213,012	442,601
EPRA Net Reinstatement Value (EPRA-NRV)	325,913	443,561
EPRA Net Tangible Assets (EPRA-NTA)	244,701	331,409
EPRA Net Disposal Value (EPRA-NDV)	213,012	442,091
EPRA Net Initial Yield (in %)	5.7	5.9
EPRA "topped-up" Net Initial Yield (in %)	5.8	5.9
EPRA Vacancy Rate[1] (in %)	15.1	13.1
EPRA Loan-to-Value (EPRA LTV) (in %)	73.7	70.7

	2024	2023
EPRA Earnings [2]	13,520	29,382
EPRA Cost Ratio including direct vacancy costs (in %)	48.0	37.7
EPRA Cost Ratio excluding direct vacancy costs (in %)	42.8	32.8

[1] Excluding properties held for sale and project developments
[2] The previous year's figures were adjusted due to a change in presentation in the reporting period.

COMPANY AND SHAREHOLDERS 2

COMBINED MANAGEMENT REPORT 26

CONSOLIDATED FINANCIAL STATEMENTS 95

FURTHER DISCLOSURES 188

EPRA disclosures 189

Contact & imprint 203

EPRA NAV & EPRA NNNAV

The **EPRA Net Asset Value** (EPRA NAV) is the historical reporting standard of the EPRA, which is still used for better comparability. This indicates the net asset value or intrinsic value of a real estate company. The value is calculated on the basis of the Group equity (before minority interests) adjusted for effects from the exercise of options, convertible bonds and other rights to equity as well as the market values of derivative financial instruments and deferred taxes, i.e. adjusted for items that have no influence on the long-term development of the Group.

HISTORICAL REPORTING STANDARD: EPRA NET ASSET VALUE (NAV/EPRA NNNAV)

in EUR thousand	31/12/2024	31/12/2023	Change	in %
Net Asset Value (NAV)	218,105	303,589	– 85,484	– 28.2
Deferred taxes	39,999	37,915	2,084	0.0
Goodwill resulting from deferred taxes	0	0	0	0.0
EPRA NAV (basic)	**258,103**	**341,504**	**– 83,400**	**– 24.4**
Number of outstanding shares (basic) (in thousands)	105,513	105,513	0	0.0
EPRA NAV per share (basic) (in EUR)	**2.45**	**3.24**	**– 0.79**	**– 24.4**
Effect of the conversion of convertible bonds and other equity instruments	0	510	– 510	– 100.0
EPRA NAV (diluted)	258,103	342,014	– 83,910	– 24.5
Number of outstanding shares (diluted) (in thousands)	105,513	106,023	– 510	– 0.5
EPRA NAV per share (basic) (in EUR)	**2.45**	**3.23**	**– 0.78**	**– 24.2**
Market value adjustments in liabilities (bonds)	– 7,185	194,471	– 201,656	– 103.7
Deferred taxes	– 37,906	– 93,884	55,978	– 59.6
EPRA NNNAV (diluted)	**213,012**	**442,601**	**– 229,589**	**– 51.9**
EPRA NNNAV per share (diluted) (in EUR)	**2.02**	**4.17**	**– 2.16**	**– 51.6**

COMPANY AND SHAREHOLDERS 2

COMBINED MANAGEMENT REPORT 26

CONSOLIDATED FINANCIAL STATEMENTS 95

FURTHER DISCLOSURES 188

EPRA disclosures 189

Contact & imprint 203

EPRA NRV, EPRA NTA, EPRA NDV

The following three key figures on net asset value reflect the current EPRA reporting standard.

The **EPRA Net Tangible Assets** (EPRA NTA) indicator represents the intrinsic value of a company adjusted by the pro-rata deferred taxes on fair value adjustments of investment properties, the fair value of financial instruments and all intangible assets.

The **EPRA Net Disposal Value** (EPRA NDV) indicator shows the intrinsic value of a company adjusted by the full deferred taxes on fair value adjustments, the recognised goodwill and the market value adjustment of fixed-interest liabilities.

The **EPRA Net Reinstatement Value** (EPRA NRV) indicator represents the intrinsic value of a company adjusted for fair-value adjustments and the fair value of financial instruments.

CURRENT REPORTING STANDARD: EPRA NAV

	31/12/2024			31/12/2023		
in EUR thousand	EPRA NRV	EPRA NTA	EPRA NDV	EPRA NRV	EPRA NTA	EPRA NDV
IFRS shareholders' equity	218,105	218,105	218,105	303,589	303,589	303,589
Plus:						
I. Hybrid financial instruments	0	0	0			
Diluted NAV	**218,105**	**218,105**	**218,105**	**303,589**	**303,589**	**303,589**
plus:[1]						
II. a) Revaluation of IP (when applying the IAS 40 cost option)	0	0	0	0	0	0
II. b) Revaluation of IPUC (when applying the IAS 40 cost option)	0	0	0	0	0	0
II. c) Revaluation of other assets	0	0	0	0	0	0
III. Revaluation of leases held as finance leases	0	0	0	0	0	0
IV. Revaluation of real estate inventory	0	0	0	0	0	0

COMPANY AND SHAREHOLDERS 2

COMBINED MANAGEMENT REPORT 26

CONSOLIDATED FINANCIAL STATEMENTS 95

FURTHER DISCLOSURES 188

EPRA disclosures 189

Contact & imprint 203

CURRENT REPORTING STANDARD: EPRA NAV

in EUR thousand	31/12/2024 EPRA NRV	31/12/2024 EPRA NTA	31/12/2024 EPRA NDV	31/12/2023 EPRA NRV	31/12/2023 EPRA NTA	31/12/2023 EPRA NDV
Diluted NAV at market value	**218,105**	**218,105**	**218,105**	**303,589**	**303,589**	**303,589**
less:[1]						
V. Deferred taxes on valuation gains from investment properties	53,192	26,596	x	55,640	27,820	x
VI. Market value of derivative financial instruments	0	0	x	0	0	x
VII. Goodwill as a result of deferred taxes	0	0	0	0	0	0
VIII. a) Goodwill according to IFRS balance sheet	x	0	0	x	0	0
VIII. b) Intangible assets according to IFRS balance sheet	x	0	x	x	0	x
plus:[2]						
IX. Market value of fixed-interest liabilities (bonds)	x	x	–5,092	x	x	138,502
X. Revaluation of intangible assets at fair value (optional)	0	x	x	0	x	x
XI. Land transfer tax/ acquisition costs	54,616	0	x	84,332	0	x
NAV	**325,913**	**244,701**	**213,012**	**443,561**	**331,409**	**442,091**
Number of shares (fully diluted)	105,513	105,513	105,513	106,023	106,023	106,023
NAV per share	**3.09**	**2.32**	**2.02**	**4.18**	**3.13**	**4.17**

[1] Plus = assets (+) liabilities (–), whether on or off the balance sheet
[2] Less = assets (–); liabilities (+) (part of balance sheet)

COMPANY AND SHAREHOLDERS 2
COMBINED MANAGEMENT REPORT 26
CONSOLIDATED FINANCIAL STATEMENTS 95
FURTHER DISCLOSURES 188
EPRA disclosures 189
Contact & imprint 203

EPRA Net Initial Yield

The **EPRA Net Initial Yield** (EPRA NIY) indicator is the annualised contractual rent in relation to the fair value of the completed property portfolio plus an investor's estimated ancillary acquisition costs.

The EPRA Net Initial Yield compares the annualised rental income (excluding non-allocable property expenses) with the market value of the real estate portfolio as at the reporting date. The "topped-up" calculation includes hypothetical rents for expiring rent-free periods.

EPRA NET INITIAL YIELD/TOPPED-UP (EPRA NIY)

in EUR thousand	31/12/2024	31/12/2023	Change	in %
Investment property	724,706	947,276	– 222,570	– 23.5
Shares in companies accounted for using the equity method	406	351	55	15.7
Real estate held for sale	76,680	149,100	– 72,420	–
Real estate portfolio (net)	**801,792**	**1,096,727**	**– 294,935**	**– 26.9**
Estimated ancillary acquisition costs	40,090	54,836	– 14,747	– 26.9
Real estate portfolio (gross)	**841,882**	**1,151,563**	**– 309,682**	**– 26.9**
Annualised cash rental income	55,562	76,142	– 20,579	– 27.0
Non-allocable real estate operating costs[1]	– 7,660	– 8,342	682	– 8.2
Annualised net cash rental income	**47,903**	**67,800**	**– 19,897**	**– 29.3**
Rent-free periods	848	567	281	49.5
Annualised "topped-up" net rental income	**48,751**	**68,367**	**– 19,616**	**– 28.7**
EPRA Net Initial Yield (in %)	**5.7**	**5.9**	**20 bp**	**– 3.4**
EPRA "topped-up" Net Initial Yield (in %)	**5.8**	**5.9**	**10 bp**	**– 1.7**

[1] 2023: Adjusted for a one-time special effect from a provision for the lawsuit of a brokerage house (EUR 548 thousand)

COMPANY AND SHAREHOLDERS 2

COMBINED MANAGEMENT REPORT 26

CONSOLIDATED FINANCIAL STATEMENTS 95

FURTHER DISCLOSURES 188

EPRA disclosures 189

Contact & imprint 203

EPRA Earnings

The **EPRA Earnings** reflect the recurring earnings from the core operating business. The EPRA Earnings indicator is adjusted in particular for valuation effects, deferred taxes and the sales earnings from the consolidated result.

In addition, two adjustments were made for one-off effects for the 2023 and 2024 financial years. Firstly, a loan receivable was partially written off due to a deterioration in the borrower's credit rating (see Section D. 4 of the notes to the consolidated financial statements) and secondly, the market value of an option to sell shares in a joint venture was reduced (see Section D. 7 of the notes to the consolidated financial statements). In addition, effects from the deconsolidation of the Limes companies (see Section 3.4 Limes subsidiaries, Notes to the consolidated financial statements) and from the repurchase of the corporate bond at below par (see Section 3.2 Bond restructuring, Notes to the consolidated financial statements) were taken into account for the 2024 financial year. The effect of these adjustments on deferred taxes was also recognised in the adjusted EPRA result.

EPRA EARNINGS

in EUR thousand	2024	2023	Change	in %
Net profit/loss for the period	–87,479	–151,966	64,487	< 100
Profit/loss from fair-value adjustments of the property portfolio	58,676	176,807	–118,131	–66.8
Profit/loss from the sale of real estate and real estate companies	7,289	14,334	–7,045	–49.1
Profit/loss from companies accounted for using the equity method	–63	–1,007	944	–93.7
Profit/loss from the sale of real estate inventory	0	0	0	0.0
Taxes on sales earnings	0	4,620	–4,620	< 100
Goodwill impairment	0	0	0	0.0
Valuation result of financial instruments	0	0	0	0.0
Acquisition costs for share deals and for shares in non-controlling joint ventures	0	0	0	0.0
Adjustments related to funding structure	0	0	0	0.0
Adjustments related to non-operating and exceptional items[1]	27,703	42,300	–14,597	–34.5
Deferred taxes on EPRA adjustments[1]	10,322	–50,453	60,775	< 100
Non-controlling interests	–2,928	–5,253	2,324	–44.2
EPRA Earnings[1]	**13,520**	**29,382**	**–15,862**	**–54.0**
Number of outstanding shares (basic)	105,513	105,513	0	0.0
EPRA earnings per share (EPS basic)	0.13	–0.01	0.13	< 100
Number of outstanding shares (diluted)	105,513	106,023	–510	–0.5
EPRA earnings per share (EPS diluted)	0.13	–0.01	0.13	< 100

[1] The previous year's figures were adjusted due to a change in presentation in the reporting period.

COMPANY AND SHAREHOLDERS 2
COMBINED MANAGEMENT REPORT 26
CONSOLIDATED FINANCIAL STATEMENTS 95
FURTHER DISCLOSURES 188
EPRA disclosures 189
Contact & imprint 203

EPRA Cost Ratio

As a ratio of EPRA costs to gross rental income, the **EPRA Cost Ratio** provides a statement on the cost efficiency of a real estate company – once including and once excluding direct vacancy costs.

General administrative costs (overhead costs), maintenance costs and operating costs are generally not capitalised. In the reporting period, EUR 1.2 million in letting commissions and EUR 1.3 million in rent incentives were capitalised (previous year: EUR 0.3 million and EUR 1.9 million respectively).

EPRA COST RATIO

in EUR thousand	2024	2023	Change	in %
Administrative and operational costs according to IFRS	**33,925**	**31,523**	**2,402**	**7.6**
General and administrative expenses	13,859	11,663	2,195	18.8
Other operating expenses	966	846	120	14.2
Operating expenses to generate rental income	37,358	44,079	– 6,720	– 15.2
Income from utility and service charges	– 18,258	– 25,065	6,807	– 27.2
Amortisation and depreciation	54	93	– 39	– 42.3
EPRA costs (including vacancy costs)	**33,979**	**31,616**	**2,362**	**7.5**
Direct vacancy costs	– 3,676	– 4,069	393	– 9.7
EPRA costs (excluding vacancy costs)	**30,303**	**27,547**	**2,756**	**10.0**
Rental income	70,850	83,885	– 13,034	– 15.5
EPRA Cost Ratio (including vacancy costs) (in %)	**48.0**	**37.7**	**1030 bp**	**27.3**
EPRA Cost Ratio (excluding vacancy costs) (in %)	**42.8**	**32.8**	**1000 bp**	**30.5**

COMPANY AND SHAREHOLDERS 2

COMBINED MANAGEMENT REPORT 26

CONSOLIDATED FINANCIAL STATEMENTS 95

FURTHER DISCLOSURES 188

EPRA disclosures 189

Contact & imprint 203

EPRA Capital Expenditure

The investments under Core Portfolio 2023 and 2024 mainly relate to value-enhancing conversion and expansion measures at various properties in our portfolios. Interest is generally not capitalised.

EPRA CAPITAL EXPENDITURE ANALYSIS

	2024		
in EUR thousand	DEMIRE Portfolio	Joint Venture	Total
Acquisitions	0	0	0
Development portfolio[1]	0	0	0
Core Portfolio[2]	11,235	0	11,235
Incremental letting space	4,054	0	4,054
No incremental letting space	7,181	0	7,181
Building cost subsidies	1,331	0	1,331

	2023		
in EUR thousand	DEMIRE Portfolio	Joint Venture	Total
Acquisitions	0	0	0
Development portfolio[1]	0	0	0
Core Portfolio[2]	10,046	0	10,046
Incremental letting space	3,137	0	3,137
No incremental letting space	6,909	0	6,909
Building cost subsidies	1,855	0	1,855

[1] DEMIRE AG does not engage in real estate development
[2] No capitalised interest

COMPANY AND SHAREHOLDERS 2

COMBINED MANAGEMENT REPORT 26

CONSOLIDATED FINANCIAL STATEMENTS 95

FURTHER DISCLOSURES 188

EPRA disclosures 189

Contact & imprint 203

EPRA Vacancy Rate

The **EPRA Vacancy Rate** is the ratio of market rent for vacant space to the market rent for the total space in the portfolio (as at the reporting date).

EPRA VACANCY RATE[1]

in EUR thousand	31/12/2024	31/12/2023	Change	in %
Estimated market rent for vacancies	9,925	10,470	– 545	– 5.2
Estimated market rent for total portfolio	65,666	79,697	– 14,031	– 17.6
EPRA Vacancy Rate (in %)	15.1	13.1	200 bp	15.3

[1] Excluding project developments

The increase in the EPRA vacancy rate as of 31 December 2024 compared to the same date in the previous year is due in particular to the departure of the former main tenant MeinReal following its insolvency in Querfurt, as well as to increased vacancies in Düsseldorf and Langenfeld.

COMPANY AND SHAREHOLDERS 2

COMBINED MANAGEMENT REPORT 26

CONSOLIDATED FINANCIAL STATEMENTS 95

FURTHER DISCLOSURES 188

EPRA disclosures 189

Contact & imprint 203

EPRA Like-for-Like rental development

Like-for-like rental income is rental income from properties in a portfolio that have been held continuously within two comparison periods. Changes from portfolio additions and disposals are therefore not included. In a comparison of the periods, the organic component of the change in rental income from letting activities becomes particularly clear.

LIKE-FOR-LIKE RENTAL GROWTH 31/12/2024

	Total portfolio		Like-for-like portfolio				
			31/12/2024		31/12/2023	in EUR million	in %
in EUR thousand	Market value[1]	Annualised contractual rents	Market value[1]	Annualised contractual rents	Annualised contractual rents	LFL growth	LFL growth
Office	490.6	36.3	490.6	36.3	36.7	– 0.4	– 1.1
Retail	225.7	17.0	225.7	17.0	18.4	– 1.4	– 7.6
Logistics & Other	63.0	3.2	63.0	3.2	3.2	– 0.1	– 2.2
Total	**779.3**	**56.4**	**779.3**	**56.4**	**58.3**	**– 1.9**	**– 3.2**

[1] The market value (in EUR million) represents the total fair value of DEMIRE's property portfolio as of the reporting date. In contrast to the balance sheet total of the "Total portfolio", no leaseholds or operating facilities are recognised. As at the reporting date, the overall portfolio consisted of 51 properties which were part of the like-for-like analysis. Four properties were sold during the reporting year. Four further properties are no longer included in the like-for-like analysis due to the deconsolidation of the Limes portfolio. On the previous year's reporting date, the overall portfolio consisted of 59 properties.

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

COMPANY AND SHAREHOLDERS 2
COMBINED MANAGEMENT REPORT 26
CONSOLIDATED FINANCIAL STATEMENTS 95
FURTHER DISCLOSURES 188
EPRA disclosures 189
Contact & imprint 203

LIKE-FOR-LIKE RENTAL GROWTH 31/12/2023

	Total portfolio		Like-for-like portfolio				
				31/12/2023	31/12/2022	in EUR million	in %
in EUR thousand	Market value[1]	Annualised contractual rents	Market value[1]	Annualised contractual rents	Annualised contractual rents	LFL growth	LFL growth
Office	629.0	43.7	629.0	43.7	44.9	–1.1	–2.5
Retail	281.6	21.9	281.6	21.9	24.3	–2.4	–9.8
Logistics & Other	165.1	11.0	165.1	11.0	10.4	0.7	6.5
Total	**1,075.6**	**76.7**	**1,075.6**	**76.7**	**79.5**	**–2.8**	**–3.5**

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

COMPANY AND SHAREHOLDERS 2

COMBINED MANAGEMENT REPORT 26

CONSOLIDATED FINANCIAL STATEMENTS 95

FURTHER DISCLOSURES 188

EPRA disclosures 189

Contact & imprint 203

EPRA Loan-to-Value

The **EPRA Loan-to-Value** (EPRA LTV) is the ratio of net financial liabilities to the value of the assets, as defined by EPRA.

EPRA LOAN TO VALUE (EPRA LTV) 31/12/2024

		Proportionate consolidation			
in EUR thousand	Group EPRA LTV before proportionate consolidation	Share of joint ventures	Share of material associates	Non-controlling interests (NCI)	Combined
Net debt					
Include:					
Borrowings from financial institutions	163,663	77,304	0	–10,493	230,475
Commercial paper	0	0	0	0	0
Hybrids (including convertibles, preference shares, debt, options, perpetuals)	97,342	0	0	0	97,342
Bond loans	224,976	0	0	0	224,976
Foreign currency derivates (futures, swaps, options and forwards)	0	0	0	0	0
Net payables	110,647	61,367	0	0	172,014
Owner-occupied property (debt)	0	0	0	0	0
Current accounts (Equity characteristic)	0	0	0	0	0
Exclude:					
Cash and cash equivalents	–44,816	–5,761	0	3,178	–47,399
Net debt (a)	**551,812**	**132,911**	**0**	**–7,315**	**677,407**

COMPANY AND SHAREHOLDERS 2

COMBINED MANAGEMENT REPORT 26

CONSOLIDATED FINANCIAL STATEMENTS 95

FURTHER DISCLOSURES 188

EPRA disclosures 189

Contact & imprint 203

EPRA LOAN TO VALUE (EPRA LTV) 31/12/2024

in EUR thousand	Group EPRA LTV before proportionate consolidation	Proportionate consolidation			Combined
		Share of joint ventures	Share of material associates	Non-controlling interests (NCI)	
Investment property portfolio and other eligible assets					
Owner-occupied property	0	0	0	0	0
Investment properties at fair value	724,706	95,733	0	– 40,416	780,023
Properties held for sale	76,680	0	0	0	76,680
Properties under development	0	0	0	0	0
Intangibles	0	0	0	0	0
Net receivables	0	0	0	– 24	– 24
Financial assets	62,860	0	0	0	62,860
Loans to companies accounted for using the equity method	25,150	0	0	0	0
Loans and financial assets	37,710	0	0	0	0
Total property portfolio and other eligible assets (b)	**864,246**	**95,733**	**0**	**– 40,440**	**919,539**
LTV (a/b) (in %)	**63.8**	**138.8**	**0.0**	**18.1**	**73.7**

COMPANY AND SHAREHOLDERS 2

COMBINED MANAGEMENT REPORT 26

CONSOLIDATED FINANCIAL STATEMENTS 95

FURTHER DISCLOSURES 188

EPRA disclosures 189

Contact & imprint 203

EPRA LOAN TO VALUE (EPRA LTV) 31/12/2023

in EUR thousand	Group EPRA LTV before proportionate consolidation	Proportionate consolidation: Share of joint ventures	Proportionate consolidation: Share of material associates	Proportionate consolidation: Non-controlling interests (NCI)	Combined
Net debt					
Include:					
Borrowings from financial institutions	293,506	78,971	0	0	372,477
Commercial paper	0	0	0	0	0
Hybrids (including convertibles, preference shares, debt, options, perpetuals)	0	0	0	0	0
Bond loans	497,564	0	0	0	497,564
Foreign currency derivates (futures, swaps, options and forwards)	0	0	0	0	0
Net payables	91,003	59,298	0	0	150,301
Owner-occupied property (debt)	0	0	0	0	0
Current accounts (Equity characteristic)	0	0	0	0	0
Exclude:					
Cash and cash equivalents	– 119,989	– 2,419	0	0	– 122,408
Net debt (a)	**762,084**	**135,850**	**0**	**0**	**897,934**
Investment property portfolio and other eligible assets					
Owner-occupied property	0	0	0	0	0
Investment properties at fair value	947,276	102,861	0	0	1,050,137
Properties held for sale	149,100	0	0	0	149,100
Properties under development	0	0	0	0	0
Intangibles	0	0	0	0	0
Net receivables	0	0	0	0	0
Financial assets	70,510	0	0	0	70,510
Loans to companies accounted for using the equity method	25,150	0	0	0	0
Loans and financial assets	45,360	0	0	0	0
Total property portfolio and other eligible assets (b)	**1,166,886**	**102,861**	**0**	**0**	**1,269,747**
LTV (a/b) (in %)	**65.3**	**132.1**	**0.0**	**0.0**	**70.7**

COMPANY AND SHAREHOLDERS	**2**
COMBINED MANAGEMENT REPORT	**26**
CONSOLIDATED FINANCIAL STATEMENTS	**95**
FURTHER DISCLOSURES	**188**
EPRA disclosures	189
Contact & imprint	203

CONTACT & 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

PUBLISHER

The Executive Board of
DEMIRE Deutsche Mittelstand Real Estate AG

CONCEPT AND LAYOUT

Berichtsmanufaktur GmbH, Hamburg, Germany

PUBLICATION DATE

20 March 2025