



INTERIM STATEMENT
1 JANUARY – 31 MARCH 2023



HIGHLIGHTS 3M 2023



KEY EARNINGS FIGURES

9.2

in EUR million
FFO I (after taxes,
before minority interests),
compared to EUR 10.5 million
as of 3M 2022

20.8

in EUR million
RENTAL INCOME,
compared to EUR 19.3 million
as of 3M 2022



KEY FINANCIAL INDICATORS

53.9

in %
NET LOAN-TO-VALUE ¹
(NET LTV),
compared to 54.0%
at the end of 2022

1.67

in % p.a.
AVERAGE NOMINAL
INTEREST COSTS,
stable compared to
year-end 2022

4.80

in EUR
NET ASSET VALUE
(PER SHARE, BASIC),
compared to EUR 4.99
as of year-end 2022



PORTFOLIO DEVELOPMENT

1.3

in EUR billion
PORTFOLIO VALUE,
unchanged compared
to year-end 2022

84.1

in EUR million
ANNUALISED
CONTRACTUAL RENT,
compared to EUR 85.1 million
as of year-end 2022

8.8

in %
LIKE-FOR-LIKE INCREASE
of annualised contractual
rent compared to -1.2%
as of 3M 2022

4.6

in years
WALT,
compared to 4.8 years
as of year-end 2022

9.2

in %
EPRA VACANCY RATE ²,
compared to 9.5%
as of year-end 2022

10,200

in m²
LETTING PERFORMANCE,
compared to 43,000 m²
as of 3M 2022

¹ According to the definition of bond 2019/2024

² Excl. properties classified as project developments

Key for navigating the
interim statement:



Reference to table of contents



Reference to another page
in the interim statement



Reference to websites

CONTENTS

FOREWORD BY THE EXECUTIVE BOARD	2	INTERIM CONSOLIDATED FINANCIAL STATEMENTS	19
DEMIRE AT A GLANCE	3	Consolidated statement of income	20
Key Group figures	4	Consolidated statement of comprehensive income	21
Portfolio highlights	5	Consolidated balance sheet	22
INTERIM GROUP MANAGEMENT REPORT	6	Consolidated statement of cash flows	24
Overview	7	Consolidated statement of changes in equity	26
Economic report	10	Notes to the consolidated financial statements	27
Opportunities and risks	18	IMPRINT	39
Subsequent events	18		



FOREWORD BY THE EXECUTIVE BOARD	2
DEMIRE AT A GLANCE	3
INTERIM GROUP MANAGEMENT REPORT	6
INTERIM CONSOLIDATED FINANCIAL STATEMENTS	19
IMPRINT	39

FOREWORD BY THE EXECUTIVE BOARD

Dear Shareholders, dear Readers,

DEMIRE's business performance in the first quarter of 2023 has been stable and thus satisfactory. So far, the weak economic environment and high inflation have not had a significant negative impact on our operational business activity, and our business model continues to prove resilient. The key areas to focus on in terms of performance during the first quarter of the financial year are as follows:

- Rental income totalled EUR 20.8 million (previous year: EUR 19.3 million) in line with expectations.
- Funds from operations (FFO I, after taxes, before minority interests) decreased to EUR 9.2 million compared with EUR 10.5 million in the previous year.
- At around 10,200m², letting performance was down on the previous year's strong figure of around 43,000m².
- Like-for-like rental growth amounted to 8.8%, compared to -1.2% in the prior-year period.
- Excluding project developments, the EPRA vacancy rate continued to decrease slightly to 9.2% (31 December 2022: 9.5%) and the WALT decreased slightly by 0.2 years to 4.6 years compared to year-end 2022.
- NAV per share (basic) was slightly down to EUR 4.80, a fall of EUR 0.19 compared to the end of 2022.
- Net loan-to-value¹ (net LTV) fell slightly to 53.9%. Liquidity as at the reporting date was comfortable at EUR 73.4 million.
- Average nominal financing costs remain at a low level nominally at 1.67% p.a., with no significant maturities arising before mid-2024.

The year-on-year increase in rental income, one of DEMIRE's key performance indicators, is the result of the strong letting performance and rent indexations in recent years. The other key performance indicator, funds from operations (FFO I) after taxes and before minority interests, declined slightly. The decline is primarily due to impairments of rent receivables in connection with the insolvency of Galeria Karstadt Kaufhof and higher income tax expense.

The results obtained in the first three months of 2023 give us confidence that our performance will also be in line with our plans for the financial year as a whole. We are working on the assumption that neither the consequences of the pandemic nor the armed conflict in Ukraine will have a noticeable impact on our business activity. As DEMIRE has solid foundations, the fundamental shape of the real estate market, including in particular the office and commercial sector, and expected developments on the capital markets – including the possibility of the ECB further increasing interest rates – also give us grounds to believe our Company will continue to perform as planned in the foreseeable future.

Now the first quarter has ended, we therefore remain committed to our forecast for the 2023 financial year. In this regard, we expect rental income to be between EUR 71.0 million and EUR 73.0 million (2022: EUR 81.1 million). We also expect FFO I (after taxes, before minority interests) to be between EUR 30.0 million and EUR 32.0 million (2022: EUR 41.8 million).

Frankfurt am Main, 10 May 2023

Prof. Dr Alexander Goepfert
(CEO)

Tim Brückner
(CFO)

Ralf Bongers
(Member of the
Executive Board)

¹ According to the definition of bond 2019/2024



DEMIRE AT A GLANCE

Key Group figures	4
Portfolio highlights	5



FOREWORD BY THE
EXECUTIVE BOARD 2

DEMIRE AT A GLANCE 3

Key Group figures 4

Portfolio highlights 5

INTERIM GROUP
MANAGEMENT REPORT 6

INTERIM CONSOLIDATED
FINANCIAL STATEMENTS 19

IMPRINT 39

KEY GROUP FIGURES

in EUR thousand	01/01/2023 – 31/03/2023	01/01/2022 – 31/03/2022
Key earnings figures		
Rental income	20,765	19,340
Profit/loss from the rental of real estate	15,923	15,635
EBIT	-14,936	13,075
Financial result	-4,488	-4,309
EBT	-19,424	8,766
Net profit/loss for the period	-19,133	7,700
Net profit/loss for the period attributable to parent company shareholders	-18,291	7,112
Net profit/loss for the period per share (basic/diluted) (in EUR)	-0.17/-0.17	0.07/0.07
FFO I (after taxes, before minority interests)	9,227	10,542
FFO I per share (basic/diluted) (in EUR)	0.09/0.09	0.10/0.10

in EUR thousand	31/03/2023	31/12/2022
Key portfolio indicators		
Properties (number)	62	62
Market value (in EUR million)	1,304.4	1,329.8
Annualised contractual rents (in EUR million)	84.1	85.1
Rental yield (in %)	6.4	6.4
EPRA vacancy rate ¹ (in %)	9.2	9.5
WALT (in years)	4.6	4.8

¹ Excl. properties classified as project developments

in EUR thousand	31/03/2023	31/12/2022
Key balance sheet figures		
Total assets	1,523,241	1,536,851
Investment property	1,014,564	1,231,072
Non-current assets held for sale	314,155	121,000
Total real estate portfolio	1,328,719	1,352,072
Financial and lease liabilities	855,455	855,655
Cash and cash equivalents	73,404	57,415
Net financial liabilities	782,051	798,240
Net loan-to-value (net LTV) (in %)	53.9	54.0
Equity according to Group balance sheet	467,558	486,691
Equity ratio (in %)	30.7	31.7
Net asset value (NAV)	431,935	450,226
EPRA NAV (basic/diluted)	506,583/507,093	526,273/526,783
Number of shares (basic/diluted)	105,513/106,023	105,513/106,023
EPRA NAV per share (basic/diluted)	4.80/4.78	4.99/4.97



- FOREWORD BY THE EXECUTIVE BOARD 2
- DEMIRE AT A GLANCE 3
- Key Group figures 4
- Portfolio highlights 5
- INTERIM GROUP MANAGEMENT REPORT 6
- INTERIM CONSOLIDATED FINANCIAL STATEMENTS 19
- IMPRINT 39

PORTFOLIO HIGHLIGHTS

as at 31 March 2023

1.3

in EUR billion
MARKET VALUE OF THE REAL ESTATE PORTFOLIO

8.90

in EUR/m²
AVERAGE RENT across the portfolio

62

assets
 at **52 LOCATIONS**
 in 12 federal states

9.2

in %
EPRA VACANCY RATE¹ across the portfolio

84.1

in EUR million
ANNUALISED CONTRACTUAL RENTS

6.4

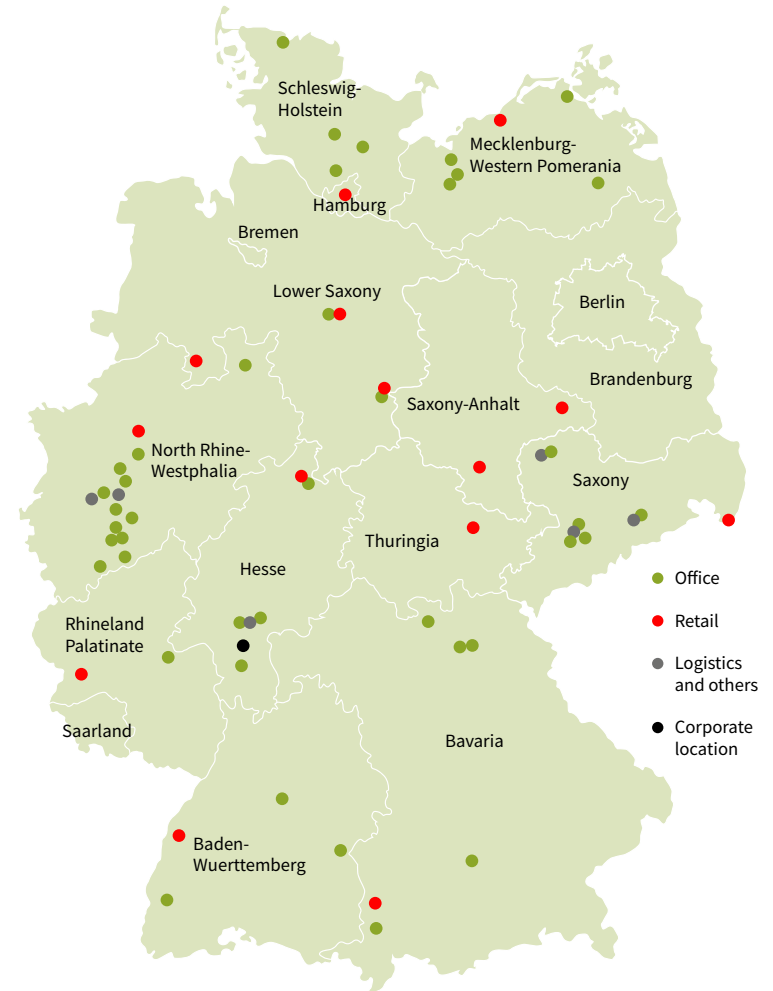
in %
GROSS RENTAL RETURNS

8.8

in %
LIKE-FOR-LIKE INCREASE
 in annualised contractual rent

4.6

in years
AVERAGE REMAINING TERM
 of leases (WALT)



¹ Excl. properties classified as project developments



INTERIM GROUP MANAGEMENT REPORT

for the reporting period from
1 January to 31 March 2023

Overview	7
Economic report	10
Opportunities and risks	18
Subsequent events	18



FOREWORD BY THE EXECUTIVE BOARD	2
DEMIRE AT A GLANCE	3
INTERIM GROUP MANAGEMENT REPORT	6
Overview	7
Economic report	10
Opportunities and risks	18
Subsequent events	18
INTERIM CONSOLIDATED FINANCIAL STATEMENTS	19
IMPRINT	39

OVERVIEW

BUSINESS PERFORMANCE

DEMIRE performed well in the first three months of 2023. Despite the smaller portfolio, the Group's rental income improved significantly, in particular due to rent indexations. The high level of letting activity in the previous year and a low number of expiring leases in 2023 have led to a lower availability of lettable space in the portfolio, which is a key reason for the comparatively low letting performance in the first quarter of 2023. The decrease in funds from operations (FFO I) after taxes and before minority interests is attributable to higher income tax expense and higher impairment losses on outstanding rent receivables compared with the prior-year period mainly in connection with the insolvency of the tenant Galeria Karstadt Kaufhof. In summary, the business development is in line with the expectations and planning of the Executive Board. The Company continues to focus on the consistent implementation of the REALize Potential strategy and the reduction of the loan-to-value ratio, among other things through sales of non-strategic properties. The performance during the period under review and in the previous financial year provides a stable basis to perform well during the current financial year and beyond.

- Rental income totalled EUR 20.8 million (previous year: EUR 19.3 million) in line with expectations.
- Funds from operations (FFO I, after taxes, before minority interests) decreased to EUR 9.2 million compared with EUR 10.5 million in the previous year.
- At around 10,200m², letting performance was down on the previous year's strong figure of around 43,000m².

- Like-for-like rental growth amounted to 8.8%, compared to –1.2% in the prior-year period.
- Excluding project developments, the EPRA vacancy rate decreased slightly to 9.2% (31 December 2022: 9.5%) and the WALT decreased slightly by 0.2 years to 4.6 years compared to year-end 2022.
- NAV per share (basic) was slightly down at EUR 4.80, a fall of EUR 0.19 compared to the end of 2022.
- Net loan-to-value¹ (net LTV) fell slightly to 53.9%. Liquidity as at the reporting date was comfortable at EUR 73.4 million.
- Average nominal financing costs remain at a low level nominally at 1.67% p.a., with no significant maturities arising before 2024.

PERFORMANCE IN LINE WITH FORECAST FOR 2023 FINANCIAL YEAR

Given the development in the first quarter of 2023, the Executive Board can confirm the forecast for the 2023 financial year: rental income will be between EUR 71.0 million and EUR 73.0 million (2022: EUR 81.1 million), and FFO I (after taxes, before minority interests) is expected to be between EUR 30.0 million and EUR 32.0 million (2022: EUR 41.8 million).

¹ According to the definition of bond 2019/2024



FOREWORD BY THE EXECUTIVE BOARD 2

DEMIRE AT A GLANCE 3

INTERIM GROUP MANAGEMENT REPORT 6

Overview 7

Economic report 10

Opportunities and risks 18

Subsequent events 18

INTERIM CONSOLIDATED FINANCIAL STATEMENTS 19

IMPRINT 39

REAL ESTATE PORTFOLIO

There were no changes in the portfolio as at the reporting date 31 March 2023 compared to the end of 2022. The portfolio consists of 62 commercial properties with lettable floor space of around 0.9 million m² and a total market value of around EUR 1.3 billion. The LogPark logistics property in Leipzig, the Telekom property in Ulm and other properties that were at an advanced stage of disposal as at the reporting date were classified as held for sale and revalued. This resulted in a valuation loss on the sale portfolio of EUR 25.5 million. An external property valuation of the portfolio was last performed on 31 December 2022.

The EPRA vacancy rate of the portfolio (excluding properties classified as a project development) was 9.2% as at the reporting date of 31 March 2023, a slight decrease of 0.3 percentage points compared with the level as at 31 December 2022. The WALT amounts to 4.6 years as at 31 March 2023 and has dipped slightly compared to the end of 2022. In the period under review, DEMIRE's letting performance reached almost 10,200 m² (previous year: 43,000 m²). New lettings contributed around 21.8% of letting performance and follow-on lettings made up around 78.2%.

TOP TEN TENANTS (AS AT 31 MARCH 2023)

No.	Tenant	Type of use	Contractual rents p.a. ¹ in EUR million	in % of total
1	GMG/Dt. Telekom	Office	12.1	14.4
2	IMOTEX	Retail	5.4	6.4
3	GALERIA Karstadt Kaufhof	Retail	3.7	4.4
4	momox Services GmbH	Logistics	2.4	2.8
5	Bima Bundesanstalt für Immobilienaufgaben	Office	2.3	2.7
6	Amazon	Logistics	2.2	2.6
7	Roomers	Hotel	2.1	2.5
8	Sparkasse Südholstein	Office	1.8	2.1
9	comdirect bank AG	Office	1.3	1.5
10	Die Autobahn GmbH des Bundes	Office	1.3	1.5
Total			34.4	40.9
Other			49.7	59.1
Total			84.1	100.0

¹ Based on annualised contractual rents, excluding ancillary costs



**FOREWORD BY THE
EXECUTIVE BOARD** 2

DEMIRE AT A GLANCE 3

**INTERIM GROUP
MANAGEMENT REPORT** 6

Overview 7

Economic report 10

Opportunities and risks 18

Subsequent events 18

**INTERIM CONSOLIDATED
FINANCIAL STATEMENTS** 19

IMPRINT 39

PORTFOLIO BY ASSET CLASS

	Number of properties	Market value in EUR million	Share by market value in %	Lettable space in thousand m ²	Market value/m ²	Contractual rent in EUR million p.a.	Contractual rent per m ²	Rental returns in %	EPRA vacancy rate ¹ in %	WALT in years
Office	40	797.3	61.1	504.4	1,580	49.8	9.66	6.2	9.5	3.2
Retail	17	318.5	24.4	220.1	1,447	23.7	10.27	7.4	7.6	5.4
Logistics & other	5	188.5	14.5	188.7	999	10.6	5.33	5.6	11.8	9.5
Total – 31 March 2023	62	1,304.4	100.0	913.2	1,428	84.1	8.90	6.4	9.2	4.6
Total – 31 December 2022	62	1,329.8	100.0	912.7	1,457	85.1	8.72	6.4	9.5	4.8
Change (in %/pp)	0	-1.9	0	0.1	-2.0	-1.2	2.1	0.0	-0.3	-0.2

¹ Excluding project developments



FOREWORD BY THE EXECUTIVE BOARD	2
DEMIRE AT A GLANCE	3
INTERIM GROUP MANAGEMENT REPORT	6
Overview	7
Economic report	10
Opportunities and risks	18
Subsequent events	18
INTERIM CONSOLIDATED FINANCIAL STATEMENTS	19
IMPRINT	39

ECONOMIC REPORT

Results of operations, net assets and financial position

RESULTS OF OPERATIONS

In the first three months of 2023, the DEMIRE Group generated rental income totaling EUR 20.8 million (previous year: EUR 19.3 million). Rental income rose sharply by 7.4% year-on-year, mainly as a result of rent indexations. Profit/loss from the rental of real estate went up 1.8% to EUR 15.9 million (previous year: EUR 15.6 million). The smaller increase compared with rental income is mainly due to higher non-allocated management costs as a result of project developments in progress, such as in Essen. As in the prior-year period, no income was generated from sales. No sales were notarised in the reporting period.

In addition to the LogPark property in Leipzig, which has already been notarised for sale, and the Telekom property in Ulm, which was notarised after the reporting date, other properties that were in an advanced stage of a sales process as of the reporting date were reclassified as held for sale and revalued. The result from the fair value adjustment of the properties held for sale amounted to EUR –25.5 million (previous year: EUR 0 million).

Impairments on receivables amount to EUR –0.6 million and relate primarily to outstanding rent receivables from, among others, the tenant Galeria Karstadt Kaufhof, which is currently in a state of insolvency. In the previous year (EUR 0.1 million), one-off effects from reversals of impairments were the main contributors to a positive result. General administrative expenses in the first three months of 2023

increased slightly to EUR 3.0 million (previous year: EUR 2.7 million). Other operating expenses increased to EUR 2.0 million (previous year: EUR 0.4 million) due to write-downs of rent-free periods in connection with the termination of Galeria Karstadt Kaufhof in Celle. Earnings before interest and taxes (EBIT) were negative at EUR –14.9 million (previous year: EUR 13.1 million) due to the market value adjustment of the properties held for sale.

The financial result amounts to EUR –4.5 million, compared to EUR –4.3 million in the prior-year period. This includes loans, which resulted in financial income of EUR 1.2 million (previous year: EUR 1.1 million), and the profit/loss from companies accounted for using the equity method of EUR 0 million (previous year: EUR 0.5 million). The average nominal interest rate on financial debt as at 31 March 2023 remains constant compared to the end of 2022 at a nominal 1.67% p.a.

Earnings before taxes (EBT) fell to EUR –19.4 million in the period under review, compared to EUR 8.8 million in the previous year. The profit for the period for the first three months of 2023 was EUR –19.1 million, compared to EUR 7.7 million in the same period of the previous year.



FOREWORD BY THE
EXECUTIVE BOARD

2

DEMIRE AT A GLANCE

3

INTERIM GROUP
MANAGEMENT REPORT

6

Overview

7

Economic report

10

Opportunities and risks

18

Subsequent events

18

INTERIM CONSOLIDATED
FINANCIAL STATEMENTS

19

IMPRINT

39

CONSOLIDATED INCOME STATEMENT

(selected information in EUR thousand)	01/01/2023 – 31/03/2023	01/01/2022 – 31/03/2022	Change	in %
Rental income	20,765	19,340	1,425	7.4
Income from utility and service charges	8,339	9,205	-866	-9.4
Operating expenses to generate rental income	-13,181	-12,910	-271	2.1
Profit/loss from the rental of real estate	15,923	15,635	288	1.8
Income from the sale of real estate and real estate companies	0	0	0	
Expenses related to the sale of real estate and real estate companies	-97	-51	-46	90.2
Profit/loss from the sale of real estate and real estate companies	-97	-51	-46	90.2
Profit/loss from fair value adjustments of investment properties	0	0	0	0.0
Result from the fair value adjustment of assets held for sale ¹	-25,500	0	-25,500	>100
Impairment of receivables	-568	149	-717	>100
Other operating income	299	453	-154	-34.0
General and administrative expenses	-2,995	-2,740	-255	9.3
Other operating expenses	-1,998	-371	-1,627	>100
Earnings before interest and taxes	-14,936	13,075	-28,011	>100
Financial result	-4,488	-4,309	-179	4.2
Earnings before taxes	-19,424	8,766	-28,190	>100
Current income taxes	-1,108	-747	-361	48.3
Deferred taxes	1,399	-319	1,718	>100
Net profit/loss for the period	-19,133	7,700	-26,833	>100
Thereof attributable to parent company shareholders	-18,291	7,112	-25,403	>100
Basic earnings per share (in EUR)	-0.17	0.07	-0.24	>100
Weighted average number of shares outstanding	105,513	105,513	0	0.0
Diluted earnings per share (in EUR)	-0.17	0.07	-0.24	>100
Weighted average number of shares outstanding (diluted)	106,023	106,023	0	0.0

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



FOREWORD BY THE EXECUTIVE BOARD	2
DEMIRE AT A GLANCE	3
INTERIM GROUP MANAGEMENT REPORT	6
Overview	7
Economic report	10
Opportunities and risks	18
Subsequent events	18
INTERIM CONSOLIDATED FINANCIAL STATEMENTS	19
IMPRINT	39

NET ASSETS

As at 31 March 2023, total assets had decreased slightly by EUR 13.6 million compared to the end of 2022 to approximately EUR 1,523.2 million. The value of investment property was EUR 1,014.6 million (previous year: EUR 1,231.1 million) as at 31 March 2023. The decrease compared to the value at year-end 2022 is mainly due to the reclassification of properties for sale as non-current assets held for sale and their revaluation.

Group equity as at 31 March 2023 totalled EUR 467.6 million and was lower compared to the level as at 31 December 2022 (EUR 486.7 million), mainly due to the negative result for the period as a result of the fair value adjustment of the properties held for sale. Consequently, the equity ratio came to 30.7% (31 December 2022: 31.7%). It should be noted that non-controlling minority interests reported in the Group's borrowed capital of around EUR 81.8 million (31 December 2022: EUR 80.4 million) are carried as non-current liabilities and not as equity in accordance with IAS 32, solely as a result of the legal form of Fair Value REIT's fund participations as partnerships. The corresponding adjusted Group equity totals EUR 549.3 million (31 December 2022: EUR 567.1 million).

Total liabilities as at 31 March 2023 amounted to EUR 1,055.7 million, up slightly compared to the total as at 31 December 2022 (EUR 1,050.2 million).



FOREWORD BY THE
EXECUTIVE BOARD

2

DEMIRE AT A GLANCE

3

INTERIM GROUP
MANAGEMENT REPORT

6

Overview

7

Economic report

10

Opportunities and risks

18

Subsequent events

18

INTERIM CONSOLIDATED
FINANCIAL STATEMENTS

19

IMPRINT

39

CONSOLIDATED BALANCE SHEET – ASSETS

(selected information in EUR thousand)	31/03/2023	31/12/2022	Change	in %
Assets				
Total non-current assets	1,109,023	1,325,811	-216,788	-16.4
Total current assets	100,063	90,043	10,020	11.1
Assets held for sale	314,155	121,000	193,155	>100
Total assets	1,523,241	1,536,854	-13,613	-0.9

CONSOLIDATED BALANCE SHEET – EQUITY AND LIABILITIES

(selected information in EUR thousand)	31/03/2023	31/12/2022	Change	in %
Equity and liabilities				
Equity				
Equity attributable to parent company shareholders	431,934	450,226	-18,292	-4.1
Non-controlling interests	35,624	36,465	-841	-2.3
Total equity	467,558	486,691	-19,133	-3.9
Liabilities				
Total non-current liabilities	993,195	996,049	-2,854	-0.3
Total current liabilities	62,488	54,111	8,374	15.5
Total liabilities	1,055,683	1,050,160	5,520	0.5
Total equity and liabilities	1,523,241	1,536,851	-13,613	-0.9



FOREWORD BY THE EXECUTIVE BOARD	2
DEMIRE AT A GLANCE	3
INTERIM GROUP MANAGEMENT REPORT	6
Overview	7
Economic report	10
Opportunities and risks	18
Subsequent events	18
INTERIM CONSOLIDATED FINANCIAL STATEMENTS	19
IMPRINT	39

FINANCIAL POSITION

Cash flow from operating activities came to EUR 15.7 million (previous year: EUR 9.8 million) in the first three months of 2023, reflecting the Company's operating result. The increase compared to the previous year's period is related in particular to tax refunds.

Cash flow from investing activities during the period under review amounted to EUR 4.9 million, compared to EUR –8.2 million in the previous year. This was primarily driven by proceeds from the sale of the property in Ludwigsburg.

Cash flow from financing activities came to EUR –4.6 million, compared to EUR –4.2 million in the same prior-year period. The reporting period mainly includes interest and redemption payments.

Cash and cash equivalents amounted to EUR 73.4 million on 31 March 2023 (31 March 2022: EUR 137.0 million).

CONSOLIDATED STATEMENT OF CASH FLOWS

(selected information in EUR thousand)	01/01/2023 – 31/03/2023	01/01/2022 – 31/03/2022	Change
Cash flow from operating activities	15,719	9,821	5,897
Cash flow from investing activities	4,873	–8,217	13,090
Cash flow from financing activities	–4,603	–4,239	–364
Net change in cash and cash equivalents	15,989	–2,635	18,624
Cash and cash equivalents at the end of the period	73,404	136,984	–63,580

Funds from operations (FFO)

Funds from operations I (after taxes, before minority interests), the key operating performance indicator, fell by 12.5% to EUR 9.2 million in the first quarter of 2023, compared to EUR 10.5 million during the same period of the previous year. On a diluted basis, this corresponds to an FFO I per share of EUR 0.09, compared to EUR 0.10 in the same period of the previous year.



FOREWORD BY THE
EXECUTIVE BOARD

2

DEMIRE AT A GLANCE

3

INTERIM GROUP
MANAGEMENT REPORT

6

Overview

7

Economic report

10

Opportunities and risks

18

Subsequent events

18

INTERIM CONSOLIDATED
FINANCIAL STATEMENTS

19

IMPRINT

39

FFO CALCULATION

(selected information in EUR thousand)	01/01/2023 – 31/03/2023	01/01/2022 – 31/03/2022	Change	in %
Earnings before taxes	-19,424	8,767	-28,191	>100
Minority interests	1,394	1,233	161	13.1
Earnings before taxes (EBT)	-18,030	10,000	-28,030	>100
± Profit/loss from the sale of real estate	97	51	46	90.2
± Profit/loss from the valuation of investment properties	25,500	0	25,500	
± Other adjustments ¹	2,805	835	1,970	>100
FFO I before taxes	10,373	10,886	-513	-4.7
± (Current) income taxes	-1,146	-434	-712	>100
FFO I after taxes	9,227	10,452	-1,225	-11.7
Thereof attributable to parent company shareholders	7,143	8,619	-1,476	-17.1
Thereof attributable to non-controlling interests	2,084	1,833	251	13.7
± Profit/loss from the sale of real estate and real estate companies (after taxes)	-97	-51	-46	90.2
FFO II after taxes	9,130	10,402	-1,271	-12.2
Thereof attributable to parent company shareholders	7,046	8,565	-1,519	-17.7
Thereof attributable to non-controlling interests	2,084	1,837	247	13.5
FFO I after taxes and minority interests				
Basic earnings per share (in EUR)	0.09	0.10	-0.01	-12.5
Weighted average number of shares outstanding	105,513	105,513	0	0.0
Diluted earnings per share (in EUR)	0.09	0.10	-0.01	-13.0
Weighted average number of shares outstanding (diluted)	106,023	106,023	0	0.0
FFO II after taxes and minority interests				
Basic earnings per share (in EUR)	0.07	0.10	-0.03	-33.2
Weighted average number of shares outstanding	105,513	105,513	-0	-0.0
Diluted earnings per share (in EUR)	0.07	0.10	-0.03	-33.5
Weighted average number of shares outstanding (diluted)	106,023	106,023	0	0.0

¹ Other adjustments include:
– One-time refinancing costs and effective interest payments (EUR 0.6 million, previous year: EUR 0.6 million)
– One-time transaction, legal and consultancy fees (EUR 0.2 million, previous year: EUR -0.2 million)
– One-time administrative costs (EUR 0 million, previous year: EUR 0.2 million)
– Non-period expenses/income (EUR 2.0 million, previous year: EUR 0.2 million)



FOREWORD BY THE EXECUTIVE BOARD 2

DEMIRE AT A GLANCE 3

INTERIM GROUP MANAGEMENT REPORT 6

Overview 7

Economic report 10

Opportunities and risks 18

Subsequent events 18

INTERIM CONSOLIDATED FINANCIAL STATEMENTS 19

IMPRINT 39

Net asset value (NAV)

The basic net asset value was down from EUR 526.3 million as at 31 December 2022 to EUR 506.6 million as at 31 March 2023, largely due to the negative result for the period. On a per-share basis, basic NAV amounted to EUR 4.80 per share on the reporting date (31 December 2022: EUR 4.99 per share).

NET ASSET VALUE (NAV)

in EUR thousand	31/03/2023	31/12/2022	Change	in %
Net asset value (NAV)	431,935	450,226	-18,291	-4.1
Deferred taxes	74,648	76,047	-1,399	-1.8
Goodwill resulting from deferred taxes	0	0	-4,738	-100.0
NAV (basic)	506,583	526,273	-24,428	-4.6
Number of outstanding shares (basic) (in thousands)	105,513	105,513	0	0.0
NAV per share (basic) (in EUR)	4.80	4.99	-0.19	-3.7
Effect of the conversion of convertible bonds and other equity instruments	510	510	0	0.0
NAV (diluted)	507,093	526,783	-19,690	-3.7
Number of outstanding shares (diluted) (in thousands)	106,023	106,023	0	0.0
NAV per share (diluted) (in EUR)	4.78	4.97	-0.19	-3.7



FOREWORD BY THE EXECUTIVE BOARD 2

DEMIRE AT A GLANCE 3

INTERIM GROUP MANAGEMENT REPORT 6

Overview 7

Economic report 10

Opportunities and risks 18

Subsequent events 18

INTERIM CONSOLIDATED FINANCIAL STATEMENTS 19

IMPRINT 39

NET LOAN-TO-VALUE RATIO

The DEMIRE Group's net loan-to-value ratio is defined in the 2019/2024 bond prospectus as the ratio of net financial liabilities to the sum of all assets less intangible assets and cash and cash equivalents. The net loan-to-value ratio fell to 53.9% as at 31 March 2023 from 54.0% at the end of 2022.

NET LOAN-TO VALUE (NET LTV)

in EUR thousand	31/03/2023	31/12/2022
Financial liabilities and lease liabilities	855,455	855,655
Cash and cash equivalents	73,404	57,415
Net financial debt	782,051	798,240
Total assets	1,523,241	1,536,854
Intangible assets	0	0
Cash and cash equivalents	-73,404	-57,415
Total assets less intangible assets and cash and cash equivalents	1,449,837	1,479,439
Net LTV (in %)	53.9	54.0

Covenants for the 2019/2024 corporate bond

Within the scope of issuing the 2019/2024 corporate bond, DEMIRE undertook to comply with and regularly report on various covenants. The definition of the covenants to be reported on is listed in the offering prospectus for the 2019/2024 corporate bond.

BOND COVENANTS 31/03/2023

	NET LTV	NET SECURED LTV	ICR
Covenant	max. 60%	max. 40%	min. 2.00
Value	53.9%	14.1%	4.82

As at 31 March 2023, DEMIRE had complied with all covenants of the 2019/2024 corporate bond. In addition, the planning for 2023 and beyond assumes that the covenants will also be complied with at all times in the future.



FOREWORD BY THE EXECUTIVE BOARD	2
DEMIRE AT A GLANCE	3
INTERIM GROUP MANAGEMENT REPORT	6
Overview	7
Economic report	10
Opportunities and risks	18
Subsequent events	18
INTERIM CONSOLIDATED FINANCIAL STATEMENTS	19
IMPRINT	39

Opportunities and risks

For information on the opportunities and risks of future business performance, please refer to the disclosures made in the opportunities and risks report included within the [⑦ consolidated financial statements](#) as at 31 December 2022. There were no material changes to the Group's opportunity and risk structure in the first three months of 2023.

The opportunities and risks are reviewed continuously and in a structured process. From today's perspective, no risks that could endanger the Company have been identified.

Subsequent events

In April 2023, a partial buyback of the 2019/2024 bond at a nominal price of EUR 51 million was carried out at below par. As a result, the nominal amount of the 2019/2024 bond was reduced to EUR 499 million.

A purchase agreement for the Telekom property in Ulm was signed in April 2023. The transfer of benefits and obligations is set to take place in the second quarter.

Mr Ralf Bongers took his place on the Executive Board on 1 April 2023 with a focus on transactions and asset management.

No further events occurred after the interim reporting date that are of relevance to DEMIRE's net assets, financial position and results of operations.

Frankfurt am Main, 10 May 2023

DEMIRE Deutsche Mittelstand Real Estate AG

Prof. Dr Alexander Goepfert
(CEO)

Tim Brückner
(CFO)

Ralf Bongers
(Member of the
Executive Board)



INTERIM CONSOLIDATED FINANCIAL STATEMENTS

Consolidated statement of income	20
Consolidated statement of comprehensive income	21
Consolidated balance sheet	22
Consolidated statement of cash flows	24
Consolidated statement of changes in equity	26
Notes to the consolidated financial statements	27



FOREWORD BY THE
EXECUTIVE BOARD 2

DEMIRE AT A GLANCE 3

INTERIM GROUP
MANAGEMENT REPORT 6

INTERIM CONSOLIDATED
FINANCIAL STATEMENTS 19

Consolidated statement
of income 20

Consolidated statement
of comprehensive income 21

Consolidated balance sheet 22

Consolidated statement
of cash flows 24

Consolidated statement
of changes in equity 26

Notes to the consolidated
financial statements 27

IMPRINT 39

CONSOLIDATED STATEMENT OF INCOME

for the reporting period from 1 January to 31 March 2023

in EUR thousand	NOTE	01/01/2023 – 31/03/2023	01/01/2022 – 31/03/2022
Rental income		20,765	19,340
Income from utility and service charges		8,339	9,205
Operating expenses to generate rental income		-13,181	-12,910
Profit/loss from the rental of real estate		15,923	15,635
Income from the sale of real estate and real estate companies		0	0
Expenses related to the sale of real estate and real estate companies		-97	-51
Profit/loss from the sale of real estate and real estate companies		-97	-51
Profit/loss from fair value adjustments of investment properties		0	0
Result from fair value adjustment of assets held for sale ¹		-25,500	0
Impairment of receivables		-568	149
Other operating income		299	453
General and administrative expenses		-2,995	-2,740
Other operating expenses		-1,998	-371
Earnings before interest and taxes	D 1	-14,936	13,075
Financial income ¹		1,205	1,057
Financial expenses		-4,299	-4,661
Profit/loss from companies accounted for using the equity method		0	528
Minority interests		-1,394	-1,233
Financial result	D 2	-4,488	-4,309
Earnings before taxes		-19,424	8,766
Current income taxes		-1,108	-747
Deferred taxes		1,399	-319
Net profit/loss for the period		-19,133	7,700
Thereof attributable to:			
Non-controlling interests		-842	588
Parent company shareholders		-18,291	7,112
Basic/diluted earnings per share (in EUR)	D 3	-0.17	0.07

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



FOREWORD BY THE EXECUTIVE BOARD 2

DEMIRE AT A GLANCE 3

INTERIM GROUP MANAGEMENT REPORT 6

INTERIM CONSOLIDATED FINANCIAL STATEMENTS 19

Consolidated statement of income 20

Consolidated statement of comprehensive income 21

Consolidated balance sheet 22

Consolidated statement of cash flows 24

Consolidated statement of changes in equity 26

Notes to the consolidated financial statements 27

IMPRINT 39

CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

for the reporting period from 1 January to 31 March 2023

in EUR thousand	01/01/2023 – 31/03/2023	01/01/2022 – 31/03/2022
Net profit/loss for the period	-19,133	7,700
Other comprehensive income	0	0
Total comprehensive income	-19,133	7,700
Thereof attributable to:		
Non-controlling interests	-842	588
Parent company shareholders	-18,291	7,112



FOREWORD BY THE
EXECUTIVE BOARD 2

DEMIRE AT A GLANCE 3

INTERIM GROUP
MANAGEMENT REPORT 6

INTERIM CONSOLIDATED
FINANCIAL STATEMENTS 19

Consolidated statement
of income 20

Consolidated statement
of comprehensive income 21

Consolidated balance sheet 22

Consolidated statement
of cash flows 24

Consolidated statement
of changes in equity 26

Notes to the consolidated
financial statements 27

IMPRINT 39

CONSOLIDATED BALANCE SHEET

as at 31 March 2023

ASSETS

in EUR thousand	NOTE	31/03/2023	31/12/2022
Assets			
Non-current assets			
Property, plant and equipment		211	164
Investment property	E 1	1,014,564	1,231,072
Shares in companies accounted for using the equity method		385	385
Loans to companies accounted for using the equity method		24,717	24,752
Loans and financial assets		62,700	62,750
Other assets		6,446	6,685
Total non-current assets		1,109,023	1,325,808
Current assets			
Trade accounts receivable		14,237	13,845
Financial assets		2,301	9,584
Other assets		7,032	2,658
Tax refund claims		3,089	6,541
Cash and cash equivalents		73,404	57,415
Total current assets		100,063	90,043
Non-current assets held for sale		314,155	121,000
Total assets		1,523,241	1,536,851



FOREWORD BY THE
EXECUTIVE BOARD 2

DEMIRE AT A GLANCE 3

INTERIM GROUP
MANAGEMENT REPORT 6

INTERIM CONSOLIDATED
FINANCIAL STATEMENTS 19

Consolidated statement
of income 20

Consolidated statement
of comprehensive income 21

Consolidated balance sheet 22

Consolidated statement
of cash flows 24

Consolidated statement
of changes in equity 26

Notes to the consolidated
financial statements 27

IMPRINT 39

CONSOLIDATED BALANCE SHEET

as at 31 March 2023

EQUITY AND LIABILITIES

in EUR thousand	NOTE	31/03/2023	31/12/2022
Equity and liabilities			
Equity			
Subscribed capital		105,513	105,513
Reserves	E 2	326,421	344,713
Equity attributable to parent company shareholders		431,934	450,226
Non-controlling interests		35,624	36,465
Total equity		467,558	486,691
Liabilities			
Non-current liabilities			
Deferred tax liabilities		74,648	76,047
Minority interests		81,758	80,364
Financial liabilities	E 3	810,630	813,429
Lease liabilities		26,159	26,209
Other liabilities		1	0
Total non-current liabilities		993,196	996,049
Current liabilities			
Provisions		1,567	3,011
Trade payables		16,827	16,611
Other liabilities		11,267	5,356
Tax liabilities		14,160	13,116
Financial liabilities	E 3	18,282	15,626
Lease liabilities		384	391
Total current liabilities		62,487	54,111
Total liabilities		1,055,683	1,050,160
Total equity and liabilities		1,523,241	1,536,851



FOREWORD BY THE
EXECUTIVE BOARD 2

DEMIRE AT A GLANCE 3

INTERIM GROUP
MANAGEMENT REPORT 6

INTERIM CONSOLIDATED
FINANCIAL STATEMENTS 19

Consolidated statement
of income 20

Consolidated statement
of comprehensive income 21

Consolidated balance sheet 22

**Consolidated statement
of cash flows 24**

Consolidated statement
of changes in equity 26

Notes to the consolidated
financial statements 27

IMPRINT 39

CONSOLIDATED STATEMENT OF CASH FLOWS

for the reporting period from 1 January to 31 March 2023

in EUR thousand		01/01/2023 – 31/03/2023	01/01/2022 – 31/03/2022
Earnings before taxes		-19,424	8,766
Financial expenses		4,299	4,661
Financial income		-1,205	-1,585
Minority interests		1,394	1,233
Change in trade accounts receivable		-960	-2,976
Change in other receivables and other assets		-3,073	-3,226
Change in provisions		-1,444	-323
Change in trade payables and other liabilities		5,899	2,804
Profit/loss from fair value adjustments of investment properties		25,500	51
Profit/loss from the sale of real estate and real estate companies		97	0
Interest received from loans to companies accounted for using the equity method		176	340
Income tax payments		3,388	-134
Depreciation and amortisation and impairment		1,053	116
Distributions from companies accounted for using the equity method		0	90
Other non-cash items		19	3
Cash flow from operating activities		15,719	9,821



FOREWORD BY THE EXECUTIVE BOARD 2

DEMIRE AT A GLANCE 3

INTERIM GROUP MANAGEMENT REPORT 6

INTERIM CONSOLIDATED FINANCIAL STATEMENTS 19

Consolidated statement of income 20

Consolidated statement of comprehensive income 21

Consolidated balance sheet 22

Consolidated statement of cash flows 24

Consolidated statement of changes in equity 26

Notes to the consolidated financial statements 27

IMPRINT 39

CONSOLIDATED STATEMENT OF CASH FLOWS

for the reporting period from 1 January to 31 March 2023

in EUR thousand	01/01/2023 – 31/03/2023	01/01/2022 – 31/03/2022
Payments for the acquisition of/investments in investment properties, incl. prepayments, refurbishment measures and prepayments for property, plant and equipment	-3,359	-9,467
Proceeds from loans to companies accounted for using the equity method	32	1,300
Proceeds from the sale of real estate	8,200	-51
Cash flow from investing activities	4,873	-8,217
Interest paid on financial liabilities	-1,171	-1,240
Payments for the purchase of additional shares in a subsidiary	0	-5
Payments for the redemption of financial liabilities	-3,326	-2,962
Payment for the redemption of lease liabilities	-106	-32
Cash flow from financing activities	-4,603	-4,239
Net change in cash and cash equivalents	15,989	-2,635
Cash and cash equivalents at the start of the period	57,415	139,619
Cash and cash equivalents at the end of the period	73,404	136,984



FOREWORD BY THE
EXECUTIVE BOARD

2

DEMIRE AT A GLANCE

3

INTERIM GROUP
MANAGEMENT REPORT

6

INTERIM CONSOLIDATED
FINANCIAL STATEMENTS

19

Consolidated statement
of income

20

Consolidated statement
of comprehensive income

21

Consolidated balance sheet

22

Consolidated statement
of cash flows

24

**Consolidated statement
of changes in equity**

26

Notes to the consolidated
financial statements

27

IMPRINT

39

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the reporting period from 1 January to 31 March 2023

in EUR thousand	Share capital		Reserves			Total equity
	Subscribed capital	Capital reserves	Retained earnings incl. Group profit/loss	Equity attributable to parent company shareholders	Non-controlling interests	
01/01/2023	105,513	88,366	256,347	450,226	36,465	486,691
Net profit/loss for the period			-18,291	-18,291	-842	-19,133
Other comprehensive income			0	0	0	0
Total comprehensive income	0	0	-18,291	-18,291	-842	-19,133
Dividend payments/distributions	0	0	0	0	0	0
Acquisition of treasury shares	0	0	0	0	0	0
Other changes	0	0	0	0	1	0
31/03/2023	105,513	88,366	238,055	431,934	35,624	467,558

in EUR thousand	Share capital		Reserves			Total equity
	Subscribed capital	Capital reserves	Retained earnings incl. Group profit/loss	Equity attributable to parent company shareholders	Non-controlling interests	
01/01/2022	105,513	88,366	355,144	549,023	43,339	592,362
Net profit/loss for the period			7,112	7,112	588	7,700
Other comprehensive income			0	0	0	0
Total comprehensive income	0	0	7,112	7,112	588	7,700
Dividend payments/distributions	0	0	0	0	0	0
Acquisition of treasury shares	0	0	0	0	0	0
Other changes	0	0	-278	-278	-51	-329
31/03/2022	105,513	88,366	361,978	555,857	43,876	599,733



FOREWORD BY THE EXECUTIVE BOARD	2
DEMIRE AT A GLANCE	3
INTERIM GROUP MANAGEMENT REPORT	6
INTERIM CONSOLIDATED FINANCIAL STATEMENTS	19
Consolidated statement of income	20
Consolidated statement of comprehensive income	21
Consolidated balance sheet	22
Consolidated statement of cash flows	24
Consolidated statement of changes in equity	26
Notes to the consolidated financial statements	27
IMPRINT	39

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the reporting period from 1 January to 31 March 2023

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. 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.

The subject of these condensed interim consolidated financial statements as at 31 March 2023 is DEMIRE AG and its subsidiaries (hereafter “DEMIRE”).

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 real estate 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.

The condensed interim consolidated financial statements for the period from 1 January to 31 March 2023 were prepared in accordance with the requirements of IAS 34 Interim Financial Reporting (hereafter IAS 34). This report has not been audited or subjected to audit review, and for this reason does not contain an auditor’s opinion.

The condensed interim consolidated financial statements of DEMIRE AG were prepared in accordance with the International Financial Reporting Standards (IFRS) published by the International Accounting Standards Board (IASB), as adopted by the European Union (EU), applying Section 315e of the German Commercial Code (HGB). All International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), 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 2023 financial year have been taken into consideration. Furthermore, all disclosure and explanation requirements under German law above and beyond the provisions of the IASB have been fulfilled.

Under IAS 34, the condensed interim consolidated financial statements are intended to be an update of the most recent annual financial statements. They therefore do not contain all of the information and disclosures required for consolidated financial statements but rather concentrate on new activities, events and circumstances so as not to repeat information that has already been reported. The condensed interim consolidated financial statements of DEMIRE AG as at 31 March 2023 should therefore be viewed in conjunction with the [🔗 consolidated financial statements](#) prepared as at 31 December 2022.

The euro (EUR) is the reporting currency of DEMIRE AG’s condensed interim 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 consolidated statement of income has been prepared according to the cost-of-sales method.

These condensed interim consolidated financial statements of DEMIRE AG were approved for publication by a resolution of the Executive Board on 10 May 2023.



**FOREWORD BY THE
EXECUTIVE BOARD** 2

DEMIRE AT A GLANCE 3

**INTERIM GROUP
MANAGEMENT REPORT** 6

**INTERIM CONSOLIDATED
FINANCIAL STATEMENTS** 19

Consolidated statement
of income 20

Consolidated statement
of comprehensive income 21

Consolidated balance sheet 22

Consolidated statement
of cash flows 24

Consolidated statement
of changes in equity 26

**Notes to the consolidated
financial statements** 27

IMPRINT 39

B. Scope and principles of consolidation

There were no changes in the scope of consolidation in the 2023 reporting period.

C. Accounting policies

The accounting policies applied to these interim consolidated financial statements are the same as those applied to the consolidated financial statements as at 31 December 2022. There were no material changes in estimates compared to those in the [🔗 consolidated financial statements](#) as at 31 December 2022.

The amendments to IAS 1, 8 and 12, IFRS 9 and 17, and the annual improvements to the IFRS, 2018–2020 cycle, which are to be applied for the first time, have no impact on DEMIRE's consolidated financial statements.



FOREWORD BY THE
EXECUTIVE BOARD

2

DEMIRE AT A GLANCE

3

INTERIM GROUP
MANAGEMENT REPORT

6

INTERIM CONSOLIDATED
FINANCIAL STATEMENTS

19

Consolidated statement
of income

20

Consolidated statement
of comprehensive income

21

Consolidated balance sheet

22

Consolidated statement
of cash flows

24

Consolidated statement
of changes in equity

26

Notes to the consolidated
financial statements

27

IMPRINT

39

D. Notes to the consolidated statement of income

1. Earnings before interest and taxes

in EUR thousand	01/01/2023 – 31/03/2023	01/01/2022 – 31/03/2022
Net rent	20,765	19,340
Income from utility and service charges	8,339	9,205
Rental revenue from real estate	29,104	28,545
Allocable operating expenses to generate rental income	-11,265	-10,906
Non-allocable operating expenses to generate rental income	-1,916	-2,004
Operating expenses to generate rental income	-13,181	-12,910
Profit/loss from the rental of real estate	15,923	15,635

Rental revenue in the interim reporting period resulted exclusively from the rental of commercial real estate and is free from seasonal effects.

The increase in profit/loss from the rental of real estate to EUR 15,923 thousand (Q1 2022: EUR 15,635 thousand) is primarily due to higher net rent in the amount of EUR 20,765 thousand (Q1 2022: EUR 19,340 thousand) mainly driven by indexation of leases. This was offset by lower income from utility and service charges of EUR 8,339 thousand (Q1 2022: EUR 9,205 thousand) as a result of the absence of a one-off effect from service charge settlements in the previous year. Non-allocable operating expenses of the previous year's one-off effect from service charge settlements. Non-allocable operating expenses of EUR 1,916 thousand (Q1 2022: EUR 2,004 thousand) decreased compared to the prior-year period due to lower maintenance expenses.

Of the operating expenses, an amount of EUR 11,265 thousand (Q1 2022: EUR 10,906 thousand) is generally allocable and can be charged on to tenants. The increase is mainly due to the rise in energy costs.

Profit/loss from the sale of real estate and real estate companies amounts to EUR 97 thousand as at 31 March 2023 (Q1 2022: EUR 51 thousand) and includes various costs connected with properties held for sale.

As in the comparable prior-year period, no revaluation of investment properties was performed as at the 31 March 2023 reporting date. However, several properties that were in an advanced stage of a sales process as at the balance sheet date were reclassified as held for sale and revalued in accordance with IFRS 5. This resulted in a valuation loss on the sale portfolio of EUR 25,500 thousand (Q1 2022: EUR 0 thousand).

Impairments on receivables amounted to EUR -568 thousand in the reporting period (Q1 2022: EUR 149 thousand). The higher impairments of receivables in the reporting period mainly result from impairments of receivables, including from the tenant Galeria Karstadt Kaufhof, which is currently subject to insolvency proceedings, in the amount of EUR -184 thousand, as well as impairments of receivables from a tenant in the culture, sports and entertainment sector, which is also currently subject to insolvency proceedings, in the amount of EUR -155 thousand.

2. Financial result

in EUR thousand	01/01/2023 – 31/03/2023	01/01/2022 – 31/03/2022
Financial income	1,205	1,056
Financial expenses	-4,299	-4,661
Profit/loss from companies accounted for using the equity method	0	528
Minority interests	-1,394	-1,233
Financial result	-4,488	-4,310



FOREWORD BY THE EXECUTIVE BOARD	2
DEMIRE AT A GLANCE	3
INTERIM GROUP MANAGEMENT REPORT	6
INTERIM CONSOLIDATED FINANCIAL STATEMENTS	19
Consolidated statement of income	20
Consolidated statement of comprehensive income	21
Consolidated balance sheet	22
Consolidated statement of cash flows	24
Consolidated statement of changes in equity	26
Notes to the consolidated financial statements	27
IMPRINT	39

Financial income mainly results from the granting of loans to the joint venture JV Theodor-Heuss-Allee-GmbH in the amount of EUR 260 thousand and its shareholder RFR 5 Immobilien GmbH in the amount of EUR 757 thousand.

The result from companies accounted for using the equity method of EUR 0 thousand (Q1 2022: EUR 528 thousand) relates to the gains on investments in the reporting period in JV Theodor-Heuss-Allee GmbH, Frankfurt am Main. The decrease results from the lower value of the investment as at 31 December 2022.

The profit shares of minority shareholders in the amount of EUR –1,394 thousand (Q1 2022: EUR –1,233 thousand) are profit shares of the minority shareholders of the subsidiaries of Fair Value REIT-AG, which are recognised as debt according to IAS 32.

3. Earnings per share

in EUR thousand	01/01/2023 – 31/03/2023	01/01/2022 – 31/03/2022
Net profit/loss for the period (in EUR thousand)	–19,133	7,700
Profit/loss for the period less non-controlling interests	–18,291	7,112
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	510	510
Weighted average number of shares (diluted)	106,023	106,023
Earnings per share (in EUR)		
Basic earnings per share	–0.17	0.07
Diluted earnings per share	–0.17	0.07

As at 31 March 2023, the Company had potential ordinary shares outstanding from the 2015 Stock Option Programme entitling the owners to subscribe to 510,000 shares.



FOREWORD BY THE
EXECUTIVE BOARD 2

DEMIRE AT A GLANCE 3

INTERIM GROUP
MANAGEMENT REPORT 6

INTERIM CONSOLIDATED
FINANCIAL STATEMENTS 19

Consolidated statement
of income 20

Consolidated statement
of comprehensive income 21

Consolidated balance sheet 22

Consolidated statement
of cash flows 24

Consolidated statement
of changes in equity 26

Notes to the consolidated
financial statements 27

IMPRINT 39

E. Notes to the consolidated balance sheet

1. Investment property and non-current assets held for sale

Investment property is accounted for at fair value. This developed as follows during the interim reporting period:

in EUR thousand	Office	Retail	Logistics	Other	Total
Fair value at the beginning of the 2023 financial year	821,356	342,176	-	67,540	1,231,072
Additions of properties	1,313	701	-	132	2,146
Reclassifications to non-current assets held for sale	-206,275	-12,380	-	-	-218,655
Fair value as at 31/03/2023	616,394	330,497	-	67,672	1,014,564

The additions to investment property totalling EUR 2,146 thousand consist entirely of capitalisations for current investments.

The fair value measurement of investment property is allocated to Level 2 of the valuation hierarchy in accordance with IFRS 13. DEMIRE determines fair values within the framework of IAS 40 accounting. No revaluation of investment properties was performed as at the 31 March 2023 reporting date.

The reclassification of properties held for sale relates to several properties for which it is assumed (in accordance with IFRS 5) that a sale will be completed within one year. This includes the property in Ulm, which has already been notarised and which is expected to be transferred to the buyer in the second quarter of 2023.

2. Equity

Subscribed capital amounted to EUR 107,777 thousand (31 December 2022: EUR 107,777 thousand). This was EUR 105,513 thousand after the deduction of treasury shares (31 December 2022: EUR 105,513 thousand).



**FOREWORD BY THE
 EXECUTIVE BOARD** 2

DEMIRE AT A GLANCE 3

**INTERIM GROUP
 MANAGEMENT REPORT** 6

**INTERIM CONSOLIDATED
 FINANCIAL STATEMENTS** 19

Consolidated statement
 of income 20

Consolidated statement
 of comprehensive income 21

Consolidated balance sheet 22

Consolidated statement
 of cash flows 24

Consolidated statement
 of changes in equity 26

**Notes to the consolidated
 financial statements** 27

IMPRINT 39

3. Financial liabilities

Financial liabilities consisted of the following:

FINANCIAL LIABILITIES

in EUR thousand	31/03/2023	31/12/2022
2019/2024 corporate bond	546,879	546,394
Other financial liabilities	282,033	282,661
Total	828,912	829,055

The following table shows the nominal value of financial liabilities:

FINANCIAL LIABILITIES

in EUR thousand	31/03/2023	31/12/2022
2019/2024 corporate bond	550,000	550,000
Other financial liabilities	282,832	281,004
Total	832,832	831,004

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.

With the exception of the loan from IC Fonds & Co. Gewerbeobjekte Deutschland 15. KG, all of the Group's financial liabilities have fixed interest rates. The nominal interest rate of the 2019/2024 corporate bond is 1.875% p.a. Other financial liabilities mainly include financial liabilities to banks at a weighted average nominal interest rate of 1.28% p.a. as at 31 March 2023 (31 December 2022: 1.26% p.a.). The average nominal interest rate on debt across all financial liabilities was 1.67% p.a. as at 31 March 2023 (31 December 2022: 1.67% p.a.).

The change in other financial liabilities during the interim period under review is due to current repayments.



FOREWORD BY THE
EXECUTIVE BOARD

2

DEMIRE AT A GLANCE

3

INTERIM GROUP
MANAGEMENT REPORT

6

INTERIM CONSOLIDATED
FINANCIAL STATEMENTS

19

Consolidated statement
of income

20

Consolidated statement
of comprehensive income

21

Consolidated balance sheet

22

Consolidated statement
of cash flows

24

Consolidated statement
of changes in equity

26

Notes to the consolidated
financial statements

27

IMPRINT

39

F. Condensed Group segment reporting

01/01/2023 – 31/03/2023

in EUR thousand	Core Portfolio	Fair Value REIT	Corporate functions/ others	Group
Total revenue	22,537	6,567	0	29,104
Segment revenue	-2,700	6,568	34	3,903
Segment expenses	-13,562	-2,743	-2,534	-18,841
EBIT	-16,262	3,826	-2,501	-14,937
Net profit/loss for the period	-25,633	2,181	4,318	-19,133
Segment assets 31/03/2023	1,108,289	319,132	95,818	1,523,238
Thereof tax assets	579	54	2,457	3,089
Thereof additions to non-current assets	1,948	198	0	2,147
Thereof non-current assets held for sale	314,155	0	0	314,155
Segment liabilities 31/03/2023	908,913	178,607	-31,839	1,055,681
Thereof non-current financial liabilities	788,573	70,179	-48,122	810,630
Thereof lease liabilities	26,491	0	53	26,544
Thereof current financial liabilities	13,482	2,568	2,232	18,282
Thereof tax liabilities	2,231	0	11,929	14,160

01/01/2022 – 31/03/2022

in EUR thousand	Core Portfolio	Fair Value REIT	Corporate functions/ others	Group
Total revenue	22,278	6,267	0	28,545
Segment revenue	22,413	6,310	275	28,998
Segment expenses	-10,922	-2,699	-2,300	-15,922
EBIT	11,491	3,611	-2,027	13,075
Net profit/loss for the period	6,328	1,833	-461	7,700
Segment assets 31/03/2022	1,260,891	348,499	108,188	1,717,579
Thereof tax assets	3,829	47	2,602	6,479
Thereof additions to non-current assets	5,154	1,353	0	6,508
Thereof non-current assets held for sale	0	0	0	0
Segment liabilities 31/03/2022	915,202	190,736	11,907	1,117,846
Thereof non-current financial liabilities	796,891	75,125	0	872,016
Thereof lease liabilities	24,420	0	22	24,442
Thereof current financial liabilities	16,162	2,793	0	18,955
Thereof tax liabilities	2,286	0	7,357	9,645



**FOREWORD BY THE
EXECUTIVE BOARD**

2

The segmentation of the data in the financial statements is based on the internal alignment according to strategic business segments pursuant to IFRS 8. The segment information presented represents the information to be reported to the Executive Board.

DEMIRE AT A GLANCE

3

**INTERIM GROUP
MANAGEMENT REPORT**

6

The DEMIRE Group is divided into the two reportable business segments Core Portfolio and Fair Value REIT.

**INTERIM CONSOLIDATED
FINANCIAL STATEMENTS**

19

Consolidated statement
of income

20

The joint venture JV Theodor-Heuss-Allee-GmbH, Frankfurt am Main, accounted for using the equity method, and the fully consolidated company Cielo BVO GmbH, Frankfurt am Main, were allocated to the Core Portfolio operating segment due to their similar commercial characteristics.

Consolidated statement
of comprehensive income

21

Consolidated balance sheet

22

Consolidated statement
of cash flows

24

More than 10% of total revenue was generated from one customer in the Core Portfolio segment, corresponding to a total of EUR 3,347 thousand (Q1 2022: EUR 3,070 thousand) during the reporting period.

Consolidated statement
of changes in equity

26

**Notes to the consolidated
financial statements**

27

IMPRINT

39



FOREWORD BY THE
EXECUTIVE BOARD 2

DEMIRE AT A GLANCE 3

INTERIM GROUP
MANAGEMENT REPORT 6

INTERIM CONSOLIDATED
FINANCIAL STATEMENTS 19

Consolidated statement
of income 20

Consolidated statement
of comprehensive income 21

Consolidated balance sheet 22

Consolidated statement
of cash flows 24

Consolidated statement
of changes in equity 26

Notes to the consolidated
financial statements 27

IMPRINT 39

G. Other disclosures

1. Related party disclosures

DEMIRE AG has a loan receivable in the amount of EUR 24,717 thousand from the joint venture JV Theodor-Heuss-Allee-GmbH. Interest income from this loan comes to EUR 260 thousand as at 31 March 2023. In addition, an asset management agreement and an agency agreement exist between DEMIRE AG and the purchasing company JV Theodor-Heuss-Allee-GmbH, resulting in receivables of EUR 25 thousand and income of EUR 25 thousand as at 31 March 2023. Furthermore, there were no business transactions with members in key Company positions during the reporting period, except for the compensation of the Executive Board mentioned in [Section G.5](#).

2. Financial instruments

The carrying amounts of the following financial instruments carried at cost or amortised cost do not correspond to their fair values:

in EUR thousand	31/03/2023		31/12/2022	
	Carrying amount under IFRS 9	Fair value	Carrying amount under IFRS 9	Fair value
Loans to companies accounted for using the equity method	24,717	19,932	24,752	20,566
Loans and financial assets	65,001	53,693	72,335	61,701

in EUR thousand	31/03/2023		31/12/2022	
	Carrying amount under IFRS 9	Fair value	Carrying amount under IFRS 9	Fair value
Bonds	546,879	394,801	546,394	383,911
Other financial liabilities	282,033	246,567	282,661	235,383



FOREWORD BY THE EXECUTIVE BOARD	2
DEMIRE AT A GLANCE	3
INTERIM GROUP MANAGEMENT REPORT	6
INTERIM CONSOLIDATED FINANCIAL STATEMENTS	19
Consolidated statement of income	20
Consolidated statement of comprehensive income	21
Consolidated balance sheet	22
Consolidated statement of cash flows	24
Consolidated statement of changes in equity	26
Notes to the consolidated financial statements	27
IMPRINT	39

3. Risk report

For information on the risks of future business performance, please refer to the disclosures made in the risk reporting included within the [🔗 consolidated financial statements](#) as at 31 December 2022. In addition to the opportunities and risks recorded as at 31 December 2022, the current financial year has largely been dominated by high inflation, in particular the sharp rise in energy costs, higher interest rates and the war in Ukraine. All of these factors create a high degree of uncertainty and a clouding of prospects in the economic environment, but this has not yet had a material impact on DEMIRE's key performance indicators. Both rental payments and funds from operations (after taxes, before minority interests) are in line with our expectations. Nevertheless, DEMIRE's Executive Board is closely monitoring whether and how the economic environment is changing and may possibly have an impact on the performance of the portfolio, for example. The risks are reviewed continuously and in a structured process. From today's perspective, no risks that could endanger the Company have been identified.

For a general overview of the risks, please refer to the [📄 report on risks and opportunities](#).

4. Other notes

As at the reporting date, there were no financial obligations stemming from purchase agreements for properties and real estate companies which are not yet due.

Contractual obligations for modification and expansion measures as well as maintenance and modernisation obligations for the properties totalled EUR 112,401 thousand as at 31 March 2023 (Q1 2022: EUR 25,977 thousand). The increase was mainly due to the construction work on the property in Essen.

Purchase order commitments for maintenance and modernisation, as well as modification and expansion measures, totalled EUR 6,446 thousand as at the interim reporting date (Q1 2022: EUR 6,334 thousand).

As at 31 March 2023, unused credit lines in the amount of EUR 6,000 thousand (31 December 2022: EUR 0 thousand) were available.

☰

FOREWORD BY THE EXECUTIVE BOARD	2
DEMIRE AT A GLANCE	3
INTERIM GROUP MANAGEMENT REPORT	6
INTERIM CONSOLIDATED FINANCIAL STATEMENTS	19
Consolidated statement of income	20
Consolidated statement of comprehensive income	21
Consolidated balance sheet	22
Consolidated statement of cash flows	24
Consolidated statement of changes in equity	26
Notes to the consolidated financial statements	27
IMPRINT	39

5. Governing bodies and employees

In accordance with DEMIRE AG's Articles of Association, the Executive Board is responsible for managing business activities.

The following were members of the Executive Board during the interim period under review:

Prof. Dr Alexander Goepfert (CEO since 1 January 2023)

Mr Tim Brückner (CFO since 1 February 2019)

For the interim reporting period, performance-based remuneration of EUR 86 thousand (Q1 2022: EUR 211 thousand), fixed remuneration of EUR 226 thousand (Q1 2022: EUR 183 thousand) and share-based payments of EUR 100 thousand (Q1 2022: EUR 246 thousand) were recognised for DEMIRE AG's Executive Board.

No loans or advances were granted to the members of the Executive Board, nor were any contingent liabilities in favour of the members of the Executive Board entered into.

6. Events after the interim reporting date of 31 March 2023

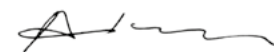
In April 2023, a partial buyback of the 2019/2024 bond at a nominal price of EUR 51 million was carried out at below par. As a result, the nominal amount of the 2019/2024 bond was reduced to EUR 499 million.

Mr Ralf Bongers took his place on the Executive Board on 1 April 2023 with a focus on transactions and asset management.

A purchase agreement for the Telekom properties in Ulm was signed in April 2023. The transfer of benefits and obligations is set to take place in the second quarter of 2023.

Frankfurt am Main, 10 May 2023

DEMIRE Deutsche Mittelstand Real Estate AG



Prof. Dr Alexander Goepfert
(CEO)



Tim Brückner
(CFO)



Ralf Bongers
(Member of the
Executive Board)

☰

FOREWORD BY THE EXECUTIVE BOARD	2
DEMIRE AT A GLANCE	3
INTERIM GROUP MANAGEMENT REPORT	6
INTERIM CONSOLIDATED FINANCIAL STATEMENTS	19
Consolidated statement of income	20
Consolidated statement of comprehensive income	21
Consolidated balance sheet	22
Consolidated statement of cash flows	24
Consolidated statement of changes in equity	26
Notes to the consolidated financial statements	27
IMPRINT	39

Declaration by the executive directors

As members of the Executive Board of DEMIRE Deutsche Mittelstand Real Estate AG, we hereby affirm that, to the best of our knowledge, the consolidated financial statements give a true and fair view of the Group's net assets, financial position and results of operations in accordance with the applicable accounting principles and that the Group 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, together with a description of the principal opportunities and risks associated with the Group's expected development.

Frankfurt am Main, 10 May 2023

DEMIRE Deutsche Mittelstand Real Estate AG



Prof. Dr. Alexander Goepfert
(CEO)



Tim Brückner
(CFO)



Ralf Bongers
(Member of the
Executive Board)



FOREWORD BY THE EXECUTIVE BOARD	2
DEMIRE AT A GLANCE	3
INTERIM GROUP MANAGEMENT REPORT	6
INTERIM CONSOLIDATED FINANCIAL STATEMENTS	19
IMPRINT	39

IMPRINT

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