



**INTERIM REPORT  
1 JANUARY TO 30 SEPTEMBER 2024**





# HIGHLIGHTS 9M 2024



## KEY EARNINGS FIGURES

23.0

in EUR million  
**FFO I** (after taxes,  
before minority interests),  
compared to EUR 27.8 million  
in 9M 2023

50.6

in EUR million  
**RENTAL INCOME**,  
compared to EUR 59.9 million  
in 9M 2023



## KEY FINANCIAL INDICATORS

52.3

in %  
**NET LOAN-TO-VALUE<sup>1</sup>**  
**(NET LTV)**,  
compared to 57.7%  
as at year-end 2023

1.89

in % p.a.  
**AVERAGE NOMINAL**  
**INTEREST COSTS**,  
compared to 1.74% p.a.  
as at year-end 2023

2.98

in EUR  
**NET ASSET VALUE**  
**(PER SHARE, BASIC)**,  
compared to EUR 3.24  
as at year-end 2023



## PORTFOLIO DEVELOPMENT

0.8

in EUR billion  
**PORTFOLIO VALUE**,  
compared to EUR 1.1 billion  
as at year-end 2023

57.6

in EUR million  
**ANNUALISED**  
**RENTAL INCOME**,  
compared to EUR 76.7 million  
as at year-end 2023

- 3.2

in %  
**LIKE-FOR-LIKE DECREASE**  
of annualised contractual  
rent compared to - 1.1% as  
at 9M 2023

4.4

in years  
**WALT**,  
compared to 4.6 years  
as at year-end 2023

14.7

in %  
**EPRA VACANCY RATE<sup>2</sup>**,  
compared to 13.1%  
as at year-end 2023

60,310

in m<sup>2</sup>  
**LETTING PERFORMANCE**,  
compared to 27,240 m<sup>2</sup>  
as at 9M 2023

<sup>1</sup> According to the definition of bond 2019/2024

<sup>2</sup> Excluding properties classified as a project  
development

Key for navigating the  
interim report:



Reference to table of contents



Reference to another page  
in the interim report



Reference to websites

# CONTENTS

<b>FOREWORD BY THE EXECUTIVE BOARD</b>	<b>2</b>	<b>INTERIM CONSOLIDATED FINANCIAL STATEMENTS</b>	<b>19</b>
<b>DEMIRE AT A GLANCE</b>	<b>3</b>	Consolidated statement of income	20
Key Group figures	4	Consolidated statement of comprehensive income	21
Portfolio highlights	5	Consolidated balance sheet	22
<b>INTERIM GROUP MANAGEMENT REPORT</b>	<b>6</b>	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		
Subsequent events and related party transactions	18		
		<b>IMPRINT</b>	<b>39</b>



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,

the year continues to be defined by a challenging economic environment with negative effects on the commercial real estate market. First of all, demand for rental space remained subdued, although DEMIRE was able to buck the trend by letting more space than in the previous year. Rent levels for the space let by us also remained stable for the most part or even increased slightly. Secondly, the European Central Bank's interest rate cuts have not yet led to a significant increase in revenues in the transaction markets for commercial real estate investments. While the mood and willingness to talk have improved, as we recently saw at Expo Real, the banks' continued reluctance to provide financing often still hinders real estate transactions. Nevertheless, in recent months we have succeeded in further streamlining our portfolio by selling several smaller assets that were not consistent with our strategy, meaning that we are currently in advanced sales negotiations for several properties.

In light of this market environment and taking into account the real estate sales that have taken place, DEMIRE has achieved solid results. Rental income fell by 15.4% to EUR 50.6 million in the first nine months of 2024, primarily due to the smaller portfolio base following sales. At the same time, funds from Operations I after taxes (FFO I) fell by 17.5% year-on-year to EUR 23.0 million, mainly due to a decline in rental income as a result of property sales.

In the third quarter, we strengthened our asset management team and organisational structure. We therefore see ourselves as well positioned to further increase our letting performance in the coming quarters and to gradually reduce the vacancy rate. Furthermore, we are focusing on the measures introduced to improve the sustainability of our company and portfolio. Among other things, we will be developing a climate protection transition plan for DEMIRE that will set out our planned development into a sustainable real estate company. We will also be implementing numerous targeted individual measures from this plan across the properties with the aim of gradually steering our portfolio towards sustainability.

After the first nine months, the Executive Board can confirm the forecast for the 2024 financial year: rental income will be between EUR 64.0 million and EUR 66.0 million (2023: EUR 78.5 million), and FFO I (after taxes, before minority interests) is expected to be significantly lower than in the previous year (2023: EUR 36.7 million).

We hope you find this report a stimulating read and look forward to your comments and ideas.

Frankfurt am Main, 6 November 2024

Frank Nickel  
(CEO)

Tim Brückner  
(CFO)

Ralf Bongers  
(Executive Board Member for  
Transactions)

BAD VIBEL



# DEMIRE AT A GLANCE

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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	01/01/2024 - 30/09/2024	01/01/2023 - 30/09/2023
<b>Key earnings figures</b>		
Rental income	50,637	59,885
Profit/loss from the rental of real estate	34,412	43,364
<b>EBIT</b>	<b>- 13,820</b>	<b>- 64,574</b>
Financial result	- 9,085	7,095
<b>EBT</b>	<b>- 22,905</b>	<b>- 57,479</b>
<b>Net profit/loss for the period</b>	<b>- 21,637</b>	<b>- 49,533</b>
<b>Net profit/loss for the period attributable to parent company shareholders</b>	<b>- 22,432</b>	<b>- 47,030</b>
<b>Net profit/loss for the period per share (basic/diluted) (in EUR)</b>	<b>- 0,21/- 0,21</b>	<b>- 0,45/- 0,44</b>
<b>FFO I (after taxes, before minority interests)</b>	<b>22,962</b>	<b>27,835</b>
<b>FFO I per share (basic/diluted) (in EUR)</b>	<b>0,22/0,22</b>	<b>0,26/0,26</b>

	30/09/2024	31/12/2023
<b>Key portfolio indicators</b>		
Properties (number)	54	59
Market value (in EUR million)	811.6	1,075.6
Annualised contractual rents (in EUR million)	57.6	76.7
Rental yield (in %)	7.1%	7.1%
EPRA vacancy rate <sup>1</sup> (in %)	14.7%	13.1%
WALT (in years)	4.4	4.6

<sup>1</sup> Excluding project developments

in EUR thousand	30/09/2024	31/12/2023
<b>Key balance sheet figures</b>		
<b>Total assets</b>	<b>1,174,941</b>	<b>1,327,532</b>
Investment property	755,232	947,276
Non-current assets held for sale	81,825	149,100
<b>Total real estate portfolio</b>	<b>837,057</b>	<b>1,096,376</b>
Financial and lease liabilities	693,450	816,992
Cash and cash equivalents	164,509	119,989
<b>Net financial liabilities</b>	<b>528,941</b>	<b>697,003</b>
<b>Net loan-to-value (Net-LTV) (in %)</b>	<b>52.3%</b>	<b>57.7%</b>
Equity according to Group balance sheet	308,131	333,285
Equity ratio (in %)	26.2%	25.1%
Net Asset Value (NAV)	282,478	303,589
NAV (basic/diluted)	314.523/315.033	341.504/342.014
Number of shares (basic/diluted)	105.513/106.023	105.513/106.023
<b>EPRA NAV per share (basic/diluted)</b>	<b>2,98/2,97</b>	<b>3,24/3,23</b>



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 30 September 2024

0.8

in EUR billion  
**MARKET VALUE OF THE  
 PROPERTY PORTFOLIO**

9.64

in EUR/m<sup>2</sup>  
**AVERAGE RENT**  
 across the portfolio

54

assets  
 at **45 LOCATIONS**  
 in 11 federal states

14.7

in %  
**EPRA VACANCY RATE<sup>1</sup>**  
 across the portfolio

57.6

in EUR million  
**ANNUALISED CONTRACTUAL RENTS**

7.1

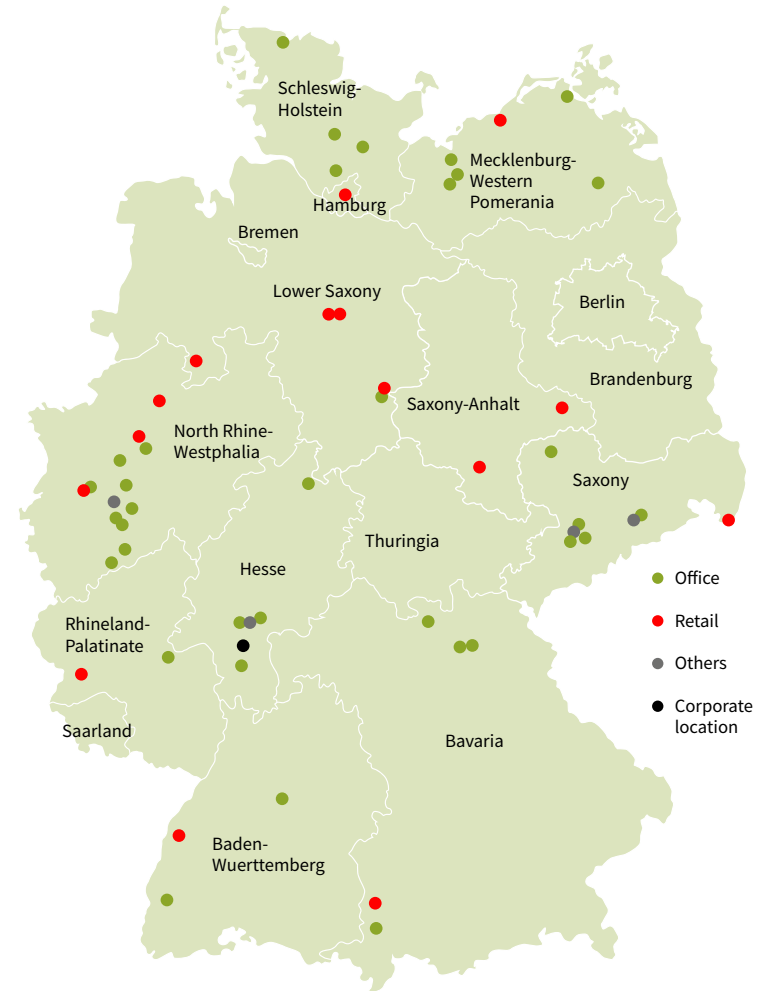
in %  
**GROSS RENTAL RETURNS**

-3.2

in %  
**LIKE-FOR-LIKE DECREASE**  
 of annualised contractual rent

4.4

in years  
**WEIGHTED AVERAGE**  
 residual lease term (WALT)



<sup>1</sup> Excluding properties classified as a project development



# INTERIM GROUP MANAGEMENT REPORT

for the reporting period from  
1 January to 30 September 2024

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Overview	7
Economic report	10
Opportunities and risks	18
Subsequent events and related party transactions	18





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

# OVERVIEW

## BUSINESS PERFORMANCE

DEMIRE's business performed well in the first nine months of 2024. In the reporting period, the insolvency of Mein Real in particular had a negative impact on the vacancy rate and the like-for-like development of the annualised contractual rent. Funds from operations fell, partly as a result of the property sales that took place. The letting performance more than doubled compared to the previous year despite the continued weakness of the letting markets. The Group's key figures, taking into account the property sales and against the backdrop of the weak economic environment, are also solid overall and in line with the company's planning and expectations. Deconsolidation of the Limes companies in July 2024 shrank the real estate portfolio by the properties in Essen, Kassel, Aschheim and Cologne (Max-Glomsda-Straße), thereby reducing rental income and indirectly FFO I.

DEMIRE's key indicators improved in the first nine months of 2024 as follows:

- Rental income decreased to EUR 50.6 million (previous year: EUR 59.9 million).
- Profit from rental income amounted to EUR 34.4 million, compared to EUR 43.4 million in the same period of the previous year.
- Funds from operations (FFO I, after taxes, before minority interests) decreased by 17.5% to EUR 23.0 million.
- The letting performance increased significantly to around 60,310 m<sup>2</sup> compared to 27,240 m<sup>2</sup> in the same period of the previous year.
- The like-for-like development in annualised contractual rents was –3.2% compared to 30 September 2023. The slight decline is due in particular to the increase in vacancies in Darmstadt and as a result of the insolvency of Mein Real in Querfurt. The indexation of existing rental agreements continued to have the opposite effect.

- The EPRA vacancy rate<sup>1</sup> rose to 14.7% (30 June 2024: 15.5%, 31 December 2023: 13.1%), while the WALT decreased slightly to 4.4 years (31 December 2023: 4.6 years).
- The NAV per share (undiluted) decreased, mainly due to the valuation of a real estate sub-portfolio in the middle of the year, to EUR 2.98 compared to EUR 3.24 at the end of 2023.
- The net loan-to-value ratio<sup>2</sup> (net LTV) fell significantly to 52.3% (31 December 2023: 57.7%), while liquidity increased to EUR 164.5 million as at the reporting date (31 December 2023: EUR 132.3 million).
- The average nominal financing costs are 1.89% p.a. (31 December 2023: 1.74% p.a.).

## PERFORMANCE IN LINE WITH FORECAST FOR THE 2024 FINANCIAL YEAR

Given the development in the first nine months of 2024, the Executive Board can confirm the forecast for the 2024 financial year: rental income will be between EUR 64.0 million and EUR 66.0 million (2023: EUR 78.5 million), and for FFO I (after taxes, before minority interests) a significantly lower amount is expected compared to 2023 (2023: EUR 36.7 million).

<sup>1</sup> Excluding properties classified as a project development

<sup>2</sup> 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 and related party transactions 18

**INTERIM CONSOLIDATED FINANCIAL STATEMENTS** 19

**IMPRINT** 39

**PROPERTY PORTFOLIO**

Between the end of the previous year and the reporting date, the property portfolio decreased to 54 properties (31 December 2023: 59 properties). The lettable area of the buildings in the portfolio is around 613,000 m<sup>2</sup> (31 December 2023: 858,400 m<sup>2</sup>) and the total market value is approximately EUR 0.8 billion (31 December 2023: approximately EUR 1.1 billion). An external property valuation of a sub-portfolio was last performed on 30 June 2024.

The EPRA Vacancy Rate<sup>1</sup> increased as at the reporting date of 30 September 2024 to 14.7%, following 13.1% on 31 December 2023. The increase is mainly due to the additional vacancy of the commercial property in Darmstadt, as well as the space following the insolvency of Mein Real in Querfurt. WALT was 4.4 years as at 30 September 2024, compared to 4.6 years as at year-end 2023. In the period under review, DEMIRE achieved a rental performance of 60,310 m<sup>2</sup> (9M 2023: 27,240 m<sup>2</sup>). 68% of the letting performance was attributable to new lettings and 32% to follow-on lettings. The letting performance was driven, among other things, by new lettings of over 4,680 m<sup>2</sup> in Leipzig, over 4,060 m<sup>2</sup> in Essen and over 3,430 m<sup>2</sup> in Bad Vilbel, as well as extensions of over 23,260 m<sup>2</sup> in Bonn, over 6,020 m<sup>2</sup> in Schwerin and over 3,660 m<sup>2</sup> in Freiburg.

**TOP TEN TENANTS (AS AT 30 SEPTEMBER 2024)**

No.	Tenant	Type of use	Contractual rents p.a. <sup>1</sup> in EUR million	in % of total
1	GMG/Dt. Telekom	Office	6.8	11.9
2	IMOTEX	Retail	5.4	9.4
3	Bima Bundesanstalt für Immobilienaufgaben	Office	3.2	5.6
4	Roomers	Hotel	2.1	3.7
5	Sparkasse Südholstein	Office	1.8	3.2
6	GALERIA Karstadt Kaufhof	Retail	1.7	3.0
7	comdirect bank AG	Office	1.4	2.4
8	BWI GmbH	Office	1.3	2.2
9	CFH Penta Rostock GmbH	Hotel	1.2	2.1
10	Stadt Freiburg	Office	1.2	2.0
<b>Total</b>			<b>26.2</b>	<b>45.5</b>
Other			31.4	54.5
<b>Total</b>			<b>57.6</b>	<b>100.0</b>

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

<sup>1</sup> Excluding properties classified as a project development



**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 and related party transactions 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 <sup>2</sup>	Market value/m <sup>2</sup>	Contractual rent in EUR million p.a.	Contractual rent per m <sup>2</sup>	Rental returns in %	EPRA vacancy rate <sup>1</sup> in %	WALT in years
Office	35	510.8	62.9	391.2	1,306	36.9	9.60	7.2	14.8	3.2
Retail	15	239.0	29.5	193.0	1,239	17.5	9.33	7.3	14.4	4.8
Other	4	61.8	7.6	28.8	2,143	3.2	12.51	5.1	15.9	15.9
<b>Total 30 September 2024</b>	<b>54</b>	<b>811.6</b>	<b>100.0</b>	<b>613.0</b>	<b>1,324</b>	<b>57.6</b>	<b>9.64</b>	<b>7.1</b>	<b>14.7</b>	<b>4.4</b>
<b>Total 31 December 2023</b>	<b>59</b>	<b>1,075.6</b>	<b>100.0</b>	<b>858.4</b>	<b>1,253</b>	<b>76.7</b>	<b>9.00</b>	<b>7.1</b>	<b>13.1</b>	<b>4.6</b>
Change (in %/pp)	-5	-24.5%	0.0	-28.6%	5.7%	-24.9%	7.0%	0.0	1.6	-0.2

<sup>1</sup> Excluding properties classified as development projects



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

# ECONOMIC REPORT

## Results of operations, net assets and financial position

### RESULTS OF OPERATIONS

In the first nine months of 2024, the DEMIRE Group generated rental income totaling EUR 50.6 million (previous year: EUR 59.9 million). Rental income fell, mainly due to a smaller portfolio base following sales. This was offset by rent indexations. The result from the rental of real estate also fell, as a result of the real estate sales in previous quarters, by 20.6 % to EUR 34.4 million (previous year: EUR 43.4 million).

The result from the sale of property in the first nine months of 2024 was EUR –5.2 million (previous year: EUR –12.9 million), primarily due to the sale of LogPark in Leipzig. The result from fair value adjustments of investment properties amounted to EUR –17.9 million (previous year: EUR –59.7 million), largely due to a mid-year market-related devaluation of a sub-portfolio. The adjustment to the assets held for sale was EUR –8.7 million (previous year: EUR –25.3 million).

Impairments on financial and other receivables increased significantly and amounted to EUR 1.5 million in the first nine months of 2024 (previous year EUR 0.5 million). This is mainly due to write-offs of interest receivables from loans granted to the now deconsolidated LIMES companies.

General administrative expenses in the first nine months of 2024 increased to EUR 9.1 million (previous year: EUR 8.6 million). Earnings before interest and taxes (EBIT) were in the negative range at EUR –13.8 million (previous year EUR –64.6 million), mainly due to the revaluation of a part of the property portfolio in the middle of the year.

The financial result includes a –4.6% decline in financial expenses to EUR –12.3 million (previous year: EUR –12.9 million). Financial income fell by EUR 13.5 million compared to the same period of the previous year, when the repurchase of the bond below par made a substantial contribution, to EUR 6.4 million. The average nominal interest on borrowed capital was 1.89% p.a. (previous year: 1.74% p.a.). Minority interests in earnings increased to EUR 3.3 million (previous year: EUR 0.9 million), in particular due to the lower property devaluations and reduced the financial result by the same amount. Consequently, the financial result in the first nine months of 2024 amounted to EUR –9.1 million, compared to EUR 7.1 million in the same period of the previous year.

Earnings before taxes (EBT) fell to EUR –22.9 million in the reporting period, compared to EUR –57.5 million in the previous year.

Current income taxes decreased to EUR 3.6 million (previous year: EUR 9.0 million). Last year, the bond buyback at below par resulted in higher expenses with a corresponding taxable gain.

The negative result of the valuation of a sub-portfolio led to a positive contribution from deferred taxes in the amount of EUR 4.8 million (previous year: EUR 16.9 million).

The profit for the first nine months of 2024 was EUR –21.6 million, compared to EUR –49.5 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 and related party transactions 18

INTERIM CONSOLIDATED FINANCIAL STATEMENTS 19

IMPRINT 39

CONSOLIDATED INCOME STATEMENT

(selected information in EUR thousand)	01/01/2024 – 30/09/2024	01/01/2023 – 30/09/2023	Change	in %
Rental income	50,637	59,885	– 9,248	– 15.4
Income from utility and service charges	13,925	17,979	– 4,054	– 22.5
Operating expenses to generate rental income <sup>1</sup>	– 28,424	– 33,423	4,999	– 15.0
Impairment of trade receivables <sup>1</sup>	– 1,726	– 1,077	– 649	60.3
<b>Profit/loss from the rental of real estate</b>	<b>34,412</b>	<b>43,364</b>	<b>– 8,952</b>	<b>– 20.6</b>
Income from the sale of real estate and real estate companies	100,197	69,100	31,097	45.0
Expenses related to the sale of real estate and real estate companies	– 105,418	– 82,012	– 23,406	28.5
<b>Profit/loss from the sale of real estate and real estate companies</b>	<b>– 5,221</b>	<b>– 12,912</b>	<b>7,691</b>	<b>– 59.6</b>
Profit/loss from fair value adjustments of investment properties	– 17,923	– 59,680	41,757	– 70.0
Result from the fair value adjustment of assets held for sale <sup>1</sup>	– 8,723	– 25,273	16,550	– 65.5
Impairment of receivables	– 1,528	– 527	– 1,001	>100
Other operating income	514	932	– 418	– 44.8
General and administrative expenses	– 9,051	– 8,639	– 412	4.8
Other operating expenses	– 6,300	– 1,836	– 4,461	>100
<b>Earnings before interest and taxes</b>	<b>– 13,820</b>	<b>– 64,571</b>	<b>50,754</b>	<b>– 78.6</b>
Financial result	– 9,085	7,095	– 16,180	>100
<b>Earnings before taxes</b>	<b>– 22,905</b>	<b>– 57,476</b>	<b>34,574</b>	<b>– 60.2</b>
Current income taxes	– 3,577	– 8,953	5,376	– 60.0
Deferred taxes	4,845	16,899	– 12,054	– 71.3
<b>Net profit/loss for the period</b>	<b>– 21,637</b>	<b>– 49,530</b>	<b>27,896</b>	<b>– 56.3</b>
Thereof attributable to parent company shareholders	– 22,432	– 47,030	24,598	– 52.3
Basic earnings per share (in EUR)	– 0.21	– 0.45	0.23	– 52.2
Weighted average number of shares outstanding	105,513	105,513	0	0.0
Diluted earnings per share (in EUR)	– 0.21	– 0.44	0.23	– 52.0
Weighted average number of shares outstanding (diluted)	106,023	106,023	0	0.0

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



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

## **NET ASSETS**

As at 30 September 2024, the total assets decreased by EUR 152.6 million to EUR 1,174.9 million compared to year-end 2023. This resulted primarily from property sales and the deconsolidation of the LIMES portfolio. The value of investment property as at 30 September 2024 was EUR 755.2 million, a decrease of EUR 192.0 million compared to 31 December 2023. The main driver of the reduction was the deconsolidation of the LIMES companies due to the insolvency applications and the reclassification of properties as assets held for sale.

Group equity as at 30 September 2024 totalled EUR 308.1 million, compared with EUR 333.3 million as at 31 December 2023. The main reason for the decline was the negative result for the period. The equity ratio came to 26.2% (31 December 2023: 25.1%). It should be noted that non-controlling minority interests reported in the Group's borrowed capital of around EUR 73.0 million (31 December 2023: EUR 72.0 million) are carried as non-current liabilities and not as equity in accordance with IFRS, solely as a result of the legal form of Fair Value REIT's fund participations as partnerships. The corresponding adjusted Group equity totalled approximately EUR 381.1 million (31 December 2023: EUR 405.3 million).

Total liabilities as at 30 September 2024 amounted to EUR 866.8 million. These decreased by EUR 127.4 million compared to 31 December 2023. The main reasons for this were the deconsolidation of the LIMES companies, including their loans, and the repayment of the loan for LogPark Leipzig in connection with the sale of the property.



**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 and related party transactions 18

**INTERIM CONSOLIDATED FINANCIAL STATEMENTS** 19

**IMPRINT** 39

**CONSOLIDATED BALANCE SHEET – ASSETS**

(selected information in EUR thousand)	30/09/2024	31/12/2023	Change	in %
<b>Assets</b>				
Total non-current assets	909,501	1,029,555	- 120,054	- 11.7
Total current assets	183,615	148,876	34,739	23.3
Assets held for sale	81,825	149,100	- 67,275	- 0.5
<b>Total Assets</b>	<b>1,174,941</b>	<b>1,327,531</b>	<b>- 152,590</b>	<b>- 11.5</b>

**CONSOLIDATED BALANCE SHEET – EQUITY AND LIABILITIES**

(selected information in EUR thousand)	30/09/2024	31/12/2023	Change	in %
<b>Equity and liabilities</b>				
<b>Equity</b>				
Equity attributable to parent company shareholders	282,479	303,589	- 21,110	- 7.0
Non-controlling interests	25,652	29,696	- 4,044	- 13.6
<b>Total equity</b>	<b>308,131</b>	<b>333,285</b>	<b>- 25,154</b>	<b>- 7.5</b>
<b>Liabilities</b>				
Total non-current liabilities	272,800	279,982	- 7,182	- 2.6
Total current liabilities	594,010	714,264	- 120,254	- 16.8
<b>Total liabilities</b>	<b>866,810</b>	<b>994,246</b>	<b>- 127,436</b>	<b>- 12.8</b>
<b>Total equity and liabilities</b>	<b>1,174,941</b>	<b>1,327,531</b>	<b>- 152,590</b>	<b>- 11.5</b>



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

## FINANCIAL POSITION

Cash flow from operating activities in the first nine months of 2024 amounted to EUR 28.5 million (previous year: EUR 40.1 million).

Cash flow from investing activities amounted to EUR 84.3 million in the reporting period, compared to EUR 67.8 million in the previous year. The difference compared to the previous period is mainly due to proceeds from the sale of properties.

Cash flow from financing activities came to EUR –68.3 million, compared to EUR –32.9 million in the same period of the previous year. The change was driven, on the one hand, by the repayment of liabilities and, on the other, by costs incurred in refinancing the 2019/24 bond.

Cash and cash equivalents amounted to EUR 164.5 million on 30 September 2024 (31 December 2023: EUR 132.3 million).

## CONSOLIDATED STATEMENT OF CASH FLOWS

(selected information in EUR thousand)	01/01/2024 – 30/09/2024	01/01/2023 – 30/09/2023	Change
Cash flow from operating activities <sup>1</sup>	28,483	40,053	– 11,570
Cash flow from investing activities	84,330	67,817	16,512
Cash flow from financing activities <sup>1</sup>	– 68,293	– 32,938	– 35,355
<b>Net change in cash and cash equivalents</b>	<b>44,520</b>	<b>74,932</b>	<b>– 30,412</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>164,509</b>	<b>132,347</b>	<b>32,162</b>

<sup>1</sup> The prior-year figures have been adjusted due to a change in presentation in the reporting period (for further details, please refer to section A.1, “Changes in presentation of prior-year figures”).

### Funds from operations (FFO)

Funds from operations I (after taxes, before minority interests), the key operating performance indicator, decreased by 17.5% in the first nine months of 2024 to EUR 23.0 million, compared to EUR 27.8 million in the same period of the prior year. On a diluted basis, FFO I (after taxes, before minority interests) per share came to EUR 0.22, compared to EUR 0.26 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 and related party transactions 18

INTERIM CONSOLIDATED FINANCIAL STATEMENTS 19

IMPRINT 39

FFO CALCULATION

(selected information in EUR thousand)	01/01/2024 – 30/09/2024	01/01/2023 – 30/09/2023	Change	in %
Earnings before taxes	-22,905	-57,477	34,572	-60.1
Minority interests	3,225	882	2,344	>100
<b>Earnings before taxes (EBT)</b>	<b>-19,680</b>	<b>-56,595</b>	<b>36,915</b>	<b>-65.2</b>
± Profit/loss from the sale of real estate	5,221	12,912	-7,691	-59.6
± Profit/loss from the valuation of investment properties	26,645	84,953	-58,308	-68.6
± Other adjustments <sup>1</sup>	12,733	-9,718	22,451	>100
<b>FFO I before taxes</b>	<b>24,919</b>	<b>31,552</b>	<b>-6,633</b>	<b>-21.0</b>
± (Current) income taxes	-1,958	-3,717	1,760	-47.3
<b>FFO I after taxes</b>	<b>22,962</b>	<b>27,835</b>	<b>-4,874</b>	<b>-17.5</b>
Therof attributable to parent company shareholders	18,837	23,235	-4,398	-18.9
Therof attributable to non-controlling interests	4,125	4,601	-476	-10.3
± Profit/loss from the sale of real estate and real estate companies (after taxes)	-5,221	-17,532	12,311	-70.2
<b>FFO II after taxes</b>	<b>17,741</b>	<b>10,303</b>	<b>7,437</b>	<b>72.2</b>
Therof attributable to parent company shareholders	13,366	4,893	8,473	>100
Therof attributable to non-controlling interests	4,375	5,411	-1,036	-19.1
<b>FFO I after taxes and minority interests</b>				
Basic earnings per share (in EUR)	0.18	0.22	-0.04	-18.9
Weighted average number of shares outstanding	105,513	105,513	0	0.0
Diluted earnings per share (in EUR)	0.18	0.22	-0.04	-18.9
Weighted average number of shares outstanding (diluted)	106,023	106,023	0	0.0
<b>FFO II after taxes and minority interests</b>				
Basic earnings per share (in EUR)	0.13	0.05	0.08	>100
Weighted average number of shares outstanding	105,513	105,513	0	0.0
Diluted earnings per share (in EUR)	0.13	0.05	0.08	>100
Weighted average number of shares outstanding (diluted)	106,023	106,023	0	0.0

<sup>1</sup> Other adjustments include:  
— One-time refinancing costs and effective interest payments (EUR 3.6 million, previous year: EUR 2.0 million)  
— One-time transaction, legal and consultancy fees (EUR 0.8 million, previous year: EUR 1.0 million)  
— Non-period expenses/income (EUR -2.0 million, previous year: EUR -13.0 million)  
— Impairment losses and extraordinary amortisations (EUR 6.1 million, previous year: EUR 0 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 and related party transactions 18

**INTERIM CONSOLIDATED FINANCIAL STATEMENTS** 19

**IMPRINT** 39

## Net asset value (NAV)

The undiluted net asset value fell from EUR 341.5 million as at 31 December 2023 to EUR 314.5 million as at 30 September 2024 due in particular to the market condition-related devaluation of a property sub-portfolio. On an undiluted basis, the NAV as at the reporting date was EUR 2.98 per share (31 December 2023: EUR 3.24 per share).

### NET ASSET VALUE (NAV)

in EUR thousand	30/09/2024	31/12/2023	Change	in %
Net Asset Value (NAV)	282,478	303,589	-21,110	-7.0
Deferred taxes	32,045	37,915	-5,870	-15.5
Goodwill resulting from deferred taxes	0	0	0	0.0
<b>NAV (basic)</b>	<b>314,523</b>	<b>341,504</b>	<b>-26,981</b>	<b>-7.9</b>
Number of outstanding shares (basic) (in thousands)	105,513	105,513	0	0.0
<b>NAV per share (basic) (in EUR)</b>	<b>2.98</b>	<b>3.24</b>	<b>-0.26</b>	<b>-7.9</b>
Effect of the conversion of convertible bonds and other equity instruments	510	510	0	0.0
<b>NAV (diluted)</b>	<b>315,033</b>	<b>342,014</b>	<b>-26,981</b>	<b>-7.9</b>
Number of outstanding shares (diluted) (in thousands)	106,023	106,023	0	0.0
<b>NAV per share (diluted) (in EUR)</b>	<b>2.97</b>	<b>3.23</b>	<b>-0.25</b>	<b>-7.9</b>

### NET LOAN-TO-VALUE RATIO

The DEMIRE Group's net loan-to-value ratio is defined in the 2019/24 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 significantly to 52.3% (from 57.7% at the end of 2023). The decline was mainly due to property sales.



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

## NET LOAN-TO VALUE (NET LTV)

in EUR thousand	30/09/2024	31/12/2023
Financial liabilities and lease liabilities	693,450	816,992
Cash and cash equivalents	164,509	119,989
<b>Net financial debt</b>	<b>528,941</b>	<b>697,003</b>
Total assets	1,174,941	1,327,531
Intangible assets	0	0
Cash and cash equivalents	- 164,509	- 119,989
<b>Total assets less intangible assets and cash and cash equivalents</b>	<b>1,010,432</b>	<b>1,207,542</b>
<b>Net LTV (in %)</b>	<b>52.3</b>	<b>57.7</b>

## Covenants for the 2019/24 corporate bond

Within the scope of issuing the 2019/24 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 2019/24 corporate bond.

## BOND COVENANTS 30/09/2024

	NET LTV	NET SECURED LTV	ICR
Covenant	max. 60%	max. 40%	min. 2.00
Value	52.3%	0.0%	5.55

As at 30 September 2024, DEMIRE had complied with all covenants of the 2019/24 corporate bond. The bond terms and conditions after extension provide for a net LTV of max. 70% and an ICR of min. 1.50 as new covenants. In addition, the planning for 2024 and beyond assumes that the covenants of the extended bond can 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 and related party transactions 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 [consolidated financial statements](#) as at 31 December 2023.

The 2019/2024 bond maturing in October 2024 is, at the time of publishing this report, in the final phase being extended to the end of 2027. As a result, risks arising from the bond and the extension have largely already been significantly reduced. A potential risk has been added due to the extension of financing of around EUR 35 million that expires on 30 November 2024, which has not yet been concluded, despite promising talks with the financing bank.

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 and related party transactions

Information on transactions with related parties and events after the balance sheet date can be found in [Section G. 1](#) and [Section G. 6](#) of the notes.

Frankfurt am Main, 6 November 2024

DEMIRE Deutsche Mittelstand Real Estate AG

Frank Nickel  
(CEO)

Tim Brückner  
(CFO)

Ralf Bongers  
(Executive Board Member for Transactions)



# 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 30 September 2024

in EUR thousand	NOTE	01/01/2024 – 30/09/2024	01/01/2023 – 30/09/2023	01/07/2024 – 30/09/2024	01/07/2023 – 30/09/2023
Rental income		50,637	59,885	15,158	19,042
Income from utility and service charges		13,925	17,979	3,470	6,122
Operating expenses to generate rental income <sup>1</sup>		-28,424	-33,423	-7,639	-11,743
Impairment of trade receivables <sup>1</sup>		-1,726	-1,077	-117	-222
<b>Profit/loss from the rental of real estate</b>		<b>34,412</b>	<b>43,364</b>	<b>10,872</b>	<b>13,198</b>
Income from the sale of real estate and real estate companies		100,197	69,100	1,175	0
Expenses related to the sale of real estate and real estate companies		-105,418	-82,012	-1,125	5,875
<b>Profit/loss from the sale of real estate and real estate companies</b>		<b>-5,221</b>	<b>-12,912</b>	<b>50</b>	<b>5,875</b>
Profit/loss from fair value adjustments of investment properties		-17,923	-59,680	0	0
Result from fair value adjustment of assets held for sale		-8,723	-25,273	-750	-15,825
Impairment of financial and other receivables <sup>1</sup>		-1,528	-527	-802	-8
Other operating income		514	932	275	368
General and administrative expenses <sup>1</sup>		-9,051	-8,639	-3,160	-3,070
Other operating expenses		-6,300	-1,836	-6,230	-137
<b>Earnings before interest and taxes</b>	<b>D 1</b>	<b>-13,820</b>	<b>-64,571</b>	<b>255</b>	<b>402</b>
Financial income		6,427	19,914	2,648	1,802
Financial expenses		-12,287	-12,875	-3,892	-4,287
Profit/loss from companies accounted for using the equity method		0	938	0	938
Minority interests		-3,225	-882	-844	-1,343
<b>Financial result</b>	<b>D 2</b>	<b>-9,085</b>	<b>7,095</b>	<b>-2,088</b>	<b>-2,890</b>
<b>Earnings before taxes</b>		<b>-22,905</b>	<b>-57,476</b>	<b>-1,833</b>	<b>-2,488</b>
Current income taxes		-3,577	-8,953	-1,182	-2,244
Deferred taxes		4,845	16,899	9,006	1,891
<b>Net profit/loss for the period</b>		<b>-21,637</b>	<b>-49,530</b>	<b>5,991</b>	<b>-2,841</b>
Thereof attributable to:					
<b>Non-controlling interests</b>		<b>795</b>	<b>-2,500</b>	<b>370</b>	<b>149</b>
<b>Parent company shareholders</b>		<b>-22,432</b>	<b>-47,030</b>	<b>5,622</b>	<b>-2,991</b>
Basic/diluted earnings per share (in EUR)	D 3	-0.21	-0.45	0.05	-0.03

<sup>1</sup> 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 COMPREHENSIVE INCOME

for the reporting period from 1 January to 30 September 2024

in EUR thousand	01/01/2024 – 30/09/2024	01/01/2023 – 30/09/2023	01/07/2024 – 30/09/2024	01/07/2023 – 30/09/2023
<b>Net profit/loss for the period</b>	- 21,637	- 49,530	5,991	- 2,841
<b>Other comprehensive income</b>	0	0	0	0
<b>Total comprehensive income</b>	- 21,637	- 49,530	5,991	- 2,841
Thereof attributable to:				
<b>Non-controlling interests</b>	795	- 2,500	370	149
<b>Parent company shareholders</b>	- 22,432	- 47,030	5,622	- 2,991



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 30 September 2024

## ASSETS

in EUR thousand	NOTE	30/09/2024	31/12/2023
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment		117	153
Investment property	E 1	755,232	947,276
Shares in companies accounted for using the equity method		9,479	351
Loans to companies accounted for using the equity method		78,581	25,150
Loans and financial assets		47,001	48,365
Other assets		19,091	8,260
<b>Total non-current assets</b>		<b>909,501</b>	<b>1,029,555</b>
<b>Current assets</b>			
Trade accounts receivable		12,360	14,176
Financial assets		1,211	9,735
Other assets		4,041	3,920
Tax refund claims		1,494	1,057
Cash and cash equivalents		164,509	119,989
<b>Total current assets</b>		<b>183,615</b>	<b>148,877</b>
<b>Non-current assets held for sale</b>		<b>81,825</b>	<b>149,100</b>
<b>Total assets</b>		<b>1,174,941</b>	<b>1,327,532</b>





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 30 September 2024

## EQUITY AND LIABILITIES

in EUR thousand	NOTE	30/09/2024	31/12/2023
<b>Equity and liabilities</b>			
<b>Equity</b>			
Subscribed capital		105,513	105,513
Reserves	E 2	176,966	198,076
<b>Equity attributable to parent company shareholders</b>		<b>282,479</b>	<b>303,589</b>
Non-controlling interests		25,652	29,696
<b>Total equity</b>		<b>308,131</b>	<b>333,285</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Deferred tax liabilities		32,045	37,915
Minority interests		73,015	72,021
Financial liabilities	E 3	118,281	120,341
Lease liabilities		25,359	25,605
Market values of options		24,100	24,100
<b>Total non-current liabilities</b>		<b>272,800</b>	<b>279,982</b>
<b>Current liabilities</b>			
Provisions		2,311	2,639
Trade payables		9,558	10,016
Other liabilities		7,560	6,312
Tax liabilities		24,771	24,252
Financial liabilities	E 3	549,471	670,729
Lease liabilities		339	317
<b>Total current liabilities</b>		<b>594,010</b>	<b>714,265</b>
<b>Total liabilities</b>		<b>866,810</b>	<b>994,247</b>
<b>Total equity and liabilities</b>		<b>1,174,941</b>	<b>1,327,532</b>



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 30 September 2024

in EUR thousand	01/01/2024 – 30/09/2024	01/01/2023 – 30/09/2023
<b>Earnings before taxes</b>	<b>- 22,905</b>	<b>- 57,476</b>
Financial expenses	12,287	12,875
Financial income	- 6,427	- 20,852
Minority interests	3,225	882
Change in trade accounts receivable	- 2,163	- 2,856
Change in other receivables and other assets	1,581	1,616
Change in provisions	351	- 791
Change in trade payables and other liabilities	5,616	- 171
Profit/loss from fair value adjustments of investment properties	26,645	84,953
Profit/loss from the sale of real estate and real estate companies	5,221	12,912
Interest proceeds from loans and receivables	2,539	0
Interest received from loans to companies accounted for using the equity method	873	871
Income tax payments	- 3,748	4,301
Depreciation and amortisation and impairment	5,479	2,365
Distributions from companies accounted for using the equity method	0	691
Other non-cash items	- 90	735



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 30 September 2024

in EUR thousand		01/01/2024 – 30/09/2024	01/01/2023 – 30/09/2023
<b>Cash flow from operating activities</b>		<b>28,483</b>	<b>40,053</b>
Payments for the acquisition of/investments in investment properties, incl. prepayments, refurbishment measures and prepayments for property, plant and equipment		- 10,329	- 9,136
Payments for investments in/loans to companies accounted for using the equity method		0	- 5,570
Proceeds from loans to companies accounted for using the equity method		0	5,602
Proceeds from the sale of real estate		94,659	76,921
<b>Cash flow from investing activities</b>		<b>84,330</b>	<b>67,817</b>
Proceeds obtaining financial debts		0	23,300
Payments to obtain financial debts		- 11,795	0
Distributions to minority shareholders/dividends		- 2,779	- 3,445
Interest paid on financial liabilities		- 8,564	- 8,705
Payments for the purchase of additional shares in a subsidiary		- 658	0
Payments for the redemption of financial liabilities		- 44,273	- 43,822
Payment for the redemption of lease liabilities		- 224	- 266
<b>Cash flow from financing activities</b>		<b>- 68,293</b>	<b>- 32,938</b>
<b>Net change in cash and cash equivalents</b>		<b>44,520</b>	<b>74,932</b>
Cash and cash equivalents at the start of the period		119,989	57,415
<b>Cash and cash equivalents at the end of the period</b>		<b>164,509</b>	<b>132,347</b>



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 30 September 2024

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	
<b>01/01/2024</b>	<b>105,513</b>	<b>89,767</b>	<b>108,309</b>	<b>303,589</b>	<b>29,696</b>	<b>333,285</b>
Net profit/loss for the period	0	0	-22,432	-22,432	795	-21,637
Other comprehensive income	0	0	0	0	191	191
<b>Total comprehensive income</b>	<b>0</b>	<b>0</b>	<b>-22,432</b>	<b>-22,432</b>	<b>986</b>	<b>-21,446</b>
Dividend payments/distributions	0	0	0	0	-552	-552
Acquisition of treasury shares	0	1,483	0	1,483	0	1,483
Other changes	0	0	-161	-161	-4,478	-4,639
<b>30/09/2024</b>	<b>105,513</b>	<b>91,250</b>	<b>85,716</b>	<b>282,479</b>	<b>25,652</b>	<b>308,131</b>

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	
<b>01/01/2023</b>	<b>105,513</b>	<b>88,366</b>	<b>256,347</b>	<b>450,226</b>	<b>36,465</b>	<b>486,691</b>
Net profit/loss for the period	0	0	-47,030	-47,030	-2,500	-49,530
Other comprehensive income	0	0	0	0	0	0
<b>Total comprehensive income</b>	<b>0</b>	<b>0</b>	<b>-47,030</b>	<b>-47,030</b>	<b>-2,500</b>	<b>-49,530</b>
Dividend payments/distributions	0	0	0	0	-798	-798
Other changes	0	0	-511	-511	500	-11
<b>30/09/2023</b>	<b>105,513</b>	<b>88,366</b>	<b>208,806</b>	<b>402,685</b>	<b>33,667</b>	<b>436,352</b>



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 30 September 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. 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 30 September 2024 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 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.

The condensed interim consolidated financial statements for the period from 1 January to 30 September 2024 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) 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 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 30 September 2024 should therefore be viewed in conjunction with the [🔗 consolidated financial statements](#) as at 31 December 2023.

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.



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

## 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".

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 331 thousand (9M 2024: EUR 292 thousand) and by general administrative expenses associated with consultancy services in the area of asset management in the amount of EUR 571 thousand (9M 2024: EUR 578 thousand), as these are now presented under the item "Operating expenses to generate rental income".

In addition, the previous year's "Impairment of trade receivables" item has been reduced by EUR 1,077 thousand (9M 2024: EUR 1,725 thousand). The previous year's "Impairment of financial and other receivables" item only includes impairments for loans in the amount of EUR 527 thousand (9M 2024: EUR 1,528 thousand). Impairment of trade accounts receivable is now recognised as part of the result from the rental of real estate.

These condensed interim consolidated financial statements of DEMIRE AG were approved for publication by a resolution of the Executive Board on 6 November 2024.

## B. Scope and principles of consolidation

In the reporting period 2024, there was a change in the scope of consolidation.

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 four Limes 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) and DZ HYP AG for an outstanding loan amount of approximately EUR 83 million, 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. After further unsuccessful negotiations, the management was forced to file for insolvency for these four companies on 22 July 2024. Since then, these companies have been under their own management. As a result, these companies are no longer controlled in accordance with IAS 10.21 and were deconsolidated in the third quarter of 2024. This resulted in a deconsolidation loss of EUR 6,137 thousand which was recorded under other operating expenses. The remaining investments in the amount of EUR 9,128 thousand in the four subsidiaries and the loans granted to them were remeasured at fair value in the amount of EUR 53,431 thousand.

In addition, DEMIRE GP 15 S.à r.l. was founded on 25 September 2024 and was added to the scope of consolidation.

## 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 2023. There were no material changes in estimates compared to those in the [consolidated financial statements](#) as at 31 December 2023.

The first-time application of amendments to IAS 1 and 7, IFRS 7 and 16 have no effect on the consolidated financial statements of DEMIRE.



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	01/01/2024 – 30/09/2024	01/01/2023 – 30/09/2023
Net rent	50,637	59,885
Income from utility and service charges	13,925	17,979
<b>Rental revenue from real estate</b>	<b>64,562</b>	<b>77,864</b>
Allocable operating expenses to generate rental income	–20,848	–25,236
Non-allocable operating expenses to generate rental income <sup>1</sup>	–7,576	–8,187
Impairment of receivables <sup>1</sup>	–1,726	–1,077
<b>Operating expenses to generate rental income</b>	<b>–30,150</b>	<b>–34,500</b>
<b>Profit/loss from the rental of real estate</b>	<b>34,412</b>	<b>43,364</b>

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

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

At EUR 34,412 thousand (9M 2023: EUR 43,364 thousand), the result from the rental of real estate was lower year-on-year, due in particular to the disposal of the properties sold in Ulm, Apolda and Bad Oeynhausen in the previous period and the disposal of the Leipzig LogPark property at Am alten Flughafen sold in the first quarter of the current financial year due to an increased vacancy rate (particularly in the properties in Celle, Bergstraße and Querfurt) and the deconsolidation of the Limes portfolio (consisting of the properties in Essen, Theodor-Althoff-Str. 39–47, Kassel, Kölnische Str. 6/Mauerstr. 11/Spohrstr. 2/4, Cologne, Max-Glomsda-Str. 4 and Aschheim, Max-Planck-Str. 3). Rental income decreased by EUR 9,248 thousand to EUR 50,637 thousand (9M 2023: EUR 59,885 thousand) due to the effects

described above. Non-allocable operating expenses of EUR –7,576 thousand (9M 2023: EUR –8,187 thousand) declined compared to the previous period despite higher maintenance expenses of EUR –3,885 thousand (9M 2023: EUR –3,619 thousand), in particular due to the disposal of real estate as described above.

Of the operating expenses, an amount of EUR –20,848 thousand (9M 2023: EUR –25,236 thousand) is generally allocable and can be charged to tenants. The decline is due in particular to the disposal of properties sold in the previous period. The decrease in non-allocable expenses is also shown in the decrease in income from the allocation of utility and service charges.

Impairments on receivables amounted to EUR –1,726 thousand in the reporting period (9M 2023: EUR –1,077 thousand). The higher impairments in the reporting period resulted from impairments on receivables from various tenants. A large proportion of the impairments in the reporting period in the amount of EUR 346 thousand relate to the tenant Galeria Karstadt Kaufhof, which was again subject to insolvency proceedings. On top of this, impairment losses of around EUR –236 thousand are attributable to two tenants in Rostock who are also subject to insolvency proceedings. The remaining impairments on receivables in the amount of EUR –1,144 thousand are distributed among different tenants in DEMIRE's entire property portfolio and predominantly result from the flat-rate individual value adjustments made on the basis of the age structure of the receivables.

Impairments of receivables in the previous period resulted mainly from the former tenant HC Bowling in Stralsund in the amount of EUR 244 thousand, which is currently subject to insolvency proceedings. The remaining impairments on receivables in the amount of EUR –833 thousand are distributed among different tenants in DEMIRE's entire property portfolio and result from the flat-rate individual value adjustments made on the basis of the age structure of the receivables.



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

Profit/loss from the sale of property and property companies amounts to EUR –5,221 thousand as at 30 September 2024 (9M 2023: EUR –12,912 thousand) and includes various incidental costs incurred in connection with disposals.

No revaluation of investment properties had been performed as at the 30 September 2024 reporting date.

Losses from the revaluation in the amount of EUR –17,923 thousand arose as part of a valuation of the Limes portfolio as at 30 June 2024, which was deconsolidated in the third quarter of 2024.

Besides this, several properties that were in an advanced stage of a sales process as at the balance sheet date have been reclassified as held for sale and revalued in accordance with IFRS 5. This resulted in a valuation loss of EUR –8,723 thousand (9M 2023: EUR –25,273 thousand).

## 2. Financial result

in EUR thousand	01/01/2024 – 30/09/2024	01/01/2023 – 30/09/2023
Financial income	6,427	19,914
Financial expenses	–12,287	–12,875
Minority interests	–3,225	–882
<b>Financial result</b>	<b>–9,085</b>	<b>7,095</b>

Significant components of the financial income result from the granting of loans to the joint venture JV Theodor-Heuss-Allee GmbH in the amount of EUR 792 thousand (9M 2023: EUR 782 thousand) and its shareholder RFR 5 Immobilien GmbH in the amount of EUR 2,306 thousand (9M 2023: EUR 2,417 thousand) as well as interest from fixed-term deposits totalling EUR 2,768 thousand (9M 2023: EUR 923 thousand) and profit from the buyback of the corporate bond at a price below the nominal value in the amount of EUR 62 thousand (9M 2023: EUR 15,683 thousand).

Financial expenses recorded a year-on-year decrease of EUR 588 thousand, due primarily to the early repayment of a loan in the course of the disposal of the logistics park in Leipzig.

Minority interests totalling EUR –3,225 (9M 2023: EUR –882 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 year-on-year decline in minority interests is primarily the result of pro rata valuation losses on the properties in the first half of 2023.

## 3. Earnings per share

in EUR thousand	01/01/2024 – 30/09/2024	01/01/2023 – 30/09/2023
<b>Net profit/loss for the period (in EUR thousand)</b>	<b>–21,637</b>	<b>–49,530</b>
Profit/loss for the period less non-controlling interests	–22,432	–47,030
<b>Number of shares (in thousands)</b>		
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
<b>Earnings per share (in EUR)</b>		
Basic earnings per share	–0.21	–0.45
Diluted earnings per share	–0.21	–0.44

As at 30 September 2024, 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	Other	Total
<b>Fair value at the beginning of the 2024 financial year</b>	<b>592,816</b>	<b>292,640</b>	<b>61,820</b>	<b>947,276</b>
Additions of properties	8,289	677	74	9,041
Disposal of deconsolidation	-99,223	-39,242	0	-138,465
Reclassifications to non-current assets held for sale	-40,685	-4,013	0	-44,698
Unrealised losses from fair value measurement	-15,712	-2,211	0	-17,923
<b>Fair value as at 30/09/2024</b>	<b>445,486</b>	<b>247,852</b>	<b>61,894</b>	<b>755,232</b>

The additions to investment property totalling EUR 9,041 thousand consist entirely of capitalisation 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 the fair values within the framework of IAS 40 accounting. No revaluation of investment properties was performed as at the 30 September 2024 reporting date. The valuation loss of EUR -17,923 thousand (9M 2023: EUR -59,680 thousand) in the reporting period results from the revaluation of the LIMES portfolio as at 30 June 2024.

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.

The decrease of EUR 67,275 thousand in the item “Properties held for sale” is primarily due to the disposal of logistics park Leipzig.

### 2. Equity

Subscribed capital amounted to EUR 107,777 thousand (31 December 2023: EUR 107,777 thousand). This was EUR 105,513 thousand after the deduction of treasury shares (31 December 2023: EUR 105,513 thousand).

### 3. Financial liabilities

Financial liabilities consisted of the following:

#### FINANCIAL LIABILITIES

in EUR thousand	30/09/2024	31/12/2023
2019/2024 corporate bond	498,664	497,564
Other financial liabilities	169,087	293,505
<b>Total</b>	<b>667,751</b>	<b>791,069</b>



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

The following table shows the nominal value of financial liabilities

**FINANCIAL LIABILITIES**

in EUR thousand	30/09/2024	31/12/2023
2019/2024 corporate bond	498,800	499,000
Other financial liabilities	252,061	290,853
<b>Total</b>	<b>750,861</b>	<b>789,853</b>

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.

The nominal interest rate of the 2019/24 corporate bond is 1.875% p.a. Other financial liabilities mainly include financial liabilities to banks at a weighted average nominal interest rate of 1.68% p.a. as at 30 September 2024 (31 December 2023: 1.51% p.a.). The average nominal interest rate on debt across all financial liabilities was 1.89% p.a. as at 30 September 2024 (31 December 2023: 1.74% p.a.).



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

01/01/2024 – 30/09/2024

in EUR thousand	Core Portfolio	Fair Value REIT	Corporate functions/ others	Group
<b>Total revenue</b>	<b>146,649</b>	<b>18,110</b>	<b>0</b>	<b>164,759</b>
<b>Segment revenue</b>	<b>128,978</b>	<b>18,197</b>	<b>175</b>	<b>147,350</b>
<b>Segment expenses</b>	<b>- 137,261</b>	<b>- 8,418</b>	<b>- 15,490</b>	<b>- 161,170</b>
<b>EBIT</b>	<b>- 8,284</b>	<b>9,779</b>	<b>- 15,316</b>	<b>- 13,820</b>
<b>Net profit/loss for the period</b>	<b>- 11,575</b>	<b>5,958</b>	<b>- 16,020</b>	<b>- 21,637</b>
<b>Segment assets 30/09/2024</b>	<b>625,254</b>	<b>293,513</b>	<b>256,173</b>	<b>1,174,941</b>
Thereof tax assets	584	131	779	1,494
Thereof additions to non-current assets	8,435	606	0	9,041
Thereof non-current assets held for sale	78,030	3,795	0	81,825
<b>Segment liabilities 30/09/2024</b>	<b>679,483</b>	<b>161,242</b>	<b>26,085</b>	<b>866,810</b>
Thereof non-current financial liabilities	58,650	59,631	0	118,281
Thereof lease liabilities	25,655	0	43	25,698
Thereof current financial liabilities	541,450	8,020	0	549,471
Thereof tax liabilities	5,093	5	19,673	24,771

01/01/2023 – 30/09/2023

in EUR thousand	Core Portfolio	Fair Value REIT	Corporate functions/ others	Group
<b>Total revenue</b>	<b>128,495</b>	<b>18,469</b>	<b>0</b>	<b>146,964</b>
<b>Segment revenue</b>	<b>53,630</b>	<b>9,152</b>	<b>161</b>	<b>62,943</b>
<b>Segment expenses</b>	<b>- 111,663</b>	<b>- 7,510</b>	<b>- 8,341</b>	<b>- 127,514</b>
<b>EBIT</b>	<b>- 58,032</b>	<b>1,642</b>	<b>- 8,181</b>	<b>- 64,571</b>
<b>Net profit/loss for the period</b>	<b>- 47,984</b>	<b>47</b>	<b>- 1,593</b>	<b>- 49,530</b>
<b>Segment assets 30/09/2023</b>	<b>994,276</b>	<b>308,736</b>	<b>133,792</b>	<b>1,436,804</b>
Thereof tax assets	649	76	1,927	2,652
Thereof additions to non-current assets	6,936	844	0	7,780
Thereof non-current assets held for sale	265,803	0	0	265,803
<b>Segment liabilities 30/09/2023</b>	<b>313,272</b>	<b>172,623</b>	<b>514,557</b>	<b>1,000,452</b>
Thereof non-current financial liabilities	97,361	60,548	495,295	653,203
Thereof lease liabilities	25,473	0	79	25,552
Thereof current financial liabilities	132,919	11,005	0	143,924
Thereof tax liabilities	6,122	0	16,108	22,230



**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

No customer accounted for 10% or more of total revenue in 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 25,150 thousand from the joint venture JV Theodor-Heuss-Allee GmbH. Interest income from this loan came to EUR 792 thousand as at 30 September 2024. Interest receivables amounted to EUR 87 thousand. In addition, an asset management agreement and an agency agreement exist between DEMIRE AG and JV Theodor-Heuss-Allee GmbH, resulting in income of EUR 56 thousand as at 30 September 2024. 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	30/09/2024		31/12/2023	
	Carrying amount under IFRS 9	Fair value	Carrying amount under IFRS 9	Fair value
Loans to companies accounted for using the equity method	78,581	69,194	25,150	23,531
Loans and financial assets	48,212	34,445	58,100	53,291

in EUR thousand	30/09/2024		31/12/2023	
	Carrying amount under IFRS 9	Fair value	Carrying amount under IFRS 9	Fair value
Bonds	498,664	427,741	497,564	303,093
Other financial liabilities	169,088	140,141	293,505	269,799

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

### 3. Risk report

Please refer to the disclosures made in the opportunities and risks report included within the [🔗 consolidated financial statements](#) as at 31 December 2023 for information on the opportunities and risks of future business performance.

The 2019/2024 bond maturing in October 2024 is, at the time of publishing this report, in the final phase being extended to the end of 2027. As a result, risks arising from the bond and the extension have largely already been significantly reduced. A potential risk has been added due to the extension of financing of around EUR 35 million that expires on 30 November 2024, which has not yet been concluded, despite promising talks with the financing bank.

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.

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

### 4. Further explanations

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 14,394 thousand as at 30 September 2024 (9M 2023: EUR 135,305 thousand). These obligations are fixed in terms of their scope. The significant decline results from the deconsolidation of the Limes portfolio, and in this case in particular from the elimination of the contractual obligations for the property in Essen.

Purchase order commitments for maintenance and modernisation, as well as modification and expansion measures, totalled EUR 4,974 thousand as at the interim reporting date (9M 2023: EUR 9,182 thousand).

As at 30 September 2024, unused credit lines in the amount of EUR 2,500 thousand (31 December 2023: EUR 6,000 thousand) were available.

### 5. Governing bodies and employees

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

The members of the Executive Board during the interim reporting period were:

Prof. Dr Alexander Goepfert (CEO from 1 January 2023 to 3 April 2024)

Mr Frank Nickel (CEO since 3 April 2024)

Mr Tim Brückner (Chief Financial Officer since 1 February 2019)

Mr Ralf Bongers (Executive Board member since 1 April 2023)

For the interim reporting period, the Executive Board of DEMIRE AG received performance-related remuneration of EUR 322 thousand (9M 2023: EUR 408 thousand), non-performance-related remuneration of EUR 680 thousand (9M 2023: EUR 714 thousand) and share-based payments of EUR 43 thousand (9M 2023: EUR –40 thousand).

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.



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

## 6. Events after the interim reporting date of 30 September 2024

As part of a comprehensive transaction, DEMIRE is extending its 2019/2024 bond to the end of 2027 with revised conditions. On 22 October 2024, 10% (EUR 49.9 million) of the current outstanding total nominal amount of EUR 499 million was redeemed at par. Subsequently, as part of a tender offer, bonds with an outstanding total nominal amount of EUR 4.59 million were repurchased and cancelled below par at 61%.

Since 25 October 2024, bonds promised as part of a backstop agreement with individual bondholders have been repurchased and cancelled below par at 76.25%. It is expected that the settlement will be finalised in the next few days after publication of this report and that the new bond terms and conditions will then come into force. The total nominal amount of the extended bond is expected to be between EUR 252 million and EUR 254 million.

For the bond buyback, the Company is using its available liquidity. In addition, the Company's largest shareholder has agreed to grant DEMIRE a shareholder loan of up to EUR 100 million to support this. The majority of the shareholder loan is expected to be utilised.

As part of the refinancing of the 19/24 corporate bond, an ownership structure was determined that made it necessary to found a series of Luxembourg companies to hold significant portions of the DEMIRE portfolio as interim holdings. After the reporting date, the following companies were founded: DEMIRE GP 16 S.à r.l., DEMIRE GP 17 S.à r.l., DEMIRE GP 18 S.à r.l., DEMIRE GP 19 S.à r.l., DEMIRE GP 20 S.à r.l., DEMIRE Holding 15 SCSp, DEMIRE Holding 16 SCSp, DEMIRE Holding 17 SCSp, DEMIRE Holding 18 SCSp, DEMIRE Holding 19 SCSp and DEMIRE Holding 20 SCSp. The shares held by these Luxembourg holding companies were pledged to the bondholders.

Frankfurt am Main, 6 November 2024

DEMIRE Deutsche Mittelstand Real Estate AG

Frank Nickel  
(CEO)

Tim Brückner  
(CFO)

Ralf Bongers  
(Executive Board Member for  
Transactions)



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

## 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, 6 November 2024

DEMIRE Deutsche Mittelstand Real Estate AG

Frank Nickel  
(CEO)

Tim Brückner  
(CFO)

Ralf Bongers  
(Executive Board Member for  
Transactions)





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

# IMPRINT

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