

DEMIRE starts successfully into 2021:

FFO I and NAV further improved

- **Funds from Operations I (after taxes and before minorities) now at EUR 10.8 million (Q1 2020: EUR 9.6 million)**
- **NAV per share (undiluted) increases by 10 euro cents to EUR 6.01 compared to year-end 2020**
- **Rental income as expected at EUR 21.1 million.**
- **Strong Letting performance with more than 23,000 sqm**

Langen, 12 May 2021. DEMIRE Deutsche Mittelstand Real Estate AG (ISIN: DE000A0XFSF0) has successfully completed the first quarter of 2021. Key operating and portfolio-related indicators remain stable or were improved again. The COVID-19 pandemic just had a minor effect on the overall business activity in the reporting period. Since the beginning of the pandemic, a total of only around 5.5 per cent of the annual contract rents have been outstanding. These developments are the result of the consistent implementation of the “REALize Potential” strategy. The company therefore considers itself well positioned for the future and confirms its earnings forecast for the current financial year.

Increases in FFO and NAV per share

Funds from Operations I (after taxes, before minorities) increase in the reporting period to EUR 10.8 million or by 12.0 percent compared to the prior-year quarter (EUR 9.6 million). The NAV per share (undiluted) also increases by 10 euro cents to EUR 6.01 compared to 31 December 2020. The distribution of the dividend of EUR 0.62 per share for the 2020 financial year on 3 May 2021 reduces the NAV accordingly. DEMIRE's rental income declined slightly from EUR 22.0 million to EUR 21.1 million compared to the prior-year quarter, primarily due to various strategic portfolio adjustments. In contrast, earnings before interest and taxes (EBIT) increased by 28.8 percent to approximately EUR 16.6 million and earnings before taxes (EBT) by 41.7 percent to approximately EUR 11.3 million.

At 75 properties, the number of properties in remains constant compared to the end of 2020, as does the portfolio value of around EUR 1.44 billion. This does not yet take into account the successful acquisition of the Cielo office property in Frankfurt and the sale of an office property in Ansbach. Following a successful repositioning, the property was sold at a

significant premium to the most recent valuation. The **EPRA vacancy rate** of the portfolio (excluding assets held for sale) is 7.8 percent as of the reporting date, after 6.9 percent as of 31 December 2020. The **WALT** remains constant at 4.8 years compared to year-end 2020.

DEMIRE can report a continued high **letting performance** of around 23,000 sqm for the reporting period; of this, around 44 percent is attributable to new lettings and around 56 percent to lease extensions. Active portfolio management and the successful repositioning of numerous properties reduced the dependence on the tenant GMG/Deutsche Telekom and further diversified the tenant base. Whereas GMG still accounted for 30.4 per cent of contractual rents at the end of 2018, this figure has more than halved to 14.2 per cent as at the reporting date of 31 March 2021.

Improving financing costs and high liquidity

"We succeeded in further improving financing costs compared to the same period of the previous year. This is an important result of our active financial management," announces Tim Brückner, CFO of DEMIRE AG. The average nominal interest rate on borrowed capital improved by 2 basis points to a nominal 1.69 percent per annum as of 31 March 2021 compared to the end of 2020. The net leverage ratio (LTV) of 49.5 percent is 0.5 percentage points below the value as of the balance sheet date; liquidity remains at EUR 155.2 million as of 31 March 2021.

Guidance for 2021 unchanged

Despite the existing uncertainty in the markets due to the pandemic, DEMIRE is cautiously optimistic for the future due to the progressing vaccination campaign, the slowly improving incidence levels and the strong positioning of the company. Hence, DEMIRE confirms its forecast for 2021. According to this, rental income is expected to be between EUR 80.0 and EUR 82.0 million and FFO I (after taxes, before minorities) in the range of EUR 34.5 and EUR 36.5 million.

Ingo Hartlief, CEO of DEMIRE: "We are focusing on our proven 'REALize Potential' strategy and our active asset management with constructive tenant dialogue. In conjunction with the liquidity position we have built up, we believe we are well positioned to seize further growth opportunities as the situation requires, in addition to optimising earnings quality."

The DEMIRE interim report for Q1 2021 is available on the Company's website:

<https://www.demire.ag/en/investor-relations/reports-results>

End of press release

Invitation to the Conference Call on 12 May 2021

The Management Board of DEMIRE invites all interested parties to attend the presentation of the Q1 2021 interim results at a conference call on 12 March 2021 at 10:00 CET.

Please use the following dial-ins:

Germany	+49 89 2030 35526
United Kingdom	+44 330 336 9424
united States	+1 323 794 2597

The dial-in code is 8160718.

In addition, the conference call will be streamed online:

<https://www.webcast-egs.com/demire20210512/no-audio>

A presentation is available on

<https://www.demire.ag/en/investor-relations/reports-results>

Selected Key Performance Indicators of DEMIRE Group

	01/01/2021- 03/31/2021	01/01/2020- 03/31/2020
Consolidated income statement (in EURm)		
Rental income	21.1	22.0
Net income from the rental of real estate	17.7	17.3
EBIT	16.6	12.9
Financial results	-5.3	-4.9
Profit/loss for the period after tax	9.4	6.8
- thereof attributable to shareholders of the parent company	8.7	6.2
FFO I (after tax, before minority interests)	10.8	9.6
FFO II (after tax, before minority interests)	10.7	7.8
Undiluted/diluted earnings per share (in EUR)	0.10/0.10	0.09/0.09
Consolidated accounts (in EURm)		
	03/31/2021	12/31/2020
Total assets	1,685.5	1,625.3
Investment properties	1,413.2	1,426.3
Cash and cash equivalents	155.2	101.6
Properties held for sale	49.0	31.0
Shareholders' equity (incl. non-controlling shareholders)	606.3	589.0
Equity ratio (in % of total assets)	36.0	36.8
Undiluted/diluted EPRA-NAV	634.3/634.8	625.3/625.9
EPRA-NAV per share (EUR, basic/diluted)	6.01/5.99	5.91/5.89
Net financial liabilities	723.2	728.1
Net debt-to-equity ratio (net LTV), in %	49.5	50.0
Portfolio key ratios		
	03/03/2021	31/12/2020
Properties (number)	75	75
Market value (in EURm)	1,441.5	1,441.5
Annualised gross rental income (in EURm)	85.4	85.6
Rental yield (in %)	5.9	5.9
EPRA vacancy rate (in %) **	7.8	6.9
WALT (in years)	4.8	4.8

** excl. assets held for sale

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About DEMIRE Deutsche Mittelstand Real Estate AG**DEMIRE – REALize Potential**

DEMIRE Deutsche Mittelstand Real Estate AG acquires and holds commercial real estate in mid-sized cities and up-and-coming locations bordering metropolitan areas across Germany. The Company's particular strength lies in realising the potential of the properties at these locations while focusing on a range of properties that appeals to both regional and international tenants. As of 31 March 2021, DEMIRE's portfolio contains of 75 assets with lettable space totalling about 1 million sqm and has a market value in excess of EUR 1.4 billion.

The portfolio's focus on office properties with a blend of retail, hotel and logistics properties results in a return / risk structure that is appropriate for the commercial real estate segment. The Company places importance on long-term contracts with solvent tenants and the realisation of the properties' potential. DEMIRE anticipates continued stable and sustainable rental income along with solid value appreciation and expects the portfolio to grow significantly in the medium term. As it expands its portfolio, DEMIRE is concentrating on FFO-strong assets with potential and, at the same time, disposing of properties that are not in line with its strategy. DEMIRE is taking several steps to further the development of its operations and processes. Next to cost consciousness, the operating performance is set to improve through an active asset and portfolio management approach.

DEMIRE Deutsche Mittelstand Real Estate AG shares are listed in the Regulated Market (Prime Standard segment) of the Frankfurt Stock Exchange.