DEMIRE

Market Update Presentation

June 2024

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Introductory remarks

- DEMIRE (the “Company“) is pleased to announce the proposed amendment & maturity extension (the “Refinancing”) relating to its €499m senior unsecured notes due October 2024 (the “SUNs”)
- The proposed Refinancing is launched on the basis of support of an ad-hoc group of holders representing more than 50% by value of bonds outstanding of the SUNs as agreed in a Lock-Up Agreement (the “Lock-Up Agreement”) as well as significant commitments by its majority shareholder, a subsidiary of certain funds managed by affiliates of Apollo Global Management Inc. (the “Shareholder”) (please see details below)
- It is currently aimed to complete the Transaction as soon as possible by way of a vote without a meeting (Abstimmung ohne Versammlung) pursuant to Sec. 18 of the German act on bonds from aggregate issuances (Schuldverschreibungsgesetz, SchVG)
- The Refinancing demonstrates the continued strong support by the Company’s key financial stakeholders and provides the Company with a stable platform to further focus on its asset disposal program and deleveraging path over the next years
- The Refinancing includes the following key elements:
    - SUN maturity extended by >3 years until December 2027
    - Shareholder to take measures freeing up Company liquidity (of up to €120m) currently earmarked for large capex commitments related to Essen / Kassel (which are part of the Company’s real estate portfolio called “Limes” (which includes Essen, Kassel, Aschheim and Cologne) (“Limes Entities”)); this may include a transfer of the Limes Entities to an entity controlled by the Shareholder
    - In addition, up to €100m shareholder funding and utilisation of Company liquidity for up to c.€260m Day-1 redemption (including launch of tender offer at closing partially backstopped by AHG and assuming 76.25% tender price)
    - Enhanced economics on re-instated bond with 5% cash coupon (and additional 1.00% PIK starting on 01-Jan 2027) and additional fees if certain deleverage targets are not met
    - New and comprehensive collateral package for the SUNs
    - Updated set of covenants aligned with the business plan / asset disposal program ensuring a stable platform
- The Refinancing strengthens the financial position of the Company and provides a clear strategic roadmap in alignment with the interests of the Company’s key stakeholders going forward
- The Company will now approach further bondholders for an accession to the Lock-Up Agreement and the support of the contemplated Refinancing

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Refinancing − heads of terms (1/4)

Maturity Extension	» 31 December 2027
Shareholder Support	» €100m shareholder funding to be solely used for tender offer (see below; €100m represents maximum shareholder funding amount, i.e. non-utilized shareholder funding will not be made available to the Company). Funding to be provided by deeply subordinated shareholder loan or similar instrument » Shareholder to take measures freeing up Company liquidity (of up to €120m) currently earmarked for large capex commitments related to Essen / Kassel (which are part of the Company's real estate portfolio called "Limes" (which includes Essen, Kassel, Aschheim and Cologne)); this may include a transfer of the Limes Entities to an entity controlled by the Shareholder (in such case the Shareholder return shall be limited to 18% p.a. on invested capital with a turnover provision of proceeds exceeding the 18% hurdle rate back to the Company)

Improved Economics	» Economics on c.€239m reinstated bond after redemption from Company liquidity and shareholder funding / tender offer
	  » 312.5bps margin uplift to 5.000% cash margin
	  » 1.00% PIK interest starting on 01-Jan 2027
	  » 300bps disposal / penalty fee if company does not manage to achieve to reduce bond volume by an additional €50m after closing of the transaction until Dec-2025 – disposal / penalty fee to be paid at maturity or upon refinancing

Day-1 Bond Repayments	» €49.9m (10% of currently outstanding amount) redemption at par at closing of the transaction from Company liquidity to reduce the nominal amount per bond to €90,000 » Tender offer launched at closing of the transaction with €100m of shareholder liquidity and €59.6m from company cash at a maximum price 76.25 per cent of the reduced nominal amount per bond, partially backstopped by AHG at the maximum price. Commitment to backstop will be open to other bondholders » The members of the Ad Hoc Group have already committed a large part of the backstop » 5.00% backstop fee on backstopped amount » If not all available cash is utilized in the tender/backstop, company cash and shareholder liquidity are reduced proportionately. However, a minimum of €68.3m of shareholder liquidity must be used in the tender » Any Company balance sheet cash not used for bond repurchase will remain allocated to bond purchases for the next 12 months following restructuring effective date. If not used within this timeframe, the funds will be utilised to redeem additional bonds at par value at the end of this period (for the avoidance of doubt: maximum of €120m company cash utilised for bond repurchases as part of the transaction) » The above results in a total discount of €39.3m assuming full utilization of the available liquidity in the tender/backstop at the maximum price of 76.25 percent of the reduced nominal amount (€209.3m total bond volume)

Refinancing − heads of terms (2/4)

Further Bond Repayments		» No further mandatory repayments until maturity » Undertaking to market assets on a best-efforts basis in a volume that would generate net proceeds to bondholders of at least €50m in 2025 and €50m in 2026 » Company has the option to use cash on balance sheet and/or net proceeds from disposals to tender for bonds below par (i.e. no par repayment from asset disposals required)
Collateral Package (1/2)	**New LuxCo Structure**	» New LuxCo structure to be implemented in two steps, one as CP for closing, one as CS to be fulfilled until 31 December 2024 (whereas the Company has made certain assurances to expedite the transfer of the Deferred Entities (as defined below)): » CPs for closing: • Implementation of a new Lux holding structure consisting of a to-be-established LuxTopCo and a certain number of to-be-established LuxInterCos (the LuxTopCo and all its subsidiaries being the "LuxCo Structure". • All shares of the LuxTopCo and the LuxInterCos are to be pledged. All current holding companies and all direct and indirect subsidiaries and participations are to be transferred into the LuxCo Structure except for the transfer of the following entities: – 9 FVR HoldCos and their subsidiaries (incl. FVR AG) (together, the "Deferred Entities") – PropCos financed as part of the Limes portfolio (the "Limes PropCos"); • Limes PropCos to be transferred to another holding company ("New Limes HoldCo") which is not part of the LuxCo Structure and Demire group (nevertheless, if a suitable financing arrangement is found, the Company may retain the Limes PropCos within the Demire group structure). • German law share pledges over shares in Deferred Entities insofar as they are HoldCos (i.e. 9 FVR HoldCos) and FVR AG (first ranking) - see below "*Additional German Law Pledges*". • Approval of the collateral package by a general meeting of the company's shareholders » CS to be fulfilled until 31 December 2024: • The Company will complete the implementation of the LuxCo structure by transferring the Deferred Entities into the LuxCo Structure, i.e. transfer of the 9 FVR HoldCos to three different LuxCos in case the required CoC waivers can be obtained prior to closing, otherwise undertaking to transfer asap instead of CS » LuxCo structure to cover asset management data and information to the extent reasonably implementable. No requirement to transfer employees to new Lux structure, but asset management agreements between Company and PropCos shall include a CoC clause for the case of an enforcement. Parties to reasonably cooperate to effect transfer of asset management team, including obligation to transfer any employee-related data and any information reasonably required for notification pursuant to sec. 613a para. 5 BGB upon termination of asset management agreements following enforcement » Any new acquisitions to be made directly or indirectly by any of the Lux InterCos

Refinancing – heads of terms (3/4)

Collateral Package (2/2)	**Account Pledge**	» Account pledge on DEMIRE AG level & duty to park all cash reserves on an account of DEMIRE AG or in or below InterCo
	IC Receivables Pledges	» Only "Structural" IC loans to be assigned, covering all IC loans to entities within the LuxCo structure by entities outside the LuxCo structure » IC receivables assignments will be granted based on typical security agreements (including limitation language, etc. to the extent applicable) and on the assumption that this will not result in operational changes in the IC relationships
	RETT Blocker Receivables Pledges	» RETT blocker receivables pledges will be granted based on typical security agreements
	Additional German Law Pledges	» German law share pledges (in addition to pledges of all LuxCo shares) to be granted over shares held (directly or indirectly) by DEMIRE (i) in the Guarantors, (ii) the current silo/holding companies and (iii) the Deferred Entities insofar as they are HoldCos (i.e. 9 FVR HoldCos and FVR AG), subject to list of immaterial entities in respect of which no security interests shall be taken ("Excluded Entities"), and in each case subject to customary limitation language (to the extent applicable) » Excluded Entities: Guarantors with a NAV below €15m, i.e. DEMIRE HB HZ B HST GmbH, DEMIRE Leonberg Neue Ramtelstrasse GmbH, DEMIRE Kempten Bahnhofstr. Hirschstr. Alpenstr. GmbH, DEMIRE BT HB DO H CLZ KS KO GmbH und DEMIRE Bayreuth Nürnberger Straße 38 GmbH
	Additional Claim	» The claim for turnover of proceeds exceeding 18% hurdle rate on Shareholder return (see page 4) a) to sit within LuxCo perimeter and covenant that such claim must remain in existence, within the LuxCo perimeter and enforceable, in particular it may not be waived, assigned, disposed or otherwise (actually or economically) utilized or transferred or b) to be assigned for security purposes to the security agent
	Guarantees	» Guarantees by LuxCos and PropCos with a NAV above EUR 15 million (excluding Limes and DEMIRE AN BN R PM FR FL), plus certain other entities, based on typical guarantee agreements (including limitation language, etc. to the extent applicable)
	Equity Cures	» Unlimited equity cures
Financial Covenants		» Net LTV covenant (incurrence covenant tested quarterly) at 70% – definition to remain as per current bond documentation (but to include restricted cash) » ICR: 1.5x (consolidated basis) based on Sensitivity Case – definition to remain as per current bond documentation

Refinancing – heads of terms (4/4)

Additional Covenants	» No dividends, payments or other distributions to shareholders
	» No equity buy-backs
	» Tightening of existing negative pledge to also include private debt with carve-out for existing PropCo financing (as well as Limes (capex) facility) incl. like-for-like refinancing; unless at least 85% of proceeds from debt raise are used to repay / repurchase bonds
	» Asset disposal covenants:
	    » Third party disposals at least 90% of consideration in cash / “best efforts” sales process
	    » Disposals to affiliated parties permissible, if Company has demonstrated that (i) at least 90% of the consideration is paid in cash, (ii) a “best efforts” sale process including a FV test (5% discount to prevailing book value) has been conducted and not yielded any executable offers, and (iii) the transaction is approved unanimously by the supervisory board
	» Acquisitions of properties:
	    » No acquisitions from affiliated parties
	    » Consideration not more than fair market value (customary officer’s certificate + opinion by reputable independent valuer for disposals >€5m)
	» No property acquisitions as long as €150m or more of reinstated bonds remain outstanding (unless 100% funded from new equity)
	    » €40m basket for tightly defined scope of asset purchases (scope to be defined)

Other Under-takings	» Undertaking of the Company to get second rating in addition to existing Moody’s rating to improve liquidity of the bond
Governance	» Common bondholder representative to be appointed, acting on instruction of 50%+ majority of the bondholders (i.e. representative cannot just act without any instructions)
Other	» Interest payment dates to be amended to June and December each year

Medium to long-term outlook

General remarks and asset disposal program

General remarks

» Any financial information not specifically identified as actual financial information is not a guidance or forecast by DEMIRE

» Business plan has been sensitised together with an expert consulting firm – figures are shown on a preliminary basis / subject to change

Further assumptions

» Figures shown incorporate the proposed amendments of the SUNs as per heads of terms (see p.4-7)

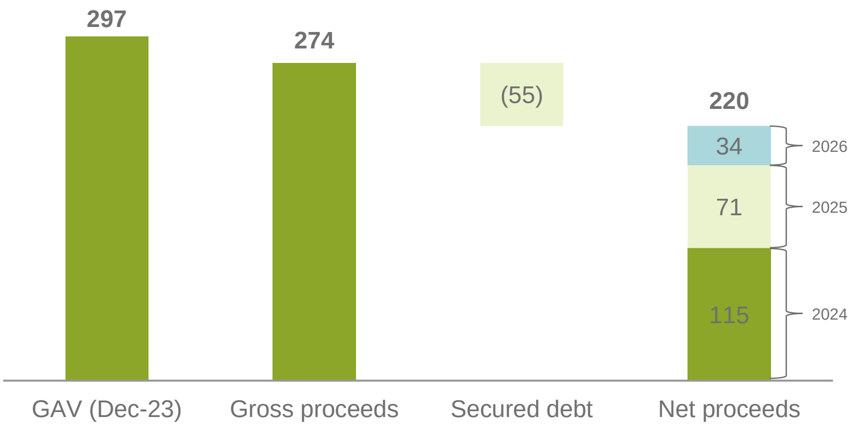
» Restructuring effective date assumed for Sep-24

» Shareholder to take measures freeing up Company liquidity (of up to €120m) currently earmarked for large capex commitments related to Essen / Kassel (which are part of the Company's real estate portfolio called "Limes" (which includes Essen, Kassel, Aschheim and Cologne) ("Limes Entities")); this may include a transfer of the Limes Entities to an entity controlled by the Shareholder (figures on the subsequent pages assume this scenario)

» Tender offer for bond repayment assumed to be fully utilised at tender price of 76.25%

» Proceeds from disposal programme illustratively assumed to be utilised for further bond repayments (90% of net proceeds)

Asset disposal program[1]



» 17 assets planned to be sold (incl. LogPark)

» Including LogPark, assets with a fair value of c.€ 300m as of Dec-23 planned to be sold generating cumulative net proceeds of c.€ 220m taking into account corresponding secured debt

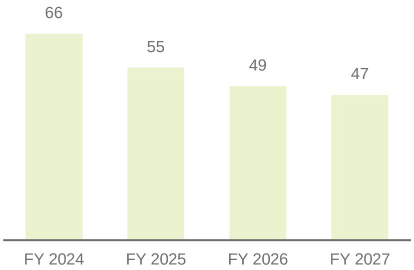
» Asset by asset sales price assumptions, on average 8% discount to Dec-23 fair values

1) Chart shown excluding transfer of Limes Entities

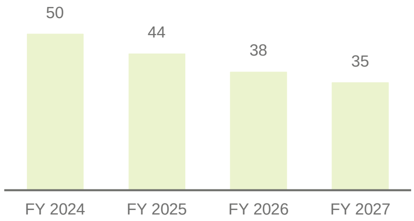
Medium to long-term outlook

Key P&L / FFO figures FY 2024−2027E

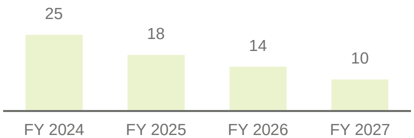
Rental income 1



Profit/loss from the rental of real estate 2



FFO (pre minorities, post tax)[1] 3



1. Decreasing rental income mainly due to planned sale of 17 assets and freeing up of Company liquidity currently earmarked for large capex commitments for Essen / Kassel, partly offset by increasing rents from vacancy reduction and indexations

2. Almost constant margin for rental operations

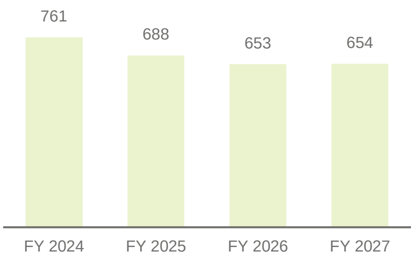
3. Decline in FFO additionally driven by increasing financing costs:
   - » Amendment of bond terms as per agreed heads of terms for refinancing
   - » In-place secured financings maturing in business plan period prolonged at higher interest cost to reflect current financing market sentiment

1) Pre any interest on shareholder funding. The shareholder funding will be provided at arms´ length terms in line with statutory requirements and will include a qualified subordination clause.

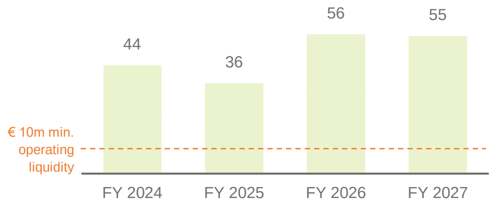
Medium to long-term outlook

Key balance sheet figures FY 2024−2027E

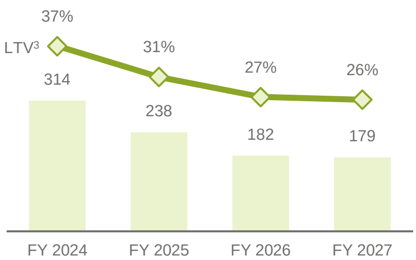
Investment properties[1] (1)



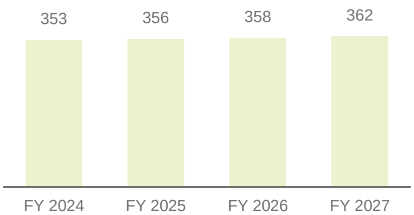
Cash and cash equivalents[2] (2)



Net financial debt[3] (3)



Equity (incl. shareholder funding)[4] (4)



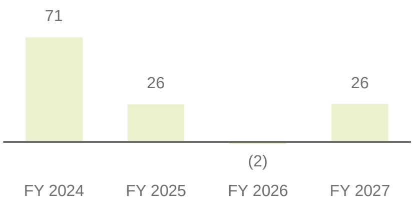
1. Declining investment properties based on assumed disposal programme and freeing up of Company liquidity currently earmarked for large capex commitments for Essen / Kassel; business plan does not assume the exercise of the call option for the Cielo land; the business plan assumes a net cash inflow of c.€ 29m in 2026 on the basis of the respective put option in the JV agreement
2. Cash generated over business plan period assumed to be primarily used for additional bond repayments
3. Declining net debt and LTV primarily driven by further bond repayments and secured debt repayments corresponding with disposals
4. Economic equity includes shareholder funding (incl. interest)[5] assumed to be paid in by shareholder as part of the tender process; no dividend payouts assumed on DEMIRE level

1) Includes assets held for sale
2) Includes cash at FVR level, does not include restricted cash as of Dec-23 (€ 9.5m)
3) Net debt excluding shareholder funding and including cash and cash equivalents as per definition above plus restricted cash; LTV defined as net debt divided by total assets excluding goodwill and cash and cash equivalents as well as restricted cash
4) Including non-controlling interests
5) The shareholder funding will be provided at arms´ length terms in line with statutory requirements and will include a qualified subordination clause.

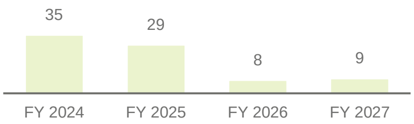
Medium to long-term outlook

Key cash flow figures FY 2024−2027E

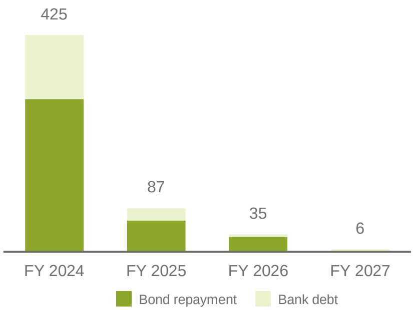
Cash flow from operating activities[1] 1



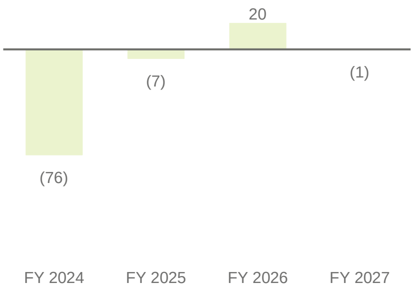
Capex / TIs 2



Redemption of financial liabilities 3



Net change in cash 4



1. Operating cash flow in 2024 containing profit on bond tender offer with corresponding tax payment in 2026
2. Capex requirements significantly lowered by freeing up of Company liquidity currently earmarked for large capex commitments for Essen / Kassel; capex relating to regular portfolio measures and tenant incentives
3. Mostly driven by repayment of bond (c.€ 390m nominal assumed over business plan period o/w c.€260m „Day-1") as well as secured debt corresponding to planned asset disposals
4. Corresponding to development of cash and cash equivalents position on page before

1) Includes interest income (i.e. including profit on bond tender offer)