Half-yearly financial report

of 2018/2019 financial year

1 October 2018 to 31 March 2019

Deutsche
Konsum
REIT-AG

Contents

Letter to our shareholders

Dear Shareholders,

Dear Sirs and Madams,

As expected, the first six months of the current financial year 2018/2019 were very positive for Deutsche Konsum REIT-AG. As of 31 March 2019, the real estate portfolio now comprises 106 retail properties with an annualised total rent of around EUR 39.8 million. Rental income increased from EUR 12.5 million to EUR 19.5 million, or around 56%. Funds from operations ("FFO") even increased by around 75% to EUR 12.6 million. On the balance sheet side, the good operating performance is also reflected: while the debt-equity ratio ("LTV") remains solid at 49.1%, EPRA NAV has risen to EUR 8.18 per share.

Due to the strong operating performance, DKR was able to successfully carry out a capital increase of EUR 11.00 per share in November 2018. In addition, the DKR share proved to be very robust in a volatile global market environment and has risen by around 35% since the beginning of the financial year on 1 October 2018. Meanwhile, the market capitalisation has risen to more than EUR 400 million. Numerous international roadshows contributed to this, with DKR consistently receiving very positive feedback on its equity story and on winning new investors.

And even in the first half of 2018/2019, we were able to invest around EUR 122 million in other high-yield properties and are thus well above our investment target. As of the reporting date, the Company has a secured portfolio of 121 retail properties with a real estate book value of approximately EUR 540 million (before current property valuation) and an annualised annual rent of approximately EUR 46 million. We intend to maintain this momentum and are in the process of acquiring other properties.

Operationally, DKR continued to operate successfully in the first half of the year. Thus, at the beginning of 2019, two major leases for the properties in Bergen and Verden were prematurely extended by ten and fifteen years. And even with our revitalisation projects, we are constantly achieving our goals despite more complex measures.

In the area of financing, we were able to achieve significant interest savings by improving the terms and conditions of convertible bonds, which had already had a significant impact in the first half of 2018/2019. In addition, we raised new fixed-interest loans with various savings banks in the amount of EUR 19.5 million at interest rates between 1.58% and 2.09%. As a result, average borrowing costs at the balance sheet date are 1.88% p.a. with an average duration of 5.3 years, which makes the DKR extremely sound and low-cost financed.

And finally, on 26 March 2019, we distributed a dividend of EUR 0.20 per share to you, our valued shareholders, for the first time. In doing so, we have fulfilled a very important feature of a REIT and will continue to establish ourselves as a stable dividend stock in the future.

Based on the very positive developments, we confirm our forecast and expect an FFO of between EUR 26 million and EUR 29 million in the financial year 2018/2019 as well as an FFO run rate of EUR 33 million as of 30 September 2019.

We thank you for your confidence in our sustainable growth course and wish you continued enjoyment with the DKR share and further developments.

Best regards,

Rolf Elgeti	Alexander Kroth	Christian Hellmuth
Chairman of the Management Board – CEO	CIO	CFO

Key figures

Deutsche Konsum REIT-AG, Broderstorf

Key figures

	1 October 2018 - 31 March 2019	1 October 2017 - 31 March 2018	Difference	%
Income statement (kEUR)				
Rental income	19,472	12,489	6,982	55.9
Net operating income	15,453	9,884	5,569	56.3
Financial result	-2,849	-2,398	-451	18.8
Net income	11,485	6,364	5,120	80.5
FFO	12,681	7,263	5,418	74.6
FFO per share (in EUR)	0.43	0.28	0.16	57.4
aFFO	11,156	1,731	9,425	>100
aFFO per share (in EUR)	0.38	0.07	0.32	>100
Earnings per share, undiluted (in EUR)	0.39	0.24	0.15	62.7
Earnings per share, diluted (in EUR)	0.29	0.18	0.11	60.6
Recurring costs ratio (in %)	6.3	6.6	-0.2	-3.6

	31 March 2019	30 September 2018	Difference	%
Balance sheet key figures (kEUR)				
Investment properties	474,755	418,707	56,048	13.4
Total assets	510,733	452,933	57,800	12.8
Equity	244,991	209,762	35,229	16.8
Total debt	254,563	231,596	22,966	9.9
Finance key figures				
(net) Loan-to-Value (LTV) (in %)	49.1	51.2	-2.1	-4.2
Average interest rate of loans (in %)	2.02	1.98	0.04	2.0
Average interest rate of all financial instruments (in %)	1.88	1.87	0.01	0.5
Average remaining duration of loans (in years)	5.3	5.5	-0.2	-3.8
Interest cover ratio (ICR), multiple	5.0	3.7	1.4	37.5
EPRA NAV	244,991	209,762	35,229	16.8
EPRA NAV per share (in EUR)	8.18	7.70	0.48	6.2
EPRA NNNAV per share (in EUR)	8.18	7.70	0.48	6.2

REIT metrics

REIT equity ratio	51.6	50.1	1.5	3.0

Share information

Shares issued	29,959,944	27,236,313	2,723,631	10.0
Market cap (in EUR)	387,981,275	299,599,443	88,381,832	29.5
Share price (in EUR)	12.95	11.00	1.95	17.7

Portfolio key figures

Number of assets	106	90	16	17.8
Rental space (in m²)	602,325	517,824	84,501	16.3
Annualised rent (in kEUR)	39,814	35,484	4,330	12.2
Initial yield (in %)	11.4	11.7	-0.3	-2.9
Vacancy rate (in %)	8.7	9.6	-0.9	-9.4
WALT (in years)	5.6	5.2	0.4	8.5

Interim management report for the first half of the 2018/2019 financial year

1. Deutsche Konsum REIT-AG

Deutsche Konsum REIT-AG based in Broderstorf and hereinafter referred to as "Deutsche Konsum" or "DKR" is a listed real estate company focusing on retail properties in Germany for goods required for daily use in established micro-locations. The focus of the company's activities is on the management and development of real estate with the aim of achieving a steady increase in value and the realisation of hidden reserves. The steadily increasing current property portfolio of Deutsche Konsum comprises of 121 retail properties with an annualised rent of EUR 46 million (as of 14 May 2018).

Due to its REIT status ('Real Estate Investment Trust'), the company is exempt from corporation and trade tax. The shares of the company are listed on the Prime Standard of the Deutsche Boerse (ISIN: DE 000A14KRD3).

2. Economic development and share

2.1. Economic development

Overall economic situation

The global economy lost considerable momentum in the course of 2018.[1] Nevertheless, according to an economic forecast published in March 2019 by the Kiel Institute for the World Economy (IfW), in 2019 and 2020, global production is expected to increase by 3.3% in the face of overall expansionary monetary and fiscal policies.[2]

German economic growth also stalled at the end of 2018. According to calculations by the Federal Statistical Office (Destatis), in 2018 the price-adjusted gross domestic product (GDP) was only 1.4% higher than in the previous year.[3] In March 2019, the economic researchers of the IfW projected a gross domestic product growth rate of 1.0% for 2019 and of 1.8% for 2020. Private and public consumer spending should be the main stimulus for the economy. The reason for this is a sharp rise in wages and salaries as well as numerous tax cuts and increases in state benefits. However, a recession is not yet threatening, as it is typically accompanied by an abrupt downturn in corporate investment activity, which has not yet emerged.[4]

The interest rate level in the eurozone is still at a historic low. On 16 March 2016, the European Central Bank (ECB) lowered the key interest rate by 5 basis points, so that the main refinancing rate was 0.00%.[5] As a result, real estate companies such as Deutsche Konsum REIT-AG, which largely finance their holdings by borrowing, continue to find favourable conditions for financing their investments.

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[1] Source: Kieler Konjunkturberichte No. 54 (2019/Q1) of 13 March 2019: Mittelfristprojektion für Deutschland im Frühjahr 2019, page 5.
[2] Source: Media Information IfW of 13 March 2019: IfW Konjunkturprognose: Konjunktur kühlt ab, aber Krise noch nicht in Sicht.
[3] Source: Press release Destatis of 22 February 2019: Ausführliche Ergebnisse zur Wirtschaftsleistung im 4. Quartal 2018
[4] Source: Media Information IfW of 13 March 2019: IfW Konjunkturprognose: Konjunktur kühlt ab, aber Krise noch nicht in Sicht.
[5] Source: Handelsblatt, 16 March 2016: EZB-Entscheidung: Heute sinkt der Zins auf Null.

Commercial real estate continues to be in demand

Germany continues to be attractive as a real estate location and investment market, both for residential and commercial real estate. In 2018, the total transaction volume of EUR 78.1 billion was still well above the average of the last fifteen years (EUR 46.3 billion). With EUR 60.5 billion in the commercial segment alone, the rising trend is unbroken.[6] JLL sees the reasons for this continued positive development in addition to the overall positive economic conditions and the favourable financing conditions also in the absence of alternative investments.[7]

In the first quarter of 2019, once again high investments were made in German commercial real estate, albeit less than in the previous year. The transaction volume in the first three months of 2019 was around EUR 11.3 billion (2018: EUR 12.3 billion). Retail properties were within this asset class with a share of 13% behind office property (38%).[8]

All brokerage houses (JLL, CBRE, BNPPRE and Colliers International) expect the strong demand for commercial real estate to continue in the further course of 2019. For the entire German real estate investment market in 2019, a transaction volume between EUR 72 billion and EUR 75 billion is expected.[9] The transaction volume in the German commercial real estate market is expected to be between EUR 55 billion and EUR 60 billion.[10]

2.2. Share

DKR share with robust growth in the volatile overall environment

The positive price development in a volatile overall environment as well as the increased market capitalisation and the increased trading volumes confirmed the acceptance of the DKR share on the capital market and the potential of the business model.

In a continuing turbulent global political and economic environment, DKR shares continued to perform very well. It was 17.7% higher at a price of EUR 12.95 at the end of the reporting period on 29 March 2019 (28 September 2018: EUR 11.00)[11]. Since the beginning of the listing on 15 December 2015, it has improved significantly by EUR 9.45 or 270.0%.

Market capitalisation increased of more than EUR 400 million because of the higher market price as well as the successful capital increase. As a result of the higher stock market value, the company showed an increasing interest among institutional investors as well as retail investors, which also significantly increased trading volumes (average Xetra daily volume in share: Q1-Q2 2018/2019: 13,361; Q1 Q2 2017/2018: 10,771). During the reporting period, the highest price of the share was EUR 13.20[12] and the lowest price was EUR 9.46.[13]

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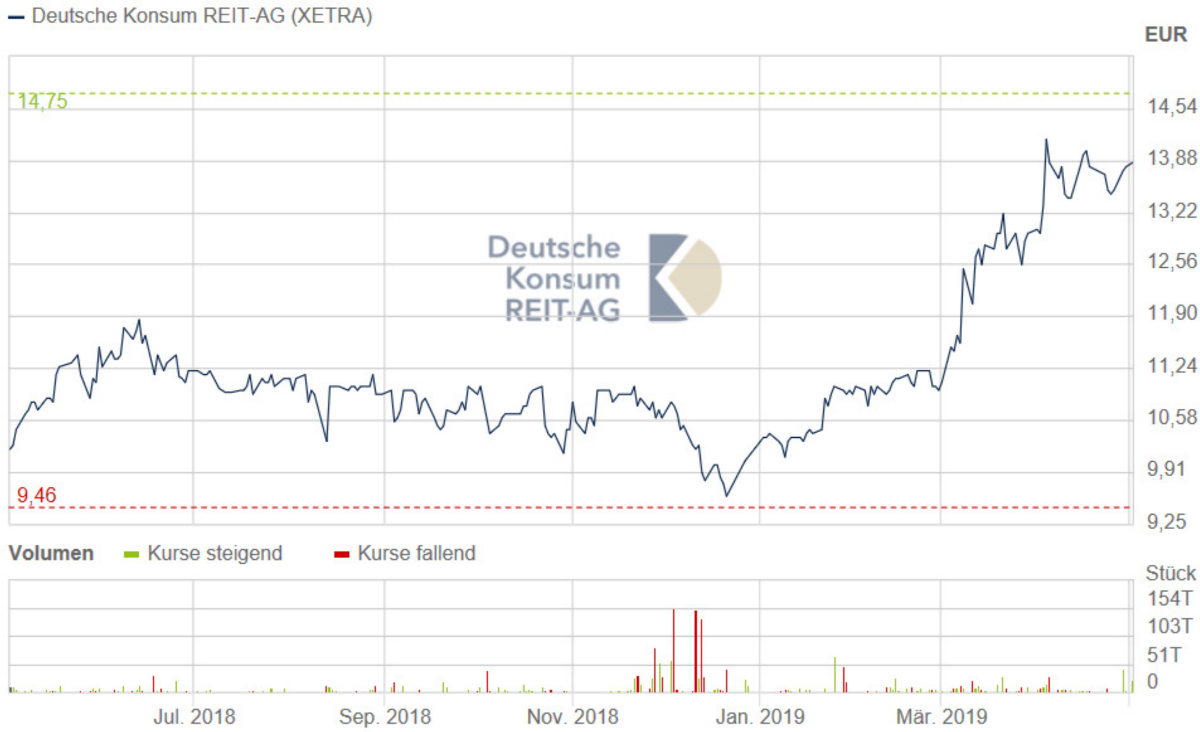
[6] Source: EY: Trendbarometer Immobilien-Investmentmarkt 2019, January 2019, page 8.
[7] Source: Study from Jones Lang Lasalle SE (JLL): Investmentmarktüberblick. Einzelhandel. Germany. Second half year 2018. Published in February 2019, page 2.
[8] Source: Study from Jones Lang Lasalle SE (JLL): Investmentmarktüberblick. Deutschland. First quarter 2019. Published in April 2019, pages 3, 5.
[9] Source: EY: Trendbarometer Immobilien-Investmentmarkt 2019, January 2019, page 8.
[10] Source: BNP Paribas Real Estate: Investmentmarkt Deutschland. Property Report 2019, January 2019, page 10.
[11] Closing prices Xetra.
[12] Variable Course Xetra on 14 December 2017.
[13] Closing price Xetra on 21 March 2019.



Upgrade of the Scope rating to BB+

On 25 February 2019, the Company rating was raised to "BB+" (previously "BB"). Furthermore, the rating for unsecured debt was raised to "BBB-" (previously "BB+") and secured debt has been maintained at "BBB" (investment grade).

Analysts continue to be positive

Analyst research continues to rate the DKR share as positive:

Bank	Price target in EUR	Rating	Analyst	Date
Berenberg Bank	13.70	Buy	Kai Klose	11 April 2019
Bankhaus Lampe	12.50	Buy	Dr. Georg Kanders	30 April 2019
ODDO BHF	12.80	Buy	Thomas Effler	21 February 2019

Deutsche Konsum on international roadshows

The board members of DKR were on road shows in the first half of the current fiscal year, e.g. in Tel Aviv, London, Zurich, Dublin, New York, Boston, Chicago, Vienna and Johannesburg, and met many investors there. The strategy and the growth story attracted great interest.

Annual General Meeting of DKR elects the Supervisory Board adopts all proposed resolutions/ First-time dividend payout

On 21 March 2019, the Annual General Meeting of DKR took place in Berlin. All proposed resolutions were adopted with the required majority. Information on the resolutions regarding the Authorised and Contingent Capital are contained in chapter "Capital resolutions at the Annual General Meeting on 21 March 2019".

In addition, the Annual General Meeting approved for the first time the distribution of a dividend for the 2017/2018 financial year. A total of kEUR 5,992 or EUR 0.20 per share was distributed.

2.3. Business development

Strong portfolio growth in the first half of the financial year

With the transfers of benefits and encumbrances between 1 January 2019 and 1 March 2019, the eight properties acquired in Merseburg, Dortmund, Weida, Goslar and Lünen as well as Hof, Greifswald and Ritterhude with an annualised total rent of EUR 2.6 million, went into the DKR portfolio.

As a result, DKR's real estate portfolio recognised on 31 March 2019 comprises 106 properties with a book value of around EUR 474.8 million and a rental space of around 602,000 m².

Further notarial certifications in the meantime also reveal the transfers of benefits and encumbrances of 15 additional acquired retail properties. The transfer of benefits and encumbrances of the objects was and is likely to be between 1 April 2019 and 1 July 2019.

Thus, the current secured overall portfolio (pro forma) of DKR currently comprises 121 retail properties with an annual rental of around EUR 46 million and a book value of around EUR 540 million.

Successful capital increase

Utilising the Authorised Capital 2018 and with the approval of the Supervisory Board, on 22 November 2018, DKR carried out a cash capital increase without subscription rights of 10% of the share capital. 2,723,631 new no-par value shares were issued at a subscription price of EUR 11.00 per share. From this, DKR received net proceeds of around EUR 29.3 million, which are to be used for the purchase of additional properties.

Bond terms of convertible bonds significantly optimised

With effect from 1 November 2018, the amended terms of the two outstanding EUR 30.0 million and EUR 7.0 million convertible bonds came into effect. The terms of the original instruments expiring in 2020 were extended by five years until 2025. At the same time, the coupon of the EUR 30.0 million converter of 5.0% p.a. was reduced to 1.35% p.a. This results in an annual interest savings of around EUR 1.1 million, which is fully reflected in the FFO.

Loan financing

In the first half of the 2018/2019 financial year, DKR has taken up the following new loans:

- With payment on 16 and 19 October 2018 at Sparkasse Oder-Spree and Stadtsparkasse Schwedt in the amount of EUR 5.0 million and EUR 3.0 million. Both loans have a term of eight years and they are subject to interest at a rate of 2.09% p.a.
- on 4 February 2019 at Berliner Sparkasse in the amount of EUR 3.0 million at 1.58% p.a. interest, 5.0% annual repayment and a term of six years,
- on 22 March 2019 at Sparkasse Vorpommern in the amount of EUR 5.0 million at 1.99% p.a. interest, 4.07% annual repayment and a term of ten years,

- on 28. March 2019 at Sparkasse Hochfranken in the amount of EUR 4.25 million at 1.90% p.a. interest, an annual repayment of 10% and a term of six years. The loan was paid out in the amount of EUR 3.5 million at first.

The Company is engaged in further borrowings from various banks and savings banks, considering the target LTV of around 50%. This will continue to result in slight reductions in average interest rates as well as longer loan maturities.

Capital resolutions at the Annual General Meeting on 21 March 2019

The Annual General Meeting resolved increases in the Authorised and Contingent Capital. Accordingly, the Management Board is authorised to increase new shares by cash or in-kind contributions by up to EUR 14,979,972.00, once or several times with the approval of the Supervisory Board, by 20 March 2024 (Authorised Capital 2019/I). The Authorised Capital 2018 has been canceled.

Contingent capital was conditionally increased by up to EUR 14,979,972.00 by issuing up to 14,979,972 new no-par-value bearer shares and serves to issue bonds with a total nominal value of up to EUR 150,000,000 (Contingent Capital I). The Contingent Capital II has been canceled.

3. Development of net assets, financial and earnings position

Net assets

The balance sheet total increased by kEUR 57,800 to kEUR 510,733 (30/09/2018: kEUR 452,933), mainly due to the further portfolio growth and the cash inflows from the capital increase. Accordingly, the investment properties are accounted for in the amount of kEUR 474,755 as at 31 March 2019 (30/09/2018: kEUR 418,707).

The Company's equity increased by kEUR 35,229 to kEUR 244,991 in H1 (30/09/2018: kEUR 209,762), which resultet mainly from the cash capital increase on 22 November 2018 as well as from the current net income for the period. The initial dividend distribution of kEUR 5,992 or EUR 0.20 per share from 26 March 2019 had the effect of reduced equity.

The EPRA NAV per share (undiluted) as of 31 March 2019 is as follows:

kEUR	**31/03/2019**	**30/09/2018**
Equity (kEUR)	244,991	209,762
Number of shares on the balance sheet date	29,959,944	27,236,313
EPRA (NAV) per share, EUR	**8.18**	**7.70**

Non-current and current financial liabilities to banks have increased by kEUR 14,619 (30/09/2018: kEUR 155,223) due to taking up loans. At the same time, borrowed funds and funds from the capital increase were used to acquire new retail properties, which means that the increase in net debt has been covered by assets.

Accordingly, the net LTV as of 31 March 2019 is as follows:

kEUR	**31/03/2019**	**30/09/2018**
Financial liabilities to banks	169,842	155,223
Convertible bonds	35,907	36,099
Corporate bond	40,520	40,158
Financial liabilities to other lenders	8,293	116
Total liabilities	**254,563**	**231,596**
minus cash and cash equivalents	-2,611	-141
minus fiduciary funds of property management*	-3,999	0
minus short-term lending	-107	0
minus short-term interest-bearing investments	-6,621	-7,426
Net debt	**241,225**	**224,030**
Investment property	474,755	418,707
Prepayments for the acquisition of investment property	16,588	18,518
Total investment properties	**491,344**	**437,226**
Net-LTV	**49.1%**	**51.2%**

Financial position

The cash flow statement is as follows:

kEUR	**H1 2018/2019**	**H1 2017/2018**
Cash flow from operating activities	11,112	8,016
Cash flow from investing activities	-43,866	-34,269
Cash flow from financing activities	35,224	26,244
Cash changes in cash and cash equivalents	**2,471**	**-10**
Financial funds at the beginning of the period	141	1,161
Financial funds at the end of the period	**2,612**	**1,151**

The increase in cash flow from operating activities corresponds to the increase in operating income due to the growth in the real estate portfolio.

Cash flow from investing activities reflects the cash outflows for the purchase of properties in the first half of the year. Furthermore, the short-term investments of cash and cash equivalents are included here.

The cash flow from financing activities mainly includes the net cash inflow from the cash capital increase in the amount of kEUR 29,313 in November 2018 and from borrowings in the amount of kEUR 19,500. This is offset by repayments and interest of kEUR 7,597 and the first dividend distribution of kEUR 5,992.

The company was always able to meet its payment obligations.

Earnings position

The results of operation of Deutsche Konsum developed as follows in the first half of 2018/2019:

kEUR	H1 2018/2019	H1 2017/2018
Rental income	15,453	9,884
Net proceeds	373	0
Other operating income	104	18
Valuation result	0	0
Operating expenses	-1,596	-1,130
EBIT	**14,334**	**8,773**
Financial result	-2,849	-2,398
EBT	**11,485**	**6,375**
Income taxes	0	-11
Net profit for the period	**11,485**	**6,364**

The rental income increased significantly due to the acquisition-related significantly increased real estate portfolio. As a result, rental income increased to around kEUR 19,472 (H1 2017/2018: kEUR 12,489). Correspondingly, the management expenses increased concurrently. Zudem hat die DKR aus der Betriebskostenabrechnung für das Kalenderjahr 2017 im ersten Geschäftsquartal einen Überschuss erzielt, der zum Anstieg des Vermietungsergebnisses beigetragen hat.

Total operating expenses overall increased but included non-recurring effects of kEUR 170 (H1 2017/2018: kEUR 186). Adjusted for non-recurring effects, operating expenses increased by approximately kEUR 482. This is mainly due to higher personnel expenses as a result of an increased headcount as well as generally higher expenses for investor work, portfolio valuations and other fees relating to the growing business scope of DKR. In addition, kEUR 160 were recognised for higher value adjustments due to higher receivables.

The administrative expense ratio is as follows:

kEUR	H1 2018/2019	H1 2017/2018
Personnel expenses	-358	-233
Other operating expenses	-1,048	-775
Adjustment of one-time and special effects	170	186
Recurring administrative expenses	**-1,236**	**-822**
Rental income	19,472	13,550
Administrative expense ratio	**6.3%**	**6.1%**

In summary, EBIT increased by kEUR 5,561 to kEUR 14,334.

Interest expense increased to kEUR 3,662 (H1 2017/2018: kEUR 2,430) due to a higher level of debt and the effects described below.

With the adjustment of the conversion conditions as of 1 November 2018, a revaluation of the convertible bonds was required under IFRS accounting rules. As a result, the convertible bonds were derecognised through profit or loss, which is included as a special item of kEUR 700 in interest expense. At the same time, the newly valued convertible bonds were booked at the new present value and the difference was posted to the nominal value directly in equity. At the same time, the adjustment of the bond conditions resulted in a significant reduction in the actual interest expense for the convertible bonds.

Interest expenses also include ground rent and one-off interest in the total amount of kEUR 490.

In H1 2018/2019, significant interest income of kEUR 813 resulted from the short-term investment of excess liquidity on a financing platform as well as a current loan of funds to Obotritia Capital KGaA.

Adjusted for the valuation effect of the convertible bonds, the overall financial result improved by kEUR 249 to kEUR 2,149 (H1 2017/2018: kEUR 2,398).

Income taxes do not accrue due to the tax exemption of REIT companies. In the reporting period, however, a small portion of the recognised income tax refund claims from 2013/2014 had to be derecognised with the issue of the tax assessment in the amount of kEUR 11.

Overall, this results in a profit of kEUR 11,485 for the period (H1 2017/2018: kEUR 6,364), from which FFO and aFFO derive as follows:

kEUR	**H1 2018/2019**	**H1 2017/2018**
Net profit for the period	11,485	6,364
Adjustment of income taxes	0	11
Adjustment of depreciation	1	1
Adjustment of valuation result	0	0
Adjustment of sales result	-373	0
Adjustment for non-cash expenses/income	700	275
Adjustment for one-time effects	868	613
FFO	**12,681**	**7,263**
- Capex	-1,525	-5,532
aFFO	**11,156**	**1,731**

The non-cash income and expenses include the compounding of the convertible bonds and the loans using the effective interest method. The one-time effects include non-recurring expenses and income. In H1 2018/2019, this mainly includes off-period expenses as well as non-recurring expenses for internal accounting and improvement projects.

The capitalised repair costs mainly include value-adding construction and improvement measures at the Hohenmölsen, Stralsund und Ueckermünde refurbishment properties.

This results in an FFO per share of EUR 0.43 (H1 2017/2018: EUR 0.28) and an aFFO of EUR 0.38 per share (H1 2017/2018: EUR 0.07).

Further details on the composition and amount of expenses and income are included in the appendix.

Overall statement on the economic situation of the Company

Business development in the first half of the financial year 2018/2019 was as expected positive. The reason for this was the increase in rental result from acquisition and further profitability growth through further economies of scale, which are being lifted as the portfolio grows.

In addition, further significant earnings growth will result in the second half of the year as a result of the high purchase performance and the acquired properties that are still in the transition of ownership.

4. Supplementary report

Further additions and acquisitions

Effective 1 April / 1 May 2019, the transfers of benefits and encumbrances of the properties acquired in Grevenbroich ("Coens-Galerie"), Stralsund and Bad Harzburg were carried out after the balance sheet date.

In addition, by notarised contracts in March and April 2019, DKR acquired the following retail properties, which will be transferred to the Company in the following months:

- local retail centre and hypermarket "Montanushof" in Grevenbroich (Northrhine-Westphalia) with the tenants Kaufland, Rossmann, Woolworth, TEDi, a long-term let hotel and others, an annual rental of around EUR 2.2 million and a residual lease term of approximately seven years,
- local retail centre and hypermarket "Altmark Forum" in Stendal (Saxony-Anhalt) with the anchor tenant Kaufland, an annual rent of around EUR 0.9 million and a WALT of about six years,

  as well as the local retail locations

- local retail centre "Portitz-Treff" in Leipzig (Saxony) with various tenants such as grocery retailers, TEDi and others,
- local retail centre "Weyhegarten" in Quedlinburg (Saxony-Anhalt) with anchor tenant EDEKA,
- local retail centre in Wunsiedel (Bavaria) with food retailer Norma,

  and food discounter in

- Mülsen St. Jacob, Königsbrück and Wurzen (all in Saxony) as well as in Wolfen (Saxony-Anhalt), Eggesin, Lübz (both in Mecklenburg West-Pomerania) and Döberitz (Brandenburg).

The total investment volume of these properties amounts to approximately EUR 52 million with an annualised rent of approximately EUR 5.1 million. The Company is in further concrete sales contract negotiations.

Issue of an unsecured corporate bond

On the financing side, on 5 April 2019, DKR issued an unsecured corporate bond of EUR 50.0 million. The bond has a term of five years and has a coupon of 2.35% p.a.

Further borrowings

Furthermore, DKR took out the following fixed-interest loans on the financing side after the balance sheet date:

- On 2 May 2019, two loans from Volksbank Mittweida for a total of kEUR 1,500 at 1.5% p.a. interest, 7% annual repayment and a term of 10 years.

DKR is currently engaged in additional borrowings.

5. Risk position

Through its business activities, DKR is exposed to operational and economic opportunities and risks. Please refer to the detailed presentation in the Management Report of the Annual Report 2017/2018 in the section "Opportunity and risk report".

In the opinion of the Management Board, the risk position has not materially changed or worsened since 1 October 2018.

6. Outlook and forecast

Profitability increases through further portfolio growth

In the first half year of 2018/2019, DKR was able to achieve almost the purchase volume of the entire previous financial year and continues to find attractive properties that meet the investment criteria. In this respect, the pace of growth should remain high and the portfolio should be increased in value.
In addition, the Company is working intensively on the revitalisation of individual properties acquired in order to realise hidden reserves. The focus is on achieving a sustainably attractive return.

For the further development of the real estate portfolio, DKR will make moderate use of the capital decided on at the ordinary general meeting.

Borrowing to finance the portfolio build-up should remain limited within the target LTV of around 50%. Due to DKR's meanwhile much improved credit rating and the increase of the corporate rating in February 2019, future loan borrowing will continue to result in slightly improved interest rates, which will relieve the burden on FFO and further increase corporate profitability.

Earnings forecast confirmed

Based on the good half-year results as expected and the subsequent transfer of benefits and encumbrances in the second half of the year of the recently acquired real estate, we confirm our forecast and expect an FFO of between EUR 26 and 29 million in the 2018/2019 financial year. Furthermore, we confirm our expectation to achieve an FFO run rate of EUR 33 million as of 30 September 2019.

Potsdam, 14 May 2019

Rolf Elgeti	Alexander Kroth	Christian Hellmuth
Chairman of the Management Board – CEO	CIO	CFO

Half-yearly financial report fort he period
1 October 2018 to 31. March 2019
of the 2018/2019 financial year

Deutsche Konsum REIT-AG, Broderstorf

Balance sheet as at 31/03/2019

kEUR	Notes	**31/03/2019**	**30/09/2018**
Assets			
Non-current assets			
Investment properties	(2.1)	474,755.4	418,707.3
Intangible assets		1.5	2.0
Tangible assets		3.7	3.8
Other non-current assets	(2.4)	16,588.3	18,518.5
		491,348.9	**437,231.6**
Current assets			
Trade and other receivables	(2.3)	989.6	772.4
Tax assets		0.1	0.1
Other current assets	(2.4)	15,782.6	14,788.3
Cash and cash equivalents		2,611.5	140.5
		19,383.7	**15,701.3**
TOTAL ASSETS		**510,732.6**	**452,932.9**
Equity and liabilities			
Equity	(2.5)		
Issued share capital		29,959.9	27,236.3
Capital reserv,		121,463.5	94,164.9
Other reserves		855.7	855.7
OCI (Other comprehensive income)		-286.4	0.0
Retained earnings		92,998.2	87,505.5
		244,990.9	**209,762.4**
Non-current liabilities			
Financial liabilities	(2.6)	159,914.8	146,709.3
Convertible bonds	(2.7)	35,907.2	36,098.9
Corporate bond	(2.8)	40,520.1	40,158.4
Other provisions		3.5	3.5
Other non-current liabilities	(2.10)	7,863.0	7,863.0
		244,208.7	**230,833.1**
Current liabilities			
Financial liabilities	(2.6)	9,927.5	8,513.7
Liabilities to other creditors	(2. 9)	8,293.2	116.2
Other provisions		2,002.4	2,043.2
Trade payables		461.4	1,023.4
Other current liabilities	(2.10)	848.5	640.9
		21,533.0	**12,337.5**
TOTAL EQUITY AND LIABILITIES		**510,732.6**	**452,932.9**

Deutsche Konsum REIT-AG, Broderstorf

Statement of comprehensive income

kEUR	Notes	01/10/2018-31/03/2019	01/01/2019-31/03/2019	01/10/2017-31/03/2018	01/01/2018-31/03/2018
Rental income	(3.1)	19,471.9	9,956.7	12,489.4	5,912.5
Income from recharged operating costs		3,405.7	1,630.2	1,060.9	390.2
Operating expenses*	(3.1)	-7,424.4	-3,866.0	-3,666.1	-1,261.1
Net rental income		**15,453.2**	**7,721.0**	**9,884.3**	**5,041.6**
Proceeds from disposal of properties		975.0	0.0	30.0	30.0
Expenses on the sale of properties		-602.3	0.0	-30.0	-30.0
Net proceeds from the disposal of properties		**372.7**	**0.0**	**0.0**	**0.0**
Other income	(3.2)	**104.3**	**29.6**	**18.1**	**15.3**
Gain/loss from the revaluation of investment properties		**0.0**	**0.0**	**0.0**	**0.0**
Subtotal		**15,930.2**	**7,750.5**	**9,902.4**	**5,056.8**
Personnel expenses	(3.3)	-357.6	-224.0	-232.6	-99.2
Amortisation of intangible assets, depreciation of property, plant and equipment		-0,6	-0.3	-0.5	-0.2
Impairment loss of inventories and receivables		-189.8	194.2	-121.1	103.0
Other operating expenses	(3.4)	-1,048.2	-520.0	-775.4	-503.8
Operating expenses		**-1,596.2**	**-550.1**	**-1,129.6**	**-500.2**
EBIT		**14,334.0**	**7,200.4**	**8,772.8**	**4,556.6**
Interest income	(3.5)	813.1	337.5	31.7	22.8
Interest expense	(3.5)	-3,662.4	-1,614.2	-2,429.6	-1,132.4
Net finance costs		**-2,849.3**	**-1,276.6**	**-2,398.0**	**-1,109.6**
EBT		**11,484.7**	**5,923.8**	**6,374.8**	**3,447.0**
Income tax		0.0	0.0	-10.5	-10.5
Other tax		0.0	0.0	0.0	0.0
Net income		**11,484.7**	**5,923.8**	**6,364.3**	**3,436.5**
Earnings per share (in EUR)	(3.6)				
Undiluted result per share		0.39	0.20	0.24	0.13
Diluted result per share		0.29	0.14	0.18	0.09

Items not reclassified to profit or loss				
First time adoption of IFRS 9 effects	-128.2	0.0	0.0	0.0
Revaluation according to IFRS 9	-158.2	32.4	0.0	0.0
Tax effects	0.0	0.0	0.0	0.0
Total other comprehensive income	-286.4	32.4	0.0	0.0
Total comprehensive income	**11,198.3**	**5,956.1**	**6,364.3**	**3,436.5**

* Changes to the previous year's disclosures in line with the new provisions of IFRS 15

Deutsche Konsum REIT-AG, Broderstorf

Statement of changes in equity

kEUR	Notes	Issued share capital	Capital reserve	Other reserves	OCI	Retained earnings	Total equity
As at 01/10/2017		**24,760.3**	**72,533.0**	**855.7**	**0.0**	**56,587.0**	**154,736.0**
Period result						6,364.3	6,364.3
Cash capital increase/ - reduction		2,476.0	22,284.3				24,760.3
Costs of capital measures			-620.1				-620.1
As at 31/03/2018	(2.5)	**27,236.3**	**94,197.2**	**855.7**	**0.0**	**62,951.3**	**185,240.5**
As at 01/10/2018		**27,236.3**	**94,164.9**	**855.7**	**0.0**	**87,505.5**	**209,762.4**
Period result						11,484.7	11,484.7
Other comprehensive income (OCI)					-286.4		-286.4
Cash capital increase/ -reduction		2,723.6	27,236.3				29,959.9
Costs of capital measures			-647.1				-647.1
Revaluation of convertible bonds			709.4				709.4
Dividend distribution					0.0	-5,992.0	-5,992.0
As at 31/03/2019	(2.5)	**29,959.9**	**121,463.5**	**855.7**	**-286.4**	**92,998.2**	**244,990.9**

Deutsche Konsum REIT-AG, Broderstorf

Cash flow statement

	Information in kEUR	Notes	**01/10/2018-31/03/2019**	**01/10/2017-31/03/2018**
	Period result		11,484.7	6,364.3
+/-	Interest expense/interest income	(3.5)	2,849.3	2,398.0
+/-	Depreciation, amortisation and write-down/reversals of intangible assets, tangible assets and financial assets		0.6	0.5
+	Impairments on inventories and receivables		189.8	121.1
-/+	Gain/loss on disposal of investment properties		-372.7	0.0
+/-	Increase/decrease in provisions		-40.8	-938.2
-/+	Increase/decrease in inventories, trade receivables and other assets not attributable to investing or financing activities	(2.3, 2.4)	-2,644.0	-1,195.8
+/-	Increase/decrease in trade payables and other liabilities not attributable to investing or financing activities	(2.10)	-354.5	1,152.6
Cash flow from operating activities			**11,112.4**	**8,015.8**
+	Cash receipts relating to disposals of investment properties		975.0	30.0
-	Cash payments related to property investments	(2.1)	-54,720.2	-34,304.5
+	Cash receipts from the investment of cash funds for short-term cash management		9,240.4	
+	Interest received		639.0	5.6
Cash flow from investing activities			**-43,865.8**	**-34,269.0**
+	Cash proceeds from the issue of shares	(2.5)	2,723.6	2,476.0
+	Cash proceeds from capital increases	(2.5)	27,236.3	22,284.3
-	Costs related to capital increases	(2.5)	-647.1	-620.1
+	Proceeds from borrowings	(2.6;2.7;2.8)	19,500.0	7,300.0
-	Amortisation of loans	(2.6;2.7;2.8)	-4,998.9	-3,469.3
-	Interest paid		-2,597.6	-1,727.3
-	Dividend distribution		-5,992.0	0.00
Cash flow from financing activities			**35,224.4**	**26,243.6**
Change in cash and cash equivalents			2,471.0	-9.6
Cash and cash equivalents at the beginning of the period			140.5	1,160.5
Cash and cash equivalents at the end of the period			**2,611.5**	**1,150.9**

Appendix

Selected explanatory notes to the interim financial statements as of 31 March 2018

1. Accounting principles

1.1. General information

Deutsche Konsum REIT-AG is a Germany-based and nationally active real estate corporation headquartered in Broderstorf, registered in the commercial register of the Local Court of Rostock, HRB 13072. The business address is August-Bebel-Str. 68 in 14482 Potsdam. As of 1 January 2016, the Company has the status of a REIT ("Real Estate Investment Trust") and is, therefore, exempt from income tax. Main business field is the management of commercial real estate in Germany. The focus is on activities that are geared towards the long-term and sustained increase in the value of the real estate portfolio. In doing so, compliance with the REIT criteria must always be considered.

1.2. Fundamentals and methods of the interim financial statements

The present half-yearly financial report of Deutsche Konsum REIT-AG ("Deutsche Konsum" or "Gesellschaft") as of 31 March 2019 was prepared in accordance with the provisions of § 115 WpHG (new version).

The condensed interim financial statements have been prepared in accordance with IFRSs as applied in the EU and with the provisions of IAS 34 ("Interim Financial Reporting"). In addition, the provisions of German Accounting Standard 16 (DRS 16 - Interim Financial Reporting) have been considered.

The reporting period covers the first six months ("H1") of the 2018/2019 financial year. The balance sheet as of 30 September 2018 and the income statement for the period from 1 October 2017 to 31 March 2018 serve as comparative figures.

The accounting policies, notes and disclosures in the separate interim financial statements have been prepared with the exception of the first-time adoption of IFRS 9 and IFRS 15 using the same accounting policies used in the separate financial statements as of 30 September 2018.

The first-time application of the new IFRS 9 standard led to a conversion effect of kEUR 128.2, which was reported in OCI.

In accordance with IFRS 15 "Revenue from Contracts with Customers", revenue is realised when the customer receives power over the agreed goods and services. In terms of property management, rental agreements are concluded, which essentially comprise the net cold rent and the operating costs. The contractual component of net cold rent as a lease is outside the scope of IFRS 15. For the vast majority of the operating costs of the lease, Deutsche Konsum REIT-AG acts as the principal under IFRS 15, as the Company has power over the goods and services obtained and thus is in the performance obligation to the tenant. Accordingly, from the financial year 2018/2019, operating expenses will no longer be netted with the corresponding income. These condensed interim financial statements do not include all the information required for annual financial statements and should, therefore, be read in conjunction with the separate financial statements as of 30 September 2018. The individual interim financial statements were prepared under the assumption of going concern and were neither audited nor subjected to an audit review. For reasons of comparability, the presentation of the previous year's figures has been adjusted accordingly.

These interim financial statements do not include all the information recquired for annual financial statements and should, therefore, be read in conjunction with the separate financial statements as of 30 September 2018. The individual interim financial statements were prepared under the assumption of going concern and were neither audited nor subjected to an audit review.

The interim financial statements are prepared in Euros (EUR). Unless otherwise indicated, all values are presented in thousands of Euros (kEUR). This can result in rounding differences. The profit and loss account is prepared according to the total cost method.

2. Selected notes to the balance sheet

2.1. Investment properties

An appraisal of real estate holdings is usually done annually by an external and independent expert on 30 June. Fair value is measured using internationally recognised valuation techniques and is based on information provided by the Company, e.g. current rentals, maintenance and administrative costs or the current vacancy, as well as assumptions of the appraiser based on market data and judged on the basis of their professional qualifications, e.g. future market rentals, typical maintenance and administration costs, structural vacancy rates or discount and capitalisation rates (level 3 of the fair value hierarchy). For the valuation as of 31 March 2019, the principles were applied as they were on 30 September 2018. In the valuation of the first-time recognition, the acquisition or production costs as well as the transaction costs are included. In the subsequent valuation, value-increasing measures are considered when measuring the fair value.

The information provided to the appraiser and the assumptions made as well as the results of the real estate valuation are analysed by the Board of Management.

In the period from 1 October 2018 to 31 March 2019, the transfer of benefits and encumbrances in favour of the Company was carried out for 16 properties with a volume of kEUR 55,125.6 (PY: kEUR 115,001.5). Furthermore, value-enhancing measures amounting to kEUR 1,524.8 (PY: 5,532.2) were made. In addition, purchase price deposits on notary accounts for several properties in the amount of kEUR 16.588,3 were made.

The following overview shows the development of investment properties:

kEUR	31/03/2019	30/09/2018
Opening balance at 1.10.PY	**418,707.3**	**275,433,9**
+ Property purchases	55,125.6	115,001.5
+ Activation of leasing object (finance leases)	0.0	3,760.3
+ Subsequent purchase and production costs	1,524.8	8,174.8
+ Valuation result from fair value valuation	0.0	16,336.8
- Sales	-602.3	0.0
Closing balance on the reporting date	**474,755.4**	**418,707.3**

Of the investment property, real estate with a carrying amount of kEUR 302,760.0 (30/09/2018: kEUR 282,510.0) was secured by mortgages or by the assignment of rental income during the year under review.

There are leasehold contracts in which the associated properties are built on commercial real estate. The leasehold contracts are classified as finance leases. The capitalised amount as of 31 March 2019 amounts to kEUR 7,733.0 (30/09/2018: kEUR 7,733.0). The liability recognised as of 31 March 2019 amounts to kEUR 7,863.0 (30/09/2018: kEUR 7,863.0). A revaluation of the investment properties is carried out by an external real estate valuation as of 30 June 2018. Due to the insignificant effects of lease hold agreements during the year, no adjustments are made here.

The income statement includes the following significant amounts for investment property:

kEUR	H1 2018/2019	H1 2017/2018
Rental income	19,471.9	12,489.4*
Revenues from service charges	3,405.7	1,060.9*
Total proceeds	**22,877.6**	**13,550.4**
Maintenance	-1,379.0	-913.8
Contributable additional costs	-3,880.4	-2,785.4
Non-recoverable additional costs	-2,165.0	-941.0
Total management expenses	**-7,424.4**	**-3,666.1**
Rental result	**15,453.2**	**9,884.3**

* Changes to the previous year's disclosures in line with the new provisions of IFRS 15

2.2. Deferred taxes

Deferred tax liabilities are formed on temporary differences between the valuations in the balance sheet and the tax balance sheet and the resulting future taxes. Due to the company's REIT status since 1 January 2016, the Company is exempt from both corporation tax and trade tax. In this respect, no deferred taxes are currently recognised.

2.3. Trade accounts receivable

The trade receivables consist exclusively of the leases and amount to kEUR 989.6 as of 31 March 2019 (30/09/2018: kEUR 772.4). This includes value adjustments of kEUR 930.5 (30/09/2018: kEUR 740,7).

There were no impairments on other financial assets.

2.4. Other non-current and current asstes

Other non-current assets include payments on account of kEUR 16,588.3 (30/09/2018: kEUR 18,518.5) on investment properties.

Other current assets are made up as follows:

kEUR	31/03/2019	30/09/2018
Short-term investment in acquired loan shares via Creditshelf	6,620.6	7,425.6
Work in progress after offsetting with advance payments received	3,525.7	1,930.9
Trust accounts	2,436.6	2,755.0
Deposit balances	1,562.3	1,328.3
VAT receivables	35.6	520.8
Acquirer settlement	479.9	337.5
Tenant deposits	329.7	330.9
Claims against shareholders	107.0	0,0
Others	685.2	159.3
Total	**15,782.6**	**14,788.4**

2.5. Equity

The first half year of the 2018/2019 financial year was characterised in particular by the cash capital increase on 22 November 2018. Overall, subscribed capital increased by kEUR 2,723.6 to kEUR 29,959.9. Capital increase costs of kEUR 647.1 were offset against the capital reserves.

Furthermore, a dividend distribution of kEUR 5,992 was made from the retained earnings.

For the further development of equity, please refer to the statement of changes in equity.

2.6. Liabilities to banks

Liabilities to banks are as follows:

kEUR	31/03/2019	30/09/2018
Non-current	159,914.8	146,709.3
Current	9,927.5	8,513.7
Total	**169,842.3**	**155,223.0**
of which secured	169,842.3	155,223.0

Liabilities to banks have increased significantly due to the addition of new secured bank loans. This was offset by current repayments.

2.7. Liabilities from convertible bonds

The liabilities from convertible bonds, considering the issue costs, are composed as follows:

kEUR	31/03/2019	30/09/2018
Convertible bond I 2015/2015 kEUR 30,000 (nominal), 1.35% coupon p.a.	29,375.4	29,590.9
Convertible bond II 2015/2015 kEUR 7,000 (nominal), 1% coupon p.a.	6,531.8	6,508.0
Total	**35,907.2**	**36,098.9**

Due to the adjustment of the bond terms as of November 2018, both convertible bonds were revalued. As a result, valuation regulations amounting to kEUR 700 were incurred due to the provisions of IFRS 9. Both convertible bonds mature now on 30 January 2025 and are, therefore, fully recognised as non-current.

2.8. Liabilities from corporate bonds

Liabilities from the corporate bond, considering the issuing costs, are composed as follows:

Liabilities from bonds in kEUR	31/03/2019		30/09/2018	
	Non-current	**Current**	**Non-current**	**Current**
Secured bond 2018/2024 kEUR 40,000.0 (nominal), 1,8% coupon p.a.	40,520.1	0.0	40,158.4	0.0

2.9. Liabilities to other lenders

Liabilities to other lenders result from loans from associates and related parties with an agreed maximum basic term, which are subject to variable and permanent repayment. There is only interest on outstanding amounts.

There are shareholder loans in the amount of kEUR 8,293.2 (30/09/2018: kEUR 116.2).

2.10. Other non-current and current liabilities

The development of other non-current and current liabilities is as follows:

kEUR	31/03/2019	30/09/2018
Liabilities from finance leases	7,863.0	7,863.0
Total non-current other liabilities	**7,863.0**	**7,863.0**
Rent deposits	329.7	330.9
Liabilities to tenants	201.0	212.5
Liabilities from finance leases	51.5	51.5
Others	266.3	46.0
Total short-term other liabilities	**848.5**	**640.9**
Total	**8,711.5**	**8,503.9**

3. Selected notes to the statement of comprehensive income

3.1. Rental result

The rental result is calculated from the rental income less management expenses and is as follows:

kEUR	H1 2018/2019	H1 2017/2018
Rental income	19,471.9	12,489.4*
Income from incidental costs	3,405.7	1,060.9*
Total income	**22,877.6**	**13,550.4**
Maintenance	-1,379.0	-913.8
Contributable operating costs	-3,880.4	-2,785.4
Non-recoverable operating costs	-2,165.0	-941.0
Total management expenses	**-7,424.4**	**-3,666.1**
Rental income	**15,453.2**	**9,884.3**

* Changes to the previous year's disclosures in line with the new provisions of IFRS 15

The recurring maintenance expenses have increased due to the grown number of properties. Moreover and in particular to the properties in Greifswald and Hohenmölsen value-enhancing maintenance measures in the amount of kEUR 1,524.8 were capitalised.

The non-recoverable operating costs include, among other things, property management expenses in the amount of kEUR 1,390.1 (H1 2017/2018: kEUR 635.8). Of this amount, around kEUR 252.9 are not related to the period.

3.2. Other operating income

Other operating income amounts to kEUR 104.3 in the reporting period (H1 2017/2018: kEUR 18.1).

3.3. Personnel expenses

In H1 2018/2019, the personnel expenses of the Company amounted to approximately kEUR 357.6 (H1 2017/2018: kEUR 232.6) and comprises sixteen employees (H1 2017/2018: nine), including two members of the Executive Board and nine salaried employees (H1 2017/2018: two) as well as five marginally employed employees (H1 2017/2018: five). Further services for the Company are provided by employees of Obotritia Capital KGaA. Here, a cost allocation is levied, which is recognised in other operating expenses. The increase in personnel expenses resulted in particular from the increased headcount.

3.4. Other operating expenses

Other operating expenses are as follows:

kEUR	H1 2018/2019	H1 2017/2018
Legal, consulting and auditing costs	622.0	515.4
Agency fees	220.4	193.8
Others	205.8	66.3
Total	**1,048.2**	**775.4**
of which one-time expenses	170.2	185.9
Adjusted	**878.0**	**589.5**

Adjusted for special effects and one-time expenses, other operating expenses rose by kEUR 288.5. These are mainly due to higher fees from the management of the business as well as higher appraiser fees and higher expenses for the IR work and general expansion of the business.

3.5. Interest result

The interest result has the following structure:

kEUR	H1 2018/2019	H1 2017/2018
Interest income from Creditshelf loans	639.0	0.0
Interest income from shareholder loans	174.1	26.1
Other interest income	0.0	5.6
Total interest income	**813.1**	**31.7**
of which non-cash	**0.0**	**0.0**
Interest on convertible bonds	-1,028.9	-1,059.8
Interest on corporate bonds	-361.8	0.0
Interest expense for shareholder loans	-67.1	-314.5
Interest expense for loan financing	-1,676.2	-950.3
Ground rent	-272.8	-105.0
Other interest expense	-255.6	0.0
Total interest expenses	**-3,662.4**	**-2,429.6**
of which non-cash	**-821.2**	**-274.8**
Total	**-2,849.3**	**-2,398.0**

The lower net interest result is mainly due to the higher average debt ratio compared with the previous year, which corresponds to the growth in the real estate portfolio.

3.6. Earnings per share

Earnings per share are as follows:

kEUR	H1 2018/2019	H1 2017/2018
Result for the period (undiluted)	11,484.7	6,364.3
Interest expenses on convertible bonds	1,028.9	1,059.8
Result for the period (diluted)	12,513.6	7,424.1
Average number of shares issued in the reporting period (undiluted)	29,181,764	26,243,181
Potential conversion shares	13,948,742	14,792,787
Average number of shares issued in the reporting period (diluted)	43,130,506	41,035,968
Earnings per share (EUR)		
undiluted	**0.39**	**0.24**
diluted	**0.29**	**0.18**

4. Other information

4.1. Segment reporting

The company is currently a one-segment company. Sales are generated exclusively with retail real estate within Germany. In the first half year of 2018/2019, the largest tenant accounted for revenues of kEUR 1,260,0 (H1 2017/2018: kEUR 1,416.5).

4.2. Contingent liabilities and other financial obligations

There are no other contingent liabilities.

The Company has the following financial obligations from long-term contracts:

kEUR	31/03/2019	31/03/2018
Asset and property management agreements	8,055.7	5,151.1
Management fee agreements	330.7	330.7
Car leasing	17.6	0.0
Total	**8,404.0**	**5,481.8**
of which up to 1 year	3,396.2	2,155.1
of which one year to five years (undiscounted)	5,007.8	3,326.7
of which over five years (undiscounted)	0.0	0.0

As at the balance sheet date of 31 March 2019, the Company has purchase price obligations from notarised purchase agreements for six properties. The total purchase price obligations amount to kEUR 24,775, of which kEUR 16,588 have already been deposited in notary accounts.

4.3. Transactions with related companies and persons

The Company maintains business relationships with related companies and persons. Essentially, these relationships include financial services through short-term provision of liquidity on the basis of concluded master agreements and services.

The scope of transactions with related parties is shown below:

Deutsche Konsum is an affiliate of Obotritia Capital KGaA, Potsdam. For the use of business premises, the provision of office equipment and administrative staff, including the activities of the Chairman of the Management Board (CEO), Obotritia Capital KGaA invoiced kEUR 220,5 (H1 2017/2018: kEUR 193.8) in the reporting period under the concluded agency agreement. There are current liabilities to Obotritia Capital KGaA in the amount of kEUR 8,293.2 (30/09/2018: kEUR 0.0), which are reported under current liabilities to other creditors.

With a contract dated 13 April 2013 and a supplement from 30 June 2016 and 1 December 2016, DKR was granted a credit line from Obotritia Capital KGaA within the framework of a current account loan facility of kEUR 25,000. The loan is paid out at the request of Deutsche Konsum REIT-AG and must be repaid at any time, but at the latest by the end of the contract period on 31 December 2023. Interest will only be incurred on the outstanding amount, provisioning fees will not be charged additionally. As of 31 March 2019, there was a receivable of kEUR 107.0 (30/09/2018: kEUR 116,2). Overpayments are subject to the same terms and conditions that apply to the claim. For these cases, a loan framework agreement was concluded on 30 April 2015. The interest rate is 8.0% p.a. The interest payments are deferred and are due at the latest upon termination of the loan. Interest income of kEUR 174.1 (H1 2017/2018: kEUR 26.1) and interest expenses of kEUR 67.2 (H1 2017/2018: kEUR 314.5) were generated for the first half year of 2018/2019.

There is a management agreement with GV Nordost Verwaltungsgesellschaft mbH, Rostock, on the property management of the main real estate portfolio. Depending on the object, the agreed remuneration amounts to between 2% and 3% of the net rental income received (plus value added tax) on a monthly basis. Expenses of kEUR 556.0 (H1 2017/2018: kEUR 169.7) were incurred in the reporting period.

There is also a management and consulting agreement with Elgeti Brothers GmbH, Berlin. The agreed remuneration amounts annually to 0.5% of the gross asset value of the real estate, calculated on the basis of the purchase prices and transaction costs and is paid in quarterly discounts. In the reporting period, expenses incl. other services amounted to kEUR 1,390.2 (H1 2017/2018: kEUR 763.0).

In addition, the Company invested excess short-term liquidity in the acquisition of loans through Creditshelf AG, Frankfurt. Due to the amount of the shares held by Obotritia Capital KGaA, Creditshelf AG is to be classified as a related party. All transactions are made on customary market terms. Interest income of kEUR 639.0 (H1 2017/2018: kEUR 0.0) was generated for the first half of 2018/2019. Creditshelf received kEUR 48.6 from DKR in H1 2018/2019 (H1 2017/2018: kEUR 0.0) as the agency commission for the loan purchase.

The following receivables and liabilities to related parties exist in the balance sheet:

kEUR	31/03/2019	30/09/2018
Other current assets		
against Obotritia Capital KGaA	107.0	0.0
against Creditshelf AG	6,907.1	0.0
other related parties	0.0	0.0
Liabilities to other creditors		
against Obotritia Capital KGaA	8,293.2	116.2

No loans and advances were granted to related persons. Close family members of the Management Board and the Supervisory Board have no influence on the Company's business decisions.

4.4. Supervisory Board

In the reporting period, the Supervisory Board consisted of the following persons:

Name	Profession	Membership in other statutory boards
Hans-Ulrich Sutter Chairman of the Supervisory Board Dusseldorf	MA in Business Administration, Supervisory Board Member	• TAG Colonia-Immobilien AG, Hamburg (Deputy Chairman of the Supervisory Board) • Deutsche Industrie REIT-AG, Rostock (since 22 March 2019 (Chairman of the Supervisory Board)
Achim Betz Deputy Chairman of the Supervisory Board, Nürtingen,	Auditor, Tax Advisor, MA in Business Administration, ba audit gmbh Wirtschaftsprüfungsgesellschaft, Berlin (Managing Partner), Best Audit GmbH Wirtschaftsprüfungsgesellschaft, Hanover (Managing Partner)	• Hevella Capital GmbH & Co. KGaA, Potsdam (Chairman of the Supervisory Board) • Deutsche Leibrenten Grundbesitz AG, Frankfurt am Main, Germany (Deputy Chairman of the Supervisory Board) • Staramba SE, Berlin (Deputy Chairman of the Supervisory Board since 13 February 2019) • Deutsche Industrie REIT-AG, Rostock (Member of the Supervisory Board) • Bankhaus Obotritia GmbH, Munich (Member of the Audit Committee since 26 February 2019)
Johannes C.G. (Hank) Boot London	Fund manager, Lotus AG, Munich	• Berentzen AG, Haselünne (Member of the Supervisory Board)
Nicholas Cournoyer London	Fund manager, Montpelier Capital Advisors Monaco	• None
Kristian Schmidt-Garve Munich	Lawyer, LL.M., MIG Verwaltungs AG (Member of the Management Board), Munich	• Cynora GmbH, Munich (Chairman of the Advisory Board)

4.5. Management Board

During the reporting period, the Management Board consisted of the following persons:

Name	Profession	Membership in other statutory boards
Rolf Elgeti Chairman, CEO Potsdam	MA in Business Administration	• TAG Immobilien AG, Hamburg (Chairman of the Supervisory Board) • Deutsche Leibrenten Grundbesitz AG, Frankfurt am Main (Chairman of the Supervisory Board) • creditshelf Aktiengesellschaft, Frankfurt am Main (Chairman of the Supervisory Board) • Staramba SE, Berlin, Germany (Chairman of the Administrative Board since 13 February 2019) • HLEE (Highlight Event and Entertainment AG) Pratteln, Switzerland (Member of the of the Administrative Board) • Laurus Property Partner, Munich, Germany (Member of the Advisory Board)
Alexander Kroth Member of the Management Board, CIO, Berlin	MA in Business Administration	None
Christian Hellmuth Member of the Management Board, CFO, Berlin	MA in Business Administration (FH)	None

4.6. Significant events after the balance sheet date

After the balance sheet date, the following material events occurred that were not considered in this financial statement as of 31 March 2019:

As of 1 April 2019, the transfers of benefits and encumbrances of the acquired properties „Coens-Galerie" in Grevenbroich and in Stralsund and as of 1 May 2019 in Bad Harzburg were made.

With notarised contracts in March and April 2019, the Company also acquired twelve further properties in Grevenbroich (Northrhine-Westphalia), Stendal, Quedlinburg, Wolfen (all Saxony-Anhalt), Leipzig, Mülsen St. Jacob, Königsbrück and Wurzen (all Saxony), Wunsiedel (Bavaria) and in Eggesin, Lübz (both in Mecklenburg-West-Pomerania) and Döberitz (Brandenburg). The total investment volume of these properties is around EUR 52 million with an annualised rent of approximately EUR 5.1 million.

On the financing side, DKR took out an unsecured corporate bond with a total volume of EUR 50.0 million on 5 April 2019. The bond has a term of five years and is being issued at 2.35% p.a. interest.

In addition, two loans were granted from Volksbank Mittweida on 2 May 2019 for a total of EUR 1.5 million at 1.5% pa. interest, 7% annual repayment and a term of ten years.

Potsdam, 14 May 2019

Rolf Elgeti	Alexander Kroth	Christian Hellmuth
Chairman of the Management Board – CEO	CIO	CFO

Statement from the Company's legal representatives

"We assure to the best of our knowledge that, in accordance with the applicable accounting standards, the the interim financial statements as of 31 March 2019 give a true and fair view of the asset, financial and earnings position of the Company and that the interim management report gives a true and fair view of the development of the business including the business result and the situation of the Company and describes the main opportunities and risks associated with the Company's expected future development."

Potsdam, 14 May 2019

Rolf Elgeti
Chairman of the
Management Board – CEO

Alexander Kroth
CIO

Christian Hellmuth
CFO

About Deutsche Konsum REIT-AG

Deutsche Konsum is a REIT ("Real Estate Investment Trust") primarily specialising in retail real estate of daily need utilities. The shares of the Company are listed on the Prime Standard of the Deutsche Börse.
At the time that this half-yearly financial report was published, the Company's retail trade portfolio had a rentable space of approximately 683,000 m^2, and an annualised yearly rental income of EUR 46 million distributed over 121 properties. The portfolio is currently accounted at approximately EUR 540 million.

Deutsche Konsum REIT-AG share

As at	**13 May 2019**
ISIN	DE000A14KRD3
Security Identification Number	A14KRD
Ticker symbol	DKG
Initial offering	15/12/2015
Number of shares	29,959,944
Share capital	EUR 29,959,944.00
Trading locations	XETRA, Frankfurt and Berlin
Market segment	Prime Standard
Indices	CDAX, RX REIT, DIMAX
Share price	EUR 13.60
Market capitalisiation	EUR 408 million
52W – high/low	EUR 14.75/9.46

Financial calender

15 May 2019	Publication of the half-yearly financial report of 2018/2019 financial year
15 May 2019	Commerzbank Northern European Conference 2019, New York
14 August 2019	Publication of the quarterly statement for the third quarter of 2018/2019 financial year
23 September 2019	Berenberg and Goldman Sachs Eighth German Corporate Conference, Munich
24 September 2019	Baader Investment Conference, Munich
18 December 2019	Publication of the final annual statements/annual financial report for the financial year 2018/2019

Publisher

The Management Board of Deutsche Konsum REIT-AG

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Disclaimer

This half-yearly financial report contains forward-looking statements. These are based on current estimates and are, therefore, subject to risks and uncertainties. In this respect, the events actually occurring may deviate from the statements formulated here.
The report is also available in English. In doubtful cases, the German version is authoritative.

Deutsche
Konsum
REIT-AG