

1 October 2021 to 30 June 2022

# Quarterly statement

for the third quarter of 2021 / 2022 financial year

## **Contents**

<b>Corporate key figures .....</b>	<b>3</b>
<b>Quarterly statement for the period from 1 October 2021 to 30 June 2022 .....</b>	<b>5</b>
1. The share.....	5
2. Business development.....	7
3. Development of asset, financial and earnings position .....	9
4. Supplementary report .....	12
5. Risk situation .....	13
6. Outlook and forecast.....	13
7. Headline Earnings per share (HEPS) .....	14
<b>Interim financial statements for the period from 1 October 2021 to 30 June 2022 of the 2021/2022 financial year.....</b>	<b>15</b>
<b>About Deutsche Konsum REIT-AG .....</b>	<b>22</b>
<b>Deutsche Konsum REIT-AG share.....</b>	<b>22</b>
<b>Financial calender .....</b>	<b>22</b>
<b>Publisher .....</b>	<b>23</b>
<b>Contact .....</b>	<b>23</b>
<b>JSE Sponsor .....</b>	<b>23</b>
<b>Disclaimer .....</b>	<b>23</b>

## Corporate key figures

**Deutsche Konsum REIT-AG, Broderstorf**

### Key figures

	1 October 2021 – 30 June 2022	1 October 2020 – 30 June 2021	Difference	%
<b>Income statement</b>				
(TEUR)				
Rental income	55,395	50,635	4,760	9.4
Net rental income	36,544	33,710	2,834	8.4
EBIT	98,610	83,530	15,080	18.1
Financial result	-5,995	-4,252	-1,743	41.0
Net income	92,615	79,278	13,337	16.8
FFO	31,677	30,623	1,054	3.4
FFO per share (in EUR)	0.90	0.87	0.03	3.4
aFFO	20,629	16,324	4,306	26.4
aFFO per share (in EUR)	0.59	0.46	0.12	26.4
Earnings per share, undiluted (in EUR)	2.63	2.26	0.38	16.8
Earnings per share, diluted (in EUR)	1.85	1.60	0.26	16.2
Recurring costs ratio (in %)	3.8	4.8	-1.0	-20.1
 <b>Balance sheet key figures</b>				
(TEUR)				
Investment properties	1,065,323	944,020	121,303	12.8
Total assets	1,211,801	1,093,304	118,497	10.8
Equity	546,528	467,975	78,553	16.8
Total debt	644,945	609,309	35,636	5.8
 <b>Finance key figures</b>				
(net) Loan-to-Value (LTV) (in %)	48.8	53.2	-4.5	-8.4
Average interest rate of loans (in %)	1.64	1.70	-0.06	-3.8
Average interest rate of loans, bonds and convertible bonds (in %)	1.98	1.90	0.08	4.0
Average remaining duration of loans (in years)	3.4	3.6	-0.1	-4.2
Interest coverage ratio (ICR), multiple	5.7	6.1	-0.5	-7.4
NAV	546,528	467,975	78,553	16.8
NAV per share (in EUR)	15.55	13.31	2.23	16.8
EPRA NTA per share (in EUR)	11.62	10.10	1.52	15.0

**REIT metrics**

REIT equity ratio	50.8	46.1	4.6	10.1
-------------------	------	------	-----	------

**Share information**

Shares issued (pieces)	35,155,938	35,155,938	0	0.0
Average number of shares within the reporting period (pieces)	35,155,938	35,155,938	0	0.0
Market cap (in EUR)	384,957,521	486,909,741	-101,952,220	-20.9
Share price (in EUR)	10.95	13.85	-2.90	-20.9

**Portfolio key figures**

Number of assets	180	173	7	4.0
Rental space (in sqm)	1,055,629	1,021,901	33,727	3.3
Annualised rent (in TEUR)	73,517	72,940	577	0.8
Initial yield (in %)	10.2	10.3	-0.1	-0.8
Vacancy rate (in %)	11.9	10.7	1.2	11.1
WALT (in years)	5.2	5.5	-0.3	-5.0

## **Quarterly statement for the period from 1 October 2021 to 30 June 2022**

The following interim statement of Deutsche Konsum REIT-AG (hereinafter also referred to as "Deutsche Konsum" or "Company") describes the significant course of business and the asset, financial and earnings position of the first nine months of the 2021/2022 financial year ("9M 2021/2022"). The interim financial statements have been prepared in accordance with IFRSs as adopted by the EU. The interim financial statements have not been audited.

### **1. The share**

#### **Macroeconomic crisis as primary market driver**

In the first nine months of the current financial year 2021/2022, DKR's share price performance was dominated by the overarching global economic upheavals and the resulting significant corrections on the stock markets, which had a particularly strong impact on the mid- and small-cap sectors (Performance in the reporting period: DAX -16%, MDAX -25%, SDAX -28%).

Substantial rises in inflation rates in the United States and Europe and the US Federal Reserve's tightened monetary policy with significant interest rate hikes, which the ECB is increasingly following, have led to a significant deterioration in the outlook for the real estate markets. Furthermore, persistent supply chain problems, the war in Ukraine and the sanctions against Russia are causing increasing uncertainty in European industry and production bottlenecks on the supply side, which could lead to a recession. As a result, the shares of listed real estate companies suffered heavy price losses (Performance in the reporting period: EPRA Index -21%), which the DKR share was unable to escape. Although Deutsche Konsum continues to grow very stable and profitable in operational terms and the business model has repeatedly proven to be extremely resilient in the current overall situation, noticeable losses in the share price have been recorded over the reporting period so far.

Starting from the closing price on 30 September 2021 (EUR 13.85)<sup>1</sup>, the share price initially rose within a few weeks and finally reached its high of EUR 15.35<sup>2</sup> on an intraday basis. Subsequently, a general correction on the capital markets set in, so that on the last trading day of the reporting period, 30 June 2022, the share was quoted at EUR 10.95<sup>3</sup>, 20.9% below the closing price on 30 September 2021.

Since the beginning of the stock exchange listing on 15 December 2015, the share price has risen by EUR 7.45 or 212.9%. The Company's market capitalisation was approximately EUR 385 million. The development of the average daily trading volume of the share on the Xetra trading platform was favourable in the reporting period: With almost 7,200 shares per day, this was around 16.6% above the value of the previous year's period.

---

<sup>1</sup> Closing price Xetra.

<sup>2</sup> Variable price Xetra on 27 October, 28 October and 1 November 2021.

<sup>3</sup> Closing price Xetra.

— Deutsche Konsum REIT-AG (XETRA)



## Analyst coverage

Analysts continue to see significant upside potential for the DKR share:

Bank	Price target in EUR	Rating	Analyst	Date
Warburg	14.00	Buy	Andreas Pläsier, Simon Stippig	9 August 2022
Metzler	17.60	Buy	Stephan Bonhage	10 June 2022
ODDO BHF	18.80	Outperform	Manuel Martin	15 February 2022
Berenberg Bank	19.00	Buy	Kai Klose	14 February 2022
Jefferies	16.00	Hold	Thomas Rothaeusler, Sebastian Link	11 September 2020

## Annual General Meeting of DKR approves all proposed resolutions/ Dividend distribution in the amount of EUR 0.40 per share

On 10 March 2022, DKR's Annual General Meeting was held as a virtual general meeting without the physical presence of shareholders or their proxies. All proposed resolutions were adopted with the required majority. In particular, the distribution of a dividend for the 2020/2021 financial year in the amount of EUR 0.40 per share was resolved. As a result, a total of TEUR 14,062 was distributed. In addition, the Annual General Meeting confirmed all existing members of the Supervisory Board in office for another two years.

## Investor relations

DKR was also represented at numerous national and international roadshows and conferences in the first nine months of the 2021/2022 financial year and is in permanent dialogue with its shareholders and interested investors.

## 2. Business development

### **Continuous growth of the real estate portfolio / Significant valuation gains from the periodic real estate valuation**

Until the balance sheet date, the transfer of benefits and encumbrances of a total of ten newly acquired properties took place. Furthermore, revitalisation and modernisation measures amounting to EUR 11.0 million were carried out and capitalised in the first nine months of the financial year. The sold properties in Oer-Erkenschwick (North Rhine-Westphalia), Beratzhausen (Bavaria) and Neumünster (Schleswig-Holstein), on the other hand, were disposed of as planned on 1 May 2022 and 1 June 2022 and are therefore no longer in the Company's portfolio.

Due to the recent sharp rise in inflation rates in Germany, rental agreements with value protection clauses, which currently apply to around 80% of the Company's rental income, are increasingly taking effect. Accordingly, DKR was already able to implement rent increases in the first nine months of the current financial year on the basis of inflation clauses, which will lead to additional annual rents of around EUR 1.7 million in the future. For the first time in DKR's history, this has led to a significant growth in rents for existing properties of around 2.4% in the course of the financial year so far. The Company also expects further rent increases in the coming quarters.

Furthermore, the annual valuation of the real estate portfolio was carried out by the external and independent appraiser CBRE GmbH, Berlin, as of 30 June 2022. This results in a valuation gain of EUR 64.5 million as of 30 June 2022 compared to the end of the previous financial year, which corresponds to an upward revaluation of approximately 7.5%. The main drivers of the property revaluations are the rent increases due to value protection agreements and the increasing demand from investors for food-anchored local supply properties. Accordingly, the property portfolio is currently valued at a factor of 14.7 times the annual rent.

In total, DKR's real estate portfolio recognised on 30 June 2022 thus comprises 180 properties with a balance sheet value of around EUR 1.08 billion and a rental area of around 1,056,000 sqm.

In the course of the financial year to date, the acquisition of a total of 24 properties has been notarised. Since October 2021, DKR has thus acquired retail properties for an investment volume of around EUR 97.5 million and with an annual rent of EUR 8.0 million respectively an initial yield of 8.2% on average. In addition to the ten properties already transferred to DKR by the balance sheet date, the transfer of benefits and encumbrances of the property in Stadtroda took place on 1 July 2022, and the properties in Schiffweiler, Meinerzhagen and Lübtheen were transferred to DKR on 1 August 2022.

On the other hand, contracts for the sale of a total of eight further properties were concluded in the current financial year. The transfer of benefits and encumbrances of three of these properties was completed by the balance sheet date. Furthermore, the transfer of benefits and encumbrances of five additional retail properties from the portfolio sale of seven properties notarised in the previous financial year took place on 1 July 2022. Only for the properties for sale in Verden (Lower Saxony) and Altentreptow (Mecklenburg-Western Pomerania) the purchase price due date requirements could not be met, which is why the buyer exercised his right of withdrawal. The two properties will therefore remain in DKR's real estate portfolio. This brings the current sales volume to around EUR 55 million. DKR is using the liquid funds received to repay existing liabilities and – in line with its investment criteria – to purchase new properties.

DKR's total portfolio (pro forma - including acquisitions, excluding property sales) thus currently comprises 184 retail properties with an annual rent of around EUR 76.5 million and a balance sheet value of around EUR 1.13 billion.

Due to the expiration of the lease agreement with the restructured Real hypermarket chain at the Trier-Kenn location on 31 December 2021, there was an increase in the vacancy rate and a decrease in the annualised portfolio rent of approximately EUR 1.9 million from 1 January 2022 onwards.

### **Borrowings**

In the reporting period, DKR concluded secured bank loans with savings banks and Volksbanks with a total volume of EUR 54.5 million at interest rates between 1.35% p.a. and 1.80% p.a., of which EUR 1.9 million had not yet been disbursed as of the balance sheet date. These bank loans were primarily used for the favourable refinancing of existing bank loans whose fixed interest rates had previously expired.

In November 2021, the existing unsecured corporate bond 2021/2031 was increased by EUR 30 million to EUR 50 million, of which EUR 10 million were paid out. The bond volume that has not yet been called is generally available for attractive purchase opportunities on call. Furthermore, several tranches of an unsecured promissory note loan with maturities of three, five and seven years with a total volume of EUR 37.5 million were placed with institutional investors in February 2022 and April 2022. The funds raised are to be used for further growth financing and the optimisation of the debt capital structure.

### **Rating confirmed**

The existing Scope rating was confirmed on 29 April 2022: The issuer rating remains "BB+ stable" and the rating for secured and unsecured debt capital at "BBB" and "BBB-" (investment grade).

### 3. Development of asset, financial and earnings position

#### Asset position

As a result of the continued portfolio growth, the inflow of funds from borrowings and the revaluation of the portfolio as part of the annual property valuation, total assets increased by TEUR 118,497 to TEUR 1,211,801 (30 September 2021: TEUR 1,093,304). Investment properties, which are recognised at TEUR 1,065,323 as at 30 June 2022 (30.09.2021: TEUR 944,020), represent the major part of the assets. In addition, properties with a total value of TEUR 10,869 (30.09.2021: TEUR 70,148) are held for sale.

The Company's equity increased in the first nine months of the 2020/2021 financial year by the current net profit for the period of TEUR 92,615 to TEUR 546,528 (30.09.2021: TEUR 467,975). The dividend distribution of TEUR 14,062 or EUR 0.40 per share on 15 March 2022 had an equity-reducing effect.

The NAV per share (undiluted) and the EPRA NTA per share (diluted) as of 30 June 2022 are as follows:

TEUR	30/06/2022		30/09/2021	
	NAV	EPRA NTA	NAV	EPRA NTA
Equity (TEUR)	546,528	546,528	467,975	467,975
Effects from the conversion of the convertible bonds	-	36,571	-	36,458
<b>Key figures, TEUR</b>	<b>546,528</b>	<b>583,099</b>	<b>467,975</b>	<b>504,433</b>
Number of shares on the balance sheet date	35,155,938	35,155,938	35,155,938	35,155,938
Potential conversion shares	-	15,039,447	-	14,801,326
<b>Key figures per share, EUR</b>	<b>15.55</b>	<b>11.62</b>	<b>13.31</b>	<b>10.10</b>

Non-current and current financial liabilities to banks increased by a total of TEUR 26,301 to TEUR 427,590 (30.09.2021: TEUR 401,289) due to the net raising of loans. This resulted from taking out secured bank loans and unsecured promissory note loans with a total volume of TEUR 90,105, which were simultaneously offset by ongoing loan repayments and the settlement of existing liabilities. In addition, the 2021/2031 bond was increased by TEUR 10,000. The borrowed funds were and will be used for the acquisition of new retail properties.

Accordingly, the Net-LTV as of 30 June 2022 is as follows:

<b>TEUR</b>	<b>30/06/2022</b>	<b>30/09/2021</b>
Financial liabilities to banks	427,590	401,289
Convertible bonds	36,571	36,458
Corporate bonds	180,784	171,562
<b>Total liabilities</b>	<b>644,945</b>	<b>609,309</b>
minus cash and cash equivalents	-9,972	-653
minus fiduciary funds of property management	-1,254	-902
minus loans	-93,271	-59,523
minus interest-bearing investments	-11,489	-8,385
<b>Net debt</b>	<b>528,959</b>	<b>539,846</b>
Investment properties	1,065,323	944,020
Properties held for sale	10,869	70,148
Prepayments for the acquisition of investment properties	8,834	0
<b>Total investment properties</b>	<b>1,085,026</b>	<b>1,014,168</b>
<b>Net-LTV</b>	<b>48.8%</b>	<b>53.2%</b>

### Financial position

The cash flow statement is as follows:

<b>TEUR</b>	<b>9M 2021/2022</b>	<b>9M 2020/2021</b>
Cash flow from operating activities	37,070	25,085
Cash flow from investment activities	-38,784	-92,525
Cash flow from financing activities	11,034	68,500
<b>Cash changes in cash and cash equivalents</b>	<b>9,319</b>	<b>1,060</b>
Financial funds at the beginning of the period	653	209
<b>Financial funds at the end of the period</b>	<b>9,972</b>	<b>1,269</b>

The increase in cash flow from operating activities corresponds to the increase in net rental income due to the growth in the property portfolio.

The cash flow from investing activities mainly includes payments for the acquisition of further retail properties of TEUR 58,510, which are offset by payments received from the sale of investment properties in the amount of TEUR 53,089. Furthermore, the short-term investments of available cash and cash equivalents are shown here.

Cash flow from financing activities mainly includes cash inflows from borrowings of TEUR 90,105 and from the increase of the corporate bond 2021/2031 in the amount of TEUR 10,000. This is offset by payments for repayments and interest (including ground rent) totalling TEUR 74,475 and the dividend distribution of TEUR 14,062.

The Company was always able to meet its payment obligations.

## Earnings position

The earnings position of Deutsche Konsum developed as follows in the first nine months of the 2021/2022 financial year:

<b>TEUR</b>	<b>9M 2021/2022</b>	<b>9M 2020/2021</b>
Rental income	55,395	50,635
Net rental income	36,544	33,710
Result from disposals	-143	0
Other operating income	2,203	389
Valuation result	64,544	54,805
Administrative expenses	-4,539	-5,374
<b>EBIT</b>	<b>98,610</b>	<b>83,530</b>
Financial result	-5,995	-4,252
<b>EBT</b>	<b>92,615</b>	<b>79,278</b>
Income taxes and other taxes	0	0
<b>Net profit for the period</b>	<b>92,615</b>	<b>79,278</b>

Rental income increased to around TEUR 55,395 (9M 2020/2021: TEUR 50,635) as a result of the acquisition-related growth in the property portfolio and inflation-related index adjustments to the rental agreements. In line with this, net rental income rose by TEUR 2,834 to TEUR 36,544 (9M 2021/2021: TEUR 33,710). Operating expenses also increased in proportion to the growth in rents. On the other hand, the vacancy of the former Real hypermarket in Trier-Kenn, which has been vacant since 1 January 2022, had a negative effect on income with an annual rent of around EUR 1.9 million.

Other operating income amounted to TEUR 2,203 in the reporting period (9M 2020/2021: TEUR 389) and mainly includes income from a redemption payment as part of a settlement agreement. This item also includes insurance compensation received, among other things.

Administrative expenses, consisting of personnel expenses and other administrative expenses, fell noticeably overall and include one-time and non-recurring effects in the amount of TEUR 589 (9M 2020/2021: TEUR 1,353). Adjusted for these effects, administrative expenses decreased by TEUR 306, with both personnel expenses and recurring other administrative expenses declining.

The administrative expense ratio is as follows:

<b>TEUR</b>	<b>9M 2021/2022</b>	<b>9M 2020/2021</b>
Personnel expenses	-854	-947
Other administrative expenses	-1,868	-2,845
Adjustment of one-time and other non-recurring effects	589	1,353
<b>Adjusted administrative expenses</b>	<b>-2,132</b>	<b>-2,439</b>
Rental income	55,395	50,635
<b>Administrative expense ratio</b>	<b>3.8%</b>	<b>4.8%</b>

In summary, EBIT increased by TEUR 15,080 to TEUR 98,610 (9M 2020/2021: TEUR 83,530).

Interest expenses increased to a total of TEUR 10,437 (9M 2020/2021: TEUR 9,045) due to a higher level of borrowings. Interest expenses include ground rent totalling TEUR 416 (9M 2020/2021: TEUR 404).

In the reporting period, interest income of TEUR 4,442 (9M 2020/2021: TEUR 4,793) was generated, which resulted primarily from the short-term investment of surplus liquidity on a financing platform as well as from the short-term callable loan of available funds to Obotritia Capital KGaA.

Consequently, the financial result decreases by TEUR 1,743 to TEUR -5,995 (9M 2020/2021: TEUR -4,252).

Income taxes do not accrue due to the tax exemption of REIT companies.

Overall, this results in a net profit for the period of TEUR 92,615 (9M 2020/2021: TEUR 79,278), from which FFO and aFFO are derived as follows:

<b>TEUR</b>	<b>9M 2021/2022</b>	<b>9M 2020/2021</b>
Net profit for the period	92,615	79,278
Adjustment of income taxes	0	0
Adjustment of depreciation	15	8
Adjustment of valuation result	-64,544	-54,805
Adjustment of result from disposals	143	0
Adjustment for non-cash expenses/income	2,389	3,617
Adjustment for one-time effects	1,059	2,525
<b>FFO</b>	<b>31,677</b>	<b>30,623</b>
- Capex	-11,048	-14,299
<b>aFFO</b>	<b>20,629</b>	<b>16,324</b>

Non-cash expenses and income include the compounding of interest on debt instruments according to the effective interest method and pandemic-related rental waivers. Furthermore, impairments on short-term investments in accordance with IFRS 9 are included here. The one-time effects include non-recurring expenses and income. In the first nine months of the current financial year, these were, in particular, expenses for acquired properties unrelated to the accounting period and early repayment charges due to the early repayment of existing loans.

The capitalised maintenance costs (capex) mainly comprise value-enhancing modernisation and expansion measures at the properties in Grimma, Angermünde, Stralsund, Hohenmölsen and Greifswald.

This results in FFO per share of EUR 0.90 (9M 2020/2021: EUR 0.87) and aFFO of EUR 0.59 per share (9M 2020/2021: EUR 0.46).

#### 4. Supplementary report

##### **Further property additions and acquisitions**

After the balance sheet date, the transfer of benefits and encumbrances of the acquired properties in Stadtroda (Thuringia), Schiffweiler (Saarland), Meinerzhagen (North Rhine-Westphalia) and Lübtheen (Mecklenburg-Western Pomerania) took place on 1 July 2022 and 1 August 2022 respectively. This contrasts with five sold properties that were disposed of on 1 July 2022.

After the balance sheet date, the Company notarised the purchase of seven additional properties in Kemberg, Köthen, Coswig, Olbernhau, Cottbus, Staßfurt and Osterfeld with a purchase volume of approximately EUR 46 million. The acquisition of the property in Osterfeld is currently subject to subsequent approval by the seller.

The investment volume in the current financial year already totals around EUR 98 million. The annualised rent of the acquired properties is around EUR 8.0 million.

## 5. Risk situation

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 2020/2021 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 2021. However, the currently significantly rising costs for energy and materials that are difficult to obtain may be reflected in higher maintenance and management costs that cannot be passed on to tenants in full. This, on the other hand, is offset by rent increases due to index adjustments that are now becoming effective.

## 6. Outlook and forecast

### **Positive business development with familiar stability**

The 2021/2022 financial year is now dominated by the Russia-Ukraine conflict, which has led to significant price spikes for energy and consumables, following the easing of restrictions from the COVID 19 pandemic. Market interest rates have increased markedly compared to the previous year in anticipation of a tighter monetary policy by the ECB. As anticipated by market participants, the ECB has initiated the turnaround in interest rates to combat inflation by raising interest rates for the first time in over ten years. This may lead to higher operating costs and, in the future, higher interest costs for DKR.

Despite this environment, DKR was already able to acquire 24 properties at the sought-after yields in the first nine months of the 2021/2022 financial year and continues to face a broadly filled acquisition pipeline. Due to the increased interest rate level and the general economic uncertainty, DKR is experiencing a gradual, but nevertheless steady decline in the asking prices for purchases. In this respect, the Management Board assumes that acquisitions at attractive returns will be possible in the coming months. In addition to further acquisitions, DKR's operational focus continues to be on efficient portfolio management, the revitalisation of properties and the optimisation of the financing structure through upcoming refinancing.

### **Forecast confirmed**

Based on current planning, the Management Board confirms the forecast and expects FFO of between EUR 40 million and EUR 44 million for the 2021/2022 financial year.

## 7. Headline Earnings per share (HEPS)

According to the rules of the Johannesburg Stock Exchange (JSE), the earnings figure "Headline Earnings per Share" (HEPS) is to be presented, which essentially represents the net income for the period adjusted for valuation results:

TEUR	9M 2021/2022	9M 2020/2021
<b>Net income (undiluted)</b>	<b>92,614.9</b>	<b>79,277.9</b>
Excluding valuation result according to IAS 40	-64,544.0	-54,804.9
Excluding valuation result according to IFRS 5	143.1	0.0
<b>Headline Earnings (undiluted)</b>	<b>28,213.9</b>	<b>24,472.9</b>
Interest expenses on convertible bonds	469.7	467.8
<b>Headline Earnings (diluted)</b>	<b>28,683.7</b>	<b>24,940.8</b>
Average number of shares issued in the reporting period ( <b>undiluted</b> ), in thousands	35,155.9	35,155.9
Potential conversion shares, in thousands	15,039.4	14,801.3
Average number of shares issued in the reporting period ( <b>diluted</b> ), in thousands	50,195.4	49,957.3
<b>Headline Earnings per share (EUR)</b>		
<b>Diluted</b>	<b>0.80</b>	<b>0.70</b>
<b>Undiluted</b>	<b>0.57</b>	<b>0.50</b>

**Interim financial statements for the period from  
1 October 2021 to 30 June 2022  
of the 2021/2022 financial year**



**Deutsche Konsum REIT-AG, Broderstorf**

**Balance sheet as at 30/06/2022**

TEUR	30/06/2022	30/09/2021
<b>Assets</b>		
Non-current assets		
Investment properties	1,065,322.7	944,019.6
Tangible assets	63.0	47.4
Other financial assets (loans)	10.6	237.7
Other non-current assets	8,834.1	0.0
	<b>1,074,230.4</b>	<b>944,304.7</b>
Current assets		
Trade and other receivables	3,864.9	4,324.5
Income tax refund claims	291.4	150.7
Other current assets	105,661.9	73,722.9
Cash and cash equivalents	9,971.8	652.7
	<b>119,790.1</b>	<b>78,850.7</b>
Non-current assets held for sale	17,780.5	70,148.3
<b>TOTAL ASSETS</b>	<b>1,211,801.0</b>	<b>1,093,303.8</b>
<b>Equity and liabilities</b>		
Equity		
Issued share capital	35,155.9	35,155.9
Capital reserve	197,141.6	197,141.6
Other reserves	723.4	723.4
Retained earnings	313,506.9	234,954.4
	<b>546,527.8</b>	<b>467,975.3</b>
Non-current liabilities		
Financial liabilities	346,234.5	347,845.1
Convertible bonds	36,571.2	36,457.7
Corporate bonds	180,783.6	171,561.8
Other provisions	3.5	3.5
Other non-current liabilities	10,059.7	9,808.2
	<b>573,652.5</b>	<b>565,676.3</b>
Current liabilities		
Financial liabilities	81,356.0	53,444.4
Other provisions	3,248.5	2,733.1
Trade payables	3,087.4	906.6
Other current liabilities	3,928.9	2,178.4
	<b>91,620.7</b>	<b>59,262.4</b>
Financial liabilities regarding non-current assets held for sale	0.0	389.8
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>1,211,801.0</b>	<b>1,093,303.8</b>

**Deutsche Konsum REIT-AG, Broderstorf**

**Statement of comprehensive income**

TEUR	01/10/2021- 30/06/2022	01/04/2022- 30/06/2022	01/10/2020- 30/06/2021	01/04/2021- 30/06/2021
Rental income	55,395.1	19,149.9	50,634.9	17,633.2
Income from operating and ancillary costs	9,168.3	2,020.4	8,264.2	2,377.4
Operating expenses	-28,019.5	-9,294.3	-25,188.8	-8,850.2
<b>Net rental income</b>	<b>36,544.0</b>	<b>11,875.9</b>	<b>33,710.3</b>	<b>11,160.3</b>
Proceeds from the disposal of properties	53,582.3	53,574.3	0.0	0.0
Expenses on the sale of properties	-54,465.4	-54,463.9	0.0	0.0
Valuation changes of sold properties	740.0	740.0	0.0	0.0
<b>Net proceeds from the disposal of properties</b>	<b>-143.1</b>	<b>-149.6</b>	<b>0.0</b>	<b>0.0</b>
Other income	2,203.4	785.8	389.1	194.7
<b>Gains/losses from the revaluation of investment properties</b>	<b>64,544.0</b>	<b>64,544.0</b>	<b>54,804.9</b>	<b>54,804.9</b>
<b>Subtotal</b>	<b>103,148.3</b>	<b>77,056.1</b>	<b>88,904.3</b>	<b>66,159.9</b>
Personnel expenses	-854.2	-244.2	-946.4	-345.8
Depreciation and amortisation of tangible and intangible assets	-15.1	-5.6	-7.8	-2.0
Impairment loss of inventories and receivables	-1,801.8	-81.2	-1,575.0	-514.5
Other administrative expenses	-1,867.5	-568.1	-2,845.3	-591.9
<b>Administrative expenses</b>	<b>-4,538.6</b>	<b>-899.1</b>	<b>-5,374.4</b>	<b>-1,454.2</b>
<b>EBIT</b>	<b>98,609.7</b>	<b>76,157.0</b>	<b>83,529.9</b>	<b>64,705.7</b>
Interest income	4,442.0	1,766.6	4,793.0	1,516.1
Interest expense	-10,436.7	-3,686.1	-9,045.0	-3,187.7
<b>Financial result</b>	<b>-5,994.8</b>	<b>-1,919.4</b>	<b>-4,252.0</b>	<b>-1,671.7</b>
<b>EBT</b>	<b>92,614.9</b>	<b>74,237.6</b>	<b>79,277.9</b>	<b>63,034.0</b>
Income tax	0.0	0.0	0.0	0.0
Other tax	0.0	0.0	0.0	0.0
<b>Net income</b>	<b>92,614.9</b>	<b>74,237.6</b>	<b>79,277.9</b>	<b>63,034.0</b>
Earnings per share (in EUR)				
Undiluted earnings per share	2.63	2.11	2.26	1.79
Diluted earnings per share	1.85	1.48	1.60	1.26

<b>Net income</b>	<b>92,614.9</b>	<b>74,237.6</b>	<b>79,277.9</b>	<b>63,034.0</b>
<b>Other comprehensive income</b>				
<b>Items reclassified to profit or loss</b>				
Impairment of acquired loans	487.8	-313.6	-8.3	-33.3
Change in fair value of acquired loans	-487.8	313.6	8.3	33.3
<b>Total other comprehensive income</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>Total comprehensive income</b>	<b>92,614.9</b>	<b>74,237.6</b>	<b>79,277.9</b>	<b>63,034.0</b>

**Deutsche Konsum REIT-AG, Broderstorf**

**Statement of changes in equity**

TEUR	<b>Issued share capital</b>	<b>Capital reserve</b>	<b>Other reserves</b>	<b>Retained earnings</b>	<b>Total equity</b>
<b>As at 01/10/2020</b>	<b>35,155.9</b>	<b>197,141.6</b>	<b>723.4</b>	<b>157,643.6</b>	<b>390,664.5</b>
Period result				79,277.9	79,277.9
Dividend distribution				-14,062.4	-14,062.4
<b>As at 30/06/2021</b>	<b>35,155.9</b>	<b>197,141.6</b>	<b>723.4</b>	<b>222,859.1</b>	<b>455,880.0</b>
<b>As at 01/10/2021</b>	<b>35,155.9</b>	<b>197,141.6</b>	<b>723.4</b>	<b>234,954.4</b>	<b>467,975.3</b>
Period result				92,614.9	92,614.9
Dividend distribution				-14,062.4	-14,062.4
<b>As at 30/06/2022</b>	<b>35,155.9</b>	<b>197,141.6</b>	<b>723.4</b>	<b>313,506.9</b>	<b>546,527.8</b>

**Deutsche Konsum REIT-AG, Broderstorf**

**Cash flow statement**

Information in TEUR	01/10/2021- 30/06/2022	01/10/2020- 30/06/2021
Period result	92,614.9	79,277.9
+/- Interest expense/interest income	5,994.8	4,252.0
+/- Depreciation, amortisation and write-down/reversals of intangible assets, tangible assets and financial assets	15.1	7.8
+ Impairments on inventories and receivables	1,801.8	1,575.0
-/+ Gain/loss from the revaluation of investment properties	-64,544.0	-54,804.9
-/+ Gain/loss on disposal of investment properties	143.1	0.0
+/- Increase/decrease in provisions	515.4	-290.4
- Income taxes paid	-140.7	-126.1
-/+ Increase/decrease in inventories, trade receivables and other assets not attributable to investing or financing activities	-2,190.4	-4,367.2
+/- Increase/decrease in trade payables and other liabilities not attributable to investing or financing activities	2,860.2	-438.6
<b>Cash flow from operating activities</b>	<b>37,070.1</b>	<b>25,085.5</b>
+ Cash receipts relating to disposals of investment properties	53,089.0	0.0
- Cash payments related to property investments	-58,509.9	-119,286.7
- Cash payments related to other investments in intangible and tangible assets	-30.7	0.0
+ Cash receipts from the investment of cash funds for short-term cash management	5,863.6	29,294.9
- Cash payments related to short-term cash investments	-39,692.8	-3,300.0
+ Interest received	496.3	766.8
<b>Cash flow from investing activities</b>	<b>-38,784.5</b>	<b>-92,525.0</b>
+ Proceeds related to the issue of corporate bonds	10,000.0	20,000.0
- Costs related to the issue of corporate bonds	-175.0	-235.0
+ Proceeds from borrowings	90,105.0	87,500.0
- Cash payments related to the issue of borrowings	-358.8	-419.3
- Amortisation of loans	-63,738.2	-15,095.5
- Interest paid	-10,737.1	-9,188.0
- Dividend distribution	-14,062.4	-14,062.4
<b>Cash flow from financing activities</b>	<b>11,033.5</b>	<b>68,499.8</b>
Change in cash and cash equivalents	9,319.1	1,060.3
Cash and cash equivalents at the beginning of the period	652.7	209.1
<b>Cash and cash equivalents at the end of the period</b>	<b>9,971.8</b>	<b>1,269.4</b>

## About Deutsche Konsum REIT-AG

Deutsche Konsum REIT-AG, Broderstorf, is a listed real estate company focusing on German retail properties for everyday consumer goods in established micro-locations. The focus of the Company's activities is on the acquisition, management and development of local supply properties with the aim of achieving a steady increase in value and lifting hidden reserves. DKR is exempt from corporation and trade tax due to its REIT status ('Real Estate Investment Trust'). The shares of the Company are traded on the Prime Standard of Deutsche Börse (ISIN: DE000A14KRD3) and by way of a secondary listing on the JSE (JSE Limited) (South Africa).

At the time of publication of this quarterly statement, Deutsche Konsum holds a retail property portfolio on a pro forma basis with a lettable area of over 1,087,000 sqm and an annualised rent of around EUR 76.5 million, spread over 184 properties. The balance sheet value of the pro forma portfolio is currently around EUR 1.13 billion.

## Deutsche Konsum REIT-AG share

As at	9 August 2022
ISIN	DE000A14KRD3
WKN	A14KRD
Ticker symbol	DKG
Initial offering	15/12/2015
Number of shares	35,155,938
Share capital	EUR 35,155,938.00
Trading locations	XETRA, Frankfurt, Berlin, JSE (South Africa/secondary listing)
Market segment	Prime Standard
Indices	SDAX, RX REIT, DIMAX
Share price (closing price Xetra on 9 August 2022)	EUR 10.10
Market capitalisation	EUR 355 million
52W – high/low (Xetra)	EUR 15.35/9.80

## Financial calendar

11 August 2022	Publication of the quarterly statement for the third quarter of 2021/2022 financial year
8 September 2022	Commerzbank and ODDO BHF Corporate Conference 2022, Frankfurt am Main
19 September 2022	Berenberg and Goldman Sachs Eleventh German Corporate Conference, Munich
20 September 2022	Baader Investment Conference, Munich
18 October 2022	22. European Large & MidCap Event, Paris
28-30 November 2022	Deutsches Eigenkapitalforum, Frankfurt am Main
20 December 2022	Publication of the final annual statements/annual financial report for the financial year 2021/2022

## **Publisher**

The Management Board of Deutsche Konsum REIT-AG.

## **Contact**

Deutsche Konsum REIT-AG

Business address:

August-Bebel-Str. 68

14482 Potsdam

Germany

Phone +49 (0) 331 74 00 76 -50

Fax +49 (0) 331 74 00 76 -520

Email [ir@deutsche-konsum.de](mailto:ir@deutsche-konsum.de)

(Incorporated in the Federal Republic of Germany)

(Registration number HRB 13072)

FSE Share Code: A14KRD

JSE Share Code: DKR

ISIN: DE000A14KRD3

LEI: 529900QXC6TDASMCSU89

## **JSE Sponsor**

PSG Capital

## **Disclaimer**

This quarterly statement 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.

