

# Quarterly statement

for the third quarter of 2018/2019 financial year

1 October 2018 to 30 June 2019

Deutsche  
Konsum  
REIT-AG



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## Key figures

### Deutsche Konsum REIT-AG, Broderstorf

#### Key figures

	1 October 2018 – 30 June 2019	1 October 2017 – 30 June 2018	Variance	%
<b>Income statement</b>				
(kEUR)				
Rental income	30,136	20,914	9,222	44.1
Net operating income	23,295	15,413	7,882	51.1
Financial result	-4,102	-3,611	-491	13.6
Net income	50,193	25,425	24,768	97.4
FFO	19,159	11,372	7,787	68.5
FFO per share (in EUR)	0.65	0.43	0.22	52.3
aFFO	16,285	4,150	12,135	>100
aFFO per share (in EUR)	0.55	0.16	0.40	>100
Earnings per share, undiluted (in EUR)	1.70	0.96	0.75	78.5
Earnings per share, diluted (in EUR)	1.18	0.65	0.53	81.2
Recurring costs ratio (in %)	6.4	6.0	0.4	6.9
	30 June 2019	30 September 2018	Variance	%
<b>Balance sheet key figures</b>				
(kEUR)				
Investment properties	546,821	418,707	128,114	30.6
Total assets	610,612	452,933	157,680	34.8
Equity	283,729	209,762	73,966	35.3
Total debt	312,520	231,596	80,924	34.9
<b>Finance key figures</b>				
(net) Loan-to-Value (LTV) (in %)	50.7	51.2	-0.6	-1.1
Average interest rate of loans (in %)	2.00	1.98	0.02	1.0
Average interest rate of loans, bonds and convertible bonds (in %)	1.95	1.87	0.08	4.3
Average remaining duration of loans (in years)	5.0	5.5	-0.5	-9.3
Interest cover ratio (ICR), multiple	5.3	3.9	1.4	36.0
EPRA NAV	283,729	209,762	73,966	35.3
EPRA NAV per share (in EUR)	9.47	7.70	1.77	23.0
EPRA NNNAV per share (in EUR)	9.47	7.70	1.77	23.0

**REIT metrics**

REIT equity ratio	51.9	50.1	1.8	3.6
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**Share information**

Shares issued	29,959,944	27,236,313	2,723,631	10.0
Market cap (in EUR)	494,339,076	299,599,443	194,739,633	65.0
Share price (in EUR)	16.50	11.00	5.50	50.0

**Portfolio key figures**

Number of assets	113	90	23	25.6
Rental space (in m <sup>2</sup> )	637,677	517,824	119,853	23.1
Annualised rent (in kEUR)	42,499	35,484	7,015	19.8
Initial yield (in %)	11.2	11.7	-0.5	-4.2
Vacancy rate (in %)	9.2	9.6	-0.4	-4.0
WALT (in years)	5.4	5.2	0.2	3.5

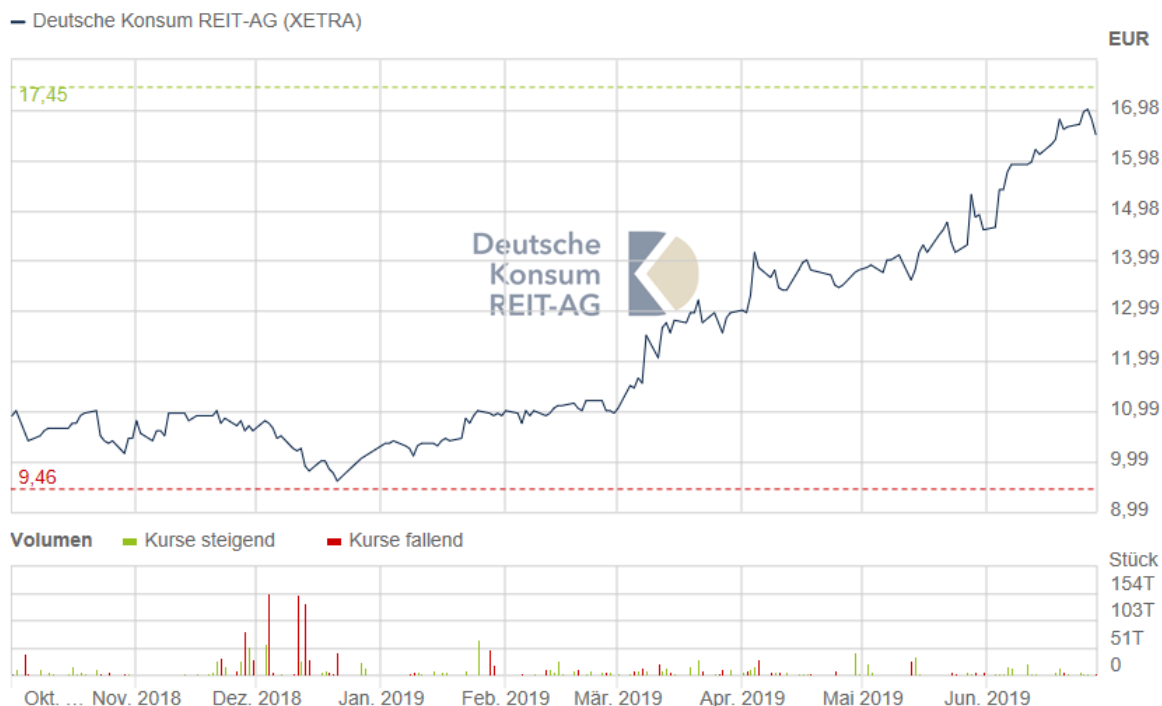
## Quarterly statement for the period from 1 October 2018 to 30 June 2019

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 2018/2019 financial year ("9M 2018/2019"). 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

#### DKR share increased significantly

In a continuing turbulent global political and economic environment, DKR shares continued to perform very well. It was 50.0% higher at a price of EUR 16.50 at the end of the reporting period on 28 June 2019 (28 September 2018: EUR 11.00)<sup>1</sup>. Since the beginning of the listing on 15 December 2015, it has improved significantly by EUR 13.00 or 371.4%.



Market capitalisation increased of more than EUR 490 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: 9M 2018/2019: 11,274; 9M 2017/2018: 10,244). During the reporting period, the highest price of the share was EUR 17.45<sup>2</sup> and the lowest price was EUR 9.46.<sup>3</sup>

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

<sup>2</sup> Variable Course Xetra on 21 June 2019.

<sup>3</sup> Variable Course Xetra on 14 December 2018.

## Analysts raise price targets

The analysts continue to take a positive view off the DKR share:

Bank	Price target in EUR	Rating	Analyst	Date
Berenberg Bank	18.90	Buy	Kai Klose	24 June 2019
Bankhaus Lampe	18.50	Buy	Dr. Georg Kanders	19 June 2019
ODDO BHF	12.80	Buy	Thomas Effler	21 February 2019

## Deutsche Konsum notices strong investor interest on international roadshows

During the current fiscal year DKR was present at numerous road shows, e.g. in Tel Aviv, London, Zurich, Dublin, New York, Boston, Chicago, Vienna, Johannesburg and Cape Town, and met many investors there. The strategy and the growth story attracted great interest.

## 2. Business development

### Portfolio growth significantly exceeds previous year

In the third quarter, the transfers of benefits and encumbrances of the acquired seven properties in Grevenbroich ("Coens-Galerie"), Stralsund, Bad Harzburg, Stendal ("Altmark Forum"), Wunsiedel, Mülsen St. Jacob and Königsbrück were achieved with an annualised rent totalling EUR 3.1 million.

As a result, DKR's real estate portfolio recognised on 30 June 2019 comprises 113 properties with a book value of around EUR 546.8 million (incl. valuation gain) and a rental space of around 610.000 m<sup>2</sup>.

In the meantime, further notarial certifications were issued and are followed by the transfers of benefits and encumbrances of ten further acquired retail properties. The transfers of benefits and encumbrances of these properties were and are expected to take place between 1 July 2019 and 1 September 2019.

In the financial year to date, DKR has thus made acquisitions totalling around EUR 160 million and therefore significantly exceeded the purchase volume of the previous year. This is offset by the sale of a property in Berlin-Konradshöhe in December 2018.

Thus, the current secured overall portfolio (pro forma) of DKR currently comprises 123 retail properties with an annual rental of around EUR 49 million and a book value of around EUR 625 million.

### Portfolio valuation with valuation gain of EUR 32.4 million

The regular real estate valuation took place on 30 June 2019 and resulted in a significant valuation gain of around EUR 32.4 million. This higher valuation is based on operational successes such as lease renewals and vacancy reduction as well as generally increased market demand for local amenities. The largest increases in valuation were among others the properties in Altentreptow (+ EUR 2.8 million or 66%), Guben (+ EUR 2.9 million or 36%), Torgelow (+ EUR 2.6 million or 31%) and Leipzig (+ EUR 2.5 million or 33%), Meissen (+ EUR 2.3 million or 20%) and Oer-Erkenschwick (+ EUR 2.2 million or 13%).

Valuation allowances, however, were recorded for the property in Erfurt (EUR -6.0 million or -19%) and the property in Verden (EUR -2.5 million or -18%). This is the result of rent adjustments associated with the significant lease renewals, which have already been included in the acquisition.

The real estate valuation was carried out by CBRE GmbH Berlin for the first time.

### **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 were 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.

### **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).

### **Loan financing**

In the current financial year 2018/2019, DKR has taken up the following new loans until now:

- 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,
- on 2 May 2019 two loans at Volksbank Mittweida in the amount of EUR 1.5 million in total at 1.5% p.a. interest, 7% annual repayment and a term of ten years,
- with payment on 29 May 2019 a loan at Sparkasse Neuss in the amount of EUR 10,0 million at 1.75% p.a. interest, 5% annual repayment and a term of five years,
- along with the transfer of benefits and encumbrances of the property in Mülsen St. Jacob, two existing loans from Vereinigte Volksbank eG Böblingen were acquired from the seller for a total of EUR 0.7 million. Both loans will be 3.85% p.a. and 1.45% p.a. interest, with about 15% p.a. redeemed and have a term of six years,
- with payment on 13 June 2019 a loan at Sparkasse Dortmund in the amount of EUR 2.0 million at 1.34% p.a. interest, 5% annual repayment and a term of five years.

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.

#### **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 a coupon of 2.35% p.a.

#### **Annual General Meeting of DKR adopts all proposed resolutions/First-time dividend payout of EUR 0.20 per share**

On 21 March 2019, the Annual General Meeting of DKR took place in Berlin. All proposed resolutions were adopted with the required majority.

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.

#### **Capital resolutions**

The Annual General Meeting resolved increases in the Authorised and Contingent Capital. Accordingly, the Management Board is authorised to issue 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 asset, financial and earnings position**

#### **Net assets**

The balance sheet total increased by kEUR 157,680 to kEUR 610,612 (30/09/2018: kEUR 452,933), mainly due to the further portfolio growth, the real estate appreciation, the cash inflows from the capital increase and the borrowings. Accordingly, the investment properties are accounted for in the amount of kEUR 546,821 as at 30 June 2019 (30/09/2018: kEUR 418,707).

The Company's equity increased by kEUR 73,966 to kEUR 283,729 in 9M (30/09/2018: kEUR 209,762), which resulted 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 30 June 2019 is as follows:

<b>kEUR</b>	<b>30/06/2019</b>	<b>30/09/2018</b>
Equity capital (kEUR)	283,729	209,762
Number of shares on the balance sheet date	29,959,944	27,236,313
<b>EPRA NAV per share, EUR</b>	<b>9.47</b>	<b>7.70</b>

Non-current and current financial liabilities to banks have increased by kEUR 26,599 (30/09/2018: kEUR 155,223) due to taking up loans. This was offset by current loan repayments.

In addition, the issue of the unsecured corporate bond in April 2019 resulted in an increase in bond liabilities of kEUR 50,068.

Borrowed funds and funds from the capital increase were used to acquire new retail properties, causing net debt to decline slightly.

Accordingly, the net LTV as of 30 June 2019 is as follows:

<b>kEUR</b>	<b>30/06/2019</b>	<b>30/09/2018</b>
Financial liabilities to banks	181,822	155,223
Convertible bonds	36,126	36,099
Corporate bonds	90,226	40,158
Financial liabilities to other lenders	4,346	116
<b>Total liabilities</b>	<b>312,520</b>	<b>231,596</b>
minus cash and cash equivalents	-408	-141
minus fiduciary funds of property management*	-4,882	0
minus short-term lending	-236	0
minus short-term interest-bearing investments	-8,272	-7,426
<b>Net debt</b>	<b>298,722</b>	<b>224,030</b>
Investment property	546,821	418,707
Prepayments for the acquisition of investment property	42,754	18,518
<b>Total investment properties</b>	<b>589,575</b>	<b>437,226</b>
<b>Net-LTV</b>	<b>50.7%</b>	<b>51.2%</b>

\* Inclusion from FY 2018/2019

## Financial position

The cash flow statement is as follows:

<b>kEUR</b>	<b>9M 2018/2019</b>	<b>9M 2017/2018</b>
Cash flow from operating activities	19,542	10,742
Cash flow from investment activities	-114,721	-122,593
Cash flow from financing activities	95,447	111,163
<b>Cash changes in cash and cash equivalents</b>	<b>268</b>	<b>-689</b>
Financial funds at the beginning of the period	141	1,161
<b>Financial funds at the end of the period</b>	<b>408</b>	<b>472</b>

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 period under review. 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 issue of the corporate bond in April 2019 in the amount of kEUR 50,000, the cash capital increase in the amount of kEUR 29,313 in November 2018 and from borrowings in the amount of kEUR 33.718. This is offset by repayments and interest of kEUR 11,515 and the first dividend distribution of kEUR 5,992.

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 2018/2019:

<b>kEUR</b>	<b>9M 2018/2019</b>	<b>9M 2017/2018</b>
Rental income	23,295	15,413
Net proceeds	317	0
Other operating income	442	38
Valuation result	32,351	15,391
Operating expenses	-2,110	-1,794
<b>EBIT</b>	<b>54,295</b>	<b>29,047</b>
Financial result	-4,102	-3,611
<b>EBT</b>	<b>50,193</b>	<b>25,436</b>
Income taxes and other taxes	0	-11
<b>Net profit for the period</b>	<b>50,193</b>	<b>25,426</b>

The rental income increased significantly due to the acquisition-related clearly enlarged real estate portfolio. As a result, rental income increased to around kEUR 30,136 (9M 2017/2018: kEUR 20,914). Correspondingly, the management expenses increased concurrently. In addition, DKR generated a surplus from the operating cost accounts for calendar year 2017 in the first quarter of the financial year, which contributed to the increase in rental income.

Total operating expenses overall increased but included non-recurring effects of kEUR 179 (9M 2017/2018: kEUR 423). Adjusted for non-recurring effects, operating expenses increased by approximately kEUR 532. 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.

The administrative expense ratio is as follows:

<b>kEUR</b>	<b>9M 2018/2019</b>	<b>9M 2017/2018</b>
Personnel expenses	-527	-372
Other operating expenses	-1,582	-1,304
Adjustment of one-time and special effects	179	423
<b>Recurring administrative expenses</b>	<b>-1,930</b>	<b>-1,253</b>
Rental income	30,136	20,914
<b>Administrative expense ratio</b>	<b>6.4%</b>	<b>6.0%</b>

In summary, EBIT increased by kEUR 25,248 to kEUR 54,295.

Interest expense increased to kEUR 5,305 (9M 2017/2018: kEUR 3,855) 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 the capital reserve. 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 in the total amount of kEUR 380.

In 9M 2018/2019, significant interest income of kEUR 1,203 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 non-recurrent valuation effect of the convertible bonds, the overall financial result improved by kEUR 209 to kEUR 3,402 (9M 2017/2018: kEUR 3,611).

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 50,193 for the period (9M 2017/2018: kEUR 25,426), from which FFO and aFFO derive as follows:

<b>kEUR</b>	<b>9M 2018/2019</b>	<b>9M 2017/2018</b>
Net profit for the period	50,193	25,426
Adjustment of income taxes	0	11
Adjustment of depreciation	1	1
Adjustment of valuation result	-32,351	-15,391
Adjustment of sales result	-317	0
Adjustment of non-cash expenses/income	918	416
Adjustment of one-time effects	715	910
<b>FFO</b>	<b>19,159</b>	<b>11,372</b>
- Capex	-2,874	-7,222
<b>aFFO</b>	<b>16,285</b>	<b>4,150</b>

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 9M 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 0.65 (9M 2017/2018: EUR 0.43) and an aFFO of EUR 0.55 per share (9M 2017/2018: EUR 0.16).

## 4. Supplementary report

### **Further additions and acquisitions**

Effective 1 July/1 August 2019, the transfers of benefits and encumbrances of the properties acquired in Grevenbroich ("Montanushof"), Leipzig ("Portitz-Treff"), Quedlinburg, Wurzen, Wolfen, Lübz, Eggesin, Döberitz and Fürstenwalde were carried out after the balance sheet date.

The transfer of ownership of the object "Vita-Center" Chemnitz is still pending.

### **Borrowings**

On the financing side, DKR took out the following debt capital after the balance sheet date:

With payment on 2 July 2019, a loan was taken up with Mittelbrandenburgische Sparkasse for a total of kEUR 8,500 to 1.7% p.a. interest, 5% annual repayment and a term of six years.

With payment on 8 August 2019, the unsecured corporate bond was increased by kEUR 20,000 to its present value of kEUR 70,000. The terms continue to be an annual coupon of 2.35% and a term until 4 April 2024.

With payment on 12 August 2019, two tranches of the existing loan financing at LBBW were paid out, amounting to kEUR 7,632. The loan runs until 2022 and bears interest at 1.79% per annum and is redeemed at 1.25%.

DKR is also involved in additional borrowings.

## 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 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 nine months of 2018/2019, DKR was able to exceed almost the purchase volume of the entire previous financial year significantly 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 positive business development as expected and the subsequent transfer of benefits and encumbrances in the fourth quarter of the recently acquired real estate, we confirm our forecast and expect an FFO of between EUR 26 million and EUR 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.



**Interim financial statements for the period from  
1 October 2018 to 30 June 2019  
of the 2018/2019 financial year**





**Deutsche Konsum REIT-AG, Broderstorf****Balance sheet as at 30/06/2019**

kEUR

	<u>30/06/2019</u>	<u>30/09/2018</u>
<b>Assets</b>		
Non-current assets		
Investment properties	546,821.0	418,707.3
Intangible assets	1.3	2.0
Tangible assets	3.7	3.8
Other non-current assets	42,754.1	18,518.5
	<b>589,580.0</b>	<b>437,231.6</b>
Current assets		
Trade and other receivables	1,835.6	772.4
Tax assets	0.1	0.1
Other current assets	18,788.4	14,788.3
Cash and cash equivalents	408.3	140.5
	<b>21,032.4</b>	<b>15,701.3</b>
<b>TOTAL ASSETS</b>	<b>610,612.4</b>	<b>452,932.9</b>
<b>Equity and liabilities</b>		
Equity		
Issued share capital	29,959.9	27,236.3
Capital reserve	121,463.5	94,164.9
Other reserves	855.7	855.7
OCI (Other comprehensive income)	-257.1	0.0
Retained earnings	131,706.6	87,505.5
	<b>283,728.6</b>	<b>209,762.4</b>
Non-current liabilities		
Financial liabilities	170,924.5	146,709.3
Convertible bonds	36,125.8	36,098.9
Corporate bonds	90,226.5	40,158.4
Other provisions	3.5	3.5
Other non-current liabilities	8,628.2	7,863.0
	<b>305,908.5</b>	<b>230,833.1</b>
Current liabilities		
Financial liabilities	10,897.7	8,513.7
Liabilities to other creditors	4,345.7	116.2
Other provisions	1,645.8	2,043.2
Trade payables	2,817.4	1,023.4
Other current liabilities	1,268.7	640.9
	<b>20,975.3</b>	<b>12,337.5</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>610,612.4</b>	<b>452,932.9</b>

**Deutsche Konsum REIT-AG, Broderstorf**  
**Statement of comprehensive income**

kEUR	01/10/2018- 30/06/2019	01/04/2019- 30/06/2019	01/10/2017- 30/06/2018	01/04/2018- 30/06/2018
Rental income	30,136.0	10,664.0	20,914.4	8,425.0
Income from recharged operating costs	4,289.3	883.6	1,788.6	727.6
Operating expenses	-11,130.3	-3,705.9	-7,289.9	-3,623.8
<b>Net rental income</b>	<b>23,295.0</b>	<b>7,841.8</b>	<b>15,413.0</b>	<b>5,528.8</b>
Proceeds from disposal of properties	975.0	0.0	30.0	0.0
Expenses on the sale of properties	-658.1	-55.8	-30.0	0.0
<b>Net proceeds from the disposal of properties</b>	<b>316.9</b>	<b>-55.8</b>	<b>0.0</b>	<b>0.0</b>
Other income	<b>442.3</b>	<b>338.0</b>	<b>37.9</b>	<b>19.7</b>
Valuation gains	45,080.8	45,080.8	17,089.8	17,089.8
Valuation losses	-12,729.8	-12,729.8	-1,699.2	-1,699.2
<b>Gain/loss from the revaluation of investment properties</b>	<b>32,351.0</b>	<b>32,351.0</b>	<b>15,390.6</b>	<b>15,390.6</b>
<b>Subtotal</b>	<b>56,405.2</b>	<b>40,475.0</b>	<b>30,841.5</b>	<b>20,211.5</b>
Personnel expenses	-526.9	-169.2	-371.9	-139.3
Amortisation of intangible assets, depreciation of property, plant and equipment	-0.8	-0.3	-0.7	-0.2
Impairment loss of inventories and receivables	0.0	189.8	-117.9	3.2
Other operating expenses	-1,582.2	-534.0	-1,303.9	-528.5
<b>Operating expenses</b>	<b>-2,109.9</b>	<b>-513.7</b>	<b>-1,794.4</b>	<b>-664.8</b>
<b>EBIT</b>	<b>54,295.4</b>	<b>39,961.3</b>	<b>29,047.1</b>	<b>19,546.7</b>
Interest income	1,202.9	389.8	243.6	211.9
Interest expense	-5,305.2	-1,642.7	-3,854.7	-1,425.1
<b>Net finance costs</b>	<b>-4,102.3</b>	<b>-1,252.9</b>	<b>-3,611.1</b>	<b>-1,213.1</b>
<b>EBT</b>	<b>50,193.1</b>	<b>38,708.4</b>	<b>25,436.0</b>	<b>18,333.5</b>
Income tax	0.0	0.0	-10.5	0.0
Other tax	0.0	0.0	0.0	0.0
<b>Net income</b>	<b>50,193.1</b>	<b>38,708.4</b>	<b>25,425.5</b>	<b>18,333.5</b>
Earnings per share (in EUR)				
Undiluted result per share	1.70	0.75	0.96	0.71
Diluted result per share	1.18	0.53	0.65	0.47

<b>Total comprehensive income</b>				
Net profit for the year as per income statement	50,193.1	38,708.4	25,425.5	18,333.5
Items not reclassified to profit or loss				
First time adoption of IFRS 9 effects	-128.2	0.0		
Revaluation according to IFRS 9	-128.9	29.3		
Tax effects	0	0		
Total other comprehensive income	<b>-257.1</b>	<b>29.3</b>	<b>0.0</b>	<b>0.0</b>
<b>Total comprehensive income</b>	<b>49,936.0</b>	<b>38,737.7</b>	<b>25,425.5</b>	<b>18,333.5</b>

**Deutsche Konsum REIT-AG, Broderstorf**  
**Statement of changes in equity**

kEUR	<u>Issued share capital</u>	<u>Capital re- serve</u>	<u>Other reserves</u>	<u>OCI</u>	<u>Retained ear- nings</u>	<u>Total equity</u>
<b>As at 01/10/2017</b>	<b>24,760.3</b>	<b>72,533.0</b>	<b>855.7</b>	<b>0.0</b>	<b>56,587.0</b>	<b>154,736.0</b>
Period result					25,425.5	25,425.5
Cash capital increase/ - reduction	2,476.0	22,284.3				24,760.3
Costs of capital measures		-652.4				-652.4
<b>As at 30/06/2018</b>	<b>27,236.3</b>	<b>94,164.9</b>	<b>855.7</b>	<b>0.0</b>	<b>82,012.5</b>	<b>204,269.4</b>
<b>As at 01/10/2018</b>	<b>27,236.3</b>	<b>94,164.9</b>	<b>855.7</b>	<b>0.0</b>	<b>87,505.5</b>	<b>209,762.4</b>
Period result					50,193.1	50,193.1
Other comprehensive income (OCI)				-257.1		-257.1
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
<b>As at 30/06/2019</b>	<b>29,959.9</b>	<b>121,463.5</b>	<b>855.7</b>	<b>-257.1</b>	<b>131,706.6</b>	<b>283,728.6</b>

**Deutsche Konsum REIT-AG, Broderstorf****Cash flow statement**

Information in kEUR	01/10/2018- 30/06/2019	01/10/2017- 30/06/2018
Period result	50,193.1	25,425.5
+/- Interest expense/interest income	4,102.3	3,611.1
+/- Depreciation, amortisation and write-down/reversals of intangible assets, tangible assets and financial assets	0.8	0.7
+ Impairments on inventories and receivables	0.0	117.9
-/+ Gains / Losses from the revaluation of investment properties	-32,351.0	-15,390.6
-/+ Gain/loss on disposal of investment properties	-316.9	0.0
+/- Increase/decrease in provisions	-397.4	-728.8
+/- Income tax expense/-income effective	0.0	10.5
+ Income taxes received	0.0	102.8
-/+ Increase/decrease in inventories, trade receivables and other assets not attributable to investing or financing activities	-4,109.0	-3,393.8
+/- Increase/decrease in trade payables and other liabilities not attributable to investing or financing activities	2,419.8	987.0
<b>Cash flow from operating activities</b>	<b>19,541.6</b>	<b>10,742.3</b>
+ Cash receipts relating to disposals of investment properties	975.0	30.0
- Cash payments related to property investments	-119,832.0	-98,210.2
+ Cash receipts from the investment of cash funds for short-term cash management	3,254.0	0.0
- Cash payments related to short-term cash investments	0.0	-24,419.2
+ Interest received	881.8	5.6
<b>Cash flow from investing activities</b>	<b>-114,721.1</b>	<b>-122,593.8</b>
+ Cash proceeds from the issue of shares	2,723.6	2,476.0
+ Cash proceeds from capital increases	27,236.3	22,284.3
- Costs related to capital increases	-647.1	-652.4
+ Proceeds related to the issue of corporate bonds	50,000.0	40,000.0
- Costs related to the issue of corporate bonds	-47.4	-83.9
+ Proceeds from borrowings	33,717.5	81,100.0
- Cash payments related to the issue of borrowings	-29.1	-154.0
- Amortisation of loans	-7,268.6	-30,665.4
- Interest paid	-4,245.9	-3,142.1
- Dividend distribution	-5,992.0	0.0
<b>Cash flow from financing activities</b>	<b>95,447.3</b>	<b>111,162.5</b>
Change in cash and cash equivalents	267.8	-689.1
Cash and cash equivalents at the beginning of the period	140.5	1,160.5
<b>Cash and cash equivalents at the end of the period</b>	<b>408.3</b>	<b>471.5</b>

## 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 quarterly statement was published, the Company's retail trade portfolio had a rentable space of approximately 727,000 m<sup>2</sup>, and an annualised yearly rental income of EUR 49.0 million distributed over 123 properties. The portfolio is currently accounted at approximately EUR 625 million.

## Deutsche Konsum REIT-AG share

<b>As at</b>	<b>12 August 2019</b>
ISIN	DE000A14KRD3
WKN	A14KRD3
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
Share price (closing price Xetra on 12 August 2019)	EUR 14.70
Market capitalisation	EUR 440 million
52W – high/low	EUR 17.45/9.46

## Financial calendar

14 August 2019	Publication of the quarterly statement for the third quarter of 2018/2019 financial year
2 September 2019	Roadshow, Helsinki
4 September 2019	Roadshow, London
10 September 2019	Roadshow, Brussels
23 September 2019	Berenberg and Goldman Sachs Seventh German Corporate Conference, Munich
24 September 2019	Baader Investment Conference, Munich
26 November 2019	Deutsches Eigenkapitalforum 2019, Frankfurt am Main
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 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.

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