

1 October 2022 to 30 June 2023

# Quarterly statement

for the third quarter of 2022 / 2023 financial year

Deutsche  
Konsum  
REIT-AG



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## Corporate key figures

### Deutsche Konsum REIT-AG, Broderstorf

#### Key figures

	1 October 2022 – 30 June 2023	1 October 2021 – 30 June 2022	Difference	%
<b>Income statement (TEUR)</b>				
Rental income	58,718	55,395	3,323	6.0
Net rental income	36,615	36,544	71	0.2
EBIT	29,081	98,610	-69,529	-70.5
Financial result	-9,410	-5,995	-3,415	57.0
Net income	19,671	92,615	-72,944	-78.8
FFO	27,044	31,677	-4,633	-14.6
FFO per share (in EUR)	0.77	0.90	-0.13	-14.6
aFFO	12,682	20,629	-7,948	-38.5
aFFO per share (in EUR)	0.36	0.59	-0.23	-38.5
Earnings per share, undiluted (in EUR)	0.56	2.63	-2.07	-78.8
Earnings per share, diluted (in EUR)	0.40	1.85	-1.45	-78.4
Recurring costs ratio (in %)	4.5	3.8	0.6	16.0

	30 June 2023	30 September 2022	Difference	%
<b>Balance sheet key figures (TEUR)</b>				
Investment properties	1,104,645	1,030,959	73,686	7.1
Total assets	1,212,680	1,181,814	30,866	2.6
Equity	533,970	514,300	19,671	3.8
Total debt	641,627	636,667	4,961	0.8

#### Finance key figures

(net) Loan-to-Value (LTV) (in %)	51.2	49.7	1.5	2.9
Average interest rate of loans (in %)	2.55	1.63	0.92	56.0
Average interest rate of loans, bonds and convertible bonds (in %)	2.81	1.98	0.83	41.7
Average remaining duration of loans (in years)	3.1	3.2	-0.1	-2.3
Interest coverage ratio (ICR), multiple	3.1	5.2	-2.1	-40.5

#### Real estate key figures

NAV	533,970	514,300	19,671	3.8
NAV per share (in EUR)	15.19	14.63	0.56	3.8
EPRA NTA per share (in EUR)	11.37	10.98	0.39	3.6
REIT equity ratio	48.0	48.9	-1.0	-1.9

**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)	222,888,647	298,825,473	-75,936,826	-25.4
Share price (in EUR)	6.34	8.50	-2.16	-25.4
Dividend per share in the reporting period (in EUR)	0.12	0.40	-0.28	-70.0

**Portfolio key figures**

Number of assets	184	175	9	5.1
Rental space (in sqm)	1,084,679	1,048,312	36,367	3.5
Annualised rent (in TEUR)	78,865	73,249	5,615	7.7
Initial yield (in %)	10.0	10.0	0.0	0.0
Vacancy rate (in %)	11.5	11.7	-0.2	-2.0
WALT (in years)	5.3	5.2	0.1	1.6

## Quarterly statement for the period from 1 October 2022 to 30 June 2023

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 2022/2023 financial year ("9M 2022/2023"). 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 cannot escape share price losses in the real estate sector

In the first nine months of the 2022/2023 financial year, the DKR share recorded further price losses in line with the broad real estate sector. Starting from the closing price on 30 September 2022 (EUR 8.50)<sup>1</sup>, the DKR share was unable to escape the price losses in the real estate sector and closed on the last trading day of the reporting period, 30 June 2023, at a closing price of EUR 6.34<sup>2</sup>, close to the temporary multi-year low of EUR 6.10<sup>3</sup>.

Based on the share price as of 30 September 2022, the share price fell by EUR 2.16 or 25.4% during the reporting period. The closing price of the third quarter of the 2021/2022 financial year was EUR 10.95, which represents an annual share price decline of EUR 4.61 or 42.1%. Since the IPO on 15 December 2015, the share price has risen by EUR 2.84 or 81.1%. The market capitalisation of the Company was approximately EUR 223 million as of the balance sheet date.

The development of the average trading volume of the share on the Xetra stock exchange was highly pleasing: Compared to the first nine months of the 2021/2022 financial year, the average daily trading volume increased by 184.3% to 20,336 shares, which significantly improves the tradability of the share.



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

<sup>2</sup> Closing price Xetra.

<sup>3</sup> Variable price Xetra on 31 May 2023.

## Analyst coverage

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

Bank	Price target in EUR	Rating	Analyst	Date
Warburg	8.60	Buy	Andreas Pläsier	31 May 2023
ODDO BHF	10.00	Outperform	Manuel Martin	12 May 2023
Berenberg Bank	8.00	Buy	Kai Klose	9 May 2023

## 2. Business development

### Transfer of benefits and encumbrances of twelve acquired properties / Selective portfolio streamlining through the sale of individual properties

By the end of the first nine months of the 2022/2023 financial year, the transfer of benefits and encumbrances had taken place for a total of twelve properties in Lohra (Hesse), Ensdorf (Saarland), Cottbus (Brandenburg), Schmiedeberg, Grünhain-Beierfeld and Olbernhau (each Saxony), Coswig, Kemberg, Köthen, Staßfurt and Osterfeld (each Saxony-Anhalt) and Suhl (Thuringia). In addition, revitalisation and modernisation measures amounting to EUR 14.4 million were carried out, which were capitalised and are mainly attributable to the revitalisation projects in Stralsund, Ueckermünde and Grimma.

In contrast, the properties in Scheyern, Salzweg and Chemnitz, which were sold at attractive conditions, were disposed of as planned in the reporting period.

As a result, DKR's real estate portfolio recognised on 30 June 2023 comprises 184 properties with a balance sheet value of around EUR 1,112.5 million and a rental area of around 1,085,000 m<sup>2</sup>.

In June 2023, DKR notarised the sale of the vacant former real hypermarket in Trier to a development company. The sale is currently still subject to a condition precedent – the prerequisite for the payment of the purchase price is the granting of a building permit for the planned project development.

DKR's total portfolio (pro forma - including acquisitions, excluding notarised property sales) thus currently comprises 183 retail properties with an annual rent of around EUR 78.9 million and a balance sheet value of approximately EUR 1,104.6 million.

### Borrowings and refinancings of existing properties

DKR took out a secured loan with a total volume of EUR 24.0 million in October 2022 to finance the acquisition of the retail park in Cottbus. In addition, an outstanding tranche of EUR 1.9 million of a loan that was already taken out in the past financial year was paid out. In December 2022, the Company also extended a loan that was due to expire at the end of the month for an initial period of six months; in June 2023, the term was then extended by a further month.

At the end of January 2023, a further secured loan with a volume of EUR 3.6 million was paid out. The loan bears variable interest, initially at an interest rate of 3.10% p.a. In February and March 2023, a further secured loan with a volume of EUR 7.0 million and EUR 14.5 million respectively was taken out. In June 2023, four further loans with a total volume of EUR 16.1 million were disbursed. In July and August 2023, three additional loans with a total nominal volume of EUR 21.0 million were paid out. The inflow of liquidity was used in particular to redeem expiring existing loans.

In January 2023, DKR prematurely redeemed a partial amount of the senior secured corporate bond 2018/2024 with a volume of EUR 4.1 million. This was done in connection with the sale of two properties mortgaged by the bond. Furthermore, a loan most recently valued at EUR 35.2 million was repaid in full in March 2023 from existing liquid funds and inflows from the aforementioned borrowings. In addition, two loans, most recently valued at EUR 3.1 million and EUR 1.8 million, were repaid in full in June. At the end of July, another existing loan with a volume of EUR 21.8 million was repaid.

DKR is currently in the process of taking out further secured real estate loans for the most recent acquisition properties. In addition, the focus is on refinancing maturing existing loans. The borrowings are being made in consideration of the target LTV of around 50%.

### **Rating confirmed**

The existing Scope rating was confirmed on 27 March 2023: The issuer rating remains at "BB+ stable" and the rating for secured and unsecured debt capital at "BBB" and "BBB-" (investment grade). In spite of the challenging economic and financing environment, this underpins DKR's high credit rating.

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

#### Asset position

The balance sheet of Deutsche Konsum REIT-AG as at 30 June 2023 is as follows:

<b>Assets</b>	<b>30/06/2023</b>	<b>30/09/2022</b>	<b>Equity and liabilities</b>	<b>30/06/2023</b>	<b>30/09/2022</b>
	TEUR	TEUR		TEUR	TEUR
Non-current assets	1,105,606	1,035,933	Equity	533,970	514,300
Current assets	99,224	126,131	Non-current liabilities	478,328	557,427
			Current liabilities	200,382	107,795
Non-current assets held for sale	7,850	19,750	Financial liabilities regarding non-current assets held for sale	0	2,293
<b>Total assets</b>	<b>1,212,680</b>	<b>1,181,814</b>	<b>Total equity and liabilities</b>	<b>1,212,680</b>	<b>1,181,814</b>

As a result of the further expansion of the property portfolio and the net profit for the period generated in the first nine months of the 2022/2023 financial year, total assets increased by TEUR 30,866 to TEUR 1,212,680 (30.09.2022: TEUR 1,181,814). Investment properties, which are recognised at TEUR 1,104,645 as of 30 June 2023 (30.09.2022: TEUR 1,030,959), represent the majority of the assets. In addition, properties held for sale are recognised at a value of TEUR 7,850 (30.09.2022: TEUR 19,750).

The Company's equity increased in the first nine months of the 2022/2023 financial year by the current net profit for the period of TEUR 19,671 to TEUR 533,970 (30.09.2022: TEUR 514,300).

The NAV per share (undiluted) and the EPRA NTA per share (diluted) as of 30 June 2023 are as follows:

<b>TEUR</b>	<b>30/06/2023</b>		<b>30/09/2022</b>	
	<b>NAV (undiluted)</b>	<b>EPRA NTA (diluted)</b>	<b>NAV (undiluted)</b>	<b>EPRA NTA (diluted)</b>
Equity (TEUR)	533,970	533,970	514,300	514,300
Effects from the conversion of the convertible bonds	-	36,725	-	36,609
<b>Key figures, TEUR</b>	<b>533,970</b>	<b>570,695</b>	<b>514,300</b>	<b>550,909</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	-	15,039,447
<b>Key figures per share, EUR</b>	<b>15.19</b>	<b>11.37</b>	<b>14.63</b>	<b>10.98</b>

Current assets and liabilities include receivables from the tax office of TEUR 16,021 and tax provisions of TEUR 14,538.

The shareholder loan to Obotritia Capital KGaA was reduced by a total of TEUR 40,270 to TEUR 58,559 in the reporting period (30.09.2022: TEUR 98,829).



Non-current and current financial liabilities to banks increased by TEUR 10,192 to TEUR 428,237 (30.09.2022: TEUR 418,044) due to additional loans taken out for acquisition financing. This resulted from taking out secured bank loans with a total volume of TEUR 67,045, which were simultaneously offset by ongoing loan repayments and the redemption of outstanding liabilities. The borrowed funds were used to acquire additional retail properties and to refinance existing liabilities.

In January 2023, DKR prematurely redeemed a partial amount of the senior secured corporate bond 2018/2024 with a nominal volume of EUR 4.1 million. This was done in connection with the sale of two properties mortgaged by the bond.

Accordingly, the Net-LTV as of 30 June 2023 is as follows:

TEUR	30/06/2023	30/09/2022
Financial liabilities to banks	428,237	418,044
Convertible bonds	36,725	36,609
Corporate bonds	176,666	182,013
<b>Total liabilities</b>	<b>641,627</b>	<b>636,667</b>
minus cash and cash equivalents	-10,124	-4,827
minus fiduciary funds of property management	-1,648	-2,072
minus loans	-58,559	-98,829
minus interest-bearing investments	-1,586	-5,764
<b>Net debt</b>	<b>569,711</b>	<b>525,174</b>
Investment properties	1,104,645	1,030,959
Properties held for sale	7,850	19,750
Prepayments for the acquisition of investment properties	0	4,921
<b>Total investment properties</b>	<b>1,112,495</b>	<b>1,055,630</b>
<b>Net-LTV</b>	<b>51.2%</b>	<b>49.7%</b>

## Financial position

The cash flow statement is as follows:

TEUR	9M 2022/2022	9M 2021/2022
Cash flow from operating activities	26,674	37,070
Cash flow from investment activities	-10,796	-38,784
Cash flow from financing activities	-10,581	11,034
<b>Cash changes in cash and cash equivalents</b>	<b>5,297</b>	<b>9,319</b>
Financial funds at the beginning of the period	4,827	653
<b>Financial funds at the end of the period</b>	<b>10,124</b>	<b>9,972</b>

Cash flow from operating activities is at a lower level than in the previous year due to negative working capital effects and a lower net profit for the period.

The cash flow from investing activities mainly includes payments for the acquisition of further individual retail properties of TEUR 66,675, which are offset by proceeds from the sale of investment properties in the amount of TEUR 9,641. Furthermore, net reflows from short-term investments of available cash and cash equivalents in the volume of TEUR 45,904 are shown here.

The cash flow from financing activities mainly includes cash inflows from loans taken out in the amount of TEUR 67,045. This is offset by payments for repayments and interest (including ground rent) totalling TEUR 77,258.

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 2022/2023 financial year:

TEUR	9M 2022/2023	9M 2021/2022
Rental income	58,718	55,395
Net rental income	36,615	36,544
Result from disposals	-9	-143
Other operating income	561	2,203
Valuation result	0	64,544
Administrative expenses	-8,087	-4,539
<b>EBIT</b>	<b>29,081</b>	<b>98,610</b>
Financial result	-9,410	-5,995
<b>EBT</b>	<b>19,671</b>	<b>92,615</b>
Income taxes and other taxes	0	0
<b>Net profit for the period</b>	<b>19,671</b>	<b>92,615</b>

Rental income increased to around TEUR 58,718 (9M 2021/2022: TEUR 55,395) or 6.0 % due to the acquisition-driven growth in the property portfolio and inflation-related index adjustments to the rental agreements. The net rental income, on the other hand, rose by only TEUR 71 to TEUR 36,615 (9M 2021/2022: 36,544), as this was burdened by operating expenses unrelated to the accounting period in the amount of TEUR 1,599. Adjusted for this, the rental income would have increased by TEUR 1,670 or 4.6%.

Other operating income amounted to TEUR 561 in the reporting period (9M 2021/2022: TEUR 2,203) and mainly includes settlement payments received by DKR due to legal disputes. In the previous year, this position included income from a redemption payment as part of a settlement agreement and insurance compensation received.

Administrative expenses, consisting of personnel expenses and other administrative expenses, increased overall and include one-time and special effects of TEUR 1,236 (9M 2021/2022: TEUR 589). This was mainly due to increased legal and consulting costs. Adjusted for these effects, administrative expenses increased by TEUR 490, which is mainly due to slightly higher personnel costs and increased consulting expenses in the ongoing operations.

The administrative expense ratio is as follows:

<b>TEUR</b>	<b>9M 2022/2023</b>	<b>9M 2021/2022</b>
Personnel expenses	-953	-854
Other administrative expenses	-2,907	-1,868
Adjustment of one-time and other non-recurring effects	1,236	589
<b>Adjusted administrative expenses</b>	<b>-2,623</b>	<b>-2,132</b>
Rental income	58,718	55,395
<b>Administrative expense ratio</b>	<b>4.5%</b>	<b>3.8%</b>

Impairments amount to TEUR 4,202 (9M 2021/2022: TEUR 1,802) due to an increase in receivables and current risk assessments.

As the Company has moved its regular property valuation from 30 June to 30 September, no property valuation has been carried out as of the balance sheet date, in contrast to previous years. In this respect, there is a (technical) decline in the valuation result in the reporting period compared to the previous year and accordingly also a decline in EBIT of TEUR 69,529 to TEUR 29,081 (9M 2021/2022: TEUR 98,610).

Interest expenses rose noticeably to a total of TEUR 13,216 (9M 2021/2022: TEUR 10,437) due to a slightly higher amount of borrowed capital and the increased interest rate level. Interest expenses include ground rents totalling TEUR 579 (9M 2021/2022: TEUR 416), which have increased partially due to value protection agreements.

In the reporting period, interest income of TEUR 3,806 (9M 2021/2022: TEUR 4,442) was generated, resulting from maturing short-term investments of surplus liquidity.

Consequently, the financial result decreases by TEUR 3,415 to TEUR -9,410 (9M 2021/2022: TEUR -5,995), which directly leads to a corresponding reduction in FFO.

Overall, this results in a net profit for the period of TEUR 19,671 (9M 2021/2022: TEUR 92,615), from which FFO and aFFO are derived as follows:

<b>TEUR</b>	<b>9M 2022/2023</b>	<b>9M 2021/2022</b>
Net profit for the period	19,671	92,615
Adjustment of income taxes	0	0
Adjustment of depreciation	26	15
Adjustment of valuation result	0	-64,544
Adjustment of result from disposals	9	143
Adjustment for non-cash expenses	4,488	2,389
Adjustment for one-time effects	2,851	1,059
<b>FFO</b>	<b>27,044</b>	<b>31,677</b>
- Capex	-14,362	-11,048
<b>aFFO</b>	<b>12,682</b>	<b>20,629</b>

Non-cash expenses include the compounding of interest on debt instruments according to the effective interest method as well as impairments on rent receivables and on short-term investments of liquid funds. The one-off effects include non-recurring expenses. In the first nine months of the current financial year, these were, in particular, rental expenses unrelated to the accounting period as well as legal and consulting costs incurred in connection with the ongoing tax audit.

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

This results in FFO per share of EUR 0.77 (9M 2021/2022: EUR 0.90) and aFFO of EUR 0.36 per share (9M 2021/2022: EUR 0.59).

#### 4. Supplementary report

##### **DKR's Annual General Meeting approves all proposed resolutions / Dividend distribution in the amount of EUR 0.12 per share**

DKR's Annual General Meeting took place in Berlin on 13 July 2023. For the first time since the beginning of the Corona pandemic, the Annual General Meeting was again held in presence of the shareholders. The event attracted strong interest among the Company's shareholders - more than 76% of the share capital was represented at the AGM.

All proposed resolutions were adopted with the required majority. In particular, the distribution of a dividend for the 2021/2022 financial year in the amount of EUR 0.12 per share was resolved. As a result, a total of TEUR 4,219 was distributed.

In addition, the Annual General Meeting resolved to reduce the size of the Supervisory Board to five (instead of six) members and elected Ms Antje Lubitz, Mr Sebastian Wasser and the former Chairman of the Management Board, Mr Rolf Elgeti, to the Supervisory Board for a term of office of two years. The previous Supervisory Board members Mr Achim Betz and Mr Johannes Boot remain on the Board.

At the following constituent meeting of the Supervisory Board, Mr. Rolf Elgeti was elected as the new Chairman of the Supervisory Board and Mr. Achim Betz was appointed as his deputy. In addition, a new Audit Committee was appointed, consisting of Mr Achim Betz (Chairman), Ms Antje Lubitz (Deputy Chairwoman) and Mr Rolf Elgeti.

##### **Loan repayments and refinancings**

In July and August 2023, three loans with a nominal volume of EUR 21.0 million were paid out. The inflow of liquidity was primarily used to redeem a maturing existing loan with a volume of EUR 21.8 million, which took place at the end of July 2023.

##### **Dispute with the Potsdam tax authorities over the REIT status**

In July 2023, DKR was informed by the Berlin-Brandenburg Fiscal Court that DKR's action for the granting of a suspension of enforcement ("AdV") in the REIT litigation had been dismissed. No appeal was allowed by the Fiscal Court.

As a result, DKR will now have to pay income taxes in arrears for the years 2016 to 2020 (EUR 9.8 million) and make advance tax payments for the years 2022 and 2023 (EUR 6.2 million). DKR had already formed corresponding provisions for this as a precaution.

Irrespective of the outcome of the AdV court proceeding, DKR is currently examining the further possibilities of higher court proceedings and the prospects of success in the main case concerning the recognition of the REIT status challenged by the Potsdam tax authorities.

## 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 2021/2022 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 2022.

## 6. Outlook and forecast

### **Focus on value-creating property management and refinancing of expiring loans**

The 2022/2023 financial year has been operationally very stable so far. The focus was particularly on efficient portfolio management, which is reflected in the value-creating revitalisation of several properties as well as the conclusion of substantial and long-term rental agreements.

On the debt side, the focus is on the maturity profile of existing financings for the next two years, after all loans maturing in the 2022/2023 financial year have already been refinanced. DKR is already in the refinancing process with regard to the remaining loans maturing by the end of 2023. The aim is still to achieve a debt to equity ratio (LTV) of around 50 %.

The market for local retail properties, like the real estate market as a whole, was extremely weak in the first nine months of the financial year due to the sharp rise in interest rates. Currently, there are hardly any transactions taking place in the current interest rate environment due to a strong divergence of purchase price expectations on the buyer and seller side, which is why DKR has not made any significant purchases here. However, the Management Board expects an improving price equilibrium on the transaction market in the course of the second half of the calendar year 2023, which will also result in attractive acquisition opportunities for DKR again, although these will no longer have an impact on the current financial year 2022/2023.

### **Forecast confirmed**

Based on current planning, the Management Board confirms the forecast and expects FFO of between EUR 36 million and EUR 39 million for the 2022/2023 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 2022/2023	9M 2021/2022
<b>Net income (undiluted)</b>	<b>19,670.6</b>	<b>92,614.9</b>
Excluding valuation result according to IAS 40	0.0	-64,544.0
Excluding valuation result according to IFRS 5	8.6	143.1
<b>Headline Earnings (undiluted)</b>	<b>19,679.2</b>	<b>28,213.9</b>
Interest expenses on convertible bonds	471.7	469.7
<b>Headline Earnings (diluted)</b>	<b>20,150.9</b>	<b>28,683.7</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	15,039.4
Average number of shares issued in the reporting period ( <b>diluted</b> ), in thousands	50,195.4	50,195.4
<b>Headline Earnings per share (EUR)</b>		
<b>Diluted</b>	<b>0.56</b>	<b>0.80</b>
<b>Undiluted</b>	<b>0.40</b>	<b>0.57</b>

**Interim financial statements for the period from  
1 October 2022 to 30 June 2023  
of the 2022/2023 financial year**





**Deutsche Konsum REIT-AG, Broderstorf****Balance sheet as at 30/06/2023**

TEUR	30/06/2023	30/09/2022
<b>Assets</b>		
Non-current assets		
Investment properties	1,104,645.3	1,030,959.1
Tangible assets	961.1	45.1
Other financial assets (loans)	0.0	8.7
Other non-current assets	0.0	4,920.5
	<b>1,105,606.4</b>	<b>1,035,933.4</b>
Current assets		
Trade and other receivables	2,708.5	1,691.6
Income tax refund claims	16,020.9	4,046.6
Other current assets	70,370.2	115,565.4
Cash and cash equivalents	10,124.1	4,827.0
	<b>99,223.7</b>	<b>126,130.6</b>
Non-current assets held for sale	7,850.0	19,750.0
<b>TOTAL ASSETS</b>	<b>1,212,680.1</b>	<b>1,181,814.0</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	300,949.3	281,278.7
	<b>533,970.3</b>	<b>514,299.6</b>
Non-current liabilities		
Financial liabilities	360,434.8	328,761.6
Convertible bonds	36,724.8	36,609.3
Corporate bonds	70,418.2	182,013.3
Other provisions	3.5	3.5
Other non-current liabilities	10,746.3	10,039.0
	<b>478,327.6</b>	<b>557,426.7</b>
Current liabilities		
Financial liabilities	67,801.9	89,282.7
Convertible bonds	106,247.7	0.0
Tax provisions	14,537.6	3,656.7
Other provisions	2,555.3	3,589.6
Trade payables	6,118.1	6,733.6
Other current liabilities	3,121.6	4,532.6
	<b>200,382.2</b>	<b>107,795.2</b>
Financial liabilities regarding non-current assets held for sale	0.0	2,292.5
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>1,212,680.1</b>	<b>1,181,814.0</b>

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

TEUR	01/10/2022- 30/06/2023	01/04/2023- 30/06/2023	01/10/2021- 30/06/2022	01/04/2022- 30/06/2022
Rental income	58,717.8	20,007.7	55,395.1	19,149.9
Income from operating and ancillary costs	12,240.7	3,173.1	9,168.3	2,020.4
Operating expenses	-34,343.3	-13,023.4	-28,019.5	-9,294.3
<b>Net rental income</b>	<b>36,615.2</b>	<b>10,157.4</b>	<b>36,544.0</b>	<b>11,875.9</b>
Proceeds from the disposal of properties	9,850.0	1,000.0	53,582.3	53,574.3
Expenses on the sale of properties	-10,058.6	-1,000.0	-54,465.4	-54,463.9
Valuation changes of sold properties	200.0	200.0	740.0	740.0
<b>Net proceeds from the disposal of properties</b>	<b>-8.6</b>	<b>200.0</b>	<b>-143.1</b>	<b>-149.6</b>
Other income	561.1	311.8	2,203.4	785.8
<b>Gains/losses from the revaluation of investment properties</b>	<b>0.0</b>	<b>0.0</b>	<b>64,544.0</b>	<b>64,544.0</b>
<b>Subtotal</b>	<b>37,167.7</b>	<b>10,669.2</b>	<b>103,148.3</b>	<b>77,056.1</b>
Personnel expenses	-952.7	-303.7	-854.2	-244.2
Depreciation and amortisation of tangible and intangible assets	-25.6	-16.2	-15.1	-5.6
Impairment loss of inventories and receivables	-4,202.2	-1,107.2	-1,801.8	-81.2
Other administrative expenses	-2,906.5	-903.9	-1,867.5	-568.1
<b>Administrative expenses</b>	<b>-8,087.1</b>	<b>-2,331.0</b>	<b>-4,538.6</b>	<b>-899.1</b>
<b>EBIT</b>	<b>29,080.6</b>	<b>8,338.2</b>	<b>98,609.7</b>	<b>76,157.0</b>
Interest income	3,806.3	954.8	4,442.0	1,766.6
Interest expense	-13,215.9	-4,416.8	-10,436.7	-3,686.1
<b>Financial result</b>	<b>-9,409.5</b>	<b>-3,462.0</b>	<b>-5,994.8</b>	<b>-1,919.4</b>
<b>EBT</b>	<b>19,671.1</b>	<b>4,876.2</b>	<b>92,614.9</b>	<b>74,237.6</b>
Income tax	0.0	0.0	0.0	0.0
Other tax	-0.4	0.0	0.0	0.0
<b>Net income</b>	<b>19,670.6</b>	<b>4,876.2</b>	<b>92,614.9</b>	<b>74,237.6</b>
Earnings per share (in EUR)				
Undiluted earnings per share	0.56	0.14	2.63	2.11
Diluted earnings per share	0.40	0.10	1.85	1.48

<b>Net income</b>	<b>19,670.6</b>	<b>4,876.2</b>	<b>92,614.9</b>	<b>74,237.6</b>
<b>Other comprehensive income</b>				
<b>Items reclassified to profit or loss</b>				
Impairment of acquired loans	1,829.8	-0.1	487.8	-313.6
Change in fair value of acquired loans	-1,639.8	0.1	-487.8	313.6
Change in fair value of acquired loans reclassified to profit or loss	-190.0	0.0	0.0	0.0
<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>19,670.6</b>	<b>4,876.2</b>	<b>92,614.9</b>	<b>74,237.6</b>

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

TEUR	<u>Issued share capital</u>	<u>Capital reserve</u>	<u>Other reserves</u>	<u>Retained earnings</u>	<u>Total equity</u>
<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>
<b>As at 01/10/2022</b>	<b>35,155.9</b>	<b>197,141.6</b>	<b>723.4</b>	<b>281,278.7</b>	<b>514,299.6</b>
Period result				19,670.6	19,670.6
<b>As at 30/06/2023</b>	<b>35,155.9</b>	<b>197,141.6</b>	<b>723.4</b>	<b>300,949.3</b>	<b>533,970.3</b>

## Deutsche Konsum REIT-AG, Broderstorf

### Cash flow statement

Information in TEUR	01/10/2022- 30/06/2023	01/10/2021- 30/06/2022
Period result	19,670.6	92,614.9
+/- Interest expense/interest income	9,409.5	5,994.8
+/- Depreciation, amortisation and write-down/reversals of intangible assets, tangible assets and financial assets	25.6	15.1
+ Impairments on inventories and receivables	4,202.2	1,801.8
-/+ Gain/loss from the revaluation of investment properties	0.0	-64,544.0
-/+ Gain/loss on disposal of investment properties	8.6	143.1
+/- Increase/decrease in provisions	-1,034.2	515.4
- Income taxes paid	-1,228.9	-140.7
-/+ Increase/decrease in inventories, trade receivables and other assets not attributable to investing or financing activities	-2,292.1	-2,190.4
+/- Increase/decrease in trade payables and other liabilities not attributable to investing or financing activities	-2,087.3	2,860.2
<b>Cash flow from operating activities</b>	<b>26,674.0</b>	<b>37,070.1</b>
+ Cash receipts relating to disposals of investment properties	9,641.4	53,089.0
- Cash payments related to property investments	-66,675.5	-58,509.9
- Cash payments related to other investments in intangible and tangible assets	0.0	-30.7
+ Cash receipts from the investment of cash funds for short-term cash management	76,661.2	5,863.6
- Cash payments related to short-term cash investments	-30,756.9	-39,692.8
+ Interest received	333.6	496.3
<b>Cash flow from investing activities</b>	<b>-10,796.1</b>	<b>-38,784.5</b>
+ Proceeds related to the issue of corporate bonds	0.0	10,000.0
- Costs related to the issue of corporate bonds	0.0	-175.0
- Cash payments for the repurchase of corporate bonds	-4,100.0	0.0
- Costs related to the repurchase of corporate bonds	-59.4	0.0
+ Proceeds from borrowings	67,045.0	90,105.0
- Cash payments related to the issue of borrowings	-308.7	-358.8
- Amortisation of loans	-59,144.1	-63,738.2
- Interest paid	-14,013.5	-10,737.1
- Dividend distribution	0.0	-14,062.4
<b>Cash flow from financing activities</b>	<b>-10,580.8</b>	<b>11,033.5</b>
Change in cash and cash equivalents	5,297.1	9,319.1
Cash and cash equivalents at the beginning of the period	4,827.0	652.7
<b>Cash and cash equivalents at the end of the period</b>	<b>10,124.1</b>	<b>9,971.8</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 retail properties with the aim of achieving a steady increase in value and lifting hidden reserves. 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 with a lettable area of over 1,085,000 sqm and an annualised rent of around EUR 78.9 million, spread over 184 properties. The balance sheet value of the real estate portfolio is currently around EUR 1.11 billion.

## Deutsche Konsum REIT-AG share

<b>As at</b>	<b>10 August 2023</b>
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 10 August 2023)	EUR 6.22
Market capitalisation	EUR 220 million
52W – high/low (Xetra)	EUR 10.15/5.40

## Financial calendar

14 August 2023	Publication of the quarterly statement for the third quarter of 2022/2023 financial year
18 September 2023	Berenberg and Goldman Sachs Twelfth German Corporate Conference, Munich
19 September 2023	Baader Investment Conference, Munich
28 November 2023	Deutsches Eigenkapitalforum, Frankfurt am Main
19 December 2023	Publication of the final annual statements/annual financial report for the financial year 2022/2023

## **Publisher**

The Management Board of Deutsche Konsum REIT-AG.

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(Registration number HRB 13072)

FSE Share Code: A14KRD

JSE Share Code: DKR

ISIN: DE000A14KRD3

LEI: 529900QXC6TDASMCSU89

## **JSE Sponsor**

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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.

