



Annual Report

1 October 2023 to 30 September 2024

Corporate key figures

	01/10/2023	01/10/2022		
	–	–		
	30/09/2024	30/09/2023	Variance	%
Income statement (TEUR)				
Rental income	77,438	79,722	–2,285	–2.9
Net rental income	48,016	48,249	–233	–0.5
EBIT	37,094	–116,895	153,989	–131.7
Financial result	–20,368	–13,887	–6,480	46.7
Net income	1,968	–180,992	182,960	–101.1
FFO	27,963	33,131	–5,168	–15.6
FFO per share (in EUR)	0.80	0.94	–0.15	–15.6
aFFO	15,620	11,146	4,474	40.1
aFFO per share (in EUR)	0.44	0.32	0.13	40.1
Earnings per share, undiluted (in EUR)	0.06	–5.15	5.20	–101.1
Earnings per share, diluted (in EUR)	0.06	–3.58	3.64	–101.7
Recurring costs ratio (in %)	4.1	4.8	–0.7	–15.4
	30/09/2024	30/09/2023	Variance	%
Balance sheet key figures (TEUR)				
Investment properties	860,964	989,014	–128,050	–12.9
Total assets	945,382	1,030,178	–84,796	–8.2
Equity	318,367	316,400	1,968	0.6
Total debt	549,483	638,067	–88,584	–13.9
Finance key figures				
(net) Loan-to-Value (LTV) (in %)	57.2	61.6	–4.4	–7.1
Average interest rate of loans (in %)	2.86	2.54	0.32	12.7
Average interest rate of loans, bonds and convertible bonds (in %)	3.97	2.81	1.16	41.3
Average remaining duration of loans (in years)	2.7	3.1	–0.4	–13.1
Interest cover ratio (ICR), multiple	3.3	3.0	0.3	11.6
Real estate key figures				
NAV	359,571	348,103	11,467	3.3
NAV per share (in EUR)	10.23	9.90	0.33	3.3
EPRA NTA per share (in EUR)	7.55	7.64	–0.10	–1.2
REIT equity ratio	40.6	35.0	5.6	16.0
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)	124,803,580	201,795,084	–76,991,504	–38.2
Share price (in EUR)	3.55	5.74	–2.19	–38.2
Dividend per share in the reporting period (in EUR)	0.00	0.00	0.00	0.0
Portfolio key figures				
Number of assets	167	184	–17	–9.2
Rental space (in sqm)	994,379	1,082,924	–88,545	–8.2
Annualised rent (in TEUR)	69,738	79,197	–9,459	–11.9
Initial yield (in %)	10.0	10.0	0.0	0.0
Vacancy rate (in %)	14.0	11.7	2.4	20.2
WALT (in years)	4.4	5.0	–0.6	–12.4

Cover photo and backcover photo: Local retail centre,
Brückenstraße 12a/b, 15562 Rüdersdorf



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Photo: Retail park
Sielower Chaussee 38, 03044 Cottbus

1. To our shareholders

**Dear Shareholders,
Dear Sir or Madam,**

As usual, we would like to reflect on the past financial year and inform you about the key developments and events of 2023/2024. Additionally, we aim to assess the developments in the first quarter of the new financial year and provide an outlook on the further progression of our operational business.

Deutsche Konsum REIT-AG (DKR) has achieved a significant improvement in its financial flexibility this year. The company significantly reduced debt and achieved a successful bond refinancing. Following the agreement in December with Obotritia Capital KGaA to collateralise and regulate the repayment of the loan receivable impaired in the last annual financial statements, the extension of existing bonds until 2025 marked an important milestone in the refinancing process. Additionally, the sale of two property portfolios and several individual assets facilitated the repayment of approximately EUR 88.6 million in debt capital.

Despite the continuing challenging situation in the financial sector, DKR's operating business remains stable with its focus on a non-cyclical local supply tenant structure and inflation-protected rental income.

The sharp rise in interest costs compared to previous years continues to have a direct impact on FFO, but the recent slight fall in interest rates is providing relief. Following the noticeable devaluation of the portfolio book value at the end of the last financial year, the portfolio book value only fell slightly at the end of this financial year. This change is mainly due to individual, temporary circumstances, such as the insolvency-related loss of the hypermarket operator real as a tenant at our two locations in Erfurt and Pritzwalk. Through targeted revitalization measures currently underway, DKR can create sustainable value for the overall portfolio at these locations.

Positive developments have continued since the end of the 2023/2024 financial year. In addition to the notarisation of further selective individual sales, DKR was able to record the repayment of a large part of the previously outstanding loan to Obotritia Capital KGaA of approximately EUR 38 million. In addition, DKR welcomed Versorgungsanstalt des Bundes und der Länder (VBL) to its shareholder base through the conversion of a convertible bond at the beginning of December.

Building on DKR's continued stable operating business, the focus for the Management Board in the current financial year will be on optimising the financial structure and refinancing expiring financial liabilities. Strengthened by the positive momentum of recent weeks and months, we see great opportunities to further advance and implement the long-term strategy of DKR in 2025.

We want to thank our employees for their hard work over the past financial year and thank you, our shareholders, for your continued trust. We wish you a relaxing Christmas season and all the best for the coming year.

With kind regards,



Alexander Kroth
Chief Information
Officer (CIO)



Kyrill Turchaninov
Chief Financial
Officer (CFO)

Potsdam, December 2024

2. The share

Stabilisation in an uncertain environment

Over the course of 2024, the global financial markets were characterised by a changeable but generally positive dynamic. The strong growth in the USA contrasts with slightly declining momentum in other industrialised countries, which is characterised by structural adjustments and a moderate economic slowdown.

In calendar year 2023, the national German indices recorded significant price gains following the sometimes-significant losses in 2022 and despite the ongoing geopolitical tensions. The DAX reached a new all-time high with a gain of 20.3%. The MDAX also recorded growth, albeit at a more moderate 8%. The SDAX also recorded a strong increase of 14%, thus recovering significantly after a weaker 2022, but remained below its all-time high from November 2021. These results reflect the robust performance of the German capital market.

In 2024, the national share indices in Germany recorded a largely stable performance. This development was primarily driven by the European Central Bank's interest rate cut, a return to market stability, a gradual recovery in global supply chains and a renewed increase in demand. Due to the ongoing geopolitical tensions and the global inflation situation, small and medium-sized companies in the MDAX and SDAX only recorded moderate growth.

Overall, the German stock markets performed moderately in this still uncertain environment. On 30 September 2024, the DAX, MDAX and SDAX were 15%, 1% and 1% above their levels at the end of 2023.

DKR share price continues to develop unsatisfactorily

The cloudy earnings prospects for property companies in recent years have improved again compared to the previous year, due to interest rate cuts by the ECB and the gradual normalisation of inflation. During the 2024 calendar year, the broad property stock market saw a recovery compared to the previous year. The sector-wide STOXX Europe 600 Real Estate index was 6% higher on the reporting date of 30 September 2024 than at the start of the year.

In operational terms, DKR's portfolio was once again very stable. The company continued to record no significant rent losses, was able to manage its portfolio in a value-adding manner and noticeably increase its portfolio rents as a result of inflation clauses in rental agreements. As in previous years, existing tenancy agreements were extended and new tenancy agreements concluded in the financial year. However, DKR's share price unfortunately developed contrary to the operating business in the reporting period.

By the end of the reporting period on 30 September 2024, the DKR share price had fallen noticeably, standing at EUR 3.55, below the level at the start of the financial year (30 September 2023: EUR 5.74).¹ (The share price was therefore significantly below the EPRA NTA of EUR 7.55 per share, which reflects the intrinsic value of the share on a fully diluted basis.

DKR's market capitalisation was around EUR 125 million, making it the largest listed investor in the local shopping property niche in Germany and thus, as before, the focus of a broad range of investors.

¹ Closing prices Xetra each.

- Share price performance of Deutsche Konsum REIT-AG (Xetra)

- Deutsche Konsum REIT-AG (XETRA)



- Key figures of the DKR share

EUR	30/09/2024	30/09/2023	%
Number of shares issued in units	35,155,938	35,155,938	0.0
Closing price at the end of the financial year ²	3,55	5.74	38,2
Market capitalisation in EUR million	124.8	201.8	38,2
Average Xetra daily volume in units ³		18,862	
Highest price during the financial year	5,68 ⁴	8.70 ⁵	34,7
Lowest price during the financial year	2,53 ⁶	5.40 ⁷	53,1

Shareholders and Annual General Meeting

The shareholder structure is characterised by institutional national and international investors with a predominantly long-term investment strategy.

As of 30 September 2024, the free float was 40.2%⁸ respectively 45.4%⁹.

² Closing prices Xetra from 30 September 2024 and 30 September 2023.

³ In the financial year 2023/2024 or 2022/2023.

⁴ Variabler Kurs Xetra am 2. Oktober 2023

⁵ Variable price Xetra on 3 October 2023.

⁶ Variabler Kurs Xetra am 11 March 2024

⁷ Variable price Xetra on 19 and 20 July 2023.

⁸ Free float pursuant to the German REIT Act.

⁹ Free float as defined by "Guide to the DAX Equity Indices".

The Annual General Meeting of Deutsche Konsum REIT-AG took place on 31 May 2024 in Berlin. 65% of the share capital was represented (share capital of the company at the time the Annual General Meeting was convened: 35,155,938 shares).

With the exception of the discharge of Rolf Elgeti in his functions on the Management Board and Supervisory Board of DKR and the resolution on the creation of new authorized capital, all items on the agenda were approved by a large majority.

Analysts' assessments

DKR shares are currently covered by one analyst:

Bank	Price target in EUR	Rating	Analyst	Date
Warburg	4.60	Hold	Andreas Pläsier	29 November 2024

Investor Relations

DKR continued to be present in major investor media in the 2023/2024 financial year and was thus able to increase its perception on the capital markets. On the Investor Relations pages of the homepage, interested

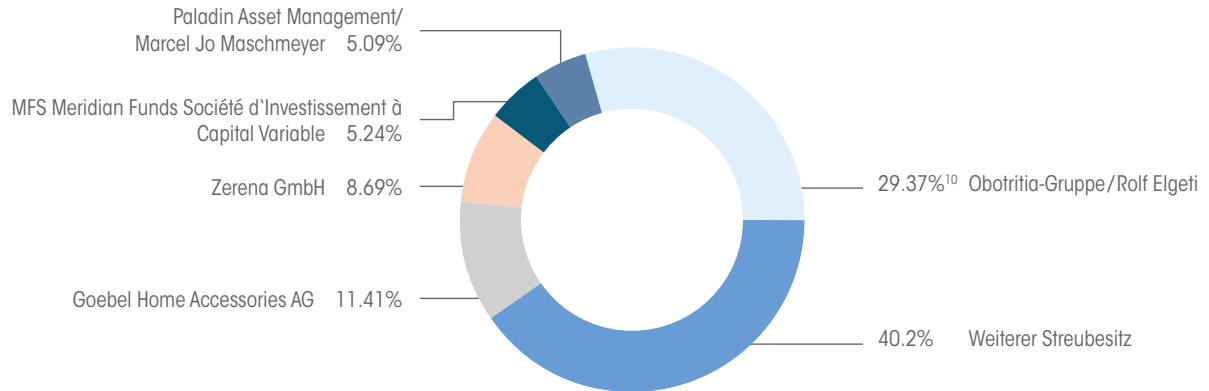
parties can find press releases, financial reports and investor presentations in addition to mandatory announcements under capital market law, such as ad hoc announcements.

• The DKR share at a glance

As of	30 September 2024
ISIN	DE000A14KRD3
Security Identification Number	A14KRD
Ticker symbol	DKG
First day of trading	15/12/2015
Number of shares	35,155,938
Share capital	EUR 35,155,938.00
Trading venues	XETRA, Frankfurt, Berlin and Johannesburg/South Africa (JSE Limited)
Market segment	Regulated Market
Transparency level	Prime Standard

- **Shareholder structure**

Total number of voting rights attributable to the respective shareholder:



As of 30 September 2024

Free Float pursuant to the German REIT Act: 40.2%

Free Float as defined by "Guide to the DAX Equity Indices": 45.4%

¹⁰ Obotritia Group: 28.51%.

3. Corporate Governance Statement

In the following, the Supervisory Board and Management Board of Deutsche Konsum REIT-AG (the “Company”) report on the Company’s corporate governance and corporate management in accordance with § 289f of the German Commercial Code (HGB).

First, the current Declaration of Compliance of the Management Board and the Supervisory Board of Deutsche Konsum REIT-AG dated 13 December 2024 is presented. This is followed by a description of the working methods of the Management Board and the Supervisory Board as well as their composition. In addition, the corporate governance of the Company is presented, and the concept of diversity is discussed.

3.1. Declaration of Compliance of Deutsche Konsum REIT-AG to the German Corporate Governance Code (GCGC)

The Management Board and the Supervisory Board of Deutsche Konsum REIT-AG (the “Company”) welcome and support the German Corporate Governance Code (GCGC) and its objectives.

In accordance with § 161 (1) German Stock Corporation Act (AktG), the Boards hereby declare that Deutsche Konsum REIT-AG has complied and will in future comply with the recommendations of the Government Commission on the German Corporate Governance Code in the version dated 28 April 2022, published in the official section of the Federal Gazette on 27 Juni 2022, with the following exceptions since issuing the last Declaration of Compliance issued on 12 December 2023:

Recommendation A.1 GCGC – Opportunities and risks arising from social and environmental factors:

The Management Board is currently addressing the opportunities and risks for the Company associated with social and environmental factors, as well as the ecological and social impact of the Company’s activities, in order to systematically identify and assess these. In this context, a concept is being developed to ensure that environmental and social objectives are appropriately taken into account in the Company’s corporate strategy and corporate planning alongside long-term economic goals. It is planned to fully comply with recommendation A.1 in the future.

Recommendation A.2 GCGC – Consideration of diversity in the filling of management positions:

The Management Board does not currently follow the recommendation to take diversity into account when filling management positions in the Company. The employees of the Company currently have no management functions. Apart from the Management Board, there are no management positions to be filled in the Company, which is why the Company cannot follow this recommendation currently.

Recommendation A.3 GCGC – Sustainability-related objectives in the internal control system and risk management system:

The Company is currently developing a concept to cover sustainability-related objectives in the internal control and risk management systems in the future and to include the recording and processing of sustainability-related data. It is planned to fully comply with recommendation A.3 in the future.

Recommendation A.4 GCGC – “Whistleblowing System”:

The Company currently has only 28 employees (including two members of the Management Board), so that in view of the size of the Company, the Management Board saw no need in the past to develop and disclose a so-called whistleblowing system. The Management Board still sees no need for the development and disclosure of a whistleblowing system. The effort required to set up, implement and maintain this formalised system of measures was and is out of proportion to the potential benefits in view of the size of the Company.

Recommendation B.1 GCGC – Consideration of diversity in the composition of the Management Board:

The Supervisory Board does currently not follow the recommendation to consider diversity when appointing members of the Management Board. The Company is of the opinion that professional aptitude and knowledge of the Company are decisive as prerequisites for the appointment, so that the above-mentioned specifications are not expedient.

Recommendation B.2 GCGC – Long-term succession planning by the Supervisory Board:

In view of the current age of the members of the Management Board (42 to 56 years), the Company does currently not consider long-term succession planning to be required.

Recommendations C.1 GCGC – Specification of objectives for the composition of the Supervisory Board, in particular consideration of diversity, and development of a competence profile:

The Supervisory Board has not specified targets for its composition or developed a competence profile for that function and does not intend to specify such targets or develop a competence profile in the future.

As no competence profile is (or will be) developed, this also does not include any expertise of supervisory board members on sustainability issues that are significant for the Company. Similarly, diversity rules have not been set in the objectives for the composition of the Supervisory Board or are to be set in the future. The Company is of the opinion that professional aptitude and knowledge of the Company are crucial as prerequisites for the appointment, so that the above-mentioned requirements are not expedient. By resolution of 21 July 2023, the Supervisory Board set 20.0% as the target for women's quota in the Supervisory Board. With the reduction of the Supervisory Board to five members and the election of Ms Antje Lubitz to the Supervisory Board on 13 July 2023, the proportion of women on the Supervisory Board is 20%, thus reaching the target figure.

Recommendations D.2 and D.4 GCGC – Supervisory Board committees:

In view of its small number of members, the Supervisory Board had so far refrained from forming committees not required by law and thus did not follow recommendations D.2 and D.4 (formerly D.5) GCGC in the past financial years. On 21 July 2023, a committee consisting of the members Achim Betz, Antje Lubitz and Sebastian Wasser was formed to avoid conflicts of interest in connection with the loan to Obotritia Capital KGaA. The company does not currently consider it necessary to form further committees that are not required by law and will continue to address the issues at hand in its entirety.

Recommendations on section G.I GCGC – Compensation of the Management Board:

The Management Board's compensation system complies with the GCGC with the exception of the points listed below.

Recommendation G.6 to G.9 – Variable compensation of the Management Board:

Due to the economic situation of the company at the beginning and during the course of the 2023/2024 financial year, the members of the Management Board did not receive any variable compensation for the 2023/2024 financial year. In subsequent years, the variable compensation components will be determined in accordance with recommendations G.6 to G.9.

Recommendation G.10 GCGC – Compensation of the Management Board:

The compensation system of the Management Board does not provide for variable compensation components granted to a member of the Management Board to be predominantly invested in shares of the Company or to be granted according to a share-based equivalent, in deviation from item G.10 of the GCGC. The Company is of the opinion that the creation of an incentive aimed at linking the value of the variable compensation to the long-term development of the share price of the Company is already sufficiently taken into account within the framework of the assessment of the variable

compensation and the conditions for payment.

Thus, the development of the share price (in addition to the financial performance and the net asset value of the Company) represents an essential basis for the assessment of the variable compensation.

Recommendation G.16 GCGC – Crediting of compensation when accepting non-group supervisory board roles:

The Supervisory Board does not follow the recommendation that, when members of the Management Board accept non-group supervisory board roles, it should decide whether and to what extent compensation from the respective supervisory board role should be taken into account. Based on previous experience with the members of the Management Board and their handling of non-group supervisory board roles, it is not expected that non-group supervisory board roles will have a negative impact on the future activities of the members of the Management Board for the Company. Given the Supervisory Board's ability to exercise control, which also exists independently of the recommendation, a decision on taking into account compensation from non-group supervisory board roles is not necessary.

Potsdam, 16 December 2024

For the Supervisory Board



Sebastian Wasser
Chairman of the
Supervisory Board

For the Management Board



Alexander Kroth
Member of the
Management Board



Kyrill Turchaninov
Member of the
Management Board

The current Declarations of Compliance are published on our website <https://www.deutsche-konsum.de/en/>, in the "Investor Relations" section under the menu items "Corporate Governance" and "Declaration of Compliance".

3.2. Functioning of the Management Board and Supervisory Board

Management structure with three bodies

The Management Board and the Supervisory Board work closely together to ensure a responsible management and control of the Company through good corporate governance.

An essential element of corporate governance is the separation of corporate governance and corporate control, which is pursued through a clear division of tasks and responsibilities between the Management Board and the Supervisory Board. In addition, the Annual General Meeting constitutes the third corporate body, through which the shareholders are involved in fundamental decisions of the Company.

The Management Board

The Management Board manages the Company within its own responsibility and represents it in transactions with third parties. It is bound to the Company's interest with the goal of creating sustainable value. It develops the strategic direction of the Company, coordinates it with the Supervisory Board and ensures its implementation. The Management Board also ensures appropriate risk management and controlling in the Company.

The members of the Management Board, irrespective of their joint responsibility for the Company, are responsible for individual areas of responsibility. They cooperate collegially and keep each other informed about important processes and measures in their areas of responsibility. The board has adopted rules of procedure.

The Management Board of Deutsche Konsum REIT-AG is appointed by the Supervisory Board in accordance with § 6 no. 2 of the Articles of Association. The Supervisory Board also determines the total number of members of the Management Board and whether there should be a chairman or spokesman. The members of the Management Board are appointed for a maximum of five years. Reappointments are allowed.

The Supervisory Board does not currently follow recommendation B.1 GCGC to take diversity into account when appointing members of the Management Board. The Company is of the opinion that professional aptitude and knowledge of the Company are decisive as prerequisites for the appointment, so that the aforementioned requirements are not expedient to achieving the objective. For this reason, the Company has set 0% as the target for women's quota on the Management Board for the period until 30 September 2025 by resolution of 15 September 2020. This target has been achieved in the past and is currently being achieved.

Until 6 June 2024, the Management Board of Deutsche Konsum REIT-AG consisted of Mr Alexander Kroth (CIO) and Mr Christian Hellmuth (CFO), i.e. two people. The Management Board contracts of Mr Kroth and Mr Hellmuth were extended in 2023 for a further three years until 30 June 2026. On 6 June 2024, the Supervisory Board appointed Mr Kyrill Turchaninov to the Management Board as CFO with immediate effect. He took over the previous responsibilities of Mr Christian Hellmuth, who left the Management Board at the same time.

The two Management Board members are responsible for the core responsibilities of Investment and Finance. The CIO's responsibilities include acquisitions and sales as well as asset and property management. The CFO is responsible for corporate finance, accounting/controlling, treasury, investor relations and risk management. The CIO and CFO also manage and control the external service providers for their respective areas of responsibility. The areas of strategy, legal/compliance and human resources are the joint responsibility of the CIO and CFO.

The CVs of the members of the Management Board are published under <https://www.deutsche-konsum.de/en/> in the category "Company" under the menu item "Management Board".

The Supervisory Board and the Management Board agree on annual targets and regularly review their implementation.

The Management Board is self-responsible for measures for further education or refresher training of competences and knowledge.

In item B.2, the GCGC recommends that a long-term succession planning should be conducted by the Supervisory Board. The Company does not comply with this recommendation, as it currently does not consider long-term succession planning to be required in view of the current age of the members of the Management Board (at the time the Declaration of Compliance was issued (13 December 2024): 42 to 56 years).

By resolution of 15 September 2020, the Supervisory Board set an age limit for the Management Board members of 80 years.

D&O insurance was taken out for the members of the Management Board, having regard to § 93 (2) German Stock Corporation Act (AktG).

The compensation system for Management Board members is based on short and long-term remuneration incentives. Detailed information on the compensation of the Management Board is contained in the Compensation Report 2022/2023 pursuant to § 162 of the German Stock Corporation Act (AktG), which can be viewed on the Company's website at <https://www.deutsche-konsum.de/en/> in the "Investor Relations" section under the menu items "Corporate Governance" and "Compensation Report" and which was approved by the Annual General Meeting on 31 May 2024. Pursuant to § 120a (1) of the German Stock Corporation Act (AktG), the Annual General Meeting of 10 March 2022 approved the resolution on the compensation system for the Management Board adopted by the Supervisory Board pursuant to § 87a (1) of the German Stock Corporation Act (AktG). Subsequently, the

Supervisory Board determined the compensation system of the Management Board. Details of the Management Board's compensation system can also be found on the Company's website at <https://www.deutsche-konsum.de/en/> in the "Investor Relations" section under the menu items "Corporate Governance" and "Compensation System Management Board & Supervisory Board". In accordance with § 26j EGAktG (Introductory Act to the German Stock Corporation Act), employment contracts concluded in the past (some of which do not yet fully comply with the compensation system that has now been established) shall continue to apply for the time being.

Consideration of diversity in the filling of management positions

The Management Board currently does not follow the recommendation A.2 GCGC to take diversity into account when filling management positions in the Company. The employees of the Company currently have no management functions. Apart from the Management Board, there are no management positions to be filled in the Company, which is why the Company currently cannot follow this recommendation. Even though the Company was and is of the opinion that § 76 (4) of the German Stock Corporation Act (AktG) has no practical application in this particular case due to the lack of management positions to be filled, the Company has, as a purely precautionary measure and by resolution of 15 September 2020, set a target of 30% for the period until 30 September 2025 for the participation of women in management positions in the event that – contrary to the current opinion of the Company – management positions below the Management Board were to be filled. Since, in the opinion of the Company, there are no management positions below the Management Board, the Company cannot provide any information on the current achievement of such target figure. For Deutsche Konsum REIT-AG, the decisive criterion when filling management positions is gender-independent the qualification and aptitude.

The Supervisory Board

The central tasks of the Supervisory Board are to advise and supervise the Management Board. The five-member Supervisory Board of Deutsche Konsum REIT-AG works based on rules of procedure, which it has imposed on itself. Overall, the members of the Supervisory Board have the necessary knowledge, skills and professional experience to perform their duties properly.

All members of the Supervisory Board are elected by the shareholders at the Annual General Meeting. In the financial year 2023/2024, the Supervisory Board of Deutsche Konsum REIT-AG consisted of Mr Sebastian Wasser (Chairman), Mr Achim Betz (First Deputy Chairman), Ms Antje Lubitz, Mr Johannes C. G. (Hank) Boot and Mr Rolf Elgeti, and thus five persons.

The Audit Committee consisted of Mr Achim Betz (Chairman), Ms Antje Lubitz (Deputy Chairman) and Mr Rolf Elgeti, and thus of three persons. The main task of DKR's Audit Committee is to monitor the accounting process, the effectiveness of the Internal Control System, the Risk Management System and the Internal Audit System as well as the audit of the Financial Statements. The Committee reports to the Supervisory Board.

The Annual General Meeting, which took place on 31 May 2024, confirmed Mr Achim Betz and Mr Johannes C.G. (Hank) Boot as members of the Supervisory Board for a further term of office.

The term of office of the Supervisory Board members Sebastian Wasser, Antje Lubitz and Rolf Elgeti ends at the end of the Annual General Meeting that resolves on the discharge of the Supervisory Board members for the financial year ending on 30 September 2024. The term of office of Supervisory Board members Achim Betz and Johannes C.G. (Hank) Boot ends at the end of the Annual General Meeting that resolves on the discharge of the Supervisory Board members for the financial year ending on 30 September 2025.

All members of the Supervisory Board have expertise and experience in the field of auditing and in the application of accounting principles, which also applies in particular to the members of the Audit Committee: Due to his studies in business administration as well as his extensive work as a former Board member of various companies as well as an analyst, Mr Rolf Elgeti has extensive knowledge and experience in the field of accounting, in the application of accounting principles and internal control and risk management systems as well as experience and competence in the field of auditing. As a business graduate, tax consultant and certified public accountant, Mr Achim Betz also has expertise in the field of accounting as well as extensive knowledge and years of experience in the field of auditing. Due to her training as an accountant, her studies to become a real estate economist as well as her extensive activities as an accountant, in controlling as well as a managing director, Mrs Antje Lubitz has extensive competences in the field of accounting. In addition, the Supervisory Board Members are currently successively acquiring competences in the context of sustainability reporting, which will be obligatory in the future.

The CVs of the members of the Supervisory Board are published under <https://www.deutsche-konsum.de/en/> in the category "Company" under the menu item "Supervisory Board".

At present, no representatives of employees are members of the Supervisory Board of Deutsche Konsum REIT-AG. In the opinion of the shareholder representatives being part of the Supervisory Board and the Audit Committee, all shareholder representatives are to be considered independent.

The Supervisory Board does not intend to set specific targets for its composition or to develop a competence profile for the entire Supervisory Board. As there is no competence profile, this also does not include any expertise of supervisory board members

on sustainability issues that are significant for the Company and the status of meeting the profile requirements can consequently not be disclosed in the form of a qualification matrix. Diversity rules shall neither be specified in the objectives for the composition of the Supervisory Board. The Company is of the opinion that professional aptitude and knowledge of the Company's field of business are decisive as prerequisites for filling the position, so that the aforementioned requirements are not considered to be expedient. By resolution dated 21 July 2023, the Supervisory Board set 20% as the target for female representation on the Supervisory Board. With the existing composition of the Supervisory Board and the number of its members, the proportion of women on the Supervisory Board is 20%, thus reaching the target figure.

In view of its small number of members, the Supervisory Board refrained from forming non-statutory committees in the 2023/2024 financial year and thus did not follow recommendations D.2 and D.4 (formerly D.5) GCGC. However, there is a committee (the Conflicts Committee) which, among other things, deals with claims and legal relationships of the company against and with Obotritia Capital KGaA as well as with legal transactions that the company concludes with individual shareholders or with companies that are affiliated or related to them. To avoid conflicts of interest, only the Supervisory Board members Mrs Lubitz, Mr Betz and Mr Wasser belong to the Conflicts Committee. The Supervisory Board members Mr Elgeti and Mr Boot may only attend meetings of the Conflicts Committee as guests, provided there are no potential conflicts of interest to the contrary. Due to his position as personally liable partner of Obotritia Capital KGaA and the associated conflicts of interest, Mr Elgeti was unable to attend meetings of the Conflicts Committee during the reporting period.

By resolution of 15 September 2020, the Supervisory Board set an age limit for the Supervisory Board members of 80 years.

Resolution proposals as well as information on the issues to be discussed are made available to the members of the Supervisory Board in due course

before the respective meeting. At the request of the Chairman of the Supervisory Board, resolutions may be taken outside of meetings in individual cases. This option is occasionally used in urgent cases. If there is a tie in resolutions, the vote of the Chairman of the Supervisory Board decides.

The Supervisory Board regularly assesses the efficiency of its own task fulfilment in meetings held in person and via telephone. By resolution of 15 September 2020, the Supervisory Board had also introduced a formalised self-assessment system in the 2020/2021 financial year. In this context, all members of the Supervisory Board were asked, among other things, about the efficiency, quality, timeliness and scope of the provision of information, the quality of the exchange with the Management Board, the composition and expertise of the Supervisory Board, the availability of resources and training opportunities, as well as possible compliance violations and conflicts of interest, with the option of anonymous responses also being available. The feedback from the Supervisory Board members confirmed that they considered the work of the Supervisory Board to be effective and efficient. A new self-assessment is planned in the near future.

In January 2018, a D&O insurance policy was concluded for the members of the Supervisory Board of the Company.

In accordance with the Articles of Association, the members of the Supervisory Board receive fixed compensation and reimbursements for out-of-pocket expenses. Detailed information on the compensation of the Supervisory Board can be found in the Compensation Report 2023/2024.

The members of the Supervisory Board ensure that they have sufficient time to carry out their duties. They shall undertake the necessary education and training on their own responsibility. The Company provides appropriate support to the members of the Supervisory Board during their inauguration and the training and further training measures. All members of the Supervisory Board are given access to specialist literature and are reimbursed for the costs of attend-

ing seminars and webinars whose topics are relevant to the work of the Supervisory Board.

Each year, the Chairman of the Supervisory Board explains the activities of the Supervisory Board in its Supervisory Board Report and verbally at the Annual General Meeting.

Further details on the work of the Supervisory Board and the Audit Committee can be found in the Report of the Supervisory Board, which is part of the 2023/2024 Annual Report.

Cooperation between the Management Board and the Supervisory Board

The Supervisory Board appoints the members of the Management Board, determines their respective total compensation and oversees their management. It also advises the Management Board on the management of the Company. The Supervisory Board approves the Annual Financial Statements. Significant decisions of the Management Board require the approval of the Supervisory Board.

The Management Board ensures regular, timely and comprehensive reporting to the Supervisory Board. In addition, the Chairman of the Supervisory Board is regularly and continuously informed about the business development. Intensive and continuous communication between the Management Board and the Supervisory Board is the basis for efficient corporate management.

The Management Board of Deutsche Konsum REIT-AG regularly participates in the meetings of the Supervisory Board. It reports in writing and orally on the individual agenda items and resolution proposals and answers the questions of the members of the Supervisory Board. If necessary, the Supervisory Board meets without the Management Board.

Conflicts of interest

Conflicts of interest of members of the Management and Supervisory Boards must be disclosed to the Supervisory Board without delay. In the 2023/2024 financial year, the Supervisory Board primarily dealt with conflicts of interest of Mr Elgeti (including with

regard to outstanding receivables of the company in connection with existing loans granted by the company to Obotritia Capital KGaA). In order to avoid or properly handle potential conflicts of interest in the context of the Supervisory Board's activities, the Supervisory Board established a committee in the 2022/2023 financial year to deal with issues where such conflicts of interest exist or may exist (the Conflicts Committee).

3.3. Essential corporate governance practices

Main features of compliance

Deutsche Konsum REIT-AG is committed to responsible and sustainable corporate management of the Company. This includes a trustful cooperation between the Management Board and the Supervisory Board as well as the employees and a high level of transparency in reporting and corporate communications.

The essential basis of Deutsche Konsum REIT-AG's business is to create, maintain and strengthen the trust of tenants, business partners, shareholders and other capital market participants as well as employees. Thus, for the Company, compliance does not only mean complying with the law and the articles of association, but also adhering to internal instructions and self-commitments to implement the values, principles and rules of responsible corporate governance in daily actions.

Compliance Management System

At present, the Company employs only 28 people (including two members of the Management Board), so that in view of the size of the Company, the Management Board saw no need in the past to develop and disclose so-called "whistleblowing". However, the Management Board still sees no need for the development and disclosure of a so-called "whistleblowing" system. In view of the size of the Company, the effort required to set up, implement and maintain this formalised system of measures was and is out of proportion to the potential benefits.

Organisation and controlling

Deutsche Konsum REIT-AG is headquartered in Germany and is, therefore, subject to the provisions of German stock corporation and capital markets law as well as the provisions of the Articles of Association.

Essentially, Deutsche Konsum REIT-AG manages the Company using the following key figures: EBIT, FFO, LTV, EPRA NTA and cash flow. In doing so, sustainable economic, social and environmental aspects are being considered.

Shareholders and Annual General Meeting

The shareholders of Deutsche Konsum REIT-AG exercise their rights before or during the Annual General Meetings within the scope of the legal and statutory provisions and exercise their voting rights. Each share grants one vote.

The Chairman of the Supervisory Board chairs the Annual General Meetings. Each shareholder is entitled to attend the Annual General Meeting, to speak on the relevant agenda items and to request information on Company matters, insofar as this is necessary for the proper assessment of an item of the Annual General Meeting. The Annual General Meeting decides on all tasks assigned to it by law.

The agenda of the Annual General Meeting and the reports and documents required for the Annual General Meeting are published in easily accessible form by Deutsche Konsum REIT-AG on its website at <https://www.deutsche-konsum.de/en/> under "Investor Relations" under the menu item "Annual General Meeting".

To facilitate for its shareholders to exercise their rights and to vote proxy, the Company appoints a representative for the proxy voting, who can also be contacted during the Annual General Meeting.

In principle, the Annual General Meeting takes place within the first eight months of each financial year. The Annual General Meeting of Deutsche Konsum REIT-AG, which passed resolutions on the financial year ended 30 September 2023, was held on 31 May 2024. More than 65% of the share capital was represented (share capital of the Company at the time of convening the Annual General Meeting: 35,155,938 shares). With the exception of the discharge of Rolf Elgeti in his functions on the Management Board and Supervisory Board and the resolution on the creation of new authorised capital, all items on the agenda were approved by a large majority.

Stock option plans

There are currently no stock option programs or similar incentive systems at Deutsche Konsum REIT-AG.

Transparent reporting

Through its website, Deutsche Konsum REIT-AG ensures consistent, comprehensive, timely and simultaneous information to shareholders and the interested public about the economic situation and new facts. This information can be accessed via the Investor Relations section of the website at <https://www.deutsche-konsum.de/en/> in the "Investor Relations" section.

Reporting on the business and earnings situation is currently carried out in Annual Reports, Quarterly Statements as well as in the Half-yearly Financial Reports, which are available for download on the Company's website. Important up-to-date information is published via corporate news and ad hoc announcements and is also made available on the Company's website. In addition, pursuant to Art. 19 of the Market Abuse Regulation (MAR), transactions of managers and related parties are publicly disclosed as "Directors' Dealings" and are also available on the Company's website.

In accordance with Art. 18 MAR, mandatory insider lists are maintained, and the persons listed on insider lists have been and will be informed of the legal obligations and sanctions that apply.

Significant events and publication dates are maintained and published in the financial calendar, which can be viewed on the Company's website at any time.

Accounting and auditing

The annual financial statements of Deutsche Konsum REIT-AG are prepared in accordance with IFRS as applicable in the European Union and in accordance with the provisions of the German Commercial Code (Handelsgesetzbuch). After preparation by the Management Board, the Annual Financial Statements are audited by the auditor and finally reviewed and approved by the Supervisory Board. The Audit Committee monitors the quality of the audit. In accordance with the German Corporate Governance Code, the Company aims to publish the Annual Financial Statements within 90 days of the end of the financial year and the mandatory financial information during the year (Quarterly Statements and the Half-yearly Financial Report) within 45 days.

The 2024 Annual General Meeting elected DOMUS AG Wirtschaftsprüfungsgesellschaft Steuerberatungsgesellschaft as the auditor for the financial year 2023/2024. The audits of DOMUS AG follow German auditing regulations as well as the generally accepted standards for the audit of financial statements promulgated by the Institut der Wirtschaftsprüfer (Institute of Public Auditors in Germany) and the International Standards on Auditing. The Chairman of the Supervisory Board is immediately informed by the auditor of any grounds for exclusion or exemption as well as inaccuracies of the Declaration of Compliance that occurred during the audit. The auditor reports without delay all issues and events that arise during the audit and are relevant for the task of the Supervisory Board to the Chairman of the Supervisory Board

and is required to inform the Supervisory Board promptly of any possible grounds for exclusion or bias. The auditor has declared to the Audit Committee that there are no circumstances that would give reason to believe that it is biased. The Audit Committee has obtained the required auditor's independence declaration, reviewed the auditor's qualifications and concluded a fee agreement with the auditor. The Audit Committee focused on monitoring the accounting process. The Committee received reports on the further development of the internal control system, the effectiveness of the risk management system and the internal audit. There was a regular exchange of information on the current risk situation and risk management. In view of the Company's economic focus on the real estate sector, the Audit Committee also dealt with the process and the comprehensibility of the content of property valuations by external appraisers.

Opportunity and risk management

An essential element of corporate governance is a risk management that aims to adequately and systematically handle the risks that Deutsche Konsum REIT-AG is exposed to. A comprehensive process was introduced that enables the management to identify, assess and manage risks and opportunities in a timely manner. As a result, unfavourable developments and events become transparent at an early stage and can be analysed and managed in a targeted manner. Further information on risk management is contained in the Opportunity and Risk Report of the Management Report 2023/2024.

Information on the Company's website

Further information is available for download on the Company's website, which can be accessed at <https://www.deutsche-konsum.de/en/>. Here, among other things, the Compensation Report on the last financial year and the Auditor's Report pursuant to § 162 of the German Stock Corporation Act (in the "Investor Relations" section under the menu items "Corporate Governance" and "Compensation Report"), the ap-

plicable Compensation System pursuant to § 87a (1) and (2) sentence 1 of the German Stock Corporation Act as well as the last compensation resolution pursuant to § 113 (3) of the German Stock Corporation Act (in the “Investor Relations” section under the

menu items “Corporate Governance” and “Compensation System Management Board & Supervisory Board”) as well as the current and older versions of the Corporate Governance Statement are available.

Potsdam, 16 December 2024

For the Supervisory Board



Sebastian Wasser
Chairman of the
Supervisory Board

For the Management Board



Alexander Kroth
Member of the
Management Board



Kyrill Turchaninov
Member of the
Management Board



Photo: Local retail centre Linden-Center
Lindenallee 25, 18437 Stralsund

4. Report of the Supervisory Board



Dear Shareholders,

in the 2023/2024 financial year, the Supervisory Board of Deutsche Konsum REITAG ("DKR") duly fulfilled the duties mandated by law, the Articles of Association and the Rules of Procedure.

Cooperation between the Supervisory Board and the Management Board

The Supervisory Board continuously monitored and advised the Management Board on the management of the Company. The Supervisory Board regularly exercised its right to information by requesting and following up on regular reporting from the Management Board on current developments at the Company. The Supervisory Board was directly involved in decisions of fundamental importance to the Company. The Supervisory Board requested regular and comprehensive reports from the Management Board, both in writing and orally on corporate planning, the course of business, strategic development of the Company's current net assets,

earnings and financial position, as well as on the measures taken to stabilise these.

The Chairman of the Supervisory Board was also regularly informed by the Management Board about current developments in the business situation and significant business events outside of formal Supervisory Board meetings. In addition, the Chairman of the Supervisory Board kept in regular contact with the Management Board and discussed key points of major transactions, issues concerning strategy, planning, business development, risk situation and risk management as well as compliance of the Company.

In the reporting year, Mr Rolf Elgeti was Chairman of the Supervisory Board until 13 November 2023. At the Supervisory Board meeting on 13 November, Mr. Sebastian Wasser was then elected Chairman of the Supervisory Board and has held this office ever since. During the entire reporting period, Mr. Achim Betz was Deputy Chairman. Achim Betz has held the position of Deputy Chairman of the Supervisory Board throughout the reporting period and continues to do so.

The members of the Supervisory Board always had ample opportunity to critically examine the resolutions proposed by the Management Board and to make their own suggestions. In particular, the members of the Supervisory Board discussed and assessed the plausibility of all significant business transactions for the Company on the basis of written and verbal reports prepared by the Management Board. On several occasions, the Supervisory Board discussed the company's risk situation, liquidity planning, financing and equity situation in detail. In addition, the Management Board regularly reported to the Supervisory Board on the company's profitability and current income and expenditure.

In addition to exercising its information rights on an ongoing basis, the Supervisory Board also performed its supervisory and increasingly, its formative advisory

ry function towards the Management Board intensively in the 2023/2024 financial year.

Conflicts of interest of members of the Management Board and Supervisory Board, which must be transparently disclosed to the Supervisory Board without delay, were made known to the Supervisory Board. Thus, shareholdings of board members and the associated potential conflicts of interest were disclosed to the members of the Management Board and Supervisory Board. The same applies to legal transactions that DKR had concluded with affiliated companies of individual Board members. In the case of legal transactions with potential conflicts of interest, the Supervisory Board pointed out to the Management Board, that these must be regularly subjected to a third-party comparison.

The Company provides appropriate support to the members of the Supervisory Board in their inauguration and further training measures. All members of the Supervisory Board are given access to specialist literature and are reimbursed for the costs of attending seminars and webinars whose topics are relevant to the work of the Supervisory Board.

Session attendance of the Supervisory Board

In total, the Supervisory Board held 12 meetings in the reporting period, the majority of which were held as virtual meetings (online with video and audio transmission) and one as a face-to-face meeting. The members of the Supervisory Board also regularly exchanged information with each other and with the members of the Management Board outside of meetings. Where necessary, resolutions were also passed by written procedure. Draft resolutions submitted by the Management Board were approved following a review of the meeting documents and intensive discussions with the Management Board. If necessary, the Supervisory Board also met without the Management Board. The attendance of the members of the Supervi-

sory Board at meetings in the 2023/2024 financial year is shown in the overview in **Appendix A**.

Focus of the Supervisory Board's deliberations

In the light of the company's current asset, earnings and financial planning, as well as the risks already reported in the last 2022/2023 annual report, the Supervisory Board continued to perform its monitoring activities intensively in the 2023/2024 financial year. In addition to the fairly high frequency of meetings, the Supervisory Board and its committees received regular verbal and written reports from the Executive Board on the company's key issues.

The deliberations of the Supervisory Board and its committees focussed on the following key topics:

- Sufficient refinancing of the company through the conclusion and valorisation of new bank loans or through the prolongation or increase of existing bank loans;
- refinancing or restructuring the bonds issued by the company;
- the consolidation and restructuring of parts of the company's fixed assets;
- the insourcing of previously outsourced property management and property management services (for the operational management of the investment properties);
- achieving the greatest possible repayment of the loans granted to Obotritia Capital KGaA ('Obotritia loans') or the receipt of related loan collateral.

In light of the fact that Obotritia Capital KGaA was unable to repay the Obotritia loans on time by 30 September 2023, the Supervisory Board worked quite intensively to maintain the most extensive and valuable portfolio of loan collateral possible and to

ensure that the Obotritia loans are repaid on an ongoing basis as part of its increasingly active advisory and overcoming activities. As a result of these efforts, the headmaster amount of the Obotritia loans has now been repaid in full (immediately after the reporting period), meaning that only the interest owed on the Obotritia loans is still outstanding.

In the reporting period, the Supervisory Board also dealt with individual personnel issues, including the election of Sebastian Wasser as the new Chairman of the Supervisory Board and the election of Kyrill Turchaninov as a member of the Management Board (Chief Financial Officer), succeeding Christian Hellmuth, who had previously left the Management Board.

At the meeting on 18 December 2023 to adopt the financial statements, which was also attended by the auditor, the Supervisory Board unanimously approved the company's annual financial statements for the 2022/2023 financial year, which were thus adopted.

The Supervisory Board is supported in its activities by both the Audit Committee and the Conflict Committee. The latter has been given the broadest and most extensive powers possible - in compliance with mandatory limits under stock corporation law - and has therefore also been authorised to deal with all issues in which individual members currently have conflicts of interest as conclusively as possible. The Conflict Committee has a maximum of four members and is quorate as soon as it has three members. The current members are Mr Betz, Mr Wasser and Ms Lubitz, with Mr Betz elected as Chairman of the Conflict Committee and Mr Wasser as Deputy Chairman of the Conflict Committee.

The Supervisory Board set a target of 20% for the proportion of women on the Supervisory Board.

Due to the economic situation of the company at the beginning and during the course of the 2023/2024 financial year, the members of the Management Board did not receive any variable remuneration for the 2023/2024 financial year.

Activities of the Audit Committee in the reporting period

At the constituent meeting of the Supervisory Board on 21 July 2023, the following members of the Supervisory Board were elected to the Audit Committee: Mr Achim Betz (as Chairman of the Audit Committee), Ms Antje Lubitz (as Deputy Chairwoman of the Audit Committee) and Mr Rolf Elgeti (as a member of the Audit Committee). The main task of DKR's Audit Committee is to monitor the accounting process, the effectiveness of the internal control system, the risk management system and the internal audit system as well as the audit of the financial statements. The committee reports to the Supervisory Board.

The Audit Committee focused on monitoring the accounting process. The committee received reports on the further development of the internal control system, the effectiveness of the risk management system and internal auditing. There was a regular exchange of information on the current risk situation and risk management. In view of the Company's economic focus on the real estate sector, the Audit Committee also dealt with the process and the comprehensibility of the content of the property valuations by external appraisers.

The Audit Committee made a recommendation to the Supervisory Board for the appointment of the auditor DOMUS AG Wirtschaftsprüfungsgesellschaft/ Steuerberatungsgesellschaft, Berlin, for the 2023/2024 financial year.

The auditor has declared to the Audit Committee that there are no circumstances that would give rise to the assumption that the auditor is biased. The Audit Committee obtained the required declaration of independence from the auditor, reviewed the auditor's qualifications and concluded a fee agreement with the auditor.

All members of the Audit Committee have expertise and experience in the application of accounting principles and internal control procedures. The Chairman, Mr Achim Betz, fulfils all requirements in accordance with Section 100 (5) AktG in the area of auditing. The Deputy Chairwoman Ms Antje Lubitz (since 21 July 2023), meets all the requirements of Section 100 (5) AktG in the area of accounting. Further details can be found in the corporate governance declaration. The CVs of the Audit Committee members are published at <https://www.deutsche-konsum.de> in the "Company" section under the menu item "Supervisory Board".

Corporate Governance and Declaration of Compliance

The Management Board also reports on Corporate Governance at Deutsche Konsum REIT-AG for the Supervisory Board in the Corporate Governance Statement on the Company's website at <https://www.deutsche-konsum.de/> in the "Investor Relations" section under the menu item "Corporate Governance" and in the 2023/2024 Annual Report.

Annual audit

The annual financial statements of Deutsche Konsum REIT-AG as at 30 September 2024 prepared by the Management Board, together with the Management Report of the Company, were audited by the auditor appointed by the Annual General Meeting on 31 May 2024 and commissioned by the Supervisory Board, DOMUS AG Wirtschaftsprüfungsgesellschaft/ Steuerberatungsgesellschaft, Berlin, and issued with an unqualified audit opinion.

The annual financial statements of Deutsche Konsum REIT-AG and the Management Report of the company as well as the auditor's reports were made available to all members of the Supervisory Board in good time. The auditor attended the Supervisory Board meeting on 17 December 2024 to approve the financial statements and reported on the key findings of its audit. This also included his comments on the internal control system and risk management in relation to the accounting process. He was also available to the members of the Supervisory Board for additional questions and information. In the run-up to the balance sheet meeting, the members of the Supervisory Board asked the Management Board and the auditor a large number of questions (in particular about the focal points of the audit, the respective audit results and the plausibility check of the audit carried out). These were answered in detail by the Management Board and the auditor. The Supervisory Board approved the results of the audit of the annual financial statements and the management report of the Company after detailed discussion on 17 December 2024.

The Supervisory Board carefully examined the annual financial statements and the Management Report of the Company, the proposal on the utilisation of the balance sheet profit (for loss carryforward) and the auditor's reports. No objections were raised. The Supervisory Board then approved the annual financial statements prepared by the Management Board as at 30 September 2024. The annual financial statements are thus adopted. Following its own review and taking into account the earnings performance, the financial position and the requirements of the REIT Act, the Supervisory Board concurred with the Management Board's proposal for the appropriation of profits (for loss carryforward).

Taking into account its shareholder structure, Deutsche Konsum REIT AG was no longer to be regarded as a dependent company within the meaning of Section 18 AktG in the reporting period, which is why it is no longer obliged to prepare a dependent company report in accordance with Section 312 AktG.

Personnel changes in the Management Board and Supervisory Board

The following changes were made to the Management Board and Supervisory Board in the 2023/2024 financial year:

On 13 November 2023, the Supervisory Board elected Sebastian Wasser from among its members as the new Chairman of the Supervisory Board.

On 6 June 2024, the Supervisory Board appointed Kyrill Turchaninov to the company's Management Board as Chief Financial Officer (CFO), where he has since assumed the duties of the company's previous CFO, who stepped down from the Management Board on 6 June 2024. Since then, the company's business activities have been managed by the two members of the Management Board, Kyrill Turchaninov (CFO) and Alexander Kroth (CIO).

Potsdam, December 2024

For the Supervisory Board

A handwritten signature in blue ink, appearing to be 'S. Wasser', with a long horizontal flourish extending to the right.

Sebastian Wasser
Chairman of the Supervisory Board

Appendix A:

Sitzung	Sebastian Wasser ⁵⁾	Achim Betz	Antje Lubitz ⁵⁾	Johannes C. G. (Hank) Boot	Rolf Elgeti ⁵⁾
2/10/2023 ^{VS CC}	X	X	X	X	–
6/10/2023 ^{VS CC}	X	X	X	X	–
11/10/2023 ^{VS CC}	X	X	X	X	–
16/10/2023 ^{VS CC}	X	X	X	X	–
17/18/10/2023 ^{VS CC}	X	X	X	X	–
19/10/2023 ^{VS CC}	X	X	X	X	–
27/10/2023 ^{VS CC}	X	X	X	X	–
8/11/2023 ^{VS CC}	X	X	X	X	–
13/11/2023 ^{VS}	X	X	X	X	X
16/11/2023 ^{VS CC}	X	X	X	X	–
21/11/2023 ^{VS CC}	X	X	X	X	–
24/11/2023 ^{VS CC}	X	X	X	X	–
27/28/11/2023 ^{VS}	X	X	X	X	X
6/12/2023 ^{R CC}	X	–	–	–	–
7/12/2023 ^{VS}	X	X	X	X	X
18/12/2023 ^{VS PS}	X	X	X	X	X
31/1/2024 ^{VS}	X	X	X	X	X
6/2/2024 ^{VS}	X	X	X	X	X
16/2/2024 ^{VS}	X	X	X	X	X
4/3/2024 ^{VS}	X	X	X	X	X
18/3/2024 ^{VS}	X	X	X	X	X
5/4/2024 ^{VS}	X	X	X	X	X
8/5/2024 ^{VS}	X	X	X	X	X
24/5/2024 ^{VS}	X	X	X	X	X
6/6/2024 ^{VS}	X	X	X	X	X
15/7/2024 ^{VS CC}	X	X	X	X	–
16/9/2024 ^{VS CC}	X	X	X	X	–

VM Virtual meeting

PM Presence meeting

Rc Resolution by circulation

VM CC Virtual meeting of the Conflict Committee

R CC Conflict Committee (reporting)

5. Composition of the Management Board and Supervisory Board



Management Board

Alexander Kroth

CIO

Mr. Kroth is responsible for the areas of acquisition and sales as well as asset and property management.

Kyrill Turchaninov

CFO

Mr. Turchaninov is responsible for Corporate Finance, Accounting/Controlling, Treasury, Investor Relations and Risk Management.

CIO and CFO also manage and control the external service providers for their respective areas. They work together in the areas of strategy, legal/compliance and human resources.

Supervisory Board

Sebastian Wasser

Chairman of the Supervisory Board,
Chairman of the Management Board (CEO),
ehret + klein AG

Achim Betz

Deputy Chairman of the Supervisory Board
and Chairman of the Audit Committee,
German CPA and Tax Consultant,
Master in Business Administration (Diplom-
Kaufmann)

Johannes C. G. (Hank) Boot
CIO, Lotus Family Office

Rolf Elgeti
Member of the Audit Committee,
Master in Business Administration (Diplom-Kaufmann), General Partner of Obotritia Capital KGaA

Antje Lubitz
Deputy Chairwoman of the Audit Committee,
Real Estate Economist, Managing Director
3PM Services GmbH

The CVs of the members of the Management Board and Supervisory Board are published under <https://www.deutsche-konsum.de/en/> in the category “Company” under the menu items “Management Board” respectively “Supervisory Board”.



Photo: DIY store, Nuhnenstraße 19, 15234 Frankfurt (Oder)

6. The real estate portfolio

6.1. Investment strategy

Focus on high-yield local supply properties with grocery anchors

DKR's investment focus continues to be on good retail locations with local supply functions throughout Germany. These properties generally have above-average micro-locations, have therefore often been established at the location for many years and ensure the supply of goods and services for daily needs for the residents ("basic retail"). The main rental income is generated by non-cyclical tenants with strong credit ratings, such as large German food retail groups, special-item stores, drugstores and often also medical facilities, which are considered to be largely independent of the economic cycle.

At the same time, these types of retail properties are only slightly threatened by competition from online retailing, as food, drugstore products and DIY products in particular continue to be purchased preferentially from bricks-and-mortar stores in Germany. This is confirmed by empirical studies, according to which the online share of sales in the food sector was only 2.4% in 2022 (2021: 2.2%) and remained at 2.4% in 2023, even in a year characterised by coronavirus-related lockdown measures.¹ In the drugstore segment, the online share has even fallen, while the DIY segment is showing a similar trend. In other retail segments, such as electronics, fashion and leisure goods, the online share of total sales has also fallen slightly, but remains at a high level of more than a third in some cases. DKR therefore invests exclusively in basic retail properties.

In contrast to the usual market strategy of an institutional real estate investor, DKR's portfolio primarily comprises properties in medium-sized centres and conurbations away from large metropolitan areas, as there is less bidding competition

here and the corresponding initial yields are higher. Due to the deliberately chosen, comparatively short remaining lease terms, DKR therefore bears the risk of lease renewal. The comparatively attractive initial yield of around 10% can therefore be achieved with a moderate investment risk. The relatively constant WALT of the overall portfolio over the last few years shows that this risk is manageable and that expiring rental agreements can always be extended or vacant space re-let due to the quality of the location. The slight decline in WALT this year can be explained in particular by the insolvency-related cancellation of the rental space of the hypermarket operator real at the Erfurt and Pritzwalk locations. Due to the strength of the individual locations, DKR is already coordinating the re-letting of these spaces. In addition, the majority of DKR's rental agreements, now over 84%, are protected against inflation, which is why the rental cash flows offer effective protection in an inflationary environment

The core of the investment strategy is, on the one hand, the detailed property analysis, in which, among other things, the micro-location, the development opportunities and the lease extension risk of the main leases are assessed. DKR ensures this through its experienced staff and its network in the market. On the other hand, it is particularly advantageous for the seller if acquisitions can be made quickly. DKR achieves this through its independence from external financing in the acquisition process: all properties are initially acquired entirely with equity and are usually refinanced later with external banks through borrowings.

Value creation through active asset management

Following the company's strong growth since its stock market listing, the operational focus is on the sustainable management and optimisation of the property portfolio. DKR's aim is to lay the foundation

¹ Hahn Group in cooperation with bulwiengesa, CBRE, EHI Retail Institute: Retail Real Estate Report 2023/2024, 18th edition, page 31.

for vacancy reductions and lease extensions through strategic asset and portfolio management as well as targeted and value-adding investments in the property portfolio, as a result of which the properties can increase in value. In this respect, the portfolio also deliberately includes properties with higher vacancy rates and short remaining lease terms that are capable of development. This allows DKR to utilise further value creation opportunities. The performance of the property portfolio will be further expanded through selective acquisitions and sales in order to ensure an attractive dividend distribution in the future.

DKR is also working on a long-term increase in property values at portfolio level. For example, the equipping of DKR's locations with charging points for electric vehicles is being driven forward in cooperation with the energy supplier EnBW. The Company furthermore plans to install photovoltaic systems on several properties. In the case of three larger properties, the planning is already close to completion – the projects are to be implemented in the near future.

Recycling of capital

In the context of optimising the portfolio in combination with the mentioned value creations, individual properties or smaller sub-portfolios can be selectively resold at significantly higher prices. DKR can theoretically reinvest the capital gains generated in this way in new acquisitions with higher returns in accordance with its purchase criteria. In the current market environment, triggered by the high interest rates on borrowed capital, such surpluses are currently being used to reduce the debt ratio. In future, the company's aim is to generate recurring annual dividend distributions for shareholders from the current cash flow.

Transformation of individual retail properties into an institutional asset class

As the property portfolio continues to expand, the individual risks of the different properties are steadily balanced out. On the one hand, an individual risk is spread over a larger totality of properties and, on the other hand, DKR's negotiating position with major tenants improves with each additional purchase, as the number of tenancies with the same retailers increases. In addition, with each subsequent acquisition, DKR can achieve economies of scale in both ongoing administrative and management costs and in borrowing costs.

In the context of this transformation, a highly profitable, low-risk and efficiently financed real estate portfolio of institutional quality is created from individual, non-institutional retail properties, which generates sustainable income that is not taxed at the corporate level and distributed as dividends.

Continuation of growth in accordance with the investment criteria

The long-term goal of the DKR is to generate further value-creating growth in this asset class while adhering to the investment criteria in a disciplined manner. Thus, with each further acquisition, an increasingly riskdiversified and profitable property portfolio based on non-cyclical rental income is created.

6.2. Development of the real estate portfolio in the 2023/2024 financial year

6.2.1. Disposals with a volume of almost EUR 90 million completed

In the course of the 2023/2024 financial year, DKR realised the sale of 19 portfolio properties. The sales price of the properties with 79,100 sqm of rental space amounted to EUR 89.4 million. In total, the properties sold generated an annual rent of TEUR 6,300 with a remaining term of the rental agreements of around 4.5 years and a vacancy rate of 5.3% overall. The transfer of benefits and

encumbrances for 18 of the properties sold took place in March and May.

The proceeds from the sale of the properties were mainly used to repay liabilities.

6.2.2. Key figures of the portfolio

As of 30 September 2024, DKR's portfolio thus comprises a total of 167 retail properties with a total rental area of around 994,400 sqm and an annualised rent of around EUR 69.7 million. The portfolio is valued at around EUR 890 million as of 30 September 2024.

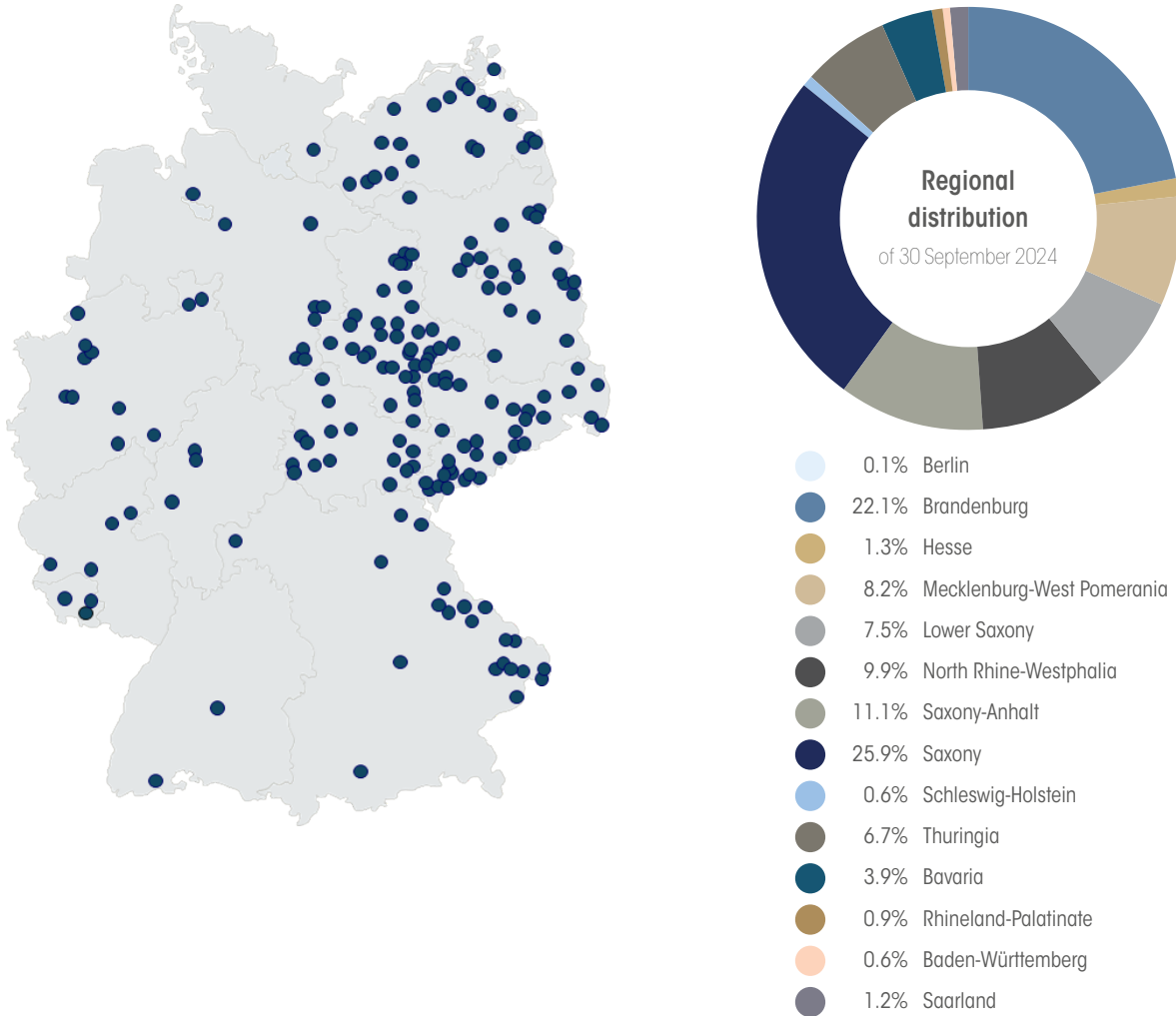
Key operating figures as of 30 September 2024 are as follows:

	30/09/2024	30/09/2023	Difference
Rent/year (EUR million)	69.7	79.2	8.1%
Net rent/sqm/month	6.85	6.82	3.3%
Vacancy rate (%)	14.0	11.7	0.0%
WALT (years)	4.4	5.0	-3.4%
Fair value (EUR million)	886.2	995.4	-5.3%
Property value (EUR/sqm)	896	919	-8.3%
Valuation factor	12.3	12.6	-11.3%

6.3. Structure of the DKR portfolio

Regional distribution

The regional real estate portfolio of DKR is distributed as follows (according to annual rents) as of 30 September 2024:



	Rental space				Annualised rent			
	30/09/2024		30/09/2023		30/09/2024		30/09/2023	
	sqm	%	sqm	%	TEUR	%	TEUR	%
West German States	227,176	22.8	239,008	22.1	18,161	26.0	18,634	23.5
East German States	767,203	77.2	843,916	77.9	51,577	74.0	60,563	76.5
	994,379	100.0	1,082,924	100.0	69,738	100.0	79,197	100.0

A large part of the portfolio is still spread across Eastern German locations, which is partly due to the fact that DKR has managed the Company's development from Potsdam. In addition, there are still more properties in these locations that can meet DKR's high yield requirements, but still house the well-known, large tenants with strong credit ratings and often have a lower construction age, as they were only built in the post-reunification period. From DKR's point of view, this leads to a significantly better risk/return profile. Since the investment market in

Western and especially Southern Germany is much more developed, the property prices in these areas are generally higher and therefore less likely to meet DKR's minimum target return requirements.

The proportion of rents from western German locations increased slightly from around 23.5% to around 26.0% in the past financial year 2023/2024. As the majority of the properties sold were located in the new federal states, this explains the increase.

Focus on retail parks and local retail centres

The real estate portfolio of DKR is divided into the following property categories as of 30 September 2024:

	Rental space		Annualised rent	
	sqm	%	TEUR	%
Retail parks	339,389	34.1	26,397	37.9
Hypermarkets	197,619	19.9	12,846	18.4
Local retail centres	230,619	23.2	15,777	22.6
DIY stores (stand-alone)	111,242	11.2	6,475	9.3
Discounter	90,428	9.1	7,086	10.2
Wholesale markets	25,083	2.5	1,157	1.7
	994,379	100.0	69,738	100.0

The biggest property groups in DKR's portfolio are retail parks, hypermarkets, and local retail centres, which generally have a non-cyclical and defensive tenant mix consisting of food retailers, drugstores and often also medical services. This also applies to

smaller discount stores, which are usually also food-anchored and numerous in DKR's portfolio. Furthermore, DKR currently holds fifteen DIY stores that are operated for many years by large DIY chains with strong credit ratings.

Vacancy

The vacancy rate of the real estate portfolio as of 30 September 2024 was around 14%.

The majority of the vacant spaces are attributable to a selection of properties where revitalisation measures are currently being carried out or have recently been carried out and within which there is temporarily a higher vacancy rate.

Furthermore, there are also structural vacancies at various properties. These are usually spaces that are difficult to let due to their location within a property or a lack of local demand. For instance, windowless, unfavourably cut, fragmented or poorly accessible spaces represent this. Furthermore, there are also areas to be mentioned here that were constructed on the basis of urban planning specifications of the time that did not meet actual requirements and for which there was no sustainable demand.

From an economic point of view, however, structural vacancies are almost insignificant because, on the one hand, they do not cause any running costs and, on the other hand, due to their characteristics, they could only be let at significant discounts compared to the market rent. In this respect, the economic vacancy of the DKR real estate portfolio, which results from the ratio of rental income to the vacant space that can potentially only be let at lower rents, is significantly lower than the physical vacancy.

In this respect, the existing vacancies can be viewed in a differentiated manner: On the one hand, the “investment portfolio” with a usually low vacancy rate despite structural vacancies and, on the other hand, the “revitalisation portfolio” in which DKR makes sustainable investments in the properties and their rental space, which leads to temporarily higher vacancy rates.

30/09/2024	Investment portfolio	Revitalisation portfolio	DKR's overall portfolio
Total rental space (sqm)	787,782	206,597	994,379
Total vacant space (sqm)	95,836	43,860	139,696
Total vacant space (%)	12.2	21.2	14.0

6.4. Value-enhancing investments in the existing portfolio (Capex)

In line with its investment approach and portfolio strategy, DKR also deliberately purchases properties in need of revitalisation, some of which have significant vacancy rates and shorter remaining lease terms, as these offer significant potential for value creation. In order to exploit the value creation potential of the properties, DKR carries out revitalisation work on individual properties. This usually involves redesigning space, changing the tenant structure, and optimising the distribution of spaces within a property. Furthermore, a fresh and renewed look makes the appearance of the properties much more attractive. This makes it possible to significantly reduce vacancies and extend tenancy agreements.

DKR does not carry out speculative improvement measures. As a matter of principle, modernisation or expansion measures on a property are only implemented when new tenancy agreements have been concluded with the property's anchor tenants – often at improved conditions for DKR – or completely new tenants have been acquired. With such selective investments in the real estate portfolio, an overall return comparable to DKR's typical acquisition returns can often be achieved.

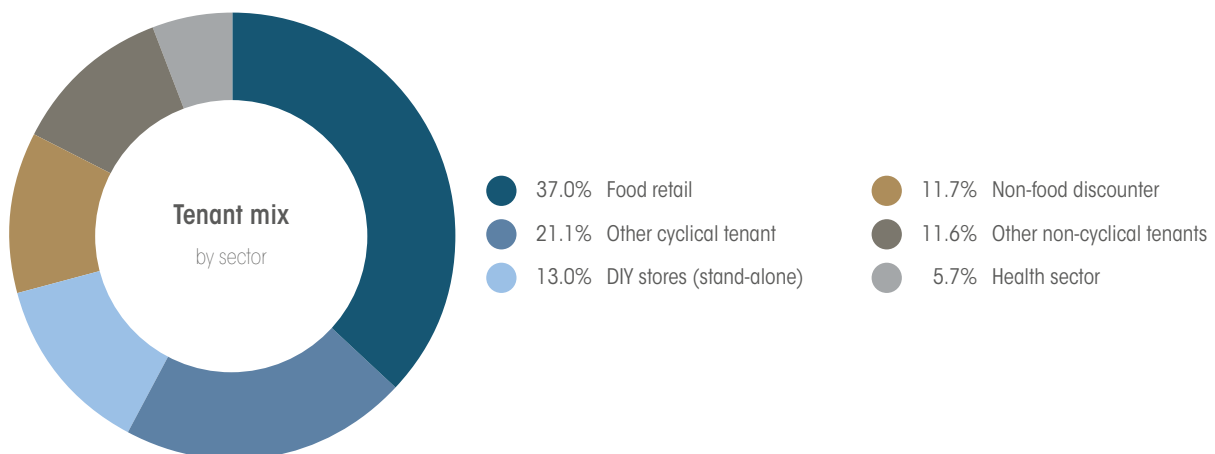
A number of revitalisations have been successfully completed in recent years. In the financial year the Company invested a total of EUR 12.3 million in capex measures in its portfolio. The investments were made in particular in the properties in Ueckermünde ("Haff-Center"), Grenenbroich, Stendal, Stralsund, Eisenhüttenstadt III und Bad Sachsa.

6.5. Tenant mix

Focus on credit-worthy tenants with non-cyclical goods and services

The strongest tenant group in the DKR portfolio are food retail chains such as EDEKA, REWE, METRO, the Schwarz Group, NORMA and ALDI with around

40.3% of the annualised total rents. The other main non-cyclical tenant groups are DIY stores, retail discounters, tenants from the healthcare sector and other non-cyclical retail stores for everyday goods and services.

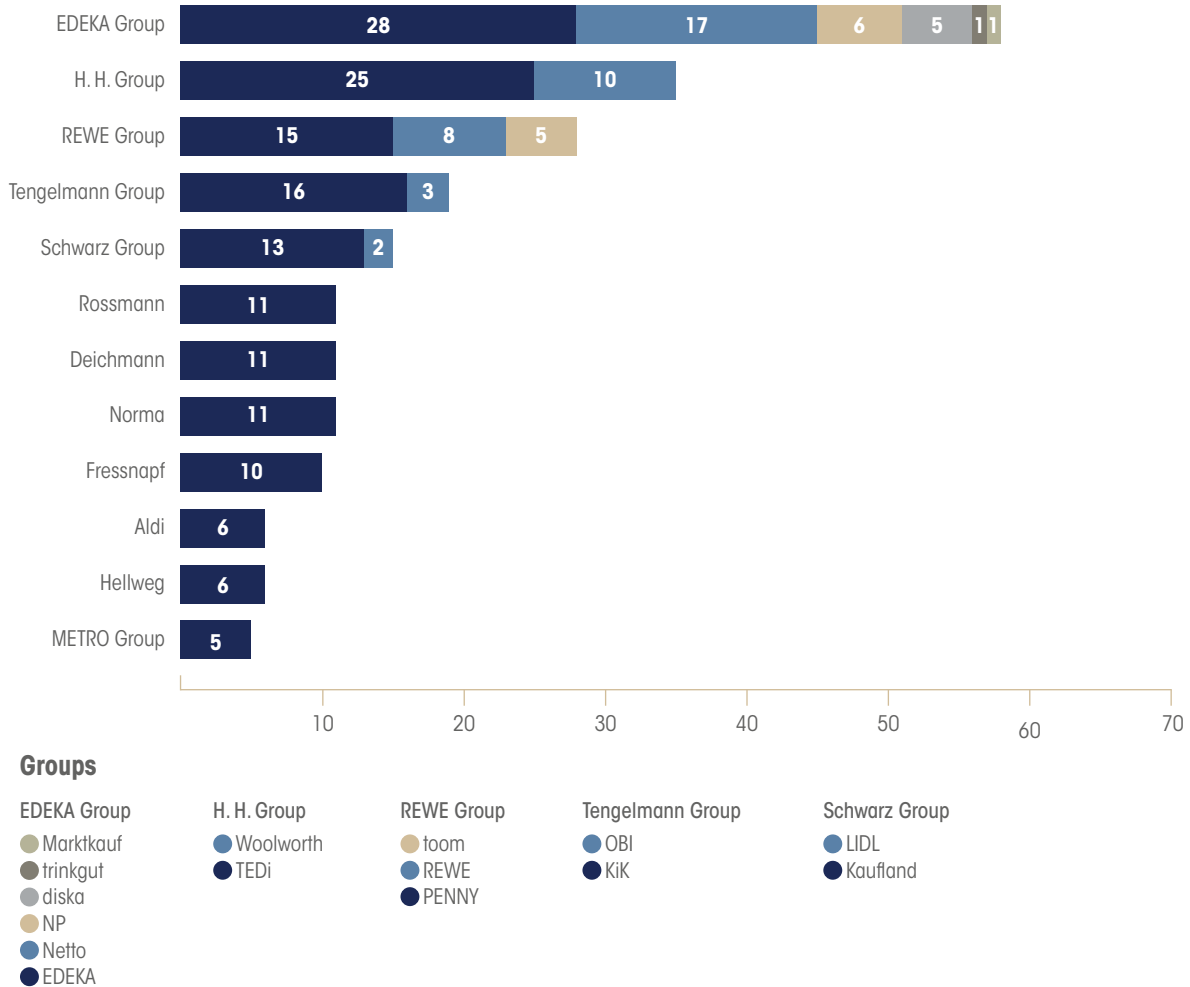


6.6. Several tenancies with the same tenants improve the negotiating position of DKR

DKR deliberately acquires retail properties with the same well-known retail chains when building up its portfolio. This enables a better and more efficient balance of interests with regard to lease extensions, to

necessary expansion and extension investments or to standardise leases and work processes. The number of tenancies with the same retail groups is shown below.

Number of leases with major corporations and their retail brands as at 30 September 2024:



Residual lease term (WALT)

The average residual lease term (WALT) of the portfolio is approximately 4.4 years as at 30 September 2024. The proportions of the annual rent according to WALT are distributed as follows:

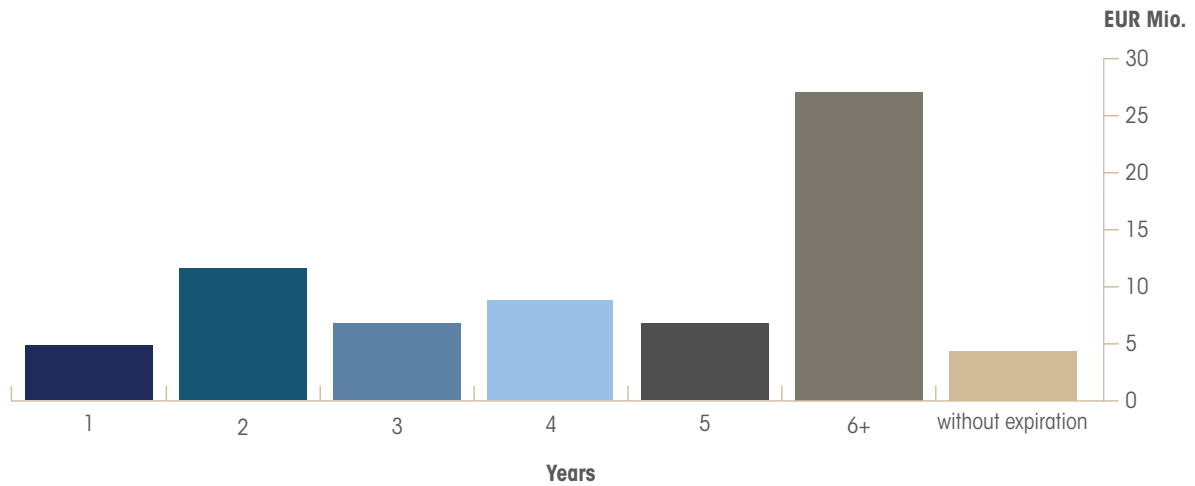




Photo: Retail park
Ludwigsluster Straße 29, 33, 19370 Parchim

7. Key figures according to EPRA

The European Public Real Estate Association EPRA

EPRA is a non-profit organisation based in Brussels that represents the interests of the European real estate industry and has developed standardised ratios that ensure a high level of comparability between real estate companies. Since October 2017, DKR has been a full member of EPRA and publishes the EPRA key figures according to Best Practice Recommendations (BPR) since the 2016/2017 financial year.



For the 2023/2024 financial year, DKR was awarded the EPRA BPR Gold Award for the fourth time in a row for the EPRA reporting in its annual report.

For the financial year 2023/2024, the EPRA KPIs of DKR are as follows:

EPRA Earnings

The EPRA Earnings represent the result from the ongoing property management. Valuation effects and proceeds from disposals are not considered. In addition, the deferred taxes recognised in the financial year and the subsequent tax payments for past financial years recognised in profit or loss are adjusted.

For better comparability, adjusted EPRA earnings are also presented, which have been adjusted for value adjustments on financial assets.

TEUR	2023/2024	2022/2023
Period result	1,967.7	-180,992.1
– Valuation result	30,135.5	113,528.4
– Proceeds from disposals	-3,440.6	8.6
– (Deferred) tax effects	14,758.3	50,208.9
EPRA Earnings	43,420.9	-17,246.2
EPRA Earnings per share, EUR	1.24	-0.49
EPRA Earnings per share (diluted), EUR	0.81	-0.34
Elimination of value adjustments on financial assets	-28,195.0	44,393.0
Adjusted EPRA Earnings	15,225.9	27,146.8
Adjusted EPRA Earnings per share, EUR	0.43	0.77
Adjusted EPRA Earnings per share (diluted), EUR	0.28	0.54

EPRA net initial yield (EPRA NIY) and EPRA "Topped-up" NIY

The EPRA net initial yield is the annualised rent less non-recoverable management costs in relation to the current portfolio value and, thus, represents the current portfolio return.

EPRA "Topped-up" NIY includes temporarily existing rent-free periods. Currently there are no material rent-free incentives at DKR.

TEUR	2023/2024	2022/2023
Market value of investment properties (including portfolio held for sale according to IFRS 5)	886,185.50	995,363.9
+ Transaction costs	59,227.20	67,317.5
Gross market value of investment properties	945,462.70	1,062,681.4
Annualised rental income	69,737.80	79,197.0
– Non-recoverable management costs	–13,947.60	–15,839.4
Annualised net rental income	55,790.30	63,357.6
EPRA NIY, %	6.0	6.0

EPRA cost ratio

The EPRA cost ratios relate the current property-specific management expenses as well as the administrative and management expenses to the rental income and, therefore, show the cost burden of the management platform in relation to the rental income.

TEUR	2023/2024	2022/2023
Net expenses from property management	29,421.70	29,865.1
+ Personnel expenses	1,382.30	1,145.9
+ Other recurring operating expenses	1,782.60	2,706.9
– Other income	–521.6	–603.8
EPRA costs incl. direct vacancy costs	32,065.00	33,114.1
– direct vacancy costs	–3,751.60	–3,514.5
EPRA costs excl. direct vacancy costs	28,313.50	29,599.4
Rental income less ground rent	76,650.50	79,050.9
EPRA cost ratio (incl. direct vacancy costs), %	41.8	41.9
EPRA cost ratio (excl. direct vacancy costs), %	36.9	37.4

EPRA vacancy rate

In contrast to the ordinary vacancy rate, the EPRA vacancy rate reflects the economic vacancy based on the market rent of the vacant space in relation to the total rent of the portfolio on the reporting date increased by the potential rent of the vacant space. The estimated underlying market rents are derived from the property appraisals of the external and independent valuer CBRE GmbH, Berlin.

TEUR	30/09/2024	30/09/2023
Potential rent for vacant space	5,969.7	5,060.7
Estimated portfolio rent	75,698.5	84,257.7
EPRA vacancy rate, %	7.9	6.0

EPRA LTV

The EPRA LTV ("loan to value") is intended to create a uniform standard for calculating the balance sheet ratio LTV. In particular, according to the EPRA scheme, short-term callable loans to affiliated companies are not to be recognised as liquidity in the calculation of net debt, but are to be taken into account as assets.

According to this definition, the calculation of the EPRA LTV is as follows:

TEUR	30/09/2024	30/09/2023
Financial liabilities to banks	375,829.6	423,416.1
+ Convertible Bonds	46,992.0	36,763.6
+ Corporate Bonds	126,661.3	177,886.9
+ Trade payables after offsetting against trade receivables	3,057.1	6,579.6
– Cash and cash equivalents in trust accounts	–353.4	–1,630.4
– Cash and cash equivalents	–1,407.3	–4,933.6
(A) Net debt	542,440.7	638,082.2
Investment properties (IAS 40)	860,963.5	989,013.9
+ Investment properties held for sale (IFRS 5)	25,211.9	6,350.0
+ Prepayments on investment properties	10.1	0.0
+ Loans to shareholders	38,000.0	18,421.2
+ Short-term investments of cash and cash equivalents	0.0	0.0
(B) Assets	924,185.5	1,013,786.0
EPRA LTV (A/B)	59.6%	62.9%

Like-for-Like-Portfolio

On a like-for-like basis, which means without taking into account acquisitions and disposals in the financial year, the development of the key portfolio ratios is as follows:

	30/09/2024	30/09/2023	Difference
Annual net rent like-for-like (EUR m)	69.7	73.3	–4.9%
Net rent/sqm/month	6.72	6.95	–3.3%
Vacancy (%)	14.0	11.4	–26.1%
WALT (years)	4.4	4.7	–6.4%

EPRA NAV

The EPRA NAV must be disclosed in three different forms in accordance with the EPRA guidelines:

- **EPRA Net Reinstatement Value (EPRA NRV):** Essentially presentation of the reconstruction value of the real estate portfolio including transaction costs;
- **EPRA Net Tangible Assets (EPRA NTA):** Intangible assets including potential goodwill are excluded from consideration;
- **EPRA Net Disposal Value (EPRA NDV):** A sale of the real estate portfolio is assumed and thus, in principle, a fair value measurement of deferred taxes and derivative financial instruments is required.

All key figures must be calculated on a fully diluted basis, in the case of DKR taking into account the effects of out-standing convertible bonds. DKR considers the “EPRA NTA” as the relevant key figure.

TEUR	30/09/2024			30/09/2023		
	EPRA-NRV	EPRA-NTA	EPRA-NDV	EPRA-NRV	EPRA-NTA	EPRA-NDV ¹
IFRS Equity attributable to shareholders	318,367.3	318,367.3	318,367.3	316,399.5	316,399.5	316,399.5
Effects of the conversion of convertible bonds	46,992.0	46,992.0	46,992.0	36,763.6	36,763.6	36,763.6
Deferred taxes on investment properties	41,203.3	41,203.3	0.0	31,703.7	31,703.7	0.0
Fair value of fixed-interest debt	0.0	0.0	25,124.6	0.0	0.0	45,599.2
Transaction costs (real estate transfer tax)	75,324.9	0.0	0.0	84,605.9	0.0	0.0
EPRA NAV	481,887.5	406,562.6	390,483.9	469,472.8	384,866.8	391,445.0
Number of shares outstanding (diluted, thousands)	53,859.9	53,859.9	390,483.9	50,351.1	50,351.1	50,351.1
EPRA NAV per share in EUR (diluted)	8.95	7.55	7.25	9.32	7.64	7.77

¹ Calculation adjusted.

Photo: Retail park
Lutwigsluster Straße 29, 33, 19370 Parchim



8. Headline Earnings per share (HEPS)

According to the listings requirements of the JSE Limited (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	2023/2024	2022/2023
Net income (undiluted)	1,967.7	-180,992.1
Excluding valuation result according to IAS 40	30,135.5	113,528.4
Excluding valuation result according to IFRS 5	3,440.6	8.6
Headline Earnings (undiluted)	35,543.9	-67,455.2
Interest expenses on convertible bonds	1,298.8	629.3
Headline Earnings (diluted)	36,842.7	-66,825.9
Average number of shares issued in the reporting period (undiluted), in thousands	35,155.9	35,155.9
Potential conversion shares, in thousands	18,703.9	15,195.2
Average number of shares issued in the reporting period (diluted), in thousands	53,859.9	50,351.1
Headline Earnings per share (EUR)		
Undiluted	1.01	-1.92
Diluted	0.68	-1.33

Photo: Discounter
Bahnhofstraße 65, 29559 Wrestedt



9. Environmental, Social, and Governance (ESG) Commitment

At Deutsche Konsum REIT-AG (DKR), sustainability is not just a business goal—it is a guiding principle that shapes how we operate and grow. Our ESG strategy is embedded in every aspect of our work, from the management of our commercial real estate portfolio to the way we engage with communities, employees, and tenants. We are committed to creating value that extends beyond financial performance, aligning our efforts with global sustainability frameworks such as the European Public Real Estate Association (EPRA) and the Global Real Estate Sustainability Benchmark (GRESB).

Here's how our ESG vision translates into action across our operations:

9.1. Environmental Responsibility

DKR's approach to environmental sustainability is anchored in transforming our portfolio into an efficient, low-impact real estate system. We are continuously upgrading our properties to minimize their environmental footprint and contribute to a sustainable future.

- **Upgrading Heating Systems:** We are transitioning from traditional heating to more efficient technologies, such as heat pumps and district heating, where feasible. This shift is key to reducing carbon emissions across our properties.
- **Renewable Energy Integration:** Through a framework agreement, we now source green energy, including electricity and photovoltaic systems, which significantly reduces the carbon intensity of our buildings.
- **Biodiversity Initiatives:** Working with Complex Earth Ltd., we are implementing biodiversity action plans that enhance habitats for native species across our portfolio, contributing to ecological balance in urban spaces.

These environmental strategies reflect our commitment to addressing climate challenges while enhancing the long-term resilience and value of our assets.

9.2. Social Impact

Our properties are more than just places of business—they are centers of community life. At DKR, we believe that sustainable success comes from creating positive social impacts that benefit everyone we interact with.

- **Tenant Collaboration:** We actively partner with tenants through Memorandums of Understanding (MoUs) to share energy and water consumption data, enabling better resource management and enhancing the overall sustainability of our properties.
- **Diverse and Inclusive Workplace:** We pride ourselves on maintaining an inclusive workforce that reflects the diversity of the communities we serve. Our commitment to gender equality, age diversity, and inclusivity is at the heart of our human resource practices.

By fostering strong relationships with tenants and prioritizing the well-being of our employees, we ensure that DKR is a force for positive social change.

9.3. Governance Excellence

Strong governance practices underpin all our operations at DKR. We adhere to the highest standards of transparency, accountability, and ethical leadership to ensure that we remain a trusted partner for investors, tenants, and communities alike.

- **Compliance and Ethical Standards:** Our Compliance Control System (CCS) covers a wide range of

critical areas, including anti-corruption, health and safety, fair competition, and data protection, ensuring that we meet and exceed regulatory expectations.

- **Diverse Leadership:** Our independent and diverse Supervisory Board ensures that we maintain robust oversight and align our corporate strategies with the highest ethical standards. This diversity strengthens our governance approach and drives better decision-making.

Governance is the foundation of our ESG efforts, ensuring that we operate responsibly and create long-term value for all our stakeholders.

Management Report

for the 2023/2024 financial year

Deutsche Konsum REIT-AG



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Photo: Discounter

Frohnbachstraße 59, 09212 Limbach-Oberfrohna



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1. Basics of Deutsche Konsum REIT-AG

1.1. Business model, strategy and structure

Deutsche Konsum REIT-AG (hereafter referred to as “DKR”) is a portfolio holder specialising in retail real estate for items of daily use. The business activities essentially comprise the acquisition, letting and management of domestic retail properties in medium-sized and regional centres in Germany in functioning micro-locations. If there are lucrative offers, the sale of individual properties is examined and carried out if applicable.

The listing of the DKR share (ISIN DE000A14KRD3) took place on 15 December 2015. Since then, the share has been tradable on all major stock exchanges and quoted in the Prime Standard of Deutsche Börse AG since 3 March 2017. In addition, the share has been listed on the Main Board of the Johannesburg Stock Exchange (‘JSE’) in South Africa as part of a secondary listing since 8 March 2021, with a delisting planned in the near future. As of 1 January 2016, the Company possesses the status of a REIT (Real Estate Investment Trust) and is, therefore, in principle exempt from income tax at company level. However, in the course of the ongoing proceedings with the tax authorities (see the explanations in Chapter 3.1.2.e) of the Management Report), the Company has decided, for reasons of prudence, to prepare these financial statements taking full account of tax effects.

In line with its investment strategy, DKR has created a property portfolio since its foundation that focuses on supply properties in centres and conurbations away from large metropolitan areas. Due to the lower competition and lower purchase prices, higher initial yields can be achieved here with a manageable investment risk. DKR acts as a professional investor and portfolio holder in a niche market, as the investment volume per property is usually up to EUR 25 million, which is usually too high for private investors, but at the same time too low for

institutional investors. Furthermore, the substantial rental income is achieved by large German food retail companies, which are considered to be relatively non-cyclical and, thus, resistant to general economic trends.

Following the company’s strong growth since its stock market listing, the operational focus is on the sustainable management and optimisation of the property portfolio. DKR’s aim is to lay the foundations for vacancy reductions and lease extensions through strategic asset and portfolio management as well as targeted and value-adding investments in the property portfolio, as a result of which the properties can increase in value. In this respect, the portfolio also deliberately includes properties with higher vacancy rates and short remaining lease terms that are capable of development. This allows DKR to utilise further opportunities for value creation. The performance of the property portfolio will be further expanded through selective acquisitions and sales in order to guarantee an attractive dividend distribution in the future.

As of 30 September 2024, DKR’s accounted real estate portfolio comprises 167 retail properties with a lettable area of more than one million sqm and a book value of EUR 886.2 million.

In terms of corporate law, DKR consists of a corporation that holds and accounts for all real estate. This simple structure under company law and the REIT status enable the Company to have particularly lean administrative structures. In addition, the existing network, the many years of experience of the management and the flat internal company hierarchies help to achieve a high acquisition speed, which is advantageous in acquisition processes.

The largest shareholder of DKR is currently Obotritia Capital KGaA ('Obocap') with its personally liable partner Rolf Elgeti, which together with its subsidiaries currently holds around 24.61% (28.51% on the balance sheet date) of the shares. Obocap provided DKR with staff in the reporting period, which was charged to the company on a pro rata basis via cost accounting. Despite the shares held (directly or indirectly via subsidiaries) and a free float of currently approx. 37.31% in accordance with the REIT Act, it cannot be assumed that Obotritia Capital KGaA and its subsidiaries have de facto control, as Obotritia Capital KGaA no longer held a majority of the shares for the first time at DKR's Annual General Meeting on 13 July 2023. Control has no longer existed since this date at the latest.

1.2. Control system

DKR is mainly managed on the basis of the financial indicator FFO (funds from operations). Other financial key performance indicators are the net LTV (loan to value), the EPRA NTA per share (EPRA net tangible assets), the acquisition yield and the aFFO (adjusted funds from operations) as well as the ratio of recurring administrative expenses to rental income.

FFO is calculated from the profit for the period in accordance with IFRS, adjusted for depreciation and amortisation, the property valuation result, the disposal result and other non-cash expenses as well as one-off and special effects. aFFO is the FFO reduced by the capitalised modernisation and maintenance investments (capex). The net LTV debt ratio is the ratio of financial liabilities less available cash and cash equivalents to the property values in accordance with IFRS. At DKR, the EPRA NTA per share corresponds to the balance sheet equity plus convertible bonds and

deferred taxes, divided by the fully diluted number of shares as at the reporting date.

DKR's non-financial performance indicators are vacancy rates as well as the average remaining term of fixed-term leases WALT (weighed average lease term) at individual property level and at overall portfolio level. Due to the acquisition of properties with higher vacancy rates and short remaining lease terms, which are in line with the business model, these non-financial key figures are subject to significant fluctuations.

Furthermore, DKR utilises planning tools such as corporate planning as well as rolling liquidity planning, which are used to steer operational business development.

1.3. Research and development

As part of its business purpose, DKR has no research and development activities and is not dependent on licenses and patents.

2. Economic Report

2.1. Macroeconomic development

The global economy faced several challenges and opportunities in the years 2023 and 2024. Developments on the global markets, geopolitical tensions and the monetary policy measures taken by central banks shaped the economic environment.

Even though economic growth remained moderate, the global economy proved to be more resilient than expected in 2023, despite the challenges posed by the inflation shock and tight monetary policy, according to an economic report by the Kiel Institute for the World Economy (IfW).¹ In the advanced economies, economic growth was hampered by high uncertainty regarding the economic environment and the lack of fiscal stimulus. However, the global economy expanded noticeably faster in the first few months of 2024. The main reason for this was that production in the emerging markets, particularly in China, increased significantly. In the advanced economies, on the other hand, economic expansion continued at a somewhat slower pace. Although unemployment in these countries rose slightly in 2024, it remained at a historically low level.² In the third quarter of 2024, the global economy expanded at a more moderate pace again, mainly due to the slower rate of growth in the emerging markets. Inflation recently fell only slightly, mainly due to a persistent rise in prices for services; the expected decline towards the target of 2% is therefore likely to be slow and will not be achieved until 2025. Further risks for the global economy are primarily of a geopolitical nature and are related to the uncertainties surrounding the US presidential elections, among other things. An escalation of trade conflicts could have a negative impact on global economic activity. At the same time, the European economy recorded a noticeable increase for

the first time in a year and a half. Gross domestic product (GDP) growth in the eurozone amounted to 0.3%. This acceleration was mainly due to the upturn in exports, while imports fell slightly.³

Following a decline in GDP in Germany at the end of 2023, the German economy began 2024 with a positive trend. According to data from the Federal Statistical Office (Destatis), German GDP adjusted for price and seasonal effects rose by 0.2% in the first quarter of 2024 compared to the last quarter of 2023. In an international comparison, Germany's economic development at the start of the year was slightly below the European average.⁴

Following the slight increase at the beginning of 2024, however, the German economy cooled down again in spring, as GDP fell by 0.1% in the second quarter of 2024 compared to the previous quarter, adjusted for price and seasonal effects. Although consumer spending remained stable, investments fell significantly. In the second quarter of 2024, Germany's economic growth also lagged behind many other countries; while economic output in other large EU member states and in the European Union as a whole increased by 0.3%, Germany recorded no growth.⁵

The German economy remained in choppy waters, with industrial and construction output starting the third quarter of 2024 on a weak note. The high level of economic policy uncertainty had a negative impact on companies' willingness to invest, and the rise in financing costs continued to depress demand for capital goods and construction services.⁶ German economic output has been stagnating for more than a year. Only the service sectors were able to record noticeable growth of 1.4% over the last four quarters,

¹ Kiel Institute Economic Outlook No. 109 (2023/Q4) as of 13 December 2023: World Economy in winter 2023, page 2.

² Kiel Institute Economic Outlook No. 114 (2024/Q2) as of 13 June 2024: World Economy in summer 2024, page 2f.

³ Kiel Institute Economic Outlook No. 116 (2024/Q3) as of 2 September 2024: World Economy in autumn 2024, page 5f.

⁴ Press release of the Federal Statistics Office (Destatis) No. 205 of 24 May 2024.

⁵ Press release of the Federal Statistics Office (Destatis) No. 325 of 27 August 2024.

⁶ Deutsche Bundesbank: 76th year, No. 9, Monthly Report September 2024.

albeit with decreasing momentum. In contrast, the manufacturing industry (–7%) and the construction industry (–4.3%) slipped further into recession.⁷ Overall, the economy did not make any progress during the period mentioned. From today's perspective, real GDP could stagnate or fall slightly again in the third quarter of 2024. However, a recession characterized by a significant, broad-based and prolonged decline in economic output is not currently expected.⁸

The inflation rate was 1.6% in September 2024. Although it was dampened more than in previous months by renewed price decreases for energy (August +1.9% after +2.3% in July 2024), the above-average price increases for services had an inflationary effect.⁹

The key interest rates in the developed economies were gradually lowered. On 6 June 2024, the ECB lowered the current deposit rate from 4% to 3.75% and further to 3.65% from 18 September 2024.¹⁰

2.2. Development of the German commercial real estate market

In the year 2023, the German real estate market continued to face many economic and political challenges. This was reflected immensely in the transaction volume. At EUR 28.3 billion, the total volume of completed real estate transactions was a full 58% below the previous year's figure and even 62% below the ten-year average. In 2023, transaction volumes of EUR 22.6 billion were achieved in commercial real estate and EUR 5.8 billion in residential real estate.¹¹

According to the Hahn Group, the logistics and industrial real estate asset class recorded the largest market share of 25% with a traded volume of EUR 7.2 billion. Retail properties had a transactions market share of 17% in 2023. Specialist stores and food markets maintained their position as the strongest sub-asset class. Supermarkets had the largest share of this sub-asset class at 26% and even recorded a 35% increase on the previous year's figure.¹²

The consistently high demand for food-anchored properties has been evident on the real estate market for several years now. While the investment volume of grocery-anchored properties was still at EUR 1.55 billion in 2019, three years later, i.e. in 2022, an increase of over 100% to EUR 3.18 billion was recorded.¹³ The high demand is likely to continue due to the need for everyday goods and the low substitutability.

There were already signs of recovery on the commercial real estate transactions market in the first three quarters of 2024. At EUR 17.9 billion, the volume of

⁷ Kiel Institute Economic Outlook No. 117 (2024/Q3) as of 3 September 2024: German Economy in autumn 2024, page 3ff.

⁸ Deutsche Bundesbank: 76th year, No. 9, Monthly Report September 2024.

⁹ Press release of the Federal Statistics Office (Destatis) No. 389 as of 11 October 2024.

¹⁰ <https://www.bundesbank.de/resource/blob/807116/7d2cf0f5ced47cd9a8f423cdef96b946/mL/2024-09-12-beschluesse-download.pdf>, accessed on 29 October 2024.

¹¹ Hahn Group in cooperation with bulwiengesa, CBRE, EHI Retail Institute: Retail Real Estate Report 2024/2025, 19th edition, page 122

¹² Hahn Group, *ibid*, page 122.

¹³ Habona Report 20th edition 23/24, page 22.

completed deals was a good 15% higher than the previous year's figure. Retail properties were particularly sought after by investors. At EUR 3.6 billion in the first half of the year, the transaction volume in this asset class rose by 115% compared to the same period of the previous year.¹⁴ Including the third quarter, the total transaction volume of commercially used properties amounted to EUR 4.9 billion, which is an almost 30% increase compared to the 2023.¹⁵ The total volume of 2023 was therefore already exceeded in the first three quarters of 2024. Slowing inflation and the recent interest rate cut by the ECB have certainly also contributed to the recovery and stabilisation of the market.

At EUR 4 billion, residential real estate was the asset class with the highest volume in the first three quarters of 2024. Due to large-volume sales of new builds, residential properties also had the highest average transaction value at EUR 57 million. Office properties, on the other hand, had a much lower transaction volume of EUR 1.9 billion and an average transaction value of EUR 20 million.¹⁶

It is also apparent that investors are increasingly investing in value-add products and taking advantage of opportunistic investment opportunities. In contrast, demand for core products is declining compared to the same period last year.¹⁷

According to a report by CBRE, the total transaction volume for residential and commercial real estate is expected to be at least EUR 33 billion in 2024.¹⁸

2.3. Business performance

Sale of two sub-portfolios enables significant reduction in debt / Selected investments made in the property portfolio

No further properties were purchased in the 2023/2024 financial year, apart from the purchase of a property in which DKR was already involved as a leaseholder (Weißwasser). With the purchase of the property, the company will dissolve the heritable building right and assume full ownership of the site. On the other hand, several sales were realised in this financial year. The sale of the vacant property in Trier, which was notarised in the previous financial year, was completed with the transfer of benefits and encumbrances.

The sale of a sub-portfolio consisting of 14 properties was notarised in March 2024. The sale comprises the properties in Ludwigslust, Guben (Karl-Marx-Strasse 95), Stendal (Nordwall), Hohenmölsen, Aschersleben, Tangerhütte, Eisenhüttenstadt (Karl-Marx-Strasse), Seebach, Elsterwerda, Eggesin, Lübz, Lübben, Stassfurt (Neundorfer Strasse) and Osterfeld and was completed at a selling price that is less than 4% below the IFRS carrying amount at which the company recognised the properties on 30 September 2023. The transfer of benefits and encumbrances of all properties took place after receipt of the purchase price payment on 1 August 2024. The proceeds from the sale were predominantly used to repay bank liabilities and to partially repay previously issued registered bonds.

In May 2024, a further sub-portfolio was sold by notarised deed. The portfolio consists of five properties; the locations sold are in Marlow, Wandlitz, Oberkrämer (Schwante district), Schönwalde-Glien and Zerbst. The selling price was around 1% below the IFRS carrying amount at which DKR had recognised the properties as at 30 September 2023. The transfer of benefits and encumbrances for Schön-

¹⁴Hahn Group, *ibid*, page 123.

¹⁵BNP Paribas, Report Investment Market Q1-Q3 2024, page 2.

¹⁶Savills Germany: Market in Minutes, page 1.

¹⁷CBRE: Investment Market Report – Germany Investment Market Q3 2024, page 4.

¹⁸CBRE *ibid*, page 5.

walde-Glien and Zerbst took place on 1 September 2024, for Wandlitz and Schwante on 1 October 2024. The transfer of benefits and encumbrances for Marlow is still pending.

As a result, DKR's total portfolio currently comprises 167 retail properties with an annual rent of around EUR 69.7 million and a book value of around EUR 886.2 million.

In addition to the transactions, revitalisation and modernisation measures totalling EUR 12.3 million were carried out in the 2023/2024 financial year, which were capitalised accordingly and mainly relate to the revitalisation projects in Ueckermünde, Freiberg, Saarbrücken, Northeim, Angermünde, Zittau and Grevenbroich.

Due to the insolvency of the department stores' chain real and the ongoing liquidation of the insolvent companies, the existing rental agreements at the DKR locations in Erfurt and Pritzwalk were terminated by the tenants with effect from 31 March 2024. This results in a temporary reduction in the annual cold rent of around EUR 2.1 million with a simultaneous increase in the vacancy rate in the existing portfolio to around 14%. DKR is currently in advanced talks regarding the re-letting of this vacant space and is optimistic that it will be able to conclude corresponding contracts in the near future.

Tax back payments in connection with the dispute over REIT status

In the previous year, DKR initially had to make back payments of income tax for the years 2016 to 2021 (EUR 9.8 million) and advance tax payments for 2022 (EUR 3.2 million). After completion of the tax audit for the years 2014 to 2017, further tax back payments of TEUR 206.9 were made in the current financial year and tax provisions for back payments for trade tax of TEUR 794.3 were recognised for this period, which were settled at the beginning of the following financial year.

In the course of the ongoing proceedings regarding the REIT status, DKR is continuing to take action against the tax assessments of the tax authorities. The Potsdam tax office has not yet issued an objection decision.

Repayment and collateral agreement concluded with main shareholder Obotritia Capital KGaA

After the loan receivable from the main shareholder Obotritia Capital KGaA was not repaid by 30 September 2023 as planned, DKR concluded a repayment and collateral agreement with Obotritia, which was notarised on 9 December 2023. The agreement essentially stipulates that Obotritia will repay the loan by 30 June 2025 at the latest. At the same time, DKR will receive a collateral package in return, which includes mortgages on various properties.

Obotritia Capital KGaA made repayments on interest and loan receivables totalling EUR 11.9 million in the financial year. In October 2024, DKR and Obotritia Capital KGaA concluded a supplement to the repayment and collateral agreement. It was agreed that in the event of a payment of EUR 28 million, all collateral previously provided to Obotritia Capital KGaA would be returned. It was also agreed that if a further payment of at least EUR 10.0 million is made by 15 January 2025, the latest repayment date for the remaining loan receivable will be postponed to 31 December 2025. As security for the EUR 10 million, Obotritia Capital assigned a claim to DKR. EUR 38 million had been paid by the preparation date. As a result, part of the impairment recognised in the previous year in the amount of EUR 28.2 million was reversed in the reporting period and recognised as other operating income, so that the carrying amount of the receivable including interest amounted to EUR 38.0 million (previous year: EUR 18.4 million) as at the reporting date. When determining the amount of the impairment to be reversed, the repayment received of around EUR 28.0 million and the assigned receivable of EUR 10.0 million were recognised as the recoverable

amount of the receivable including interest. The remaining impairment amounts to EUR 15.9 million as at 30 September 2024. The remaining receivable of EUR 15.9 million is unsecured and remains fully impaired.

Subordinated collateralised convertible bond of EUR 10 million issued

In April 2024, DKR issued a subordinated collateralised convertible bond with a total nominal value of EUR 10 million. The subscription rights of the company's existing shareholders were excluded. The issue was made at 98.5% of the nominal amount, the instrument bears interest at a rate of 12% p.a., payable in quarterly instalments. The initial conversion price is EUR 2.85.

The bond is due for repayment in October 2025 at the nominal amount, unless it is converted or repaid before then.

Bond financing concluded – debt repayments totalling EUR 77 million from sales proceeds completed

At the end of June 2024, DKR completed the issue of two registered bonds in exchange for three corporate bonds issued by the company with a total volume of EUR 145.9 million. The transaction leads to an extension of the term of these financial liabilities until 30 September 2025.

A secured registered bond with a nominal amount of EUR 105.9 million was issued in exchange for the unsecured EUR 70.0 million 2019/2024 corporate bond and the secured EUR 35.9 million 2018/2024 corporate bond. The new secured registered bond initially has an interest rate of 8.50% p.a., which will rise to 12.00% p.a. from 1 January 2025. In addition, a collateralised registered bond with a nominal amount of EUR 40.0 million was issued in exchange for the unsecured EUR 40.0 million corporate bond 2020/2025. The new registered bond initially has an interest rate of 4.00% p.a., rising to 12.00% p.a. from 10 March 2025.

In the course of the purchase price payment received at the end of July 2024 from the sale of a portfolio consisting of 14 properties, DKR was able to repay several secured bank loans with a total volume of around EUR 27 million as well as a partial amount of EUR 50.0 million of the newly issued registered bond with a total volume of EUR 105.9 million ahead of schedule, so that the outstanding volume of this bond as of 30 September 2024 amounts to EUR 55.9 million.

Annual General Meeting 2024 held successfully

DKR's Annual General Meeting was successfully held in Berlin on 31 May 2024. Over 65% of the company's share capital was represented at the Annual General Meeting. As part of the elections to the Supervisory Board, the previous members Mr Achim Betz and Mr Johannes Boot were confirmed in office. Furthermore, DOMUS Steuerberatungs-AG Wirtschaftsprüfungsgesellschaft, Berlin, was elected as auditor for the 2023/2024 financial year.

The actions of the Management Board members Christian Hellmuth and Alexander Kroth, who were in office at the time of the Annual General Meeting, were approved for their term of office on the company's Management Board for the 2022/2023 financial year. Rolf Elgeti was not discharged for his activities on the Management Board and Supervisory Board in the past financial year 2022/2023. The actions of the other members of the Supervisory Board were approved by the Annual General Meeting for the past financial year.

Change of personnel in the position of Chief Financial Officer

On 6 June 2024, the company's Supervisory Board passed a resolution to appoint Mr Kyrill Turchaninov to the company's Executive Board with immediate effect. At the same time, Mr Christian Hellmuth resigned from the Management Board with immediate effect.

2.4. Asset, financial and earnings position

Asset position

The balance sheet of Deutsche Konsum REIT-AG is shown below:

Assets	30/09/2024	30/09/2023	Equity and liabilities	30/09/2024	30/09/2023
	TEUR	TEUR		TEUR	TEUR
A. Non-current assets	861,885	989,968	A. Equity	318,367	316,400
B. Current assets	58,285	33,860	B. Non-current liabilities	366,349	529,879
C. Non-current assets held for sale	25,212	6,350	C. Current liabilities	255,460	183,899
			D. Financial liabilities regarding non-current assets held for sale	5,205	0
Total assets	945,382	1,030,178	Total equity and liabilities	945,382	1,030,178

Driven by the devaluation of the property portfolio as part of the regular property valuation and property sales with simultaneous repayment of financial liabilities, total assets fell by TEUR 84,796 to TEUR 945,382 (30/09/2023: TEUR 1,030,178). The majority of the assets are investment properties, which are recognised at TEUR 860,964 as at 30 September 2024 (30/09/2023: TEUR 989,014). In addition, properties with a total value of TEUR 25,212 (30/09/2023: TEUR 6,350) are held for sale.

The Company's equity increased by TEUR 1,968 to TEUR 318,367 in the financial year (30/09/2023: TEUR 316,400). This resulted from the net profit for the financial year of TEUR 1,968.

Total liabilities decreased by TEUR 91,969 to TEUR 621,809 as at the reporting date (30/09/2023: TEUR 713,778). This change was primarily due to the repayment of liabilities to banks and the redemption of corporate bonds.

The NAV per share (undiluted) and the EPRA NTA per share (diluted) as of 30 September 2024 are as follows:

TEUR	30/09/2024		30/09/2023	
	NAV	EPRA NTA	NAV	EPRA NTA
Equity (TEUR)	318,367	318,367	316,400	316,400
Effects from the conversion of the convertible bonds	–	46,992	–	36,764
Deferred taxes	41,203	41,203	31,704	31,704
Key figures, TEUR	359,570	406,562	348,104	384,868
Number of shares on the balance sheet date	35,155,938	35,155,938	35,155,938	35,155,938
Potential conversion shares	–	18,703,926	–	15,195,154
Key figures per share, EUR	10.23	7.55	9.90	7.64

Non-current and current financial liabilities to banks decreased by a total of TEUR 52,792 to TEUR 370,624 (30/09/2023: TEUR 423,416) due to the net repayment of loans. In addition, there were net repay-

ments of corporate bonds in the amount of TEUR 51,226, resulting in a total reduction in financial liabilities of TEUR 93,789 to TEUR 544,278 as at the balance sheet date (30/09/2023: TEUR 638,067).

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

TEUR	30/09/2024	30/09/2023
Financial liabilities to banks	370,624	423,416
Liabilities in connection with properties held for sale	5,205	0.0
Convertible bonds	46,992	36,764
Corporate bonds	126,661	177,887
Total liabilities	549,482	638,067
minus cash and cash equivalents	–1,407	–4,934
minus fiduciary funds of property management	–353	–1,630
minus loans	–38,000	–18,421
minus maintenance provisions	–2,489	–0
Net debt	507,233	613,082
Investment properties	860,963	989,014
Properties held for sale	25,212	6,350
Prepayments for the acquisition of investment properties	10	0
Total investment properties	886,185	995,364
Net-LTV	57.2%	61.6%

Financial position

The cash flow statement is as follows:

TEUR	2023/2024	2022/2023
Cash flow from operating activities	23,125	41,632
Cash flow from investing activities	90,696	-17,523
Cash flow from financing activities	-117,348	-24,002
Cash changes in cash and cash equivalents	-3,527	107
Financial funds at the beginning of the period	4,934	4,827
Financial funds at the end of the period	1,407	4,934

Cash flow from operating activities totalled TEUR 23,126 in the financial year (previous year: TEUR 41,632). The decline in cash flow is mainly due to income taxes paid, the repayment of operating liabilities and the increase in work in progress.

Cash flow from investing activities totalled TEUR 90,696 in the reporting year (previous year: TEUR -17,523) and mainly resulted from proceeds from the sale of investment properties amounting to TEUR 88,656 (previous year: TEUR 9,641).

Cash flow from financing activities totalled TEUR -117,348 in the reporting year (previous year:

TEUR -24,002) and mainly relates to payments for the repurchase of corporate bonds of TEUR -195,900 (previous year: TEUR -4,100), which were offset by proceeds from the issue of corporate bonds in the amount of TEUR 145,900 (previous year: TEUR 0). In addition, repayments of loans totalling TEUR -65,452 (previous year: TEUR -84,844) and interest payments of TEUR -23,660 (previous year: TEUR -18,305) are included.

The Company was able to meet its payment obligations. For further information, please refer to Chapter 3.1.2 c) of this Management Report.

Earnings position

The earnings position of Deutsche Konsum developed as follows in the 2023/2024 financial year:

TEUR	2023/2024	2022/2023
Rental income	77,438	79,722
Net rental income	48,016	48,249
Result from disposals	-3,441	-9
Other operating income	29,717	604
Valuation result	-30,136	-113,528
Administrative expenses	-7,062	-52,211
EBIT	37,094	-116,895
Financial result	-20,368	-13,888
EBT	16,726	-130,783
Income taxes and other taxes	-14,758	-50,209
Net profit for the period	1,968	-180,992

Rental income decreased to around TEUR 77,438 (2022/2023: TEUR 79,722) as a result of property sales and resulted almost exclusively from commercial rents. Rental income from the letting of residential space only plays a minor role in rental income. At TEUR 48,016 (2022/2023: TEUR 48,249), rental income remained almost constant at the level of the previous period.

Other operating income amounted to TEUR 29,717 in the reporting period (2022/2023: TEUR 604) and mainly includes income from the reversal of impairment losses.

The valuation result as at the reporting date of 30 September 2024 is based on the valuation report by the independent and external property valuer CBRE GmbH, Berlin. In addition to the decline in prices on the transaction market, the main driver of the property devaluation of TEUR 30,136 was the sharp rise in interest rates.

Operating expenses fell sharply compared to the previous year, largely as a result of one-off effects in the previous period.

Administrative expenses, comprising personnel expenses and other administrative expenses, increased overall and include one-off and special effects totalling TEUR 1,955 (2022/2023: TEUR 1,698). Adjusted for these effects, administrative expenses decreased by TEUR 104.

The administrative expense ratio is as follows:

TEUR	2023/2024	2022/2023
Personnel expenses	-1,382	-1,146
Other administrative expenses	-4,322	-4,405
Adjustment of one-time and other non-recurring effects	1,955	1,698
Adjusted administrative expenses	-3,749	-3,853
Rental income	77,438	79,722
Administrative expense ratio	4,8%	4,8%

In total, EBIT increased by TEUR 153,989 to TEUR 37,094 (2022/2023: TEUR -116,895), which is mainly due to the improved valuation result and the reversal of valuation allowances on existing receivables.

Interest expenses rose to a total of TEUR 23,795 (2022/2023: TEUR 18,613) due to the higher interest rates. Interest expenses include ground rents totalling TEUR 639 (2023/2023: TEUR 671).

In the reporting period, interest income of TEUR 3,428 (2022/2023: TEUR 4,726) was generated, which resulted primarily from the investment of loans to Obotritia Capital KGaA that had already been cancelled.

As a result, the financial result decreased by TEUR 6,480 to TEUR -20,368 (2022/2023: TEUR -13,888).

In connection with the tax audit of the 2014–2017 assessment periods, the tax authorities and state administration issued tax assessments for the assessment years up to 2021. As a precautionary measure, both income taxes of TEUR 5,259 (2022/2023: TEUR 18,505) and deferred tax liabilities of TEUR 9,500 (2022/2023: TEUR 31,704) were recognised in profit or loss.

Overall, this results in an annual result of TEUR 1,968 (2022/2023: TEUR -180,992), from which FFO and aFFO are derived as follows:

TEUR	2023/2024	2022/2023
Net income	1,968	-180,992
Adjustment of income taxes	14,758	50,209
Adjustment of depreciation	131	60
Adjustment of valuation result	30,136	113,528
Adjustment of result from disposals	3,441	9
Adjustment for non-cash expenses	-25,394	46,879
Adjustment for one-time effects	2,924	3,438
FFO	27,964	33,131
– Capex	-12,344	-21,985
aFFO	15,620	11,146

Non-cash expenses and income include the accrued interest on bonds, convertible bonds and loans according to the effective interest method as well as value adjustments on rent receivables and short-term financial investments. The one-off effects contain non-recurring expenses. In the 2023/2024 financial year, these were in particular costs incurred in connection with legal advice.

The capitalised maintenance measures (Capex) essentially comprise value-enhancing modernisation and expansion measures carried out at the properties in Ueckermünde, Freiberg, Northeim and Saarbrücken.

This results in FFO per share of EUR 0.80 (2022/2023: EUR 0.94) and aFFO of EUR 0.44 per share (2022/2023: EUR 0.32).

Overall statement by the Management Board on the economic situation and the course of business

DKR can look back on a multi-faceted but generally difficult financial year 2023/2024. As in previous years, the operating business was very stable and the Company continued to generate attractive rental income through the sustainable and long-term management of the portfolio, which increased noticeably due to inflation-related rent increases. At the same time, value-creating investments continued to be made in the existing portfolio and the portfolio structure was further optimised through selected sales.

On the other hand, however, there are some developments that significantly cloud this actually positive overall picture. On the one hand, the development of the general market environment in the real estate sector was negative in the reporting period, which is reflected in a like-for-like devaluation of the portfolio of around 1.7%. This devaluation was driven in particular by the sharp rise in interest rates, which had a widespread impact on the entire property market. On the other hand, the continued good result from property management was overshadowed by several overarching problems. This primarily relates to the dispute with the Potsdam tax office regarding the recognition of REIT criteria. Furthermore, the company had to borrow capital at economically unfavourable conditions due to liquidity bottlenecks.

In the past financial year 2023/2024, rental income totalling EUR 77.4 million was generated, meaning that the previous year's forecast of EUR 72 to 77 million was achieved.. The FFO forecast was confirmed with FFO of EUR 28 million (previous year: EUR 33.1 million). This was due in particular to the sharp rise in interest expenses on new financing and refinancing.

At 57.2% (previous year: 61.6%), the LTV ratio on the reporting date was above the target value of around 50%. This development was mainly due to the devaluation of the property.

A German GAAP result of EUR 39 million was achieved in the reporting period (previous year: EUR –80.7 million), which is attributable in particular to the property sales and the reversal of the impairment. The current difficult overall environment had a negative impact on the carrying amounts of individual properties, which is why it was necessary to recognise value adjustments in accordance with German GAAP. On this basis, the Management Board does not plan to submit a dividend proposal to the Annual General Meeting. Please also refer to the Risk Report for an assessment of future liquidity.

From the Management Board's perspective, business development in the operating area has been favourable. However, the facts described above cloud the overall picture.

Other non-financial performance indicators

The vacancy rate for the entire portfolio was 14.0% as at the reporting date (30/09/2023: 11.7%). The main driver of this vacancy rate is the tenant cancellation of the rental space of the department stores' chain real at the DKR locations in Erfurt and Pritzwalk as part of the ongoing liquidation of the insolvent companies. The WALT of the portfolio is 4.4 years as at the reporting date (30/09/2023: 5.0 years). The non-financial performance indicators are therefore slightly below the previous year's level, mainly due to one-off events.

3. Opportunity and Risk Report and Forecast Report

3.1. Opportunity and risk report

Risk management is designed to identify the value creation potential of the Company's business activities and to enable them to be exploited in a manner that results in a sustainable increase in the Company's value. An integral part of this system is a structured, early examination of potentially unfavourable developments and events (risks), which enables the Management Board to take countermeasures in good time before significant damage occurs.

The risk management system of DKR comprises a systematic identification, analysis, assessment and monitoring of significant risks by the Company's Management Board. Considering the manageable business structures and business processes, the degree of formalisation of the risk management system is low. Close involvement of the Management Board in key business transactions and projects ensures ongoing monitoring of the risks involved.

The risk management system used includes the following essential elements:

- a controlling and reporting system that is capable of identifying business failures at an early stage and communicating them to the Company's management;
- a regular or event-related risk inventory;
- the documentation of relevant risks for regular or event-related information to the Company's management;
- a periodic, regular evaluation of the identified risks and the decision on possible countermeasures or the deliberate acceptance of manageable risks by the Management Board;
- an internal control system (ICS) which is geared towards correct and complete accounting and ensures a secure invoice receipt and payment process.

In detail, the essential elements of the risk management system are reflected in the following risk management process:

- a Defining the requirements: The Management Board defines the methodological and substantive requirements for the risk management system, whereby the expectations of the Company are determined, and the risk awareness is strengthened.
- b Risk identification and analysis: All business risks are fully captured, analysed for their causes and effects, assessed and divided into five risk categories. In addition, possible countermeasures are identified.
- c Reporting: The Management Board is informed regularly and at an early stage about all existing risks and possible countermeasures. As part of the reporting cycles, reporting is done on an ad hoc, weekly, monthly or quarterly basis depending on the circumstances and the risk assessment.

- d** Risk management: Based on the decisions on the controlling measures by the Management Board, the identified, analysed and assessed risks are actively responded to in this phase.
- e** Risk controlling: The subject of risk controlling is the methodical and content-related planning, monitoring and controlling of the risk management system by a qualified risk manager. Risk

controlling encompasses all phases of the risk management process and must be regularly adjusted by the Management Board in terms of methodology and content.

The risks are assessed on the basis of defined thresholds with regard to the amount of damage and the probability of occurrence:

EUR million					
Amount of damage	high	> 15.0	medium	medium-high	high
	medium	> 7.5 to 15.0	medium-low	medium	medium-high
	low	≤ 7.5	low	medium-low	medium
			≤ 10%	> 10% to 50%	> 50%
			low	medium	high
			Probability of occurrence		

DKR is exposed to the following risk categories or individual risks that, individually or collectively, may adversely affect the asset, financial and earnings position and the further economic development of the Company:

3.1.1. General, strategic and market-specific risks

a Political, legal and social risks

As the business activities of DKR are regulated by legal framework conditions for real estate, this could be impaired by changes to national and/or European law standards as well as by a changed interpretation or application of existing legal norms. These include, inter alia, tenancy law, public construction law and tax law. Furthermore, political changes can also lead to changes in the legal framework and, thus, also have an indirect impact on the DKR.

Similarly, restrictions due to political measures to combat pandemics could have an impact on the business of tenants and a negative impact on current rental payments.

Political initiatives to achieve a carbon-neutral economy could push the Company to align its strategy more closely with ESG criteria, which may have a negative impact on the acquisition of new properties and the raising of debt capital, or may require increased investment in portfolio properties.

b Economic risks

So far, DKR has achieved its sales exclusively in Germany. In particular, a deterioration in national economic conditions, coupled with an increase in the number of unemployed, may negatively impact rent and price levels and adversely affect the creditworthiness of potential tenants and purchasers of real estate. This can have different regional effects, so that DKR can be affected here. Furthermore, the national economic situation may also depend considerably on international developments.

c Industry risks in the retail sector

The real estate industry is characterised by intense competition from numerous players. In this regard, there is a risk that the competition will lead to increased price pressure when purchasing properties and negotiating leases, resulting in lower margins. This may also adversely affect the situation of DKR's various retail locations by not renewing leases or reducing rents.

Furthermore, the stationary retail sector is subject to significant future changes due to digitisation. Large food retailers and online trading platforms are currently testing caterer services in major cities. If this trend also prevails in the regional DKR locations in the medium to long term, there is a risk that leases will not be extended here.

The Management Board still considers these risks to be low, as the German grocery industry continues to boom and expand, which is concretely reflected in the renewal of a large number of leases at DKR. Furthermore, the Management Board does not see any significant risk to DKR's business activities in the foreseeable future from online delivery services, which are currently neither profitable nor ecologically mature. Moreover, these services are not available at DKR's main investment locations for the foreseeable future.

d Changes in the financing environment/capital market

Of particular importance for the national demand for real estate is the development of interest rates in Germany. An increase in interest rates would make real estate investments more difficult due to growing interest charges. In addition, in this case, the borrowing costs of the loans taken out by the real estate companies would increase.

In addition, rising interest rates could also have a negative impact on property valuations and lead to a devaluation of the property portfolio. This, in turn, could have a negative impact on the perception of the Company on the capital market, complicate refinancing with equity and debt capital, and lead to the fact that covenants agreed in credit agreements or legally stipulated ratios are no longer met.

3.1.2. Company-specific risks

a Risks due to the use of IT

DKR uses current and modern IT applications and is supported by an external system house. In this context, there is basically a risk of total default both at DKR and at the service provider, which could lead to significant disruptions of the business. Furthermore, there is a risk of attacks on the systems of DKR and, thus, the access of unauthorised persons to the data of the Company. The unauthorised access to sensitive company data could lead to a loss of reputation. In addition, financial damage could occur in the form of compensation payments to recover the data.

In order to counteract this, the service provider regularly carries out all necessary operational, administration and maintenance work. All employees are also required to behave appropriately when using the IT.

With the mandatory application of the European General Data Protection Regulation (GDPR), companies were given the responsibility to protect user data. As a result, DKR has to protect stored data against misuse or, in the case of misuse, must send an immediate notification to the persons affected. In the case of infringements, fines may amount to up to 4% of the annual turnover. For this purpose, DKR appointed an external professional data protection officer in good time, who oversees these processes and is available for any doubtful questions.

b Personnel risks

Due to DKR's lean personnel and administrative structure, there is a risk that qualified, high-performing employees and knowledge carriers who are familiar with the Company's internal processes may leave the Company and cannot be replaced within a reasonable time.

c Financial risks

As part of its business activities, DKR is exposed to various financial risks.

General liquidity risks

There are various risks with regard to the Company's liquidity. On the one hand, these can arise as a result of possible rent defaults. In addition, negative liquidity effects may arise in individual cases if rental agreements cannot be extended, resulting in vacancies. In addition, a breach of agreed ratios in loan agreements (covenants) may lead to a special termination by the lending bank and cause an unplanned outflow of liquidity from the loan repayment.

In order to avoid rent losses, the creditworthiness of the potential tenant is regularly checked in connection with the conclusion of rental agreements. Furthermore, liquidity risks are counteracted by extensive liquidity planning instruments, which reflect current business transactions with the planning data both in the short and in the medium term. There is regular liquidity reporting and a liquidity forecast to the Management Board. In addition, as part of a bank reporting, a looming breach of covenants is recognised as early as possible and prevented by suitable measures.

General interest risks

Interest risks exist regarding liabilities due for prolongation or refinancing as well as planned loans to finance real estate portfolios. In order to hedge against adverse effects of changes in interest rates, DKR regularly uses fixed interest rates for financing depending on the market situation and the assessment of market prospects.

Transactions denominated in foreign currency can have negative effects due to changing exchange rates and lead to increasing expenses. However, transactions in foreign currency only take place to an insignificant extent.

General financing risks

Financing risks exist to the extent that borrowing cannot be realised through changing company or market-related developments or only under unfavourable conditions, which could have a negative effect on further acquisition financing or refinancing and the earnings position of DKR. If problems in servicing current loans were to result from this, lenders could arrange for compulsory disposals of real estate collateral. Such distress sales could lead to considerable financial disadvantages for DKR. Due to the stronger orientation of the financial sector towards preferential financing of environmentally friendly and ESG-compliant business models, the raising of further equity capital as well as the refinancing of existing financial liabilities could take place at significantly worse conditions.

To counter these risks, DKR works with various banks and closely monitors the development of the financing market. Short-term financing options are also used in order to secure attractive long-term financing options through planned lease extensions.

Liquidity risks associated with property sales

In the context of property sales, DKR is exposed to the risk of non-payment of agreed purchase prices due to the cancellation of previously concluded sales contracts. This risk exists in particular if maturity conditions or conditions precedent are agreed, the fulfilment of which cannot be brought about or can only be brought about with the cooperation of the Company. As a result, the amount and timing of the cash inflow may be subject to uncertainty. From the Company's perspective, however, there are currently only insignificant risks in this regard.

Liquidity risks in connection with maturing loans and bonds in 2024 and 2025

A significant liquidity risk arises from the maturity and end of the fixed-interest period of several loans and bonds in the 2024 and 2025 financial years. In December 2024, two collateralised loans with a total volume of around EUR 7.2 million will fall due for repayment. In January 2025, two unsecured convertible bonds with a total volume of EUR 16.5 million will mature, provided they are not converted into equity (current convertible liabilities of EUR 36.9 million were recognised as at 30 September 2024. Of this amount, EUR 20.4 million had been converted by the time it was recognised).

In February 2025, a collateralised loan in the amount of around EUR 2 million will mature, while the fixed interest rate on two other collateralised loans with a total volume of EUR 7.2 million will end.

Significant repayment obligations totalling EUR 67 million are due in March 2025. These include two unsecured loans totalling EUR 16 million and one secured loan totalling EUR 37 million. At the same time, the fixed borrowing rate ends for two further collateralised loans with a total volume of EUR 14 million. In September 2025, two collateralised registered bonds with a total volume of EUR 85.9 million will reach maturity. In addition, the fixed interest rate on two collateralised loans with a volume of EUR 8.1 million will expire. A convertible bond in the amount of EUR 10 million will mature in October 2025. Finally, a collateralised loan of EUR 12.1 million will fall due for payment in December 2025. The amount and timing of these maturities, combined with the end of the fixed interest periods, pose a challenge. The company is actively working on securing the necessary liquidity, including the negotiation of new financing, the possible prolongation of existing liabilities and the examination of further measures in order to fulfil its financial obligations on time. If the above plans for bond repayments/extensions and the refinancing of secured and unsecured debt instruments/loans do not materialise for individual instruments, this could result in a liquidity shortfall. In order to repay the liabilities, properties would have to be sold, for which price discounts would have to be factored in in the current difficult market environment or financial instruments would have to be issued at unfavourable conditions. This would possibly have a negative impact on the development of DKR.

Liquidity risks in connection with the outstanding loan receivable from Obotritia Capital KGaA

There are liquidity risks with regard to receivables if the borrowers are unable to make repayments. This relates in particular to the loan receivable from Obotritia Capital KGaA (receivable of EUR 18.4 million as at the reporting date). The total loan receivable from Obotritia Capital KGaA amounts to EUR 53.9 million as at 30 September 2024. EUR 38 million had been paid by the reporting date. As a result, part of the impairment recognised in the previous year in the amount of EUR 28.2 million was reversed in the reporting period and recognised as other operating income, so that the carrying amount of the receivable including interest amounted to EUR 38.0 million (previous year: EUR 18.4 million) as at the reporting date. The remaining receivable totalling EUR 15.9 million is unsecured. As the receivable is still at risk of default, a valuation allowance of EUR 15.9 million is still recognised.

DKR counteracts the default of the loan receivables by monitoring the financial assets very closely. The Management Board is supported in this matter by a specialised law firm.

For information on the loan receivable, please refer to the disclosures on related party transactions in the notes.

d Legal and litigation risks

As part of its business activities, DKR is exposed to the risk of legal disputes and (potential) warranty claims and claims for damages without being able to assert claims against third parties.

Other legal risks, in particular from legal disputes, which could have a significant influence on the economic situation of the Company, do not currently exist - with the exception of the risk mentioned in the following section e).

By going public, the Company must implement the obligations of the German Securities Trading Act WpHG. A breach of statutory provisions, such as the disclosure of transactions subject to disclosure requirements, could lead to penalties and would thus have a negative impact on the financial position. Furthermore, changes in the law and additions to the regulatory environment could increase the expenses for compliance with these provisions. This applies in particular in connection with the secondary listing on the Johannesburg Stock Exchange (JSE). This results in high organisational and information requirements, which are inevitably associated with corresponding costs. This risk is countered by employing an experienced IR manager and external consulting.

e Tax risks

To preserve the REIT characteristics, DKR must comply with the provisions of the REIT Act. Thus, the investment object, the investment volume as well as the business activity are restricted or influenced in particular by the following regulations:

- exclusion of the acquisition of domestic existing residential real estate,
- exclusion of the acquisition of shares in domestic real estate corporations,

- exclusion of real estate trading,
- limitation of the accumulation of reserves,
- only minimal liquidity formation due to the minimum distribution of 90% of the annual result under to commercial law,
- limitation of real estate-related ancillary activities for third parties,
- minimum equity of 45% of immovable assets.

If the legal requirements are not met, DKR is threatened with the loss of tax exemption. This can lead to certain back-dated taxation obligations.

Due to the restrictions of the REIT Act, certain chances or opportunities in the real estate and financing market cannot be exercised or only to a limited extent in individual cases.

Furthermore, the Company may be threatened by (penalty) payments from non-compliance with the provisions of the REIT Act. In accordance with the provisions of the Articles of Association, the Company is also threatened with compensation claims from shareholders in the event of a loss of REIT status due to a breach of the free float ratio of at least 15% and/or the maximum shareholding limit of 10%. The lack of practice in the application of the REIT Act by the competent supervisory and tax authorities could, in disputed individual cases, lead to an unfavourable interpretation of the application of the law or force the Company to adapt to the new legal situation.

Risks with regard to maintaining the REIT status

Since the end of 2022, there is an ongoing dispute with the Potsdam tax office regarding the recognition of DKR's REIT status.

In the summer of 2022, DKR received a preliminary partial report on the tax audit for the years 2014 to 2017 from the Potsdam tax office/ tax audit office of the Königs Wusterhausen tax office. In the opinion of the tax auditors, the required initial free float of 25% pursuant to § 16 of the REIT Act was not present at the time of DKR's IPO on 15 December 2015. Accordingly, there are doubts as to whether DKR obtained REIT status in 2016 or in subsequent years.

The background to this is that DKR's then main shareholder sold shares to third parties prior to the stock exchange listing in order to achieve the free float ratio of 25% required under the REIT Act and to meet the stock exchange's requirements regarding free float. As a result, the listing of the Company was achieved at the end of 2015 and the REIT status was granted as of 2016. The tax authorities now doubt the economic transition of the sale of shares to achieve the minimum free float ratio and accuse DKR of circumventing the REIT status by selling the shares to third parties.

Subsequently, DKR lodged an appeal against all tax assessments received from the tax authorities and filed an application for suspension of enforcement, which was rejected by the tax authorities as expected. DKR then filed an action for suspension of enforcement ("AdV") before the responsible Potsdam Fiscal Court. In July 2023, DKR was informed by the Potsdam Fiscal Court that DKR's action for suspension of enforcement had been dismissed in the relevant proceedings. The tax court did not allow an appeal.

In the previous year, DKR initially had to make back payments of income tax for the years 2016 to 2021 (EUR 9.8 million) and advance tax payments for 2022 (EUR 3.2 million). Following the completion of the tax audit for the years 2014 to 2017, back taxes for this audit period totalling TEUR 206.9 were paid in the current financial year and tax provisions for back trade tax payments of TEUR 794.3 were recognised, which were settled at the beginning of the following financial year. In addition, the tax liabilities recognised as income tax liabilities in previous years for the assessment periods 2018 to 2022 were settled in the reporting period (EUR 8.4 million). Following the conclusion of the tax audit, a follow-up audit was initiated by the tax authorities for the years 2018 to 2021. As a result of the ongoing follow-up audit for the years 2018 to 2021, provisions of TEUR 5,992.2 were recognised in profit or loss as at the balance sheet date for income taxes that may have to be paid in arrears for earlier assessment periods. No tax provisions had to be recognised for the assessment years 2023 and 2024 due to losses carried forward and the transfer of capital gains to an investment reserve. The application to reduce the assessment to EUR 0 for 2023 was approved by the tax authorities.

Regardless of the outcome of the AdV proceedings, DKR is also taking legal action in the main case against the decisions of the tax authorities. However, DKR does not expect a decision regarding the REIT status challenged by the Potsdam tax authorities in the higher-instance proceedings until several years have passed.

By the date of preparation of this report, DKR had paid all tax arrears in accordance with the agreements reached with the relevant tax office.

The Company therefore considers the risk from the remaining outflow of funds for the remaining arrears tax payments and the current tax payments resulting from the tax office's cancellation of the tax exemption to be manageable. However, the continuation of the REIT litigation gives rise to further cost and legal risks, as this is an area of law in which there is as yet no case law and it is therefore difficult to estimate the further course and prospects of success of the litigation.

Due to the current legal uncertainty with regard to maintaining REIT status, the Management Board has decided to prepare the annual financial statements as at 30 September 2024 for reasons of prudence in such a way that the withdrawal of the tax exemption from the perspective of the tax authorities is taken into account. Accordingly, DKR is recognising tax liabilities for the first time in order to present all risks in the annual financial statements.

There is also a risk with regard to the equity requirement of Section 15 of the REIT Act of at least 45%. This requirement was not met as at 30 September 2023 and is not met as at 30 September 2024. If the requirements of Section 15 of the REIT Act are not met for three consecutive years, the tax exemption would end at the end of the third financial year in accordance with Section 18 (4) of the REIT Act. There is therefore a risk of loss of REIT status due to a shortfall in the equity ratio.

f Pandemic risks

A pandemic risk has existed worldwide since the coronavirus outbreak in December 2019. Progressive vaccinations and a weakened infection rate reduce the need for stricter measures and significantly reduce the risk. Such pandemic-related crises pose a significant risk to the existence of many companies. Thus, due to the three government-imposed lockdowns in Germany so far, large parts of the German retail sector in particular have been

affected by closures and massive sales losses. Despite massive state aid, the lockdowns threatened the existence of many German retailers, which indirectly also affected the retailers' landlords through the loss of rent payments.

Excluded from the lockdowns were the system-relevant retail sectors such as food retailers, drugstores, pharmacies, etc., which serve to locally supply the population with the goods and services of daily use, which can largely operate their business normally despite the pandemic and whose rent payments to the landlords are therefore not questionable. These include a large proportion of DKR's tenants, as DKR's investment approach has focused on precisely these non-cyclical (system-relevant) local supply properties since its foundation. In this respect, DKR basically counters a pandemic risk through its defensive and system-relevant tenant mix as one of the essential investment criteria when acquiring a property.

g Outsourcing risks

The decision to use third-party administrators for both technical and commercial property management is accompanied by the risk of poor management and loss of data. DKR counters this by regularly monitoring the activities of the external service providers. Essential measures such as the extension of existing and the conclusion of new rental agreements as well as the implementation of maintenance and modernisation measures are always implemented in consultation with and approved by the Management Board.

3.1.3. Property-specific risks

a Investment risk of the individual property

The further growth of the Company is decisively dependent on the selection and acquisition of suitable real estate. This involves the risk of misjudging or failing to recognise the structural, legal, economic and other encumbrances of the properties to be purchased. In addition, the assumptions made in relation to the earnings potential of the real estate may subsequently prove to be partially or fully inaccurate. In particular, false assessments about the attractiveness of the property location and other factors relevant to the tenants' or buyers' decisions could mean that the management of the property in question does not lead to the expected results.

These property-specific risks are counteracted by an in-depth review of the properties concerned. In the context of the property assessment, among other things, the anticipated redevelopment, maintenance and modernisation needs are determined, and the earnings value and the basic debt servicing capacity are examined according to bank-conforming standards.

b Inventory, valuation and environmental risks

The Company holds real estate portfolios in order to generate the most stable cash flows possible from the management of these portfolios over a longer period of time. While the properties are in the Company's portfolio, different inventory and valuation risks may manifest themselves, which could lead to losses in value for the Company. For example, the social structures of a location may deteriorate after the acquisition of properties by DKR and subsequently have a negative impact on letting activities as well as the achievable rental income.

In addition, the real estate portfolios held by the Company may experience excessive wear and tear, which may require maintenance and revitalisation measures earlier or to a greater extent than originally planned. Furthermore, it may also turn out that the structures have an initially unexpected need for renovation, which leads to additional costs for the Company without these initially being offset by corresponding additional income.

In connection with these risks, but also due to other factors such as unexpected competitors in the immediate vicinity of the site, vacancies may increase and result in lower rental income coupled with higher leasing expenses. In addition to negative effects on the current operating income and expenses of the Company, these risks may also have a negative impact on the valuation of the properties held by DKR and thus on the Company's result.

Political initiatives to achieve a carbon-neutral economy may prompt the company to align its strategy more closely with ESG criteria, which may have a negative impact on the acquisition of new properties and the raising of debt capital or may necessitate increased investment in existing properties. There is also a risk that properties that do not become carbon neutral within a certain period of time will become stranded assets, which will have significant valuation discounts.

In case contaminated sites and other building, soil and environmental pollution are identified, the Company could be obliged to take elaborate and cost-intensive measures to remove them.

The property portfolio, valuation and environmental risks for the respective locations have been countered in the past and will continue to be countered with the measures described under a).

In addition, as with all assets, there is basically the risk of destruction of individual objects due to force majeure or natural hazards. These risks are countered by insurance cover.

c Letting risk

There is a risk that changes in supply and demand on the letting market and deterioration in the competitiveness of individual properties in their respective local market environment will have a direct negative impact on DKR's rental income and on the development of vacancies in the Company's real estate portfolio. Moreover, this can incur additional costs that cannot be allocated to the tenants.

These risks are countered by active asset and property management, which initially includes a permanent analysis of the letting market and tenant needs. Furthermore, this includes professional letting management as well as ongoing maintenance, refurbishment and modernisation measures, which ensure the attractiveness and, thus, the competitiveness of the locations.

d Construction risk

If structural measures are required on the properties, there is a risk that the construction costs considerably exceed the target values. This risk is countered by a detailed planning of the construction costs and tight monitoring of these costs.

Uncertainties may also contribute to the construction risks as to whether, when and under what conditions and/or secondary conditions the building permits for the projects are granted. For example, the Company sometimes relies on the discretion of individual authorities, and even disputes with residents and people living in the vicinity of the buildings can significantly delay or adversely affect the granting of permits. Any of these circumstances can lead to planned building work not being able to be carried out at the assumed costs, not within the planned timeframe or not at all. These risk factors are examined in detail in advance of individual construction measures.

e Risk of rising operating costs

Rising energy prices and raw material costs could lead to an increase in ongoing operating costs. This can have a negative impact on the Company's result, especially if DKR is not or only partially able to pass on the operating costs to the tenants due to lease agreements.

Internal control system and risk management system regarding the accounting process

The accounting-related internal control system at DKR was implemented with the aim of ensuring adequate assurance with respect to full and accurate annual financial statements by establishing appropriate control mechanisms within the internal and external accounting and reporting process.

At least once a quarter, the Company receives property and portfolio information from its contracted service providers according to its specifications, informing DKR of important, contractually relevant and, if applicable, deviations from the planning. The evaluations are analysed and checked for plausibility and examined for identifiable risks. Recognised risks are assessed and included in the regular or ad hoc risk reporting to the Supervisory Board.

The accounting-related risk management system of DKR aims to reduce the risk of material errors or inappropriate presentation of the asset, financial and earnings position. For this purpose, the underlying data are regularly mirrored analytically based on expected values. The service provider commissioned for significant parts of the accounting process of the Company is kept informed closely and continuously about the current business development. The services include the fulfilment of the accounting obligations in accordance with the German Commercial Code as well as the assumption of payment transactions, the preparation of profit and loss accounts, account analyses, monthly sales tax pre-notifications as well as business analyses and the quarterly preparation of interim financial statements according to HGB (German Commercial Code) and IFRS as well as property and portfolio information. The accounting process is monitored by both service providers and the Company through an internal control system that ensures the regularity of accounting and compliance with legal requirements. DKR was convinced of the professional-qualitative and capacitive suitability of the service providers and employees involved in the accounting process and the appraisal reports. In view of the still small size of the Company, DKR has so far refrained from setting up an internal audit.

Other influences

In addition to the risks mentioned, there are general influences that are unpredictable and, thus, difficult to control. These include, for example, political changes, social influences and risk factors such as natural disasters or terrorist attacks. Such influences could have negative effects on the economic situation and indirectly affect the further economic development of DKR.

Assessment of the overall risk

Despite the current rather negative economic outlook due to inflation and the massive change in the interest rate environment, the Management Board continues to classify the overall risk situation with regard to DKR's operating activities as moderate, as the business model as such is relatively non-cyclical and therefore independent of the economy.

If the above plans for bond repayments/extensions and the refinancing of secured and unsecured debt instruments/loans do not materialise for individual instruments or as a whole, this could result in a liquidity shortfall. In order to repay the liabilities, properties would have to be sold, for which price discounts would have to be factored in in the current difficult market environment or financial instruments would have to be issued at unfavourable conditions. This would possibly have a negative impact on the development of DKR.

Interest rate risks continue to be very present due to the significant rise in interest rates. Significantly higher interest expenses must be expected for new financing or the refinancing of older expiring loans, which will have a negative impact on FFO.

In addition, the fact that the Potsdam tax office has practically revoked the income tax exemption means that ongoing corporation and trade tax (advance) payments are to be expected in future, which will have a negative impact on liquidity during the year.

As a result of the latest devaluation of the property portfolio due to current market conditions, the loan-to-value ratio will be above 50% in the short to medium term.

Chances of future development

As a result of the rise in interest rates, there is currently a strong increase in sentiment on the property market for potential purchase properties at attractive yields. Once DKR has resolved the pending refinancing issues, there will tend to be attractive acquisition opportunities for renewed growth.

3.2. Forecast Report

The following statements on the future business performance of DKR are based on the estimates of the Management Board. The assumptions made are currently considered realistic based on the information available. In principle, however, forward-looking statements involve a risk that developments will not actually occur in their tendency or magnitude.

Forecast for the financial year 2024/2025

In view of the ongoing economic and geopolitical upheavals, the new financial year 2024/2025 will probably continue to be characterised by the ECB's interest rate policy, as this will influence both the further level of inflation, the economic outlook and directly the financing costs of DKR. Interest rate cuts in the near future would give the property sector more stability again in terms of both future value development and interest costs.

In the 2024/2025 financial year, the operational focus will be on vacancy reduction, efficient portfolio management and the realisation of savings potential, streamlining the portfolio by selling properties with below-average operating margins and the completion

of revitalisation measures for individual properties that are currently still being implemented. On the financing side, the repayment of outstanding registered bonds and bond liabilities has high priority. In addition, significantly higher interest rates are expected for new loans and refinancing, which will lead to a gradual increase in average borrowing costs. The target corridor for the LTV leverage ratio remains at around 50%.

Based on the current planning for the 2024/2025 financial year, the Management Board expects a decline in rental income to a range between EUR 66 million and EUR 71 million due to selective property sales. A slight decline is forecasted for FFO, although a precise forecast is not possible due to uncertainties regarding the further development of interest rates.

In its planning, the Management Board also takes into account potential property sales whose realisation cannot be planned in concrete terms.

Furthermore, the Management Board assumes that the portfolio's vacancy rate and the weighted average remaining term of fixed-term rental agreements (WALT) for the entire portfolio will be at a similar level as in the past years at the end of the 2024/2025 financial year.

For the 2024/2025 financial year, the Management Board also sees additional potential to optimise the operating business through structural measures and process improvements. In addition to cost savings, this can also realise synergies and efficiencies in the course of business.

4. Dependency Report and overall assessment

There was no controlling influence by other companies in the 2023/2024 reporting year, meaning that no dependent company report was prepared

Photo: Local retail centre Kolumbuspassage
Kolumbusring 58, 18106 Rostock



5. Takeover-relevant information

in accordance with § 289a HGB

Composition of the share capital, voting rights and special rights

The share capital of the Company is divided into 35,155,938 no-par-value bearer shares. As of the balance sheet date, the Company holds no treasury shares. All shares have the same rights and obligations. Each share represents one vote in the Annual General Meeting. The shares may be freely transferred in accordance with the legal provisions applicable to bearer shares. No shares were issued with special rights conferring control powers. Insofar as employees are involved in the Company, they directly exercise their control right.

Shareholdings of 10% or more of the voting rights

No shareholder may hold 10% or more of the shares or voting rights directly in accordance with § 11 (4) REITG (maximum participation limit). In the event that the maximum participation limit is exceeded, the shareholder concerned must provide evidence of the reduction of his direct participation in an appropriate form within two months of the request of the Management Board. A continued breach of the maximum participation limit may, according to the Articles of Association, result in the transfer without compensation of the shares in excess of the maximum participation limit or in the compulsory collection of such shares without compensation. As of the balance sheet date, no shareholder holds 10% or more of the voting rights.

Authorisation of the Management Board to acquire own shares and to issue new shares

Authorised capital

By resolution of the Annual General Meeting on 11 March 2021, entered in the Commercial Register on 11 June 2021, the Management Board was authorised, with the approval of the Supervisory Board, to increase the share capital of the Company on one or more occasions by up to a total of EUR 17,577,969.00 (Authorised Capital 2021/I) by issuing new no-par value bearer shares against cash or non-cash contributions until 10 March 2026. The shareholders are generally to be granted a subscription right within the scope of the authorised capital. However, the Management Board is authorised, with the approval of the Supervisory Board, to exclude the subscription rights of shareholders in certain cases, in whole or in part, in accordance with the resolution. The Authorised Capital 2020/I was cancelled.

Conditional capital

Also by resolution of the Annual General Meeting on 11 March 2021, the Management Board was authorised, with the revocation of the authorisation to issue bonds with warrants and/or convertible bonds resolved by the Annual General Meeting on 5 March 2020, to issue bearer bonds with warrants and/or convertible bonds (together "bonds") on one or more occasions up to 10 March 2026, with the approval of the Supervisory Board, with or without a limited term, and to grant or impose option rights or obligations on the holders or creditors of bonds with warrants, and conversion rights or obligations on the holders or creditors of convertible bonds for bearer shares in the Company with a proportionate amount of the share capital of EUR 1.00 each, in accordance with the more detailed provisions of the terms and conditions of the bonds. They may also be issued by a subordinated Group company of the Company. The shareholders are generally to be granted subscription rights. However, the Management Board is authorised, with the approval of the Supervisory

Board, to exclude the subscription rights of shareholders under certain conditions. Further details can be found in the announcement in the Federal Gazette.

The share capital was conditionally increased by up to EUR 9,377,969.00 by resolution of the Annual General Meeting on 13 July 2023 (amending the resolution on the conditional capital increase of the Annual General Meeting on 11 March 2021) by issuing up to 9,377,969 new no-par value bearer shares with dividend rights from the beginning of the financial year in which they are issued (Conditional Capital I). Otherwise, the conditions of the Conditional Capital I resolved by the Annual General Meeting on 11 March 2021 remain unchanged. Conditional Capital I serves to grant shares to the holders of the bonds issued or guaranteed in accordance with the authorisation resolved by the Annual General Meeting on 11 March 2021.

The company's share capital was also conditionally increased by resolution of the Annual General Meeting on 13 July 2023 (amending the resolution of the Annual General Meeting on 5 March 2020) by up to EUR 8,200,000.00 by issuing up to 8,200,000 new no-par value bearer shares with dividend rights from the beginning of the financial year in which they are issued (Conditional Capital II). Otherwise, the conditions of the Conditional Capital II resolved by the Annual General Meeting on 5 March 2020 remained unchanged. The conditional capital increase serves to grant shares to the holders of the 2015/2025 convertible bonds, which were issued by the company on 30 January 2015 in two tranches with a total volume of EUR 37,000,000.00 on the basis of the authorisation granted by the Annual General Meeting on 30 January 2015 and have a term until 30 January 2025. Further details on the conditional capital can also be found in the announcement in the Federal Gazette.

Repurchase of treasury shares

By resolution of the Annual General Meeting on 11 March 2021, the Management Board was authorised until 10 March 2026 to acquire treasury shares totalling up to 10% of the share capital existing

at the time of the resolution or – if this amount is lower – of the share capital existing at the time of the respective exercise of this authorisation for any permissible purpose within the framework of the statutory restrictions. The previous authorisation to acquire treasury shares dated 20 April 2016 was cancelled.

The treasury shares may be acquired at the discretion of the Management Board via the stock exchange or by means of a public purchase offer addressed to all shareholders. The consideration to be paid per share (excluding incidental acquisition costs) may not be more than 10% higher or lower than the average of the last share prices (closing prices) of the Company's share in XETRA trading on the Frankfurt Stock Exchange on the last ten trading days prior to the conclusion of the purchase obligation transaction or the date of publication of the offer.

Amendments to the Articles of Association

Amendments to the Articles of Association require a resolution by the Annual General Meeting. However, in accordance with Article 18 of the Articles of Association, the company's Supervisory Board is authorised to adopt amendments that only affect the wording. Resolutions of the Annual General Meeting on amendments to the Articles of Association require the majority of three quarters of the share capital represented at the time the resolution is passed, as stipulated in the German Stock Corporation Act.

Appointment and revocation of members of the Management Board

The determination of the number as well as the appointment of the ordinary members of the Management Board and Deputy Management Board members, the conclusion of the employment contracts and the revocation of the appointment are made by the Supervisory Board.

6. Corporate Governance Statement

in accordance with § 289f HGB

On 16 December 2024, the Management Board of Deutsche Konsum REIT-AG issued a Corporate Governance Statement in accordance with § 289f of the German Commercial Code (HGB) and made it available on the website www.deutsche-konsum.de/en in the Investor Relations section under Corporate Governance/ Corporate Governance Statement.

Potsdam, 16. Dezember 2024
Deutsche Konsum REIT-AG



Alexander Kroth
Member of the
Management Board (CIO)



Kyrill Turchaninov
Member of the
Management Board (CFO)



Kirschberg
Einkaufs-Center

REWE

REWE

REWE

Financial Statements



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**Photo: Local retail centre
Kirschberg-Center**
Wilhelm-Külz-Strasse 8, 06679 Hohenmölsen

Balance sheet

as at 30/09/2024

TEUR	Notes	30/09/2024	30/09/2023
Assets			
Non-current assets			
Investment properties	2.1.	860,963.5	989,013.9
Tangible assets	2.3.	911.4	954.1
Other non-current assets	2.5.	10.1	0.0
		861,885.0	989,968.0
Current assets			
Trade and other receivables	2.4.	2,392.1	2,721.5
Income tax refund claims		599.7	0.0
Other current assets	2.5.	53,886.0	26,205.1
Cash and cash equivalents	2.6.	1,407.3	4,933.6
		58,285.0	33,860.2
Non-current assets held for sale	2.7.	25,211.9	6,350.0
Total assets		945,382.0	1,030,178.2
Equity and liabilities			
Equity			
Issued share capital	2.8.	35,155.9	35,155.9
Capital reserve	2.8.	197,141.6	197,141.6
Other reserves	2.8.	723.4	723.4
OCI (Other comprehensive income)	2.8.	0.0	0.0
Retained earnings	2.8.	85,346.3	83,378.6
		318,367.3	316,399.5
Non-current liabilities			
Financial liabilities	2.9.	272,377.4	378,298.9
Convertible bonds	2.10.	10,071.5	36,763.6
Corporate bonds	2.11.	30,816.6	71,051.9
Other provisions	2.12.	3.5	3.5
Other non-current liabilities	2.13., 2.17.	11,877.1	12,057.6
Deferred tax liabilities	2.16.	41,203.3	31,703.7
		366,349.3	529,879.2
Current liabilities			
Financial liabilities	2.9.	98,247.0	45,117.2
Liabilities to other creditors		0.0	0.0
Convertible bonds	2.10.	36,920.5	0.0
Corporate bonds	2.11.	95,844.7	106,835.0
Tax provisions	2.12.	9,908.7	8,122.8
Other provisions	2.12.	4,445.0	5,422.9
Trade payables	2.15.	5,449.2	9,301.1
Ertragssteuerschulden	2.16.	794.3	5,318.0
Other current liabilities	2.14., 2.18.	3,850.7	3,782.4
		255,460.2	183,899.5
Financial liabilities regarding non-current assets held for sale		5,205.2	0.0
Total equity and liabilities		945,382.0	1,030,178.2

Statement of comprehensive income

TEUR	Notes	01/10/2022 – 30/09/2023	01/10/2022 – 30/09/2023
Rental income	3.1.	77,437.6	79,722.2
Income from operating and ancillary costs	3.1.	19,943.3	16,381.1
Operating expenses	3.1.	–49,365.0	–47,854.5
Net rental income		48,015.9	48,248.8
Proceeds from the disposal of properties	3.2.	89,783.0	9,850.0
Expenses on the sale of properties	3.2.	–89,929.8	–10,058.6
Valuation changes of sold properties	3.2.	–3,293.8	200.0
Net proceeds from the disposal of properties		–3,440.6	–8.6
Other income	3.3.	29,716.5	603.8
Revaluation gains		12,860.3	10,238.1
Revaluation losses		–42,995.9	–123,766.5
Gains/losses from the revaluation of investment properties	3.4.	–30,135.5	–113,528.4
Subtotal		44,156.3	–64,684.3
Personnel expenses	3.5.	–1,382.3	–1,145.9
Depreciation and amortisation of tangible and intangible assets	2.3.	–131.4	–59.9
Impairment loss of inventories and receivables	3.6.	–1,226.4	–46,600.2
Other administrative expenses	3.7.	–4,322.1	–4,404.9
Administrative expenses		–7,062.2	–52,210.8
EBIT		37,094.1	–116,895.2
Interest income	3.8.	3,427.5	4,725.8
Interest expense	3.8.	–23,795.1	–18,613.3
Financial result		–20,367.6	–13,887.5
EBT		16,726.5	–130,782.7
Income tax	3.9.	–14,758.3	–50,208.9
Other tax	3.10.	–0.4	–0.4
Net income		1,967.7	–180,992.0
Earnings per share (in EUR)	3.10.		
Undiluted earnings per share		0.06	–5.15
Diluted earnings per share		0.06	–3.58
Other comprehensive income			
Net income		1,967.7	–180,992.0
Items reclassified to profit or loss			
Impairment of acquired loans	3.6.	0.0	3,247.0
Change in fair value of loans	3.6.	0.0	–2,892.5
Fair value change on acquired loans reclassified to profit or loss	3.6.	0.0	–354.5
Subtotal		0.0	0.0
Total other comprehensive income		0.0	0.0
Total comprehensive income		1,967.7	–180,992.0

Cash flow statement

TEUR	Notes	01/10/2023 – 30/09/2024	01/10/2022 – 30/09/2023
Period result		1,967.7	–180,992.1
+/- Interest expense/interest income	3.8.	20,367.6	13,887.5
+/- Depreciation, amortisation and write-downs/reversals of intangible assets, tangible assets and financial assets		131.4	59.9
+ Impairments on inventories and receivables	3.3+3.6	–26,968.5	46,600.3
–/+ Gains/losses from the revaluation of investment properties	3.4.	30,135.5	113,528.4
–/+ Gains/losses on disposal of investment properties	3.2.	3,440.6	8.6
+/- Increase/decrease in provisions	2.12.	–978.0	1,833.4
+/- Income tax expense/income Actual income taxes	2.12.	5,258.7	18,505.2
+/- Income tax expense/income Deferred income taxes	2.14.	9,499.6	31,703.7
– Income taxes paid		–8,596.1	–4,816.4
–/+ Increase/decrease in inventories, trade receivables and other assets not attributable to investing or financing activities	2.4., 2.5.	–7,337.6	–425.6
+/- Increase/decrease in trade payables and other liabilities not attributable to investing or financing activities	2.13., 2.15.	–3,795.4	1,739.6
Cash flow from operating activities		23,125.6	41,632.3
+ Cash receipts relating to disposals of investment properties	3.2.	88,655.9	9,641.4
– Cash payments related to property investments	2.1.	–13,638.4	–74,139.6
+ Cash receipts related to disposals of tangible assets		0.3	0.0
– Cash payments related to other investments in intangible and tangible assets	2.2., 2.3.	–134.0	–187.0
+ Cash receipts from the investment of cash funds for short-term cash management	2.5.	8,576.3	77,583.4
– Cash payments related to short-term cash investments	2.5.	0.0	–30,756.9
+ Proceeds from the disposal of other non-current assets held for sale		4,074.2	0.0
+ Interest received	3.8.	3,161.9	335.1
Cash flow from investing activities		90,696.2	–17,523.6
+ Proceeds related to the issue of corporate bonds		9,850.0	0.0
– Costs related to the issue of corporate bonds		–145.4	0.0
– Cash payments for the repurchase of corporate bonds		145,900.0	0.0
– Costs related to the repurchase of corporate bonds	2.11.	–1,246.9	0.0
– Auszahlungen für den Rückkauf von Unternehmensanleihen	2.11.	–195,900.0	–4,100.0
– Kosten im Zusammenhang mit dem Rückkauf von Unternehmensanleihen			–59.4
+ Proceeds from borrowings	2.9.	13,361.5	88,045.0
– Cash payments related to the issue of borrowings		–55.8	–520.7
– Amortisation of loans	2.9.	–65,451.8	–84,843.6
– Interest paid	3.8.	–23,659.6	–18,304.7
– Dividends paid to shareholder of the parent company		0.0	0.0
– Dividend distribution	2.9.	0.0	–4,218.7
Cash flow from financing activities		–117,348.0	–24,002.1
Change in cash and cash equivalents		–3,526.3	106.5
Cash and cash equivalents at the beginning of the period	2.6.	4,933.6	4,827.0
Cash and cash equivalents at the end of the period	2.6.	1,407.3	4,933.6

Statement of changes in equity

TEUR	Notes	Issued share capital	Capital reserve	Other reserves	OCI	Retained earnings	Total equity
As at 01/10/2022		35,155.9	197,141.6	723.4	0.0	281,278.7	514,299.6
Period result						-180,992.1	-180,992.1
Addition / Withdrawal from reserves	2.9.4					-12,689.3*	-12,689.3
Dividend distribution	2.9.4					-4,218.7	-4,218.7
As at 30/09/2023		35,155.9	197,141.6	723.4	0.0	83,378.6	316,399.5
As at 01/10/2023		35,155.9	197,141.6	723.4	0.0	83,378.6	316,399.5
Period result						1,967.7	1,967.7
Dividend distribution						0.0	0.0
As at 30/09/2024		35,155.9	197,141.6	723.4	0.0	85,346.3	318,367.3

* In accordance with the resolution of the Annual General Meeting on 13 July 2023, part of the previous year's net income was transferred to reserves and at the same time used for new investments in the financial year.



Notes

Deutsche Konsum REIT-AG, Broderstorf

Notes for the financial year from 1 Oktober 2023 to 30 September 2024

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Photo: Discounter
Teplitzer Straße 40, 09623 Frauenstein

1. General information

1.1. Deutsche Konsum REIT-AG

Deutsche Konsum REIT-AG (hereinafter referred to as “DKR” or “the Company”) is a portfolio holder specialising in German retail properties for daily needs with its registered office in Broderstorf. The objective of the Company is the purchase and long-term holding and leasing of retail properties in Germany. If there are lucrative offers, the sale of properties is examined and carried out if necessary. In individual cases, a property may also be sold. DKR is registered in the Commercial Register of the Local Court of Rostock under HRB 13072. The registered office is Marlene-Dietrich-Allee 12b in 14482 Potsdam.

The DKR share (ISIN DE000A14KRD3) has been listed since 15 December 2015 and quoted in the Prime Standard of Deutsche Börse AG since 3 March 2017 as well as on the JSE (Johannesburg Stock Exchange – South Africa) by way of a secondary listing since 8 March 2021. As of 1 January 2016, the Company has the status of a REIT (Real Estate Investment Trust) and is, therefore, in principle exempt from income tax at company level. However, in the course of the ongoing proceedings with the tax authorities (see the comments in the Management Report), the Company has decided, for reasons of prudence, to prepare these financial statements taking full account of tax effects.

The individual financial statements of DKR, as of 30 September 2024, were set up on 16 December 2024. The Supervisory Board is expected to approve the individual financial statements in its meeting on 17 December 2024. The IFRS individual financial statements were prepared voluntarily based on the stock exchange listing.

1.2. Basics of the individual financial statements

The individual financial statements as of 30 September 2024 have been prepared in accordance with

International Financial Reporting Standards (IFRS) as adopted by the EU. In addition, the commercial law provisions of § 315e(1) HGB were applied.

All relevant and for the financial year mandatory standards and interpretations have been considered.

The reporting period covers the time range from 1 October 2023 to 30 September 2024. The comparative figures are the balance sheet as of 30 September 2023 and the statement of comprehensive income for the period from 1 October 2022 to 30 September 2023.

The individual financial statements comprise the components balance sheet, statement of comprehensive income, statement of changes in equity, cash flow statement and notes and are prepared in euros (EUR). All amounts are generally shown in thousands of euros (TEUR) (exceptions are indicated), which may result in rounding differences. Transactions in foreign currencies are translated at the exchange rate at the time of the transaction. Any resulting gains or losses are recognised in the income statement as other operating income or expenses.

The Company is currently a single-segment Company. Sales are generated exclusively with customers domiciled in Germany in the commercial property sector and, to a very small extent, with residential properties. All properties are located in Germany, there is no differentiation of geographical areas in the internal management; various services are not provided.

In the financial year, revenues amounted to TEUR 187,163.9 (previous year: TEUR 105.953,3), of which TEUR 89,783.0 (previous year: TEUR 9,850.0) is attributable to income from the sale of properties. A significant portion of the revenues of letting is generated via the existing rental agreements with the Schwarz Group, Neckarsulm (“Kaufland” and “Lidl”) in the annualised amount of approximately EUR 11.4 million (previous year: EUR 11.7 million)

and the EDEKA Group, Hamburg (“Edeka”, “NP”, “Netto”, “Diska”, “Trinkgut”) in the annualised amount of approximately EUR 7.7 million (previous year: EUR 8.7 million).

All income and expenses as well as all assets and liabilities can be found in the overall financial statements. The annual financial statements were prepared under the going concern assumption. Further information can be found in Chapter 5.1.2 Liquidity and financing risk.

The statement of comprehensive income was prepared according to the total cost method.

1.3. Key discretionary decisions and estimates

In applying the accounting policies, the Management Board made the following discretionary decisions that materially affect the amounts in the individual financial statements:

- With regard to the real estate held by the Company, the Management Board must decide at each reporting date whether it is to be held long-term for rental or capital appreciation purposes or for sale. Depending on this decision, the properties are accounted for in accordance with the principles for investment properties, as land held for sale with unfinished and finished buildings (inventories) or as non-current assets held for sale and measured at (amortised) cost or fair value according to the classification.
- In assessing the term of leases, management considers all facts and circumstances that provide an economic incentive to exercise renewal options

or not to exercise termination options. Any resulting changes in the term of the lease are only included in the term of the agreement if there is sufficient certainty that they will be exercised. Further details are provided in Chapter 6.2.

- Discretionary scope also arises in determining the timing of revenue recognition and deciding whether DKR will act as principal or agent in operating and ancillary costs in accordance with IFRS 15. Pursuant to IFRS 15 “Revenue from Contracts with Customers”, revenue is realised when the customer receives the power over the agreed goods and services. In the case of real estate sales this takes place with the transfer of benefits and encumbrances. The Company mainly acts as principal in operating and ancillary costs, as it provides the services itself and bears the responsibility for their fulfilment. For further information please refer to Chapter 1.5.11.

The Company makes estimates and assumptions concerning the future. The derived estimates may of course differ from the later actual conditions. The company’s fair value measurements as at 30 September 2024 contain significant valuation uncertainties due to market fluctuations as a result of the Ukraine conflict, higher interest rates, high energy costs and the sharp rise in inflation. These conditions do not invalidate the valuation, but imply a significantly higher level of uncertainty than under normal market conditions. In view of this uncertainty, the Notes contain a sensitivity analysis of the assumptions used in the valuation of the investment properties. The estimates and assumptions that involve significant risk in the form of a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

- The market values of the investment properties are based on the results of independent experts appointed for this purpose. The valuation is based on the discounted cash flow method on the basis of expected future cash inflows. Accordingly, factors such as future rental income and applicable interest rates are estimated by the Company in collaboration with the appraiser, which directly affect the fair value of the investment properties. The fair values of investment properties, including those reported under IFRS 5, amounted to TEUR 886,175.5 as of the balance sheet date (previous year: TEUR 995,363.9).
- As part of the review of financial assets, at the end of each financial year, the carrying amounts (amortised cost or fair value) with which the other financial assets are recognised are compared with the fair values. The appropriateness of the valuations is assessed on the basis of the information available to the borrowers and adjusted by estimated default rates. If there are foreseeable reductions in the fair values, appropriate impairments are made to the carrying amounts. The carrying amount of financial assets, recognised in non-current financial assets, trade receivables and other current assets, amounted to TEUR 52,837.1 as at the reporting date (previous year: TEUR 31,920.7) and relates mainly to receivables from tenants and receivables from loans to shareholders. For further information, please refer to section 2.5 Other current and non-current assets and 3.6 Value adjustments of inventories and receivables.
- For provisions and contingent liabilities, various assumptions have to be made, e.g. with regard to the probability of occurrence and the amount of utilisation. All information available at the time the balance sheet was prepared was considered. The amount of provisions at the balance sheet date was TEUR 14,357 (previous year: TEUR 13,549.2), of which TEUR 9,908.7 (previous year: TEUR 8,122.8) was accounted for by provisions for income taxes.
- In view of the completed tax audit of the 2014–2017 and the ongoing follow-up audit for the years 2018 to 2021 by the tax authorities, there are uncertainties regarding the continuation of the business in the legal form of a REIT-AG. To reflect this, the annual financial statements have not been prepared in accordance with the REIT Act in terms of tax aspects. Although Deutsche Konsum continues to assume that the legal interpretation of the tax authorities is incorrect, in view of a legal dispute that could potentially last for years, DKR nevertheless considers it appropriate to take full account of tax aspects when preparing the financial statements for reasons of prudence. In this context, deferred taxes were also recognised. As at the balance sheet date, provisions for income taxes totalled TEUR 9,908.7 (previous year: TEUR 8,122.8) and income tax liabilities amounted to TEUR 794.3 (previous year: TEUR 5,318.0). For further information, please refer to section 3.9 and section 6.1.

1.4. Application of IFRS in financial year 2023/2024

DKR continued to apply the accounting and valuation methods and disclosure requirements that were

applied in the previous year as far as no new standards or interpretations were required to be applied.

The following new standards, changes to standards and new interpretations were applied by DKR for the first time in the year under review:

EU Endorsement	Standard	Content	First-time adoption mandatory for financial years beginning with	Effect on the financial statements of DKR
08/11/2023	Amendments to IAS 12	Income taxes Pillar 2 model	01/01/2023	None
08/09/2022	Amendments to IFRS 17	First-time application of IFRS 17 and IFRS 19	01/01/2023	None
11/08/2022	Amendments to IAS 12	Deferred taxes from a single transaction	01/01/2023	None
02/03/2022	Amendments to IAS 1	Disclosure of accounting and valuation principles	01/01/2023	No significant ones
02/03/2022	Amendments to IAS 8	Changes in estimates and errors	01/01/2023	No significant ones
19/11/2021	IFRS 17	New standard 'Insurance contracts'	01/01/2023	None

There were no material effects from the mandatory application of the new standards in the 2022/2023 financial year.

The following new standards, interpretations and amendments to published standards, which were not yet mandatory for DKR in the 2022/2023 financial year, were not applied early by the Company:

EU Endorsement	Standard	Content	First-time adoption mandatory for financial years beginning with	Effect on the financial statements of DKR
15/05/2024	Amendments to IAS 7	Disclosures on the cash flow statement and IFRS 7	01/01/2024	No significant ones
20/11/2023	Amendments to IFRS 16	Lease liability in sale and leaseback	01/01/2024	None
19/12/2023	Amendments to IAS 1	Classification of liabilities	01/01/2024	No significant ones
12/11/2024	Amendments to IAS 21	Effects from changes in exchange rates	01/01/2025	No significant ones
Not yet adopted	Annual improvements	Annual improvements Vol. 11	01/01/2026	No significant ones

EU Endorsement	Standard	Content	First-time adoption mandatory for financial years beginning with	Effect on the financial statements of DKR
Not yet adopted	Amendments to IFRS 9 und IFRS 7	Classification and measurement of financial instruments	01/01/2026	No significant ones
Not yet adopted	IFRS 18	Presentation and disclosures in the financial statements	01/01/2027	No significant ones
Not yet adopted	IFRS 19	Subsidiaries without public accountability	01/01/2027	None

DKR does not expect the published new standards and interpretations to have any significant impact on its accounting.

1.5. Individual accounting and valuation principles

1.5.1. Principle

The presented financial statements are based on the going concern assumption. Further information on this can be found in Chapter 5.1.2 Liquidity and financing risk. Accounting and valuation is generally carried out – as far as permissible – at amortised cost. An exception to this are the investment properties, which are voluntarily measured at fair value.

Changes in accounting policies, with the exception of the application of new standards, were not made in the 2023/2024 financial year.

1.5.2. Investment property and properties held for sale

Upon initial recognition, DKR classifies real estate regarding its intended use as either investment property (IAS 40), inventory properties (IAS 2) or property for own use in fixed assets (IAS 16). Real estate under leases with the Company as lessee is classified and accounted for as investment property. Properties that are highly likely to be sold within twelve months are

reported as assets held for sale (IFRS 5). In the case of investment properties held for sale, the corresponding properties are reclassified to the item non-current assets held for sale and the corresponding liabilities (loans, unscheduled repayments) are reclassified to the item liabilities regarding non-current assets held for sale. As a rule, DKR only accounts for investment property, as the business model calls for long-term and sustainable leasing of the properties.

Investment property is initially recognised at acquisition or production costs, including ancillary costs. As part of the subsequent valuation, investment properties are recognised at their fair values, which reflect market conditions at the balance sheet date. A gain or loss from the change in fair values is recognised in the income statement in the valuation result of investment properties. In the case of changes in the fair value compared to the previously recognised value due to an available sales price, these effects are reported separately in the disposal result. Subsequent costs for the expansion and conversion of the property are considered if these contribute to an increase in the fair value of the property. Legal and consulting fees relating to investment properties are included in the rental result.

According to the provisions of IFRS 13, the valuation of investment properties is based on the best possible use of a property. Planned changes of use are, therefore, considered in the valuation, provided that the

technical feasibility, the legal admissibility and the financial feasibility are given.

The regular revaluation of the properties takes place annually on 30 September. Valuation is performed by an independent external expert using recognised valuation techniques such as the discounted cash flow method. The experts have the appropriate professional qualifications and experience to carry out the assessment. The results of the appraisals are based on information provided by the Company. Thus, input factors such as the current tenant list, maintenance and administrative costs, vacancy data as well as the assessor's assumptions, which are based on market data and are assessed based on their professional qualifications, e.g. future market rents, typical maintenance and administrative costs, structural vacancy rates or discount and capitalisation rates, are used in determining the fair value.

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

In the case of properties sold during the financial year, the valuation result from the valuation at the sales prices compared to the previous book value is reported in the disposal result, so that the total valuation result is the valuation result plus the valuation result reported in the disposal result.

Advance payments on investment properties are reported under other non-current assets.

Investment properties are classified as held for sale if Deutsche Konsum decides to sell the properties in question, they are immediately available for sale and from then on, the sale is expected to be completed within twelve months (IFRS 5). The valuation remains unchanged at fair value.

1.5.3. Intangible assets

Acquired intangible assets are initially valued at acquisition or production cost. After initial recognition, intangible assets are carried at their acquisition or production cost and amortised on a scheduled basis over their respective useful economic lives of generally three to five years using the straight-line method.

1.5.4. Tangible assets

Tangible assets are stated at acquisition or production cost less cumulative depreciation and accumulated impairment losses. Depreciation is calculated using the straight-line method with the estimated useful lives of generally 3 to 19 years (factory and office equipment). The carrying amounts of tangible assets are tested for impairment as soon as there are indications that the book value exceeds the recoverable amount.

1.5.5. Financial assets and liabilities

Classification of financial assets

IFRS 9 includes a classification and valuation approach for financial assets that reflects the business model in which the assets are held and the characteristics of their cash flows. Reclassification only takes place if the business model for the management of financial assets changes. The three classification categories for financial assets are as follows:

- At fair value through other comprehensive income (FVtOCI)
- At fair value through profit or loss (FVtPL),
- Valued at amortised cost (Amortized Cost, AC)

The Company values its financial assets at amortised cost if the following two conditions are met:

- The financial asset is held as part of a business model whose objective is to hold financial assets to collect contractual cash flows, and
- The terms of the contract give rise to cash flows that are solely repayments and interest payments on the principal outstanding.

At DKR, the Amortized Cost (AC) measurement category includes third-party manager and deposit accounts and expenses to property management. These are cash holdings that are due on demand. The measurement category also includes trade receivables, loans, and interest receivables from the utilisation of a liquidity line and prepaid costs.

Financial assets at fair value through other comprehensive income include:

- Debt securities where the contractual cash flows consist solely of repayments and interest payments on the outstanding principal and which are held as part of a business model whose objective is to collect contractual cash flows and sell financial assets.

None of the company's assets fall into this category.

Financial assets at fair value through profit or loss include:

- Assets that do not meet the criteria of "at amortised cost" or "at fair value through other comprehensive income".

DKR has no financial assets that fall into this valuation category and neither has chosen the fair value option.

Derivatives are initially recognised at fair value at the time of the conclusion of a derivative transaction and subsequently revalued at their fair value at the end of each reporting period. The accounting for changes in the fair value in the subsequent periods depends on whether the derivative is designated as a hedging instrument and, if so, on the nature of the underlying hedging relationship. Deutsche Konsum does not have any derivatives or existing hedging relationships that must be accounted for separately in the reporting period.

Valuation of financial assets

On initial recognition, the Company values a financial asset and a financial liability at the fair value of the consideration received or received on the trade date, plus or minus directly attributable transaction costs. Trade receivables that do not include a significant financing component are initially recognised at the transaction price.

Subsequent valuation of financial assets valued at amortised cost takes place at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. The interest income calculated using the effective interest method is reported under financial income. Any gain or loss, interest income, foreign currency gains and losses and impairments resulting from the derecognition of a financial asset are recognised in profit or loss in the statement of income and reported separately.

In the case of assets measured at fair value through other comprehensive income, changes in fair value and impairments are recognised in other comprehensive income, with the exception of impairment losses or income and interest income, which is recognised in profit or loss. Upon derecognition of the financial asset, the cumulative gain or loss recognised in other comprehensive income is reclassified from equity to profit or loss.

Impairment of non-derivative financial assets

At the end of each reporting period, the Company must examine whether there are objective indications that a financial asset or a group of financial assets are impaired. An impairment exists and an impairment loss is incurred if:

- as a result of one or more events occurring after the initial recognition of the asset ("loss event"),
- there was an objective indication of impairment and
- this loss event has an impact on the expected future cash flows of the financial asset that can be reliably estimated.

Impairment of financial assets is reflected in the expected-loss model. This results in basically two evaluation levels:

- Lifelong credit losses: Expected credit losses due to possible default events over the life of a financial instrument
- 12-month credit loss: Expected credit losses due to possible default events within the next twelve months after the balance sheet date.

The impairment method depends on whether there is a significant increase in credit risk. In assessing whether the credit risk of a financial asset has increased significantly since first-time recognition and in estimating expected credit losses, the Company considers reasonable and reliable information that is relevant and available without undue time and expense. This includes quantitative and qualitative information and analysis based on past experience of the Company and forward-looking information.

The valuation according to the concept of lifelong credit losses is to be applied if the credit risk of a financial asset has increased significantly on the reporting date since the initial recognition; otherwise the valuation is to be applied according to the concept of 12-month credit loss. However, the life-long default method always applies to trade

receivables and to contractual assets without a material component of financing.

The value adjustments are measured at the amount of the credit losses expected over the term, excluding valuation allowances of financial assets, for which the default risk has not significantly increased since the initial recognition. Here, the allowance is measured at the expected 12-month loan default.

For trade receivables, value adjustments are always measured in the amount of the expected credit losses over the term. Rent receivables are now assessed completely on a case-by-case basis according to the default risk per tenant (in the previous year mainly on a flat-rate basis according to the age of the receivables). Rent deferrals and contract extensions are included in the individual assessment so that a more precise measurement of the impairment can be achieved.

For trade receivables, value adjustments are always measured in the amount of the credit losses expected over the term and are formed on the basis of the age structure by means of a value adjustment table. Rent receivables are also assessed on the basis of the age structure, which is preceded by an individual assessment. In the process, rent receivables that are known to be doubtful are considered separately, individually adjusted and subsequently no longer included in the maturity analysis.

The loans were reviewed for increased default risks and adjusted if necessary.

For further information please refer to Chapter 5.1.1. Default risks.

Netting of financial assets and liabilities

Financial assets and liabilities are netted and presented in the balance sheet as a net amount if the entity has a current, enforceable right to offset the amounts recognised and intends either to settle on a net basis or simultaneously with the realisation of the asset replace the associated liability.

In the reporting period, DKR has no financial assets and liabilities that are offset in this way.

Classification of financial liabilities

DKR's financial liabilities are valued at amortised cost. Financial liabilities in this category include liabilities to banks, liabilities to other lenders, liabilities from (convertible) bonds, trade payables and other current financial liabilities.

In the case of compound financial instruments, a classification into debt and equity components takes place insofar as the definition of an equity instrument is fulfilled.

Embedded derivatives are to be separated from their base contract if their economic characteristics and risks are not closely related to those of the base contract, if a comparable independent instrument would correspond to the definition of a derivative and if the composite instrument is not measured at fair value through profit or loss. If an embedded derivative is separated, the components are accounted for and measured separately in accordance with the relevant regulations.

The convertible bonds issued by DKR contain partly equity components, which were recognised separately upon posting. No equity component was identified for the convertible bond issued in the financial year.

Valuation of financial liabilities

Upon initial recognition of liabilities, they are valued on the trade date at the fair value of the consideration received after deduction of transaction costs. After initial recognition, liabilities are valued at amortised cost using the effective interest method. The difference between the disbursement amount (less transaction

costs) and the repayment amount is recognised in the statement of comprehensive income over the term of the liability using the effective interest method.

Financial liabilities are derecognised when the obligations underlying this liability are met, cancelled or extinguished. They are also derecognised and replaced by a new liability if, when the liability is modified, the contractual cash flows change significantly. The difference between the carrying amount of the derecognised financial liability and the consideration paid, including any transferred non-cash assets or liabilities assumed, is recognised as financing income or expense in profit or loss.

Financial liabilities are classified as current if the Company does not have the unconditional right to delay the settlement of the liability to a date at least 12 months after the balance sheet date.

1.5.6. Land with unfinished and finished buildings and other inventories

Land with unfinished and finished buildings as well as other inventories are valued at the lower of acquisition or production cost and net realisable value. The net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the necessary distribution costs. Borrowing costs incurred in connection with the acquisition or production of land are capitalised if the conditions for this are met. The land with unfinished and finished buildings contains the properties for which resale was already assumed at the time of acquisition. If the intention to sell is abandoned, the properties are reclassified as investment properties.

1.5.7. Income taxes and deferred taxes

Tax refund claims and tax liabilities are measured at the amount expected to be refunded or paid to the tax authorities. This is based on the tax rates and tax laws that apply on the balance sheet date.

DKR has had the status of a REIT since 1 January 2016 and is thus in principle exempt from corporation and trade tax. Decisive for the tax exemption is compliance with the criteria of the REIT Act.

However, in the course of the ongoing proceedings with the tax authorities (see the comments in the Management Report), the Company has decided, for reasons of prudence, to prepare these financial statements, as in the previous financial year, taking full account of tax effects.

1.5.8. Liquid funds

Cash and cash equivalents include cash on hand as well as short-term and available bank balances with original maturities of less than three months at the time of acquisition.

1.5.9. Equity demarcation

Debt and equity instruments are classified as financial liabilities or equity in accordance with the economic substance of the contractual agreement. An equity instrument is a contract that establishes a residual claim on the assets of a company after deduction of all related debts. Equity instruments are recognised at the proceeds received less any directly attributable issue costs.

Issuing costs are those costs that would not have been incurred without the issue of the equity instrument. Such costs of an equity transaction (such as costs arising from capital increases), less any associated income tax benefits, are accounted for as a deduction

from equity and offset against the capital reserve with no effect on income.

The components of a compound instrument issued by the Company (such as a convertible bond) are recognised separately as a financial liability and as an equity instrument in accordance with the economic substance of the agreement to the extent that the conditions for an equity component exist.

At the time of issue, the fair value of the liability component is determined using market interest rates applicable to comparable non-convertible instruments. This amount is accounted for as a financial liability based on amortised cost using the effective interest method until fulfilment of the instrument's conversion or maturity date. The determination of the equity component is made by subtracting the value of the liability component from the fair value of the entire instrument. The resulting value, less income tax effects, is recognised as part of equity and is not subsequently valued.

1.5.10. Other provisions

A provision is recognised when the Company has a present legal or constructive obligation because of a past event, the outflow of economic benefits to settle the obligation is probable, and a reliable estimate of the amount of the obligation, despite uncertainties regarding the amount or temporal use, is possible. Other provisions are measured at the amount that would reasonably have to be paid to settle the obligation at the balance sheet date or when the obligation was transferred to a third party at the time of the transfer. Risks and uncertainties are considered by applying appropriate estimation methods, including probabilities of occurrence. Long-term provisions with a remaining term of more than one year are discounted if the interest effect is material.

1.5.11. Revenue recognition

According to IFRS 15, the amount of revenue corresponds to the consideration to which the Company has a contractual claim. Revenues are recognised when control of an asset or service is transferred to the customer. The five-step model is used to determine the amount and timing of revenue recognition:

- Identification of contracts with customers
- Identification of separate performance obligations
- Determination of the transaction price
- Allocation of the transaction price to separate performance obligations
- Recognition of sales revenue in fulfilment of individual performance obligations

Under IFRS 15, a contract is an agreement between two or more parties that establishes legally enforceable rights and obligations. The conclusion of the contract may be in writing, verbally or tacitly based on the ordinary business practice of the company. Under certain circumstances, several contracts are to be grouped together.

In a second step, the individual performance obligations must be identified. A commitment always constitutes a performance obligation if the good or service is distinguishable. In principle, a contract contains a performance obligation, so that the fourth step, the allocation of the transaction price to separate performance obligations is eliminated.

Thereafter, the determination of the transaction price takes place, which represents the consideration for the goods or services transferred. The period between the transfer of the good or service to the customer usually does not exceed one year, so that the promised consideration does not have to be adjusted to the time value of the money.

In the fourth step, the transaction price is allocated to the identified performance obligations based on their relative individual selling prices. The individual sale price is the price at which the entity actually sold the good or service to similar customers under similar circumstances.

The guarantees and warranties contained in the contractual relationships do not constitute separate performance obligations, as they merely assure the customer that the goods delivered, or the service rendered comply with the contractually agreed specifications. In addition, there are no redemption, reimbursement or similar obligations.

In accordance with IFRS 15, revenue is realised either on a time- or date-related basis, depending on when the performance obligation is fulfilled, or the power of disposal is transferred to the customer.

The Company concludes tenancies that essentially cover the net rent and the operating costs. The transaction price is stipulated in the lease agreements and does not include any financing components. The lease payments are to be made monthly. The rental agreements mainly provide for retail space for daily needs. The contractual component of net rent as a lease is outside the scope of IFRS 15 and is recognised as revenue on a straight-line basis over the term of the tenancies. For about 85% of the net cold rents, the commercial leases are equipped with indexation clauses that provide for linking the rents to the development of the consumer price index. For a subordinate part of DKR's contracts, there are turnover-dependent rents.

Proceeds from the sale of real estate are recognised in profit or loss at the time when control is transferred to the buyer. This usually takes place with the transfer of benefits and encumbrances. Income from

the sale of properties held for sale (IFRS 5 real estate) is reported as revenue. The consideration is due after transfer of the property.

Under IFRS 15, the distinction between principal and agent is based on whether a contracting party has control over the service before transferring it to a customer. The indicators for this assessment, considered as a whole and not cumulative, are the primary responsibility for performance, the potential inventory risk of not being able to charge costs, and the pricing power for a service.

For the operating costs of the tenancy agreement, Deutsche Konsum REIT-AG acts as the principal on the basis of the provisions of IFRS 15, as the Company obtains control over the goods and services and is thus in the performance obligation to the tenant.

Benefits that are accounted for as operating and ancillary costs in accordance with the principal method are shown in the income statement in an unnetted way with the corresponding revenues. Revenue recognition takes place with the provision of services. The disclosure is made for services charged on and provided by third parties within the rental revenues.

Property taxes and building insurance do not constitute separate identifiable performance obligations in accordance with IFRS 15, which provide the tenant with a definable benefit. For these components of the contract, the agreed remuneration is allocated to the other identified contractual components on the basis of their relative individual selling prices.

Under IFRS 15, a contract liability is recognised if the customer has fulfilled his contractual obligation before DKR has transferred control of the goods or service. Due to the business model as well as the underlying terms of payment of DKR, the customers pay the consideration in time corresponding to the fulfilment of the performance obligation by the Company, so that no contract liability is to be recorded. The unconditional claim of Deutsche Konsum on the consideration to be paid is reported as a receivable.

In addition, no contractual assets are recognised because DKR does not transfer any goods or services to the customer before receiving the consideration.

1.5.12. Leases

Leases are recognised as rights of use and corresponding liabilities at the time when the leased asset is available for use by the Company. Lease instalments are divided into repayment and financing expenses. Finance charges are recognised in the income statement over the lease term using the effective interest method, so that for each period the periodic interest rate on the remaining balance of the liability is constant. The right of use is amortised on a straight-line basis over the shorter of the useful life of the asset and the lease term. When determining the term of the lease, renewal options are taken into account if their exercise is reasonably certain.

Assets and liabilities under leases are initially recognised at their present values. The lease liability comprises the present value of fixed lease payments, variable lease payments linked to an index or interest rate, expected residual value payments, the exercise price of a sufficiently certain purchase option and penalties for the sufficiently certain termination of the lease. The right of use is measured at cost, which comprises the amount of the initial measurement of the lease liability, all lease payments made on and before the lease is made available, initial direct costs and estimated costs of dismantling or removing the leased asset.

The right of use is reported under the balance sheet item under which the underlying asset would be recognised. The lease liability is included in other non-current or current financial liabilities.

Payments for short-term leases or leases for low-value assets are recognised as expenses in the statement of comprehensive income on a straight-line basis. Deutsche Konsum, however, does not currently have such leases.

Lease payments are discounted at the lessee's incremental borrowing rate if the implicit interest rate underlying the lease cannot be determined. The incremental borrowing rate is the interest rate that would be payable by the lessee if the underlying asset were to be acquired or financed by external borrowings in similar circumstances.

The Company acts as a lessee of leasehold contracts, parking spaces, office space and one motor vehicles. The rights of use from leasehold contracts and neighbouring parking spaces are reported in the balance sheet under non-current assets in the investment properties position. The right-of-use assets for leased vehicles and office space are recognised under tangible assets. The corresponding leasing liabilities are included in the current and non-current other financial liabilities. For further information, please refer to Chapter 2.16.

In the case of leaseholds held for sale, the corresponding rights of use are reclassified to the item non-current assets held for sale and the corresponding lease liabilities are reclassified to the item liabilities associated with non-current assets held for sale.

2. Notes to the balance sheet

2.1. Investment properties

In the 2023/2024 financial year, the sale of 17 properties took place. As a result, DKR's investment properties recognised on 30 September 2024 comprise 167 properties with a fair value of TEUR 850,591.5 (previous year: TEUR 978,403.5) plus the leasehold rights recognised as rights of use in the amount of TEUR 10,076.2 (previous year:

TEUR 10,334.4) and the leased properties recognised as rights of use in the amount of TEUR 295.8 (previous year: TEUR 276.0). Value-enhancing measures were also carried out, which were capitalised in the amount of TEUR 12,343.5 (previous year: TEUR 21,985.0). The unrealised valuation result from the fair value measurement amounts to TEUR –30,135.5 (previous year: TEUR –113,528.4).

The development of investment properties is as follows:

TEUR	2023/2024	2022/2023
Initial holding at 01/10	989,013.9	1,030,959.1
+ Real estate acquisitions	1,523.9	44,385.8
+ Capitalisation of leaseholds and rights of use	49.2	24.9
– Disposal of rights of use	0.0	0.0
+ Adjustment of the book values for leaseholds due to changed ground rent payments	107.3	1,437.5
– Book value disposal through sale of real estate	–83,433.0	9,900.0
– Reclassification of IFRS 5	–25,212.0	–6,350.0
+ Subsequent acquisition and production costs (Capex)	12,343.5	21,985.0
+ Valuation result of properties sold	–3,293.8	200.0
+ Unrealised valuation result from fair value valuation (change in market value)	–30,135.5	–113,528.4
Closing on the key date	860,963.5	989,013.9

Of the investment properties, properties with a carrying amount of TEUR 802,930.0 (previous year: TEUR 857,960.0) were pledged as collateral for financial liabilities as at the reporting date by way of mortgages or the assignment of rental income.

There are leasehold contracts under which the associated plots of land are developed with commercial properties. Rights of use and leasing liabilities are recognised for the leasehold contracts. The capitalised amount as at 30 September 2024 was TEUR 10,076.2 (previous year: TEUR 10,334.4). The liability as at 30 September 2024 amounts to TEUR 11,062.8 (previous year: TEUR 11,181.6).

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

TEUR	2023/2024	2022/2023
Rental income	77,437.6	79,722.2
Valuation result investment properties	-30,135.5	-113,528.4
Valuation result from sold investment properties	-3,293.8	200.0
Income from operating and ancillary costs	19,943.3	16,381.1
Operating expenses (maintenance expenses, property management, property taxes, etc.)	-49,365.0	-47,854.5
Total	14,586.7	-65,079.6

The operating expenses attributable to vacant properties totalled TEUR 6,960.5 (previous year: TEUR 5,436.3). The calculation is based on the vacancy rate.

The regular valuation will take place annually as at 30 September on the basis of the valuation parameters existing at that time.

As in the previous year, the fair value was determined on the basis of internationally recognised valuation methods based on the discounted cash flow method.

With the discounted cash flow method, future expected cash surpluses of a property are discounted to the valuation date using a market-specific, property-specific discount rate. While the payments

regularly include net rents, the payments relate in particular to the management costs borne by the owner. The underlying detailed planning period is ten years. At the end of this period, a potential discounted disposal value (net final value) of the valuation object is forecasted. This reflects the most likely realisable selling price less costs to sell. Methodically, the discounted deposit surpluses of the tenth year are capitalised with the so-called capitalisation interest rate as perpetuity. The sum of discounted cash flows and the discounted net final value is the gross capital value of the valuation object, which, net of transaction costs, represents the fair value.

The following overview shows the key assumptions used in the discounted cash flow process:

Valuation parameters	30/09/2024	30/09/2023
Market rent increase p.a. (%)	0.10 bis 60.0	0.30 bis 40.40
Maintenance costs p.a. (EUR/sqm)	0.00 bis 8.50	0.00 bis 8.00
Administrative costs p.a. (% of market rent)	0.00 bis 10.0	0.50 bis 6.00
Discount rate (%)	5.00 bis 11.10	5.00 bis 11.00
Capitalisation rate (%)	4.70 bis 10.10	4.75 bis 10.00

All valuation parameters correspond to Level 3 of the fair value hierarchy. In the reporting period, significantly higher market rent increases were assumed for one property (previous year: two properties), as this property is a revitalisation property.

The assumptions used to value the real estate were made by the independent valuer based on his professional experience and are subject to uncertainty. If the discount and capitalisation rate is increased/decreased by 1.0%, the fair value decreases/increases as follows:

EUR million	30/09/2024		30/09/2023	
Change in the discount and capitalisation rate	+1%	-1%	+1%	-1%
Fair value of investment properties	-128.1	180.6	-132.2	222.2

Corresponding effects result from changes in future net rental income depending on rental income, vacancies and administrative and maintenance costs.

As at 30 September 2024, DKR is entitled to future minimum lease payments of TEUR 300,732.7 (previous year: TEUR 371,392.4) from its rental agreements with commercial tenants. These are distributed as follows:

in TEUR	Total	up to 1 year	1 to 5 years	over 5 years
Minimum lease payments 30/09/2024	300,732.7	64,072.4	165,474.6	71,185.7
Minimum lease payments 30/09/2023	371,392.4	72,944.9	201,545.7	96,901.8

Extension options to which tenants are entitled are not taken into account here. For flats in the portfolio, there are usually rental agreements with a statutory notice period of three months. Further claims for minimum lease payments do not exist. In some cases, there are permanent commercial leases with a statutory notice period of three months. These result in annual rental income of around TEUR 2,708.0 (previous year: TEUR 4,487.1). The number of residential properties is of minor importance.

2.2. Intangible assets

Intangible assets comprise capitalised expenses for the creation of the website, which are amortised on a straight-line basis over five years.

2.3. Tangible assets

Tangible assets amounting to TEUR 911.4 (previous year: TEUR 954.1) mainly comprise capitalised rights of use for rented office space as well as purchased inventory for property management. The useful lives are between three and 19 years. Depreciation of property, plant and equipment and right-of-use assets is recognised on a straight-line basis and amounted to TEUR 131.5 in the reporting period (previous year: TEUR 59.9). The development of tangible assets in the reporting period is shown below:

TEUR	Rights of use for office and car parking spaces	Rights of use for motor vehicles	Other operating and office equipment	Total
Acquisition costs				
01/10/2023	744.3 (0.0)	60.9 (23.4)	228.8 (41.7)	1.034.0 (65.1)
Increase	0.0 (744.3)	0.0 (37.5)	92.3 (187.1)	92.3 (968.9)
Decrease	0.0 (0.0)	0.0 (0.0)	-6.0 (0.0)	-6.0 (0.0)
30/09/2024	744.3 (744.3)	60.9 (60.9)	315.1 (228.8)	1.120.3 (1.034.0)
Accumulated depreciation				
01/10/2023	24.8 (0.0)	25.1 (11.1)	30.0 (9.0)	79.9 (20.1)
Increase	74.4 (24.8)	13.8 (14.0)	43.0 (21.0)	131.4 (59.8)
Decrease	0.0 (0.0)	0.0 (0.0)	-2.4 (0.0)	-2.4 (0.0)
30/09/2024	99.2 (24.8)	39.1 (25.1)	70.6 (30.0)	208.9 (79.9)
Net book value 30/09/2024	645.1 (719.5)	21.8 (35.8)	244.5 (198.8)	911.4 (954.1)

2.4. Trade receivables

Trade receivables break down as follows:

TEUR	30/09/2024	30/09/2023
Receivables from renting	6,540.3	7,218.1
Value adjustment on receivables	-4,148.2	-4,496.6
Total	2,392.1	2,721.5

In the context of value adjustments, rent receivables for which there is specific knowledge of a lack of recoverability are considered separately and, if necessary, individually impaired, while the remaining receivables are impaired as a lump sum depending on their due dates. The individually value-adjusted receivables were not included in the maturity analysis. The individually analysed rent receivables in the amount of TEUR 2,530.5 (previous year: TEUR 2,453.0) resulted in an individual value adjustment of TEUR 1,870.4 (previous year: TEUR 1,735.2).

Value adjustments on trade receivables from default risks are as follows:

Figures 2023/2024 in TEUR	Individual consideration	< 30 days overdue	< 90 days overdue	< 300 days overdue	< 360 days overdue	> 360 days overdue	Total
Expected loss rate		0.0%	25.0%	50.0%	75.0%	100.0%	–
Gross book value – Trade receivables	2,530.5	595.3	498.9	1,419.3	212.2	1,283.9	6,540.3
Value adjustment	1,870.4	0.0	124.7	709.6	159.2	1,283.9	4,148.2

As at the balance sheet date, there are no other trade receivables that are overdue but not yet impaired.

Of the trade receivables recognised on the balance sheet date, no receivables (previous year: none) were subject to forbearance measures, such as deferrals.

The value adjustments on trade receivables developed as follows:

TEUR	30/09/2024	30/09/2023
As of 01/10 previous year	4,496.6	3,479.1
Consumption	–	–
Resolution	–348.4	–
Additions	0.0	1,017.5
Closing on the key date	4,148.2	4,496.6

In addition to the value adjustments on rent receivables, write-offs totalling TEUR 1,580.4 (previous year: TEUR 1,442.7) were made on rent receivables in the reporting year. In the event of insolvency, the receivables were written off in full.

Income of TEUR 5.6 (previous year: 2.2) was recognised from the reversal of value adjustments on purchaser settlements.

2.5. Other current and non-current assets

Other non-current assets totalling TEUR 10.1 (previous year: TEUR 0.0) exclusively comprise advance payments made for one property.

Other current assets are made up as follows:

TEUR	30/09/2024	30/09/2023
Receivables from shareholders including accrued interest	38,000.0	18,421.2
Unfinished services after offsetting with advance payments received	4,416.2	1,939.5
Securities deposited	3,767.5	0.0
Maintenance reserves	2,489.3	1,840.0
Prepaid expenses	1,524.0	1,783.3
Tenant deposits	1,218.6	1,250.0
Receivables from purchase price retentions	980.2	0.0
Receivables from grants and subsidies	521.4	0.0
Value added tax receivables	424.5	0.0
Property management accounts	353.4	380.4
Purchaser settlement	43.2	305.0
Short-term investment in acquired loans via creditshelf	0.0	0.8
Others	147.7	284.8
Total	53,886.0	26,205.1

Due to the increased default risks, a specific valuation allowance was recognised on the loan receivable from Obotritia Capital KGaA in previous periods, resulting in an impairment loss of TEUR 44,094.3 at the beginning of the financial year. Obotritia Capital KGaA made repayments on interest and loan receivables totalling TEUR 11,865.2 in the financial year and further repayments totalling TEUR 28,032.4 after the balance sheet date. In addition, Obotritia Capital KGaA assigned a receivable of TEUR 10,000.0 to Deutsche Konsum REIT-AG in an addendum from October 2024, of which TEUR 10,000.0 had been settled by the reporting date. As a result, part of the impairment in the amount of TEUR 28,195.0 was reversed in the reporting period and recognised as

other operating income, so that the carrying amount of the receivable including interest amounted to TEUR 38,000.0 (previous year: TEUR 18,421.2) as at the reporting date. When determining the amount of the impairment to be reversed, the repayment received of around TEUR 28,000.0 and the assigned receivable of TEUR 10,000.0 were recognised as the recoverable amount of the receivable including interest. The remaining impairment amounts to TEUR 15,899.3 as at 30 September 2024. The remaining receivable of TEUR 15,899.3 is unsecured and continues to be fully impaired.

No value adjustments were recognised on other financial assets.

2.6. Liquid funds

Cash and cash equivalents include cash on hand and bank balances. Deposit balances are reported under other current assets.

The cash flow statement contains bank and cash accounts considering current account liabilities. In this respect, the cash and cash equivalents in the cash flow statement may differ from the cash and cash equivalents reported in the balance sheet.

2.7. Assets and liabilities held for sale

The assets held for sale of TEUR 25,212.0 (previous year: TEUR 6,350) relate to eight investment properties (previous year: one investment property). Purchase agreements had already been concluded for six properties by the time of preparation. These are recognised at their purchase prices. The remaining properties are recognised at their expected purchase prices.

Associated repayable financing totalling TEUR 5,205.2 (previous year: TEUR 0.0) was reclassified to liabilities in connection with assets held for sale.

2.8. Equity

2.8.1. Issued share capital

DKR's fully paid-in share capital did not change in the reporting period and amounts to TEUR 35,155.9 as of 30 September 2022 (previous year: TEUR 35,155.9) and is divided into 35,155,938 no-par value bearer shares with equal voting rights.

Powers of the Management Board to issue new shares Authorised capital

By resolution of the Annual General Meeting on 11 March 2021, entered in the Commercial Register

on 11 June 2021, the Management Board was authorised, with the approval of the Supervisory Board, to increase the share capital of the Company on one or more occasions by up to a total of EUR 17,577,969.00 (Authorised Capital 2021/I) by issuing new no-par value bearer shares against cash or non-cash contributions until 10 March 2026. The shareholders are generally to be granted a subscription right within the scope of the authorised capital. However, the Management Board is authorised, with the approval of the Supervisory Board, to exclude shareholders' subscription rights in certain cases in whole or in part in accordance with the resolution. The authorised capital 2020/I was cancelled.

Conditional capital

Also by resolution of the Annual General Meeting on 11 March 2021, the Management Board was authorised, with the revocation of the authorisation to issue warrant and/or convertible bonds resolved by the Annual General Meeting on 5 March 2020, to issue, with the consent of the Supervisory Board, bearer warrant or convertible bonds (collectively "bonds") with a total nominal value of up to EUR 150,000,000.00 (or the equivalent in a foreign legal currency) with or without a limited term on one or more occasions until 10 March 2026, and to grant or impose option rights or obligations on the holders or creditors of warrant bonds and conversion rights or obligations on the holders or creditors of convertible bonds for bearer shares of the Company with a pro rata amount of the share capital of EUR 1.00 each in accordance with the terms and conditions of the bonds. They may also be issued by a subordinate Group company of the company. Shareholders must generally be granted subscription rights. However, the Executive Board is authorised, with the approval of the Supervisory Board, to exclude shareholders' subscription rights under certain conditions. Further details can be found in the announcement in the Federal Gazette.

he share capital was conditionally increased by up to EUR 9,377,969.00 by resolution of the Annual General Meeting on 13 July 2023 (amending the resolution on the conditional capital increase of the Annual General Meeting on 11 March 2021) by issuing up to 9,377,969 new no-par value bearer shares with dividend rights from the beginning of the financial year in which they are issued (Conditional Capital I). Otherwise, the conditions of the Conditional Capital I resolved by the Annual General Meeting on 11 March 2021 remained unchanged. Conditional Capital I serves to grant shares to the holders of the bonds issued or guaranteed in accordance with the authorisation resolved by the Annual General Meeting on 11 March 2021.

The company's share capital was also conditionally increased by resolution of the Annual General Meeting on 13 July 2023 (amending the resolution of the Annual General Meeting on 5 March 2020) by up to EUR 8,200,000.00 by issuing up to 8,200,000 new no-par value bearer shares with dividend rights from the beginning of the financial year in which they are issued (Conditional Capital II). Otherwise, the conditions of the Conditional Capital II resolved by the Annual General Meeting on 5 March 2020 remained unchanged. The conditional capital increase serves to grant shares to the holders of the 2015/2025 convertible bonds, which were issued by the company on 30 January 2015 in two tranches with a total volume of EUR 37,000,000.00 on the basis of the authorisation granted by the Annual General Meeting on 30 January 2015 and have a term until 30 January 2025. Further details on the conditional capital can also be found in the announcement in the Federal Gazette.

2.8.2. Capital reserve

The capital reserve did not change in the reporting period and remained unchanged at TEUR 197,141.6 (previous year: TEUR 197,141.6).

2.8.3. Other reserves

Other reserves remained unchanged in the reporting period and include IFRS first-time application reserves totalling TEUR 723.4 (previous year: TEUR 723.4).

2.8.4. Retained earnings

The development of this item is shown in the statement of changes in equity. No dividend was paid for the 2022/2023 financial year.

On the basis of this year's German GAAP result of TEUR 38,975.9 and the existing loss carried forward of TEUR 80,620.7, the Management Board is unable to submit a dividend proposal to the Annual General Meeting and proposes that the loss be carried forward to new account. This proposal requires the approval of the Supervisory Board and the Annual General Meeting.

2.9. Financial liabilities

Financial liabilities are as follows:

TEUR	30/09/2024	30/09/2023
Non-current	272,377.4	378,298.9
Current	98,247.0	45,117.3
Total	370,624.4	423,416.2
Thereof secured	303,146.3	355,159.3

Liabilities to banks decreased in the reporting period as a result of ongoing repayments.

The repayment rates are generally between 1.00% and 16.06% p.a. Liabilities to banks are fully collateralised except for nine promissory note loans. The collateral provided is essentially mortgages and guarantees from related parties. This collateral can only be utilised by the banks after a material breach of the financing agreement.

2.10. Liabilities from convertible bonds

The liabilities from convertible bonds, including accrued interest, taking into account the issue costs, are composed as follows:

Liabilities from convertible bonds in TEUR	Maturity	30/09/2024		30/09/2023	
		Non-current	Current	Non-current	Current
Convertible bond I TEUR 30,000 (nominal), 1.35% coupon p.a.	30 January 2025	0.0	29,945.5	29,837.8	0.0
Convertible bond II TEUR 7,000 (nominal), 1.00% coupon p.a.	30 January 2025	0.0	6,975.1	6,925.8	0.0
Convertible bond III TEUR 10,000 (nominal), 12.00% coupon p.a.	05 October 2025	10,071.5	0.0	0.0	0.0
Total		10,071.5	36,920.5	36,763.6	0.0

On 5 April 2024, the company issued a new subordinated secured convertible bond with a nominal amount of EUR 10,000.0 thousand, divided into bonds with a nominal amount of EUR 1,000.00 each and a term until 5 October 2025. The interest rate is

12.00% p.a. and interest is payable quarterly in arrears on the 5th of the following month. The bonds have a final maturity. Admission or inclusion of the bonds in trading on a stock exchange is not planned.

2.11. Liabilities from corporate bonds

Liabilities from corporate bonds, including accrued interest, taking into account the issuing costs, are composed as follows:

Liabilities from corporate bonds in TEUR	Maturity	30/09/2024		30/09/2023	
		Non-current	Current	Non-current	Current
Bond EUR 35,900.0 (secured), 1.80% coupon p.a.	31 May 2024	0.0	0.0	0.0	36,043.0
Bond EUR 70,000.0 (unsecured), 2.35% coupon p.a.	5 April 2024	0.0	0.0	0.0	70,792.0
Bond TEUR 40,000.0 (unsecured), 4.00% coupon p.a.	10 March 2025	0.0	0.0	40,976.8	0.0
Bond TEUR 30,000.0 (unsecured), 3.10% coupon p.a.	28 April 2031	30,116.6	0.0	30,075.1	0.0
Bond TEUR 105,900.0 (secured), 8.5% coupon p.a.: from, 1 January 2025 12.00% coupon p.a.	30 September 2025	0.0	56,047.1	0.0	0.0
Bond TEUR 40,000.0 (secured), 4.0% coupon p.a.: from, 10 March 2025 12.00% coupon p.a.	30 September 2025	700.0	39,797.6	0.0	0.0
Total		30,816.6	95,844.7	71,051.9	106,835.0

Deutsche Konsum REIT-AG carried out extensive restructuring in the area of corporate bonds in the reporting period. As part of this, a new secured bond with a total nominal amount of TEUR 105,900.0 was issued on 25 June 2024, replacing the previous bonds with volumes of TEUR 35,900.0 and TEUR 70,000.0. The new registered bond has a term until 30 September 2025 and an interest rate of 8.50% p.a. until 31 December 2024 and an interest rate of 12.00% p.a. from 1 January 2025. Interest is payable monthly. An unscheduled repayment of the bond in the amount of TEUR 50,000.0 was made in the reporting period, meaning that the outstanding

nominal amount still totalled TEUR 55,900.0 as at the reporting date.

In addition, another new corporate bond with a total nominal value of TEUR 40,000.0 was also issued on 25 June 2024, replacing the previous step-up bond with a volume of TEUR 40,000.0, which also matured on 10 March 2024. The new bond has an interest rate of 4.00% p.a. until 9 March 2025 and an interest rate of 12.00% p.a. from 10 March 2025. Interest is payable monthly.

Both newly issued bonds mature on 30 September 2025.

2.12. Other provisions

Other provisions are composed as follows:

TEUR	As of 01/10/2023	Consumption	Resolution	Addition	As of 30/09/2023
Tax provisions	8,122.8	3,059.4	1,146.9	5,992.2	9,908.7
Archiving (non-current)	3.5	0.0	0.0	0.0	3.5
Closing and auditing costs	390.3	383.8	6.5	390.3	410.8
Pending invoices	3,416.8	2,373.7	0.0	2,247.0	3,290.2
Other provisions	1,615.9	1,549.6	52.9	730.7	744.0
Total	13,549.2	7,366.4	1,206.3	9,380.7	14,357.2

Since material provisions are utilised at short notice, discounting is waived for materiality reasons. There are also no material uncertainties regarding the timing or amount of the claim.

In the reporting period, tax provisions totalling TEUR 5,992.2 (previous year: TEUR 8,122.8) were recognised as a result of the ongoing tax audit of the 2014–2017 assessment years by the tax authorities. For further information, please refer to Chapter 3.9 and Chapter 6.1.

2.13. Other non-current and current liabilities

Other non-current liabilities comprise leasing liabilities for leasehold rights in which DKR is the leaseholder. The corresponding assets are reported accordingly as investment properties. The long-term lease liabilities also include liabilities from rental agreements for office and car park space.

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

TEUR	30/09/2024	30/09/2023
Non-current lease liabilities	11,877.1	12,057.6
Total non-current other liabilities	11,877.1	12,057.6
Liabilities to other creditors	1,332.3	936.9
Rent deposits	1,300.9	1,330.5
Liabilities from purchaser settlement	435.7	462.8
Current lease liabilities	194.0	182.2
Others	587.8	870.0
Total current other liabilities	3,850.7	3,782.4
Total	15,727.8	15,840.0

2.14. Deferred taxes

Due to the decision of the Berlin-Brandenburg Fiscal Court with regard to the granting of the suspension of enforcement of the tax assessments received, DKR has decided, for reasons of prudence, to take all tax risks into account in the balance sheet and has therefore recognised deferred taxes. Deferred tax assets and liabilities were netted and only the liability surplus of TEUR 41,203.3 (previous year: TEUR 31,703.7) was recognised.

The deferred taxes as at the balance sheet date are attributable to temporary differences in the following balance sheet items:

TEUR	30/09/2024	30/09/2023
Investment properties	-43,922.5	-51,071.8
Tangible Assets	-211.8	-239.8
Other current assets	7,342.8	16,206.1
Special items with an equity portion	-7,784.8	0.0
Non-current financial liabilities to banks	-196.4	-291.1
Non-current liabilities from corporate bonds	-188.6	-102.3
Non-current liabilities from convertible bonds	-116.1	-100.2
Other non-current liabilities	3,874.1	3,886.1
Current tax provisions	0.0	9.3
Total	-41,203.3	-31,703.7

Deferred taxes result primarily from the fair value accounting of investment properties, the recognition of right-of-use assets and lease liabilities of the tax-only reserve in accordance with section 6b EStG and the and value adjustments on loans.

2.15. Trade payables

Trade payables amount to TEUR 5,449.2 in the reporting year (previous year: TEUR 9,301.1) and as of the balance sheet date mainly include outstanding invoices for related maintenance and management services.

2.16. Income tax liabilities

Income tax liabilities totalling TEUR 794.3 (previous year: TEUR 5,318.0) result from assessments issued by the tax authorities for previous assessment periods.

2.17. Leases

The Company acts as a lessee of leasehold contracts, car parks, office space and two motor vehicles. The rights of use from leasehold contracts and adjacent car parks are reported in the balance sheet under non-current assets in the investment property item. The right-of-use assets for leased vehicles and office space are recognised under tangible assets. The corresponding lease liabilities are recognised under current and non-current other financial liabilities.

The capitalised rights of use relate to the following classes of assets:

TEUR	30/09/2024	30/09/2023
Land and leasehold rights with commercial buildings	645.1	719.5
Plant, operating and office equipment	21.8	35.8
Investment properties	10,372.0	10,610.4
Non-current assets held for sale	112.4	0.0
Total rights of use	11,151.3	11,365.7

Lease liabilities are broken down as follows as at the balance sheet date:

TEUR	30/09/2024	30/09/2023
Non-current lease liabilities	11,877.1	12,057.6
Current lease liabilities	194.0	182.2
Lease liabilities in connection with non-current assets held for sale	131.0	0.0
Total leasing liabilities	12,202.1	12,239.8

Right-of-use assets are amortised in the amount of TEUR 118.8 (previous year: TEUR 65.2). Interest expenses from the compounding of lease liabilities totalled TEUR 46.5 (previous year: TEUR 26.3).

3. Notes to the statement of comprehensive income

3.1. Net rental income

The net rental income is the result of rental income and income from operating and ancillary costs less operating expenses and is as follows:

TEUR	2022/2024	2021/2023
Rental income	77,437,6	79,722,2
Income from operating and ancillary costs	19,943,3	16,381,1
Total proceeds	97,380,9	96,103,3
Maintenance	-9,147,2	-8,704,4
Allocatable ancillary costs	-27,071,4	-28,054,0
Non-recoverable ancillary costs	-10,756,0	-10,799,2
Reductions in sales	-2,390,4	-296,9
Total operating expenses	-49,365,0	-47,854,5
Net rental income	48,015,9	48,248,8

The sales revenues are almost exclusively business rents from properties in Germany. The income from operating and ancillary costs does not include contributions of the Company. The maintenance expenses relate to repairs and maintenance work. In addition, value-enhancing modernisation measures amounting to TEUR 12,343.5 (previous year: TEUR 21,985.0) were carried out in the 2023/2024 financial year.

The allocable ancillary costs include allocable ancillary costs as well as ancillary costs that cannot be allocated due to vacancy and ancillary costs that are allocable in nature but cannot be allocated due to the terms of the tenancy agreement.

Non-recoverable ancillary costs include, among other things, expenses for property management in the amount of TEUR 2,183.8 (previous year: TEUR 2,093.9) and expenses for asset management in the amount of TEUR 4,199.7 (previous year: TEUR 4,291.0).

In addition, ancillary costs also include expenses relating to other periods from purchaser settlements for properties purchased in the amount of TEUR 224.6 (previous year: TEUR 531.6).

Operating and ancillary costs include revenues according to IFRS 15 in the amount of TEUR 16,893.9 (previous year: TEUR 14,125.5).

3.2. Result from disposals

The result from disposals reflects the sale of 17 properties in the 2023/2024 financial year, one of which were already recognised as properties held for sale under IFRS 5 as at the previous year's reporting date. The remaining properties were previously recognised as investment property at fair value in accordance with IAS 40. The selling price for the properties sold totalled TEUR 89,783.0. The valuation result realised from the sale amounted to TEUR -3,293.8 compared to the last recognised carrying amount.

3.3. Other operating income

Other operating income totalled TEUR 29,716.5 in the financial year (previous year: TEUR 603.8) and mainly includes income from the reversal of value adjustments on the loan and interest receivable from Obotritia Capital in the amount of TEUR 28,195.0. Further details can be found in section 2.5. Other operating income also includes income from currency translation in the amount of TEUR 0.3 (previous year: TEUR 2.6).

3.4. Valuation result of investment properties

The valuation result includes the net valuation gains and losses from the fair value valuation of the investment properties as at the balance sheet date by an external and independent expert. In the case of sales contracts, the agreed selling price was used as the fair value at level 1 of the valuation hierarchy, as this represents a better approximation of the market value.

3.5. Personnel expenses

The Company's personnel expenses in the 2023/2024 financial year totalled TEUR 1,382.3 (previous year: TEUR 1,145.9). Other services were provided for the Company by employees of Obotritia Capital KGaA. A cost allocation is levied for this, which is recognised in other administrative expenses (see Chapter 3.7).

Of the personnel expenses, TEUR 228.4 (previous year: TEUR 175.9) is attributable to social security contributions and pension expenses and TEUR 16.0 (previous year: TEUR 13.5) to capital-forming benefits.

As at the balance sheet date, the company had 29 employees (previous year: 20 employees), including the two members of the Management Board (previous year: two). As at the reporting date, these were divided into 17 full-time employees (previous year: 11) and 12 part-time employees (previous year: 9). Of the part-time employees, 7 were marginally employed (previous year: 5). 3.6 Value adjustments on inventories and receivables.

3.6. Value adjustments on inventories and receivables

The value adjustments break down as follows:

Impairment losses in TEUR	2023/2024	2022/2023
Value adjustments on receivables against Obotritia Capital KGaA	0.0	40,126.3
Value adjustments on acquired loans	0.0	3,601.5
Write-off of rental receivables	1,580.4	1,442.7
Value adjustments on rental receivables	-348.4	1,017.5
Value adjustments on receivables from purchase price retentions	0.0	410.0
Value adjustments on purchaser settlements	-5.6	2.2
Total	1,226.4	46,600.2

For further information, see also Chapter 2.4 Trade receivables and Chapter 2.5 Other non-current and current assets.

3.7. Other administrative expenses

Other administrative expenses are as follows:

TEUR	2023/2024	2022/2023
Legal, consulting and auditing costs	2,989.5	1,952.1
Fees	427.8	509.2
Advertising costs	203.4	258.6
Expenses from levy agreement	149.0	386.4
Compensation	56.4	184.7
Expenses unrelated to the accounting period	11.0	530.1
Others	485.0	583.8
Total	4,322.1	4,404.9

Legal, consulting and auditing expenses primarily comprise the ongoing costs of preparing expert opinions, auditing costs and legal advice. Other administrative expenses include one-off expenses from legal and consulting fees totalling TEUR 1,648.1. The remaining other administrative expenses include expenses from currency translation in the amount of TEUR 2.3 (previous year: TEUR 1.8). Adjusted for special effects and one-off expenses, this results in an increase in other administrative expenses of TEUR 339.9 (previous year: TEUR 610.9).

3.8. Interest result

The interest result has the following structure:

TEUR	2023/2024	2022/2023
Interest income from shareholder loans	3,249.0	4,444.1
Interest income from creditshelf loans	0.0	247.9
Other interest income	178.5	33.8
Total interest income	3,427.5	4,725.8
Interest on corporate bonds	-6,807.6	-4,901.4
Interest on convertible bonds	-1,298.8	-629.3
Interest expenses for loans to banks	-13,978.4	-11,752.7
Ground rent	-639.3	-671.3
Early repayment penalties	-584.4	0.0
Other interest expenses	-486.6	-658.6
Total interest expenses	-23,795.1	-18,613.3
thereof non-cash interest expenses	-135.5	-308.6
Total	-20,367.6	-13,887.5

Of the interest income, TEUR 3,427.5 (previous year: TEUR 4,725.8) is attributable to financial instruments accounted for using the effective interest method.

3.9. Taxes on income and earnings

As a result of the ongoing tax audit by the tax authorities, further provisions totalling TEUR 5,992.2 were recognised in profit or loss as at the balance sheet date for income taxes that may have to be paid in arrears for previous assessment periods. These include corporation tax including solidarity surcharge and trade tax. For reasons of prudence, DKR recognises deferred taxes, which led to a tax expense of TEUR 9,499.6 (previous year: TEUR 31,703.7) in the reporting period. In total, the aforementioned items result in income tax expenses of TEUR 14,758.3 (previous year: TEUR 50,208.9). For further information, please refer to section 6.1 and the detailed presentation in the management report.

The reconciliation of the expected tax result to the actual tax result is shown below:

TEUR	2023/2024	2022/2023
Earnings before income taxes	16,726.0	-130,783.1
Anticipated tax result (tax rate: 31.75%)	5,310.5	0.0
Reconciliation due to tax effects:		
Additionn of the		
Taxes on deviations from the tax balance sheet result and off-balance sheet corrections	-5,310.5	0.0
Recognition of deferred tax liabilities from temporary differences in profit or loss	-9,499.6	-31,703.7
Recognition of tax liabilities for previous assessment periods through profit or loss	-5,258.7	-10,070.6
Recognition of tax provisions for 2022 in profit or loss	0.0	-8,434.6
Tax result	-14,758.3	-50,208.9

The tax rate is made up of the corporation tax rate and solidarity surcharge totalling 15.825% and the trade tax rate of 15.925%. The trade tax loss carryforward not yet utilised amounted to EUR 8,133.5 thousand as at the reporting date. The corporate income tax loss carryforward amounted to EUR 4,495.5 thousand as at 30 September 2024. No deferred tax assets were recognised on the loss carryforwards, as the amount of loss offsetting in subsequent periods is uncertain.

3.10. Other taxes

Other taxes in the current financial year amount to TEUR 0.4 (previous year: TEUR 0.4). The real estate tax on investment properties is reported under rental expenses.

3.11. Earnings per share

Earnings per share are as follows:

TEUR	2022/2023	2021/2022
Period result (undiluted)	1,967.7	-180,992.1
Interest expenses on convertible bonds	1,298.8	629.3
Period result (diluted)	3,266.5	-180,362.8
Average number of shares issued in the reporting period (undiluted)	35,155,938	35,155,938
Potential conversion shares	18,703,926	15,195,154
Average number of shares issued in the reporting period (diluted)	53,859,864	50,351,092
Earnings per share (EUR)		
Undiluted	0.06	-5.15
Diluted	0.06	-3.58

4. Notes to the cash flow statement

The cash flow statement was prepared with regard to the operating part using the indirect method. A distinction was made between current operating, investment and financing activities. The cash and cash equivalents shown as of the balance sheet date include all credit balances and current account liabilities due within three months of the balance sheet date. The cash flow statement shows how cash and cash equivalents changed during the financial year as a result of cash inflows and outflows. In accordance with DRS 21/IAS 7 ("Cash Flow Statements"), a distinction is made between cash flows from operating, investing and financing activities.

Cash flow from operating activities totalled TEUR 23,125.6 in the financial year (previous year: TEUR 41,632.3). The decline in operating cash flow is mainly due to income taxes paid, the repayment of operating liabilities and the increase in work in progress.

Cash flow from investing activities totalled TEUR 90,696.2 in the reporting year (previous year: TEUR –17,523.6). This is mainly attributable to the proceeds from the sale of investment properties totalling TEUR 88,655.9 (previous year: TEUR 9,641.4).

Cash flow from financing activities totalled TEUR –117,348.0 in the reporting year (previous year: TEUR –24,002.1). Payments for the repurchase of corporate bonds totalling TEUR –195,900.0 (previous year: TEUR –4,100.0) were significant in the reporting year, which were offset by proceeds from the issue of new corporate bonds of TEUR 145,900.0 (previous year: TEUR 0.0). In addition, payments totalling TEUR –65,451.8 (previous year: TEUR –84,843.6) were made for the repayment of loans. The opening balance of net financial liabilities on 1 October 2022 can be reconciled with the closing balance on 30 September 2024 as follows:

TEUR	Liabilities to banks	Liabilities from convertible bonds	Liabilities from corporate bonds	Total
As of 01/10/2022	418,044.2	36,609.3	182,013.4	636,666.9
Payments received from the issue of corporate bonds	0.0	0.0	–4,100.0	–4,100.0
Costs from the issue of corporate bonds	0.0	0.0	–59.4	–59.4
Proceeds from borrowings	88,045.0	0.0	0.0	88,045.0
Costs from the issue of borrowings	–520.7	0.0	0.0	–520.7
Payments for the repayment of financial liabilities	–82,551.1	0.0	0.0	–82,551.1
Interest expenses	11,752.7	629.3	4,901.4	17,283.3
Interests paid	–11,354.0	–475.0	–4,868.5	–16,697.5
As of 30/09/2023	423,416.1	36,763.6	177,886.9	638,066.6
As of 1 October 2023,	423,416.1	36,763.6	177,886.9	638,066.6

TEUR	Liabilities to banks	Liabilities from convertible bonds	Liabilities from corporate bonds	Total
Proceeds from the issue of corporate bonds	0.0	0.0	145,900.0	145,900.0
Costs from the issue of corporate bonds	0.0	0.0	-1,246.9	-1,246.9
Payments for the repurchase of corporate bonds	0.0	0.0	-195,900	-195,900.0
Proceeds from the issue of convertible bonds	0.0	9,850.0	0.0	9,850.0
Costs from the issue of convertible bonds	0.0	-145.4	0.0	-145.4
Proceeds from the raising of loans	13,361.5	0.0	0.0	13,361.5
Costs from the issue of loans	-55.8	0.0	0.0	-55.8
Payments for the repayment of financial liabilities	-65,451.8	0.0	0.0	-65,451.8
Restructuring fees not yet due	0.0	0.0	700.0	700.0
Interest expenses	13,978.4	1,298.8	6,807.6	22,084.8
Interest paid	-13,624.1	-775.0	-7,486.3	-21,885.4
Reclassification to IFRS 5	-1,000.0	0.0	0.0	-1,000.0
Reclassification to IFRS 5	370,624.3	46,992.0	126,661.3	544,277.6

5. Disclosures on financial instruments and fair value

5.1. Financial risk management

Through its business activities, DKR is exposed to various financial risks. These risks mainly include default, liquidity and market risk (interest rate risk). Accordingly, a policy-based risk management system is in place, which includes the systematic identification, analysis, assessment and monitoring of significant risks by the Management Board of the Company. The scope of the financial policy is determined by the Management Board and monitored by the Supervisory Board. Please also refer to section 3.1 Opportunity and risk report in the management report.

5.1.1. Default risks

Default risk is the risk of loss if a counterparty fails to meet its contractual payment obligations. This can essentially be tenants as well as borrowers. In order to counteract this risk with tenants and borrowers, DKR basically only enters into business relations with creditworthy contracting parties. DKR uses available financial information to assess the creditworthiness of its counterparties. The risk exposure of the Company is monitored continuously.

In principle, the Company recognises value adjustments for expected losses for:

- Financial assets that are valued at amortised cost
- Debt instruments that are valued at fair value through other comprehensive income
- contractual assets and lease receivables.

The Company measures the valuation adjustment in the amount of the expected losses over the term, except in the following cases where the expected twelve-month credit loss is used:

- Debt instruments that do not have an impaired credit rating at the balance sheet date and
- Debt instruments for which the default risk has not significantly increased since the initial recognition.

Value adjustments on trade receivables and contractual assets as well as lease receivables are generally taken into account on the basis of loan losses expected over the term.

Appropriate and reliable information that is available without undue time and expense is used to determine whether there has been a significant increase in the default risk since initial recognition and to estimate the expected default. This includes both quantitative and qualitative information and analysis based on experience and forward-looking information. The transfer from level 1 of the impairment model in accordance with IFRS 9 takes place when the credit default risk has significantly increased since initial recognition. The primary indicator of this is that the contractual payments are more than 30 days overdue or the rating has deteriorated. A return transfer takes place when the credit default risk at the balance sheet date has decreased to such an extent that it is no longer significantly increased compared to the initial recognition. This applies regardless of the extent of the change in credit default risk compared to the previous balance sheet date.

The expected defaults are generally determined on the basis of the present value difference between all contractual payments that are owed and all payments that are expected.

At each reporting date, it is examined whether financial assets that are carried at amortised cost and debt instruments that are recognised at fair value through other comprehensive income have impaired credit ratings and may need to be value adjusted. The credit rating of a financial asset is impaired if one event or more events that adversely affect the expected future cash flows have occurred. Indicators are among others

- Significant financial difficulties of the borrower
- A breach of contract such as default or overdue
- It is likely that the borrower goes into bankruptcy or reorganisation proceedings

- Concessions to the borrower for economic or legal reasons related to the financial difficulties of the borrower, who would not otherwise be considered.

Existing rental receivables are recognised in trade receivables and regularly checked for impairment. For the measurement of expected credit losses, the rental receivables were summarised in trade receivables on the basis of common credit risk characteristics and overdue days. Value adjustments are generally carried out on the basis of the age structure of the rent receivables, with the exception of rent receivables for which there is specific knowledge of impairment, which are considered individually and impaired if necessary. The expected loss rates are based on payment profiles of past revenues and correspond to historical defaults. These historical loss rates are adjusted using current and forward-looking information on macroeconomic factors to reflect the customers' ability to pay the receivables. Impairments on trade receivables are included in the impairment of receivables and inventories. The value adjustments are deducted from the financial asset.

Financial assets are derecognised after a reasonable assessment if no realisability is expected. For individual assets, the value adjustment requirement provides for a derecognition if there is an overdue period of more than 360 days.

The financial assets recognised in the financial statements, less any impairments, represent the maximum default risk of the Company. Collateral received is not taken into account. There are no other overdue receivables that have not been impaired. Loan receivables to a significant extent exist exclusively from Obotritia Capital and from acquired loans. See also Chapter 2.4 Trade receivables and Chapter 2.5 Other current and non-current assets.

5.1.2. Liquidity and financing risk

Liquidity risk is the risk that DKR is unable to meet its payment obligations at a contractually agreed date.

To ensure liquidity, liquidity planning is carried out, which continuously compares the expected liquidity requirements with the expected cash inflows. In doing so, DKR manages liquidity risks by holding appro-

priate reserves and credit lines, as well as by continuous target/actual comparisons of forecasted and actual cash flows, considering the maturity profiles of receivables and liabilities.

The following tables show the contractual and undiscounted disbursements of the recognised liabilities by residual maturity including interest accruals:

Remaining maturities as at 30/09/2024 in TEUR	Remaining maturities			
	Total	up to 1 year	1 to 5 years	over 5 years
Liabilities to banks	371,242.5 (424,332.9)	88,030.0 (46,075.2)	200,098.9 (287,313.5)	83,113.6 (90,944.2)
Liabilities from convertible bonds	37,357.8 (37,079.2)	37,357.8 (79.2)	0.0 (37,000.0)	0.0 (0.0)
Liabilities from corporate bonds	127,255.2 (178,209.2)	97,255.2 (108,209.2)	0.0 (40,000.0)	30,000.0 (30,000.0)
Liabilities from leasing	12,071.1 (12,242.4)	194.0 (182.2)	741.7 (873.4)	11,135.4 (11,186.8)
Trade payables	5,449.2 (9,301.1)	5,449.2 (9,301.1)	0.0 (0.0)	0.0 (0.0)
Other current liabilities	3,656.7 (3,600.2)	3,656.7 (3,600.2)	0.0 (0.0)	0.0 (0.0)
Financial liabilities regarding non-current assets held for sale	5,205.2 (0.0)	5,205.2 (0.0)	0.0 (0.0)	0.0 (0.0)

There were no unutilised credit lines as at the reporting date. The Company expects to be able to fulfil its liabilities from operating cash flow, the inflow of maturing financial assets and capital measures as well as the existing credit lines. In addition, there are estimated future cash outflows from interest on financial liabilities to banks within one year of TEUR 16,013.9 (previous year: TEUR 12,697.6), of more than one but less than five years of TEUR 27,107.8 (previous year: TEUR 25,975.0) and after more than five years of TEUR 11,745.1 (previous year: TEUR 11,008.2). The future interest payments for leases are shown in 6.2.

The company is actively working on securing the necessary liquidity, including the negotiation of new financing, the possible prolongation of existing liabilities and the examination of further measures in order to fulfil its financial obligations on time. If the plans for bond repayments/extensions and the refinancing of secured and unsecured debt instruments/loans do not materialise for individual instruments, this could result in a liquidity shortfall. In order to repay the liabilities, properties would have to be sold, for which price discounts would have to be factored in in the current difficult market environment or financial instruments would have to be issued at unfavourable conditions. This would possibly have a negative impact on the development of DKR.

For 18 loan agreements, maintenance reserves of TEUR 179.7 per month have been agreed for the respective financed properties in accordance with the loan agreements. In addition, there are one-off maintenance reserves already made in the amount of TEUR 85.0 (previous year: TEUR 85.0). As of the balance sheet date, maintenance reserves of TEUR 489.2 (previous year: TEUR 1,840.0) were accumulated. The accumulated reserves can be paid out after maintenance measures have been carried out on presentation of an invoice.

Part of the loan agreements contain obligations to comply with certain financial covenants. These typically include standard ratios such as the Debt Service Coverage Ratio (DSCR), Interest Coverage Ratio (ICR) and Loan-To-Value (LTV), or maintenance reserves to be met for certain assets. A breach of the agreed loan specifications could result in a premature repayment obligation, which in individual cases could impair liquidity. As of 30 September 2024, all covenants from credit and bond contracts were complied with.

The recognised financial assets are classified as either current or non-current depending on their maturity.

Furthermore, DKR is fundamentally dependent on being able to obtain debt capital on reasonable terms for refinancing its current business activities or for acquisitions. For example, crises on the international financial markets can make debt financing more difficult and then lead to liquidity problems. If, as a result, the debt service should no longer be met, lenders could forcibly recover real estate assets, and distress sales could lead to significant financial

penalties. In this respect, DKR continues to exploit favourable market conditions in order to make financing favourable and sustainable.

This also applies to other financial instruments, such as convertible and corporate bonds.

5.1.3. Interest rate risk

Due to its business activity, DKR is exposed to interest rate risk. This applies in particular to loans with variable interest rates and the recalculation of fixed-rate loans at the end of the fixed-interest period, if the interest rate increases by the ECB result in higher interest payments.

If required, DKR uses derivative financial instruments such as interest rate swaps or caps, which minimise interest rate risk or interest rate sensitivity when interest rates rise. As at 30 September 2024, the Company holds no interest hedging instruments. No derivatives are used for speculative purposes.

In addition, DKR is constantly in talks with its banking partners in order to extend expiring fixed-interest periods in good time, to redeem loans early or, if necessary, to reschedule them. In principle, forward loans are also eligible.

As at 30 September 2024, there are only loans with a fixed interest rate except for ten variable-rate loans.

If interest rates had been 1% higher (lower) in the reporting period, the annual result would have been TEUR 5,285.3 lower (previous year: TEUR 5,121.3) or TEUR 3,830.8 higher (previous year: TEUR 4,937.7).

5.2. Net results from financial instruments

Net gains and losses from financial instruments are allocated to the respective IFRS 9 valuation categories as follows:

Information as at 30/09/2024 in TEUR	Interest income	Interest expenses	Impairment (in other expenses)	Other	Valuation result
Financial instruments valued at FVTOCI	0.0 (247.9)	0.0 (0.0)	0.0 (3,601.5)	-0.1 (-3.9)	0.0 (-3,247.0)
Financial assets valued at AC	3,375.7 (4,453.4)	0.0 (0.0)	-26,968.5 (42,998.7)	0.0 (0.0)	0.0 (0.0)
Net result from financial assets	3,375.7 (4,701.3)	0.0 (0.0)	-26,968.5 (46,600.2)	-0.1 (-3.9)	0.0 (-3,247.0)
Financial liabilities valued at AC	0.0 (0.0)	22,669.2 (17,283.3)	0.0 (0.0)	0.0 (0.0)	0.0 (0.0)
Net result from financial liabilities	0.0 (0.0)	22,669.2 (17,283.3)	0.0 (0.0)	0.0 (0.0)	0.0 (0.0)

The net income from impairment of financial assets measured at amortised cost mainly results from the reversal of the impairment on the Obotritia loan.

5.3. Netting of financial assets and liabilities

Financial assets and liabilities are only netted on the basis of global netting agreements if there is an enforceable legal right to offset on the balance sheet date and the intention is to settle on a net basis. If a claim for netting is not enforceable in the ordinary course of business, the global netting agreement creates only a conditional right to offset. In this case, the financial assets and liabilities are shown on the balance sheet date with their gross amounts in the balance sheet.

In the balance sheet as at 30 September 2024, receivables from unbilled ancillary costs of TEUR 35,897.4 (previous year: TEUR 28,262.7) were offset against prepayments received from advance payments of ancillary costs in the amount of TEUR 31,481.2 (previous year: TEUR 26,323.2), in line with industry standards.

5.4. Capital management

The objectives of capital management are to maintain a high credit rating and to maximise shareholder value by striving for an optimal equity/debt ratio (equity ratio) and to comply with the requirements of the REIT Act, which demand a minimum equity ratio of 45% on immovable assets.

The equity ratio at the end of the year is as follows:

In TEUR	30/09/2024	30/09/2023
Equity	318,367.30	316,399.5
Total assets	945,382.0	1,030,178.2
Equity ratio in %	33.7	30.7

The equity ratio according to the REIT Act is as follows:

In TEUR	30/09/2024	30/09/2023
Equity	318,367.3	316,399.5
Equity without deferred tax effects	383,334.5	366,608.4
Investment properties/ immovable assets	886,175.5	995,363.9
Equity ratio in %	35.9	31.8
Equity ratio without deferred tax effects in %	43.3	36.8

The equity requirement of Section 15 of the REIT Act of at least 45% was not met as at 30/09/23 and is not met as at 30/09/24. If the requirements of Section 15

of the REIT Act are not met for three consecutive years, the tax exemption would end at the end of the third financial year in accordance with Section 18 (4) of the REIT Act. There is therefore a risk of loss of REIT status due to a shortfall in the equity ratio. Another key performance indicator is the loan-to-value, which represents the ratio of net financial liabilities to the value of the real estate assets. DKR aims for an LTV of around 50%:

In TEUR	30/09/2024	30/09/2023
Financial liabilities	549,482.9	638,066.6
minus cash, incl. fiduciary accounts	-1,760.7	-6,564.0
minus financial assets	-38,000.0	-18,422.1
Minus maintenance costs	-2,489.2	0.0
Net financial liabilities	507,233.0	613,080.5
Investment properties	860,963.5	989,013.9
Investment properties held for sale	25,212.0	6,350.0
Prepayments on acquired investment properties	10.1	0.0
Total real estate assets	886,185.5	995,363.9
Loan-to-Value (LTV), %	57.2	61.6

5.5. Valuation categories of financial instruments according to IFRS 9

An overview of the valuation categories of financial assets and liabilities at the balance sheet date in

accordance with IFRS 9 is shown in the following table:

Figures in TEUR	Category acc. to IFRS 9	Carrying amount as of 30/09/2024	AC	FVtOCI	IFRS 16	Fair value as of 30/09/2024	Valuation hierarchy
Financial assets							
Trade receivables	AC	2,392.1 (2,721.5)	2,392.1 (2,721.5)	- (-)	- (-)	- (-)	
Cash and cash equivalents	AC	1,407.3 (4,933.6)	1,407.3 (4,933.6)	- (-)	- (-)	- (-)	
Other current assets	FVtOCI	- (0.8)	- (-)	- (0.8)	- (-)	- (0.8)	Level 3

Figures in TEUR	Category acc. to IFRS 9	Carrying amount as of 30/09/2024	AC	FVtOCI	IFRS 16	Fair value as of 30/09/2024	Valuation hierarchy
Other current assets	AC	49,037.7 (24,264.8)	49,037.7 (24,264.8)	– (–)	– (–)	– (–)	
Total financial assets		52,837.1 (31,920.7)	52,837.1 (31,919.9)	– (0.8)	– (–)	– (0.8)	
Financial liabilities							
Liabilities to banks	AC	370,624.4 (423,416.1)	370,624.4 (423,416.1)	– (–)	– (–)	353,384.3 (390,103.6)	Level 2
Liabilities from convertible bonds	AC	46,992.0 (36,763.6)	46,992.0 (36,763.6)	– (–)	– (–)	66,380.2 (82,643.0)	Level 1
Liabilities from corporate bonds	AC	126,661.3 (177,886.9)	126,661.3 (177,886.9)	– (–)	– (–)	118,838.3 (165,600.0)	Level 1
Liabilities from leases	–	12,071.1 (12,239.8)	– (–)	– (–)	12,071.1 (12,239.8)	– (–)	
Trade payables	AC	1,332.3 (936.9)	1,332.3 (936.9)	– (–)	– (–)	– (–)	
Other current liabilities	AC	3,825.3 (2,344.2)	3,825.3 (2,344.2)	– (–)	– (–)	– (–)	
Liabilities in connection with non-current assets held for sale	–	131.0 (–)	131.0 (–)	– (–)	131.0 (–)	– (–)	Level 2
Liabilities in connection with non-current assets held for sale	AC	5,074.2 (–)	5,074.2 (–)	– (–)	– (–)	– (–)	
Total financial liabilities		556,711.6 (653,587.5)	554,640.5 (641,347.7)	– (–)	12,201.1 (12,239.8)	538,602.8 (638,346.6)	

For current items, it was assumed that the carrying amount represents a reasonable estimation of the fair value. For this reason, no fair value was stated in the above table in these cases.

5.6. Fair value of assets and liabilities

IFRSs determine the fair value of various assets and liabilities.

The fair value is defined in IFRS 13 and is to be determined using the most near-to-market valuation methods and input parameters. A valuation hierarchy divides the input data according to their quality in three levels:

Level 1 Quoted (unadjusted) prices in active markets for identical assets or liabilities, such as stock prices

Level 2 Input factors other than quoted prices included in level 1 but which are observable for the asset or liability either directly or indirectly (i.e. derived from prices)

Level 3 Factors not based on observable market data for the valuation of the asset or liability

Insofar as input factors of different levels are used, the fair value is assigned to the respective lower hierarchy level. The Company recognises reclassifications between different levels in principle as of the end of the reporting period in which the change occurred. During the financial year, 16 investment properties, which were previously reported under investment properties in the previous year with a total carrying amount of TEUR 86,440.0, were reclassified to assets held for sale and recognised there at a fair value of TEUR 83,433.0 and subsequently sold. In addition, a further eight properties were reclassified from investment properties to assets held for sale during the year and recognised there as at the reporting date. These properties were previously recognised at TEUR 26,382.4 in IAS 40 properties and are shown at TEUR 25,212.0 in IFRS 5 properties as at the reporting date.

The assets and liabilities recognised at fair value in the balance sheet are as follows:

In TEUR	Valuation hierarchy	30/09/2024	30/09/2023
Investment properties	Level 3	860,963.5	989,013.9
Acquired loans	Level 3	0.0	0.8
Investment properties held for sale	Level 1	15,112.0	6,350.0
Investment properties held for sale	Level 3	10,100.0	0.0
Total assets		886,175.5	995,364.7
Liabilities in connection with investment properties held for sale	Level 2	5,205.2	0.0
Total equity and liabilities		5,205.2	0.0

The fair value of non-current assets or liabilities corresponds to the present value of the expected payments, taking into account market interest rates for matching maturities and risks, if no stock market price is available. Short-term trade receivables and other assets and cash and cash equivalents therefore approximate their fair values.

The fair value of non-current assets or liabilities corresponds to the present value of the expected payments, taking into account market interest rates for matching maturities and risks, if no stock market price is available. Short-term trade receivables and other assets and cash and cash equivalents therefore approximate their fair values.

The fair value of the loans acquired corresponds to the acquisition costs adjusted for repayments, taking into account valuation adjustments based on credit-specific default probabilities, which are updated on a regular basis.

Since the selling price represents a fair value at level 1 of the fair value hierarchy, it was used and a transfer from level 3 (market value appraisals) to level 1 (sale price at the market) was made.

6. Other information

6.1. Contingent receivables, contingent liabilities and other financial obligations

Should the Company prevail in the legal dispute with the tax authorities, so that the REIT status would not be called into question, no tax expenses would have been recognised. In this respect, the contingent receivable for taxes (excluding interest effects)

totalled TEUR 13,447.2 (previous year: 18,505.2) as at the reporting date.

The Company has the following financial obligations from non-current contracts:

TEUR	30/09/2024	30/09/2023
Asset and property management contracts	3,569.7	7,837.5
Contracts on management levy	18.4	217.6
Car leasing	23.1	36.8
Total	3,611.2	8,091.9
of which up to 1 year	3,091.8	4,909.3
of which one year to five years (undiscounted)	519.4	3,182.6
of which over five years (undiscounted)	0.0	0.0

On the balance sheet date of 30 September 2024, the company assumed purchase price obligations for two properties totalling TEUR 2,650.0. Of this amount, TEUR 10.1 had been paid as at the reporting date.

There are no other contingent liabilities.

6.2. Lease obligations

As a lessee of leasehold agreements, parking spaces and access roads, there are long-term lease liabilities,

which result in disbursements in subsequent years. These are distributed as follows:

in TEUR	Total	up to 1 year	1 to 5 years	over 5 years
Minimum lease payments 30/09/2024	36,177.6	878.3	3,434.1	31,865.2
of which interest payments	23,975.6	671.6	2,574.2	20,729.8
of which repayments	12,202.0	206.7	859.9	11,135.4
Minimum lease payments 30/09/2023	36,763.0	868.5	3,434.9	32,459.6
of which interest payments	24,523.2	673.2	2,577.2	21,272.8
of which repayments	12,239.8	195.3	857.7	11,186.8

The leasehold contracts have an average remaining useful life of 38.9 years and are adjusted to agreed indices by means of value protection clauses. Six index adjustments were made in the reporting year, as a result of which the carrying amounts of the leaseholds were increased.

6.3. Information on related parties

The Company maintains business relationships with related companies and persons (related parties). These relationships essentially comprise levies, financial services through the short-term provision of liquidity on the basis of contracts concluded, and services for the property and asset management of the real estate portfolio.

The companies and persons affiliated to the Company in accordance with IAS 24 comprise the following groups:

- Parent company,
- Other shareholders,
- Other related parties – including subsidiaries, joint ventures and associates of the shareholders with at least significant influence and companies controlled by the management,
- Members of the Management and Supervisory Boards of the Company and the Management and Supervisory Boards of the parent company and their close family members.

The scope of individual transactions with related parties is shown below:

Deutsche Konsum REIT-AG is an associated company of Obotritia Capital KGaA, Potsdam. In the reporting period, Obotritia Capital KGaA charged an allocation of TEUR 149.0 (previous year: TEUR 386.4) for the provision of office equipment and administrative staff

as part of the agency agreement concluded. A framework loan agreement was concluded with Obotritia Capital KGaA on 30 April 2015, under which the company can provide a loan to Obotritia Capital KGaA. The loan facility was increased to up to TEUR 95,000.0 with the last addendum dated 1 May 2020. The interest payments are deferred and are due at the latest upon termination of the loan.

The contract was terminated prematurely by DKR in a proper and timely manner in a letter dated 5 April 2023 with effect from 4 July 2023. An initial repayment agreement was concluded between the contracting parties, which stipulated repayment by September 2023. After repayment failed to materialise, the lender and borrower agreed a further deferral until June 2025 at the latest against the provision of various collateral in rem, which was notarised on 9 December 2023. The agreed interest rate was set at 8% p.a. for both loans in view of comparable loans without collateral. After the loan matured on 4 July 2023, the loan bears interest at 5% above the base rate of 3.12% set on 1 July 2023, thus a total of 8.12%.

Interest income of TEUR 3,249.0 was generated from this for the 2023/2024 financial year (previous year: TEUR 4,444.1). Due to the increased default risks, a specific valuation allowance was recognised on the loan receivable from Obotritia Capital KGaA in previous periods, resulting in an impairment loss of TEUR 44,094.3 at the beginning of the financial year. Obotritia Capital KGaA made repayments on interest and loan receivables totalling TEUR 11,865.2 in the financial year and further repayments totalling TEUR 28,032.4 after the balance sheet date. In addition, Obotritia Capital KGaA assigned a receivable of TEUR 10,000.0 to Deutsche Konsum REIT-AG in an addendum from October 2024, of which TEUR 2,579.2 had been settled by the reporting date. As a result, part of the impairment in the amount of

TEUR 28,195.0 was reversed in the reporting period and recognised as other operating income, so that the carrying amount of the receivable including interest amounted to TEUR 38,000.0 (previous year: TEUR 18,421.2) as at the reporting date. When determining the amount of the impairment to be reversed, the repayment received of around EUR 28,000.0 thousand and the assigned receivable of EUR 10,000.0 thousand were recognised as the recoverable amount of the receivable including interest. The remaining impairment amounts to EUR 15,899.3 thousand as at 30 September 2024. The remaining receivable of EUR 15,899.3 thousand is unsecured and continues to be fully impaired.

There is a property management agreement for the material property portfolio with Elgeti Brothers GmbH, Rostock. The agreed remuneration is between 2% and 3% of the net rental income received (plus VAT) per month, depending on the property. Expenses of TEUR 2,183.8 (previous year: TEUR 2,093.9) were incurred in the reporting period.

A management and consulting contract exists with Elgeti Brothers GmbH for asset management. The agreed remuneration amounts to 0.5% per annum of the gross asset value of the properties, calculated on the basis of the acquisition prices and transaction costs, and is paid in quarterly instalments. In the reporting period, expenses amounted to TEUR 4,199.7 (previous year: TEUR 4,291.0).

Various licence agreements exist with Elgeti Brothers GmbH for the rental of car park facilities at various properties by Elgeti Brothers GmbH. The licence agreements run for an indefinite period and can be terminated in writing by either party with one month's notice. In the reporting period, revenue of TEUR 6.6 (previous year: TEUR 8.0) was generated

from licence agreements with Elgeti Brothers GmbH. As at the reporting date, there was a receivable in the amount of TEUR 13.4 (previous year: TEUR 3.9).

There are various lease agreements with Diana Contracting GmbH, which is a wholly owned subsidiary of Obotritia Capital KGaA, for the utilisation of roof areas for the operation of photovoltaic systems by Diana Contracting GmbH. The contracts run until 31 December 2030 and 31 December 2024 and generated revenue of TEUR 4.9 (previous year: TEUR 7.0) in the reporting period.

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

TEUR	30/09/2024	30/09/2023
Receivables from goods and services		
against Elgeti Brothers GmbH	13.4	3.9
against Diana Contracting GmbH	1.4	1.6
Other non-current assets		
against Obotritia Capital KGaA	38,000.0	18,421.2
Trade payables from deliveries and services		
against Elgeti Brothers GmbH	0.0	457.3

Furthermore, Mr. Rolf Elgeti has assumed directly enforceable guarantees totalling TEUR 16,470.0 (previous year: TEUR 16,470.0) for DKR's loans to banks.

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

6.4. Supervisory Board and Management

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

Active Supervisory Board mandates:

Name	Profession	Memberships in other supervisory bodies
Sebastian Wasser Chairman of the Supervisory Board since November 2023. Member of the Supervisory Board since July 2023.	Chairman of the Management Board (CEO), ehret + klein AG, Starnberg. Managing Director, e+k Investment Management GmbH, München e+k Asset und Property Management GmbH, Starnberg	<ul style="list-style-type: none"> • None
Achim Betz Deputy Chairman of the Supervisory Board Member and Deputy Chairman since November 2014. Chairman of the Audit Committee since January 2022.	German CPA and Tax Consultant, Master in Business Administration, ba audit gmbh Wirtschaftsprüfungs-gesellschaft, Berlin (Managing Partner).	<ul style="list-style-type: none"> • Deutsche Leibrenten Grundbesitz AG, Frankfurt am Main (Deputy Chairman of the Supervisory Board) • NeXR Technologies SE, Berlin (Deputy Chairman of the Administrative Board until 20 November 2023), listed company
Johannes C. G. (Hank) Boot Member of the Supervisory Board Member since April 2016.	CIO, Lotus Family Office, Sliema	<ul style="list-style-type: none"> • Gerlin NV, Maarsbergen, The Netherlands (Member of the Supervisory Board) • Orange Horizon Capital Group S.A., Leudelange, Luxembourg (Member of the Administrative Board), listed company
Antje Lubitz Member of the Supervisory Board since July 2023. Member since July 2023. Member of the Audit Committee from July 2023.	Managing Director, 3PM Services GmbH, Berlin.	<ul style="list-style-type: none"> • None
Rolf Elgeti Member of the Supervisory Board since July 2023. Chairman from July 2023 to November 2023. Member of the Audit Committee since July 2023.	General Partner, Obotritia Capital KGaA, Potsdam.	<ul style="list-style-type: none"> • Deutsche Leibrenten Grundbesitz AG, Frankfurt am Main (Chairman of the Supervisory Board) • creditshelf Aktiengesellschaft, Frankfurt am Main (Chairman of the Supervisory Board until 11 January 2024), listed company • NeXR Technologies SE, Berlin (Chairman of the Administrative Board until 20 November 2023), listed company • Obotritia Hotel GmbH (previously Obotritia Hotel SE), Potsdam (Chairman of the Administrative Board until 16 October 2023) • Laurus Property Partners, Munich (Member of the Advisory Board) • Pyreg GmbH, Dörth (Member of the Advisory Board)

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

Name	Profession	Memberships in other supervisory bodies
Alexander Kroth Member of the Management Board	Chief Investment Officer (CIO)	• None
Christian Hellmuth Member of the Management Board until 6 June 2024	Chief Financial Officer (CFO)	• None
Kyrill Turchaninov Member of the Management Board from 6 June 2024	Chief Financial Officer (CFO)	• None

The compensation of the Supervisory Board for the financial year totalled TEUR 43.1 (previous year: TEUR 38.3) excluding VAT and exclusively comprises fixed, non-variable remuneration. In the reporting period, the members of the Management Board earned total remuneration of TEUR 372.3 (previous year: TEUR 371.0), of which TEUR 369.3 (previous year: TEUR 371.0) was fixed compensation including fringe benefits. In addition, inflation adjustment bonuses totalling TEUR 3.0 (previous year: TEUR 3.0) were granted in the financial year. No loans or advances were granted to members of the Supervisory Board and Management Board; likewise, no contingent liabilities were entered into in favour of members of the Supervisory Board and Management Board.

6.5. Fee of the auditor

The auditors' fees in the past financial year were as follows:

TEUR	30/09/2024	30/09/2023
Audit services	273.7	180.0
Other confirmation services	6.9	6.3
Total	278.6	186.3

The other confirmation services relate to the audit in accordance with Section 1 (4) of the REITG (REIT Act) as at 30 September 2023. TEUR 26.1 (previous year:

TEUR 1.3) of fees relating to other periods are included from subsequent calculations.

6.6. Significant events after the balance sheet date

In October 2024, DKR and Obotritia Capital KGaA concluded an addendum to the repayment and collateral agreement. It was agreed that in the event of a payment of EUR 28 million, all collateral previously provided to Obotritia Capital KGaA would be returned. It was also agreed that if a further payment of at least EUR 10.0 million is made by 15 January 2025, the latest repayment date for the remaining loan receivable will be postponed to 31 December 2025. EUR 38 million had been paid by the reporting date. For accounting as at 30 September 2024, please refer to the section: Related party transactions.

In October and November, DKR met its payment obligations from two purchase agreements in the amount of TEUR 2,350 (Weißwasser leasehold property) and TEUR 300 (Stendal).

In November, DKR made a special redemption on the registered bond in the amount of EUR 10 million.

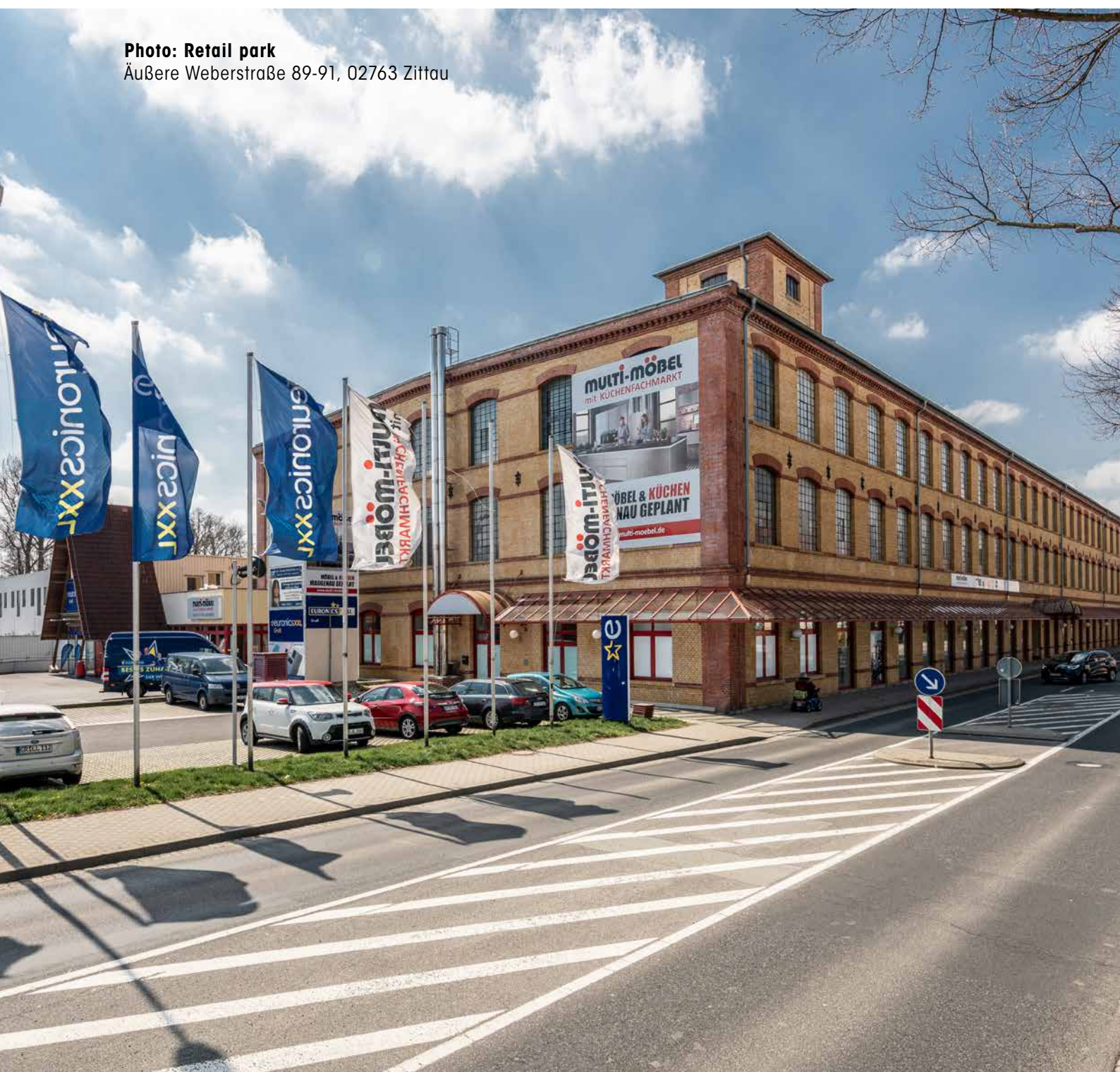
In 2015, DKR issued two subordinated collateralised convertible bonds in the amount of EUR 37 million with a term until January 2025. Due to the partial early conversion by Versorgungsanstalt des Bundes und der Länder (public law institution) in December,

a significant portion (EUR 20.4 million) of these bonds was redeemed through the issue of 5,572,704 new shares. This redemption has a positive effect on the company's debt level.

In October, Deutsche Konsum notarised the sale of two properties (Lünen, Kleinwelka). The transfer of benefits and encumbrances is expected by the end of January 2025 at the latest. A further sale (Güstrow) was notarised in December. The purchase price is expected to be received in the first quarter of 2025.

Photo: Retail park

Äußere Weberstraße 89-91, 02763 Zittau



6.7. Corporate Governance Code (Declaration on the German Corporate Governance Code pursuant to § 161 AktG)

On 16 December 2024, the Management Board and Supervisory Board of Deutsche Konsum REIT-AG issued the current Declaration of Compliance with the German Corporate Governance Code pursuant to Section 161 AktG (German Stock Corporation Act); the

current Corporate Governance Declaration was also published on 12 December 2024. The declaration was made permanently available to shareholders on the Company's website ([http:// www.deutsche-konsum.de/en](http://www.deutsche-konsum.de/en)).

Potsdam, 16 December 2024



Alexander Kroth
Member of the
Management Board (CIO)



Kyrill Turchaninov
Member of the
Management Board (CFO)

Deutsche Konsum REIT-AG, Broderstorf

Statement from the Company's legal representatives

"We assure to the best of our knowledge that, in accordance with the applicable accounting standards, the financial statements as of 30 September 2024 give a true and fair view of the asset, financial and earnings position of the Company and that the Manage-

ment Report gives a true and fair view of the development of the business including the business result and the situation of the Company and describes the main opportunities and risks associated with the Company's expected future development."

Potsdam, 16 December 2024



Alexander Kroth
Member of the
Management Board (CIO)



Kyrill Turchaninov
Member of the
Management Board (CFO)

Audit certificate of the independent individual auditor

To Deutsche Konsum REIT-AG, Broderstorf

AUDIT CERTIFICATE ON THE AUDIT OF THE SEPARATE FINANCIAL STATEMENTS AND THE MANAGEMENT REPORT

Audit opinions

We have audited the separate financial statements of Deutsche Konsum REIT-AG – consisting of the balance sheet to 30 September 2024, the statement of comprehensive income, the cash flow statement and the statement of changes in equity for the 1 October 2023 to 30 September 2024 financial year and the notes, including a summary of significant accounting methods. Also, we have audited the Management Report of Deutsche Konsum REIT-AG for the financial year from 1 October 2023 to 30 September 2024. In accordance with German legal requirements, we have not audited the content of the components of the management report mentioned in the “Other information” section of our audit certificate.

In our assessment, on the strength of the findings gained as a result of the audit,

- the attached separate financial statements comply with the IFRS, as applicable in the EU, in all material aspects and with the German statutory regulations applicable in addition subject to § 315e (1) German Commercial Code (HGB) and so presents, subject to these regulations, a picture of the Company’s asset and finance situation matching the actual circumstances obtaining at 30 September 2024 and matching the Company’s earnings position for the 1 October 2023 to 30 September 2024 financial year and

- the attached Management Report presents overall an accurate picture of the Company’s situation. In all material aspects, this Management Report harmonises with the separate financial statements, complies with the German statutory regulations and accurately represents the opportunities and risks inherent in future developments. Our opinion on the management report does not cover the content of those parts of the management report listed in the “Other Information” section.

Pursuant to § 322 (3) sentence 1 German Commercial Code (HGB), we declare that our audit has not produced any reservations about the correctness of the separate financial statements or the Management Report.

Basis for the audit opinions

We have conducted our audit of the separate financial statements and the Management Report in conformity with § 317 German Commercial Code (HGB) and the EU Financial Statement Auditing Regulation (Abschlussprüferverordnung) (No. 537/2014; referred to below as “EU-APrVO”) with reference to the German principles laid down by the Institute of Auditors (IDW) for the proper conduct of financial statement audits. Our responsibility under these regulations and principles is further described in the section ‘Responsibility of the auditor for auditing the separate financial statements and Management Report’ in our audit certificate. We are independent of the Company in conformity with the regulations under European law, German commercial law and the rules of professional conduct and have satisfied our other German professional obligations

in conformity with these requirements. Further, we declare, pursuant to Article 10 (2f) EU-APrVO, that we have not rendered any prohibited non-auditing services under Article 5 (1) EU-APrVO. We are of the view that the evidence obtained by us is sufficient and suitable to serve as the basis of our audit opinions on the separate financial statements and Management Report.

Note to emphasise an issue – liquidity risks in connection with maturing loans and bonds in 2024 and 2025

We refer to the information provided by the legal representatives in in chapter 3.1.2 “Company-specific risks – liquidity risks in connection with maturing loans and bonds in 2024 and 2025” of the Management Report, according to which the management has identified liquidity risks if plans for bond repayments/extensions and the refinancing of collateralised and unsecured debt instruments/loans are not effective for individual instruments or as a whole. To repay the liabilities, properties would have to be sold, for which price discounts would have to be factored in or financial instruments issued on unfavourable terms in the current difficult market environment. Our audit opinions on the separate financial statements and the Management Report have not been modified in this regard.

Key audit matters in the audit of the separate financial statements

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the separate financial statements for the financial year from 1 October 2023 to 30 September 2024. These matters were addressed in the context of our audit of the separate financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

In the following, we describe what we consider to be key audit matters:

Property valuation

Reasons for designation as a key audit matter

Deutsche Konsum REIT-AG measures the properties at fair value.

The fair value is determined on the basis of a discounted cash flow (DCF) method by an independent valuer who prepares valuation reports for the properties. Numerous valuation-relevant parameters are included in the valuation, which are associated with considerable estimation uncertainties and scope for judgement. Even minor changes to the valuation-relevant parameters can lead to significant changes in the fair value.

There is a risk for the financial statements that the fair value was determined incorrectly.

Auditing procedure

For the entire property portfolio, the fair values of the properties are determined by an independent expert using a discounted cash flow (DCF) method.

We have satisfied ourselves that the external appraiser commissioned by Deutsche Konsum REIT-AG is qualified, objective and independent.

In addition, our audit procedures included in particular the assessment of the valuation method applied in the appraisals with regard to whether it was selected appropriately for the valuation occasion. Furthermore, we assessed the accuracy and completeness of the data used for the property portfolios and the derivation and appropriateness of the valuation parameters used, such as the discount and capitalisation rates applied, for valuations deliberately selected in part from a risk perspective.

Furthermore, in individual cases we verified the valuation by calculation and fully compared the market values determined with the carrying amounts.

Our conclusions

Our audit procedures did not lead to any reservations relating to the valuation of the properties and their recognition in the balance sheet.

Reference to related disclosures: Please refer to the chapters “1.5.2 Investment properties and properties held for sale” and “2.1 Investment Properties” in the notes and the “3.1.3 Property-specific risks – Inventory, valuation and environment risks” in the Management Report.

Appropriateness of recognised value adjustments on receivables – the receivable from Obotritia Capital KGaA

Reasons for designation as a key audit matter

Deutsche Konsum REIT-AG recognises risk provisions in the form of value adjustments to account for potential losses due to defaults on receivables. In the 2023/2024 financial year, the value adjustments on the receivables from Obotritia Capital KGaA were reversed to a considerable extent. The measurement of the value adjustments is determined in particular by estimates of the legal representatives of Deutsche Konsum REIT-AG with regard to the creditworthiness of the debtors and the age of the receivables.

Due to the high reversal of valuation adjustment on receivables from Obotritia Capital KGaA, this has a significant impact on the earnings position of Deutsche Konsum REIT-AG. In addition, there is considerable room for discretion in the assessment of the legal representatives of Deutsche Konsum REIT-AG.

Against this background, the matter was significant in the context of our audit.

Auditing procedure

In order to assess the appropriateness of the reversed valuation adjustment, we have

- examined the method and the underlying assumptions used to reversal of value adjustment and
- derived the calculation of the identified reversed value adjustments.

Our conclusions

Our audit procedures did not lead to any reservations relating to the reversal of the value adjustments and

their recognition in the balance sheet and income statement.

Reference to related disclosures: Please refer to the notes, chapters “2.5 Other current and non-current assets”, “6.3 Related party disclosures” as well as the Management Report, chapters “2.3 Business performance – Repayment and collateral agreement concluded with main shareholder Obotritia Capital KGaA”, “2.4 Asset, financial and earnings position” and “3.1.2 Company-specific risks – Liquidity risks in connection with the outstanding loan receivable from Obotritia Capital KGaA”.

Assessment of liquidity risk reporting

Reasons for designation as a key audit matter

The legal representatives have identified liquidity risks in connection with expiring loans and bonds in 2024 and 2025, which could lead to a liquidity shortfall if the plans for the bond repayments/ extensions and the refinancing of the collateralised and the unsecured debt instruments/loans do not materialise for individual instruments or as a whole. To repay the liabilities, properties would have to be sold, for which price discounts would have to be factored in or financial instruments issued at unfavourable conditions in the current difficult market environment.

The potential liquidity gap indicated in the Management Report could potentially have a negative impact on the development of DKR. This results in corresponding reporting obligations in the company’s notes and management report.

Against this background, the matter was significant in the context of our audit.

Auditing procedure

As part of our audit, we first obtained from the legal representatives of DKR their assessment of DKR's ability to continue as a going concern. Taking into account the planning prepared by the legal representatives, we have assessed whether the application of the going concern basis of accounting used by the legal representatives in the preparation of the separate financial statements is appropriate and whether a material uncertainty exists related to the identified events or conditions in connection with the going concern. The starting point for our assessment of the material prolongation and repatriation risks with the resulting liquidity risks was the planning prepared by the legal representatives of DKR for the financial year 2024/2025. We assessed the plausibility and comprehensibility of the planning assumptions made and the reliability of the underlying data. Furthermore, we assessed whether the measures initiated by the legal representatives of DKR, in particular the efforts of prolongations and property sales, are suitable to prevent the possible liquidity shortfall. Based on the findings of our audit procedures, we have assessed whether the presentation in the separate financial statements and the management report is appropriate under the given circumstances.

Our conclusions

Our audit procedures did not lead to any reservations relating to the presentation of the facts in the balance sheet, income statement and Management Report.

Reference to related disclosures: Please refer to the the "3.1.2 Company-specific risks – Liquidity risks in connection with maturing loans and bonds in 2024 and 2025" and "3.1 Opportunity and Risk Report – Assessment of the overall risk" chapters in the Management Report.

Other information

The legal representatives or the Supervisory Board are responsible for the other information. The other information comprises:

- the assurances pursuant to §§ 264 (2) sentence 3, 289 (1) sentence 5 of the German Commercial Code (HGB) on the separate financial statements and the Management Report as well as
- the report of the Supervisory Board.

Other information also includes the remaining parts of the annual report. It does not include the separate financial statement, the audited content of the Management Report and our audit certificate thereon.

The Supervisory Board is responsible for the report of the Supervisory Board. The legal representatives and the Supervisory Board are responsible for the declaration pursuant to § 161 of the German Stock Corporation Act (AktG) on the German Corporate Governance Code, which is part of the corporate governance statement contained in section 1.6 of the Management Report, as well as for the Compensation Report pursuant to § 162 of the German Stock Corporation Act (AktG). Otherwise, the legal representatives are responsible for the other information.

Our audit opinions on the separate financial statements and the Management Report do not cover the other information and correspondingly we give neither an audit opinion nor any other form of audit conclusion on this information.

In connection with our audit, we have the responsibility of reading the other information and thereby of judging whether the other information

- displays material discrepancies from the separate financial statements, the Management Report or our other findings gained through conducting the audit or
- in any other way appears to be presented falsely.

Responsibility of the legal representatives and of the Supervisory Board for the separate financial statements and the Management Report

The legal representatives are responsible for the preparation of the separate financial statements, which comply with the IFRS, as applicable in the EU, and the German statutory provisions applicable in all material respects pursuant to § 315e (1) HGB, and that the separate financial statements, under compliance with these provisions, represent a true and fair view of the financial position and performance of the Company. Also, the legal representatives are responsible for the internal controls in accordance with German generally accepted accounting principles which they have determined to be necessary in order to facilitate compilation of the separate financial statements which is free from material misstatement due to fraud (i.e. manipulation of accounting records and damage to assets) or error.

When compiling the separate financial statements, the legal representatives are responsible for assessing the ability of the Company to continue the corporate activity. Furthermore, they are also responsible for supplying facts linked to the continuation of the corporate activity, where relevant. They are also responsible for drawing up their balance sheet on the basis of the accounting principle that the corporate activity will continue, unless actual or legal circumstances prevent this.

Also, the legal representatives are responsible for compiling the Management Report, which conveys overall an accurate picture of the Company's situation and which harmonises in all material aspects with the separate financial statements, complies with the German statutory regulations and accurately represents the opportunities and risks inherent in future developments. Also, the legal representatives are responsible for the arrangements and measures (systems) which they have determined

to be necessary in order to facilitate compilation of a Management Report harmonising with the applicable German statutory regulations and in order to be able to furnish sufficient and suitable evidence for the statements contained in the Management Report.

The Supervisory Board is responsible for monitoring the Company's accounting process for compilation of the separate financial statements and the Management Report.

Responsibility of the auditor for auditing the separate financial statements and the Management Report

Our objective is to obtain reasonable assurance about whether the separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and whether the Management Report conveys overall an accurate picture of the Company's situation and which harmonises in all material aspects with the separate financial statements and with the findings gained during the auditing process, complies with the German statutory regulations and accurately represents the opportunities and risks inherent in future developments and to issue an audit certificate containing our audit opinions on the separate financial statements and the Management Report.

Sufficient confidence is a high level of confidence, but no guarantee that an audit of a financial statement conducted properly in conformity with § 317 German Commercial Code (HGB) and the EU Financial Statement Auditing Regulation and in compliance with the German principles laid down by the Institute of Auditors (IDW) will always reveal a material false representation. False representations may be the result of infringements or inaccuracies and are seen as material if it could be sensibly anticipated that they, either singly or taken together, will influence the commercial decisions taken by the intended recipients on the basis of these separate financial statements and Management Report.

During the audit, we exercise an obligatory level of discretion and maintain a critical basic attitude.

Furthermore,

- we identify and assess the risks of material misstatement of the separate financial statements and of the management report, whether due to fraud or error, plan and conduct audit actions as a response to these risks and obtain audit evidence, which is sufficient and suitable for serving as the basis of our audit opinions. The risk that material misstatements resulting from fraud will not be detected is higher than the risk that material misstatements resulting from error will not be detected, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls
- we gain an understanding of the internal control system relevant for auditing the separate financial statements and of the relevant arrangements and measures for auditing the Management Report in order to plan auditing actions which are appropriate under the given circumstances, though not with the aim of issuing an audit opinion on the efficacy of these systems of the Company.
- we assess the appropriateness of the accounting methods used by the legal representatives and the acceptability of the estimated values presented by the legal representatives and the associated information.
- we draw conclusions on the appropriateness of the accounting principles applied by the legal representatives for continuation of the corporate activity and, on the basis of the auditing evidence obtained, whether there is material uncertainty in connection with events or circumstances which may throw significant doubt on the ability of the Company to continue its corporate activity. If we come to the conclusion that there is material uncertainty, we will be obliged to draw attention in the audit certificate to the associated information in the separate financial statements and in the Management Report or, if such information is inappropriate, to modify our audit opinion. We draw our conclusions on the basis of the auditing evidence obtained up to the date of our audit certificate. Future events or circumstances may however cause the Company to be unable to continue the corporate activity.
- we assess representation, structure and content of the separate financial statements overall, including the information and whether the separate financial statements present the underlying business events and occurrences in such a way that the separate financial statements present a picture reflecting the actual circumstances of the asset, finance and earnings situation of the Company in compliance with the IFRS, as applicable in the EU, and the German statutory regulations applicable in addition under § 315e (1) HGB.
- we assess conformity of the Management Report with the separate financial statements, its compliance with the law and the picture conveyed by it of the Company's situation.
- we conduct audit actions in accordance with the future-orientated information in the Management Report presented by the legal representatives; on the basis of sufficient and suitable audit evidence we reproduce the significant assumptions taken as their basis by the legal representatives for their future-orientated information and assess the proper derivation of the future-orientated information from these assumptions. We do not issue an independent audit opinion on either the future-orientated information or the underlying assumptions. There is a considerable unavoidable risk that future results will differ materially from the future-orientated information.

With those responsible for monitoring, we discuss, among other matters, the planned scope and scheduling of the audit and the significant audit observations including any significant defects in the internal control system which we note during our audit.

We give a declaration to those responsible for monitoring that we have maintained the relevant independence conditions and discuss with them all the relations and other facts about which it may be sensibly assumed that they have an effect on our independence and where relevant, the measures taken or safeguards put in place to address threats to independence.

Of the facts which we have discussed with those responsible for monitoring we determine which facts have the greatest significance for the current reporting period in the audit of the separate financial statements and which therefore are the most important auditing facts. We describe these facts in the audit certificate unless laws or other legal regulations exclude the publication of the facts.

OTHER STATUTORY AND OTHER LEGAL REQUIREMENTS

Audit certificate on the audit of the electronic reproductions of the separate financial statements and the Management Report prepared for the purpose of disclosure in analogous application of § 317 (3a) of the German Commercial Code (HGB)

Audit Opinion

We performed a reasonable assurance audit in analogous application of § 317 (3a) HGB on whether the reproductions of the separate financial statements and the Management Report (hereinafter also referred to as “ESEF documents”) contained in the “IFRS” file (SHA256: dfd1dcc118752c23240bd44ad-8c64623047b4ade13359b8a95a7f1f29e033e31) and prepared for disclosure purposes comply in all material respects with the requirements of § 328 (1) HGB on the electronic reporting format (“ESEF format”). In accordance with German legal requirements, this audit extends only to the conversion of the information of the separate financial statements and the Management Report into the ESEF format and therefore neither to the information contained in these reproductions nor to any other information contained in the aforementioned file.

In our opinion, the reproductions of the separate financial statements and the management report contained in the aforementioned file and prepared for disclosure purposes comply, in all material respects, with the requirements of § 328 (1) HGB regarding the electronic reporting format. We do not express any opinion on the information contained in these reproductions or on the other information contained in the above-mentioned file other than this opinion and our opinions on the accompanying separate financial statements and the accompanying Management Report for the financial year from 1 October 2023 to 30 September 2024 contained in the preceding “Audit certificate on the audit of the separate financial statements and the Management Report”.

Basis for the audit opinion

We conducted our audit of the reproductions of the separate financial statements and the Management Report contained in the above-mentioned file in analogous application of § 317 (3a) HGB and in accordance with the IDW Auditing Standard: Audit of Electronic Reproductions of Financial Statements and Management Reports Prepared for Disclosure Purposes in Accordance with § 317 (3a) HGB (IDW PS 410 (06.2022)). Our responsibility thereafter is further described in section "Auditor's Responsibility for the Audit of the ESEF Documents". Our auditing practice has applied with the quality assurance system requirements of the IDW Quality Assurance Standard: Requirements for Quality Assurance in the Auditing Practice (IDW QS 1).

Responsibility of the legal representatives and the Supervisory Board for the ESEF documents

The legal representatives of the Company are responsible for the preparation of the ESEF documents with the electronic reproductions of the separate financial statements and the Management Report in accordance with § 328 (1) sentence 4 no. 1 HGB.

Furthermore, the legal representatives of the Company are responsible for the internal controls they deem necessary to enable the preparation of the ESEF documents that are free of material – intentional or unintentional – violations of the requirements of § 328 (1) HGB regarding the electronic reporting format.

The Supervisory Board is responsible for monitoring the process of preparing the ESEF documents as part of the financial reporting process.

Auditor's Responsibility for the Audit of the ESEF Documents

Our objective is to obtain reasonable assurance about whether the ESEF documents are free from material –

intentional or unintentional – violations of the requirements of § 328 (1) HGB. During the audit, we exercise professional judgement and maintain a critical attitude. Furthermore, we identify and assess the risks of material – intentional or unintentional – violations of the requirements of § 328 (1) HGB, plan and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our audit opinion.

- obtain an understanding of internal control relevant to the audit of the ESEF documents in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an audit opinion on the effectiveness of those controls.
- evaluate the technical validity of the ESEF documentation, i.e., whether the file containing the ESEF documentation complies with the technical specification for that file as set out in Delegated Regulation (EU) 2019/815 as applicable at the end of the reporting period.
- evaluate whether the ESEF documentation provides a consistent XHTML representation of the audited separate financial statements and the audited Management Report.

Other information under Article 10 EU-APrVO

We were selected as auditors of the financial statements the Annual General Meeting on 31 May 2024. We were appointed by the Supervisory Board on 30 September 2024. We have been working without interruption since the 2016 financial year as auditors of Deutsche Konsum REIT-AG.

We declare that the audit opinions contained in this audit certificate harmonise with the additional report to the audit committee under Article 11 EU-APrVO (audit report).

OTHER MATTERS – USE OF THE AUDIT CERTIFICATE

Our audit certificate should always be read in conjunction with the audited separate financial statements and the audited Management Report as well as the audited ESEF documents. The separate financial statements and Management Report converted into the ESEF format – including the versions to be published in the Company register – are merely electronic reproductions of the audited separate financial statements and the audited Management Report and do not replace them. In particular, the ESEF opinion and our audit opinion contained therein can only be used in conjunction with the audited ESEF documents provided in electronic form.

RESPONSIBLE AUDITOR

The auditor responsible for the audit is Mr. Marius Rohmann.

Berlin, dated 17 December 2024

DOMUS Steuerberatungs-AG
Wirtschaftsprüfungsgesellschaft

Fechner
Auditor

Appendix to the auditor's report

1) Content of the management report not audited

We have not audited the content of the following parts of the management report:

- the Corporate Governance Statement contained in section 5 of the management report

2) Further other information

The "Other information" comprises the following components of the Annual financial report, of which we have obtained a version prior to issuing this auditor's report, in particular the sections:

- Report of the Supervisory Board
- Compensation Report for the 2023/2024 financial year
- The sections "To our shareholders", "The share", "Corporate Governance Statement", "Composition of the Management Board and Supervisory Board", "The real estate portfolio", "Key figures according to EPRA", "Headline earnings per share (HEPS)", "Our ESG commitment (environmental, social and corporate governance)", "Declaration of compliance with the requirements of the REITG", "Financial calendar" and the "Imprint" of the annual report

but not the separate financial statements, nor the disclosures included in the substantive audit, nor our auditor's report thereon.

Rohmann
Auditor

Compensation Report for financial year 2023/2024

Report on the principles of the Company's Compensation System (Compensation Report under stock corporation law pursuant to § 162 AktG)

Definition of "granted and owed" within the meaning of § 162 (1) AktG

For the purposes of the following Compensation Report, benefits granted are defined as having been received in the financial year. Compensation is owed if the Company has a legally existing obligation to the board member which is due but not yet fulfilled. In financial years 2022/2023 as well as 2023/2024, DKR settled all obligations to its board members when due at the end of the month, so that the compensation "granted" in each of the financial years 2022/2023 and 2023/2024 is identical in amount to the compensation "owed" in each case, according to the definition chosen for the purposes of this Compensation Report.

In addition, the compensation earned by the Management Board members in the respective financial year is also presented. This comprises the fixed compensation agreed for the respective financial year, including fringe benefits, and the variable compensation calculated on the basis of target achievement, the short-term component (STI) of which is paid out in the following financial year and the long-term component (LTI) of which is only paid out after three subsequent years.

Compensation System for the Supervisory Board

The members of the Supervisory Board receive a fixed cash compensation of TEUR 5 for each full financial year of service on the Supervisory Board. The Deputy Chairman receives 1.5 times this basic remuneration, while the Chairman of the Supervisory Board receives two times this amount. Deutsche Konsum takes out appropriate directors' and officers' liability insurance (D&O insurance) for the members of the Supervisory Board and pays the premium.

The members of the Audit Committee receive additional fixed remuneration of EUR 2.5 thousand for their work. The Deputy Chairman of the Audit Committee receives 1.5 times this basic remuneration each year, while the Chairman of the Audit Committee receives twice this amount each year. The Supervisory Board has also set up a Conflicts Committee, whose members do not receive any additional remuneration. No attendance fees are paid. Variable remuneration based on the success of the company or other criteria is not granted.

The compensation of the Supervisory Board (by definition, benefits granted and thus received) in financial year 2023/2024 amounted to TEUR 43.1 (2022/2023: TEUR 38.3) plus expenses. Supervisory Board compensation is distributed as follows:

Supervisory Board	2023/2024 (TEUR)	2022/2023 (TEUR)
Hans-Ulrich Sutter (Former Chairman – resigned on 13 July 2023)	0.0	7.9
Rolf Elgeti (Chairman from 13 July 2023 to 13 November 2023, Member since 13 November 2023)	8.1	3.1
Achim Betz (Deputy Chairman)	12.5	8.7
Kristian Schmidt-Garve (Former Second Deputy Chairman – resigned on 13 July 2023)	0.0	5.9

Supervisory Board	2023/2024 (TEUR)	2022/2023 (TEUR)
Antje Lubitz (Member since 13 July 2023)	8.1	2.8
Johannes C.G. (Hank) Boot	5.0	5.0
Nicholas Cournoyer (resigned on 5 May 2023)	0.0	3.0
Cathy Bell-Walker (resigned on 11 November 2022)	0.0	0.6
Sebastian Wasser (Member since 13 July 2023 and Chairman since 13 November 2023)	9.4	1.3
Total	43.1	38.3

In accordance with the recommendations of the German Corporate Governance Code, the compensation of the members of the Supervisory Board consists exclusively of fixed components plus reimbursement of expenses and insurance coverage, and not of variable components. The fixed compensation strengthens the independence of the Supervisory Board members and thus makes an indirect contribution to the long-term development of the Company.

Compensation System for the Management Board

Basic Compensation System

The members of DKR's Management Board receive a non-performance-related basic compensation as well as a performance-related variable compensation based on short-term and long-term targets.

The non-performance-related basic compensation consists of the fixed annual salary, which is paid in twelve monthly installments. One current Management Board member and the former Management Board member use company cars, which are taxed as non-cash benefits. In addition, pension insurance contributions are paid for one current and the former member of the Management Board. Furthermore, one member of the Management Board receives travel allowances up to a contractually stipulated maximum of EUR 600.00 per month due to the private commitment to another location. No other benefits are granted as other compensation.

The Management Board contracts do not establish pension entitlements.

For the variable compensation, there is a Compensation System which is based on operational targets and which is fundamentally based on a fixed calculation scheme that includes short-term and long-term components. Only in exceptional cases, the Supervisory Board can resolve something different with regard to special situations and/or special performance of the individual Management Board member. The Supervisory Board may also change the weighting of individual criteria in the event of exceptional developments. In the event of the regular departure of a Management Board member, he or she is entitled to payment of the variable compensation components to which he or she is entitled but which have not yet been paid out. There are no further claims in the event of regular departure.

In the event of other early termination of employment, the contracts of the members of the Management Board generally contain the provision that payments may not exceed the value of two years' compensation (severance cap). Due to its term until 31 May 2025, the contract of the new Executive Board member does not contain a corresponding provision. When calculating the severance payment cap, the variable remuneration components are generally based on the previous financial year and the fixed variable remuneration is therefore extrapolated to two full years. If the variable remuneration set by the Supervisory Board for the current financial year, assuming 100% target achievement, is higher than

that achieved in the previous financial year, both the bonus for the previous financial year and the bonus for the current financial year must be taken into account equally in the calculation.

In this case, a target achievement of 100% is to be assumed for the current financial year, unless it is clear that this level will not be achieved (for which the company bears the burden of proof). If it is likely that the targets will be achieved by more than 100% in the current financial year, the Supervisory Board may take this into account accordingly up to the agreed cap on the bonus of 150%. It is obliged to do so if it is sufficiently certain that the targets will be exceeded.

In the event of a change of control, i.e. if a shareholder or several shareholders acting jointly acquire at least 30% of the voting rights in DKR, one member of the Management Board has the right to resign from the Management Board with a notice period of two months to the end of the month and to terminate their employment contract at the same time. This special right of termination only exists within one month of the date on which the Management Board member becomes aware of the actual change of control. The company is also entitled to this special right of termination, whereby this is based on the knowledge of the Chairman of the Supervisory Board of the change of control that has actually taken place. If this special right of termination is exercised, the Management Board member is entitled to a severance payment due at the time of his departure, which corresponds to the remuneration to be paid by the company during the remaining term of the employment contract, but not exceeding the severance payment cap.

Variable compensation for financial year 2023/2024

Against the background of the 2017 update of the German Corporate Governance Code ("DCGK"), which recommends a multi-year, forward-looking assessment basis with regard to variable compensation, the Supervisory Board addressed an update of the variable compensation of the Management Board in October 2017 and resolved a new arrangement at its meeting on 11 March 2022, which has been valid since the 2022/2023 financial year.

By resolution of the Supervisory Board of 16 December 2020, the target weighting of the variable compensation of the Management Board was aligned to the focus on FFO growth and the achievable variable compensation was increased due to the growth in the size of the Company. Furthermore, the Compensation System was adjusted with regard to the long-term variable compensation component in line with the recommendations of the GCGC, which make the variable compensation of the Management Board even more long-term. By further resolution of the Supervisory Board on 13 December 2021, a minor modification was made to a target indicator: Due to a redefinition by EPRA, instead of an increase in EPRA NAV per share, the focus is now on an increase in EPRA NTA per share. By resolution dated 15 December 2022, the target achievement levels for FFO per share and EPRA NTA per share were lowered.

Due to the current economic situation, the Supervisory Board has agreed that there are no targets for the past financial year 2023/2024 and therefore no variable remuneration to be achieved.

Compensation earned by the Management Board in financial year 2023/2024

The compensation of the Management Board earned in the past financial year amounts to TEUR 372.3 (2022/2023: TEUR 371.0).

Individual Management Board compensation was as follows based on target achievement in financial year 2023/2024 (2022/2023):

in TEUR	Alexander Kroth CIO				Christian Hellmuth (until 6 June 2024) CFO		Kyrill Turchaninov (since 6 June 2024) CFO			
	2023/ 2024	2023/ 2024	2023/ 2024	2022/ 2023	2023/ 2024	2022/ 2023	2023/ 2024	2023/ 2024	2023/ 2024	2022/ 2023
	(Ist)	(Min.)	(Max.)	(Ist)	(Ist)	(Ist)	(Ist)	(Min.)	(Max.)	(Ist)
Earned compensation										
Fixed compensation	150.0	150.0	150.0	142.5	102.5	142.5	68.7	68.7	68.7	0.0
Fringe benefits	30.5	30.5	30.5	18.0	13.0	11.4	4.6	4.6	4.6	0.0
Total	180.5	180.5	180.5	160.5	115.5	153.9	73.3	73.3	73.3	0.0
STI	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
LTI	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Inflation equalisation premium	1.5	1.5	1.5	1.5	1.5	1.5	0.0	0.0	0.0	0.0
Total	1.5	1.5	1.5	1.5	1.5	1.5	0.0	0.0	0.0	0.0
Total compensation	182.0	182.0	182.0	162.0	117.0	155.4	73.3	73.3	73.3	0.0

Compensation granted and owed to the Management Board in financial year 2023/2024

In accordance with the statutory provisions of § 162 (1) sentence 1 AktG, the compensation granted and owed for the financial year must be disclosed. As already described above, DKR has opted for an

interpretation in accordance with the inflow principle.

Accordingly, following the aforementioned definition of “granted” and “owed”, the following compensation components result for the financial year 2023/2024:

in TEUR	Alexander Kroth CIO		Christian Hellmuth (until 6 June 2024) CFO		Kyrill Turchaninov (from 6 June 2024) CFO	
	2023/2024 (Actual)	2022/2023 (Actual)	2023/2024 (Actual)	2022/2023 (Actual)	2023/2024 (Actual)	2022/2023 (Actual)
Compensation granted and owed						
Fixed compensation	150.0	142.5	102.5	142.5	68.7	0.0
Fringe benefits	30.5	18.0	13.0	11.4	4.6	0.0

in TEUR	Alexander Kroth CIO		Christian Hellmuth (until 6 June 2024) CFO		Kyrill Turchaninov (from 6 June 2024) CFO	
	2023/2024 (Actual)	2022/2023 (Actual)	2023/2024 (Actual)	2022/2023 (Actual)	2023/2024 (Actual)	2022/2023 (Actual)
Total	180.5	160.5	115.5	153.9	73.3	0.0
Payment of STI for financial years 2020/2021 and 2021/2022, respectively	0.0	20.0	0.0	20.0	0.0	0.0
Payment of LTI for financial years 2018/2019 and 2019/2022, respectively	0.0	35.9	0.0	35.9	0.0	0.0
Inflation equalisation premium	1.5	1.5	1.5	1.5	0.0	0.0
Total	1.5	57.4	1.5	57.4	0.0	0.0
Total compensation	182.0	217.9	117.0	211.3	73.3	0.0

The performance criteria were applied in financial year 2023/2024 as follows:

No variable compensation components were paid out in the reporting period due to a lack of target achievement in previous periods. In addition, no targets were set for the 2023/2024 financial year and therefore no variable remuneration to be achieved.

The relevant Compensation System was therefore complied with in fiscal year 2023/2024. No variable compensation components were clawed back.

For the purpose of comparing the compensation of the Management Board and the Supervisory Board with the average compensation of employees, two comparison groups were formed: All permanent commercial employees working at DKR's headquarters (excluding temporary interns) and the janitors or property managers working at various property locations.

For the development of Management Board compensation, the amounts received (granted) in the financial year have been stated.

Comparative presentation pursuant to § 162 (1) Sentence 2 No. 2 AktG

EPRA NAV per share was calculated for the last time for financial year 2022/2023 for the purposes of Management Board compensation. EPRA NAV per share was replaced by EPRA NTA per share in financial year 2022/2023.

Comparative presentation	2023/2024	2022/2023	2021/2022	2020/2021	2019/2020
Earnings performance					
Net income Deutsche Konsum REIT-AG according to IFRS financial statements in TEUR	1,967.7	-180,992.1	60,386.7	91,373.0	34,174.0
Change in %	101.1%	-399.7%	-33.9%	167.4%	-35.7%
FFO per share in EUR	0.80	0.94	1.17	1.17	1.06
Change in %	-14.9%	-19.5%	0.0%	10.9%	25%
EPRA NAV per share in EUR	n/a	n/a	n/a	13.31	11.11
Change in %	n/a	n/a	n/a	19.8%	11.9%

Comparative presentation	2023/2024	2022/2023	2021/2022	2020/2021	2019/2020
EPRA NTA per share in EUR	7.55	7.64	10.98	10.10	n/a
Change in %	-1.2%	-30.4%	8.7%	n/a	n/a
Average employee compensation					
Average value commercial employees	58.9	63.4	58.5	52.8	n/a
Change in %	-7.1%	8.3%	10.8%	n/a	n/a
Average value property manager	27.3	37.3	32.9	29.7	n/a
Change in %	-26.8%	13.5%	11.0%	n/a	n/a
Development of Management Board compensation granted					
Rolf Elgeti (compensation granted in TEUR)	–	53.6	71.4	85.5	71.3
Change in %	–	-24.9%	-16.5%	19.9%	0.0%
Factor for Management Board compensation based on average salary of a commercial employee	–	0.85	1.22	1.62	n/a
Factor for Management Board compensation based on average salary of a property manager	–	1.44	2.17	2.88	n/a
Alexander Kroth (compensation granted in TEUR)	182.0	217.9	244.1	228.6	213.3
Change in %	-16.5%	-10.7%	6.8%	7.2%	11.0%
Factor for Management Board compensation based on average salary of a commercial employee	3.09	3.44	4.17	4.33	n/a
Factor for Management Board compensation based on average salary of a property manager	6.66	5.84	7.41	7.71	n/a
Christian Hellmuth (compensation granted in TEUR)	117.0	211.3	237.8	219.0	129.4
Change in %	-44.6%	-11.1%	8.6%	69.2%	-49.3%
Factor for Management Board compensation based on average salary of a commercial employee	1.99	3.33	4.07	4.15	n/a
Factor for Management Board compensation based on average salary of a property manager	4.28	5.66	7.22	7.38	n/a
Kyrill Turchaninov (compensation granted in TEUR)	73.3	–	–	–	–
Change in %	n/a	–	–	–	–
Factor for Management Board compensation based on average salary of a commercial employee	1.20	–	–	–	–
Factor for Management Board compensation based on average salary of a property manager	2.68	–	–	–	–

Comparative presentation	2023/2024	2022/2023	2021/2022	2020/2021	2019/2020
Development of compensation granted to the Supervisory Board					
Hans-Ulrich Sutter (Compensation granted in TEUR)	–	7.9	10.0	–	–
Change in %	n/a	–21.4%	n/a	–	–
Achim Betz (Compensation granted in TEUR)	12.5	8.7	7.5	–	–
Change in %	43.7%	16.7%	n/a	–	–
Kristian Schmidt-Garve (Compensation granted in TEUR)	–	5.9	7.5	–	–
Change in %	n/a	–21.5%	n/a	–	–
Johannes C.G. (Hank) Boot (Compensation granted in TEUR)	5.0	5.0	5.0	–	–
Change in %	0.0%	0.0%	n/a	–	–
Nicholas Cournoyer (Compensation granted in TEUR)	–	3.0	5.0	–	–
Change in %	n/a	–40.5%	n/a	–	–
Rolf Elgeti (Compensation granted in TEUR)	8.1	3.1	–	–	–
Change in %	161.3%	n/a	–	–	–
Antje Lubitz (Compensation granted in TEUR)	8.1	2.8	–	–	–
Change in %	189.3%	n/a	–	–	–
Sebastian Wasser (Compensation granted in TEUR)	9.4	1.3	–	–	–
Change in %	623.1%	n/a	–	–	–

Contribution of compensation to the promotion of the business strategy and the long-term development of the Company

Fixed basic compensation and respective fringe benefits are in line with labor market practices and are thus in many cases a condition for concluding new and renewing existing Management Board contracts. The members of the Management Board thus receive a basic income that appropriately reflects the duties and responsibilities associated with the respective position and prevents inappropriate risks from being taken. The basic income as a non-performance-related compensation component is also intended to ensure that the Management Board members devote their full efforts to the Company even if the targets agreed as part of the variable compensation cannot be achieved or can only be achieved to an insignificant extent.

The variable compensation components are intended to provide incentives for the long-term and sustainable development of DKR. The aim is to create long-term corporate value along the entire value chain of the Company. The variable compensation helps to further harmonize the

interests of shareholders with those of the Management Board. Furthermore, it contributes to the long-term commitment of the members of the Management Board.

The long-term portions of the variable Management Board compensation exceed the short-term portions and reflect the Company's performance over a short-term period based on the respective financial year and a long-term three-year period.

Maximum compensation

The gross annual fixed salary in the 2023/2024 financial year for the members of the Management Board was TEUR 150.0 resp. TEUR 215.0 p.a.

There is only a cap on fringe benefits (such as the use of a company car) in the case of travel allowances for a member of the Management Board. The fringe benefits claimed by the Management Board members are within the usual range.

The maximum compensation (excluding fringe benefits) for the current members of the Management Board is therefore as follows:

In EUR Mio.	Alexander Kroth		Kyrill Turchaninov	
	2023/2024	2022/2023	2023/2024	2022/2023
(pro rata) Fixed compensation	150.0	142.5	68.7	n/a
STI	0.0	84.4	0.0	n/a
LTI	0.0	103.1	0.0	n/a
Gesamt	150.0	330.0	68.7	n/a

The defined maximum compensation was complied within in the financial year.

Approval of the Compensation Report for the previous financial year

The Annual General Meeting of DKR on 31 May 2024 approved the remuneration report for the 2022/2023 financial year with the required majority.

Report of the independent auditor on the audit of the Compensation Report pursuant to § 162 (3) of the German Stock Corporation Act (AktG)

To Deutsche Konsum REIT-AG, Broderstorf

Audit opinion

We have formally audited the Compensation Report of Deutsche Konsum REIT-AG for the financial year from 1 October 2023 to 30 September 2024 to determine whether the disclosures pursuant to § 162 (1) and (2) of the German Stock Corporation Act (AktG) have been made in the Compensation Report. In accordance with § 162 (3) of the German Stock Corporation Act (AktG), we have not audited the content of the Compensation Report.

In our opinion, the accompanying Compensation Report includes, in all material respects, the disclosures required by § 162 (1) and (2) of the German Stock Corporation Act (AktG). Our audit opinion does not cover the content of the Compensation Report.

Basis for the audit opinion

We conducted our audit of the compensation report in accordance with § 162 (3) of the Stock Corporation Act and the *IDW Auditing Standard: The Audit of the Compensation Report in Accordance with § 162 (3) AktG (IDW PS 870 (09.2023))*. Our responsibility under that provision and standard is further described in section “Responsibility of the auditor” of our report. As an auditing practice, we have applied the requirements of the *IDW Quality Assurance Standard: Requirements for Quality Assurance in the Auditing Practice (IDW QMS 1 (09.2022))*. We have complied with the professional duties pursuant to the Auditors’ Code and the Professional Statutes for Auditors/Sworn Auditors including the requirements for independence.

Responsibility of the Management Board and Supervisory Board

The Management Board and Supervisory Board are responsible for the preparation of the Compensation Report, including the related disclosures, which complies with the requirements of § 162 German Stock Corporation Act (AktG). They are also responsible for such internal control as they determine is necessary to enable the preparation of a Compensation Report that is free from material misstatement, whether due to fraud (i.e. accounting fraud or fraudulent misrepresentation) or error.

Responsibility of the auditor

Our objective is to obtain reasonable assurance about whether the disclosures pursuant to § 162 (1) and (2) AktG have been made in all material respects in the Compensation Report and to express an audit opinion thereon in a report.

We planned and performed our audit to obtain evidence about the formal completeness of the Compensation Report by comparing the disclosures made in the Compensation Report with the disclosures required by § 162 (1) and (2) of the German Stock Corporation Act (AktG). In accordance with § 162 (3) of the German Stock Corporation Act (AktG), we have not audited the accuracy of the content of the disclosures, the completeness of the content of the individual disclosures or the fair presentation of the Compensation Report.

Berlin, dated 17 December 2024

DOMUS Steuerberatungs-AG
Wirtschaftsprüfungsgesellschaft

Fechner
Auditor

Rohmann
Auditor

Declaration of compliance with the requirements of the REITG

In connection with the annual financial statements as at 30 September 2024, the Management Board issues the following declaration of compliance with the requirements of the German REIT act (REITG):

Section of German REIT act	Regulation	Date	DKR	REIT criteria fulfilled
§ 11 (1)	Freefloat of shares > 15%	30/09/2024	40.2%	Yes
§ 11 (2)	No investor holds > 10% of the shares	30/09/2024	–	Yes
§ 12 (2a)	Immovable assets of at least 75% of all assets	30/09/2024	93.7%	Yes
§ 12 (3a)	At least 75% of the income is generated by immovable assets	30/09/2024	100.0%	Yes
§ 13	Dividend distribution of > 90% of the annual result according to German GAAP	30/09/2024	–	No
§ 14	Exclusion of real estate trading	30/09/2024	17.9%	Yes
§ 15	Equity of at least 45%	30/09/2024	40.6%	No
§ 19	Composition of income in terms of income subject to and not subject to income tax	30/09/2024	n/a	Yes

Regarding the minimum freefloat of shares as at 31 December 2023, we notified the Bundesanstalt für Finanzdienstleistungsaufsicht (BaFin) of this by way of letter dated 11 January 2024. The Management Board's declaration of compliance with the REIT criteria is under reserve until approval by the auditor, which will occur presumably in January 2025.

Deutsche Konsum REIT-AG
Potsdam, 18 December 2024

The Management Board



Alexander Kroth
Member of the
Management Board (CIO)



Kyrill Turchaninov
Member of the
Management Board (CFO)

Financial calendar

19/12/2024

Publication of the final annual statements/annual financial report for the financial year 2023/2024

14/02/2025

Publication of the quarterly statement for the first quarter of 2024/2025 financial year

probably March 2025

Annual General Meeting

15/05/2025

Publication of the half-yearly financial report of 2024/2025 financial year

14/08/2025

Publication of the quarterly statement for the third quarter of 2024/2025 financial year

19/12/2025

Publication of the final annual statements/annual financial report for the financial year 2024/2025

For detailed information please visit the menu item "Financial Calendar" in the Investor Relations section of the website at <https://www.deutsche-konsum.de/en/>.

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PSG Capital

Disclaimer

This report contains forward-looking statements. These statements are based on the current experience, assumptions and forecasts of the Management Board and the information currently related to it. These forward-looking statements are not to be understood as guarantees of the future developments and results mentioned therein. Rather, they are influenced by a number of factors; they comprise various risks and imponderables and are based on assumptions that may not prove to be accurate. These risk factors include, in particular, the factors mentioned in the Risk Report of this Annual Report.

We do not assume any obligation beyond the legal requirements to update the forward-looking statements made in this report. This Annual Report does not constitute an offer for sale and does not constitute an invitation to submit an offer to purchase securities of Deutsche Konsum REIT-AG.

This report has been translated from the German version. In case of doubt, the German version shall prevail.

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