

Quarterly statement

for the third quarter of 2020/2021 financial year

1 October 2020 to 30 June 2021

**Deutsche
Konsum
REIT-AG**



Contents

Corporate key figures 3

Quarterly statement for the period from 1 October 2020 to 30 June 2021 5

- 1. The share..... 5
- 2. Business development..... 7
- 3. Development of asset, financial and earnings position 8
- 4. Supplementary report 12
- 5. Risk situation 13
- 6. Outlook and forecast..... 13
- 7. Headline Earnings per share (HEPS) 14

Interim financial statements for the period from 1 October 2020 to 30 June 2021 of the 2020/2021 financial year..... 15

About Deutsche Konsum REIT-AG 22

Deutsche Konsum REIT-AG share..... 22

Financial calender 22

Publisher 23

Contact 23

Disclaimer 23

Corporate key figures

Deutsche Konsum REIT-AG, Broderstorf

Key figures

	1 October 2020 – 30 June 2021	1 October 2019 – 30 June 2020	Difference	%
Income statement (TEUR)				
Rental income	50,635	40,323	10,312	25.6
Net rental income	33,710	28,933	4,777	16.5
EBIT	83,530	30,883	52,646	>100
Financial result	-4,252	-3,640	-612	16.8
Net income	79,278	27,244	52,034	>100
FFO	30,623	25,194	5,428	21.5
FFO per share (in EUR)	0.87	0.78	0.09	12.2
aFFO	16,324	12,861	3,463	26.9
aFFO per share (in EUR)	0.46	0.40	0.06	17.2
Earnings per share, undiluted (in EUR)	2.26	0.84	1.42	>100
Earnings per share, diluted (in EUR)	1.60	0.59	1.01	>100
Recurring costs ratio (in %)	4.8	5.5	-0.7	-12.5

	30 June 2021	30 September 2020	Difference	%
Balance sheet key figures (TEUR)				
Investment properties	955,125	809,929	145,197	17.9
Total assets	1,095,062	935,730	159,331	17.0
Equity	455,880	390,665	65,215	16.7
Total debt	619,377	527,674	91,703	17.4

Finance key figures

(net) Loan-to-Value (LTV) (in %)	53.6	51.7	1.9	3.7
Average interest rate of loans (in %)	1.71	1.81	-0.11	-5.8
Average interest rate of loans, bonds and convertible bonds (in %)	1.90	1.91	-0.01	-0.6
Average remaining duration of loans (in years)	3.8	4.0	-0.2	-5.0
Interest cover ratio (ICR), multiple	6.8	6.9	-0.2	-2.2
EPRA NAV	455,880	390,665	65,215	16.7
EPRA NAV per share (in EUR)	12.97	11.11	1.86	16.7
EPRA NNAV per share (in EUR)	12.97	11.11	1.86	16.7

REIT metrics

REIT equity ratio	47.7	48.2	-0.5	-1.0
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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	32,461,505	2,694,433	8.3
Market cap (in EUR)	523,823,476	555,463,820	-31,640,344	-5.7
Share price (in EUR)	14.90	15.80	-0.90	-5.7

Portfolio key figures

Number of assets	172	161	11	6.8
Rental space (in sqm)	988,862	899,852	89,010	9.9
Annualised rent (in TEUR)	68,476	63,050	5,426	8.6
Initial yield (in %)	10.4	10.5	-0.1	-1.2
Vacancy rate (in %)	11.2	9.9	1.2	12.3
WALT (in years)	5.6	5.4	0.2	3.3

Quarterly statement for the period from 1 October 2020 to 30 June 2021

The following interim statement of Deutsche Konsum REIT-AG (hereinafter also referred to as "Deutsche Konsum" or "Company") describes the significant course of business and the asset, financial and earnings position of the first nine months of the 2020/2021 financial year ("9M 2020/2021"). The interim financial statements have been prepared in accordance with IFRSs as adopted by the EU. The interim financial statements have not been audited.

1. The share

Performance of the DKR share remains stable

During the reporting period, the DKR share moved predominantly in a corridor between EUR 14.90 and EUR 16.20. On an intraday basis, the share reached its high in the reporting period at EUR 16.55¹, and its low stood at EUR 14.70². The renewed order of a nationwide lockdown at the beginning of November 2020 and the tightening of contact restrictions immediately before Christmas last year did not have a noticeable negative impact on the share price, but the ongoing vaccination campaign and the increasing openings in the spring of 2021 also did not have a sustained positive effect on the share price so far. On 30 June 2021, the share price was EUR 14.90, 5.7% lower than at the beginning of the current financial year (30 September 2020: EUR 15.80).³

Compared to the end of the first nine months of the 2019/2020 financial year, the share price fell by 15.6% in the current reporting period (30 June 2020: EUR 17.65).⁴ The Company's market capitalisation remained constant at over EUR 500 million, which puts DKR in the focus of both institutional and retail investors. The tradeability of the share was always good during the reporting period.



¹ Variable price Xetra on 17 December 2020.

² Closing price Xetra on 25 June 2021.

³ Closing prices Xetra.

⁴ Closing prices Xetra.

Analyst coverage

Analysts have a positive view of the DKR share:

Bank	Price target in EUR	Rating	Analyst	Date
Metzler	17.90	Buy	Stephan Bonhage	18 June 2021
Warburg	17.80	Buy	Andreas Pläsier, Simon Stippig	15 June 2021
ODDO BHF	18.80	Outperform	Manuel Martin	17 May 2021
Berenberg Bank	20.00	Buy	Kai Klose	1 February 2021
Jefferies	16.00	Hold	Thomas Rothaeusler, Sebastian Link	11 September 2020

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

DKR's Annual General Meeting took place on 11 March 2021 as a virtual Annual General Meeting without the physical presence of the shareholders or their proxies. All proposed resolutions were adopted with the required majority. In particular, the distribution of a dividend of EUR 0.40 per share for the 2019/2020 financial year was approved. A total of TEUR 14,062 was distributed.

Capital resolutions at the Annual General Meeting on 11 March 2021

On 11 March 2021, the Annual General Meeting resolved, among other issues, to authorise the increase of the Authorised Capital and the Conditional Capital as well as the acquisition and use of treasury shares.

Accordingly, the Management Board was authorised, with the approval of the Supervisory Board, to increase the Company's share capital on one or more occasions until 10 March 2026 by up to a total of EUR 17,577,969.00 by issuing new no-par value bearer shares against cash or non-cash contributions (Authorised Capital 2021/I).

The Annual General Meeting also resolved to conditionally increase the share capital by up to EUR 9,577,969.00 by issuing up to 9,577,969 new no-par value bearer shares (Conditional Capital I). The conditional capital increase serves to grant shares to the holders of bonds that are issued or guaranteed in accordance with the authorisation resolved by the Annual General Meeting.

Furthermore, the Annual General Meeting authorised the Management Board to acquire and use treasury shares in accordance with § 71 (1) no. 8 AktG (German Stock Corporation Act). The resolution allows the acquisition of treasury shares up to a total of 10% of the share capital existing at the time of the resolution and is valid until 10 March 2026. The previously existing authorisation to acquire treasury shares would have expired on 19 April 2021.

Secondary listing of the DKR share on the Johannesburg Stock Exchange ("JSE")

Since 8 March 2021, the DKR share has been traded on the Main Board of the Johannesburg Stock Exchange ("JSE") in South Africa as part of a secondary listing after the Company was able to fulfil all legal requirements for admission to trading. The listing was preceded by a virtual roadshow lasting several days, during which DKR's Management Board presented the Company to institutional South African investors.

The background to the secondary listing can be seen in the high level of interest shown by professional South African investors in European REITs. However, due to existing trading regulations, South African investors are only allowed to invest abroad to a limited extent. Through a secondary listing on the JSE, Deutsche Konsum can avoid existing restrictions on trading and offer an attractive investment for institutional investors from South Africa.

The Company expects the transfer of shares between Germany and South Africa to significantly increase the trading volume of DKR shares in the medium term. The access to the South African capital market also increases the flexibility for raising further equity or debt capital by potential new investors.

Roadshows via digital media

Despite contact restrictions due to the Corona pandemic, DKR continues to be present in the media and at digital investor road shows.

2. Business development

Continuing portfolio growth

In the first nine months of the 2020/2021 financial year, the change of benefits and encumbrances of a total of eleven acquired properties took place, including in Parchim, Neu-Anspach, Mölln, Zittau and Northeim. In addition, revitalisation and modernisation measures amounting to EUR 14.3 million were carried out and capitalised in the reporting period.

Furthermore, the regular property valuation of the real estate portfolio was carried out by the external and independent appraiser CBRE GmbH, Berlin, as of 30 June 2021. This resulted in a valuation gain of EUR 54.8 million as at 30 June 2021.

Thus, DKR's real estate portfolio as of 30 June 2021 comprises 172 properties with a balance sheet value of around EUR 955 million and a rental area of around 989,000 sqm.

In the course of the current financial year, DKR has already acquired a total of 13 retail properties with an investment volume of around EUR 120 million and an annual rent of EUR 10.9 million. In addition to the properties with a change of benefits and encumbrances in the reporting period, the properties in Frankfurt/Oder and Saarbrücken-Dudweiler were also purchased, with the change of benefits and encumbrances taking place on 1 July 2021 (Frankfurt/Oder) and 1 August 2021 (Saarbrücken-Dudweiler). This is contrasted by the sale of a discount store in Berlin-Pankow, which is expected to be disposed as of 1 September 2021 with a capital gain of EUR 1.7 million.

As a result, DKR's total portfolio (pro forma) currently comprises 174 retail properties with an annual rent of around EUR 73 million and a balance sheet value of approximately EUR 1 billion.

Issuance of an unsecured bond and further financings

On 28 April 2021, DKR issued an unsecured bond 2021/2031 with a term of ten years (ISIN DE000A3E5KJ6). The bond volume amounts to EUR 20 million and bears a coupon of 3.1% p.a.

In addition, DKR took out two promissory note loans in March 2021 and April 2021, each with a volume of EUR 10 million, a term of five years and an interest rate of 2.4% and 2.55% respectively.

In the first nine months of the 2020/2021 financial year, DKR took out secured bank loans from savings banks, Volksbanks and Pfandbrief banks for EUR 67.5 million with fixed interest rates of between 1.05% and 3.35% p.a.

The Company is currently negotiating further loans at attractive conditions with various banks, taking into account the target LTV of around 50%.

Rating confirmed

In addition, the existing Scope rating was confirmed on 30 April 2021: The issuer rating remains at "BB+ stable" and the rating for secured and unsecured debt capital at "BBB" and "BBB-" (investment grade).

3. Development of asset, financial and earnings position

Net assets

The balance sheet total increased by TEUR 159,331 to TEUR 1,095,062 (30/09/2020: TEUR 935,730) due to the further portfolio growth, the cash inflows from borrowings and the increase in the portfolio's value as part of the regular property valuation. The main part of the assets are the investment properties, which are recognised at TEUR 955,125 as at 30 June 2021 (30/09/2020: TEUR 809,929).

The Company's equity increased by TEUR 79,278 to TEUR 455,880 in the first nine months of the 2020/2021 financial year (30/09/2020: TEUR 390,665) due to the current net profit for the period. The dividend distribution of TEUR 14,062 or EUR 0.40 per share on 11 March 2021 had a reducing effect on equity.

The EPRA NAV per share (undiluted) as of 30 June 2021 is as follows:

TEUR	30/06/2021	30/09/2020
Equity (TEUR)	455,880	390,665
Number of shares on the balance sheet date	35,155,938	35,155,938
EPRA NAV per share, EUR	12.97	11.11

New EPRA guidelines are applicable for companies with a financial year beginning in 2020. These include a redefinition of the EPRA NAV, which is now broken down into three key figures. Each of these is to be determined on a fully diluted basis, in the case of DKR taking into account the effects of outstanding convertible bonds. DKR regards the "EPRA NTA" as the relevant key figure comparable to the previous EPRA NAV:

TEUR	30/06/2021			30/09/2020		
	EPRA-NRV	EPRA-NTA	EPRA-NDV	EPRA-NRV	EPRA-NTA	EPRA-NDV
IFRS Equity attributable to shareholders	455,880.0	455,880.0	455,880.0	390,664.5	390,664.5	390,664.5
Effects of the conversion of convertible bonds	36,420.2	36,420.2	36,420.2	36,308.6	36,308.6	36,308.6
Deferred tax liabilities from investment properties	n/a	n/a	n/a	n/a	n/a	n/a
Fair value of derivative financial instruments	0.0	0.0	0.0	0.0	0.0	0.0
Hidden reserves of properties (IAS 16 and IAS 20)	n/a	n/a	n/a	n/a	n/a	n/a
Goodwill	n/a	n/a	n/a	n/a	n/a	n/a
Intangible assets	0.0	0.0	0.0	-0.1	-0.1	-0.1
Difference between book value and fair value of financial liabilities	0.0	0.0	0.0	0.0	0.0	0.0
Deferred tax assets / liabilities referring to those	n/a	n/a	n/a	n/a	n/a	n/a
Transaction costs (real estate transfer tax)	81,185.6	0.0	0.0	68,843.9	0.0	0.0
EPRA key figures (diluted)	573,485.8	492,300.2	492,300.2	495,816.9	426,973.0	426,973.0
Number of shares outstanding (diluted, thousands)	49,957.3	49,957.3	49,957.3	49,619.5	49,619.5	49,619.5
EPRA key figures per share in EUR (diluted)	11.48	9.85	9.85	9.99	8.60	8.60

Non-current and current financial liabilities to banks increased by a total of TEUR 72,264 to TEUR 412,536 (30/09/2020: TEUR 340,272) due to the net raising of additional loans. This resulted from the raising of further secured and unsecured new loans of TEUR 87,500 which were offset by simultaneous loan repayments. Furthermore, liabilities increased due to the issue of an unsecured bond with a volume of TEUR 20,000.

The borrowed funds were used for the acquisition of new retail properties.

Accordingly, the Net-LTV as of 30 June 2021 is as follows:

TEUR	30/06/2021	30/09/2020
Financial liabilities to banks	412,536	340,272
Convertible bonds	36,420	36,309
Corporate bonds	170,421	151,093
Total liabilities	619,377	527,674
minus cash and cash equivalents	-1,269	-209
minus fiduciary funds of property management	-3,456	-1,243
minus short-term lending	-66,980	-81,197
minus short-term interest-bearing investments	-9,307	-18,011
Net debt	538,364	427,014
Investment property	955,125	809,929
Properties held for sale	3,300	0
Prepayments for the acquisition of investment property	45,172	15,534
Total investment properties	1,003,597	825,462
Net-LTV	53.6%	51.7%

Financial position

The cash flow statement is as follows:

TEUR	9M 2020/2021	9M 2019/2020
Cash flow from operating activities	25,085	22,970
Cash flow from investment activities	-92,525	-232,667
Cash flow from financing activities	68,500	187,736
Cash changes in cash and cash equivalents	1,060	-21,962
Financial funds at the beginning of the period	209	25,639
Financial funds at the end of the period	1,269	3,677

The increase in cash flow from operating activities corresponds to the increase in the property management result due to the growth in the property portfolio.

The cash flow from investing activities mainly includes payments for the acquisition of further retail properties of TEUR 119,287, which are opposed by cash returns from short-term investments of available cash and cash equivalents of TEUR 25,995.

The cash flow from financing activities mainly includes net cash inflows from borrowings of TEUR 87,500 and from the issue of a bond of TEUR 20,000. This is offset by payments for repayments and interest (including ground rent) totalling TEUR 24,283 and the dividend distribution of TEUR 14,062.

The Company was always able to meet its payment obligations.

Earnings position

The earnings position of Deutsche Konsum developed as follows in 9M 2020/2021:

TEUR	9M 2020/2021	9M 2019/2020
Rental income	33,710	28,933
Net proceeds from the disposal of properties	0	-5
Other operating income	389	122
Valuation result	54,805	6,798
Operating expenses	-5,374	-4,965
EBIT	83,530	30,884
Financial result	-4,252	-3,640
EBT	79,278	27,244
Income taxes and other taxes	0	0
Net profit for the period	79,278	27,244

The rental income increased significantly due to the acquisition-related enlarged real estate portfolio. As a result, pure rental income increased to around TEUR 50,635 (9M 2019/2020: TEUR 40,323). Correspondingly, management expenses also increased. The management expenses include one-off special effects in the amount of TEUR 2,633 from the settlement with property sellers for properties acquired in the past as well as from the adjustments to the estimate of operating costs still to be settled in the future.

Administrative costs increased overall, but include one-off effects of TEUR 1.353 (9M 2019/2020: TEUR 1.867). Adjusted for special effects, administrative costs increased by approximately TEUR 219, mainly as a result of higher personnel expenses due to an increased number of employees.

The administrative expense ratio is as follows:

TEUR	9M 2020/2021	9M 2019/2020
Personnel expenses	-947	-757
Other operating expenses	-2,845	-3,330
Adjustment of one-time and special effects	1,353	1,867
Adjusted administrative expenses	-2,439	-2,219
Rental income	50,635	40,323
Administrative expense ratio	4.8%	5.5%

In summary, EBIT increased by TEUR 52,646 to TEUR 83,530.

Interest expenses increased by TEUR 2,195 to TEUR 9,045 (9M 2019/2020: TEUR 6,850) compared to the previous year due to a higher amount of borrowed capital. This also includes ground rent totalling TEUR 404 (9M 2019/2020: TEUR 388).

Interest income from the short-term interest-bearing investment of excess liquidity also increased by TEUR 1,583 to TEUR 4,793 (9M 2019/2020: TEUR 3,210), resulting from the high level of available cash and cash equivalents. This results in a slight net decrease in the financial result of TEUR -612 to TEUR -4,252 (9M 2019/2020: TEUR -3,640).

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

Overall, this results in net income for the period of TEUR 79,278 (9M 2019/2020: TEUR 27,244), from which FFO and aFFO derive as follows:

TEUR	9M 2020/2021	9M 2019/2020
Net profit for the period	79,278	27,244
Adjustment of income taxes	0	0
Adjustment of depreciation	8	8
Adjustment of valuation result	-54,805	-6,798
Adjustment of sales result	0	5
Adjustment of non-cash expenses/income	3,617	1,392
Adjustment of one-time effects	2,525	3,345
FFO	30,623	25,195
- Capex	-14,299	-12,333
aFFO	16,324	12,861

The non-cash expenses and income include the compounding of the convertible bonds and the loans using the effective interest method as well as accounting value adjustments on lockdown-related deferred rent receivables, which DKR nevertheless considers to be recoverable. The one-off effects include non-recurring expenses and income such as expenses unrelated to the accounting period as well as expenses for special projects such as the secondary listing on the Johannesburg Stock Exchange.

The capitalised maintenance costs (capex) mainly comprise value-enhancing revitalisation and expansion measures at the properties in Hohenmölsen, Drebkau, Spiegelau and Rostock as well as Angermünde and Greifswald.

This results in an FFO per share of EUR 0.87 (9M 2019/2020: EUR 0.78) and an aFFO of EUR 0.46 per share (9M 2019/2020: EUR 0.40).

4. Supplementary report

Further property additions and acquisitions

After the balance sheet date, the transfer of benefits and encumbrances of the acquired property in Frankfurt/Oder (Brandenburg) took place on 1 July 2021, while the transfer of benefits and encumbrances of the property in Saarbrücken-Dudweiler (Saarland) took place on 1 August 2021.

This means that the investment volume in the current financial year already totals around EUR 120 million. The annualised rent of the acquired properties amounts to a total of EUR 10.9 million.

5. Risk situation

Through its business activities, DKR is exposed to operational and economic opportunities and risks. Please refer to the detailed presentation in the Management Report of the Annual Report 2019/2020 in the section "Opportunity and risk report".

In the opinion of the Management Board, the risk position has not materially changed or worsened since 1 October 2020.

6. Outlook and forecast

Pandemic-related decline in the pace of purchases – earnings forecast for the financial year slightly adjusted

Due to its defensive orientation, DKR has so far only recorded marginal rent losses in the current financial year, as DKR's "classic" tenants – suppliers of daily needs such as food retailers as well as hypermarkets, drugstores, pharmacies and also DIY stores – have not been affected by the lockdown regulations, or only temporarily. Since the gradual openings of the retail sector as well as the vaccination campaign progressing in Germany, the situation of the affected tenants has brightened, which has also allowed existing deferred rents to be gradually paid to DKR and tenancies to be extended.

Despite strong growth in the financial year to date, DKR has not been able to complete further planned acquisitions as quickly as expected due to the impact of the COVID pandemic and, with purchases of EUR 120 million to date, is about 20% behind the expected acquisition volume of EUR 150 million, which is reflected in a lower increase in FFO. The reason for this are sometimes considerable delays in the acquisition processes. As further short-term acquisitions will no longer have a significant impact on rental income in the current financial year, the Management Board is adjusting the guidance for the 2020/2021 financial year slightly downwards.

Earnings forecast for FFO slightly adjusted

Thus, the Management Board now expects FFO between EUR 40 million and EUR 41 million (instead of EUR 42 million and EUR 45 million previously) in the 2020/2021 financial year. The forecast for the FFO run rate as at 30 September 2021 is unchanged and ranges between EUR 47 million and EUR 51 million.

7. Headline Earnings per share (HEPS)

According to the regulations of the Johannesburg Stock Exchange, the earnings indicator headline earnings per share is to be presented, which essentially represents the normalised earnings for the period adjusted for valuation results:

TEUR	9M 2020/2021	9M 2019/2020
Net income (undiluted)	79,277.9	27,243.6
Adjustment for valuation results under IAS 40	-54,804.9	-6,798.4
Adjustment for proceeds from disposals	0.0	5.0
Headline Earnings (undiluted)	24,472.9	20,450.2
Interest expenses on convertible bonds	467.8	465.9
Headline Earnings (diluted)	24,940.8	20,916.1
Average number of shares issued in the reporting period (in thousands), undiluted	35,155.9	32,461.5
Potential conversion shares (in thousands)	14,801.3	14,463.6
Average number of shares issued in the reporting period (in thousands), diluted	49,957.3	46,925.1
Headline Earnings per share (EUR)		
Undiluted	0.70	0.63
Diluted	0.50	0.45

**Interim financial statements for the period from
1 October 2020 to 30 June 2021
of the 2020/2021 financial year**

Deutsche Konsum REIT-AG, Broderstorf
Balance sheet as at 30/06/2021

TEUR	<u>30/06/2021</u>	<u>30/09/2020</u>
Assets		
Non-current assets		
Investment properties	955,125.2	809,928.6
Intangible assets	0.0	0.1
Tangible assets	47.3	14.3
Other financial assets (loans)	301.5	4,392.9
Other non-current assets	45,172.0	15,533.7
	1,000,646.0	829,869.7
Current assets		
Trade and other receivables	4,759.9	2,642.2
Refund tax claims	126.1	0.0
Other current assets	84,960.1	96,339.8
Cash and cash equivalents	1,269.4	209.1
	91,115.6	99,191.1
Non-current assets held for sale	3,300.0	6,669.3
TOTAL ASSETS	<u>1,095,061.5</u>	<u>935,730.1</u>
Equity and liabilities		
Equity		
Issued share capital	35,155.9	35,155.9
Capital reserve	197,141.6	197,141.6
Other reserves	723.4	723.4
Retained earnings	222,859.1	157,643.6
	455,880.0	390,664.5
Non-current liabilities		
Financial liabilities	358,299.5	319,377.8
Convertible bonds	36,420.2	36,308.6
Corporate bonds	170,420.6	151,092.9
Other provisions	3.5	3.5
Other non-current liabilities	10,198.4	9,574.1
	575,342.2	516,356.8
Current liabilities		
Financial liabilities	54,236.8	20,894.6
Other provisions	1,811.9	2,102.2
Trade payables	5,625.0	3,686.5
Other current liabilities	2,165.5	2,025.4
	63,839.3	28,708.7
TOTAL EQUITY AND LIABILITIES	<u>1,095,061.5</u>	<u>935,730.1</u>

Deutsche Konsum REIT-AG, Broderstorf
Statement of comprehensive income

TEUR	01/10/2020- 30/06/2021	01/04/2021- 30/06/2021	01/10/2019- 30/06/2020	01/04/2020- 30/06/2020
Rental income	50,634.9	17,633.2	40,322.9	15,279.1
Income from recharged operating costs	8,264.2	2,377.4	8,739.2	2,920.4
Operating expenses	-25,188.8	-8,850.2	-20,129.2	-6,963.4
Net rental income	33,710.3	11,160.3	28,932.8	11,236.2
Proceeds from the disposal of properties	0.0	0.0	4,095.0	0.0
Expenses on the sale of properties	0.0	0.0	-4,100.0	0.0
Net proceeds from the disposal of properties	0.0	0.0	-5.0	0.0
Other income	389.1	194.7	121.8	61.5
Gains/losses from the revaluation of investment properties	54,804.9	54,804.9	6,798.4	6,798.4
Subtotal	88,904.3	66,159.9	35,848.0	18,096.0
Personnel expenses	-946.4	-345.8	-756.6	-256.0
Depreciation and amortisation of tangible and intangible assets	-7.8	-2.0	-8.1	-2.7
Impairment loss of inventories and receivables	-1,575.0	-514.5	-870.4	-290.9
Other operating expenses	-2,845.3	-591.9	-3,329.5	-1,543.8
Operating expenses	-5,374.4	-1,454.2	-4,964.6	-2,093.4
EBIT	83,529.9	64,705.7	30,883.5	16,002.7
Interest income	4,793.0	1,516.1	3,209.8	1,200.5
Interest expense	-9,045.0	-3,187.7	-6,849.6	-2,686.4
Financial result	-4,252.0	-1,671.7	-3,639.9	-1,485.9
EBT	79,277.9	63,034.0	27,243.6	14,516.7
Income tax	0.0	0.0	0.0	0.0
Other tax	0.0	0.0	0.0	0.0
Net income	79,277.9	63,034.0	27,243.6	14,516.7
Earnings per share (in EUR)				
Undiluted earnings per share	2.26	1.79	0.84	0.44
Diluted earnings per share	1.60	1.26	0.59	0.31

Net income	79,277.9	63,034.0	27,243.6	14,516.7
Other comprehensive income				
Items not reclassified to profit or loss				
First time adoption of IFRS 9 effects	0.0	0.0	0.0	0.0
Revaluation according to IFRS 9	0.0	0.0	0.0	0.0
Tax effects	0.0	0.0	0.0	0.0
Items reclassified to profit or loss				
Impairment of acquired loans	-8.25	-33.3	264.4	-2.2
Change in fair value of loans	8.25	33.3	-264.4	2.2
Total other comprehensive income	0.0	0.0	0.0	0.0
Total comprehensive income	79,277.9	63,034.0	27,243.6	14,516.7

Deutsche Konsum REIT-AG, Broderstorf

Statement of changes in equity

TEUR	Issued share capital	Capital reserve	Other reserves	OCI	Retained earnings	Total equity
As at 01/10/2019	31,959.9	150,023.0	723.4	0.0	134,655.8	317,362.2
Period result					27,243.6	27,243.6
Cash capital increase/ -reduction	3,196.0	47,939.9				51,135.9
Costs of capital measures		-821.3				-821.3
Dividend distribution					-11,186.0	-11,186.0
As at 30/06/2020	35,155.9	197,141.6	723.4	0.0	150,713.5	383,734.4
As at 01/10/2020	35,155.9	197,141.6	723.4	0.0	157,643.6	390,664.5
Period result					79,277.9	79,277.9
Cash capital increase/ -reduction						0.0
Costs of capital measures						0.0
Dividend distribution					-14,062.4	-14,062.4
As at 30/06/2021	35,155.9	197,141.6	723.4	0.0	222,859.1	455,880.0

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

Information in TEUR	01/10/2020- 30/06/2021	01/10/2019- 30/06/2020
Period result	79,277.9	27,243.6
+/- Interest expense/interest income	4,252.0	3,639.9
+/- Depreciation, amortisation and write-down/reversals of intangible assets, tangible assets and financial assets	7.8	8.1
+ Impairments on inventories and receivables	1,575.0	870.4
-/+ Gains/losses from the revaluation of investment properties	-54,804.9	-6,798.4
-/+ Gains/losses on disposal of investment properties	0.0	5.0
-/+ Gains/losses on disposal of fixed assets	0.0	82.2
+/- Increase/decrease in provisions	-290.4	393.3
- Income taxes paid	-126.1	0.0
-/+ Increase/decrease in inventories, trade receivables and other assets not attributable to investing or financing activities	-4,367.2	-4,874.0
+/- Increase/decrease in trade payables and other liabilities not attributable to investing or financing activities	-438.6	2,399.6
Cash flow from operating activities	25,085.5	22,969.7
+ Cash receipts relating to disposals of investment properties	0.0	4,095.0
- Cash payments related to property investments	-119,286.7	-175,516.1
+ Cash receipts from the investment of cash funds for short-term cash management	29,294.9	7,786.3
- Cash payments related to short-term cash investments	-3,300.0	-69,966.7
+ Interest received	766.8	934.4
Cash flow from investing activities	-92,525.0	-232,667.1
+ Cash proceeds from the issue of shares	0.0	3,196.0
+ Cash proceeds from capital increases	0.0	47,939.9
- Costs related to capital increases	0.0	-821.3
+ Proceeds related to the issue of corporate bonds	20,000.0	40,000.0
- Costs related to the issue of corporate bonds	-235.0	-25.0
+ Proceeds from borrowings	87,500.0	127,400.0
- Cash payments related to the issue of borrowings	-419.3	-8.5
- Amortisation of loans	-15,095.5	-12,108.0
- Interest paid	-9,188.0	-6,651.6
- Dividend distribution	-14,062.4	-11,186.0
Cash flow from financing activities	68,499.8	187,735.5
Change in cash and cash equivalents	1,060.3	-21,961.9
Cash and cash equivalents at the beginning of the period	209.1	25,639.3
Cash and cash equivalents at the end of the period	1,269.4	3,677.4

About Deutsche Konsum REIT-AG

Deutsche Konsum is a REIT ("Real Estate Investment Trust") primarily specialising in retail real estate of daily need utilities. The shares of the Company are listed on the Prime Standard of the Deutsche Börse.

At the time that this quarterly statement was published, the Company's retail trade portfolio had a rentable space of more than 1,024,000 sqm and an annualised yearly rental income of around EUR 73 million, distributed over 174 properties. The portfolio is currently accounted at approximately EUR 1 billion.

Deutsche Konsum REIT-AG share

As at	10 August 2021
ISIN	DE000A14KRD3
WKN	A14KRD3
Ticker symbol	DKG
Initial offering	15/12/2015
Number of shares	35,155,938
Share capital	EUR 35,155,938.00
Trading locations	XETRA, Frankfurt (primary listing), Berlin, JSE (South Africa/secondary listing)
Market segment	Prime Standard
Share price (closing price Xetra on 10 August 2021)	EUR 14.50
Market capitalisation	more than EUR 500 million
52W – high/low (Xetra)	EUR 16.95/14.15

Financial calendar

12 August 2021	Publication of the quarterly statement for the third quarter of 2020/2021 financial year
2 September 2021	Commerzbank Corporate Conference, virtual event/Frankfurt am Main
20 September 2021	Berenberg and Goldman Sachs Tenth German Corporate Conference, virtual event/Unterschleißheim
21 September 2021	Baader Investment Conference, virtual event/Munich
23 November 2021	Deutsches Eigenkapitalforum, virtual event/Frankfurt am Main
16 December 2021	Publication of the final annual statements/annual financial report for the financial year 2020/2021

Publisher

The Management Board of Deutsche Konsum REIT-AG.

Contact

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(Incorporated in the Federal Republic of Germany)

(Registration number HRB 13072)

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Disclaimer

This quarterly statement contains forward-looking statements. These are based on current estimates and are, therefore, subject to risks and uncertainties. In this respect, the events actually occurring may deviate from the statements formulated here.

The report is also available in English. In doubtful cases, the German version is authoritative.

