



FY 2018/2019 financial results

1 October 2018 to 30 September 2019

18 December 2019

Deutsche
Konsum
REIT-AG



Highlights FY 2018/2019

Property Portfolio

Financial structure

Financials FY 2018/2019

Appendix

Strategy

Management

External partners

Revitalisation / Value add

Property overview as at 30 September 2019

Glossary

Strongest growth since inception

Strongest portfolio growth since inception

- Acquired 34 retail properties with a total investment volume of 160 mEUR at an average yield of 9.3%
- Property portfolio amounts to 624.0 mEUR
- (Proforma) portfolio now generates annualised rents of 57.5 mEUR
- Initial yield of the DKR property portfolio at 10.9%

Operational business on track

- 1.1% rent increase per sqm (lfl adjusted for capex-induced rental increases)
- Vacancy slightly increased to 9.9% due to purchase of three larger properties with vacancies of 25% +
- WALT has increased to 5.6 years due to prolongation of major rental contracts

Financial structure solid and strengthened

- ICR at 5.2x EBITDA which led to rating upgrades
- LTV dropped to 48.1%
- Average costs of debt at 1.93% (including unsecured debt)
- Rating upgrade and Central Bank eligibility of DKR led to drop in the secured loans costs

Capital recycling

- Disposal of two grocery discounter stores for yields of c. 5% and gains of c. 2.2 mEUR

FY 2018/2019 results

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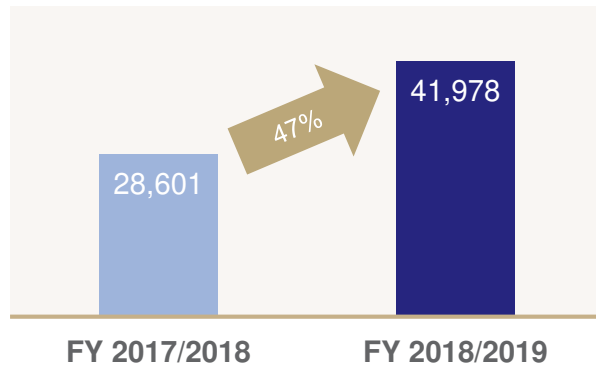


Financial key figures

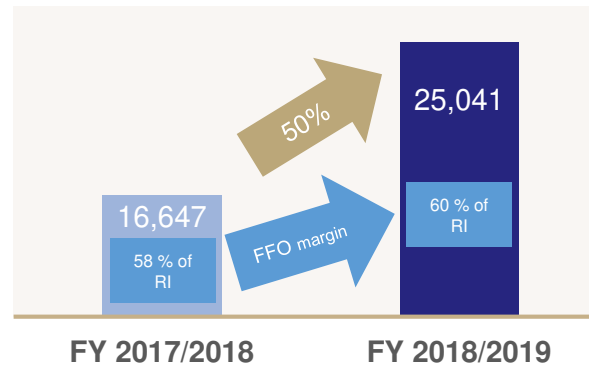
Strong and continuous growth

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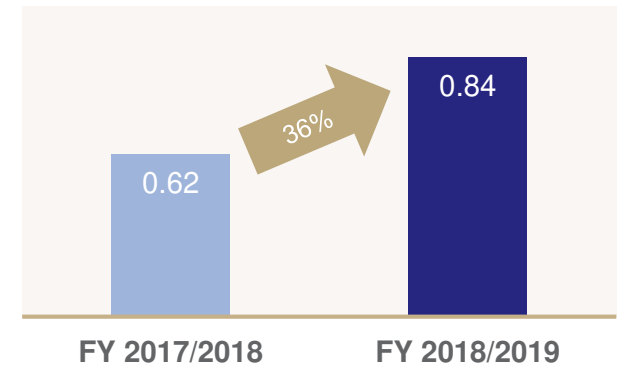
Rental income (kEUR)



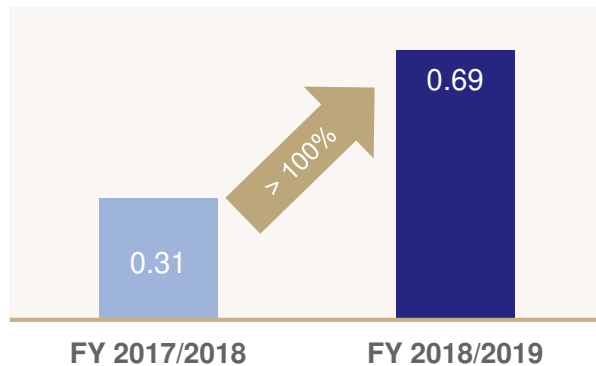
FFO (kEUR)



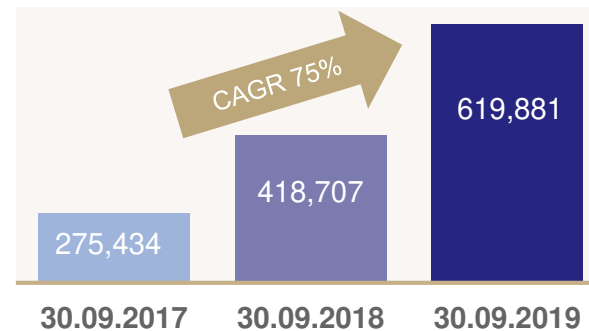
FFO per share (EUR)



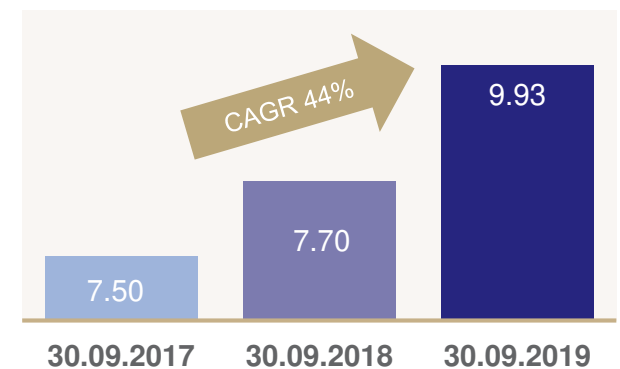
aFFO per share (EUR)



Investment properties (kEUR)



EPRA NAV per share (EUR)



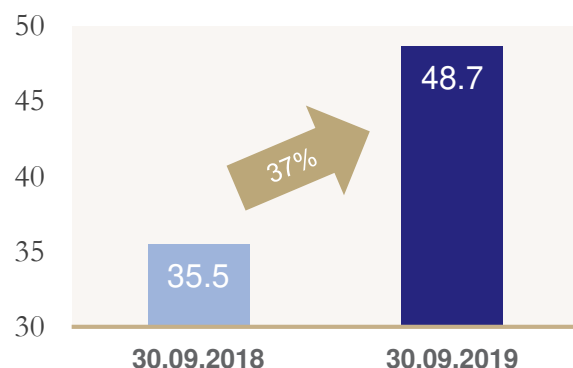
Property portfolio



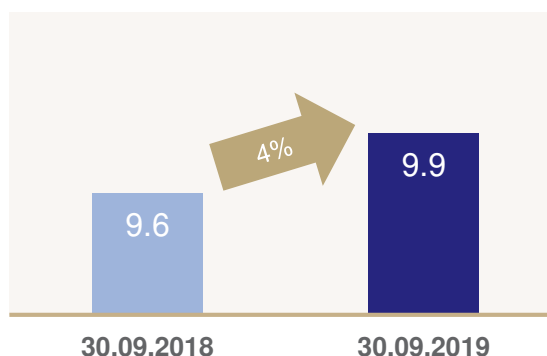
Property portfolio

Key portfolio figures as at 30 September 2019

Annualised rent (mEUR)



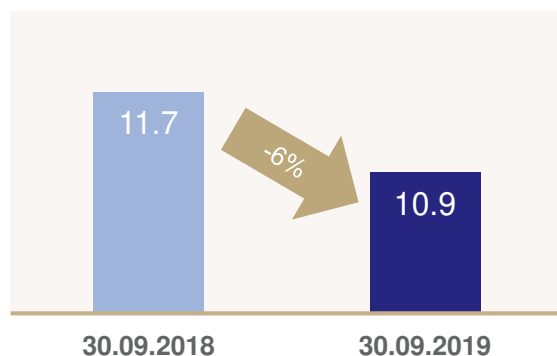
Vacancy (%)



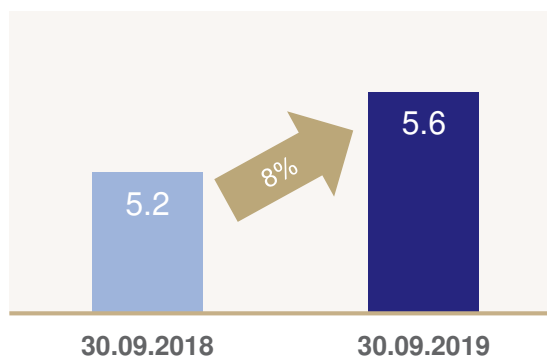
>> Portfolio snapshot:

- Key portfolio figures based on 123 properties accounted as at 30.09.2019
- Vacancy level slightly increased due to the latest addition of assets vacancy levels of 25%+
- Increase of WALT mainly due to long lease extensions and new properties with higher WALTs

Initial yield (%)



WALT (years)

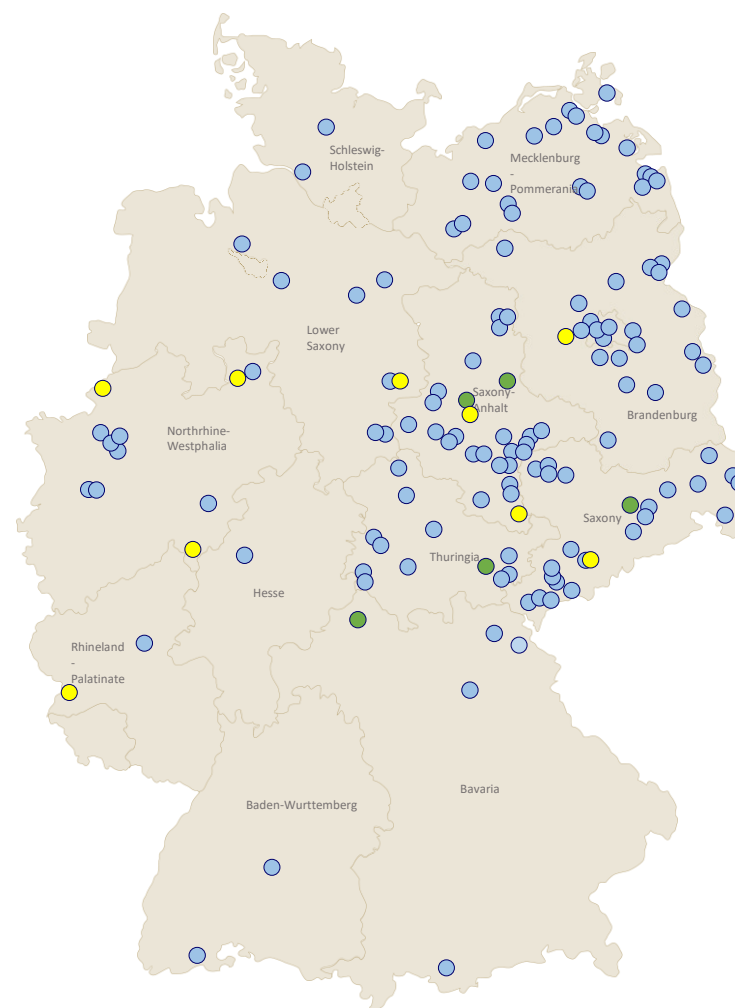


Property portfolio

Proforma portfolio consists of 136 properties with 820,000 sqm

>> Portfolio development within the last 24 months:

	30.09.2017	30.09.2018	30.09.2019	Pro Forma (including notarised properties)
Number of properties	62	90	123	136
Rental space (sqm)	330.1	517.8	722.6	820
Total fair value (mEUR)	275.4	418.7	624.0	714.0
Fair value per sqm (EUR)	835	809	863	870
Valuation multiple	11.1x	11.8x	12.8x	12,4x
Total annualised portfolio rent (mEUR)	24.8	35.5	48.7	57.5
Vacancy rate (%)	14.6	9.6	9.9	9.5
WALT (years)	4.6	5.2	5.6	6.1



- Portfolio as at 30.09.2019 (123 properties)
- Acquired assets with outstanding transfer of ownership (5 properties)
- Notarised assets as at 18.12.2019 (9 properties)

Selection of the last property acquisitions (1)

>> Acquisitions at the beginning of the new FY 2019/2020:



Location	Gera – Bieblach Center (Thuringia)
Type	Retail centre
Space (sqm)	23,400
Annualised rent (kEUR)	2,356
Main tenants	Kaufland, Hammer Baumarkt, Reno, Others
WALT	c. 6 years
Initial yield	c. 10%
Transfer of ownership expected	January 2020



Selection of the last property acquisitions (2)

>> Acquisitions at the beginning of the new FY 2019/2020:



Location	Rosswein (Saxony)	Genthin (Saxony-Anhalt)	Möser (Saxony-Anhalt)	Laufach (Bavaria)
Type	Retail Centre	Neighborhood centre	Neighborhood centre	Grocery store
Space (sqm)	3,000	1,300	1,100	1,000
Annualised rent (kEUR)	117	64	58	54
Main tenants	Edeka, KiK, Tedi, Others	NP (Edeka)	Non-food discounter	Tegut
WALT	c. 7.5 years	c. 7 years	c. 2 years	c. 5 years
Initial yield	c. 9%	c. 10%	c. 12%	c. 10%
Transfer of ownership expected	January 2020	January 2020	January 2020	January 2020

Selection of the last property acquisitions (3)

>> Acquisitions at the beginning of the new FY 2019/2020:



Locations	Gronau, Kreuztal (Northrhine-Westphalia), Wolfenbüttel (Lower Saxony), Staßfurt, Zeitz (Saxony-Anhalt), Chemnitz (Saxony) and Brandenburg an der Havel (Brandenburg)
Type	DIY stores
Space (sqm)	55,400
Annualised rent (kEUR)	c. 4,200
Main tenants	Hellweg
WALT	c. 12.5 years
Initial yield	c. 8.5%
Transfer of ownership expected	February 2020

Selection of the last property acquisitions (4)

>> Acquisitions at the beginning of the new FY 2019/2020:



Location	Trier (Rhineland-Palatinate)	Herzebrock-Clarholz (Northrhine-Westphalia)
Type	Retail Centre	Food discounter
Space (sqm)	11,600	1,000
Annualised rent (kEUR)	1,900	133
Main tenants	real,-	Netto (Edeka)
WALT	c. 2.0 years	c. 1.5 years
Initial yield	c. 13%	c. 13%
Transfer of ownership expected	February 2020	February 2020

- Investment volume in Q1 2019/2020 of c. 90.0 mEUR as per today
- Annualised rent of the (proforma) portfolio amounts to 57.5 mEUR
- Strong acquisition pipeline to be signed shortly

Capital recycling: One property in Berlin-Tegel sold at 4.9% yield

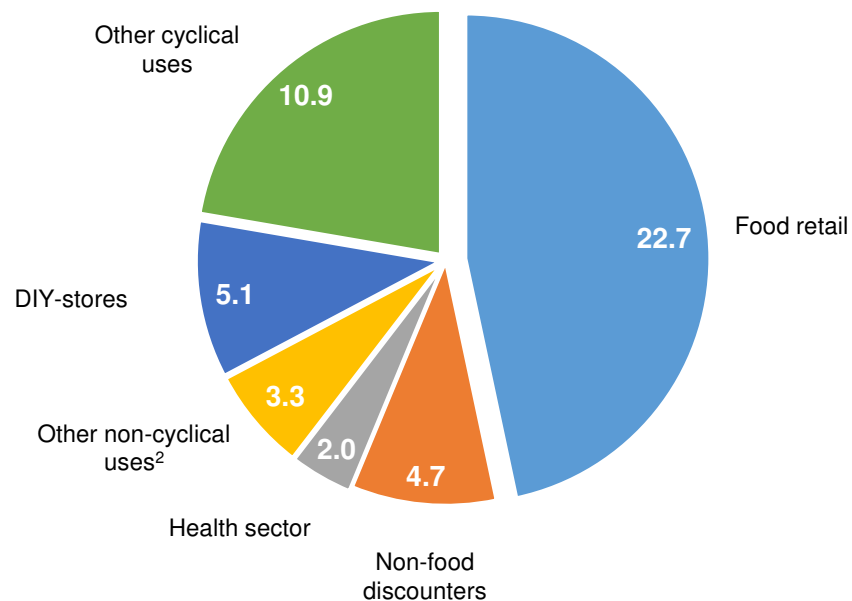
>> Sale of one grocery discounter store in Berlin-Tegel:

































Location	Buddestraße 36 (Berlin)
Type	Grocery discounter store
Space (sqm)	931
Annualised rent (kEUR)	202
Main tenants	Netto (Edeka Group)
WALT	c. 4 years
Sales price	4.1 mEUR
Multiple	20.3x
Transfer of ownership expected	February 2020
Dividend related sales gain	c. 1.9 mEUR
Dividend effect in FY 2019/2020	c. 0.06 EUR per share

Rent contribution from non-cyclical tenants of c. 68%

>> Rent contribution by tenant classification (mEUR)¹:



>> Rent contribution by major tenants¹:

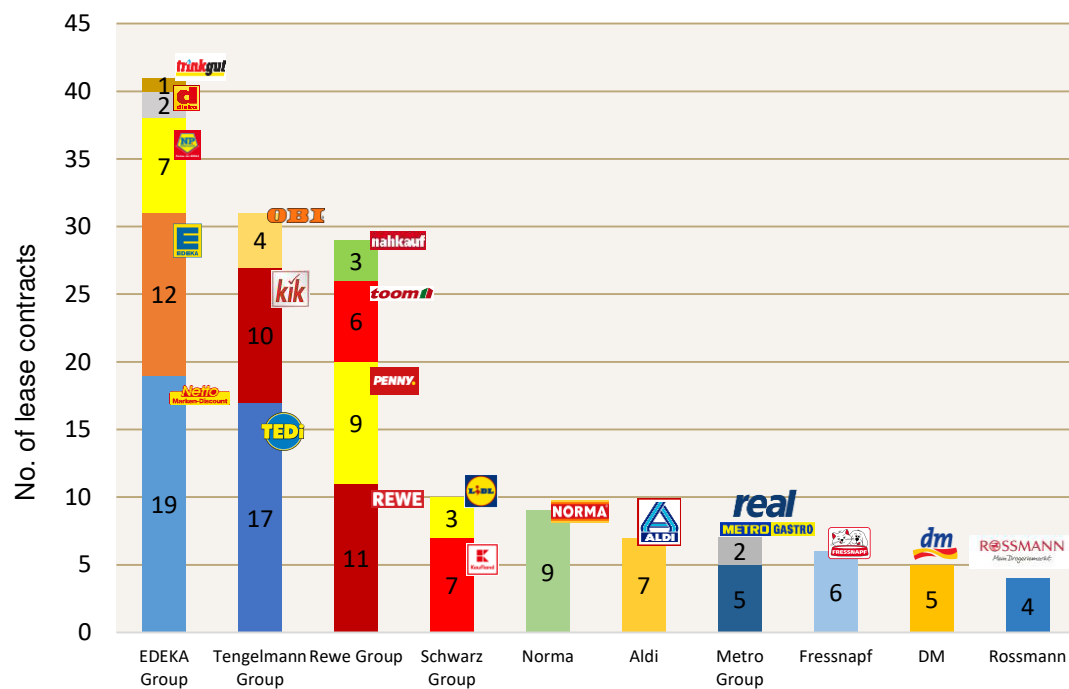
Tenant group	Brands	Rent (mEUR)	WALT in years
Schwarz Group	 	6.9	5.5
Edeka Group	   	6.8	6.7
Rewe Group	  	3.3	6.7
Metro Group	 	2.8	8.5
Bartels-Langness Group		1.0	8.4
ALDI		0.8	5.6
Norma		0.6	4.2
Others	  	0.6	5.0
Food retail		22.7	6.5
Rewe Group		2.1	5.9
Tengelmann Group		1.7	4.9
Others		1.3	5.8
DIY stores		5.1	5.5
Tengelmann Group	 	1.4	4.3
Others	       	3.3	5.3
Non-food discounters		4.7	5.0

¹ Annualised rent contribution of the pro forma portfolio (123 properties) as at 30 September 2019

² Involves e.g. drug stores, bakeries, banks and apartments

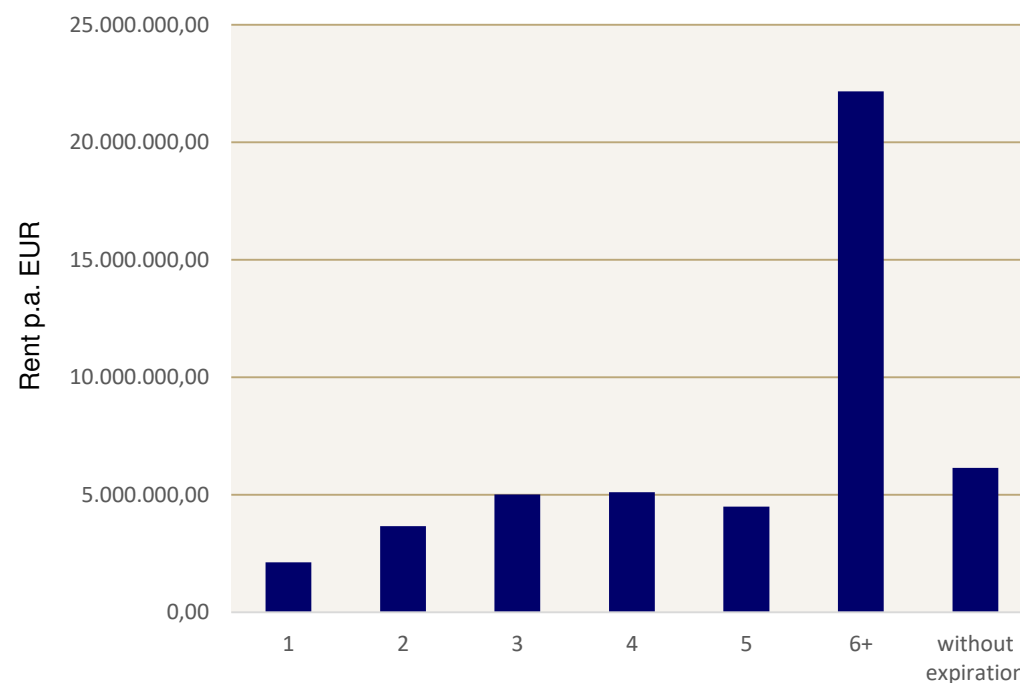
DKR as a reliable partner for stable long-term tenancies

>> Multiple leases with the same tenants¹:



- Multiple leases with the same tenant strengthens DKRs position towards the tenants

>> Annualised rents allocated to years of lease contract maturities¹:



- WALT as at 30 September 2019: 5.6 years

¹ Based on the portfolio as at 30 September 2019

Valuation potential

Share price currently trades at a 7.2% yield

>> NAV impact from factor increases (c.p.) shows upside potential:

	Annualised total portfolio rent (mEUR)	Hypothetical valuation multiple	Yield	Portfolio value (mEUR)	Net LTV	Net debt outstanding	NAV (mEUR)	Number of shares m	Hypothetical NAV per share (EUR)	
Current portfolio as at 30.09.2019	48.7	12.8	7.9%	619.9	48.1%	300.2	317.5	31,960	9.93	
Assumptions (Pro forma portfolio)	57.5	13.0	7.7%	747.5	40%	300.4	447.1	31,960	13.99	
	57.5	13.5	7.4%	776.3	39%	300.4	475.9	31,960	14.89	
	57.5	14.0	7.1%	805.0	37%	300.4	504.6	31,960	15.79	Trading level of DKR shares
	57.5	14.5	6.9%	833.8	36%	300.4	533.4	31,960	16.69	
	57.5	15.0	6.7%	862.5	35%	300.4	562.1	31,960	17.59	
	57.5	15.5	6.5%	891.3	34%	300.4	590.9	31,960	18.49	
	57.5	16.0	6.3%	920.0	33%	300.4	619.6	31,960	19.39	

¹ Assumptions are based on the current pro forma portfolio consisting of 136 assets with an annualised rent of 57.5 mEUR

Financial structure



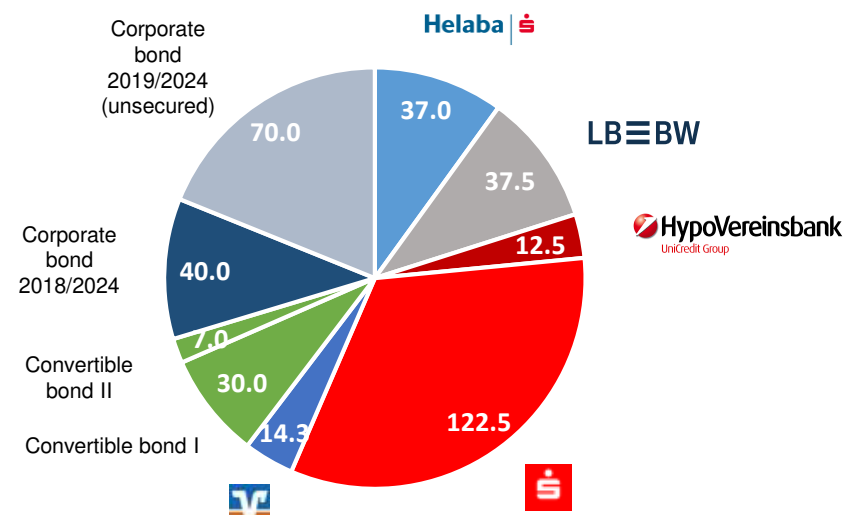
Conservative and efficient debt structure

>> Financial KPIs:

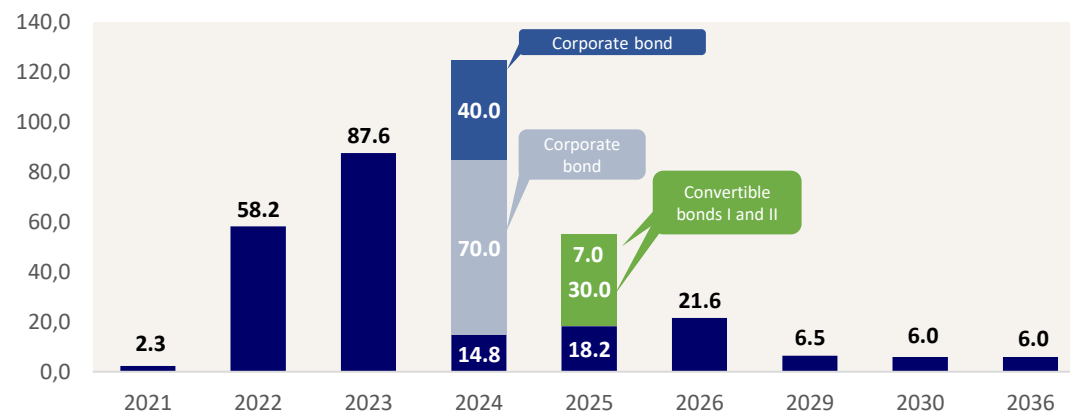
	30.09.2019	30.09.2018	%
Total financial debt (loans + bonds), mEUR	354.1	231.6	+53
Avg. loan interest, % p.a.	1.94	1.98	-2
Avg. total debt interest, % p.a.	1.93	1.87	+3
(Net-) LTV (%)	48.1	51.2	-6
Average loan maturity (years)	4.7	5.5	-15
ICR (EBITDA excl. valuation / interest results)	5.2x	3.9x	+33
Rating secured senior debt (Scope)	„BBB“ (Investment grade)	„BBB“ (Investment grade)	-
Rating unsecured senior debt (Scope)	„BBB-“ (Investment grade)	„BB+“ (Non-Investment grade)	-

- Significant increase of ICR to 5.2x
- Diversified portfolio of finance instruments
- Interest costs of DKR have potential for further decreases
- Central bank eligibility achieved in 2019

Debt allocation (mEUR initial nominal debt)

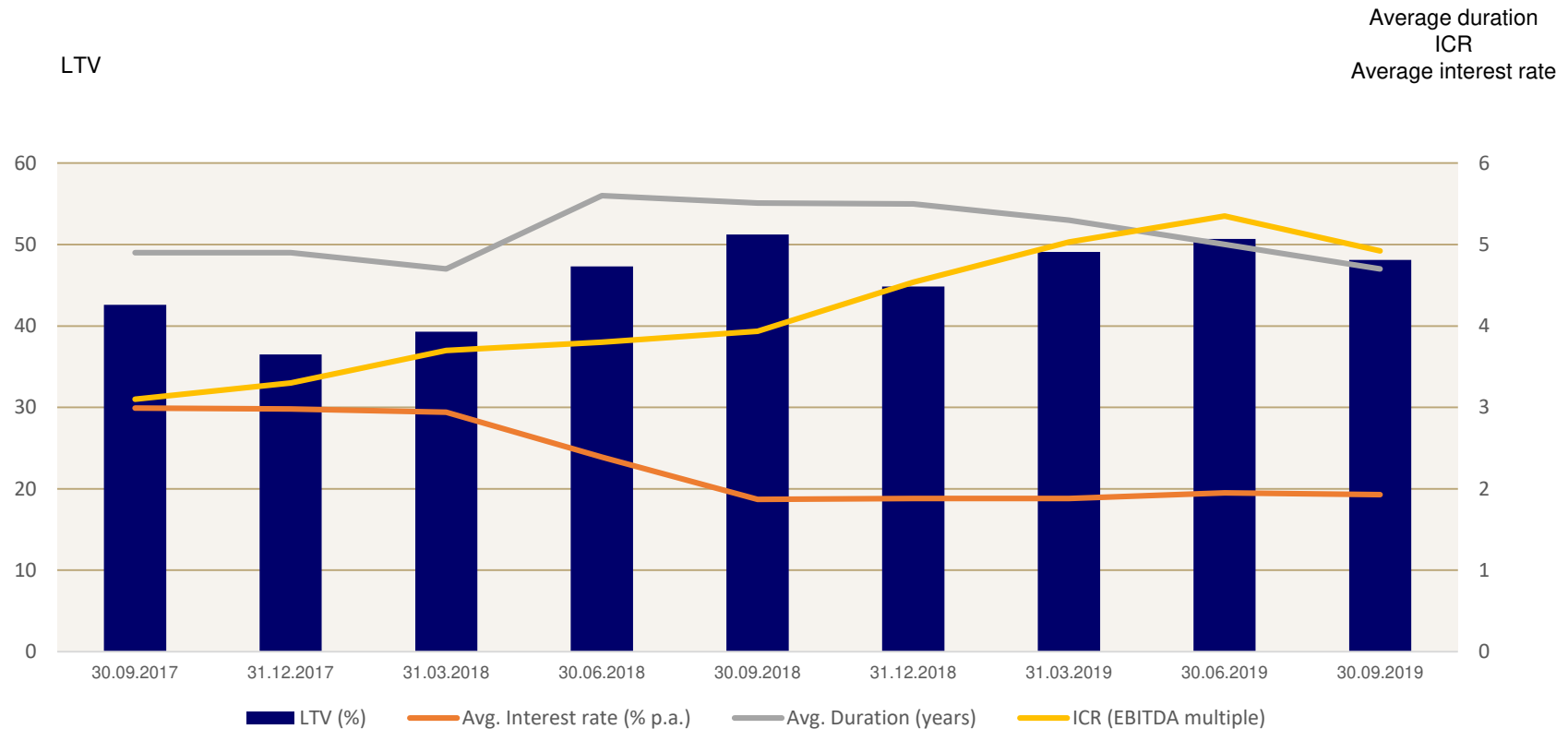


Loan allocation according to maturity of fixed interest rates (mEUR initial nominal debt)



Reduced interest costs while solvency has strongly increased

>> Development of debt metrics over the past 24 months:



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Condensed IFRS balance sheet

	kEUR	30.09.2019	30.09.2018	kEUR	30.09.2019	30.09.2018	
Pro forma portfolio currently mEUR 714 (including the latest notarised acquisitions)	Assets			Equity and liabilities			Up due to two capital increases in Nov 2018 and Sep 2019 with a total cash contribution of mEUR 61.3
	Investment properties	619,881.3	418,707.3	Subscribed capital	31,959.9	27,236.3	
	Other non-current assets	8,393.1	18,524.3	Capital reserves	150,023.0	94,164.9	
	Deferred tax assets	0.0	0.0	Other reserves	723.4	855.7	
Contains VAT receivables and cash escrows as well as interest bearing short-term cash investments	Total non-current assets	628,274.4	437,231.6	OCI	0.0	0.0	Increased bank liabilities due to new loans withdrawn and refinancing of short term loans
	Other current assets	25,974.4	15,560.8	Retained earnings	134,655.8	87,505.5	
	Cash position	25,639.3	140.5	Total equity	317,362.2	209,762.4	
	Total current assets	51,586.7	15,701.3	Bank liabilities	195,509.5	146,709.3	
Cash position after capital increase in Sep 2019	Non-current asset held for sale	4,100.0	0.0	Convertible bonds	36,162.1	36,098.9	Emission and tap of an unsecured bond of mEUR 70.0
				Corporate bonds	110,878.3	40,158.4	
Sold asset Buddestraße in Berlin				Other liabilities	8,609.7	7,866.6	
				Deferred tax liabilities	0.0	0.0	
				Total long-term liabilities	351,159.0	230,833.1	
				Bank liabilities	11,489.7	8,513.7	
				Other financial liabilities	0.0	116.2	
				Other short-term liabilities	3,950.2	3,707.6	
				Total short-term liabilities	15,439.9	12,337.5	
	Total assets	683,961.1	452,932.9	Total equity and liabilities	683,961.1	452,932.9	

LTV and EPRA NAV

>> LTV (loan-to-value):

kEUR	30.09.2019	30.09.2018
Bank loans	206,998.7	155,223.0
Convertible bonds	36,162.1	36,098.9
Corporate bonds	110,878.3	40,158.4
Other short term borrowings	0.0	116.2
Total financial liabilities	354,039.0	231,596.4
- Cash position	-25,639.3	-140.5
- Property management accounts ¹	-3,256.3	-
- Short term interest bearing lendings	-24,755.0	-7,425.6
Net debt	300,388.5	224,030.4
Investment properties	619,881.3	418,707.3
Asset held for sale	4,100.0	
Purchase prices paid into escrow	16.6	18,518.5
Properties	623,997.9	437,225.8
Net LTV	48.1%	51.2%

¹ Included since Q1 2018/2019

>> EPRA NAV:

kEUR	30.09.2019	30.09.2018
Total equity	317,362.2	209,762.4
Conversion of convertible bonds	0.0	0.0
NAV	317,362.2	209,762.4
Fair value of derivative instruments	-	-
Deferred taxes	-	-
EPRA NAV	317,362.2	209,762.4
Number of shares	31,959,944	27,236,313
EPRA NAV per share (EUR), undiluted	9.93	7.70

Condensed IFRS income statement

kEUR	01.10.2018 – 30.09.2019	01.10.2017 – 30.09.2018	%
Rental income	41,978.4	28,601.3	46.8
Income from recharged operating costs ¹	6,827.3	4,303.1	30.4
Operating expenses	-17,203.8	-10,636.1	-48.7
Net rental income	31,601.9	22,268.3	41.9
Income from property disposal	975.0	30.0	>100.0
Expenses from property disposal	-975.0	-30.0	>-100.0
Valuation gain of properties held for sale	255.0	0.0	
Net result from property disposal	255.0	0.0	>100.0
Gains from fair value measurement of investment properties	30,362.1	16,336.8	85.9
Other operating income	165.3	50.2	>100.0
Personnel expenses	-887.7	-578.9	-53.3
Depreciation of other assets	-1.2	-1.3	-12.6
Impairment of receivables	-383.5	-256.7	-49.4
Other operating expenses	-2,163.5	-1,919.3	-12.7
EBIT	58,948.5	35,899.1	64.2
Interest income	1,368.9	575.0	138.1
Interest expenses	-7,174.6	-5,546.7	-29.3
EBT	53,142.8	30,927.4	71.8
Taxes	-0.5	-8.9	94.3
Total period income	53,142.3	30,918.5	71.9
Earnings per share (undiluted), EUR	1.79	1.15	55.2
Earnings per share (diluted), EUR	1.25	0.80	56.9

Rental income has mainly increased in the course of the property portfolio growth

Opportunistic sale of a grocery store in Berlin-Konradshöhe for a 18x annual rent multiple

Valuation gains of notarised properties held for sale (Konradshöhe and Buddestraße, Berlin)

Property valuation as of 30 June 2019 led to significantly higher fair value gains

Contains one-offs of 703 kEUR. Remaining increase results from higher general expenses for IR work, appraisers fees and others in course of the company's growth

Interest gains resulting from interest bearing short-term lendings of unused cash amounts

Contains a non-cash valuation effect of 700 kEUR from the revaluation of convertible bonds after the amendments of the bond conditions effective Nov 2018

¹ Presentation changed according to new IFRS 15 accounting rules obligatory since the beginning of the financial year; therefore prior year figures were adjusted

FFO reconciliation

>> FFO/aFFO:

	01.10.2018 30.09.2019	01.10.2017 30.09.2018	%
kEUR			
Total period income	53,142.3	30,918.5	71.9
+/- Income taxes	0.1	8.5	-99.3
+ Depreciation of other assets	1.2	1.3	-12.6
+/- Gain from remeasurement of investment properties	-30,362.1	-16,336.8	-85.9
Net result from property disposal	-255.0	0.0	>-100.0
Non-cash expenses / income	1,401.6	557.5	>100.0
Other non-recurring expenses	1,112.8	1,497.5	-25.7
FFO	25,040.9	16,646.5	50.4
- Capex	-4,550.9	-8,219.3	-44.6
aFFO	20,490.0	8,427.3	43.1
FFO per share (EUR), undiluted¹	0.84	0.62	35.9
aFFO per share (EUR), undiluted¹	0.69	0.31	>100.0

¹ On the basis of average number of shares within the period

Contains non-cash items due to IFRS revaluation of convertible bonds

Contains non-periodic items of 450 kEUR as well as non-recurring expenses of 350 kEUR (e.g. consultancy fees due to new IFRS standards, implementation of a new software), other one-offs of 313 kEUR (for refinancing, sponsoring and other fees etc.)

DKR shares

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DKR share performance reflects the scalability of the business model

>> DKR shares:




	16.11.2019
ISIN	DE000A14KRD3
WKN	A14KRD3
Symbol	DKG
Number of shares	31,959,944
Nominal capital (kEUR)	31,959
Share class	Bearer shares
Stock exchanges	XETRA, Frankfurt, Berlin
Segment	Prime Standard
Indizes	Prime all share, CDAX, DIMAX, RX REIT
Share price (EUR)	15.60
52w high/low (EUR)	17.00 / 10.95
Market Cap (EUR)	c. 500.000.000



- DKR shares trade at a 6.9% FFO-yield (referring to the running rate based on the current proforma portfolio)
- Dividend yield at c. 2.2% (referring to the dividend of 0.35 EUR for the FY 2018/2019)

Analyst research

>> Analyst coverage:

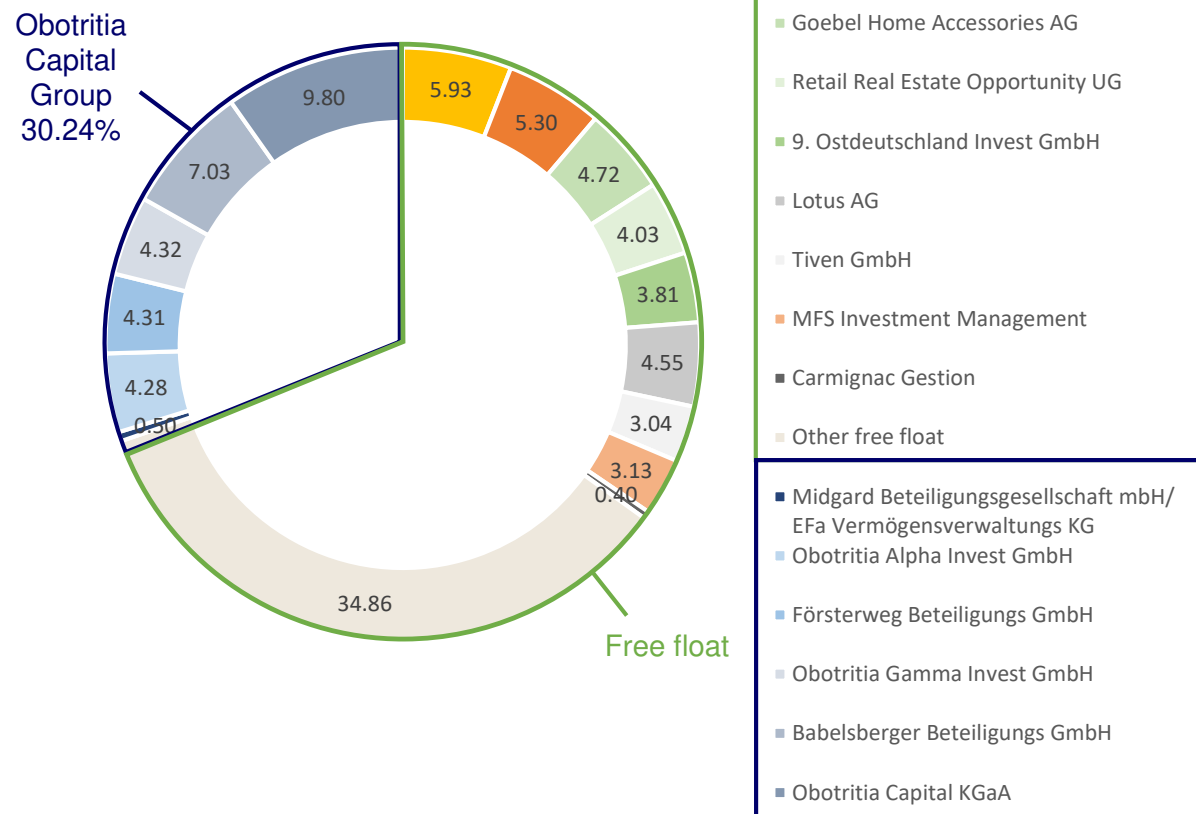
Publication date	Bank	Analyst	Recommendation	Price target
18 November 2019	 BERENBERG <small>PRIVATBANKIERS SEIT 1590</small>	Kai Klose	„Buy“	EUR 18.90
21 November 2019	 Bankhaus Lampe	Dr. Georg Kanders	„Buy“	EUR 18.50
19 November 2019	 ODDO BHF	Manuel Martin	„Buy“	EUR 18.50

Stable shareholder structure

>> DKR share developments in FY 2018/2019:

- Successful 10% share capital increase closed on 22 Nov 2018, issuance of 2.7 million new shares at a share price of 11 EUR
- Successful 6.7% share capital increase closed on 19 September 2019, issuance of 2.0 million new shares at a share price of 15.50 EUR
- Increased free float
- DKR aims to step into EPRA indices and SDAX

>> Shareholder structure (30 September 2019) :



Guidance



FY 2018/2019 financial results slightly below guidance

>> FFO for FY 2018/2019:

- FFO of 25.0 mEUR achieved (Guidance was 26.0 mEUR to 29.0 mEUR)
- FFO run rate of 32.1 mEUR achieved (Guidance was 33.0 mEUR)

>> Dividend for FY 2018/2019:

- Based on current results the management board will suggest a dividend of 0.35 EUR per share (Guidance was 0.40 EUR per share) which means a dividend increase of 75%

>> FFO-Guidance for FY 2019/2020:

- FFO between 34.0 mEUR and 36.0 mEUR
- FFO run rate between of 38.0 mEUR and 40.0 mEUR

>> Dividend for FY 2019/2020:

- Based on the current forecast DKR expects a dividend of at least 0.55 EUR per share

Financial calendar

DKRs next financial events

>> Financial calendar:

Date	
18.12.2019	Publication of the final annual statements/annual financial report for the financial year 2018/2019
13.02.2020	Publication of the quarterly statement for the first quarter of 2019/2020 financial year
05.03.2020	Annual General Meeting, Berlin
14.05.2020	Publication of the half-yearly financial report of 2019/2020 financial year
13.08.2020	Publication of the quarterly statement for the third quarter of 2019/2020 financial year
17.12.2020	Publication of the final annual statements/annual financial report for the financial year 2019/2020

Appendix



Investment Highlights

>> Growing BASIC RETAIL investor – biggest niche player in Germany:



Retail property portfolio in established micro locations

- 123 retail properties
- > 0.6bn EUR GAV and 49mEUR annualised rents
- Initial yields > 10%
- Established micro locations in German cities



Defensive and solvent tenant mix

- Food-anchored and non-cyclical tenants for daily needs supply (BASIC RETAIL)
- Very solvent tenants
- Less negative impact by E-commerce
- Multiple leases with the same tenants are game changers and strengthen DKRs bargaining power



Stock exchange listed investor

- Prime Standard listing
- Significantly increased market cap
- High cashflows
- Mandatory dividend distribution
- Highest transparency standards



Solid and efficient funding

- Company and trade tax exemption due to REIT status
- 55% maximum LTV leverage
- Average costs of debt < 2.0% per annum
- Very lean admin structure

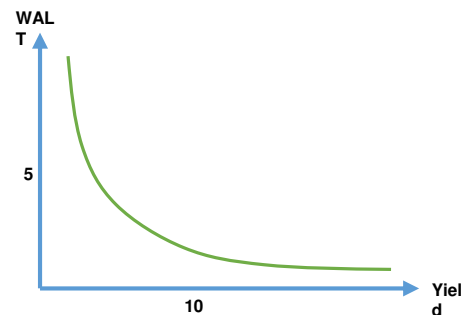
Investment approach

>> Growing BASIC RETAIL investor – biggest niche player in Germany:



Highly fragmented niche to be consolidated

- Niche of properties in a range between 1 mEUR and 25 mEUR too big for private investors and too small for institutional investors
- Semi-professional market niche which DKR runs professionally
- Asset-wise acquisitions cheaper than portfolio deals



Accepting short WALTs

- DKR make use of the disproportionate decline of property prices compared to the decline of the WALT on the market
- Deep property analysis before acquisition



High-speed acquisition process

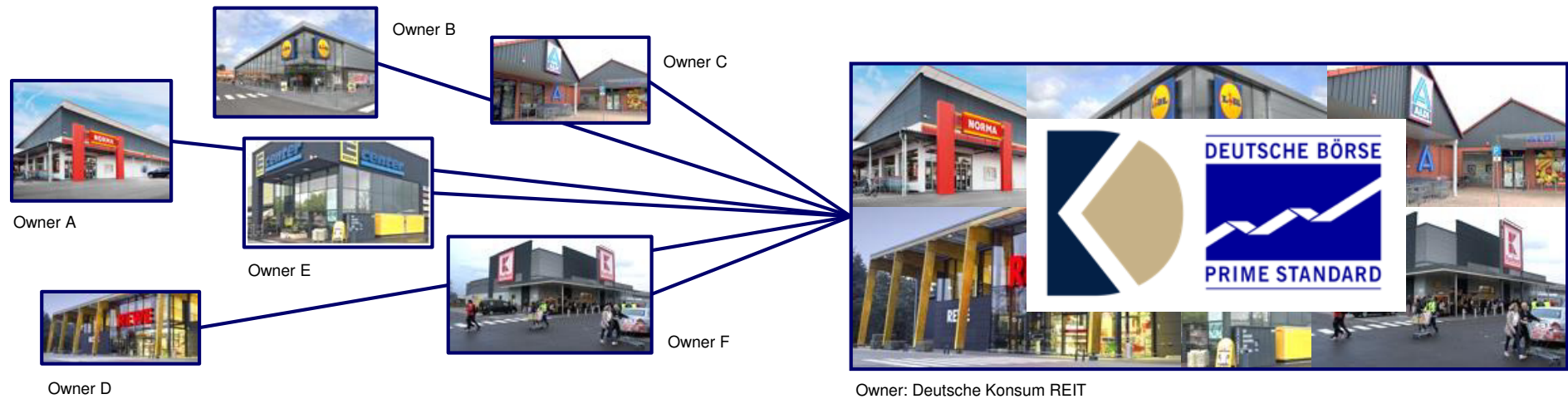
- DKR buys out of equity which is advantageous in the acquisition process
- Debt refinancing after acquisition



Value enhancing asset management

- Investing in properties if value enhancing
- DKR as a reliable partner of the tenant
- Vacancy reduction and rental contract prolongations
- Multiple leases with the same tenant increase DKRs power

Bundling single properties into an institutional asset class



- Strong and effective **risk diversification** of single properties by bundling them into a portfolio
- **Synergies and stronger position** towards tenants
- Significant funding advantages on a portfolios basis
- **Tax exemption** due to REIT-Status
- **Institutional** quality of the DKR share due to Prime Standard listing, dividend obligation and full transparency

Basic retail sector remains stable with best outlook

>> Market research according to 14. Retail Real Estate Report Germany 2019/2020 by bulwiengesa / Hahn / CBRE¹:

4.1 %

Growth of the
stationery
retail in 2018

125m
sqm

Total retail
lease area in
Germany

- Strong German economy and increasing consumption in the private sector underscores this growth

- Market share of DKR of 0.6% (720k sqm)
- „E-commerce remains as a platform for the non-food-sector¹“

Company	Sales channel (selection)	Stores		Sales area		Space productivity (gross)		Turnover	
		No.	Change since 2017	Avg. per store in sq m	Change since 2017	€/sq m	Change since 2017	€ million	Change since 2017
EDEKA	Netto	4,235	1.1 %	792	1.5 %	4,250	-0.1 %	14,247	2.4 %
	EDEKA	3,749	1.1 %	1,243	1.4 %	4,460	-0.5 %	20,786	2.0 %
	E-Center	447	2.3 %	3,243	1.6 %	4,600	2.0 %	6,666	6.0 %
	MARKTKAUF	115	-10.2 %	5,770	2.0 %	4,090	-1.9 %	2,713	-10.2 %
METRO GROUP	Real	278	-2.1 %	6,989	0.8 %	4,170	-1.7 %	8,102	-3.0 %
REWE Group	PENNY	2,195	0.3 %	722	0.9 %	5,170	1.5 %	8,191	2.7 %
	REWE	3,566	3.5 %	1,498	0.7 %	4,010	0.0 %	21,420	4.2 %
	REWE Center*	37	2.8 %	6,616	3.3 %	4,050	0.7 %	993	7.1 %
Schwarz-Group	Lidl	3,193	0.5 %	898	3.4 %	7,400	0.0 %	21,226	3.9 %
	Kaufland	663	0.8 %	4,341	-0.1 %	4,930	-0.2 %	14,177	0.4 %
Bartels-Langness	famila Nordost	87	1.2 %	3,682	1.4 %	4,450	-0.7 %	1,425	1.8 %

- Expansion of stationary food retail continues
- DKRs main food retail tenants keep on growing

¹ https://www.hahnag.de/index.php?eID=tx_nawsecuredl&u=0&g=0&t=1573572208&hash=c3deec9fb2485046feb45ffe97d7b48f3ac6d545&file=media/hahn/Downloads_PDF/Publikationen/Research/Hahn_Retail_Real_Estate_Report_2019_web.pdf

Basic retail resilient to E-Commerce (1)

>> Market research according to 14. Retail Real Estate Report Germany 2019/2020 by bulwiengesa / Hahn / CBRE¹:

05. Online Shares of Total Turnover in the Food and Drugstore Segments in 2016 - 2018

Food and delicatessen products



Drugstore products (paper hygiene products, washing, cleaning and detergent products)



Source: HDE

fig. 3

10. Top 5 Food Retailers

	Turnover in € billion	Growth in turnover since 2017 in %
EDEKA	58.48	3.5
Schwarz Group	39.85	3.2
REWE Group	39.80*	12.4*
ALDI	30.14	1.2
METRO GROUP incl. C&C	13.47	-1.1

* Special effect due to first-time consolidation of REWE Dortmund

Source: bulwiengesa, TradeDimensions

fig. 4

Results of the statistical data:

- Food sector and other goods of daily needs (basic retail) are resilient to E-Commerce which has a market share of < 2 % (fig. 3)
- German stationery food retailers continue a very robust overall growth (fig. 4)

¹ https://www.hahnag.de/index.php?eID=tx_nawsecuredl&u=0&g=0&t=1573572208&hash=c3deec9fb2485046feb45ffe97d7b48f3ac6d545&file=media/hahn/Downloads_PDF/Publikationen/Research/Hahn_Retail_Real_Estate_Report_2019_web.pdf

Basic retail resilient to E-Commerce (2)

>> Market research according to 14. Retail Real Estate Report Germany 2019/2020 by bulwiengesa / Hahn / CBRE¹:

04. Development of Online Sales in Germany

Figures in € billion

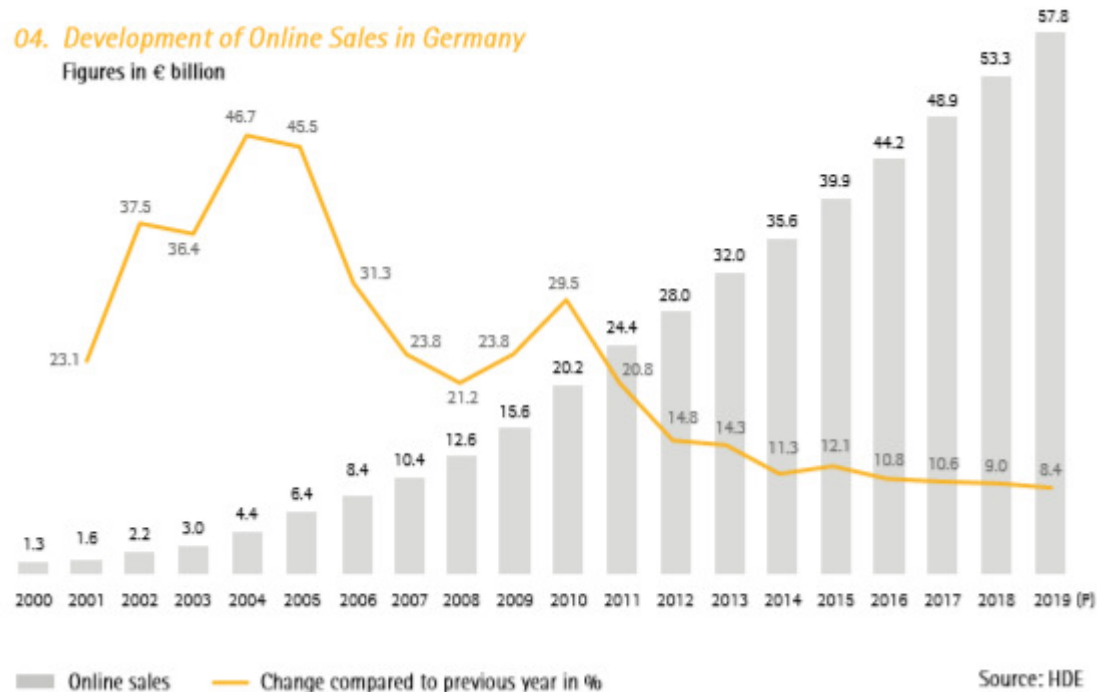


fig. 1

14. Shares of Total Turnover generated Online by Segment in 2017 and 2018

Figures in %



fig. 2

Results of the statistical data:

- Yearly growth rate of total E-Commerce swings declined below 9%
- E-Commerce growth mainly driven by the non-food sector (see fig. 1 & 2)


¹ https://www.hahnag.de/index.php?eID=tx_nawsecuredl&u=0&g=0&t=1577114124&hash=c6d609940db5b21b2dc753389f0a29e0acf9c734&file=media/hahn/Downloads_PDF/Publikationen/Research/HAHN-RRER2019-englisch-WEB.pdf

Basic retail resilient to E-Commerce (3)

>> Biggest grocery delivery services compared to DKR property portfolio:

- DKR portfolio with low overlapping with regions serviced by fresh food deliverers
- In 2018 E-Commerce in the food retail sector remained at a very slight proportion of 1% of gross sales
- Remaining strong growth of the stationary grocery retail sector
- Threat by E-Commerce mainly affect for electronic goods, fashion and leisure retailers which often are situated in big innercity malls or highstreet locations without grocery anchors



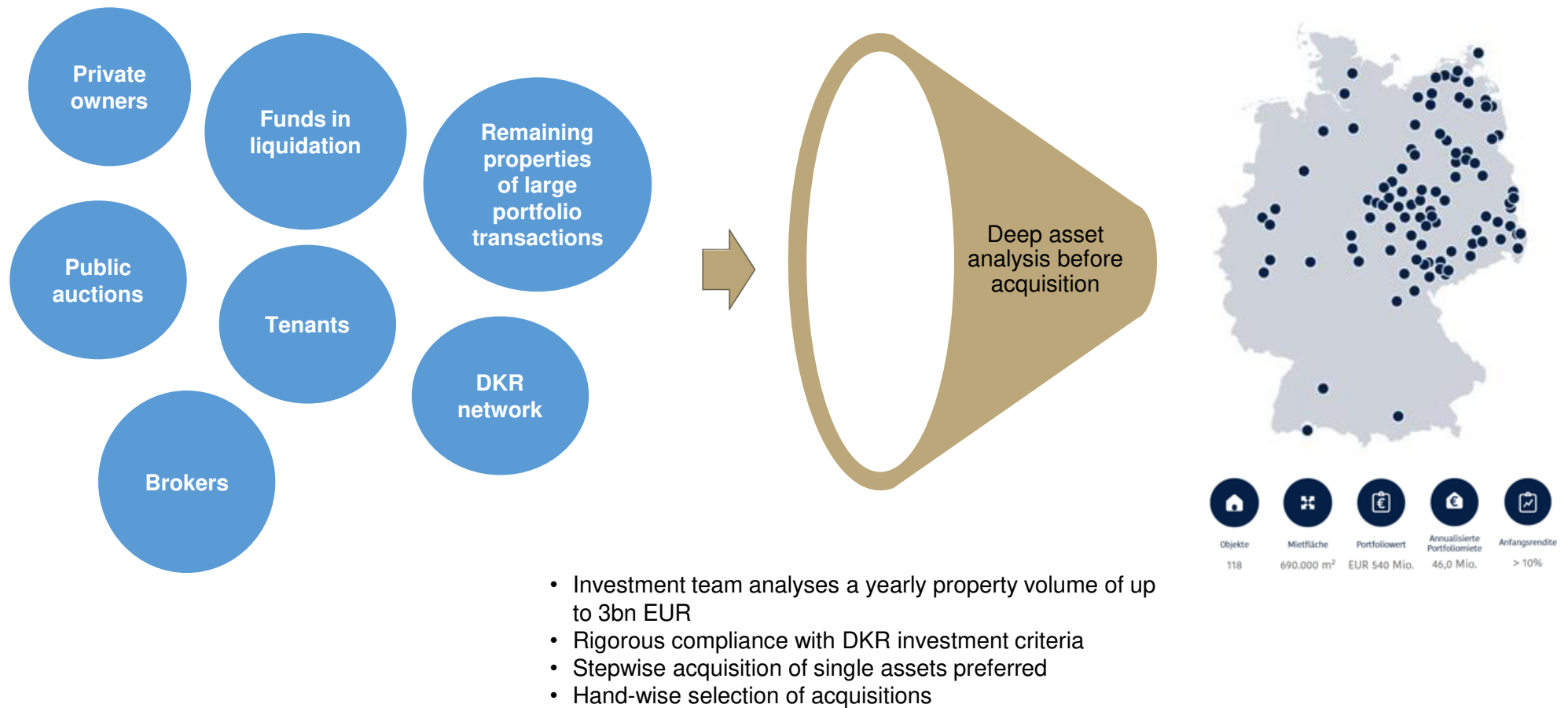
 Areas with high density of online fresh food deliverers

¹ https://www.hahnag.de/index.php?eID=tx_nawsecuredl&u=0&g=0&t=1573572208&hash=c3deec9fb2485046feb45ffe97d7b48f3ac6d545&file=media/hahn/Downloads_PDF/Publikationen/Research/Hahn_Retail_Real_Estate_Report_2019_web.pdf

Acquisition process

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Sourcing process for retail properties



Experienced and committed management



Alexander Kroth (CIO)

Alexander joined DKR in January 2017 and initially set up the company together with Rolf. He is in charge of DKR's investment strategy and the asset management. Before he worked at Obotritia Capital and KPMG. Alexander has real estate experience of more than 10 years.

In July 2017 Alexander has been appointed to CIO. Alexander is personally and financially committed to DKR.

Rolf Elgeti (CEO)

Rolf has been the founder of Deutsche Konsum REIT-AG, which is a spin-off of his investment company Obotritia Capital. Before he was the CEO of TAG Immobilien AG, Hamburg, which experienced an enormous growth under his leadership and stepped into German Mid-Cap Index (MDAX).

Before Rolf worked many years as an equity strategist at ABN Amro, Commerzbank and UBS in London. He has excellent banking and real estate knowledge. Rolf is personally and financially committed to DKR.

Christian Hellmuth (CFO)

Christian joined DKR in January 2017 and is responsible for Finance, Accounting and IR. Before he worked many years in leading positions at WCM, Deutsche Wohnen, GSW, Porsche Consulting and PricewaterhouseCoopers. Christian has real estate experience of more than 15 years.

In July 2017 Christian has been appointed to CFO. Christian is personally and financially committed to DKR.



Strong external property partners

>> DKRs main external management partners:

Asset Manager

Elgeti Brothers GmbH

Property Manager



GV Nordost
Verwaltungsgesellschaft mbH



ARNOLD HERTZ

Appraiser

CBRE

Technical Property Developer



IT and Management Software Providers



Value add by property redevelopments

>> Current major revitalisation projects:



Location	Domcenter Greifswald	Kirschbergcenter Hohenmölsen	Kolumbuspassage Rostock	Lindencenter Stralsund
Space (sqm)	9,410	7,797	4,492	5,775
Vacancy at start	~ 37%	~ 38%	~ 12%	~ 27%
Project description	Fresh appearance by new facade, new space utilisation, new tenants and expansion of existing tenants	Fresh appearance by new facade, new space utilisation, new tenants and expansion of existing tenants	New concept and new grocery anchor tenant which improves the tenant mix	New space utilisation and improvement of tenant mix
Investment volume	5 mEUR	3 mEUR	~ 1.5 mEUR	~ 2 mEUR
Expected finalisation	Completed	Spring 2020	Spring 2020	Spring 2020

DKRs detailed property portfolio



DKRs portfolio as at 30 September 2019

DKR Portfolio									
#	Address	Use	Tenant	Rental space sqm	Vacancy %	Rent level €/sqm	Monthly rent € p.m.	Annual rent € p.a.	WALT years
1	Bad Oeynhausen, Mindener Straße 67/Alter Reihner Weg 22	Retail park	NP, TEDI	4.590	22,2%	5,91	21.099	253.183	2,7
2	BITZ Bitterfelder Fachmarktzentrum, Brehner Straße 34	Retail park	OBI, REWE Markt, DM	19.707	19,5%	5,56	88.152	1.057.825	7,4
3	Erfurt, Gothaer Straße 22	Hypermarket	Real, toom	19.750	0,0%	6,33	125.067	1.500.800	11,3
4	Lindencenter Ludwigslust, Am Marstall 2	Local retail centre	Familia, KIK	14.379	0,8%	9,08	129.536	1.554.427	6,5

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Please find DKR's current portfolio in a detailed overview online under the following link:

[DKR property portfolio overview as at 30 September 2019](#)

>> Calculation of financial figures:

Financial KPI	Calculation
Average debt interest rate	Weighed average interest rates of financial instruments divided by nominal financial debt
EPRA NAV per share	Total equity modified according to EPRA guidelines divided by number of shares
FFO	Funds From Operations – Recurring and oneoff adjusted fund from the operation of the property portfolio
GAV	Gross Asset Value – Value of investment properties in the balance sheet
Initial yield	Annualised rental income divided by purchase price
Net-LTV	Net Loan-to-value – debt (financial liabilities minus cash) divided by GAV
Valuation multiple	Gross asset value divided by rental income
WALT	Weighed average lease terms of the portfolio remaining

Please get in touch

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Unless otherwise specified all information is for the quarter ended 30 September 2019.