



# 9M 2022/2023 FINANCIAL RESULTS

1 October 2022 – 30 June 2023

14 August 2023

Deutsche  
Konsum  
REIT-AG





The material in this presentation has been prepared by Deutsche Konsum REIT-AG (“DKR”) and is general background information about DKR’s activities current as at the date of this presentation. This information is given in summary form and does not purport to be complete. Information in this presentation, including forecast financial information, should not be considered as advice or a recommendation to investors or potential investors in relation to holding, purchasing or selling securities or other financial products or instruments and does not take into account your particular investment objectives, financial situation or needs. Before acting on any information you should consider the appropriateness of the information having regard to these matters. Any relevant offer document and in particular, you should seek independent financial advice. All securities and financial product or instrument transactions involve risks, which include (among others) the risk of adverse or unanticipated market, financial or political developments and, in international transactions, currency risk.

This presentation may contain forward looking statements including statements regarding our intent, belief or current expectations with respect to DKR’s businesses and operations, market conditions, results of operation and financial condition, capital adequacy, specific provisions and risk management practices. Readers are cautioned not to place undue reliance on these forward looking statements. DKR does not undertake any obligation to publicly release the result of any revisions to these forward looking statements to reflect events or circumstances after the date hereof to reflect the occurrence of unanticipated events. While due care has been used in the preparation of forecast information, actual results may vary in a materially positive or negative manner. Forecasts and hypothetical examples are subject to uncertainty and contingencies outside DKR’s control. Past performance is not a reliable indication of future performance.

Unless otherwise specified all information is for the period (“9M”) ended 30 June 2023.

# HIGHLIGHTS

## Strong and resilient business model

### Strong and steady operational business with ongoing rent increases / FFO reduction mainly due to higher debt costs

- Rental income 58.7m EUR (up 6.0% y-o-y)
- FFO 27.0m EUR (-14.6% y-o-y) / FFO per share 0.77 EUR (-14.6% y-o-y)
- AFFO per share 0.36 EUR (-38.5% y-o-y) – AFFO decreased due to extensive CAPEX (total investment volume of c. 14.4m EUR)
- L-f-L rental growth of 3.7% per annum (assumption based on CPI-linked rent increases realised in 9M)
- Total annualised rental income of the portfolio has increased to 78.9m EUR

### Three properties sold for 9.85m EUR / Sale of vacant Trier hypermarket notarised

- Sale of one DIY property in Chemnitz with an annualised rent of 0.4m EUR for 7.5m EUR (yield of 5.7%) in Dec '22 and two vacant properties in Bavaria for 2.35m EUR
- Sale of vacant ex-Real hypermarket in Trier was notarised / Transfer of benefits and encumbrances expected next year once certain conditions fulfilled
- No significant acquisitions by DKR due to remaining high price spread on the transaction markets

### Solid balance sheet / Refinancing of short-term debt almost finished

- ICR at 3.1x EBITDA
- LTV at 51.2% / EPRA NTA per share 11.37 EUR
- Average weighted debt costs at 2.81% (including unsecured debt)
- Short-term debt of 62m EUR were paid down or refinanced already – 21m EUR to be refinanced until year-end 2023
- New loans with a volume of 67m EUR withdrawn in 9M with an average interest rate of 4.17%

### Financial court Brandenburg has denied DKRs appeals against tax payments

- On July 17 the Financial court in Brandenburg has decided to deny the suspension of the tax payments as requested by DKR
- Therefore DKR has to pay corporate income taxes and trade taxes for the years 2016 to 2023 and in the future
- DKR is in internal discussions with their lawyers about further actions to preserve its REIT status in the main judicial process

### FFO guidance of 36m EUR – 39m EUR confirmed

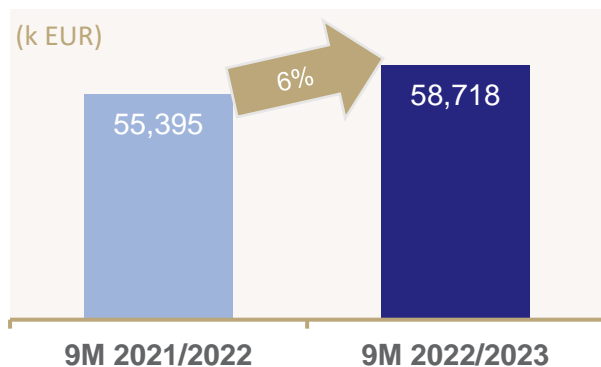
- FFO guidance of 36m EUR – 39m EUR confirmed

# FINANCIAL KEY FIGURES

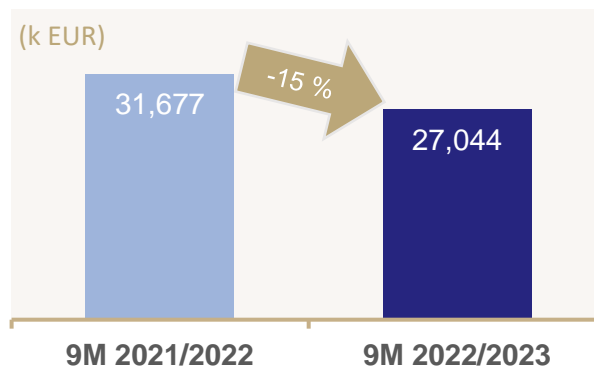
5

## Solid business development

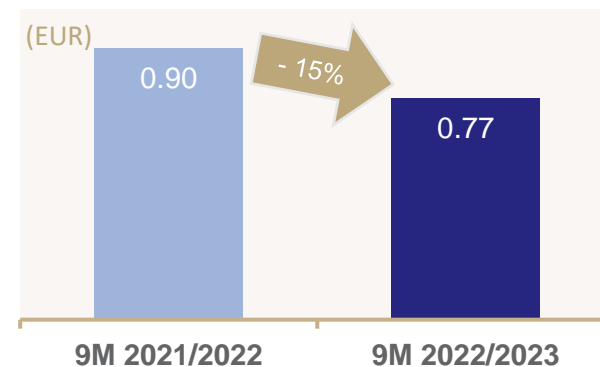
### Rental income



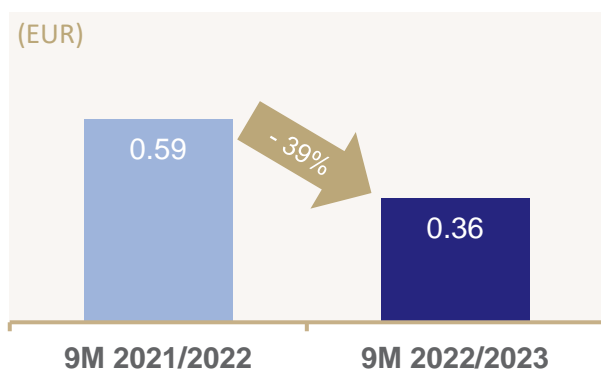
### FFO



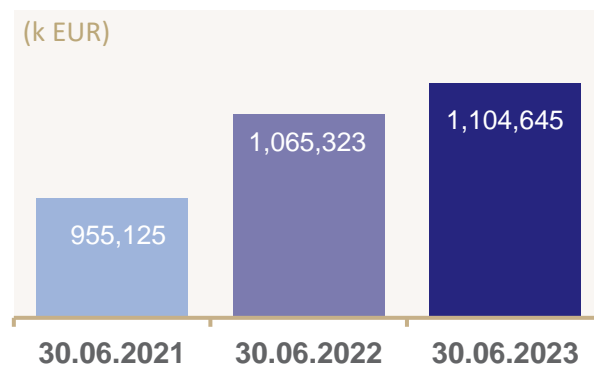
### FFO per share



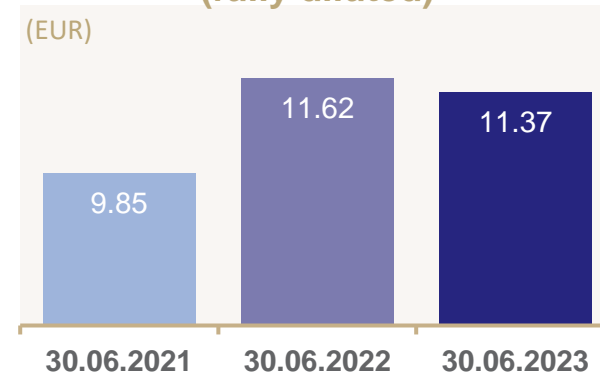
### aFFO per share



### Investment properties



### EPRA NTA per share (fully diluted)



# PROPERTY PORTFOLIO

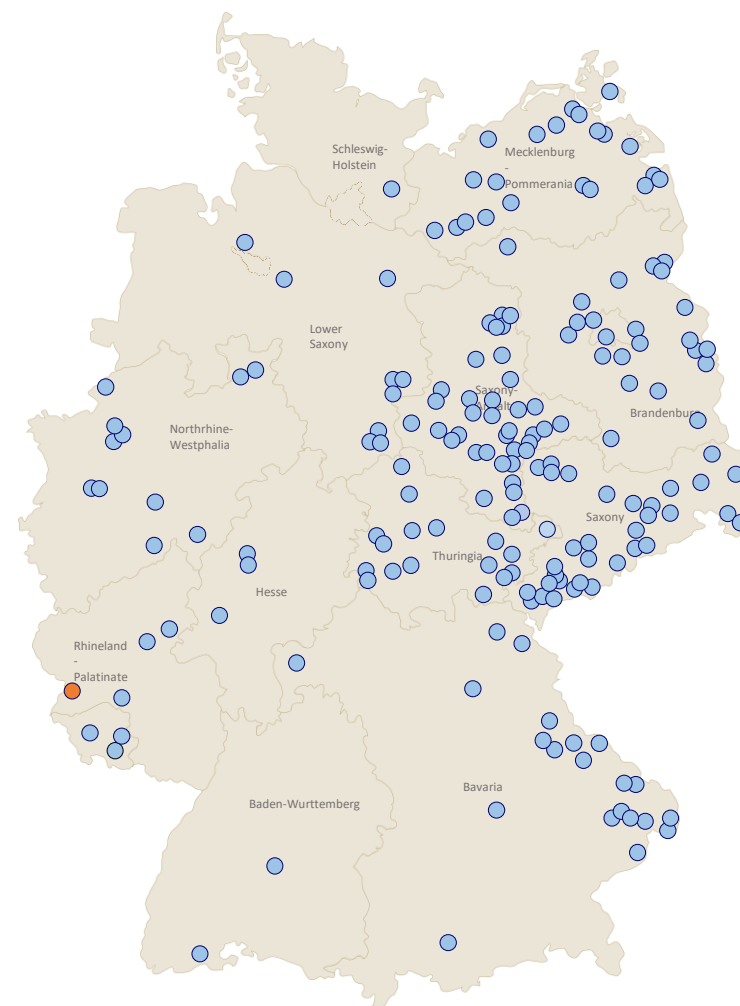
# PROPERTY PORTFOLIO

**Pro forma portfolio consists of 183 properties with approx. 1,073,000 sqm**

## >> Portfolio development within the last 21 months:

	30/09/2021	30/09/2022	30/06/2023	Pro Forma (incl. notarised disposals and acquisitions)
Number of properties	173	175	184	<b>183</b>
Rental space (sqm)	1,021.9	1,048.3	1,084.7	<b>1,073.0</b>
Total fair value (m EUR)	1,014.4	1,050.7	1,112.5	<b>1,104.7</b>
Fair value per sqm (EUR)*	993	1,002	1,026	<b>1,029</b>
Valuation multiple	13.9x	14.2x	14.1x	<b>14.0x</b>
Total annualised portfolio rent (m EUR)	72.9	73.2	78.9	<b>78.9</b>
In-place-rent per sqm per month (EUR)	6.66	6.60	6.76	<b>6.76</b>
Vacancy rate (%)	10.7	11.7	11.5	<b>10.5</b>
WALT (years)	5.5	5.2	5.3	<b>5.3</b>

\* The cost of building new properties is usually more than 1,800 EUR per sqm



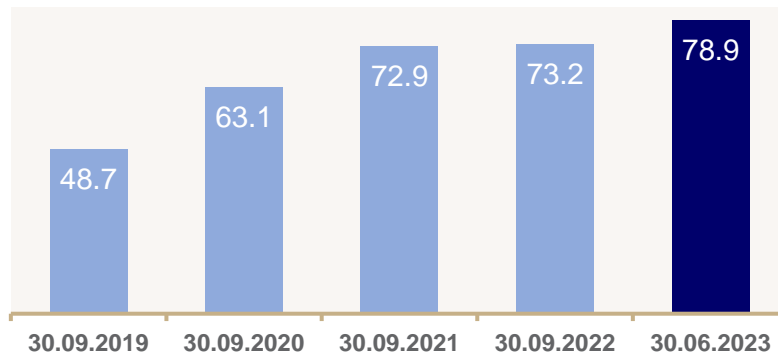
● Portfolio as at 30/06/2023 (183 properties)

● Notarised sold assets as at 30/06/2023 (1 property)

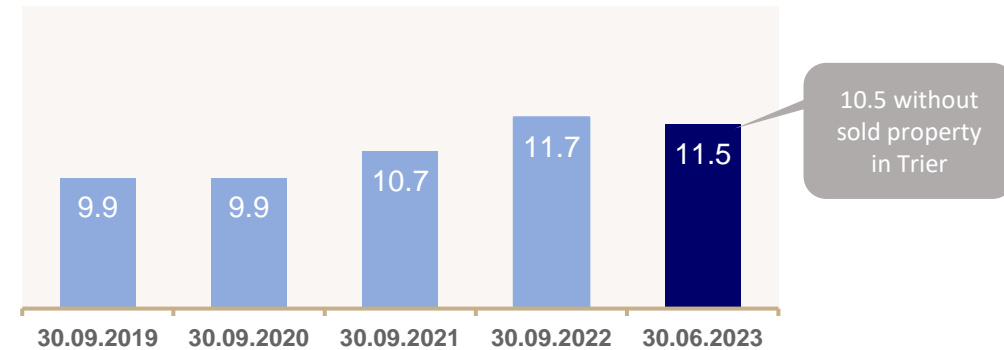
# PROPERTY PORTFOLIO

## Steady portfolio growth and stable property KPIs

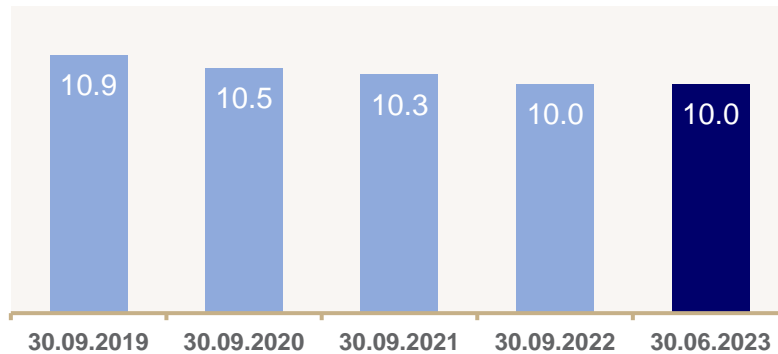
Annualised rent (m EUR)



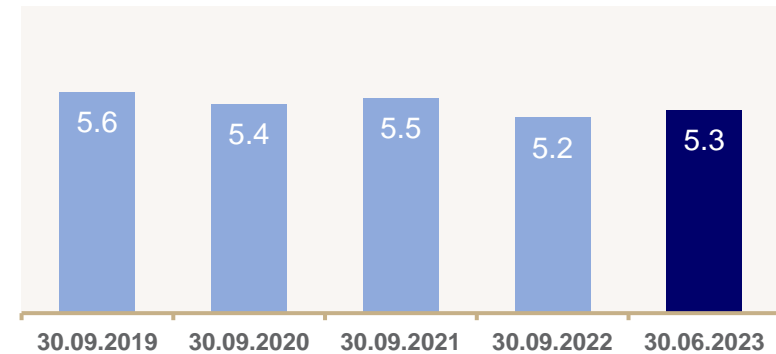
Vacancy (%)



Initial yield (%)



WALT (years)

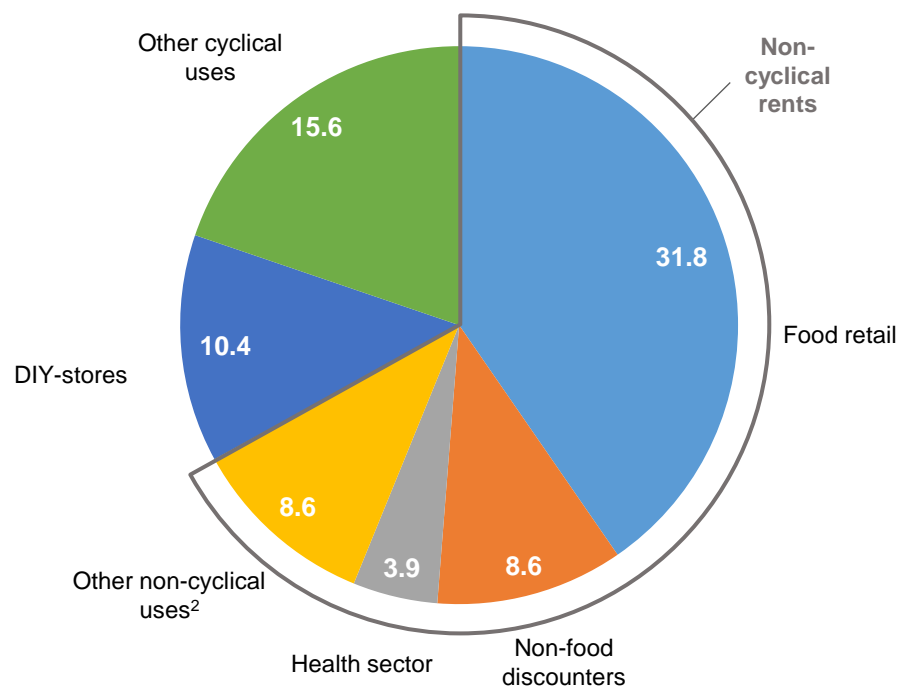






































# TENANT STRUCTURE

## 67% Rent contribution from non-cyclical tenants (80% including DIY)

### >> Rent contribution by tenant classification (m EUR)<sup>1</sup>:



### >> Rent contribution by major tenants<sup>1</sup>:

Tenant group	Brands	Rent (m EUR)	WALT in years
Edeka Group	     	8.8	5.1
Schwarz Group	 	11.7	6.3
Rewe Group	  	4.4	5.2
Bartels-Langness Group		1.1	4.7
Metro Group		0.8	2.7
ALDI		1.0	4.8
Norma		0.9	3.1
Others	   	3.2	6.8
<b>Food retail</b>		<b>31.8</b>	<b>5.6</b>
Hellweg		4.1	8.8
Rewe Group		2.3	3.4
Tengelmann Group		1.9	4.2
Others	 	2.1	4.0
<b>DIY stores</b>		<b>10.4</b>	<b>5.8</b>
Tengelmann Group		1.2	5.3
H.H. Group	 	2.4	4.8
Others	      	5.0	5.3
<b>Non-food discounters</b>		<b>8.6</b>	<b>5.2</b>

<sup>1</sup> Annualised rent contribution of the pro forma portfolio (183 properties)

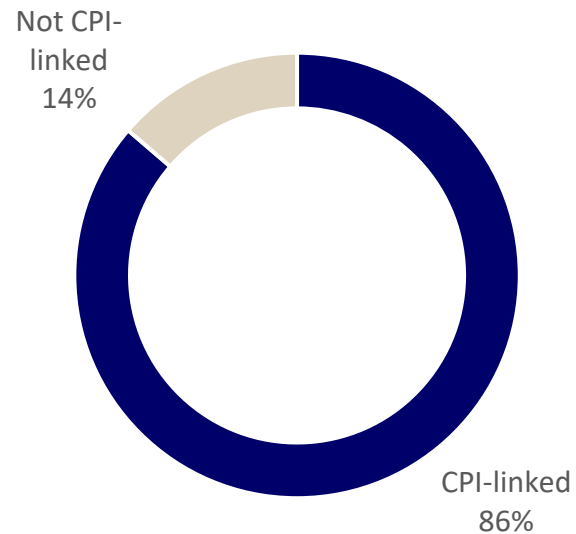
<sup>2</sup> Involves e.g. drug stores, bakeries, banks and apartments

## Resilient and inflation-linked rental income

### >> Strategy with focus to tenants with daily-needs supply pays off:

- Cyclical and lockdown-affected tenants amount to a low percentage of all rents (e.g. electronic retail, furnitures, textiles, restaurants, three cinema theatres)
- More than 80% of rents are CPI-linked which preserves the value of rent cashflows in an inflationary economic environment

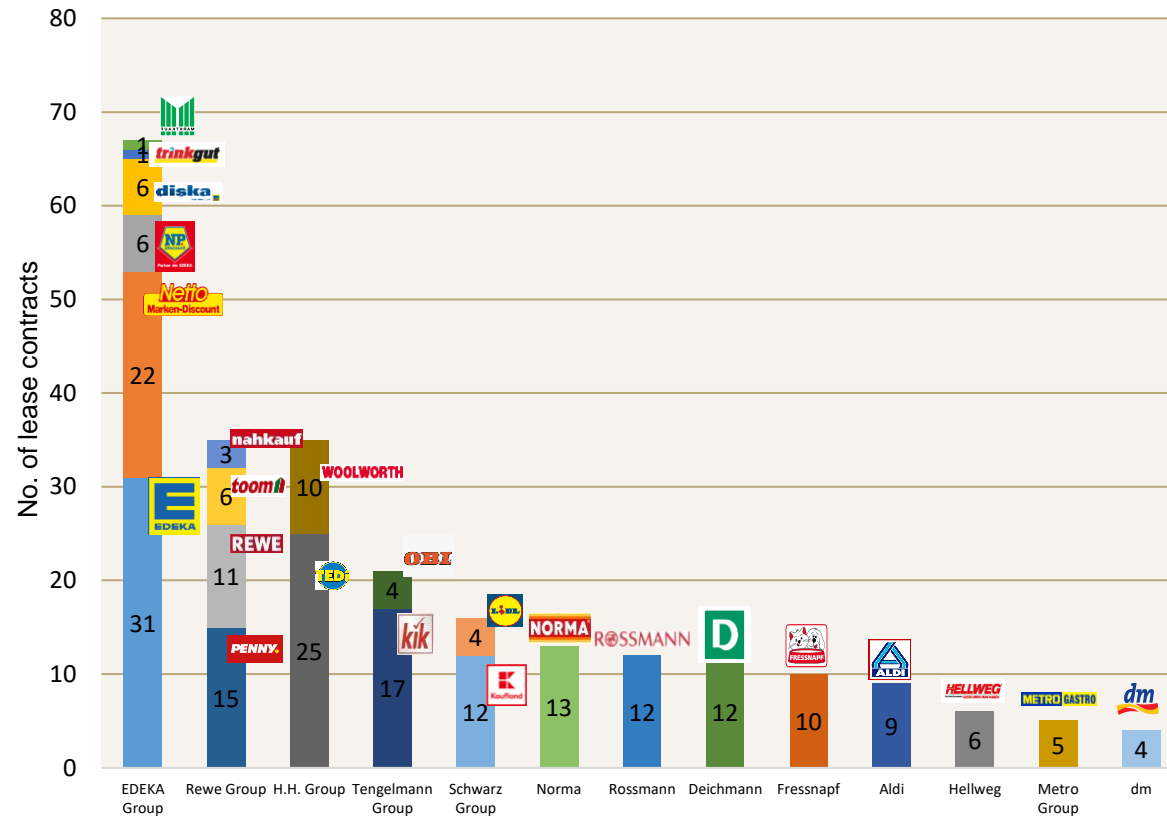
### >> Share of CPI-linked rents:



# TENANT STRUCTURE

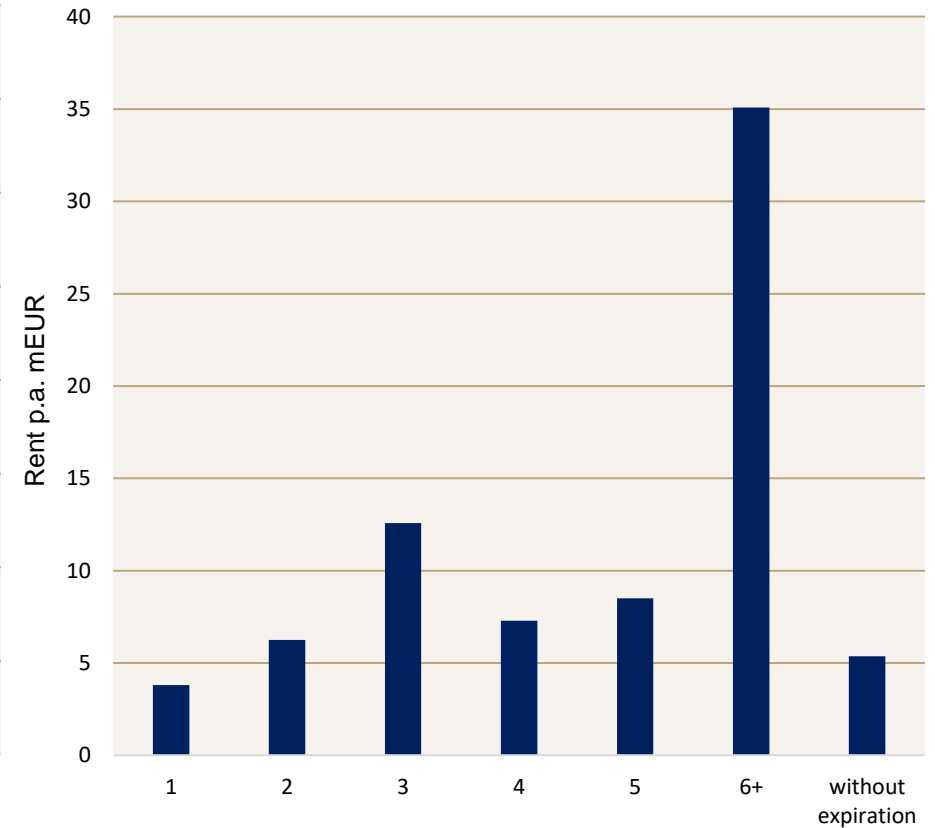
## DKR is a reliable partner for its tenants

### >> Number of leases with the same tenant group<sup>1</sup>:



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

### >> Annualised rents allocated to years of lease contract maturities<sup>1</sup>:



- WALT as at 30 June 2023: 5.3 years

<sup>1</sup> Based on the pro forma portfolio (183 properties)

## DKR has been investing in value-enhancing measures on various properties

>> Selection of properties with capex investments in 9M 2022/2023:



**Haff-Center Ueckermuende**

Capex invested:

- 5.0m EUR

Measures:

- New space concept
- New roof
- Eco-friendly heating system
- New installations

Outcome:

- New tenants NKD, Woolworth, TEDI, doctors
- Existing grocery with new long term rental contract
- Vacancy reduced
- Rental income to be tripled after finishing



**Lindencenter Stralsund**

Capex invested:

- 6.0m EUR

Measures:

- New construction supplemented to the existing part of the premises for the new anchor tenant Penny
- New space concept
- New eco-friendly heating system
- New installations

Outcome:

- New tenants with long-term contracts Penny, pharmacy, doctors with much more footfall
- Existing grocery with new long term rental contract
- Vacancy reduced
- Rental income doubled



**PEP Grimma**

Capex invested:

- 3.0m EUR

Measures:

- New design and fresh appearance
- Tenant incentives to tenants for new shop concepts
- New eco-friendly heating system
- New installations

Outcome:

- Anchor tenant Kaufland with new layout and long-term contract
- New tenants
- Vacancy reduced



## DKR has been investing in value-enhancing measures on various properties

>> Selection of properties with capex investments in 9M 2022/2023:



### Plauen

Totally invested:

- 3.0m EUR

Measures:

- New space concept
- new parking lot
- new eco-friendly heating system
- new installations

Outcome:

- Existing grocery with new long term rental contract
- Anchor tenants has rolled out its new concept



### DUDO-Galerie Saarbrücken

Total investment volume planned:

- 1.5m EUR

Measures:

- Repositioning and refurbishment of the property
- new space concept
- new installations etc

Outcome:

- New tenants
- More footfall
- Massive vacancy reduction



### Grevenbroich Montanushof

Total investment volume planned:

- 2.0m EUR

Measures:

- New and refreshed front yard
- new installations

Outcome:

- New tenants
- More footfall

# VALUATION POTENTIAL OF THE PORTFOLIO

14

Share currently trades at > 9.1% yield (fully diluted)

>> EPRA NTA impact from factor increases (c.p.) shows further upside potential:

	Annualised total portfolio rent (m EUR)	Hypothetical valuation multiple	Yield	Portfolio value (m EUR)	Net LTV	Net debt outstanding (m EUR)	EPRA NTA (diluted) (m EUR)	Number of shares diluted (m)	Hypothetical EPRA NTA per share (EUR)
Current portfolio as at 31/03/2023	78.9	14.1	7.1%	1,112.5	51.2%	569.7	570.7	50.20	11.37
Assumptions (Pro forma portfolio)	78.9	10.0	10.0%	788.6	72.2%	569.7	255.6	50.20	5.09
	78.9	10.5	9.5%	828.1	68.8%	569.7	295.0	50.20	5.88
	78.9	11.0	9.1%	867.5	65.7%	569.7	334.5	50.20	6.66
	78.9	11.5	8.7%	906.9	62.8%	569.7	373.9	50.20	7.45
	78.9	12.0	8.3%	946.4	60.2%	569.7	413.3	50.20	8.23
	78.9	12.5	8.0%	985.8	57.8%	569.7	452.7	50.20	9.02
	78.9	13.0	7.7%	1,025.2	55.6%	569.7	492.2	50.20	9.81

Current  
trading level  
of DKR  
shares

<sup>1</sup> Assumptions are based on the current pro forma portfolio consisting of 183 assets with an annualised rent of 78.9m EUR

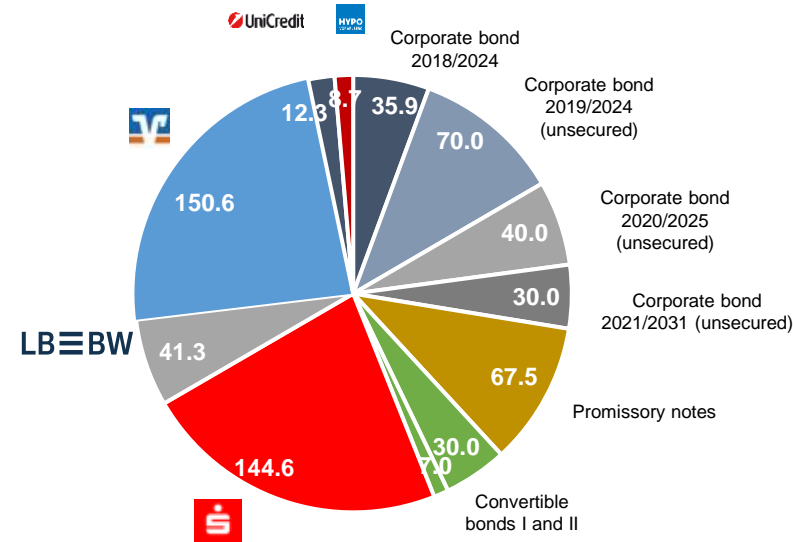
# FINANCING

## Solid debt structure with low cost of capital

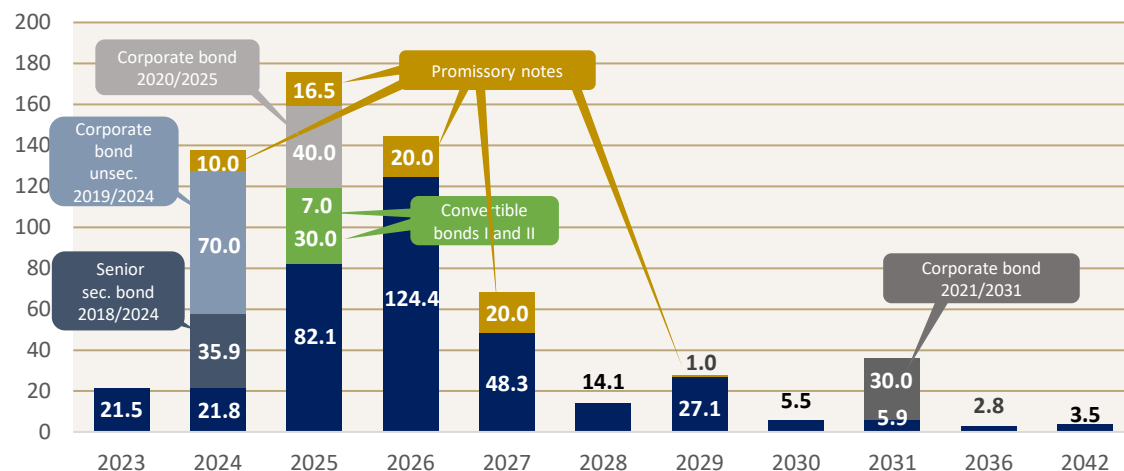
### >> Financial KPIs:

	30/06/2023	30/09/2022	%
<b>Total financial debt (loans + bonds), m EUR</b>	640.3	636.7	0.6
<b>Ø Senior secured debt cost, % p.a.</b>	2.55	1.63	56.4
<b>Ø Total debt cost, % p.a.</b>	2.81	1.98	41.9
<b>(Net-) LTV (%)</b>	51.2	49.7	3.0
<b>Average loan maturity (years)</b>	3.1	3.2	-3.1
<b>ICR (EBITDA excl. valuation / interest results)</b>	3.1x	5.2x	-40.4
<b>Rating secured senior debt (Scope)</b>	„BBB“ (Investment grade)	„BBB“ (Investment grade)	-
<b>Rating unsecured senior debt (Scope)</b>	„BBB-“ (Investment grade)	„BBB-“ (Investment grade)	-

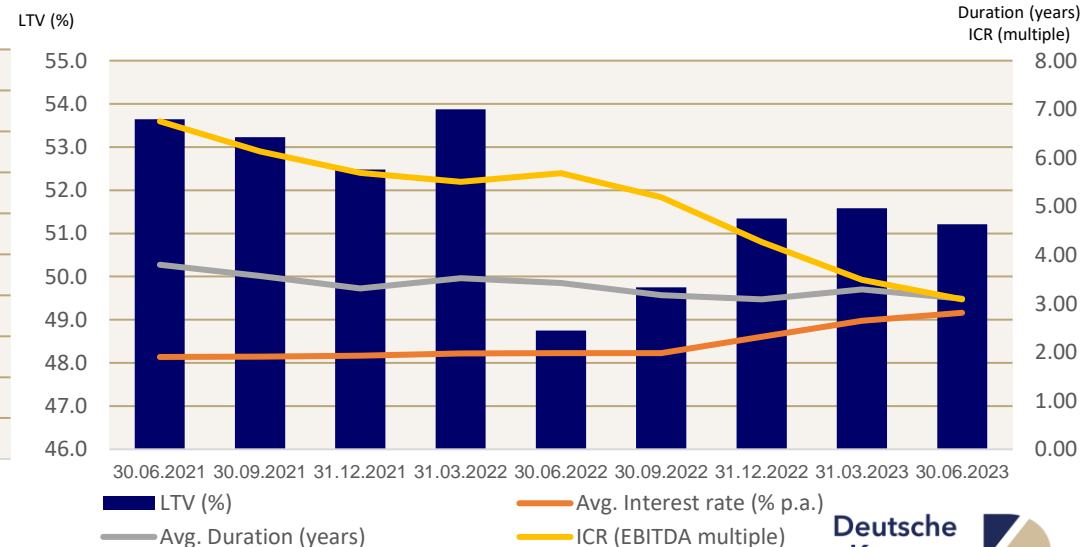
### Debt allocation (m EUR outstanding debt)



### Loan allocation according to maturity of fixed interest rates (m EUR outstanding debt)



### Debt metrics over the last 24 months





# **FINANCIALS 9M 2022/2023**

## Condensed IFRS balance sheet

	k EUR	30/06/2023	30/09/2022	k EUR	30/06/2023	30/09/2022	
	<b>Assets</b>				<b>Equity and liabilities</b>		
Upcoming property portfolio valuation at 30 Sep 2023	Investment properties	1,104,645.3	1,030,959.1	Subscribed capital	35,155.9	35,155.9	
	Other non-current assets	961.1	4,974.3	Capital reserves	197,141.6	197,141.6	
	Deferred tax assets	0.0	0.0	Other reserves	723.4	723.4	
	<b>Total non-current assets</b>	<b>1,105,606.4</b>	<b>1,035,933.4</b>	OCI	0.0	0.0	
Contains interest bearing short-term cash investments (60m EUR), VAT and tax receivables due to dispute with tax authorities (16.0m EUR) and cash escrows	Other current assets	89,099.5	121,303.6	Retained earnings	300,949.3	281,278.7	
	Cash position	10,124.1	4,827.0	<b>Total equity</b>	<b>533,970.3</b>	<b>514,299.6</b>	
	<b>Total current assets</b>	<b>99,223.7</b>	<b>126,130.6</b>	Bank liabilities	360,434.8	328,761.6	Shift to long-term liabilities due to refinancings of older loans
Contains sold premises in Trier	Non-current assets held for sale	7,850.0	19,750.0	Convertible bonds	36,724.8	36,609.3	Two outstanding bonds (70,0m EUR and 35.9m EUR) maturing in April and May 2024
				Corporate bonds	70,418.2	182,013.3	
				Other liabilities	10,749.8	10,042.4	
				Deferred tax liabilities	0.0	0.0	
				<b>Total long-term liabilities</b>	<b>478,327.6</b>	<b>557,426.7</b>	
				Bank liabilities	67,801.9	89,282.7	Contains tax provisions of 14.5m EUR subject to tax dispute
				Corporate bonds	106,247.7	0.0	
				Tax provisions	14,537.6	3,656.7	
				Other financial liabilities	11,795.0	17,148.4	
				<b>Total short-term liabilities</b>	<b>200,382.2</b>	<b>110,087.8</b>	
	<b>Total assets</b>	<b>1,212,680.1</b>	<b>1,181,814.0</b>	<b>Total equity and liabilities</b>	<b>1,212,680.1</b>	<b>1,181,814.0</b>	

## LTV and NAV / EPRA NTA

### >> LTV (loan-to-value):

k EUR	30/06/2023	30/09/2022
Bank loans	428,236.7	418,044.2
Convertible bonds	36,724.8	36,609.3
Corporate bonds	176,666.0	182,013.3
Other short term borrowings	0.0	0.0
<b>Total financial liabilities</b>	<b>641,627.5</b>	<b>636,666.9</b>
- Cash position	-10,124.1	-4,827.0
- Property management accounts	-1,648.3	-2,072.1
- Short term interest bearing lendings	-60,144.5	-104,593.2
<b>Net debt</b>	<b>569,710.6</b>	<b>525,174.6</b>
Investment properties	1,104,645.3	1,030,959.1
Investment properties held for sale	7,850.0	19,750.0
Purchase prices paid into escrow	0.0	4,920.5
<b>Properties</b>	<b>1,112,495.3</b>	<b>1,055,629.6</b>
<b>Net LTV</b>	<b>51.2%</b>	<b>49.7%</b>

### >> NAV / EPRA NTA per share:

k EUR	EPRA NAV (undiluted) 30/06/2023	Conversion effects of convertible bonds	EPRA NTA (diluted) 30/06/2023
Total equity	533,970.3		533,970.3
Conversion of convertible bonds	0.0	36,724.8	36,724.8
<b>NAV</b>	<b>533,970.3</b>		<b>570,695.0</b>
Number of shares	35,155.9	15,039.4	50,195.4
<b>NAV per share (EUR)</b>	<b>15.19</b>		<b>11.37</b>

k EUR	EPRA NAV (undiluted) 30/09/2022	Conversion effects of convertible bonds	EPRA NTA (diluted) 30/09/2022
Total equity	514,299.6		514,299.6
Conversion of convertible bonds	0.0	36,609.3	36,609.3
<b>NAV</b>	<b>514,299.6</b>	<b>36,609.3</b>	<b>550,908.9</b>
Number of shares	35,155.9	15,039.4	50,195.4
<b>NAV per share (EUR)</b>	<b>14.63</b>		<b>10.98</b>

## Condensed IFRS income statement

Split of net operating costs:

thereof (k EUR)	9M 2022/2023	9M 2021/2022
Non-recs	-7,058	-7,232
Maintenance	-6,284	-5,462
Property / Asset management	-7,162	-5,687
Non-periodic items	-1,599	-470
<b>Total net operating expenses</b>	<b>-22,103</b>	<b>-18,851</b>

k EUR	01/10/2022 – 30/06/2023	01/10/2021 – 30/06/2022	%
Rental income	58,717.8	55,395.1	6.0
Income from recharged operating costs	12,240.7	9,168.3	33.5
Operating expenses	-34,343.3	-28,019.5	-22.6
<b>Net rental income</b>	<b>36,615.2</b>	<b>36,544.0</b>	<b>0.2</b>
Income from property disposal	9,850.0	54,322.3	-81.6
Expenses from property disposal	-9,858.6	-54,465.4	-81.9
<b>Net result from property disposal</b>	<b>-8.6</b>	<b>-143.1</b>	<b>-94.0</b>
Gains from fair value measurement of investment properties	0.0	64,544.0	-100.0
Other operating income	561.1	2,203.4	-74.5
Personnel expenses	-952.7	-854.2	11.5
Depreciation of other assets	-25.6	-15.1	69.4
Impairment of receivables	-4,202.2	-1,801.8	>100
Other administrative expenses	-2,906.5	-1,867.5	55.6
<b>EBIT</b>	<b>29,080.6</b>	<b>98,609.7</b>	<b>-70.5</b>
Interest income	3,806.3	4,442.0	-14.3
Interest expenses	-13,215.9	-10,436.7	26.6
<b>EBT</b>	<b>19,671.1</b>	<b>92,614.9</b>	<b>-78.8</b>
Taxes	-0.4	0.0	>-100
<b>Total period income</b>	<b>19,670.6</b>	<b>92,614.9</b>	<b>-78.8</b>
Earnings per share (undiluted), EUR	0.56	2.63	-78.8
Earnings per share (diluted), EUR	0.40	1.85	-78.4

DKR has postponed its date of the regular yearly property valuation to 30 September – therefore no property valuation yet as in prior years

Impairments above previous year's level due to IFRS-related valuation of short-term interest bearing lendings

One-off costs due to litigation fees regarding the tax dispute

Increase in interest expenses due to larger loan portfolio plus increasing interest costs for new and floating loans



## FFO reconciliation

>> FFO/aFFO:

k EUR	01/10/2022 30/06/2023	01/10/2021 30/06/2022	%
<b>Total period income</b>	<b>19,670.6</b>	<b>92,614.9</b>	<b>-78.8</b>
+/- Income taxes	0.0	0.0	0.0
+ Depreciation of other assets	25.6	15.1	69.4
+/- Gain from remeasurement of investment properties	0.0	-64,544.0	100.0
Net result from property disposal	8.6	143.1	-94.0
Non-cash expenses / income	4,487.6	2,388.9	87.9
Other non-recurring expenses	2,851.3	1,059.0	>100.0
<b>FFO</b>	<b>27,043.7</b>	<b>31,677.0</b>	<b>-14.6</b>
- Capex	-14,362.0	-11,047.6	30.0
<b>aFFO</b>	<b>12,681.6</b>	<b>20,629.4</b>	<b>-38.5</b>
<b>FFO per share (EUR), undiluted<sup>1</sup></b>	<b>0.77</b>	<b>0.90</b>	<b>-14.6</b>
<b>aFFO per share (EUR), undiluted<sup>1</sup></b>	<b>0.36</b>	<b>0.59</b>	<b>-38.5</b>

Contains non-cash items due to IFRS valuation of debt instruments (0.5m) and impairments on short-term cash lendings and rental receivables (4.0m)

Contains non-periodic items (1.6m) as well as other non-recurring items e.g. lawyers fees regarding tax issue etc.

Capex due to extensive modernisation measures at various properties

<sup>1</sup> On the basis of average number of shares within the period

## Headline Earnings per share (HEPS) reconciliation according to JSE rules

>> HEPS:

k EUR	01/10/2022 30/06/2023	01/10/2021 30/06/2022	%
<b>Total period income (undiluted)</b>	<b>19,670.7</b>	<b>92,614.9</b>	<b>-78.8</b>
-/+ Revaluation gains / losses, IAS 40	0.0	-64,544.0	100.0
-/+ Revaluation gains / losses, IFRS 5	8.6	143.1	-94.0
<b>Headline earnings (undiluted)</b>	<b>19,679.2</b>	<b>28,213.9</b>	<b>-30.3</b>
+ Interest expenses on convertible bonds	471.7	469.7	0.4
<b>Headline earnings (diluted)</b>	<b>20,150.9</b>	<b>28,683.7</b>	<b>-29.7</b>
<b>Headline earnings per share (HEPS), undiluted (EUR)</b>	<b>0.56</b>	<b>0.80</b>	<b>-30.3</b>
<b>Headline earnings per share (HEPS), diluted (EUR)</b>	<b>0.40</b>	<b>0.57</b>	<b>-29.7</b>

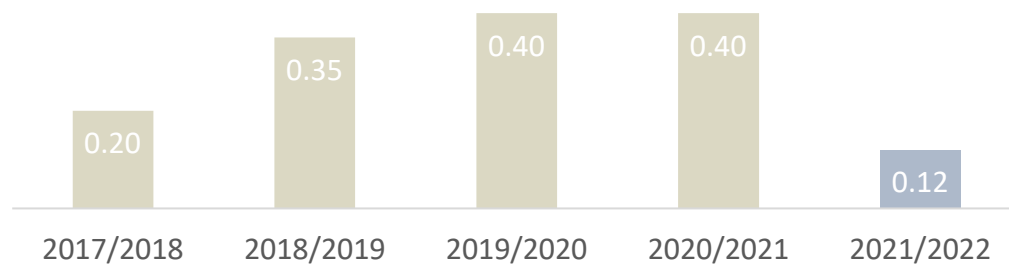
# OUTLOOK

## FFO and dividends

### >> Guidance for FY 2022/2023:

Date of guidance	20/12/2022	04/05/2023
FFO (m EUR)	40.0 – 44.0	36.0 – 39.0

### >> Dividend history (EUR per share\*):



\* Based on 35,16m shares outstanding



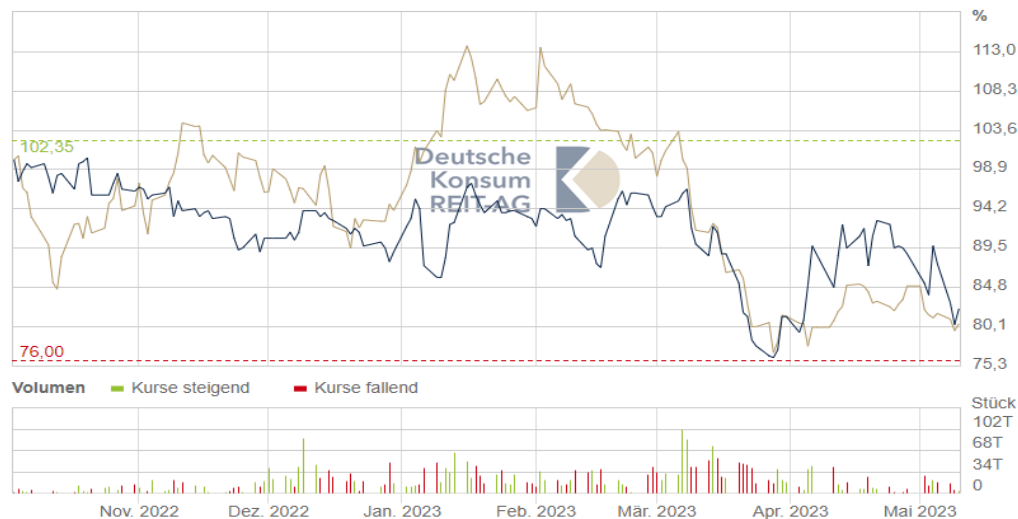
# Share information

## >> Basic Share Information

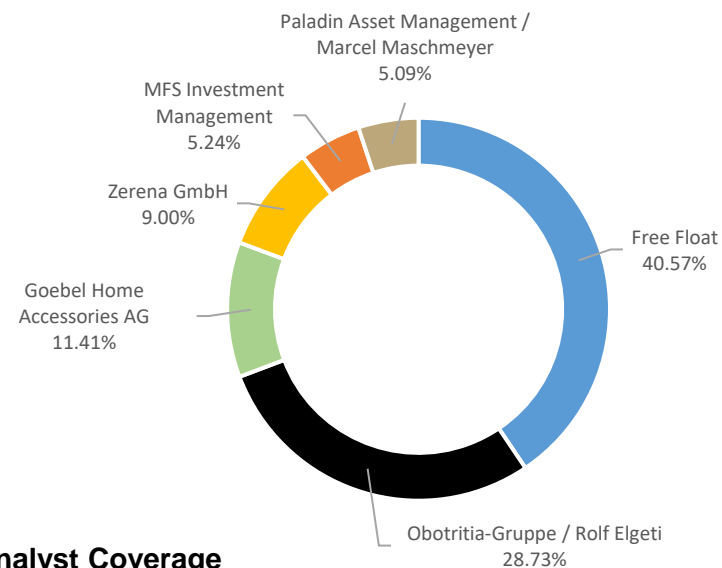
As at	10/08/2023
ISIN	DE000A14KRD3
Share price (Xetra, 10 August 2023)	EUR 6.22
Symbol	DKG
Shares outstanding	35,155,938
Share class	Bearer shares
Stock exchanges	XETRA, Frankfurt, Berlin, Johannesburg
Segment	Prime Standard
52w high/low (EUR)	10.15 / 5.40
Market Capitalisation	EUR 220 million

## >> Share Price Performance

— Deutsche Konsum REIT-AG (XETRA) — DIMAX



## >> Shareholder Structure



## >> Analyst Coverage




Bank	Analyst	Target price	
Berenberg	Kai Klose	EUR 8.00	Buy
Warburg Research	Andreas Pläsier	EUR 8.60	Buy
ODDO BHF	Manuel Martin	EUR 10.00	Outperform

## **Financial calendar and IR contact**

## >> Financial calendar

Date	
14/08/2023	Publication of the quarterly statement for the third quarter of 2022/2023 financial year
19/12/2023	Publication of the final annual statements/annual financial report for the financial year 2022/2023

## >> Roadshows / Investor meetings

Date		Country
18/09/2023	Berenberg and Goldman Sachs Twelfth German Corporate Conference, Munich	
19/09/2023	Baader Investment Conference, Munich	
28/11/2023	Deutsches Eigenkapitalforum, Frankfurt am Main	

## >> IR contact:

Christian Hellmuth  
Marlene-Dietrich-Allee 12b  
14480 Potsdam

[ch@deutsche-konsum.de](mailto:ch@deutsche-konsum.de)  
+ 49 (0331) 740 076 517

**ESG**



## DKR has set up the following measures to enhance ESG conformity

Environmental	Social	Governance
<ul style="list-style-type: none"> <li>• 148 of DKRs locations are currently being equipped with state-of-the-art charging points for electric vehicles</li> <li>• Framework agreement for the supply of renewable electricity for the portfolio concluded</li> <li>• Pilot projects to identify the potential of photovoltaic systems on own property roofs</li> <li>• Pilot project with a software provider for efficient consumption recording in our properties</li> <li>• Business trips and flights reduced to a minimum; replaced by virtual conferences and train if whenever possible</li> <li>• Extensive refurbishment of buildings in accordance with the latest stringent environmental legislation</li> <li>• Roll-out of smart meters in our properties</li> </ul>	<ul style="list-style-type: none"> <li>• International and diverse staff</li> <li>• Safe and ergonomic work places for employees</li> <li>• Flexible working time and home office facilities</li> <li>• Free drinks and fruits at work place</li> <li>• Youth sponsorship of soccer academy of F.C. Hansa Rostock</li> </ul>	<ul style="list-style-type: none"> <li>• High conformity to rules of German corporate governance codex</li> <li>• Management remuneration essentially based on long-term performance</li> <li>• Very transparent structure and reporting</li> <li>• Annual ESG-Report</li> <li>• EPRA Gold award in terms of industry standard reportings</li> <li>• Management board financially committed to the company on voluntary basis</li> <li>• Independent and diverse supervisory board members</li> </ul>

## Example: Roll-out of electric charging points at DKR's locations

### >> Summary

- DKR is equipping 148 of its locations with state-of-the-art rapid charging infrastructure for electric vehicles
- The project is carried out in cooperation with German energy supplier EnBW
- Overall, up to 500 public charging points at well-frequented retail locations will be installed over the next months
- The project will increase the attractiveness of the commercial properties for tenants and their customers
- Contribution to climate protection: 100% certified green electricity flows at all charging points
- Since announced in late 2020 the first charging points have been installed



## DKRs current Sustainability Report recently published

### >> ESG reporting

- Sustainability Report for the calendar year 2022 published and available on DKR's website
- DKR's Sustainability Reports for the calendar years 2019 and 2020 have been awarded with the EPRA sBPR Silver Award
- DKR was further awarded as one of the most improved European real estate companies in terms of ESG reporting



# APPENDIX

## Buy and hold - strategy with proactive asset management and opportunistic capital recycling

1

### Acquisition of high-yielding basic retail properties

- Initial yield averaging of 8-10% expected (by accepting shorter WALTs)
- Focusing on stable and established micro locations in the various cities in Germany
- Investing in grocery-anchored properties with highly creditworthy tenants
- More than 85% of rental income is CPI-linked
- High capital discipline is key in DKRs strategy
- Granular portfolio growth is a key driver of higher yields

2

### Active asset management generates strong value creation

- Proactive and experienced team with high abilities to improve every single property
- Aim for lease prolongations
- Vacancy reduction by optimisation or repositioning of properties
- Ability to invest capex when it generates additional returns (lease prolongations, vacancy reductions, rent increases)

3

### Strong balance sheet and REIT regime lead to low cost of capital and reliable dividends

- Conservative balance sheet and institutional set-up of the Company with access to national and international capital markets enable debt financing at attractive conditions
- Refinancing of existing properties regularly takes place at further reduced interest rates
- Recurring dividend from a risk averse equity story in a highly institutional REIT setting

4

### Opportunistic sales of small portfolios with high profit returns

- Once properties have been improved DKR can bundle properties whose characteristics cannot be improved further into small portfolios to be sold off
- Selections can be offered to the market or institutional investors directly at very attractive yields
- Profit returns must be distributed as a dividend to the shareholders generally
- REIT structure obliges DKR to distribute profits from sales as a dividend, but 50% can be used for investments into new acquisitions as one source of financing



Total shareholder return growth



# HISTORICAL KPI DEVELOPMENT

35

## Continuously high growth since inception

Financial year	9M 2022/2023	2021/2022	2020/2021	2019/2020	2018/2019	2017/2018	2016/2017	2015/2016
<b>Income statement</b>								
Rental income (k EUR)	58,718	74,390	69,667	56,231	41,978	28,601	19,249	11,437
FFO (k EUR)	27,044	41,115	41,168	34,991	25,041	16,647	10,260	5,630
FFO per share (EUR)	0.77	1.17	1.17	1.06	0.84	0.62	0.46	0.37
Dividend per share (EUR)	-	0.12	0.40	0.40	0.35	0.20	-	-
Recurring admin costs ratio (%)	4.5%	4.2%	4.4%	4.8%	5.6%	6.4%	6.1%	9.1%
<b>Balance sheet key figures</b>								
Investment properties (k EUR)	1,112,495	1,050,709	1,014,168	809,929	619,881	418,707	275,434	147,823
<b>Finance key figures</b>								
(net) Loan-to-value (LTV) (%)	51.2%	49.7%	53.2%	51.7%	48.1%	51.2%	42.6%	49.3%
Average interest rate (all instruments) (%)	2.81%	1.98%	1.90%	1.91%	1.93%	1.87%	2.99%	3.34%
ICR (x EBITDA)	3.1	5.2	6.1	7.7	4.9	3.9	3.1	2.1
NAV per share (EUR), undiluted	15.19	14.63	13.31	11.11	9.93	7.70	6.25	3.93
<b>Share information</b>								
Share price (Balance sheet date) (EUR)	6.34	8.50	13.85	15.80	15.95	11.00	10.06	9.24
<b>Portfolio key figures</b>								
Number of assets	184	175	173	161	123	90	62	40
Rental space (sqm)	1,084,679	1,048,312	1,021,901	899,852	723,708	517,824	330,123	189,463

## Investment Highlights

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



### Retail property portfolio in established micro locations

- 184 retail properties
- > 1.1bn EUR GAV and 78m EUR 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 negatively impacted 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 c. 2.8% per annum
- Very lean administrative structure

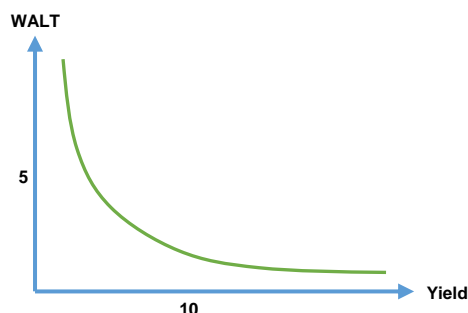
## Investment approach

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



### Highly fragmented niche to be consolidated

- Niche of properties in a range between 1m EUR and 25m EUR, generally 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 in property prices compared to the decline in WALTs on the market
- Deep property analysis before acquisition



### High-speed acquisition process

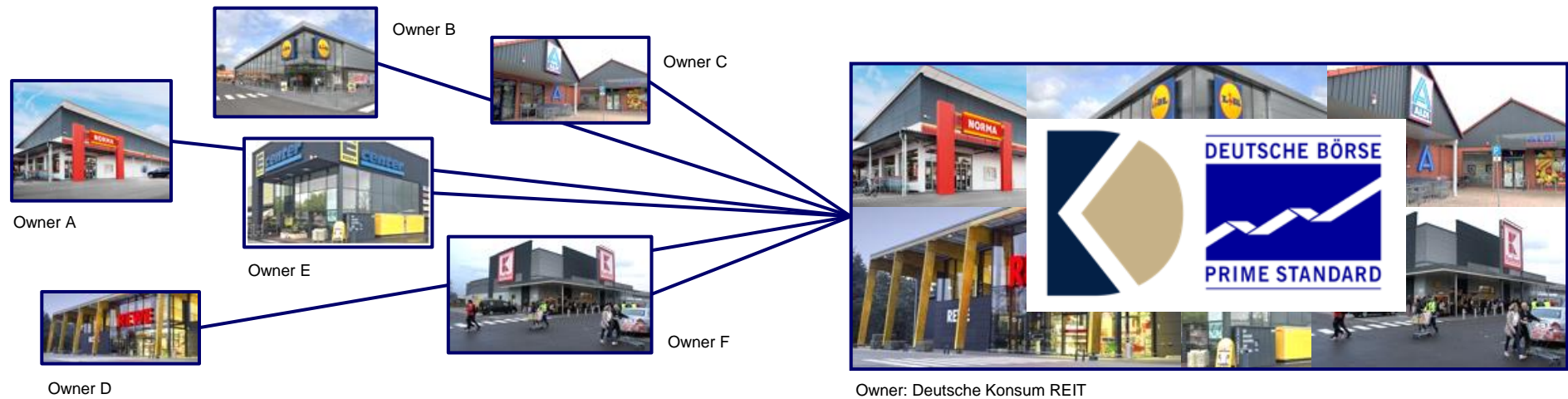
- DKR buys out of equity which is advantageous in the acquisition process
- Debt refinancing after acquisition



### Value enhancing asset management

- Investing in properties if value enhancing
- DKR is a reliable partner to its tenants
- Vacancy reduction and rental period extensions
- Multiple leases with the same tenant increases DKRs bargaining 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 portfolio basis
- **Tax exemption** due to REIT-Status
- **Institutional** quality of the DKR share due to Prime Standard listing, dividend obligation and full transparency

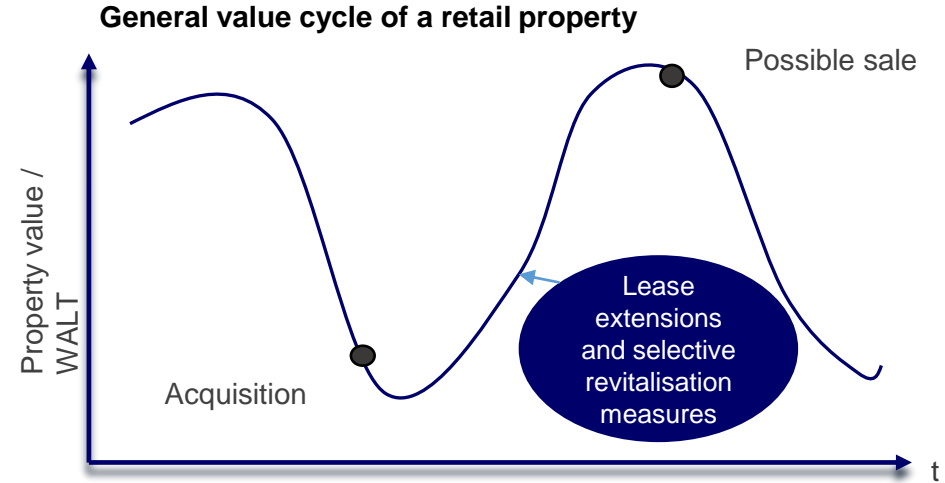
## Capital recycling as sub-strategy to grow on its own

### >> Investment criteria:

- Retail properties in established and stable micro locations and catchment areas in regional and mid-sized cities in Germany
- Retail tenants that supply goods and services for daily needs, like groceries etc.
- At least two non-cyclical anchor tenants
- Strong cashflow from the beginning based on high initial yields
- Properties with value-add potential
- Investment volume in a niche between 1m EUR and 25m EUR

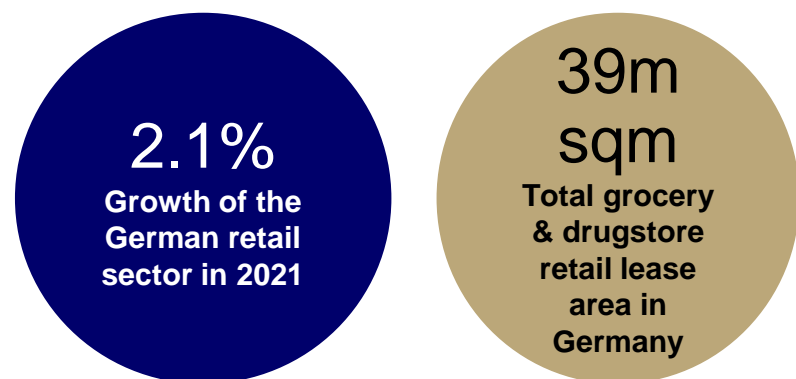
### >> Manage-to-sell strategy enables capital recycling:

- Acquisition in a downturn phase at high yields
- Accept high vacancy and short WALTs to obtain high yields
- Vacancy reduction and extension of rental contracts are inherent value add potential
- Opportunistic property sales after successful revitalisation and/or rent prolongations at low yields



## Basic retail sector remains stable with best outlook

>> Market research according to 17. Retail Real Estate Report 2022/2023 by bulwiengesa / Hahn / CBRE<sup>1</sup>:



Company	Sales division (selection)	Operational type	Stores		Sales area		Space productivity		Turnover	
			No.	Change since 2021	Store average in sqm	Change since 2021	in € per sqm	Change since 2021	€	Change since 2021
ALDI	ALDI NORD	DC	2,209	0.2%	934	1.3%	6,450	-0.2%	13,430,000,000	1.3%
	ALDI SÜD	DC	1,977	1.1%	1,006	-0.4%	8,380	0.7%	16,820,000,000	1.4%
EDEKA	Netto	DC	4,272	0.3%	807	0.7%	4,700	0.2%	16,304,000,000	1.2%
	EDEKA/E-aktiv/E-Neukauf	SM/SS	3,876	2.5%	1,293	0.7%	5,130	5.3%	25,719,000,000	8.8%
	E-Center	SS/HM	496	8.5%	3,292	1.4%	5,180	4.4%	8,457,241,000	15.0%
	Marktkauf	HM	74	-27.5%	6,725	14.7%	4,410	1.4%	2,193,000,000	-15.7%
REWE Group	PENNY	HM	2,149	-1.1%	735	0.8%	5,590	0.4%	8,831,000,000	0.0%
	REWE (incl. Kaufpark)	SM/SS	3,634	0.2%	1,533	0.7%	4,390	4.8%	25,188,726,000	5.7%
	REWE Center (incl. Kaufpark)	HM	35	0.0%	6,458	-1.2%	4,420	4.7%	1,029,000,000	3.5%
Schwarz Group	Lidl	DC	3,242	0.5%	926	1.1%	9,320	2.9%	29,700,000,000	4.9%
	Kaufland	SS/HM	724	7.9%	4,527	4.0%	5,550	-5.8%	18,700,000,000	7.5%
Bartels-Lagness	Familia Nordost	SS/HM	89	1.1%	3,697	0.0%	4,940	3.6%	1,625,000,000	4.8%
Bünting	Familia Nordwest	SS7HM	20	0.0%	4,689	0.0%	3,890	4.3%	365,000,000	4.3%
Globus	Globus	HM	53	12.8%	11,080	-4.2%	6,470	0.8%	3,918,000,000	9.0%
NORMA	NORMA	DC	1,327	0.1%	752	0.8%	4,070	3.3%	4,180,000,000	4.0%

DC = Discounter    SS = Superstore  
SM = Supermarket    HM = Hypermarkt

- Strong German economy and increasing consumption in the private sector underscores this growth
- Market share of DKR of <1.0 % in German grocery & drugstore retail sector
- E-commerce remains as a platform for the non-food-sector
- Expansion of stationary food retail continues
- DKRs main food retail tenants keep on growing

<sup>1</sup> The report can be found [here](#).



## Basic retail resilient to E-Commerce (1)

>> Market research according to 17. Retail Real Estate Report 2022/2023 by bulwiengesa / Hahn / CBRE<sup>1</sup>:

### Online share of total turnover

Figures in %

	Food	Drugstore products
2019	1.1	1.7
2020	1.6	2.3
2021	2.2	3.4

Source: HDE Online Monitor 2022, P. 21

fig. 1

### Top 5 in food retail in 2021

	Turnover in € billion	Change since previous year
EDEKA	69.2	2.7%
Schwarz Gruppe	48.0	5.0%
REWE Group	45.1	-0.1%
ALDI	30.3	1.4%
METRO GROUP (C&C-Märkte)*	5.1	-1.0%

\*exclusive of „real“-hypermarkets

Source: bulwiengesa according to TradeDimensions, partly data revision 2021

fig. 2

### 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 < 3.5 % (fig. 1)
- German stationary food retailers continue to grow (fig. 2)

<sup>1</sup> The report can be found [here](#).

## Basic retail resilient to E-Commerce (2)

>> Market research according to 17. Retail Real Estate Report 2022/2023 by bulwiengesa / Hahn / CBRE<sup>1</sup>:

Development of online retail sales from 2007 to 2022

Figures in € billion

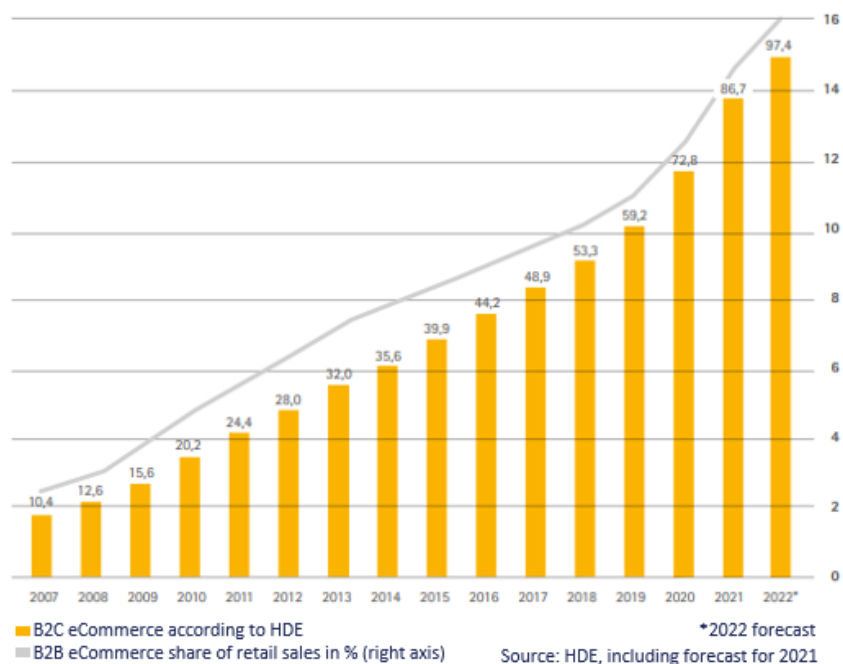
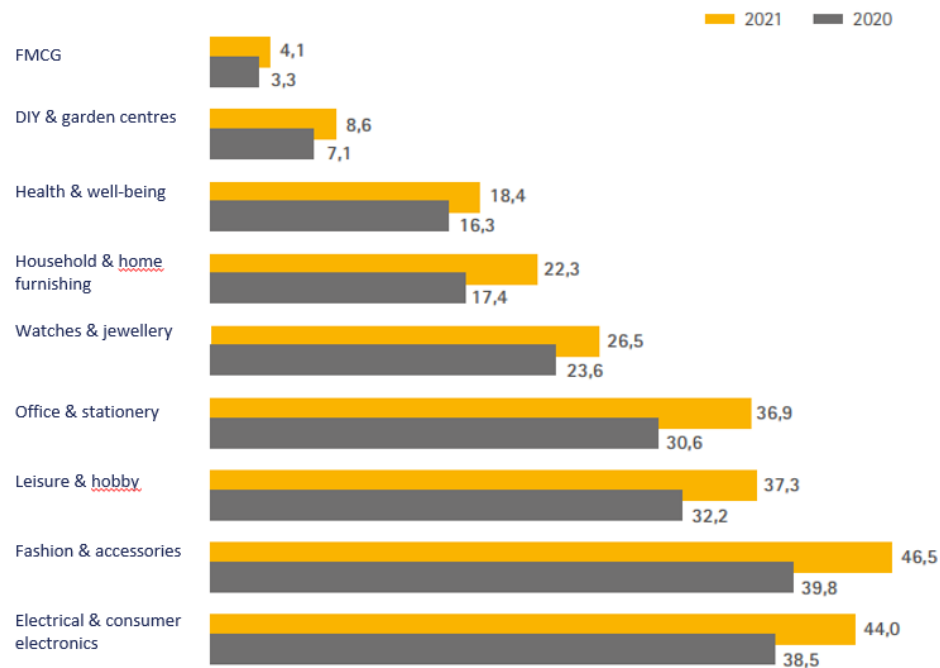


fig. 3

Share of total sales attributable to online sales by retail segment in 2021 and 2020

Figures in %



Source: HDE Online Monitor2022

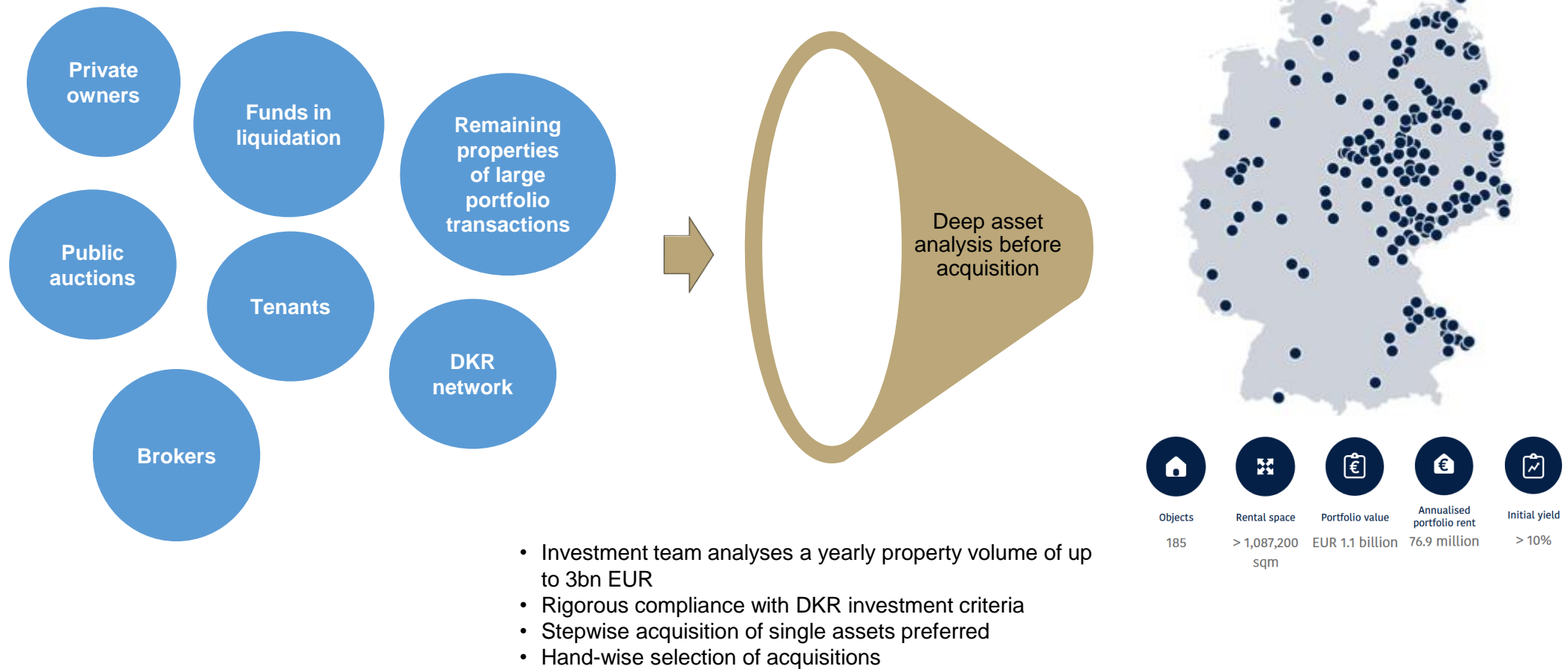
fig. 4

### Results of the statistical data:

- The growth rate of E-Commerce reduces slightly in 2022. In absolute revenue figures, 2022 is the third strongest growth year for E-Commerce in Germany.(fig. 3)
- E-Commerce growth mainly driven by the non-food sector (fig. 4)

<sup>1</sup> The report can be found [here](#).

## 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 Elgeti. He is in charge of DKR's investment strategy and the asset management. Prior to joining DKR, he worked at Obotritia Capital and KPMG. Alexander has more than 15 years real estate experience.

In July 2017 Alexander was appointed as CIO. Alexander is personally and financially committed to DKR.



### Christian Hellmuth (CFO)

Christian joined DKR in January 2017 and is responsible for Finance, Accounting and IR. Prior to joining DKR he worked many years in leading positions at WCM, Deutsche Wohnen, GSW, Porsche Consulting and PricewaterhouseCoopers. Christian has more than 20 years of real estate experience.

In July 2017 Christian was appointed as 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



**Appraiser**

**CBRE**

**Technical Property Developer**

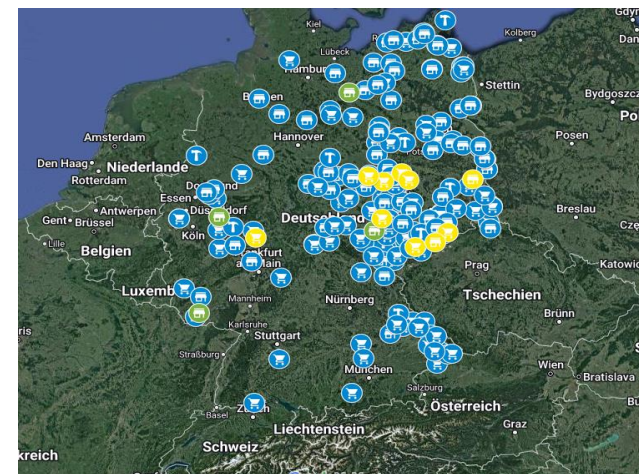


**IT and Management Software Providers**



Deutsche Konsum REIT-AG | Portfolio overview 30.06.2022

ID	#	PLZ	Ort	Adresse	Bundesland	Objekttyp	Grundstücksfläche	davon Ebbaufläche	Nutzfläche	Parkplätze	M
ID	#	postal code	Location	Address	Federal state	Property type	Plot size	Net area	Rental space	Number	EUR / month
							m²	m²	m²	Number	EUR / month
							sqm	sqm	sqm	Number	EUR / month
DKR-001	1	32547	Bad Oeynhausen	Mederer Straße 67 / Alter Rehmer Weg 22	Niederrhein-Westfalen	Fachmarktzentrum / Retail park	14.380	4.631	905	24.3	
DKR-002	2	06749	Bietfeld - BIZ Bietfelder-Fachmarkt-Zentrum	Bietfelder Straße 39	Sachsen-Anhalt	Fachmarktzentrum / Retail park	23.058	19.468	365	102.5	
DKR-003	3	93034	Erlau	Gothaer Landstraße 22	Thüringen	Hypersuper / Hypermarket	48.936	33.116	20.501	668	135.3
DKR-004	4	13038	Ludwigslust - Lindencenter	Am Markt 2	Mecklenburg-Vorpommern	Nahversorgungszentrum / Local retail centre	24.005	14.364	320	135.5	
DKR-005	5	17087	Altenwerpin	Friedrichstraße 13	Mecklenburg-Vorpommern	Nahversorgungszentrum / Local retail centre	17.961	4.286	186	36.6	
DKR-007	6	15733	Liebertsch	Chausseestraße 4-43	Brandenburg	Discounter	5.032	1.500	70	17.7	
DKR-008	7	15930	Eisenkutenstrahl	Gubener Straße 42	Brandenburg	Baumarkt / DIY store	6.782	1.253	130	5.7	
DKR-009	8	06231	Bad Duenenberg	Ortsweg Straße 5	Sachsen-Anhalt	Discounter	8.958	3.394	90	6.7	
DKR-010	9	09662	Meßen	Bergstraßenstraße 1	Sachsen	Baumarkt / DIY store	14.960	6.228	165	28.0	
DKR-011	10	09427	Überlandersdorf	Gewerbegeräte an der B195	Sachsen	Baumarkt / DIY store	6.416	6.505	128	22.2	
DKR-012	11	08628	Aselt	Faltingsstraße 23	Sachsen	Discounter	10.078	5.435	160	9.1	
DKR-013	12	15349	Mündris	Bahnhofstraße 35-36	Brandenburg	Nahversorgungszentrum / Local retail centre	5.661	1.008	70	16.2	
DKR-014	13	18337	Malow	Carl-Cosow-Straße 64	Mecklenburg-Vorpommern	Discounter	5.543	5.543	1046	62	10.9
DKR-015	14	06132	Halle	Hermann-Hofel-Straße 11	Sachsen-Anhalt	Discounter	3.222	1.072	22	3.4	
DKR-016	15	18437	Wismar	Burgstraße Lange Straße 12-14	Mecklenburg-Vorpommern	Nahversorgungszentrum / Local retail centre	3.385	1.538	57	3.5	
DKR-017	16	06773	Grafenhamchen	Rosa-Luxemburg-Straße 47	Sachsen-Anhalt	Discounter	3.884	1.077	64	5.0	
DKR-018	17	06749	Bietfeld-Vollern	Anhaltstraße 70b, 72	Sachsen-Anhalt	Fachmarktzentrum / Retail park	10.071	5.023	120	19.4	
DKR-019	18	23567	Kronow	Deumhauerstraße 17	Sachsen	Discounter	7.492	7.291	221	16.5	
DKR-020	19	02747	Hennrich	Lobau-Straße 45	Sachsen	Discounter	3.858	3.858	1.455	78	3.5
DKR-021	20	02625	Kleinwieska	Hörsingstraße Straße 136	Sachsen	Discounter	6.363	6.363	1.138	65	13.3
DKR-022	21	02806	Naundorf	Am Bahnhof 3	Sachsen	Discounter	5.115	5.115	1.344	80	6.3
DKR-023	22	18727	Schwane	Dorfstraße 25	Brandenburg	Discounter	4.337	1.047	81	9.8	
DKR-024	23	12183	Berlin-Tempelhof	Marneufelstraße 11	Berlin	Discounter	2.782	2.782	1.158	20	6.3
DKR-025	24	18174	Ludwigshafen	Alten-Tenauer-Straße 25	Brandenburg	Nahversorgungszentrum / Local retail centre	3.301	4.104	12	31.7	
DKR-027	25	15562	Rödersdorf	Buckowstraße 12a/b	Brandenburg	Nahversorgungszentrum / Local retail centre	6.354	6.354	2.794	86	24.7
DKR-028	26	03172	Guben	Karl-Marx-Straße 95	Brandenburg	Discounter	5.196	1.181	78	10.9	
DKR-029	27	04178	Lengsdorf	Menschenstraße 255-263	Sachsen	Fachmarktzentrum / Retail park	65.640	23.436	330	111.5	
DKR-030	28	18106	Rietzsch	Kolumbusstraße 58	Mecklenburg-Vorpommern	Nahversorgungszentrum / Local retail centre	6.673	4.606	127	34.8	
DKR-031	29	18273	Güstrow	Pfaffenstraße 18 / Markt 2-3 / Hageböcker Straße 103	Mecklenburg-Vorpommern	Nahversorgungszentrum / Local retail centre	3.288	5.625	24	17.8	
DKR-032	30	38555	Manspender	Ringstraße 31-37 / Gustav-Peter-Straße / Pfarrstraße	Sachsen-Anhalt	Nahversorgungszentrum / Local retail centre	10.651	25.317	336	64.7	
DKR-033	31	06836	Liebertsch	Am Stadtfeld 2	Sachsen-Anhalt	Discounter	7.048	1.110	59	6.8	
DKR-034	32	06184	Großera	Lange Straße 3	Sachsen-Anhalt	Discounter	5.022	888	85	9.5	
DKR-035	33	06386	Köthen	Eckendorfer Straße 6	Sachsen-Anhalt	Discounter	2.968	695	21	7.5	
DKR-036	34	09463	Erdmannsdorf	Neustadt 1a	Sachsen-Anhalt	Discounter	3.315	678	44	4.8	
DKR-037	35	39596	Goldbeck	Bahnerstraße 43	Sachsen-Anhalt	Discounter	3.473	382	54	10.0	
DKR-038	36	39578	Sandau	Nordstraße 10b	Sachsen-Anhalt	Discounter	3.663	1.071	40	13.6	
DKR-039	37	06679	Hohenmölsen-Kirschberg-Center	Wilhelm-Kühn-Straße 8	Sachsen-Anhalt	Nahversorgungszentrum / Local retail centre	28.501	7.693	350	41.5	



Please find a detailed overview of DKR's property portfolio online under the following links:

[DKR property portfolio overview as at 30 June 2023 \(Excel file\)](#)

[Interactive Map](#)