

DEUTSCHE KONSUM REIT-AG

(Incorporated in the Federal Republic of Germany)

(Registration number HRB 13072)

FSE Share Code: A14KRD

JSE Share Code: DKR

ISIN: DE000A14KRD3

LEI: 529900QXC6TDASMCSU89

("DKR" or "the Company")



DKR REPORTS RESULTS FOR THE FIRST NINE MONTHS OF THE 2020/2021 FINANCIAL YEAR

Deutsche Konsum REIT with significant NAV increase in the first nine months of the 2020/2021 financial year - Value of the real estate portfolio exceeds EUR 1 billion for the first time

The Company has closed the first nine months of the 2020/2021 financial year ("9M") with further significant growth.

- Property valuation as at 30 June 2021 results in valuation gains of EUR 54.8 million
- EPRA NAV increases by 17% to EUR 12.97 per share
- Rental income up 26% to EUR 50.6 million
- FFO increase by 22% to EUR 30.6 million
- FFO per share increase by 12% or EUR 0.09 to EUR 0.87 per share
- Net-LTV at 53.6%
- Adjustment of FFO forecast to between EUR 40 million to EUR 41 million for the financial year / FFO run rate forecast confirmed

Significant increases in rental income and FFO

Due to the continuous acquisition of further properties, rental income in 9M 2020/2021 increased significantly by 26% from EUR 40.3 million to EUR 50.6 million compared to the same period of the previous year.

Correspondingly, funds from operations ("FFO") also increased by 22% to EUR 30.6 million (9M 2019/2020: EUR 25.2 million). This corresponds to an FFO per share of EUR 0.87 (9M 2019/2020: EUR 0.78).

aFFO (FFO after deduction of capitalised revitalisation measures) was EUR 16.3 million or EUR 0.46 per share (9M 2019/2020: EUR 12.9 million or EUR 0.40 per share) due to ongoing revitalisation and expansion projects at various properties.

Real estate portfolio exceeds balance sheet value of one billion euros for the first time

DKR's real estate portfolio recognised on 30 June 2021 comprises 172 retail properties with a balance sheet value of approximately EUR 955.1 million (30 September 2020: EUR 809.9 million) and a rental area of approximately 989,000 sqm.

Since the beginning of the current financial year, DKR has acquired 13 retail properties with an investment volume of around EUR 120 million and an annual rent of EUR 10.9 million, which translates into an average acquisition yield of 9.1%. The transfer of benefits and encumbrances of eleven properties has already taken place in the course of the first nine months of the current financial year, the two remaining properties have been transferred as of

1 July 2021 and 1 August 2021 respectively. A further increase in rental income is therefore expected in the fourth quarter.

This is offset by the sale of a property in Berlin-Pankow. The property was acquired around three years ago with an initial yield of approx. 9.7% and has now been sold at a yield of 4.5%, from which DKR will realise a capital gain of around EUR 1.7 million. The transfer of benefits and encumbrances is expected to take place on 1 September 2021.

Thus, the total portfolio (pro forma) of DKR currently comprises 174 retail properties with an annual rent of more than EUR 73 million and a balance sheet value of more than EUR 1 billion. The acquisition yield of the total portfolio is currently around 10.4%.

DKR is currently in the process of acquiring further retail properties.

Significant appreciation of the property portfolio due to increased market demand for well-managed food-anchored properties

As of 30 June 2021, the property portfolio was valued on a regular basis by the external and independent real estate appraiser CBRE. This resulted in a significant appreciation of 8%, which corresponds to a valuation gain of EUR 54.8 million (after offsetting CAPEX investments of EUR 14.3 million). As a result, the properties recognised as at 30 June 2021 are now recognised with a multiplier of 13.9x the annual rent (previous year: 12.9x).

In addition to value-creating asset management and constant lease extensions, this result reflects in particular the increased investors' interest in food-anchored daily supply properties what has significantly increased the marketability of this asset class. These properties have become more important in particular due to the COVID pandemic, as the inflation-hedged and stable rental cash flows of food-anchored properties have become clearer due to their systemic relevance.

EPRA NAV rises by 17% to EUR 12.97 per share / Net LTV at 53.6%

The EPRA NAV per share increased by almost 17% to EUR 12.97 (30 September 2020: EUR 11.11 per share) due to the positive period result and the valuation gains from the property valuation.

The net LTV gearing ratio is 53.6% as of 30 June 2021.

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 is 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.

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 announced) 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.

Publications on the first nine months of the 2020/2021 financial year

Deutsche Konsum REIT-AG will hold an analyst conference (webcast and conference call) on the 9M-results today, 12 August 2021, at 09:00 CEST. The corresponding results presentation as well as further information on the webcast and the conference call can be found at <https://www.deutsche-konsum.de/en/investor-relations>. The detailed Quarterly Statement is available for download at <https://www.deutsche-konsum.de/en/investor-relations/financial-reports>.

About Deutsche Konsum

Deutsche Konsum REIT-AG, headquartered in Broderstorf, is a listed real estate company focusing on retail properties in Germany for goods required for daily use in well-established micro-locations. The focus of the Company's activities is on the acquisition, management and development of convenience retail properties with the aim of achieving a steady increase in value and the realisation of hidden reserves.

Due to its German REIT status ('Real Estate Investment Trust'), the Company is exempt from German corporation and trade tax. The shares of the Company are listed on the Prime Standard of the Deutsche Boerse (ISIN: DE 000A14KRD3) and on the JSE (Johannesburg Stock Exchange) (South Africa) by way of a secondary listing. Further information on the Company can be found at <https://www.deutsche-konsum.de/en/>. You can find image material for download at <https://www.deutsche-konsum.de/en/press-downloads/downloads>.

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