

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")



PRESS RELEASE – DEUTSCHE KONSUM REIT-AG LOOKS BACK ON A SOLID BUSINESS PERFORMANCE IN THE FIRST HALF OF THE 2023/2024 FINANCIAL YEAR

Salient features

- Rental income up 2.9% to EUR 39.8 million
- Net rental income down by 6.5% to EUR 24.8 million
- FFO down 17% to EUR 16.5 million / FFO per share at EUR 0.47
- Real estate portfolio comprises 183 properties and is valued at around EUR 1.0 billion / annual rent of EUR 78.1 million
- EPRA NTA per share at EUR 7.91
- Short-term prolongation of maturing bonds expected
- Net LTV at 61.4% as at the reporting date

Rental income up / Decrease in Net rental income

In the first half of the 2023/2024 financial year, the Company's rental income increased slightly by around 3% year-on-year from EUR 38.7 million to EUR 39.8 million. This was mainly due to a slightly larger property portfolio compared to the previous year and index-based rent increases.

In contrast, net rental income fell from EUR 26.5 million to EUR 24.8 million, which is primarily due to higher rental expenses.

Funds from operations ("FFO") decreased by 17.2% compared to the same period of the previous year and amounted to EUR 16.5 million or EUR 0.47 per share (H1 2022/2023: EUR 19.9 million or EUR 0.57 per share). This is mainly due to increased interest expenses for variable-rate and newer financing. The aFFO (FFO after deduction of capitalised modernisation measures) increased by 25% to EUR 10.7 million, as fewer CAPEX measures were carried out compared to the previous year. Further revitalisation measures are planned in the coming quarters, which will contribute to significant economic improvements in the key portfolio figures.

Balance sheet value of the real estate portfolio currently at around EUR 1.0 billion with an annual rent of EUR 78 million / Sale of a sub-portfolio notarised

DKR's real estate portfolio as at 31 March 2024 comprises 183 retail properties with a carrying amount of around EUR 994.8 million (30 September 2023: EUR 995.4 million) and a rental area of around 1,070,000 square meters. As at the reporting date, the annualised rent amounted to EUR 78.1 million (30 September 2023: EUR 79.2 million).

The average purchase yield of the overall portfolio is currently around 10.0%.

No properties were purchased in the first half of the 2023/2024 financial year. However, the property in Trier-Kenn was sold with a transfer of benefits and encumbrances at the end of 2023. Furthermore, the sale of a sub-portfolio of 14 properties was notarised at the end of March 2024. The sales price achieved was around 4% below the IFRS carrying amount as at 30 September 2023 due to short-term maintenance requirements. The sales transaction is expected to be completed by the end of June 2024. The proceeds from the sale are earmarked almost entirely for the repayment of bank liabilities and the partial repayment of maturing bonds. In addition, DKR is currently examining further selective disposals in order to use the proceeds to reduce debt.

Considering the notarised sales, the portfolio currently comprises 169 retail properties with an annual rent of around EUR 72.5 million on a pro forma basis.

Refinancing of maturing bonds in final negotiations

DKR is now in final negotiations with the bondholders of the EUR 70 million and EUR 35.9 million bonds, which are maturing in the short term and have not been concluded yet. Until the final prolongation has been concluded, the maturity date of the two bonds has therefore initially been extended to 30 June 2024 with the consent of the bondholder. The Management Board assumes that the final extension will now take place in the short term.

EPRA NTA per share is EUR 7.91 / Net LTV is 61.4 %

The EPRA NTA per share has slightly increased to EUR 7.91 as at 31 March 2024 due to the positive half-year result (30 September 2023: EUR 7.64 per share).

Net LTV amounted to 61.4% as at the reporting date and is therefore currently above the target value of around 50%. However, the leverage ratio is expected to fall below 55% again by the end of the 2023/2024 financial year.

FFO forecast for the 2023/2024 financial year

Given the notarised sales transaction and the imminent extension of the bonds, coupled with a significant repayment of debt, the outlook for the further development of the financial year is now clearer. Based on current planning, the Management Board therefore currently expects FFO (funds from operations) of EUR 27 million to EUR 30 million (before possible further property sales) for the full financial year 2023/2024.

Conference Call

Deutsche Konsum REIT-AG will hold an analyst conference (webcast and conference call) on the results of the first half of the 2023/2024 financial year today, 15 May 2024, 10:00 a.m. CEST/10:00 SAST. The corresponding results presentation and further information on the webcast and the conference call can be found at <https://www.deutsche-konsum.de/en/investor-relations>. The half-yearly financial report of the 2023/2024 financial year is available for download under <https://www.deutsche-konsum.de/en/investor-relations/financial-reports> and is also available on the JSE's website at: <https://senspdf.jse.co.za/documents/2024/jse/isse/dkre/HY24.pdf>.

About Deutsche Konsum

Deutsche Konsum REIT-AG, Broderstorf, is a listed real estate company with a focus on German retail properties for everyday goods at established micro-locations. The focus of the Company's activities is on the acquisition, management and development of local supply properties with the aim of continuous performance and the leveraging of hidden reserves.

The shares of the Company are listed on the Prime Standard of the Deutsche Börse (ISIN: DE000A14KRD3) and on the JSE (JSE Limited) (South Africa) by way of a secondary listing.

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