



**Deutsche Industrie REIT-AG**  
**Interim statement for the period**  
**1 October 2017 until 30 June 2018**  
**of the financial year 2017/2018**

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## Highlights

	1 October 2017 30 June 2018	1 October 2016 30 June 2017	Change	%
<b>Income statement</b>				
(in TEUR)				
Rental income	6,863	1,684	5,179	>100
Net operating income	5,431	1,310	4,120	>100
Financial result	-532	-479	-54	11.2
Net income	8,673	6,825	1,847	27.1
FFO	4,094	851	3,242	>100
FFO per share (in EUR)	0.27	0.06	0.21	>100
Recurring cost ratio, %	11.9	14.8	-3.0	-19.9
	30 June 2018	30 September 2017	Change	%
<b>Balance sheet figures</b>				
(in TEUR)				
Investment properties	132,623	35,594	97,029	>100
Total assets	138,089	99,615	38,474	38.6
Equity	52,072	32,054	20,018	62.5
Financial liabilities	80,571	62,401	18,170	29.1
(net) Loan-to-Value (LTV), %	59.0	31.3	27.7	88.7
Average interest rate of loans and bond, %	3.9	3.9	0.0	0.3
Average remaining duration of loans and bond, years	4.7	4.7	0.0	-0.6
EPRA NAV	52,072	32,054	20,018	62.5
EPRA NAV per share (in EUR)	3.16	1.94	1.21	62.5
<b>REIT metrics</b>				
REIT equity ratio	39.3	90.1	-50.8	-56.4

## Interim statement for the period 1 October 2017 until 30 June 2018

The following interim report of Deutsche Industrie REIT-AG (hereinafter also referred to as "Deutsche Industrie", "DIR" or "Company") describes the significant course of business as well as the net assets, financial position and results of operations of the first nine months of the 2017/2018 financial year („9M 2017/2018"). The interim financial statements have been prepared in accordance with IFRS as adopted by the EU and have not been audited.

### 1. Business Development

#### Real estate portfolio

During the period under review, the company's portfolio grew significantly due to acquisitions. A total of 13 purchase properties with an investment volume of EUR 87.6 million have been transferred. Thereof eight properties in the third quarter alone.

As a result, Deutsche Industrie had 19 properties as of 30 June 2018. The net initial yield for these properties was around 11.6%. The property value of this portfolio has risen by 13.2% since acquisition.

Location	Total Area in sqm	Actual net cold rent p.a. in TEUR	Vacancies Commercial	WALT in Years	Actual net cold rent Commercial in EUR/sqm	Market value as of 30/06/2018 in TEUR*
Neubrandenburg	56,144	741	1.7%	7.7	1.69	5,050
Stralsund	3,235	44	68.8%	2.9	2.25	552
Güstrow	6,130	90	0.0%	12.8	1.22	620
Jena	8,839	46	86.5%	0.0	3.16	800
Bad Salzdetfurth	51,174	1,581	26.8%	2.4	3.60	10,900
Löhne	47,518	1,949	0.0%	3.5	3.42	17,000
Schortens	96,942	3272	44.5%	2.9	4.93	36,200
Rostock	39,353	848	22.9%	2.7	2.32	9,500
Bornheim	9,057	302	4.7%	2.5	2.87	3,700
Drei Gleichen	24,004	600	0.0%	3.0	2.08	3,600
Wuppertal	11,867	565	3.4%	2.2	4.76	6,200
Remscheid	27,139	896	8.1%	0.9	3.19	9,000
Neustadt-Glewe	12,200	122	46.6%	0.5	1.63	2,100
Dortmund	24,823	678	13.9%	4.8	2.99	8,300
Bochum	3,522	191	0.0%	7.8	4.69	2,300
Witten	11,116	337	0.3%	4.3	3.14	3,400
Elchingen	3,258	161	0.0%	10.5	4.12	1,950
Lichtenfels	16,356	854	0.0%	10.5	4.35	9,690
Meschede	6,563	186	0.0%	1.3	2.37	1,900
<b>Total</b>	<b>459,240</b>	<b>13,466</b>	<b>20.3%</b>	<b>4.1</b>	<b>3.24</b>	<b>132,762</b>

Five more properties were acquired during the reporting period, with the transfer of ownership occurring after the reporting date.

Location	Total Area in sqm	Actual net cold rent p.a. in TEUR	Vacancies Commercial	WALT in Years	Actual net cold rent Commercial in EUR/sqm	Market value as of 30/06/2018 in TEUR*
Ronnenberg	31,099	1,042	0.0%	2.8	2.84	9,700
Hattingen	2,580	111	0.0%	3.5	3.54	1,150
Meerbusch	13,380	660	0.0%	1.5	4.11	6,540
Fehrbellin	20,950	145	0.0%	1.9	28.00	1,200
Schleiz	5,929	228	0.0%	7.2	3.20	2,400
<b>Total</b>	<b>73,938</b>	<b>2,185</b>	<b>0.0%</b>	<b>2.8</b>	<b>3.36</b>	<b>20,990</b>

With a sales and purchase agreement dated 28.05.2018, the property in Jena was sold for a purchase price of TEUR 1,350. The transfer of ownership is expected for the fourth quarter of 2017/2018.

### **Change of legal form and IPO**

On 18 October 2017, the change of legal form of the Company into a public limited company was entered in the Commercial Register of the Local Court of Rostock under HRB 13964.

On 6 December 2017, 15,000,048 ordinary bearer shares with no par value (no-par value shares) each with a pro rata amount of share capital of EUR 1.00 per share, with full dividend entitlement from 1 October 2017, were admitted to the Regulated Market on the stock exchange Berlin.

The initial listing of the shares in the regulated market of the Berlin Stock Exchange and on the open market of the Frankfurt Stock Exchange took place on 7 December 2017. The opening price on XETRA was EUR 4.85.

The company has obtained the REIT status with its entry in the commercial register on January 23, 2018. Since then, the company has been operating as Deutsche Industrie REIT-AG.

### **Annual General Meeting**

On 6 November 2017, the Annual General Meeting of the Company took place in Potsdam. All proposed resolutions were adopted with the required majority.

Based on the resolution of the Annual General Meeting, entered in the Commercial Register on 16 November 2017, the Company's share capital was increased from EUR 81,522 by EUR 14,918,526 from company funds to EUR 15,000,048. The capital increase was made by issuing 14,918,526 new no-par-value bearer shares to the Company's shareholders with a pro rata amount of the share capital of EUR 1.00 per share.

Furthermore, the Executive Board was authorised by resolution of the Annual General Meeting to increase the share capital with the approval of the Supervisory Board by 5 November 2022, once or several times by issuing new no-par-value bearer shares against contributions in cash and/or in kind by up to a total of EUR 7,500,024 (Authorised Capital 2017).

## **Capital increase**

On April 23, 2018, the Company successfully placed a capital increase against cash contribution using the existing Authorized Capital 2017 at a price of EUR 7.75 per share and issued 1,500,004 new shares. The share capital of the company was increased to EUR 16,500,052. The gross issue proceeds amounted to EUR 11.6 million.

The New Shares were offered in accordance with Section 1 (2) No. 4 of the German Securities Prospectus Act (WpPG) in the form of a public subscription offer to the existing shareholders of the Company without a prospectus in a ratio of 10: 1 and are entitled to dividend from 1 October 2017.

## **Financing**

The secured real estate bond issued in August 2017 (ISIN: DE000A2GS3T9) was increased by TEUR 8,000 to TEUR 68,000 on October 13, 2017 (first increase).

The new bonds were acquired as part of a private placement exclusively by an existing investor. According to the terms and conditions the bond will run until 30 August 2022 and has a fixed interest rate of 4.00% p.a.

On 14 November 2017, the Company concluded a loan agreement in the amount of TEUR 1,900,000 with VR-Bank eG to finance the property in Bornheim. The loan has a five-year interest rate of 1.25% and will be repaid in monthly annuities by 2035. The payment was made in the second quarter of 2017/2018.

## 2. Development of net assets, financial position and results of operations

The balance sheet total increased to TEUR 138,089.0 (30/09/2017: TEUR 99,615.1). This resulted mainly from the growth of the real estate portfolio. Accordingly, the investment properties as of 30/06/2018 are accounted for TEUR 132,623.1 (30/09/2017: TEUR 35,593.7).

Because of the increase, liabilities from the corporate bond (including interest accruals) increased to EUR 69,985.1 TEUR (30/09/2017: EUR 60,011.9 TEUR). Due to a new loan, liabilities to banks amount to TEUR 3,633.1. (30/09/2017: TEUR 2,083.6).

The EPRA NAV (Net Asset Value) corresponds to equity and amounts to TEUR 52,071.6 as at 30/06/2018. These are based on the 16.5 million shares issued as of the balance sheet date, EUR 3.16 per share. (30/09/2017: TEUR 32,053.8, based on current shares EUR 1.94 per share)

Net LTV as at 30 June 2018 is as follows:

TEUR	30/06/2018	30/09/2017
Long-term financial liabilities	73,618.2	62,095.5
Short-term financial liabilities	6,952.3	305.1
Short-term financial assets	-137.3	-45,775.8
<b>Net debt</b>	<b>80,433.2</b>	<b>16,624.8</b>
Investment properties incl. prepayments for acquisitions	134,981.0	53,158.6
Long-term assets held for sale	1,350.0	0.0
<b>Total Investment properties</b>	<b>136,331.0</b>	<b>53,158.6</b>
<b>Net-LTV</b>	<b>59.0%</b>	<b>31.3%</b>

Cash flow from investing activities in the amount of TEUR -26,042.3 (9M 2016/2017: TEUR -28,328.2) includes the payments for purchase objects as well as payments from short-term financial management.

The cash inflows from the capital increase and the increase of the corporate bond were responsible for the cash flow from financing activities amounting to TEUR 20,850.8 (9M 2016/2017: TEUR -27,706.1)

The rental income increased due to the significantly increased real estate portfolio to TEUR 6,862.8 (9M 2016/2017: TEUR 1,683.7). Correspondingly, the operational expenses have increased accordingly. The letting result increased to around TEUR 5,430.6 (9M 2016/2017: TEUR 1,310.2).

The market values determined by an independent external appraiser resulted in a valuation result of the investment properties in the amount of TEUR 3,469.8 (9M 2016/2017: TEUR 2,518.9).

Due to the obtaining of the REIT status in the current financial year, and the company tax exemption, the deferred taxes were reversed. This resulted in non-recurring income of TEUR 1,412.5 in income taxes.

After adjustment of income taxes, depreciation and valuation and one-offs and other effects of TEUR 300.0 the FFO (Funds from Operations), as a measure of the operating activity, amounts to TEUR 4,093.7 (9M 2016/2017: TEUR 851.5). This results in an FFO per share of EUR 0.27.

### **3. Supplementary Report**

In July and August, there are five further properties with an investment volume of TEUR 33,223.1 been acquired. The properties have an annualized rent of TEUR 2,910.9. The transfer of ownership is expected to take place in the first quarter of fiscal year 2018/2019.

On July 9, 2018, the company increased its existing secured corporate bond amounting to TEUR 68,000 (ISIN: DE000A2GS3T9) by TEUR 21,900. The new bonds were acquired as part of a private placement exclusively by an existing investor.

### **4. Outlook and forecast**

The third quarter of the 2017/2018 financial year was also very positive, as shown by the build-up of the portfolio and the associated increase in all key figures. For the current financial year, we expect further acquisitions and consequently an increase in earnings.

The Management Board confirm the forecast for the FFO of TEUR 5,000 up to TEUR 6,000 for the 2017/2018 financial year. The FFO - run rate (annualised FFO without accrual effects) is expected at the end of the 2017/2018 financial year at TEUR 9,000 to TEUR 10,000.

### **5. Risk situation**

Through its business activities, DIR is exposed to operational and economic opportunities and risks. Please refer to the detailed presentation in the management report for the fiscal year ending 30 September 2017 in the section "Opportunity and risk report".

In the opinion of the Executive Board, the risk situation has not materially changed or worsened since 1 October 2017.



**Condensed interim financial statement  
for the period from 1 October 2017 to 30 June 2018  
of the financial year 2017/2018**

## Deutsche Industrie REIT-AG, Rostock

### Balance sheet

TEUR	30/06/2018	30/09/2017
<b>Assets</b>		
Non-current assets		
Investment properties	132,623.1	35,593.7
Property, plant and equipment	31.7	0.0
Other non-current assets	2,357.9	17,564.9
	<b>135,012.7</b>	<b>53,158.6</b>
Current assets		
Trade and other receivables	289.1	2.1
Tax assets	0.0	132.6
Other current assets	1,299.9	46,298.3
Cash and cash equivalents	137.3	23.4
	<b>1,726.3</b>	<b>46,456.5</b>
Non-current assets held for sale	1,350.0	0.0
<b>Total assets</b>	<b>138,089.0</b>	<b>99,615.1</b>
<b>Equity and liabilities</b>		
Equity		
Issued share capital	16,500.1	81.5
Capital reserve	18,779.0	23,852.3
Other reserves	50.0	50.0
Retained earnings	16,742.5	8,069.9
	<b>52,071.6</b>	<b>32,053.8</b>
Non-current liabilities		
Financial liabilities	3,633.1	2,083.6
Liabilities from corporate bonds	69,985.1	60,011.9
Other provisions	3.0	3.0
Other non-current liabilities	677.6	678.4
	0.0	1,499.4
	<b>74,298.8</b>	<b>64,276.3</b>
Current liabilities		
Financial liabilities	418.7	305.1
Liabilities to other creditors	6,533.6	0.0
Other provisions	189.4	382.2
Trade payables	1,068.1	0.0
Income tax liabilities	2,432.0	2,340.0
Other current liabilities	1,076.8	257.7
	<b>11,718.6</b>	<b>3,285.0</b>
<b>Total equity and liabilities</b>	<b>138,089.0</b>	<b>99,615.1</b>

Deutsche Industrie REIT-AG, Rostock

Statement of comprehensive income

TEUR	01/10/2017- 30/06/2018	01/04/2018- 30/06/2018	01/10/2016- 30/06/2017	01/04/2017- 30/06/2017
Rental income	6,862.8	2,684.4	1,683.7	986.7
Operating expenses	-1,432.1	-429.8	-373.5	-202.2
<b>Net rental income</b>	<b>5,430.6</b>	<b>2,254.7</b>	<b>1,310.2</b>	<b>784.5</b>
Other income	<b>98.2</b>	<b>39.0</b>	<b>7,235.4</b>	<b>1.5</b>
gains from the revaluation of investment properties	5,056.4	3,416.1	2,524.0	2,270.2
losses from the revaluation of investment properties	-1,586.6	-1,525.0	-5.0	-3.4
<b>Unrealised gain/loss from the revaluation of investment properties</b>	<b>3,469.8</b>	<b>1,891.1</b>	<b>2,518.9</b>	<b>2,266.9</b>
<b>Subtotal</b>	<b>8,998.6</b>	<b>4,184.8</b>	<b>11,064.5</b>	<b>3,052.9</b>
Personnel expenses	-291.9	-124.7	0.0	0.0
Amortisation of intangible assets, depreciation of property, plant and equipment	-3.3	-1.2	0.0	0.0
Impairment loss of inventories and receivables	-92.8	-20.4	-127.6	-5.1
Other operating expenses	-818.2	-211.3	-249.8	-214.8
<b>Operating expenses</b>	<b>-1,206.3</b>	<b>-357.7</b>	<b>-377.3</b>	<b>-219.9</b>
<b>EBIT</b>	<b>7,792.3</b>	<b>3,827.1</b>	<b>10,687.2</b>	<b>2,833.0</b>
Interest income	1,607.1	197.6	66.5	62.0
Interest expense	-2,139.3	-736.3	-545.1	-22.0
<b>Net finance costs</b>	<b>-532.2</b>	<b>-538.7</b>	<b>-478.5</b>	<b>40.0</b>
<b>EBT</b>	<b>7,260.1</b>	<b>3,288.5</b>	<b>10,208.7</b>	<b>2,873.0</b>
Income tax	1,412.5	0.0	-3,382.7	-929.6
Other tax	0.0	0.0	-0.5	0.0
<b>Total comprehensive income</b>	<b>8,672.6</b>	<b>3,288.5</b>	<b>6,825.5</b>	<b>1,943.4</b>

Deutsche Industrie REIT-AG, Rostock

Statement of changes in equity

TEUR	Issued share capital	Capital reserve	Other reserves	OCI	Retained earnings	Total equity
<b>As at 1 October 2016</b>	<b>25.0</b>	<b>0.0</b>	<b>0.0</b>	<b>5,285.4</b>	<b>952.5</b>	<b>6,262.9</b>
Period result					<b>6,825.5</b>	6,825.5
Other comprehensive income				<b>-5,285.4</b>		-5,285.4
<b>Total comprehensive income</b>	<b>25.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>6,825.5</b>	<b>6,825.5</b>
Cash capital increase/ - reduction	<b>15.8</b>	<b>16,324.2</b>				16,340.0
Contribution in kind		<b>7,530.2</b>				7,530.2
Addition / Withdrawal from reserves			<b>50.0</b>		<b>-50.0</b>	0.0
cost of capital measures		<b>-1.2</b>				-1.2
Dividend distribution						0.0
<b>As at 30 June 2017</b>	<b>40.8</b>	<b>23,853.2</b>	<b>50.0</b>	<b>0.0</b>	<b>7,727.9</b>	<b>31,671.9</b>
<b>As at 1 October 2017</b>	<b>81.5</b>	<b>23,852.3</b>	<b>50.0</b>		<b>8,069.9</b>	<b>32,053.8</b>
Period result					8,672.6	8,672.6
Other comprehensive income				0.0		0.0
<b>Total comprehensive income</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>8,672.6</b>	<b>8,672.6</b>
Cash capital increase/ - reduction	<b>1,500.0</b>	<b>10,125.0</b>				11,625.0
Contribution in kind						0.0
Addition / Withdrawal from reserves	<b>14,918.5</b>	<b>-14,918.5</b>				0.0
cost of capital measures		<b>-279.8</b>				-279.8
Dividend distribution						0.0
<b>As at 30 June 2018</b>	<b>16,500.1</b>	<b>18,779.0</b>	<b>50.0</b>	<b>0.0</b>	<b>16,742.5</b>	<b>52,071.6</b>

## Deutsche Industrie REIT-AG, Rostock

### Cash flow statement

TEUR	01/10/2017- 30/06/2018	01/10/2016- 30/06/2017
Period result	8,672.6	6,825.5
+/- Interest expense/interest income	532.2	478.5
+/- Depreciation, amortisation and write-down/ reversals of intangible assets, tangible assets and financial assets	3.3	0.0
+ Increase/decrease in inventories, trade receivables and other assets not attributable to investing or financing activities	92.8	127.6
-/+ Gains / Losses from the revaluation of investment properties	-3,469.8	-2,518.9
-/+ Profit / loss on disposals of financial assets		-7,230.2
+/- Increase / decrease in provisions	-192.8	208.0
+/- Income tax expense/-income effective	86.9	2,269.5
+/- Deferred tax expenses / income	-1,499.4	1,113.2
+ Income taxes received	137.7	0.0
- Income taxes paid	0.0	-390.4
-/+ Increase/decrease in inventories, trade receivables and other assets not attributable to investing or financing activities	-945.3	-416.9
+/- Increase/decrease in trade payables and other liabilities not attributable to investing or financing activities	1,887.1	169.5
<b>Cash flow from operating activities</b>	<b>5.305.4</b>	<b>635.4</b>
- Cash payments related to property investments	-79,702.7	-23,897.2
- Cash payments related to other investments in intangible and tangible assets	-35.0	0.0
- Payments for investments in financial assets	0.0	-25.0
+ Cash Inflow due to financial investments in the context of short-term financial management	51,792.0	0.0
- Cash Outflow due to financial investments in the context of short-term financial management	0.0	-4,406.1
+ Received interests	1,903.3	0.0
<b>Cash flow from investing activities</b>	<b>-26.042.3</b>	<b>-28,328.2</b>
+ Cash proceeds from the issue of shares	1,500.0	15.8
+ Cash proceeds from capital increases	10,125.0	16,324.2
- Costs related to capital increases	-279.8	-1.2
+ Cash inflow from issuing corporate bonds	8,000.0	0.0
- Costs related to issuing corporate bonds	-63.8	0.0
+ Cash inflow from loans	1,900.0	11,650.6
- Amortisation of loans	-238.3	-200.1
- Interests paid	-92.4	-83.2
<b>Cash flow from financing activities</b>	<b>20.850.8</b>	<b>27,706.1</b>
Change in cash and cash equivalents	113.9	13.3
Cash and cash equivalents at the beginning of the period	23.4	22.3
<b>Cash and cash equivalents at the end of the period</b>	<b>137.3</b>	<b>35.6</b>

## About Deutsche Industrie REIT-AG

Deutsche Industrie REIT-AG sustainably invests in German light industrial real estate. Light industrial includes storage, distribution of goods as well as management and production. This asset class consists mostly of medium to large industrial and commercial estates. These properties are usually more complex than pure logistics real estate and have a high local relevance.

The share has been listed since December 7, 2017 in the regulated market of the Berlin Stock Exchange and in the Open Market of the Frankfurt Stock Exchange. With retroactive effect from 1 January 2018, the company obtained the REIT status and is therefore exempt from income tax.

The share of Deutsche Industrie REIT-AG:

<b>As of</b>	<b>20 August 2018</b>
ISIN / WKN	DE000A2G9LL1 / A2G9LL
Ticker symbol	JB7
No. of shares	16,500,052
Nominal capital	EUR 16,500,052.00
Free float	36.5% (pursuant Deutsche Börse) 29.1% (acc. to §11 REIT-G)
Stock exchanges	Börse Berlin (Regulierter Markt), Frankfurt, XETRA (Open Market)
Share price (XETRA)	EUR 10.05
Market Cap	EUR 166 million
52W – High/Low	EUR 11.10 / 4.82

## Publisher

Board of Deutsche Industrie REIT-AG

## Contact

Deutsche Industrie REIT-AG  
August-Bebel-Str. 68  
14482 Potsdam  
Telephone +49 (0) 331 74 00 76 -50  
Telefax +49 (0) 331 74 00 76 -520  
E-Mail [info@deutsche-industrie-reit.de](mailto:info@deutsche-industrie-reit.de)

Website: <http://www.deutsche-industrie-reit.de>

## Disclaimer

This nine monthly financial report contains forward-looking statements. These are based on current estimates and are, therefore, subject to risks and uncertainties. In this respect, the actual events may differ from the statements formulated here. The report is also available in German. In doubtful questions, the German version is always authoritative.

