



**Deutsche Industrie REIT-AG**

**Half-yearly financial report for the period  
1 October 2017 to 31 March 2018  
of the financial year 2017/2018**

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## Highlights

<b>Income statement (TEUR)</b>	<b>01 October 2017- 31 March 2018</b>	<b>01 October 2016- 31 March 2017</b>	<b>Change</b>	<b>%</b>
Rental income	4,178	697	3,481	>100
Net rental income	3,176	526	2,650	>100
Financial result	6	-519	525	>100
Result for the period	5,384	4,882	502	10.3
FFO	2,655	-6	2,661	>100
FFO per share	0.18			
Recurring cost ratio	11.9	5.0	6.9	>100
<b>Balance sheet (TEUR)</b>	<b>31 March 2018</b>	<b>30 September 2017</b>	<b>Change</b>	<b>%</b>
Investment properties	89,209	35,594	53,615	>100
Total assets	115,913	99,615	16,298	16.4
Equity	37,437	32,054	5,383	16.8
Total debt	73,592	62,401	11,192	17.9
NAV	37,437	32,054	5,383	16.8
NAV per share (in EUR)	2.50	2.14	0.36	16.8
<b>Financing</b>	<b>31 March 2018</b>	<b>30 September 2017</b>	<b>Change</b>	<b>%</b>
(net) Loan-to-Value (LTV), %	56.2	31.3	24.9	79.6
Average interest rate of loans & bond, %	3.9	3.9	0.0	0.0
Average remaining duration of loans & bond, years	4.9	4.7	0.2	4.7
<b>REIT-figures</b>	<b>31 March 2018</b>	<b>30 September 2017</b>	<b>Change</b>	<b>%</b>
REIT-equity ratio	42.0	42.5	-0.5	-1.2

## Letter to our shareholders

Dear Shareholders,  
Dear Sir or Madam,

the first half of the current fiscal year 2017/2018 was very positive for Deutsche Industrie REIT AG. The real estate portfolio, recognised as of 31 March 2018, comprises 11 Light Industrial properties with an annualised total rent of around EUR 10.0 million. Profit for the first half of the year amounted to EUR 5.4 million, and rental income increased from EUR 0.7 million by twelve-month comparison to EUR 4.2m. This results in an FFO of EUR 2.7 million. The LTV was around 56% and the EPRA NAV was EUR 2.50 per share.

The stable price development confirms the acceptance of our stock and the potential of our business model. The market capitalisation is now almost 120 million Euros.

In the past few months, we were able to purchase ten properties with an investment volume of around EUR 52.5 million. Following the transfer of ownership of these properties, the total portfolio comprises 21 properties and generates an annualised rent of around EUR 15.0 million. In addition, we are currently reviewing additional properties for sale and are in promising negotiations so that we expect additional growth.

Due to the good half-year result and the acquisitions made, as well as additional growth, we are raising our forecast and expect a FFO of between EUR 5 million and EUR 6 million in the 2017/2018 financial year.

The FFO - run rate (annualised FFO without periodic matching effects) is still forecasted at EUR 9 million to EUR 10 million at the end of the 2017/2018 financial year due to expected higher interest expenses.

We thank you for your confidence in our sustainable growth course and look forward to a successful future.

Best regards,



Rolf Elgeti  
Chairman of the board



Sonja Paffendorf  
Chairwoman of Investment

## Interim management report for the first half of the 2017/2018 financial year

### 1. Deutsche Industrie REIT-AG

Deutsche Industrie REIT-AG invests sustainably in Light-Industrial real estate in Germany. In addition to the activities of warehousing and distribution of goods, Light Industrial also covers their administration and production. The asset class consists mainly of medium to large industrial and commercial park areas. The areas are usually more complex than pure logistics real estate and have a high local relevance.

The Company was founded as Jägersteig Beteiligungs (Subholding) GmbH in November 2014. In October 2017, the name was changed to Deutsche Industrie Grundbesitz AG. At the beginning of 2018, the status of a REIT ("real estate investment trust") with the associated income tax exemption was obtained. Since then, the Company has been named Deutsche Industrie REIT-AG.

Since 7 December 2017, the share has been listed in the regulated market of the Berlin Stock Exchange and in the Open Market of the Frankfurt Stock Exchange and, therefore, also in XETRA.

### 2. Economic development and stock

#### 2.1. Economic development

##### Overall economic situation

At the beginning of 2018, the global economy was in a strong upswing. According to a forecast published in March 2018 by the Kiel Institute for the World Economy (IfW), global production is expected to increase by 4.0% in 2018 and 3.8% in 2019.<sup>1</sup>

In 2017, the economic situation in Germany was characterised by strong economic growth. According to calculations by the Federal Statistical Office (Destatis), the price-adjusted gross domestic product (GDP) in the year 2017 was 2.2% higher than in the previous year. Positive impulses for growth in 2017 came primarily from Germany with increased private (+ 2.0%) and government (+ 1.4%) consumer spending. German exports increased by 4.7%.<sup>2</sup>

The economic researchers of the IfW assumed in March 2018, that the gross domestic product would grow by 2.5% in 2018 and by 2.3% in 2019. Driving forces would remain the domestic and the foreign economy. In view of the further improvement in the labour market situation and the tax reductions as well as expansion of benefits agreed in the coalition agreement, private consumption is expected to pick up again sharply (2018: + 1.7%, 2019: + 2.2%). The IfW researchers also expect exports to increase by 6.2% (2018) and 4.8% (2019). The investments would also gain in growth. Construction investment would rise by 1.6% in 2018 and by 3.5% in 2019.<sup>3</sup>

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<sup>1</sup> Source: Kiel Economic Report No. 39 (2018 / Q1) of 20 March 2018: World economy in spring 2018, p. 2.

<sup>2</sup> Sources: Press release Destatis of 11 January 2017: German economy will continue to grow strongly in 2017

<sup>3</sup> Press release Destatis of 23 February 2017: Detailed results on economic performance in the 4th quarter of 2017.

The interest rate level in the eurozone is currently at a historic low. On 16 March 2016, the European Central Bank (ECB) lowered the key interest rate by 5 basis points, so that the main refinancing rate was 0.00%.<sup>4</sup> Real estate companies such as Deutsche Industrie REIT-AG, which largely finance their holdings by borrowing, continued to find favourable conditions for financing their investments.

### **German real estate industry continues to focus on commercial properties**

Germany remains attractive as a real estate location and investment market, both for residential and commercial real estate. In 2017, the total transaction volume of EUR 73 billion was still well above the average of the last ten years (EUR 44 billion). At EUR 57 billion in the commercial sector alone, the strong upward trend is unbroken.<sup>5</sup>

In 2017, the investment market for logistics and industrial real estate reached a record level with a transaction volume of EUR 8.7 billion and an unprecedented share of total transaction volume at 15%.<sup>6</sup>

Also in the first quarter of 2018, high investments were made in German commercial real estate. Transaction volume was around EUR 12.3 billion in the first three months, with logistics real estate taking third place in this asset class accounting for 12% of transaction volume after office real estate (53%) and retail real estate (14%). It is still the case that more capital could be invested if there was an adequate supply in sufficient numbers.<sup>7</sup>

The most important brokerage houses (JLL, CBRE, BNPPRE and Colliers International) expect the strong demand for commercial property to continue in the further course of 2018, especially for logistics and industrial real estate.

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<sup>4</sup> Source: Media Information IfW 21 March 2018: German economy closer to the limit Source: Handelsblatt, of 16 March 2016: ECB decision: Today, interest rates are falling to zero.

<sup>5</sup> Source: EY: Trend Barometer Real Estate Investment Market 2018, January 2018, p. 6.

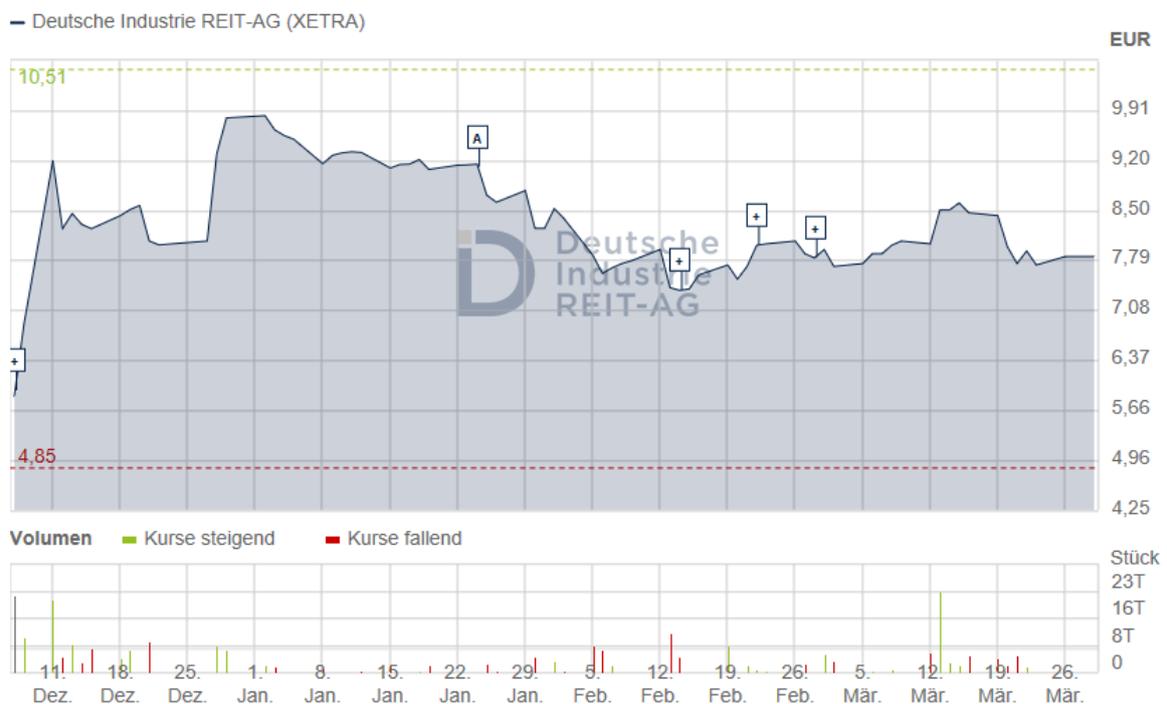
<sup>6</sup> JLL Logistics Real Estate Report 2018

<sup>7</sup> Source: Study Jones Lang Lasalle SE (JLL): Investment Market Review. Germany. 1st Quarter 2018. Published in April 2018, p. 3, 5.

## 2.2. Stock

The IPO opening price on 7 December was EUR 4.85, which is also the lowest value yet. The share price rose steadily in the first few trading days and reached its highest ever level on 2 January 2018 at EUR 9.80 (closing price XETRA). Thereafter, it went back continuously and slowly with low sales and has been stable between EUR 7.50 and EUR 8.50 since mid-January.

In a continuing turbulent global political and economic environment, the DIR share has held up well. At the end of the reporting period on 29 March 2018, it was quoted at EUR 7.81 (closing price XETRA). The market capitalisation was, thus, around EUR 117 million. The average daily volume of XETRA in the reporting period was 3,165 shares and EUR 25,000



Kursdaten: ARIVA.DE AG / EQS Group AG.

The free float (as defined by Deutsche Börse AG) was approximately 32% as of the reporting date on 31 March 2018. The shareholder structure is characterised by institutional national and international investors with a predominantly long-term investment strategy.

### Baader starts coverage of the DIR share

In March 2018, Baader Helvea Equity Research first acquired coverage for Deutsche Industrie REIT-AG with a purchase recommendation and a price target of EUR 9.80.

## 2.3. Business development

### Real estate portfolio

During the reporting period, the portfolio grew due to further acquisitions. Five purchase objects have been transferred with the transfer of benefits and encumbrances:

- in Bornheim (North Rhine-Westphalia) a logistics property as of 1 October 2017
- in Rostock (Mecklenburg-Vorpommern) a logistics property as of 6 October 2017
- in Schortens (Lower Saxony) a industrial park as of 30 November 2017
- in Neustadt-Glewe (Mecklenburg-Vorpommern) an object for production & logistics as of 21 February 2018
- in Drei Gleichen (Thuringia) a logistics property as of 7 March 2018

As a result, Deutsche Industrie had 11 properties as of 31 March 2018:

Place	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 31/03/2018 in TEUR*
Neubrandenburg	56,144	741	1.7%	7.9	1.69	5,050
Stralsund	3,235	44	68.8%	3.3	2.25	552
Güstrow	6,130	90	0.0%	13.0	1.22	620
Jena	8,839	46	86.5%	0.0	3.16	800
Bad Salzdetfurth	51,083	1,622	25.1%	2.7	3.62	10,900
Löhne	47,518	1,949	0.0%	3.8	3.42	17,000
Schortens	96,943	3,501	43.0%	2.8	4.94	36,200
Rostock	39,353	846	23.0%	2.9	2.32	9,500
Bornheim	9,057	302	4.7%	2.8	2.87	3,700
Drei Gleichen	24,004	600	0.0%	3.3	2.08	3,600
Neustadt-Glewe	11,914	259	12.9%	0.1	2.16	2,100
<b>Totals</b>	<b>354,220</b>	<b>10,000</b>	<b>22.5%</b>	<b>3.6</b>	<b>3.15</b>	<b>90,022</b>

\*updated market values as at the balance sheet date 30/09/2017, for the properties in Drei Gleichen and Neustadt-Glewe an initial valuation was made on the balance sheet date 31/03/2018.

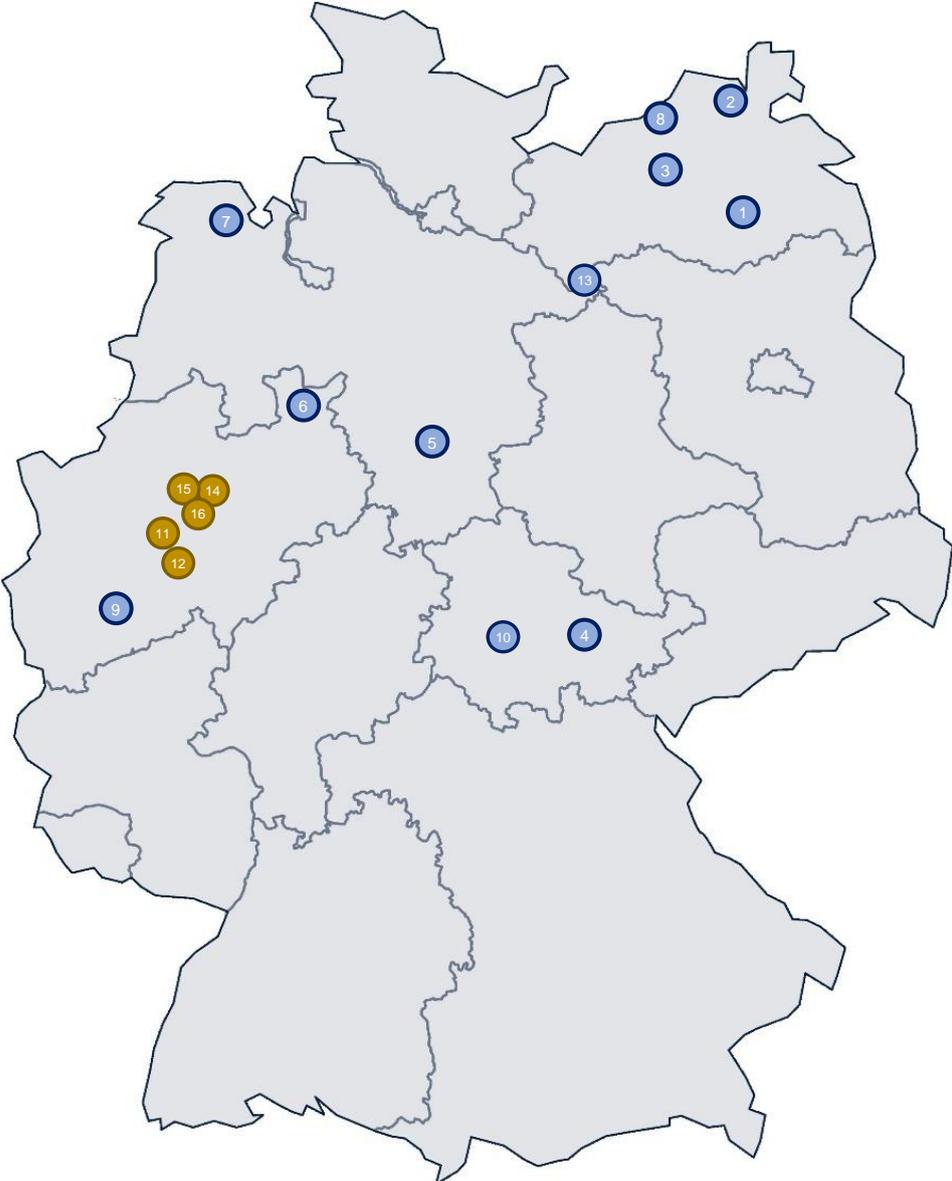
In addition, in February 2018, purchase agreements were signed for five additional properties where the transfer of benefits and encumbrances did not take place until the reporting period (Wuppertal and Remscheid as of 1 May 2018) or will still occur:

Place	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 31/03/2018 in TEUR
Wuppertal	10,157	579	0.8%	2.4	4.84	6,200
Remscheid	26,668	898	2.6%	2.0	3.19	9,000
Dortmund	23,450	665	36.4%	5.0	3.50	8,300
Bochum	3,559	191	0.0%	9.3	4.65	2,300
Witten	10,632	338	1.9%	4.8	2.99	3,400
<b>Totals</b>	<b>74,466</b>	<b>2,671</b>	<b>13.9%</b>	<b>4.3</b>	<b>3.58</b>	<b>29,200</b>

Considering the properties acquired during the reporting period, on 31 March 2018 the total portfolio of Deutsche Industrie consisted of 16 properties with an annualised total rent of around TEUR 12,671 and a portfolio value of approximately TEUR 119,222. The distribution between the three categories is as follows:

Usage	Property	Total area in sqm	Share JNKM
Industrial parks	7	222,491	61.3%
Logistics	4	119,932	29.4%
Production & Logistics	5	86,741	9.3%
<b>Total*</b>		<b>429,164</b>	<b>100.0%</b>

**Regional distribution of the portfolio:**



● Portfolio as at 31/03/2018 (11 properties)  
● Acquired properties, transfer after 31/03/2018 (10 properties)

## **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.

## **Financing**

The secured real estate bond, issued in August 2017, was increased by TEUR 8,000 on 13 October 2017 and now totals TEUR 68,000. The terms of the bond remained essentially unchanged, apart from the appointment of one additional collateral.

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.

## **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).

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

#### 3.1. Net assets

The balance sheet total increased to TEUR 115,913.0 (30 September 2017: TEUR 99,615.1). This essentially resulted from the construction of the real estate portfolio through further acquisitions. Thus, the carrying amounts of the investment properties rose to TEUR 89,208.7 as of 31 March 2018 (30 September 2017: TEUR 35,593.7).

The Company's equity increased by TEUR 5,383.3 to TEUR 37,437.1 (30 September 2017: TEUR 32,053.8), which resulted from the positive half-year result of TEUR 13,454.1 (30/09/2017: TEUR 8,069.9).

The increase in equity is also followed by an increase in NAV (undiluted):

TEUR	31/03/2018	30/09/2017
Equity (TEUR)	37,437.1	32,053.8
Number of shares at balance sheet date	15,000,048	-
<b>NAV per share, EUR*</b>	<b>2.50</b>	<b>-</b>

\* the company was a limited liability company on 30/09/2017, the conversion into an AG took place on 18/10/2017

Non-current and current financial liabilities increased to TEUR 73,592.4 because of taking up a loan in the amount of TEUR 1,900 and the increase in the corporate bond amounting to TEUR 8,000 (30 September 2017: TEUR 62,400.6). On the other hand, current loans were fully repaid as of the reporting date (30 September 2017: TEUR 45,752.3).

Accordingly, the net LTV as of 31 March 2018 is as follows:

TEUR	31/03/2018	30/09/2017
Financial liabilities to banks	3,729.2	2,083.6
Liabilities from corporate bonds	69,304.6	60,011.9
Current financial liabilities	558.7	305.1
<b>Total liabilities</b>	<b>73,592.4</b>	<b>62,400.6</b>
minus cash and cash equivalents	-21,704.8	-23.4
Minus short-term loans		-45,752.3
<b>Net debt</b>	<b>51,887.6</b>	<b>16,624.8</b>
Investment property	89,208.7	35,593.7
Advance payments for the acquisition of investment property	3,159.3	17,564.9
<b>Total investment properties</b>	<b>92,368.0</b>	<b>53,158.6</b>
<b>Net-LTV</b>	<b>56.2%</b>	<b>31.3%</b>

### 3.2. Financial position

The cash flow statement is as follows:

<b>TEUR</b>	<b>H1 2017/2018</b>	<b>H1 2016/2017</b>
Cash flow from operating activities	2,397.8	176.9
Cash flow from investing activities	9,638.9	-16,111.8
Cash flow from financing activities	9,644.6	23,571.6
<b>Cash changes affecting the cash and cash equivalents</b>	<b>21,681.3</b>	<b>7,636.7</b>
Cash and cash equivalents at the beginning of the period	23.4	<b>22.3</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>21,704.7</b>	<b>7,659.0</b>

The increase in cash flow from operating activities corresponds to the increase in operating income due to the growth in the real estate portfolio.

The cash flow from investing activities is characterised by cash inflows of TEUR 45,401.3 as a result of cash and cash equivalents as part of the short-term financial management, which considerably exceeded the payments for investments in investment properties of TEUR 37,630.7.

The cash flow from financing activities essentially includes the net cash inflow from the increase in the bond of TEUR 8,000.0 and from borrowings in the amount of TEUR 1,900.0.

The Company was always able to meet its payment obligations.

### 3.3. Results of operation

The results of operation of Deutsche Industrie developed as follows in the first half of 2017/2018:

<b>TEUR</b>	<b>H1 2017/2018</b>	<b>H1 2016/2017</b>
Rental income	3,176.0	525.7
Other operating income	59.2	7,233.9
Valuation result	1,578.6	252.1
Operating expenses	-848.6	-157.5
<b>EBIT</b>	<b>3,965.2</b>	<b>7,854.2</b>
Financial result	6.4	-518.5
<b>EBT</b>	<b>3,971.7</b>	<b>7,335.7</b>
Taxes	1,412.5	-2,453.6
<b>Result for the period</b>	<b>5,384.1</b>	<b>4,882.0</b>

The rental result increased significantly to around TEUR 3,176.0 (H1 2016/2017: TEUR 525.7). due to the acquisition-of more assets. Correspondingly, the management expenses have increased at the same rate.

The other operating income in the same period of the previous year was determined by a one-off effect, the sale of a share package with a result of TEUR 7,230. The increase in operating expenses is attributable, on the one hand, to higher personnel expenses of TEUR 167.2, due to the fact that employees were hired in the course of setting up the Company, as well as higher allocations for business transactions and increased general administrative expenses. Adjusted for one-time effects of TEUR 270.0 in connection with the IPO, the increase in other operating expenses amounted to TEUR 301.9.

The increase in the financial result essentially results from interest income for short-term loans in the amount of TEUR 1,409.4.

Due to the attainment of the REIT status in the current financial year and the accompanying tax exemption, the deferred taxes were reversed. This resulted in an one-off income of TEUR 1,412.5. In the same period of the previous year, income taxes of TEUR 2,453.1 were incurred due to the sale of shares.

Overall, this results in a profit for the period of EUR 5,384.1 thousand (H1 2016/2017: EUR 4,882.0 thousand), from which the FFO and the aFFO derive as following:

<b>TEUR</b>	<b>H1 2017/2018</b>	<b>H1 2016/2017</b>
Result for the period	5,384.1	4,882.0
Adjustment of income taxes	-1,412.5	2,453.1
Adjustment of depreciation	2.1	0.0
Adjustment of valuation result	-1,578.6	-252.1
Adjustment of the sale result	0.0	-7,230.2
Adjustment for non-cash expenses/income	-17.8	123.7
Adjustment for one-time effects	277.4	17.3
<b>FFO</b>	<b>2,654.7</b>	<b>-6.2</b>
- Capex	0.0	0.0
<b>aFFO</b>	<b>2,654.7</b>	<b>-6.2</b>

The non-cash income and expenses include the adjustments and reversals of the individual value adjustment as well as valuation adjustments for bond interest. The one-time effects include non-recurring expenses and income.

This results in an FFO per share of EUR 0.18 in the current half-year.

Further details on the composition and amount of expenses as well as income are included in the notes.

### **3.4. Overall statement on the economic situation of the Company**

Business development in the first half of the 2017/2018 financial year was very successful. The basis for this was the purchase of additional assets and the resulting increase in rental income. Since some transfers of benefits and encumbrances did not take place until the second quarter of the financial year, the full rental income of these properties will not be reflected in earnings until the next quarters. Furthermore, the Company has grown internally as part of its growth course and is well prepared for the further successful business development.

## 4. Supplementary Report

### Purchases

With notarial contracts in April and May 2018, the Company has acquired the following properties:

Place	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	Purchase Price in TEUR
Ronnenberg	31,099	1,042	0.0%	3.1	2.79	9,500
Elchingen	3,258	161	0.0%	10.8	4.12	1,800
Lichtenfels	16,356	854	0.0%	10.8	4.35	9,200
Meschede	6,563	186	0.0%	1.2	2.37	1,770
Hattingen	2,580	111	0.0%	3.8	3.57	1,050
<b>Totals</b>	<b>59,856</b>	<b>2,354</b>	<b>0.0%</b>	<b>6.5</b>	<b>3.31</b>	<b>23,320</b>

The transfer of ownership of these properties is expected to be in June and July 2018.

The properties acquired in Wuppertal and Remscheid in February had a transfer of benefits and encumbrances on 1 May 2018.

### Capital increase

On 23 April 2018, the number of shares and the share capital changed because of a capital increase. At the beginning of October 2017, the number of shares was 15,000,048 and the share capital amounted to EUR 15,000,048.00. Following the successful placement of the capital increase in April 2018 (+1,500,004 ordinary shares), the number of shares currently stands at 16,500,052. This corresponds to a total share capital of EUR 16,500,052.00.

The Company received gross issue proceeds of approximately EUR 11.6 million. The new shares were admitted to trading on 24 April 2018.

## 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.

## 6. Outlook and forecast

### **Growth course is continued**

Deutsche Industrie is still in a strong growth phase and will rapidly expand its real estate portfolio based on its investment criteria. At the forefront is the achievement of sustainable, attractive returns.

Furthermore, the Company is working on the modest set-up and optimisation of the organisational structure to meet the increased requirements. Employees will also be hired within the planned framework.

### **Earnings forecast increased**

Due to the good half-year result and the acquisitions made, as well as additional growth, we are raising our forecast and expect an FFO of between EUR 5 million and EUR 6 million for the 2017/2018 financial year.

The FFO - run rate (annualised FFO without periodic matching effects) is still forecasted at EUR 9 million to EUR 10 million at the end of the 2017/2018 financial year due to expected higher interest expenses.

Rostock, 29 May 2018



Rolf Elgeti  
Chairman of the Board



Sonja Paffendorf  
Chairwoman of Investment

**Condensed interim financial statements**  
**for the period from 1 October 2017 to 31 March 2018**  
**of the 2017/2018 financial year**

**Deutsche Industrie REIT-AG, Rostock**  
**Balance sheet as at 31/03/2018**

**TEUR**

**Assets**

Non-current assets

Investment properties	(2.1)	89,208.7	35,593.7
Property, plant and equipment		32.9	0.0
Other non-current assets	(2.4)	3,159.3	17,564.9
		<b>92,400.9</b>	<b>53,158.6</b>

Current assets

Trade and other receivables	(2.3)	326.8	2.1
Tax assets		0.0	132.6
Other current assets	(2.4)	1,480.6	46,298.3
Cash and cash equivalents		21,704.8	23.4
		<b>23,512.2</b>	<b>46,456.5</b>

**TOTAL ASSETS**

**115,913.0**      **99,615.1**

**Equity and liabilities**

Equity

Issued share capital	(2.5)	15,000.0	81.5
Capital reserve	(2.5)	8,933.0	23,852.3
Other reserves		50.0	50.0
Retained earnings		13,454.1	8,069.9
		<b>37,437.1</b>	<b>32,053.8</b>

Non-current liabilities

Financial liabilities	(2.6)	3,729.2	2,083.6
Liabilities from corporate bonds	(2.8)	69,304.6	60,011.9
Other provisions		3.0	3.0
Other non-current liabilities	(2.9)	677.9	678.4
Deferred tax liabilities	(3.3)	0.0	1,499.4
		<b>73,714.6</b>	<b>64,276.3</b>

Current liabilities

Financial liabilities	(2.6)	415.7	305.1
Liabilities to other creditors	(2.7)	142.9	0.0
Other provisions		144.9	382.2
Trade payables	(2.9)	128.7	0.0
Income tax liabilities		2,432.0	2,340.0
Other current liabilities	(2.9)	1,496.9	257.7
		<b>4,761.3</b>	<b>3,285.0</b>

**TOTAL EQUITY AND LIABILITIES**

**115,913.0**      **99,615.1**

**Deutsche Industrie REIT-AG, Rostock**  
**Statement of comprehensive income**

TEUR	Notes	01/10/2017- 31/03/2018	01/01/2018- 31/03/2018	01/10/2016- 31/03/2017	01/01/2017- 31/03/2017
Rental income	(3.1)	4,178.3	2,406.1	697.0	480.4
Operating expenses	(3.1)	-1,002.3	-353.2	-171.4	-98.2
<b>Net rental income</b>		<b>3,176.0</b>	<b>2,052.9</b>	<b>525.7</b>	<b>382.1</b>
Other income	(3.2)	<b>59.2</b>	<b>2.1</b>	<b>7,233.9</b>	<b>7,233.0</b>
gains from the revaluation of investment properties		1,640.3	3.5	253.7	127.4
losses from the revaluation of investment properties		-61.6	-61.6	-1.6	-1.6
<b>Gain/loss from the revaluation of investment properties</b>	(3.3)	<b>1,578.6</b>	<b>-58.1</b>	<b>252.1</b>	<b>125.8</b>
<b>Subtotal</b>		<b>4,813.8</b>	<b>1,996.8</b>	<b>8,011.7</b>	<b>7,740.9</b>
Personnel expenses	(3.4)	-167.2	-137.4	0.0	0.0
Amortisation of intangible assets, depreciation of property, plant and equipment		-2.1	-1.2	0.0	0.0
Impairment loss of inventories and receivables		-72.4	-72.4	-122.5	-97.0
Other operating expenses	(3.5)	-606.9	-290.4	-35.0	-16.5
<b>Operating expenses</b>		<b>-848.6</b>	<b>-501.4</b>	<b>-157.5</b>	<b>-113.5</b>
<b>EBIT</b>		<b>3,965.2</b>	<b>1,495.4</b>	<b>7,854.2</b>	<b>7,627.4</b>
Interest income	(3.6)	1,409.4	554.9	4.5	4.5
Interest expense	(3.6)	-1,403.0	-720.4	-523.0	-267.4
<b>Net finance costs</b>		<b>6.4</b>	<b>-165.4</b>	<b>-518.5</b>	<b>-262.9</b>
<b>EBT</b>		<b>3,971.7</b>	<b>1,330.0</b>	<b>7,335.7</b>	<b>7,364.5</b>
Income tax		1,412.5	5.1	-2,453.1	-2,435.0
Other tax		0.0	0.0	-0.5	0.0
				0.0	1.0
<b>Net Income</b>		<b>5,384.1</b>	<b>1,335.1</b>	<b>4,882.0</b>	<b>4,929.5</b>
<b>Total comprehensive income</b>					
Net income		5,384.1	1,335.1	4,882.0	4,929.5
<u>Items to be reclassified to profit or loss</u>					
Afs- financial instruments IAS 39 - Net change of FV		0.0	0.0	-492.3	0.0
Afs- financial instruments IAS 39 - reclassification to P/L		0.0	0.0	-7,232.1	0.0
Tax effect		0.0	0.0	2,439.0	0.0
<b>Subtotal</b>		<b>0.0</b>	<b>0.0</b>	<b>-5,285.4</b>	<b>0</b>
Total other comprehensive income		0.0	0.0	-5,285.4	0.0
<b>Total comprehensive income</b>		<b>5,384.1</b>	<b>1,335.1</b>	<b>-403.4</b>	<b>4,929.5</b>

**Deutsche Industrie REIT-AG, Rostock**  
**Statement of changes in equity**

<b>TEUR</b>	<b>Issued share capital</b>	<b>Capital reserve</b>	<b>Other reserves</b>	<b>OCI</b>	<b>Retained earnings</b>	<b>Total equity</b>
<b>As at 01/10/2016</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>4,882.0</b>	4,882.0
Other comprehensive income				<b>-5,285.4</b>		-5,285.4
<b>Total comprehensive income</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>-5,285.4</b>	<b>4,882.0</b>	<b>-403.4</b>
Cash capital increase/ - reduction						0.0
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
Dividend distribution						0.0
<b>As at 31/03/2017</b>	<b>25.0</b>	<b>7,530.2</b>	<b>50.0</b>	<b>0.0</b>	<b>5,784.5</b>	<b>13,389.7</b>
<b>As at 01/10/2017</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					5,384.1	5,384.1
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>5,384.1</b>	<b>5,384.1</b>
Cash capital increase/ - reduction						0.0
Contribution in kind						0.0
Addition / Withdrawal from reserves	14,918.5	-14,918.5				0.0
cost of capital measures		-0.8				-0.8
Dividend distribution						0.0
<b>As at 31/03/2018</b>	<b>15,000.0</b>	<b>8,933.0</b>	<b>50.0</b>	<b>0.0</b>	<b>13,454.1</b>	<b>37,437.1</b>

**Deutsche Industrie REIT-AG, Rostock**  
**Cash flow statement**

<b>TEUR</b>	<b>01/10/2017- 31/03/2018</b>	<b>01.10.2016- 31/03/2017</b>
Period result	5,384.1	4,882,0
+/- Interest expense/interest income	-6.4	518,5
+/- Depreciation, amortisation and write-down/ reversals of intangible assets, tangible assets and financial assets	2.1	0,0
+ Increase/decrease in inventories, trade receivables and other assets not attributable to investing or financing activities	72.4	122,5
-/+ Gains / Losses from the revaluation of investment properties	-1,578.6	-252,1
-/+ Gewinn/ Verlust aus dem Verkauf des aufgegebenen Geschäftsbereichs		-7,230,2
+/- Increase / decrease in provisions	-237.3	11,7
+/- Income tax expense/-income effective	86.9	2,219,6
+/- Deferred tax expenses / income	-1,499.4	233,5
+ 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	-1,331.7	-55,2
+/- Increase/decrease in trade payables and other liabilities not attributable to investing or financing activities	1,367.9	116,8
<b>Cashflow aus der betrieblichen Geschäftstätigkeit</b>	<b>2,397,8</b>	<b>176.8</b>
- Cash payments related to property investments	-37,630.7	-9,782,8
- Cash payments related to other investments in intangible and tangible assets	-35.0	
- Payments for investments in financial assets		-25,0
+ Cash Inflow due to financial investments in the context of short-term financial management	45,401.3	
- Cash Outflow due to financial investments in the context of short-term financial management		-6,303,9
+ Received interests	1,903.3	
<b>Cash flow from investing activities</b>	<b>9,638,9</b>	<b>-16,111.8</b>
+ Cash proceeds from capital increases		12,115,3
- Costs related to capital increases	-0.8	
+ Cash inflow from issuing corporate bonds	8,000.0	
- Costs related to issuing corporate bonds	-63.8	
+ Cash inflow from issuing corporate bonds	1,900.0	11,650,6
- Amortisation of loans	-144.8	-132,8
- Interests paid	-46.0	-61,5
<b>Cash flow from financing activities</b>	<b>9,644,6</b>	<b>23,571.6</b>
Change in cash and cash equivalents	21,681,3	7,636.7
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>21,704,7</b>	<b>7,659.0</b>

## Appendix

### Selected explanatory notes to the condensed Interim Financial Statements as of 31 March 2018

#### 1. Accounting principles

##### 1.1. General information

Deutsche Industrie REIT AG is a German-based and nationally active real estate company based in Rostock, registered in the commercial register of the Local Court of Rostock, HRB 13964. The business address is August-Bebel-Str. 68 in 14482 Potsdam. Since 1 January 2018, the company obtained the status of a REIT ("Real Estate Investment Trust") and is, therefore, income-tax-exempt. The main business field is the management of commercial real estate in Germany. The focus is on activities that are geared towards the long-term and sustained increase in the value of the real estate portfolio. In doing so, compliance with the REIT criteria must always be considered.

##### 1.2. Fundamentals and methods of the interim financial statements

The present semi-annual financial report of Deutsche Industrie REIT-AG ("Deutsche Industrie" or "Company") as of 31 March 2018 has been prepared in accordance with the provisions of section 115 WpHG n.F.

The condensed interim financial statements have been prepared in accordance with IFRS as adopted by the EU and the rules of IAS 34 ("Interim Financial Reporting"). In addition, the provisions of the German Accounting Standard 16 (DRS 16 - Interim Financial Reporting) were considered.

The reporting period covers the first six months ("H1") of the 2017/2018 financial year. The balance sheet as of 30 September 2017 and the income statement for the period from 1 October 2016 to 31 March 2017 serve as comparative figures.

The accounting and valuation as well as the explanations and disclosures are based on the same accounting and valuation methods that were used in the separate financial statements as of 30 September 2017. Changes in accounting policies were not made. New accounting standards to be applied as of 1 October 2017 have no material effect on the interim financial statements. This condensed interim financial report does not include all the information required for annual financial statements and should, therefore, be read in conjunction with the separate financial statements as of 30 September 2017. The interim financial statements were prepared under the going concern assumption and were neither audited nor reviewed by auditors.

The business activities of DIR are essentially free from economic and seasonal influences.

These interim financial statements are prepared in Euros (EUR). Unless otherwise indicated, all values are presented in thousands of Euros (TEUR). This can result in rounding differences.

The profit and loss account are prepared according to the total cost method.

## 2. Selected notes to the balance sheet

### 2.1. Investment properties

A valuation of real estate holdings is usually done annually by an external and independent expert on 30 September. Fair value is measured using internationally recognised valuation techniques and is based on information provided by the Company, e.g., current rentals, maintenance and administrative costs or current vacancy, and assumptions of the appraiser based on market data and assessed on the basis of their professional qualifications, e.g., future market rents, typical maintenance and administration costs, structural vacancy rates or discount and capitalisation rates (level 3 of the fair value hierarchy). For the valuation as of 31 March 2018, the principles were applied as they were on 30 September 2017. In the valuation of the first-time recognition, the acquisition or production costs as well as the transaction costs are included. In the subsequent valuation, value-increasing measures are considered when measuring the fair value.

The information provided to the appraiser and the assumptions made as well as the results of the real estate valuation are analysed by the Board of Management.

In the period from 1 October 2017 to 31 March 2018, the transfer of benefits and encumbrances in favour of the Company was carried out for 5 properties with an investment volume of TEUR 52,036.6 (same period in the previous year: TEUR 25,604.3). In addition, purchase price deposits on notary accounts for two properties in the amount of TEUR 548.0 were made.

In the first half of 2017/2018, a total of TEUR 1,578.6 (31/03/2017 TEUR 252.1) valuation results from investment properties was recognised. As of 31 March 2018, the value of the Neustadt-Glewe is only partially included in the valuation result.

The following overview shows the development of investment properties:

TEUR	31/03/2018	30/09/2017
<b>Opening balance</b>	<b>35,593.7</b>	<b>6,893.0</b>
Real estate purchases	52,036.4	25,604.3
Activation of leasing object	0.0	680.1
Subsequent acquisition and production costs	0.0	0.0
Change in market value	1,578.6	2,416.3
Transfer from non-current assets held for sale	0.0	0.0
<b>Closing balance</b>	<b>89,208.7</b>	<b>35,593.7</b>

Of the investment property, real estate with a book value of TEUR 81,221.7 (30/09/2017: TEUR 33,621.7) was secured by mortgages or by the assignment of rental income during the year under review.

There are leasehold contracts in which the associated properties are built on with commercial real estate. The leasehold contracts are classified as finance leases. At the same time, liabilities were recognised in the amount of the capitalised amounts. The lower of the fair value and the present value of the minimum lease payments were used as the basis. The capitalised amount as of 31/03/2018 amounts to TEUR 664.6 (30/09/2017: TEUR 671.7). The liability recognised as of 31/03/2018 amounts to TEUR 679.0 (30/09/2017: TEUR 679.4).

The income statement includes the following significant amounts for investment property:

TEUR	H1 2017/2018	H1 2016/2017
Rental revenues	4,178.3	697.0
Operating expenses (maintenance expenses, property management, property taxes, etc.)	-1,002.3	-171.3
<b>Total</b>	<b>3,176.0</b>	<b>525.7</b>

## 2.2. Deferred taxes

Deferred tax assets and liabilities are formed on temporary differences between the carrying amounts of the balance sheet and the tax balance sheet as well as the resulting future taxes. Due to the REIT status, the Company is exempt from corporation tax and trade tax since 1 January 2018. In this respect, no deferred taxes are currently recognised.

## 2.3. Trade receivables

Trade receivables consist exclusively of the leasing and amount to TEUR 326.8 as of 31 March 2018 (30 September 2017: TEUR 2.1). This includes value adjustments of TEUR 114.4 (30 September 2017: TEUR 42.0).

There were no impairments on other financial assets.

## 2.4. Other non-current and current assets

Other current assets are made up as follows:

TEUR	31/03/2018	30/09/2017
VAT receivables	356.5	57.9
Trust accounts	349.1	48.7
Deposits	342.0	32.9
Receivables from affiliated companies	142.9	339.8
Receivables from shareholders	0.0	45,752.3
Work in progress after offsetting with advance payments received	0.0	15.4
Others	290.0	51.4
<b>Total</b>	<b>1,480.6</b>	<b>46,298.4</b>

Other non-current assets include payments on account of TEUR 3,159.3 (30 September 2017: TEUR 17,565.0) on investment properties.

## 2.5. Equity

The first half of the 2017/2018 financial year was characterised in particular by the capital increase from Company funds on 5 November 2017. All in all, subscribed capital increased by EUR 14,918,526 to EUR 15,000,048 with a simultaneous reduction in the capital reserve.

## 2.6. Liabilities to banks

Liabilities to banks are as follows:

TEUR	31/03/2018	30/09/2017
Non-current	3,729.2	2,083.6
Current	415.7	305.1
<b>Total</b>	<b>4,144.9</b>	<b>2,388.7</b>
of which secured	4,144.9	2,388.7

Liabilities to banks have increased as a result of taking up a new secured bank loan. This was offset by current repayments.

## 2.7. Liabilities to other lenders

Liabilities to other lenders result from loans from shareholders and related parties with an agreed maximum basic term, which are subject to variable and permanent repayment. There is only interest on outstanding amounts.

There are shareholder loans in the amount of TEUR 142.9 (30/09/2017: TEUR 0.0)

## 2.8. Liabilities from corporate bonds

Liabilities from corporate bonds, considering the issue costs, are composed as follows:

Liabilities from bonds in TEUR	31/03/2018		30/09/2017	
	Non-current	current	non-current	current
Bond TEUR 68.000	69,304.6	0.0	60,011.9	0.0

On 30 August 2017, the Company issued a bond with a nominal value of TEUR 100.0 each. The nominal amount of the bearer bonds amounted to TEUR 60,000.0. On 13 October 2017, the bond was increased by TEUR 8,000.0. The bond has 4.0% p. a. interest and has a term until 30 August 2022. The interest is paid annually on 30 August.

## 2.9. Other non-current and current liabilities

The development of other non-current and current liabilities is as follows:

TEUR	31/03/2018	30/09/2017
Liabilities from finance leases	677.9	678.4
<b>Total non-current other liabilities</b>	<b>677.9</b>	<b>678.4</b>
Liabilities to tenants	861.6	25.9
Deposits	342.5	32.9
Work in progress after offsetting against payments received	233.5	0.0
Liabilities from deliveries and services	128.7	0.0
Liabilities from finance leases	1.1	1.0
Others	58.3	197.9
<b>Total current other liabilities</b>	<b>1,625.7</b>	<b>257.7</b>
<b>Total</b>	<b>2,303.6</b>	<b>936.1</b>

### 3. Selected notes to the statement of comprehensive income

#### 3.1. Rental result

The rental result is calculated from the rental income less management expenses and is as follows:

TEUR	H1 2017/2018	H1 2016/2017
Rental income	4,178.3	697.0
<b>Total proceeds</b>	<b>4,178.3</b>	<b>697.0</b>
Maintenance	365.2	104.4
Non-recoverable operating costs	637.1	66.9
<b>Total management expenses</b>	<b>1,002.3</b>	<b>171.3</b>
<b>Rental result</b>	<b>3,176.0</b>	<b>525.7</b>

Maintenance expenses mainly relate to the properties in Bad Salzdetfurth, Löhne and Schortens.

The non-recoverable operating costs include, among others, expenses for the property management in the amount of TEUR 252.8 (H1 2016/2017: TEUR 32.6).

The reimbursements of tenants for operating and ancillary costs were netted against the expenses.

#### 3.2. Other company income

Other operating income amounted to TEUR 59.2 in the reporting period (H1 2016/2017: TEUR 7,233.9). In the same period of the previous year, TEUR 7,230.2 was attributable to the sale of the shares of Deutsche Konsum REIT-AG.

#### 3.3. Valuation result of investment properties

The valuation result includes the net valuation gains and losses from the fair value measurement of the investment properties as of the balance sheet date. The valuation result in H1 2017/2018 only includes the results from the valuation of the sub-portfolio acquired in H1 2017/2018 as of 31 March 2018. The next valuation of the complete real estate portfolio will take place as at 30 September 2018.

#### 3.4. Personnel expenses

Personnel expenses of the Company amounted to approximately TEUR 167.2 (H1 2016/2017: TEUR 0.0) in H1 2017/2018 and comprises three full-time employees. Further services for the Company are provided by employees of Obotritia KGaA. For this purpose, a cost allocation is levied, which is recognised in other operating expenses.

#### 3.5. Other operating expenses

Other operating expenses are as follows:

TEUR	H1 2017/2018	H1 2016/2017
Legal, consulting and auditing costs	472.1	32.9
Agency fees	118.0	0.0
Others	16.8	2.1
<b>Total</b>	<b>606.9</b>	<b>35.0</b>
Of which are one-off expenses	270.0	0.0
<b>Adjusted</b>	<b>336.9</b>	<b>35.0</b>

Adjusted for special effects and one-off expenses, there was an increase in other operating expenses of TEUR 301.9. These result primarily from initial allocations from agency fees as well as higher legal, consulting and auditing costs.

### 3.6. Interest result

The interest result has the following structure:

TEUR	H1 2017/2018	H1 2016/2017
Interest income from shareholder loans	1,409.4	4.5
Other interest income	0.0	0.0
<b>Total interest income</b>	<b>1,409.4</b>	<b>4.5</b>
<i>of which are non-cash</i>	<i>0.0</i>	<i>4.5</i>
Interest on bonds	-1,317.9	0.0
Interest expense from shareholder loans	0.0	-460.5
Other interest expenses	-44.1	-46.3
Ground rents	-41.0	-16.2
<b>Total interest expenses</b>	<b>-1,403.0</b>	<b>-523.0</b>
<i>of which are non-cash</i>	<i>-1,317.9</i>	<i>-461.5</i>
<b>Total</b>	<b>6.4</b>	<b>-518.5</b>

The increase in the interest income is mainly driven by the higher level of the shareholder loan, which is offset by the bond interest for the first time.

### 3.7. Earnings per share

Earnings per share are as follows:

TEUR	H1 2017/2018	H1 2016/2017
<b>Result for the period (undiluted)</b>	5,384.1	4,882.0
Interest expenses on convertible bonds	-	-
<b>Result for the period (diluted)</b>	5,384.1	4,882.0
<b>Average number of shares issued in the reporting period (undiluted)</b>	15,000.0	25.0
Potential conversion shares	-	-
<b>Average number of shares issued during the reporting period (diluted)</b>	15,000.0	25.0
<b>Earnings per share (EUR)</b>		
<b>undiluted</b>	0.36	195.28
<b>diluted</b>	0.36	195.28

## 4. Other information

### 4.1. Segment reporting

The Company is currently a one-segment company. Revenues are generated exclusively within Germany with commercial real estate. Revenues of TEUR 728.0 (H1 2016/2017: TEUR 236.0) were attributable to the largest tenant in the first half of 2017/2018.

### 4.2. Contingent liabilities and other financial obligations

There are no other contingent liabilities.

The Company has the following financial obligations from long-term contracts:

TEUR	01/10/17-31/03/18	01/10/16-31/03/17
Asset and property management contracts	2,535.8	3,970.2
Management Fee Contracts	353.9	0.0
Vehicle leasing	0.0	0.0
<b>Total</b>	<b>2,889.7</b>	<b>4,220.8</b>
of which are up to 1 year	1,070.2	1,573.4
of which are one year to five years (undiscounted)	1,819.5	2,647.4
of which are over five years (undiscounted)	0.0	0.0

On the balance sheet date of 31 March 2018, the Company has purchase price obligations from notarised purchase contracts for 5 properties. The total purchase price obligations amount to TEUR 24,700 of which TEUR 548.0 have already been deposited in a notary account.

### 4.3. Transactions with related companies and persons

The Company maintains business relationships with related companies and persons. Essentially, these relationships include financial services through short-term liquidity provision based on concluded master agreements and services.

The scope of transactions with related parties is shown below.

The following receivables and liabilities to related parties exist in the balance sheet:

TEUR	31/03/2018	30/09/2017
<b>Other current assets</b>		
against parent company	0.0	45,752.3
Other related parties	142.9	339.8
<b>Liabilities against other lenders</b>		
against parent company	142.9	0.0

Deutsche Industrie is an affiliate of Obotritia Capital KGaA, Potsdam. For the use of business premises, the provision of office equipment and administrative staff, including the activities of the Management Board, Obotritia Capital KGaA charged TEUR 142.9 (H1 2016/2017: TEUR 0.0) in the reporting period under the concluded agency agreement. There are current liabilities to Obotritia Capital KGaA in the amount of TEUR 142.9 (30 September 2017: TEUR -4,414.9), which are reported in other current liabilities.

With a contract dated 17/11/2014 and the first addendum to the loan agreement of 29 January 2015, the company was granted a current account loan facility as a liquidity line to improve its liquidity by Obotritia Capital KGaA (formerly EAA Grundbesitz GmbH). The loan is paid out at the request of the Company and must be repaid at the latest by the end of the contract period on 31/12/2024. Interest will be charged exclusively on the outstanding amount; provisioning fees will not be charged additionally. The interest rate is 8.0% and is calculated annually. The interest payments are deferred and are

due at the latest upon termination of the loan. Collateral was not agreed. As of 31 March 2016, the second addendum to increase the loan facility to EUR 20 million was agreed. Overpayments are subject to the same terms and conditions that apply to the claim. For these cases, a loan framework agreement was signed on 2 March 2017. The interest rate is 8.0% and is calculated annually. With effect of 28 August 2017, the first addendum was agreed to increase the loan amount to EUR 61 million. The interest payments are agreed and are due at the latest upon termination of the loan. Interest income of TEUR 1,409.4 (H1 2016/2017: TEUR 4.5) and interest expenses of TEUR 0.0 (H1 2016/2017: TEUR 460.5) were generated for the first half of 2017/2018.

The receivables from other related parties reported as of 31 March 2018, include payments of TEUR 142.9 (30 September 2017: TEUR 314.8) for TecCenter Vermietungsgesellschaft mbH & Co. KG.

On 1 January 2015, the Company concluded a management agreement with GV Nordost Verwaltungsgesellschaft mbH for the management of the properties. The agreed remuneration amounts to 3% of the net rental income received (plus value added tax) per month. Expenses in the amount of TEUR 91.6 (previous year: TEUR 20.2) incurred in the year under review. Additional services may be required for additional activities. The contract period begins with the respective transfer of benefits and encumbrances of each object and lasts for years. After the expiry of the fixed term, the contract is tacitly extended for another year if it is not terminated.

On 19 November 2015, Jägersteig Beteiligungs GmbH entered into a management and consulting agreement with Elgeti Brothers GmbH. The agreed remuneration amounts annually to 0.5% of the gross assets of the Company's real estate, calculated based on purchase prices and transaction costs, and is paid at quarterly discounts. In the year under review, the expenses amounted to TEUR 165.9 (previous year: TEUR 12.5). The contract period is five years, starting on 7 January 2015.

No loans and advances were granted to related persons. Close family members of the Management Board and the Supervisory Board have no influence on the Company's business decisions.

#### 4.4. Supervisory Board

In the reporting period, the Supervisory Board consisted of the following:

Name	Occupation	Memberships in other control bodies
Dr. Maximilian Murawo Chairman Berlin, Germany	Lawyer	
Dr. Dirk Markus Deputy Chairman London, United Kingdom	Business Administration  Chairman of the Management Board of AURELIUS Management SE, Gruenwald, Germany, as personally liable shareholder of AURELIUS Equity Opportunities SE & Co. KGaA, Subholding Company, Munich, Germany	<ul style="list-style-type: none"> <li>• Elk Fertighaus GmbH, Schrems, Austria (Deputy Chairman of the Supervisory Board)</li> <li>• Obotritia Capital KGaA, Potsdam, Germany (Member of the Supervisory Board)</li> </ul>
Achim Betz Nürtingen, Germany	Auditor, Tax Consultant, Graduate Degree in Business	<ul style="list-style-type: none"> <li>• Hevella Capital GmbH &amp; Co. KGaA, Potsdam, Deutschland (Chairman of the Supervisory Board)</li> <li>• Deutsche Leibrenten Grundbesitz AG, Frankfurt am Main, Deutschland (Deputy Chairman of the Supervisory Board)</li> <li>• Deutsche Konsum REIT-AG, Broderstorf, Deutschland, (Deputy Chairman of the Supervisory Board)</li> </ul>

#### 4.5. Board

During the entire reporting period, Mr. Rolf Elgeti, Potsdam, was Chairman of the management board (CEO). Since 18 October 2017, Ms Sonja Paffendorf is member of the management board (CIO).

#### 4.6. Supplementary report

Rostock, 29 May 2018



Rolf Elgeti  
Chairman of the Board



Sonja Paffendorf  
Chairwoman of Investment

## Affirmation by the Legal Representatives

We affirm to the best of our knowledge that the interim financial statements as of 31 March 2018 give a true and fair view of the financial position, the results of operations and the cash flows of the Company and the business performance and results of operations of the Company are presented in the interim management report in such a way as to give a true and fair view of the picture as well as to describe the significant opportunities and risks of the expected development of the Company.

Rostock, 29 May 2018



Rolf Elgeti  
Chairman of the Board



Sonja Paffendorf  
Chairwoman of Investment

## Financial Calendar

22 August 2018	Publication of Quarterly Statement on the third quarter of the Financial year 2017/2018
26 September 2018	Baader Investment Conference, Munich

## Editor

Board of Deutsche Industrie REIT-AG

## Contact

Deutsche Industrie REIT-AG

Business address:

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 half-yearly 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.

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