



PHOENIX-CENTER
HAMBURG



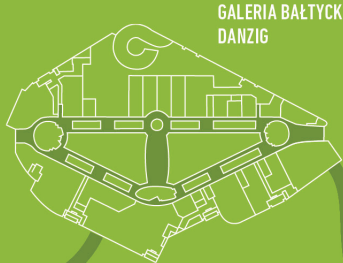
A10 CENTER
WILDAU/BERLIN



CITY-POINT
KASSEL



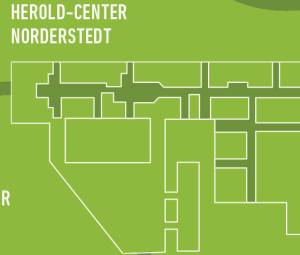
STADT-GALERIE
HAMELN



GALERIA BAŁTYCKA
DANZIG



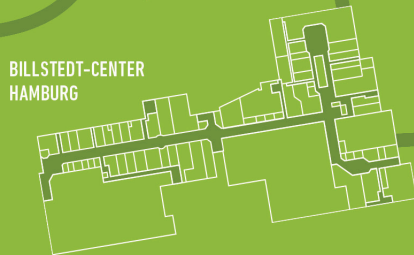
SAARPARK-CENTER
NEUNKIRCHEN



HEROLD-CENTER
NORDERSTEDT



CITY-ARKADEN
WUPPERTAL



BILLSTEDT-CENTER
HAMBURG



OLYMPIA CENTER
BRÜNN



FORUM
WETZLAR

Update on Business Activities

17 June 2020

Update on Business Activities

Center Openings

- **Most shops in the centers** in Germany and abroad are permitted to **open up since the first half of May**
- **Gastronomy and entertainment still subject to extensive restrictions** (some exceptions, e.g. "take away")
- **Numerous safety restrictions** apply, e.g.
 - mandatory minimum distances of 1.5m between people
 - mandatory face mask
 - limited number of customers per sqm GLA in shops
 - division of shop areas to safely manage customer flow



Operations

- **Latest frequencies: approx. 73% of normal levels - with positive trend**
- **Frequencies vary among centers** in a range 55-100% (depending on region/regulation)
- **Turnovers** of re-opened shops **expected still to be substantially below normal levels**
- **Lessee's face various challenges:**
turnovers, liquidity, reopening procedures, human resources, stock and supply chain issues

Update on Business Activities

Rents

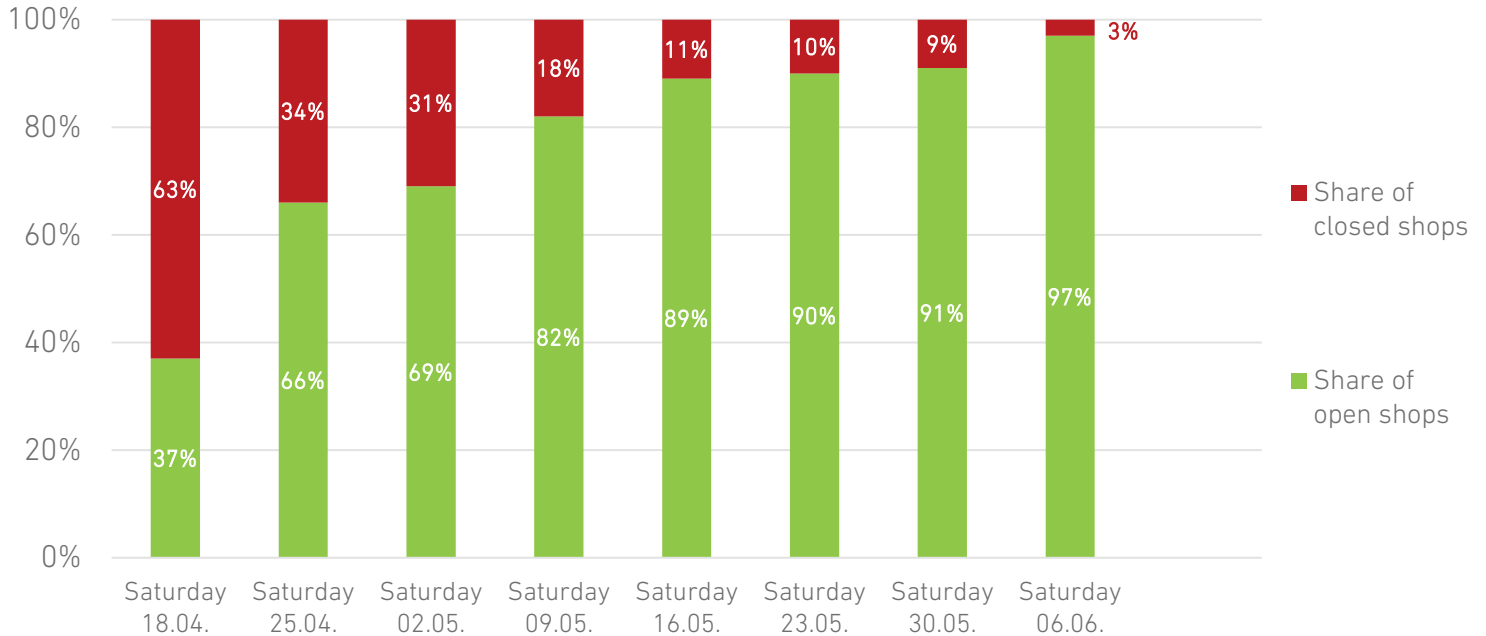
- **Collection Ratio: April: 33% and May: 38%**
- **Legal & commercial situation to be monitored and evaluated**
- **Cooperative negotiations with tenants** for relief measures – still tedious process expected: individual and flexible solutions to be considered: rent deferrals/holidays, cost savings, opening hours
- **Tenant insolvencies since start of corona pandemic account for 6% of DES rent:**
most of the affected tenants target restructuring of business activities

Financials & Liquidity

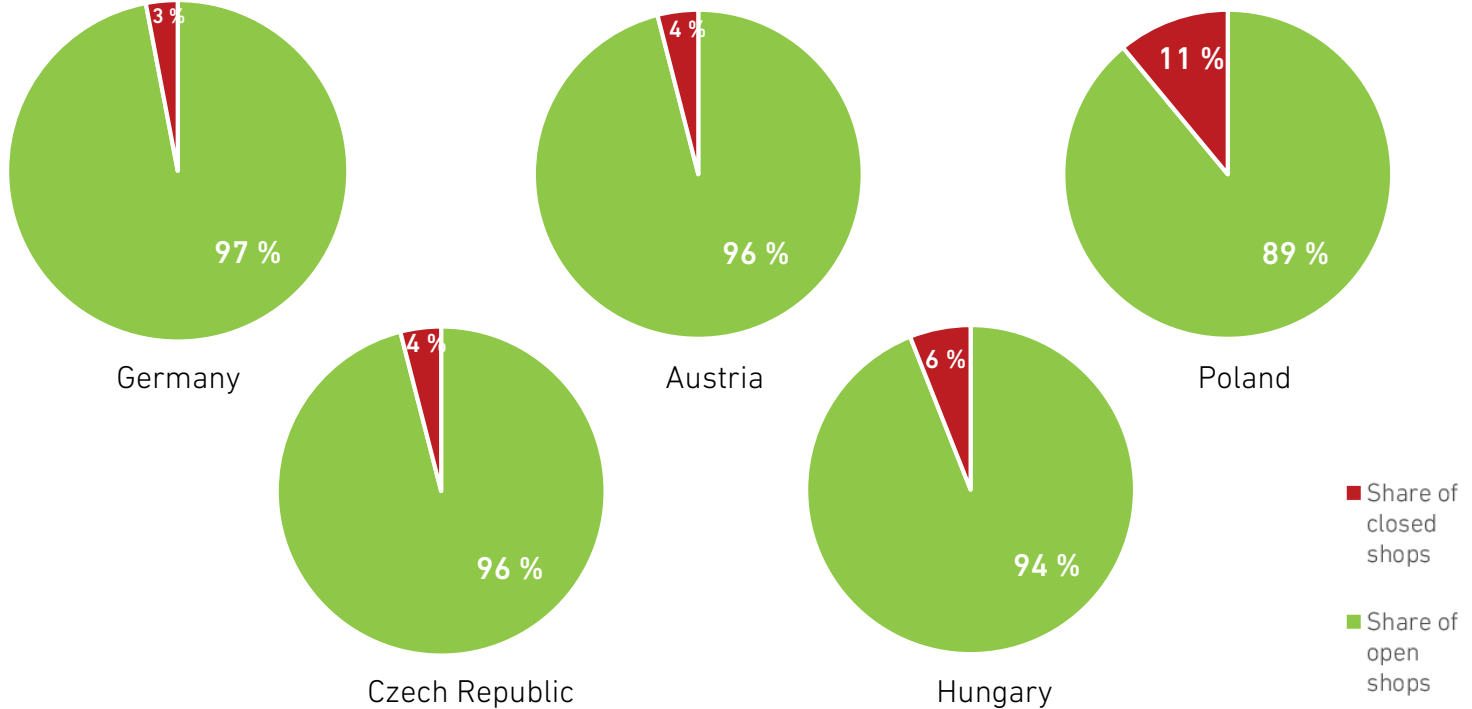
- **No forecast possible for FY 2020:**
unpredictable customer behaviour, retail turnovers and impact from tenant arrangements
- **Cash position DES Group: €183m (31.03.2020)**
- **Signing of credit line facility of €150m (until 2024) in January 2020**
- **Signing of a loan contract amid shut-down for a loan becoming due in December 2020 (€70m)**
- **Continued trustful and cooperative talks with current banking partners**
- **Ongoing negotiation concerning refinancings becoming due June 2021 (€136m)**

Center Operations in CoronaTimes

Breakdown of open and closed shops across all DES centers in Germany in the period 18 April to 6 June 2020



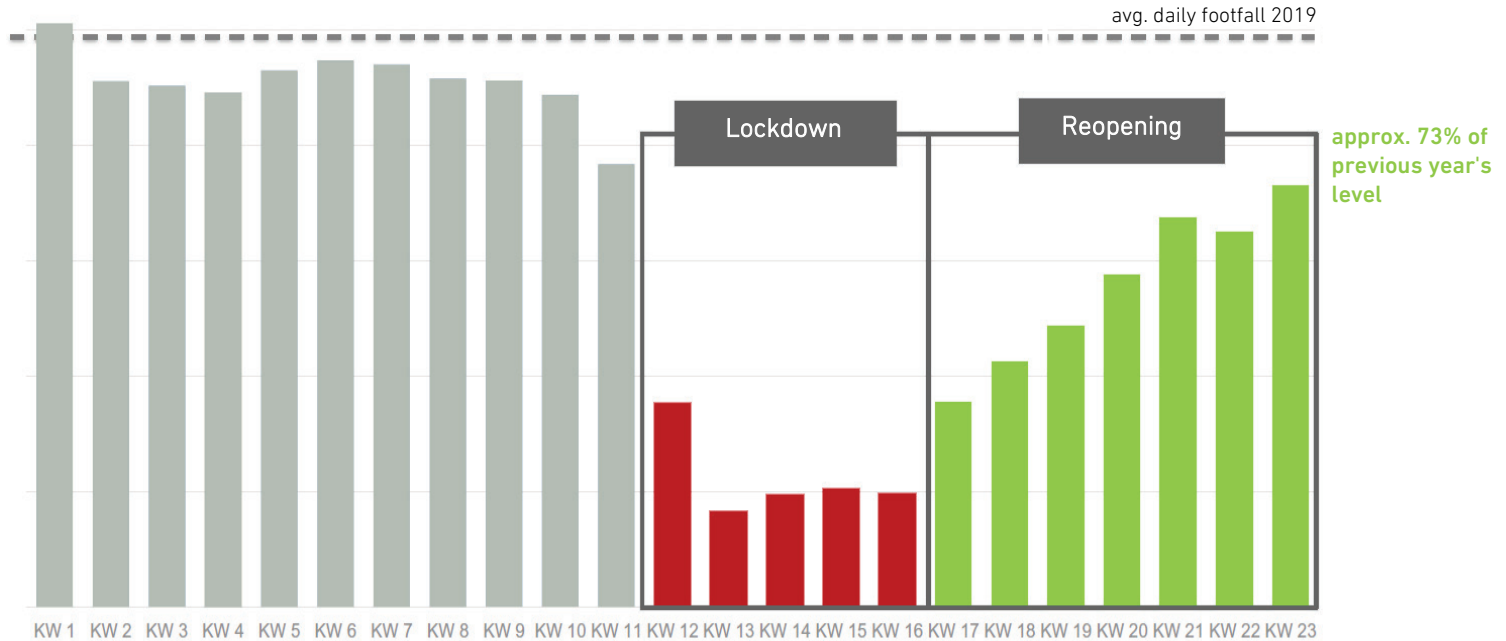
Opening Status* in the Individual Countries



* as of 6 June 2020

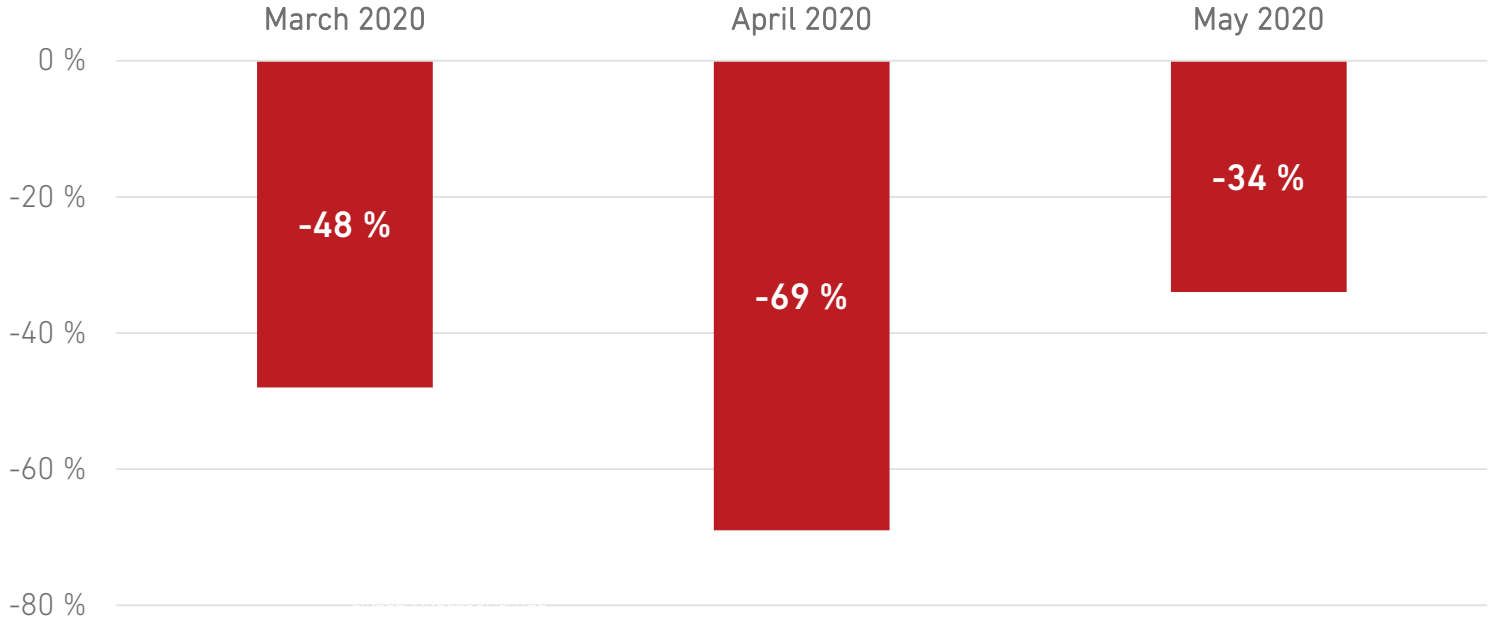
Corona Consequences in Numbers – Footfall

Development of the average daily frequency since the beginning of 2020 per calendar week

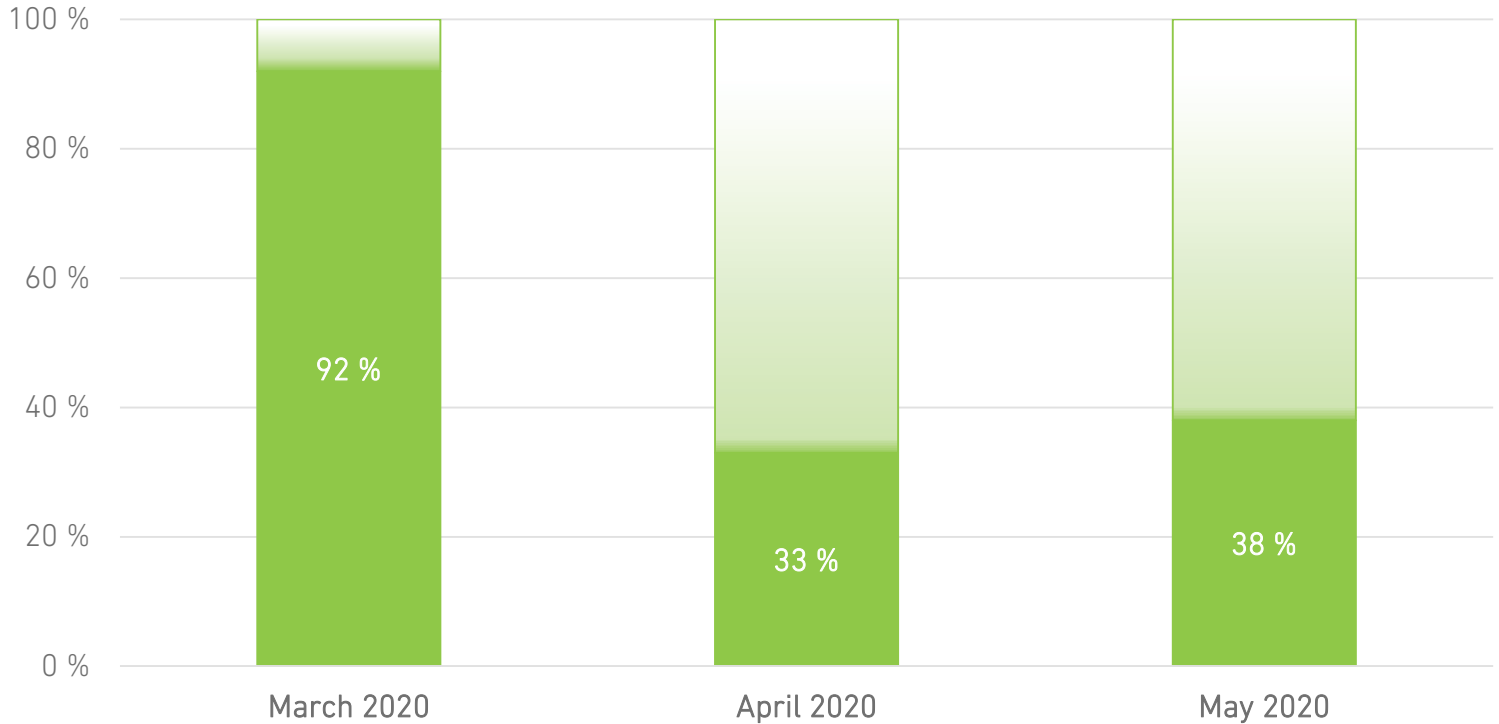


Corona Consequences in Numbers – Retail Turnover

Development of retail turnover in the German centers compared to the previous year



Corona Consequences in Numbers – Collection Rate



Digital Mall – The Online Twin of our Shopping Centers

All 17 German centers connected

- Connected Commerce:
 - 1st phase: Digital Mall, shop-window, click & collect
 - 2nd phase: Connecting market places
 - 3rd phase: Transactions
 - 4th phase: Logistics & deliveries



Online product search



Check store availability



Coming soon: Click & reserve



Collect in store



Future: Delivery out of the mall

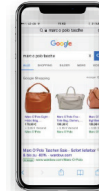
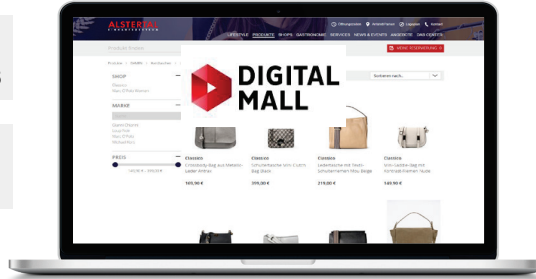


630 stores are currently live offering more than 2.5 million articles

Update Digital Mall

>600 RETAILERS IN ACQUISITION FOCUS

630 SHOPS LIVE



CENTERS LIVE

51

AVAILABLE PRODUCTS

2.5M

LIVE



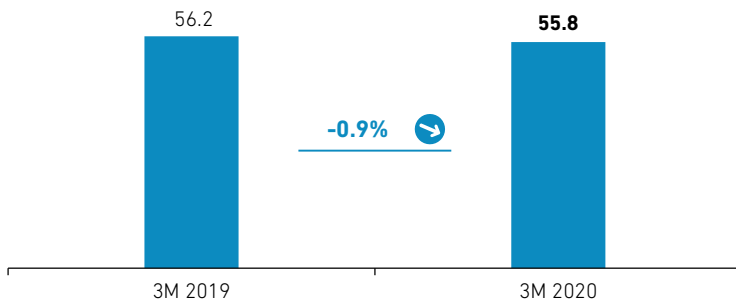
More than **70** DIGITAL MALL retail partners

ONBOARDING



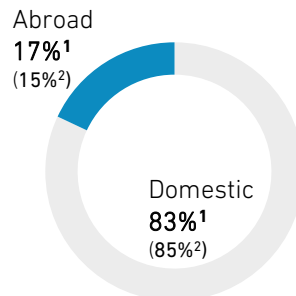
First Impacts on Revenues from Corona Pandemic

REVENUE
in € million

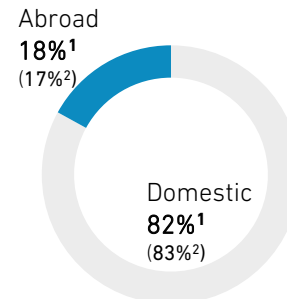


- Decrease in revenue of -0.9% to €55.8m (up 0.5% excluding corona-impact)
- result of legal situation abroad since mid-March (e.g. new laws to cushion the effects of the coronavirus pandemic which provide for the temporary suspension of rents for tenants)

3M 2020 Share of revenue



3M 2019 Share of revenue

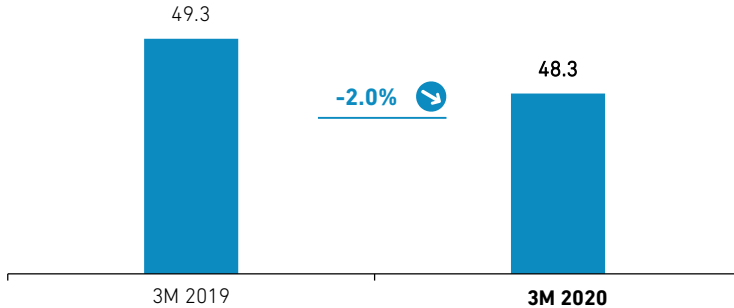


¹ "look through" (calculated on the basis of the group share)

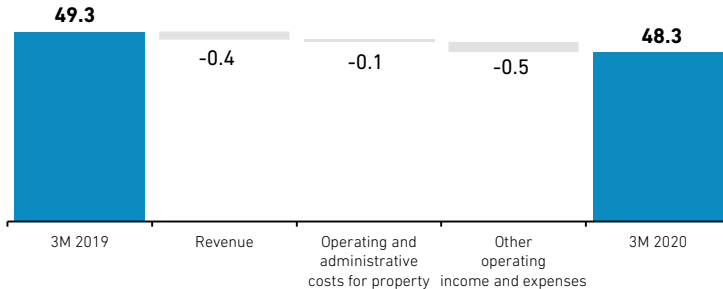
² consolidated

EBIT follows Rents

EBIT
in € million



EBIT bridge 3M 2020
in € million



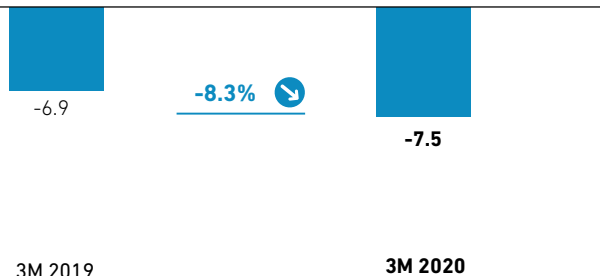
- EBIT decreases to €48.3m (-2.0%)
- decline in rents and some higher other operating expenses, due to one-off financing costs (credit line) and consulting expenses
- Cost ratio of 10.3% within budgeted range

in € thousand

	01.01. – 31.03.2020	01.01. – 31.03.2019
Revenue	55,756	56,234
Operating and administrative costs for property	-5,726	-5,606
NOI	50,030	50,628
Other operating income	655	151
Other operating expenses	-2,378	-1,491
EBIT	48,307	49,288

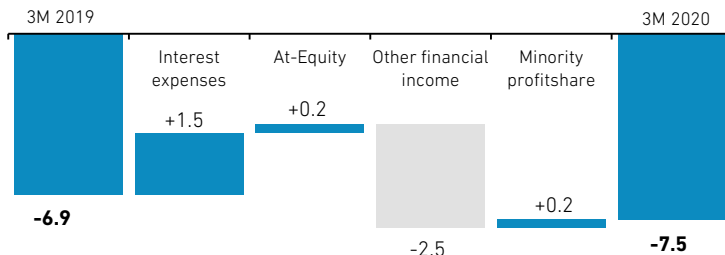
Financial Result¹ declined (but improved excluding previous years one-offs)

Financial result¹ in € million



- Financial result (excluding one-off) improved by €1.9m (including one-off €-0.6m)
- Other financial income prior year influenced by an exceptional one-off interest income² of €2.6m
- Interest expenses improved by €1.5m due to scheduled loan repayments and favourable refinancing for the Rhein-Neckar-Zentrum Viernheim and A10 Center Wildau
- At-equity operating profit¹ slightly improved to €7.9m

Financial result bridge 3M 2020¹ in € million



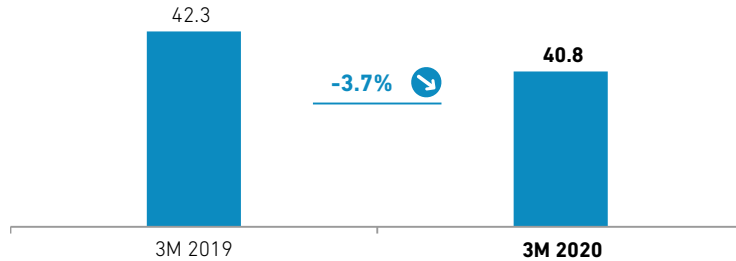
¹ excluding valuation

² relating to an expected tax refund for previous years

in € thousand	01.01. – 31.03.2020	01.01. – 31.03.2019
At-equity profit/loss	6,517	6,973
Valuation (at equity)	1,167	606
Deferred taxes (at equity)	181	62
At-equity (operating) profit/loss	7,865	7,641
Interest expense	-11,003	-12,530
Profit/loss attributable to limited partners	-4,402	-4,644
Other financial result	5	2,576
Financial result¹	-7,535	-6,957

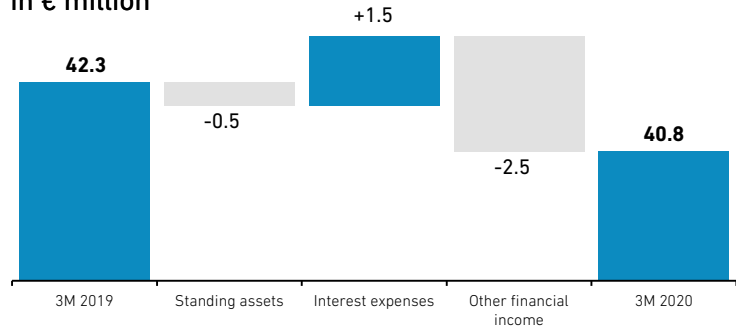
EBT¹ decreased (but improved excluding previous years one-offs)

EBT¹
in € million



- EBT (excl. valuation) decreased by -3.7% (€-1.5m) and increased by €1.0m (+2.6%) excluding one-off interest income in prior year
- interest savings as driver of improvement (€+1.5m)
- One-off interest income in relation to tax refunds in 2019 as major influence factor

EBT¹ bridge 3M 2020
in € million



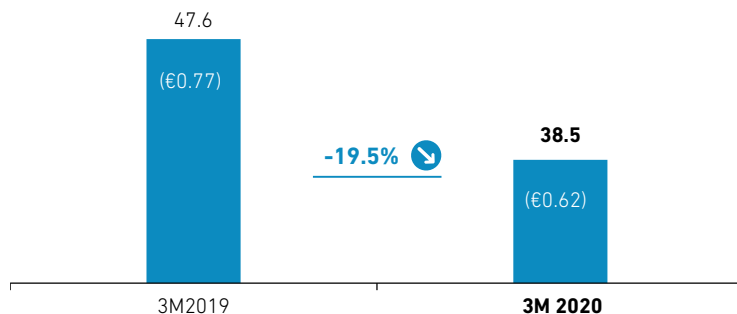
in € thousand

	01.01. – 31.03.2020	01.01. – 31.03.2019
EBIT	48,307	49,288
Financial result¹	-7,535	-6,957
EBT*	40,772	42,331

¹ excluding valuation

EPRA Earnings stable (excluding previous years one-offs)

EPRA earnings in € million (per share in €)



- EPRA earnings decline by €9.1m to €38.5m
- tax refunds and related interest income as major influence factor in prior year (€8.9m³)
- EPRA Earnings per share decreased from €0.77 to €0.62
- without the one-off effect in 2019, EPRA earnings would have been on a par with the previous year at €38.7m or €0.63 per share

EPRA EARNINGS

	01.01. – 31.03.2020		01.01. – 31.03.2019	
	in € thousand	per share in €	in € thousand	per share in €
Consolidated profit	28,034	0.45	39,405	0.64
Valuation investment properties ¹	5,902	0.10	2,523	0.04
Valuation derivative financial instruments ¹	-90	0.00	-84	0.00
Deferred taxes in respect of EPRA adjustments ²	4,656	0.07	5,724	0.09
EPRA Earnings	38,502	0.62	47,568	0.77
Weighted number of no-par-value shares issued	61,783,594		61,783,594	

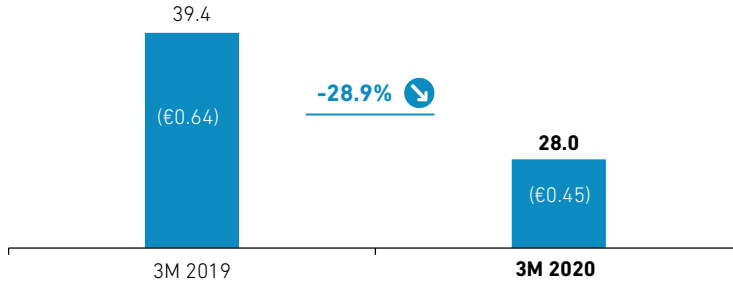
¹ including the share attributable to equity-accounted joint ventures and associates

² affects deferred taxes on investment properties and derivative financial instruments

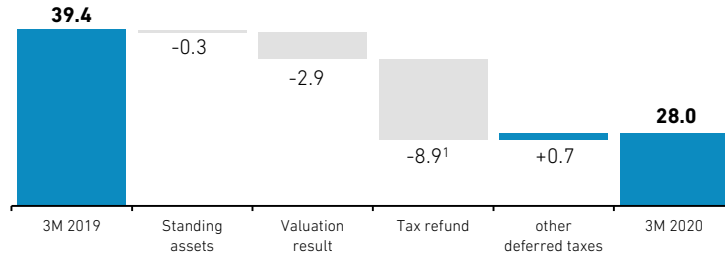
³ including the tax expense attributable to the interest refund

Consolidated Profit

Consolidated profit
in € million (per share in €)



Consolidated profit bridge 3M 2020
in € million



Consolidated profit decreased in total by €11.4m. The following effects are included in that result:

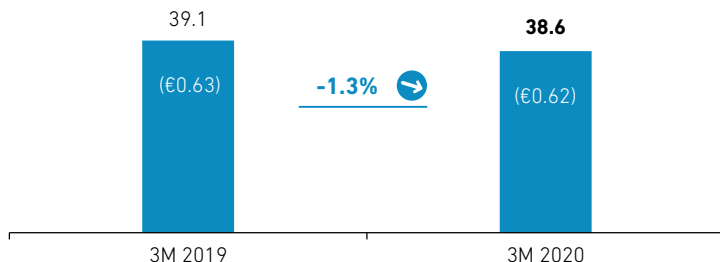
- One-off prior year tax refunds incl. related interest (€-8.9m¹)
- Higher investment cost compared to the previous year (€-2.9m)
- Some smaller changes from standing assets and other deferred taxes
- Earnings per share decreased from €0.64 to €0.45 per share (decreased by €0.04 from €0.49 per share excluding one-offs)

¹ including the tax expense attributable to the interest refund

Stable Development of Funds from Operations (FFO)

FFO

in € million (per share in €)



Funds From Operations (FFO) are used to finance the distribution of dividends, scheduled repayments on our long-term bank loans and ongoing investments in portfolio properties.

- FFO of €38.6m remained close to previous years level (€39.1m), mainly influenced by corona-related lower revenues and higher other operating expenses
- FFO per share decreased slightly from €0.63 to €0.62

FUNDS FROM OPERATIONS

	01.01. – 31.03.2020		01.01. – 31.03.2019	
	in € thousand	per share in €	in € thousand	per share in €
Consolidated profit	28,034	0.45	39,405	0.64
Valuation investment properties ¹	5,902	0.10	2,523	0.04
Tax refund for previous years ²	0	0.00	-8,886	-0.15
Deferred taxes ¹	4,656	0.07	6,092	0.10
FFO	38,592	0.62	39,134	0.63
Weighted number of no-par-value shares issued	61,783,594		61,783,594	

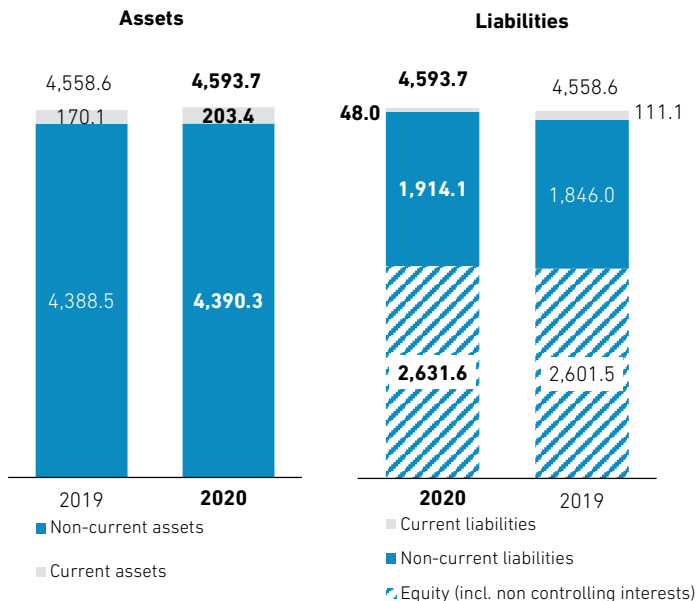
¹ including the share attributable to equity-accounted joint ventures and associates

² including the tax expense attributable to the interest refund

Balance Sheet: very solid and little structural changes

BALANCE SHEET STRUCTURE

in € million



- Equity ratio stands at a solid 57.3%
- LTV decreased to 30.7% ("look-through" 32.9%³)
- Group cash position: €183m

BALANCE SHEET AS AT 31 MARCH 2020

in € thousand	31.03.2020	31.12.2019	Change
Non-current assets	4,390,306	4,388,455	1,851
Cash and cash equivalents	182,663	148,087	34,576
Other current assets	20,763	22,063	-1,300
Total assets	4,593,732	4,558,605	35,127
Equity	2,278,988	2,249,573	29,415
Right to redeem of limited partners	352,585	351,905	680
Equity (including minority interest)	2,631,573	2,601,478	30,095
Financial liabilities	1,515,409	1,512,347	3,062
Deferred taxes	383,624	378,755	4,869
Other liabilities	63,126	6,025	-2,899
Total equity and liabilities	4,593,732	4,558,605	35,127
Equity ratio in % ¹	57.3%	57.1%	
LTV ratio in % ²	30.7%	31.5%	
LTV ratio ("look-through") in % ³	32.9%	33.7%	

¹ including third-party interest in equity

² ratio of net financial liabilities (financial liabilities less cash and cash equivalents) to non current assets (investment properties and investments accounted for using the equity method).

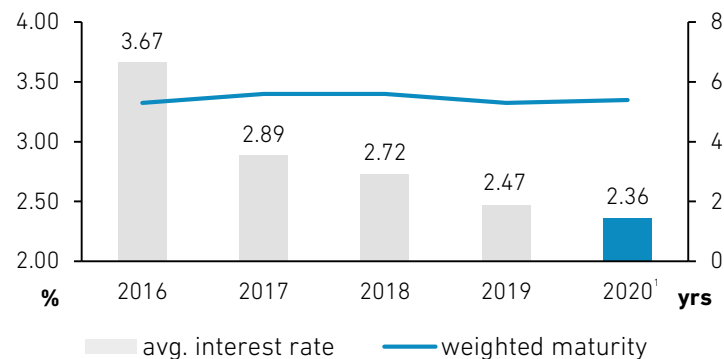
³ ratio of net financial liabilities to long-term assets, calculated on the basis of the group share

Loan Structure^{1,2}

INTEREST LOCKIN	DURATION	PRINCIPLE AMOUNTS (€ MILLION)	SHARE OF TOTAL LOAN	AVG. INTEREST RATE
Up to 1 year		12.4	0.8%	3.07%
1 to 5 years	2.8	615.4	40.8%	3.23%
5 to 10 years	7.8	692.9	45.9%	2.37%
Over 10 years	10.8	189.1	12.5%	1.57%
Total¹	5.4	1,509.8	100%	2.36%

→ **19** German and **4** foreign bank partners

→ Weighted maturity of fixed interest periods **5.4 years¹**



¹ as of 31 March 2020

² excl. non-consolidated loans

Maturities until 2026^{1,2}

IN € MILLION	END OF FIXED INTEREST PERIODS RESPECTIVELY EXPIRING LOANS	AVG. INTEREST RATE	REGULAR REDEMPTION PAYMENTS	TOTAL MATURITIES
2020	134.1	4.52%	12.4	146.5
2021	198.3	4.48%	14.3	212.6
2022	225.6	3.26%	10.6	236.2
2023	209.0	2.99%	9.2	218.2
2024	0		9.6	9.6
2025	58.3	2.07	10.1	68.4
2026	168.6	2.39	5.1	173.7
	993.9			

Already fixed:

€139.9m, 1.68%, 10y (01/2020)

€70.0m, 1.37%, 10y (01/2021)

Lower refinancing cost
= positive FFO and
EPRA earnings impact

At-equity consolidated loans¹

IN € MILLION	END OF FIXED INTEREST PERIODS RESPECTIVELY EXPIRING LOANS	AVG. INTEREST RATE	DES' SHARE
2020	47.1	4.23%	50%
2021	63.3	4.59%	50%
2022-2025	0		
2026	88.0	2.16%	50%

€59.0m, 1.09%, 9y (06/2020)

Phoenix-Center, Hamburg

¹ as of 31 March 2020

² excl. at-equity consolidated loans

Outlook

- **Leasing**
stabilisation of situation and arrangements with tenants key task for the coming months
- **Capex**
under constant review
- **Digital Mall**
onboarding of retailers continues
- **Financing**
cooperative dialogue with the banks



Financial Calendar

2020

16.06. Annual General Meeting (virtual)

17.06. UniCredit Kepler Cheuvreux German Property Day (virtual)

13.08. Half-year Financial Report 2020

18.08. Roadshow London, J.P. Morgan

03.09. Commerzbank Sector Conference, Frankfurt

07.09. Jefferies Real Estate Conference, Tel Aviv

21.09. Goldman Sachs & Berenberg German Conference, Munich

22.09. Baader Investment Conference, Munich (hybrid)

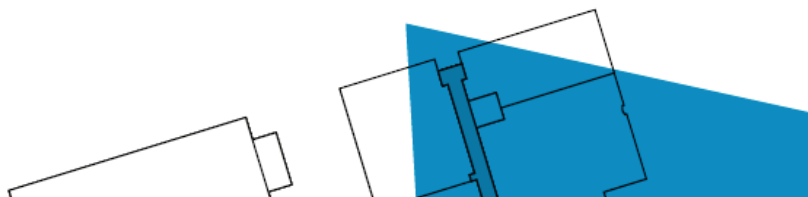
01.10. Commerzbank German Real Estate Forum, London

21.10. Kempen European Property Seminar, Amsterdam

12.11. Quarterly Statement 9M 2020

16.11. Roadshow Paris, Societe Generale

25.11. DZ Bank Equity Conference, Frankfurt



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Statements in this presentation relating to future status or circumstances, including statements regarding management's plans and objectives for future operations, sales and earnings figures, are forward-looking statements of goals and expectations based on estimates, assumptions and the anticipated effects of future events on current and developing circumstances and do not necessarily predict future results.

Many factors could cause the actual results to be materially different from those that may be expressed or implied by such statements. Deutsche EuroShop does not intend to update these forward-looking statements and does not assume any obligation to do so.

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