



WILHELM WELLNER



OLAF BORKERS

## LETTER FROM THE EXECUTIVE BOARD

### DEAR SHAREHOLDERS, DEAR READERS,

In the third quarter of the current financial year we saw a significant recovery in business activities. At the end of September, foot-fall in our centers had risen to 78% of the previous year's level, and tenants' revenues to 89%. The ratio of rent paid to rent due, known as the collection ratio, has also improved significantly. After an average of only 55% of all rent receivables were paid in the second quarter, due to the coronavirus, the collection ratio for the third quarter was 92%.

Overall, there has been a clearly positive trend since reopening, even if business activities in some segments were still far from their normal levels. This overall trend indicates for us that consumers continue to appreciate bricks and mortar retail and shopping in our attractive shopping centers. Even after the outbreak of the coronavirus pandemic there is a desire for the real shopping experience, and the current security requirements and restrictions are being accepted, so centers can be operated safely.

However, the situation remains tense. The trend in infection figures in recent weeks and the associated renewed official business closures and restrictions on operations, as well as consumer restraint, are again having a negative impact on our rental partners. In this special situation we are in close contact with political representatives through real estate industry associations to ensure these substantial impacts are taken into account when weighing up current or prospective official measures, and also when setting up support programmes. At the same time, we want to demonstrate that centers, shops and restaurants can operate safely at all times. It is good that the shops in Germany can remain open in the current situation and that limitations on the number of customers have not been set too restrictively. It is also a fact, however, that foot-fall has recently fallen significantly once again due to the measures taken and the general uncertainty. We are confident researchers are making real progress in the fight against the pandemic. The recent announcement that an effective vaccine has been developed is very good news, even though its approval and potential use are still outstanding.

## KEY CONSOLIDATED FIGURES

in € million	01.01.– 30.09.2020	01.01.– 30.09.2019	+/-
Revenue	164.4	167.6	-1.9%
Net operating income (NOI)	121.1	150.1	-19.4%
EBIT	118.1	146.9	-19.6%
EBT (excluding measurement gains / losses <sup>1</sup> )	93.4	121.6	-23.2%
EPRA <sup>2</sup> earnings <sup>5</sup>	90.8	120.5	-24.6%
FFO	90.9	111.7	-18.6%
Consolidated profit	-105.5	93.3	-213.1%

in €	01.01.– 30.09.2020	01.01.– 30.09.2019	+/-
EPRA <sup>2</sup> earnings per share <sup>5</sup>	1.47	1.95	-24.6%
FFO per share	1.47	1.81	-18.8%
Earnings per share	-1.71	1.51	-213.2%
Weighted number of no-par-value shares issued	61,783,594	61,783,594	0.0%

in € million	30.09.2020	31.12.2019	+/-
Equity <sup>3</sup>	2,482.3	2,601.5	-4.6%
Liabilities	1,928.0	1,957.1	-1.5%
Total assets	4,410.3	4,558.6	-3.3%
Equity ratio in % <sup>3</sup>	56.3	57.1	
LTV ratio in % <sup>4</sup>	31.5	31.5	
Cash and cash equivalents	213.3	148.1	44.0%

<sup>1</sup> Including the share attributable to joint ventures and associates accounted for using the equity method

<sup>2</sup> European Public Real Estate Association

<sup>3</sup> Including third-party interests in equity

<sup>4</sup> Loan-to-value ratio (LTV ratio): 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)

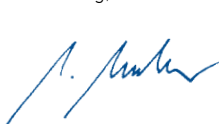
<sup>5</sup> EPRA earnings include a one-off tax refund in the period the previous year, including interest accrued for previous years. Without this tax refund, EPRA earnings would have totalled €111.5 million or €1.81 per share.

The lockdown in the first half of 2020 had a significant negative impact on our results of operations and measurement gains / losses in the second and third quarters. We are continuing to hold intensive discussions with our tenants to find economic solutions that are viable for both sides and have already been able to reach settlements or enter into agreements in the majority of cases.

There is still considerable uncertainty about what the future holds for the general economic situation and the coronavirus pandemic, as well as the impact they have on our business. It is currently not possible to make a reliable forecast for financial year 2020 on this basis. However, we believe that Deutsche EuroShop is still well equipped to meet the current challenges, thanks to its solid balance sheet, low debt and stable liquidity position.

We thank you for your continued trust.

Hamburg, November 2020



Wilhelm Wellner



Olaf Borkers

## RESULTS OF OPERATIONS

in € thousand	01.01. – 30.09.2020	01.01. – 30.09.2019	Change	
			+/-	in %
Revenue	164,410	167,594	-3,184	-1.9
Operating and administrative costs for property	-43,342	-17,466	-25,876	-148.2
<b>NOI</b>	<b>121,068</b>	<b>150,128</b>	<b>-29,060</b>	<b>-19.4</b>
Other operating income	2,393	1,346	1,047	77.8
Other operating expenses	-5,390	-4,562	-828	-18.1
<b>EBIT</b>	<b>118,071</b>	<b>146,912</b>	<b>-28,841</b>	<b>-19.6</b>
At-equity profit / loss	-31,934	21,356		
Measurement gains / losses (at equity)	49,893	1,622		
Deferred taxes (at equity)	-88	129		
At-equity (operating) profit / loss	17,871	23,107	-5,236	-22.7
Interest expense	-32,746	-37,392	4,646	12.4
Profit / loss attributable to limited partners	-9,802	-13,745	3,943	28.7
Other financial gains or losses	8	2,740	-2,732	-99.7
<b>Financial gains or losses</b> (excl. measurement gains / losses)	<b>-24,669</b>	<b>-25,290</b>	<b>621</b>	<b>2.5</b>
<b>EBT (excl. measurement gains / losses)</b>	<b>93,402</b>	<b>121,622</b>	<b>-28,220</b>	<b>-23.2</b>
Measurement gains / losses	-171,450	-11,489		
Measurement gains / losses (at equity)	-49,893	-1,622		
Measurement gains / losses (including at-equity profit / loss)	-221,343	-13,111	-208,232	-1,588.2
Taxes on income and earnings	-2,536	-887	-1,649	-185.9
Deferred taxes	24,856	-14,155		
Deferred taxes (at equity)	88	-129		
Deferred taxes (including at equity)	24,944	-14,284	39,228	274.6
<b>CONSOLIDATED PROFIT</b>	<b>-105,533</b>	<b>93,340</b>	<b>-198,873</b>	<b>-213.1</b>

### Revenue affected by the coronavirus pandemic

Revenue for the reporting period came in at €164.4 million, which was 1.9% lower on a comparable basis than in the same period of the previous year (€167.6 million). This was due to the legal arrangements adopted in our foreign markets from mid-March to cushion the effects of the coronavirus pandemic, which included the temporary suspension of payment obligations under leases for tenants affected by the closures (these resulted in a decline in revenue of €2.1 million).

### Sharp rise in write-downs due to coronavirus

Center operating costs in the reporting period, comprising mainly center management fees, non-allocable ancillary costs, maintenance and write-downs of rent receivables, rose by a substantial €25.9 million to €43.3 million. This was due to the higher write-downs on rent receivables, which were measured on the basis of expected rent defaults in connection with tenant support measures, and increased write-downs in connection with tenant insolvencies. Overall, write-downs on rent receivables amounted to €26.8 million (previous year: €1.3 million).

### Other operating income and expenses

Other operating income, stemming primarily from the reversal of provisions, from income from rental receivables written down in previous years and from additional payments in conjunction with ancillary costs, rose from €1.3 million to €2.4 million.

At €5.4 million, other operating expenses, most of which related to general administrative and personnel expenses, were up on the same period last year as a result of one-off financing costs in connection with the extension of our credit line (€0.5 million) and higher consulting costs (€0.2 million).

### EBIT significantly lower than last year

Earnings before interest and taxes (EBIT) at €118.1 million were well below the figure for the first nine months of 2019 (€146.9 million), largely due to the write-down of accumulated rent arrears and the coronavirus-driven decline in revenue.

### Financial gains / losses at previous year's level

The financial loss (excluding the measurement loss) improved slightly to €-24.7 million (previous year: €-25.3 million) due to opposite effects that cancelled each other out.

The at-equity (operating) loss fell by €5.2 million, due in particular to higher write-downs on rent receivables as a result of the coronavirus. In the previous year, other financial gains and losses included a one-off interest refund of €2.7 million for a trade tax refund. On the other hand, the interest expense of Group companies was reduced by €4.6 million. In addition to scheduled repayments, the cheaper refinancing for the Rhein-Neckar-Zentrum Viernheim center and the A10 Center Wildau had a positive effect here. The share of earnings attributable to limited partners decreased by €3.9 million in line with the reduced EBIT.

### EBT (excluding measurement gains / losses) falls by just under a quarter due to coronavirus

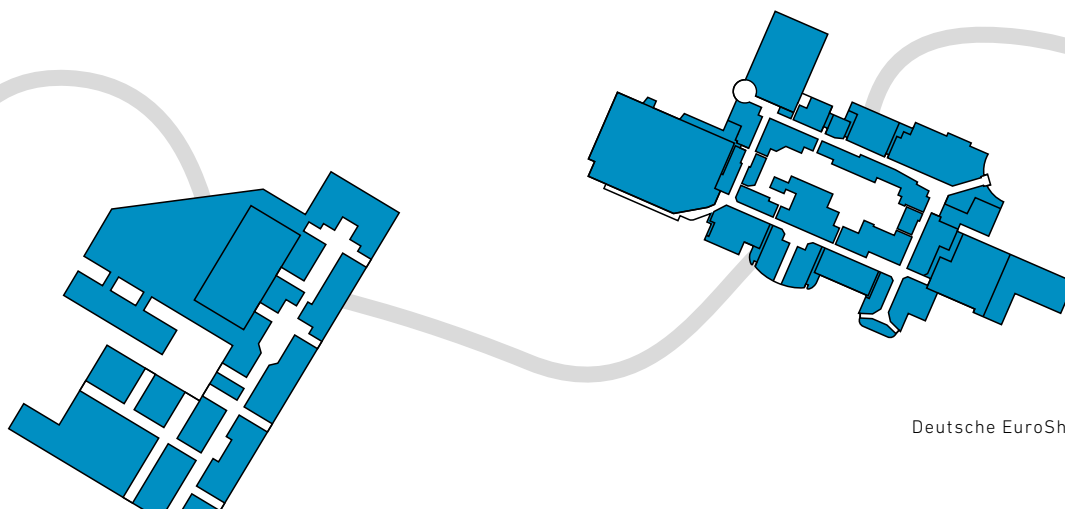
The decline in EBIT and at-equity profit / loss plus the one-off interest refund the previous year caused EBT (excluding measurement gains / losses) to fall from €121.6 million to €93.4 million (-23.2%).

### Measurement losses in a changed market environment

As at 30 June 2020, the market values of the shopping centers were reviewed by the external appraiser Jones Lang LaSalle GmbH (JLL) and adjusted by us in accordance with IAS 40 through the income statement. Together with further investment costs in the third quarter, this resulted in a measurement loss of €221.3 million as at the reporting date. Of this, €-171.4 million after minority interests was attributable to the measurement of the real estate assets reported by the Group and €-49.9 million to the measurement of the real estate assets of joint ventures accounted for using the equity method.

### Taxes on income and earnings

Taxes on income and earnings amounted to €-2.5 million (previous year: €-0.9 million) and included a trade tax refund of €7.1 million in the previous year. Due to the measurement loss, deferred taxes resulted in income of € 24.9 million (previous year: €-14.3 million deferred tax expense).



### EPRA earnings and consolidated profit significantly lower

EPRA earnings, which exclude measurement gains/losses, fell significantly to €90.8 million or €1.47 per share (-18.8%), due mainly to the write-downs on rent receivables and the decline in revenue. The decline in earnings is also attributable to a one-off income from trade tax refunds included in the previous year and the interest income accrued on this.

The large measurement loss resulted in a consolidated loss of €-105.5 million, after a consolidated profit of €93.3 million in the same period of the previous year. Earnings per share amounted to €-1.71 (previous year: €1.51).

### EPRA EARNINGS

	01.01.–30.09.2020		01.01.–30.09.2019	
	in € thousand	per share in €	in € thousand	per share in €
Consolidated profit	-105,533	-1.71	93,340	1.51
Measurement gains / losses investment properties <sup>1</sup>	221,343	3.58	13,111	0.21
Measurement gains / losses derivative financial instruments <sup>1</sup>	-88	0.00	-227	0.00
Deferred tax adjustments pursuant to EPRA <sup>2</sup>	-24,944	-0.40	14,231	0.23
<b>EPRA EARNINGS<sup>3</sup></b>	<b>90,778</b>	<b>1.47</b>	<b>120,455</b>	<b>1.95</b>
Weighted number of no-par-value shares issued		61,783,594		61,783,594

<sup>1</sup> Including the share attributable to joint ventures and associates accounted for using the equity method

<sup>2</sup> Affects deferred taxes on investment properties and derivative financial instruments

<sup>3</sup> EPRA earnings include a one-off tax refund in the period the previous year, including interest accrued for previous years. Without this tax refund, EPRA earnings would have totalled €111.5 million or €1.81 per share.

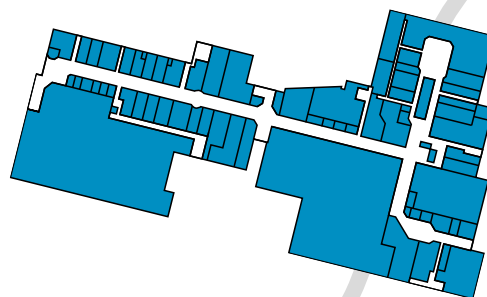
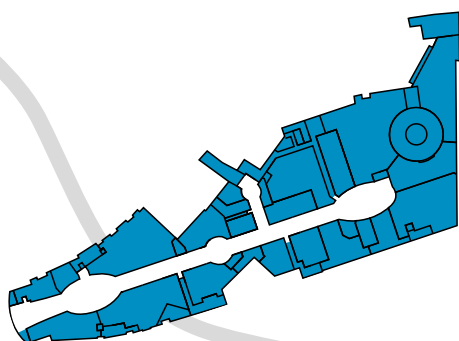
### Development of funds from operations (FFO)

Funds from operations (FFO) are used to finance our ongoing investments in portfolio properties, scheduled repayments on our long-term bank loans and as the basis for the distribution of dividends. Significant non-recurring effects that are not part of the Group's operating activities are eliminated in the calculation of FFO. FFO declined from €111.7 million to €90.9 million or by €0.34 per share to €1.47. As an income-based figure, FFO do not reflect the current significant increase in rent receivables, so the analysis of tenants' payment behaviour expressed in the collection ratio is also necessary. This figure was 98% in the first quarter, 55% in the second quarter and 92% in the third quarter.

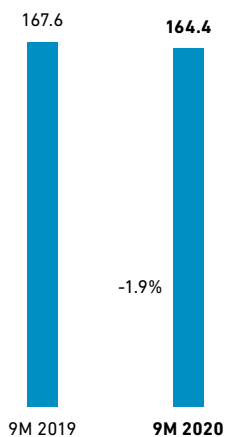
### FUNDS FROM OPERATIONS

	01.01.–30.09.2020		01.01.–30.09.2019	
	in € thousand	per share in €	in € thousand	per share in €
Consolidated profit	-105,533	-1.71	93,340	1.51
Measurement gains / losses investment properties <sup>1</sup>	221,343	3.58	13,111	0.21
Tax refund for previous years	0	0.00	-8,996	-0.14
Deferred taxes <sup>1</sup>	-24,944	-0.40	14,284	0.23
<b>FFO</b>	<b>90,866</b>	<b>1.47</b>	<b>111,739</b>	<b>1.81</b>
Weighted number of no-par-value shares issued		61,783,594		61,783,594

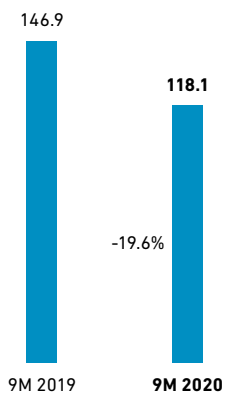
<sup>1</sup> Including the share attributable to joint ventures and associates accounted for using the equity method



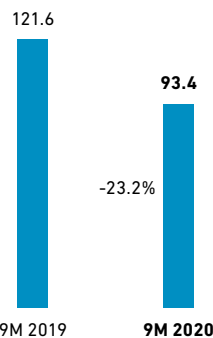
**REVENUE**  
in € million



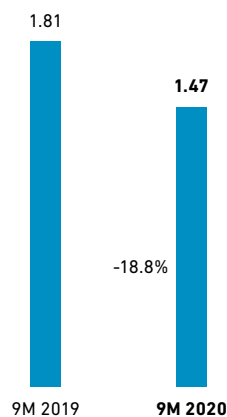
**EBIT**  
in € million



**EBT \***  
in € million



**FFO PER SHARE**  
in €



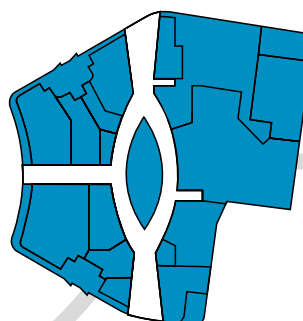
\* excluding measurement gains / losses

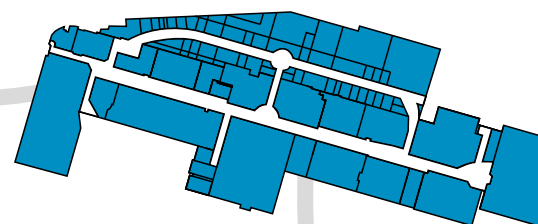
## FINANCIAL POSITION AND NET ASSETS

### Net assets and liquidity

The Deutsche EuroShop Group's total assets decreased by €148.3 million to €4,410.3 million compared with the last reporting date, primarily due to the decline in the market value of real estate. By contrast, liquidity increased by €65.2 million to €213.3 million during the period. As a result of the low collection ratio due to the coronavirus, especially in the second quarter, Group receivables rose by €12.5 million to €19.9 million (after write-downs). Non-current liabilities fell by €37.0 million, mainly due to the release of deferred taxes as a result of lower property values.

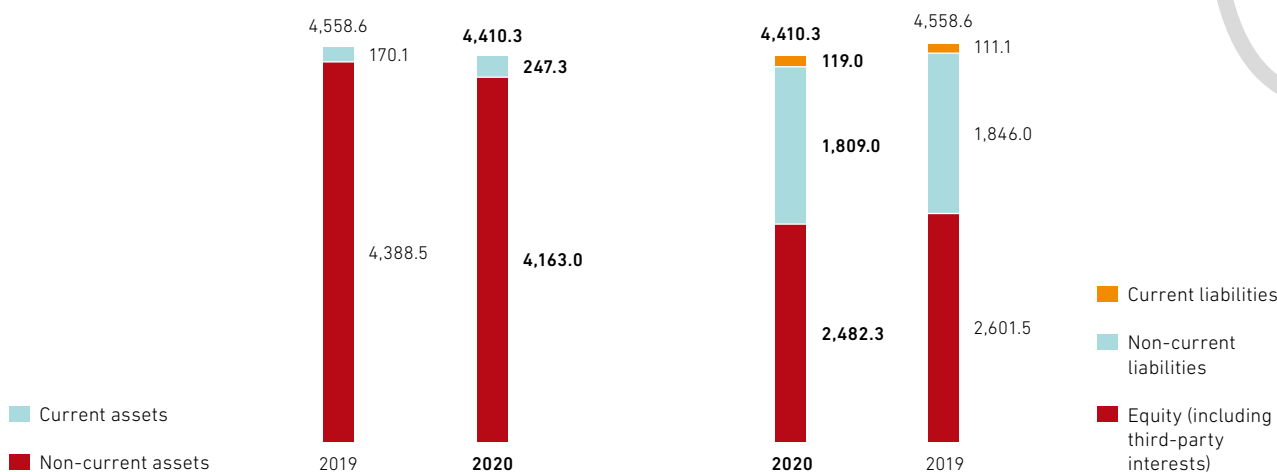
in € thousand	30.09.2020	31.12.2019	Change
Current assets	247,309	170,150	77,159
Non-current assets	4,163,032	4,388,455	-225,423
Current liabilities	119,025	111,136	7,889
Non-current liabilities	1,809,028	1,845,991	-36,963
Equity (including third-party interests)	2,482,288	2,601,478	-119,190
<b>TOTAL ASSETS</b>	<b>4,410,341</b>	<b>4,558,605</b>	<b>-148,264</b>





## BALANCE SHEET STRUCTURE

in € million



### Equity ratio of 56.3%

The equity ratio (including the shares of third-party shareholders) was 56.3%, slightly down compared with the last reporting date (57.1%) and still at a very healthy level.

### Leverage ratio remains low

As at 30 September 2020, current and non-current financial liabilities stood at €1,506.8 million, which was €5.6 million lower than at the end of 2019. The scheduled repayments were offset by a loan increase of €7.4 million to finance investment measures. Despite the significant decreases in the value of shopping centers, the loan-to-value ratio is still a very solid 31.5% (31 December 2019: 31.5%).

## REPORT ON EVENTS AFTER THE REPORTING DATE

Between the reporting date on 30 September 2020 and the date the financial statements were prepared, the authorities decided to again introduce stringent and temporary security measures to contain the further spread of the coronavirus due to the significant increase in infections since mid-October. The regulations vary widely by country (or, in the case of Germany, federal state) depending on the position with infections.

In Germany, closure orders mainly affect restaurants (take-away business is still permitted), leisure activities, gyms and personal care providers and have been in place since 2 November, running provisionally until 30 November 2020. Retailers remain open, but there are restrictions on the number of customers (normally a maximum of one customer per 10 m<sup>2</sup> sales area), in line with what was applicable previously. Similar restrictions also apply in Austria (from 3 November to 30 November, provisionally). In the Czech Republic (from 22 October until further notice) and Poland (from 7 November until 29 November), all retail shops and restaurants are closed (take-away business is still permitted), with the exception of grocery stores and shops selling everyday consumer goods.

For Germany, the federal government has announced extensive temporary aid in the form of flat-rate cost allowances for November for businesses affected by the closure. At the same time, support measures are under discussion for businesses that are indirectly but comparably affected by the rules. In the Czech Republic, the government announced with the renewed extensive lockdown for tenants the possibility of a subsidy of 50% of rental payments made in the third quarter of 2020 to cushion the economic consequences. The exact eligibility, design and impact of these aid measures are not yet known.

No further significant events occurred between the reporting date on 30 September 2020 and the date the financial statements were prepared.

## OUTLOOK

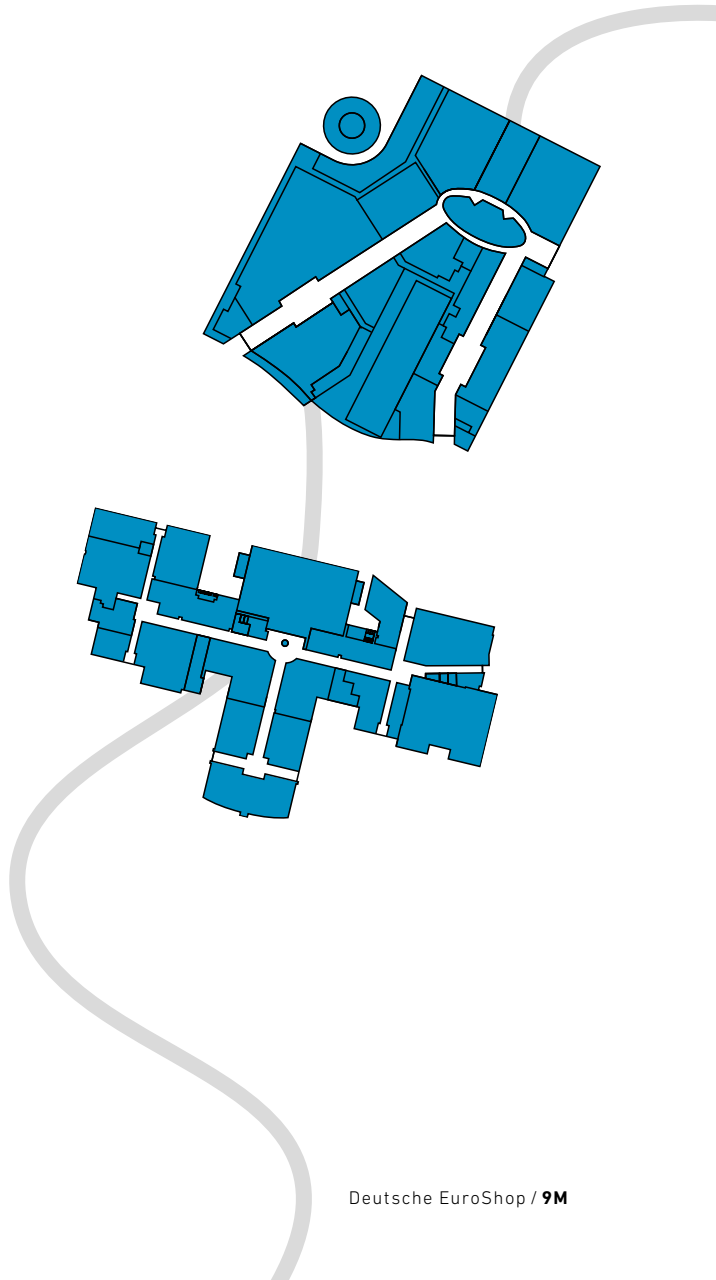
Operating figures had performed positively in the third quarter of 2020. Customer footfall rose to an average of 78% and tenant revenue was 89% of the previous year's level. The collection ratio, i.e. the ratio of rent paid to rent due, improved to 92%. Although the figures – especially for some sectors – were still well below the previous year's level, business had stabilised further in the third quarter. This performance clearly indicates to us that even after the outbreak of the coronavirus pandemic and despite the many security requirements and restrictions in place, customers continue to appreciate bricks and mortar retailers and shopping in our modern and diverse centers.

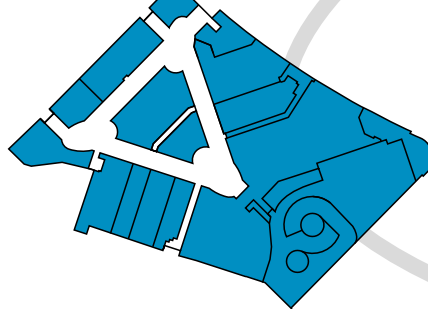
Despite the good recovery so far, we are currently still in a situation of great uncertainty as to the extent and duration of the substantial impact of the coronavirus pandemic on our tenants' businesses and hence on our own business outlook. The renewed business closures and restrictions on business operations and the resulting cautious consumer sentiment are again having a direct negative impact on our rental partners and thus potentially on our rental income and cash flow. This applies even to our rental partners not directly affected by the closures as the general uncertainty among customers since the end of October has already led to significantly lower footfall in shopping areas and also in our centers.

We are continuing to hold intensive discussions with our tenants to find economic solutions that are viable for both sides in this special situation and were able to reach settlements or enter into agreements in the majority of cases for the lockdown in the first half of 2020. We are in ongoing negotiations with other tenants. The conclusion of these negotiations and the future course of the pandemic will have a significant impact on the results for the financial year 2020. A quantifiable estimate is therefore still not reliably possible at the present time. However, the accumulated revenue losses and write-downs needed in the first nine months cannot be made up by the end of the year and therefore revenues, EBIT, EBT (excluding measurement gains / losses) and FFO for the full year 2020 will be below the financial figures for 2019.

## RISK REPORT

The coronavirus pandemic will have an impact on the individual risks of the Group with respect to the amount of losses and the likelihood of occurrence. As already outlined in our 2019 risk report (see the 2019 financial report, p.18), the extent of this risk is currently not quantifiable. Depending on how the pandemic progresses, the individual risks and the overall risk position will be reviewed and regularly re-evaluated. However, we expect that individual risks will increase in terms of the amount of losses and /or likelihood of occurrence. Given our good balance sheet structure and solid liquidity position and having assessed various risk scenarios, we do not currently see any risks that could endanger the company's continued existence.





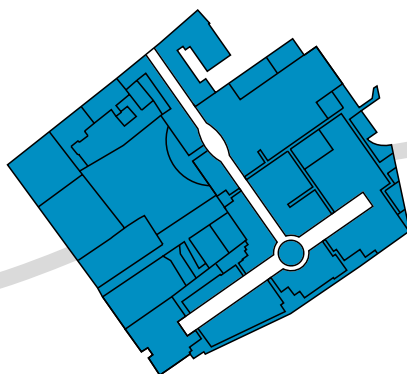
## CONSOLIDATED BALANCE SHEET

### ASSETS

in € thousand	30.09.2020	31.12.2019
<b>Assets</b>		
<b>Non-current assets</b>		
Intangible assets	53,743	53,752
Property, plant and equipment	362	424
Investment properties	3,635,873	3,822,786
Investments accounted for using the equity method	473,054	511,493
<b>Non-current assets</b>	<b>4,163,032</b>	<b>4,388,455</b>
<b>Current assets</b>		
Trade receivables	19,928	7,417
Other current assets	14,119	14,646
Cash and cash equivalents	213,262	148,087
<b>Current assets</b>	<b>247,309</b>	<b>170,150</b>
<b>TOTAL ASSETS</b>	<b>4,410,341</b>	<b>4,558,605</b>

### LIABILITIES

in € thousand	30.09.2020	31.12.2019
<b>EQUITY AND LIABILITIES</b>		
<b>Equity and reserves</b>		
Issued capital	61,784	61,784
Capital reserves	1,217,560	1,217,560
Retained earnings	868,992	970,229
<b>Total equity</b>	<b>2,148,336</b>	<b>2,249,573</b>
<b>Non-current liabilities</b>		
Financial liabilities	1,425,683	1,433,373
Deferred tax liabilities	355,122	378,755
Right to redeem of limited partners	333,952	351,905
Other liabilities	28,223	33,863
<b>Non-current liabilities</b>	<b>2,142,980</b>	<b>2,197,896</b>
<b>Current liabilities</b>		
Financial liabilities	81,083	78,974
Trade payables	2,049	5,805
Tax liabilities	1,363	1,401
Other provisions	8,014	8,120
Other liabilities	26,516	16,836
<b>Current liabilities</b>	<b>119,025</b>	<b>111,136</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>4,410,341</b>	<b>4,558,605</b>



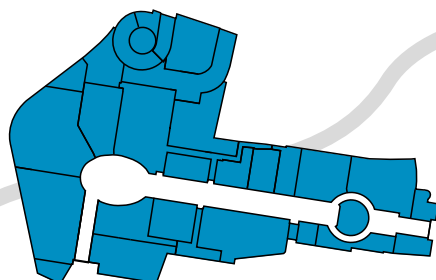


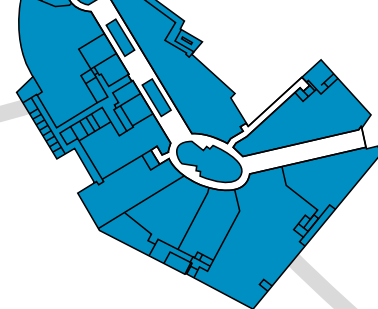
## CONSOLIDATED INCOME STATEMENT

in € thousand	01.07.– 30.09.2020	01.07.– 30.09.2019	01.01.– 30.09.2020	01.01.– 30.09.2019
Revenue	54,988	55,710	164,410	167,594
Property operating costs	-11,421	-3,349	-35,747	-9,271
Property management costs	-2,545	-2,646	-7,595	-8,195
<b>Net operating income (NOI)</b>	<b>41,022</b>	<b>49,715</b>	<b>121,068</b>	<b>150,128</b>
Other operating income	304	634	2,393	1,346
Other operating expenses	-1,754	-1,642	-5,390	-4,562
<b>Earnings before interest and taxes (EBIT)</b>	<b>39,572</b>	<b>48,707</b>	<b>118,071</b>	<b>146,912</b>
Share in the profit or loss of associated companies and joint ventures accounted for using the equity method	5,366	7,264	-31,934	21,356
Interest expense	-10,767	-12,260	-32,746	-37,392
Profit / loss attributable to limited partners	-3,604	-4,425	-9,802	-13,745
Interest income	2	53	8	2,740
<b>Financial gains or losses</b>	<b>-9,003</b>	<b>-9,368</b>	<b>-74,474</b>	<b>-27,041</b>
<b>Measurement gains / losses</b>	<b>-2,748</b>	<b>-4,346</b>	<b>-171,450</b>	<b>-11,489</b>
<b>Earnings before tax (EBT)</b>	<b>27,821</b>	<b>34,993</b>	<b>-127,853</b>	<b>108,382</b>
Taxes on income and earnings	-4,049	-7,889	22,320	-15,042
<b>CONSOLIDATED PROFIT</b>	<b>23,772</b>	<b>27,104</b>	<b>-105,533</b>	<b>93,340</b>
Earnings per share (€), undiluted and diluted	0.38	0.44	-1.71	1.51

## STATEMENT OF OMPREHENSIVE INCOME

in € thousand	01.07.– 30.09.2020	01.07.– 30.09.2019	01.01.– 30.09.2020	01.01.– 30.09.2019
<b>Consolidated profit</b>	<b>23,772</b>	<b>27,104</b>	<b>-105,533</b>	<b>93,340</b>
<b>Items which under certain conditions in the future will be reclassified to the income statement:</b>				
Actual share of the profits and losses from instruments used to hedge cash flows	1,516	2,965	5,519	635
Deferred taxes on changes in value offset directly against equity	-335	-663	-1,223	-123
<b>Total earnings recognised directly in equity</b>	<b>1,181</b>	<b>2,302</b>	<b>4,296</b>	<b>512</b>
<b>TOTAL PROFIT</b>	<b>24,953</b>	<b>29,406</b>	<b>-101,237</b>	<b>93,852</b>
Share of Group shareholders	24,953	29,406	-101,237	93,852





## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

in € thousand	Number of shares outstanding	Share capital	Capital reserves	Other retained earnings	Statutory reserve	Cash flow hedge reserve	Total
<b>01.01.2019</b>	<b>61,783,594</b>	<b>61,784</b>	<b>1,217,560</b>	<b>974,484</b>	<b>2,000</b>	<b>-26,080</b>	<b>2,229,748</b>
Total profit		0	0	93,340	0	512	93,852
Dividend payments		0	0	-92,675	0	0	-92,675
<b>30.09.2019</b>	<b>61,783,594</b>	<b>61,784</b>	<b>1,217,560</b>	<b>975,149</b>	<b>2,000</b>	<b>-25,568</b>	<b>2,230,925</b>
<b>01.01.2020</b>	<b>61,783,594</b>	<b>61,784</b>	<b>1,217,560</b>	<b>993,900</b>	<b>2,000</b>	<b>-25,671</b>	<b>2,249,573</b>
Total profit		0	0	-105,533	0	4,296	-101,237
Dividend payments		0	0	0	0	0	0
<b>30.09.2020</b>	<b>61,783,594</b>	<b>61,784</b>	<b>1,217,560</b>	<b>888,367</b>	<b>2,000</b>	<b>-21,375</b>	<b>2,148,336</b>

## CONSOLIDATED CASH FLOW STATEMENT

in T€	01.01.–30.09.2020	01.01.–30.09.2019
<b>Consolidated profit</b>	<b>-105,533</b>	<b>93,340</b>
Income taxes	-22,320	15,042
Financial gains or losses	74,474	27,041
Amortisation / depreciation of intangible assets and property, plant and equipment with a finite life	108	130
Unrealised changes in fair value of investment property and other measurement gains / losses	171,450	11,489
Distributions and capital repayments received	6,505	18,501
Changes in trade receivables and other assets	-11,984	-11
Changes in current provisions	-106	1,481
Changes in liabilities	5,844	-3,771
<b>Cash flow from operating activities</b>	<b>118,438</b>	<b>163,242</b>
Interest paid	-32,595	-37,392
Interest received	8	1,405
Income taxes paid	-2,573	-1,894
<b>Net cash flow from operating activities</b>	<b>83,278</b>	<b>125,361</b>
Outflows for the acquisition of investment properties	-8,894	-11,904
Inflows from the disposal of investment properties	490	0
Outflows for the acquisition of intangible assets and property, plant and equipment	-12	-19
<b>Cash flow from investing activities</b>	<b>-8,416</b>	<b>-11,923</b>
Inflows from financial liabilities	7,416	16,775
Outflows from the repayment of financial liabilities	-13,148	-19,228
Outflows from the repayment of lease liabilities	-67	-84
Payments to limited partners	-3,888	-12,294
Payments to Group shareholders	0	-92,675
<b>Cash flow from financing activities</b>	<b>-9,687</b>	<b>-107,506</b>
<b>Net change in cash and cash equivalents</b>	<b>65,175</b>	<b>5,932</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>148,087</b>	<b>116,335</b>
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	<b>213,262</b>	<b>122,267</b>

## SEGMENT REPORTING

Segment reporting by Deutsche EuroShop AG is carried out on the basis of internal reports that are used by the Executive Board to manage the Group. Internal reports distinguish between shopping centers in Germany ("domestic") and other European countries ("abroad").

As the Group's main decision-making body, the Deutsche EuroShop AG Executive Board first and foremost assesses the performance of the segments based on revenue, EBIT and EBT excluding measurement gains / losses. The measurement principles for segment reporting correspond to those of the Group.

In order to assess the contribution of the segments to the individual performance indicators as well as to the Group's success, the income, expenditure, assets and liabilities of the joint ventures are included in internal reporting in proportion to the Group's share therein. Similarly, for subsidiaries in which the Group is not the sole shareholder, income, expenditure, assets and liabilities are likewise only consolidated proportionately according to the corresponding Group share. This results in the segments being divided as follows:

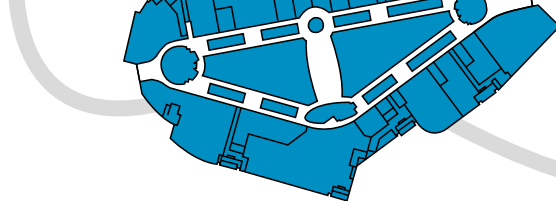
### BREAKDOWN BY SEGMENT

in € thousand	Domestic	Abroad	Total	Reconciliation	01.01.– 30.09.2020
<b>Revenue</b> (01.01.–30.09.2019)	<b>144,072</b> (146,180)	<b>30,824</b> (32,349)	<b>174,896</b> (178,529)	<b>-10,486</b> (-10,935)	<b>164,410</b> (167,594)
<b>EBIT</b> (01.01.–30.09.2019)	<b>105,141</b> (129,121)	<b>24,221</b> (30,272)	<b>129,362</b> (159,393)	<b>-11,291</b> (-12,481)	<b>118,071</b> (146,912)
<b>EBT excl. measurement gains / losses</b> (01.01.–30.09.2019)	<b>77,924</b> (97,412)	<b>18,981</b> (24,935)	<b>96,905</b> (122,347)	<b>-3,503</b> (-725)	<b>93,402</b> (121,622)
					<b>30.09.2020</b>
<b>Segment assets</b> (31.12.2019)	<b>3,203,458</b> (3,315,952)	<b>753,993</b> (773,700)	<b>3,957,451</b> (4,089,652)	<b>452,890</b> (468,953)	<b>4,410,341</b> (4,558,605)
<b>of which investment properties</b> (31.12.2019)	<b>3,064,700</b> (3,246,262)	<b>714,450</b> (743,828)	<b>3,779,150</b> (3,990,090)	<b>-143,277</b> (-167,304)	<b>3,635,873</b> (3,822,786)

The adjustment of the proportionate consolidation of the joint ventures and subsidiaries in which the Group does not own a 100% stake is carried out in the reconciliation column. Deferred tax liabilities are considered by the Executive Board of Deutsche EuroShop AG in a cross-segment manner and are therefore included in the reconciliation column of the segment liabilities. Accordingly, the goodwill from the acquisition of Olympia Brno was allocated to the reconciliation column of the segment assets. The reconciliation column also contains the companies that are not allocated to either of the two segments (Deutsche EuroShop AG, DES Management GmbH, DES Beteiligungs GmbH & Co. KG).

In view of the geographical segmentation, no further information pursuant to IFRS 8.33 is given.





## OTHER DISCLOSURES

### Responsibility statement by the Executive Board

To the best of our knowledge, and in accordance with the applicable reporting principles for interim financial reporting, the interim consolidated financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group, and the interim management report of the Group includes a fair review of the development and performance of the business, and the position

of the Group, together with a description of the principal opportunities and risks associated with the expected development of the Group for the remainder of the financial year.

Hamburg, 12 November 2020

Wilhelm Wellner

Olaf Borkers

## THE SHOPPING CENTER SHARE

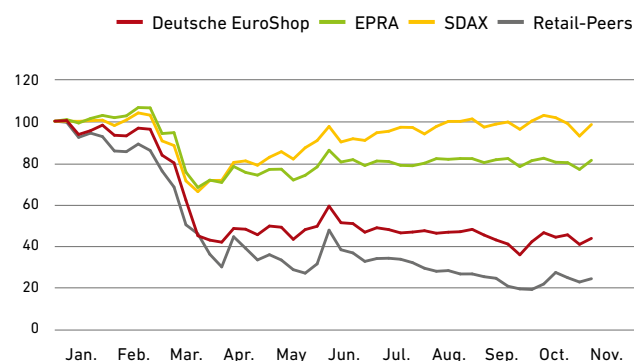
Following a year-end closing price\* for 2019 of €26.42, Deutsche EuroShop shares were steady in the first few weeks of 2020. On 3 January 2020 the share price closed at €26.50, the highest level in the first six months of the year. At the end of February, investor uncertainty rose sharply in connection with the coronavirus pandemic. This led to considerable price falls for our shares, those of our peers and stock markets worldwide. DES shares were trading at €25.40 in the closing auction on 21 February 2020, but ended the reporting period at €10.60 on Xetra after a very volatile bear market period that briefly saw the price as low as €9.28 on an intraday basis. Deutsche EuroShop's market capitalisation stood at €654.9 million on 30 September 2020. This equated to a negative performance of 59.9% for the reporting period. The SDAX was ultimately stable over the same period at -0.2%, but also saw major volatility.

## KEY SHARE DATA

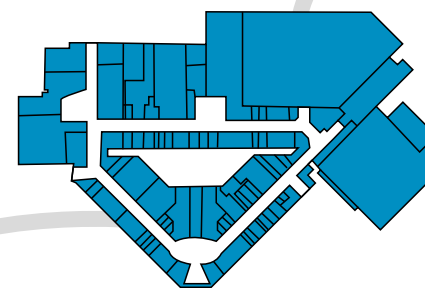
Sector / industry group	Financial services / real estate
Share capital as at 30.09.2020	€61,783,594.00
Number of shares as at 30.09.2020 (no-par-value registered shares)	61,783,594
Dividend for 2019	€0.00
Share price on 30.12.2019	€26.42
Share price on 30.09.2020	€10.60
Low / high for the period under review	€9.52 / €26.50
Market capitalisation on 30.09.2020	€654.9 million
Prime Standard	Frankfurt and Xetra
OTC markets	Berlin, Düsseldorf, Hamburg, Hanover, Munich and Stuttgart
Indices	SDAX, EPRA, GPR 250, MSCI Small Cap, HASPAX, F.A.Z.-Index
ISIN	DE 000748 020 4
Ticker symbol	DEQ, Reuters: DEQn.DE

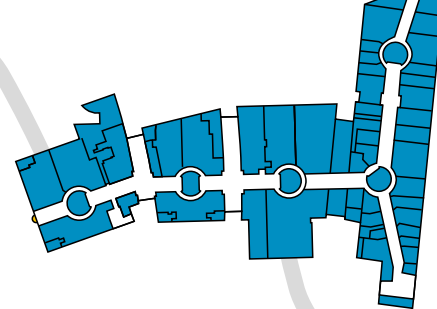
## DEUTSCHE EUROSHOP VS SDAX AND EPRA COMPARISON, JANUARY TO NOVEMBER 2020

indexed, base of 100, in %



\* Unless otherwise specified, all information and calculations are based on Xetra closing prices.





## FINANCIAL CALENDAR

### 2020

- 12.11. **Quarterly statement 9M 2020**
- 25.11. DZ Bank Equity Conference (virtual)
- 01.12. Berenberg European Conference (virtual)
- 07. – 08.12. HSBC Virtual Real Estate Conference (virtual)

### 2021

- 07. – 08.01. Oddo BHF Forum (virtual)
- 11. – 13.01. Bank of America SMID Cap Conf. 2021 (virtual)
- 19.01. Kepler Cheuvreux GCC (virtual)
- 25. – 26.03. Bank of America EMEA Real Estate CEO Conference 2021 (virtual)
- 28.04. Publication of 2020 Annual Report**
- 11.05. Quarterly statement 3M 2021**
- 18.06. Annual General Meeting, Hamburg**
- 12.08. Half-year Financial Report 2021**
- 11.11. Quarterly statement 9M 2021**

Our financial calendar is updated continuously. Please check our website for the latest events:

[www.deutsche-euroshop.com/ir](http://www.deutsche-euroshop.com/ir)

PHOENIX-CENTER HAMBURG

GALERIA BALTICKA DANZIG

AIO CENTER WILDAU / BERLIN

HEROLD-CENTER NORDERSTEDT

CITY-POINT KASSEL

STADT-GALERIE HAMELN

SAARPARK-CENTER NEUNKIRCHEN

CITY-ARKADEN WUPPERTAL

OLYMPIA CENTER BRUNN

FORUM WETZLAR

BILLSTEDT-CENTER HAMBURG

**DES**  
Deutsche EuroShop

[www.deutsche-euroshop.de/IR](http://www.deutsche-euroshop.de/IR)

### WOULD YOU LIKE ADDITIONAL INFORMATION?

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### Forward-looking statements

This quarterly statement contains forward-looking statements based on estimates of future developments by the Executive Board. The statements and forecasts represent estimates based on all of the information available at the current time. If the assumptions on which these statements and forecasts are based do not materialise, the actual results may differ from those currently being forecast.

### Rounding and rates of change

Percentages and figures stated in this report may be subject to rounding differences. The rates of change are based on economic considerations: improvements are indicated by a plus (+); deterioration by a minus (-).