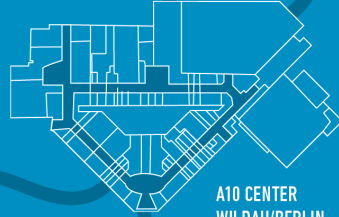
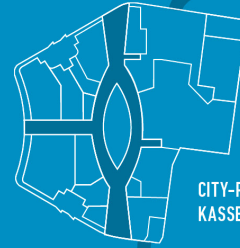




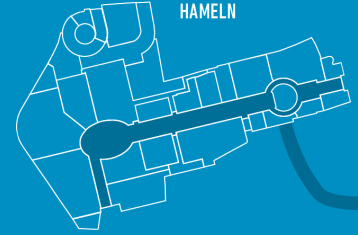
PHOENIX-CENTER  
HAMBURG



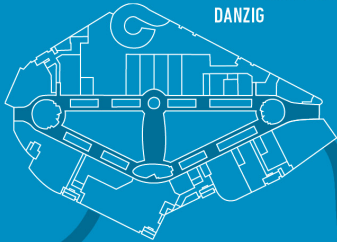
A10 CENTER  
WILDAU/BERLIN



CITY-POINT  
KASSEL



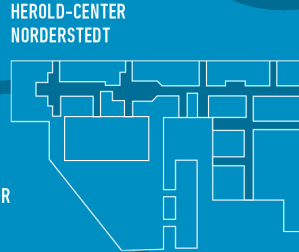
STADT-GALERIE  
HAMELN



GALERIA BAŁTYCKA  
DANZIG



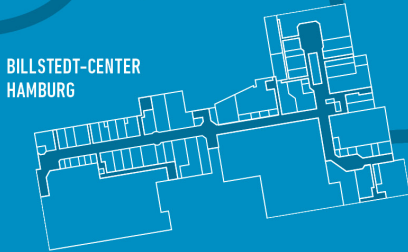
SAARPARK-CENTER  
NEUNKIRCHEN



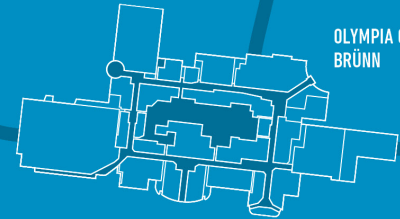
HEROLD-CENTER  
NORDERSTEDT



CITY-ARKADEN  
WUPPERTAL



BILLSTEDT-CENTER  
HAMBURG



OLYMPIA CENTER  
BRÜNN



FORUM  
WETZLAR

# CONFERENCE CALL

## Quarterly Statement 9M 2020

13 November 2020

## Update on Business Activities - Summary

### Operations

- Footfall numbers: approx. 78% of normal levels (until end of October 2020)
- Footfall numbers vary in a range from 70% to 95% for the centers
- Tenant turnover (Q3 2020) improved to 89% of 2019 level (substantial deviations among segments)
- Recently: new “soft” or “hard” lockdowns with negative impact on frequencies and tenant turnovers

### Rents

- Collection Ratio: 92% (Q3) and 96% (October)
- **Negotiations with tenants** concerning relief measures for first lock-down continue:
  - individual and flexible solutions to be considered: e.g. rent deferrals/holidays, cost savings
  - considerations from the tenants are generally required: e.g. extension of lease terms, adjustments of turnover based rents or legal contract standards
- **Tenant insolvencies since start of corona pandemic: c. 7.3% of DES rents (unchanged since September 2020):**
  - most of the affected tenants target restructuring of business activities

## Update on Business Activities - Summary

### Financials & Liquidity

- **Solid cash position** DES Group: €213m (30 September 2020)
  - **Signing of credit line facility** of €150m (until 2024) in January 2020
  - **Signing of two loan** contracts since start of the Corona pandemic, becoming due in December 2020 and June 2021 (€70m each)
  - Continued **trustful and cooperative talks** with current **banking partners**
- 
- (€70m)
- **No forecast possible for FY 2020** due to unpredictable development of pandemic:
    - impact on the economy, customer behaviour, retail turnovers and special tenant arrangements

## Current Regulations in DES' Markets\*

### Germany

- "Soft Lockdown" – until 30 November 2020
- Entertainment, fitness and beauty closed
- F&B only for take away
- Max. 1 customer per 10 m<sup>2</sup> shop area

### Austria

- "Soft Lockdown" – until 30 November 2020
- Entertainment and fitness closed
- F&B only for take away
- Max. 1 customer per 10 m<sup>2</sup> shop area

### Czech Republic

- "Lockdown" – until 20 November 2020
- All non-essential shops closed
- F&B only for take away

### Hungary

- "Soft Lockdown" – until 11 December 2020
- Entertainment and fitness closed
- F&B only for take away
- Shops have to close at 7:00 p.m.

### Poland

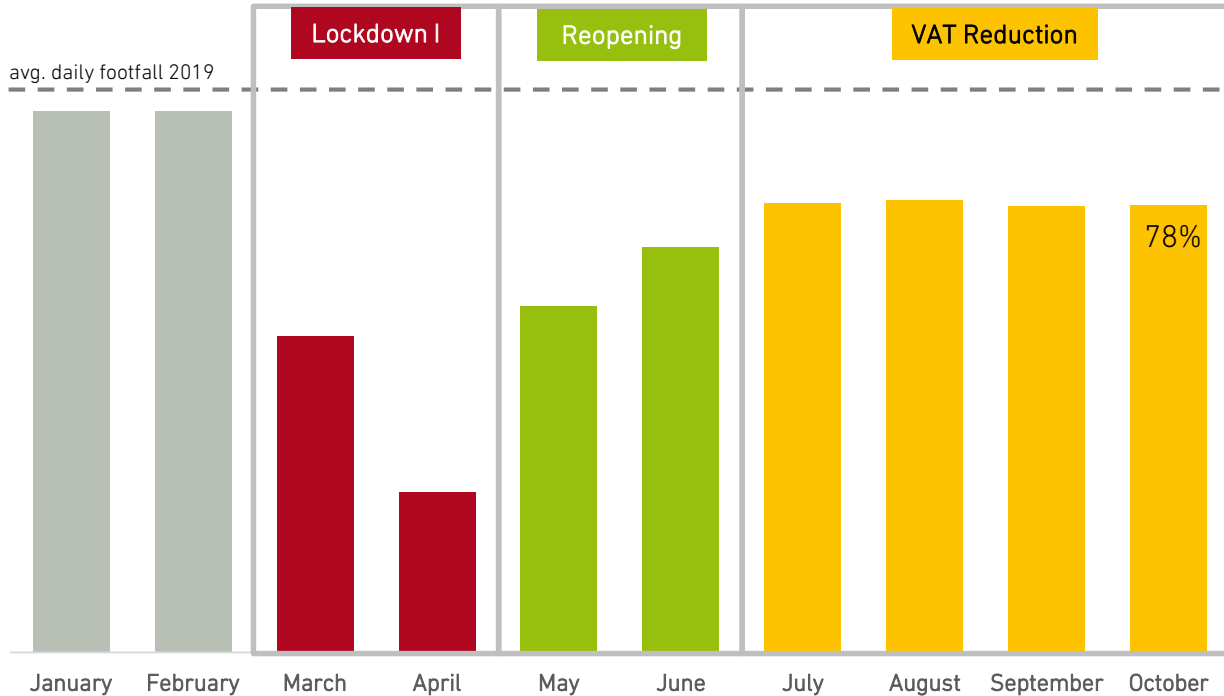
- "Lockdown" – until 29 November 2020
- All non-essential shops closed
- F&B only for take away



\* Status: 12 November 2020; subject to possible short-term regional relaxations/intensifications.

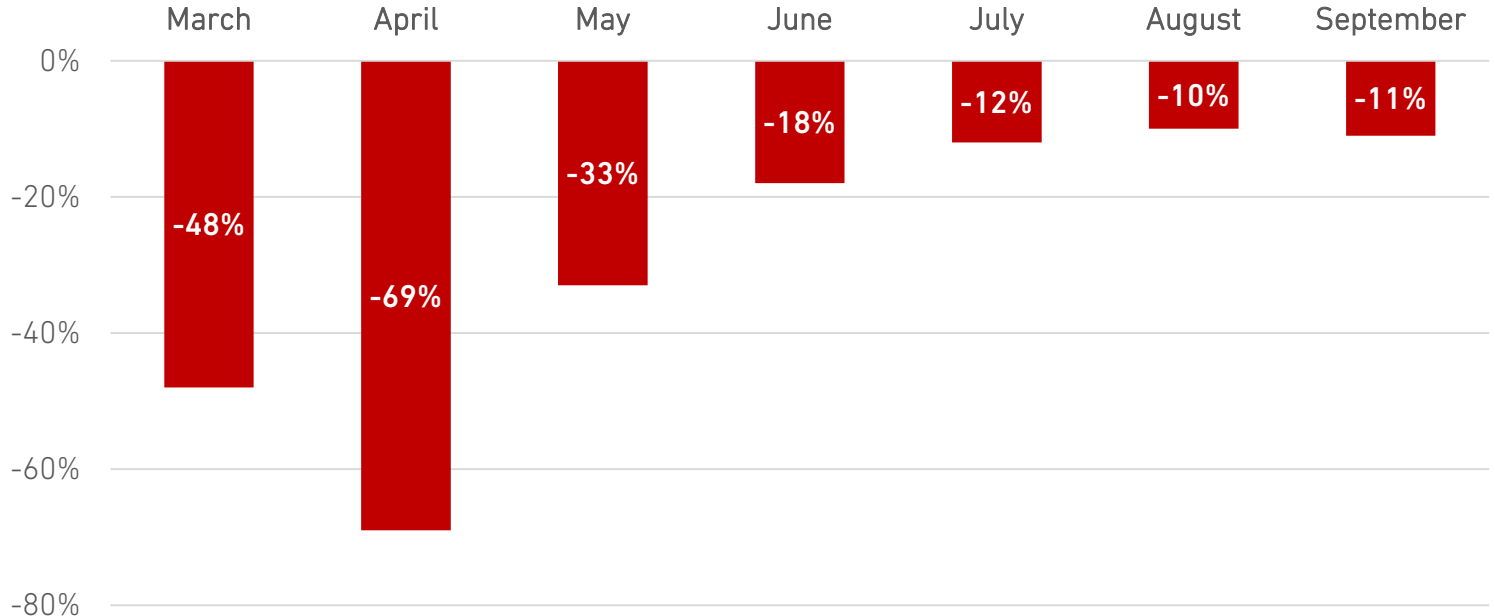
## Corona Impact – Footfall

Development of the average daily frequency since the beginning of 2020 per month

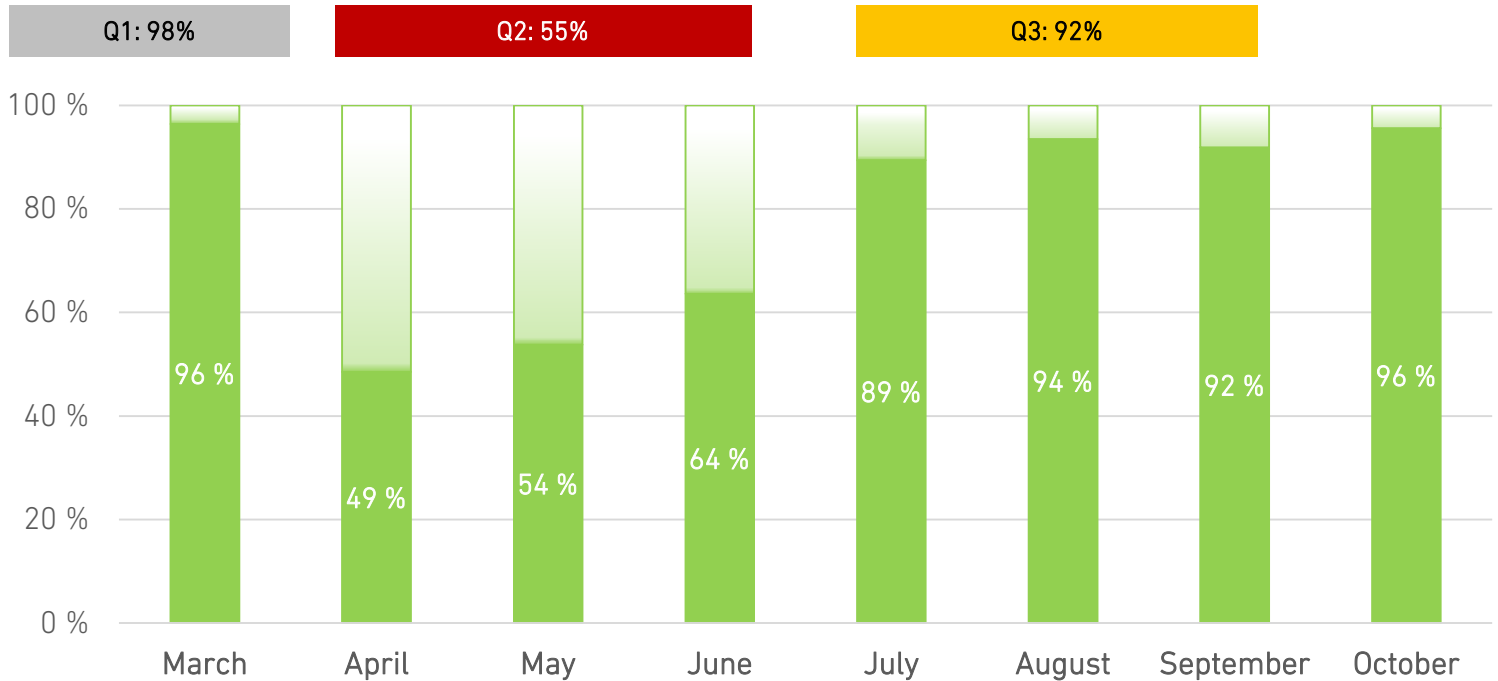


## Corona Impact – Retail Turnover

Development of retail turnover in the German centers 2020 compared to the previous year

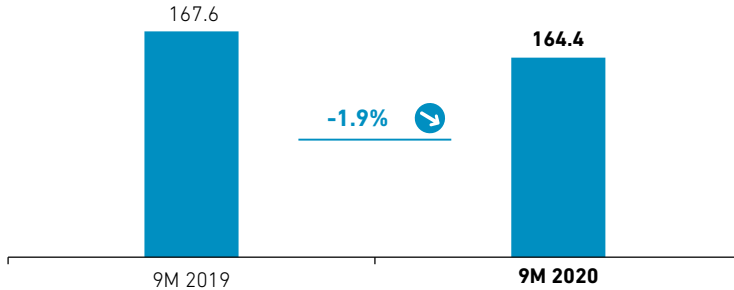


## Corona Impact – Collection Rates 2020



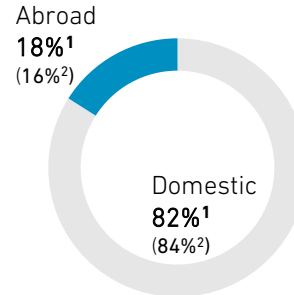
## Revenues – small top line effect from Corona-pandemic

**REVENUE**  
in € million

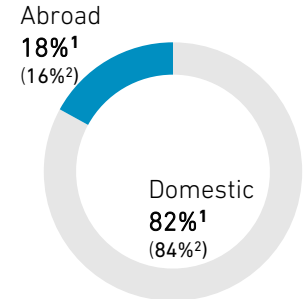


- Recognition of rental income according to lease contracts
- Only slight decrease in revenues to €164.4m (- 1.9%)
- Mainly influenced by the situation in Poland (temporary legal suspension of rents based on a new law to cushion the effects of the pandemic)

**9M 2020**  
Share of revenue



**9M 2019**  
Share of revenue



<sup>1</sup> "look through" (calculated on the basis of the group share)

<sup>2</sup> consolidated



## EBIT burdened by the impact of the Corona-pandemic

### EBIT

in € million

146,9



9M 2019

-19.6% ↓

118,1



9M 2020

### EBIT bridge 9M 2020

in € million

146.9



9M 2019

Revenue

-3.2

Operating and  
administrative  
costs for property

-25.8

Other  
operating  
income and expenses

+0.2

9M 2020

118.1

- EBIT decreased to €118.1m (-19.6%)
- Decline due to the higher allowances for rent receivables due on 30.09.2020 (€ -25.8m) and the Corona-related decline in revenues
- Allowances estimated based on actual or expected losses in connection of tenant support measures and insolvencies

in € thousand

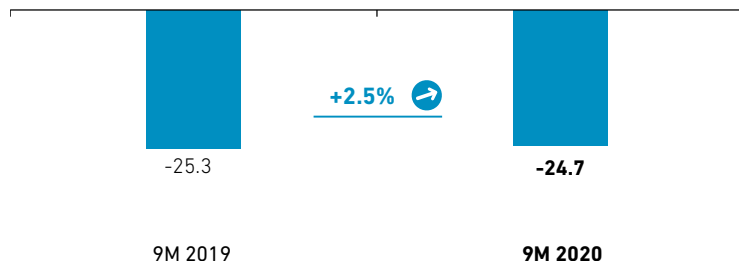
01.01. – 30.09.2020

01.01. – 30.09.2019

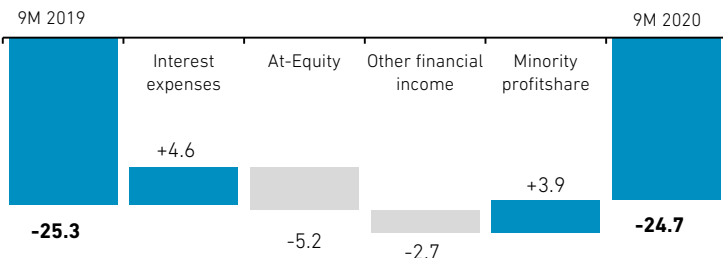
Revenue	164,410	167,594
Operating and administrative costs for property	-43,342	-17,466
<b>NOI</b>	<b>121,068</b>	<b>150,128</b>
Other operating income	2,393	1,346
Other operating expenses	-5,390	-4,562
<b>EBIT</b>	<b>118,071</b>	<b>146,912</b>

## Financial Result<sup>1</sup> slightly increased

### Financial result<sup>1</sup> in € million



### Financial result bridge 9M 2020<sup>1</sup> in € million



- Financial result slightly increased (€+0.6m).
- Interest expenses reduced by €4.6m due to favourable refinancings (Rhein-Neckar-Zentrum Viernheim and A10 Center Wildau)
- At-equity operating profit<sup>1</sup> decreased by €5.2m due to a Corona-related decline in revenues and higher allowances in the joint venture companies
- Minority result declined due to corona-impact (+3.9)
- Other financial income in the prior year was influenced by an exceptional one-off interest income<sup>2</sup> of €2.7m

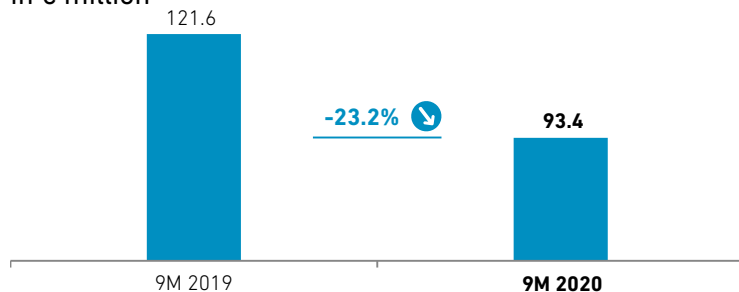
in € thousand	01.01. – 30.09.2020	01.01. – 30.09.2019
At-equity profit/loss	-31,934	21,356
Valuation (at equity)	49,893	1,622
Deferred taxes (at equity)	-88	129
At-equity (operating) profit/loss	17,871	23,107
Interest expense	-32,746	-37,392
Profit/loss attributable to limited partners	-9,802	-13,745
Other financial result	8	2,740
<b>Financial result<sup>1</sup></b>	<b>-24,669</b>	<b>-25,290</b>

<sup>1</sup> excluding valuation

<sup>2</sup> relating to an expected tax refund for previous years

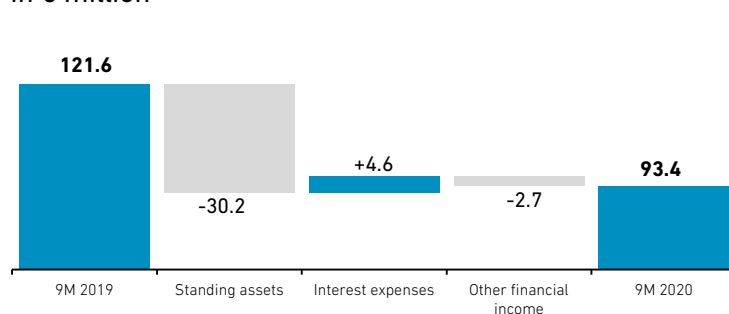
## EBT<sup>1</sup> burdened by the impact of the Corona-pandemic

EBT<sup>1</sup>  
in € million



- EBT (excl. valuation) significantly below previous year -23.2% (€-28.2m) due lower operating results
- Interest savings with positive impact (€+4.6m)
- One-off interest income in relation to tax refunds in 2019 as extraordinary and one-off influence factor

EBT<sup>1</sup> bridge 9M 2020  
in € million

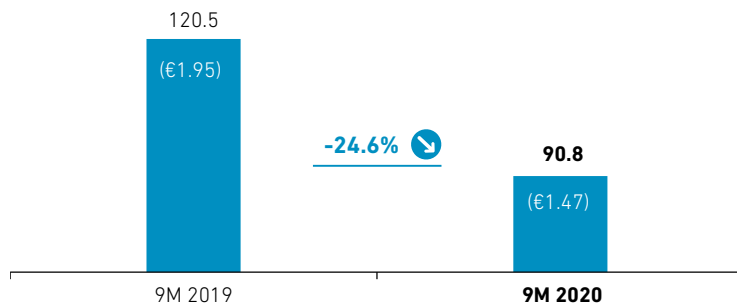


in € thousand	01.01. – 30.09.2020	01.01. – 30.09.2019
EBIT	118,071	146,912
Financial result <sup>1</sup>	-24,669	-25,290
EBT*	93,402	121,622

<sup>1</sup> excluding valuation

## EPRA Earnings

**EPRA earnings**  
in € million (per share in €)



- EPRA earnings declined by €29.7m to €90.8m
- tax refunds and related interest income as extraordinary and one-off influence factor in the prior year (€9.0m<sup>3</sup>)
- EPRA Earnings per share decreased from €1.95 to €1.47

### EPRA EARNINGS

	01.01. – 30.09.2020		01.01. – 30.09.2019	
	in € thousand	per share in €	in € thousand	per share in €
Consolidated profit	<b>-105,533</b>	<b>-1.71</b>	<b>93,340</b>	<b>1.51</b>
Valuation investment properties <sup>1</sup>	221,343	3.58	13,111	0.21
Valuation derivative financial instruments <sup>1</sup>	-88	0.00	-227	0.00
Deferred taxes in respect of EPRA adjustments <sup>2</sup>	-24,944	-0.40	14,231	0.23
<b>EPRA Earnings</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 equity-accounted joint ventures and associates

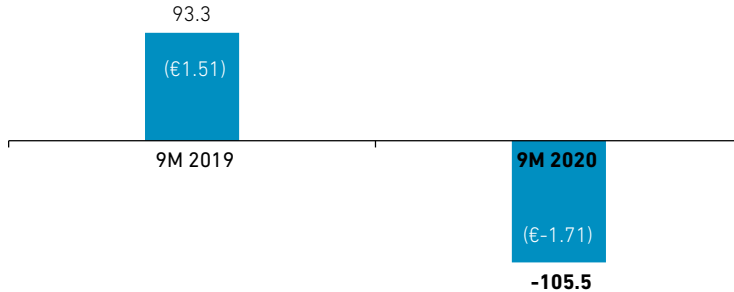
<sup>2</sup> affects deferred taxes on investment properties and derivative financial instruments

<sup>3</sup> including the tax expense attributable to the interest refund

## Consolidated Result – dominated by negative valuation result

### Consolidated result

in € million (per share in €)



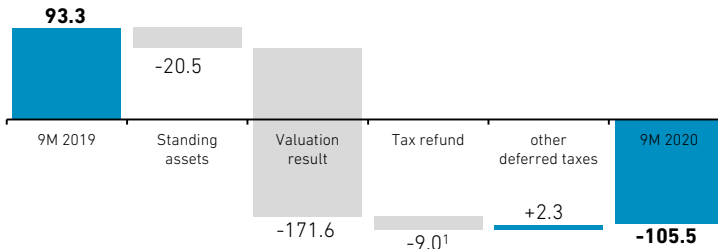
Consolidated result decreased in total by €-198.8m. The following effects are included in that change:

- Valuation result with dominating impact (€-171.6m)
- Reduced result from standing assets (€-20.5m)
- One-off prior year tax refunds (€-9.0m<sup>1</sup>)
- Smaller changes due to other factors, e.g. deferred taxes

Earnings per share decreased from €1.51 to €-1.71

### Consolidated result bridge 9M 2020

in € million

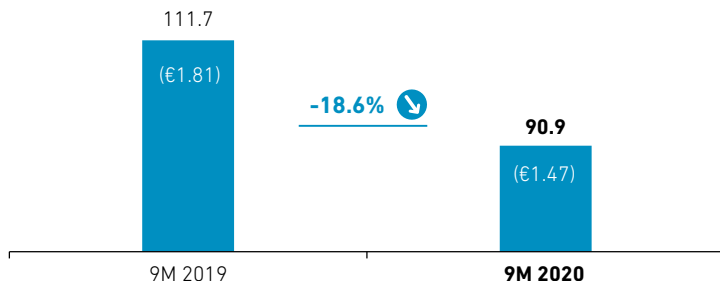


<sup>1</sup> including the tax expense attributable to the interest refund

## 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 €90.9m declined to previous years level (€111.7m), mainly influenced by corona-related lower revenues and higher allowances for rent receivables
- FFO per share decreased from €1.81 to €1.47
- FFO to be analysed in conjunction with the Cash Flow Statement and cash collection ratios (see page 7)

### 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	<b>-105,533</b>	<b>-1.71</b>	<b>93,340</b>	<b>1.51</b>
Valuation investment properties <sup>1</sup>	221,343	3.58	13,111	0.21
Tax refund for previous years <sup>2</sup>	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	

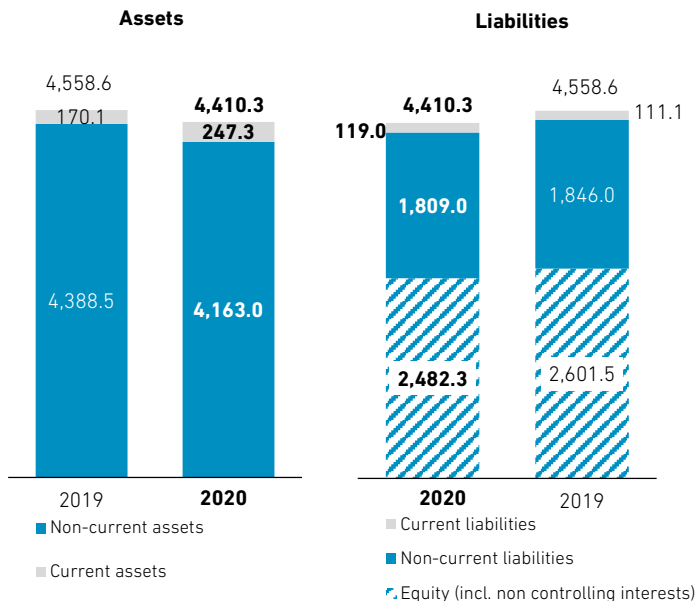
<sup>1</sup> including the share attributable to equity-accounted joint ventures and associates

<sup>2</sup> including the tax expense attributable to the interest refund

## Balance Sheet 30 September 2020 – strong as before

### BALANCE SHEET STRUCTURE

in € million



- Equity ratio stands at a solid 56.3%
- LTV unchanged by 31.5% (“look-through”: 34.3%<sup>3</sup>)
- Group cash position: €213m

### BALANCE SHEET AS AT 30 SEPTEMBER 2020

in € thousand	30.09.2020	31.12.2019	Change
Non-current assets	4,163,032	4,388,455	-225,423
Cash and cash equivalents	213,262	148,087	65,175
Other current assets	34,047	22,063	11,984
<b>Total assets</b>	<b>4,410,341</b>	<b>4,558,605</b>	<b>-148,264</b>
Equity	2,148,336	2,249,573	-101,237
Right to redeem of limited partners	333,952	351,905	-17,953
<b>Equity (including minority interest)</b>	<b>2,482,288</b>	<b>2,601,478</b>	<b>-119,190</b>
Financial liabilities	1,506,766	1,512,347	-5,581
Deferred taxes	355,122	378,755	-23,633
Other liabilities	66,165	66,025	140
<b>Total equity and liabilities</b>	<b>4,410,341</b>	<b>4,558,605</b>	<b>-148,264</b>
Equity ratio in % <sup>1</sup>	56.3%	57.1%	
LTV ratio in % <sup>2</sup>	31.5%	31.5%	
LTV ratio (“look-through”) in % <sup>3</sup>	34.3%	33.7%	

<sup>1</sup> including third-party interest in equity

<sup>2</sup> 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).

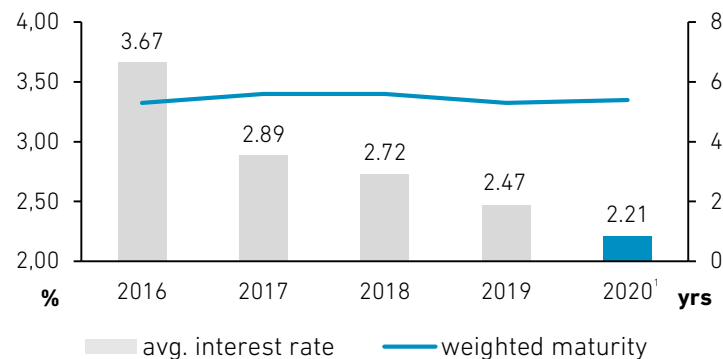
<sup>3</sup> ratio of net financial liabilities to long-term assets, calculated on the basis of the group share

## Loan Structure<sup>1,2</sup>

INTEREST LOCKIN	DURATION	PRINCIPLE AMOUNTS (€ MILLION)	SHARE OF TOTAL LOAN	AVG. INTEREST RATE
Up to 1 year		2.6	0.2%	3.37%
1 to 5 years	2.5	550.2	36.5%	3.12%
5 to 10 years	7.3	692.9	46.0%	2.37%
Over 10 years	10.5	262.2	17.3%	1.47%
<b>Total<sup>1</sup></b>	<b>5.4</b>	<b>1,507.8</b>	<b>100%</b>	<b>2.21%</b>

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

→ Weighted maturity of fixed interest periods **5.4 years<sup>1</sup>**



<sup>1</sup> as of 30 September 2020

<sup>2</sup> excl. non-consolidated loans



## Loan Maturities until 2026<sup>1,2</sup>

IN € MILLION	END OF FIXED INTEREST PERIODS RESPECTIVELY EXPIRING LOANS	AVG. INTEREST RATE	REGULAR REDEMPTION PAYMENTS	TOTAL MATURITIES	Already fixed:
2020	134.1	4.52%	2.6	<b>136.7</b>	€139.9m, 1.68%, 10y (01/2020)
2021	198.3	4.48%	14.3	<b>212.6</b>	€70.0m, 1.37%, 10y (01/2021) €70.3m, 1.18%, 10y (07/2021)
2022	225.6	3.26%	10.6	<b>236.2</b>	
2023	209.0	2.99%	9.2	<b>218.2</b>	
2024	0		9.6	<b>9.6</b>	
2025	58.3	2.07%	10.1	<b>68.4</b>	
2026	168.6	2.39%	5.1	<b>173.7</b>	
	<b>993.9</b>				

### At-equity consolidated loans<sup>1</sup>

IN € MILLION	END OF FIXED INTEREST PERIODS RESPECTIVELY EXPIRING LOANS	AVG. INTEREST RATE	DES' SHARE	
2020	47.1	4.23%	50%	€59.0m, 1.09%, 9y (06/2020)
2021	63.3	4.59%	50%	Phoenix-Center, Hamburg
2022-2025	0			
2026	88.0	2.16%	50%	

<sup>1</sup> as of 30 September 2020

<sup>2</sup> excl. at-equity consolidated loans

## Outlook

### Leasing

- stabilisation of situation and arrangements with tenants as well as releasing activities as key tasks for the coming months

### Digital Mall

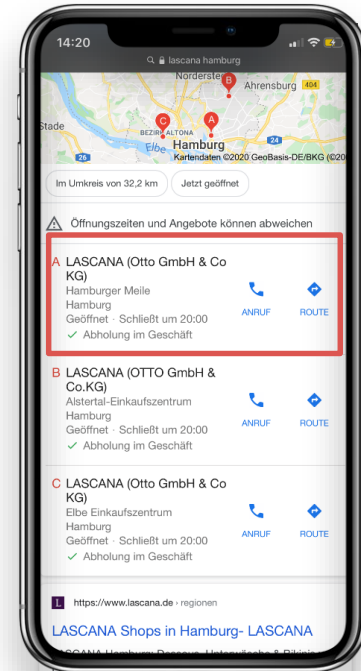
- now connected to Google's „See what's in store“ feature (concept)
- delivery case is currently being tested with a closed user group
- onboarding of retailers continues

### Financing

- cooperative dialogue with the banks

### Forecast

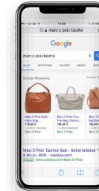
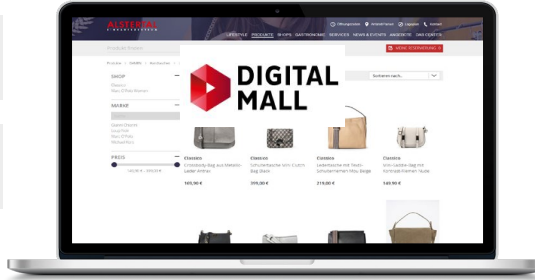
- given the uncertainty about the duration and impact of the Corona pandemic a forecast for the FY 2020 is not possible.
- Hopes rise for end of pandemic as **vaccine** is effective



# Update Digital Mall - Onboarding

**76** DIGITAL MALL  
RETAIL PARTNERS

**750** SHOPS LIVE



CENTERS LIVE **56**

AVAILABLE  
PRODUCTS **2.8M**



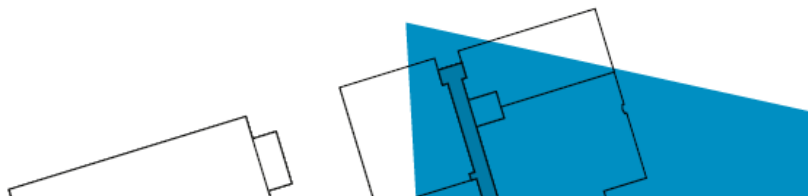
# Financial Calendar

## 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 Conference 2021 (virtual)
19.01.	Kepler Cheuvreux GCC (virtual)
25.03.	Bank of America EMEA Real Estate CEO Conference 2021 (virtual)
28.04.	Publication of the Annual Report 2020
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



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### Important Notice: Forward-Looking Statements

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.

### 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 (-).

