KEY CONSOLIDATED FIGURES

in € million	01.01.– 30.06.2020	01.01.– 30.06.2019	+/-
Revenue	109.4	111.9	-2.2%
Net operating income (NOI)	80.0	100.4	-20.3%
EBIT	78.5	98.2	-20.1%
EBT (excluding measurement gains/losses [1])	62.1	81.9	-24.2%
EPRA [2] earnings [5]	59.8	84.3	-29.1%
FFO	59.9	75.9	-21.1%
Consolidated profit	-129.3	66.2	-295.2%

in €	01.01.– 30.06.2020	01.01.– 30.06.2019	+/-
EPRA [2] earnings per share [5]	0.97	1.37	-29.2%
FFO per share	0.97	1.22	-20.5%
Earnings per share	-2.09	1.07	-295.3%
Weighted number of no-par-value shares issued	61,783,594	61,783,594	0.0%

in € million	30.06.2020	31.12.2019	+/-
Equity [3]	2,454.0	2,601.5	-5.7%
Liabilities	1,926.2	1,957.1	-1.6%
Total assets	4,380.2	4,558.6	-3.9%
EPRA [2] NAV	2,454.7	2,613.4	-6.1%
EPRA [2] NAV per share in €	39.73	42.30	-6.1%
Equity ratio in % [3]	56.0	57.1	
LTV ratio in % [4]	32.5	31.5	
Cash and cash equivalents	178.8	148.1	20.7%

1 Including the share attributable to joint ventures and associates accounted for using the equity method
2 European Public Real Estate Association
3 Including third-party interests in equity
4 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)
5 EPRA earnings include a one-off tax refund in the same period of the previous year, including interest accrued for previous years. Without this tax refund, EPRA earnings in the previous year would have totalled €75.3 million or €1.22 per share.

LETTER FROM THE EXECUTIVE BOARD

DEAR SHAREHOLDERS, DEAR READERS,

The financial year 2020 started off as planned, but since March 2020 the coronavirus pandemic has been posing major challenges to society, the economy, and to Deutsche EuroShop too. The spread of the virus caused extraordinary reductions in business activities both for our rental partners and for us. A lockdown of almost all shops in the centers was followed by a demanding phase of safe reopenings and the current ongoing phase of centers operating under a variety of preventive measures.

At the beginning of the pandemic, we quickly and rigorously took all the measures needed to cushion the effects of the crisis on us and our stakeholders as best we could. To further improve our liquidity and financial leeway, operating costs were reduced and non-essential investments halted or postponed. The dividend payment for financial year 2019 has been suspended. At the same time, we have been in detailed discussions with our banks and have successfully secured the refinancing due this current year.

In this difficult situation we have provided temporary relief for our tenants beyond the legal requirements, and refrained from taking legal enforcement action for rent arrears caused by the coronavirus pandemic against the tenants concerned for the time being. In the spirit of a partnership-based approach we are talking with all the tenants affected about fair solutions and sharing the pain, in each case depending on the individual situation. We are convinced that in this special situation, this is the best foundation for shared and sustainable business success in the future.

Despite all the challenges, we have observed a positive trend in consumer behaviour in recent weeks which makes us more optimistic: people are coming back to the centers and are following the special requirements to contain the pandemic, so that centers and shops operate safely at all times. Since the end of the lockdown, footfall in our centers has risen to 77% of the previous year's level at present, and tenants' revenues in June increased further to 82%. The ratio of rent paid to rent due, known as the collection ratio, has also improved significantly. After an average of 48% of all rent receivables were paid in the second quarter, the collection ratio for July was 78%. Overall, these figures indicate a positive trend, although in some cases they are still far from their normal levels.

The coronavirus pandemic had a significant negative impact on our results of operations and measurement gains / losses in the first half of the year. Thanks to our solid balance sheet, low level of debt and continued stable liquidity position we are well placed to cope with this. There is still considerable uncertainty about what the future holds for the general economic situation and the coronavirus pandemic, as well as their ongoing impacts on our business. This is particularly the case as regards the spending power of private households and consumer behaviour, which are key for us and for the further recovery of our operating business. On this basis, it is currently not possible to issue a reliable business outlook for the second half of 2020. We will issue a forecast as soon as we can adequately quantify the impact of the corona pandemic.

In this special situation with the coronavirus pandemic we have implemented or initiated all important measures we are able to influence to overcome the crisis. We are in close dialogue with our business partners, especially our tenants, and are confident that the situation will continue to stabilise.

We thank you for your continued trust.

Hamburg, August 2020

Wilhelm Wellner   Olaf Borkers

BASIC INFORMATION ABOUT THE GROUP

GROUP BUSINESS MODEL

Deutsche EuroShop is an Aktiengesellschaft (public company) under German law. The Company's registered office is in Hamburg. Deutsche EuroShop is the only public company in Germany to invest solely in shopping centers in prime locations. A total of 21 shopping centers in Germany, Austria, Poland, Hungary and the Czech Republic are held in the real estate portfolio. The Group generates its reported revenue from rental income on the space it lets in the shopping centers.

The shopping centers are held by independent companies, with Deutsche EuroShop holding stakes of 100% in twelve of them and between 50% and 75% in the other nine. The operational management of the shopping centers is contracted out to external service providers under agency contracts.

The Group managing company is Deutsche EuroShop AG. It is responsible for corporate strategy, portfolio and risk management, financing and communication. The Deutsche EuroShop Group has a central structure and lean personnel organisation.

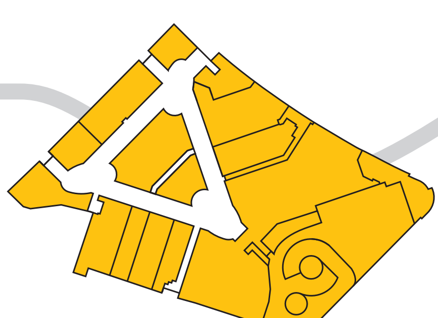
The share capital amounted to €61,783,594 on 30 June 2020 and was composed of 61,783,594 no-par value registered shares. The notional value of each share is €1.00.

OBJECTIVES AND STRATEGY

The management focuses on investments in high-quality shopping centers in city centers and established locations offering the potential for stable, long-term value growth. A key investment target is the generation of high surplus liquidity from long-term leases in shopping centers, of which a significant part can be paid out to shareholders in the form of an annual dividend. To this end, the Company invests its capital in shopping centers in different European regions in accordance with the principle of risk diversification. Germany is the main focus for investment. Indexed and turnover-linked commercial rents ensure that high earnings targets are achieved.

The Company may invest up to 10% of equity in joint ventures in shopping center projects in the early stages of development.

New investments should be financed from a balanced mix of sources, and external financing may not account for more than 55% of financing across the Group over the long term. As a general rule, long-term interest rates are fixed when loans are taken out or renewed, with the goal of keeping the duration (average fixed interest period) at over five years.



MANAGEMENT SYSTEM

The Executive Board of Deutsche EuroShop AG manages the Company in accordance with the provisions of German company law and with its rules of procedure. The Executive Board's duties, responsibilities and business procedures are laid down in its rules of procedure and in its schedule of responsibilities.

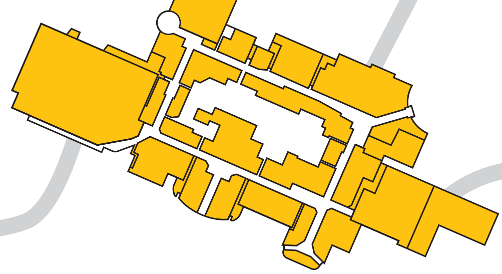
The management indicators (performance indicators) are based on the targets of having shopping centers with sustainable and stable value growth and generating a high liquidity surplus from their long-term leases. These indicators are revenue, EBIT (earnings before interest and taxes), EBT (earnings before taxes) excluding measurement gains / losses and FFO (funds from operations).

Due to the higher rent defaults and arrears as a result of the coronavirus, these management metrics currently have only limited information value in some cases, so the collection ratio will be used for management purposes as a supplement until further notice. The collection ratio measures the ratio of incoming payments to rent and service charge receivables from tenants.

ECONOMIC REVIEW

MACROECONOMIC AND SECTOR-SPECIFIC CONDITIONS

The coronavirus pandemic slammed the brakes on economic performance all over the world. In Germany, Deutsche EuroShop's main market, gross domestic product (GDP) fell by a further 11.7% in real terms in the second quarter following a 2.0% decline in the first quarter of 2020 – the sharpest decline since quarterly GDP calculations in Germany began in 1970. The unemployment rate at the end of June 2020 stood at 6.3% (end-July 2019: 5.0%). Despite a few new regional centers of infection, consumer sentiment in Germany has recovered since May, albeit at a low level. There has been a positive trend in both economic and income expectations and in the propensity to spend money. Although consumer sentiment has brightened, Germany's shoppers are still some way from being in a "good" shopping mood. According to the Federal Statistical Office, German retail sales (including online spending) rose by 2.0% year-on-year in real terms in the first six months of 2020. Online and mail-order continued to be the main growth drivers (+19.7%), whereas bricks and mortar retailers were affected by the lockdown measures and reported a decline in sales (-0.6%).



RESULTS OF OPERATIONS

in € thousand	01.01. – 30.06.2020		01.01. – 30.06.2019		Change +/-	Change in %
Revenue		109,422		111,884	-2,462	-2.2
Operating and administrative costs for property		-29,376		-11,471	-17,905	-156.1
NOI		**80,046**		**100,413**	**-20,367**	**-20.3**
Other operating income		2,089		712	1,377	193.4
Other operating expenses		-3,636		-2,920	-716	-24.5
EBIT		**78,499**		**98,205**	**-19,706**	**-20.1**
At-equity profit / loss	*-37,300*		*14,092*			
Measurement gains / losses (at equity)	*49,171*		*1,248*			
Deferred taxes (at equity)	*-146*		*93*			
At-equity (operating) profit / loss		11,725		15,433	-3,708	-24.0
Interest expense		-21,979		-25,132	3,153	12.5
Profit / loss attributable to limited partners		-6,198		-9,320	3,122	33.5
Other financial gains or losses		6		2,687	-2,681	-99.8
Financial gains or losses (excl. measurement gains / losses)		**-16,446**		**-16,332**	**-114**	**-0.7**
EBT (excl. measurement gains / losses)		**62,053**		**81,873**	**-19,820**	**-24.2**
Measurement gains / losses	*-168,702*		*-7,143*			
Measurement gains / losses (at equity)	*-49,171*		*-1,248*			
Measurement gains / losses (including at-equity profit / loss)		-217,873		-8,391	-209,482	-2,496.5
Taxes on income and earnings		-2,195		2,942	-5,137	-174.6
Deferred taxes	*28,564*		*-10,095*			
Deferred taxes (at equity)	*146*		*-93*			
Deferred taxes (including at equity)		28,710		-10,188	38,898	381.8
CONSOLIDATED PROFIT		**-129,305**		**66,236**	**-195,541**	**-295.2**

Revenue affected by the coronavirus pandemic

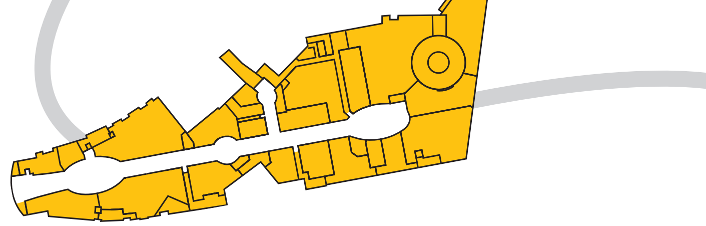
Revenue for the reporting period came in at €109.4 million, which was 2.2% lower on a comparable basis than in the same period of the previous year (€111.9 million). This was due to the legal arrangements adopted in our foreign markets from mid-March to cushion the effects of the coronavirus pandemic, which included the temporary suspension of payment obligations under lease arrangements for tenants affected by the closures (€2.0 million). We refer here to the further explanations under "Effects of the coronavirus pandemic on the half-year financial report dated 30 June 2020" on page 12 of this report, which illustrates the relevant accounting policies and valuation methods.

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 €17.9 million to €29.4 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 €19.0 million (previous year: €0.9 million). With regard to the relevant accounting policies and valuation methods, we also refer to the further explanations under "Effects of the coronavirus pandemic on the half-year financial report dated 30 June 2020" on page 12 ff. of this report.

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, amounted to €2.1 million and was therefore significantly higher than in the previous year.



At €3.6 million, other operating expenses, most of which related to general administrative and personnel expenses, were up on the same period last year, in particular as a result of one-off financing costs in connection with the extension of our credit line (€0.5 million) as well as higher consulting costs (€0.2 million).

EBIT significantly lower than last year

Earnings before interest and taxes (EBIT) at €78.5 million were well below the figure for the previous year (€98.2 million), largely due to the write-down of accumulated rent arrears and the coronavirus-driven decline in revenue.

Financial gains / losses almost at previous year's level

At €16.4 million, financial gains / losses (excluding measurement gains / losses) were almost unchanged year on year (previous year: €16.3 million) and is the result of opposing, mutually offsetting effects. The at-equity (operating) profit / loss fell by €3.7 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 €3.2 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 in line with the reduced EBIT.

EBIT (excluding measurement gains / losses) falls by a quarter due to corona

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 €81.9 million to €62.1 million (-24.2%).

Measurement gains / losses negative in a changed market environment

The coronavirus pandemic also had an impact on the valuation of the Group's real estate assets in accordance with IAS 40 and led to a measurement loss of €-217.9 million. Of this, €-168.7 million after minority interests was attributable to the measurement of the real estate assets reported by the Group and €-49.2 million to the measurement of the real estate assets of joint ventures accounted for using the equity method.

The average value of Group properties after ongoing investments fell by 5.5% in the first half of 2020; the range of changes in market value was between -3.1% and -9.9%. While the occupancy rate remained high at 97.0% (-0.6% compared with the last reporting date), the measurement of the property portfolio against the background of the coronavirus pandemic was materially influenced by several factors. Among the issues contributing to the decreases in value were higher purchase yields for shopping centers, a reduction in the average market rent, expected longer re-letting periods and increased investment requirements.

Taxes on income and earnings

Taxes on income and earnings amounted to €-2.2 million (previous year: tax income of €2.9 million) and included a trade tax refund of €7.1 million in the previous year. Deferred taxes resulted in income of €28.7 million (previous year: deferred tax expense of €-10.2 million) due to the devaluation of real estate assets.

EPRA earnings and consolidated profit significantly lower

EPRA earnings, which exclude measurement gains / losses, fell significantly to €59.8 million or €0.97 per share, 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 valuation loss resulted in a consolidated loss of €-129.3 million, after a consolidated profit of €66.2 million in the same period of the previous year. Earnings per share amounted to €-2.09 (previous year: €1.07).

EPRA EARNINGS

	01.01.–30.06.2020		01.01.–30.06.2019	
	in € thousand	per share in €	in € thousand	per share in €
Consolidated profit	-129,305	-2.09	66,236	1.07
Measurement gains / losses investment properties[1]	217,873	3.53	8,391	0.14
Measurement gains / losses derivative financial instruments[1]	-88	0.00	-141	0.00
Deferred tax adjustments pursuant to EPRA[2]	-28,710	-0.47	9,820	0.16
EPRA EARNINGS[3]	**59,770**	**0.97**	**84,306**	**1.37**
Weighted number of no-par-value shares issued		61,783,594		61,783,594

1 Including the share attributable to joint ventures and associates accounted for using the equity method

2 Affects deferred taxes on investment properties and derivative financial instruments

3 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 €75.3 million or €1.22 per share.

Development of funds from operations (FFO)

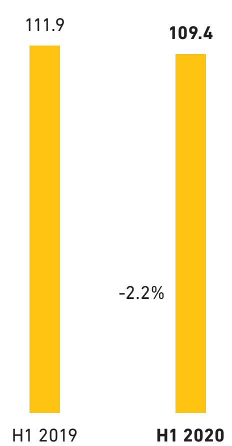
Funds from operations (FFO) are used to finance our ongoing investments in portfolio properties, scheduled repayments on our long-term bank loans and as the basis for the distribution of dividends. Significant non-recurring effects that are not part of the Group's operating activities are eliminated in the calculation of FFO. FFO declined from €75.9 million to €59.9 million or by €0.25 per share to €0.97. 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 ratio was 97% in the first quarter and 48% in the second quarter.

FUNDS FROM OPERATIONS

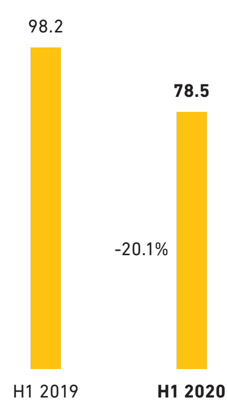
	01.01.–30.06.2020		01.01.–30.06.2019	
	in € thousand	per share in €	in € thousand	per share in €
Consolidated profit	-129,305	-2.09	66,236	1.07
Measurement gains / losses investment properties[1]	217,873	3.53	8,391	0.14
Tax refund for previous years	0	0.00	-8,961	-0.15
Deferred taxes[1]	-28,710	-0.47	10,188	0.16
FFO	**59,858**	**0.97**	**75,854**	**1.22**
Weighted number of no-par-value shares issued		61,783,594		61,783,594

[1] Including the share attributable to joint ventures and associates accounted for using the equity method

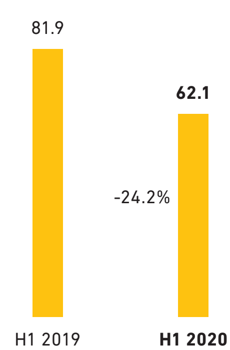
REVENUE
in € million



EBIT
in € million

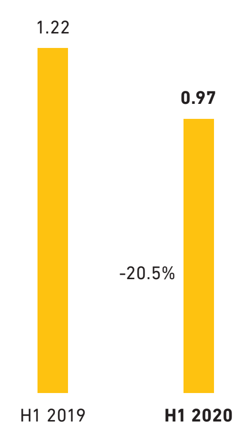


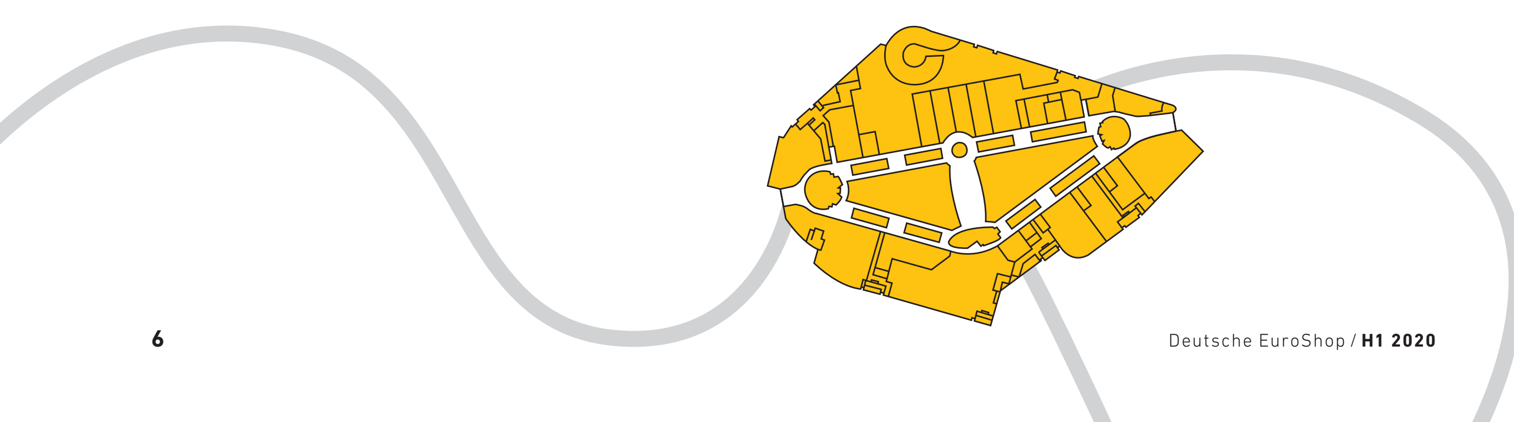
EBT*
in € million

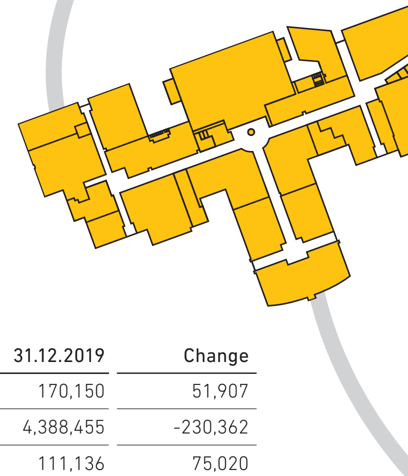


* excluding measurement gains / losses

FFO PER SHARE
in €







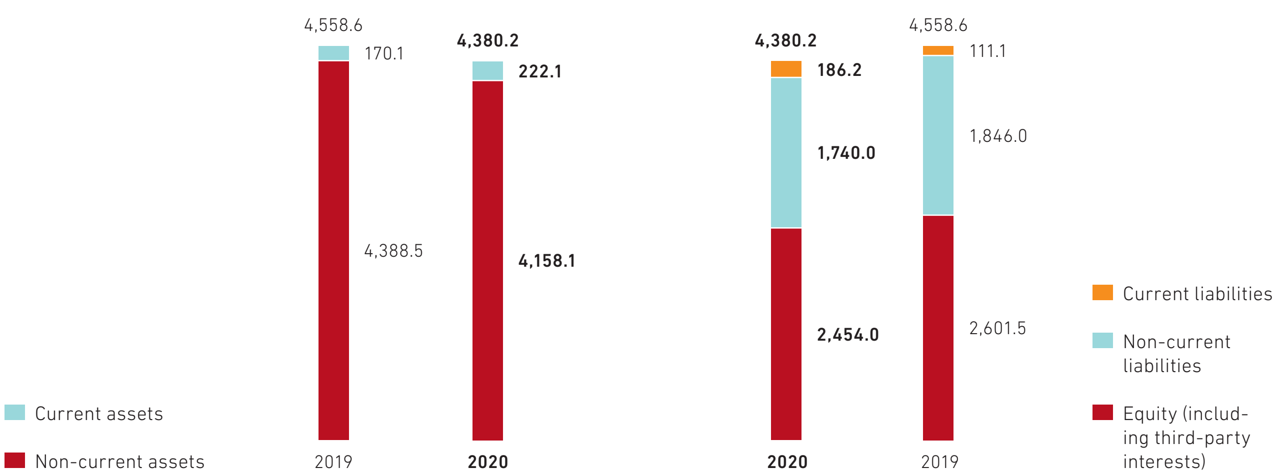
FINANCIAL POSITION AND NET ASSETS

Net assets and liquidity

The Deutsche EuroShop Group's total assets decreased by €178.4 million to €4,380.2 million compared with the last reporting date, primarily due to the decline in the market value of real estate. By contrast, liquidity increased by €30.7 million to €178.8 million during the period. After a significant increase in liquidity in the first quarter of the year, this remained stable overall in the second quarter of 2020. Due to the low collection ratio in the second quarter as a result of the coronavirus, the Group's receivables increased significantly by €21.0 million (after write-downs). Current liabilities increased mainly due to loans which are due to expire at the end of June 2021, and which were reclassified from non-current liabilities to current liabilities accordingly.

in € thousand	30.06.2020	31.12.2019	Change
Current assets	222,057	170,150	51,907
Non-current assets	4,158,093	4,388,455	-230,362
Current liabilities	186,156	111,136	75,020
Non-current liabilities	1,740,024	1,845,991	-105,967
Equity (including third-party interests)	2,453,970	2,601,478	-147,508
TOTAL ASSETS	**4,380,150**	**4,558,605**	**-178,455**

BALANCE SHEET STRUCTURE
in € million



Equity ratio of 56.0%

The equity ratio (including the shares of third-party shareholders) was 56.0%, slightly down compared with the last reporting date (57.1%) and still at a very healthy level.

Leverage ratio remains low

As at 30 June 2020, current and non-current financial liabilities stood at €1,511.5 million, which was €0.9 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 devaluations on shopping centers, the loan-to-value ratio is a very solid 32.5% (31 December 2019: 31.5%).

Non-current deferred tax liabilities declined by €27.7 million to €351.1 million as the market value of real estate fell. Other current and non-current liabilities and provisions decreased by €2.4 million.

EPRA net asset value declines due to property devaluations

Net asset value (NAV) as at 30 June 2020 was €2,454.7 million, compared with € 2,613.4 million at the end of 2019. This is equivalent to a decline in net asset value per share of €2.57, from €42.30 to €39.73 (-6.1%).

EPRA NAV

	30.06.2020		31.12.2019	
	in € thousand	per share in €	in € thousand	per share in €
Equity	2,123,383	34.37	2,249,573	36.41
Derivative financial instruments measured at fair value[1]	29,057	0.47	33,726	0.55
Equity excluding derivative financial instruments	**2,152,440**	**34.84**	**2,283,299**	**36.96**
Deferred taxes on investment properties and derivative financial instruments[1]	355,996	5.76	383,818	6.21
Goodwill as a result of deferred taxes	-53,727	-0.87	-53,727	-0.87
EPRA NAV	**2,454,709**	**39.73**	**2,613,390**	**42.30**
Number of no-par-value shares issued as at the reporting date		61,783,594		61,783,594

[1] Including the share attributable to equity-accounted joint ventures and associates

REPORT ON EVENTS AFTER THE REPORTING DATE

No significant events occurred between the reporting date of 30 June 2020 and the date of preparation of the financial statements.

OUTLOOK

ECONOMIC CONDITIONS

For 2020, the German Council of Economic Experts expects the German economy to shrink very significantly by 6.5% in real terms. With regard to price trends, the experts at the Federal Ministry of Economics and Energy expect the inflation rate to fall to 0.5% and the number of unemployed and recipients of short-time working benefits to rise sharply towards the end of the year as a result of the coronavirus pandemic. As a result, economists expect private consumer spending to fall by 7.4% and the savings rate to rise significantly to 12.5% of disposable income. This money will be missed by the retail sector, as will the lost sales from the lockdown phase. The economic stimulus measures recently adopted by the Federal Government (including bridging assistance, a child bonus for families and a reduction in VAT) may provide some relief. For the coming year the German Council of Economic Experts considers a V-shaped recovery of the German economy to be possible, while other institutions such as the OECD and the Bundesbank expect a slower recovery.

EXPECTED RESULTS OF OPERATIONS AND FINANCIAL POSITION

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. Operating figures, especially customer footfall and tenant revenues, have been performing positively since stores reopened, and collection ratios have also improved further recently. However, the figures are still significantly below where they were a year ago. We are in detailed discussions with our tenants to find viable economic solutions for both sides. We have already been able to reach some initial agreements, but are still in ongoing negotiations with the majority of our tenants. Moreover, the course of business over the rest of 2020 will depend on how the pandemic develops and the protective measures required. A quantifiable estimate is still not reliably possible at the present time. However, we do not expect to be able to make up the accumulated revenue falls and the write-downs in the first half by the end of the year, so revenue, EBIT, EBT (excluding measurement gains / losses) and FFO will therefore be below the 2019 figures. A new forecast will be issued as soon as the effects of the coronavirus pandemic can be adequately quantified.

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.

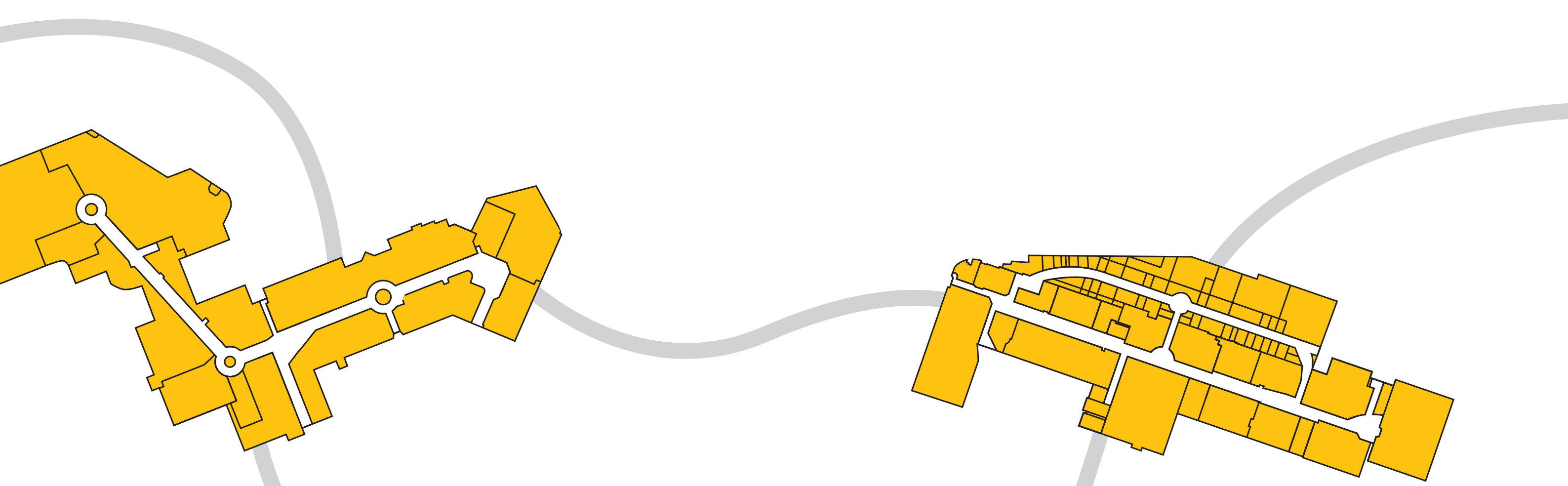
CONSOLIDATED BALANCE SHEET

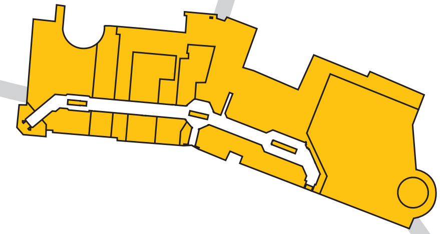
ASSETS

in € thousand	30.06.2020	31.12.2019
ASSETS		
Non-current assets		
Intangible assets	53,746	53,752
Property, plant and equipment	386	424
Investment properties	3,635,872	3,822,786
Investments accounted for using the equity method	468,089	511,493
Non-current assets	**4,158,093**	**4,388,455**
Current assets		
Trade receivables	28,390	7,417
Other current assets	14,863	14,646
Cash and cash equivalents	178,804	148,087
Current assets	**222,057**	**170,150**
TOTAL ASSETS	**4,380,150**	**4,558,605**

LIABILITIES

in € thousand	30.06.2020	31.12.2019
EQUITY AND LIABILITIES		
Equity and reserves		
Issued capital	61,784	61,784
Capital reserves	1,217,560	1,217,560
Retained earnings	844,039	970,229
Total equity	**2,123,383**	**2,249,573**
Non-current liabilities		
Financial liabilities	1,359,109	1,433,373
Deferred tax liabilities	351,079	378,755
Right to redeem of limited partners	330,587	351,905
Other liabilities	29,836	33,863
Non-current liabilities	**2,070,611**	**2,197,896**
Current liabilities		
Financial liabilities	152,349	78,974
Trade payables	2,692	5,805
Tax liabilities	2,102	1,401
Other provisions	5,691	8,120
Other liabilities	23,322	16,836
Current liabilities	**186,156**	**111,136**
TOTAL EQUITY AND LIABILITIES	**4,380,150**	**4,558,605**



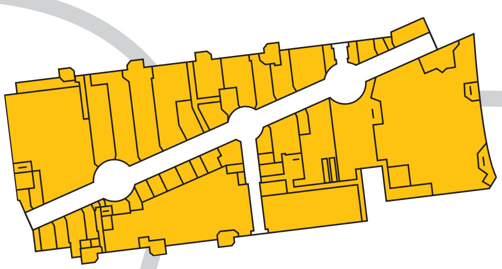


CONSOLIDATED INCOME STATEMENT

in € thousand	01.04.–30.06.2020	01.04.–30.06.2019	01.01.–30.06.2020	01.01.–30.06.2019
Revenue	53,666	55,650	109,422	111,884
Property operating costs	-21,252	-2,965	-24,326	-5,922
Property management costs	-2,398	-2,900	-5,050	-5,549
Net operating income (NOI)	**30,016**	**49,785**	**80,046**	**100,413**
Other operating income	1,434	561	2,089	712
Other operating expenses	-1,258	-1,429	-3,636	-2,920
Earnings before interest and taxes (EBIT)	**30,192**	**48,917**	**78,499**	**98,205**
Share in the profit or loss of associated companies and joint ventures accounted for using the equity method	-43,817	7,119	-37,300	14,092
Interest expense	-10,976	-12,602	-21,979	-25,132
Profit / loss attributable to limited partners	-1,796	-4,676	-6,198	-9,320
Interest income	1	111	6	2,687
Financial gains or losses	**-56,588**	**-10,048**	**-65,471**	**-17,673**
Measurement gains / losses	**-163,967**	**-5,226**	**-168,702**	**-7,143**
Earnings before tax (EBT)	**-190,363**	**33,643**	**-155,674**	**73,389**
Taxes on income and earnings	33,024	-6,812	26,369	-7,153
CONSOLIDATED PROFIT	**-157,339**	**26,831**	**-129,305**	**66,236**
Earnings per share (€), undiluted and diluted	-2.54	0.43	-2.09	1.07

STATEMENT OF COMPREHENSIVE INCOME

in € thousand	01.04.–30.06.2020	01.04.–30.06.2019	01.01.–30.06.2020	01.01.–30.06.2019
Consolidated profit	**-157,339**	**26,831**	**-129,305**	**66,236**
Items which under certain conditions in the future will be reclassified to the income statement:				
Actual share of the profits and losses from instruments used to hedge cash flows	2,229	-829	4,003	-2,330
Deferred taxes on changes in value offset directly against equity	-495	196	-888	540
Total earnings recognised directly in equity	**1,734**	**-633**	**3,115**	**-1,790**
TOTAL PROFIT	**-155,605**	**26,198**	**-126,190**	**64,446**
Share of Group shareholders	-155,605	26,198	-126,190	64,446



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
01.01.2019	**61,783,594**	**61,784**	**1,217,560**	**974,484**	**2,000**	**-26,080**	**2,229,748**
Total profit		0	0	66,236	0	-1,790	64,446
Dividend payments		0	0	-92,675	0	0	-92,675
30.06.2019	**61,783,594**	**61,784**	**1,217,560**	**948,045**	**2,000**	**-27,870**	**2,201,519**
01.01.2020	**61,783,594**	**61,784**	**1,217,560**	**993,900**	**2,000**	**-25,671**	**2,249,573**
Total profit		0	0	-129,305	0	3,115	-126,190
Dividend payments		0	0	0	0	0	0
30.06.2020	**61,783,594**	**61,784**	**1,217,560**	**864,595**	**2,000**	**-22,556**	**2,123,383**

CONSOLIDATED CASH FLOW STATEMENT

in € thousand	01.01. – 30.06.2020	01.01. – 30.06.2019
Consolidated profit	**-129,305**	**66,236**
Income taxes	-26,369	7,153
Financial gains or losses	65,471	17,673
Amortisation / depreciation of intangible assets and property, plant and equipment with a finite life	72	89
Unrealised changes in fair value of investment property and other measurement gains / losses	168,702	7,143
Distributions and capital repayments received	6,104	13,104
Changes in trade receivables and other assets	-21,190	519
Changes in current provisions	-2,429	624
Changes in liabilities	3,369	250
Cash flow from operating activities	**64,425**	**112,791**
Interest paid	-21,883	-25,132
Interest received	6	7
Income taxes paid	-1,494	-3,209
Net cash flow from operating activities	**41,054**	**84,457**
Outflows for the acquisition of investment properties	-6,037	-7,239
Inflows from the disposal of investment properties	490	0
Outflows for the acquisition of intangible assets and property, plant and equipment	-3	-19
Cash flow from investing activities	**-5,550**	**-7,258**
Inflows from financial liabilities	7,416	2,500
Outflows from the repayment of financial liabilities	-8,401	-6,539
Outflows from the repayment of lease liabilities	-45	-83
Payments to limited partners	-3,757	-8,784
Payments to Group shareholders	0	-92,675
Cash flow from financing activities	**-4,787**	**-105,581**
Net change in cash and cash equivalents	**30,717**	**-28,382**
Cash and cash equivalents at beginning of period	**148,087**	**116,335**
CASH AND CASH EQUIVALENTS AT END OF PERIOD	**178,804**	**87,953**

DISCLOSURES

REPORTING PRINCIPLES

These interim financial statements of the Deutsche EuroShop Group as at 30 June 2020 have been prepared in compliance with IAS 34 (Interim Financial Reporting) in an abridged form. The abridged interim financial statements are to be read in conjunction with the consolidated financial statements as at 31 December 2019.

The interim financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS), as they must be applied in the EU. The accounting policies applied are the same as those used in the most recent consolidated financial statements at the end of the financial year, unless otherwise stated in the following section "Effects of the coronavirus pandemic on the half-year financial report dated 30 June 2020". For a detailed description of the methods applied, please refer to the notes to our consolidated financial statements for 2019 (2019 Annual Report, p. 36 ff.).

The new accounting standards and interpretations for which application became compulsory on 1 January 2020 were observed; however, these did not have any impact on the presentation of the financial statements.

The interim financial statements as at 30 June 2020 have neither been audited in accordance with Section 317 of the German Commercial Code (HGB) nor reviewed by an auditor.

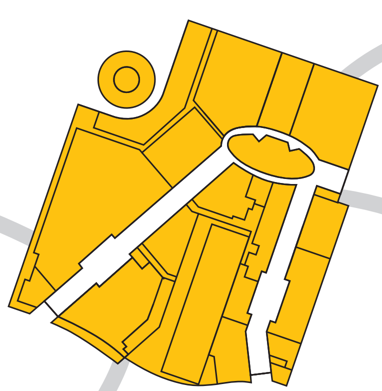
EFFECTS OF THE CORONAVIRUS PANDEMIC ON THE HALF-YEAR FINANCIAL REPORT DATED 30 JUNE 2020

The officially imposed nationwide store closures and other protective measures to contain the coronavirus pandemic had a massive impact on customer footfall in our shopping centers as well as on our tenants' revenues and thus their economic performance in the first half of 2020. Even after the almost complete opening of all shops in our centers, the effects of the coronavirus pandemic on customer footfall and tenant revenue are still substantial.

In many countries, statutory rent moratoria and other support measures for tenants have been adopted to mitigate the effects of the coronavirus pandemic. In Germany, for example, a restriction on the ability to issue notice of termination during the period from 1 April 2020 to 30 June 2020 in the event of non-payment of rent where this is due to the effects of the coronavirus pandemic was laid down in law. In parallel to the legal measures, we decided not to legally enforce coronavirus-related rent arrears until further notice due to the serious economic impact of the pandemic on our tenants. The aim was to provide temporary financial relief to the tenants affected, so that when shops reopened and depending on the situation and the extent to which the tenants were affected, individual and fair solutions could be sought with them to overcome the challenging situation.

Measure of accrued rent receivables

Due to the partial cessation or reduction of rental payments by tenants, the receivables portfolio (before write-downs) increased by €39.2 million from €9.9 million to €49.1 million in the first half of 2020. In a departure from the previous procedure for calculating write-downs on accounts, which used to see all receivables older than 90 days generally written down on an individual basis taking into account recoverable collateral, the write-downs as at 30 June 2020 were measured on the basis of actual and expected defaults in connection with tenant support measures. Measurement also took into account the code of conduct developed by the two interest groups HDE and ZIA, which is intended to help in this extraordinary situation and achieve an appropriate and out-of-court sharing of the pain between tenant and landlord in the interests of justice. The write-downs calculated in the first half of the year amounted to €19.0 million for Group companies and €2.9 million for companies accounted for using the equity method. It should be noted that this is an estimated value that is subject to significant uncertainties and may differ from the actual arrangements with tenants still to be reached. It is also important to bear in mind that the write-downs recognised in the first half of 2020 do not allow any conclusions to be drawn about the total volume of concessions, as this is a measurement of outstanding rent receivables as at the reporting date.



Revenue

Where tenants benefit from existing or newly created legal regulations governing rental payment obligations in the event of a pandemic, the resulting rent adjustments are recognised directly in revenue. For Deutsche EuroShop this applies to our shopping centers Galeria Baltycka Gdansk (Poland) and City Arkaden Klagenfurt (Austria), and led to a reduction in consolidated revenue of €2.0 million as well as a reduction in the at equity profit / loss of €0.9 million.

With the reopening of the shops, discussions with the tenants were initiated with the aim of finding mutually acceptable and sustainable solutions to share the burden of the coronavirus pandemic. Intensive talks are already under way with a number of tenants in a spirit of partnership. For a small number of the contractual relationships it was possible to come to a final arrangement before 30 June 2020. Until a new arrangement is entered into with the tenants, the provisions of the original leases continue to apply unless statutory provisions and / or the terms of the lease specify different treatment in the event of a pandemic.

We expect to be able to finalise the majority of the arrangements with our tenants in the second half of 2020. In the spirit of a mutual balance of interests for temporary rent adjustments, these arrangements will regularly also include consideration from the tenants (e.g. extensions to leases). Depending on whether material provisions of the original lease are amended, rental concessions granted have to be spread over the remaining term of the lease or recognised immediately as an expense. For the second half of 2020, this may mean that the write-downs on receivables recognised in the first half of the year will have to be partially reversed and concessions instead recognised on a straight-line basis over the remaining term of the lease.

Measurement of investment properties

In contrast to the interim financial statements of previous years, the exceptional conditions this year made it necessary for the external appraiser Jones Lang LaSalle GmbH (JLL) to review the market values of our shopping centers, which it did in accordance with the guidelines of the Royal Institution of Chartered Surveyors (RICS). JLL's market value assessment was carried out under considerable uncertainty. For example, since the outbreak of the pandemic there have been very few market transactions in shopping center real estate. There was also a higher degree of uncertainty when estimating future rental payments. JLL took these increased uncertainties into account in a number of ways, including by increasing the discount and capitalisation rates. In response to this background, the expert opinions included a special warning on this subject as recommended by RICS ("Impact of Covid-19").

DISCLOSURES ON THE CONSOLIDATED BALANCE SHEET AND THE CONSOLIDATED INCOME STATEMENT

Investment properties

Investment properties performed as follows in the first half of 2020:

in € thousand	2020	2019
Carrying amount at 1 January	**3,822,786**	**3,891,700**
Addition from right-of-use assets (IFRS 16)	0	322
Disposals of investment properties	-490	0
Recognised construction measures	6,037	19,324
Unrealised changes in fair value	-192,461	-88,560
Carrying amount at 31.06. / 31.12.	**3,635,872**	**3,822,786**

The Investment Properties (IAS 40) were measured at fair value. Valuations were performed by the appraiser JLL as at 31 December 2019 and 30 June 2020. As in previous years, the discounted cash flow method (DCF) was used as at 31 December 2019. Please refer to the notes on the DCF method in our 2019 Annual Report on pages 43 ff. This is a level 3 valuation method in the valuation hierarchy of IFRS 13.

The following overview shows the key assumptions used by JLL to determine the market values:

Valuation parameters in € thousand	30.06.2020	31.12.2019
Rate of rent increases	1.10	1.24
Cost ratio	10.73	10.42
Discount rate	6.09	5.92
Capitalisation interest rate	5.22	5.11

A 25 bp change in a material parameter (sensitivity analysis) of real estate appraisals would have the following pre-tax impact on measurement gains / losses (including the share attributable to at-equity consolidated companies):

Sensitivity analysis – Valuation parameters

	Basis	Change in parameter	in € million	in %
Rate of rent increases	1.10	+ 0.25 percentage points	150.3	4.0
		- 0.25 percentage points	-115.0	-3.0
Cost ratio	10.73	+ 0.25 percentage points	-10.7	-0.3
		- 0.25 percentage points	10.0	0.3
Discount rate	6.09	+ 0.25 percentage points	-73.0	-1.9
		- 0.25 percentage points	71.8	1.9
Capitalisation interest rate	5.22	+ 0.25 percentage points	-114.6	-3.0
		- 0.25 percentage points	119.9	3.2

The appraisal showed that for the first half of 2020, the real estate portfolio had a net initial yield before transaction costs of 5.71% compared with 5.43% in 2019, and a net initial yield after transaction costs of 5.39% compared with 5.12% in 2019.

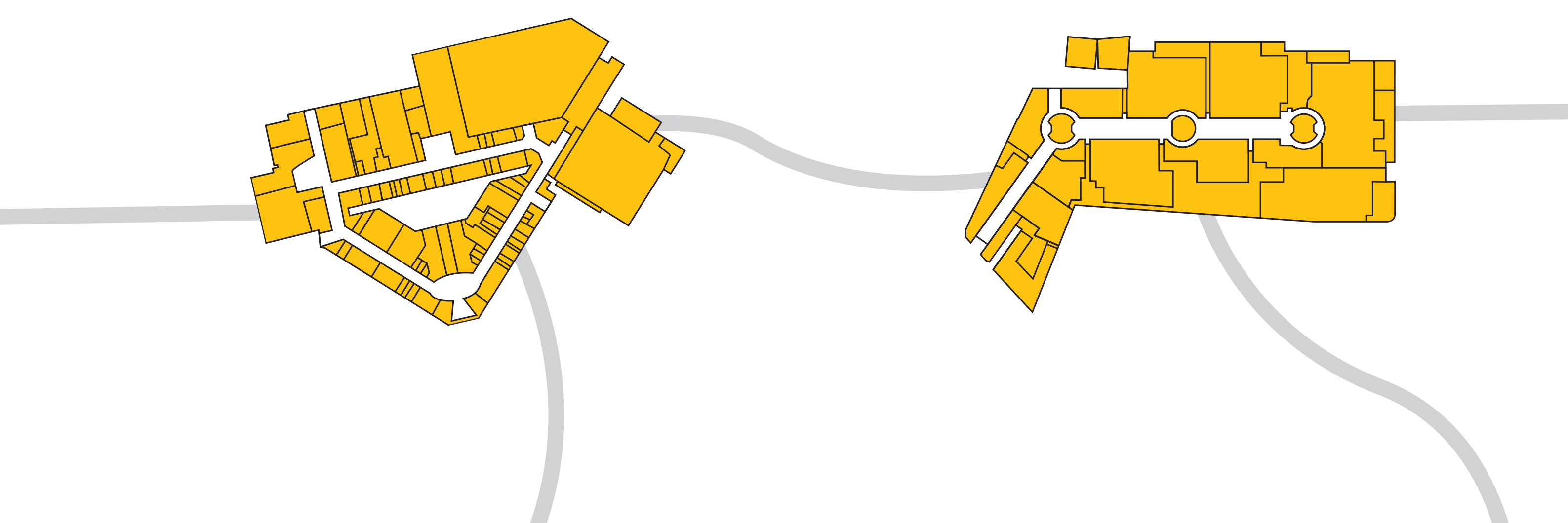
Outstanding tenant incentives granted and still to be spread over the term of the leases amounting to €4.6 million were deducted from the appraisal value. These were reported under other assets.

Financial instruments

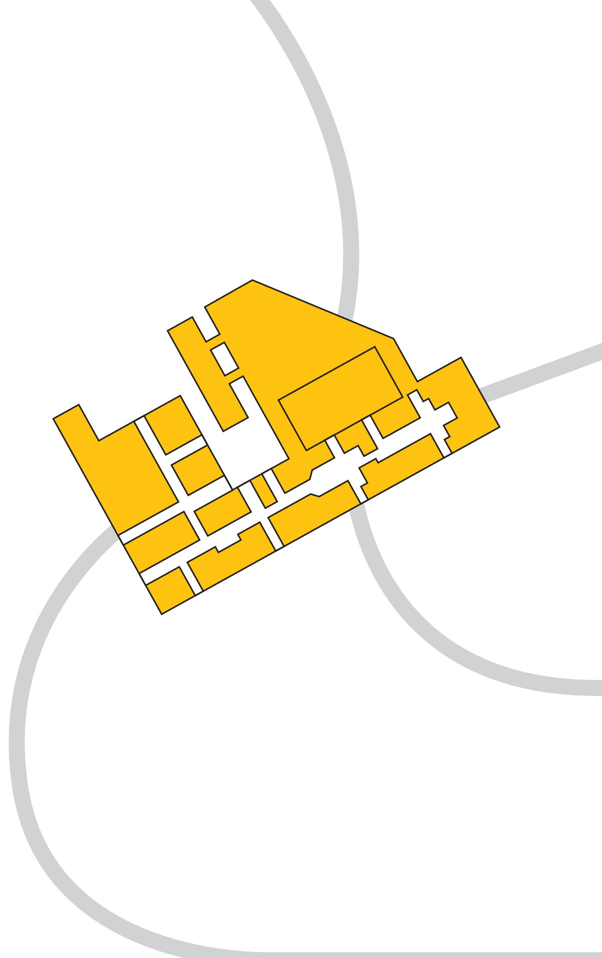
With the exception of derivative financial instruments and other financial investments measured at fair value, financial assets and liabilities were measured at amortised cost. Due to the predominantly short-term nature of trade receivables, other assets and other liabilities, and cash and cash equivalents, the carrying amounts on the reporting date did not deviate significantly from the fair values.

The fair values of financial liabilities measured at amortised cost were equal to the net present value of debt-related payments based on current yield curves (Level 2 under IFRS 13) and amounted to €1,550.7 million as at 30 June 2020 (31 December 2019: €1,584.4 million).

The derivative financial instruments measured at fair value were interest rate hedges. Here the fair value was equivalent to the cash value of future net payments expected to be received from hedging transactions (Level 2 in accordance with IFRS 13) based on current yield curves. Liabilities from interest rate hedges totalled €29.1 million as at 30 June 2020 (31 December 2019: €33.1 million).



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.–30.06.2020
Revenue	**96,738**	**19,111**	**115,849**	**-6,427**	**109,422**
(01.01.–30.06.2019)	(97,449)	(21,670)	(119,119)	(-7,235)	(111,884)
EBIT	**70,908**	**15,549**	**86,457**	**-7,958**	**78,499**
(01.01.–30.06.2019)	(85,741)	(20,507)	(106,248)	(-8,043)	(98,205)
EBT excl. measurement gains / losses	**52,576**	**12,087**	**64,663**	**-2,610**	**62,053**
(01.01.–30.06.2019)	(64,355)	(16,972)	(81,327)	(546)	(81,873)
					30.06.2020
Segment assets	**3,179,874**	**750,291**	**3,930,165**	**449,985**	**4,380,150**
(31.12.2019)	(3,315,952)	(773,700)	(4,089,652)	(468,953)	(4,558,605)
of which investment properties	**3,064,700**	**714,450**	**3,779,150**	**-143,278**	**3,635,872**
(31.12.2019)	(3,246,262)	(743,828)	(3,990,090)	(-167,304)	(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.

RELATED PARTIES FOR THE PURPOSES OF IAS 24

With regard to disclosures regarding related parties, please refer to the consolidated financial statements as at 31 December 2019 (2019 Annual Report, p. 57), which did not undergo any material changes up to 30 June 2020.

OTHER DISCLOSURES

Dividend

The Annual General Meeting accepted the proposal by the Executive Board and Supervisory Board to carry forward Deutsche EuroShop AG's unappropriated surplus for 2019 of €34,629 thousand to new account and not to distribute a dividend.

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, 13 August 2020

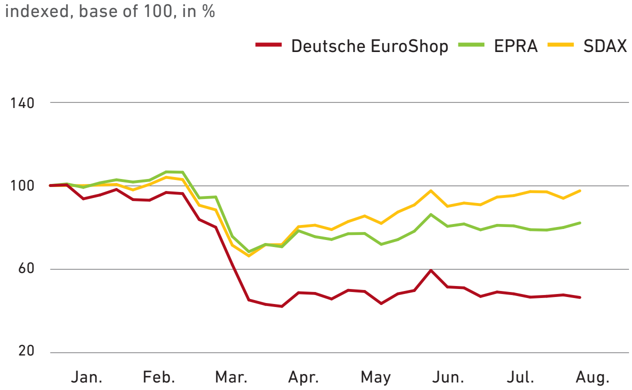
Wilhelm Wellner   Olaf Borkers

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 closed at €26.50, the highest price 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 first half of 2020 at €12.55 on Xetra after a very volatile bear market period that saw the price range between €9.94 and €15.68. Deutsche EuroShop's market capitalisation stood at €775.4 million at the end of the period. This equated to a performance of -52.5% for the reporting period. The SDAX fell by -7.8% over the same period.

DEUTSCHE EUROSHOP VS. SDAX AND EPRA COMPARISON, JANUARY TO AUGUST 2020

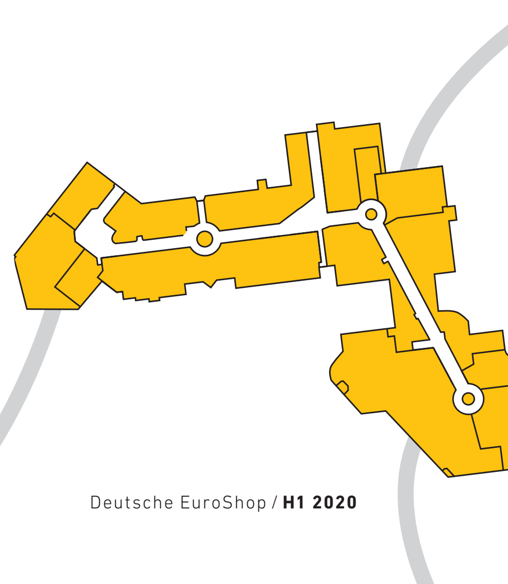
indexed, base of 100, in %



KEY SHARE DATA

Sector / industry group	Financial Services / Real Estate
Share capital as at 30.06.2020	€61,783,594.00
Number of shares as at 30.06.2020 (no-par-value registered shares)	61,783,594
Dividend for 2019	€0.00
Share price on 30.12.2019	€26.42
Share price on 30.06.2020	€12.55
Low / high for the period under review	€9.94 / €26.50
Market capitalisation on 30.06.2020	€775.4 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: DEQGn.DE

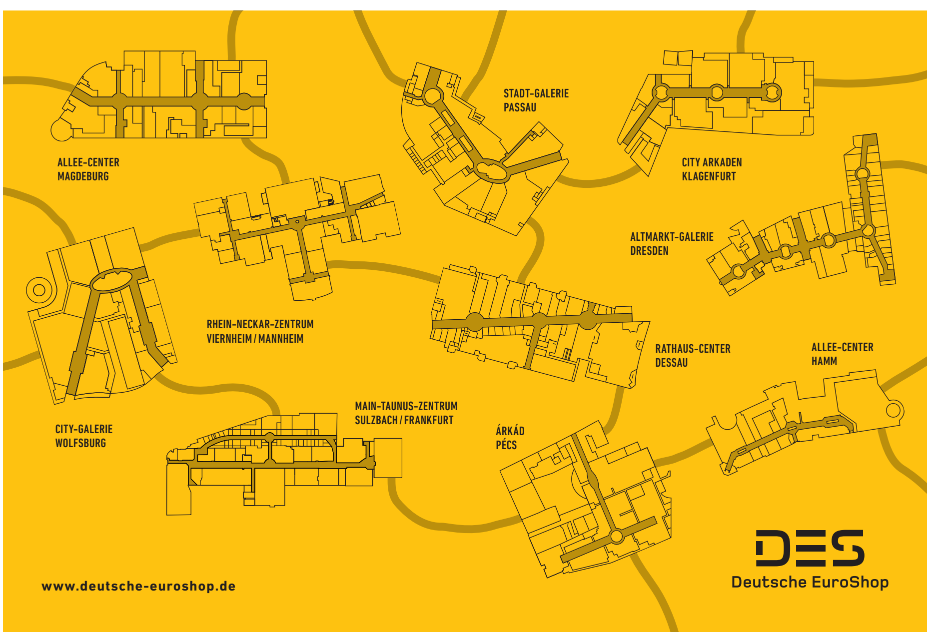
* Unless otherwise specified, all information and calculations are based on Xetra closing prices.



FINANCIAL CALENDAR 2020

13.08.	**Half-year Financial Report 2020**
20.08.	HSBC European Real Estate Conference (virtual)
03.09.	Commerzbank Sector Conference (virtual)
07.09.	Jefferies Real Estate Conference (virtual)
21.09.	Goldman Sachs & Berenberg German Conference (virtual)
22.09.	Baader Investment Conference, Munich (hybrid)
01.10.	Commerzbank German Real Estate Forum, London
12.11.	**Quarterly statement 9M 2020**
25.11.	DZ Bank Equity Conference, Frankfurt
01.12.	Berenberg European Conference, Pennyhill

Our financial calendar is updated continuously.
Please check our website for the latest events:
www.deutsche-euroshop.com/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 (-).