



DES

Deutsche EuroShop

#anticipation

CONFERENCE CALL
Quarterly Statement 3M 2021

12 MAY 2021

Update on Business Activities - Summary

- **Operations**
 - Continued “hard” lockdowns with substantial negative impact on footfall and tenant turnovers for almost all centers
 - **Footfall numbers**
 - Q1 2021: approx. 30-40% of normal levels
 - Recovery after shop re-openings to levels of 60-80% (with restrictions still in place; e.g. masks)
 - **Tenant turnover (substantial deviations among segments)**
 - 2020 (full year): -22.8%
 - Q1 2021: - 64.9%

- **Rents**
 - **Collection ratio January – April 2021 (after rent concessions): 67%**
 - **Negotiations with tenants** concerning (temporary) relief measures for lock down periods continuing:
 - Change in law in Germany strengthened the legal position of tenants for periods of shop closings
 - Co-operative approach to find and agree on sustainable commercial solutions

Update on Business Activities - Summary

- Financials & Liquidity
 - Solid cash position DES Group: €244m (31 March 2021)
 - Negotiations of three loan prolongations ongoing (€156.4m becoming due in June/July 2021)
 - Continued trustful negotiations with current banking partners and regular exchange about potential effects of pandemic for our financial covenants
 - Dividend proposal: mandatory minimum dividend of 4 cent/share for 2020 for prudent liquidity management reasons (given ongoing hard lockdown for most parts of the portfolio)
 - No forecast possible for FY 2021 due to unpredictable development of pandemic:
 - impact on the economy, customer behaviour, retail turnovers and special tenant arrangements



Current Regulations in DES' Markets*

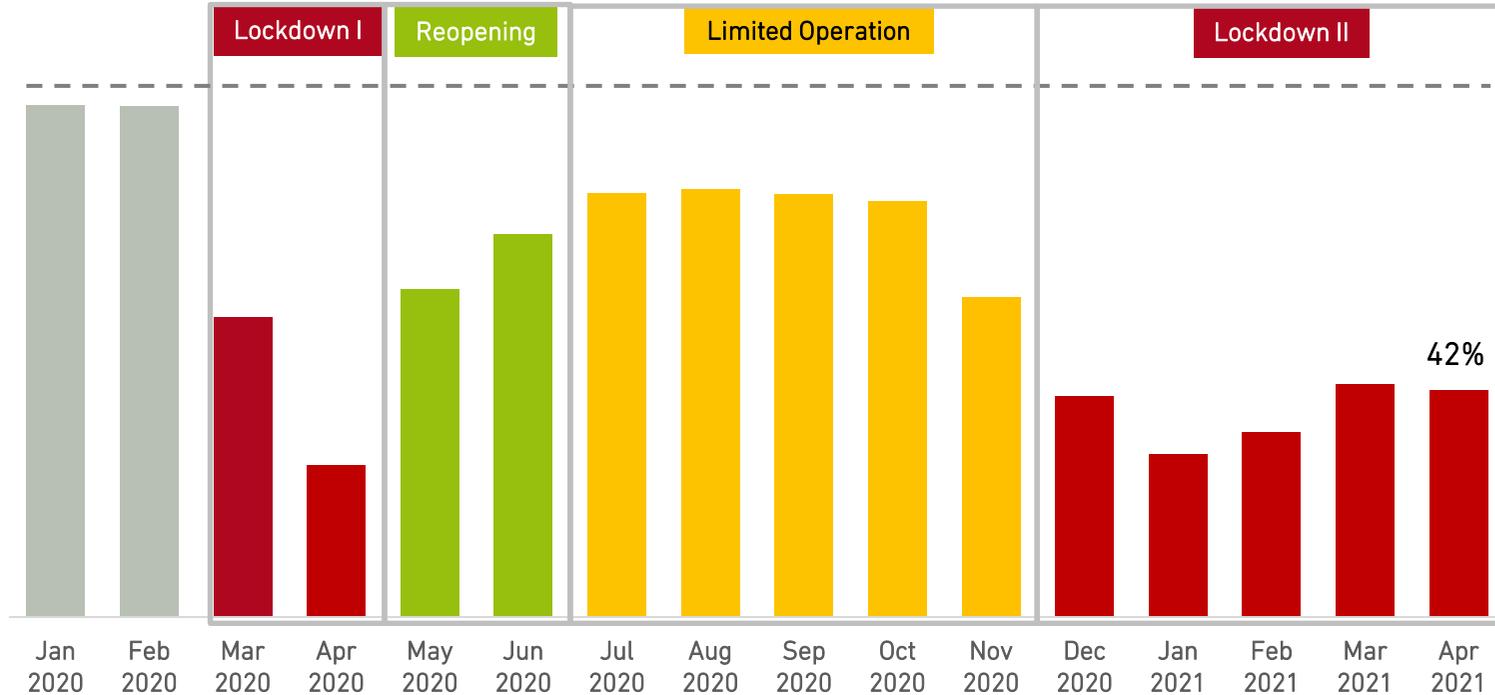
- | | |
|-----------------------|---|
| Germany | <ul style="list-style-type: none"> ▪ Step-by-step Lockdown – until 30 Jun. 2021 ▪ F&B only for take away ▪ Several local regulations depending on the incidence numbers (<100: limited customers / unclear; <150: click & meet (tested); >150 click & collect) |
| Austria | <ul style="list-style-type: none"> ▪ Soft Lockdown – since 8 Feb. 2021 (Federal State of Carinthia) ▪ F&B only for take away (until 19 May 2021) ▪ 1 customer per 20 sqm ▪ Local restrictions (FFP2 masks, shop staff has to be tested every 7 days) |
| Czech Republic | <ul style="list-style-type: none"> ▪ Soft Lockdown – since 10 May 2021 ▪ F&B only for take away ▪ Local restrictions |
| Hungary | <ul style="list-style-type: none"> ▪ Soft Lockdown – since 7 April 2021 ▪ 1 customer per 10 sqm, shops have to close at 11:00 pm ▪ Entertainment and fitness open with restrictions ▪ F&B open with restrictions ▪ Various reliefs for vaccinated persons |
| Poland | <ul style="list-style-type: none"> ▪ Soft Lockdown – since 4 May 2021 ▪ F&B only for take away ▪ Entertainment and fitness closed ▪ Local restrictions |



* Status: 5 May 2021; subject to possible short-term regional relaxations/intensifications.

Corona Impact – Footfall

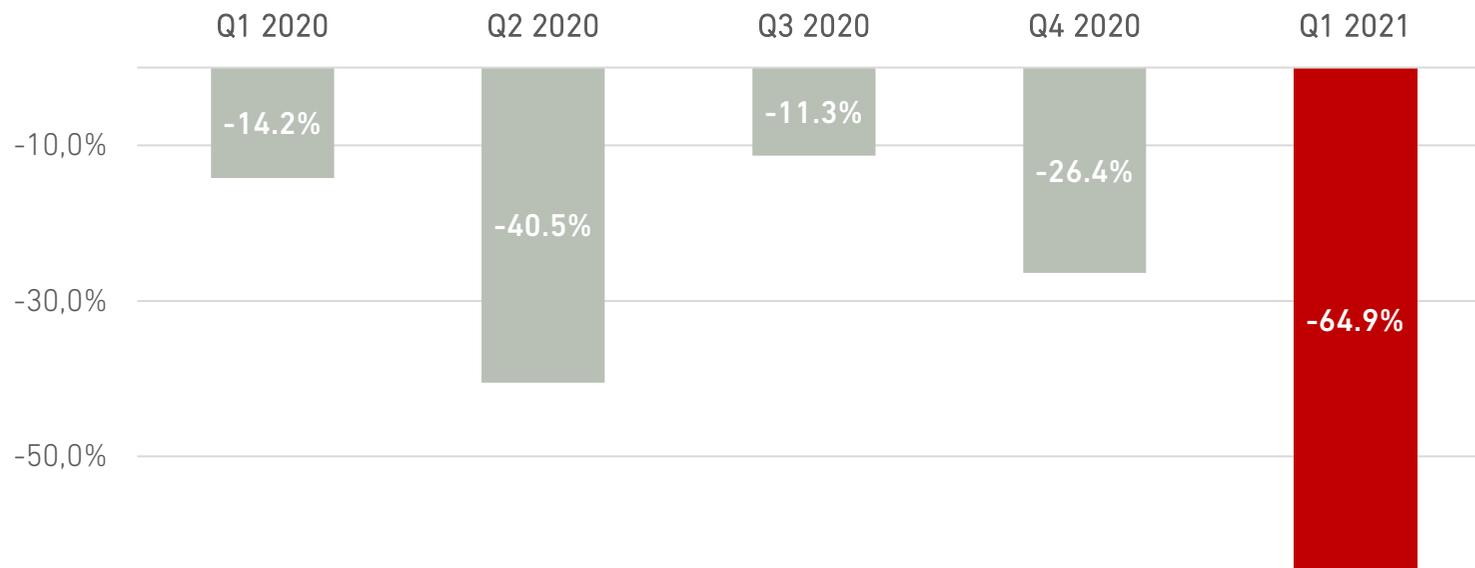
Development of the daily footfall compared to the average of the previous year's month*



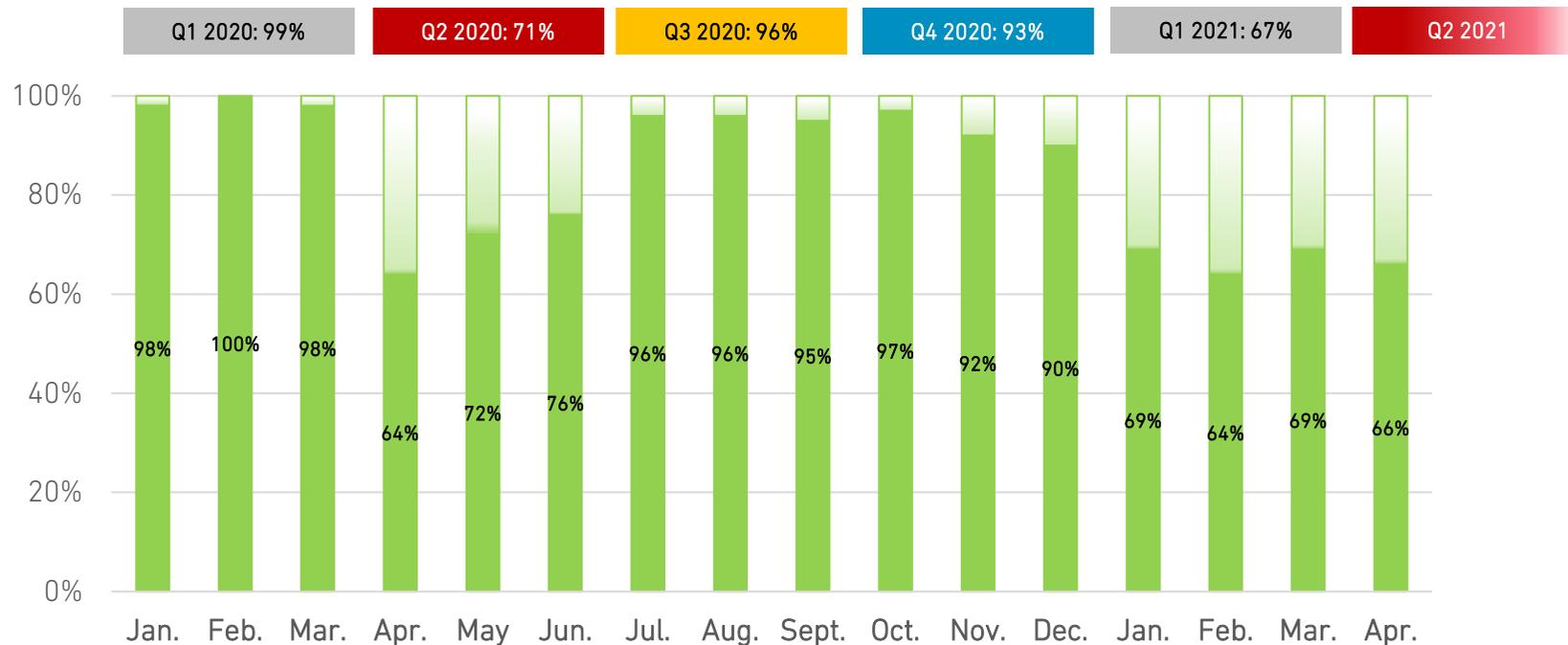
* for months after February 2021 compared to the average of the respective month in 2019

Corona Impact – Retail Turnover

Development of retail turnover of centers in Germany compared to 2019



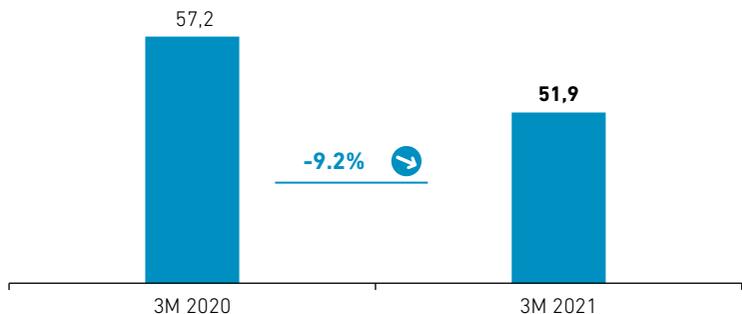
Corona Impact – Collection Rates¹



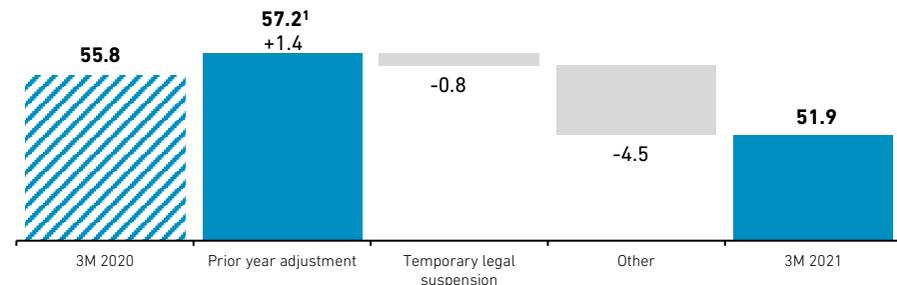
¹ after rent concessions

Revenues - Effected by Corona-Pandemic

REVENUE in € million



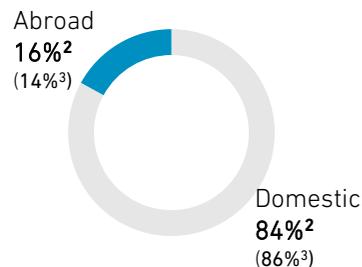
Revenue bridge 3M 2021 in € million



- Recognition of rental income according to lease contracts
- Decrease in revenues to €51.9m (-9.2%)
- Influenced by the situation in Poland: temporary legal suspension of rents (-€0.8m)
- Further impact due to default of tenants, lower turnover-based rents, longer post-leasing periods and higher vacancy rates

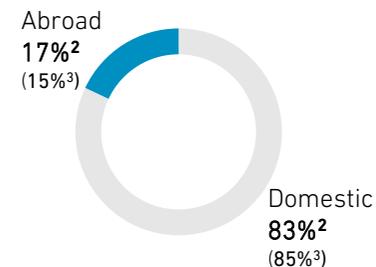
3M 2021

Share of revenue



3M 2020

Share of revenue



¹As of 31 December 2020, there was a change in the disclosure of revenue. The property tax and building insurance charges are no longer reported on a net basis. As a consequence the revenues (as well as the operating costs) were increased leaving the NOI unchanged.

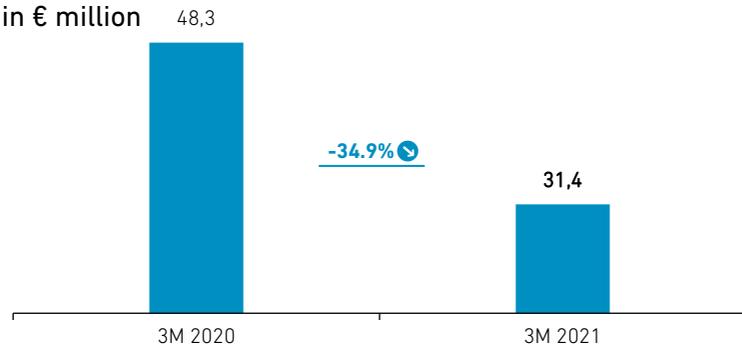
² "look through" (calculated on the basis of the group share)

³ consolidated

EBIT - Strong impact from Corona Rent Concessions and Insolvencies

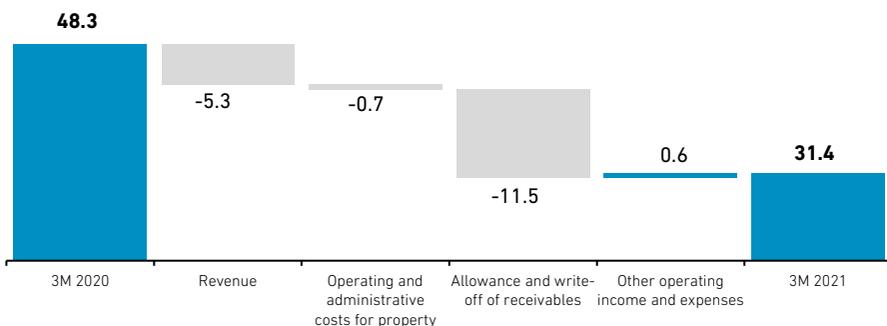
EBIT

in € million



EBIT bridge 3M 2021

in € million



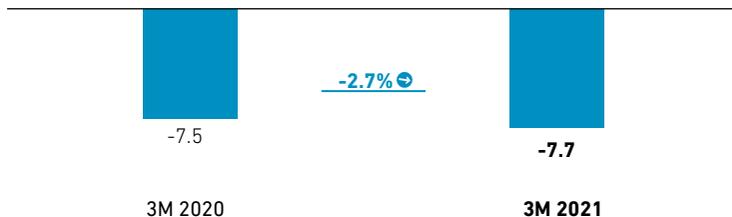
- EBIT decreased to €31.4m (-34.9%)
- Decline due to higher allowances and write of rent receivables (€ -11.5m) and the Corona-related decline in revenues
- Allowances estimated based on actual or expected losses in connection of tenant support measures and insolvencies

in € thousand

	01.01. – 31.03.2021	01.01. – 31.03.2020
Revenue	51,904	57,182
Operating and administrative costs for property	-7,499	-6,782
Allowance and write-off of receivables	-11,868	-370
NOI	32,537	50,030
Other operating income	784	655
Other operating expenses	-1,878	-2,378
EBIT	31,443	48,307

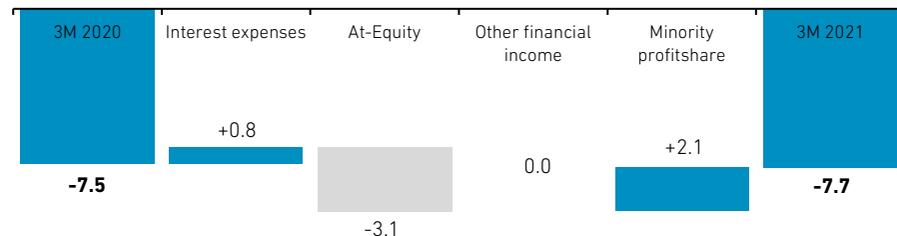
Financial Result¹ – Nearly unchanged due to offsetting effects

Financial result¹ in € million



- Financial result nearly unchanged (€-0.2m).
- Interest expenses reduced by €0.8m due to favourable refinancing (City-Arkaden Wuppertal)
- At-equity operating profit¹ decreased by €3.1m due to a Corona-related decline in revenues and higher allowances in the joint venture companies
- Minority result declined due to corona-impact (€+2.1m)

Financial result bridge 3M 2021¹ in € million

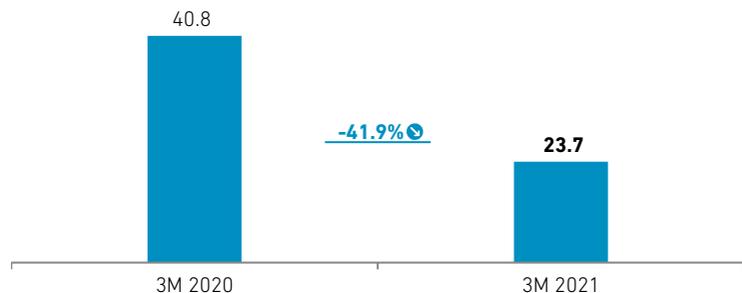


in € thousand	01.01. – 31.03.2021	01.01. – 31.03.2020
At-equity profit/loss	4,388	6,517
Valuation (at equity)	357	1,167
Deferred taxes (at equity)	11	181
At-equity (operating) profit/loss	4,756	7,865
Interest expense	-10,205	-11,003
Profit/loss attributable to limited partners	-2,293	-4,402
Other financial result (incl. swaps)	2	5
Financial result¹	-7,740	-7,535

¹ excluding valuation

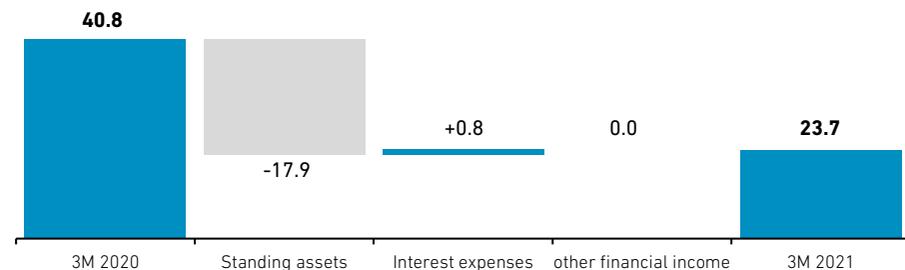
EBT¹ - Burdened by the Impact of the Corona-Pandemic

EBT¹
in € million



- EBT (excl. valuation) significantly below previous year -41.9% (€-17.1m) due lower operating results
- Interest savings with positive impact (€+0.8m)

EBT¹ bridge 3M 2021
in € million

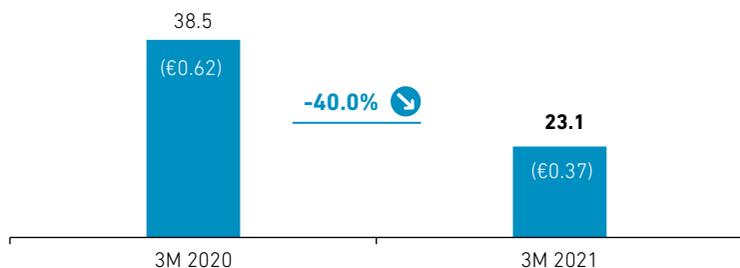


in € thousand	01.01. – 31.03.2021	01.01. – 31.03.2020
EBIT	31,443	48,307
Financial result ¹	-7,740	-7,535
EBT ¹	23,703	40,772

¹ excluding valuation

EPRA Earnings

EPRA earnings
in € million (per share in €)



- EPRA earnings declined by €15.4m to €23.1m
- EPRA Earnings per share decreased from €0.62 to €0.37

EPRA EARNINGS

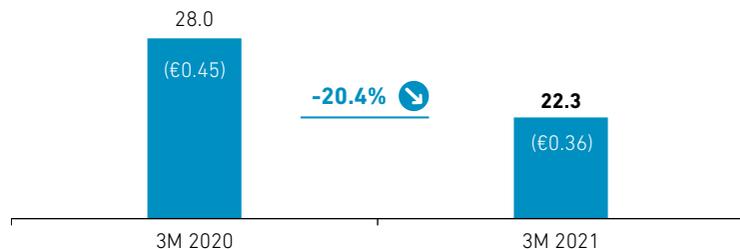
	01.01. – 31.03.2021		01.01. – 31.03.2020	
	in € thousand	per share in €	in € thousand	per share in €
Consolidated profit	22,322	0.36	28,034	0.45
Valuation investment properties ¹	-2,486	-0.04	5,902	0.10
Valuation derivative financial instruments ¹	0	0.00	-90	0.00
Deferred taxes in respect of EPRA adjustments ²	3,290	0.05	4,656	0.07
EPRA Earnings	23,126	0.37	38,502	0.62
Weighted number of no-par-value shares issued	61,783,594		61,783,594	

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

Consolidated Result

Consolidated profit

in € million (per share in €)



Consolidated result decreased in total by €-5.7m.

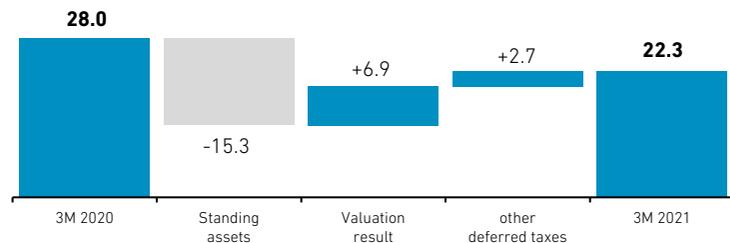
The following effects are included in that change:

- Reduced result from standing assets (€-15.3m)
- Valuation result positively influenced by a revaluation of an undeveloped plot of land based on an initial sale offer (€+6.9m)
- Changes due to other deferred taxes (€+2.2m)

Earnings per share decreased from €0.45 to €0.36

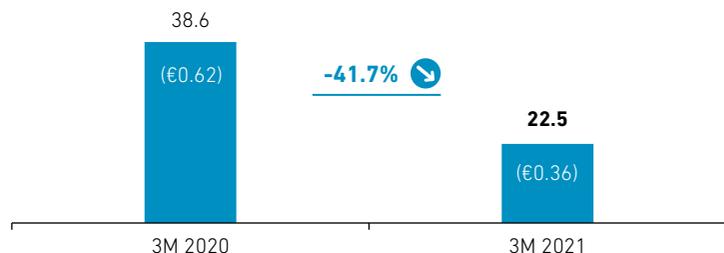
Consolidated profit bridge 2020

in € million



Development of Funds From Operations (FFO)

FFO
in € million (per share in €)



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

- FFO from declined from €38.6m to €22.5m, mainly influenced by corona-related lower revenues and higher allowances for rent receivables
- FFO per share decreased from €0.62 to €0.36
- FFO to be analysed in conjunction with cash collection ratios

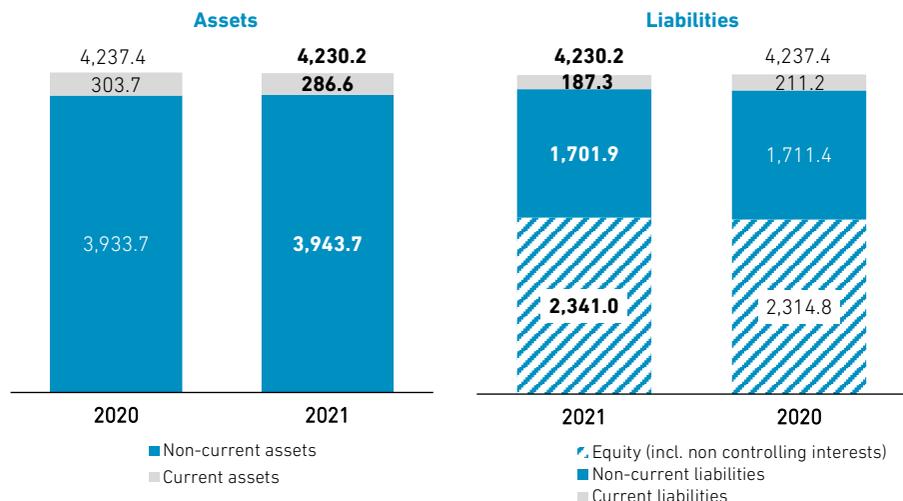
FUNDS FROM OPERATIONS	01.01. – 31.03.2021		01.01. – 31.03.2020	
	in € thousand	per share in €	in € thousand	per share in €
Consolidated profit	22,322	0.36	28,034	0.45
Valuation investment properties ¹	-2,486	-0.04	5,902	0.10
Deferred taxes ¹	2,646	0.04	4,656	0.07
FFO	22,482	0.36	38,592	0.62
Weighted number of no-par-value shares issued		61,783,594		61,783,594

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

² including the tax expense attributable to the interest refund

Balance sheet: Solid and Robust Structure

BALANCE SHEET STRUCTURE in € million



- Equity ratio stands at a solid 55.3%
- LTV to 32.5% ("look-through" 35.4%³)
- Group Liquidity: €244m (€+8m excl. usage of short term credit line)

BALANCE SHEET AS AT 31 DECEMBER 2020

in € thousand	31.03.2021	31.03.2020	Change
Non-current assets	3,943,546	3,933,724	9,822
Cash and cash equivalents	244,077	266,030	-21,953
Other current assets	42,569	37,627	4,942
Total assets	4,230,192	4,237,381	-7,189
Equity	2,023,638	2,003,246	20,392
Right to redeem of limited partners	317,393	311,525	5,868
Equity (including minority interest)	2,341,031	2,314,771	26,260
Financial liabilities	1,506,977	1,541,428	-34,451
Deferred taxes	327,050	324,978	2,072
Other liabilities	55,134	56,204	-1,070
Total equity and liabilities	4,230,192	4,237,381	-7,189
Equity ratio in % ¹	55.3%	54.6%	
LTV ratio in % ²	32.5%	32.9%	
LTV ratio ("look-through") in % ³	35.4%	35.8%	

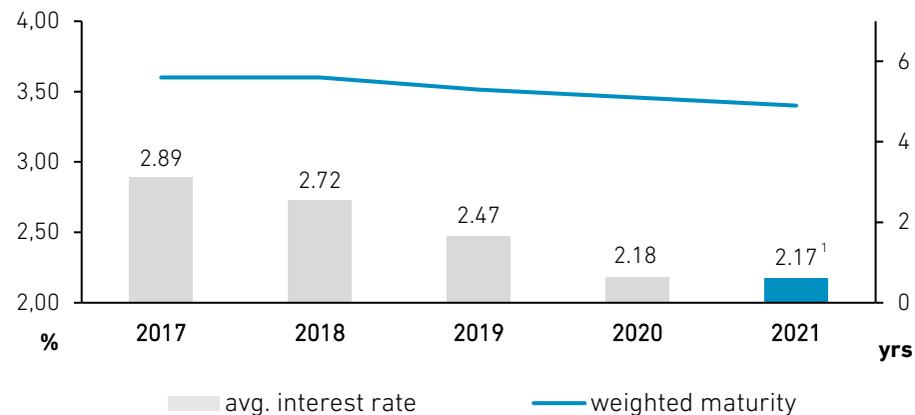
¹ including third-party interest in equity

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

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

Interest Rate Structure^{1,2}

INTEREST LOCKIN	DURATION	PRINCIPLE AMOUNTS (€ MILLION)	SHARE OF TOTAL LOAN	AVG. INTEREST RATE
Up to 1 year		81.7	5.4%	3.85%
1 to 5 years	2.5	532.5	35.3%	2.85%
5 to 10 years	7.5	828.3	55.0%	2.12%
Over 10 years	10.8	65.2	4.3%	1.18%
Total¹	4.9	1,542.0	100%	2.17%



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

→ Weighted maturity of fixed interest periods **4.9 years¹**

¹ as of 31 March 2021

² excl. non-consolidated loans

Loan Maturities until 2026^{1,2}

IN € MILLION	END OF FIXED INTEREST PERIODS RESPECTIVELY EXPIRING LOANS	AVG. INTEREST RATE	REGULAR REDEMPTION PAYMENTS	TOTAL MATURITIES
2021	135.3	4.48%	11.3	146.6
2022	225.6	3.26%	10.6	236.2
2023	209.0	2.99%	9.2	218.2
2024	0		9.6	9.6
2025	58.3	2.07%	10.1	68.4
2026	168.6	2.39%	5.1	173.7
	859.8			

➔ Already fixed: €70.3m, 1.18%, 10y (07/2021)

At-equity consolidated loans¹

IN € MILLION	END OF FIXED INTEREST PERIODS RESPECTIVELY EXPIRING LOANS	AVG. INTEREST RATE	DES' SHARE
2021	48.8	4.59%	50%
2022-2025	0		
2026	88.0	2.16%	50%

➔ Phoenix-Center, Hamburg

¹ as of 31 March 2021

² excl. at-equity consolidated loans

Outlook

Leasing

- **Continued stabilisation** of situation and arrangements with tenants as well as releasing activities **as key tasks** for the coming months
- Successful **prolongations** with **prime retailers** and negotiations with other major and well known anchor tenants to newly join our centers



Digital Mall

- **Onboarding** of retailers continues with now more than **3m products** available for search
- City-Arkaden Klagenfurt is the **first foreign Center** of DES to join the Digital Mall



Outlook

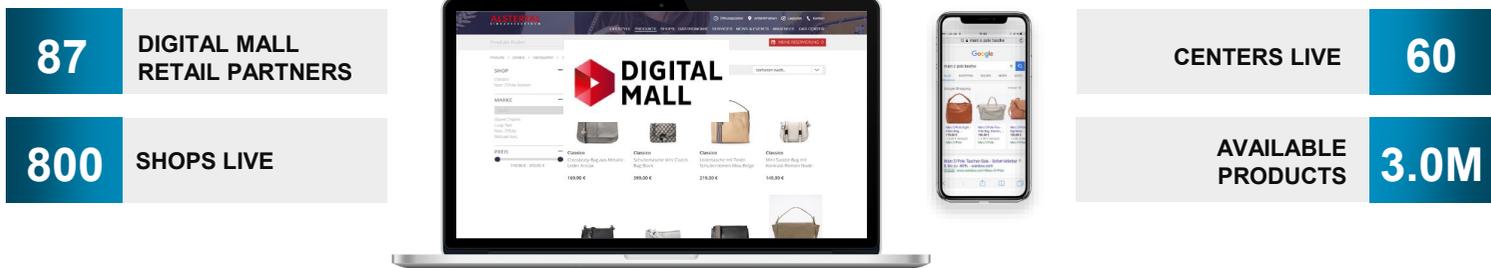
Financing and Liquidity

- refinancings of three **loan prolongations** ongoing and **on track**
(€156.4m becoming due in June/July 2021)
- **continued trustful negotiation with banking partners**
as well as regular exchange about potential effects of pandemic for our financial covenants
- Dividend proposal: mandatory **minimum dividend of 4 cent/share for 2020**
for prudent liquidity management reasons (given ongoing hard lockdown for most part of the portfolio)

Forecast

- **given the uncertainty** about the duration and impact of the Corona pandemic a forecast for the FY 2021 is currently **not possible**
- Hopes rise for end of pandemic as **vaccine is effective** and **becomes broadly available**

Update Digital Mall - Onboarding



87 DIGITAL MALL
RETAIL PARTNERS

800 SHOPS LIVE

CENTERS LIVE **60**

AVAILABLE PRODUCTS **3.0M**



Financial Calendar

2021

11.05.	Quarterly Statement 3M 2021
26.05.	Societe Generale The Nice Conference (virtual)
27.05.	Kempen European Property Seminar (virtual)
18.06.	Annual General Meeting, Hamburg
24.06.	UniCredit Kepler Cheuvreux German Property Day (virtual)
12.08.	Half-year Financial Report 2021
02.09.	Commerzbank Sector Conference, Frankfurt
20.09.	Berenberg and Goldman Sachs German Corporate Conference, Munich
21.09.	Baader Investment Conference, Munich
22.-23.09.	Bank of America Global Real Estate Conference (virtual)
11.11.	Quarterly Statement 9M 2021
01.12.	DZ Bank Equity Conference, Frankfurt

Contact



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

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

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 (-).