

**Conference Call
Preliminary Results
FY 2021**

23 March 2022



RETAILTAINMENT

Update on Business Activities – Summary

Rents



- **Collection ratio :**
 - 2021: 95% (after rent concessions)
 - YTD 2022: 99% (very limited rent concessions)
- **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
 - Improved german government support measures for tenants established (for small and mid-size tenants/-chains) extended until 30 June 2022
 - Agreements reached with a substantial number of tenants concerning lockdowns in 2021, no major impact expended for 2022
 - Corona state aid granted for DES (“Ü3”): €2m



Update on Business Activities – Summary

Financials & Liquidity



- **Solid cash position** DES Group: **€329m** (31 December 2021)
- **Refinancing activities for 2021 finalized at attractive terms**
4 loans with a total volume of €191m
- **Closing of a loan of €107.4m for a refinancing due 2022** for
Altmarkt-Galerie Dresden: 2.45% for 10 years
- Continued **trustful negotiations with banking partners** for 2022
refinancings and regular exchange about effects of pandemic
financial covenants
- Until 31 December 2021 **all financial covenants were met or –
if necessary – temporarily waived** by the banks **due to the
extraordinary pandemic situation**



Update on Business Activities – Summary

Forecast FY 2022



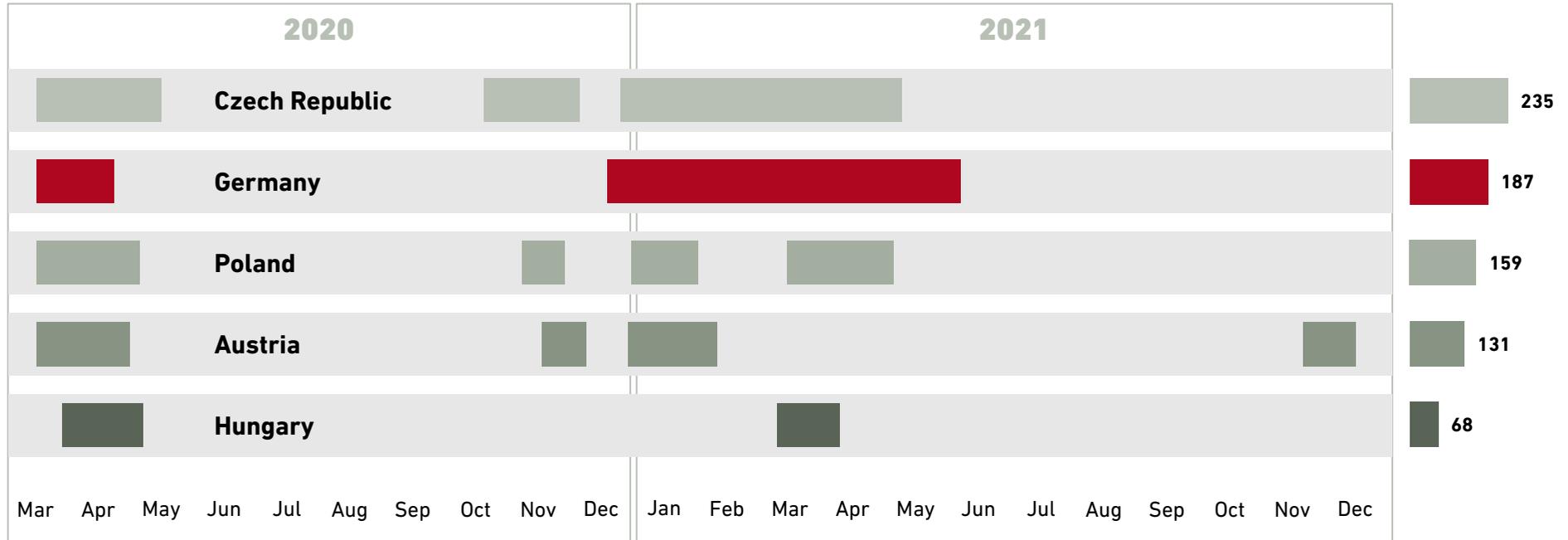
- **Dividend proposal** to be announced with publication of the Annual Report end of April
- **FFO 2021:** €1.98 (incl. “Ü3” state aid)
- **Forecast: FFO 2022 between €1.95 and €2.05 per share, 2022 expected to be the transition year to new normality**
- Forecast **conditional upon** enduring **stabilization of pandemic** without further lockdowns or significant business restrictions, **continued improvement of consumption and retail turnovers** of our tenants in 2022 (e.g. Easter Sales) and the **granting and the continued and timely payout of established German government relief programs** for substantial part of our tenant base



Long-term Store Closures in DES' Markets

Shop closing periods

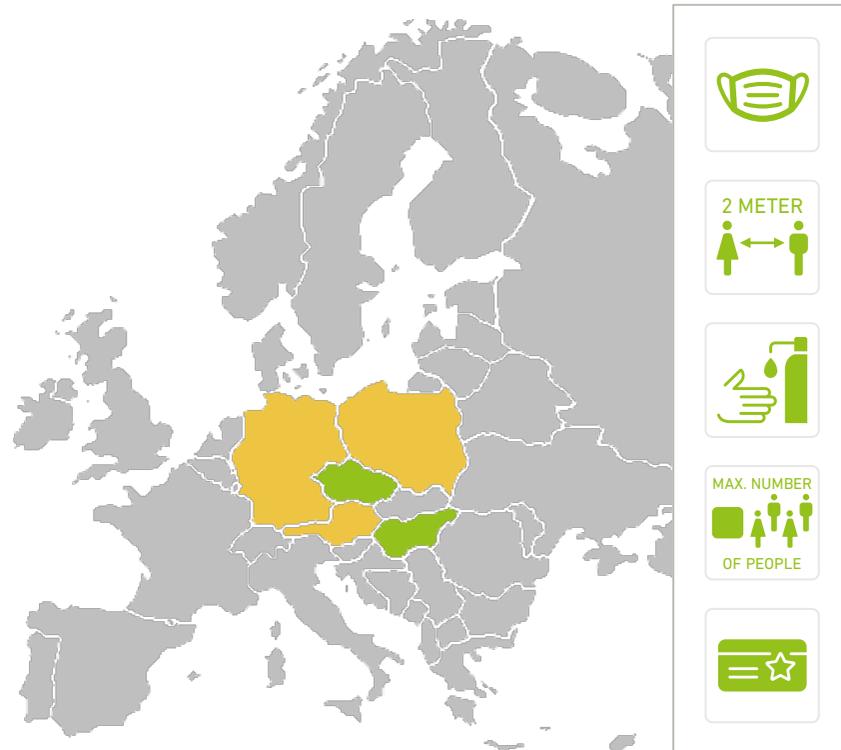
Number of full lockdown days



Source: European Centre for Disease Prevention and Control, ECE / "Click & Meet" and "Click & Collect" are not considered openings

Current Regulations in DES' Markets¹

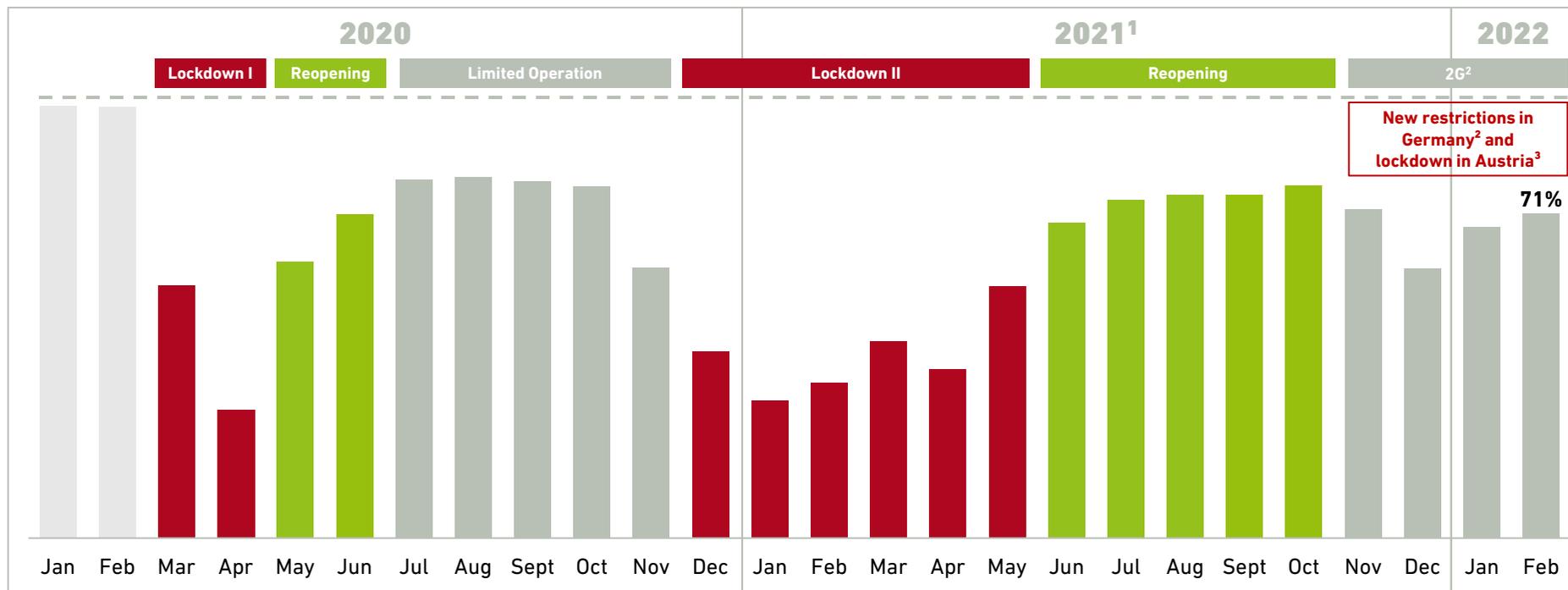
- Germany** **Stepwise Normalisation** – until April 2022
- Masks are mandatory (FFP2)
 - F&B open (mostly only for vaccinated/recovered or tested guests "3G")
 - Local limitations on access per sqm (1 customer per 5-20 sqm)
 - Relief announced for the next weeks
- Austria** **Nearly Normal Operation** – since 23 March 2022
- Masks are mandatory (FFP2)
 - After a relief at the beginning of March 2022, the rules are currently being adjusted again
- Czech Republic** **Normal Operation** – since 14 March 2022
- Currently there are no restrictions
 - NO MASKS!
- Hungary** **Normal Operation** – since 7 March 2022
- Currently there are no restrictions
 - NO MASKS!
- Poland** **Nearly Normal Operation** – since 5 March 2022
- Masks are mandatory
 - Currently no other restrictions



¹ Status: 23 March 2022; subject to possible short-term regional relaxations / intensifications

Corona Impact – Footfall

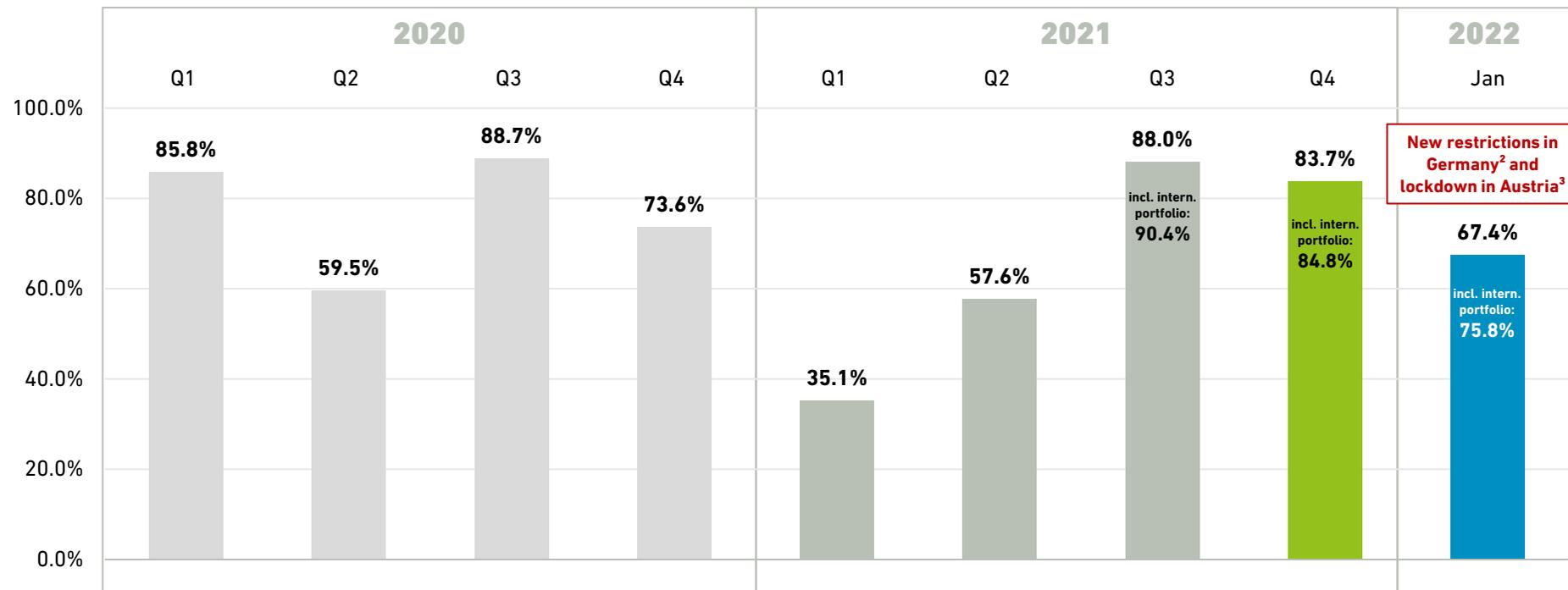
Development of the daily footfall compared to the average of the respective month in 2019



¹ 2021 was updated due to defective counting equipment | ² "2G" means access to shops only for vaccinated and recovered persons (except basic supplies) / introduced between 24 Nov. and 8 Dec. depending on the federal state / abolished in mid-February 2022 | ³ "Hard" lockdown in Austria between 22 Nov. and 12 Dec. 2021

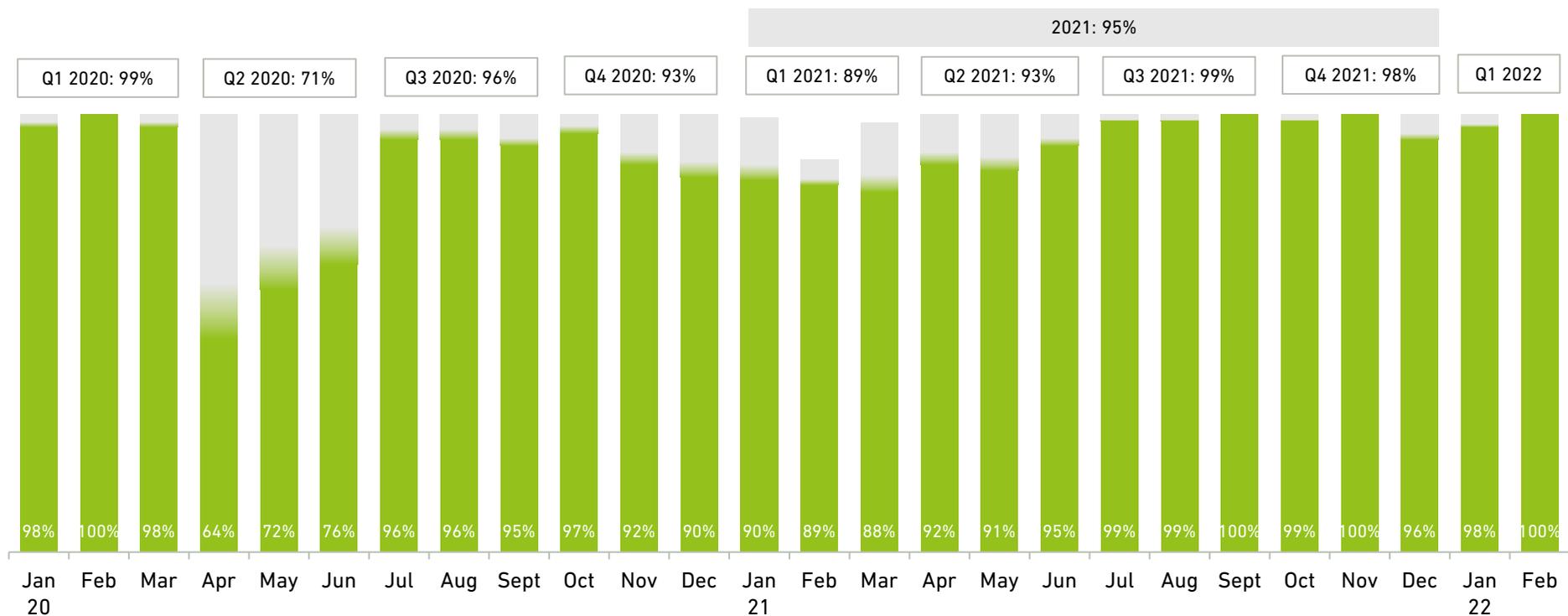
Corona Impact – Retail Turnover¹

Development of retail turnover of centers in Germany compared to 2019



1 Source: ECE / due to the pandemic, the figures are only comparable to a limited extent | 2 "2G" (means access to shops only for vaccinated and recovered persons (except basic supplies)) / introduced between 24 Nov. and 8 Dec. depending on the federal state in Germany / abolished in mid-February 2022 | 3 "Hard" lockdown in Austria between 22 Nov. and 12 Dec. 2021

Corona Impact – Collection Rates¹



¹ After rent concessions / the figures for 2021 have been updated according to incoming payments

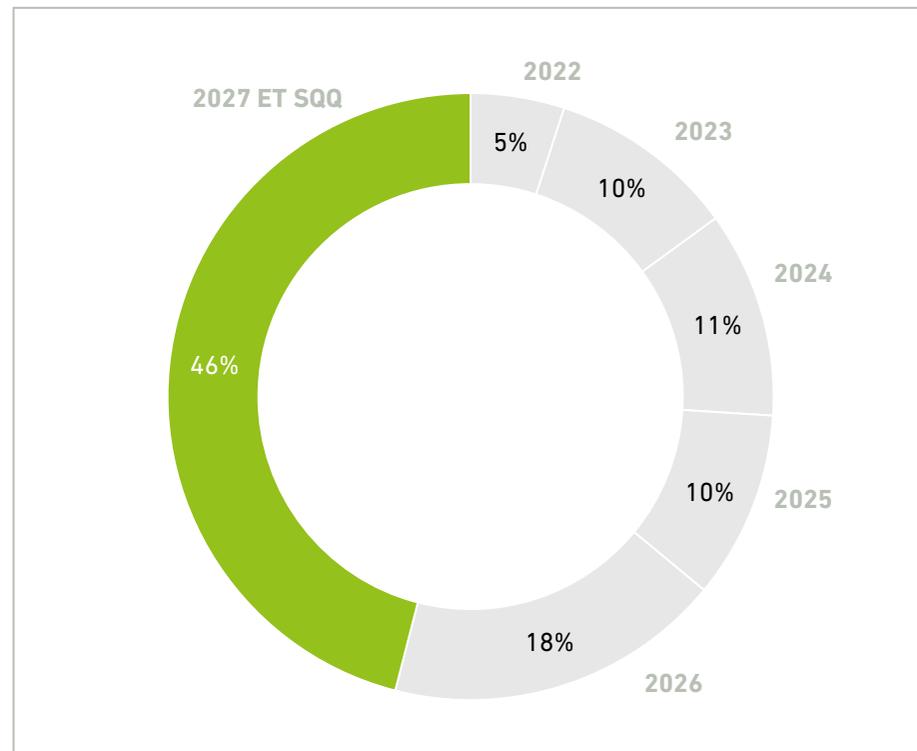
Maturity Distribution of Rental Contracts¹



Long-term contracts base
rental income

Weighted maturity **5.3 years** ↑
(H1 2021: **5.0 years**)

Occupancy rate: **94.3%** ↑
(H1 2021: **93.8%**)

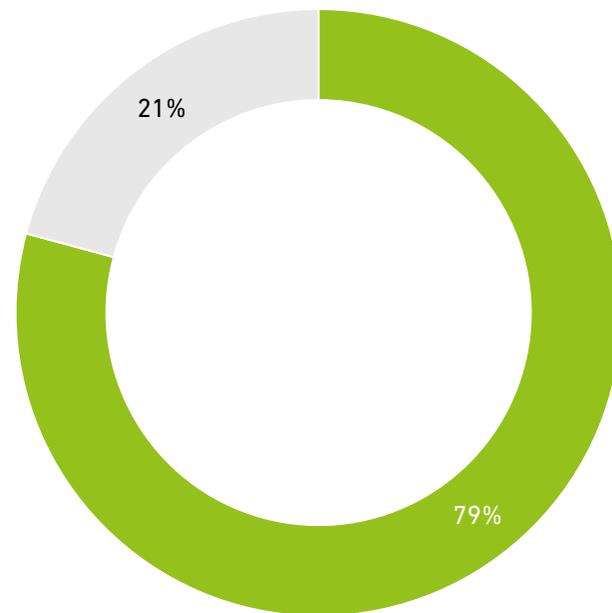


¹ As % of rental income as at 31 December 2021

Tenant Structure – Top 10 Tenants¹

	2021	2020
H&M	2.8%	3.3%
Peek & Cloppenburg	2.5%	2.5%
Ceconomy	2.4%	2.4%
Deichmann	2.2%	2.1%
New Yorker	2.2%	2.1%
C&A	2.1%	2.1%
Douglas	2.0%	1.9%
dm-drogerie markt	1.5%	1.7%
Thalia	1.5%	1.4%
TK Maxx	1.5%	1.1%
Total	20.7%	20.6%

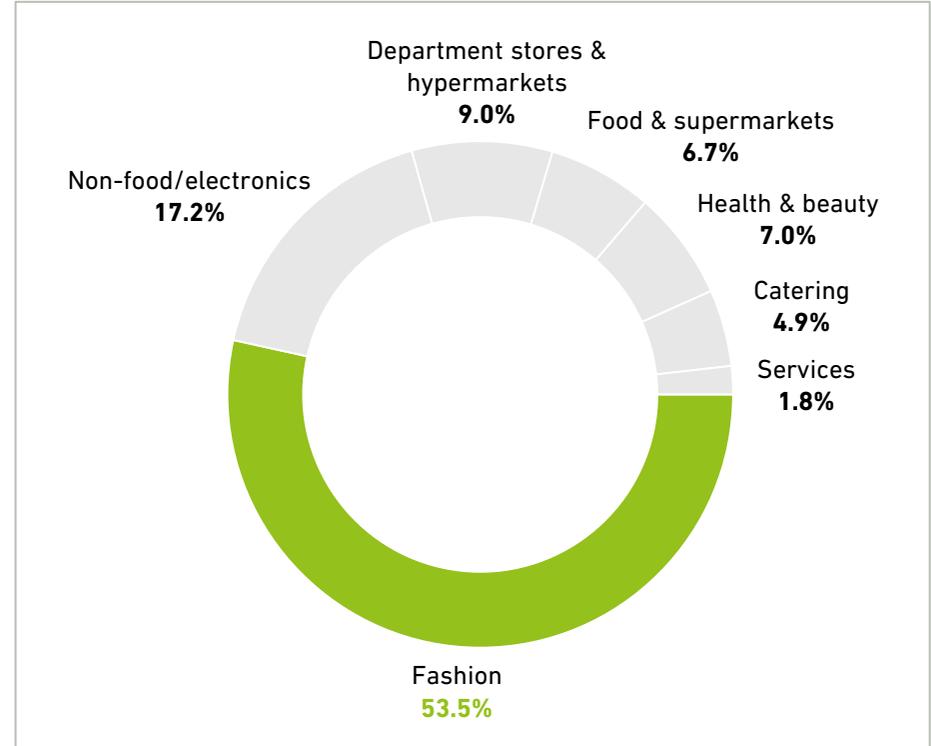
Low level of dependence on the Top 10 Tenants



■ Top 10 Tenants

¹ In % of total retail rents as at 31 December 2021

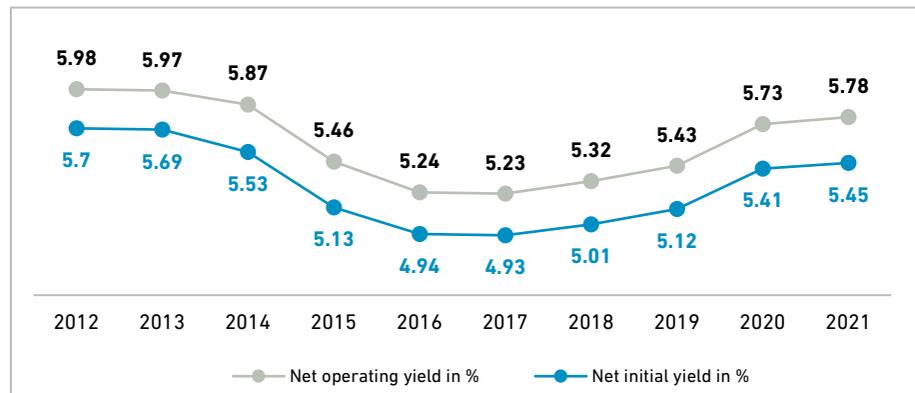
Sector Mix¹



¹ As % of rental space as at 31 December 2021

Valuation¹ – Investment Properties 31 December 2021

in € thousand	2021	2020	CHANGE
Revaluation	-62,323	-400,204	337,881
Revaluation at-equity	4,092	-73,786	77,878
Other impairment	0	-2,008	2,008
Minority interest	3,502	46,367	-42,865
Valuation result before taxes	-54,729	-429,631	374,902
Deferred taxes	8,723	74,722	-65,999
Valuation result after taxes²	-46,006	-354,909	308,903



1 External appraisers: JLL (since 2015) | 2 Attributable to group shareholders

3 Nominal rate of rent increases using the DCF method during the 10-year measurement period, including inflation-related rent indexing and changes in the occupancy rate

Valuation result slightly negative in a changed market environment

- Net Initial Yields (NIY) largely unchanged due to a dearth of market transactions in 2021 (none comparables in Germany)
- Adjusted expectations for market rents and reletting periods

Sensitivity Analysis

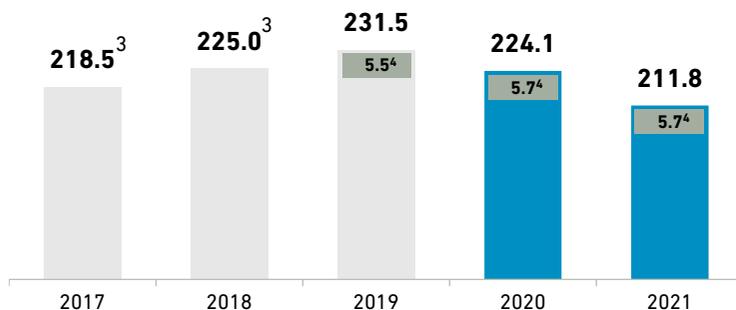
in € thousand	Basis	Change of -25bps	Change of +25bps
Rent increase rates ³	1.34%	-101,400	+150,300
Discount rate	6.06%	+67,000	-70,000
Capitalization rate	5.24%	+117,000	-104,700

	Basis	Change of -100bps	Change of +100bps
Cost ratio	11.59%	+40,000	-42,900

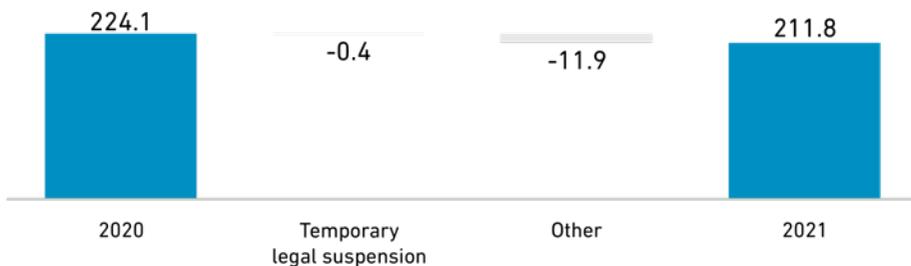
Revenues – Effected by Corona-Pandemic

Revenue
in € million

-5.5%



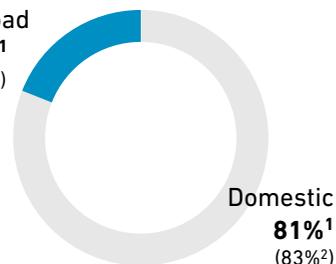
Revenue bridge 2021
in € million



- Recognition of rental income according to lease contracts
- Decrease in revenues to €211.8m (-5.5%)
- Influenced mainly by rent concessions and the situation in Poland: temporary legal suspension of rents (2021: -€2.4m; 2020: € -2.0m)
- Further impact due to default of tenants, lower turnover-based rents, longer post-leasing periods and higher vacancy rates

2021
Share of revenue

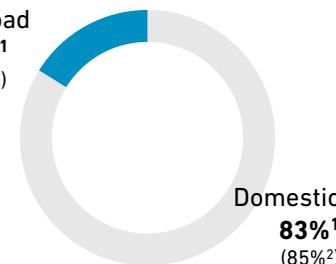
Abroad
19%¹
(17%²)



Domestic
81%¹
(83%²)

2020
Share of revenue

Abroad
17%¹
(15%²)



Domestic
83%¹
(85%²)

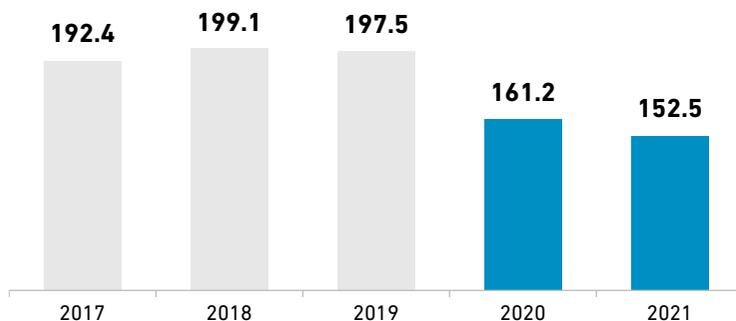
1 "Look through" (calculated on the basis of the group share) | 2 Consolidated | 3 In 2020, there was a change in the disclosure of revenue with an adjustment of the prior-year figures for 2019. The property tax and building insurance charges are no longer reported on a net basis. A comparison with the years 2017 to 2018 is therefore only possible to a limited extent | 4 Share of the property tax and building insurance charges

EBIT – Continued strong impact from Corona Rent Concessions

EBIT
in € million



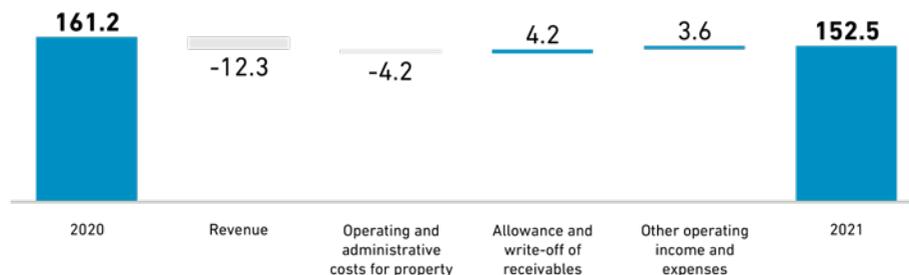
-5.4%



- EBIT decreased to €152.5m (-5.4%)
- Decline due to Corona-related decrease in revenues and higher vacancy-related non-allocable service charges
- Allowances of €25.0m (2020: €29.2m) estimated based on actual or expected losses in connection of tenant support measures and insolvencies
- Other operating income includes a Corona state aid payment ("Ü3") of €2.0m (Group share: €1.8m)

EBIT bridge 2021

in € million



in € thousand	01.01. – 31.12.2021	01.01. – 31.12.2020
Revenue	211,752	224,104
Operating and administrative costs for property	-32,547	-28,288
Allowance and write-off of receivables	-25,029	-29,218
NOI	154,176	166,598
Other operating income	6,265	2,400
Other operating expenses	-7,940	-7,759
EBIT	152,501	161,239

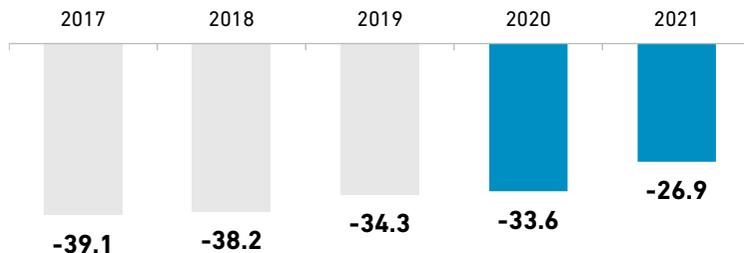
Financial result¹ – Further improvement

Financial result¹

in € million



+19.9%



- Financial result improved: €+6.7m
- Interest expenses reduced by €4.5m due to favorable refinancings (City-Arkaden Wuppertal, Billstedt-Center and City-Galerie Wolfsburg)
- At-equity operating profit¹ increased by €2.6m
- Minority profit share nearly unchanged by €-13.4m

Financial result 2021

in € million



in € thousand	01.01. – 31.12.2021	01.01. – 31.12.2020
At-equity (operating) profit/loss	25,652	23,021
Interest expense	-39,188	-43,716
Profit/loss attributable to limited partners	-13,408	-13,501
Other financial result	7	547
Financial result¹	-26,937	-33,649

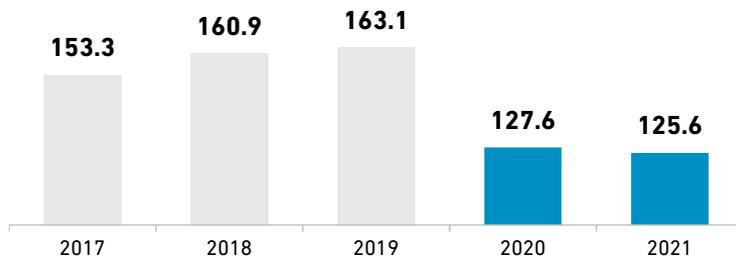
¹ Excluding valuation

EBT¹ – higher impact of the Corona-Pandemic in 2021 (vs. 2020)

EBT¹
in € million



-1.6%



- EBT (excl. valuation) below previous year -1.6% (€-2.0m) due lower operating results
- Interest savings with positive impact (€+4.5m)

in € thousand	01.01. – 31.12.2021	01.01. – 31.12.2020
EBIT	152,501	161,239
Financial result ¹	-26,937	-33,649
EBT ¹	125,564	127,590

EBT¹ bridge 2021
in € million



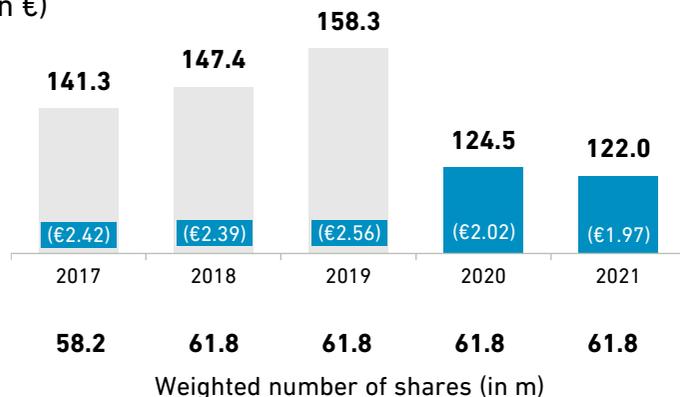
¹ Excluding valuation

EPRA earnings

EPRA earnings
in € million
(per share in €)



-2.1%



- EPRA earnings declined by €2.5m to €122.0m
- EPRA earnings per share decreased from €2.02 to €1.97

EPRA earnings

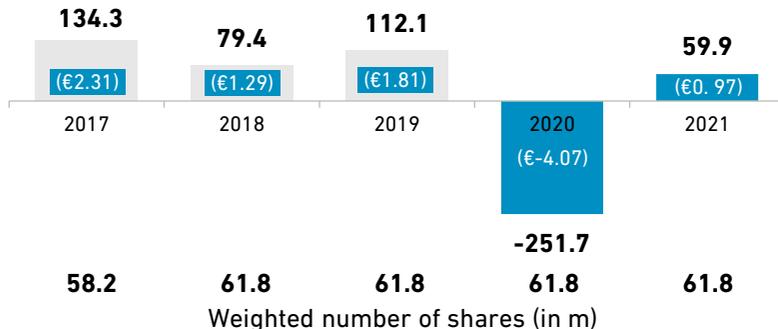
	01.01. – 31.12.2021		01.01. – 31.12.2020	
	in € thousand	per share in €	in € thousand	per share in €
Consolidated profit	59,945	0.97	-251,717	-4.07
Valuation investment properties ¹	54,729	0.89	427,623	6.92
Valuation derivative financial instruments ¹	0	0.00	-88	0.00
Impairment Goodwill	0	0.00	2,008	0.03
Deferred taxes in respect of EPRA adjustments ²	7,284	0.11	-53,290	-0.86
EPRA Earnings	121,958	1.97	124,536	2.02
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 profit bridge 2021

in € million



Consolidated result increased in total by €311.6m.

The following effects are included in that change:

- Reduced result from standing assets (€-2.1m)
- Previous year's Valuation result massively impacted by Corona (€+308.9m)
- Changes due to other deferred taxes (€+4.8m)

Earnings per share increased from €-4.07 to €+0.97

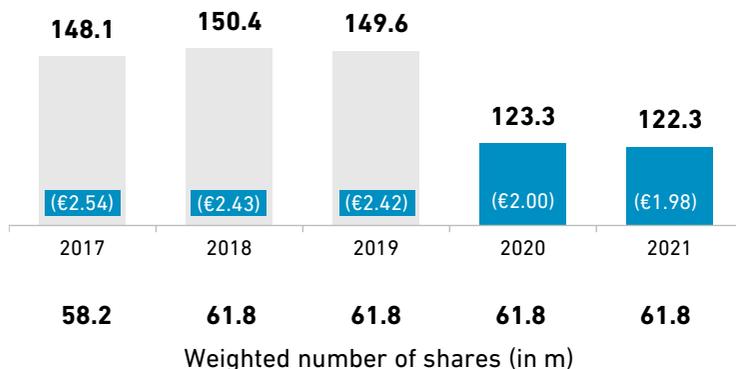
Development of Funds From Operations (FFO)

FFO

in € million
(per share in €)



-1.0%



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 declined from €123.3m to €122.3m, mainly influenced by Corona-related lower revenues, high allowances for rent receivables and provisions for non-recoverable service charges
- FFO per share decreased from €2.00 to €1.98
- FFO to be analyzed in conjunction with cash collection ratios

Funds From Operations

	01.01. – 31.12.2021		01.01. – 31.12.2020	
	in € thousand	per share in €	in € thousand	per share in €
Consolidated profit	59,945	0.97	-251,717	-4.07
Valuation investment properties ¹	54,729	0.89	427,623	6.92
Impairment Goodwill	0	0.00	2,008	0.03
Deferred taxes ¹	7,597	0.12	-54,592	-0.88
FFO	122,271	1.98	123,322	2.00
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

Balance Sheet – Solid and Robust Structure

Balance sheet structure

in € million



- Equity ratio stands at a solid 55.6%
- LTV to 30.5% (“look-through” 33.3%³)
- Group liquidity: €328.8m

Balance sheet as at 31 December 2021

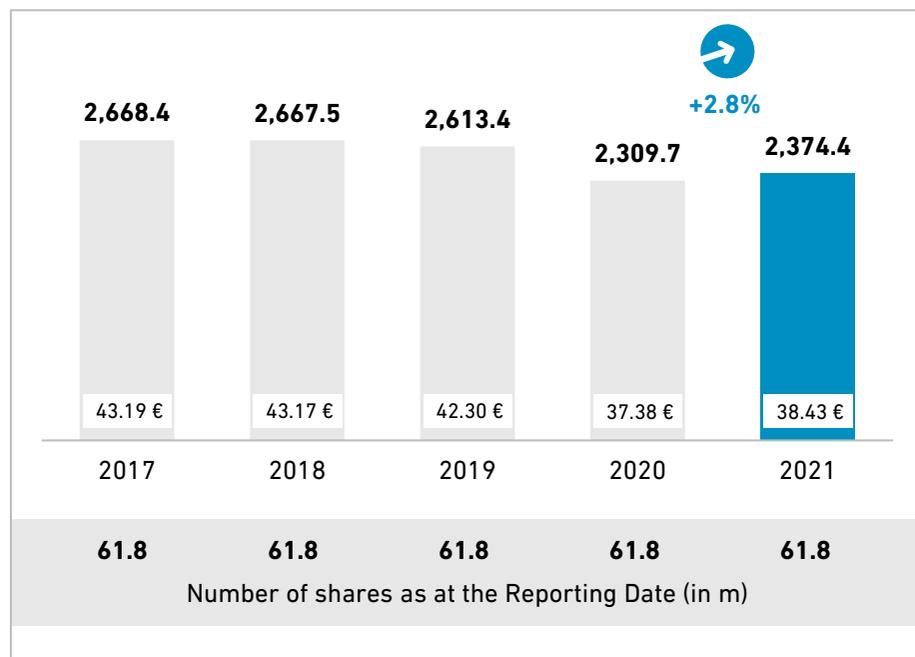
in € thousand	31.12.2021	31.12.2020	Change
Non-current assets	3,900,890	3,933,724	-32,834
Cash and cash equivalents	328,839	266,030	62,809
Other current assets	49,061	37,627	11,434
Total assets	4,278,790	4,237,381	41,409
Equity	2,062,866	2,003,246	59,620
Right to redeem of limited partners	314,914	311,525	3,389
Equity (including minority interest)	2,377,780	2,314,771	63,009
Financial liabilities	1,502,114	1,541,428	-39,314
Deferred taxes	333,037	324,978	8,059
Other liabilities	65,859	56,204	9,655
Total equity and liabilities	4,278,790	4,237,381	41,409
Equity ratio in % ¹	55.6%	54.6%	
LTV ratio in % ²	30.5%	32.9%	
LTV ratio (“look-through”) in % ³	33.3%	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

Net Tangible Assets (EPRA)

EPRA NTA

in € million (per share in €)



- EPRA NTA slightly increased through higher liquidity, partly offset by lower market values: €38.43 (+2.8%)
- Share price discount to NTA: 59% (21 March 2022)

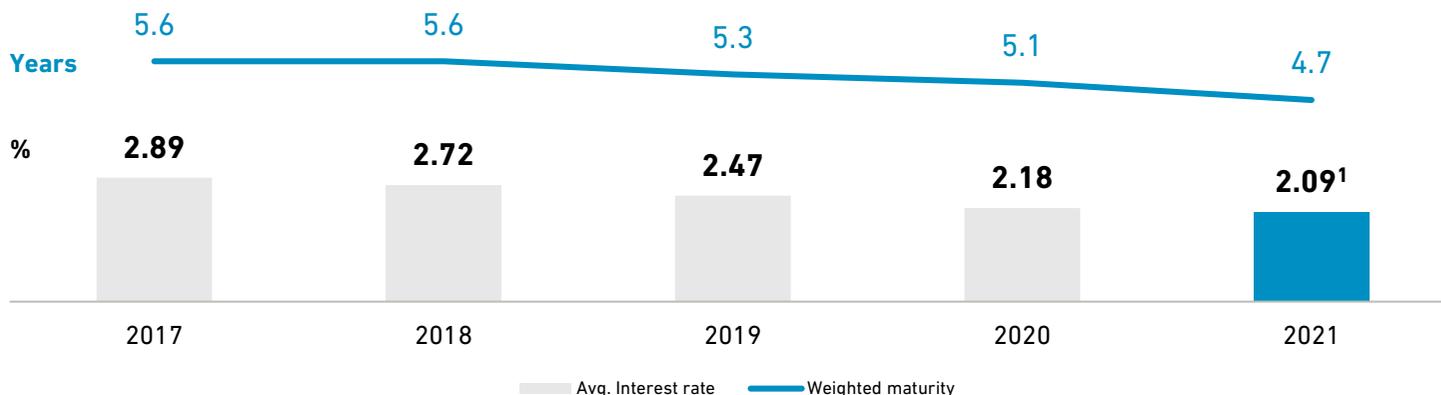
EPRA NTA

	31.12.2021		31.12.2020	
	in € thousand	per share in €	in € thousand	per share in €
Equity	2,062,866	33.39	2,003,246	32.42
Derivative financial instruments measured at fair value ¹	23,398	0.38	26,138	0.42
Equity excluding derivative financial instruments	2,086,264	33.77	2,029,384	32.84
Deferred taxes on investment properties and derivative financial instruments ¹	339,937	5.50	332,059	5.38
Intangible assets	-32	0.00	-13	0.00
Goodwill as a result of deferred taxes	-51,719	-0.84	-51,719	-0.84
EPRA NTA	2,374,450	38.43	2,309,711	37.38
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

Interest Rate Structure^{1,2}

Interest Lockin	Due (years)	Principle amounts (€ million)	Share of total Loan	Avg. interest Rate
2022		237.0	15.8%	3.21%
2023 – 2026	3.3	473.1	31.5%	2.51%
2027 – 2031	7.6	791.5	52.7%	1.96%
Total¹	4.7	1,501.6	100%	2.09%



- **18** German and **4** foreign bank partners
- Weighted maturity of fixed interest periods **4.7 years¹**

Including non-consolidated loans:
 Weighted maturity: **4.9 years**
 Avg. interest rate: **2.07%**

¹ As of 31 December 2021 | ² Excl. non-consolidated loans

Loan Maturities until 2027^{1,2}

in € million	End of fixed interest periods respectively expiring loans	Avg. interest rate	Regular redemption payments	Total maturities
2022	225.9	3.26%	11.4	237.3
2023	209.0	2.99%	10.1	219.1
2024	0		10.5	10.5
2025	58.3	2.07%	11.0	69.3
2026	168.6	2.39%	6.1	174.7
2027	189.8	3.13%	3.0	192.8
	851.6			



Already completely fixed

- €107.4m, 2.45%, 10y (03/2022)

At-equity consolidated loans¹

in € million	End of fixed interest periods respectively expiring loans	Avg. interest rate	DES' share
2022 – 2025	0		
2026	88.0	2.16%	50%
2027	0		

¹ As of 31 December 2021 | ² Excl. at-equity consolidated loans

Tenants – Contract Renewals and New Signings during the Pandemic¹

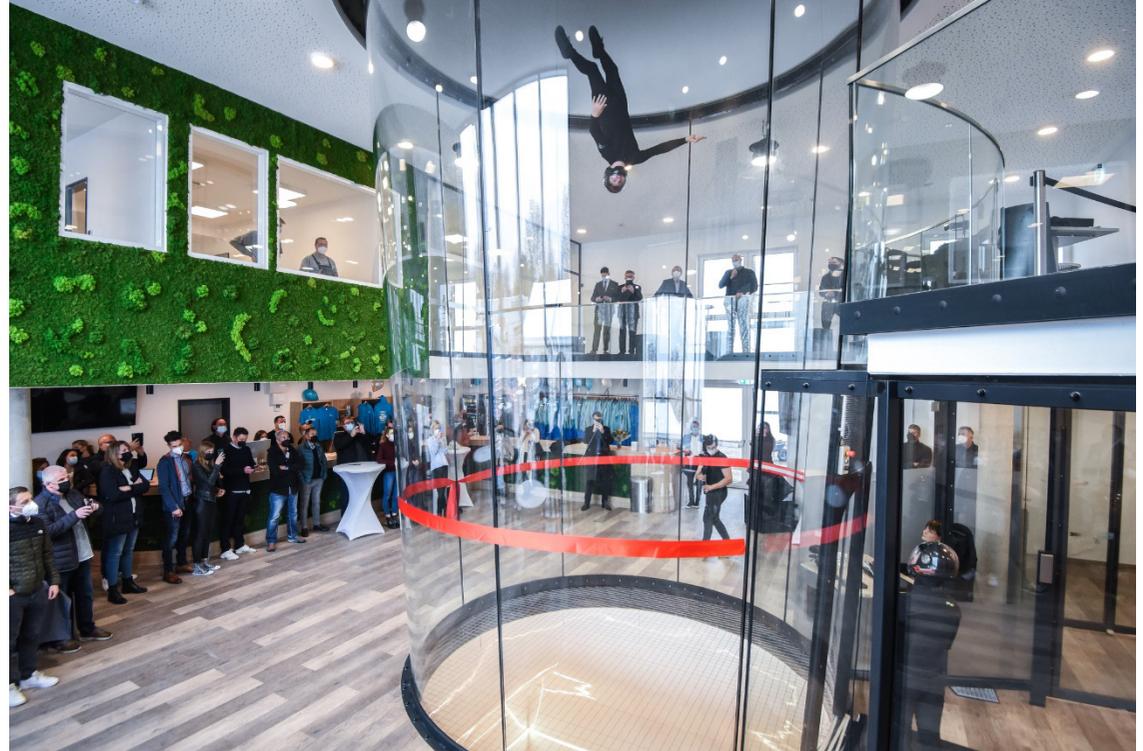
Leasing

- Continued stabilization of situation and arrangements with tenants as well as releasing activities as **key tasks** for the coming quarters
- Successful **prolongations** with **prime retailers** and negotiations
- Other major and **well-known anchor tenants** or **concepts** will newly join our centers

New Tenants: IKEA – City-Galerie Wolfsburg



New Tenants: Indoor Skydiving – Rhein-Neckar-Zentrum



Source: Indoor Skydiving Viernheim

New Tenants: L'Osteria – Rhein-Neckar-Zentrum



New Tenants: LEGO – Altmarkt-Galerie Dresden



New Tenants: RUSTA – Rathaus-Center Dessau¹



¹ Opening planned for 2023 | Source: Rusta

Main-Taunus-Zentrum: Attractive Succession for the former Karstadt Site (Ideas)



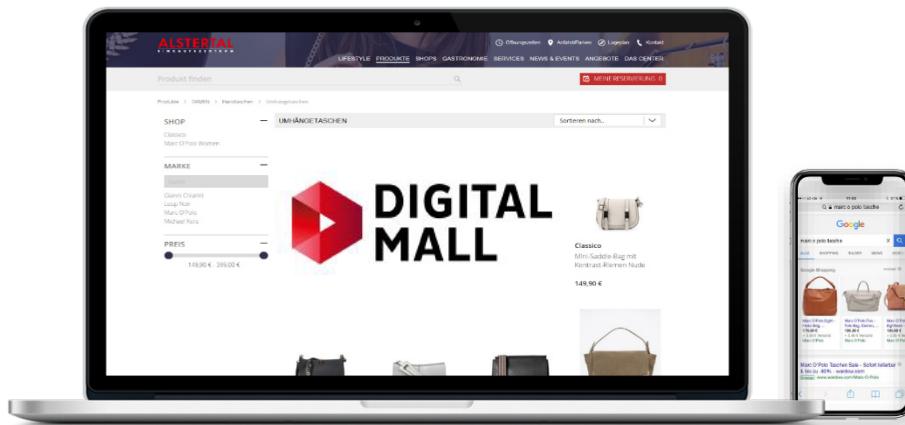
Main-Taunus-Zentrum: Attractive Succession for the former Karstadt Site (Ideas)



Update Digital Mall – Onboarding

Digital Mall

- Onboarding of retailers continues with now more than **3.7 million products** available for search
- City-Arkaden Klagenfurt as **first foreign shopping center** of DES joined the Digital Mall



- >100** Digital Mall retail Partners
- 1,000** Connected Stores
- 65** Centers Live
- 3.7m** Available Products



Outlook

Financing and Liquidity

- Continued **trustful negotiations with banking partners** for 2022 refinancings and regular exchange about effects of pandemic financial covenants
- Until 31.12.2021 **all financial covenants were met or – if necessary – temporarily waived** by the banks **due to the extraordinary pandemic situation**
- **Closing of a loan of €107.4m for a refinancing due 2022** for Altmarkt-Galerie Dresden: 2.45% for 10 years



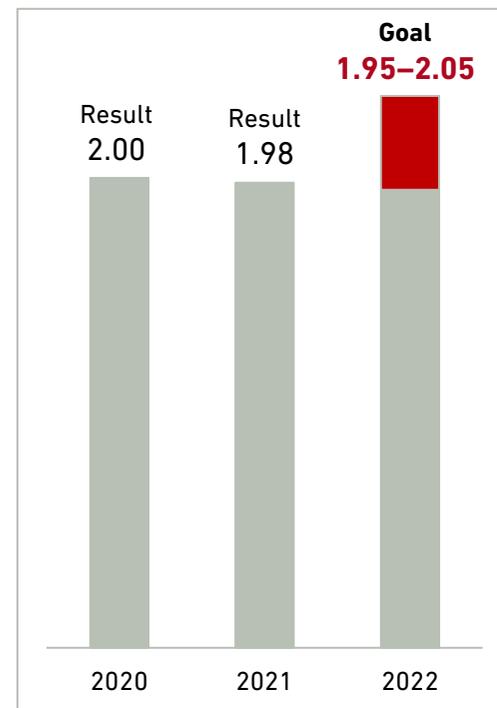
Transaction market

- Some transactions concluded, either for landmark assets and/or in regions that were less corona-influenced.
- Germany
 - First shopping center transaction seen in Berlin/Germany, however the asset is a conversion project to a very large extent
 - There seem to be early signs of demand coming back, mainly on the basis of the stabilizing corona situation and the high yield differential between shopping centers and other real estate asset classes (e.g. residential, logistics or office). The spike of the interest rates might support this process while the Ukraine war may delay the transaction market recovery further

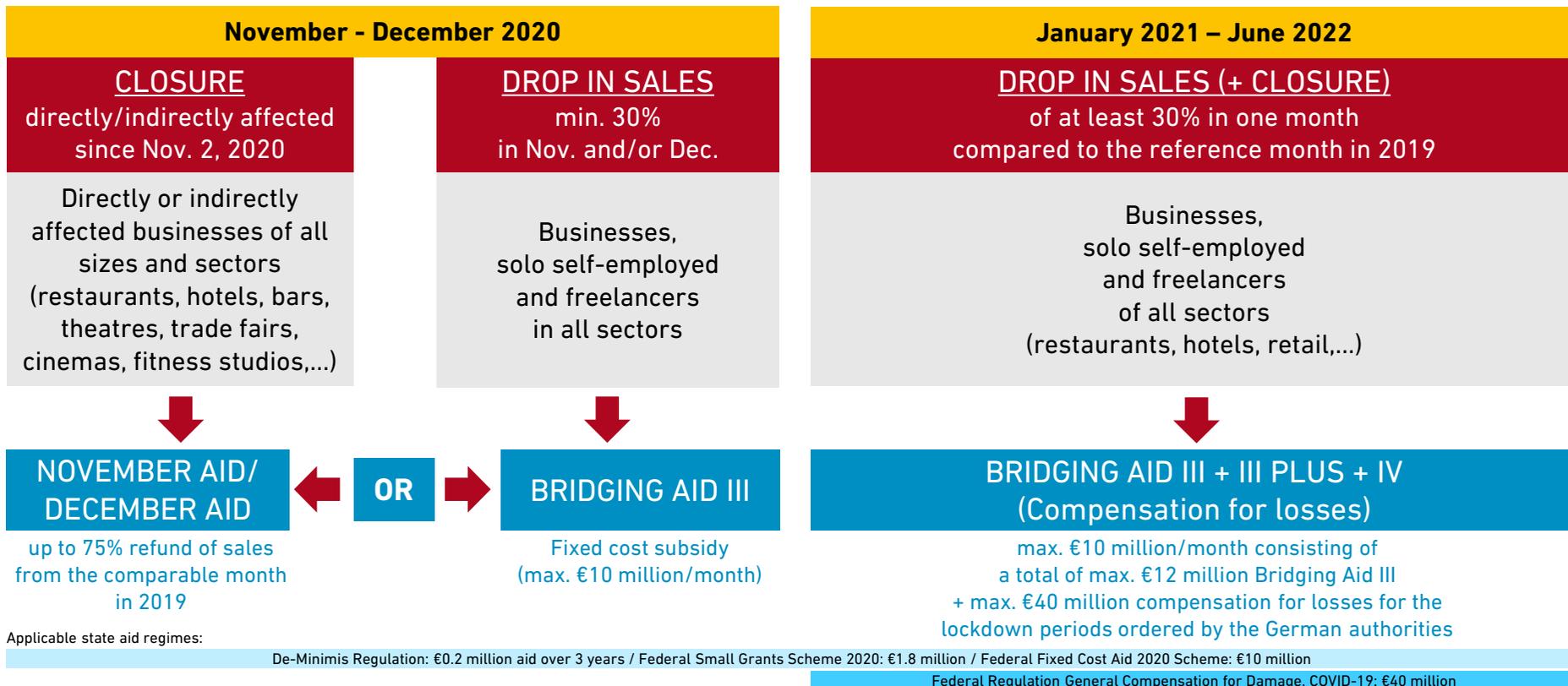
Outlook

Forecast

- **FFO between €1.95 and €2.05 per share, 2022 expected to be the transition year** to new normality
- Forecast **conditional upon**
 - **expected continuing and enduring stabilization of the pandemic** without further lockdowns or significant business restrictions,
 - **continued improvement of consumption and retail turnovers** of our tenants in 2022 (e.g. Easter Sales) and the **continuance of the established German government relief programs**
 - **No major and enduring negative effects on private consumption due to the Ukraine war.**



State Aid Programs in Germany



Financial Calendar

2022

22.03. Preliminary Results FY 2021

25.03. BofA EMEA Real Estate CEO Conference, London

26.04. Publication of the Annual Report 2021

12.05. Quarterly Statement 3M 2022

18.-09.05. Kempen European Property Seminar, Amsterdam

24.-25.05. SG The Nice Conference, Nice

23.06. Annual General Meeting, Hamburg

11.08. Half-year Financial Report 2022

19.-23.09. Baader Investment Conference, Munich

20.10. SG The Pan-European RE Conference, Paris

10.11. Quarterly Statement 9M 2022

23.11. DZ BANK Equity Conference, Frankfurt

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Leben statt Lockdown.
Lass dich impfen.

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