



**DESTINATION: SHOPPING**

## Update on Business Activities H1 2023 – Summary

### BUSINESS DEVELOPMENT

- **Strong comeback** of operational business
  - Significant increase of **footfall (+11.4%)** and **retail sales (+14.5%)** compared to H1 2022
  - Retail sales **back to 2019 levels**
- **Strengthened return profile** following acquisition of further minority interests in own shopping centers
- **Revenue** €135.4m (+28.1%), **FFO** €87.5m (+31.2%)
- **Stable portfolio valuation** of €4.2bn (**-0.7%** vs. H2 2022)
- Continued **high occupancy** rate of **94.0%**





## Update on Business Activities H1 2023 – Summary



### FINANCING AND LIQUIDITY

- Low **LTV of 28.7%** and strong **cash position of €432.2m**
- **Steady funding situation** with long-term financing partners
- **Refinancings 2023 completed**, €221.0m in total
- Next loan due in 2025, **major refinancings only from 2026**

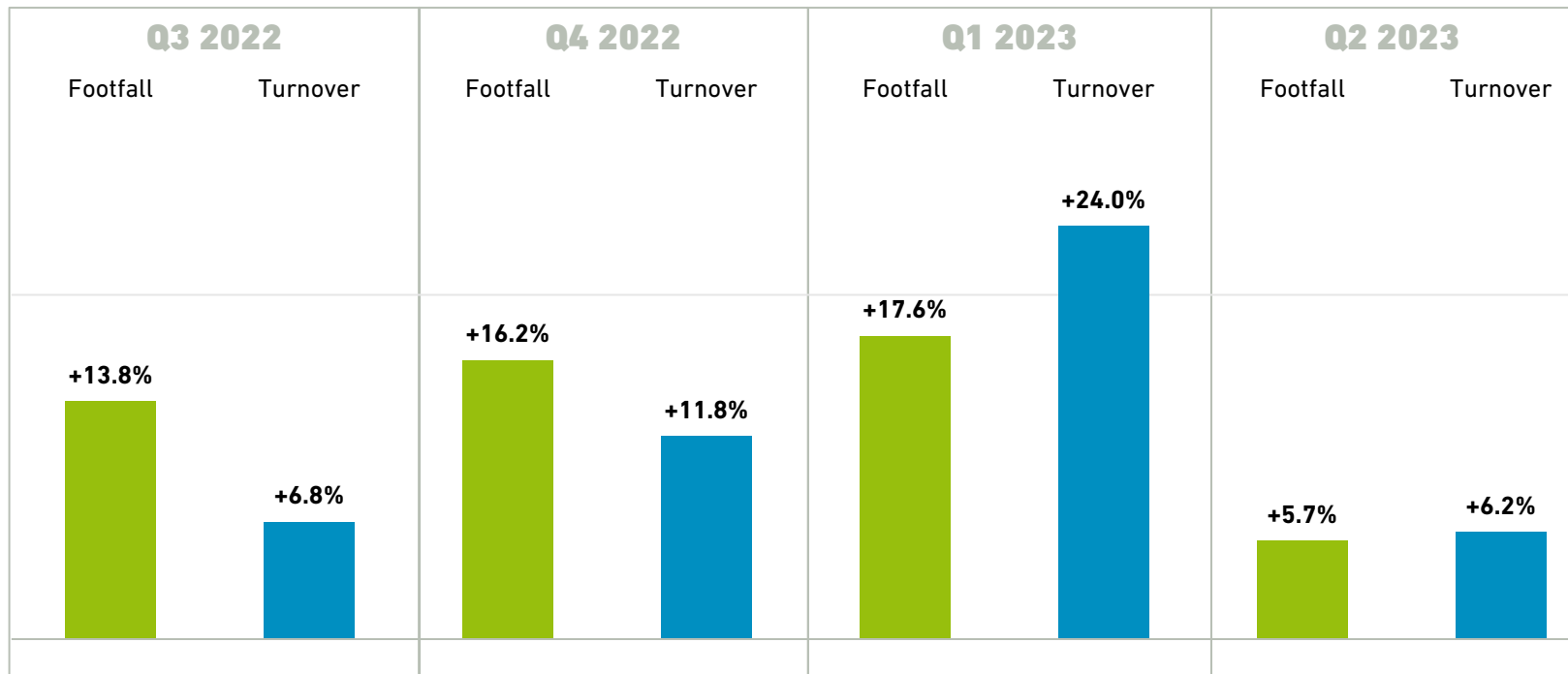
### FURTHER DEVELOPMENT AND OUTLOOK

- **Dividend of €191.2m (€2.50 per share)** paid in September
- Continued **improvement of operational business** expected
- Further **investments in competitiveness** of our shopping centers
- **ESG** and corresponding investments **in strategic focus**
- **Optimization** and diversification of **financing structure** planned

1 Based on a time-weighted number of 75,137,020 no-par value shares

## Development of Retail Turnover<sup>1</sup> and Footfall

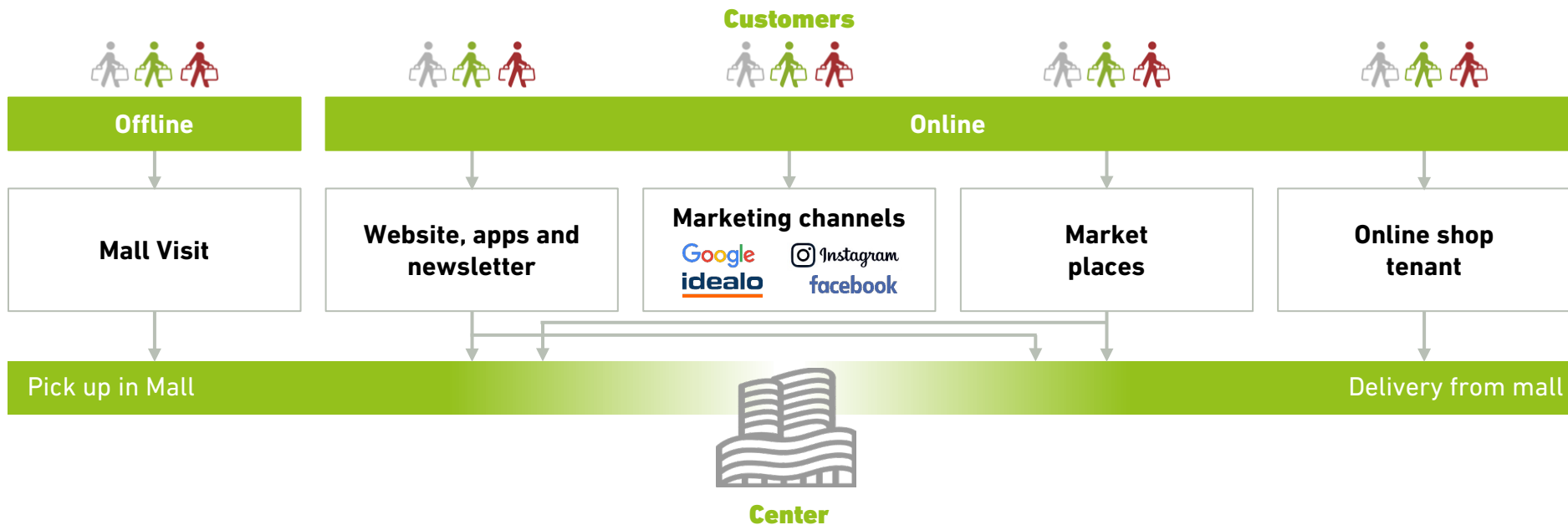
Development of retail turnover and footfall compared to previous year



<sup>1</sup> Source: ECE / the data only refer to the DES portfolio (incl. international centers) / nominal sales development, not adjusted for inflation / in Euro (with exchange rate effects)

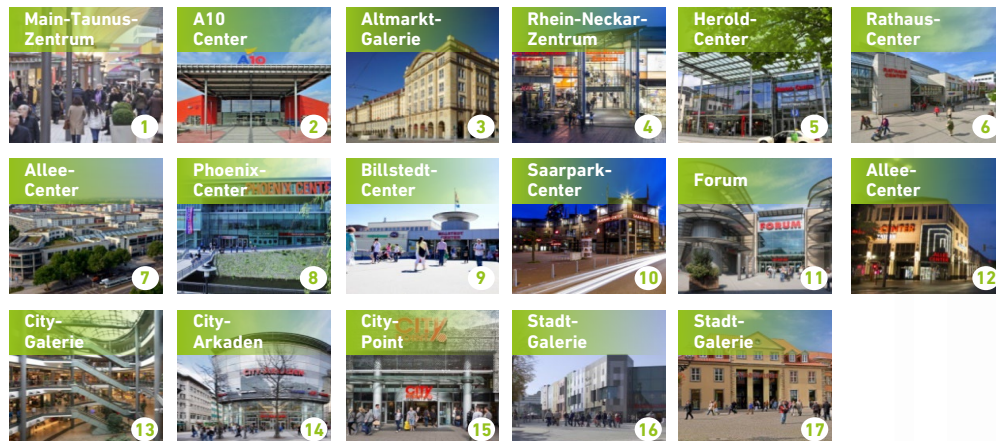
## Vision – Omnichannel-Platform

Digitalization as key to integration of retail platforms

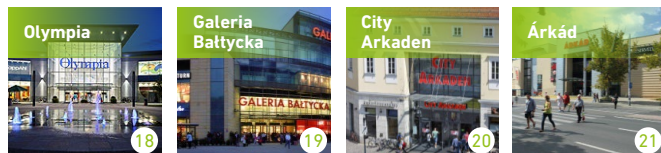


## European Portfolio with Focus on Germany

### Germany



### Europe



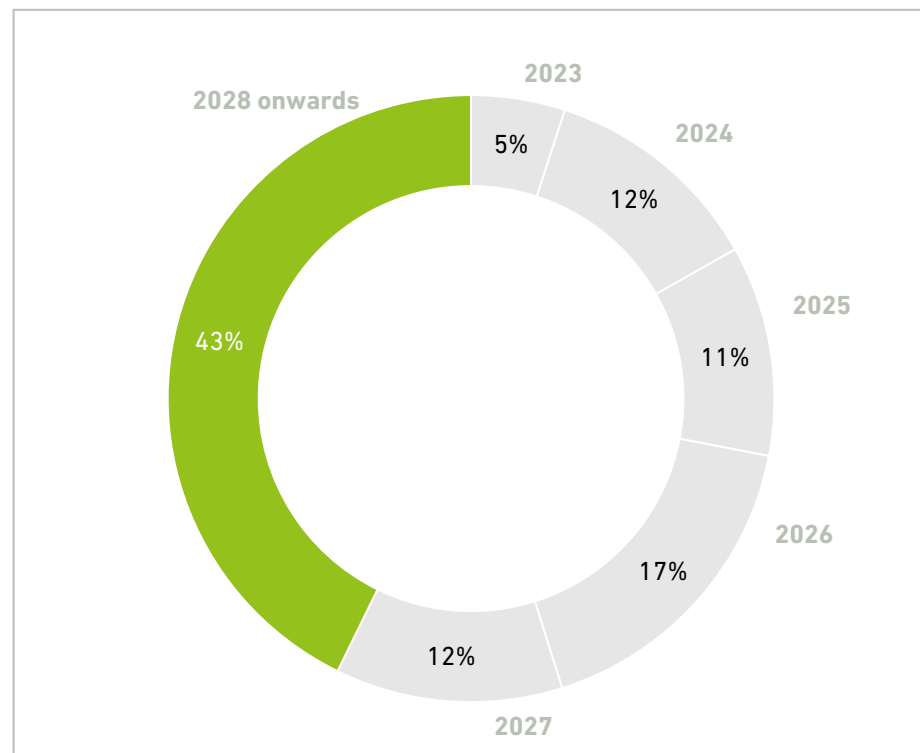
## Maturity Distribution of Rental Contracts<sup>1</sup>



Long-term contracts base  
rental income

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

Occupancy rate: **94%**  
(2021: **94%**)

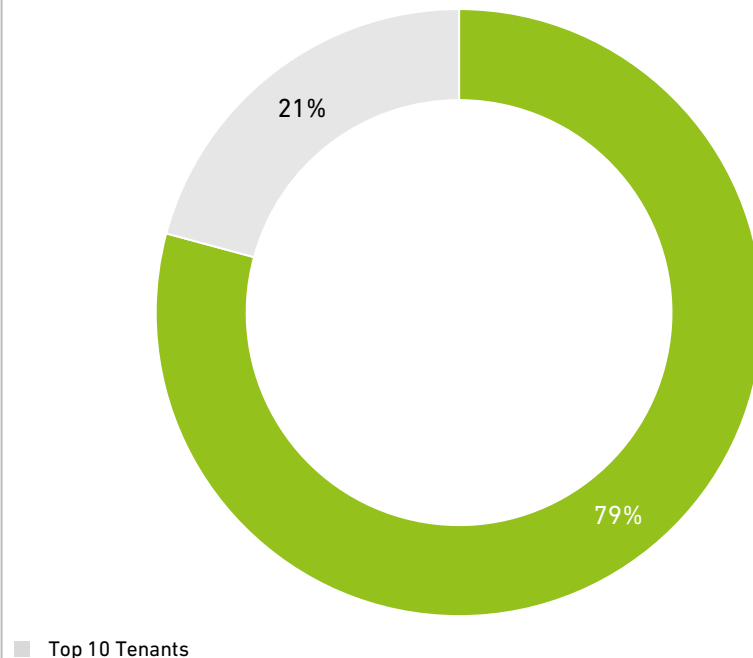


<sup>1</sup> As % of rental income as at 31 December 2022

## Tenant Structure – Top 10 Tenants

	2022 <sup>1</sup>	2021
H&M	2.8%	2.8%
Peek & Cloppenburg	2.6%	2.5%
Ceconomy	2.4%	2.4%
New Yorker	2.3%	2.2%
Deichmann	2.3%	2.2%
C&A	2.2%	2.1%
Douglas	1.9%	2.0%
TK Maxx	1.8%	1.5%
dm-drogerie markt	1.6%	1.5%
Thalia	1.5%	1.5%
<b>Total</b>	<b>21.4%</b>	<b>20.7%</b>

### Low level of dependence on the Top 10 Tenants<sup>1</sup>



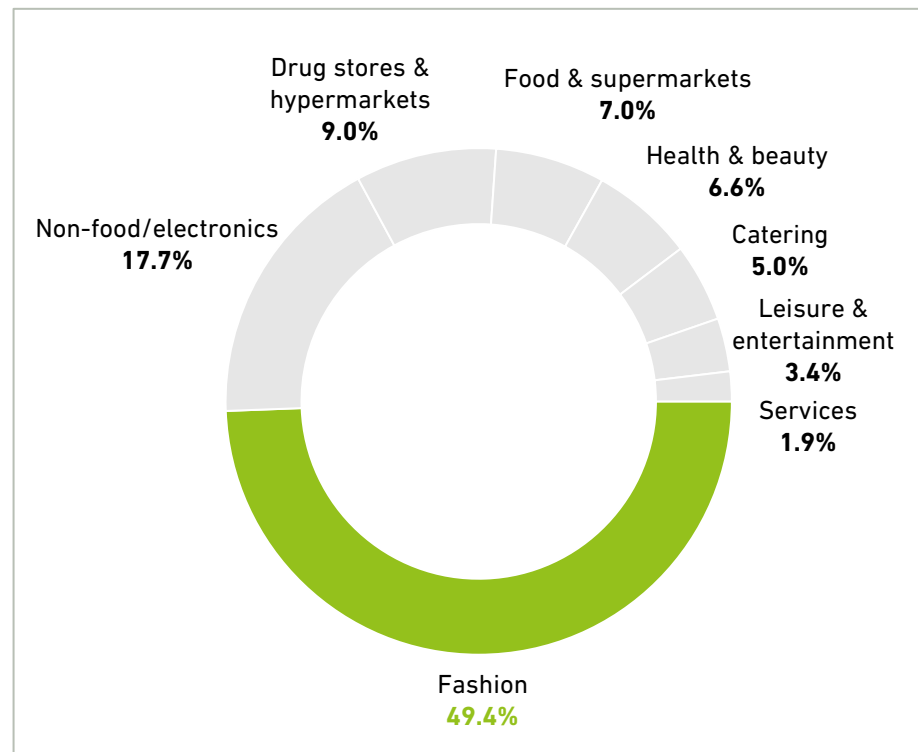
<sup>1</sup> In % of total retail rents as at 31 Dec. 2022



## Sector Mix<sup>1</sup>



Balanced sector  
diversification



<sup>1</sup> As % of rental space as at 31 December 2022

## Main-Taunus-Zentrum: “Foodtrucks.365”





## Main-Taunus-Zentrum: “Foodgarden”

- Approx. €28 million total investment for the strategic advancement of the center
- Opening is planned for spring 2025



## Main-Taunus-Zentrum: Attractive Succession for the former Karstadt Site



- Approx. €28 million total investment for the strategic advancement of the center
- Opening is planned for spring 2025



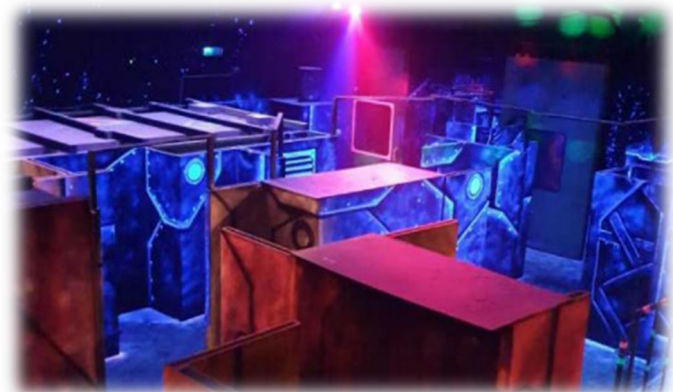


## Rhein-Neckar-Zentrum: Retailtainment & Casual Dining



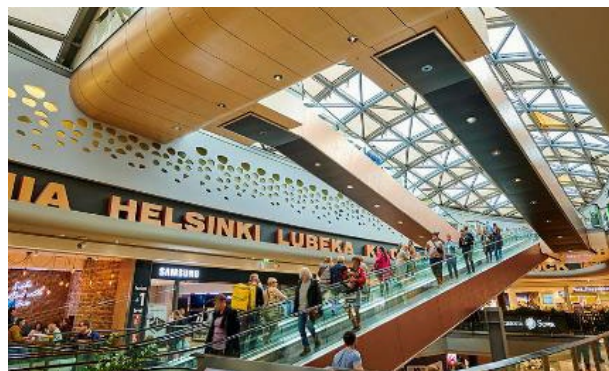


## Rhein-Neckar-Zentrum: Retailtainment & Casual Dining





## Galeria Baltycka: Mall Beautification & At-your-Service



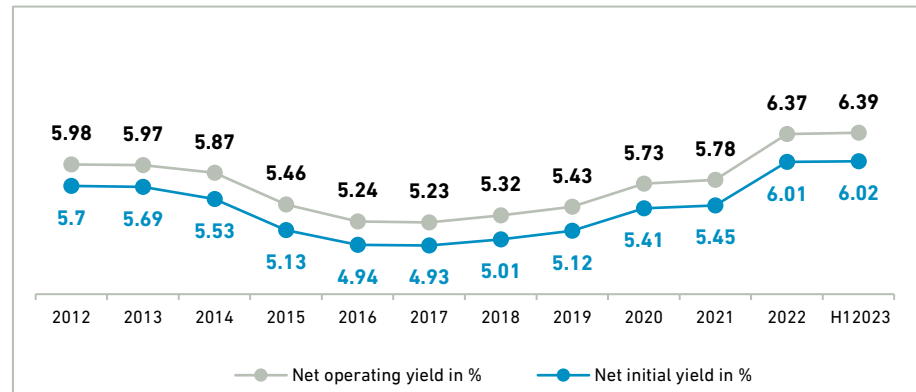
Source: ECE

## Valuation<sup>1</sup> – Investment Properties 30 June 2023

in € thousand	30.06.2023	30.06.2022	CHANGE
Revaluation	-43,789	-8,355	-35,434
Revaluation at-equity	1,422	-951	2,373
Minority interest	2,564	1,100	1,464
<b>Valuation result before taxes</b>	<b>-39,803</b>	<b>-8,206</b>	<b>-31,597</b>
Deferred taxes	6,555	1,525	5,030
<b>Valuation result after taxes<sup>2</sup></b>	<b>-33,248</b>	<b>-6,681</b>	<b>-26,257</b>

### Valuation result slightly negative in a changed market environment

- Property values slightly down in H1 2023
- Yields almost stable, significant impact from real estate transfer tax increase in Hamburg and Saxony



### Sensitivity Analysis

in € thousand	Basis	Change of -25bps	Change of +25bps
Rent increase rates <sup>3</sup>	1.64%	-121.0	+137.4
Cost ratio	12.25%	+43.7	-47.2
Discount rate	6.96%	+71.5	-71.5
Capitalization rate	5.39%	+116.9	-105.3

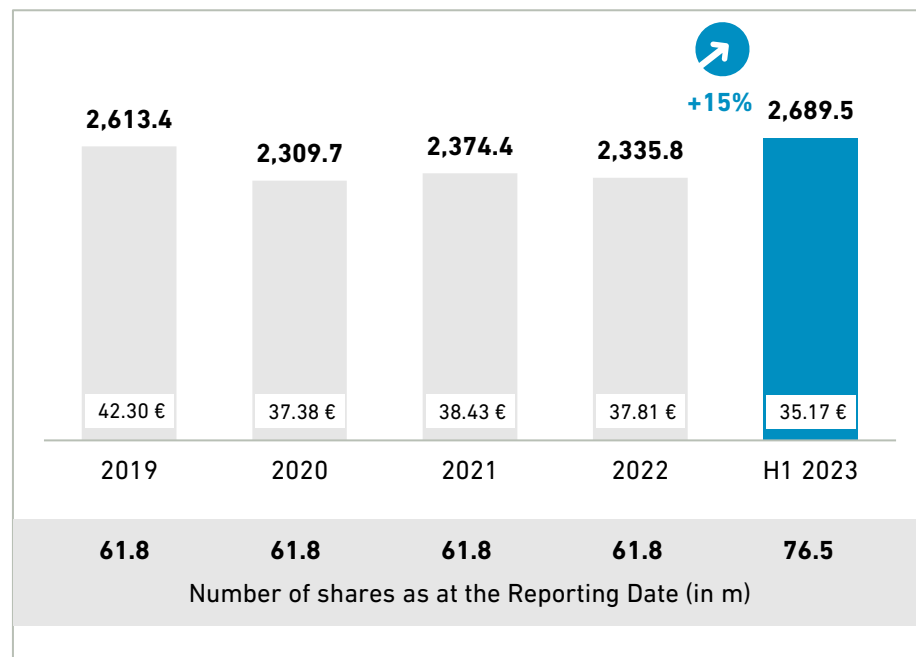
1 External appraisers: JLL (since 2015) | 2 Attributable to group shareholders

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

## Net Tangible Assets (EPRA)

### EPRA NTA

in € million (per share in €)



- EPRA NTA per share decreased due to higher amount of shares issued: €35.17 (-7.0%)
- Share price discount to NTA: 42% (5 September 2023)

### EPRA NTA

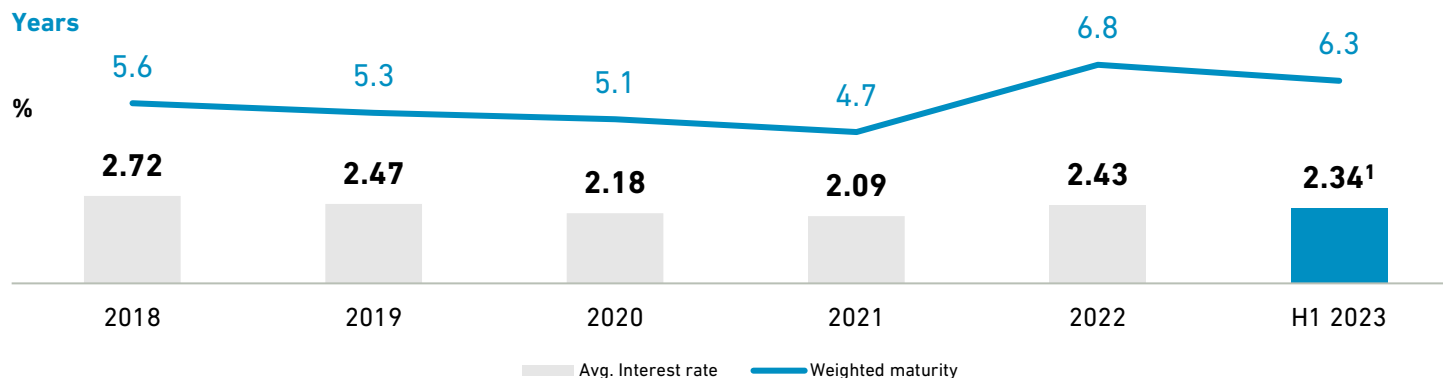
	30.06.2023		31.12.2022	
	in € thousand	per share in €	in € thousand	per share in €
Equity	2,388,378	31.24	2,036,237	32.96
Derivative financial instruments measured at fair value <sup>1</sup>	4,384	0.06	5,637	0.09
<b>Equity excluding derivative financial instruments</b>	<b>2,392,762</b>	<b>31.30</b>	<b>2,041,874</b>	<b>33.05</b>
Deferred taxes on investment properties and derivative financial instruments <sup>1</sup>	348,469	4.55	345,789	5.60
Intangible assets	-24	0.00	-29	0.00
Goodwill as a result of deferred taxes	-51,719	-0.84	-51,719	-0.84
<b>EPRA NTA</b>	<b>2,689,488</b>	<b>35.17</b>	<b>2,335,915</b>	<b>37.81</b>
Weighted number of no-par-value shares issued	76,464,319		61,783,594	

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

## Interest Rate Structure<sup>1,2</sup>

Interest Lockin	Due (years)	Principle amounts (€ million)	Share of total Loan	Avg. interest Rate
2024		0		
2025	2.4	62.1	3.8%	2.06%
2026 – 2027	3.6	521.5	32.0%	2.49%
2028 ff	7.8	1,047.2	64.2%	2.29%
<b>Total<sup>1</sup></b>	<b>6.3</b>	<b>1,630.8</b>	<b>100%</b>	<b>2.34%</b>

- **14** German and **4** foreign bank partners
- Weighted maturity of fixed interest periods **6.3 years<sup>1</sup>**
- Early refinancing of 2025/2026 maturities targeted

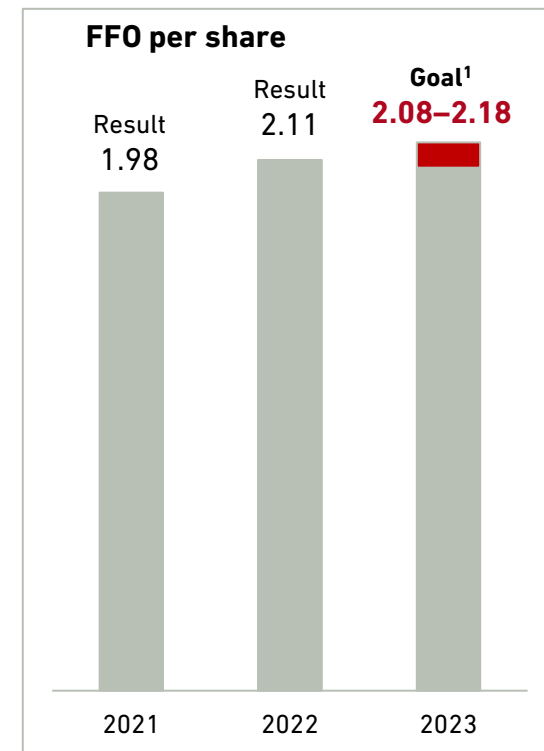


<sup>1</sup> As of 30 June 2023 | <sup>2</sup> Excl. non-consolidated loans



## Forecast 2023

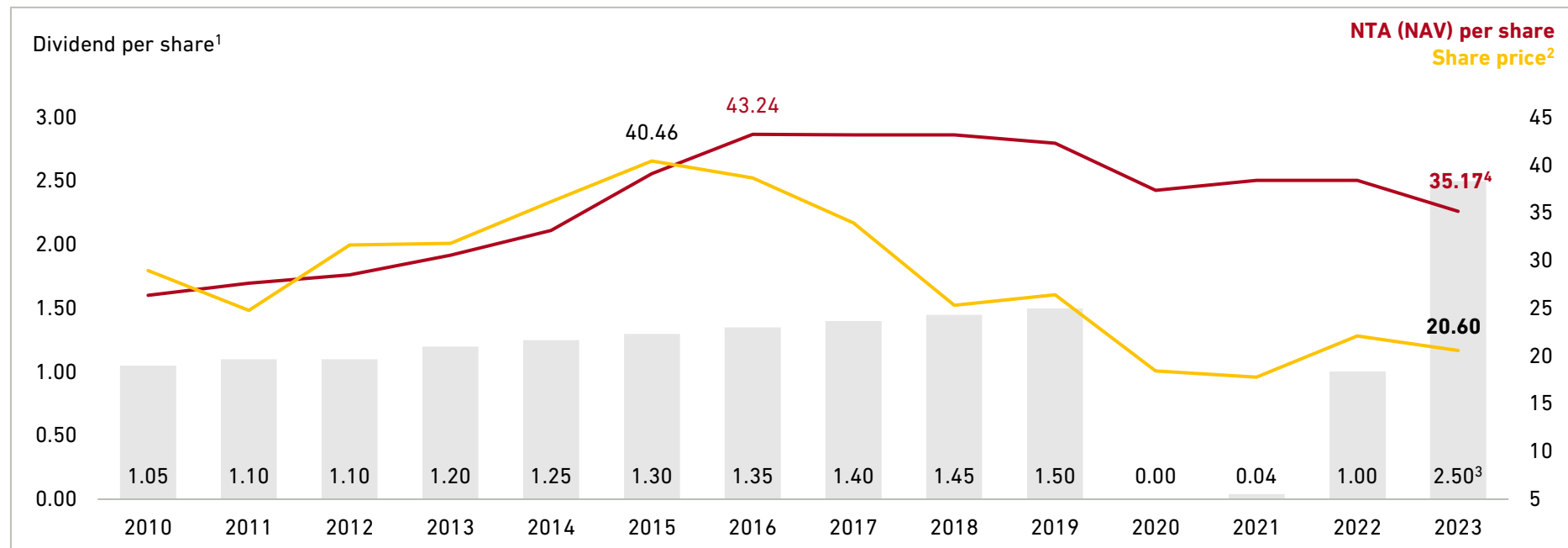
- **2023** as first year **without** Covid-related **restrictions** since 2019
- FFO H1 2023: €1.19 per share
- **FFO FY 2023** expected to **increase by >20%** to €156m - €164m
- Increase of **FFO forecast to €2.08 - €2.18 per share<sup>1</sup>**  
(from previously €2.00 - €2.10 per share)
- Forecast conditional upon continued improvement of consumption and retail turnover of our tenants in 2023, based on a stable or lower inflation rate



<sup>1</sup> Number of shares increased from 61,783,594 to 76,464,319 shares in January 2023 / The FFO per share forecast for 2023 is based on a time-weighted number of 75,137,020 no-par value shares

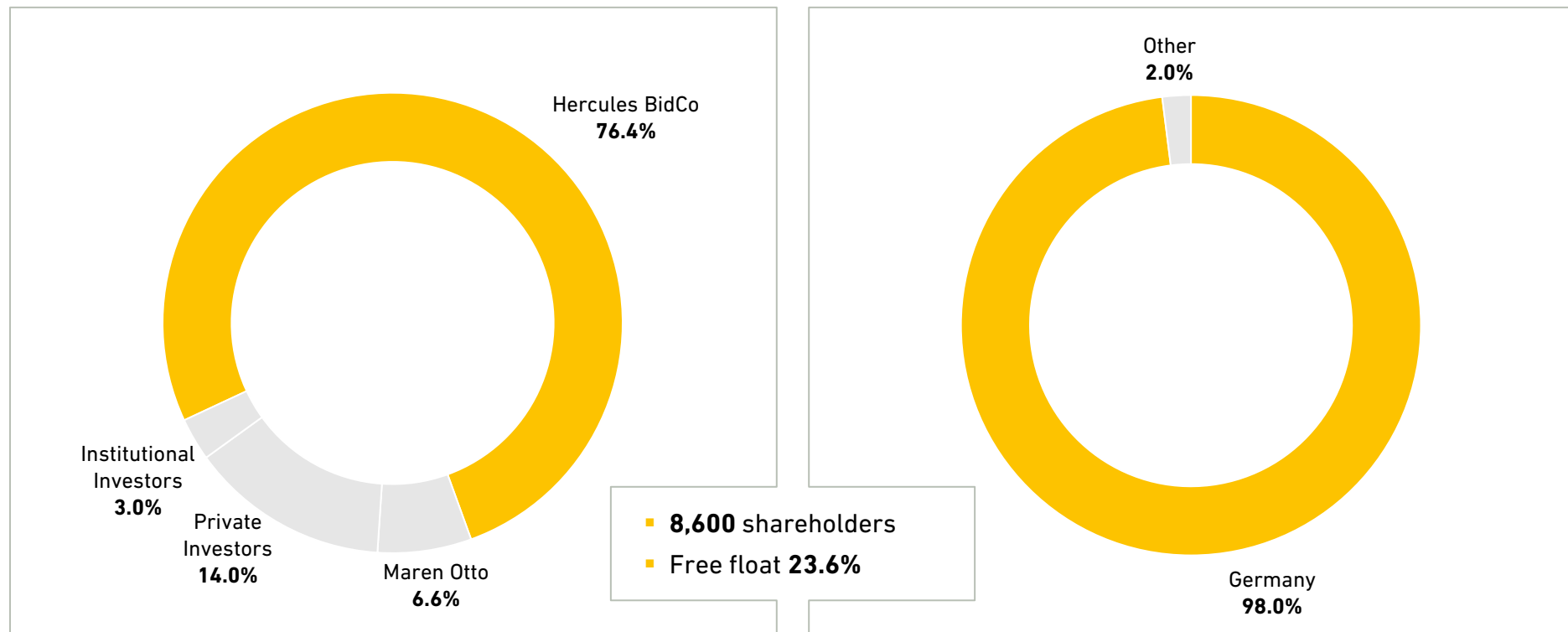
# Dividend and Performance

## Trend of share



1 Respectively paid for the previous FY | 2 2023: As of 14 September 2023 | 3 Proposal | 4 As of 30 June 2023 (DES' number of shares increased from 61,783,594 to a new total of 76,464,319 shares in January 2023)

## Shareholder Structure<sup>1</sup>



<sup>1</sup> As at 15 September 2023

## Key Data of the Share

Listed since	02.01.2001
Nominal capital	€76,464,313.00
Outstanding shares	76,464,313
Class of shares	Registered shares
Dividend for 2022 (paid on 1 September 2023)	€2.50
52W High	€24.35
52W Low	€18.12
Share price (14 September 2023)	€20.60
Market capitalization	€1.6 billion
Avg. turnover per day last 12 months (XETRA)	144,470 shares
Indices	CDAX, EPRA, MSCI Small Cap, HASPAX, Prime All Share Index, Classic All Share Index
Official market	Prime Standard Frankfurt and XETRA
OTC market	Berlin, Dusseldorf, Hamburg, Hanover, Munich and Stuttgart
ISIN	DE 000 748 020 4
Ticker	DEQ, Reuters: DEQn.DE
Market maker	ODDO BHF



## Consolidated Income Statement H1 2023

€ thousand	01.01. – 30.06.2023	01.01. – 30.06.2022
Revenue	135,355	105,691
Property operating costs	-16,209	-10,792
Property management costs	-6,828	-5,363
Write-downs and disposals of financial assets	-4,810	-5,404
<b>Net operating income (NOI)</b>	<b>107,508</b>	<b>84,132</b>
Other operating income	9,577	2,480
Other operating expenses	-3,551	-10,570
<b>Earnings before interest and tax (EBIT)</b>	<b>113,534</b>	<b>76,042</b>
Share in the profit or loss of associated companies and joint ventures accounted for using the equity method	5,804	13,749
Interest expense	-21,501	-18,066
Profit/loss attributable to limited partners	-7,458	-8,045
Interest income	1,870	45
<b>Financial gains/losses</b>	<b>-21,285</b>	<b>-12,317</b>
<b>Measurement gains/losses</b>	<b>-49,558</b>	<b>-7,255</b>
<b>Earnings before tax (EBT)</b>	<b>42,691</b>	<b>56,470</b>
Income taxes	-5,613	-10,285
<b>Consolidated profit</b>	<b>37,078</b>	<b>46,185</b>
Earnings per share (€)	0.50	0.75





# Consolidated Balance Sheet H1 2023

€ thousand		30.06.2023	31.12.2022
<b>ASSETS</b>			
<b>Non-current assets</b>	Intangible assets	51,743	51,748
	Property, plant and equipment	384	436
	Investment properties	4,075,536	3,329,995
	Investments accounted for using the equity method	96,187	443,069
	<b>Total Non-current assets</b>	<b>4,223,850</b>	<b>3,825,248</b>
<b>Current assets</b>	Trade receivables	17,633	16,991
	Other current assets	33,400	30,924
	Cash and cash equivalents	432,227	334,943
	<b>Total Current assets</b>	<b>483,260</b>	<b>382,858</b>
<b>TOTAL ASSETS</b>		<b>4,707,110</b>	<b>4,208,106</b>

€ thousand		30.06.2023	31.12.2022
<b>LIABILITIES</b>			
<b>Equity and reserves</b>	Issued capital	76,464	61,784
	Capital reserves	793,943	494,526
	Retained earnings	1,517,971	1,479,927
	<b>Total equity</b>	<b>2,388,378</b>	<b>2,036,237</b>
<b>Non-current liabilities</b>	Financial liabilities	1,622,618	1,464,917
	Deferred tax liabilities	336,200	334,404
	Right to redeem of limited partners	283,763	307,130
	Other liabilities	4,942	6,333
	<b>Total Non-current liabilities</b>	<b>2,247,523</b>	<b>2,112,784</b>
<b>Current liabilities</b>	Financial liabilities	8,203	14,334
	Trade payables	4,727	8,067
	Tax liabilities	1,450	474
	Other provisions	31,836	11,267
	Other liabilities	24,993	24,943
	<b>Total Current liabilities</b>	<b>71,209</b>	<b>59,085</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>4,707,110</b>	<b>4,208,106</b>

## Our Partner **ECE**

- ECE Group develops, plans, builds, leases and manages real estate in the sectors shopping, office, hotel, residential and industries since 1965
- Originally ECE was an abbreviation for the German word **Einkaufszentrumentwicklung** (Shopping center development)
- 100% privately owned by the Otto family
- Assets under management
  - Approx. 200 shopping centers
  - €33.3 billion market value
  - 7.0 million sqm overall sales area
  - Approx. 20,000 retail businesses
  - 4.0 million daily visitors
- Active in 13 countries
  - Austria, China, Czech Republic, Denmark, Germany, Hungary, Italy, Poland, Qatar, Slovakia, Spain, Turkey and United Kingdom

Close alliance with a European market leader  
in the shopping center business

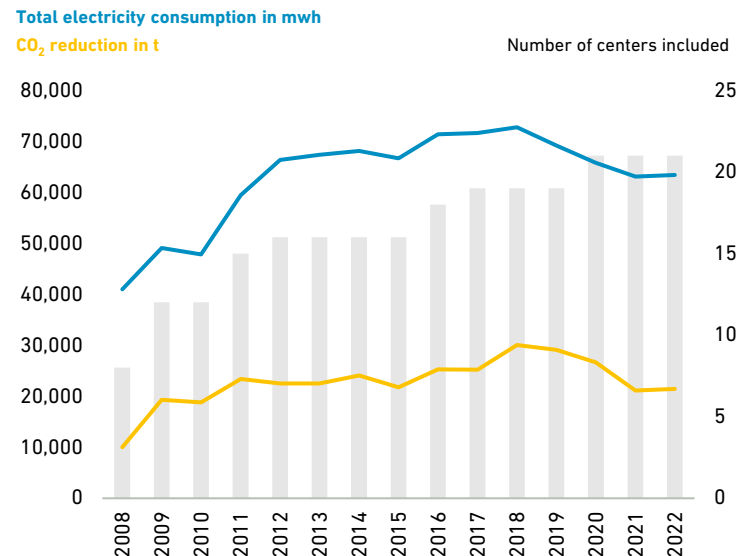


## ESG

- Climate protection is a top priority for Deutsche EuroShop. We firmly believe that sustainability and profitability are not mutually exclusive. Neither are shopping experience and environmental awareness. Long-term thinking is part of our strategy, and that includes a commitment to environmental protection
- Deutsche EuroShop also supports a diverse range of local and regional activities that take place in our shopping centers in the areas of the environment, society and the economy
- The following institutions<sup>1</sup> regularly analyse Deutsche EuroShop with regard to its ESG factors: Ethifinance<sup>2</sup>, ISS ESG<sup>3</sup>, MSCI ESG Ratings<sup>4</sup>, S&P Global Corporate Sustainability Assessment<sup>5</sup> and Sustainalytics<sup>6</sup>.



### Reduction of CO<sub>2</sub> Emission and Electricity Consumption



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2 Rating action date 12/22, Score: 54/100 | 3 Rating action date 06/23, Corporate ESG Performance: Prime | 4 Rating action date 03/23, MSCI ESG Ratings: BBB | 5 Rating action date 02/23, Score: 15 | 6 Rating action date 01/23, ESG Risk Rating: Low

## ESG

- The German Sustainable Building Council (DGNB) has awarded sustainability certificates to all 21 Deutsche EuroShop shopping centers, 11 in Gold and 10 in Platinum.
- TÜV Süd has certified the electricity used in Deutsche EuroShop's German centers with the prestigious "Ökostrom" green electricity label.
- 2023 saw Deutsche EuroShop awarded the EPRA sBPR Award in "Gold" by the European Public Real Estate Association (EPRA) for the sixth time in a row.
- Deutsche EuroShop has participated in the Carbon Disclosure Project (CDP) since 2010 and reports the environmental data pertaining to its portfolio.



### DGNB Sustainability certificates



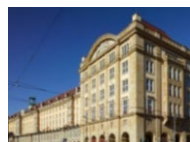
# Germany 1/2<sup>1</sup>



**Main-Taunus-Zentrum**



**A10 Center**



**Altmarkt-Galerie**



**Rhein-Neckar-Zentrum**



**Herold-Center**



**Rathaus-Center**



**Allee-Center**



**Phoenix-Center**

Location	Sulzbach/ Frankfurt	Wildau/ Berlin	Dresden	Viernheim/ Mannheim	Norderstedt	Dessau	Magdeburg	Hamburg
<b>Investment</b>	52.0%	100%	100%	100%	100%	100%	100%	75.0%
<b>Letttable Space sqm</b>	124,000	121,000	77,000	69,500	54,300	52,500	51,300	43,400
<b>Parking</b>	4,500	4,000	500	3,800	850	850	1,300	1,400
<b>Number of Shops<sup>2</sup></b>	170	200	200	110	140	90	150	130
<b>Occupancy Rate<sup>3</sup></b>	93%	89%	96%	91%	93%	91%	96%	96%
<b>Catchment Area<sup>2</sup></b>	2.1 m inhabitants	1.1 m inhabitants	1.4 m inhabitants	1.6 m inhabitants	0.5 m inhabitants	0.3 m inhabitants	0.8 m inhabitants	0.5 m inhabitants
<b>Visitors 2022</b>	7.6 m	4.5 m	10.8m	7.6 m	7.8 m	4.1 m	8.3 m	7.2 m
<b>Opening/ refurbishment</b>	1964/2004/2011	1996/2011	2002/2011	1972/2002	1971/1995/2003	1995	1998/2006	2004/2016

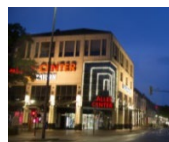
1 Status: 31 Dec. 2022 (Investments: 3 Feb. 2023) | 2 Approximately | 3 As % of market rent



## Germany 2/2<sup>1</sup>


**Billstedt-Center**

**Saarpark-Center**

**Forum**

**Allee-Center**

**City-Galerie**

**City-Arkaden**

**City-Point**

**Stadt-Galerie**

**Stadt-Galerie**

Location	Hamburg	Neunkirchen	Wetzlar	Hamm	Wolfsburg	Wuppertal	Kassel	Passau	Hameln
<b>Investment</b>	100%	90.0%	100%	100%	100%	100%	100%	100%	100%
<b>Letttable Space sqm</b>	42,500	35,600	34,500	34,000	30,800	28,700	27,800	27,700	26,000
<b>Parking</b>	1,500	1,600	1,700	1,300	800	650	220	500	500
<b>Number of Shops<sup>2</sup></b>	110	115	110	90	100	80	60	90	85
<b>Occupancy Rate<sup>3</sup></b>	98%	94%	98%	96%	92%	95%	92%	97%	84%
<b>Catchment Area<sup>2</sup></b>	0.8 m inhabitants	0.7 m inhabitants	0.5 m inhabitants	0.4 m inhabitants	0.5 m inhabitants	0.7 m inhabitants	0.6 m inhabitants	0.8 m inhabitants	0.3 m inhabitants
<b>Visitors 2022</b>	9.9 m	4.6 m	6.7 m	4.5 m	5.6 m	7.2 m	7.2 m	5.9 m	4.3 m
<b>Opening/ refurbishment</b>	1969/1977/1996	1989/1999/2009	2005	1992/2003/2009	2001/2006	2001/2004	2002/2009/2015	2008	2008

1 Status: 31 Dec. 2022 (Investments: 3 Feb. 2023) | 2 Approximately | 3 As % of market rent

# Europe<sup>1</sup>



	<b>Olympia</b>	<b>Galeria Baltycka</b>	<b>City Arkaden</b>	<b>Árkád</b>
<b>Location</b>	Brno, Czech Republic	Gdansk, Poland	Klagenfurt, Austria	Pécs, Hungary
<b>Investment</b>	100%	100%	50.0%	50.0%
<b>Lettable Space sqm</b>	85,000	48,700	36,900	35,400
<b>Parking</b>	4,000	1,050	880	850
<b>Number of Shops<sup>2</sup></b>	200	193	120	130
<b>Occupancy Rate<sup>3</sup></b>	94%	97%	98%	99%
<b>Catchment Area<sup>2</sup></b>	1.2 m inhabitants	1.1 m inhabitants	0.4 m inhabitants	0.7 m inhabitants
<b>Visitors 2022</b>	8.0 m	7.3 m	5.0 m	10.9 m
<b>Opening/ refurbishment</b>	1999/2014 – 16	2007	2006	2004

1 Status: 31 Dec. 2022 (Investments: 3 Feb. 2023) | 2 Approximately | 3 As % of market rent

## Financial Calendar

### 2023

18.09.	Berenberg and Goldman Sachs German Corporate Conference, Munich
19.09.	Baader Investment Conference, Munich
<b>14.11.</b>	<b>Quarterly Statement 9M 2023</b>
16.11.	Kepler Cheuvreux UniCredit Pan-European Real Estate Conference, London

### 2024

15.-16.01.	ODDO BHF Forum (virtual)
17.01.	Kepler Cheuvreux UniCredit German Corporate Conference, Frankfurt
20.-22.03.	Bank of America EMEA Real Estate CEO Conference, London



## Contact

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### Important Notice: Forward-Looking Statements

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

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

### Rounding and rates of change

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

