

DES
Deutsche EuroShop

DES

ANNUAL REPORT

22

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WITH MANY
TIPS FROM THE
CITIES AND
REGIONS
OF OUR
CENTERS

INCLUDING
ESG
REPORT

THE TRAVEL GUIDE TO THE 21 SHOPPING CENTERS OF DEUTSCHE EUROSHOP

DESTINATION: SHOPPING



KEY FIGURES

in € millions / per share in €	2022	2021	+/-
Revenue	212,8	211,8	0%
EBIT	152,4	152,5	0%
Net finance costs (excluding measurement gains / losses ¹)	-22,3	-26,9	17%
EBT (excluding measurement gains / losses ¹)	130,2	125,6	4%
Measurement gains / losses ¹	-106,4	-54,7	-94%
Consolidated profit	21,4	59,9	-64%
FFO per share	2,11	1,98	7%
Earnings per share	0,35	0,97	-64%
EPRA Earnings per share	2,10	1,97	7%
Equity ²	2.343,4	2.377,8	-1%
Liabilities	1.864,7	1.901,0	-2%
Total assets	4.208,1	4.278,8	-2%
Equity ratio in % ²	55,7	55,6	
Loan to value (LTV) in %	30,3	30,5	
EPRA LTV in % ⁴	33,1	33,2	
Cash and cash equivalents	334,9	328,8	2%
Net tangible assets (EPRA)	2.335,9	2.374,5	-2%
Net tangible assets per share (EPRA)	37,81	38,43	-2%
Dividend per share	2,50 ³	1,00	150%

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

² Incl. non controlling interests

³ proposal

⁴ EPRA LTV is calculated on the basis of the Group's share in the subsidiaries and joint ventures.

REVENUE

in € millions



EBIT

in € millions



EBT *

in € millions



FFO per share

in €



*excluding measurement gains / losses

INHALT 2022

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OUR GOALS

Deutsche EuroShop does not seek short-term success, but rather the stable increase in the value of our portfolio. Our objective is to generate a sustainably high surplus liquidity from the **longterm leasing** of our shopping centers to **distribute an attractive dividend** to our shareholders. In order to achieve this, we shall acquire further prime properties and hence establish ourselves as one of the largest companies in Europe focusing on retail properties.

OUR VALUES

We are the only public company in Germany that invests solely in **shopping centers** in prime locations. We invest only in carefully chosen properties. **High quality standards** and a high degree of flexibility are just as important to us as sustained earnings growth from index- and turnover-linked rental contracts. In addition, we boast a higher than average occupancy rate and professional **center management**. – these are the pillars of our success.

(TRAVEL)REPORT OF THE EXECUTIVE BOARD

Dear Shareholders,

2022 was a turbulent and momentous year for Deutsche EuroShop in many respects. In this report, I would like to take you on a journey through our financial year, which I had the privilege of helping shape from the fourth quarter onwards. Along the way you will encounter some challenges that were overcome and meet some new travellers joining the voyage. One of those is me, Hans-Peter Kneip. With 17 years of experience in finance and real estate as well as in management positions and on the Executive Board of listed companies, I was appointed to the Executive Board of Deutsche EuroShop on 1 October 2022. As the new captain, so to speak, I have been given the opportunity to continue the Company's onward journey, which began 22 years ago. After the last few years overshadowed by the coronavirus pandemic in particular, the time has come to set new goals.

Our journey through the 2022 reporting year got off to a positive start, propelled by political tailwinds. After coronavirus measures had already been relaxed abroad in March, the individual federal states in Germany followed suit. Calmer waters returned in the direction of a new normality. People took advantage of their regained freedoms and returned to cities and shopping centers. Our operating business also stabilised as a result, allowing us to leave the negative consequences of the pandemic further and further behind us. **2022 was a transitional year that was positive overall for us at Deutsche EuroShop.** Expressed in concrete figures, our revenue rose to €212.8 million, EBIT remained unchanged at €152.4 million, the operating result increased to €130.2 million and consolidated

17 YEARS OF EXPERIENCE IN FINANCE AND REAL ESTATE AS WELL AS IN MANAGEMENT POSITIONS

profit declined to €21.4 million due to a weaker measurement result. **The key financial figures underline that our Company is on a firm footing.** Funds from operations increased by 6.4% from €122.3 million to €130.1 million and the loan-to-value ratio reached a historic low of 30.3% – with liquidity of €334.9 million and an equity ratio of 55.7%. The collection ratio continued to normalise over the course of 2022, averaging 98.5%, and our occupancy rate remained high at 94.3%. The details and background are explained in detail in the management report.

However, a new event ensured for continued choppy seas. The onset of the war in Ukraine in February 2022 marked the start of terrible suffering for millions of people and confronted the global economy – still recovering from the aftermath of the pandemic – with a new set of challenges. Supply chain problems, the energy crisis and skyrocketing inflation weighed on the consumer climate. Looking back, we can say that

while our sector was again impacted by these developments, albeit to a lesser extent, the popularity of our shopping centers meant that we were able to deftly navigate this stage as well. I would like to take this opportunity to thank my predecessor Olaf Borkers, who succeeded in keeping Deutsche EuroShop steadily on course throughout the first three quarters of 2022 – he is a skilled sailor, after all. I would also like to remember Wilhelm Wellner, who had to leave the Company in April 2022 due to illness and passed away in December 2022. With his many years of service on the Executive Board and as CEO, he was instrumental in ensuring Deutsche EuroShop's safe passage through the past few years while at the same time preparing it for the future. →



Hans-Peter Kneip
Member of the
Executive Board

Our Company's journey was also impacted by changes later on in the year. The most significant of these is that we picked up some new fellow travellers. After a successful takeover bid, new owners came on board in July. The takeover by Hercules BidCo GmbH, a company set up by the bidding consortium of Oaktree Capital Management and CURA Vermögensverwaltung, represents a milestone for Deutsche EuroShop. Under the investor agreement, €21.50 was offered for all outstanding shares in the Company. On top of this, the Company's shareholders, who accepted the bid, received a dividend for financial year 2021 in the amount of €1.00 per share, resulting in a total bid value of €22.50 per share.

Sailing under a new flag brings with it a new dynamism for any company – the same is true for Deutsche EuroShop in terms of personnel. In October 2022, following completion of the takeover, I took over the helm from the outgoing Executive Board members Olaf Borkers and Wilhelm Wellner, who had both ended their Executive Board activities by mutual and amicable agreement with the Supervisory Board. For me personally, this also marked the beginning of a new journey in my professional life, which I have since been undertaking with immense pleasure. One thing I was able to rely on right from the outset was the support of my team. With a crew like this behind you, anyone can weather the storm and reach any goal – that's my initial personal assessment after around six months with Deutsche EuroShop. We are expecting additional tailwind from the experience and capital strength of our new owners. We are very well equipped for the journey ahead and any challenges it may bring our way. With a high-quality real estate portfolio consisting of established shopping centers and our financial strength, I believe we are well positioned for the future.

No refinancing is due until September 2025 – an advantage that should not be underestimated in the current stormy period of rising and volatile interest rates.

New goals lie ahead of us as we journey through 2023, and I am confident that we will reach them together. The prospects for further operational improvement are positive. We expect inflation to be contained but to remain at a high level for the time being. This will lead to corresponding index rent increases, although it will probably not be possible to enforce these in all cases. Against this backdrop, and taking into account the acquisition of further shares in six shopping centers and their financing by means of a rights issue carried out in early 2023, we expect funds from operations of €153 million to €160 million for financial year 2023, an increase of more than 20% on the previous year.

This positive outlook also marks the end of my travel report for our financial year 2022. I would like to take this opportunity to thank you for the trust you have placed in Deutsche EuroShop. Thank you for taking this journey with us through economically challenging times.

If you find the time to visit one of our center locations this year, we have put together some things to inspire you in this report. Our motto for this year's annual report is "Destination: Shopping". I hope you enjoy reading these pages and planning your trip, and that you have lots of fun at your new destination!

Best regards



Hans-Peter Kneip

SAILING
UNDER A NEW
FLAG BRINGS
WITH IT A NEW
DYNAMISM
FOR ANY
COMPANY

Rhein-Neckar-
Zentrum,
Viernheim

"IF YOU FIND THE TIME TO VISIT ONE OF OUR CENTER LOCATIONS THIS YEAR, WE HAVE PUT TOGETHER SOME THINGS TO INSPIRE YOU IN THIS REPORT."



Main-Taunus-
Zentrum,
Sulzbach



Generation Z

/dʒen 'zi: / –WHAT TEENS AND TWEENS EXPECT FROM A SHOPPING TRIP

by Giovanni Giampietri, Junior Leasing Manager, ECE Marketplaces

People associate shopping centers with gigantic temples of consumption with a focus on textiles, but Generation Z and subsequent generations expect much more from the “shopping centers” of tomorrow.

The Main-Taunus-Zentrum, the first shopping center in Germany, was opened in 1964 to meet the needs of consumers. There are now around 500 shopping centers in Germany, which have undergone major changes over the course in response to shifting consumer behaviour, for example due to ethical reasons, digitalisation, demographic trends and other reasons. Especially for consumers of Generation Z (“Gen Z”), who are referred to as digital natives, the digital world – in the form of communication and consumption

through e-commerce in everyday life – is taken for granted. The annually growing trade in the online segment by providers such as Amazon or Alibaba, which are big players in this sector, is having a negative impact on the bricks-and-mortar retail trade, resulting in store closures and negative sales figures. The German bricks-and-mortar retail trade has been facing up to this competition for some time and countering it with new and contemporary concepts. These are primarily aimed at young consumers with a view to making offline consumption attractive to them and gaining their trust. In Western Europe, the shopping center concept has reached the maturity or even shrinkage phase, leading to higher vacancy rates, turnover issues and closures in some places.

There were 493 actively operated shopping centers in Germany in 2021. Of the retail centers in existence in 2018, 479 – or around 48.2% – operate in city centers and only 15.5% in so-called “greenfield sites”. In not only the current but also future development of shopping centers, the extensive and growing needs of consumers (especially those of the younger generations) are being met through revitalisation measures, with mixed or lifestyle use becoming increasingly popular.

“MY PURCHASE OF THE YEAR” 2022

HANS-PETER KNEIP

Member of the Executive Board

“I treated myself to a new travel companion: my ‘Warren Backpack’ from Tumi now

always comes with me to roadshows or when I’m visiting our shopping centers. And it’s certainly already proven its worth day to day as a proper (back-friendly) ‘mobile office.’”





DIGITAL NATIVES, WHO BELONG TO THE AGE GROUP BORN BETWEEN 1997 AND 2010, ARE ALSO REFERRED TO AS GENERATION Z.

Digital natives, who belong to the age group born between 1997 and 2010, are also referred to as Generation Z. Members of this age group – unlike their predecessor generation – have grown up in a digital world, which they take for granted and which is part of their lives. Their communication and everyday life takes place largely online, regularly replacing face-to-face contact. This generation group is the first generation to be completely shaped by the internet, digitalisation and smartphones. In Germany, this generation makes up ten percent of the population. The next generation –Alpha – will also be confronted with the digital world from the very beginning.

Today's Gen Z consumers are highly service-oriented. This means that they want to live better and, as a result, they buy the services they need. In our post-industrial age, those with sufficient means want to enjoy life and combine consumption with experiences. Today's customers, especially those of Generation Z, are no longer

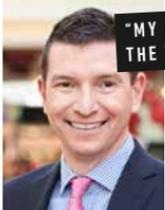
commodity-oriented but experience-oriented, and want to be entertained during consumption. The present-day consumer therefore not only shops for supplies, but also receives additional gratification from shopping locations offering a selection of gastronomic, cultural and entertainment facilities, which are designed to guarantee a good quality of experience and stay. Customers want to use the little and valuable time outside their domestic or workplace environment as effectively and enjoyably as possible. People are increasingly striving to live a happy life and fulfil their wishes and dreams. In the shopping context, the customer derives pleasure not only from purchasing the product, but also from enjoying the time spent on the shop floor as well as the services offered, which are presented in the retail space and consumers can take advantage of either during or before the purchase, e.g. in the form of a champagne bar, fresh food counter or café. As a result, the trend towards →



COOPERATION WITH INFLUENCERS, INCLUDING THOSE IN THE FASHION SEGMENT, IS ALSO GAINING MOMENTUM.

customisation is increasing all the time, with the result that demand is becoming ever-more complex. Visitors to shopping venues want service;

they have diminishing interest in pure merchandise. Since 2005, more money has been spent on services than on goods. The focus of consumers is no longer on goods but on services. Over 50% of income was invested in the consumption of goods in the 1950s and 1960s, compared with only about 12% today. Today's consumer is also increasingly price-sensitive, resulting in declining consumption levels. Moreover, buyers are more and more focused on getting the best value for money when buying goods. Price sensitivity and weakening consumption levels are changing consumer behaviour, which means that consumers are mainly concerned with buying things they actually need. In addition, advancing globalisation is leading to ever-greater interdependencies between national markets and cultures, which – due to the growing variety of products – are also fuelling customer expectations, especially in terms of individuality and →



"MY PURCHASE OF THE YEAR" 2022

NICOLAS LISNER,

Senior Manager Investor & Public Relations

"At home, we've finally put an end to lugging around crates of bottled water. After years of refusing to set up a plastic eyesore in the kitchen, I was won over by the design of the 'Carbonator III' from Aarke. The water really does taste quite good and it's very easy to use."



BOOK TIPS

MY 111 BEST HOUSEHOLD TIPS

(Meine 111 besten Einkaufstipps)
by Yvonne Willicks

Yvonne Willicks has been presenting consumer topics on German television for more than ten years. As presenter of the WDR

programmes "Servicezeit" and "Der Haushalts-Check mit Yvonne Willicks", she shows how customers can better orient themselves in the confusing world of consumer goods – and what to look out for in order to correctly assess the quality of products. From groceries to drugstore products to household appliances – in *Meine 111 besten Einkaufstipps*, Yvonne Willicks has summarised the most important information for smart shopping. Together with journalist Stefanie von Drathen, she shows what matters before, during and after a trip to the store – the tips are always relevant to everyday life and easy to implement. Get in the know!

www.haushaltscheck.wdr.de. Paperback, German, 112 pages, ISBN 9783947670-00-0, approx. €9.90

MARKETS AROUND THE WORLD

(Märkte in aller Welt)
by Maria Bakhareva und Anna Desnitskaya

A visit to the market is always an experience – all the colours and smells, and people bustling about everywhere you look. Let's embark on a journey to 24 famous markets around the world and wonder at the array they have to offer! From the floating market in Thailand to the fish market in Chile, from the spice market in Israel to the Great Market Hall in Hungary: there are exciting things to discover at every turn. In addition to many great tips for both adults and children and recipes typical for each country, this book offers lots more suggestions on how to get the most out of a visit to the market.

The bustling market scenes, bursting with surprising details, bring us up close and personal with the cultures of other countries.

Hardback, German, 80 pages, ISBN 9783947670-6123-3, approx. €26.00

I'VE NEVER ACTUALLY BEEN THERE. THE CABINET OF CURIOSITIES OF TRAVELLING IN GERMANY

(Da war ich eigentlich noch nie. Die Wunderkammer des Reisens in Deutschland)
Edited by Thomas Böhm

Who really knows Germany? All of its regions, natural attractions, points of interest, both known and unknown? Who, when looking at a map of Germany, hasn't caught themselves thinking: "I've never actually been there!" Or maybe has found themselves getting excited or emotional when they see somewhere they recognise, exclaiming: "I went there once as a kid with my parents." The *Wunderkammer des Reisens in Deutschland* invites everyone – curious travellers, sentimental travellers, travellers changing their ways in the interests of environmental protection – to explore the many things Germany has to offer. Drawing on old travel reports, travel schools and hiking guides, and featuring forgotten, whimsical and philosophical texts about travelling in Germany, the book takes its readers on a journey to fairy-tale places off the beaten track, to ancient trees, parks, spas and monasteries. In addition to these treasures from older and more recent travel literature, the volume contains literary texts that sing the praises of our country, its cities and its landscapes. On the way, the book pays homage to the magic of the travelling companion, the challenge of the right equipment, the pleasure of taking a break from everyday life: from coaching inns to the gourmet restaurants of yesteryear to motorway service stations with poetic names. Thus, the book is two things in one: a trip into the history of travel and a handbook for new discoveries on your next vacation in Germany.

Hardback, German, 300 pages, ISBN 978-3946990505, approx. €25.00



THE MIXED-USE CONCEPT CAN BE SEEN LIKE A MICRO-CITY THAT OFFERS EVERYTHING NECESSARY FOR A PERSON'S LIFE IN ONE BUILDING.



City-Point,
Kassel

the constant availability of goods as a matter of course. Something that is also characteristic of the present-day consumer, and is becoming increasingly important as a result, is morally aware, sustainable consumption. The value-oriented and sustainable consumer is committed to a conscious lifestyle. The Gen Z consumer therefore demands moral and ethical selection criteria in retail, in the form of organic and fair-trade products, whose details of origin and production are disclosed and, ideally, certified. It is important for consumers to hold in their hands a high-quality product that is low in pollutants,

ecologically sound and produced under fair working conditions. The aspect of regionality can provide additional, positive incentives, making today's consumers increasingly willing to spend more money on ethical and health-conscious consumption. The awareness of responsible and thus also sustainable consumption in terms of the environment and the realisation of the things we actually need – and not just the things we want – is shaping a growing proportion of the population, especially among the younger generations.

"MY PURCHASE OF
THE YEAR" 2022



PATRICK KISS

Head of Investor & Public Relations

"It was the coup of the year from Swatch: an innovative version of the legendary Speedmaster Moonwatch was developed in a joint project with Omega. The result is the 'Moonswatch', available

exclusively in selected Swatch Stores – and not online. After several unsuccessful visits to the store in Hamburg, I finally managed to secure one. Maybe I'll be able to test it properly if I ever get rocketed to the moon."



If the face of this continually evolving consumer behaviour, the retail trade is taking on a completely new significance. The growing online trade, triggered by digitalisation, is transforming the consumer behaviour of visitors to retail locations such as shopping centers.

This is prompting operators in particular to respond to the needs of these new customers. Due to the increasing importance of leisure and experiences among the population, their growing awareness of the preciousness of time and their desire for more individuality, there

is the potential that the traditional temples of consumption, with their relatively low leisure offerings, could be partially transformed into urban entertainment centers. These sites focus on experience, shopping and communication. The centers offer more and more cultural and entertainment-oriented services, including theatres, cinemas, concert halls, art exhibitions and sports facilities such as bungee jumping and free climbing, along with a wide range of restaurants. At the same time, more and more traditional as well as digital arcades are emerging where visitors can immerse themselves in a virtual world with roller coasters, horror rides or car races. Artificially urban shopping centers should help

the city center to become an interesting place to spend time on an everyday basis, and also create an urbanity all of their own.

In recent years, the number of shops in shopping centers that have been "reimagined"

for the needs of Gen Z has been steadily increasing, whether it's a Red Bull, M&M, Tesla, Gin, Ritter Sport, Zalando or Nivea store, or a Mattel entertainment center. Cooperation with influencers, including those in the fashion segment, is also gaining momentum. Clothing shops and brands are being

**MORE AND MORE
RETAILERS ARE
FOCUSING ON I
NDIVIDUALITY AND
LIMITED GOODS.**

rethought in the bricks-and-mortar retail sector, with more and more retailers focusing on individuality and limited goods, which are promoted in conjunction with digital platforms. Examples include, brands such as LFDY or WRSTBHVR, which operate successfully and with a simple shop design. Thanks to the more sustainable consumer behaviour of the younger generations, the second-hand sector has also taken on a whole new meaning. A number of popular and well-known chain stores have already emerged based on the growing trend of second-hand fashion. Retail space has expanded significantly in recent years to provide customers with room for a more diverse selection and to entertain them as well. The fashion brand Tommy Hilfiger, →

for example, has for some time – and in more and more shops – been inviting its customers to linger in a café integrated into the shop during or after their clothes shopping. Such a combination involving the Tommy Hilfiger brand can be found in Düsseldorf near the Kö. There, visitors will not only find a large selection of textiles, but also all kinds of luxury drinks and information about the history of Tommy Hilfiger. Today's shopping centers are adapting to the high demands of consumers in terms of their enjoyment, as well as focusing on the feel-good factor with a variety of food and beverage offerings.

These areas create a publicly accessible, urban destination for visitors who like to enjoy themselves. They are also deliberately designed with plenty of daylight and sublime architecture, to increase the sense of well-being and the quality of stay. Examples include the "My Zeil" in Frankfurt am Main or the "Centro" in Oberhausen. A diverse tenant mix in all areas additionally enhances the overall experience, with all kinds of cultures converging colourfully on one level in the food and beverage hall. This diversity can be seen, among other things, in the "Manifesto" concept in the Potsdamer Platz Arkaden (The Playce).

The term "smart store" describes a networked shopping experience fully in line with the needs of Gen Z, which creates a place where products that can be physically experienced are integrated into a digital world of experience and where high-quality and individual advice is guaranteed. More and more shopping center owners are asking individual retail tenants to

SMART STORES ARE ALSO CHARACTERISED BY DIGITAL TECHNOLOGIES SUCH AS ELECTRONIC PRICE TAGS OR INTELLIGENT SHELVES.

upgrade the technology in their shops to meet these consumer demands. Shopping centers nowadays offer Wi-Fi access inside the building, which is freely available to visitors. This is designed to extend the length of stay and increase the location's attractiveness. The customer of the future can also be integrated into the shopping experience

through QR codes on the products and shelves. The prospective buyer receives additional, digital product information and reviews from other buyers through the QR code, which can be read using a smartphone.

Smart stores also feature digital technologies such as electronic price tags or intelligent shelves. Digital price tags make it possible to change price labels quickly and efficiently. This means that bargain hunters can be enticed in the early morning, while shortly before closing time, leftover fresh food is offered at a cheaper price

to prevent it from being thrown away. Shopping apps can be used to inform consumers about discount promotions at individual retail branches in shopping centers, via push notifications to their smartphones. Points can often be collected for discount campaigns or vouchers can be collected. This triggers feelings of happiness in many customers.

Time is the most valuable commodity for consumers, with long waiting times at checkouts tending to discourage them from visiting shopping centers. Retailers are therefore trying to prevent this



BIRGIT SCHÄFER

Secretary to the Executive Board

"Even though I told myself for a long time that I didn't need such a thing, I've had Thermomix in my

kitchen since last year. Not only does it actually make my work in the kitchen much easier, it also provides healthy and delicious variety. I like my smoothies the best!"



"MY PURCHASE OF THE YEAR" 2022



"MY PURCHASE OF
THE YEAR" 2022



RALPH BORGH AUS

Head of Finance

"A new lounge for short breaks at home. Perfect for relaxing by the barbecue or enjoying a beer after work."



by using modern technologies, for example by deploying self-service checkouts. These give customers the option of scanning the products themselves and paying conveniently with a bank card, or using a mobile phone or digital watch. This has led to the creation of completely self-sufficient shopping worlds, such as Tegut's pilot project "Teo" in the Main-Taunus-Zentrum in Sulzbach (see also p. 30). Here, customers can access approximately 950 products around the clock, seven days a week – and all without a sales assistant. Other elements also make things easier for retailers, such as virtual changing rooms. These are equipped with touch screens on which prospective customers can select and order merchandise in different sizes, styles and colours. In addition, product information, sizes, colours, offers or availability can be called up and digital advice can be sought.

The changes in consumer behaviour mean that various shopping centers of tomorrow are no longer just purely monotonous clothing stores, but instead offer so much more. Here, variety and the visitor come first. The so-called mixed-use centers do not restrict themselves to retailing and services, but are characterised by their wide range of offerings which can

FOR CONSUMERS, TIME IS THE MOST VALUABLE COMMODITY.

accommodate many different types of use. The mixed-use concept takes place like a normal shopping center under one roof and reduces dependence on a large-scale supply segment through diversification. This variety of different uses enables mutual benefit to be derived within a single complex building.

A mixed-use property accommodates, for example, shopping outlets, sports offerings, services, leisure and cultural facilities, local suppliers, hotels (as exemplified by the Ring-Center II in Berlin with the "Niu-Hotel"), health facilities, office space, residential space (as in the Gerber building in Stuttgart, the capital of Baden-Württemberg), restaurants – and much more besides. There are no limits here to the creative possibilities.

The Thier-Galerie Dortmund has even installed a roller disco. Indoor climbing walls or ice rinks are also possible. The Neukölln Arcaden, for example, is home to a cultural roof garden with a green oasis that invites visitors from near and far to get up close and personal with nature in the middle of Berlin. The focus of such concepts is mostly still on the traditional form of shopping centers in the retail sector, with the associated trend of experience orientation.



**THE MIXED-USE
CONCEPT CREATES
A CENTRAL, URBAN
INTEGRATED PLACE
FOR MEETING,
SUPPLY AND
ENTERTAINMENT.**



**"MY PURCHASE OF
THE YEAR" 2022**



BRITTA BEHRMANN

Senior Manager Finance

"As a true northerner, I spend a lot of time by the North Sea and Baltic Sea and this year I finally got myself a pair of rubber boots

and waterproof trousers, bought in a small shop out there in the 'flat country' – and the things passed the water test very quickly!"



The mixed-use concept can be seen as a micro-city that offers everything necessary for a person's life in one building, creating a central, urban-integrated place to meet, shop and be entertained. These consumer properties, which are still in large-scale use, are expanding their offering with segments in the public space such as museums, zoological gardens or garden areas within, next to or on top of the buildings. There should be a convenient way for visitors to satisfy all kinds of leisure and shopping cravings in one place. A mixed-use center creates places for them to meet other people, and public spaces where they can experience something beyond the everyday. Out of the simple shopping functions and leisure opportunities, the mixed-use center provides a social function and gathering place that is usually only found in busy city

centers. The real-estate concept is creating an artificial urbanity, which in turn is becoming an important link in the in the consumer economy.

It will be exciting to observe in the coming years which further major changes will ensue and how shopping centers will remain contemporary by adopting new, unusual and diverse concepts. ■

"MY HOLIDAY DESTINATION OF THE YEAR IN" 2023

HANS-PETER KNEIP

Member of the Executive Board

"After being drawn to the north for work, I'm also planning to stay in the north for my holiday this year. We want to travel to Helsinki once again and experience the white nights in the city and the nature of the surrounding countryside. We're also looking forward to local food and shopping, with some highlights and insider tips."

BRITTA BEHRMANN

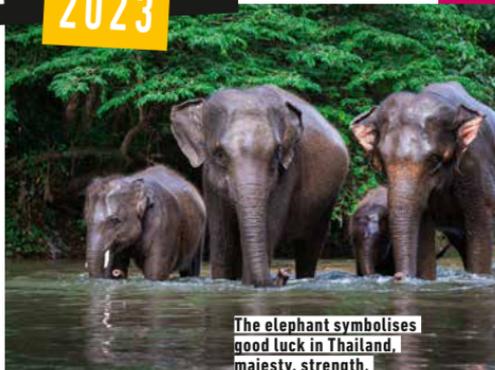
Senior Manager Finance

"My holiday destination in 2023 is Denmark. We've booked a small cottage just a stone's throw from the North Sea. It's in the middle of the dunes and has a large terrace for barbecuing and relaxing. In Denmark, everything is always nice and easy. The people are friendly and there are miles of beaches for walking or swimming."

PATRICK KISS

Head of Investor & Public Relations

"I visited New York for the first time with my family in 2013. Now, ten years later, we're planning another trip to Manhattan. The 'kids' are really looking forward to the 'Big Apple.'"



The elephant symbolises good luck in Thailand, majesty, strength, diligence and intelligence.

RALPH BORGH AUS

Head of Finance

"This year we will be going to Florida for the first time. We want to explore the "Sunshine State" on a round trip from Key West to Orlando and, with a bit of luck, be there for a rocket launch at the Kennedy Space Centre."

NICOLAS LISSNER

Senior Manager Investor & Public Relations

"We're looking forward to our summer holiday in Thailand, with plenty of pool time, strolls along the beach, curries and – most importantly – eating mango sticky rice every day."

BIRGIT SCHÄFER

Secretary to the Executive Board

"I'm planning a trip to the Algarve in the autumn and I'm already looking forward to lots of sunshine, interesting excursions, beautiful beaches and good food."

Barbecue and chill out in the dunes.



The One World Trade Center - a New York landmark.

Herold-Center

ROBOT “BELLA” BRINGS THE ICE-CREAM TO THE TABLE

by Annabell Behrmann,
editor at Hamburger Abendblatt

An ice-cream parlour was struggling with staff shortages – and now employs robots. How they work and how the guests react.

“Attention, your delivery is on its way.” Bella is loaded with two passion fruit spritzers, a cookie sundae and a waffle. Her destination is table seven at the Giovanni L. ice-cream parlour on the top floor of the Herold-Center. “Dear guests, your order is here,” Bella says as she reaches the table. The guests take the plates and glasses off the tray on their own. “Thank you. Bon appétit and goodbye,” she says in farewell – and rolls away. Bella is a robot.

Like so many restaurants, Giovanni L. has had problems finding new waiting staff for his establishments. Job ads on social media and hospitality platforms, as well as on signs placed directly on tables, failed to generate the desired response. Hardly any new employees were hired as a result. This means the few staff available were even busier. At the Herold-Center in Norderstedt, the ice cream parlour was unable to maintain its opening hours and had to open later and close earlier.

AT GIOVANNI L. IN THE HEROLD-CENTER, ROBOTS BRING THE ICE CREAM TO THE TABLE

To counteract the shortage of personnel, the management found inspiration at a trade fair in Asia, and now two robots have been serving since the beginning of September – the Bellas.

“CHILDREN IN PARTICULAR FIND THE BELLAS A LOT OF FUN. WE’VE SEEN A LARGE INCREASE IN GUESTS SINCE THE ROBOTS HAVE BEEN IN USE.”

Their job is to bring the guests their orders. “We’re having a lot of trouble finding staff. We don’t want to replace anyone with the robots. Rather, the aim is to relieve the burden on our employees,” clarifies Christopher Schönhoff.

The 38-year-old is the managing director of Genuss-campus GmbH, which recently started running Giovanni L. in Norderstedt. The robot waiters offer great entertainment value, says Schönhoff. “Children in particular find the Bellas a lot of fun. We’ve seen a large

increase in guests since the robots have been in use.” However, they first had to explain to some irritated customers that the Bellas are not meant to replace human staff. “They are a great help for our employees. But they can never completely replace a human being.”

EMPLOYEE SEES ROBOTS AS HELPERS

Kathrin Liebschwager has been working at the ice cream parlour in the Herold-Center for more than twelve years. She sees her new electronic colleagues as helpers. “They’re a real help in everyday work. Thanks to them, I have more time to talk to the guests,” says the waitress.



Liebschwager still takes the customer orders herself. They are prepared behind the counter. Then Bella gets to work: the human employee loads the robot with food and drinks and then enters on the display the table number Bella needs to head for. The robot knows exactly where to go. The routes have been pre-programmed and sensors prevent collisions. "She's pretty easy to handle," says Kathrin Liebschwager.

THE BELLAS CAN EVEN WISH GUESTS A HAPPY BIRTHDAY

After Bella has delivered the order, she automatically finds her way back to the counter. She can then be loaded up again. Her elongated body consists of four trays. Bella's head has the shape of a cat. When a guest strokes her ears, she makes a purring sound. "Your hands are really warm," says the robot. However, if you touch the machine too often in succession, she gets cross: "Do you want to feel my claws?" scolds Bella. Or, "Stop it! I'm busy!"

The robot can even wish guests a happy birthday. The robot waitress travels to the table playing "Happy Birthday" at loud volume to attract attention. On Bella's back, "Happy Birthday" flashes in large, illuminated letters.

"At first, I found the robots difficult to get used to. As a regular guest, I like to chat with the waiting staff. I was afraid people would stop coming," says Christina, who visits the shopping center's ice cream parlour several times a week. "But now, I think the Bellas are great. I understand that they are supposed to help staff, not replace them."

A BELLA COSTS €18,500 FROM A GERMAN SUPPLIER

32-year-old Hannah enjoys sitting with her children at Giovanni L.'s. "My younger daughter is afraid of the robots," she says. "But my older girl, who's five, thinks they're great." The operator did not want to give any exact information on how much a Bella costs. That also depends on the number of units ordered. "It's expensive – but for the work it does, it

"THEY'RE A REAL HELP IN EVERYDAY WORK. THANKS TO THEM, I HAVE MORE TIME TO TALK TO THE GUESTS," SAYS THE WAITRESS.

pays off at the end of the day," says Christopher Schönhoff from Genusscampus GmbH. At a German supplier with various robots in its range, a Bella costs €18,500.

ROBOTS ARE NOT TO BE USED IN OTHER AREAS FOR THE TIME BEING

"I think it's a creative and innovative solution to optimise workflows. We've received mostly positive feedback from our customers," says center manager Agah Schaumburg. "Robots support humans at work – perhaps a hybrid working model is the way forward."

Similar to the food service sector, the retail sector is also facing a major shortage of staff. At the Herold-Center, many shops are desperately looking for new employees. However, there are no plans to use robots in other areas, says center boss Schaumburg. "After all, customers come to the shopping center to have direct contact with people."

OUR SHOPPING CENTERS

The success of our Company lies in our portfolio. We have 21 centers, each of which is unique. Seventeen of these are in Germany, and there is also one each in Austria, Poland, the Czech Republic and Hungary. Together, they have more than 2,673 shops over an area covering 1,086,600 m².



Even after the extremely challenging times for the retail sector due to the pandemic, we are happy about the average occupancy rate of more than 94% at the end of 2022, and we are optimistic about the future. This figure confirms the quality of our portfolio, particularly given the current situation. It has remained at a consistently very high level ever since Deutsche EuroShop was established. Our investments are squarely focused on Germany, where 81% of our centers are located.

	Germany	Abroad	Total
No. of centers	17	4	21
Leasable space in m ²	880,600	206,000	1,086,600
No. of shops	2,030	643	2,673
Occupancy rate*	94%	97%	95%
Inhabitants in catchment area in millions	13.9	3.4	17.3

* as per EPRA, based on rental income
As at 31 December 2022

The importance of location for success

A property's location has always been an essential factor. If this property is a retailer, the location is the basis for success. Our tenants naturally want to be where their customers expect them to be. Our tenants and visitors can be sure that each of our 21 shopping centers is a prime location for them.

Most of our properties are situated in urban cities – places where people have been gathering for hundreds of years to meet and sell their goods. In many cases, our centers are immediately adjacent to local pedestrian zones.

Our portfolio also includes shopping centers in established out-of-town locations. These centers, with their excellent transport links, have offered visitors and customers a welcome change for many years. In some cases, they even replace city shopping expeditions altogether and frequently have a strong pull beyond the immediate region.

Optimum accessibility

Whether in the inner-city or outside the city limits, we pay particular attention to transport links for our properties. In towns and cities, we like to be close to public transport hubs. In Hameln and Passau, for example, our centers are right next to the main bus stations, while our properties in Norderstedt and Hamburg-Billstedt are directly above or adjacent to underground stations. In Brno, we offer our visitors a free shuttle bus that runs several times a day between the center of town and the Olympia Center.



Even on their way to the shops, our customers can do something for the environment: all our centers offer a connection to the public transport system.

INFOBOX

The first and last touch-point on a visit to a center is the car park. Our Car Finder makes life easier in this regard: customers simply scan the QR code on a Car Finder sign near their vehicle, which stores the parking spot in their smartphone. After shopping, they can then scan another QR code at one of the pay machines and conveniently be guided back to their car.

All our centers also have their own parking facilities that offer our customers convenient and affordable parking, even in downtown areas, ensuring optimum accessibility by car. Many of our properties outside urban cities offer free parking. These particular locations are alongside motorways, making them very easy to reach; examples include the A10 Center in Wildau on the A10 (Berlin ring road) and the Main-Taunus-Zentrum in Sulzbach on the A66.

Parking spaces reserved for people with disabilities, families and women as well as extra-wide parking spaces are offered as part of our service at all our shopping centers. Charging stations for electric vehicles and joint ventures with car-sharing services are just a few examples that show how we are always thinking of tomorrow. In addition, we are gradually fitting more and more of our parking facilities at the centers with LED parking space indicators, which enable visitors to find a convenient vacant parking space much more quickly. QR code-based guidance systems also quickly direct our visitors back to their parking spaces after they have finished browsing our shops.

Successful mix

Each of our 21 shopping centers has a unique leasing structure that is the result of a long, intensive and constantly evolving process. In these times of increasing online trading, it is particularly important to take a targeted approach to meeting customer demands and expanding product ranges geared to the relevant urban location – and, of course, always to offer something special and new. Our goal is always to work with retailers in our neighbourhood to make the location more attractive, so that everyone can benefit from the increased appeal of the downtown area as a whole.

Our centers often actively engage in location marketing and city management together with the relevant town or city, providing financial support as well as manpower and creative input. We attach great value to fair collaboration and partnerships.

Architecture with something special

When designing our locations, special attention is always paid to the architecture. Specific plot requirements are deemed no less important than the functional needs of our tenants. We also always have a responsibility towards the city and its residents, and it is important to us that we fulfil this. This includes the best-possible integration into the urban landscape, combined with an exterior that meets modern architectural standards. In seeking to achieve this, we work very closely with the local authorities.

The results speak for themselves: the outcome is often an architectural gem, where even unique historical buildings can be lovingly integrated into the center if feasible, as is the case, for example, with the listed former Intecta department store, which is now a structural element of the Altmarkt-Galerie Dresden.



What is inside counts too: the interiors of our shopping centers also need to be impressive, as the overriding goal is that our visitors and customers enjoy shopping there and experience the space as something special. To achieve this, we opt for simple and timeless architecture, making use of premium materials that are often sourced from the local region. Quiet zones, pleasant greenery and fountains are an open invitation to linger. An innovative lighting and energy-saving concept provides a suitable atmosphere in the mall depending on the time of day, while state-of-the-art air-conditioning systems guarantee a pleasant “shopping climate” as well as clean, safe air all year round.

Everything is designed to ensure that all visitors enjoy spending time at the center and want to come back. Ongoing modernisation and optimisation ensure that our centers retain their value and remain competitive. We and our center management partner ECE have launched "At Your Service" – a large-scale initiative to examine all the aspects of our centers' service, to highlight the existing services even more clearly, and to optimise and supplement them where this is sensible and necessary. This includes major improvements to the signage inside the center, lighting upgrades and new colour schemes in the malls. Seating and lounge areas with smartphone charging facilities offer a relaxing break from shopping. Children's play areas are provided for our smallest visitors.

Visitors should feel happy and comfortable with us – whatever their age. It goes without saying that our centers are designed to be used by all generations. Wide malls, escalators and lifts mean that it is easy to explore every corner of the center, even with pushchairs or wheelchairs.

Sustainability goes without saying

In 2022, all our 21 shopping centers had contracts with suppliers that use renewable energy sources such as hydroelectric power for their electricity needs, and 19 used exclusively green electricity. We also want to reduce the overall energy con-

**AS NIGHT FALLS, THE ROOFS
OF OUR CENTERS START TO MOVE.
SMART CONTROL SYSTEMS
OPEN FLAPS THAT ALLOW HOT AIR
TO ESCAPE AND COLD AIR TO FLOW IN.
THIS ELIMINATES THE NEED FOR
MECHANICAL COOLING
AND SAVES A LOT OF ENERGY.**

sumption of our properties on an ongoing basis and in so doing cut CO₂ emissions. To this end, we use ultramodern technologies such as heat exchangers and LED lighting systems. We also constantly seek dialogue with our rental partners with the aim of working together to reduce energy consumption in the individual shops. The refuse in our centers is separated not just into paper/cardboard, lightweight packaging and glass, but also into leftover food and residual waste.

The German Sustainable Building Council (DGNB) has awarded prestigious sustainability certificates in gold or platinum to all 21 shopping centers in our portfolio.

You can find lots of additional information about sustainability in our shopping centers on page 74 in the ESG section.



A secure future through complete flexibility

Retail is driven by constant change. One particular challenge we face as the lessor is to be able to meet the frequently changing requirements and needs of our tenants.

Some tenants expand their retail spaces so they can convert the shop from a purely retail area into a true experience arena. The idea is to give customers more opportunities to test the desired product on site at their leisure, as well as to incorporate increasingly intensive consultation. All these factors play an increasingly important role, particularly at a time when more and more people are shopping online.

We provide customised solutions to meet the demand for ever more varied spaces. We can almost always offer all tenants the exact floor plan they need to make their concepts a reality in our centers, and are also able to accommodate tenants if they want to make changes to an existing retail space later on. Movable internal walls means that virtually any retail space can be adapted without major effort or expense and made bigger or smaller to suit tenant requirements. If a tenant wants to make a space smaller, this can, for example, create an opportunity to integrate a new concept into the center at this site.

It is precisely this factor that distinguishes our shopping centers from the traditional shopping street which, even today, generally offers only rigid floor plans that have to be accepted the way they are. In some cases, certain retailers wait to enter the market in a city until they are offered the right space in a shopping center because their search in the traditional pedestrian zone has proven unsuccessful. The entire retail sector in the urban city benefits from the resulting increase in diversity.



145 million visitors in 2022

More than 17 million people live within the catchment areas of our shopping centers, almost 14 million of them in Germany. This represents more than 16% of the German population. The catchment area of a location is a major factor for us when it comes to selecting an investment. This is ascertained at regular intervals according to standardised rules for all shopping centers, and represents the total number of potential customers for the location in question. In 2022, our 21 locations received a total of about 145 million visitors in spite of extensive coronavirus-related restrictions at the local level in the initial weeks of the year. That figure was even higher in the years prior to the pandemic, at about 180 million.

Our top 10 tenants

H&M, one of the world's major textile retailers is our top tenant, accounting for 2.8% of our rental income. The next spots in this league table are occupied by fashion retailer Peek & Cloppenburg, at 2.6%, and Ceconomy, with its two sales brands MediaMarkt and Saturn, at 2.4%.

Our tenancy portfolio is highly diversified: our top 10 retail tenants account for no more than around 21% of our rental income, so there is no major dependency on individual tenants.

Long-term leases

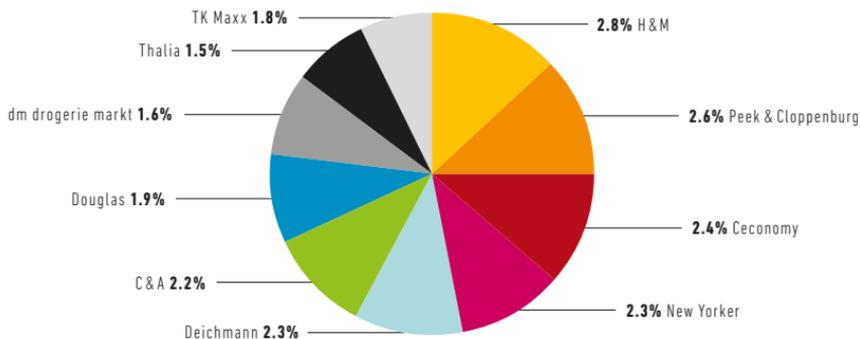
Most of the leases that we conclude with our tenants are medium to long term. As at 31 December 2022, the weighted residual term of the leases in our portfolio was 5.0 years, with 43% of our leases being secured until at least 2028.

THE TEN LARGEST TENANTS

(Share of rental income in %), As at 31 December 2022

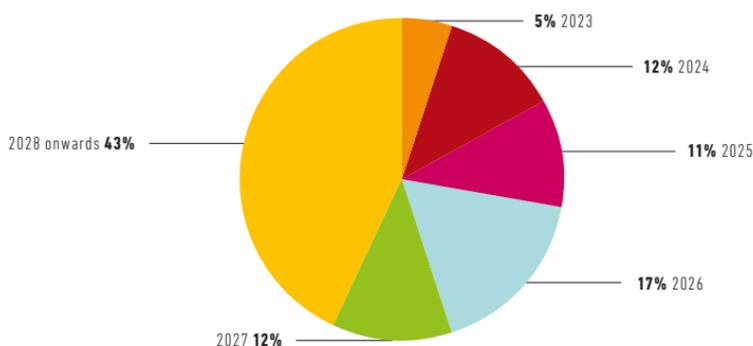
Total of the top 10 tenants: **21.4%**

Other tenants: **20.7%**



RESIDUAL TERM OF LEASES IN PLACE

(Term of leases, share of rental income in %), As at 31 December 2022



Our partner for center management

The management of our 21 shopping centers has been outsourced to our partner ECE Marketplaces,

Europe's leading service provider for the management of shopping centers. As part of the ECE Group, which operates in the real estate and investment sectors, ECE Marketplaces offers comprehensive expertise and more than 55 years' experience in professionally operating, marketing and letting shopping centers as well as continuously developing them into lively marketplaces and attractive urban districts. ECE Marketplaces manages about 200 shopping centers in Europe.

Deutsche EuroShop benefits from this experience both within Germany and abroad. Thanks to our streamlined structure, we are therefore able to focus on our core business and expertise: portfolio management.

www.ece.com

Rent optimisation rather than maximisation

One of the core tasks of center management is putting together the right combination of shops to suit the property and the local area. This mix of tenants and sectors is tailored exactly to each location and is constantly refined. It is the result of careful analysis of each local retail market.

Center management is also about identifying the wishes and needs of customers. As a result, we like to attract retailers to our centers from sectors that are rarely found in urban cities due to the rent level at prime locations, for example toy shops and specialist porcelain shops.

We set ourselves apart from the majority of building owners in pedestrian zones in one key respect: as long-term investors, it is our goal to achieve permanent optimisation rather than short-term maximisation of rents. We want to offer our customers and visitors an attractive mix. Instead of focusing on each shop space in isolation, we look at the property as a whole. The rent in each case is calculated primarily on the basis of the sales potential of the sector to which the tenant belongs, as well as its location within the shopping center. This also enables us to give opportunities to new businesses and niche concepts.

All sides benefit from this system: as the landlord, we are able to build a collaborative relationship of trust with our tenants for the long term; our tenants benefit from high visitor numbers due to the varied mix of offerings; and our customers appreciate the very wide choice of shops. These range from various fashion concepts to accessories, drugstores and supermarkets, right through to professional services such as dry cleaners as well as bank and post office branches.

Culinary delights

Surveys show that the food and drink offering is an increasingly important consideration for customers when choosing whether to visit a center. And it's not just for this reason that we want to offer our visitors something special on the gastronomic front: cafés, fast-food restaurants, ice-cream parlours, etc. offer a chance for refreshment and relaxation while shopping. The Phoenix-Center in Hamburg-Harburg, the City-Point in Kassel and the Galeria Baltycka in Gdansk have their own food courts, with space for lots of diners to enjoy a wide variety of cuisines in a single seating area, so that friends or families can choose to eat from different outlets while still sitting together.



Focus on fashion

The fashion industry dominates our retail mix at just under 50%. The extensive fashion offering and expertise of our centers is confirmed time and again in customer surveys. It is one reason why customers are willing to travel sometimes long distances from the surrounding area to enjoy the wide selection and quality of advice given.

The individual mix of tenants provides each of our centers with a character all of its own. In our shopping centers, we always make sure that there is a healthy blend of regional and local retailers as well as national and international chains. The colourful structure of our centers offers visitors something different each time and the opportunity to satisfy a vast range of consumer needs.

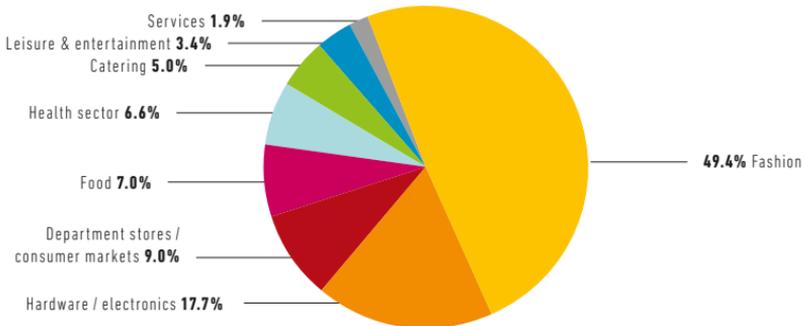
Digital sustainability

The Internet continues to influence the transformation of retailing – a trend has been accelerated in recent years due to the pandemic. We want to offer the best of both worlds at our centers, combining offline and online experiences and thus showcasing the strengths of our tenants: atmosphere, services, fitting rooms, immediate availability of merchandise. It is not for nothing that more and more online-only retailers are learning that pure branding mostly takes place offline and that direct and personal contact with customers is often the best precondition for subsequent purchases – even purchases made online.

Multichannel marketing also has a part to play here, enabling our tenants to combine various means of communication and distribution. For example, products that are out of stock in a store in the required size or colour can be delivered directly to customers at home. Alternatively, customers can order their goods online from home and collect them from our tenant's store in the center.

RETAIL MIX

(as % of rental space), as at 31 December 2022



By integrating a variety of digital services into our centers, we are responding to the challenges presented by the current pandemic as well as by online trading. These include apps and social media offerings at each individual center.

All our German shopping centers are connected to the Digital Mall developed by our partner ECE. This enables our customers to find information on the availability of products, sizes and prices in the center at any time, wherever they may be.

The concept of the Digital Mall is based on the idea that customers can find out what is available at their local center from home without automatically being redirected to the major e-commerce providers when searching for products over the Internet. Our online product search function now offers more than 3.6 million products from more than 1,100 stores at all ECE centers. Negotiations with other tenants are currently underway.

INFOBOX

Find online, buy offline: The Digital Mall offers our customers a seamless omnichannel experience. On the websites of all German centers in our portfolio, customers can experience the variety of products offered by many shops, find out online about the offering available, and then buy the articles they want from the relevant retailer in the actual shopping center.

Successful partner tenants

Our tenants are among the key drivers of our success. They include, for example, Aldi, Apple, Bijou Brigitte, Birkenstock, Breuninger, C&A, Christ, Deutsche Post, Deutsche Telekom, dm-drogerie markt, Douglas, Fielmann, H&M, Jack&Jones, Lego, MediaMarkt, Mister Spex, Nespresso, New Yorker, Reserved, REWE, Rituals, Saturn, Sephora, Søstrene Grene, s.Oliver, Subway, Superdry, Thalia, TK Maxx, Tommy Hilfiger, Vero Moda, Vodafone and Zara.

Togetherness is our strength

Service always takes top priority at our centers. Friendly staff are on hand at service points in many centers to answer questions all about what the center has to offer. Gift vouchers and other items can also be bought there, and many of them hire out children's buggies. Digital touch-points that enable communication with service staff by live video chat are the perfect complement to traditional customer information.

We are also leading the way with our 3D Wayfinders, which show users how to get to the shop they want with authentic 3D visualisation, or which can be downloaded onto personal smartphones. Thanks to the deployment of discreet security personnel, customers can feel safe at all times. Baby changing rooms, modern customer toilets and cash machines complete the services. Cleanliness and hygiene are a given.

Every one of our tenants is automatically also a member of the marketing association of the center in question. This means that each tenant pays a share of the center's marketing costs and can play an active role in the marketing strategy committee. The marketing association plans events together with the center management, transforming the shopping center into a lively marketplace. Fashion shows, art exhibitions, country-themed weeks and information events dealing with a whole range of topics offer visitors new and fresh experiences time and again.



Local associations and municipal authorities are also involved in the plans and are given the opportunity to represent themselves in the center. The lavish center decorations for the Easter and Christmas periods are among the many projects handled by the marketing associations.

Other important areas of work include coordinating coherent social media and advertising activities for the center as a whole as well as editing a center newspaper, which is distributed as an insert in regional daily newspapers in the catchment area and provides readers with regular and professional updates on all events and news relating to the center. Radio commercials, adverts on and inside local public transport, and illuminated advertising posters also ensure that the advertising measures reach a large audience.

INFOBOX

It is important to offer customers a variety of navigational aids, especially in large shopping centers. Our modern, digital 3D Wayfinder systems help them to find exactly what they are looking for: whether that's a shop, a product, an ATM – or even the toilets. The route is displayed as an authentic, three-dimensional map from the customer's perspective. It can also be downloaded from the Wayfinder system onto personal smartphones using a QR code.

3D Wayfinders, which show users how to get to the shop they want with 3D visualisation.



ACTIVITIES IN THE CENTERS



Allee-Center, Hamm

Hamm celebrates 30 years of the Allee-Center

With the motto "30 years in the heart of the city", the Allee-Center Hamm celebrated its birthday from 20-30 October 2022 with a number of activities and highlights. Locals were of course warmly invited to take part in the festivities, where they were met with highlights for all the senses. Lovers of games, fun and music got their money's worth, as did fans of art and magic. A variety of artists performed on the large stage on the first floor alongside piano acts, balloon artists, mime artists and magicians. Plus of course, there were also lots of prizes to be won, including at the interactive "buzzer wall". And with a bit of luck, customers in the 90 or so stores got a pleasant surprise at the checkout and had their entire purchase paid for them as a gift by the Allee-Center Hamm as part of the "We'll pay for your shopping!" campaign.

www.allee-center-hamm.de



Phoenix-Center, Hamburg

Donations for "Die Tafel" at the Phoenix-Center

At the end of November 2022, the Phoenix-Center in Hamburg and the Tafel Harburg kicked off a joint fundraising campaign. The management of the Phoenix-Center gave the association some space in the center's basement free of charge. The Tafel Harburg relies on donations, and distributes food to disadvantaged people around the city on a daily basis under the motto "With us, you can be sure that your donation will reach those in need". The fundraiser held at the center exceeded all expectations, and the volunteers had their hands full accepting the various donations in kind. On top of this, the donation boxes were left brimming with plenty of cash. Many customers combined their shopping in the center with an act of charity, and filled their shopping baskets or carts with a few extra products to help the cause.

www.phoenix-center-harburg.de



Main-Taunus-Zentrum, Sulzbach

Discover the World at the Main-Taunus-Zentrum

Is Diet Coke really lighter than Coca-Cola? Why does a ball suddenly roll uphill? These were just two of the many questions that visitors to the Main-Taunus-Zentrum were able to investigate over the space of two weeks in August 2022. As part of the "Discover the World" event, visitors were invited to marvel at various experiments and phenomena or even try them out for themselves. For example, they were able to observe the behaviour of waves with the help of an eight-metre-long spring, or use a mirror which may have seemed simple at first glance to gaze seemingly into infinity. Spending the summer holidays at home was anything but boring! The event was very well received by young and old alike, particularly because expert guides were on hand at all times to offer help and advice.

www.main-taunus-zentrum.de



Olympia Center, Brno

Game Now in Brno

During the 2022 summer holidays, the Olympia Center Brno was transformed into a digital gaming world for the first time, offered a unique form of entertainment for visitors young and old alike. The center was divided into three gaming zones, which also provided the backdrop for full-blown tournaments. Among other things, visitors could take part in races in the popular new game "Forza Horizon 5", or challenge friends to a duel in arcade classics like "Pac-Man". A Virtual Reality Zone was also a great hit with guests. Popular Czech influencers generated over 12.5 million impressions and plenty of attention on social media. The TikTok account set up especially for the event achieved 3 million views alone. The event was a complete success, and showed that virtual gaming is ultimately most enjoyable in person in a real community.

www.olympia-centrum.cz

TENANT CONCEPTS

TEGUT...TEO

Main-Taunus-Zentrum

In July 2022, a real innovation opened in the Main-Taunus-Zentrum: the first "tegut... teo" in a shopping center. Thanks to digital sales technology, customers can now shop here around the clock, seven days a week. With the help of self-scanning cash registers installed on site and a specially developed app, payment is made virtually in passing without having to queue up at the checkouts. With over 950 products on sale within a footprint of just 50m², customers can find almost everything for their daily grocery needs, including important household goods as well as cosmetics and hygiene products.

What's more, teo looks great: the structure is largely made of wood, while the roof is planted with wild flowers and grasses. In addition, it offers practical extras such as comfortable seating in front of the door, a small "bicycle workshop", a book exchange and a resting place for dogs.

The new concept has been so well received that tegut won the "German Sustainability Award Design 2022". This prize is awarded to companies whose products are particularly

successful at handling ecological and social challenges and which use sustainability as an economic opportunity.

www.tegut.com/teo





A10 Center
New world of experience
for digital education, team
building, leisure fun and
films all about virtual reality.



COSMIC VIRTUAL REALITY STUDIO

A10 Center

The Cosmic VR Studio, located in the leisure world of the A10 Center, is a unique world of experience for digital education, innovative team building, business events, leisure experiences and films all about virtual reality (VR). With fascinating 360° experiences to learn from and explore, the offering is aimed at all visitors to the center as well as educational institutions and companies.

Virtual reality is intended to inspire people – making an important technology of the future accessible and tangible through innovative entertainment and educational offerings. There is also an interactive 360° experience for children and adults to discover.

The range of virtual reality experiences already available today covers a broad spectrum of topics and interests. These include, for example, VR learning and games, virtual escape rooms, 360° educational content, team-building experiences as well as virtual sports and adventure worlds. The offering is continually being expanded.

Covering over 400m², the Cosmic Virtual Reality Studio currently offers five “VR spaces” as well as two “VR motion simulators” for flight, racing and rollercoaster simulations. The location includes a bar with lounge area, where visitors can relax and wait for their next experience while watching on screens what their fellow players are experiencing

in the virtual world. In addition to games, fun and adventure, many of the virtual realities on offer also convey knowledge and information from subjects such as history, geography, sport, natural history and biology.

www.cosmic-vr.de



FOODGARDEN



The Main-Taunus-Zentrum, one of the biggest and best-performing shopping centers in Germany, can now offer visitors another highlight. In the middle of the open-air shopping center with its open design, a new lively and urban center is being planned with a high-quality and varied range of restaurants and food offerings. Five new freestanding restaurant buildings are set to be built, some with covered terraces and some with open terraces, as well as attractively landscaped outdoor areas and sophisticated architecture.

Deutsche EuroShop as well as the co-owner, a closed-end real estate fund, are investing around €28 million in the strategic development of the center. Work is scheduled to be carried out in 2024. The first gastronomy concepts are due to be presented in the near future.

The new "Foodgarden" will be built over an area covering around 7,000m² in the heart of the shopping center on the site of a former department store, and will include up to seven regional and international restaurant concepts as well as complementary delicatessen offerings



Main-Taunus-Zentrum

In the middle of the open-air shopping center with its open design, a new lively and urban center is being planned with a high-quality and varied range of restaurants and food offerings.

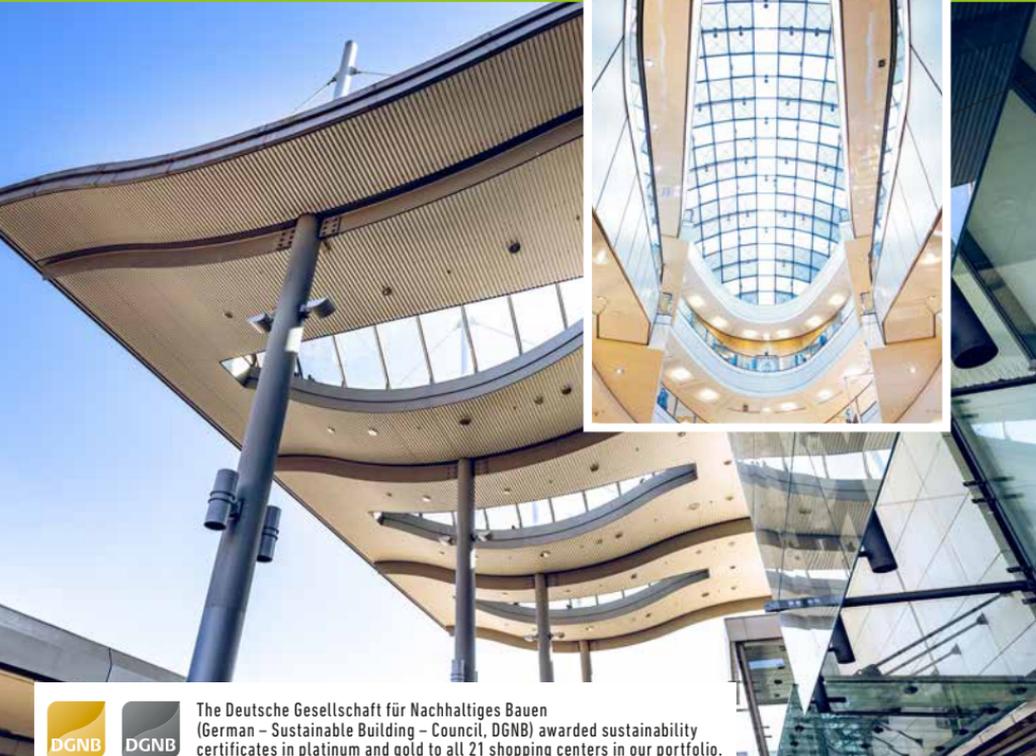
with additional culinary specialities. The aim of the project is to supplement the high-quality tenant mix with additional highlights as well as an extensive gastronomic offering, to further increase the quality and the length of stay in the Main-Taunus-Zentrum, and to enhance its reputation as an open, urban destination center. The space is already being put to good use with a new gastronomy concept. A total of ten food trucks and stalls offer a variety of food and drinks out in the open air spanning more

than 1,000m² of space, and the temporary offering has proven a real hit with the center's customers.

The Main-Taunus-Zentrum, which opened in 1964, is home to 170 shops over a sales area of more than 90,000m², including stores such as Apple, Anson's, Breuninger, Hollister and Zara, as well as a multiplex cinema.

CENTERS IN GERMANY

We are the only public company in Germany that invests solely in shopping centers in prime locations. We invest only in carefully chosen properties. High quality standards and a high degree of flexibility are just as important to us as sustained earnings growth from index- and turnover-linked rental contracts. In addition, we boast a higher than average occupancy rate and professional center management – these are the pillars of our success.



The Deutsche Gesellschaft für Nachhaltiges Bauen (German – Sustainable Building – Council, DGNB) awarded sustainability certificates in platinum and gold to all 21 shopping centers in our portfolio.



- | | |
|---|---------------------------------|
| 1 Main-Taunus-Zentrum, Sulzbach/Frankfurt | 10 Saarpark-Center, Neunkirchen |
| 2 A10 Center, Wildau/Berlin | 11 Forum, Wetzlar |
| 3 Altmarkt-Galerie, Dresden | 12 Allee-Center, Hamm |
| 4 Rhein-Neckar-Zentrum, Viernheim | 13 City-Galerie, Wolfsburg |
| 5 Herold-Center, Norderstedt | 14 City-Arkaden, Wuppertal |
| 6 Rathaus-Center, Dessau | 15 City-Point, Kassel |
| 7 Allee-Center, Magdeburg | 16 Stadt-Galerie, Passau |
| 8 Phoenix-Center, Hamburg | 17 Stadt-Galerie, Hamelin |
| 9 Billstedt-Center, Hamburg | |

Facebook

MainTaunusZentrum
4,4/5 stars
34.927 fans

Instagram

maintaunuszentrum
10.096 follower

Google

4,4/5 stars



FOREST, WINE AND ECONOMIC POWER.

Hardly any other region in Germany combines quality of life and economic strength so harmoniously as the district of Main-Taunus.

The clean air in the forests and the idyllic villages along the riverbanks offer the perfect conditions to recharge your batteries. Pleasure is also celebrated here: the Riesling is world class, the hearty cuisine of the Hesse region is legendary and the cultural offering is extremely diverse.

THE WINE.

The vintages on offer at the popular Bad Sodener Weintage wine festival after Whitsun are not the only temptation; local Hessian cider is also celebrated. The region's old towns offer countless cosy wine taverns, while the Main-Taunus-Zentrum shopping center housing the „Wein und Wahrheit“ wine store is a premier address for connoisseurs.

Gastro tip: experience the night of lights – “Sommernachtsfest Bad Soden” on 19 August 2023, www.bad-soden.de/entdecken-erleben/feste/sommernachtsfest/

THE CULTURE.

A trip to the Taunus mountain range is also well worth the effort: located to the north-west of Bad Homburg is the only reconstructed Roman fort in Europe, which served as a guard post for the border between the Roman Empire and the Germanic territories. Today, it is an open-air museum where history comes alive again.

Culture tip: go on a journey through time – “Römerkastell Saalburg”, Saalburg 1, 61350 Bad Homburg vor der Höhe

ON THE TRAIL OF A CRIME NOVEL.

Nele Neuhaus is one of the most successful authors in Germany. With her Taunus crime novels, she has become an important cultural ambassador for her homeland in recent years. Travelling to the real-life settings of her novels is an exciting adventure.

Reading tip immerse yourself in crime scenes – “Die Lebenden und die Toten” (The Living And The Dead) by Nele Neuhaus, published by Ullstein-Verlag

MAIN-TAUNUS DISTRICT**Purchased:**

September 2000

Share: 52%

Visitors 2022:

7.6 million

Leasable space:

124,000m²

of which retail space:

91,000m² (plus C & A)

No. of shops: 170

Occupancy rate: 93%

Catchment area:

2.1 million residents

Parking spaces: 4,500

Grand opening: 1964

Modernisation: 2004

Expansion: 2011

Anchor tenants: Anson's, Appelrath Cüpper, Apple, Breuninger, Galeria, H&M, Hollister, Intersport, MediaMarkt, Zara

Address:

Main-Taunus-Zentrum 1,
65843 Sulzbach (Taunus)

www.main-taunus-zentrum.de

**THRIVING BUSINESSES.**

The Main-Taunus-Zentrum shopping center is not the only hub of economic activity in the region. Many well-known corporations such as Samsung and Procter & Gamble have settled in Main-Taunus. And home-grown SMEs happily co-exist here alongside international market leaders.

Facebook

A10Center
4,3/5 stars
27,922 fans

Instagram

a10centerwildau
2.580 follower

Google

4,4/5 stars

**BERLIN, DAHME-SPREEWALD**

Purchased: January 2010
Share: 100%
Visitors 2022:
4.5 million
Leasable space: 121,000m²
of which retail space:
66,000m²
No. of shops: 200
Occupancy rate: 89%
Catchment area:
1.2 million residents
Parking spaces: 4,000
Grand opening: 1996
Modernisation: 2010–2011
Anchor tenants:
BambooLand, Bauhaus,
C&A, Hammer, H&M,
Kaufland, MediMax,
Peek & Cloppenburg,
SportScheck
Address: Chausseestraße 1,
15745 Wildau
www.a10center.de

**THE A10 CENTER
AT A GLANCE**



DGNB

CULTURAL CAPITAL OF THE WORLD.

There are places that cannot be compared with anywhere else. Berlin is one such unique place. The cultural life in this city has inspired creative and visionary people for decades.

Political history was written here. This is where the worlds of tomorrow are created in an audacious start-up scene. The same is true of the surrounding area: Electric car manufacturer Tesla has built a new mega factory in the Oder-Spree district.

INSPIRING.

The cultural spectrum in this city sets standards worldwide. Whether cinemas, theatres, restaurants or nightclubs: everything here comes in all shapes and sizes, and each district attracts visitors with its own individual charm. The area around the Kulturbrauerei and Eberswalder Straße is especially inspiring with such a great variety on offer.

Tip for art lovers: galleries invite you to a tour of Berlin's creative scene – "Gallery Weekend Berlin" from 28 to 30 April 2023, info at gallery-weekend-berlin.de

UNDERWORLDS.

Only a few people know that Berlin is actually twice as big. About 40% of the urban structure is underground in the form of tunnels, bunkers and cellars.

Those who prefer to gain an insight into the city's eventful past from above ground rather than below can of course take a walk alongside the wall at the East Side Gallery.

Underground tip: Mysterious excursions into the hidden worlds of Berlin – "Führungen unter Tage" underground guided tours, info at www.berliner-unterwelten.de

NATURAL PARADISE.

In the midst of a big city with its many colourful impressions, sometimes you may also be in search of silence surrounded by green nature. No problem: The Müggelspree-Löcknitz forest and lake area in south-east Brandenburg attracts visitors with an endless network of waterways, inviting you to enjoy extended trips by boat. The River Müggelspree is smooth and calm, allowing you to glide gently along the picturesque waters

Excursion tip: by canoe through nature – Kanusport Spree GmbH, Hangelsberg Station, Bahnhofstraße 1, 15537 Grünheide (Mark)



14 million
people visit the Dresden
Frauenkirche on
average every year.



SCENES FULL OF STORIES.

Dresden is famous for its art treasures and baroque buildings. In Germany's easternmost city, history is omnipresent – but of course there is much more to experience.

For example, the vast open space of the Elbwiesen meadows banking the River Elbe. Or trendy neighbourhoods such as Neustadt. One trip alone to what is frequently referred to as the „Florence on the Elbe“ is not enough to capture the beauty of the city in all of its facets.

CUISINE.

A diverse culinary scene has established itself in the city, especially in the baroque quarter between the Golden Rider statue, Königstraße and Albertplatz. From award-winning cuisine to restaurants showcasing the latest food trends, around the city you will find culinary experiences to suit every taste – always garnished with a dash of creativity.

Experience tip: the roller coaster restaurant „Schwerelos“, Wiener Platz 10, 01069 Dresden

Facebook

altmarkt.galerie
4,4/5 stars
86.979 fans

Instagram

altmarktgaleriesdresden
4.931 follower

Google

4,4/5 stars

ARCHITECTURE.

In Dresden your gaze is often pulled upwards. Up to majestic buildings that continue to captivate visitors from all over the world. Perhaps the most magnificent of these is the Frauenkirche church – the symbol of the city. It is a baroque memorial against war, and its stone dome is one of the largest in Europe. The city is also home to countless galleries showcasing all kinds of contemporary art.

Culture tip: one of the oldest private galleries in Germany – „Kunstaustellung Kühl“, Nordstraße 5, 01099 Dresden

ELBE PARADISE.

If you have a little more time on your hands, you should definitely take a trip to the suburbs of Dresden flanking the Elbe. Often there is even more tangible history here than in Dresden itself. The residential districts of Blasewitz, Loschwitz and Weißer Hirsch, in particular, inspire with their numerous historical villas, vintners' cottages and farms.

Panorama tip: an oasis of calm with centuries-old trees – „Lingnerschloss“, Bautzner Str. 132, 01099 Dresden

DRESDEN



THE
ALTMARKT-GALERIE
AT A GLANCE

DGNB

Purchased:

September 2000

Share: 100%

Visitors 2022:

10.8 million

Leasable space: 77,000 m²

of which retail space:

44,000 m²

No. of shops: 200

Occupancy rate: 96%

Catchment area:

1.4 million residents

Parking spaces: 500

Grand opening: 2002

Expansion: 2011

Anchor tenants: Apple, Hollister, H&M, New Yorker, REWE, Saturn, Sinn, SportScheck

Address: Webergasse 1, 01069 Dresden

www.altmarkt-galerie-dresden.de

**Facebook**

RheinNeckarZentrum
Viernheim
4,3/5 stars
59.097 fans

Instagram

rheinneckarzentrum_
viernheim
17.498 follower

Google

4,4/5 stars

RHEIN-NECKAR TRIANGLE**Purchased:**

September 2000

Share: 100%

Visitors 2022: 7.6 million

Leasable space: 69,500m²

of which retail space:

60,000m²

(plus Galeria und C & A)

No. of shops: 110

Occupancy rate: 91%

Catchment area:

1.6 million residents

Parking spaces: 3,800

Grand opening: 1972

Restructuring/Expansion:

2002

Anchor tenants: Aldi,

Engelhorn, Active Town,

H & M, Hugendubel, Müller

Drogerie, Peek &

Cloppenburg, TK Maxx

Address: Robert-

Schumann-Straße 8a,

68519 Viernheim

www.rhein-neckar-zentrum-viernheim.de

**WHERE PASSION IS AT HOME**

The tri-border region where the states of Baden-Württemberg, Hesse and Rhineland-Palatinate meet is one of the most sun-soaked areas of the country.

The light there seems to motivate people to perform at their best: Many famous athletes like Steffi Graf hail from the area. A thriving local art scene has also emerged in recent years, inspiring visitors from all over the world.

STREET ART.

Thanks to the „Stadt.Wand.Kunst“ project, Mannheim has been a permanent feature on the graffiti map since 2013. Renowned street artists jostle for the opportunity to design a house wall here. The City of Colourful Walls – as Mannheim is now known – is definitely worth a visit.

Culture tip: guided tour of the most beautiful works: info at stadt-wand-kunst.de

TAKE LIFE AT A SLOWER PACE.

Despite all the cultural inspiration that can be found in the

cities, you never have to travel far to enjoy some peace and quiet surrounded by beautiful nature. Whether it's a drive along the Bergstraße mountain road with its many medieval castles, a walk through the idyllic woodland landscape of Odenwald or a tour of the gentle rolling hills around Kraichgau: you truly are spoiled for choice.

Tip for nature lovers: balloon ride for a new perspective – info at <https://ballonfahrten-kampmann.de>

HOME TOWN GLORY.

This region knows how to celebrate itself and live life to the fullest. Ties to the past are omnipresent at street celebrations, wine festivals, carnival processions and Christmas markets.

Gourmet tip: the largest wine festival in the region – “Winzerkerwe” in Rauhenberg (usually on the 2nd weekend in October)

REGION HAMBURG

16,000 m²

is the size of the striking glass facade of the Elbe Philharmonic Hall. That's more than two football pitches.



CITY WITH MANY FACES.

Even as you approach Hamburg via the Elbe bridges, the lights of the harbour are an impressive sight: this is a cosmopolitan city. With many different faces and forever inspiring.

From the villa districts in the Elbe suburbs to the young creative and cultural scene in the Schanze district and the future project for Hamburg's smartPORT: this city offers everything in the most beautiful way.

ELBE PANORAMA.

A district like a small world of its own: winding alleys, Gründerzeit houses nestled on hill-sides and a view of the Elbe that really is too good to be true.

The Blankenese Treppen district is a little gem that exudes a Mediterranean feel, in stylish contrast to Hamburg's metropolitan flair. 170 steps down a staircase – and suddenly you can feel the sand of the Elbe beneath your feet. You can't get more idyllic than this.



Restaurant tip: traditional German food on a jetty over the Elbe – "Ponton op'n Bullen", Strandweg 30, 22587 Hamburg

CULTURAL MONUMENT.

The Elbe Philharmonic Hall was a long time coming. It now towers 110 metres above the Elbe, and visitors from all over the world have been falling under its enchanting acoustic and architectural spell since 2017. Only a few people know that the "Elphi", as it is affectionately known, has the only arched escalator in the world: the "Tube" is 82 metres long in total and leads from the main entrance to the top.

Insider tip: exciting insights into foyers and halls – info about tours at <https://www.elbphilharmonie.de/en/tours>



HIKER'S PARADISE.

If you want to stroll along the waterfront surrounded by beautiful nature, you'll find what you're looking for in Hamburg. The Alsterwanderweg walking trail is 37 km long and offers a wonderful ensemble of meadows and forests along the way. It finally leads into the Elbwanderweg hiking trail, where walkers are rewarded with views of huge container ships, among other sights.

Excursion tip: by canoe or pedal boat along the River Alster "Anleger Hamburg", Deelbögenkamp 2-3, 22297 Hamburg

NORDERSTEDT

Purchased: January 2013
Share: 100%
Visitors 2022:
 7.8 million
Leasable space: 54,300m²
of which retail space:
 26,000m²
 (plus Rusta und Saturn)
No. of shops: 140
Occupancy rate: 93%
Catchment area:
 0.5 million residents
Parking spaces: 850
Grand opening: 1971
Expansion:
 1995 and 2003
Anchor tenants:
 C&A, H&M,
 Peek & Cloppenburg, REWE
Address: Berliner Allee 40,
 22850 Norderstedt
www.herold-center.de

Facebook

Herold.Center.Norderstedt
 4,0/5 stars
 28.729 fans

Instagram

heroldcenter
 2.374 follower

Google

4,1/5 stars

HAMBURG/HARBURG

Purchased: August 2003
Share: 75%
Visitors 2022:
 7.2 million
Leasable space: 43,400m²
of which retail space:
 29,000m²
No. of shops: 130
Occupancy rate: 96%
Catchment area:
 0.6 million residents
Parking spaces: 1,400
Grand opening: 2004
Expansion:
 2016
Anchor tenants:
 C&A, H&M, MediaMarkt,
 New Yorker, REWE, Sinn,
 TK Maxx
Address: Hannoversche
 Straße 86, 21079 Hamburg
www.phoenix-center-harburg.de

Facebook

PhoenixCenterHarburg
 4,1/5 stars
 26.166 fans

Instagram

phoenixcenterharburg
 3.576 follower

Google

4,2/5 stars

HAMBURG/BILLSTEDT

Purchased: January 2011
Share: 100%
Visitors 2022:
 9.9 million
Leasable space: 42,500m²
of which retail space:
 29,500m² (plus Primark)
No. of shops: 110
Occupancy rate: 98%
Catchment area:
 0.8 million residents
Parking spaces: 1,500
Grand opening: 1969/1977
Restructuring: 1996
Anchor tenants:
 C&A, H&M,
 MediaMarkt, REWE,
 TK Maxx
Address:
 Möllner Landstraße 3,
 22111 Hamburg
www.billstedt-center.de

Facebook

Billstedtcenter
 4,0/5 stars
 20.803 fans

Instagram

billstedtcenter_hamburg
 4.423 follower

Google

4,0/5 stars

Facebook

rathauscenterdessau
4,0/5 stars
18.595 fans

Instagram

rathauscenterdessau
4.605 follower

Google

4,2/5 stars



14

is the number of years the legendary Bauhaus school was in existence – a short time considering it gave birth to one of the most influential aesthetic trends of the 20th century.



THE NUCLEUS OF THE BAUHAUS STYLE.

Designers from all over the world are still inspired by the famous „form follows function“ principle. However, to reduce Dessau to the Bauhaus building by Walter Gropius would be an injustice to everything else this town has to offer.

The pastoral landscape of the floodplain where the River Mulde flows into the River Elbe enshrouds the region in natural romanticism, while castle concerts attract visitors from all over the world year after year.

CULTURAL HERITAGE IN DESIGN.

Dessau may be small, but it has had a huge impact: Famous figures such as Paul Klee, Wassily Kandinsky and Mies van der Rohe once studied at the Hochschule für Gestaltung design school. A visit to the "Bauhaus Museum Dessau" opposite the Rathaus-Center is a definite must. In 1996, it was included in the UNESCO World Heritage List.

Hotel tip: the former student residence of the design school – "Prellerhaus", Bauhaus Dessau Foundation, Gropiusallee 38, 06846 Dessau-Roßlau

GARTENREICHSSOMMER.

Every year from May to September, visitors are invited to embark on a musical journey in the most picturesque of

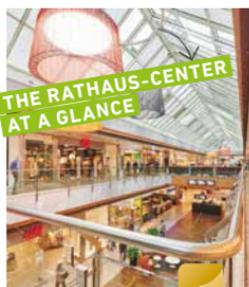
settings. Classical concerts are held in the festival halls of the Wörlitz, Luisium and Oranienbaum palaces, while gondola riders are serenaded by the sounds of the Dessau Anhalt Philharmonic Orchestra playing on the banks of the lake.

Booking tip: See www.gartenreichssommer.de/fest-der-sinne for tickets.

BIOSPHERE RESERVE.

In 1979, the Steckby-Lödderitzer Forst nature reserve was declared one of the first German biosphere reserves. The varied floodplain topography of the Middle Elbe now extends throughout Saxony-Anhalt. The most beautiful section can be found today in Dessau and the surrounding area. Lakes, inland dunes and wetlands dot the landscape, which is home to many rare species of plants and animals.

Visit tip: on the trail of traditions – "Schiffbau- und Schiffahrtsmuseum Roßlau", Clara-Zetkin-Straße 30, 06862 Dessau-Roßlau

DESSAU-ROSSLAU

DGNB

Purchased:	November 2005
Share:	100%
Visitors 2022:	4.1 million
Leasable space:	52.500m ²
of which retail space:	32.900m ²
No. of shops:	90
Occupancy rate:	91%
Catchment area:	0.3 million residents
Parking spaces:	850
Grand opening:	1995
Anchor tenants:	H&M, Modehaus Fischer, MediaMarkt, REWE, Rusta, Thalia, TK Maxx
Address:	Kavalierstraße 49, 06844 Dessau-Roßlau www.rathauscenter-dessau.de



10%
of the city of Magdeburg is covered by green spaces. Both visitors and locals particularly appreciate the many lawns for sunbathing on the picturesque banks of the Elbe.

A LEAFY CITY.

Very few people know that Magdeburg is the second-greenest city in Germany. Numerous parks and meadows in the Center lend the Elbe metropolis a peaceful charm.

More and more students are also appreciating the high living standards of this city with a history spanning over 1,200 years.

HUNDERTWASSER BUILDING.

Viennese artist and architect Friedensreich Hundertwasser worked on the plans for the "Green Citadel" until shortly before his death on 19 February 2000. It was completed posthumously in 2005 on the basis of his detailed drawings. The result: a typical Hundertwasser with "dancing" windows, golden globes and undulating floors in the inner courtyards. A dream come true in pink.

Accommodation tip: check in at the architectural work of art – "ART Hotel in der Grünen Zitadelle", Breiter Weg 9, 39104 Magdeburg

CHURCH RESTAURANT.

The Immanuel Church, built in 1832, was still used as a place of worship until 1983. Today it serves excellent salads, pasta, fish and meat dishes in a sacred atmosphere. Following the deconsecration and some rebuilding work, the place is now considered a model for a successful blend of architecture, art, church and gastronomy.

Excursion tip: a gastronomic mini break right on the Elbe – "Die Kirche" restaurant, Alt Prester 86, 39114 Magdeburg

HISTORY.

Magdeburg played a leading role in the Reformation in Medieval Europe. Martin Luther went to school here and later returned to the Augustinian monasteries. For anyone wanting to experience where he lived and worked, guided tours can be booked at www.tourismus-magdeburg.info.

Literature tip: real eye-opener for visitors to this city – "Magdeburg Secrets" by Eva Maria Bast and Kerstin Hohlfeld

MAGDEBURG

Purchased: October 2011

Share: 100%

Visitors 2022:

8.3 million

Leasable space: 51,300m²
of which retail space:
35,000m²

No. of shops: 150

Occupancy rate: 99%

Catchment area:

0.9 million residents

Parking spaces: 1,300

Grand opening: 1998

Expansion: 2006

Anchor tenants: H & M,
REWE, Saturn, Sinn,
SportScheck

Address: Ernst-Reuter-
Allee 11, 39104 Magdeburg

www.allee-center-magdeburg.de



**THE ALLEE-CENTER
AT A GLANCE**

Facebook

AlleeCenterMD
53.180 fans

Instagram

alleecentermagdeburg
4.877 follower

Google

4,3/5 stars



70%
of Neunkirchen's
municipal area
is made up of forest.

A CITY THAT WILL TAKE YOU BACK IN TIME.

Anybody looking for traces of times past will find them in Neunkirchen. One of these is the mining and metallurgy industry that shaped this city and whose history dates back more than 2,000 years.

Another very different example are the baroque half-timbered buildings that exude the charm of days gone by. One thing is clear: this city has many stories to tell.

FLOWER MAGIC.

The 1,500 square metre rose garden in the "Leisure Center Finkenreth" is a fascinating place for fans of this species of plant. Its gardens were planted to resemble a long-stemmed rose and boast more than 3,700 different types of roses over a total area of around 1,500 square metres.

Art tip: on the trail of current art trends – "Städtische Galerie Neunkirchen", KULT. Cultural Center, Marienstraße 2, 66538 Neunkirchen

Facebook

SaarparkCenter
Neunkirchen
4.2/5 stars
44.454 fans

Instagram

saarparkcenter
5.870 follower

Google

4,3/5 stars

INDUSTRIAL NOSTALGIA.

Today you can visit the 40 hectare site of the former iron-works and immerse yourself in history along a foundry path. Or simply enjoy the nature that has reclaimed its surroundings. Old machine parts, the water tower and a bunker add rustic charm to this idyllic site.

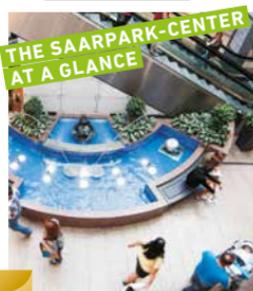
Gastro tip: feast in a historic atmosphere – "Stumm's Brauhaus Neunkirchen", Am Wasserturm, Saarbrücker Straße 16, 66538 Neunkirchen

CONCERT FUN.

Forced air was once generated here to feed the blast furnaces – nowadays, the converted "Gebälsehalle", or Blast House, has become a popular venue for events. It showcases furnaces a number of major, first-rate events ranging from concerts to musicals and theatre performances.

Experience tip: events in an industrial atmosphere – "Gebälsehalle Neunkirchen", information on the current programme at www.nk-geblaesehalle.de

NEUNKIRCHEN



DGNB

Purchased: October 2016

Share: 90%

Visitors 2022:

4.6 million

Leasable space: 35,600m²

of which retail space:

33,500m²

No. of shops: 115

Occupancy rate: 94%

Catchment area:

0.7 million residents

Parking spaces: 1,600

Purchased: October 2016

Grand opening: 1989

Restructuring:

1999 and 2009

Anchor tenants: C & A, H & M,

Müller Drogerie, Peek &

Cloppenburg, TK Maxx

Address: Stummplatz 1,

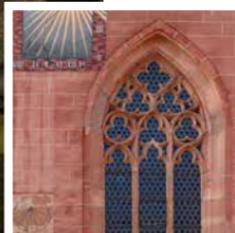
66538 Neunkirchen

www.saarpark-center.de



7.5

kilometres is the length of the Goetheweg trail in Wetzlar. It takes about 2-3 hours to hike the trail to Garbenheim, where along the way you will pass some of the places Goethe describes in his novel „The Sorrows of Young Werther“.



WETZLAR

Purchased: October 2003

Share: 100%

Visitors 2022:

6.7 million

Leasable space: 34,500m²
of which retail space:
23,500m²

No. of shops: 110

Occupancy rate: 98%

Catchment area:

0.5 million residents

Parking spaces: 1,700

Grand opening: 2005

Anchor tenants: Kaufland,
MediaMarkt, Thalia,
TK Maxx

Address: Am Forum 1,
35576 Wetzlar

www.forum-wetzlar.de



DGNB

THE FORUM
AT A GLANCE

MEDIEVAL FLAIR IN THE LAHN VALLEY.

In Wetzlar, it is almost as if time has stood still. The half-timbered buildings look like historical film sets – and yet everything here is real.

It's no wonder that Johann Wolfgang von Goethe drew inspiration from here for one of his most well-known novels. His literary traces can be found everywhere.

CATHEDRAL OVERLOAD.

Romanesque, Gothic, Baroque: Wetzlar Dom, or Wetzlarer Cathedral, is an amalgamation of multiple architectural epochs. Time and again, prolonged halts in construction led to new styles being added and integrated. The south tower was completed in 1490; the north tower remains an unfinished project to this day.

Discovery tip: cathedral app with information on 21 stations in the church – just download: <https://www.dbv-wetzlar.de/mobil/>

Facebook

ForumWetzlar
4,2/5 stars
19,239 fans

Instagram

forumwetzlar
2,553 follower

Google

4,3/5 stars

WORLD LITERATURE.

Goethe had originally planned to advance his legal career in Wetzlar. But things turned out differently. At a ball, he fell in love with Charlotte Buff, but she was already taken. Today, visitors to the Lottehaus museum can find out more about the man of letters' stay in the summer of 1772. A little later Goethe wrote the novel „The Sorrows of Young Werther“, in which he talks about some of his experiences from his time in Wetzlar.

Tip for historians: costume tours through the old town – information and bookings at www.hi-kostuem.de

FESTIVALS.

The famous Wetzlar Festspiele theatre festival has been held every summer since 1953. The open-air stage at the Rosengärtchen historical park and the performance venue at the Hofgut farm in Herrmannstein are turned into impressive backdrops for jazz concerts, plays, operas and comedy shows.

Veranstaltungs-Tipp: Romeo & Juliet on 24 June 2023 at 8.30 p.m. at the Rosengärtchen Wöllbachtortstraße, info at: www.wetzlarer-festspiele.de

Facebook

AlleeCenterHamm
4,0/5 stars
30.399 fans

Instagram

alleecenterhamm
3.315 follower

Google

4,2/5 stars



794

years of exciting city history are waiting to be discovered in Hamm.

The hanseatic city was founded in 1226 by Count Adolf von der Mark – appropriately on an Ash Wednesday, given that carnival sessions have such a long tradition in the city.

CREATIVITY BY THE WATER.

Hamm offers both: a culturally inspiring city, on the one hand, and a green oasis with many centrally located open spaces, on the other.

The city even has a superlative to its name: in Maximilianpark recreational park, the „glass elephant“ is the world's largest building shaped like an animal.

EVENT CULTURE.

From classical music in unusual places such as an aircraft hangar to theatrical performances on an impressive forest stage: Hamm's event calendar is full to bursting with events all year round and offers something for every taste and age.

Event tip: "KulturNacht" on 12 May 2023 as part of the KulturSommer summer cultural programme

CREATIVITY.

The Martin Luther district has become the city's trendy hotspot in recent years. Here, resident artists have created fascinating works of art around the „Sternstraße“ boulevard in the form of statues, sculptures, light installations and fountains.

Location tip:

café, delicatessen and meeting point – "La Maison", Nassauerstraße 28-32, 59065 Hamm

CANAL PARADISE.

The element of water has always played a central role in the city. Hamm was founded at the confluence of the River Ahse and River Lippe and today is the second largest canal port in Germany. The city's rivers, canals and lakes also offer ideal conditions for water sports enthusiasts.

Tip for adventure enthusiasts: cable-tow water skiing on Lake Haarenersee – see www.wasserski-hamm.de for more information

TRADITION MEETS FUTURE.

Wire industry, mining, energy industry and chemistry: Hamm has built a strong industrial platform around these fields in the last few decades. In more recent times, the Hamm-Lippstadt University of Applied Sciences and the private SRH University of Applied Sciences for Logistics and Economics have been pivotal in attracting young specialists to the city to study. Bolstered by a strong SME segment and successful tradition of family-run businesses, Hamm is ideally positioned for the future.

HAMM

**THE ALLEE-CENTER
AT A GLANCE**

**Purchased:** April 2002**Share:** 100%**Visitors 2022:**

4.5 million

Leasable space: 34,000m²**of which retail space:**21,000m²**No. of shops:** 90**Occupancy rate:** 96%**Catchment area:**

0.4 million residents

Parking spaces: 1,300**Grand opening:** 1992**Renovation/Restructuring:**

2003 and 2009

Anchor tenants: C & A, H & M, Peek & Cloppenburg, Saturn, TK Maxx**Address:**

Richard-Matthaei-Platz 1, 59065 Hamm

www.allee-center-hamm.de



21,529,464
 legendary "Beetles"
 were produced worldwide.
 Production at the Wolfsburg plant
 ended back in 1974. It was
 still built in Emden until 1978,
 then exclusively in Mexico
 until 2003.

Facebook
 city.galerie.wolfsburg
 4,1/5 stars
 12.636 fans
Instagram
 citygaleriewolfsburg
 5.384 follower
Google
 4,2/5 stars



WOLFSBURG

Purchased:

September 2000

Share: 100%

Visitors 2022:

5.6 million

Leasable space: 30,800m²

of which retail space:

20,000m²

No. of shops: 100

Occupancy rate: 92%

Catchment area:

0.5 million residents

Parking spaces: 800

Grand opening: 2001

Restructuring: 2011

Anchor tenants: Hempel,

New Yorker, REWE, Saturn

Address: Porschestraße 45,

38440 Wolfsburg

www.city-galerie-wolfsburg.de



THE CITY-GALERIE
 AT A GLANCE

DGNB

MORE THAN A CAR CITY.

Seen from a bird's eye view, the outline of the city resembles the shape of a heart. This is entirely appropriate, because Wolfsburg exhibits great passion in many respects.

For cars, of course: there are more registered cars here than there are inhabitants. But culinary delights are also celebrated, among others in the Michelin star-winning "Aqua" restaurant at the Ritz-Carlton Hotel.

CASTLE MAGIC.

The city is famously named after Wolfsburg Castle. The former moated castle dating back to 1302 has been transformed over the centuries into a fairytale Renaissance castle. It has been owned by the city of Wolfsburg since 1961 and its medieval charm attracts thousands of visitors every year.

Culture tip: contemporary art spanning six floors in Wolfsburg Castle – "Städtische Galerie", Schloßstraße 8, 38448 Wolfsburg

BEACH IDYLL.

Yes, really: Wolfsburg has a sandy beach. The grounds around the Lake Allersee cover an area equivalent to over 250 football pitches and

feature a wide range of activities such as a climbing garden, a skate park and a wakeboard facility. Regattas for canoeists, sailors or rowers are also held here on a regular basis.

Good mood tip: Germany's biggest leisure and adventure pool – "BadeLand", Allerpark 4, 38448 Wolfsburg

PARK OF SUPERLATIVES.

One day alone is not enough to capture the full fascination of the Autostadt Wolfsburg. Visitors can take a spectacular journey back in time to the early era of automobiles, enjoy a diverse programme of events and cultural events, marvel at models from over 60 manufacturers – or simply take delivery of their new Volkswagen.

Special tip: impressive architecture and insights into the history of the legendary sports car – "Porsche Pavillon", Autostadt Wolfsburg, Stadtbücke, 38440 Wolfsburg



19,200
tons of steel were used
to build the suspension
railway.



Tony Cragg,
created the figures and
also designed the
green spaces in the park.

SOARING AND FLOATING.

It almost seems as if this city has modelled itself on San Francisco. Steep streets. Lots of steps. No shortage of parks. Were it not for the suspension railway, which has given Wuppertal its unmistakable character since 1901.

Or its green and idyllic location on the banks of the River Wupper. This small metropolis is a feast for the eyes in many ways.

HIGH FLYER.

No traffic jams. Speed of approx. 60 km/h and a capacity of 85,000 passengers per day. There's no doubt that the Wuppertal Suspension Railway is not only a landmark, but also an important means of transportation in city traffic. The approx. 13 km journey between the 20 stations takes about 30 minutes.

Hotel tip: central accommodation with vintage flair and Art Déco style – "Postboutique Hotel Wuppertal", Platz am Kolk 3, 42103 Wuppertal

OUTDOOR MUSEUM.

The Waldfrieden Sculpture Park is symbolic of the creative side of the city, which reveals

itself to visitors in a wide range of interesting and exciting forms from street art to food festivals. The local British sculptor Tony Cragg created the figures and also designed the green spaces in the park. The pavilion additionally hosts a variety of music and film events.

Culture tip: a somewhat different ballet – "Tanztheater Wuppertal Pina Bausch", info and booking at www.pina-bausch.de

PETIT PARIS.

If you take a trip to the Ölberg district in Wuppertal, you will find yourself transported to the second half of the 19th century, surrounded by middle class mansions built by industrial entrepreneurs. This stylish and charming neighbourhood is brimming with shops and galleries to browse and explore. Before the area was connected to the electricity grid, the residents were dependent on oil lamps to light their streets and houses. This is how Ölberg got its name, which literally means "oil mountain".

Café tip: hearty fare and sweet treats housed in former animal stables – "Das Johanni's", In der Beek 33, 42113 Wuppertal

WUPPERTAL



DGNB

Purchased: September 2000
Share: 100%
Visitors 2022: 7.2 million
Leasable space: 28.700m²
of which retail space: 20,000m²
No. of shops: 80
Occupancy rate: 97%
Catchment area: 0.7 million residents
Parking spaces: 650
Grand opening: 2001
Restructuring: 2011
Anchor tenants: Akzentra, H&M, Thalia, Reserved
Address: Alte Freiheit 9, 42103 Wuppertal
www.city-arkaden-wuppertal.de

Facebook

CityArkadenWuppertal
10.987 fans

Instagram

cityarkadenwuppertal
1.653 follower

Google

4,2/5 stars



KASSEL

Purchased:

September 2000

Share: 100%

Visitors 2022:

7.2 million

Leasable space: 27,800m²

of which retail space:
20,000m²

No. of shops: 60

Occupancy rate: 92%

Catchment area:

0.6 million residents

Parking spaces: 220

Grand opening: 2002

Restructuring: 2009, 2015

Anchor tenants: H&M,

New Yorker, Saturn, tegut

Address: Königsplatz 61,
34117 Kassel

www.city-point-kassel.de



DGNB

WHERE ART IS AT HOME.

Kassel is full of discoveries. In many places around the city, former works of art from the documenta contemporary art exhibition reveal themselves as silent witnesses to the respective present.

Culturally, this city is in a league of its own. But nature lovers as well will find plenty of places full of romance and idyll.

UNESCO WORLD HERITAGE SITE.

Like Christ the Redeemer in Rio, the mighty Hercules statue in the Bergpark Wilhelmshöhe scenic park towers above the city. But there are also plenty of other things for visitors to discover, including pyramids, temples of the gods and even a Chinese village. The park is rightly considered a masterpiece of baroque horticulture.

Experience tip: 1,200 m³ of water cascades down below the Hercules – “Water Games in Bergpark Wilhelmshöhe” from 1 May to 3 October 2023, every Wednesday, Sunday and public holidays

Facebook

CityPointKassel
50,615 fans

Instagram

citypointkassel
6,337 follower

Google

4.3/5 stars

FUN IN THE SUN.

On the Karlswiese meadow in the park bearing the same name, people meet with friends and family to enjoy a picnic on the grass. For those who want to engage with the sun from a more scientific perspective, there is the Cabinet of Astronomy and Physics with Planetarium, which is likewise located in the park.

Restaurant tip: feast in the former summer residence of Count Carl from 1710 – “Restaurant Schloss Orangerie Kassel”, Auedamm 20B, 34121 Kassel

HOT ON THE TRAIL.

Every five years, the documenta contemporary art exhibition is held over a period spanning 100 days. The exhibition venues are spread throughout the city, meaning there are inspiring examples of contemporary art around almost every corner. The most well known are probably the „Granatfindling“ in the tree next to the orangery and the „Himmelsstürmer“ at the Kulturbahnhof.

Book tip: Kassel illustrated book on documenta 15 (18.06–25.09.2022) – “documenta-Stadt Kassel”, published by Wartberg Verlag

Facebook

StadtgaleriePassau
4,3/5 stars
35.557 fans

Instagram

stadtgalerie_passau
8.081 follower

Google

4,4/5 stars



17.974
pipes – capable of 233 registers –
make up the organ in Passau's
St. Stephen's Cathedral. This
makes it the largest in the world.

CITY, COUNTRY AND RIVER IN THEIR MOST BEAUTIFUL FORM.

With its colourful roofs and the imposing Stephansdom, or St. Stephen's Cathedral, the university city of Passau exudes Italian dolce vita charm

Everything that makes up a city trip is concentrated here in one place: old town flair in winding streets, a vibrant and varied culinary scene and idyllic waterfront living.

CHURCH FASCINATION.

St. Stephen's Cathedral is enthroned on a small hill above the old town of Passau. It is considered a masterpiece of Italian High Baroque and boasts the largest church interior in this style north of the Alps. The beginnings of the construction date back to the year 739. Only when fire ripped through the city in 1662 did the cathedral find its current baroque form.

Culture tip: organ concerts from 12.00-12.30 p.m. (daily from May to October, except Sundays and public holidays), Information from www.bistum-passau.de

CITY OF THREE RIVERS.

You're never far from the water in Passau, because the city is home to three rivers: the blue Danube, the green Inn and the black Ilz. The three

major waterways make the city postcard-picturesque. But its waterfront location also harbours dangers. Passau has frequently been hit by floods, as evidenced around the city by the markings on the flood buildings.

Excursion tip: enjoy Passau from the water – "Three Rivers City Tour", info at www.donauschiffahrt.eu/dreifluesse-stadtrundfahrt-in-passau/

MEDIEVAL FLAIR.

If while wandering through the old town you suddenly see brightly coloured cobblestones under your feet, you've reached one of the most beautiful destinations in Passau: Höllgasse, or Artists' Alley. Numerous artists have set up their studios here, forming the creative heart of the city. The old town itself should not be missed: it is located on a narrow peninsula directly where the River Inn and the River Danube come together.

Restaurant tip: Bavarian delicacies with a panoramic view of the city – "Das Oberhaus", Oberhaus 1, 94034 Passau

PASSAU

DGNB

Purchased:

December 2006

Share: 100%

Visitors 2022:

5.9 million

Leasable space: 27,700m²
of which retail space:
21,000m²

No. of shops: 90

Occupancy rate: 97%

Catchment area:

0,8 million residents

Parking spaces: 500

Grand opening: 2008

Anchor tenants: C & A,

Saturn, Thalia, TK Maxx

Address: Bahnhofstraße 1

94032 Passau

www.stadt-galerie-passau.de



136
pubs and restaurants are hidden in the streets of the old town of Hamelin – the highest density of any city in northern Germany.



HAMELIN

Purchased:

November 2005

Share: 100%

Visitors 2022:

4.3 million

Leasable space: 26,000m²

of which retail space:

19,000m²

No. of shops: 85

Occupancy rate: 84%

Catchment area:

0.3 million residents

Parking spaces: 500

Grand opening: 2008

Anchor tenants:

Müller Drogerie,
New Yorker, Thalia

Address: Pferdemarkt 1,
31785 Hamelin

www.stadtgaleriehameln.de



**THE STADT-GALERIE
AT A GLANCE**

A TOWN AND ITS MYTH.

The town that is home to the Pied Piper of Hamelin is shrouded in mystery. Portraits of the famous flute player can be found almost everywhere, nestled among the rustic sandstone and half-timbered buildings.

Whether or not there is any truth behind this legend remains unclear. One thing is clear, however: Hamelin is definitely worth a visit.

LEGENDARY.

The dock where today's excursion ships set sail on the River Weser marks the location where the city's infamous rats are said to have been lured to their death. According to the legend, this meant that the Pied Piper had done his job – but he wasn't paid the money he was owed for it. And so in revenge in 1284 he led 130 children out of the city with a tune played on his flute. The myth was born and has remained alive to this day.

Experience tip: Pied Piper open-air play on the terrace of the "Hochzeitshaus", or Wedding House, from 14 May to 17 September 2023. Info at www.rattenfaenger-spielgruppe.de

OLD TOWN CHARM.

Hamelin is rightly considered an architectural jewel of

the Weser Renaissance. The restored façades can be admired at their best in the old town, which was largely designed as a pedestrian zone. Bordered to the west by the River Weser, this area extends outwards in a circle.

Panorama tip: fantastic view 200 metres above the town – excursion to the local mountain "Klüt" and the Klüturm, 31787 Hamelin

ISLAND IDYLL.

A bridge next to the historic Pfortmühle water mill leads visitors to the Werder Island located in the middle of the River Weser. A small park, a circular path bordering the water and a cosy beer garden: that's all it takes to be happy here. In the summer months in particular, this is a popular place to take in views of the city skyline.

Food tip: holiday atmosphere at the beer garden on the Werder Island – "Die Insel – Biergarten", from April to October 2023, Inselstraße 6, 31787 Hamelin

Facebook

StadtGalerieHameln

4,0/5 stars

12.604 fans

Instagram

stadtgaleriehameln

2.258 follower

Google

4,2/5 stars

CENTERS ABROAD





- 18 Olympia Center, Brno, Czech Republic
- 19 Galeria Bałtycka, Gdansk, Poland
- 20 City Arkaden, Klagenfurt, Austria
- 21 Árkád, Pécs, Hungary



1,000

is the length of the labyrinth of corridors below the Brno fruit and vegetable market. These vaults were used in the Middle Ages to keep the produce cold.



MODERNITY MEETS COSINESS.

More than anything else, Brno is wonderfully authentic. If you want to experience the Czech way of life without jostling with other tourists in Prague, you have come to the right place.

There is a lot to discover, such as over 100 examples of impressive Bauhaus architecture, the largest opera house in eastern Europe and, of course, the delicious traditional dumpling cuisine.

COFFEE CREATIONS.

The youthful freshness of the city is reflected in its wide range of creative coffee specialities. There are mobile trucks aplenty offering a variety of flavours including violet, chewing gum and banana, while in cafés the coffee is often garnished with a bonnet made of spun sugar.

Tasting tip: try out this trendy café with a purist look – “SKOĞ Urban Hub”, 5, Dominikánské nám. 187, 602 00 Brno-střed

2. BAUHAUS ART.

The “Villa Tugendhat”, an architectural jewel by Mies von der Rohe, is a fine example of functionalism. This UNESCO World Heritage Site combines what were then – at the end of the 1920s – truly visionary features: an air

conditioning system, a photocell in the entrance area and steel columns as a supporting structure.

Culture tip: functionalist and spectacular residential building – “Villa Tugendhat”, info on guided tours at www.tugendhat.eu

NATURE IDYLL.

The Denis Gardens are the perfect place to enjoy a view of old Brno and the modern skyscrapers in the south-east of the city, while surrounded by greenery. They are located on the slope of Petrov Hill between the city Center and Husova Street.

Hotel tip: elegant accommodations within the old walls – “Royal Ricc”, information and booking at www.royalricc.cz

Facebook

olympiabrno
4,5/5 stars
44.799 fans

Instagram

olympiacentrumbrno
6.678 follower

Google

4,4/5 stars

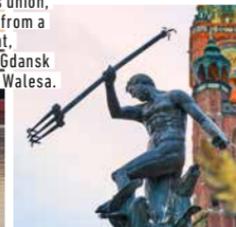
**BRNO/
CZECH REPUBLIC**

DGNB

Purchased: March 2017
Share: 100%
Visitors 2022: 8.0 million
Leasable space: 85,000m²
of which retail space: 71,000m²
No. of shops: 200
Occupancy rate: 94%
Catchment area: 1.2 million residents
Parking spaces: 4,000
Grand opening: 1999
Purchased: 2014–2016
Anchor tenants: Albert, H&M, Intersport, Peek & Cloppenburg
Address: U Dálnice 777, 664 42 Brno, Czech Republic
www.olympia-centrum.cz



9 million people were members of "Solidarność" in the mid-1980s. This union, which emerged from a strike movement, was founded in Gdansk in 1980 by Lech Walesa.



GDANSK/ POLAND

Purchased: August 2006

Share: 100%

Visitors 2022:

7.3 million

Leasable space: 48,700m²

of which retail space:
43,000m²

No. of shops: 193

Occupancy rate: 97%

Catchment area:

1.1 million residents

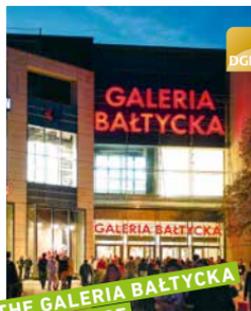
Parking spaces: 1,050

Grand opening: 2007

Anchor tenants: Carrefour,
H & M, Peek & Cloppenburg,
Reserved, MediaMarkt,
Zara

Address: al. Grunwaldzka
141, 80-264 Gdansk, Poland

www.galeria-baltycka.pl



**THE GALERIA BAŁTYCKA
AT A GLANCE**

A PEARL OF A CITY ON THE BALTIC SEA.

Günter Grass was born here. As was the philosopher Schopenhauer. With its unmistakable beauty, this city not only inspires literary expression, but also stirs up holiday vibes.

A colourful old town, maritime flair down at the harbour and an abundance of stories about amber make Gdansk one of the most charming places on the Baltic coast.

OLD TOWN CHARM.

The ideal starting point to soak up the vibe of the city is the Golden Gate. A fabulous pedestrian zone extends from here, beginning on Langgasse. Framed by old merchants' houses, visitors can take a leisurely stroll to a multitude of sights, including the town hall tower.

Restaurant tip: innovative "food pairing" with cocktails matching the food served – "Eliksir", st. Hemara 1, 80-280 Gdansk

Facebook

[galeriabaltycka](https://www.facebook.com/galeriabaltycka)

4,3/5 stars

71,923 fans

Instagram

[galeriabaltycka](https://www.instagram.com/galeriabaltycka)

6,333 follower

Google

4,4/5 stars

PANORAMIC VIEW.

Cologne Cathedral seats 4,000 people – in Gdansk's St. Mary's Church, there is room for a staggering 25,000 worshippers. It is an impressive 105 metres long, making it one of the largest brick churches in the world. Anyone who enjoys a good walk should climb the church tower: standing 80 metres high, it offers a magnificent view of the city.

Culture tip: spectacular finds in an unusual setting – "Amber Museum Gdansk", Wielkie Młyny 16, 80-849 Gdansk

RIVIERA FEELING.

Only a few kilometres away from Gdansk, Sopot is not just an idyllic Baltic seaside resort, it also boasts a record: a pier extending 512 metres over the ocean – the longest wooden pier in Europe. A visit to this popular holiday destination is definitely worthwhile.

Break tip: rustic flair in the midst of Art Nouveau villas – "Café Kultura", Królowej Jadwigi 7, 81-765 Sopot

Facebook

cityarkadenklagenfurt
4,3/5 stars
21.294 fans

Instagram

cityarkadenklagenfurt
6.998 follower

Google

4,4/5 stars

1869

was the year in which the postcard was invented in Klagenfurt by Dr Emanuel Alexander Hermann. In the "Neue Freie Presse" newspaper, he referred to the possibility of posting these cards in the mail.



A PEARL OF A CITY BY THE LAKE.

Carinthia's capital city radiates a dignified serenity. Nestled right on the banks of the turquoise Lake Wörthersee, Klagenfurt has always had a touch of glamour and sophistication.

But there is also a wonderfully unassuming cosiness to this city, which is more than 800 years old. It would be hard to find a more beautiful holiday destination and health resort.

MAGICAL LAKE WÖRTHERSEE

With a water temperature of about 29 degrees Celsius, in summer it is considered one of the warmest alpine lakes in Europe. Filmed many times. Loved by the jet set. In Klagenfurt you will find the lake's wonderful eastern bay: on the shore, visitors are enticed to sunbathe on the lawns and explore the many cycle paths and walking trails – with the striking colour of this uniquely beautiful lake always in view.

Adventure tip: info and booking for paddle boarding – "Fanatic SUP Center Wörthersee", Süduferstraße 116, 9073 Klagenfurt am Wörthersee

FAIRYTALE CASTLES.

If you are travelling as a family, you can embark on a real

"castle crusade" in this region. There are over 23 magnificent buildings to admire. The best place to start is at the stone bridge, from where you can explore the Falkenberg, Hallegg and Seltenheim estates. The Maria Loretto castle on the peninsula bearing the same name is also well worth a visit.

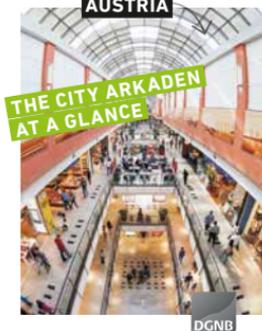
Restaurant tip: typical Carinthian specialities in a rustic atmosphere – "Gasthaus Schloss Falkenberg", Falkenberg 1-3, 9020 Klagenfurt am Wörthersee

RENAISSANCE-JUWEL.

Numerous buildings crafted by the Italian masters dominate Klagenfurt's cityscape. A stroll through the old town can take a little longer here, but not just for this reason. The area boasts Austria's longest pedestrian street, where delicatessens, cafés and exclusive boutiques invite you to linger.

Extra tip: farmers market featuring produce from fully organic farms – "Benediktinermarkt", every Thursday and Saturday from 6.30 p.m. to 1 p.m.

**KLAGENFURT/
AUSTRIA**



DGNB

Purchased: August 2004
Share: 50%
Visitors 2022: 5.0 million
Leasable space: 36,900m²
of which retail space: 30,000m²
No. of shops: 120
Occupancy rate: 98%
Catchment area: 0.4 million residents
Parking spaces: 880
Grand opening: 2006
Anchor tenants: C&A, Peek & Cloppenburg, Zara, H&M, Billa, Müller Drogeriemarkt, TK Maxx
Address: Heuplatz 5, 9020 Klagenfurt, Austria
www.city-arkaden-klagenfurt.at



176 metres is the height of the TV tower at the top of Misina mountain – the 535-metre peak that offers visitors a breathtaking view of Pécs and beyond.



PÉCS/ HUNGARY

Purchased: November 2002

Share: 50%

Visitors 2022:

10.9 million

Leasable space: 35,400m²

of which retail space:

33,500m²

No. of shops: 130

Occupancy rate: 99%

Catchment area:

0.7 million residents

Parking spaces: 850

Grand opening: 2004

Anchor tenants: C & A,

H & M, MediaMarkt,

Interspar

Address:

Bajcsy Zsilinszky utca 11/1,

7622 Pécs, Hungary

www.arkadpecs.hu



THE CITY OF FINE ARTS.

Although thirteen years have passed since Pécs was designated as a European Capital of Culture, the opulence found throughout this city continues to set standards.

Roman times, early Christianity and the Turkish occupation gave rise to landmarks featuring a wide range of different styles.

MUSEUM DIVERSITY.

If you stroll through the city's museum district – Káptalan Street – you will be amazed by how many eras and themes are waiting to be discovered. From archaeology to natural history, Pécs offers everything a scholar's heart desires. One museum also features an impressive exhibition showcasing the city's own eventful history.

Art tip: a journey into the world of optical illusions – "Vasarely Múzeum", Pécs, Káptalan u. 3, 7621 Hungary

Facebook

arkadpecs
4,2/5 stars
43.635 fans

Instagram

arkad_pecs
3,234 follower

Google

4,4/5 stars

PREMIUM WINES.

30 kilometres outside of Pécs, Villány is synonymous with another important cultural asset: fine wines. Alleyways lined with wine cellars, wine press houses and family businesses offer an abundance of wine tastings. Hungary's southernmost wine-growing region is mainly known for its select varieties of red and rosé wines.

Gastro tip: culinary creations at an elegant winery – "Maul Zsolt Pincészet – Lator Bor Bisztró", Baross Gábor utca 71., Villány 7773 Hungary

WORLD CULTURAL HERITAGE.

The old town of Pécs surprises with a superlative: the area has more Roman-era monuments than the whole of central Europe combined. The excavations not far from the basilica date from the 4th century and offer fascinating insights into ancient times. The tombs of Sopianae, adorned by biblical scenes, are particularly impressive.

Experience tip: guided city tour by tourist train – information and booking at www.pecsikisvonat.hu/htmls/mainpage.html

THE SHOPPING CENTER SHARE

SHARE PRICE PERFORMANCE SHAPED BY TAKEOVER BID

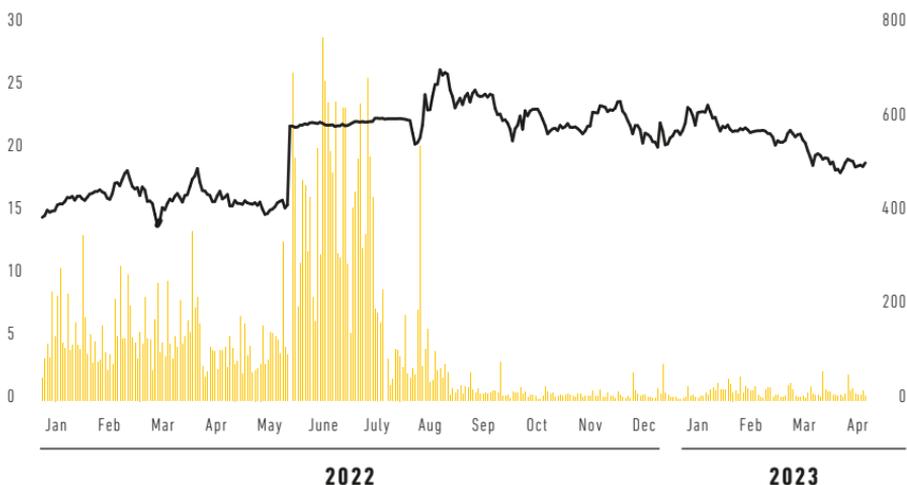
After closing 2021 at €14.64 (Xetra), the Deutsche EuroShop share started off to a positive start in the first weeks of 2022, climbing to €18.36 by 17 February 2022. In the days that followed, the stock fell in response to the uncertain situation in Ukraine and the subsequent invasion by Russia, which began on 24 February 2022. The DES share hit its lowest price of the year on 7 March 2022 at €14.02, before

recovering somewhat thereafter. With the announcement that an investor agreement had been concluded concerning a voluntary public takeover bid by Oaktree and CURA on 23 May 2022, the share price settled at a level roughly between €22.00 and €22.50. After the end of the additional acceptance period on 26 July 2022, the share price initially fell slightly and then rose again briefly to its annual high of €26.38 by 15 August

2022. In the following weeks, the share lost some ground again, hovered around the level of €22.00 from mid-September and ended the year at a closing price of €22.12 on 30 December 2022. Deutsche EuroShop's market capitalisation stood at €1.37 billion at the end of 2022.

Share price in €

Volume in thousand



— in € — Number of shares in thousand

SUCCESSFUL TAKEOVER BID

On 23 May 2022, a consortium of private investment funds managed and advised by Oaktree Capital Management, L.P. and CURA Vermögensverwaltung, the family office of the Otto family and parent company of the ECE Group, announced a public takeover bid. The key points of the takeover bid were set out in an investment agreement concluded with Deutsche EuroShop AG on the same day. Based on this investment agreement, the Executive Board and the Supervisory Board of Deutsche EuroShop supported the planned bid and its acceptance by the shareholders.

On 9 June 2022, Hercules BidCo GmbH, which is indirectly controlled by the bidding consortium, published the bid documentation for its voluntary public takeover bid for all no-par value shares of Deutsche EuroShop after being granted permission by the German Federal Financial Supervisory Authority. The takeover bid was subject to certain conditions, including a minimum

acceptance threshold of 50% plus one share (including certain shares already held by Alexander Otto and companies under his control, including CURA Vermögensverwaltung).

The bidder expressed in the bid documentation that it

€ 22.50
PER DES SHARE

**SHARE OF HERCULES
BIDCO AFTER
COMPLETION OF THE
TAKEOVER IN JULY 2022:**

84.38%
OF THE SHARE CAPITAL
OF DEUTSCHE EUROSHOP

did not intend to enter into a controlling and/or profit transfer agreement with DES. Accordingly, the bidder also did not intend to delist the DES shares from the regulated market of the Frankfurt Stock Exchange.

The voluntary public takeover bid made to the shareholders of Deutsche EuroShop provided for the acquisition of all registered no-par value shares in DES against payment of a cash consideration in the amount of €21.50 per

DES share, whereby the cash consideration was increased by €1.00 to €22.50 per DES share in accordance with the terms of the takeover bid, as the takeover bid was settled before the day on which the Annual General Meeting of Deutsche EuroShop AG resolved on the appropriation of profits for the financial year ended 31 December 2021. The deadline for accepting this takeover ended four weeks later on 7 July 2022. The following day, the bidder announced that all bid conditions had been met and that the bid was therefore successful. This triggered, a statutory "further acceptance period" (Section 16 (2) sentence 1 German Wertpapiererwerbs- und Übernahmegesetz (WpÜG – Securities Acquisition and Takeover Act), which ran from 13 to 26 July 2022.

The total number of DES shares for which the takeover bid was accepted within the two acceptance periods, plus the number of DES shares already held directly or indirectly by the bidder and persons acting with the bidder and their subsidiaries, ultimately amounted to 52,134,425 DES shares, which corresponded to approximately 84.38% of the share capital of Deutsche EuroShop.



OUTPERFORMANCE OF EUROPEAN BENCHMARK AND PEERS

Including the dividend of €1.00 per share distributed on 2 September 2022, the Deutsche EuroShop share recorded a performance of +57.5% (2021: -20.5%). As such, our share price performance in 2022 was significantly higher than that of the European benchmark for listed real estate companies, the EPRA index (-36.6%), and also topped the rankings among our European peer group¹, which suffered an average price drop of 4.7% (median: -4.0%). The benchmark index for smaller companies, the SDAX, fell 27.3% in the year under review.

Over the past year, German open-ended property funds achieved an average performance of +2.6% (2021: +2.3%) and attracted cash inflows of €4.5 billion (2021: €7.2 billion).

Trend of share 5 year-on-year comparison indexed – 7 April 2023



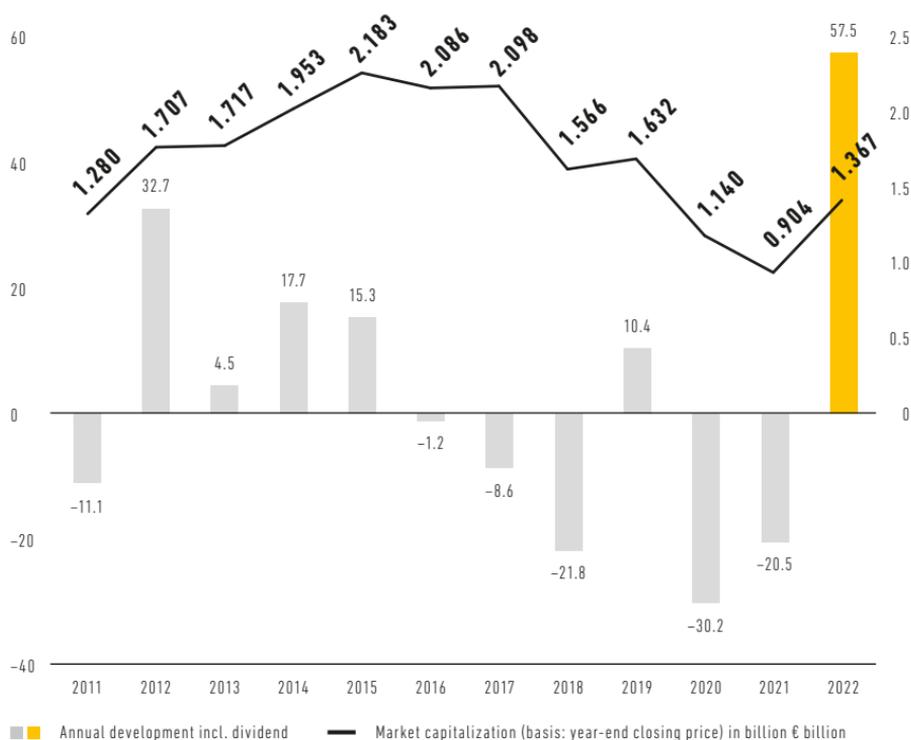
¹ Carmila, Citycon, Eurocommercial Properties, Hammerson, IGD, Klépierre, Mercialis, Unibail-Rodamco-Westfield, Vastned Retail, Wereldhave

STOCK MARKET PERFORMANCE

Stock market performance	2022	2021
DES share	+57.5%	-20.5%
DAX	-12.3%	+15.8%
SDAX	-27.3%	+11.2%
EURO STOXX 50 (Europe)	-11.9%	+21.0%
Dow Jones (USA)	-8.8%	+18.7%
Nikkei (Japan)	-9.4%	+4.9%

Share performance in %

Market capitalization in € billion



FIGURES FOR THE DEUTSCHE EUROSHOP SHARE

Figures

German securities no./ISIN	748 020/DE 000 748 020 4
Ticker symbol	DEQ
Share capital in €	76,464,319.00 (61,783,594.00*)
Number of shares (no-par-value registered shares)	76,464,31 (61,783,594*)
Indices	CDAX, EPRA, MSCI Small Cap, HASPAX
Official market	Prime Standard Frankfurter Stock Exchange and Xetra
OTC markets	Berlin-Bremen, Dusseldorf, Hamburg, Hanover, Munich and Stuttgart

* indexed – 31 December. 2022

AWARDS FOR IR WORK AND REPORTING QUALITY

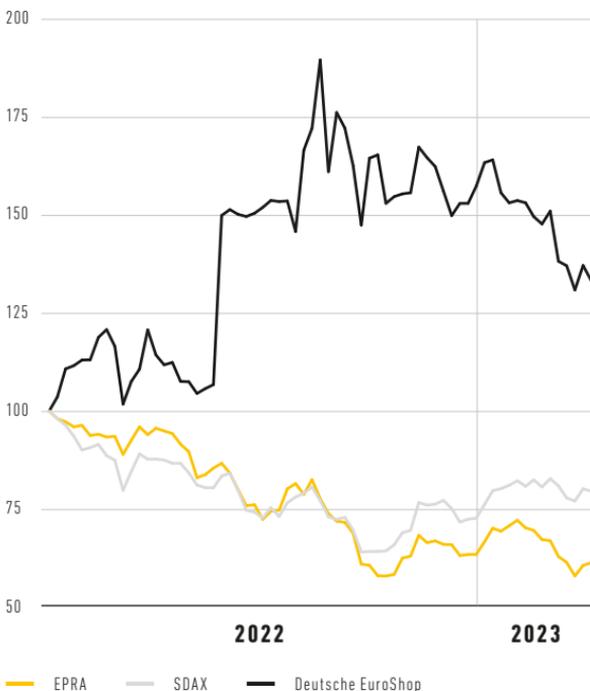
Every year, institutional investor magazine WirtschaftsWoche and DIRK (German Investor Relations Association) honour outstanding investor relations work in Germany with the "Deutscher Investor Relations Preis" (German Investor Relations Award). In 2022, Deutsche EuroShop took second place in the SDAX both as a company and with its IR managers. The European Public Real Estate Association (EPRA) has again recognised the transparency of our reporting in terms of sector-specific financial ratios and on the topic of sustainability with a Gold Award.

Further awards for our capital market communications can be found on our website at:

www.deutsche-euroshop.de/awards



Trend of share indexed – 7 April 2023



SHARE COVERAGE DECLINES

Our shares are regularly covered by nine analysts¹ from respected German and international institutions², and their recommendations introduce us to new groups of investors. Due to the takeover of Deutsche EuroShop, the number of institutions offering coverage of

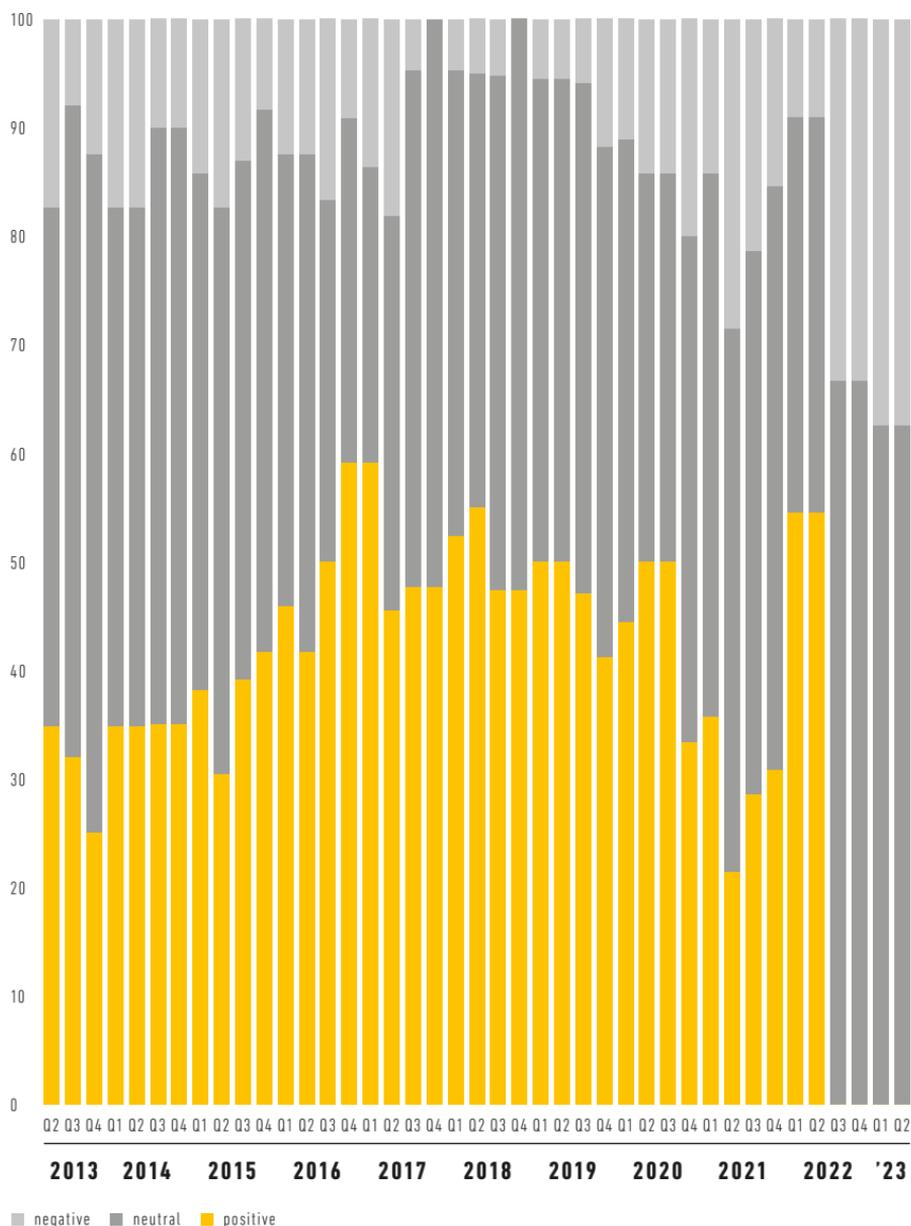
the DES share has declined. Information on the recommendations can be found at www.deutsche-euroshop.de/analysen

The analysts are currently for the most part neutral with regard to the prospects for the DES share².

¹ As at: 28 Feb. 2023

² Baader Bank, Bank of America, Berenberg Bank, Deutsche Bank, Green Street, HSBC, Kepler Cheuvreux, M.M. Warburg and ODDO BHF.

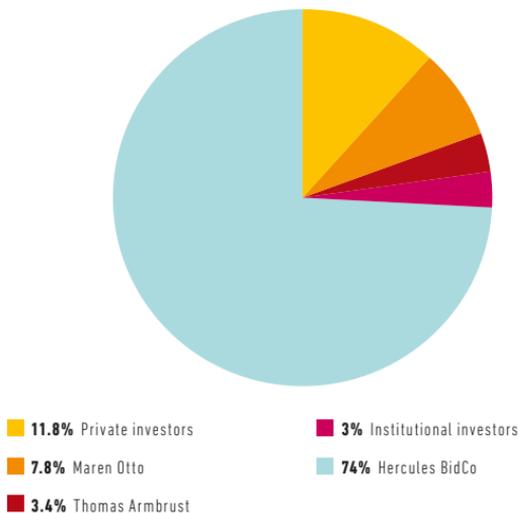
Diversity of analyst's opinion of the last 10 years in %, indexed - 7 April 2023



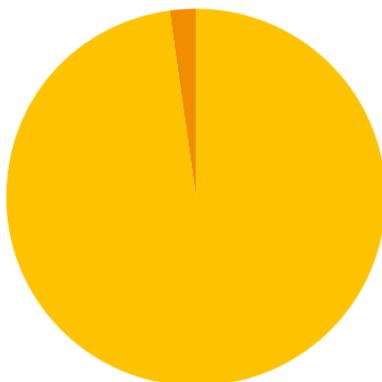
CHANGED SHAREHOLDER STRUCTURE

The number of investors fell by just under 56% in 2022 as a result of the successful takeover bid: Deutsche EuroShop now has around 8,450 shareholders¹ (previous year: 19,000). The shareholder structure has accordingly changed significantly: Hercules BidCo (pooled shares of Oaktree, Alexander Otto and CURA) holds a combined stake of 73.9%, and Maren Otto and Thomas Armbrust hold 7.75% and 3.44%, respectively, since the rights issue at the beginning of 2023. In addition, institutional investors hold about 3.0% of shares (previous year: 34.4%) and private investors hold 11.8% (previous year: 24.2%).

Shareholder structure



Shareholder structure regional



There were also significant changes in the regional distribution as a result of the takeover. Domestic investors now hold around 98% of Deutsche EuroShop, mainly due to the fact that the takeover consortium chose a German vehicle to bundle the shares, Hercules BidCo GmbH. International investors currently hold around 2% of the shares in DES.

■ 98% Germany

■ 2% Rest of the World

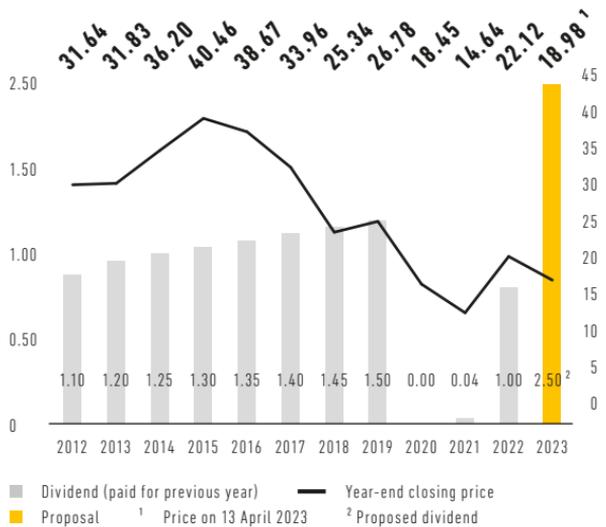
¹ As at: 28 February 2023

PROPOSED DIVIDEND: €2.50 PER SHARE

The Executive Board, together with the Supervisory Board, has resolved to propose to the Annual General Meeting scheduled for 29 August 2023 the payment of a dividend of €2.50 per share (+150% compared to the dividend paid in the previous year) for the financial year 2022 in order to distribute to the shareholders parts of the profits retained for precautionary reasons during the Corona pandemic. From the dividend, a portion of € 0.10 per share will be subject to capital gains tax deduction.

Dividend in €

Share price at the end of the year in €



WOULD YOU LIKE MORE INFORMATION?

Please visit our website or call us:

Patrick Kiss and Nicolas Lissner

Tel.: +49 (0)40 – 41 35 79 20/-22

Fax: +49 (0)40 – 41 35 79 29

Email: ir@deutsche-euroshop.de

Internet: www.deutsche-euroshop.com/IR



**PATRICK KISS
AND NICOLAS LISSNER**

	2022	2021	2020	2019	2018
Market capitalisation (basis: year-end closing price) (€ million)	1,367	904	1,140	1,632	1,566
Number of shares (year-end)	61,783,594	61,783,594	61,783,594	61,783,594	61,783,594
Weighted average number of shares	61,783,594	61,783,594	61,783,594	61,783,594	61,783,594
High €	26.38 (15.08.2022)	21.30 (13.08.2021)	26.50 (03.01.2020)	27.44 (21.05.2019)	33.90 (02.01.2018)
Low €	14.02 (07.03.2022)	14.00 (13.12.2021)	9.52 (25.09.2020)	22.54 (16.08.2019)	24.98 (27.12.2018)
Year-end closing price (31.12.) €	22.12	14.64	18.45	26.42	25.34
Dividend per share (€)	2.50 ¹	1.00	0.04	0.00	1.50
Dividend yield (31.12.)%	11.3	6.8	0.2	0	5.9
Annual performance excl. / incl. dividend	+51.1%/ +57.5%	-20.7%/ -20.5%	-30.2%/ -	4.3%/ 10.4%	-25.4%/ /-21.8%
Average daily trading volume (shares)	145,982 (incl. Multilateral Trading Facilities >336,666) ²	148,159 (incl. Multilateral Trading Facilities >418,885)	153,503 (incl. Multilateral Trading Facilities >455,895)	149,891 (incl. Multilateral Trading Facilities >458,797)	192,835 (incl. Multilateral Trading Facilities >526,239)
EPS in € (undiluted)	0,35	0,97	-4,07	1,81	1,29

All share price information relates to Xetra

¹ Proposal

² Source: Bloomberg, adjusted data, as of 22 February 2023

FINANCIAL CALENDAR 2023

- 17.01. Kepler Cheuvreux GCC, Frankfurt
- 21.03. **Preliminary Results FY 2022**
- 27.04. **Publication of the Annual Report 2022**
- 11.05. **Quarterly Statement 3M 2023**
- 14.08. **Half-year Financial Report 2023**
- 29.08. **Annual General Meeting, Hamburg**
- 18.09. Berenberg and Goldman Sachs German Corporate Conference, Munich
- 19.09. Baader Investment Conference, Munich
- 14.11. **Quarterly Statement 9M 2023**

Our financial calendar is updated continuously. Please check our website for the latest events:

www.deutsche-euroshop.com/IR

	2017	2016	2015	2014	2013	2012
	2,098	2,086	2,183	1,953	1,717	1,707
	61,783,594	53,945,536	53,945,536	53,945,536	53,945,536	53,945,536
	58,248,007	53,945,536	53,945,536	53,945,536	53,945,536	51,934,893
	39.32 (18.04.2017)	42.52 (09.06.2016)	48.00 (10.04.2015)	37.84 (12.06.2014)	34.48 (20.05.2013)	32.03 (01.11.2012)
	30.37 (25.10.2017)	35.86 (11.02.2016)	36.32 (06.01.2015)	30.72 (04.02.2014)	29.45 (24.06.2013)	23.72 (06.01.2012)
	33.96	38.67	40.46	36.20	31.83	31.64
	1.45	1.40	1.35	1.30	1.25	1.20
	4.3	3.6	3.3	3.6	3.9	3.8
	-12.2%/ -8.6%	-4.4%/ -1.2%	11.8%/ 15.3%	13.7%/ 17.7%	0.6%/ 4.5%	27.6%/ 32.7%
	212,422 (incl. Multilateral Trading Facilities >533,866)	142,133 (incl. Multilateral Trading Facilities >412,750)	152,355 (incl. Multilateral Trading Facilities >449,500)	113,000 (incl. Multilateral Trading Facilities >250,400)	112,400 (incl. Multilateral Trading Facilities >204,000)	129,400 (incl. Multilateral Trading Facilities >174,000)
	2,31	4,11	5,73	3,29	3,17	2,36

ANNUAL GENERAL MEETING

Deutsche EuroShop's Annual General Meeting (AGM) was held on 30 August 2022, albeit as a purely virtual event without the physical presence of shareholders for the third time due to the pandemic. For this, we set up a complete AGM studio in Hamburg, where only a small team of technicians and specialists gathered subject to strict hygiene regulations alongside the Chairman of the Supervisory Board, the Executive Board, the notary and the proxy appointed by the Company.

Registered shareholders and their proxies could follow the entire AGM, including the Q&A session and votes, by joining a live audiovisual broadcast via a password-protected online service. An average of about 80 people watched the live-stream of the virtual AGM.

Member of the Executive Board Olaf Borkers informed the shareholders about the events and results of the previous financial year. In his speech, Mr Borkers first spoke about the impact of the coronavirus pandemic, and in particular of the lockdowns in 2021 on the



business model. Shareholders also received extensive information on the current economic climate and the state of the shopping center transaction market. Another focus of the speech was the takeover by Hercules BidCo, which had already been completed at the time of the AGM.

Shareholders were given an opportunity to submit questions online in advance via a portal. In all, we received approximately 50 questions from a total of seven individuals or institutions, each of which was answered by the Executive Board and Supervisory Board. These also included various questions from the SdK and DSW, the German associations for the protection of small shareholders and securities holders respectively.

We had already put the speech by the CEO on our website before the right to ask questions ended, meaning that questions could be asked based on the contents of the speech. The accompanying presentation was made available to all interested parties shortly after the event at the web address given below. This site also contains an archive of agendas as well as other information relating to previous AGMs.

The agenda additionally included the elections to the Supervisory Board. Reiner Strecker was re-elected, while Benjamin Paul Bianchi, Lemara Dee Grant, Stuart E. Keith, Dr. Volker Kraft and Chantal Schumacher were newly elected to the Board. The attendance at the time of the vote on all agenda items was 90.9%.

The Annual General Meeting for financial year 2022 is due to be held as an in-person event in Hamburg on 29 August 2023. As part of this, it is important for us to provide our shareholders with the means to participate in a safe, informative and uncomplicated manner. You will be sent all the necessary documents by post or e-mail in good time. We will also keep you updated about this on our website. In the future, in order to promote sustainability and reduce costs, we would like to switch increasingly to electronic mailing of invitations. We hope we will receive your consent to do so if you have not provided this to us already.

[www.deutsche-euroshop.de/
Investor-Relations/
Annual-General-Meeting](http://www.deutsche-euroshop.de/Investor-Relations/Annual-General-Meeting)

INVESTOR RELATIONS CONFERENCES

The coronavirus pandemic continued to have a major impact on our IR activities in 2022. Our Executive Board and Investor Relations team typically attend conferences and run roadshows throughout the year to discuss specific topical issues as well as Deutsche EuroShop's strategy in person with existing shareholders and to present the company to potential new investors.

Direct contact with our shareholders is extremely important to us. By engaging in frank discussions with analysts

as well as fund and portfolio managers, we seek to understand the requirements of the capital market and learn which issues are perceived as most important. Conversely, many fund management companies also hinge their investment decisions on their ability to hold regular meetings with a company's Executive Board.

In the spring of 2020, it already became clear that there would probably be no opportunities for in-person meetings for the time being and that travel would also have to be reduced

to a minimum. To compensate for this, we remained at the disposal of our investors for virtual meetings during the pandemic, and in 2022 we once again participated in a number of online conferences organised by banks. Fortunately, opportunities to meet in person have returned, including at conferences in Frankfurt, Munich and New York.

In total, last year we held approximately 40 one-on-one meetings with investors. We also held numerous conference calls once more, including

for the publication of our quarterly and annual figures, which were streamed live on our website, where they could naturally also be viewed by anyone after the event or accessed as a podcast.

We hope to be able to ramp up our investor relations activities during the remainder of 2023 in order to cultivate our contacts with existing investors as well as tap into new investor groups. For this, we will of course also continue using techniques such as virtual roadshows and conferences. You can find an overview in our financial calendar on page 66. A constantly updated version can also be found on our website at www.deutsche-euroshop.de/Home-en.

ROADSHOWS

A roadshow involves a team, usually consisting of an Executive Board member and an Investor Relations manager of Deutsche Euro-Shop, travelling together with representatives of the organising bank (such as analysts and client advisors) to a financial hub to visit existing or interested potential investors in person and inform them about the Company's current development and/or strategy. Investors have the opportunity to meet the management personally and ask them questions. This allows up to 10 meetings to be held in one city on a single day. Alternatively, all appointments can be organised as virtual meetings.

CAPITAL MARKET CONFERENCES

Generally organised by banks, these are conferences at which both investors and companies are given the opportunity to hold as many meetings as possible in a day. These one-on-one or group discussions can be used to address questions in detail either on site or virtually. Corporate presentations allow the Company to present itself to a wider trade audience. In the case of hybrid events, some of the appointments take place on site, while others are organised through virtual channels.



MARKETING

Shopping and entertainment

In 2022, to coincide with the publication of our most recent financial figures, we placed advertisements in the print and online trade press aimed at specific target groups. A key formula for success for shopping centers is the even closer integration of shopping and entertainment: “Strolling, enjoying, shopping and lingering – and

being entertained at the same time” is also what attracts people to our centers. Vibrant market-places are undergoing an evolution into “urban places” – a hybrid of living, working and leisure. We are supporting this development with our versatile and variable shopping centers – which we illustrated with four examples in our “Retailtainment” series of advertisements.



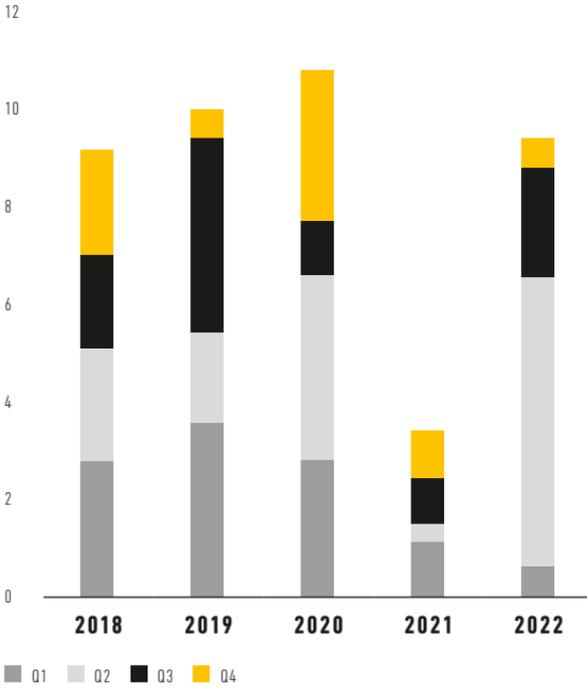
Significantly higher media attention due to takeover

The takeover bid by Hercules BidCo (Oaktree and CURA) announced in Q2 2022 gave a major boost to the coverage received in the media. The print circulation of the economic and financial media reporting on our companies increased by around 175% year on year from 3.4 million to 9.4 million copies, while the equivalent advertising value through reports in newspapers and magazines rose to €1.32 million (+91%, previous year: €0.69 million).

MAINTAINING THE BRAND

In addition to share marketing, we are also focussing on refining and maintaining the Deutsche EuroShop brand. Our goal is to boost the awareness and recognition of the brand even further. Deutsche EuroShop has established itself as the brand for investments in shopping centers.

Published circulation in millions



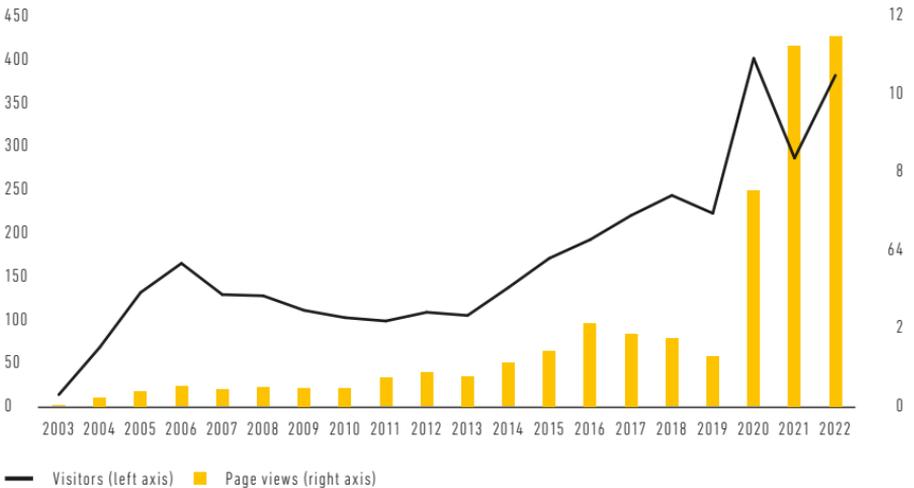
WEBSITE SEES SHARP RISE IN PAGE VIEWS

Our website has been extremely popular for years. It is always ranked among the best within the European real estate sector for both the information it provides and its user-friendliness. After the pandemic had already given our online presence an additional boost as an information channel since 2020, this high level was maintained in 2022 – certainly also influenced by the takeover of Deutsche EuroShop. The number of page views (+3%) and the number of website visitors (+33%) increased once more.

www.deutsche-euroshop.de/Home-en

Visitors in thousand

Page views in millions



**SOCIAL MEDIA AS
ADDITIONAL
CONTACT CHANNEL**

Social media has established itself as a channel of communication – even for capital market participants. For many years, we have shown ourselves to be open to technical innovations and we actively use social media to provide our investors and interested parties with news and supplementary information about Deutsche EuroShop. Perhaps we can maintain contact with you through one or more of these platforms too – we would be happy to see you there:



Twitter

Follow us on Twitter:

www.twitter.com/DES_AG



Facebook

Become a fan on Facebook:

www.facebook.com/euroshop



Instagram

See photos and videos from DES at:

www.instagram.com/deutscheeuroshop



IR Mall

Our Investor Relations blog:

www.ir-mall.com



Flickr

View our uploaded photos on the online platform Flickr:

www.flickr.com/desag



SlideShare

See our presentations and reports on SlideShare:

www.slideshare.net/desag



YouTube

Watch our videos on YouTube:

www.youtube.com/DeutscheEuroShop



Left: Altmarkt-Galerie, Dresden
Above: Billstedt-Center, Hamburg

ONLINE PERFORMANCE INDICATORS OF DES CENTERS



114

thousand **FOLLOWERS**



5

million **VISITS**



755

thousand **POSTS**

4

thousand **POSTS**

83

% **OF WHICH
MOBILE**

5

thousand **FANS**

21

Million **PEOPLE
REACHED**

THE TOP 10 CENTERS ON FACEBOOK

Altmarkt-Galerie, Dresden
86,979 fans

Saarpark-Center,
Neunkirchen
44,454 fans

Galeria Baltycka, Gdansk
71,923 fans

Olympia Center, Brno
44,799 fans

Rhein-Neckar-Zentrum,
Viernheim
59,097 fans

Árkád, Pécs
43,635 fans

Allee-Center, Magdeburg
53,180 fans

Stadt-Galerie, Passau
35,557 fans

City-Point, Kassel
50,615 fans

Main-Taunus-Zentrum,
Sulzbach/Ts.
34,927 fans

ESG-REPORT

Environmental, social and governance (ESG) issues are a top priority for Deutsche EuroShop. **We firmly believe that sustainability and profitability are not mutually exclusive.** Neither are the shopping experience and environmental awareness. We attach particular importance to a good working environment, ongoing training and an intensive dialogue with our stakeholders. Long-term thinking is part of our strategy. This includes playing our part in our commitment to ESG.

In addition, **Deutsche EuroShop has for many years supported a range of local and regional activities** that take place in our shopping centers in the areas of the environment, society and the economy.

We are constantly developing the sustainability strategy for Deutsche EuroShop and our shopping centers and are prepared to make necessary investments. And of course we subject ourselves to measurement: the Executive Board compensation system includes ESG targets, the achievement of which is linked to financial incentives.

In this ESG Report, we provide information on our environmental, social and governance practices and our contribution to a better future.



SUSTAINABILITY TICKER

+ NEWS +

- + In order to further reduce electricity consumption through lighting, efforts were ramped up in 2022 to convert to LED in various centers in the portfolio.
- + Our tenants were given extensive information and advice on how to save energy through workshops held together with our partner ECE.
- + In addition to this, lighting was partially switched off where possible, and switching times were adjusted or adapted to the intensity of the outdoor light by dimming, especially within the context of the more general push to maximise savings due to the energy crisis.
- + At Galeria Baltycka, energy and costs for operating the ventilation and cooling systems have been reduced by deploying VPPlant (www.vpplant.com) with the help of artificial intelligence. In addition, our on-site cleaning service provider has been certified to a sustainability standard.
- + Optimised settings for the ventilation and air-conditioning systems reduced the energy consumption of the cooling system at several centers.
- + To promote sustainable mobility, several centers were fitted with covered bicycle stands and e-charging stations.



Allee-Center, Magdeburg

SUSTAINABILITY CERTIFICATES FOR ALL CENTERS

The German Sustainable Building Council (DGNB) has awarded sustainability certificates to all 21 shopping centers in Deutsche EuroShop's portfolio. Ten centers received Platinum certificates while eleven received Gold certificates.

The successful certifications were based on the DGNB basic certificate for buildings in use, which our asset manager ECE was awarded back in 2016 and was the first company ever to receive it for sustainable work processes. ECE has optimised its equipment and processes in a way that now enables all of the shopping centers which it manages to be operated according to uniform sustainability principles. These processes include procurement, maintenance and "Green Leases", i.e. leases which comply with sustainability standards.

On this basis, the 21 centers were rated in an individual portfolio certification process by the DGNB with the aim of ensuring the continuous development of these shopping centers. The auditors looked in particular at property-specific aspects such as energy consumption, socio-cultural projects and mobility. This procedure follows a holistic approach in which all pillars of sustainability – economic, environmental and social aspects – are continually examined and optimised.

GERMAN SUSTAINABLE BUILDING COUNCIL

The German Sustainable Building Council (known as the Deutsche Gesellschaft für nachhaltiges Bauen e.V. in German, referred to hereinafter by its acronym DGNB) was founded in 2007 by architects, planners, building product manufacturers, investors and scientists who have long been concerned with the topic of sustainable building. The council seeks to exchange knowledge, promote further education and raise public awareness with regard to sustainability in the construction and operation of real estate of all kinds, with the overriding

goal of advancing sustainable construction. The focus of DGNB's activities is therefore on defining a uniform benchmark for sustainable buildings and, as a result, developing a transparent certification system that makes it possible to designate and identify sustainable buildings.

DGNB

Sustainability Certificate

Center	DGNB Sustainability Certificate
GERMANY	
Main-Taunus-Zentrum, Sulzbach/Ts.	Gold
A10 Center, Wildau	Platinum
Altmarkt-Galerie, Dresden	Gold
Rhein-Neckar-Zentrum, Viernheim	Platinum
Herold-Center, Norderstedt	Gold
Rathaus-Center, Dessau	Gold
Allee-Center, Magdeburg	Gold
Phoenix-Center, Hamburg	Platinum
Billstedt-Center, Hamburg	Platinum
Saarpark-Center, Neunkirchen	Gold
Forum, Wetzlar	Platinum
Allee-Center, Hamm	Gold
City-Galerie, Wolfsburg	Platinum
City-Arkaden, Wuppertal	Platinum
City-Point, Kassel	Gold
Stadt-Galerie, Passau	Platinum
Stadt-Galerie, Hameln	Gold
ABROAD	
Olympia Center, Brno, Czech Republic	Gold
Galeria Baltycka, Gdansk, Poland	Gold
City Arkaden, Klagenfurt, Austria	Platinum
Árkád, Pécs, Hungary	Platinum

THE “DGNB CERTIFICATE”

The “DGNB Certificate” is a comprehensive evaluation system for sustainable buildings, which is available in different system variants for numerous building types. It serves as a tool for planning high-quality real estate and was designed by the Federal Ministry of Transport, Building and Urban Development (BMVBS) together with the DGNB as a supplement to the BMVBS’s Guideline for Sustainable Building (LFNB). The basic idea of the LFNB is to create a building environment that is comfortable for people while affording special protection of the environment. At the same time, the implementation of the guideline is intended to promote the achievement of measurable operational and economic benefits.

The German Quality Seal for Sustainable Building is based on research carried out by KIT and the University of Darmstadt on the development of a certification system as well as on the results of the DGNB’s protection target working groups. It was developed as part of a two-year collaboration between the Federal Ministry of Transport, Building and Urban Development (BMVBS), supported scientifically by the Federal Institute for Research on Building, Urban Affairs and Spatial Development (BBSR), and the DGNB. Consideration is given to the entire lifecycle of a building, encompassing ecological, economic, sociocultural, technical and process-related quality. The quality of a property’s location is also shown separately from the overall evaluation.

The German Quality Seal for Sustainable Building was designed as a scientifically sound, planning-based evaluation system and is continually updated in close cooperation with research institutions and market participants. As a result, it always reflects the latest international developments in the field of sustainable construction. Developers, investors and planners thus have a comprehensive guide at their fingertips right from the start of a building project, which conveys the principle of sustainable building in practical examples.

STRUCTURE OF THE “DGNB CERTIFICATE”

The DGNB Certificate comprises six main criteria groups: Ecological Quality, Economic Quality, Sociocultural and Functional Quality, Technical Quality, Process Quality and Location Quality. Each quality category is in turn broken down into a different number of criteria. This enables the most holistic possible view of the building under consideration.



Main criteria groups of the DGNB Certificate

MAIN CRITERIA GROUPS OF THE DGNB CERTIFICATE

By taking ecological quality features into account, the aim is to conserve resources by optimising the use of building materials and products and minimising media consumption. The non-renewable and renewable primary energy requirements, for example, are found in the ecological evaluation group. Closely related to energy and media consumption are the resulting environmental impacts. They are described, among other things, on the basis of the profiles governing the potential for greenhouse emissions, acidification, ozone layer depletion, ozone formation and eutrophication, as well as on the basis of the risks to the local and global environment.

The lifecycle costs and value stability profiles are representative of the economic quality of a building. They take into account not only the acquisition and construction costs, but also the follow-up costs incurred over the entire service life.

Alongside ecological and economic aspects, sociocultural and functional concerns are incorporated as the third pillar of sustainability, addressing the issues of indoor air, repurposing capabilities and space efficiency. Aesthetic and design qualities as well as aspects of health protection, comfort and accessibility are also examined.

The criteria for assessing technical quality are used to record the structural condition of a building. Here, for example, the focus is on how easy it is to clean, maintain and repair the materials used and the building structure, or what the physical properties are of the building envelope.

The criteria for assessing process quality consider the design and realisation of the property in question. The "integral planning" profile, for example, documents whether and from which point the experts and authorities involved are included in the planning process.

In the area of location quality, an evaluation is conducted of the possible effects of the local site conditions on the building as well as of the effects of the building on the surroundings and thus also on society. Examples of this include the image and condition of the site, but also how well the building is connected to public transport networks to reduce pollutants and prevent urban sprawl.



Platinum



Gold





Billstedt-Center, Hamburg

Herold-Center, Norderstedt

Stadt-Galerie, Hameln

Phoenix-Center, Hamburg

City-Galerie, Wolfsburg

A10 Center, Wildau

Galeria Baltycka, Gdansk, Poland

Altmarkt-Galerie, Dresden

Allee-Center, Magdeburg

Rathaus-Center, Dessau

Forum, Wetzlar

Main-Taunus-Zentrum, Sulzbach / Ts.

Olympia Center, Brno, Czech Republic

Stadt-Galerie, Passau

City Arkaden, Klagenfurt, Austria

Árkád, Pécs, Hungary

OVERVIEW OF E-CHARGING INFRASTRUCTURE IN OUR PORTFOLIO

CONCEPT

- At least 1% of our parking spaces should be equipped with a charging point in the future
- Access for all makes of e-vehicles
- Charging options for people with limited mobility
- Multiple payment options, including ad-hoc payment
- Separate transformer position and medium voltage connection
- On-demand charging services for long-term parkers, center customers and "charging customers"



CENTER

with planned charging points by the end of 2024

Center	Number of planned charging points	Charging method
Allee-Center, Hamm	14	HPC/DC/AC
Allee-Center, Magdeburg	14	HPC/DC/AC
Billstedt-Center, Hamburg	10	HPC/DC/AC
Phoenix-Center, Hamburg	10	HPC/DC/AC
City Arkaden, Klagenfurt, Österreich	10	HPC/DC/AC
City-Point, Kassel	10	HPC/DC/AC
City-Galerie, Wolfsburg	10	HPC/DC/AC
City-Arkaden, Wuppertal	10	HPC/DC/AC
Herold-Center, Norderstedt	10	HPC/DC/AC
Stadt-Galerie, Hameln	10	HPC/DC/AC
Altmarkt-Galerie, Dresden	10	HPC/DC/AC
Galeria Baltycka, Gdansk, Poland	10	HPC/DC/AC
Árkád, Pécs, Hungary	10	HPC/DC/AC
Stadt-Galerie, Passau	10	HPC/DC/AC
Saarpark-Center, Neunkirchen	16	HPC/DC/AC

CENTER

with charging points

Center	Number of charging points	Charging method	Provider/ CPO
Rhein-Neckar-Zentrum, Viernheim	29	DC/AC	Allego/Tesla
Rathaus-Center, Dessau	4	AC	Stadtwerke Dessau
A10 Center, Wildau	2	DC	Allego
Forum, Wetzlar	4	AC	Energie- und Wasser-gesellschaft mbH
Main-Taunus-Zentrum, Sulzbach	8	AC	Symcharge
Olympia Brno, Czech Republic	6	HPC	Tesla

AC = Alternating current, DC = Direct current (higher power)
HPC = High power charging

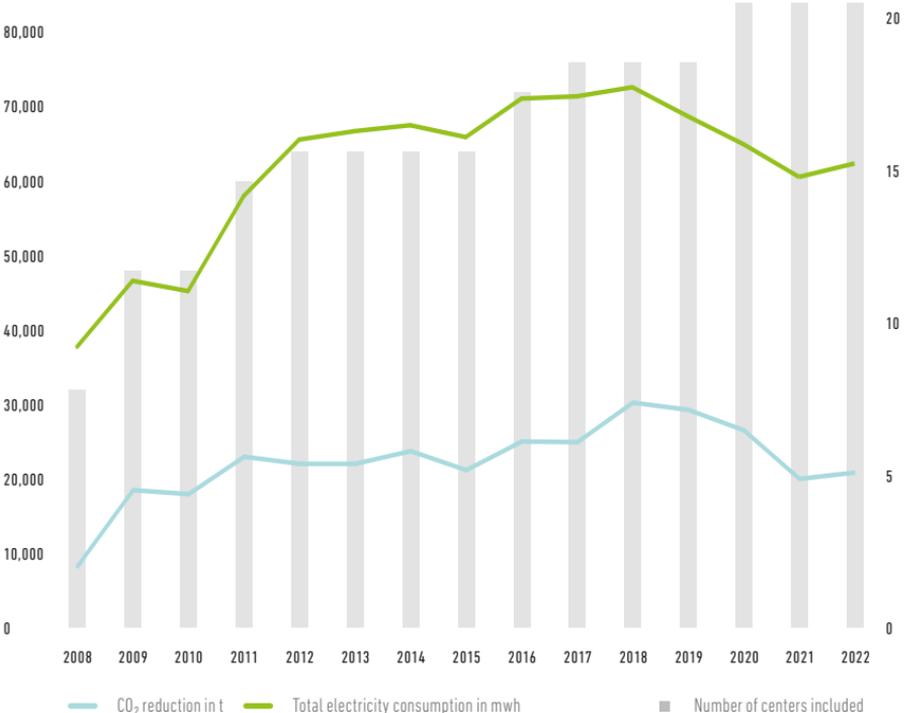
GREEN ELECTRICITY

In 2022, all of our 21 shopping centers had contracts with suppliers that use renewable energy sources, such as hydroelectric power, for their electricity needs, and 19 centers exclusively purchased green electricity.

The TÜV Süd certified this electricity for our centers in Germany with the renowned "Eco Power Product" label. In the coming years, the remaining two centers shall be completely switched to green electricity, as far as possible.

Our 21 centers used a total of around 61.8 million kWh of green electricity in 2022. This represented 75% of the electricity requirements to operate the shopping centers. Based on conservative calculations, this meant a reduction of around 21,460 tonnes in carbon dioxide emissions, which equates to the annual CO₂ emissions of more than 975 two-person households. The use of heat exchangers and energy-saving light bulbs allows us to further reduce energy consumption in our shopping centers.

Reduction of CO₂ emissions and electricity consumption



CAMPAIGN “LEBEN STATT LOCKDOWN”

Vaccination campaign “Leben statt Lockdown” [Choose life over lockdown] receives German Brand Award



Outstanding commitment: the vaccination campaign “**Leben statt Lockdown. Lass dich impfen**” [Choose life over lockdown. Get Vaccinated] received the highest award with “**Brand Impact of the Year**” and was thus one of the big winners at the German Brand Award 2022 – one of the most important brand awards in Germany.

“**Choose life over lockdown**” is a joint campaign organised by the retail sector and retail property sector and supports the Federal Government’s “**Zusammen gegen Corona**” [Together against Corona] initiative. The goal was to increase vaccine take-up against COVID-19 in Germany. We wanted to inform people in Germany about vaccinations and motivate them to get vaccinated.

We also wanted to provide space for immunisation services at selected sites. Because the more people who get vaccinated, the faster everyone can get back to normal.

The jury gave the following reasons for the award: “Although sufficient coronavirus vaccines were available in autumn 2021, vaccination progress has stagnated. “**Choose life over lockdown. Get vaccinated**” was the largest privately organised vaccination campaign in Germany. The campaign, which achieved 40 million contacts a day, not only encouraged people to get vaccinated, but also created lots of vaccination options that made it easy to get vaccinated, for example at shopping centers. It was great to see how food retailers and non-food retailers joined forces side by side to create such a huge social impact.

It has brought Germany more than 750,000 vaccinations closer to the goal of herd immunity. Thank you so much for that.”

www.german-brand-award.com

WHISTLEBLOWER TOOL

As a listed company, it is our duty, also in the interests of our shareholders, to prevent any form of unlawful or criminal activity within our own sphere of influence. This includes providing reporting channels, meaning that employees and external parties can report indications of possible misconduct with ease and in the strictest confidentiality.

Major economic scandals such as the “Wirecard” case or “Dieselgate”, as it has come to be known, ensure that the topic of whistleblowing stays in the news and that legislators continue to push ahead with more and more regulations – most recently the EU Whistleblowing Directive, which in Germany has resulted in the Whistleblower Protection Act. In this context, the term “whistleblower system” appears on a regular basis.

Using a whistleblower system, whistleblowers – for example, employees of a company or organisation, suppliers or customers – can report anonymous information about observed grievances or violations of rules without fear of negative consequences. This means that whistleblowers do not have to fear termination, workplace discrimination or intimidation.

A digital whistleblower system, such as the one used by Deutsche EuroShop, is software (more precisely a Software-as-a-Service solution) that whistleblowers can use to submit a report on our website. The reporting system is therefore accessible at any time and from any location and provides a central point of contact for whistleblowers. When reporting, whistleblowers fill out a case template, which is used to gather important information. The whistleblower is

free to leave their personal details or can submit the report anonymously. In the latter case, the reporting system creates a mailbox through which the caseworker can continue to communicate with the whistleblower without disclosing their identity. If a tip-off is received by the Compliance Manager, he or she examines the case and initiates any further steps.

www.deutsche-euroshop.de/compliance

GREEN LEASE CONTRACTS

Store operators play a key role in improving energy efficiency and resource conservation in shopping centers. After all, they can influence a considerable portion of total energy consumption, for example by managing their retail areas with a view to saving energy. Since the end of 2015, therefore, green lease contracts have

been used for new leases. According to these contracts, Deutsche EuroShop and its tenant partners undertake to base their leases on sustainable criteria. Specifications concerning the materials used for constructing and converting rental space and regulations on energy-saving management form part of the contracts.

At the end of 2022, green lease contracts had been concluded for just under 31% of the rental space in Deutsche EuroShop's portfolio. The Stadt-Galerie in Passau was at the top of the list of DES centers in the last financial year, with more than 63% of its rental space subject to green lease contracts. It is an ongoing goal to continue to increase the percentage of green lease contracts in all centers each year.

www.zia-deutschland.de/project/green-lease



Stadt-Galerie, Passau

EPRA SBPR REPORTING – 2022

INTRODUCTION

We report on our energy, GHG emissions, water and waste impacts, and social and governance measures in accordance with the 3rd edition of the EPRA Sustainability Best Practice Recommendations (SBPR). Our reporting response has been split into 2 sections:

1. Overarching Recommendations
2. Sustainability Performance Measures

OVERARCHING RECOMMENDATIONS

Organisational boundaries

We use the operational control approach for our data boundary, which includes 15 assets¹. There were no changes to our portfolio between 2021 and 2022, meaning the scope of assets included in our Absolute and Like-for-Like performance measures is the same.

Coverage

We report on all properties within the organisational boundary defined above, and for which we are responsible for purchasing utilities as the landlord (see Boundaries – reporting on landlord and tenant consumption).

Estimation of landlord-obtained utility consumption

Of the consumption data reported, approximately less than 10% (five centers), of our portfolio electricity consumption, less than 5% (two centers) of district heating and cooling and 20% (one center) of fuel consumption data has been estimated in 2022. The estimated data is based on 2021 figures for which 2022 data is not yet available. There has been no estimation of water data.

Boundaries – reporting on landlord and tenant consumption

The electricity consumption reported includes electricity which we purchase as landlords and refers to common areas only. Consumption data for fuels, district heating and cooling and water include tenant data as it is not possible to separate common area and tenant area consumption. Waste data also includes tenant waste.

Analysis – Normalisation

Energy and emissions intensity indicators are calculated using floor area (m²) for whole buildings whilst water intensity is calculated using the total number of visitors. We are aware of the mismatch between nominator and denominator, as our consumption for electricity relates to common areas only, whereas fuels, district heating and cooling and water data covers the entire building as we cannot separate common area from tenant area consumption. For our own offices, we report energy and emissions intensity performance measures using the floor area we occupy within the building whilst water intensity is calculated using the total number of employees.

¹ A10 Center Wildau, Allee-Center Hamm, Altmarkt-Galerie Dresden, Billstedt-Center Hamburg, City-Arkaden Wuppertal, City-Galerie Wolfsburg, City-Point Kassel, Forum Wetzlar, Galeria Baltycka Gdansk, Herold-Center Norderstedt, Main-Taunus-Zentrum, Olympia Center Brno, Rathaus-Center Dessau, Rhein-Neckar-Zentrum and Stadt-Galerie Hameln.

Analysis – Segmental analysis (by property type, geography)

We have not carried out a --segmental analysis as this is not informative for our portfolio, given that our assets are all shopping centers located in similar climatic zones, similar in age, and the majority have similar EPC ratings.

Third Party Assurance

We do not have third party assurance.

Disclosure on own offices

Our own occupied offices are reported separately to our portfolio. Please see Table on page 89.

Narrative on performance

Portfolio performance

Government limitations relating to COVID-19 continued to have an impact on our business activities in 2021, particularly in Germany. As 2022 was the first year of operating with business as usual, we saw some increases in our portfolio. As a result, the energy efficiency (measured in kWh/m²) of our portfolio decreased by 1% between 2021 and 2022. Although there was 7% increase in absolute and like-for-like electricity consumption, we saw a 8% reduction in absolute and like-for-like fuel consumption and a 12% decrease in absolute and like-for-like district heating and cooling consumption.

This year we have reported both market-based and location-based Scope 2 emissions, adjusting last year's values accordingly. We use a market-based emission factor of 0 T CO₂e where we procure renewable electricity in our operational control, and the location-based emissions use country-specific factors. In both cases, where we report district heating and cooling, we use the equivalent location-based factor as we do not have any supplier factors. Market-based emissions factors account for the 67.3% of our electricity supply that comes from green contracts

certified by the TÜV Süd. Of the 33.3% of electricity supply that was not a renewable supply, supplier factors were not available at the time of publication and we have used location-based factors. We are working to locate appropriate residual factors for this scenario in future publications.

We saw an 8% decrease in direct Scope 1 emissions equal to the decrease from fuels and a 5% increase in indirect Scope 2 GHG emissions due to greater electricity consumption using the location-based methodology). Overall, the GHG emissions intensity of our portfolio increased by 3% 2022.

Seeing our first year of normal operations, we were able to implement several asset-level measures at various locations in 2022. In order to reduce electricity consumption through lighting, the conversion to LED was driven forward in various centers. In addition, lighting was switched off where possible, switching times were adjusted or dimmed to match the outdoor light intensity. By optimising the settings of the ventilation and air-conditioning systems, the energy consumption of the cooling system was reduced in several centers. In addition, the tenants were informed about energy saving. In Poland, energy consumption and costs are being reduced through the use of VPPlant (www.vpplant.com) with the help of artificial intelligence and the cleaning service provider is certified according to a sustainability standard. To promote sustainable mobility, several centers were equipped with covered bicycle stands or e-charging stations.

Water consumption increased by 7% in absolute and like-for-like terms. However, the water intensity of our portfolio decreased to 0.003m³/visitor due to the increase in visitors compared to 2021. All water is from the municipal supply.

Waste produced across our portfolio increased by 33% to 7,299 tonnes in 2022 due to the business returning to normal operations. As a result, we saw an increase in composting from 12 to 15%, although there was a decrease in recycling by 17%. Overall, 12% of our total waste was sent to incineration. Given that most waste is generated by our tenants, this is not under our direct operational control. We nonetheless work with tenants to promote waste separation to increase the proportion of waste that is recycled. The changes compared with 2021 can be attributed to the fact that tenants have returned to business as usual and our continued efforts to collect more accurate separation data.

In 2022, we continued to recertify our assets and can report that all our assets are certified to the DGNB standard. The breakdown is as follows:

DGNB PLATINUM

1. A10 Center Wildau,
2. Billstedt-Center Hamburg,
3. City-Galerie Wolfsburg,
4. Rhein-Neckar-Zentrum Viernheim,
5. Forum Wetzlar
6. City-Arkaden Wuppertal.

Together, these represent 38% of our portfolio by leasable floor area.

DGNB GOLD

1. Allee-Center Hamm,
2. Altmarkt-Galerie Dresden,
3. City-Point Kassel,
4. Galeria Baltycka Gdansk,
5. Herold-Center Norderstedt,
6. Main-Taunus-Zentrum Sulzbach,
7. Olympia Center Brno,
8. Rathaus-Center Dessau
9. Stadt-Galerie Hameln.

Together, these represent 62% of our portfolio by leasable floor area.

We have listed other noteworthy ESG activities in our centres in the "Sustainability Ticker" on page 75.

Own office performance

During 2022, electricity consumption within our own office varied slightly compared with 2021, as we saw 4% increase in electricity consumption whilst we had no change in our consumption of district heating and cooling. As district heating and cooling represents 80% of our energy use, the energy intensity of our own office increased only by 1%.

As we have begun reporting on a market-based approach for our portfolio, so we have reported our own office performance on the same basis. All our procured electricity is provided on the basis of a renewable supply and so we use an emission factor of 0 T CO₂-e. Our market-based Scope 2 emissions are therefore only those associated with district heating and cooling, when we use the equivalent location-based factor as we do not have any supplier factors.

In March of 2022, we installed water meters, enabling the collection of more accurate water data. Due to this new technology, we saw our absolute and like-for-like water consumption decreased significantly by 86%. The first three months of 2022 were estimated using figures collected throughout the remainder of the year. As our staff numbers stayed consistent, so did our water intensity.

Despite a 9% increase in waste produced by our offices in 2022, we saw a reduction in recycling by 2% resulting in a 2% increase in waste incineration. The changes compared with 2021 can be attributed to the fact that we continue to collect more accurate separation data.

Social and governance performance measures

We report on the EPRA sBPR Social and Governance Performance Measures that are material given our employee profile, and for which we can collect the required information.

Deutsche EuroShop directly employs five full-time members of staff and there is one member of our Executive Board. In line with German company law, Deutsche EuroShop has a dual management and control structure comprising two executive bodies, the Executive Board and the Supervisory Board. There are nine members of the Supervisory Board, three of whom are independent.

Not including the Executive Board, 40% of our employees are female. Our reporting on gender diversity is in line with the German Corporate Governance Code and our approach and performance is detailed in the Corporate Governance chapter of this report (see page 108). Information on the composition of our Supervisory Board, our processes for nominating and selecting members, and the avoidance of conflicts of interest is also provided in this section.

During 2022, 80% of our employees attended training amounting to an average of 27 hours per employee. Training focuses on building the skills and knowledge we need to fulfil our business strategy, and supporting employees' career development goals. Emp-Dev is marked as not applicable: although every employee meets with the Executive Board members annually which provides the opportunity for open conversations to be had, these meetings do not constitute a formal review process.

Due to the small number of full-time employees, reporting on employee health and safety (H&S-Emp) is not meaningful. Nonetheless, we can report that there were no workplace accidents during the reporting period.

No employees joined or left the company in 2022, meaning our new hire and turnover rate was zero.

Location of EPRA sustainability performance measures

EPRA sustainability performance measures for our portfolio and own offices can be found in Table Own office environmental performance measures on page 89 of this report.

SUSTAINABILITY PERFORMANCE MEASURES

Portfolio environmental performance measures

Indicator	EPRA code	Unit of measure	2021	Coverage	2022	Coverage	Change
Total electricity consumption	Elec-Abs	kWh	60,197,035	100%	64,644,466.00	100%	7%
		% from renewable sources	69.56%		67.29%		-3%
Like-for-like electricity consumption	Elec-LFL	kWh	60,197,035	100%	64,644,466.00	100%	7%
Total energy consumption from district heating and cooling	DH&C-Abs	kWh	26,236,838	100%	23,161,171.30	100%	-12%
		% from renewable sources	n/a		n/a		
Like-for-like consumption from district heating and cooling	DH&C-LFL	kWh	26,236,838	100%	23,161,171.30	100%	-12%
Total energy consumption from fuel	Fuels-Abs	kWh	27,591,370	100%	25,301,011.70	100%	-8%
		% from renewable sources	0		0		
Like-for-like consumption from fuel	Fuels-LFL	kWh	27,591,370	100%	25,301,011.70	100%	-8%
Building energy intensity	Energy-Int	kWh/m ²	100	100%	99	100%	-1%
Direct GHG emissions (total) Scope 1	GHG-Dir-Abs	tCO ₂	5,575	100%	5,111	100%	-8%
Indirect GHG emissions (total) Scope 2	GHG-Indir-Abs	tCO ₂ (market based)	13,253	100%	14,423	100%	9%
		tCO ₂ (location based)	28,590		29,917		5%
Building GHG emissions intensity	GHG-Int	tCO ₂ /m ² (market based)	0.017	100%	0.017	100%	4%
		tCO ₂ /m ² (location based)	0.030		0.031		3%
Total water consumption	Water-Abs	Total m ³	325,097	100%	348,414.67	100%	7%
Like-for-like water consumption	Water-LFL	m ³	325,097	100%	348,414.67	100%	7%
Building water consumption intensity	Water-Int	m ³ /visitor	0.004	100%	0.003	100%	-21%
Weight of waste by disposal route (total)	Waste-Abs	tonnes	5,479	100%	7,299	100%	33%
		% recycled	46		38		-17%
		% composted	12		15		25%
		% sent to incineration	42		47		12%
Weight of waste by disposal route (Like-for-like)	Waste-LFL	tonnes	5,479	100%	7,299	100%	33%
		% recycled	46		38		-17%
		% composted	12		15		25%
		% sent to incineration	42		47		12%
Type and number of assets certified	Cert-Tot	% of portfolio certified OR number of certified assets	100%	100%	100%	100%	0%
		% of portfolio by leaseable space					

na = not applicable, n/a = not available.

GHG emissions: We calculate our emissions based on the GHG Protocol methodology. The market based Scope 2 emissions are calculated by taking into consideration that renewable electricity comes from specific contracts certified by the TÜV Süd. Since market-based emissions factors for Scope 2 GHG emissions from district heating are not available at the time of publication, location-based emissions factors were used. The location based Scope 2 emissions are calculated by using country-specific emission factors.

Own office environmental performance measures

Indicator	EPRA code	Unit of measure	2021	Coverage	2022	Coverage	Change
Total electricity consumption	Elec-Abs	kWh	11,998	100%	12,421	100%	4%
		% from renewable sources	100		100%		
Like-for-like electricity consumption	Elec-LFL	kWh	10,556	100%	12,421	100%	18%
Total energy consumption from district heating and cooling	DH&C-Abs	kWh	50,971	100%	50,971	100%	0%
		% from renewable sources	n/a		n/a		
Like for like consumption from district heating and cooling	DH&C-LFL	kWh	50,971	100%	50,971	100%	0%
Total energy consumption from fuel	Fuels-Abs	kWh	na	100%	na	100%	
		% from renewable sources	na	100%	na	100%	
Like-for-like consumption from fuel	Fuels-LFL	kWh	na	100%	na	100%	
Building energy intensity	Energy-Int	kWh/m ²	229	100%	231	100%	1%
Direct GHG emissions (total) Scope 1	GHG-Dir-Abs	tCO ₂	0	100%	0	100%	
Indirect GHG emissions (total) Scope 2	GHG-Indir-Abs	tCO ₂ (market based)	7.8	100%	8.6	100%	10%
		tCO ₂ (location based)	11.9		12.90		8%
Building GHG emissions intensity	GHG-Int	tCO ₂ /m ² (market based)	0.028	100%	0.031	100%	10%
Total water consumption	Water-Abs	m ³	254	100%	36	100%	-86%
Like-for-like water consumption	Water-LFL	m ³	254	100%	36	100%	-86%
Building water consumption intensity	Water-Int	m ³ /employee	5	100%	5	100%	0%
Weight of waste by disposal route (total)	Waste-Abs	tonnes	0.226	100%	0.245	100%	9%
		% recycled	57		56		-2%
		% sent to incineration	43		44		2%
Weight of waste by disposal route (Like-for-like)	Waste-LFL	tonnes	0.226	100%	0.245	100%	9%
		% recycled	57		56		-2%
		% sent to incineration	43		44		2%
Type and number of assets certified	Cert-Tot	% of portfolio certified OR number of certified assets	0	100%	0	100%	

na = not applicable, n/a = not available.

GHG emissions: GHG emissions: We calculate our emissions based on the GHG Protocol methodology. The market based Scope 2 emissions are calculated by taking into consideration that renewable electricity comes from specific contracts certified by the TÜV Süd. Since market-based emissions factors for Scope 2 GHG emissions from district heating are not available at the time of publication, location-based emissions factors were used. The location based Scope 2 emissions are calculated by using country-specific emission factors.

No fuels are used at our office building.

heating and cooling and waste are calculated using figures for the whole building, and the m² percentage the DES office occupies (DES has an office of 275m² in a building of 6,088m²), as these are not metered separately.

Social and governance performance measures

Indicator	EPRA code	Unit of measure	Indicator	2022
Employee gender diversity	Diversity-Emp	% of male & female employees*	Supervisory Board	33% female 67% male
			Executive Board	100% male
			Other employees	40% female 60% male
Employee training and development	Emp-Training	Average number of hours	Average hours of training undertaken by employees in the reporting period	27
		% of employees	Number of employees	80%
Employee performance appraisals	Emp-Dev	% of total workforce	% of total employees who received regular performance and career development reviews during the reporting period	na
New hires and turnover	Emp-Turnover	Total number and rate	New employee hires	0
			Employee departures	0
			Employee turnover	0%
Composition of the highest governance body	Gov-Board	Total numbers	Number of executive board members	9
			Number of independent / non-executive board members	3
			Average tenure on the governance body	3,3
			Number of independent / non-executive board members with competencies relating to environmental and social topics	3
Process for nominating and selecting the highest governance body	Gov-Selec	Narrative description	The nomination and selection processes for the Board of Directors and its committees and the specific criteria used for nominating and selecting highest governance body members	Corporate Governance Section (pg XX)
Process for managing conflicts of interest	Gov-COI.	Narrative description	Processes to ensure that conflicts of interest are avoided and managed in the highest governance body and how they are reported	Corporate Governance Section (pg XX)

na = not applicable. Please see narrative on performance.

THE EXECUTIVE BOARD

HANS-PETER KNEIP,

born 11 July 1979

Hans-Peter Kneip holds a degree in business administration and graduated from European Business School in Oestrich-Winkel in 2004. He gained first professional experience in the finance and banking sector, including at Merrill Lynch in New York and J.P. Morgan in Frankfurt, before starting his career at French bank Société Générale in Paris in 2005. He worked in the bank's corporate and investment banking division, most recently as Vice President in Equity Capital Markets and Strategic Equity Transactions. During this time, he was mainly involved in IPOs, capital increases and structured equity financings for German and international listed companies.

From 2012, Mr. Kneip was Head of Corporate Finance at the MDAX-listed Berlin-based GSW Immobilien AG and played a leading role in the company's merger with Deutsche Wohnen AG.

From 2014 to 2020, Mr Kneip worked for MDAX-company LEG Immobilien AG in Düsseldorf, where he was initially responsible for corporate finance and later also took over treasury, controlling and risk management. After the IPO, he built up the group's capital market financing and, as a member of the executive management, was entrusted with the strategic development of the company and its real estate portfolio.

Until 2021, Mr Kneip was Chief Financial Officer of listed residential real estate company Accentro Real Estate AG in Berlin. Before joining Deutsche EuroShop AG, he was Managing Director of Deutsche Teilkauf GmbH in Cologne.

Hans-Peter Kneip is a member of the Executive Board of Deutsche EuroShop AG since October 2022. He is married and has German citizenship.



Hans-Peter Kneip

THE SUPERVISORY BOARD

As at 31 December 2022

Name	Reiner Strecker (Chairman)	Chantal Schumacher (Deputy Chairwoman)
Born	1961	1970
Place of residence	Wuppertal	Munich
Nationality	German	Luxembourgish
On the Supervisory Board since	2012	2022
Elected until	2025 Annual General Meeting	2027 Annual General Meeting
Committee activities	Chairman of the Executive Committee, Member of the Audit Committee	Chairwoman of the Audit Committee
Membership of other legally required supervisory boards and memberships in comparable domestic and foreign supervisory bodies for business enterprises	<ul style="list-style-type: none"> Eckes AG, Nieder-Olm (Chair since 1 April 2022) Carl Kühne KG (GmbH & Co.), Hamburg (Chair) akf Bank GmbH & Co. KG, Wuppertal 	<ul style="list-style-type: none"> SCOPE SE & Co. KGaA, Berlin
Position	Management consultant	Global Program Director, Allianz SE, Munich (until 31 December 2022), Independent management consultant (since 1 January 2023)
Key positions held	<ul style="list-style-type: none"> 1981-1985: Degree in business administration, Eberhard Karls University, Tübingen 1986-1990: Commerzbank AG, Frankfurt 1991-1997: STG-Coopers & Lybrand Consulting AG, Zurich (Switzerland) 1998-2002: British-American Tobacco Group, Hamburg, London (United Kingdom), Auckland (New Zealand) 2002-2009: British-American Tobacco (Industrie) GmbH, Hamburg, Member of the Executive Board for Finance and IT 2009-2021: Vorwerk & Co. KG, Wuppertal: <ul style="list-style-type: none"> 2010-2021: Personally liable partner since 2022: Management consultant 	<ul style="list-style-type: none"> 1989-1994: Degree in Industrial Engineering, Solvay Brussels School of Economics and Management (Belgium) 1994-1997: Banque Générale du Luxembourg (Luxembourg), Financial Analyst, International Lending and Structured Finance 1997-1999: MBA studies at the University of Chicago, Chicago (USA) 1999-2022: Allianz Group, Munich of which <ul style="list-style-type: none"> 1999-2001: Allianz SE, Munich, Assistant to the Board of Management, Asset Management 2001-2002: Fireman's Fund Insurance Company, Novato (USA), Actuarial Associate 2002-2004: Allianz of America Corp, Novato (USA), Controller 2004-2005: Allianz SE, Munich, Project Manager 2005-2015: Allianz Global Corporate & Specialty, Munich, Global Head of Planning & Performance Management 2015-2016: Allianz Partners SAS, Paris (France), Global Finance Director Travel & Assistance 2016-2018: Allianz Reinsurance, Munich, Chief Financial Officer (CFO) and Member of the Divisional Board 2018-2020: Euler Hermes Group SAS, Paris (France), Group Chief Financial Officer (CFO) and Member of the Board of Management 2020-2022: Global Program Director, Allianz SE, Munich since 2023: Independent management consultant
Profile of skills		
Retail sector	x	
Real estate		
Business management	x	x
Accounting/audits	x	x
Funding		x
Capital market	x	x
Law		
Corporate governance/ESG	x	x
Relationship to controlling/major shareholders or Deutsche EuroShop AG	none	none
Deutsche EuroShop securities portfolio as of 31 December 2022	0	0





Name	Lemara Dee Grant	Dr Henning Kreke
Born	1991	1965
Place of residence	London (United Kingdom)	Hagen/Westphalia
Nationality	British	German
On the Supervisory Board since	2022	2013
Elected until	2027 Annual General Meeting	2023 Annual General Meeting
Committee activities	–	Chairman of the Capital Market Committee
Membership of other legally required supervisory boards and memberships in comparable domestic and foreign supervisory bodies for business enterprises	–	<ul style="list-style-type: none"> • Douglas GmbH, Dusseldorf (Chair) • Thalia Bücher GmbH, Hagen/Westphalia • Encavis AG, Hamburg • Axxum Holding GmbH, Wuppertal • Noventic GmbH, Hamburg • Perma-tec GmbH & Co. Euerdorf • Slyrs Destillerie GmbH & Co. KG, Schliersee
Position	Vice President and European Tax Counsel, Oaktree Capital Management, London (United Kingdom)	Managing Partner, Let's Go JMK KG and Kreke Immobilien KG, Hagen/Westphalia
Key positions held	<ul style="list-style-type: none"> • 2010-2013: Law degree (LL.B Hons), Nottingham Trent University, Nottingham (United Kingdom) • 2014: Intensive legal practice course • 2014-2016: Clifford Chance LLP, London (United Kingdom), Trainee Solicitor • 2016-2021: Kirkland & Ellis International LLP, London (United Kingdom), Tax Associate – 2018-2019: European Tax Seconded • since 2021: Oaktree Capital Management, London (United Kingdom), Vice President and European Tax Counsel 	<ul style="list-style-type: none"> • Studied business (BBA and MBA) at the University of Texas at Austin, Austin (USA) • Doctorate (political science) from the University of Kiel • 1993-2017: Douglas Holding AG, Hagen/Westphalia <ul style="list-style-type: none"> – 1993-1997: Assistant to the Executive Board – 1997-2001: Member of the Board of Management – 2001-2016: Chairman of the Board of Management • since 2016: Let's Go JMK KG und Kreke Immobilien KG, Hagen/Westfalen, Managing Partner
Profile of skills		
Retail sector		x
Real estate		
Business management	x	x
Accounting/audits		x
Funding	x	
Capital market		x
Law	x	
Corporate governance/ESG		x
Relationship to controlling/major shareholders or Deutsche EuroShop AG	Shareholder representative of Oaktree Capital Management	none
Deutsche EuroShop securities portfolio as of 31 December 2022	0	0

Stuart E. Keith	Dr Volker Kraft	Claudia Plath
1982	1972	1971
London (United Kingdom)	Hamburg	Hamburg
British	German	German
2022	2022	2019
2027 Annual General Meeting	2027 Annual General Meeting	2024 Annual General Meeting
Member of the Capital Market Committee	Member of the Capital Market Committee	Member of the Capital Market Committee
–	<ul style="list-style-type: none"> • Aliansce Sonae Shopping Centers S.A., Sao Paulo (Brazil) 	<ul style="list-style-type: none"> • Ceconomy AG, Düsseldorf MEC Metro-ECE • Centermanagement GmbH & Co. KG, Düsseldorf
Senior Vice President Real Estate (until 28 February 2023), Managing Director, (since 1 March 2023) Oaktree Capital Management, London (United Kingdom)	Managing Director, ECE Real Estate Partners G.m.b.H., Hamburg	CFO, ECE Group Verwaltung GmbH, Hamburg
<ul style="list-style-type: none"> • Studied at Edinburgh University, Edinburgh, Scotland (United Kingdom), MA International Business • 2005-2007: Robert W. Baird & Co, London (United Kingdom), Analyst, Mergers & Acquisitions • 2007-2008: Goldman Sachs & Co, London (United Kingdom), Analyst, Investment Banking • 2008-2012: Arcapita Limited, London (United Kingdom), Associate, Real Estate Private Equity • 2012-2020: Partners Group, London (United Kingdom), Vice President, Private Real Estate • since 2020: Oaktree Capital Management, London (United Kingdom), of which <ul style="list-style-type: none"> - 2020-2022: Senior Vice President Real Estate - since 2023: Managing Director 	<ul style="list-style-type: none"> • 1993-1997: Degree in business administration, University of St. Gallen, St. Gallen (Switzerland) • 1997-2000: Doctorate, University of St. Gallen, St. Gallen (Switzerland) • 2001-2008: Allianz Capital Partners GmbH, Munich, Director • since 2008: ECE Real Estate Partners G.m.b.H., Hamburg, Managing Director 	<ul style="list-style-type: none"> • 1993-1996: Degree in business administration, Technical University of Berlin, certified business economist • 1996-2020: Verwaltung ECE Projektmanagement G.m.b.H., Hamburg: of which <ul style="list-style-type: none"> - 1996-2001: Controller - 2001-2003: Group Manager Controlling - 2004-2009: Divisional Head of Controlling - 2009-2010: Director Asset Management & Controlling (national) - 2010-2012: Senior Director Asset Management (national/international) - 2013-2020: CFO • since 2021: ECE Group Verwaltung GmbH, Hamburg, CFO
	x	
x	x	x
	x	x
x		x
x	x	x
x	x	
		x
Shareholder representative of Oaktree Capital Management	Member of the Management Board of ECE Real Estate Partners G.m.b.H., Hamburg (Alexander Otto (major shareholder) is partner of the partner here)	Member of the Management Board of ECE Group Verwaltung GmbH, Hamburg (Alexander Otto (major shareholder) is the Chairman of the Management Board)
0	0.17 % (indirectly)	260 shares + 0.09 % (indirectly)

MEMBERSHIPS AND RECOGNISED CODES

Deutsche EuroShop is a member of various associations whose guiding principles we also follow and whose codes we comply with.

ZIA

The Zentraler Immobilien Ausschuss (ZIA – German Property Federation) is the driving force of the German real estate industry and an intermediary to political decision-makers. It promotes and assists with appropriate measures to safeguard and improve the real estate industry's economic, legal, fiscal and political environment. The members of the ZIA want to achieve the social goals together through effective measures. The basis for this is the ZIA ESG Charter, which makes statements on the importance, voluntary commitments, activities, and transparency and monitoring of the real estate industry on ESG issues. The ZIA has drawn up a code of conduct on the subject of diversity, which Deutsche EuroShop also follows.

www.zia-deutschland.de

ICG

The Institute for Corporate Governance in the German Real Estate Industry (ICG) is committed to value-oriented, sustainable corporate governance. ICG members share the belief that economic value and values, compliance with the law and personal integrity, and economic, legal and social responsibility together form the basis of business success and a good reputation for the industry.

www.icg-institut.de

Diversity as part of our identity – the Real Estate Industry Code

1. We are aware of the major importance of diversity as an issue in the real estate industry and accept the associated social responsibility.
2. Diversity as defined by the "Diversity Charter" is an integral part of our companies' value systems, strategies and structures.
3. We do not tolerate discriminatory behaviour.
4. Diversity that is lived out in companies opens up opportunities and options for innovative and creative entrepreneurial solutions – due to the diversity of employees with their different backgrounds, skills and talents – and is an indispensable component of value-oriented corporate management.
5. We foster an organisational culture characterised by mutual respect and appreciation. We create the conditions for managers and employees alike to recognise, share and exemplify these values. Managers have special obligations in this regard.
6. We want to raise our employees' awareness of diversity and involve them in its implementation, especially when they are inducted into the company. Diversity training includes raising awareness of issues related to diversity and developing diversity management skills.

7. We develop measures for sustainable diversity management. We want to achieve continuous improvements in the implementation of these measures beyond the minimum legal requirements and therefore set an example.
8. We pursue the goal of establishing and further developing appropriate industry standards and measure ourselves against these. We aim to publicly report on our activities and progress in promoting diversity and appreciation at regular intervals.
9. We promote and ensure equal opportunities and diversity – especially in the real estate industry's management bodies.
10. In our public relations work, we provide transparent and comprehensive information on the importance and implementation of the topic of diversity in our companies.

GCSP

The German Council of Shopping Places (GCSP) is the only nationwide association representing the interests of the commercial real estate industry. More than 750 member companies in the fields of development and analysis, financing, center management, architecture, commercial real estate, retail and marketing make up an active association of interests here as an ideal networking base for commercial real estate players. With about one million employees and directly related service providers, GCSP member companies are a nationally significant industry.

www.gcsp.de

Principles of value-oriented corporate management in the real estate industry

1. Sustainable value creation: The companies are committed to the goal of sustainable management and also take into account their associated groups (stakeholders). This includes all three components of social, economic as well as ecological sustainability. The aim is also to achieve a high level of diversity in the workforce. Stakeholders include investors, shareholders, business partners, tenants, employees and the general public.
2. Value-based corporate governance: Integrity, professionalism, transparency and sustainability define our corporate actions.
3. Avoiding conflicts of interest: The companies take effective precautions to communicate potential conflicts of interest transparently and avoid them as far as possible.
4. Expert bodies: The companies are managed by professionally qualified and well-informed management, supervisory and advisory bodies.
5. Continuous training: The companies ensure the ongoing training and development of their employees. The aim is to ensure compliance with the principles of sustainable management at all operational levels. This also includes members of management and supervisory and advisory bodies.

6. Modern risk management: The companies implement a risk management system that can adequately represent entrepreneurial activities and prepare decisions. These include controlling instruments and a binding compliance management system.
7. Final audit of financial statements: The companies' financial statements are audited by independent and qualified auditors. Re-tendering should be done on a regular basis.
8. Transparent real estate appraisals: Real estate assets are appraised by independent and qualified experts. The appraisal is adequately explained.
9. Comprehensible business model: The companies' business model, organisational structure and shareholdings are presented in detail, clearly and comprehensibly on its website, in advertising brochures and investor information, and in other corporate presentations. Changes are accompanied by an appropriate explanation.
10. Fair communication: The information policy is guided by the principles of transparency, credibility and clarity.

EPRA

The European Public Real Estate Association (EPRA), based in Brussels, is the mouthpiece of the listed European real estate sector. Listed real estate companies are the custodians of many of the highest-value assets in our cities, from office complexes to shopping centers, to

healthcare and senior living facilities. Listed companies are also pioneering sustainability in the built environment to meet their responsibilities to local communities and shareholders' demands when it comes to future-proofing their investments in the face of the global challenge of climate change. EPRA promotes investments in listed real estate companies by providing better information to investors, improving the general framework, supporting best practices and strengthening the sector.

www.epra.com

ECSP

The European Council of Shopping Places (ECSP) is the European voice of an industry that plans, designs, finances, develops, builds and manages shopping centers throughout Europe. The association's members are a catalyst for sustainable urban renewal and serve an important civic function in virtually every European community. ECSP advocates at the European level for the critical economic and social importance of retail and mixed-use sites, bringing together the entire value chain of those who invest in, create, manage and support these places and destinations. In doing so, the association promotes a sustainable and level playing field for all market players and stakeholders.

www.ecsp.eu

DIRK

The Deutscher Investor Relations Verband (DIRK – German Investor Relations Association) is the largest European professional association for the connection between companies and capital markets. As an independent authority, it optimises the dialogue between issuers, capital providers and the relevant intermediaries and draws up professional quality standards for this purpose.

www.dirk.org

AWARDS, CERTIFICATES, RATINGS

EPRA SUSTAINABILITY REPORTING

2022 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.



The EPRA Sustainability Best Practices Recommendations (sBPR) are intended to improve the standards and consistency of sustainability reporting for listed real estate

companies across Europe. Each year, EPRA honours companies that have published the best annual sustainability report in their class. Companies are awarded Gold, Silver or Bronze based on compliance with the EPRA sBPR in their reporting. See www.epra.com/sustainability/sustainability-reporting/sbpr-awards for more information

CERTIFICATES

TÜV Süd has certified the electricity used in Deutsche EuroShop's German centers with the prestigious "Ökostrom" green electricity label.

The German Sustainable Building Council (DGNB) has awarded sustainability certificates to all 21 Deutsche EuroShop shopping centers, 11 in Gold and 10 in Platinum.



RATINGS

Deutsche EuroShop has participated in the Carbon Disclosure Project (CDP) since 2010 and reports the environmental data pertaining to its portfolio.



The following institutions regularly analyse Deutsche EuroShop with regard to its ESG factors: Ethifinance, ISS ESG, Moody's ESG Solutions, MSCI ESG Ratings, S&P Global Corporate Sustainability Assessment and Sustainalytics.



REPORT OF THE SUPERVISORY BOARD 2022

Dear Shareholders,

Please find below a report on the work of the Supervisory Board in the past financial year.

COLLABORATION BETWEEN THE SUPERVISORY BOARD AND THE EXECUTIVE BOARD

During financial year 2022, the Supervisory Board performed the duties incumbent on it according to the law and the Articles of Association and closely oversaw the performance of Deutsche EuroShop AG. The Executive Board coordinated the strategic orientation of the Company with the Supervisory Board, and discussed the status of strategy implementation with us at regular intervals. The Supervisory Board monitored and advised the Executive Board on its management of the business, and the Executive Board informed us regularly, promptly and in detail about business developments.

As the Chairman of the Supervisory Board, I was kept up to date in timely fashion by the Executive Board on all important events of significance for assessing the Company's situation and development and its management. I was also given ongoing, detailed briefings between meetings of the Supervisory Board and its committees in regular conference calls with the Executive Board. The Executive Committee and the "Related Party Transactions" committee" (initially referred to as the "Project Hercules" committee), which was formed in March 2022, together with the "Project Lion" committee, which was formed in November 2022, were kept continuously informed of current developments throughout 2022 and in the run-up to planned, more far-reaching decisions made by the Executive Board.



Reiner Strecker,
Chairman

FOCUS OF ADVISORY ACTIVITIES

We conducted detailed examinations of our Company's net assets, financial position, results of operations and risk management at our regular meetings. In this context, we also checked that the formal conditions for implementing an efficient system of monitoring our Company were met and that the means of supervision at our disposal were effective.

We were informed on an ongoing basis of all significant factors affecting the business. We considered the performance of the portfolio properties, specifically their sales and visitor number trends, the accounts receivable and occupancy rates, and the Company's liquidity position. Furthermore, we were again provided with prompt and continuous information about the payment patterns of our tenants. From March 2022 to June 2022, we discussed the takeover bid of the CURA/Oaktree Capital bidder group and the current status of negotiations with the bidders on a weekly basis in the committee formed for this purpose. From November 2022 to February 2023, the newly formed "Project Lion" committee dealt with the intended acquisition of shopping center shares and the associated planned capital increase. The discussions of both committees focused in particular on the interests of the shareholders and of the Company. During the phase immediately following the coronavirus-related retail closures, the

entire Supervisory Board continued to focus its regular deliberations on the Company's liquidity planning and on changes in the key performance indicators from the operating leasing business.

Regular discussions were conducted with the Executive Board regarding trends on the capital, credit, real estate and retail markets and the impact of these on the Company's current and medium-term situation. As part of this, the Executive Board and the Supervisory Board examined various refinancing options. We received regular reports detailing the turnover trends of our tenants and banks' lending policies. The Executive Board and the Supervisory Board also held regular discussions on how the Company was valued by the stock market and its participants and made peer group comparisons. This year we again devoted a lot of attention to the expected and implemented legislative changes that affect our Company. One of the focal points of our discussions and meetings was also the composition of the Executive Board following the sudden and unexpected serious illness of CEO Wilhelm Wellner in April 2022 and his death in December 2022. We also dealt with the future composition of the Supervisory Board given that: the mandates of three members of the Supervisory Board will expire at the end of this year's Annual General Meeting; Mr Alexander Otto had resigned his mandate as a member of the Supervisory Board in May 2022 for good cause with immediate effect, and the investor group had claimed a total of six seats on the Supervisory Board as a result of the takeover.

The Chairman of the Supervisory Board and the Executive Committee of the Supervisory Board also discussed other topical issues with the Executive Board as required. At regular meetings, the Executive Board informed the Supervisory Board about current developments relating to the repercussions of the pandemic on our operating business. Transactions requiring the approval of the Supervisory Board or a committee were discussed and decided on at

the scheduled meetings. Where required, circular resolutions were passed in writing by the Supervisory Board or the responsible committee for transactions of the Executive Board requiring approval. All resolutions in the reporting period were passed unanimously. To avoid conflicts of interest, any parties affected abstained from voting. Some meetings were held without the Executive Board present.

MEETINGS, TELEPHONE AND VIDEO CONFERENCES

Four ordinary meetings and, due to the takeover bid by the investor group CURA/Oaktree Capital, seven extraordinary meetings were held in financial year 2022. While the ordinary meetings could be held as face-to-face events, the extraordinary meetings were held as video conferences due to their frequency and short notice. The newly formed "Related Party Transactions" committee (initially referred to as "Project Hercules") met in eleven video conferences during the months of March through June 2022.

The Executive Committee met once in an ordinary session and once in an extraordinary session in its simultaneous function as nomination committee.

The Audit Committee held four ordinary meetings by video conference. The newly formed "Project Lion" committee met twice via video conference. No meeting of the Capital Market Committee was held in financial year 2022.

With the exception of Mr Alexander Otto, no member of the Supervisory Board attended only half, or fewer than half, of the meetings of the Supervisory Board and the committees on which they serve during the reporting year. The absences of Mr Alexander Otto and also of Ms Claudia Plath and Mr Henning Eggers served to avoid conflicts of interest during the "Hercules" takeover proceedings. You can find the individual attendance record of the members of the Supervisory Board in meetings of the Supervisory Board and its committees in the following overview:

Supervisory Board	Member since	Appointment ends	Plenum / ordinary and extraordinary	Executive Committee	Audit Committee	"Related Party Transactions" committee	"Project Lion" committee
Reiner Strecker (Chairman)	2012	Annual General Meeting 2025	11/11	2/2	4/4	11/11	2/2
Karin Dohm (Deputy Chairwoman)	2012	30 August 2022	9/9	2/2	3/3	11/11	-
Dr. Anja Disput	2019	30 August 2022	9/9	-	-	11/11	-
Henning Eggers	2019	Annual General Meeting 2024	7/11	2/2	4/4	-	-
Dr Henning Kreke	2013	Annual General Meeting 2023	10/11	-	-	8/11	2/2
Alexander Otto	2002	23 May 2022	3/6	-	-	-	-
Claudia Plath	2019	Annual General Meeting 2024	7/11	-	-	-	-
Klaus Striebich	2012	30 August 2022	9/9	-	-	5/11 ¹	-
Roland Werner	2015	30 August 2022	8/9	-	-	4/11 ¹	-
Benjamin Paul Bianchi	2022	Annual General Meeting 2027	2/2	-	-	-	-
Dr Volker Kraft	2022	Annual General Meeting 2027	2/2	-	-	-	-
Stuart E. Keith	2022	Annual General Meeting 2027	2/2	-	-	-	-
Lemara Dee Grant	2022	Annual General Meeting 2027	2/2	-	-	-	-
Chantal Schumacher (Deputy Chairwoman)	2022	Annual General Meeting 2027	2/2	-	-	-	2/2

¹ invited as a guest

APRIL MEETING

At the first ordinary meeting on **21 April 2022**, the Executive Board and the auditor's representatives explained the annual financial statements 2021 for the Company and the Group as well as the audit procedures and results. The Executive Board explained its dividend proposal of €1.00 per share, which we approved. Finally, we approved and adopted the annual financial statements of the Company. We also approved the consolidated financial statements. The conference moved on to a report by the Executive Board on current developments and, in particular, on the diminishing effects and after-effects of the lockdown measures

mandated by the authorities and possible risks for our Company resulting from higher energy costs or an energy shortage. The Executive Board provided information on the timely refinancing of loans and the covenants for financial ratios in loan agreements, as well as the possible impact of the intended acquisition of our Company on ongoing loan negotiations. The Executive Board presented legal changes in the Company's environment and explained their possible impact. We conducted a detailed examination of the updated liquidity planning provided by the Executive Board. As Chairman of the Supervisory Board, I explained to the

entire Supervisory Board the background to the resolution passed by circulation on the previous day, according to which Mr Wellner's function as a member of the Company's governing body would be suspended for health reasons, and reported on the current status of the succession for the expiring mandates of three members of the Supervisory Board. Finally, the agenda for an Annual General Meeting on 23 June 2022, including the dividend proposal of €1.00 per share agreed on 1 April 2022, was unanimously approved. To avoid risks and in line with the legal and pandemic situation, we again resolved to hold a virtual Annual General Meeting at the suggestion of the Executive Board.

JUNE VIDEO CONFERENCE

The virtual Annual General Meeting had been postponed to **30 August 2022** due to the ongoing acquisition of the Company. Our ordinary meeting was nevertheless held on **23 June 2022** as a video conference. The Executive Board reported to us on current developments in visitor numbers, retail sales and rental payments, and outstanding accounts. We discussed the liquidity situation and current planning with the Executive Board. The Executive Board explained the current credit situation and the current status of the intended sale of properties that are not required for shopping center operations. With the Executive Board, we discussed ways of taking greater account of sustainability aspects for our Company, including in the work of the Supervisory Board. It was decided to expand the necessary competence within the Supervisory Board to include the subject area "Environmental, Social, Governance - ESG". Finally, the Executive Board presented us with a current projection for the Company and the Group for financial year 2022.

AUGUST MEETING

Our meeting on **30 August 2022** was held following the Annual General Meeting with a significantly changed composition. As the oldest member of the Supervisory Board, I welcomed the five new members to the Supervisory Board and we began the meeting with the elections to appoint the Chairman, Vice Chairwoman and Financial Experts and to determine the

composition of committees. The Board then reported on the current status of visitor numbers, retail sales and rental payments. After this, the Executive Board presented its current liquidity planning for the next few years and also elaborated on the current status of preparations and negotiations for the sale of properties no longer required. At this meeting, the Executive Board reported on the preparation and submission by ECE of an energy refurbishment roadmap (energetische Sanierungsfahrplan, ESF) for our shopping center portfolio. The Executive Board explained the legal basis and the need to step up efforts in this regard. Finally, the Executive Board reported on its preparations to carry out a capital increase for a possible minority acquisition of shopping centers, with the aim of optimising the portfolio structure. In the absence of the Executive Board, I informed the members of the Supervisory Board about the status of the selection process for two new members of the Executive Board to succeed CEO Wilhelm Wellner, who by then had left the Executive Board, and Olaf Borkers, who was the sole member of the Executive Board at the time.

NOVEMBER MEETING

At the meeting on **16 November 2022**, our new Executive Board member Hans-Peter Kneip reported on the current status of leases, rental income and visitor numbers in our shopping center portfolio. He also addressed recent bankruptcy cases involving well-known retailers who are also our tenants. The Executive Board then explained the Company's current credit situation after all follow-up financing for 2022 and 2023 had been agreed by September 2022. The Executive Board also addressed the current situation on the capital markets. The intended disposal of unneeded properties from the portfolio was discussed against the backdrop of current price developments and it was decided to postpone the disposals for the time being. The Executive Board presented the investments still scheduled in our shopping centers. Major updates are planned at the A10 Center, Stadt-Galerie Hameln and, in particular, Main-Taunus-Zentrum to enhance the appeal of these centers. The Executive Board reported in

detail on the preparation of the planned capital increase and the intended purchase of shopping center minority interests ("Project Lion"). In addition, the Executive Board presented the current projection of the 2022 business figures as well as planning for the financial years 2023 to 2027. At this meeting, due to changed circumstances and following a legal review, we decided to qualify Dr Henning Kreke as independent within the meaning of the law and the Code.

We subsequently elected the members of the now four-member Capital Market Committee. Finally, a representative from ECE reported on the potential energy refurbishment roadmap for our portfolio. This is to be analysed by the Executive Board pending further decisions on implementation as part of our Company's ESG strategy.

COMMITTEES

The Supervisory Board has established three fixed committees: the Executive Committee, the Audit Committee and the Capital Market Committee. The committees have three or four (Capital Market Committee) members. The Executive Committee functions simultaneously as the nomination committee. Given the size of the Company and the number of Supervisory Board members, we still consider the number of fixed committees and committee members to be appropriate.

In addition, two special committees with independent members of the Supervisory Board were formed during the financial year, each of which dealt with special matters for a limited period of time. The Supervisory Board's "Related Party Transactions" committee dealt with the acquisition of our Company; initially referred to as "Project Hercules", during the period from March to June 2022. The committee was composed of four independent members (Mr Reiner Strecker, Ms Karin Dohm, Dr Anja Disput and Dr Henning Kreke).

The newly formed "Project Lion" committee dealt with the acquisition of shopping center minority interests and the capital increase planned for this purpose on behalf of the Supervisory Board from November 2022 to February 2023. The committee was composed of three independent members (Mr Reiner Strecker, Ms Chantal Schumacher and Dr Henning Kreke).

In the reporting period, the Supervisory Board held ordinary meetings on 21 April, 23 June, 30 August and 16 November. The Supervisory Board held extraordinary meetings without the members with conflicts of interest (Mr Alexander Otto, Mr Henning Eggers and Ms Claudia Plath) on 8 March, 28 March, 13 April, 3 May, 21 May, 21 June and 19 July. The Executive Committee met in an ordinary session on 1 April and in an extraordinary session in its continuing role as nomination committee on 23 August. The Audit Committee held four ordinary meetings on 1 April, 5 May, 8 August and 11 November to hear reports from the Executive Board and auditor on the annual financial statements 2021 and to discuss the interim reports 2022 with the Executive Board.

The "Related Party Transactions" committee (initially referred to as "Project Hercules") met 11 times on 11 March, 18 March, 23 March, 1 April, 11 April, 14 April, 22 April, 29 April, 3 May, 13 May and 17 June.

The "Project Lion" committee met on 13 December and 16 December during financial year 2022. During financial year 2023, the committee met on 6 January, 11 January, and 1 February.

The meetings of the two special committees were also regularly attended by the advisors of the banks assisting us and by our legal advisors.

The Audit Committee issued the audit mandate to the auditor elected by the Annual General Meeting, monitored the services provided by the auditor and discussed the controls on the quality of the audit.

CORPORATE GOVERNANCE

In February 2022 and February 2023, together with the Executive Board, we issued an updated declaration of conformity in relation to the recommendations of the Government Commission pursuant to Section 161 of the Aktiengesetz (AktG – German Public Companies Act) and made this permanently available on the Deutsche EuroShop AG website. A separate report on the implementation of the Deutscher Corporate Governance Kodex (DCGK – German Corporate Governance Code) is included in this Annual Report. The members of the Supervisory Board and the Executive Board declared in writing at the beginning of 2023 that no conflicts of interest had arisen during financial year 2022.

We have published a competence matrix of the Supervisory Board members in the "Corporate Governance Statement". We regularly review the competence profile of the Supervisory Board and adjust it if necessary.

In 2017, the Supervisory Board decided that the Chairman of the Supervisory Board may conduct talks with investors on topics of relevance to the Supervisory Board in accordance with the recommendations of the DCGK and the "Principles for Dialogue between Investor and Supervisory Board". No such talks were conducted in financial year 2022.

In the financial year, initially five and, following the new elections to the Supervisory Board on 30 August, subsequently three members of the Supervisory Board were independent.

FINANCIAL STATEMENTS OF DEUTSCHE EUROSHOP AG AND THE GROUP FOR THE PERIOD ENDING 31 DECEMBER 2022

At the Audit Committee meeting on 3 April 2023 and at the ordinary Supervisory Board meeting on 25 April 2023, the Audit Committee and the Supervisory Board respectively examined in detail the annual financial statements

of Deutsche EuroShop AG in accordance with German commercial law and the consolidated financial statements in accordance with International Financial Reporting Standards (IFRS), each as at 31 December 2022, as well as the combined management report and Group management report for financial year 2022. The repercussions of the coronavirus pandemic for Deutsche EuroShop AG were discussed together with the Executive Board, as were the expected accounting effects of the acquisition of minority interests in January 2023, which will be reflected for the first time in the quarterly financial statements as at 31 March 2023. Furthermore, the dependency report, which had been prepared for the first time, was submitted to us for review. The auditor explained to us all matters which it regarded as being of particular significance for its audit of the consolidated financial statements and of the dependency report, doing so in a manner that was easy to follow. The Supervisory Board shares the auditor's assessment of the importance of these matters for the consolidated financial statements and the dependency report.

The documents relating to the financial statements, the dependency report, the auditor's reports, and the Executive Board's proposal for the utilisation of the unappropriated surplus were presented to us in good time. The auditor appointed by the Annual General Meeting on 30 August 2022 – BDO AG Wirtschaftsprüfungsgesellschaft, Hamburg – had already audited the financial statements and issued an **unqualified audit opinion** in each case. The auditor also confirmed that the accounting policies, measurement methods and methods of consolidation in the consolidated financial statements complied with the relevant accounting provisions. In addition, the auditor determined in the course of its assessment of the risk management system that the Executive Board had undertaken all required measures pursuant to Section 91 (2) AktG to promptly identify risks that could jeopardise the continued existence of the Company.

The auditor's representatives took part in the discussion of the annual financial statements and the consolidated financial statements on the occasions of the Audit Committee meeting on 3 April 2023 and the ordinary Supervisory Board meeting on 25 April 2023 and explained the main findings.

The Supervisory Board has come to the conclusion that there are no objections to be raised against the annual financial statements, the dependency report or the audit conducted by the auditor. The combined management report meets statutory requirements in the opinion of the Supervisory Board. The Supervisory Board agrees with the statements in the management report on the further growth of the Company. The Supervisory Board has issued its agreement with the result of the audit of the annual financial statements and approved the annual financial statements of Deutsche EuroShop AG and the consolidated financial statements of the Deutsche EuroShop Group, whereupon the financial statements are adopted. In addition, the Supervisory Board endorsed the Executive Board's proposal for the appropriation of net income, according to which a partial amount of €191,160,797.50 of the unappropriated surplus of €691,160,885.44 for financial year 2022 is to be used to pay a dividend of €2.50 per no-par-value share carrying dividend rights, and the remaining partial amount of €500,000,087.94 is to be carried forward to new account.

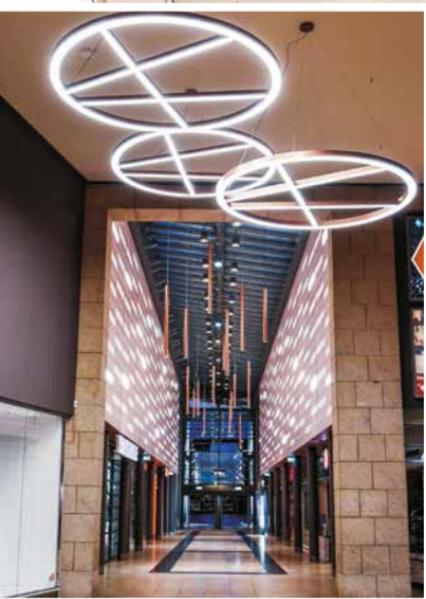
The repercussions of the coronavirus pandemic, increased inflation and heightened uncertainties are a challenge for the retail industry and, as a result, for our daily operations. At the same time, the current market environment holds opportunities and development prospects for Deutsche EuroShop. The new financing arrangements agreed in recent years, which we were able to conclude in financial year 2022, are having a stabilising effect. The next refinancing round is therefore not due until September 2025. We also expect positive impetus for the Company from our new major shareholders. A first successful step was the capital increase in January 2023 and the purchase of shopping center shares financed by this, which enabled us to further strengthen our equity base and simplify our portfolio structure.

The Supervisory Board would like to thank the departing members of the Supervisory Board, the departing Executive Board and the new Executive Board, as well as all employees of Deutsche EuroShop AG for their dependable work and extraordinary commitment in a year of significant changes for the Company.

Hamburg, 25 April 2023



Reiner Strecker, Chairman



LED lighting in the Rhein-Neckar-Zentrum, Viernheim, and Billstedt-Center, Hamburg

CORPORATE GOVERNANCE 2022 AND DECLARATION ON CORPORATE GOVERNANCE

Deutsche EuroShop is a transparent company that operates in accordance with a strategy geared towards long-term success. This focus on constancy is a key aspect of our corporate culture. Based on the legal and company-specific conditions governing management of a listed company, we strive to promote the trust of investors, creditors, employees, business partners and the public in the management and supervision of our Company. This goal is consistent with the requirements of a demanding corporate governance system. In conformity with principle 22 of the Deutscher Corporate Governance Kodex (DCGK – German Corporate Governance Code) as well as Section 289f (1) of the Handelsgesetzbuch (HGB – German Commercial Code), this declaration contains a report by the Executive Board, also on behalf of the Supervisory Board, on corporate governance.

OBJECTIVES AND STRATEGY

The management focuses on investments in high-quality shopping centers in inner cities and established locations offering the potential for stable, long-term value growth. A key investment target is the generation of high surplus liquidity from leases in shopping centers, which is 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 of investment. Indexed and turnover-linked commercial rents form the basis to achieve the high earnings targets.

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

New investments must be financed from a balanced mix of sources, and borrowing must not account for more than 55% of financing across the Group over the long term. On the basis

of a planned investment grade rating and the development of new financing instruments, the financing structure is to be diversified further in the future. As a general rule, long-term interest rates are fixed when loans are taken out or renewed, with the goal of keeping the term (average fixed interest period) at over five years.

DIVERSIFIED SHOPPING CENTER PORTFOLIO

Deutsche EuroShop AG holds a balanced, diversified portfolio of shopping centers in Germany and other parts of Europe. We focus our investment activities on prime (1a) locations in cities with a catchment area of at least 300,000 residents in order to guarantee a high level of investment security.

SEIZING OPPORTUNITIES AND MAXIMISING VALUE

In line with our fundamental buy and hold strategy, we consistently place greater importance on the quality and yield of our shopping centers than on our portfolio's rate of growth. We continuously monitor the market and make portfolio adjustments through acquisitions and sales when economically attractive opportunities arise. **Rapid decision-making chains as well as considerable flexibility regarding potential investments and financing structures allow Deutsche EuroShop to react to very wide-ranging competitive situations.** At the same time, the Group's management focuses on optimising the value of the existing portfolio of properties.

TAILORED RENT STRUCTURE

One key component of the rental model is a **tailored rent structure**. While individual owners in inner cities are often concerned with achieving the highest possible rents for their property (which results in a monostructured retail offering), we ensure an attractive sector mix and long-term optimisation of our rental income through combined costing. Rental partners pay sector-specific and turnover-linked rent that is regularly hedged through indexed minimum rents during the rental period.

THE SHOPPING EXPERIENCE CONCEPT

We have outsourced center management to an experienced external partner, Hamburg-based ECE Marketplaces GmbH & Co. KG (ECE; formerly ECE Projektmanagement GmbH & Co. KG). ECE has been designing, planning, building, letting and managing shopping centers since 1965. The Company is currently the European market leader, with around 200 shopping centers under management. We consider professional center management to be the key to the success of a shopping center. In addition to guaranteeing standard opening hours and a consistently friendly, bright, safe and clean shopping environment, the center management can make use of unusual displays, promotions and exhibitions to turn shopping into an experience. As a long-term average, **between 500,000 and 600,000 people visit our 21 centers every day** and are captivated by not only the variety of sectors represented but also our wide range of thematic exhibitions, casting shows, fashion shows and attractions for children. As a result, the shopping centers become lively marketplaces where there is always something new and spectacular on offer. In addition, new offers and services are constantly being created as part of the ongoing integration of bricks-and-mortar and online retailing.

WORKING METHODS OF THE EXECUTIVE AND SUPERVISORY BOARDS

The strategic orientation of the Company is coordinated between the Executive Board and the Supervisory Board, and the progress of strategy implementation is discussed at regular intervals. The Executive Board is required to inform the Supervisory Board regularly, promptly and in detail of business developments. **The Executive and Supervisory Boards examine the Company's net assets, financial position and results of operations, as well as its risk management, regularly and in detail.** In this context, a check is performed to verify the formal conditions for implementing an efficient system of managing and monitoring the Company, and to determine whether the means of supervision are effective. The significant factors affecting the business are determined by the

Executive Board, which notifies the Supervisory Board. The committees advise on the development of the portfolio properties, their turnover trends, accounts receivable, occupancy rates, construction measures and liquidity, as well as investment cost trends for our new development projects. The sales trends and payment patterns of tenants are monitored in detail so that consequences can be drawn from these at an early stage wherever required.

New investment opportunities are examined by the Executive Board and, if necessary, presented to the Supervisory Board at regular Supervisory Board meetings. Investment decisions are made by the Executive Board and then submitted to the Supervisory Board for approval within the framework of a decision paper.

Moreover, the Executive and Supervisory Boards discuss developments on the capital and credit markets as well as the effects of these not only on the Company's strategy but also in terms of raising equity and obtaining borrowed capital.

The Supervisory Board and its committees also discuss other topical issues with the Executive Board as required. Transactions requiring the approval of the Supervisory Board are discussed and resolved upon at the scheduled meetings. Online retailing, its impact on footfall and sales in centers and the countermeasures taken to combine the strategic advantages of our shopping centers with the opportunities afforded by e-commerce are becoming increasingly important in Executive Board reporting. In financial year 2022, the anticipated medium-term impact of the COVID 19 pandemic, coupled with the potential consequences of energy shortages and price increases, as well as high inflation, were at the forefront of discussions and decisions as they pertained to the operating business. In addition, the Executive Board and the Supervisory Board dealt in depth with the takeover bid from the CURA/Oaktree investor group.

For transactions by the Executive Board that require approval, telephone or video conferences are also conducted with the Supervisory Board or its committees and circular resolutions are passed in writing.

CORPORATE GOVERNANCE 2022

Deutsche EuroShop AG complies with all but one of the recommendations of the German Corporate Governance Code in the version dated 28 April 2022 (Code 2022) applicable at the time of issuing the current declaration of conformity on 14 February 2023. The same applied until that date to the Code, as amended, on 16 December 2019 (Code 2020).

THE EXECUTIVE BOARD AND THE SUPERVISORY BOARD

The Supervisory and Executive Boards performed their statutory duties in financial year 2022 in accordance with the applicable laws and the Articles of Association. The strategic orientation of the Company was re-adjusted between the Executive Board and the Supervisory Board, and the progress of strategy implementation was discussed at regular intervals. The Supervisory Board was informed regularly, promptly and in detail of business developments and the risk situation by the Executive Board. Detailed information on the main areas of focus of the Supervisory Board's activities in financial year 2022 can be found in the Annual Report 2022 of Deutsche EuroShop AG.

In financial year 2022, there were no advisory or other contracts for work or services in existence between members of the Supervisory Board and the Company.

REMUNERATION SYSTEM AND REMUNERATION REPORT

The applicable remuneration system for the members of the Executive Board in accordance with Section 87a (1) and (2) sentence 1 of the Aktiengesetz (AktG – German Public Companies Act), which was approved by the Annual General Meeting on 18 June 2021, and the remuneration report for financial year 2021 approved by the Annual General Meeting on 30 August 2022 and the auditor's report on its audit are available to the public on the Deutsche EuroShop AG website at www.deutsche-euroshop.de. The remuneration report for financial year 2022 and the auditor's report pursuant to Section 162 AktG will be made available to the public at the same Internet address.

The remuneration report for financial year 2022 and the auditor's report in accordance with Section 162 AktG also form part of the Annual Report 2022 of Deutsche EuroShop AG. This is also available at the above Internet address.

COMPOSITION AND DIVERSITY

Supervisory Board

In 2015, the Supervisory Board added a **diversity concept** to the goals specified in 2012 for its composition, both of which were confirmed in 2017 and last updated in 2019. The Supervisory Board gears itself to the needs of a listed company with a small staff base which makes long-term investments with high capital requirements. In view of this, the intention is for the Supervisory Board to be primarily composed of independent members of both genders who have special knowledge and experience of the retail trade, the letting of retail space, the management of shopping centers, the equity and debt financing of listed real estate companies, accounting principles and internal control processes in accordance with German and/or international regulations, corporate governance, and the field of law and business management. **It is intended that the proportion of women on the Supervisory Board is at least 30%.** The upper age limit for members of the Supervisory Board is 70.

The Supervisory Board also takes the view that professional qualifications and skills should be the key criteria for its members. For that reason, no rule has been adopted as to the length of time for which members may serve on the board.

Since 2015, the Company has disclosed which skills are provided by the individual members of the Supervisory Board.

The current competence matrix is as follows:

Name	Reiner Strecker (Chairman)	Chantal Schumacher (Deputy Chairwoman)	Benjamin Paul Bianchi	Henning Eggers	Lemara Dee Grant	Dr Henning Kreke	Stuart E. Keith	Dr Volker Kraft	Claudia Plath
Profile of skills									
Retail sector	x					x		x	
Real estate			x				x	x	x
Business management	x	x	x	x	x	x		x	x
Accounting/audits	x	x	x	x		x	x		x
Funding		x	x	x	x		x	x	x
Capital market	x	x		x		x	x	x	
Law					x				
Corporate governance/ESG	x	x		x		x			x

The **German Corporate Governance Code** states that a member of the Supervisory Board is not deemed independent if they have a personal or business relationship with the Company, its governing bodies, a controlling shareholder or an associate thereof that could give rise to a material conflict of interest which is more than temporary. In 2015, the Supervisory Board of Deutsche EuroShop AG stipulated that the materiality criterion does not apply to tenants accounting for less than 1% of Group rental income. This was the case for Roland Werner, Chairman of the Management Board of tenant Bijou Brigitte Modische Accessoires AG. Roland Werner resigned from his position as a member of the Supervisory Board with effect from 30 August 2022 as part of the replacement of the Supervisory Board requested by the new major shareholders. For the same reason and at the same time, Dr Anja Disput resigned from her position as a member of the Supervisory

Board. The terms of office of Karin Dohm and Klaus Striebich came to their scheduled end on 30 August 2022.

Three of the total of nine Supervisory Board members are independent. These are Reiner Strecker, Chantal Schumacher and Dr Henning Kreke.

The length of service on the Supervisory Board ranges from 0.5 to 10.5 years, the average being around three years (as at 31 December 2022).

Name	Function	Initially since	until the AGM, which will decide on ...	AGM in	Membership (years) on the Supervisory Board as at 12/2022
Dr Henning Kreke		20 June 2013	2022	2023	9.5
Reiner Streckler	Chairman	13 July 2012	2023	2024	10.5
Henning Eggers		12 June 2019	2023	2024	3.5
Claudia Plath		12 June 2019	2023	2024	3.5
Dr Volker Kraft		30 August 2022	2026	2027	0.5
Benjamin Paul Bianchi		30 August 2022	2026	2027	0.5
Stuart E. Keith		30 August 2022	2026	2027	0.5
Lemara Dee Grant		30 August 2022	2026	2027	0.5
Chantal Schumacher	Deputy Chairwoman	30 August 2022	2026	2027	0.5
Average:					3.3

The Supervisory Board regularly assesses its effectiveness and that of its committees (self-assessment) on the basis of a questionnaire. The members of the Supervisory Board have the opportunity to express criticism, make suggestions and propose improvements. This efficiency review has potential implications, which are discussed on the Supervisory Board and, where necessary, implemented in the Supervisory Board's work. The last self-assessment took place in January 2021.

No deductible is provided for the D&O insurance policy of the Supervisory Board. In the Executive Board and the Supervisory Board's view, a deductible has no effect on the sense of responsibility and loyalty with which the members of these bodies perform the duties and functions assigned to them.

The Supervisory Board supervises and advises the Executive Board in its management activities in accordance with the provisions of German company law and its rules of procedure. It appoints the members of the Executive Board, and significant transactions by the Executive Board are subject to its approval. The Supervisory Board is composed of nine members, who are elected by the Annual General Meeting.

The Supervisory Board has established the notification and reporting duties to be met by the Executive Board. In addition to a three-member **Supervisory Board Executive Committee** (which also functions as a nomination committee), an **Audit Committee** and a **Capital Market Committee** were established (also consisting of three or four members).

The members of the Supervisory Board are:

- **Reiner Strecker**, Chairman
- **Chantal Schumacher**, Deputy Chairwoman
- **Benjamin Bianchi**
- **Henning Eggers**
- **Lemara Dee Grant**
- **Stuart E. Keith**
- **Dr Volker Kraft**
- **Dr Henning Kreke**
- **Claudia Plath**

Mr Strecker, Mr Bianchi and Mr Eggers are members of the **Supervisory Board Executive Committee**. The Executive Committee is chaired by the Chairman of the Supervisory Board. The Committee discusses urgent business matters and passes relevant resolutions. Moreover, it is responsible for preparing human resources issues concerning the Executive Board and for reviewing the Company's corporate governance principles. The Executive Committee of the Supervisory Board also fulfils the role of a nomination committee.

The **Audit Committee** consists of Ms Schumacher as Financial Expert and Chairwoman as well as Mr Eggers as second Financial Expert and Mr Strecker. It is responsible for issues relating to financial reporting, auditing and the preparation of the annual and consolidated financial statements. It supervises the audit and assesses the quality of the auditor's work as well as the effectiveness of the internal control and risk management systems. Former members of the Company's Executive Board and the Chairman of the Supervisory Board generally do not chair the Audit Committee, to avoid conflicts of interest.

Ms Schumacher qualifies as a financial expert in both accounting and auditing through her education (MBA with specialisation in finance in 1999) and her professional activities at the Allianz Group (1999–2022), including Head of Controlling as well as Chief Financial Officer in various subsidiaries of the Group. Since 2021, Ms Schumacher has been a member of the

Supervisory Board and Chairwoman of the Audit Committee at the rating agency Scope SE & Co. KGaA, Berlin.

Mr Eggers qualifies as a financial expert in both accounting and auditing through his education (tax consultant since 1999) and his professional activities as an employee and tax consultant at PKF Fasselt Schlage Wirtschaftsprüfungsgesellschaft (1995–2000). Since 2013, Mr Eggers has been a member of the management board of KG CURA Vermögensverwaltung G.m.b.H & Co., where he is responsible for accounting and finance.

The **Capital Market Committee** comprises Ms Plath, Mr Keith, Dr Kreke and Dr Kraft. The Capital Market Committee is chaired by Dr Kreke. The Supervisory Board's powers relating to the utilisation of approved capital and conditional capital are transferred to the committee for decision-making and processing. In addition, decisions on the approval of the Supervisory Board for financing agreements are also delegated to this committee in individual cases if these meet the criteria of a transaction requiring approval.

Executive Board

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 chief management duties of the Executive Board are the management of the Group and the determination of its strategic orientation and planning, and the establishment, implementation and monitoring of risk management.

The diversity concept of the Supervisory Board for the Executive Board which originated in 2015 was given concrete shape and expanded in April 2017. It proposes that the Executive Board should consist of members of both sexes with a proportion of women of at least 30%. The composition of the Executive Board should be geared towards the needs of a listed company with a small staff

base. This should take into account the requirements of accounting with high capital investment as well as the largely national activities in long-term investment in retail properties. The members of the Executive Board are expected to have knowledge and experience in the following: the application of accounting principles and internal control procedures according to German and/or international accounting standards, the retail trade and the management of shopping centers, equity and debt financing, the capital market, corporate governance, corporate and personnel management, corporate acquisitions and mergers, and the purchase and sale of real estate. The focal points of knowledge and experience should complement each other.

The upper age limit for members of the Executive Board is 60.

As at 31 December 2022, the Executive Board of Deutsche EuroShop AG comprised one member.

Hans-Peter Kneip

Born 11 July 1979

First appointment: 1 October 2022
until: 30 September 2025

Hans-Peter Kneip joined Deutsche EuroShop AG in 2022 as a member of the Executive Board. He is a managing director and director at various companies in the Deutsche EuroShop Group, and is additionally responsible for ESG issues (environmental, social and governance) on the Executive Board.

Together with the Executive Board, the Supervisory Board ensures long-term succession planning. The Supervisory Board devotes particular attention to the deferred end of the terms of office of members in combination with their respective experience and areas of expertise. Discussions and negotiations on potentially extending terms of office usually begin at least one year before the end of the current term of

office so that internal and external successors can be appointed. Following the serious illness of CEO Wilhelm Wellner, as a result of which he stepped down in April 2022, his return to the Executive Board was originally expected on 1 October 2022. However, this did not happen. The Supervisory Board was thus able to start the search for a CEO for the Executive Board only belatedly and has not yet completed the process.

Quota of women

The Supervisory Board and the Executive Board took into consideration the Act on the Equal Participation of Women and Men in Executive Positions in the Private and Public Sector that entered into force in 2015, and defined corresponding quotas. A quota of women of at least 30% was set for the Supervisory Board and the Executive Board. The Executive Board also set the same target for the management levels below the Executive Board. Given that there are five employees in total, there is only one management level.

Since the quota was established in 2015, the target for the nine-member Supervisory Board has been met with three female members.

The quota of women on the one-member Executive Board as at 31 December 2022 was 0%.

In July 2022, Mr Wellner's term of office on the Executive Board, which was originally scheduled to end on 30 June 2025, was dissolved early effective 30 September 2022.

Mr Borkers' term of office on the Executive Board contract, which expired on 30 September 2022, was not extended at his request.

The quota of women in the first management level below the Executive Board, which consists of two people, also stood at 0% on 31 December 2022.

SHAREHOLDINGS

Executive Board

As at 31 December 2022, the Executive Board held no shares, and hence less than 1% of Deutsche EuroShop AG's share capital.

Supervisory Board

As at 31 December 2022, members of the Supervisory Board held 260 shares and indirect shareholdings totalling 0.35%, and therefore less than 1% of Deutsche EuroShop AG's share capital.

In addition to the general statutory provisions requiring public disclosure, the rules of procedure of the Executive Board and of the Supervisory Board govern the reporting duties of Executive and Supervisory Board members in the event of dealings involving shares in the Company or related rights of purchase or sale, as well as rights directly dependent on the Company's share price.

Directors' dealings

The following securities transactions by members of the Executive Board or of the Supervisory Board or by certain persons related to members of the executive bodies were notified to Deutsche EuroShop AG during financial year 20221 in accordance with Section 15a of the Wertpapierhandelsgesetz (WpHG – German Securities Trading Act).

Name / Company name	Name of financial instrument	Transaction type	Date	Price (€)	Number	Total volume (€)	Place
Roland Werner	Aktie ¹	Sale (takeover bid ²)	8 July 2022	22.50	525	11,812.50	Outside a trading venue
Claudia Plath	Share ¹	Sale (takeover bid ²)	8 July 2022	22.50	7,000	157,500.00	Outside a trading venue
Klaus Striebich	Share ¹	Sale (takeover bid ²)	8 July 2022	22.50	11,000	247,500.00	Outside a trading venue
Henning Eggers	Share ¹	Sale (takeover bid ²)	8 July 2022	22.50	1,100	24,750.00	Outside a trading venue
Reiner Strecker	Share ¹	Sale (takeover bid ²)	8 July 2022	22.50	9,975	224,437.50	Outside a trading venue
Olaf Borkers	Share ¹	Sale (takeover bid ²)	8 July 2022	22.50	3,500	78,750.00	Outside a trading venue
Klaus Striebich	Share ¹	Sale (takeover bid ²)	18 July 2022	22.50	14,000	315,000.00	Outside a trading venue
Christiane Huber	Share ¹	Sale (takeover bid ²)	25 July 2022	22.50	5,943	133,717.50	Outside a trading venue

¹ ISIN: DE0007480204

² Takeover bid by Hercules BidCo GmbH

Relationships with shareholders

Shareholders exercise their rights in matters concerning the Company at the Annual General Meeting. The Annual General Meeting elects the members of the Supervisory Board and passes resolutions approving the actions of the

Executive and Supervisory Boards. It decides on the utilisation of the unappropriated surplus and amendments to the Company's Articles of Association. The Annual General Meeting, at which the Executive and Supervisory Boards give an account of the past financial year, takes place

once a year. When resolutions are adopted at the Annual General Meeting, each share confers entitlement to one vote in line with the principle of "one share, one vote". All shareholders are entitled to attend the Annual General Meeting and to speak and submit questions about items on the agenda. The COVID-19 Mitigation Act allowed companies to hold a virtual Annual General Meeting again in financial year 2022 to avoid the risk of infections. In this context, the rights of shareholders were partially restricted. Our Company again held a virtual Annual General Meeting in August 2022. In doing so, the management endeavoured to ensure maximum transparency: In the run-up to the Annual General Meeting, the speech of the Executive Board was published on the Internet three days before the end of the period for submitting questions, and at the Annual General Meeting all questions were answered in detail by the management.

At the Annual General Meeting on 30 August 2022, five members of the Supervisory Board were newly elected by the shareholders – mainly as a result of the acquisition by Hercules BidCo GmbH – and Mr Strecker was re-elected as Chairman of the Supervisory Board. Dr Kreke's term of office as a member of the Supervisory Board ends with the Annual General Meeting for the 2022 financial year. The term of office of Dr Kreke as a member of the Supervisory Board ended at the Annual General Meeting for financial year 2022.

Deutsche EuroShop reports to its shareholders and to the public on the Company's business performance, financial position and results of operations four times a year in line with a financial calendar. Press releases also inform the public and the media of Company activities directly. Information that may materially influence the Company's share price is published in the form of ad hoc disclosures in accordance with the statutory requirements.

The Executive Board gives regular presentations to analysts at physical and virtual conferences and at investor events as part of the Company's investor relations activities. Analyst conferences, for example to accompany earnings announcements, are streamed on the Internet, where they are available to anyone interested in the Company. In addition, Deutsche EuroShop AG provides financial information and other information about the Deutsche EuroShop Group on its website.

Compliance management

The Executive Board has set up a compliance management system suitable for a holding company and gives appropriate consideration to legal and corporate governance requirements at a key affiliated service provider. In financial year 2019, the compliance management system and the internal control system (ICS) were adapted in particular to the requirements of ARUG II (Act on the Implementation of the Shareholders' Rights Directive), which came into force on 1 January 2020. The Company set up a system for the collection of anonymous internal and external information (whistleblower system) in the first quarter of 2018.

Accounting and audits

The Deutsche EuroShop Group prepares its financial statements according to International Financial Reporting Standards (IFRS) on the basis of Section 315a HGB. The annual financial statements of Deutsche EuroShop AG will continue to be prepared in line with the accounting provisions of the HGB. The Executive Board is responsible for preparation of the financial statements. The Chairwoman of the Audit Committee commissions the auditor of the annual financial statements, as elected by the Annual General Meeting. The stricter requirements for auditor independence are met in this process.

At the Annual General Meeting on 30 August 2022, BDO AG Wirtschaftsprüfungsgesellschaft was elected as the statutory auditor and Group auditor for financial year 2022. BDO AG Wirtschaftsprüfungsgesellschaft has audited the annual and consolidated financial statements of Deutsche EuroShop AG from 2005 to 2022 without interruption. The responsible auditors within the audit company have changed several times during the above-mentioned period. With the annual financial statements 2022, the auditor Olaf Oleski performed his third audit of the annual financial statements of our Company and served as lead auditor for the first time. BDO also provided other consultancy services for our Company in financial year 2022 in the amount of €113,000.

DECLARATION OF CONFORMITY

In February 2023, the Executive and Supervisory Boards of the Company jointly submitted their updated declaration of conformity with the recommendations of the Government Commission on the German Corporate Governance Code for financial year 2023 in accordance with Section 161 AktG. The declaration was made permanently available to the public on the Company's website at www.deutsche-euroshop.de.

Joint declaration by the Executive Board and the Supervisory Board of Deutsche EuroShop AG relating to the recommendations of the Government Commission on the German Corporate Governance Code in accordance with Section 161 AktG

The Executive Board and the Supervisory Board of Deutsche EuroShop AG declare that the Company has complied with, and will continue to comply with, the recommendations of the Government Commission on the German Corporate Governance Code as published on 28 April 2022, subject to just one exception.

The consolidated financial statements are published within 120 days of the end of the financial year (Code Section F.2).

It is important to the Company to publish audited financial statements that have been approved by the Supervisory Board. An earlier publication date is not feasible due to the schedules for the preparation, auditing and adoption of the financial statements. Unaudited data of relevance to the capital market are published in advance.

Hamburg, 14 February 2023

The Executive Board and the Supervisory Board
Deutsche EuroShop AG



COMBINED MANAGEMENT REPORT

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Combined Management Report

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COMBINED MANAGEMENT REPORT

The information provided in the combined management report applies to both the Group and Deutsche EuroShop AG, except where otherwise stated. The annual financial statements of Deutsche EuroShop AG are reported on in a separate section of the combined management report.

The remuneration report is no longer part of the combined management report. It will be published together with the note on the formal audit on the website of Deutsche EuroShop AG no later than the date of publication of the invitation to the Annual General Meeting.

BASIC INFORMATION ABOUT THE GROUP

Group business model, targets and strategy

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 spaces it lets in the shopping centers.

These 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. Further information on the incorporation of these companies into the consolidated annual results is provided in the notes to the consolidated financial statement.

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.

Objectives and strategy

The management focuses on investments in high-quality shopping centers in urban cities and established locations offering the potential for stable, long-term value growth. A key investment target is the generation of high surplus liquidity from leases in shopping centers, of which a significant portion 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 of investment. Indexed and revenue-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.

Deutsche EuroShop aims to take advantage of favourable financing conditions while maintaining and expanding its pool of lenders and funding sources. The Company has historically financed its investment activities primarily through secured borrowings from various lenders. In order to further diversify its capital and financing structure, especially in a market environment of rising interest rates and a tendency

towards stricter credit requirements, the management is looking into expanding the capital and financing structure. Market opportunities for issuing of one or more capital market instruments are also being explored and evaluated. As a result, the Group's LTV ratio could be increased to a range of 50% to 60%. Any issues are subject to prevailing market conditions and are intended to have an investment grade rating, depending on the financing instrument. In addition, the Company's future ability to pay dividends was increased by the capital increase from reserves (combined with a capital reduction in the same amount) resolved at the Annual General Meeting on 30 August 2022 and entered in the Commercial Register on 16 September 2022.

Diversified shopping center portfolio

Deutsche EuroShop has a balanced and diversified portfolio of German and European shopping centers. The management focuses on investments in prime (1a) locations in cities with a catchment area of at least 300,000 residents that bring a high level of investment security.

Seizing opportunities and maximising value

In line with the buy & hold strategy, the management is increasingly concentrating on shopping center quality and returns rather than rapid portfolio growth. We continuously monitor the market and make portfolio adjustments through acquisitions and sales when economically attractive opportunities arise.

Rapid decision-making chains as well as considerable flexibility regarding potential investments and financing structures allow Deutsche EuroShop to react to very wide-ranging competitive situations. At the same time, the Group's management focuses on optimising the value of the existing portfolio of properties.

Tailored rent structure

One key component of the rental model is a tailored rent structure. While city center property owners often focus on obtaining the highest possible rents for their properties – creating a monolithic retail offering – Deutsche EuroShop's management uses a calculation combining a range of factors to create an attractive sector mix and optimise long-term rental income. Rental partners pay rents that are customary in this sector and regularly consist mainly of a minimum rent linked to the consumer price index and a revenue-linked rent.

The shopping experience concept

Deutsche EuroShop has outsourced center management to an experienced external partner: ECE Marketplaces GmbH & Co. KG (ECE), based in Hamburg. The ECE Group has been designing, planning, building, letting and managing shopping centers since 1965. The Company is currently the European market leader, with some 200 shopping centers under management. Deutsche EuroShop views professional center management as the key to successful shopping centers. In addition to guaranteeing standard opening hours and a consistently friendly, bright, safe and clean shopping environment, the center management can make use of unusual displays, promotions and exhibitions to turn shopping into an experience. Each day, 400,000 to 500,000 shoppers visit the 21 Deutsche EuroShop centers, where they are impressed by the range of sectors represented, the gastronomic diversity, the leisure facilities and promotional activities including car, talent and fashion shows, as well as a wide variety of attractions for children. As a result, the shopping centers become marketplaces where there is always something new and spectacular on offer.

Omni-channel approach

From Deutsche EuroShop's point of view, the interconnection between the offline and online worlds is becoming more and more important. With a view to offering this omni-channel approach in its own centers, the Company supports the "Digital Mall" developed by ECE Marketplaces, which aims to enable customers to research, advance-reserve and order products that are immediately available in a shopping center – conveniently and in just a few clicks via their smartphone or over the Internet. At the end of 2022, a total of over 89 retail partners in 62 shopping centers and 850 shops with over three million products for sale were connected in all ECE-managed shopping centers. As part of the Digital Mall concept, shopping centers should be able to serve as microhubs. Deutsche EuroShop considers the network of shopping centers managed by ECE Marketplaces in Germany to be a unique selling point, as around 80% of the population in Germany live within 45 minutes' drive of one of the more than 100 shopping centers managed by ECE Marketplaces.

Management system

The Executive Board of Deutsche EuroShop AG manages the Group 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 Group targets shopping centers with sustainable and stable value growth and a high liquidity surplus generated from long-term leases. These parameters are then used to derive relevant management indicators (performance indicators); for the Group, these are revenue, EBIT (earnings before interest and taxes), EBT (earnings before taxes) excluding measurement gains/losses and FFO (funds from operations) per share. Due to the higher rent defaults and arrears in the last three years as a result of the coronavirus pandemic, the collection ratio was also used for management purposes and will continue to be used

until further notice. The collection ratio measures the ratio of incoming payments to rent and ancillary cost receivables from tenants. Under commercial law, the performance indicators for the annual financial statements of Deutsche EuroShop AG are income from investments and earnings before taxes.

Based on three-year medium-term planning for each shopping center, aggregated Group planning is drawn up once a year and the management indicator targets are established. Throughout the year, current performances are compared periodically (quarterly) against these targets and current projections. In addition, the value drivers behind the management indicators, such as rental income, visitor numbers, re-letting statistics and collection ratios, are monitored in monthly controlling reports. This is intended to ensure that any urgent measures required within the Group can be taken in good time.

The Supervisory Board supervises and advises the Executive Board in its management activities in accordance with the provisions of German company law and its rules of procedure. It appoints the members of the Executive Board, and significant transactions by the Executive Board are subject to its approval. The Supervisory Board comprises nine members, all of whom are elected by the Annual General Meeting.

Members of the Executive Board are appointed and dismissed on the basis of Sections 84 and 85 of the Aktiengesetz (AktG – German Public Companies Act). Changes to the Articles of Association are made in accordance with Sections 179 and 133 AktG, and the Supervisory Board is also authorised, without a resolution of the Annual General Meeting, to adapt the Articles of Association to new legal provisions that become binding on the Company, as well as to resolve changes to the Articles of Association that only relate to the wording.

More information about the Executive Board and the Supervisory Board can be found in the declaration on corporate governance.

ECONOMIC REVIEW

Macroeconomic and sector-specific conditions

Although the pandemic situation began to ease over the course of 2022, gross domestic product (GDP) rose by only 1.8% in the year under review (2021: 2.6%) due to the consequences of the war in Ukraine with rising energy prices, supply and material shortages and other price increases, according to calculations by the Federal Statistical Office. This marked a recovery from the massive slump in GDP following the outbreak of the coronavirus pandemic, with GDP 0.6% higher than pre-coronavirus in 2019. In 2022, the trend in economic output compared to the previous year varied across the individual sectors. Other services (+6.3%), which include entertainment as well as transport and hospitality (+4.0%), made up considerable ground after the protective measures were lifted. The construction industry, on the other hand, suffered a significant decline (-2.3%) due to a shortage of materials and skilled labour, rising construction costs and increasing financing costs.

Private consumer spending was the main growth driver, with a price-adjusted increase of 4.6% compared to 2021, almost reaching the pre-pandemic level of 2019. Catch-up effects after the protective measures were lifted led to significantly higher spending, especially in the areas of accommodation and restaurant services as well as leisure, entertainment and culture. Government spending on consumption increased only moderately by 1.1% in price-adjusted terms after two years of heavy spending to combat the coronavirus pandemic. The significant reduction in spending on the pandemic response was offset by higher spending on refugees from Ukraine and other countries. The catch-up effect in private consumer spending is also reflected in the savings rate, which fell year on year by 4 percentage points to 11.2%. The savings rate is thus back close to the long-term average.

Unemployment and underemployment continued to fall in 2022, reducing the number of unemployed to an annual average of 2.4 million. This equated to an unemployment rate of 5.3% (2021: 5.7%). The number of people in short-time work also fell again significantly on annual average from 1.85 million in 2021 to 0.43 million in the year under review.

Consumer prices in Germany jumped by 7.9% versus 2022. This was due in particular to the extreme price increases for energy and food since the beginning of the war in Ukraine. Energy products rose by 34.7%, goods by 13.5%, food by 13.4% and services by 2.9%.

Real employee pay decreased by 4.1% in the year under review, according to figures from the German Federal Statistical Office. While in 2021 it was mainly the increased prevalence of short-time work that contributed to the negative development in nominal and real wages, in 2022 high inflation eroded the nominal wage increase, although at 3.4% this was highest level seen since 2008.

Based on preliminary calculations by the Federal Statistical Office, the German retail sector (including online retail) achieved a nominal increase in revenue of 7.8% in the year under review; in real terms, however, the retail sector suffered a decline in revenue of 0.6% compared to 2021 due to inflation. In addition to the sharp uptick in prices, especially for food and energy, the discontinuation of the coronavirus protective measures in the food service industry, which continued to prop up record sales in food retail in the previous year, may also have been a contributing factor here. The retail trade with textiles, clothing, shoes and leather goods exhibited the highest revenue growth in real terms compared to the previous year at 27.0%. However, this did not fully compensate for the coronavirus-related losses of the previous years. Compared to the pre-coronavirus year 2019, revenue in this sector was still 7.6% lower in real terms.

Online retail did not contribute to the positive development of retail sales in 2022, posting a nominal decline of 2.0% (-6.9% in real terms). Online retail, which has recorded strong and continuous growth in the past, saw this trend flatten after two brisk years where consumers shifted to this shopping option due to the coronavirus. It is nevertheless expected that bricks-and-mortar retail will not be able to regain its full share of sales after the pandemic situation has returned to normal.

Besides online retail, the centers' competitive position in the Deutsche EuroShop portfolio is determined with reference to both the shops in the relevant urban cities and other shopping centers in the catchment area. The centers also have to compete with major regional urban centers. For example, the city centers of Dortmund, Mannheim and Braunschweig are serious rivals to the Allee-Center in Hamm, the Rhein-Neckar-Zentrum in Viernheim and the City-Galerie in Wolfsburg, respectively.

There may be additional competition for inner-city retail in the form of growing numbers or expansions of factory and designer outlets on greenfield sites outside the city limits and, to a certain extent, also within them. There are currently controversial plans to expand a designer outlet in Zweibrücken, Saarland, which is in the catchment area of the Saarpark-Center in Neunkirchen.

Retail sector

According to calculations by JLL, a consultancy firm in the real estate sector, the conclusion of contracts for retail space in Germany in 2022 was only slightly down on the previous year at -3%. A total of 421,000 sqm were leased in 914 transactions. The textile sector returned to the top of the take-up rankings with a share of 33%, after the food service and food sectors had dominated in the previous year. According to the institute of German textile retail traders BTE Handelsverband Textil, sales of fashion, shoes and accessories in 2022 were almost back to pre-coronavirus levels. However, there were clear differences between the sales channels. For example, although online retail lost 6.9% of revenue in real terms compared to 2021, it was up strongly compared to 2019, by an estimated 34%. In contrast, bricks-and-mortar retail in fashion, shoes and leather goods continued to lag significantly behind pre-coronavirus figures. Compared to 2021, fashion stores, shoe shops and leather goods business increased sales by around a quarter, but were still around 8% short of 2019 levels.

According to the German Retail Federation (HDE), revenue in online retail in 2022 was around €85.0 billion. This corresponds to a share of about 13.5% (2021: 14.7%) of total retail sales, which according to the HDE statistics came to €631.9 billion (2021: €589.5 billion). Bricks-and-mortar retail in Germany recorded a nominal rise in revenue of 8.8% in 2022, with bricks-and-mortar fashion retail – which is important anchor for shopping centers – increasing sales by around 27% (price-adjusted), although this can largely be explained by the low benchmark due to the prolonged lockdown in spring 2021.

While the revenue of bricks-and-mortar food retail declined by 4.6% after price adjustments, bricks-and-mortar non-food retail recorded an increase in revenue of 2.0%.

Real estate market

According to JLL, the investment market for real estate in Germany closed the year at €66 billion, representing a significant decline of 41% in 2022 following the record year in 2021 with a transaction volume of €111 billion. The main reason for this were higher interest rates, which again significantly increased the attractiveness of traditional financial investments for institutional investors compared to real estate. Accounting for around 55% of transaction volume, the office and residential asset classes continued to dominate, although their share of the total volume was down on the previous year when it stood at 73%. Retail real estate accounted for 14% of volumes (previous year: 8%).

According to calculations by real estate broker CBRE, investments in German shopping centers totalled around €2.7 billion in full-year 2022 (2021: €0.9 billion), an almost three-fold increase on the previous year. This development was mainly due to the acquisition of Deutsche EuroShop AG by Oaktree and CURA, which took place in the third quarter. JLL speaks of a "revival" of shopping centers; CBRE calls it a "comeback".

JLL observed some significant increases in top returns in the individual sectors ranging from 15 basis points for shopping centers to 90 basis points for logistics properties, driven by the rise in interest rates. Accordingly, at the top shopping centers in Germany, top returns averaged 5.00% at the end of the year (2021: 4.85%).

Share price performance

After closing 2021 at €14.64 (Xetra), the Deutsche EuroShop share got off to a positive start in the first weeks of 2022, climbing to €18.36 by 17 February 2022. In the days that followed, the share price fell in response to the uncertain situation in Ukraine and the subsequent invasion by Russia, which began on 24 February 2022. The DES share hit its lowest price of the year on 7 March 2022 at €14.02, before recovering somewhat thereafter. With the announcement that an investor agreement had been concluded concerning a voluntary public takeover offer by Oaktree and CURA on 23 May 2022, the share price settled at a level roughly between €22.00 and €22.50. After the end of the additional acceptance period on 26 July 2022, the share price initially fell slightly and then rose again briefly to its annual high of €26.38 by 15 August 2022. In the following weeks, the share lost some ground again, hovered around the level of €22.00 from mid-September and ended the year at a closing price of €22.12 on 30 December 2022. Taking into account the dividend of €1.00 per share paid on 2 September 2022, this corresponds to a performance of +57.5%. The SDAX fell by 27.3% over the same period. Deutsche EuroShop's market capitalisation stood at €1.4 billion at the end of 2022.

Business development and overall comment on the Group's financial situation

Key consolidated figures			Change
in € million	01.01. – 31.12.2022	01.01. – 31.12.2021	in %
Revenue	212.8	211.8	0.5
EBIT	152.4	152.5	0.0
EBT (excluding measurement gains / losses ¹)	130.2	125.6	3.7
EPRA ² Earnings	129.6	122.0	6.3
FFO	130.1	122.3	6.4
Equity ratio in % ³	55.7	55.6	
LTV ratio in % ⁴	30.3	30.5	
EPRA ² LTV in % ⁵	33.1	33.2	

			Change
in €	01.01. – 31.12.2022	01.01. – 31.12.2021	in %
EPRA ² Earnings per share	2.10	1.97	6.6
FFO per share	2.11	1.98	6.6
EPRA ² NTA per share	37.81	38.43	-1.6
Weighted number of no-par-value shares issued	61,783,594	61,783,594	0.0

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

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 financial investments accounted for using the equity method)

⁵ EPRA loan-to-value ratio (EPRA LTV): Ratio of net debt (financial liabilities and lease liabilities less cash and cash equivalents) to real estate assets (investment properties, owner-occupied properties, intangible assets and other assets (net)). Net debt and real estate assets are calculated on the basis of the Group's share in the subsidiaries and joint ventures.

The waning influence and repercussions of the coronavirus pandemic, which had still had a major impact in the previous year, paved the way for an operational upturn in financial year 2022. However, the year under review continued to face headwinds, above all from the war in Ukraine, disrupted supply chains, the energy crisis and sharply rising inflation.

Customer footfall in 2022 at around +36% was encouragingly higher than in the previous year with its lengthy lockdown periods. Visitor numbers were approximately 80% of the levels seen in 2019, prior to the pandemic. Tenant revenue was on average around 34% higher than in the previous year or 82% of the 2019 figure. The collection ratio, the ratio of incoming payments to rent and ancillary cost receivables from tenants, once again reached a very high level, coming in at 98.5% (previous year: 94.8%). The occupancy rate remained unchanged at 94.3% as at the reporting date.

While the previous year was still strongly affected by business closures in the first half of the year, which required write-downs of €25.0 million, these were reduced to €8.1 million in 2022. Expenses in connection with the acquisition of the majority of the shares in Deutsche EuroShop AG by the bidder consortium of Oaktree Capital Management and CURA Vermögensverwaltung, which was completed in mid-2022, preparations for the capital measure completed in early 2023 and the acquisition of further shares in shopping center investments, as well as the replacement of the Executive Board, led to a significant increase of €12.6 million in other operating expenses. With revenue almost unchanged, these two opposing effects meant that EBIT remained on par with the previous year at €152.4 million (previous year: €152.5 million). Earnings before taxes and measurement gains/losses (EBT excluding measurement gains/losses) rose by 3.7% to €130.2 million. EPRA Earnings and FFO adjusted for measurement and special effects were €129.6 million and €130.1 million, respectively, up 6.3% and 6.4% on the previous year.

Last year's annual financial statements contained the following forecast for financial year 2022: slightly lower sales revenue, EBIT on a par with the previous year, a marginal uptick in EBT (excluding measurement gains/losses) and FFO per share in the corridor of €1.95 and €2.05. While EBIT and EBT (excluding measurement gains/losses) were within the anticipated range, sales revenue and FFO per share outperformed expectations. The main reasons for this were lower defaults on rent receivables and smaller declines in rents than previously forecast.

In the opinion of the Executive Board, the Group's results of operations developed positively overall in spite of the challenges faced last year (war in Ukraine, energy crisis and significantly higher inflation). The Executive Board still views the Group's net assets as very solid, with an equity ratio of 55.7% and an LTV ratio of 30.3%. The Group's financial position also continued to improve, with liquidity of €334.9 million.

Results of operations of the Group

in € thousand			Change	
	01.01. – 31.12.2022	01.01. – 31.12.2021	+/-	in %
Revenue	212,811	211,752	1,059	0.5
Operating and administrative costs for property	-37,213	-32,547	-4,666	-14.3
Write-downs and derecognition of receivables	-8,130	-25,029	16,899	67.5
NOI	167,468	154,176	13,292	8.6
Other operating income	5,504	6,265	-761	-12.1
Other operating expenses	-20,540	-7,940	-12,600	-158.7
EBIT	152,432	152,501	-69	0.0
At-equity profit / loss	12,926	29,612		
Measurement gains / losses (at equity)	16,604	-4,092		
Deferred taxes (at equity)	-7	132		
At-equity (operating) profit / loss	29,523	25,652	3,871	15.1
Interest expense	-36,107	-39,188	3,081	7.9
Profit / loss attributable to limited partners	-15,954	-13,408	-2,546	-19.0
Other financial gains or losses	272	7	265	3,785.7
Financial gains or losses (excl. measurement gains / losses)	-22,266	-26,937	4,671	17.3
EBT (excl. measurement gains / losses)	130,166	125,564	4,602	3.7
Measurement gains / losses	-89,746	-58,821		
Measurement gains / losses (at equity)	-16,604	4,092		
Measurement gains / losses (including at-equity profit / loss)	-106,350	-54,729	-51,621	-94.3
Taxes on income and earnings	-5,060	-3,293	-1,767	-53.7
Deferred taxes	2,594	-7,465		
Deferred taxes (at equity)	7	-132		
Deferred taxes (including at equity)	2,601	-7,597	10,198	134.2
Consolidated profit	21,357	59,945	-38,588	-64.4

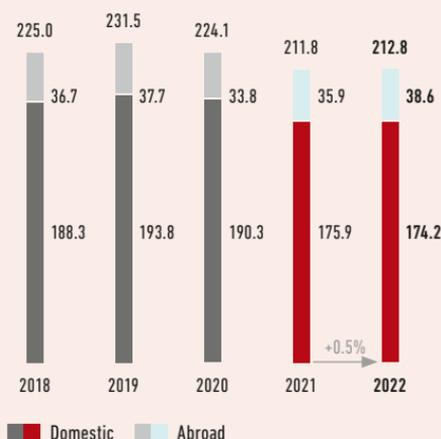
Revenue at previous year's level

In contrast to the previous year, which was significantly affected by store closures mandated by the authorities, tenants were able to open their stores throughout 2022. The rental concessions granted for the closure periods in 2021 are mainly reflected in the previous-year item "Write-downs and derecognition of receivables" and only to a small extent in revenue. As a result, revenue was only slightly higher than in the previous year at €212.8 million, despite the fact that there were no closure periods.

The protective measures still in place, especially in the first quarter of 2022, and the continued effects of the coronavirus pandemic – such as defaults by tenants who got into payment difficulties, lower revenue-linked rents, longer post-rental periods and higher vacancy rates – meant that revenue fell far short of its pre-pandemic levels.

Revenue	Change				
	in € thousand	01.01. – 31.12.2022	01.01. – 31.12.2021	+/-	in %
Main-Taunus-Zentrum, Sulzbach		34,291	34,442	-151	-0.4
Altmarkt-Galerie, Dresden		24,162	24,283	-121	-0.5
A10 Center, Wildau		17,925	18,317	-392	-2.1
Rhein-Neckar-Zentrum, Viernheim		17,201	17,044	157	0.9
Herold-Center, Norderstedt		11,844	11,794	50	0.4
Billstedt-Center, Hamburg		10,468	10,732	-264	-2.5
Allee-Center, Hamm		9,970	10,036	-66	-0.7
Forum, Wetzlar		9,743	9,522	221	2.3
City-Galerie, Wolfsburg		8,311	9,039	-728	-8.1
City-Arkaden, Wuppertal		8,116	8,601	-485	-5.6
Rathaus-Center, Dessau		7,347	7,442	-95	-1.3
Stadt-Galerie, Hameln		6,941	6,344	597	9.4
City-Point, Kassel		6,733	7,465	-732	-9.8
DES Verwaltung GmbH		1,159	837	322	38.5
Germany		174,211	175,898	-1,687	-1.0
Galeria Baltycka, Gdansk		16,707	15,823	884	5.6
Olympia Center, Brno		21,893	20,031	1,862	9.3
Abroad		38,600	35,854	2,746	7.7
Total		212,811	211,752	1,059	0.5

Revenue¹ in € million



¹ In 2020, there was a change in the disclosure of revenue with adjustment of the comparative figures for the previous year 2019. A comparison with the year 2018 is therefore only possible to a limited extent.

Center operating expenses up on previous year due to higher maintenance expenses

Operating center expenses of €37.2 million in the reporting period (previous year: €32.5 million), which mainly comprised center management fees, non-allocable ancillary costs, land taxes, building insurance and maintenance, increased year on year by 14.3%. Operating center expenses as a percentage of revenue increased from 15.4% to 17.5%. This was due to planned and backlogged maintenance measures.

Decline in write-downs

The write-downs and derecognition of receivables in the previous year took into account the major part of the agreed and expected rental concessions implemented to mitigate the economic consequences of the far-reaching store closures at the beginning of 2021. Furthermore, in both the previous year and 2022,

receivables at risk of default had to be written down and insolvency-related receivables had to be derecognised. Overall, the necessary write-downs and derecognition of receivables decreased from €25.0 million to €8.1 million compared with the previous year.

Other operating income and expenses

Other operating income, stemming primarily from the reversal of provisions, reimbursements and compensation payments, income from rental receivables written down in previous years and additional payments in conjunction with ancillary costs, amounted to €5.5 million, down on the previous year (€6.3 million). A coronavirus subsidy of €2.0 million recognised in income and the reimbursement of a road expansion contribution paid in 2018 in the amount of €0.5 million had a positive impact in the previous year.

Other operating expenses, which mainly comprised general administrative costs and personnel costs, came in at €20.5 million (previous year: €7.9 million), a significant increase on the previous year due in particular to higher consulting expenses in the context of the takeover bid, the preparation for the acquisition of further shares in shopping center investments in early 2023 in conjunction with a capital increase, as well as the severance payments to departing Executive Board members.

EBIT unchanged

Earnings before interest and taxes (EBIT), at €152.4 million, were on a par with the previous year (€152.5 million). The lower write-downs were offset by higher real estate operating and administrative expenses and increased other operating expenses.

Improvement in financial gains or losses excluding measurement effects

At-equity (operating) earnings were impacted in the previous year by higher write-downs on rent receivables and revenue shortfalls as a result of the coronavirus pandemic, but improved in 2022 by €3.8 million to €29.5 million (previous year: €25.7 million). The interest expenses of Group companies were reduced by a further €3.1 million. Positive contributing factors here included scheduled repayments and also the lower interest rates agreed for refinancing arrangements for the Billstedt-Center Hamburg, the City-Galerie Wolfsburg and the Altmarkt-Galerie Dresden. The share of earnings attributable to limited partners increased by €2.5 million to €15.9 million due to improved EBIT.

Income statement of the joint ventures in € thousand	Change			
	01.01. – 31.12.2022	01.01. – 31.12.2021	+/-	in %
Allee-Center, Magdeburg	8,316	8,196	120	1.5
Phoenix-Center, Harburg	6,675	6,708	-33	-0.5
Stadt-Galerie, Passau	7,410	7,282	128	1.8
Saarpark-Center, Neunkirchen	6,016	5,845	171	2.9
City-Arkaden, Klagenfurt	6,725	6,314	411	6.5
Árkád, Pécs	4,415	4,229	186	4.4
Other	38	40	-2	-5.0
Revenue	39,595	38,614	981	2.5
Operating and administrative costs for property	-5,891	-5,693	-198	-3.5
Write-downs and derecognition of receivables	-1,827	-3,833	2,006	52.3
NOI	31,877	29,088	2,789	9.6
Other operating income	1,212	605	607	100.3
Other operating expenses	-644	-699	55	7.9
EBIT	32,445	28,994	3,451	11.9
Interest income	10	0	10	-
Interest expense	-2,713	-3,172	459	14.5
Financial gains / losses	-2,703	-3,172	469	14.8
Taxes on income and earnings	-219	-170	-49	-28.8
At-equity profit (excluding measurement gains / losses)	29,523	25,652	3,871	15.1
Measurement gains / losses	-16,604	4,092	-20,696	-505.8
Deferred taxes	7	-132	139	105.3
Share of profit / loss	12,926	29,612	-16,686	-56.3

Improved EBT (excluding measurement gains / losses)

The improvement in EBIT and at-equity profit / loss combined with the further reduction in interest expenses boosted EBT (excluding measurement gains / losses) by 3.7 % from €125.6 million to €130.2 million.

Measurement gains / losses negative

The significant increase in interest rates in the year under review had a negative impact on the valuation of the Group's real estate assets (IAS 40) and resulted in a measurement loss of €-106.3 million (previous year: €-54.7 million).

Measurement losses on real estate assets, after minority interests, broke down into €-89.7 million (previous year: €-58.8 million) from the measurement of the real estate assets reported by the Group and €-16.6 million (previous year: €4.1 million) from the measurement of the real estate assets of the joint ventures recorded on the balance sheet according to the at-equity method.

The average value of Group properties, after ongoing investments, fell by -3.0 % (previous year: -1.5 %); individual measurement gains / losses ranged between -6.3 % and 3.4 %. The occupancy rate at the end of the year was unchanged from the previous year at 94.3 %.

Increase in taxes on income and earnings, deferred taxes

Taxes on income and earnings increased to €5.1 million (previous year: €3.3 million) as a result of the improvement in earnings.

Deferred tax provisions, including the share included in the at-equity result, were reduced by €2.6 million in the year under review as a result of the decline in the fair values of real estate (previous year: increase of €7.6 million).

EPRA Earnings up, consolidated profit down on previous year

EPRA Earnings, which exclude measurement gains / losses, recovered to €129.6 million or €2.10 per share, in particular as a result of year-on-year lower write-downs on rental receivables. Standing at €21.4 million, consolidated profit was down €38.5 million on the previous year (€59.9 million) and earnings per share fell from €0.97 to €0.35.

EPRA Earnings

in € million / per share in €



EPRA Earnings

	01.01. – 31.12.2022		01.01. – 31.12.2021	
	in € thousand	per share in €	in € thousand	per share in €
Consolidated profit	21,357	0.35	59,945	0.97
Measurement gains / losses on investment properties ¹	106,350	1.72	54,729	0.89
Deferred taxes in respect of EPRA adjustments ²	1,889	0.03	7,284	0.11
EPRA Earnings	129,596	2.10	121,958	1.97
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 Relates to deferred taxes on investment properties and derivative financial instruments

Development of funds from operations

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 increased by 6.4% from €122.3 million to €130.1 million or from €1.98 to €2.11 per share.

Funds from operations (FFO) in € million / per share in €



Funds from operations

	01.01. – 31.12.2022		01.01. – 31.12.2021	
	in € thousand	per share in €	in € thousand	per share in €
Consolidated profit	21,357	0.35	59,945	0.97
Measurement gains / losses on investment properties ¹	106,350	1.72	54,729	0.89
Expenses in connection with the takeover offer ²	4,997	0.08	0	0.00
Deferred taxes ¹	-2,601	-0.04	7,597	0.12
FFO	130,103	2.11	122,271	1.98
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 After consideration of taxes

Results of operations of the segments

The subsidiaries and equity-accounted joint ventures are included in the Group's segment reporting in proportion to the Group's share therein. A distinction is made between the

shopping centers in Germany ("domestic") and elsewhere in Europe ("abroad") (for further details, please see our statements on segment reporting in the notes to the consolidated financial statements):

in € thousand			Change	
	01.01. – 31.12.2022	01.01. – 31.12.2021	+/-	in %
Revenue	227,952	226,449	1,503	0.7
Domestic	182,590	184,061	-1,471	-0.8
Abroad	45,362	42,388	2,974	7.0
EBIT	181,842	166,459	15,383	9.2
Domestic	142,421	132,798	9,623	7.2
Abroad	39,421	33,661	5,760	17.1
EBT (excl. measurement gains / losses)	147,100	128,074	19,026	14.9
Domestic	114,459	101,323	13,136	13.0
Abroad	32,641	26,751	5,890	22.0

As a global event, the coronavirus pandemic had a strong negative impact on all our shopping centers, which countries responded to differently in the form of restrictions and protective measures. Accordingly, revenue and thus EBIT and EBT (excluding measurement gains / losses) in the segments recovered compared with the previous year.

Financial position of the Group

Principles and objectives of financial management

For the purposes of financing its investments, Deutsche EuroShop uses the stock exchange for procuring equity, as well as the credit and capital markets for procuring loans. Within the Group, both the individual property companies and Deutsche EuroShop AG act as borrowers from banks or, where necessary, bond debtors. Loans and bonds are taken out in euros for all Group companies. In general, the use of equity and loans for investments should be equally weighted and the equity ratio in the Group (including third-party interests) should not fall significantly below 45%. Market opportunities for the issuance of capital market instruments are also explored. A reorganisation of the

capital and financing structure could increase the Group's LTV ratio to a range of 50 % to 60 % in the future.

We finance our real estate projects on a long-term basis and also use derivative financial instruments to hedge against rising capital market rates. Hedging transactions are used to hedge individual loans. Deutsche EuroShop AG also has access to short-term financing instruments to enable to respond immediately to investment opportunities. Until used for investment, any cash not needed is invested short-term to finance ongoing costs or pay dividends.

Financing analysis

As at 31 December 2022, the Deutsche EuroShop Group reported the following key financial data:

			Change
in € million	31.12.2022	31.12.2021	+/-
Total assets	4,208.1	4,278.8	-70.7
Equity (including third-party shareholders)	2,343.4	2,377.8	-34.4
Equity ratio (%)	55.7	55.6	0.1
Net financial liabilities	1,144.3	1,173.3	-29.0
Loan-to-value ratio (LTV ratio) in %	30.3	30.5	-0.2

At €2,343.4 million, the Group's economic equity capital, which comprises the equity of the Group shareholders (€2,036.2 million) and the equity attributable to third-party shareholders (€307.2 million), was down on the previous

year due to the dividend paid (previous year: €2,377.8 million). The equity ratio increased year on year to 55.7 % (previous year: 55.6 %) and was thus still at a high level and on a firm footing.

Financial liabilities

			Change
in € thousand	31.12.2022	31.12.2021	+/-
Non-current bank loans and overdrafts	1,464,917	1,264,748	200,169
Current bank loans and overdrafts	14,334	237,366	-223,032
Total	1,479,251	1,502,114	-22,863
Less cash and cash equivalents	334,943	328,839	6,104
Net financial liabilities	1,144,308	1,173,275	-28,967

Current and non-current financial liabilities fell from €1,502.1 million to €1,479.3 million in the year under review, a decline of €22.9 million, due to scheduled repayments. Together with the rise in cash and cash equivalents by €6.1 million, net financial liabilities, at €1,144.3 million, were on balance €29.0 million lower than at the end of 2021 (€1,173.3 million).

The net financial liabilities existing at the end of the year are used exclusively to finance non-current assets. This brought the percentage of non-current assets financed with debt capital (LTV) at the reporting date to 30.3 % (previous year: 30.5 %).

The EPRA LTV¹, which is based on the Group's pro-rata share in joint ventures and subsidiaries, amounted to 33.1% on the reporting date (previous year: 33.2%).

EPRA loan-to-value ratio (EPRA LTV)			Change
Proportional values in € thousand	31.12.2022	31.12.2021	+/-
Non-current and current bank loans and overdrafts	1,481,149	1,504,549	-23,400
Owner-occupied property (IFRS 16, lease liability)	354	88	266
Cash and cash equivalents	-330,894	-324,339	-6,555
Net financial debt	1,150,609	1,180,298	-29,689
Investment properties	3,474,145	3,544,148	-70,003
Owner-occupied property (IFRS 16, right-of-use asset)	351	86	265
Intangible assets	29	32	-3
Other assets (net)	3,445	6,600	-3,155
Real estate assets	3,477,970	3,550,866	-72,896
EPRA LTV in %	33.1	33.2	-0.1

The financing terms for consolidated borrowing as at 31 December 2022 were fixed at 2.43% p.a. (previous year: 2.09% p.a.) with an average residual maturity of 6.8 years

(previous year: 4.7 years). The loans to Deutsche EuroShop are maintained as credit facilities with 18 banks and savings banks in Germany, Austria and the Czech Republic.

Loan structure as at 31 December 2022

Interest rate lock-in	as % of loan	in € million	Average residual maturity (years)	Average interest rate (in %)
up to 1 year	0.0	0.0	1.0	0.00
1 to 5 years	30.0	444.1	3.8	2.61
5 to 10 years	70.0	1,035.1	8.1	2.35
Total	100.0	1,479.2	6.8	2.43

Of the 18 loans across the Group, 14 are subject to credit covenants with the financing banks. There are a total of 29 different covenants for debt service cover ratios (DSCRs), interest cover ratios (ICRs), changes in rental income, the leverage ratio and the loan-to-value ratio (LTV) of the property. The loan conditions were met in financial year 2022. Based on current planning

and estimates, the loan conditions will also be met in 2023. With regard to the uncertainties relating to the planning period as a result of the coronavirus pandemic and the war in Ukraine, please refer to the report on events after the reporting date.

¹ February 2022 saw the publication of EPRA's revised Best Practices Recommendations, introducing the EPRA loan-to-value ratio as a key change. The EPRA LTV is almost identical to our previously reported (pro-rata) LTV, which was also calculated on the basis of the Group's share in the assets and liabilities of the subsidiaries and joint ventures. In contrast to the previous (pro-rata) LTV, the EPRA LTV includes additional assets and liabilities. The main other item is other assets (net), which include trade receivables as well as other assets less trade payables, tax liabilities, other provisions and other current liabilities. The EPRA LTV replaces the previous key figure of (pro-rata) LTV in the reporting. For reconciliation of the EPRA LTV, please refer to our "EPRA reporting" in our financial report.

Scheduled repayments totalling €14.8 million will be made from current cash flow during financial year 2023. Over the period from 2024 to 2026, repayments will average €13.3 million per annum.

A loan in the amount of €209.1 million, set to expire at the beginning of 2023, was already extended in 2022. A loan in the amount of €58.7 million is due to be extended in 2025.

Investment analysis

In financial year 2022, investments continued to be made in modernising and positioning the existing portfolio and amounted to €39.5 million after €18.8 million in the previous year.

Liquidity analysis

in € thousand	01.01. – 31.12.2022	01.01. – 31.12.2021
Net cash flow from operating activities	140,625	130,266
Cash flow from investing activities	-39,498	-18,791
Cash flow from financing activities	-95,023	-48,666
Net change in cash and cash equivalents	6,104	62,809
Cash and cash equivalents at beginning of period	328,839	266,030
Cash and cash equivalents at end of period	334,943	328,839

The Group's operating net cash flow of €140.6 million (previous year: €130.3 million) constitutes the amount generated by the Group through the leasing of shopping center space after deduction of all costs. It is primarily used to finance the dividends of Deutsche EuroShop AG and payments to third-party shareholders as well as ongoing loan repayments and investments.

Cash flow from investing activities consisted of cash-effective investment in portfolio properties (€39.5 million; previous year: €18.8 million). The cash flow from financing activities of €-95.0 million included the cash outflow from current repayments of financial liabilities of

€25.5 million, the cash inflow from the assumption of financial liabilities of €2.7 million, the dividend payment to Group shareholders of €61.8 million (previous year: €2.5 million) and a pay-out to third-party shareholders of €10.4 million (previous year: €6.5 million).

Cash and cash equivalents rose by €6.1 million in the year under review to €334.9 million (previous year: €328.8 million).

Net assets of the Group

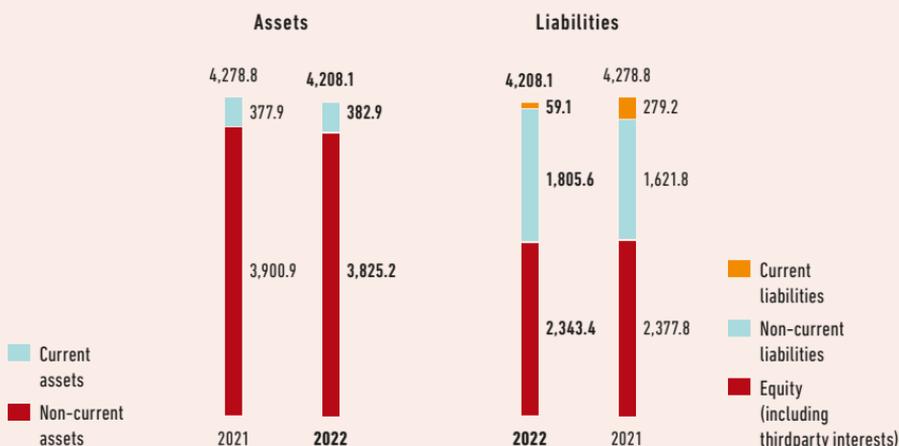
Total assets decline slightly

The Group's total assets fell by €70.7 million from €4,278.8 million to €4,208.0 million.

in € thousand	31.12.2022	31.12.2021	Change +/-
Current assets	382,858	377,900	4,958
Non-current assets	3,825,248	3,900,890	-75,642
Current liabilities	59,085	279,230	-220,145
Non-current liabilities	1,805,654	1,621,780	183,874
Equity (including third-party interests)	2,343,367	2,377,780	-34,413
Total assets	4,208,106	4,278,790	-70,684

Balance sheet structure

in € million



Current assets at previous year's level

At the end of the year, current assets amounted to €382.9 million, almost at the same level as the previous year (€377.9 million). On the reporting date, cash and cash equivalents amounted to €334.9 million (previous year: €328.8 million).

The collection ratio, the ratio of incoming payments to rent and ancillary cost receivables from tenants, showed the following movements in each individual month in 2022 (adjustments from agreed rent reductions already taken into account):

Collection ratio

in %



The Group's receivables (after write-downs) fell accordingly by €5.8 million to €17.0 million (previous year: €22.8 million).

Other assets rose by €4.6 million from €26.3 million to €30.9 million, due in particular to rental incentives granted.

Non-current assets down due to slight valuation loss on real estate assets

Non-current assets fell by €75.7 million from €3,900.9 million to €3,825.2 million in the year under review. At 90.9% (previous year: 91.2%), they are still the most significant category of total assets.

Investment properties fell by €63.6 million to €3,330.0 million, corresponding to a decline of -1.9%. While additions and the costs of investments in portfolio properties came to €39.5 million, revaluation of the property portfolio resulted in measurement losses of €103.1 million.

At-equity financial investments declined by €12.3 million from €455.3 million to €443.1 million. The change is attributable to the share of profit / loss (€12.9 million) and the losses for the financial year (€25.2 million).

Current and non-current liabilities decrease overall

In the previous year, the current liabilities of €59.1 million still included the loans expiring in 2022, which have since been extended.

Non-current liabilities increased from €1,621.8 million to €1,805.6 million, constituting a rise of €183.8 million, owing primarily to the extension of the loans maturing in 2022 as well as the balance from scheduled repayments and the raising of new long-term loans.

Equity (including third-party interests)

At €2,343.4 million as at the end of the reporting year, equity (including third-party shareholders) was down €34.4 million on the previous year (€2,377.8 million), due to the dividend paid of €61.8 million and the consolidated profit of €21.4 million. Redemption entitlements for third-party shareholders fell by €7.8 million, and the market values of swaps boosted equity by €13.8 million.

Net tangible assets according to EPRA

Net tangible assets (NTA) stood at €2,335.9 million or €37.81 per share as at 31 December 2022, compared with €2,374.4 million or €38.43 per share in the previous year. Net tangible assets were therefore down by €0.62 (-1.6%) per share year on year.

EPRA net tangible assets

in € million / per share in €



EPRA NTA

	31.12.2022		31.12.2021	
	in € thousand	per share in €	in € thousand	per share in €
Equity	2,036,237	32.96	2,062,866	33.39
Derivative financial instruments measured at fair value ¹	5,637	0.09	23,398	0.38
Equity excluding derivative financial instruments	2,041,874	33.05	2,086,264	33.77
Deferred taxes on investment properties and derivative financial instruments ¹	345,789	5.60	339,937	5.50
Intangible assets	-29	0.00	-32	0.00
Goodwill as a result of deferred taxes	-51,719	-0.84	-51,719	-0.84
EPRA NTA	2,335,915	37.81	2,374,450	38.43
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

On 12 January 2023, the Deutsche EuroShop Group concluded six purchase agreements for the acquisition of further shares in six property companies in which it already held an interest of between 50% and 75% (see the notes to the consolidated financial statements, section "2. Basis of consolidation / Acquisitions after the reporting date". On the same day, in order to finance these acquisitions, the Executive Board decided, with the approval of the Supervisory Board, to increase the Company's share capital by up to €14,710,375, with partial utilisation of the authorised capital, through the issue of up to 14,710,375 no-par-value registered shares against cash and non-cash contributions. After the end of the subscription period, the Executive Board, with the approval of the Supervisory Board, set the final scale of the capital increase at 14,680,725 new shares on 1 February 2023. The share capital of the Company increased accordingly by €14,680,725 to €76,464,319. As part of the capital increase, shares were taken up in exchange for cash in the amount of €64,252 thousand and in exchange for purchase price receivables from the acquisition of the additional shares in six property companies in the amount of €251,384 thousand.

On 31 March 2023, the Company concluded a loan contract with the major shareholder Hercules BidCo GmbH, Hamburg. Under this contract, Hercules BidCo GmbH shall grant the Company an interest-free loan if a resolution on the appropriation of profits adopted with its majority vote at the Company's forthcoming or future Annual General Meetings results in the Company's liquidity falling below the applicable minimum level (currently €100,000 thousand). The minimum liquidity level deemed appropriate by the Executive Board and the Supervisory Board is regularly reassessed on the basis of corporate planning. The corresponding loan facility is generally concluded for an indefinite period and initially comprises €500,000 thousand, which may, however, be reduced over time if agreed events occur. The loan contract is still subject to approval by the Company's Supervisory Board.

No further significant events occurred between the reporting date and the date of preparation of the financial statements.

OUTLOOK

General conditions

The success of Deutsche EuroShop's business depends mainly on the overall macroeconomic performance. This applies to both the global economy, due to our core market of Germany's huge dependency on exports, and to the specific performance of the national economies within our five European markets. A thriving economy, based on stable political conditions and good trade relations as well as on functioning international value creation chains, is in this respect a significant influencing factor on the growth of the respective population's income, consumer confidence and retail sales.

The German federal government, in its annual economic report published at the end of January 2023, forecasts that gross domestic product will grow marginally by 0.2% in the current year. The year 2023 will also be marked by the economic impact of the war in Ukraine, which had already triggered a massive increase in energy and food prices in 2022. For 2023, the federal government expects an annual average inflation rate of 6%, which will be lower than in 2022 but still at a very high level. The electricity and gas price brakes introduced by law will have a dampening effect on the high price increases. However, the relief measures will not prevent real losses of income and purchasing power among private households, which can be expected to have a negative impact on domestic economic development.

According to the federal government's forecast, the recovery on the labour market in 2022 will come to a temporary halt in 2023 due to the economic consequences of the war in Ukraine. A slight rise in the unemployment rate from 5.3% to 5.4% is expected.

The projection remains subject to a high degree of uncertainty due to the current framework conditions. In particular, a renewed rise in energy prices with corresponding interest rate measures by central banks to curb inflation or a renewed regional or global outbreak of the coronavirus pandemic with negative repercussions on demand and supply chains could significantly impair developments.

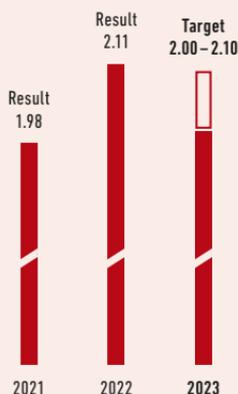
Expected results of operations

On the one hand, the waning influence and consequences of the coronavirus pandemic led to an operational upturn in business in the year under review. On the other, private consumption was weighed down above all by the war in Ukraine, disrupted supply chains, the energy crisis and the major uptick in inflation. The operating figures of our tenants, in particular customer footfall and tenant revenue, developed positively in 2022 and collection ratios normalised. We expect inflation to be contained in 2023, but to remain at a high level for the time being. Even though the majority of leases provide for indexation, there is a risk that not all rent increases will be able to be enforced due to the economic burden on tenants. The same applies to allocable ancillary costs, which may no longer be able to be borne by individual tenants due to price increases. Against the backdrop of the challenging macroeconomic environment and taking into account the capital increase carried out at the beginning of 2023, a stable financial year 2023 is expected with funds from operations (FFO) of €2.00 to €2.10 per share. At the same time, sales revenue, EBIT and EBT (excluding measurement gains / losses) will be significantly higher than in 2022 due to

the acquisition of additional shares in six shopping centers at the beginning of 2023 (see section "Report on events after the reporting date").

FFO per share

in €



In estimating the FFO for 2023, the calculation took account of the additional shares in six shopping centers and their financing by means of a capital increase were taken into account. Incidental acquisition costs (including land transfer tax), any differences resulting from the first-time full consolidation and interest rate effects from the fair value measurement of loans were not included in the FFO forecast.

RISK REPORT

Principles governing the risk management system and internal control system²

Deutsche EuroShop's strategy is geared towards maintaining and increasing shareholders' assets and generating sustainably high surplus liquidity from leasing real estate, thereby enabling the distribution of an appropriate

Dividend policy

One of Deutsche EuroShop's key investment objectives is to generate an attractive liquidity surplus from the long-term leasing of shopping centers, which is distributed to shareholders in the form of regular dividends. The Company continually reviews opportunities to further increase its ability to distribute dividends in future years. In financial year 2022, Deutsche EuroShop increased its dividend capacity by reversing committed capital reserves. For this purpose, a capital increase from reserves was carried out in conjunction with a subsequent capital reduction, which was resolved by the Annual General Meeting on 30 August 2022 and entered in the Commercial Register on 16 September 2022. In principle, the Company aims to distribute funds in excess of its liquidity requirements to its shareholders. However, the distribution of dividends is highly dependent on prevailing economic conditions, financing needs for further growth and other factors.

Due to the uncertainties regarding the scale and duration of the coronavirus pandemic, Deutsche EuroShop has accumulated significant liquidity reserves. With the effects of the pandemic subsiding and the operating business stabilising, the plan is to reduce the Company's cash position back to a normal level. For financial year 2022, the Executive Board, together with the Supervisory Board, and taking into account available liquidity and the stable operating outlook, has decided to propose to the Annual General Meeting the distribution of a dividend of €2.50 per share.

and sustainable dividend. The focus of the risk management system is therefore on monitoring compliance with this strategy and, building on this, on the identification and assessment of risks and opportunities as well as the fundamental decision on how to manage these risks. Risk management ensures that risks are

² This section of the combined management report is not subject to mandatory audit. Therefore, the information it contains has not been audited by the auditor.

identified at an early stage and can then be evaluated, communicated promptly and mitigated. Monitoring and management of the risks identified form the focal point of the internal control system, which at the Group level is essentially the responsibility of the Executive Board. The Supervisory Board is notified regularly and, if necessary, immediately by the Executive Board about identified risks. The internal control system is an integral part of the risk management system.

Within the framework of its legal mandate for auditing the annual financial statements, the auditor checks whether the early warning system for risks is suitable for detecting at an early stage any risks or developments that might endanger the Company.

The risk analysis, as a continuous process, promptly identifies, evaluates and communicates the factors that may jeopardise the achievement of business targets. The process also includes management and control of the risks identified.

The Executive Board was not aware of any information during the year under review that would have led it to believe that there were material inefficiencies in the effectiveness of the internal control system or risk management system or that these systems were inappropriate in any way. Generally, however, it should be borne in mind that an internal control system, irrespective of its design, provides no absolute guarantee of identifying deficiencies in our business processes.

Risk analysis

Under existing service contracts, the Executive Board of Deutsche EuroShop AG is continuously briefed about the business performance of the shopping centers and the corresponding property companies. Financial statements and financial control reports are submitted on a quarterly basis for each shopping center, with medium-term corporate plans submitted annually. The Executive Board regularly reviews and analyses these reports, using the following information in particular to assess the level of risk:

1. Portfolio properties

- Trend in amounts outstanding
- Trend in occupancy rates
- Retail sales trend in the shopping centers
- Variance against projected income from the properties
- Observance of financial covenants in loan agreements

2. Centers under construction

- Pre-leasing levels
- Construction status
- Budget status
- Development of financial covenants in loan agreements and observance of disbursement conditions

Risks are identified by observing issues and changes that deviate from the original plans and budgets. Risk management also incorporates the systematic analysis of economic data such as consumer confidence and retail sales trends. The activities of competitors are also monitored continually.

Risk inventory

The risks identified in the course of the risk analysis are summarised in a risk inventory and evaluated in terms of their potential loss amounts and likelihood of their occurrence in consideration of compensatory measures (from a net standpoint). The risk inventory is regularly examined and updated when necessary.

Furthermore, the Executive Board uses scenario-based simulations, in which the key planning parameters (including rent, cost, return and interest rate trends) are altered to assess the way in which risk aggregation affects the Group's continued existence. This analysis also allows for an evaluation to be carried out as regards which risks the Group is able to sustain.

In the Supervisory Board meetings, the Executive Board reports on significant risks. In the event of risks that jeopardise the continued existence of the Group, a report is issued immediately.

Accounting-related internal control system

Preparation of the financial statements is another important element of the internal control system and is monitored and controlled at the level of the Group holding company. Internal regulations and guidelines should ensure the conformity of the annual financial statements and the consolidated financial statements.

The decentralised preparation of Group-relevant reports by the service provider is followed by the aggregation and consolidation of the individual annual financial statements and the preparation of the information for reporting in the notes and combined management report by the accounting department of the holding company, with the aid of the consolidation software Conmezzo. This is accompanied by manual process controls such as the principle of dual control by the employees charged with ensuring the regularity of financial reporting and by the Executive Board. In addition, within the scope of its auditing activities, the auditor of the consolidated financial statements performs process-independent auditing work, including with respect to financial reporting.

Advice on limitations

By virtue of the organisational, control and monitoring measures laid down in the Group, the accounting-related internal control system enables the full recording, processing and evaluation of Company-related matters as well as their proper presentation in Group financial reporting.

Decisions based on personal judgement, flawed controls, criminal acts or other circumstances cannot be entirely ruled out, however, and may limit the effectiveness and reliability of the internal control and risk management system that is in use. Consequently, the application of the systems used cannot guarantee absolute security as to the correct, complete and timely recording of facts in Group financial reporting.

The statements made relate solely to those subsidiaries included in the consolidated financial statements of Deutsche EuroShop for which Deutsche EuroShop is in a position, directly or indirectly, to dictate their financial and operating policies.

Evaluation of the overall risk position

The overall risk situation is presented in the following matrix. The potential extent of losses is calculated on the basis of the impact for the financial year following the year under review. A consolidated view is taken. The after-effects of the coronavirus pandemic continue to be a main factor in the analysis and assessment of the individual risks faced by the Deutsche EuroShop Group. The factors that could influence the likelihood of occurrence and severity of the individual risks as well as the evaluation of the overall risk position due to the war in Ukraine cannot be estimated at the moment. Individual risks and the overall risk position are monitored on an ongoing basis and reassessed regularly.

Risk matrix

Amount of losses	high >€5 million			Valuation risk Risk of rent loss Market and sector risks Rental risk
	medium €1 – 5 million	Currency risk	Valuation and cost risks	
	low up to €1 million	Financing and interest rate risks Legal risk Personnel risk IT risk Risk of damage		
		low 0% – 25%	medium 25% – 50%	high > 50%
		Likelihood of occurrence		

On the basis of the monitoring system described, Deutsche EuroShop AG has taken appropriate steps to identify developments that could jeopardise its continued existence at an early stage and to counteract them.

As in the previous year, the Executive Board conducted simulations using consolidated liquidity planning to assess the extent to which the Group is able to bear individual risks or the concurrence of multiple individual risks. The Executive Board is accordingly not aware of any risks or risk aggregations that would jeopardise the continued existence of the Company and the Group. The Executive Board is also of the opinion that the Group is adequately positioned to take advantage of opportunities that may arise without having to enter into unacceptable risks.

Presentation of material individual risks

Valuation risk

The value of a property is essentially determined by its capitalised earnings value, which in turn depends on factors such as the level of annual rental income, the management costs and investment needs, the underlying location risk, the general condition of the property, the evolution of capital market interest rates and, in particular, the demand for shopping center

properties. The appreciation of property values is also impacted by various macroeconomic and regional factors as well as by factors specific to those properties, which are for the most part unforeseeable and beyond the control of the Company. The factors described are taken into account in the annual market valuations of our portfolio properties by independent appraisers. Changes in value are recognised in the income statement of the consolidated financial statements in accordance with the requirements of IAS 40 and may thus increase the volatility of consolidated profit. In addition, the market valuations of our portfolio properties may also affect compliance with loan conditions on existing financing arrangements (e.g. compliance with debt ratios) as well as the terms of new financing and refinancing agreements.

The assignment of external, independent appraisers with a great deal of experience in the industry, along with our own critical assessment of their appraisal, minimises the risk of measurement error. As part of efforts aimed at controlling value-driving factors, the Company has adopted further measures aimed at minimising valuation risk. The main focus here is on professional management of the centers, costs and rentals at the shopping centers,

which is ensured through the selection of suitable asset managers. All of our shopping centers are currently managed by ECE, the European market leader in the area of shopping center management, with active maintenance management ensuring that the properties are continuously kept in a sound general condition.

While the coronavirus pandemic had a direct impact on the valuation of the real estate portfolio in the last two years, the parameters used for estimation purposes, such as derived interest rates, market rents, management costs and re-letting periods, are currently influenced to a large degree by the indirect consequences of the war in Ukraine with rising inflation and interest rates. It is also not foreseeable what impact the changed coronavirus policy of the Chinese central government will have on the global economy. Given the resulting ongoing major uncertainty regarding future developments, significant changes in market value cannot be ruled out in the short term. The probability and extent of loss of the valuation risk must therefore continue to be regarded as high.

Market and sector risks

The coronavirus pandemic and the hygiene and protective measures taken by the authorities have had a massive impact on the bricks-and-mortar retail trade in the form of lost sales. In addition to the temporary store closures in 2020 and 2021, which affected the majority of our tenants, some restrictions continued in early 2022 that negatively impacted bricks-and-mortar retail. The various access restrictions, such as 2G and 2G+ and the mask requirement, were gradually lifted over the course of 2022. The shopping experience, the marketplace concept as well as the role of the centers as a place to meet and have fun receded into the background during the periods when the access restrictions existed. In addition, the closure measures and the fear of contagion had a significant and, in some cases, lasting impact on purchasing behaviour. In Germany, the share of purchases made online rose to 14.7 % in 2022.

Online retail will continue to grow in the future and increase its share of total retail sales. The segments of fashion, shoes and consumer electronics, in particular, continue to dominate online commerce, and are also especially heavily represented in shopping centers. Despite this general trend, attractive retail spaces continue to be a strong draw for customers. Following the reopening of the stores, a rapid and significant recovery in customer footfall was observed. Although visitor numbers still lagged behind the levels recorded prior to the coronavirus, they show that attractive and spacious retail facilities that are leaders in their respective catchment areas and can offer customers a broad range of products, an enjoyable time and a special shopping experience can continue to hold their own.

Alongside the growth in online retail, additional retail commercial space offered on the rental market, created for example through the building, expansion or modernisation of shopping or factory outlet centers both in city centers and on the outskirts, as well as through the revitalisation of retail locations in city centers, may cause realisable revenues in bricks-and-mortar retail trade to be distributed over more rental space overall and lead to lower space utilisation. Larger or improved rental space offerings in the competitive environment of our shopping centers and a potentially permanent redistribution of retail revenues to online channels and the accompanying permanent drop in space utilisation for bricks-and-mortar retailers harbour the risk that subsequent leases and / or renewals could be concluded at lower rent prices and / or under less favourable contractual terms.

To counter the rising share of online retail along with potential pressure on space utilisation, bricks-and-mortar retail is embracing floor-space restructuring and focusing on good retail locations, optimising product ranges, improving quality of service and placing an emphasis on individual consultations when shopping. The interconnection between the offline and online worlds is also becoming increasingly important. In this respect, retailers are at different stages of progress and success, particularly as far as implementation of their omni-channel concepts is concerned. If bricks-and-mortar retailers did not have an online presence or maintained only a very limited online offering, this meant that during the periods of pandemic-related store closures and restrictions they had few or even no distribution options. As a result, the corporate reserves of the affected tenants were stretched to breaking as the pandemic continued, and a number of retailers subsequently had to file for bankruptcy. The limited state support measures and landlord concessions were only able to compensate for a portion of these losses.

Since the start of the coronavirus pandemic, there has been an increased trend among retailers to step up the development or expansion of their own omni-channel strategies. Deutsche EuroShop AG is actively confronting this trend with a variety of measures. A key focus here is to optimise the integration of the offline and online shopping worlds through the Digital Mall concept, which aims to enable customers to see, prospectively reserve and order products that are immediately available in a shopping center conveniently and in just a few clicks via their smartphone or over the Internet. The basic functionality ("product search") of Digital Mall was rolled out in all of our German shopping centers by the end of 2019. The offering remains limited during the market launch phase. However, over 3.1 million products were already available by the end of 2022, and the omni-channel offering

continues to grow through the successive integration of an ever-increasing number of retailers and locations.

The leisure, customer experience and meeting point aspects of our centers are also being enhanced. In addition to the creation of attractive and new restaurant spaces, this includes our "At Your Service" and "Mall Beautification" investment programmes which were launched back in 2018, even if these have been adjusted or partially postponed due to the coronavirus. The aim is to make the centers a more pleasurable place to be and to raise the quality of service through targeted investments in, among other things, improved service and lounge areas, modern entertainment zones for kids, simplified in-house navigation when searching for shops or parking using touchscreens or smartphone solutions, and intelligent parking guidance systems. To increase the appeal of the centers, the expansion of the entertainment offering is also being examined and progressed; for example, an indoor skydive concept successfully opened in our Rhein-Neckar-Zentrum in 2021 and the Main-Taunus-Zentrum is in the process of receiving a "Foodgarden", which will significantly expand the center's culinary offering. Such investments also improve the appeal of the locations beyond the immediate region. The conclusion of leases with as long a term as possible with tenants with high credit ratings across every retail segment also reduces market and sector risks.

As a result of the war in Ukraine and the sanctions imposed on Russia, energy prices rose significantly in 2022 and played a major role in slowing economic growth, especially in Europe. In addition to increased costs, the continuing uncertainty about the further course of the war dampened consumer behaviour. For retailers, rising energy prices can become a massive burden if they cannot be passed on in full to customers. In addition, the cost increases as well as possible energy bottlenecks can lead to delivery

problems at manufacturers and thus have a lasting negative impact on the revenue of our tenants. It is also not yet clear what macroeconomic impact China's changed coronavirus policy will have. Due to the ongoing uncertainties, we have set the loss amount and probability of occurrence of market and sector risks at high, which is unchanged.

Rental risk

The long-term success of the Deutsche EuroShop AG business model depends, in particular, on leases for retail space and the generation of stable and /or growing rental income in addition to low vacancy rates. Due to the medium-term and long-term renting of retail space, Deutsche EuroShop AG is not as reliant on short-term economic developments as companies in other sectors. However, given retail commerce's greater dependency on the state of the economy, we cannot rule out the possibility of a change in economic conditions impacting Deutsche EuroShop AG's business.

Economic fluctuations in addition to structural changes in the retail market affect demand for floor space, rent prices and contractual conditions. Thus, there is the risk that floor space is not rented or is rented at inadequate prices or excessively unfavourable conditions, for example with respect to lease terms or service charge apportionments. Low contributions to revenues from leasing and /or rising vacancy rates are also possible.

As a result, income would turn out to be less than budgeted, and distributions to shareholders might have to be reduced. If the rental income for a property company is no longer sufficient to meet its interest and repayment obligations, this could lead to the loss of the entire property.

Our reaction to this risk is to transfer leasing management to professional market leaders in asset management as well as to closely monitor the market with continuous and early monitoring of upcoming regular or potentially

expected unscheduled leasing. In addition, where enforceable on the market, we prefer to conclude medium- and long-term leases with proportionately high minimum rent agreements. The economic consequences of the coronavirus pandemic are influencing demand for floor space, rental rates and the contractual conditions for new and renewed leases. The time it takes for a space to be re-let has also increased, leading to higher vacancy rates. As a result, the vacancy rate increased from 2.9 % at the end of 2019 to 5.7 % at the end of 2022.

Due to the massive impact of the store closures and restrictions of the past three years on our tenants and the associated increased pandemic-related insolvency and re-letting risks, we have set the loss amount and likelihood of occurrence of the rental risk at high, which is unchanged.

Risk of rent loss

Deteriorating performance and credit ratings among tenants, which may also be triggered by serious external political or economic shocks as well as by nationwide store restrictions and closure orders imposed by the authorities in response to the pandemic and accompanying legislative measures, may lead to defaults on leases and other financial burdens, with the risk of default on leases comprising the rent payments in their entirety, allocable ancillary costs and potential legal and reinstatement costs. Insolvency on the part of tenants, especially anchor tenants or shop chains, can moreover lead to increases in vacancy rates.

Risk is minimised by carefully selecting tenants, regularly analysing their sales growth and amounts outstanding, as well as adopting re-letting measures early in the event of negative developments. As a rule, tenants also put up commensurate security deposits, which are able to offset some of the financial burden in the event of default.

The requisite write-downs are recognised on the balance sheet in individual cases. These totalled €8.1 million in financial year 2022 (previous year: €25.0 million). It is not possible to rule out high write-downs in the current financial year in view of the significant structural change in bricks-and-mortar retail and given the dependency on economic developments, as influenced in particular by the further course of the war in Ukraine and developments relating to the coronavirus pandemic in China. Accordingly, we have left the loss amount and probability of occurrence unchanged at high.

Management and cost risks

The complexity of the applicable court decisions and changes thereto could lead to corrections and objections in relation to ancillary costs, which in turn could lead to limits being enforced on passing the burden on to tenants and /or to subsequent reimbursements to the same. Besides financial losses, this could also affect tenant satisfaction. Continuous examination of ancillary cost invoicing based on current legislation minimises this risk. New changes in the law may also mean that additional costs cannot legally and /or economically be passed on in their entirety to tenants as ancillary costs in the future.

In connection with the implementation of the EU climate taxonomy requirements, increased investment needs may arise in the future. The measures for this are successively and individually reviewed and evaluated as part of the maintenance cycles for the centers and included in the long-term planning for the centers. This ensures that the further development of the properties is cost-efficient and spread out over time, with the use of public subsidies where available.

Expenditure on maintenance and investment projects can turn out higher than budgeted based on our past experience. Differences may also materialise owing to external damage or

loss, inaccurate assessment of maintenance requirements or deficiencies that are not identified or are identified too late.

We minimise risks from cost overruns in current investment projects and maintenance measures by taking cost models for all identifiable risks into account in our calculations as a precautionary measure at the planning stage. In addition, more large-scale construction contracts are normally only awarded on a fixed-price basis to general contractors with strong credit ratings. During the building phase, professional project management is assured by the companies we commission. However, it is impossible to completely avoid cost overruns in individual cases.

The war in Ukraine has led to rising energy costs in particular and thus has a direct and indirect influence on management and cost risks. In principle, a large portion of ancillary costs can be passed on to tenants, but a not inconsiderable portion remains with the landlord, so cost increases have a direct effect here. Indirectly, the burden from the cost increases can lead to payment difficulties for tenants or even to the termination of tenancies, with the consequence of potentially longer vacancy periods and necessary renovation measures. The share of non-allocable ancillary costs and necessary investments would therefore increase.

To contain the cost risk from rising energy prices, our shopping centers are checked for energy efficiency and economically sensible measures, such as photovoltaic systems, are implemented.

Financing and interest rate risks

Interest rate levels are materially determined by underlying macroeconomic and political conditions and therefore cannot be predicted by the Company. There is a risk that refinancing may only be available at higher interest rates than before. This would negatively impact EBT and FFO.

As at the reporting date, the Group's financial arrangement involved long-term interest rate hedging. Currently, no new finance or refinancing is planned (not until 2025). This means that, from today's perspective, the Group is not exposed to any interest rate risk. We are constantly monitoring the interest rate environment so as to be able to react appropriately to interest rate changes. We minimise the interest rate risk for new property financing as far as possible by entering into long-term loans with fixed-interest periods of up to ten years.

Deutsche EuroShop AG occasionally uses derivative financial instruments that qualify for hedge accounting to hedge interest rate risks. These interest rate swap transactions transform variable interest rates into fixed interest rates. An interest rate swap is an effective hedge if the principal amounts, maturities, repricing or repayment dates, the interest payment and principal repayment dates, and the basis of calculation used to determine the interest rates are identical for the hedge and the underlying transaction and the party to the contract fulfils the contract. The Company counters the risk of default through stringent examination of its contract partners which are also lenders. Interest rate swaps and the underlying transaction are generally reported as one item in the annual financial statements. Financial instruments are not subject to liquidity or other risks. A test of effectiveness for the hedges described is implemented regularly.

An economic and financial crisis, the substantial indirect repercussions of the war in Ukraine on the operations and cash flow of retail properties as well as a clear intensification of online competition or a stricter regulation of the financial sector could lead to a significant deterioration of banks' lending policies with respect to credit margins, financing terms and expiries as well as loan conditions, which would negatively affect the earnings and financial position of the Company. Under extreme circumstances, the financing market could dry up altogether. The possibility cannot be completely excluded that, due for example to a deterioration in the results of operations of individual property companies or a change in lending policy, banks may not

be prepared to provide refinancing. Deutsche EuroShop AG responds to this financing risk by concluding long-term loan agreements, avoiding the accumulation over time of loan maturities and observing conservative debt ratios. Furthermore, the Company maintains long-term business relationships with a large number of investment, commercial and mortgage banks in its target markets in order to secure the best possible access to the capital markets.

Refinancing for the Group loan of €209 million expiring in 2023 was already concluded in 2022.

Currency risk

Deutsche EuroShop AG's activities are limited exclusively to the European Union's economic area. Manageable currency risks arise in the case of the eastern European investment companies. These risks are not hedged because this is purely an issue of translation at the reporting date and is therefore not associated with any cash flow risks. The currency risk from operations is largely hedged by linking rents and loan liabilities to the euro. There is a risk that if the Hungarian forint, the Polish zloty or the Czech koruna were to plummet against the euro for an extended period of time, tenants would no longer be able to pay what would then be considerably higher rents denominated in a foreign currency.

Risk of damage

Real estate properties are subject to the risk of total or partial ruin due to external factors (e.g. damage from fire or flooding, vandalism, terror attacks), which can lead to repair costs and leasing defaults. These types of damage are hedged to the greatest possible extent by insurance policies with insurers with a high credit rating. It is, however, conceivable that not all theoretically possible damage is adequately covered by insurance policies, or that this insurance coverage cannot be maintained on adequate terms in light of changing conditions in the insurance market, or that sufficient insurance protection will not even be offered. In addition, insurers may deny their services or a

deterioration in the credit rating of an insurer may lead to potential defaults on payments in connection with the enforcement of insurance claims.

In order to avoid damage, our properties are also actively secured by fire and burglary protection and anti-vandalism measures.

Legal risk

The concept for our business model is based on the current legal situation, administrative opinion and court decisions, all of which may, however, change at any time. In the wake of the coronavirus pandemic, various legislators in Europe, including Germany and Poland, were quick to enact new laws or amend existing laws that may provide temporary relief to tenants in terms of their rental payment obligations during public authority-mandated, pandemic-related business closures. The exact interpretation and impact of these laws is not yet possible in many cases due to a lack of precedents and rulings. Given the regular, consensus-oriented negotiations we have held with our tenants during the pandemic situation concerning the potential and appropriate limitation or division of losses for the affected periods, we do not currently forecast any increased legal risk. The Company is not currently aware of any legal risks that could have a major impact on its assets or results of operations.

OPPORTUNITY REPORT

Deutsche EuroShop AG forms part of a retail market undergoing dynamic structural transformation. While bricks-and-mortar retail is currently facing challenges from strong growth in online retail, and many transformation processes are being initiated more actively, the strict boundaries between the online and offline shopping world continue to disappear. The coronavirus pandemic has significantly increased the pressure to act and the required speed of implementation. Even before this, however, there was a clear trend towards purely online retailers increasingly opening shops and branch networks or gaining access to bricks-and-mortar retail chains and their branch

Personnel risk

Given the small number of employees of Deutsche EuroShop AG, the Company is dependent on individual persons in key positions. The departure of these key staff would lead to a loss of expertise, and the recruitment and induction of new replacement personnel could temporarily impair day-to-day business. This kind of impairment is kept to a minimum by means of representation policies and the documentation of material work processes.

IT risk

Deutsche EuroShop AG's information system is based on a centrally managed network solution. Corrective and preventive maintenance of the system is carried out by an external service provider. A detailed access policy ensures that staff and external service providers are granted access exclusively to systems they require for their work. A virus protection concept and permanent monitoring of data traffic with respect to hidden and dangerous content are designed to protect against external attacks. All data relevant to operations is backed up daily by remote backup and also regularly on multiple storage media. In the event of a hardware or software failure in our system, all data can be reproduced at short notice.

network through acquisitions or joint ventures. This development is based on the expectation from customers that they will be able to buy all products online or offline depending on the situation. Lots of retailers had to accept that they were only able to generate revenue during the closure phase with an omnichannel sales approach, as this sales approach opens up new opportunities in the areas of customer contact and service and provides revenue growth potential. Attractive bricks-and-mortar retail spaces and thus also shopping centers will continue to play an important role in the transformation of the retail landscape to a largely integrated omni-channel distribution. This is

evidenced by the rapid and relatively significant recovery in customer footfall and tenant revenue in many segments following the reopening of stores post-lockdown. In addition, bricks-and-mortar spaces are also increasingly lending themselves to being used as local logistics hubs for fast and cost-efficient delivery services.

Given the positioning of our shopping centers at first-rate locations, broad sector diversification within the centers, the increasing link-up between the shopping centers and online retail via Digital Mall, their conceptional adaptation with an emphasis on leisure, customer experience and meeting point aspects, and the increasing complementary importance of shop spaces for online retail, we see opportunities for further success even during the current accelerated phase of structural change.

Due to the portfolio optimisation completed in early 2023 through the purchase of further minority interests (for more details, see the "Report on events after the reporting date"), we see opportunities to grow the Company's earnings in the long term, to increase the Company's

agility and to achieve better access to financing opportunities on the capital market. Additional attractive financing opportunities can lead to positive effects on EBT and FFO, especially in a market environment of rising interest rates and a tendency towards stricter loan conditions.

There are also growth opportunities for Deutsche EuroShop AG, in keeping with its clearly defined, selective investment strategy, through the acquisition of further shopping centers or stakes therein. This, in turn, would positively impact the results of operations. Further external growth can also enhance the diversification effect in the Company's holdings portfolio. Due to the great degree of flexibility in the implementation of our acquisition and holdings structures, our good reputation with banks and as a reliable partner in the real estate market, the Company is well positioned to be able to continue to operate in the transactions market in such a way as to exploit opportunities going forward.

REPORT OF THE EXECUTIVE BOARD ON RELATIONS WITH AFFILIATED COMPANIES

Pursuant to Section 312 AktG, the Executive Board has prepared a report on relations with affiliated companies, which contains the following concluding statement: "I declare that, with regard to the legal transactions and other measures mentioned in the report on relationships with affiliated companies, and according to the circumstances known to us at the time legal transactions were carried out or measures were taken or omitted, the Company received appropriate consideration for each legal transaction and was not disadvantaged by the fact that measures were taken or omitted."

ACQUISITION REPORTING

Deutsche EuroShop shares are traded on the Stock Exchange in Frankfurt am Main and other exchanges. As at 31 December 2022, 84.38 % of the shares were held by Hercules BidCo GmbH, which, based on voting agreements, belongs to Alexander Otto among others (previous year: 20.03 %). With regard to disclosures concerning direct or indirect shareholdings that exceed 10 % of voting rights, please refer to the notes and the notes to the consolidated financial statements.

The share capital amounted to €61,783,594 on 31 December 2022 and was composed of 61,783,594 no-par-value registered shares. The notional value of each share in the share capital is €1.00.

The appointment and removal of members of the Executive Board are governed by Sections 84 and 85 AktG and Article 7 of the Articles of Association. Pursuant to Article 7 (1) of the Articles of Association, the Executive Board shall consist of one or more persons; furthermore, the Supervisory Board shall determine the number of members of the Executive Board. Amendments to the Articles of Association are subject to Sections 179 and 133 AktG and Article 13 of the Articles of Association. Pursuant to Article 13 (4) of the Articles of Association, the Supervisory Board shall be authorised to resolve amendments and addendums to the Articles of Association that relate solely to wording.

According to Article 5 of the Articles of Association, the Executive Board was authorised, with the Supervisory Board's approval, to increase the share capital by up to a total of €11,680,999 through individual or multiple issues of new no-par-value registered shares against cash and /or non-cash contributions before 27 June 2022 (Authorised capital 2017). No use had been made of this authorisation prior to the expiry of the Authorised capital 2017.

By resolution of the Annual General Meeting of 30 August 2022, the Executive Board was authorised, with the approval of the Supervisory Board, to increase the share capital by up to a total of €18,535,078 through individual or

multiple issues of new no-par-value registered shares against cash and /or non-cash contributions before 29 June 2027 (Authorised capital 2022). As at 31 December 2022, no use had been made of this authorisation. With regard to the utilisation of the authorised capital in early 2023, please refer to the section "Report on events after the reporting date".

In addition, the Executive Board was authorised by a resolution of the Annual General Meeting held on 28 June 2018 to acquire treasury shares in the Company constituting up to 10 % of the share capital available on the entry into force or – if this is lower – on exercise of the authorisation by 27 June 2023. As at 31 December 2022, no use had been made of this authorisation.

By resolution of the Annual General Meeting on 18 June 2021, the Executive Board was authorised, with the approval of the Supervisory Board, to issue once or several times, until 17 June 2026, convertible bonds with a total nominal value of up to EUR 200 million and a maximum term of 10 years and to grant the holders of the respective, equally privileged, bonds conversion rights to new no-par value shares in the Company up to a total of 10,000,000 shares (€10.0 million), as detailed in the terms and conditions for convertible bonds ("Bond conditions"; Conditional capital 2021). The convertible bonds may pay a variable rate of interest, in which case, as with a participating bond, the interest may be dependent in full or in part on the level of the Company's dividend. As at 31 December 2022, no use had been made of this authorisation.

A change-of-control arrangement has been agreed with two employees. Under this arrangement, if and insofar as the Company informs them that they will no longer be employed in their current positions, these employees will have a special right of termination with a notice period of one month up to the end of the quarter, which will be valid for twelve months from the date the change of control takes effect.

A change of control arises if Deutsche EuroShop AG merges with another company, if a public takeover bid has been made under the German Wertpapiererwerbs- und Übernahmegesetz (WpÜG – Securities Acquisition and Takeover Act) and has been accepted by a majority of shareholders, if the Company is integrated into a new group of companies or if the Company goes private and is delisted.

In the event of such termination of the employment relationship, these employees will receive a one-time payment amounting to three months' gross salary multiplied by the number of years that they have worked for the Company, but limited to a maximum of 24 months' gross salary.

The Deutsche EuroShop Group does not currently have any other compensation agreements with members of the Executive Board or other employees for the event of a change of control.

The material provisions governing Deutsche EuroShop AG, which include a change of control clause, primarily relate to bilateral credit facilities and various loan agreements. In the event of a takeover, the relevant lenders are entitled to terminate the facility and where applicable demand immediate repayment. A takeover is defined as a third party taking control of Deutsche EuroShop AG; the takeover may also be made by a group acting jointly.

DECLARATION ON CORPORATE GOVERNANCE (SECTION 289F, SECTION 315D HGB)

The combined declaration in accordance with Section 289f and Section 315d HGB on corporate governance and on the Corporate Governance Code is published on the Deutsche EuroShop website at www.deutsche-euroshop.de/EZU

REPORTING ON THE ANNUAL FINANCIAL STATEMENTS OF DEUTSCHE EUROSHOP AG

As the Group managing company, Deutsche EuroShop AG is responsible for corporate strategy, portfolio and risk management, financing and communication. As the holding company, the economic development of Deutsche EuroShop AG depends primarily on the business development of the Group's operating companies. Deutsche EuroShop AG also directly participates in and shares the opportunities and risks of the Group companies. Therefore, please also refer to the reporting on the Group in the sections "Macroeconomic and sector-specific conditions", "Business development and overall

comment on the Group's financial situation", "Risk report" and "Opportunity report" in this combined management report.

The annual financial statements of Deutsche EuroShop AG were prepared in accordance with the rules of the German Commercial Code (HGB), in compliance with the German Stock Corporation Act (AktG), while those of the consolidated financial statements were prepared according to IFRS rules.

Results of operations of Deutsche EuroShop AG (HGB)				Change	
in € thousand	01.01. – 31.12.2022	01.01. – 31.12.2021	+/-	in %	
Other operating income	459	3,829	-3,370	-88	
Personnel expenses	-4,277	-1,997	-2,280	-114	
Depreciation / amortisation and other operating expenses	-13,489	-4,658	-8,831	-190	
Investment income	46,700	41,533	5,167	12	
Financial gains / losses	-9,194	-3,931	-5,263	-134	
Taxes on income and earnings	1,011	-4,069	5,080	125	
Net profit	21,210	30,707	-9,497	-31	
Profit brought forward	35	41,312	-41,277		
Income from capital reduction	723,034	0	723,034		
Reversal and transfer to other retained earnings	-53,118	-10,200	-42,918		
Unappropriated surplus	691,161	61,819	629,342		

Financial year 2022 for Deutsche EuroShop AG was, on the one hand, boosted by the improvement in investment income, which in the previous year had still been significantly influenced by the effects of the coronavirus pandemic, but on the other burdened by significantly higher other operating expenses and the impairment of the investment in Saarpark Center Neunkirchen KG. This also explains why, at €20.2 million, earnings before taxes did not reach the level expected (€28.0 million to €34.0 million). The previous year also benefited from one-off income, which was not matched by corresponding income in the financial year, as a result of which earnings before taxes fell by €14.6 million from €34.8 million to €20.2 million. The decline in other operating income is explained by a reversal of the investment in Saarpark Center Neunkirchen KG (€1.6 million) in the previous year as well as by the coronavirus subsidy of €2.0 million received in the previous year. The coronavirus subsidy was applied for by Deutsche EuroShop AG for itself and its affiliated German companies and provides for a pro-rata reimbursement of fixed costs. The transfer of the proportion of the subsidy attributable to affiliated companies was recognised under other operating expenses in the previous year in the amount of €1.8 million.

Other operating expenses increased by €8.8 million compared to the previous year. This was mainly due to expenses in connection with the acquisition of the majority of shares in Deutsche EuroShop AG by the bidding consortium of Oaktree Capital Management and CURA Vermögensverwaltung, which was completed in mid-2022, the preparations for the capital measure carried out in early 2023 and the acquisition of further shares in shopping center investments, as well as the replacement of the Executive Board.

A principal component of the Company's earnings was investment income, at €46.7 million (previous year: €41.5 million), which was up by €5.2 million year on year, exceeding the prior-year forecast (€36 million to €42 million). Investment income improved in particular due to the reduction of the necessary write-downs on receivables, which had been expected to be higher for 2022. However, planned and backlogged maintenance measures had the opposite impact, negatively affecting the income of individual investments.

The financial result was burdened by the write-down on the investment in Saarpark Center Neunkirchen KG in the amount of €5.3 million, which was performed on the basis of an external valuation report for the investment.

Taxes on income and earnings were €1.0 million, compared with an expense of €4.1 million in the previous year. Of this amount, €1.5 million was attributable to the reversal of deferred

taxes (previous year: increase of €3.6 million) and €0.5 million (previous year: €0.5 million) to taxes to be paid.

Net assets of Deutsche EuroShop AG (HGB)			Change
in € thousand	31.12.2022	31.12.2021	+/-
Financial investments	1,099,246	1,159,112	-59,866
Other non-current assets	69	104	-35
Receivables and other assets	849	3,439	-2,590
Cash and bank balances	139,518	119,069	20,449
Assets	1,239,682	1,281,724	-42,042
Equity	1,049,438	1,090,010	-40,572
Provisions	3,069	1,966	1,103
Liabilities	104,156	105,201	-1,045
Deferred tax liabilities	83,019	84,547	-1,528
Liabilities	1,239,682	1,281,724	-42,042

The decrease in financial assets resulted from the withdrawals from investees made in financial year 2022, reduced by the proportional net profits under commercial law.

The equity ratio of Deutsche EuroShop AG remained virtually unchanged at 84.7 %, a very healthy and high level.

Financial position of Deutsche EuroShop AG (HGB)

in € thousand	01.01. – 31.12.2022	01.01. – 31.12.2021
Net profit	21,210	30,707
Cash distributions on investees recognised in equity	55,773	11,414
Measurement of investments not affecting liquidity	5,324	-1,637
Addition / reversal for deferred income taxes	-1,528	3,557
1. Free cash flow from operating activities	80,779	44,041
2. Outflows for new investments	0	0
3. Inflows from equity	0	0
Inflows / outflows from bank loans	-1,988	-1,799
4. Inflows / outflows from financing activities	-1,988	-1,799
5. Other cash changes in the balance sheet	3,442	87
6. Dividend for the previous year	-61,784	-2,471
Liquidity at the start of the year	119,069	79,211
Cash changes in liquidity (1st to 6th subtotal)	20,449	39,858
Liquidity at the end of the year	139,518	119,069

The free cash flow from operating activities of €80.8 million increased significantly compared to the previous year (€44.0 million) on the back of lower investment income in the previous year and the partial waiver of distributions to strengthen liquidity in the investments. For the past financial year, there was a return on the equity paid in amounting to €1,369.0 million of 5.9%, compared with 3.2% in the previous year. Free cash flow per share rose from €0.71 to €1.31.

Outflows from financing activities were the result of scheduled repayments of long-term bank loans.

Taking into account the cash changes in net working capital, liquidity ended the year at €139.5 million.

Forecast for Deutsche EuroShop AG (HGB)

The forecast for financial year 2023 takes into account the increase in shares in six shopping center companies in early 2023 (for more details, see the "Report on events after the reporting date"). Management expects that in the key performance indicators will be relatively stable, developing as follows: income from investments of €45 million to €51 million, and thus comparable with 2022 (€46.7 million), and earnings before taxes of between €36 million and €42 million, thus slightly higher than the figure seen in 2022.

Hamburg, 31 March 2023

Forward-looking statements

This combined management report 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 forecast.

Rounding and rates of change

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

CONSOLIDATED FINANCIAL STATEMENTS 2022

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Liabilities in € thousand	Note	31.12.2022	31.12.2021
EQUITY AND LIABILITIES			
Equity and reserves			
Subscribed capital		61,784	61,784
Capital reserves		494,526	1,217,560
Retained earnings		1,479,927	783,522
Total equity	13.	2,036,237	2,062,866
Non-current liabilities			
Financial liabilities	14.	1,464,917	1,264,748
Deferred tax liabilities	16.	334,404	333,037
Right of redemption of limited partners	17.	307,130	314,914
Other liabilities	15.	6,333	23,995
Non-current liabilities		2,112,784	1,936,694
Current liabilities			
Financial liabilities	14.	14,334	237,366
Trade payables	15.	8,067	5,345
Tax liabilities	15.	474	196
Other provisions	18.	11,267	10,120
Other liabilities	15.	24,943	26,203
Current liabilities		59,085	279,230
Total equity and liabilities		4,208,106	4,278,790

CONSOLIDATED INCOME STATEMENT

in € thousand	Note	01.01.-31.12.2022	01.01.-31.12.2021
Revenue	19.	212,811	211,752
Property operating costs	20.	-26,652	-23,076
Property management costs	21.	-10,561	-9,471
Write-downs and disposals of financial assets	10., 22.	-8,130	-25,029
Net operating income (NOI)		167,468	154,176
Other operating income	23.	5,504	6,265
Other operating expenses	24.	-20,540	-7,940
Earnings before interest and taxes (EBIT)		152,432	152,501
Share in the profit or loss of associates and joint ventures accounted for using the equity method	9., 25.	12,926	29,612
Interest expense		-36,107	-39,188
Profit/loss attributable to limited partners	17.	-15,954	-13,408
Interest income		272	7
Financial gains / losses		-38,863	-22,977
Measurement gains/losses	26.	-89,746	-58,821
Earnings before taxes (EBT)		23,823	70,703
Taxes on income and earnings	27.	-2,466	-10,758
Consolidated profit		21,357	59,945
Earnings per share (€), undiluted and diluted	28.	0,35	0,97

STATEMENT OF COMPREHENSIVE INCOME

in € thousand	Note	01.01.-31.12.2022	01.01.-31.12.2021
Consolidated profit		21,357	59,945
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	13.	17,761	2,740
Deferred taxes on changes in value offset directly against equity	13.	-3,963	-594
Total earnings recognised directly in equity		13,798	2,146
Total profit		35,155	62,091
Share of Group shareholders		35,155	62,091

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

in € thousand	Note	Number of shares outstanding	Sub-scribed capital	Capital reserves	Other retained earnings	Statutory reserve	Cash flow hedge reserve	Total
01.01.2021		61,783,594	61,784	1,217,560	742,183	2,000	-20,281	2,003,246
Total profit			0	0	59,945	0	2,146	62,091
Dividend payments	13.		0	0	-2,471	0	0	-2,471
31.12.2021		61,783,594	61,784	1,217,560	799,657	2,000	-18,135	2,062,866
01.01.2022		61,783,594	61,784	1,217,560	799,657	2,000	-18,135	2,062,866
Total profit			0	0	21,357	0	13,798	35,155
Capital increase	13.	723,034,380	723,034	-723,034	0	0	0	-723,034
Capital reduction	13.	-723,034,380	-723,034	0	723,034	0	0	723,034
Dividend payments	13.		0	0	-61,784	0	0	-61,784
31.12.2022		61,783,594	61,784	494,526	1,482,264	2,000	-4,337	2,036,237

CONSOLIDATED CASH FLOW STATEMENT

in € thousand	Note	01.01.–31.12.2022	01.01.–31.12.2021
Consolidated profit		21,357	59,945
Income taxes	26.	2,466	10,758
Financial gains / losses		38,863	22,977
Amortisation–depreciation of intangible assets and property, plant and equipment with a finite life	23.	155	171
Unrealised changes in fair value of investment property and other measurement gains–losses	25.	89,746	58,821
Distributions and capital repayments received	9.	25,198	18,788
Changes in trade receivables and other assets	10., 11.	827	–11,500
Changes in current provisions	18.	1,147	1,807
Changes in liabilities	15.	1,326	10,901
Cash flow from operating activities		181,085	172,668
Interest paid		–36,269	–38,922
Interest received		272	7
Income taxes paid	26.	–4,463	–3,487
Net cash flow from operating activities		140,625	130,266
Investments in investment properties	8.	–39,483	–18,732
Investments in intangible assets and property plant and equipment		–15	–59
Cash flow from investing activities		–39,498	–18,791
Assumption of financial liabilities	14., 28.	2,749	6,678
Repayment of financial liabilities	14.	–25,450	–46,258
Repayment of lease liabilities	15.	–96	–98
Payments to limited partners	17.	–10,442	–6,517
Payments to Group shareholders	13.	–61,784	–2,471
Cash flow from financing activities		–95,023	–48,666
Net change in cash and cash equivalents		6,104	62,809
Cash and cash equivalents at beginning of period	12.	328,839	266,030
Cash and cash equivalents at end of period	12.	334,943	328,839

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for financial year 2022

PRINCIPLES UNDERLYING THE CONSOLIDATED FINANCIAL STATEMENTS

1. General disclosures

The Group parent company is Deutsche EuroShop AG, Hamburg, Germany. The Company's head office is at Heegbarg 36, 22391 Hamburg, Germany. The Company is entered in the Hamburg Commercial Register (HRB 91799). Deutsche EuroShop AG focuses on acquiring, managing, using and selling investments of all kinds, and in particular investments in retail properties.

The consolidated financial statements of Deutsche EuroShop AG have been prepared in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB), including the interpretations of the International Financial Reporting Interpretations Committee (IFRIC) and the supplementary provisions of German commercial law required to be applied under Section 315e (1) of the Handelsgesetzbuch (HGB – German Commercial Code). All IFRS and IFRIC interpretations endorsed by the European Commission and required to be applied as at 31 December 2022 have been applied. The Executive Board prepared the consolidated financial statements as at 31 December 2022 on 31 March 2023 and forwarded them to the Supervisory Board for examination and approval.

In addition to the consolidated balance sheet, consolidated income statement and consolidated statement of comprehensive income, the consolidated financial statements comprise the consolidated statement of changes in equity, the consolidated cash flow statement and the notes to the consolidated financial statements.

Amounts are mainly presented in thousands of €.

The preparation of the consolidated financial statements necessitates the use of estimates and assumptions. These affect the reported amounts of assets, liabilities and contingent liabilities as at the reporting date, as well as the recognition of income and expenses during the reporting period. The actual amounts can differ from these estimates. Expected cash flows and the discount factor in particular are critical parameters for the measurement of investment properties (for more information, see the notes to section "8. Investment properties").

A detailed list of the companies included in the consolidated financial statements forms part of the notes.

The annual financial statements of the consolidated companies were prepared on 31 December 2022, the reporting date of the consolidated financial statements.

2. Basis of consolidation

The scope of consolidation has not changed compared with the previous year.

As at 01.01./31.12.2022	Domestic ¹	Abroad ¹	Total
Fully consolidated subsidiaries	11	4	15
Joint ventures included in consolidated financial statements in accordance with the equity method	4	3	7
Associates included in consolidated financial statements in accordance with the equity method	0	1	1

¹ Companies are allocated in accordance with the segment allocation based on the location of the respective shopping center. This may be different from the company domicile.

Subsidiaries

The consolidated financial statements include the financial statements of the parent company and of the companies controlled by it. Deutsche EuroShop AG gains control when it:

- is in a position to take decisions affecting another company,
- is exposed to fluctuating returns and reflows from this holding, and
- is able, by reason of its decision-making capacity, to influence such returns.

At every reporting date, a new assessment is carried out to establish whether or not an investee is controlled, by reference to whether circumstances indicate that one or more of these criteria have changed.

Financial information of subsidiaries with significant non-controlling interests

The Group holds a stake of 52.01% in Main-Taunus-Zentrum KG, Hamburg, and exercises a controlling influence over the Company. The other 47.99% of shares are in free float. The Company posted non-current assets of €677,817 thousand (previous year: €693,992 thousand) and current assets of €39,308 thousand (previous year: €37,235 thousand) as at the reporting date. Non-current liability items amounted to €209,412 thousand (previous year: €209,412 thousand) and current liability items totalled €9,868 thousand (previous year: €9,208 thousand). The Company generated revenue of €34,291 thousand (previous year: €34,442 thousand) and net profit (after earnings due to limited partners) of €-22 thousand (previous year: €9,968 thousand).

A dividend of €7,443 thousand (previous year: €3,215 thousand) was paid to limited partners in the year under review.

Joint ventures

Joint ventures in which Deutsche EuroShop AG has a majority of the voting rights together with third parties are classified as joint operations and are accounted for using the equity method. Deutsche EuroShop AG has a 75% stake in Stadt-Galerie Passau KG, Hamburg. On the basis of corporate agreements, Deutsche EuroShop AG does not hold the majority of voting rights or exercise sole control of this Company.

Associates

In accordance with IAS 28, where Deutsche EuroShop AG can exercise a significant influence but not control over companies, these investments are measured using the equity method.

Investees

Investments over which Deutsche EuroShop AG has neither significant influence nor control are measured at fair value in principle. In line with IFRS 9, for initial recognition of an investment, the Group has the irrevocable right to choose to record the fair value adjustment in other income as well. As at 31 December 2022, the Group had no investees.

Shareholdings

The list of shareholdings as required by Section 313 (2) HGB is attached as a note to the consolidated financial statements. The list of shareholdings also includes a conclusive list of all subsidiaries that meet the conditions of Section 264b HGB and have exercised the option of exemption from specific provisions regarding the preparation, auditing and disclosure of the annual financial statements or management report.

Group share	Before acquisition	Acquisition in 2023	After acquisition
1. Allee-Center Magdeburg KG, Hamburg	50%	50%	100%
2. Stadt-Galerie Passau KG, Hamburg	75%	25%	100%
3. Saarpark Center Neunkirchen KG, Hamburg	50%	40%	90%
4. Immobilienkommanditgesellschaft FEZ Harburg, Hamburg	50%	25%	75%
5. Einkaufs-Center Galeria Balttycka G.m.b.H. & Co. KG, Hamburg	74%	26%	100%
6. Forum Wetzlar KG, Hamburg	65%	35%	100%

The sellers undertook, under certain conditions and at the request of Deutsche EuroShop AG, to contribute the purchase price receivable resulting from the sale (including accrued interest) to Deutsche EuroShop AG against the granting of new shares. The total purchase price (including accrued interest) amounts to €304,070 thousand and was financed by means of a capital increase (for more information on the capital increase, see section "38. Events after the reporting date").

Acquisitions after the reporting date

On 12 January 2023, the Deutsche EuroShop Group concluded six purchase agreements for the acquisition of further shares in six property companies in which it already held an interest of between 50% and 75%. Specifically, this involved the following companies:

As a result of the acquisition, the four companies that were previously included in the Group as joint ventures (No. 1.–4.) using the equity method are to be considered as subsidiaries in the future. The change in the consolidation method includes a revaluation of the previous at-equity investments. The revaluation resulted in a valuation gain of €12,666 thousand in 2023, in particular due to the fair value measurement of loans. The inclusion of the four companies as subsidiaries for the first time requires the assets and liabilities being added to be compared with the consideration granted. The resulting differences were examined in respect of further hidden reserves or encumbrances and then recognised in profit or loss in the amount of €7,765 thousand in 2023 measurement gains/losses. The following table shows the assets and liabilities to be added in early 2023 for the four companies, as well as the differences recognised in profit or loss:

in € thousand	Allee-Center Magdeburg KG, Hamburg	Immobilien- kommandit- gesellschaft FEZ Harburg, Hamburg	Stadt-Galerie Passau KG, Hamburg	Saarpark Center Neunkirchen KG, Hamburg
Non-current assets				
Investment properties	217,000	227,000	157,000	172,000
Current assets				
Trade receivables	759	667	520	672
Cash and cash equivalents	5,660	4,603	3,801	5,696
Other current assets	898	423	261	273
Non-current liabilities				
Financial liabilities	0	-99,080	0	-48,158
Right of redemption of limited partners	0	-32,840	0	-12,766
Current liabilities				
Financial liabilities	0	-213	0	25
Other current liabilities	-1,342	-2,042	-690	-2,852
Total identifiable net assets at fair value	222,975	98,518	160,892	114,890
Revalued at-equity method	111,488	65,679	120,669	63,828
Purchase price of shares	112,769	29,440	39,435	46,203
Consideration	224,257	95,119	160,104	110,031
Excess of identified net assets acquired over cost of acquisition	1,282	-3,399	-788	-4,859

The acquisition of the remaining shares in companies 5. and 6. results in an expense of €7,766 thousand, which is the difference between the outgoing redemption entitlements of limited partners (€68,457 thousand) and the consideration granted (€76,223 thousand).

The incidental acquisition costs for the purchase of the six additional company shares of around €21 million will be recognised in 2023 measurement gains / losses and mainly include the land transfer tax. A land transfer tax assessment had not been completed by the date these financial statements were prepared and is based on the best estimate.

If the other company shares had already been acquired by 1 January 2022, this would have increased the consolidated revenue by a further €50,290 thousand and the earnings before taxes (excluding measurement gains / losses) by a further €19,442 thousand.

3. Consolidation methods

Under the purchase method, the cost is eliminated against the parent company's interest in the re-valued equity of the subsidiaries at the date of acquisition or initial consolidation. Any remaining excess of identified net assets acquired over cost of acquisition is recognised as goodwill in intangible assets. Any negative differences are recognised in income following a reassessment.

Joint ventures and associates are measured using the equity method. The cost of acquiring the investment is recognised here in income at an amount increased or reduced by the changes in equity corresponding to the equity interest of Deutsche EuroShop AG.

Intragroup transactions are eliminated as part of the consolidation of intercompany balances, income and expenses.

4. New accounting standards and changes in presentation

New accounting standards

The following new or amended standards and interpretations relevant for the business

activities of the Group are required to be applied for the first time to the financial years ending on 31 December 2022:

Amendment / Standard	Date applied (EU)	Amendment	Impact on the net assets, financial position and results of operations or cash flow of Deutsche EuroShop AG
Onerous Contracts – Cost of Fulfilling the Contract (amendment to IAS 37)	1 January 2022	The amendment specifies which costs should be considered when assessing whether a contract is onerous.	No impact
Reference to the Conceptual Framework (Amendment to IFRS 3)	1 January 2022	An outdated reference in IFRS 3 to the framework concept was updated and again made it clear that contingent receivables must not be recognised in business combinations.	No impact
Annual Improvements Project	1 January 2022	Revision of selected provisions of IFRS 1, IFRS 9, IFRS 16 und IAS 41	No material impact

The following new or amended standards and interpretations relevant for the business activities of the Group are not yet compulsory and have not been applied prematurely:

Amendment / Standard	Expected date of application (EU)	Expected amendment	Impact on the net assets, financial position and results of operations or cash flow of Deutsche EuroShop AG
Classification of debt as current or non-current (Amendment to IAS 1)	1 January 2024	Clarification of the classification of liabilities as current and non-current	No material impact
Disclosure of Accounting Policies (Amendment to IAS 1)	1 January 2023	The amendments are intended to assist preparers of IFRS financial statements in deciding which accounting and measurement policies are significant and therefore subject to disclosure requirements.	No material impact
Definition of Accounting Estimates (Amendment to IAS 8)	1 January 2023	The amendment introduced a definition of accounting estimates that clarifies how changes in estimates differ from changes in accounting policies and corrections of errors.	No material impact
Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendment to IAS 12)	1 January 2023	The amendment narrows the exemption rule according to which deferred taxes do not have to be recognised on the initial addition of assets and liabilities.	The amendment is to be applied prospectively and may affect future transactions.

In addition, further standards and interpretations were adopted which are not expected to have any impact on the Group.

5. Currency translation

The Group currency is the euro (€).

The companies located outside the eurozone that are included in the consolidated financial statements are treated as legally independent, but economically dependent, integrated companies. The reporting currency of these companies is therefore different from the functional currency (€). Under IAS 21, annual financial statements prepared in foreign currencies are translated using the functional currency method, with the result that the balance sheet is to be translated as if the transactions had arisen

for the Group itself, as the local currency of the integrated companies is deemed to be a foreign currency for these companies themselves.

Monetary values are therefore translated at the closing rate and non-monetary items at the rate that applied at the time of initial recognition.

Non-monetary items to be reported at fair value are translated at the closing rate. Items in the consolidated income statement are translated at average rates for the year or, in the event of strong fluctuations, using the rate that applied on the date of the transaction. Any translation differences arising in the case of discrepancies between the translation rates of the balance sheet and consolidated income statement are recognised in profit or loss.

Translation was based on the following exchange rates:

€1 =	31.12.2022		31.12.2021	
	Closing rate	Average rate	Closing rate	Average rate
Hungarian forint (HUF)	400.25	391.33	369.00	358.51
Polish zloty (PLN)	4.69	4.69	4.60	4.57
Czech koruna (CZK)	24.12	24.86	24.86	25.41

6. Significant accounting policies and valuation methods

Revenue and expense recognition

As a general rule, revenue from leasing the investment properties is recognised on a straight-line basis over the term of the lease. Tenant incentives granted are distributed on a straight-line basis over the lease term and reduce revenue. The portion of tenant incentives granted but not yet distributed as at the reporting date is reported under current assets.

The rental concessions granted in connection with the coronavirus pandemic, to the extent that they relate to receivables that arose in the period up to the contractual agreement with the tenant, are treated as a waiver of receivables and recognised as a disposal of financial assets. Rental concessions that affect the period after the contractual agreement with the tenant are treated as a modification to the lease and are

distributed on a straight-line basis over the remaining lease term from the date the agreement was reached. This approach is not applicable with respect to the suspension or reduction of rental payments made on the basis of an existing lease or by law. Those are treated as variable lease payments and recognised in revenue as they actually arise.

When passing on operating costs, the Group acts as an agent for the service. The income from recharging is therefore netted with the corresponding expenses in the income statement. This does not include operating costs that are passed on and for which the tenants do not receive a separate service (property tax and building insurance). The proceeds received through the transfer of these expenses, which are included in the property operating costs, are recognised in revenue (unnetted recognition).

Other revenue and other operating income are recognised once the relevant service has been rendered or once the risk has passed to the customer.

Other operating expenses are recognised once the service has been utilised or at the time when they are booked through profit and loss.

Interest income and expense are accrued.

Determination of fair values

The Group regularly reviews the determination of fair values for financial and non-financial assets and liabilities. It also conducts a regular assessment of significant, non-observable input factors and carries out valuation adjustments. When determining the fair value of an asset or liability, the Group uses observable market data wherever possible.

Based on the input factors used in the valuation techniques, the fair values are categorised into different levels of the fair value hierarchy in accordance with IFRS 13:

Level 1: Fair values determined using quoted prices in active markets.

Level 2: Fair values determined using valuation methods for which the input factors that are relevant for the fair value are based on directly or indirectly observable market data.

Level 3: Fair values determined using valuation methods for which the input factors that are relevant for the fair value are based on unobservable market data.

In the case of assets or liabilities that are recognised at fair value on a regular basis, it is determined based on a reassessment at the end of the financial year whether reclassifications took place between the hierarchical levels. In financial year 2022, as in the previous year, no reclassifications were made between the hierarchical levels.

Intangible assets

Intangible assets include acquired software and software licenses of Deutsche EuroShop AG and goodwill.

Software additions are measured at cost. These are amortised at 33% using the straight-line method over the expected useful life of three years. The method of depreciation and the depreciation period are reviewed annually at the end of each financial year.

Goodwill within the context of a company takeover arose as a positive difference between the fair value of the assets, liabilities and contingent liabilities at the time of acquisition as well as the deferred taxes of the acquired company and the consideration paid for it by the Group. Goodwill is not subject to amortisation.

Property, plant and equipment

Property, plant and equipment is reported at cost, less depreciation and, where applicable, impairment charges.

Operating and office equipment comprises office equipment, tenant fixtures, fittings and technical equipment belonging to Deutsche EuroShop AG, and is depreciated using the straight-line method over three to 13 years. The method of depreciation and the depreciation period are reviewed annually at the end of each financial year.

Property, plant and equipment also include right-of-use assets under leases.

Impairment losses on intangible assets and property, plant and equipment

The value of the goodwill is reviewed at least once a year (as at 31 December) at the level of the cash-generating units of the Group to which goodwill was allocated at the time of acquisition. The impairment loss test as at 31 December 2022 did not result in a need for write-downs, as in the previous year.

For intangible assets with finite useful lives as well as for property, plant and equipment, the value is only reviewed if there are actual indications of impairment. An impairment loss is recognised in income in the measurement gains/losses provided that the recoverable amount of the assets is lower than the carrying amount. The recoverable amount is the higher value from the fair value less costs of disposal and value in use. In the financial year, there were no indications of impairment for the intangible assets with finite useful lives or for property, plant and equipment.

Investment properties

Under IAS 40, investment property must initially be measured at cost at the date of acquisition. Property that is under construction and intended to be used as investment property following its completion also falls under the scope of IAS 40. Property held as a financial investment can be recognised either at amortised cost (cost model) or using the fair-value model. Subsequently, all properties must be measured at their fair value and the annual net changes recognised in income under measurement gains/losses (recurring fair value measurement). Investment property is property held for the long term to earn rental income or capital gains. Under IAS 40, investment property measured using the fair value model is no longer depreciated.

Borrowing and initial rental costs that are directly attributable to the acquisition, construction or production of a qualifying asset are included in the cost of that asset until the time at which the asset is largely ready for its intended use. Income realised from the temporary investment of specifically borrowed funds up to the point when these are used to obtain qualifying

assets is deducted from the capitalisable costs of these assets. General administrative costs are not added to the costs of these assets.

All other borrowing costs are recognised in income in the period in which they occur. Maintenance measures relating to property, plant and equipment are recognised as an expense in the financial year in which they occur.

Non-current assets held for sale

The classification of real estate as non-current assets held for sale requires that the real estate is available for sale in its present condition and that the sale is highly probable and expected to occur within 12 months. A sale is considered highly probable when the plan to sell has been decided, the necessary approvals have been obtained and the marketing process has begun. Investment properties reported in the balance sheet under non-current assets held for sale must be measured at fair value in accordance with IAS 40.

Group as lessee

The Group assesses at inception whether an agreement is a lease or not according to IFRS 16 and, for the term of provision, recognises an asset for the right of use granted and a lease liability. Initial measurement of the right of use and lease liability is at the present value of the lease payments to be made. Discounting is at the Group's marginal borrowing rate. Subsequently, the right of use is amortised on a straight-line basis over the term of the lease, and the lease liability is reduced by the lease payments made and increased by the interest accrued on the portion not yet repaid.

Government grants

To mitigate the effects of the coronavirus pandemic, the Group applied for bridging assistance III in the amount of €2 million in 2021. The bridging assistance III applied for must be recognised in profit or loss as a government grant if there is reasonable assurance that the Group will comply with the conditions attached to the grant and that the grant will be received. The income from the grant is shown under other operating income and the receivable under other assets. The application was approved and paid in mid-February 2022. The final accounts of the assistance awarded must be submitted by 30 June 2023.

Financial instruments

Financial assets and liabilities are recognised in the consolidated balance sheet when the Group becomes a party to the contractual provisions governing the financial instrument.

Financial instruments are allocated to an IFRS 9 measurement category when they are recognised for the first time. With financial assets, the measurement category is dependent on the cash flow property of the financial instrument and the business model of the Group which holds the financial asset.

Receivables and other current assets

Receivables and other current assets are recognised at amortised cost less write-downs. As a general rule, the Group applies the simplified approach permitted under IFRS 9 and measures the write-down on the basis of the credit losses expected over the life of the asset. In the previous year, this did not include receivables due from tenants due to the temporary cessation of rental payments as a result of the coronavirus pandemic and for which no contractual agreement could be reached with the tenant by the last reporting date. The write-down for this receivable was measured based on the expected rent concessions to be granted.

Right of redemption of limited partners

The distinction between equity and liabilities under international accounting standards is set out in IAS 32 Financial Instruments: Presentation. In accordance with this standard, the equity interests of third-party shareholders in commercial partnerships are reclassified as liabilities due to the shareholders' potential right of redemption. According to Sections 131 et seq. HGB, shareholders in commercial partnerships have an ordinary legal right of termination of six months with effect from the end of the financial year, which the shareholders' agreement can define from a long-term perspective, but cannot exclude. As a result of this stipulation, a liability rather than equity was recognised in the balance sheet. This liability must be measured at the repayment amount.

Financial liabilities

Liabilities to banks / bank loans and overdrafts are reported at amortised cost. Discounts are deducted, which under IFRS 9 must be amortised over the term of the loan agreement and recognised annually as an expense.

Trade payables

Trade payables are recognised at their repayment amount.

Other liabilities

Other liabilities are recognised at amortised cost.

Cash and cash equivalents

Cash and cash equivalents include cash and bank balances (terms of up to three months) at their principal amounts.

Derivative financial instruments

Derivatives that qualify for hedge accounting in accordance with IFRS 9 are used to hedge interest rate risks. These are fixed-rate swaps to limit the interest rate risk of variable interest rate loans, which have terms extending to 2027. The interest rate hedges are recognised at fair value (recurring fair value measurement) under "Other assets" or "Other liabilities". Changes are recognised directly in equity, provided that the conditions of the underlying and hedge transaction are identical. The effectiveness of the hedging measures is verified regularly using the degree of harmony between the contract terms for the hedged item and the hedge ("critical term match"). If the effectiveness between the hedged item and the hedge does not exist, the hedge is measured as a derivative at fair value in profit or loss. Present value is calculated based on discounted cash flows using current market interest rates. The final maturities of the interest rate hedges and loan agreements are identical.

Investments accounted for using the equity method

Investments in associates and joint ventures are initially recognised at cost in the balance sheet and adjusted by changes in the Group's share of the equity of the associate / joint venture after the date of acquisition. At every reporting date, the Group reviews whether there are indications that the shares are impaired in relation to the amortised carrying amounts.

Deferred taxes

In accordance with IAS 12, deferred taxes are recognised for all deductible temporary differences between the tax accounts and the IFRS balance sheet, using the currently enacted tax rate. At present, deferred taxes are primarily formed on the differences between the IFRS carrying amounts of the properties and their carrying amounts for tax purposes. A uniform corporate tax rate of 15% plus the solidarity surcharge of 5.5% was used for German companies, and in some cases a rate of 16.45% for trade tax. For Hungarian taxes, a tax rate of 9% was taken, while for Polish taxes the rate was 19%, for Czech taxes it was 19% and for Austrian taxes it was 23%. In accordance with IAS 12.74, deferred tax assets on existing loss carryforwards are offset against deferred tax liabilities.

Other provisions

Under IFRS, other provisions may only be recognised if a present obligation exists towards a third party and payment is more likely than not. Non-current provisions are discounted.

NOTES TO THE CONSOLIDATED BALANCE SHEET

7. Intangible assets and property, plant and equipment

in € thousand	Goodwill		Software and software licenses		Operating and office equipment	
	2022	2021	2022	2021	2022	2021
Costs as at 1 January	53,867	53,867	135	105	884	837
Addition from right-of-use assets (IFRS 16)	0	0	0	0	329	45
Additions	0	0	8	37	7	11
Disposals	0	0	0	-7	0	-9
as at 31 December	53,867	53,867	143	135	1,220	884
Depreciation as at 1 January	-2,148	-2,148	-103	-92	-640	-507
Additions	0	0	-11	-29	-144	-142
Disposals	0	0	0	18	0	9
as at 31 December	-2,148	-2,148	-114	-103	-784	-640
Carrying amount as at 1 January	51,719	51,719	32	13	244	330
Carrying amount as at 31 December	51,719	51,719	29	32	436	244

The goodwill arose from deferred tax liabilities for the real estate assets that had to be recognised at the time of the initial consolidation (31 March 2017) of Olympia Brno.

As at the reporting date, operating and office equipment included right-of-use assets under leases amounting to €373 thousand (previous year: €142 thousand). These result mainly from the rental of office space and the leasing of cars.

8. Investment properties

in € thousand	2022	2021
Carrying amount as at 1 January	3,393,554	3,437,145
Additions	0	0
Disposals	0	0
Recognised construction measures	39,483	18,732
Unrealised changes in fair value	-103,042	-62,323
Carrying amount as at 31 December	3,329,995	3,393,554

Investment properties continue to include a capitalised leasehold of €322 thousand. The annual ground rent of €10 thousand payable for this is charged to a tenant in the same amount.

The unrealised changes in market value relate to appreciation and depreciation in accordance with IAS 40.

The fair values of the properties in the period under review as at 31 December 2022 were determined by appraisers from Jones Lang LaSalle GmbH (JLL) in accordance with the guidelines of the Royal Institution of Chartered Surveyors (RICS). As in previous years, the discounted cashflow method (DCF) was used. The compensation contractually fixed for the appraisal reports prior to preparation of the appraisals is independent of the measurement gain / loss.

The DCF method entails the calculation of the present value of future cash flows from the property in question as at the valuation date. In addition, the net income from the property in question is determined over a detailed planning period of (usually) ten years and a discount rate applied. A residual value is forecast for the end of the ten-year detailed planning phase by capitalising the stabilised cash flows of the last budgeted year using an interest rate (the capitalisation interest rate). In a second step, the residual value is discounted back to the measurement date.

Valuation parameters

in %	31.12.2022	31.12.2021
Rate of rent increases	1.77	1.34
Cost ratio	12.51	11.59
Discount rate	6.90	6.06
Capitalisation interest rate	5.32	5.24

Shopping center operations were affected to a lesser extent by legally mandated measures to protect against the coronavirus pandemic than they were in the previous year. In contrast to the prior-year valuation, turnover rent was again taken into account in the valuation. However, this approach was confined to tenants that paid turnover rent in 2021. An additional coronavirus-related rental loss was no longer recognised in the valuation. The re-letting probability was also adjusted in line with the changed situation.

JLL applied the equated yield model in order to arrive at the discount and capitalisation interest rates. The capitalisation interest rate was derived for each property individually from initial rates of return from comparable transactions. At the same time, such determinants of value as inflation and changes in rent and costs were implicitly taken into account in the capitalisation interest rate. The risk profile specific to each property was also adjusted by reference to the relevant individual indicators. Examples of such indicators include the quality of the property's location and position, market trends and developments in the competitive environment. JLL likewise derived the discount interest rates from comparable transactions, albeit making adjustments for projected increases in rent and costs, since these had been explicitly shown in the relevant cash flow. JLL applied the same methods in valuing domestic and foreign real properties.

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

The full extent of the war in Ukraine and its long-term macroeconomic consequences cannot be foreseen at present. However, repercussions due to higher inflation and interest rates on the real estate markets are already making their mark. Depending on the duration and further course of the war, there may be changes in market value. We will continuously monitor the situation and any changes in value and include these in our future reporting.

A 25 or 100 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	1.77	+ 0.25 percentage points	139.8	4.0
		- 0.25 percentage points	-94.5	-2.7
Cost ratio	12.51	+ 1.00 percentage points	-35.0	-1.0
		- 1.00 percentage points	40.7	1.2
Discount rate	6.90	+ 0.25 percentage points	-67.5	-1.9
		- 0.25 percentage points	64.3	1.8
Capitalisation interest rate	5.32	+ 0.25 percentage points	-98.7	-2.8
		- 0.25 percentage points	106.2	3.0

Over the forecast period, rents were assumed to increase on average over the long term at 1.77% (previous year: 1.34%). On average, management and administrative costs at 12.51% (previous year: 11.59%) were deducted from the forecast rents. This resulted in an average net income of 87.49% (previous year: 88.41%). Actual management and administrative costs (excluding write-downs) amounted to 17.5% of rental income in the year under review (previous year: 15.4%). The appraisal showed that, for financial year 2022, the real property portfolio had an initial yield before deduction of transaction costs of 6.37%, compared with the prior-year figure of 5.78%, and an initial rate of return net of transaction costs (net initial yield) of 6.01%, following 5.45% in the previous year.

Outstanding tenant incentives granted and still to be distributed over the term of the rental agreements amounting to €21,826 thousand (previous year: €13,267 thousand) were deducted from the appraisal value. To the extent that these are rent-free periods, they are reported under trade accounts receivable. Other miscellaneous concessions, such as construction cost subsidies, are reported under other current assets.

The following shows details and disclosures in accordance with IFRS 13 for the hierarchical levels of the fair values of the Group's investment properties as at 31 December 2022:

IFRS 13 hierarchy levels

in € thousand	Level 1	Level 2	Level 3
Investment properties	0	0	3,329,995

The properties are predominantly secured by mortgages. There were secured financial liabilities in the amount of €1,479,251 thousand (previous year: €1,502,114 thousand). The rental income of the properties valued in accordance

with IAS 40 was €212,811 thousand (previous year: €211,752 thousand). Directly associated operating expenses (excluding write-downs) amounted to €37,213 thousand (previous year: €32,547 thousand).

9. Investments accounted for using the equity method

in € thousand	2022	2021
Carrying amount as at 1 January	455,341	444,517
Distributions and capital repayments received	-25,198	-18,788
Share of profit/loss	12,926	29,612
Carrying amount as at 31 December	443,069	455,341

Joint ventures in which Deutsche EuroShop AG has a majority of the voting rights together with third parties are included in the consolidated financial statements in accordance with the equity method. They are important for the Group as a whole and operate shopping centers.

The joint ventures material to the overall Group posted the following asset and liability items and income items for the reporting year. The values do not correspond to the share attributable to the Group, but the total amounts:

in € thousand	Allee-Center Magdeburg KG, Hamburg		Immobilien- kommanditgesellschaft FEZ Harburg, Hamburg		Stadt-Galerie Passau KG, Hamburg	
	31.12.2022	31.12.2021	31.12.2022	31.12.2021	31.12.2022	31.12.2021
Non-current assets	216,434	220,211	225,206	228,733	155,838	161,653
Current assets	7,883	7,606	7,489	7,868	5,744	4,883
thereof cash and cash equivalents	5,660	4,772	4,603	4,214	3,801	2,342
Non-current liabilities	0	0	111,818	113,710	0	0
thereof financial liabilities	0	0	111,818	113,710	0	0
Current liabilities	1,342	2,091	4,146	4,391	690	596
thereof financial liabilities	0	0	2,104	2,072	0	0
Revenue	16,632	16,391	13,350	13,416	9,879	9,709
Net interest income	6	0	-1,969	-2,848	6	0
EBT (excl. measurement gains / losses)	14,004	12,515	8,173	6,088	8,555	7,521
Measurement gains / losses	-3,777	217	-3,534	1,461	-5,999	2,035
Taxes on income and earnings	0	0	0	0	0	0
Net loss / profit for the year	10,227	12,732	4,639	7,549	2,556	9,556
Other income	0	0	0	0	0	0
Total profit	10,227	12,732	4,639	7,549	2,556	9,556

in € thousand	Saarpark Center Neunkirchen KG, Hamburg		EKZ Eins Errichtungs- und Betriebs Ges.m.b.H. & Co OG, Vienna ¹		Einkaufs-Center Arkaden Pécs KG, Hamburg	
	31.12.2022	31.12.2021	31.12.2022	31.12.2021	31.12.2022	31.12.2021
Non-current assets	171,126	180,029	207,861	211,423	95,000	98,000
Current assets	7,515	7,131	7,191	5,512	6,410	6,124
thereof cash and cash equivalents	5,696	5,042	4,657	4,032	4,331	5,210
Non-current liabilities	58,785	58,764	88,250	89,315	35,195	35,810
thereof financial liabilities	58,862	58,837	88,250	89,315	25,650	26,250
Current liabilities	2,904	2,680	2,959	2,422	1,915	1,684
thereof financial liabilities	-25	-25	541	567	600	600
Revenue	12,031	11,690	13,450	12,628	8,829	8,458
Net interest income	-676	-677	-1,931	-1,963	-813	-832
EBT (excl. measurement gains / losses)	8,445	8,077	9,331	8,569	6,686	5,108
Measurement gains / losses	-9,732	82	-4,118	3,440	-3,049	-68
Taxes on income and earnings	0	0	0	0	-412	-600
Net loss / profit for the year	-1,287	8,159	5,213	12,009	3,226	4,440
Other income	0	0	0	0	0	0
Total profit	-1,287	8,159	5,213	12,009	3,226	4,440

¹ Includes the figures for the immaterial joint venture CAK City Arkaden Klagenfurt KG, Hamburg. The equity method valuation amounted to €912 thousand (previous year: €915 thousand) and the net profit for the year €32 thousand (previous year: net loss of €24 thousand).

Under the equity method, the joint ventures changed as follows in the period under review:

in € thousand	Allee-Center Magdeburg KG, Hamburg	Immobilien- kommandit- gesellschaft FEZ Harburg, Hamburg	Stadt-Galerie Passau KG, Hamburg	Saarpark Center Neunkirchen KG, Hamburg	EKZ Eins Errichtungs- und Betriebs Ges.m.b.H. & Co OG, Vienna	Einkaufs- Center Arkaden Pécs KG, Hamburg
	Equity method valuation as at 01.01.2022	112,863	59,251	124,455	62,858	62,599
Share of profit / loss	5,114	2,320	1,917	-643	2,607	1,611
of which EBT (excl. measurement gains / losses)	7,002	4,087	6,416	4,223	4,666	3,343
of which measurement gains / losses	-1,888	-1,767	-4,499	-4,866	-2,059	-1,525
Deposits / withdrawals	-6,489	-3,205	-5,703	-3,739	-3,284	-2,778
Equity method valuation as at 31.12.2022	111,488	58,366	120,669	58,476	61,922	32,148

10. Trade receivables

in € thousand	2022	2021
Trade receivables as at 31.12.	26,883	39,494
Write-downs as at 01.01.	-16,731	-21,135
Utilisation	9,254	12,209
Change in write-downs for expected losses	-2,415	-7,805
Write-downs as at 31.12.	-9,892	-16,731
	16,991	22,763

Receivables result primarily from rental invoices and services for which charges are passed on. The trade receivables recognised at the reporting date are partially protected by means of guarantees, cash security deposits and letters of comfort.

As a result of the coronavirus pandemic, some tenants did not make their payments in full in financial years 2020 and 2021, which led to an increase in receivables during those years. In

the year under review, the receivables portfolio was reduced again. The measurement of receivables as at 31 December 2022 and the derecognition of receivables during the year resulted in total expenses of €8,130 thousand (previous year: €25,029 thousand).

11. Other current assets

in € thousand	31.12.2022	31.12.2021
Deferred tenant incentives	17,660	11,220
Prepaid center marketing costs	3,804	4,198
Cash deposits	3,334	3,917
Other receivables from tenants	2,931	1,842
Coronavirus assistance	0	2,000
Other current assets	3,195	3,121
	30,924	26,298

Other receivables from tenants mainly comprise receivables for heating and ancillary costs.

Receivables

in € thousand	Total	up to 1 year	over 1 year
Trade receivables	16,991 (22,763)	16,991 (22,763)	0 (0)
Other assets	30,924 (26,298)	30,924 (26,298)	0 (0)
(previous year's figures)	47,915 (49,061)	47,915 (49,061)	0 (0)

Trade receivables (after write-downs) were mainly overdue as at the reporting date. As in the previous year, other assets were not overdue as at the reporting date.

12. Cash and cash equivalents

in € thousand	31.12.2022	31.12.2021
Current accounts	294,942	328,837
Short-term deposits / time deposits	40,000	0
Cash	1	2
	334,943	328,839

13. Equity and reserves

Changes in equity are presented in the statement of changes in equity.

The share capital is €61,783,594, comprised of 61,783,594 no-par-value registered shares. All shares have been issued in full and have been fully paid up.

The notional value of each share in the share capital is €1.00.

According to Article 5 of the Articles of Association, the Executive Board was authorised, with the approval of the Supervisory Board, to increase the share capital by up to a total of €11,680,999 through individual or multiple issues of new no-par-value registered shares against cash and/or non-cash contributions before 27 June 2022 (**Authorised capital 2017**). No use had been made of this authorisation prior to the expiry of the Authorised capital 2017. By resolution of the Annual General Meeting of 30 August 2022, the Executive Board was authorised, with the approval of the Supervisory Board, to increase the share capital by up to a total of €18,535,078 through individual or multiple issues of new no-par-value registered

shares against cash and/or non-cash contributions before 29 June 2027 (**Authorised capital 2022**). As at 31 December 2022, no use had been made of this authorisation. With regard to the utilisation of the authorised capital in early 2023, please refer to section "38. Events after the reporting date".

In addition, the Executive Board was authorised by a resolution of the Annual General Meeting held on 28 June 2018 to acquire treasury shares in the Company constituting up to 10% of the share capital available on the entry into force or – if this is lower – on exercise of the authorisation by 27 June 2023. As at 31 December 2022, no use had been made of this authorisation.

By resolution of the Annual General Meeting on 18 June 2021, the Executive Board was authorised, with the approval of the Supervisory Board, to issue once or several times, until 17 June 2026, convertible bonds with a total nominal value of up to €200 million and a maximum term of 10 years and to grant the holders of the respective, equally privileged, bonds conversion rights to new no-par value shares in the Company up to a total of 10,000,000 shares

(€10.0 million), as detailed in the terms and conditions for convertible bonds ("Bond conditions") ("Conditional capital 2021"). The convertible bonds may pay a variable rate of interest, in which case, as with a participating bond, the interest may be dependent in full or in part on the level of the Company's dividend. As at 31 December 2022, no use had been made of this authorisation.

By resolution of the Annual General Meeting on 30 August 2022, the share capital of Deutsche EuroShop AG was increased through a capital increase from company funds of €723,034 thousand to €784,818 thousand by converting some of the capital reserves in the amount of €723,034 thousand. On the same date, an ordinary capital reduction of €723,034 thousand from €784,818 thousand to €61,784 thousand was resolved by transferring the reduction amount to other retained earnings.

Deutsche EuroShop AG's prior-year unappropriated surplus of €61,819 thousand was used to pay a dividend of €1.00 per share, corresponding

to a total dividend of €61,784 thousand, while the remaining amount of the unappropriated surplus of €35 thousand was carried forward to a new account.

The Executive Board and the Supervisory Board will propose to the Annual General Meeting in August 2023 that Deutsche EuroShop AG's 2022 unappropriated surplus of €691,161 thousand be used to pay a dividend of €2.50 per eligible share and that the remaining amount of €500,000 be carried forward to new account. The capital reserves contain amounts in accordance with Section 272 (2) nos. 1, 2 and 4 HGB. In addition, the capital reserves include costs of capital increases and their corresponding deferred tax assets.

Retained earnings consist of the remeasurement reserves, currency items and accumulated profits carried forward at the time of transition to IFRS.

Other total profit is divided into the following components:

2022

in € thousand	before taxes	Taxes	Net
Cash flow hedges	17,761	-3,963	13,798

2021

in € thousand	before taxes	Taxes	Net
Cash flow hedges	2,740	-594	2,146

14. Non-current and current financial liabilities

in € thousand	31.12.2022		31.12.2021	
	non-current	current	non-current	current
Bank loans and overdrafts	1,464,917	14,334	1,264,748	237,366

Bank loans and overdrafts relate to loans raised to finance property acquisitions and investment projects. Land charges on Company properties totalling €1,479,251 thousand serve as security (previous year: €1,502,114 thousand).

Current bank loans and overdrafts include the scheduled repayment portion of the long-term loans for 2023, accrued interest and repayments that were settled in early 2023.

Discounts are amortised over the term of the loan. In the year under review, €26 thousand (previous year: €27 thousand) was recognised as an expense in the income statement. A total of €36,107 thousand (previous year: €39,188 thousand) was recognised in financial gains/losses as interest expense for bank loans and overdrafts.

14 of the 20 loan agreements currently contain arrangements regarding covenants. There are a total of 291 different covenants on debt service cover ratios (DSCRs), interest cover ratios

(ICRs), changes in rental income, the equity ratio, the leverage ratio and loan-to-value ratios (LTV). The loan conditions were met in financial year 2022. Based on current planning and estimates, the loan conditions will also be met in 2023. The full extent of the war in Ukraine and its long-term macroeconomic consequences cannot be foreseen at present. However, repercussions due to higher inflation and interest rates on the real estate markets are already making their mark. Depending on the duration and further course of the war, there may be changes in market value that could affect individual loan covenants (e.g. LTV). We will continuously monitor the situation and any changes in value and include these in our future reporting. Non-current and current financial liabilities arose from the following changes affecting liquidity and not affecting liquidity:

in € thousand	2022	2021
Carrying amount as at 1 January	1,502,114	1,541,428
Changes affecting liquidity	-22,701	-39,580
Changes not affecting liquidity		
Change in carrying amount under the effective interest rate method	-162	266
Carrying amount as at 31 December	1,479,251	1,502,114

Changes affecting equity consisted of the take-up of non-current financial liabilities in the amount of €2,749 thousand (previous year: €6,678 thousand) and the repayment of current financial liabilities in the amount of €25,450 thousand (previous year: €46,258 thousand).

15. Other non-current and current financial liabilities

in € thousand	31.12.2022		31.12.2021	
	non-current	current	non-current	current
Interest rate swaps	5,637	0	23,398	0
Rental deposits	0	4,932	0	4,669
Other liabilities to tenants	0	10,477	0	15,534
Value added tax	0	649	0	1,552
Debtors with credit balances	0	5,589	0	3,729
Lease liabilities	624	72	367	98
Other	72	3,224	230	621
	6,333	24,943	23,995	26,203

In connection with borrowing, interest rate hedges (interest rate swaps) were concluded to hedge against higher capital market interest rates. Their present value totalled €5,637 thousand as at the reporting date (previous year: €23,398 thousand).

Other liabilities to tenants mainly comprise liabilities for heating and ancillary costs, obligations from construction cost subsidies granted, as well as prepaid rent.

Liabilities

in € thousand	Total	current	non-current
Financial liabilities	1,479,251 (1,502,114)	14,334 (237,366)	1,464,917 (1,264,748)
Trade payables	8,067 (5,345)	8,067 (5,345)	0 (0)
Tax liabilities	474 (196)	474 (196)	0 (0)
Other liabilities	31,276 (50,198)	24,943 (26,203)	6,333 (23,995)
(previous year's figures)	1,519,068 (1,557,853)	47,818 (269,110)	1,471,250 (1,288,743)

16. Deferred tax liabilities

Deferred tax assets and liabilities are the result of tax effects of temporary differences and tax loss carryforwards:

in € thousand	31.12.2022		31.12.2021	
	Deferred tax assets	Deferred tax liabilities	Deferred tax assets	Deferred tax liabilities
Investment properties	0	289,235	0	287,851
Investments accounted for using the equity method	0	53,066	0	52,569
Other liabilities				
Interest swaps (not recognised in profit or loss)	1,300	0	5,263	0
Loss carryforwards	5,465	0	988	0
Other	1,132	0	1,132	0
Deferred taxes before netting	7,897	342,301	7,383	340,420
Balance	-7,897	-7,897	-7,383	-7,383
Deferred taxes after netting	0	334,404	0	333,037

In measuring deferred taxes, the tax rates applicable in accordance with IAS 12 are those valid under current legislation at the date at which the temporary differences will probably reverse. In the year under review, a corporate tax rate of 15% was used for the companies in Germany. In addition, a solidarity surcharge of 5.5% on the calculated corporate tax and, in part, 16.45% in trade tax were recognised.

€3,874 thousand (previous year: €7,836 thousand) of deferred taxes had been recognised directly in equity by the balance sheet date.

As at the reporting date, there were taxable temporary differences of €8,220 thousand (previous year: €6,321 thousand) between the net assets of Group companies recognised in the consolidated financial statements and the tax basis of the shares in these Group companies (outside basis differences) for which no deferred taxes were recognised since the differences are not expected to be reversed in the foreseeable future.

17. Right of redemption of limited partners

in € thousand	2022	2021
Settlement claim as at 01.01.	314,914	311,525
Earnings contributions	15,954	13,408
Share of measurement gains / losses	-13,296	-3,502
Outflows	-10,442	-6,517
Settlement claim as at 31.12.	307,130	314,914

The right to redeem of limited partners includes the equity interests of third-party providers in the companies Main-Taunus-Zentrum KG, Forum Wetzlar KG and Einkaufs-Center Galeria

Baltycka G.m.b.H. & Co. KG, which are to be reported in accordance with IAS 32 as debt capital.

18. Other provisions

in € thousand	As at 01.01.2022	Utilisation	Reversal	Addition	As at 31.12.2022
Maintenance and construction work already performed but not yet invoiced	2,399	1,932	327	2,850	2,990
Fees	806	72	3	891	1,622
Other	6,915	4,869	695	5,304	6,655
	10,120	6,873	1,025	9,045	11,267

Other provisions mainly include outstanding settlements for services received and personnel expenses.

As in the previous year, all provisions have a term of up to one year.

NOTES TO THE CONSOLIDATED INCOME STATEMENT

19. Revenue

in € thousand	2022	2021
Minimum rental income	201,010	203,117
Allocable property tax and insurance	6,055	5,684
Turnover rent	4,243	1,678
Other	1,503	1,273
	212,811	211,752
of which rental income directly attributable to investment properties in accordance with IAS 40	212,811	211,752

Other revenue relates primarily to settlement payments made by former tenants as well as compensation for use.

The rental income reported here derives from operating leases and relates to rental income from investment properties with long-term leases. The future minimum leasing payments

from non-terminable rental agreements classified as investment properties have the following maturities:

in € thousand	2022	2021
Maturity within 1 year	194,810	185,340
Maturity from 1 year to 5 years	495,342	490,080
Maturity after 5 years	162,294	157,845
	852,446	833,265

20. Property operating costs

in € thousand	2022	2021
Operating costs that cannot be passed on	8,502	8,613
Real property tax	6,062	5,455
Center marketing	5,127	3,861
Maintenance and repairs	2,978	1,630
Building insurance	1,841	1,557
Other	2,142	1,960
	26,652	23,076
of which operating expenses directly attributable to investment properties in accordance with IAS 40	26,652	23,076

Ancillary costs which cannot be fully allocated are essentially operating costs which cannot be completely passed on to tenants as well as heating and ancillary costs in arrears for preceding years.

21. Property management costs

in € thousand	2022	2021
Center management / agency agreement costs	10,561	9,471
of which operating expenses directly attributable to investment properties in accordance with IAS 40	10,561	9,471

Center management / agency agreement costs depend to a large extent on the rental income generated.

22. Write-downs and disposals of financial assets

in € thousand	2022	2021
Write-downs	3,222	9,217
Disposals of financial assets	4,908	15,812
	8,130	25,029
of which operating expenses directly attributable to investment properties in accordance with IAS 40	8,130	25,029

Please refer to the information in the notes to the consolidated financial statements under section "10. Trade receivables".

23. Other operating income

in € thousand	2022	2021
Reversals of write-downs	1,863	1,464
Income from the reversal of provisions	1,025	898
Coronavirus assistance	0	2,000
Other	2,616	1,903
	5,504	6,265

Other operating income primarily consists of income from damages, insurance compensation and other reimbursements.

24. Other operating expenses

in € thousand	2022	2021
Legal, consulting and audit expenses	12,416	1,841
Personnel expenses	4,277	1,997
Appraisal costs	713	620
Marketing costs	598	505
Exchange rate losses	268	163
Supervisory Board compensation	256	263
Fees and contributions	170	198
Write-downs	155	171
Financing costs	125	171
Other	1,562	2,011
	20,540	7,940

Legal, consulting and audit expenses includes €412 thousand in expenses for the auditing of Group companies (previous year: €361 thousand). Personnel expenses includes social security contributions and expenses for pensions

and other benefits amounting to €94 thousand (previous year: €234 thousand), of which €6 thousand (previous year: €146 thousand) is attributable to pension expenses.

25. Share of the profit or loss of associates and joint ventures accounted for using the equity method

in € thousand	2022	2021
Profit/loss from joint ventures	12,910	29,600
Profit/loss from associates	16	12
Profit/loss from equity-accounted associates	12,926	29,612

The profit/loss of equity-accounted companies included a measurement gain/loss before deferred taxes of €-16,604 thousand (previous year: €4,092 thousand). EBT (excl. measurement

gains/losses) for equity-accounted companies amounted to €29,742 thousand (previous year: €25,822 thousand).

26. Measurement gains / losses

in € thousand	2022	2021
Unrealised changes in fair value	-103,042	-62,323
Profit/loss attributable to limited partners	13,296	3,502
	-89,746	-58,821

27. Taxes on income and earnings

in € thousand	2022	2021
Current tax expense	-5,060	-3,293
Domestic deferred tax expense / income	3,033	-6,239
Foreign deferred tax expense / income	-439	-1,226
	-2,466	-10,758

Tax reconciliation

Income taxes in the amount of €2,466 thousand (previous year: €10,758 thousand) in the year under review are derived as follows from an expected income tax expense that would

have resulted from the application of the parent company's statutory income tax rate to the profit before tax. This was calculated using a tax rate of 32.28%.

in € thousand	2022	2021
Consolidated profit before income tax	23,823	70,703
Theoretical income tax 32.28%	-7,690	-22,823
Tax rate differences for foreign Group companies	1,303	4,069
Tax rate differences for domestic Group companies	3,085	7,062
Tax-free income / non-deductible expenses	-80	446
Tax effect from investments accounted for under the equity-accounted method	521	717
Aperiodic tax expense / income	395	-229
Current income tax	-2,466	-10,758

Excluding tax expense/income for other periods, the effective income tax rate in financial year 2022 was 12.0%.

28. Earnings per share

	2022	2021
Group shareholders' portion of profits / losses (€ thousand)	21,357	59,945
Weighted number of no-par-value shares issued	61,783,594	61,783,594
Undiluted and diluted earnings per share (€)	0.35	0.97

Basic earnings per share are determined by dividing the net income for the period to which shareholders of Deutsche EuroShop AG are entitled by the weighted average number of shares outstanding within the reporting period.

There is no potential dilution as at the reporting date, e.g. through convertible bonds or share options, with the result that diluted earnings correspond to undiluted earnings.

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 Executive Board of Deutsche EuroShop AG 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.

To assess the contribution of the segments to the individual performance indicators as well as to the Group's performance, the income, expenditure, assets and liabilities of the joint ventures are included in internal reporting in proportion to the Group's share in the same. Similarly, for subsidiaries in which the Group is not the sole shareholder, income, expenditure, assets and liabilities are only consolidated in proportion to the corresponding Group share. This results in the segments being divided as follows:

Breakdown by geographical segment

in € thousand	Germany	Abroad	Total	Reconciliation	01.01.- 31.12.2022
Revenue	182,590	45,362	227,952	-15,141	212,811
EBIT	142,421	39,421	181,842	-29,410	152,432
Profit/losses of joint ventures and associates	0	0	0	12,926	12,926
Interest income	85	66	151	121	272
Interest expense	-28,047	-6,846	-34,893	-1,214	-36,107
EBT (excl. measurement gains / losses)	114,459	32,641	147,100	-16,934	130,166
					31.12.2022
Investment properties	2,797,177	676,968	3,474,145	-144,150	3,329,995
Additions and recognised construction measures for investment properties	23,525	12,822	36,347	3,136	39,483
Goodwill	0	0	0	51,719	51,719
Investments accounted for using the equity method	0	0	0	443,069	443,069
Other segment assets	204,845	35,407	240,252	143,071	383,323
Segment assets	3,002,022	712,375	3,714,397	493,709	4,208,106
Segment liabilities	1,206,398	320,745	1,527,143	644,726	2,171,869

Breakdown by geographical segment

in € thousand	Germany	Abroad	Total	Reconciliation	01.01.- 31.12.2021
Revenue	184,061	42,388	226,449	-14,697	211,752
EBIT	132,798	33,661	166,459	-13,958	152,501
Profit / losses of joint ventures and associates	0	0	0	29,612	29,612
Interest income	5	1	6	1	7
Interest expense	-31,481	-6,912	-38,393	-795	-39,188
EBT (excl. measurement gains / losses)	101,323	26,751	128,074	-2,510	125,564
					31.12.2021
Investment properties	2,866,680	677,468	3,544,148	-150,594	3,393,554
Additions and recognised construction measures for investment properties	14,524	3,800	18,325	407	18,732
Goodwill	0	0	0	51,719	51,719
Investments accounted for using the equity method	0	0	0	455,341	455,341
Other segment assets	212,456	42,218	254,674	123,502	378,176
Segment assets	3,079,136	719,686	3,798,822	479,968	4,278,790
Segment liabilities	1,243,136	326,180	1,569,316	646,608	2,215,924

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 cross-segmentally and are therefore included in the reconciliation column for 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 and DES Beteiligungs

GmbH & Co. KG). These do not generate any revenue and were included in the reconciliation column after intra-Group eliminations with their EBIT of €-17,283 thousand (previous year: €-4,434 thousand) and EBT (excl. measurement gains/losses) of €-17,181 thousand (previous year: €-4,434 thousand) as well as in the segment assets with €141,137 thousand (previous year: €123,030 thousand) and in the segment liabilities with €4,476 thousand (previous year: €2,207 thousand).

In view of the geographical segmentation, no further information pursuant to IFRS 8.33 is given.

OTHER DISCLOSURES

29. Financial instruments and risk management

in € thousand	Measurement category in accordance with IFRS 9	Carrying amounts as at 31.12.2022	Amount stated in line with IFRS 9		
			Amortised cost	Fair value recognised in income	Fair value recognised in equity
Financial assets					
Trade receivables	AC	16,991	16,991		16,991
Other assets	AC	6,556	6,556		6,556
Cash and cash equivalents	AC	334,943	334,943		334,943
Financial liabilities					
Financial liabilities ²	FLAC	1,479,251	1,479,251		1,326,993
Right of redemption of limited partners	FLAC	307,130	307,130		307,130
Trade payables	FLAC	8,067	8,067		8,067
Other liabilities	FLAC	20,333	20,333		20,333
Interest rate hedges not recognised in profit or loss ²	n. a.	5,637		5,637	5,637

in € thousand	Measurement category in accordance with IFRS 9	Carrying amounts as at 31.12.2021	Amount stated in line with IFRS 9		
			Amortised cost	Fair value recognised in income	Fair value recognised in equity
Financial assets					
Trade receivables	AC	22,763	22,763		22,763
Other assets	AC	6,247	6,247		6,247
Cash and cash equivalents	AC	328,839	328,839		328,839
Financial liabilities					
Financial liabilities ²	FLAC	1,502,114	1,502,114		1,522,818
Right of redemption of limited partners	FLAC	314,914	314,914		314,914
Trade payables	FLAC	5,345	5,345		5,345
Other liabilities	FLAC	22,715	22,715		22,715
Interest rate hedges not recognised in profit or loss ²	n. a.	23,398		23,398	23,398

¹ Corresponds to Level 1 of the IFRS 7 fair value hierarchy

² Corresponds to Level 2 of the IFRS 7 fair value hierarchy

³ Corresponds to Level 3 of the IFRS 7 fair value hierarchy

Measurement categories in accordance with IFRS 9: Financial assets measured at amortised cost (AC), at fair value through other comprehensive income (FVOCI); financial liabilities measured at amortised cost (FLAC)

Carrying amounts, valuations and fair values according to measurement category

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

The fair values of financial liabilities measured at amortised cost correspond to the cash values of debt-related payments based on current interest rate yield curves (Level 2 in accordance with IFRS 13).

The derivative financial instruments measured at fair value are interest rate hedges. Here, the fair value is 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.

Risk management

In risk management, the emphasis is on ensuring compliance with the strategy and, building on this, on identifying and assessing risks and opportunities, as well as on the fundamental decision to manage these risks. Risk management ensures that risks are identified at an early stage and can then be evaluated, communicated promptly and mitigated. Risk analysis involves the identification and analysis of factors that may jeopardise the achievement of goals.

Market risks

Liquidity risk

The liquidity of the Deutsche EuroShop Group is continuously monitored and planned. The subsidiaries regularly have sufficient cash to be able to pay for their current commitments.

The contractually agreed future interest and principle repayments of the original financial liabilities and derivative financial instruments were as follows as at 31 December 2022:

in € thousand	Carrying amount as at 31.12.2022	Debt service 2023	Debt service 2024–2027	Debt service from 2027
Bank loans and overdrafts	1,479,251	50,715	591,575	1,087,257

The amounts relate to all contractual commitments existing as at the reporting date. The variable interest payments from interest rate hedges were determined on the basis of the most recently defined interest rates prior to 31 December 2022. The majority of the trade payables and other financial liabilities reported at the end of the financial year will fall due in 2023.

Until August 2022, there was a credit line in the amount of €150,000 thousand, which was terminated by the lending banks within the context of the takeover bid and the resulting change of control. There had been no drawdown of the credit line in 2022 up to this date.

Credit and default risk

The Group is exposed to significant default risks in respect of trade receivables that, for reasons related to the coronavirus pandemic, had not been settled in full by the time the financial statements were prepared (please also refer to section "10. Trade receivables").

Write-downs on trade receivables are determined on the basis of the credit losses expected over the term. Unless the reasons for doing so can be refuted in individual cases, receivables that are more than 90 days overdue, taking into account the collateral provided by the tenant and valuable collateral, are written down in full. In addition, if information exists that points to an increased risk of default for a tenant, checks are made to decide whether receivables that are less than 90 days overdue should also be written down. During the year under review, write-downs of rent receivables in the amount of €8,130 thousand (previous year: €25,029 thousand) were recognised under expenditure. The maximum default risk in relation to trade receivables and other assets totalled €47,915 thousand as at the reporting date (previous year: €49,061 thousand).

Currency and measurement risk

The Group companies operate exclusively in the European Economic Area and conduct the lion's share of their business in euro. This does not entail currency risks.

With respect to the measurement risk of investment properties, please refer to the sensitivity analysis in section "8. Investment properties".

in € thousand	31.12.2022	31.12.2021
Equity	2,343,367	2,377,780
Equity ratio (%)	55.7	55.6
Net financial debt	1,144,308	1,173,275

Equity is reported here including the compensation claims by limited partners.

Net financial debt is determined from the financial liabilities as at the reporting date less cash and cash equivalents.

Interest rate risk

A sensitivity analysis was implemented to determine the effect of potential interest rate changes. Based on the financial assets and liabilities subject to interest rate risk as at the reporting date, this shows the effect of a change on the Group's equity. As at the reporting date, interest rate risks existed only for credit borrowed and the associated interest rate hedges. An increase in the market interest rate of 100 basis points would lead to an increase in equity (before taxes) of €3,608 thousand (previous year: €5,218 thousand). The vast majority of loan liabilities have fixed interest terms. As at the reporting date, loans totalling €93,000 thousand (previous year: €104,900 thousand) were hedged using derivative financial instruments.

Capital management

The Group's capital management is designed to maintain a strong equity base with the aim of ensuring that its ability to repay its debts and financial well-being are maintained in the future. The Group's financial policies are also based on the annual payment of a dividend.

30. Notes to the consolidated cash flow statement

The cash flow statement has been prepared in accordance with IAS 7 and is broken down into operating cash flow, cash flow from operating activities, cash flow from investing activities and cash flow from financing activities.

Cash flow from operating activities is derived from consolidated profit using the indirect method. Net cash flow from operating activities, cash flow from investment activities and cash flow from financing activities are calculated using the direct method.

Cash and cash equivalents comprise cash and cash equivalents that may be converted into cash at any time. As in the previous year, the financial resources fund as at the reporting date corresponded to the cash and cash equivalents (see section "12. Cash and cash equivalents").

31. Other financial obligations

There are other financial obligations of €57.1 million arising from service contracts.

There are financial obligations of €10.4 million which will arise in 2023 in connection with investment measures in our shopping centers.

32. Headcount

An average of five (previous year: five) staff members were employed in the Group during the financial year.

33. Auditor's fees

The total fees invoiced by the auditor for the consolidated financial statements for financial year 2022 amounted to €525 thousand (previous year: €365 thousand). Of this amount, €412 thousand (previous year: €361 thousand) related to auditing services. Other audit-related services were also provided by the auditor in the amount of €113 thousand (previous year: €4 thousand).

34. Declaration of Conformity with the German Corporate Governance Code

The Declaration of Conformity with the German Corporate Governance Code required by Section 161 of the Aktiengesetz (AktG – German Public Companies Act) has been issued jointly by the Supervisory Board and the Executive Board, and has been made available to shareholders on the Deutsche Euroshop website under Investor Relations > Corporate Governance > Declaration of Conformity:

<https://www.deutsche-euroshop.de/Investor-Relations/Corporate-Governance/Entsprechenserklärung>

35. Related parties for the purposes of IAS 24

Deutsche EuroShop's subsidiaries, joint ventures and associates as well as the members of its Executive Board and Supervisory Board and their close family members are regarded as related parties for the purposes of IAS 24. The compensation of the Supervisory Board and Executive Board is described in section in the compensation report portion of the combined management report. It will be published together with the note on the formal audit on the website of Deutsche EuroShop AG no later than the date of publication of the invitation to the Annual General Meeting.

Hercules BidCo GmbH held 84.38% of the shares in Deutsche EuroShop AG as at the reporting date and is therefore considered a related party as defined by IAS 24. Hercules BidCo GmbH is indirectly under the joint control of the Oaktree Group and Kommanditgesellschaft CURA Vermögensverwaltung GmbH & Co. – the latter, in turn, being controlled by Mr Alexander Otto. Therefore, the ECE Group and CURATAX Treuhand GmbH Steuerberatungsgesellschaft, both of which are controlled by Mr Alexander Otto, are considered related parties as defined by IAS 24.

Fees for service contracts and subsidy agreements with ECE Group and CURATAX Treuhand GmbH Steuerberatungsgesellschaft totalled €26,326 thousand in the year under review (previous year: €19,205 thousand). These were partially offset by income from leases and mall marketing with the ECE Group in the amount of €9,597 thousand (previous year: €7,673 thousand). Receivables from the ECE Group came to €6,997 thousand (previous year: €5,494 thousand), while liabilities amounted to €5,039 thousand (previous year: €1,321 thousand).

After the reporting date on 12 January 2023, the Group concluded share purchase agreements with Kommanditgesellschaft ARENA Vermögensverwaltung G.m.b.H. & Co. KG and KG Vermögensverwaltungsgesellschaft Einkaufs-Center Danzig, both also ultimately controlled by Mr Alexander Otto, for the acquisition of further shares

in Immobilienkommanditgesellschaft FEZ Harburg, Forum Wetzlar KG and Einkaufs-Center Galeria Baltycka G.m.b.H. & Co. KG for a total purchase price of €91,979 thousand (please also refer to section "38. Events after the reporting date").

Transactions with related parties involving the provision of goods and services were at standard market rates.

36. Voting rights notices

In line with Section 160 (1) no. 8 AktG, we give notice that the following investments and changes to voting rights have been registered to Deutsche EuroShop AG in conformity with the duty of disclosure in accordance with Section 33 of the Wertpapierhandelsgesetz (WpHG – Securities Trading Act). The disclosures were taken from the latest notice by those subject to reporting requirements. It should be noted that the number of voting rights might have since changed within the respective thresholds, with no reporting obligation arising:

Shareholder	Shareholding report as at	Event ...	New voting share	of which direct	of which indirectly attributable
		in %	in %	in %	in %
Oaktree Capital Group Holdings GP, LLC, Wilmington, DE, United States of America	3 February 2023	...falls below threshold (75)	73.96	0.00	73.96 ¹
CURA Vermögensverwaltung G.m.b.H., Hamburg	3 February 2023	...falls below threshold (75)	73.96	0.00	73.96 ²
Alexander Otto	3 February 2023	Voluntary Group notification due to threshold reached by a subsidiary	76.69	0.46	76.23 ³
Thomas Armbrust	3 February 2023	...exceeds threshold (3)	3.44	0.01	3.43
Maren Otto	3 February 2023	...exceeds threshold (5)	7.75	0.32	7.43
Oaktree Capital Group Holdings GP, LLC, Wilmington, DE, United States of America	10 August 2022	...exceeds threshold (75)	84.38	0.00	84.38
CURA Vermögensverwaltung G.m.b.H., Hamburg	10 August 2022	...exceeds threshold (75)	84.38	0.00	84.38
Alexander Otto	10 August 2022	...exceeds threshold (75)	84.38	0.57	83.81
Claudia Morales Ramón and David Schorr	10 August 2022	...falls below threshold (3)	0.00	0.00	0.00
The Goldman Sachs Group, Inc., Wilmington, DE, United States of America	9 August 2022	...falls below threshold (3)	2.04	0.00	2.04 ⁴
Morgan Stanley, Wilmington, DE, United States of America	22 July 2022	...falls below threshold (3)	2.46	0.00	2.46 ⁵
JPMorgan Chase & Co., Wilmington, DE, United States of America	20 July 2022	...falls below threshold (3)	0.29	0.00	0.29 ⁶
Norwegian Ministry of Finance on behalf of the Kingdom of Norway, Oslo, Norway	14 July 2022	...falls below threshold (3)	1.26	0.00	1.26
BlackRock, Inc., Wilmington, DE, United States of America	11 July 2022	...falls below threshold (3)	2.95	0.00	2.95 ⁷
UBS Group AG, Zurich, Switzerland	11 July 2022	...falls below threshold (3)	2.38	0.00	2.38 ⁸

Shareholder	Shareholding report as at	Event ...	New voting share	of which direct	of which indirectly attributable
			in %	in %	in %
DWS Investment GmbH, Frankfurt am Main	5 July 2022	...falls below threshold (3)	0.77	0.00	0.77
PGGM Coöperatie U.A., Zeist, Netherlands	21 June 2022	...falls below threshold (3)	1.53	0.00	1.53
State Street Corporation, Boston, MA, United States of America	31 March 2020	...falls below threshold (3)	1.22	0.00	1.22

¹ In addition, we were notified of a "put option" (3.06%) by Oaktree Capital Group Holdings GP, LLC.

² In addition, we were notified of a "put option" (3.06%) by CURA Vermögensverwaltung G.m.b.H.

³ In addition, we notified of a "put option" (3.06%) by Alexander Otto.

⁴ In addition, we were notified of a "right to recall" (2.19%), a "right of use" (0.71%) and a swap (0.07%) by The Goldman Sachs Group, Inc.

⁵ In addition, we were notified of a "right of recall over securities lending agreements" (0.41%) and a "retail structured product" (0.00%) by Morgan Stanley.

⁶ In addition, we were notified of an "equity swap" (0.47%) by JPMorgan Chase & Co.

⁷ In addition, we were notified of a "lent securities (right to recall)" (1.16%) by BlackRock, Inc.

⁸ In addition, we were notified of a "right to recall lent shares" (0.00%) and "right to use over shares" (0.02%) by UBS Group AG.

All voting rights notices received by Deutsche EuroShop AG can be found on the website of Deutsche EuroShop AG under Investor Relations > Share > Significant voting interests.

37. The Supervisory Board and Executive Board

Supervisory Board

The Supervisory Board of Deutsche EuroShop AG is composed of nine members. The Supervisory Board included the following members with membership of other statutory supervisory boards and membership of comparable supervisory bodies of business enterprises in Germany or other countries:

Reiner Strecker, Wuppertal, Chairman

Self-employed management consultant, Hamburg

- akf Bank GmbH & Co. KG, Wuppertal
- Carl Kühne KG (GmbH & Co.), Hamburg (Chairman)
- ECKES AG, Nieder-Olm (since 1 April 2022; Chairman)

Chantal Schumacher, Munich,

Deputy Chairwoman (since 30 August 2022)
Global Program Director, Allianz SE, Munich (until 31 December 2022),

independent management consultant (since 1 January 2023)

- Scope SE & Co. KGaA, Berlin

Benjamin P. Bianchi, London / UK

(since 30 August 2022)

Partner, Oaktree Capital Management (UK) LLP, London (UK)

Dr Anja Disput, Bad Soden am Taunus

(until 30 August 2022)

Partner at Disput Hübner Partnerschaft von Rechtsanwälten mbB, Frankfurt am Main

Karin Dohm, Kronberg im Taunus,

Deputy Chairwoman (until 30 August 2022)

Member of the Executive Board, Hornbach AG and Hornbach Management AG, Bornheim bei Landau / Palatinate

- Hornbach Immobilien AG, Bornheim
- CECONOMY AG, Düsseldorf
- Danfoss A/S, Norborg (Denmark) (since 25 March 2022)

Henning Eggers, Halstenbek

Member of Management, CURA
Vermögensverwaltung G.m.b.H, Hamburg

- ECE Group GmbH & Co. KG, Hamburg

Lemara Dee Grant, London / UK

(since 30 August 2022)
Vice President and European Tax Counsel,
Oaktree Capital Management (UK) LLP,
London (UK)

Stuart E. Keith, London / UK

(since 30 August 2022)
Senior Vice President (until 28 February 2023),
Managing Director (since 1 March 2023),
Oaktree Capital Management, London (UK)

Dr Volker Kraft, Hamburg

(since 30 August 2022)
Managing Director,
ECE Real Estate Partners GmbH, Hamburg

- Aliansce Sonae Shopping Centers S.A.,
Sao Paulo / Brazil

Dr Henning Kreke, Hagen / Westphalia

Managing Partner, Let's Go JMK KG and
Kreke Immobilien KG, Hagen / Westphalia

- Douglas GmbH, Düsseldorf (Chairman)
- Thalia Bücher GmbH, Hagen / Westphalia
- Encavis AG, Hamburg
- Axxum Holding GmbH, Wuppertal
- Noventic GmbH, Hamburg
- Perma-tec GmbH & Co. KG, Euerdorf
- Slys Destillerie GmbH & Co. KG, Schliersee

Alexander Otto, Hamburg (until 23 May 2022)

CEO, ECE Group Verwaltung GmbH, Hamburg

- SITE Centers Corp. Inc., Beechwood, USA
- Peek & Cloppenburg KG, Düsseldorf
- Verwaltungsgesellschaft Otto mbH,
Hamburg

Claudia Plath, Hamburg

CFO, ECE Group Verwaltung GmbH, Hamburg

- CECONOMY AG, Düsseldorf
- MEC Metro-ECE Centermanagement GmbH
& Co. KG, Düsseldorf

Klaus Striebich, Besigheim

(until 30 August 2022)
Managing Director, RaRE Advise, Besigheim

- Unternehmensgruppe Dr Eckert GmbH,
Berlin
- Klier Hairgroup GmbH, Wolfsburg
- Bez & Roth GmbH & Co. KG,
Bietigheim-Bissingen (since 24 June 2022)
- Sinn GmbH, Hagen (until 3 September 2022)

Roland Werner, Hamburg

(until 30 August 2022)
Chairman of the Board of Management,
Bijou Brigitte modische Accessoires AG,
Hamburg

The remuneration of the members of the Supervisory Board totalled €256 thousand in the period under review (previous year: €263 thousand).

Executive Board

Hans-Peter Kneip, Düsseldorf,
Executive Board (since 1 October 2022)

Wilhelm Wellner, Hamburg,

CEO (until 20 April 2022)

Olaf Borkers, Hamburg,

Member of the Executive Board
(until 30 September 2022)

The compensation of the Executive Board, excluding pension expenses, totalled €1,336 thousand (previous year: €1,127 thousand), which includes performance-related compensation in the amount of €675 thousand (previous year: €585 thousand). €2,057 thousand (previous year: €0 thousand) was paid to former members of the Executive Board.

We refer to the notes on the compensation of the Executive Board and Supervisory Board in the separate compensation report published on the Company's website.

38. Events after the reporting date

On 12 January 2023, the Deutsche EuroShop Group concluded six purchase agreements for the acquisition of further shares in six property companies in which it already held an interest of 50% to 75% (for more information, see the notes in section "2. Basis of consolidation / Acquisitions after the reporting date"). On the same day, in order to finance the acquisition, the Executive Board decided, with the approval of the Supervisory Board, to increase the Company's share capital by up to €14,710,375, with a partial utilisation of the authorised capital, through the issue of up to 14,710,375 no-par-value registered shares against cash and non-cash contributions. After the end of the subscription period, the Executive Board, with the approval of the Supervisory Board, set the final scale of the capital increase at 14,680,725 new shares on 1 February 2023. The Company's share capital increased accordingly by €14,681 thousand to €76,464 thousand. As part of the capital increase, shares were taken up in exchange for cash in the amount of €64,252 thousand and in exchange for €251,384 thousand in purchase price receivables from the acquisition of the additional shares in six property companies.

On 31 March 2023, the Company concluded a loan contract with the major shareholder Hercules BidCo GmbH, Hamburg. Under this contract, Hercules BidCo GmbH shall grant the Company an interest-free loan if a resolution on the appropriation of profits adopted with its majority vote at the Company's forthcoming or future Annual General Meetings results in the Company's liquidity falling below the applicable minimum level (currently €100,000 thousand). The minimum liquidity level deemed appropriate by the Executive Board and the Supervisory Board is regularly reassessed on the basis of corporate planning. The corresponding loan facility is generally concluded for an indefinite period and initially comprises €500,000 thousand, which may, however, be reduced over time if agreed events occur. The loan contract is still subject to approval by the Company's Supervisory Board.

No further significant events occurred between the reporting date and the date of preparation of the financial statements.

Hamburg, 31 March 2023

Deutsche EuroShop AG

The Executive Board



Hans-Peter Kneip

INFORMATION ON SHAREHOLDINGS – ANNEX TO THE NOTES

Shareholdings in accordance with
Section 313 (2) HGB as at 31 December 2022:

Company name and domicile	Interest in equity in %
Fully consolidated companies:	
DES Verwaltung GmbH, Hamburg	100
DES Management GmbH, Hamburg	100
DES Shoppingcenter GmbH & Co. KG, Hamburg ^{1, 2}	100
DES Beteiligungs GmbH & Co. KG, Hamburg ¹	100
A10 Center Wildau GmbH, Hamburg	100
Main-Taunus-Zentrum KG, Hamburg	52.01
Forum Wetzlar KG, Hamburg	65
Objekt City-Point Kassel GmbH & Co. KG, Hamburg ¹	100
Stadtgalerie Hameln GmbH & Co. KG, Hamburg ¹	100
Allmarkt-Galerie Dresden GmbH & Co. KG, Hamburg ^{1, 2}	100
Einkaufs-Center Galeria Baltycka G.m.b.H. & Co. KG, Hamburg	74
Einkaufs-Center Galeria Baltycka G.m.b.H. & Co. KG, Sp. kom., Warsaw, Poland	99.99
CASPIA Investments Sp. z o.o., Warsaw, Poland	100
City-Point Beteiligungs GmbH, Hamburg	100
Olympia Brno s.r.o., Prague, Czech Republic	100
Joint ventures:	
Allée-Center Magdeburg KG, Hamburg	50
Stadt-Galerie Passau KG, Hamburg	75
CAK City Arkaden Klagenfurt KG, Hamburg	50
Saarpark Center Neunkirchen KG, Hamburg	50
EKZ Eins Errichtungs- und Betriebs Ges.m.b.H. & Co OG, Vienna, Austria	50
Immobilienkommanditgesellschaft FEZ Harburg, Hamburg	50
Einkaufs-Center Arkaden Pécs KG, Hamburg	50
Associates:	
EKZ Vier Errichtungs- und Betriebs Ges.m.b.H., Vienna, Austria	50

¹ For these companies, use was made of the exemption from the disclosure obligation in accordance with Section 264b HGB.

² For these companies, use was made of the exemption from the preparation of the management report in accordance with Section 264b HGB.

RESPONSIBILITY STATEMENT BY THE EXECUTIVE BOARD

I declare that, to the best of my knowledge, and in line with the accounting policies to be applied, the consolidated financial statements present a true and fair view of the net assets, financial position and results of operations of the Group, and that the combined management report presents the course of business including business performance and the situation of the Group in a way that is true and fair and describes the material opportunities and risks relating to the likely development of the Group.

Hamburg, 31 March 2023

A handwritten signature in black ink, appearing to read 'Hans-Peter Kneip', written in a cursive style.

Hans-Peter Kneip

INDEPENDENT AUDITOR'S REPORT

To Deutsche EuroShop AG, Hamburg

Report on the audit of the consolidated financial statements and of the combined management report

Audit opinions

We have audited the consolidated financial statements of Deutsche EuroShop AG, Hamburg, and its subsidiaries (the group), which comprise the consolidated statement of financial position as of 31 December 2022, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the financial year from 1 January 2022 to 31 December 2022, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In addition, we have audited the combined management report (report on the position of the company and of the group) of Deutsche EuroShop AG for the financial year from 1 January 2022 to 31 December 2022. In accordance with the German legal requirements, we have not audited the content of those parts of the combined management report listed in section "OTHER INFORMATION".

In our opinion, on the basis of the knowledge obtained in the audit,

- the accompanying consolidated financial statements comply, in all material respects, with the IFRSs as adopted by the EU, and the additional requirements of German commercial law pursuant to § 315e (1) HGB [Handelsgesetzbuch: German Commercial Code] and, in compliance with these requirements, give a true and fair view of the assets, liabilities and financial position of the group as at 31 December 2022, and of its financial performance for the financial year from 1 January 2022 to 31 December 2022, and
 - the accompanying combined management report as a whole provides an appropriate view of the group's position. In all material respects, this combined management report is consistent with the consolidated financial statements, complies with German legal requirements and appropriately presents the opportunities and risks of future development. Our opinion on the combined management report does not cover the content of those parts of the combined management report listed in section "OTHER INFORMATION".
- Pursuant to § 322 (3) sentence 1 HGB (German Commercial Code), we declare that our audit has not led to any reservations relating to the legal compliance of the consolidated financial statements and of the combined management report.

Basis for the audit opinions

We conducted our audit of the consolidated financial statements and of the combined management report in accordance with § 317 HGB and the EU Audit Regulation (No. 537/2014, referred to subsequently as "EU Audit Regulation") and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW). Our responsibilities under those requirements and principles are further described in the "AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS AND OF THE COMBINED MANAGEMENT REPORT" section of our auditor's report. We are independent of the group entities in accordance with the requirements of European law and German commercial and professional law, and we have fulfilled our other German professional responsibilities in accordance with these requirements.

In addition, in accordance with Article 10 (2) letter (f) of the EU Audit Regulation, we declare that we have not provided non-audit services prohibited under Article 5 (1) of the EU Audit Regulation.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions on the consolidated financial statements and on the combined management report.

Key audit matters in the audit of the consolidated financial statements

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements for the financial year from 1 January 2022 to 31 December 2022. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our audit opinion thereon; we do not provide a separate audit opinion on these matters.

We have identified the following matters as key audit matters to be disclosed in our auditor's report:

1. Measurement of investment properties
2. Recognition and measurement of deferred taxes

1. Measurement of investment properties Matter

Deutsche EuroShop AG reported investment properties totaling EUR 3,330,0 million in its consolidated financial statements as of 31 December 2022 and held a participating interest in further material investment properties through its stakes in joint ventures and associates (EUR 574,2 million). The shopping center properties held as investment property are measured at fair value in accordance with IAS 40. In financial year 2022, expenses from this measurement of EUR 103,0 million were recognized in the income statement. In addition, the profit/loss of equity-accounted joint ventures and associates included a measurement effect of EUR -16,6 million.

The respective fair value measurements of investment properties in accordance with IFRS 13 are determined on the basis of the discounted cash flow method by one of the external appraisers appointed by Deutsche EuroShop AG. They are level 3 measurements pursuant to IFRS 13 that are based on significant input factors not observable on the market. Forecasts of future cash flows from rental income and management, maintenance and administrative costs, as well as the derivation of the capitalisation interest rate, involve significant judgemental decisions and estimates.

Due to aftereffects of the Corona pandemic as well as the war in Ukraine and the associated inflationary effects, the forecast of future cash surpluses is subject to increased uncertainty. In particular, the medium to longterm effects of the pandemic on consumer shopping behaviour and the future development of shopping centers are difficult to assess from today's perspective. Due to the significance of the investment properties for the consolidated financial statements of Deutsche EuroShop AG in terms of their

amount and the significant uncertainties associated with their measurement, this is a key audit matter of particular importance.

The disclosures provided by Deutsche EuroShop AG on the measurement of investment properties are included in sections "6. Significant accounting policies and valuation methods / Investment properties" and "8. Investment properties" of the notes to the consolidated financial statements.

Auditor's response

As part of our audit, we obtained evidence of the externally appointed appraiser's competence and independence.

We obtained an understanding of the selection and application of the methods, significant assumptions and data upon which the appraiser's valuation was based and tested the appraisals on a sample basis as to the appropriateness, consistency and proper implementation of the valuation methodology and the accuracy of the inputs (leased space and rental income). In addition, we conducted three center visits in financial year 2022. In addition, we acknowledged the projected values and parameters (rental income, future vacancy rates, management, maintenance and administrative costs and interest rates) used in the valuation and are convinced of the suitability of the decisions based on personal judgement and estimates. We had the assumptions contained in the forecasts regarding the effects of the coronavirus pandemic on the future growth of the shopping centers explained to us by the Executive Board and the appraiser, compared them with published industry expectations and analyses, and verified their inclusion in the measurement.

In conducting the audit, we consulted internal specialists in the field of real estate valuation.

2. Recognition and measurement of deferred taxes

Matter

Deutsche EuroShop AG reported deferred tax liabilities totaling EUR 334,4 million in its consolidated financial statements as of 31 December 2021. The recognition and measurement of deferred taxes in the consolidated financial statements of Deutsche EuroShop AG take account of complex tax matters in connection with property companies under the legal form of commercial partnerships.

The disclosures provided by Deutsche EuroShop AG on the determination and measurement of deferred taxes are included in sections "6. Significant accounting policies and valuation methods/Deferred taxes" and "16. Deferred tax liabilities" of the notes to the consolidated financial statements.

Auditor's response

We acknowledged the calculation of deferred taxes with respect to their compliance with IAS 12.

We also analyzed the confirmation letter of the tax consultant. We are satisfied with the competence and independence of the tax consultant assisting Deutsche EuroShop AG in the determination of deferred taxes. We also examined the determination method used to measure and report deferred taxes, whereby we compared the values used with the tax calculations of the company and the tax consultant by means of samples and verified the validity of the tax bases utilized. In auditing the deferred taxes, we consulted internal specialists in the field of deferred taxes.

Other information

The executive directors respectively the supervisory board are responsible for the other information. The other information comprises:

- the separately published declaration on corporate governance referred to in the section "Declaration on corporate governance statement (§ 289f, § 315d HGB)" of the combined management report
- the components of the combined management report on the appropriateness or effectiveness of the risk management system that are not audited in substance
- the separately published remuneration report according to § 162 AktG, to which reference is made in section "Combined Management Report" of the combined management report
- the other parts of the annual report with the exception of the audited consolidated financial statements and combined management report as well as our audit opinion

Our audit opinions on the consolidated financial statements and on the combined management report do not cover the other information, and consequently we do not express an audit opinion or any other form of assurance conclusion thereon.

In connection with our audit, our responsibility is to read the other information and thereby acknowledge whether the other information

- is materially inconsistent with the consolidated financial statements, with the combined management report or our knowledge obtained in the audit, or
- otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the executive directors and the supervisory board for the consolidated financial statements and the combined management report

The executive directors are responsible for the preparation of the consolidated financial statements that comply, in all material respects, with IFRSs as adopted by the EU and the additional requirements of German commercial law pursuant to § 315e (1) HGB and that the consolidated financial statements, in compliance with these requirements, give a true and fair view of the assets, liabilities, financial position and financial performance of the group. In addition, the executive directors are responsible for such internal control as they have determined necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud (i.e. fraudulent financial reporting and misappropriation of assets) or error.

In preparing the consolidated financial statements, the executive directors are responsible for assessing the group's ability to continue as a going concern. They also have the responsibility for disclosing, as applicable, matters related to going concern. In addition, they are responsible for financial reporting based on the going concern basis of accounting unless there is an intention to liquidate the group or to cease operations, or there is no realistic alternative but to do so.

Furthermore, the executive directors are responsible for the preparation of the combined management report that, as a whole, provides an appropriate view of the group's position and is, in all material respects, consistent with the consolidated financial statements, complies with German legal requirements, and appropriately presents the opportunities and risks of future development. In addition, the executive directors are responsible for such arrangements and measures (systems) as they have considered necessary to enable the preparation of a combined management report that is in accordance with the applicable German legal requirements, and to be able to provide sufficient appropriate evidence for the assertions in the combined management report.

The supervisory board is responsible for overseeing the group's financial reporting process for the preparation of the consolidated financial statements and of the combined management report.

Auditor's responsibilities for the audit of the consolidated financial statements and of the combined management report

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and whether the combined management report as a whole provides an appropriate view of the group's position and, in all material respects, is consistent with the consolidated financial statements and the knowledge obtained in the audit, complies with the German legal requirements and appropriately presents the opportunities and risks of future development, as well as to issue an auditor's report that includes our opinions on the consolidated financial statements and on the combined management report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with § 317 HGB and the EU Audit Regulation and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer (IDW) and supplementary compliance with the ISAs will always detect a material misstatement. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements and this combined management report.

We exercise professional judgment and maintain professional skepticism throughout the audit. We also

- identify and assess the risks of material misstatement of the consolidated financial statements and of the combined management report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our audit opinions. The risk of not detecting a material misstatement resulting from fraud is higher than the risk of not detecting a material misstatement resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- obtain an understanding of internal control relevant to the audit of the consolidated financial statements and of arrangements and measures (systems) relevant to the audit of the combined management report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an audit opinion on the effectiveness of these systems.
- evaluate the appropriateness of accounting policies used by the executive directors and the reasonableness of estimates made by the executive directors and related disclosures.

- conclude on the appropriateness of the executive directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the consolidated financial statements and in the combined management report or, if such disclosures are inadequate, to modify our respective audit opinions. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group to cease to be able to continue as a going concern.
 - evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements present the underlying transactions and events in a manner that the consolidated financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the group in compliance with IFRSs as adopted by the EU and the additional requirements of German commercial law pursuant to § 315e (1) HGB.
 - obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express audit opinions on the consolidated financial statements and on the combined management report. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinions.
 - evaluate the consistency of the combined management report with the consolidated financial statements, its conformity with [German] law, and the view of the group's position it provides.
 - perform audit procedures on the prospective information presented by the executive directors in the combined management report. On the basis of sufficient appropriate audit evidence we evaluate, in particular, the significant assumptions used by the executive directors as a basis for the prospective information, and evaluate the proper derivation of the prospective information from these assumptions. We do not express a separate opinion on the prospective information and on the assumptions used as a basis. There is a substantial unavoidable risk that future events will differ materially from the prospective information.
- We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
- We also provide those charged with governance with a statement that we have complied with the relevant independence requirements, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and, where applicable, the actions taken or safeguards applied to eliminate independence threats. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter.

Other legal and regulatory requirements

Report on the assurance on the electronic rendering of the consolidated financial statements and the combined management report, prepared for publication purposes in accordance with § 317 (3a) HGB

Assurance Opinion

We have performed assurance work in accordance with § 317 (3a) HGB to obtain reasonable assurance as to whether the rendering of the consolidated financial statements and the combined management report (hereinafter the "ESEF documents") contained in the electronic file "529900Y9QTEFHFEKQ736-2022-12-31-de (3).zip" and prepared for publication purposes complies in all material respects with the requirements of § 328 (1) HGB for the electronic reporting format ("ESEF format"). In accordance with German legal requirements, this assurance work extends only to the conversion of the information contained in the consolidated financial statements and the combined management report into the ESEF format and therefore relates neither to the information contained within these renderings nor to any other information contained in the file identified above.

In our opinion, the rendering of the consolidated financial statements and the combined management report contained in the electronic file identified above and prepared for publication purposes complies in all material respects with the requirements of § 328 (1) HGB for the electronic reporting format. Beyond this assurance opinion and our audit opinion on the accompanying consolidated financial statements and the accompanying combined management report for the financial year from 1 January 2022 to 31 December 2022 contained in the "REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS AND OF THE COMBINED MANAGEMENT REPORT" above, we do not express any assurance opinion on the information contained within these renderings or on the other information contained in the file identified above.

Basis for the Assurance Opinion

We conducted our assurance work on the of the consolidated financial statements and the combined management report contained in the file identified above in accordance with § 317 (3a) HGB and the IDW Assurance Standard: Assurance Work on the Electronic Rendering of Financial Statements and Management Reports, Prepared for Publication Purposes in Accordance with § 317 (3a) HGB (IDW AsS 410 (06.2022)). Our responsibility in accordance therewith is further described in the "Auditor's Responsibilities for the Assurance Work on the ESEF Documents" section. Our audit firm has applied the requirements of the IDW Quality Management Standards, which implement the IAASB's International Standards on Quality Management.

Responsibilities of the Executive Directors and the Supervisory Board for the ESEF Documents

The executive directors of the company are responsible for the preparation of the ESEF documents with the electronic renderings of the consolidated financial statements and the combined management report in accordance with § 328 (1) sentence 4 No. 1 HGB and for the tagging of the consolidated financial statements in accordance with § 328 (1) sentence 4 No. 2 HGB. In addition, the executive directors of the company are responsible for such internal controls that they have considered necessary to enable the preparation of ESEF documents that are free from material intentional or unintentional non-compliance with the requirements of § 328 (1) HGB for the electronic reporting format.

The supervisory board is responsible for overseeing the process for preparing the ESEF documents as part of the financial reporting process.

Auditor's Responsibilities for the Assurance Work on the ESEF documents

Our objective is to obtain reasonable assurance about whether the ESEF documents are free from material intentional or unintentional non-compliance with the requirements of § 328 (1) HGB. We exercise professional judgment and maintain professional skepticism throughout the assurance work. We also

- identify and assess the risks of material intentional or unintentional non-compliance with the requirements of § 328 (1) HGB, design and perform assurance procedures responsive to those risks, and obtain assurance evidence that is sufficient and appropriate to provide a basis for our assurance opinion.
- obtain an understanding of internal control relevant to the assurance on the ESEF documents in order to design assurance procedures that are appropriate in the circumstances, but not for the purpose of expressing an assurance opinion on the effectiveness of these controls.
- evaluate the technical validity of the ESEF documents, i.e. whether the file containing the ESEF documents meets the requirements of the Delegated Regulation (EU) 2019/815, in the version in force at the date of the financial statements, on the technical specification for this electronic file.
- evaluate whether the ESEF documents provide an XHTML rendering with content equivalent to the audited consolidated financial statements and to the audited combined management report.
- evaluate whether the tagging of the ESEF documents with Inline XBRL technology (iXBRL) in accordance with the requirements of Articles 4 and 6 of the Delegated Regulation (EU) 2019/815, in the version in force at the date of the financial statements, enables an appropriate and complete machine-readable XBRL copy of the XHTML rendering.

Further information pursuant to article 10 of the EU audit regulation

We were elected as group auditor by the consolidated general meeting on 30 August 2022. We were engaged by the chairman of the audit committee of the supervisory board on 9 November 2022. We have been the group auditor of the Deutsche EuroShop AG without interruption since the financial year 2005.

We declare that the audit opinions expressed in this auditor's report are consistent with the additional report to the audit committee pursuant to Article 11 of the EU Audit Regulation (long-form audit report).

Other matter – use of the auditor's report

Our auditor's report must always be read together with the audited consolidated financial statements and the audited combined management report as well as the assured ESEF documents. The consolidated financial statements and the combined management report converted to the ESEF format — including the versions to be published in the German Federal Gazette — are merely electronic renderings of the audited consolidated financial statements and the audited combined management report and do not take their place. In particular, the ESEF report and our assurance opinion contained therein are to be used solely together with the assured ESEF documents provided in electronic form.

German public auditor responsible for the engagement

The German Public Auditor responsible for the engagement is Olaf Oleski.

Hamburg, 12 April 2023

BDO AG
Wirtschaftsprüfungsgesellschaft

sgd. Kaletta sgd. Oleski
Wirtschaftsprüfer Wirtschaftsprüfer

EPRA REPORTING

The Brussels-based European Public Real Estate Association (EPRA) has set itself the goal of improving the transparency and comparability of reports published by listed companies in Europe. To this end, EPRA has defined key figures in its Best Practices Recommendations. Deutsche EuroShop supports this goal as a member of EPRA.

The EPRA Best Practices Recommendations (hereinafter "BPR"), as amended,¹ were used to determine the key figures. February 2022 saw the publication of the current revised BPR, which include the introduction of an EPRA loan-to-value ratio (LTV) as a key change.

Overview of EPRA key figures

	31.12.2022		31.12.2021		Change	
	in € thousand	per share in €	in € thousand	per share in €	+/- in € thousand	in %
EPRA Earnings	129,596	2.10	121,958	1.97	7,638	6.3
EPRA NRV	2,563,274	41.49	2,601,155	42.10	-37,881	-1.5
EPRA NTA	2,335,915	37.81	2,374,450	38.43	-38,535	-1.6
EPRA NDV	2,130,683	34.49	1,999,963	32.37	130,820	6.5

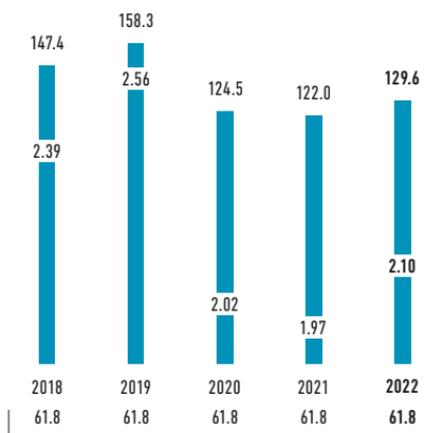
	31.12.2022		31.12.2021		Change	
	in %		in %		in % points	
EPRA loan-to-value ratio (EPRA LTV)	33.1		33.2		-0.1	
EPRA net initial yield (EPRA NIY)	5.4		5.1		0.3	
EPRA "topped-up" net initial yield	5.4		5.1		0.3	
EPRA cost ratio (incl. direct vacancy costs)	27.3		28.2		-0.9	
EPRA cost ratio (excl. direct vacancy costs)	26.3		27.3		-1.0	
EPRA vacancy rate	5.7		5.7		0.0	

¹ The current version of the EPRA Best Practices Recommendations can be found at <http://www.epra.com/finance/financial-reporting/guidelines>

EPRA EARNINGS

EPRA Earnings represent sustained operating earnings and thus lay the foundation for a real estate company's ability to pay a dividend. To calculate this, the profit/loss for the year is adjusted to reflect any income components that have no sustained, recurring impact on operational performance. EPRA Earnings are therefore essentially comparable with the "funds from operations" (FFO) parameter that we employ. In contrast to EPRA Earnings, in the case of FFO all non-cash deferred taxes are adjusted.

EPRA Earnings
in € million / per share in €



Weighted number of no-par-value shares issued in million

EPRA Earnings

	01.01.–31.12.2022			01.01.–31.12.2021			Change	
	in € thousand	in € thousand	per share in €	in € thousand	in € thousand	per share in €	per share in €	in %
Consolidated profit		21,357	0.35		59,945	0.97	-0.62	-63.9
Measurement gains / losses on investment properties	89,746			58,821				
Measurement gains / losses on investment properties (at equity)	16,604			-4,092				
Measurement gains / losses on investment properties ¹		106,350	1.72		54,729	0.89	0.83	93.3
Measurement gains / losses on derivative financial instruments ¹		0	0.00		0	0.00	0.00	-
Deferred taxes on adjustments ¹		1,889	0.03		7,284	0.11	-0.08	-72.7
EPRA Earnings		129,596	2.10		121,958	1.97	0.13	6.6
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

NET ASSET VALUE

EPRA net reinstatement value (EPRA NRV):

The EPRA NRV determines the long-term net asset value that would be required to rebuild the Company in the existing form. This approach

excludes sales of assets and consequently does not include deferred taxes. The ancillary acquisition costs needed to rebuild the entity are added back at their appraisal value.

EPRA NRV

	31.12.2022		31.12.2021	
	in € thousand	per share in €	in € thousand	per share in €
Equity	2,036,237	32.96	2,062,866	33.39
Derivative financial instruments measured at fair value ¹	5,637	0.09	23,398	0.38
Deferred taxes on investment properties and derivative financial instruments ¹	345,789	5.60	339,937	5.50
Goodwill as a result of deferred taxes	-51,719	-0.84	-51,719	-0.84
Less ancillary acquisition costs ¹	227,330	3.68	226,673	3.67
EPRA NRV	2,563,274	41.49	2,601,155	42.10
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

EPRA net tangible assets (EPRA NTA):

EPRA NTA measures the net asset value of a company based on a business model with a long-term focus. To do so, Group equity is adjusted for assets and liabilities that are unlikely to be realised if held over the long term. Deutsche

EuroShop does not include deferred taxes when calculating the EPRA NTA as Deutsche EuroShop's business model is geared towards generating long-term rental income rather than selling shopping centers for short-term profit.

EPRA NTA

	31.12.2022		31.12.2021	
	in € thousand	per share in €	in € thousand	per share in €
EPRA NRV	2,563,274	41.49	2,601,155	42.10
Ancillary acquisition costs ¹	-227,330	-3.68	-226,673	-3.67
Intangible assets	-29	0.00	-32	0.00
EPRA NTA	2,335,915	37.81	2,374,450	38.43
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

EPRA net disposal value (EPRA NDV):

The EPRA NDV indicates the net asset value that would result if the assets and liabilities were not held to maturity. The EPRA NDV thus also factors in assets and liabilities measured at fair value as at the reporting date, which are unlikely to be

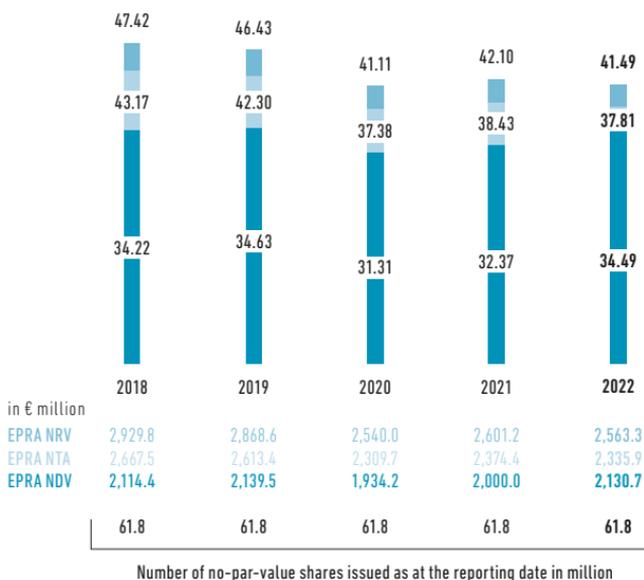
realised taking a long-term view. In addition, it is assumed that deferred taxes from the balance sheet and from the fair value measurement of the financial liabilities will be realised and will therefore have to be deducted.

EPRA NDV

	31.12.2022		31.12.2021	
	in € thousand	per share in €	in € thousand	per share in €
EPRA NRV	2,563,274	41.49	2,601,155	42.10
Ancillary acquisition costs ¹	-227,330	-3.68	-226,673	-3.67
Derivative financial instruments measured at fair value ¹	-5,637	-0.09	-23,398	-0.38
Difference between non-accounted financial liabilities measured at fair value and their carrying amount ¹	176,083	2.85	-15,346	-0.25
Deferred taxes on difference between non-accounted financial liabilities measured at fair value and their carrying amount ¹	-29,918	-0.48	4,162	0.07
Deferred taxes on investment properties and derivative financial instruments ¹	-345,789	-5.60	-339,937	-5.50
EPRA NDV	2,130,683	34.49	1,999,963	32.37
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

EPRA NRV / NTA / NDV per share in € / in € million



EPRA loan-to-value ratio ("EPRA LTV")

The EPRA LTV² indicates the ratio of net debt to real estate assets. The assets and liabilities taken into account in the calculation are included in proportion to the Group's share in

the respective items. Reporting is in accordance with the Best Practices Recommendations for the first time in 2022. The main difference to the LTV figures previously reported in the Group is the inclusion of other assets in the EPRA LTV.

EPRA LTV

in € thousand	31.12.2022				31.12.2021			
	Group	at-equity	Share of third-party shareholders	Total (proportional)	Group	at-equity	Share of third-party shareholders	Total (proportional)
Bank loans and overdrafts	1,479,251	143,899	-142,001	1,481,149	1,502,114	145,664	-143,229	1,504,549
Securities	0	0	0	0	0	0	0	0
Hybrid financial instruments	0	0	0	0	0	0	0	0
Bonds	0	0	0	0	0	0	0	0
Derivative financial instruments in foreign currency	0	0	0	0	0	0	0	0
Other liabilities (net)	0	0	0	0	0	0	0	0
Owner-occupied property (liabilities)	354	0	0	354	88	0	0	88
Debt with equity features	0	0	0	0	0	0	0	0
Less cash and cash equivalents	-334,943	-15,351	19,400	-330,894	-328,839	-13,415	17,915	-324,339
Net debt	1,144,662	128,548	-122,601	1,150,609	1,173,363	132,249	-125,314	1,180,298
Investment properties	3,329,995	574,696	-430,546	3,474,145	3,393,554	590,441	-439,847	3,544,148
Owner-occupied property	351	0	0	351	86	0	0	86
Real estate assets held for sale	0	0	0	0	0	0	0	0
Real estate assets under construction	0	0	0	0	0	0	0	0
Intangible assets (excluding goodwill)	29	0	0	29	32	0	0	32
Other assets (net)	2,468	1,780	-803	3,445	6,600	1,988	-1,988	6,600
Financial assets	0	0	0	0	0	0	0	0
Property assets	3,332,843	576,476	-431,349	3,477,970	3,400,272	592,429	-441,835	3,550,866
EPRA LTV in %				33.1				33.2

² The EPRA LTV is almost identical to our (proportional) LTV previously presented in the combined management report, which was also calculated on the basis of the Group's share in the assets and liabilities of the subsidiaries and joint ventures. In contrast to the previous (proportional) LTV, the EPRA LTV includes additional assets and liabilities. The main other item is Other assets (net). Other assets (net) include trade receivables as well as other assets less trade payables, tax liabilities, other provisions and other current liabilities.

EPRA net initial yield and EPRA "topped-up" net initial yield

The EPRA net initial yield is calculated on the basis of annualised rental income as at the reporting date less the costs that are not allocable to tenants, calculated in proportion to the

market value of the property including ancillary acquisition costs. The EPRA "topped-up" net initial yield also takes into account granted rental incentives in the determination of annualised rental income.

EPRA net initial yield (EPRA NIY) and EPRA "topped-up" net initial yield

in € thousand	31.12.2022	31.12.2021
Market value investment properties	3,329,995	3,393,554
Market value investment properties (at equity)	574,696	590,441
Market value investment properties	3,904,691	3,983,995
Less expanded space ¹	-10,960	-10,960
Less ancillary acquisition costs ¹	227,330	226,673
Market value investment properties (gross)	4,121,061	4,199,708
Annualised rental income ¹	249,739	244,107
Non-allocable property expenses ¹	-28,191	-28,843
Annualised net rental income	221,548	215,264
Rental incentives and other rental adjustments ¹	1,037	1,015
Annualised "topped-up" net rental income	222,585	216,279
EPRA net initial yield (EPRA NIY) in %	5.4	5.1
EPRA "topped-up" net initial yield in %	5.4	5.1

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

EPRA vacancy rate

The EPRA vacancy rate is the ratio of the market value of vacant space to the market rent of the entire portfolio as at the reporting date.

EPRA vacancy rate

in € thousand	31.12.2022	31.12.2021
Market rent for vacancy ¹	13,714	13,727
Total market rent ¹	239,521	239,970
EPRA vacancy rate in %	5.7	5.7

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

EPRA cost ratio

The EPRA cost ratio compares the sum of operating and administrative costs with rental income, allowing for an estimation of cost efficiency across comparable real estate companies. Operating and administrative costs comprise all expenses that cannot be allocated or passed on from the management of the property portfolio (excluding depreciation, interest and taxes) as well as Group management costs. Costs are not capitalised.

EPRA cost ratio

in € thousand	01.01. - 31.12.2022	01.01. - 31.12.2021
Operating and administrative costs for property ¹	43,104	38,240
Write-downs and derecognition of receivables ¹	9,957	28,862
Other operating expenses ¹ excluding financing costs	21,059	8,404
Other revenue from cost allocations and reimbursements ¹	-7,079	-6,763
EPRA costs (incl. direct vacancy costs)	67,041	68,743
Direct vacancy costs ¹	-2,599	-2,230
EPRA costs (excl. direct vacancy costs)	64,442	66,513
Rental revenue (excluding cost allocations and reimbursements) ¹	245,327	243,603
EPRA cost ratio (incl. direct vacancy costs)² in %	27.3	28.2
EPRA cost ratio (excl. direct vacancy costs)³ in %	26.3	27.3

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

² The EPRA cost ratio (incl. direct vacancy costs) excluding write-downs and derecognition of receivables would be 23.3% (previous year: 16.4%).

³ The EPRA cost ratio (excl. direct vacancy costs) excluding write-downs and derecognition of receivables would be 22.2% (previous year: 15.5%).

Investments in real estate assets

Investments in the Group's real estate assets amounted to:

EPRA investments in real estate assets

in € thousand	31.12.2022			31.12.2021		
	Group	at-equity	Total	Group	at-equity	Total
Acquisitions	0	0	0	0	0	0
Developments, new construction	0	0	0	0	0	0
Investment properties						
Creation of additional rental space	0	0	0	0	0	0
Without creation of additional rental space	39,483	859	40,342	18,732	1,758	20,490
Rental incentives	5,559	243	5,802	3,050	399	3,449
EPRA investments in real estate assets¹	45,042	1,102	46,144	21,782	2,157	23,939

¹ Investments in 2022 and 2021 almost entirely affect cash in the year in question.

Investments in portfolio properties result from investments in center infrastructure and rental areas as well as the "At-your-Service" and "Mall Beautification" investment programmes launched in the 2018 financial year and continued in the current financial year. Interest was not capitalised as part of the investments.



SERVICE

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Forum,
Wetzlar

GLOSSARY

Advertising value equivalence

Index number for the assessment of the monetary value of an editorial article. It is based on the advertising rate of the medium.

Annual financial statement

Under German (HGB) accounting principles, the annual financial statements consist of a company's balance sheet, profit and loss account, the notes to the financial statements and the management report. The annual financial statements of a public company are prepared by its executive board, audited by a certified public accountant (in Germany: Wirtschaftsprüfer) and adopted by the supervisory board.

Benchmark

A standard of comparison, e.g. an index which serves as a guideline.

Cash flow per share (CFPS)

The cash flow per share is calculated by dividing the cash flow by the number of shares issued by a company. The cash flow per share is taken as the basis for calculating the price/cash flow ratio. Class of assets Division of the capital and real estate market into different classes of assets or asset segments.

Collection Ratio

The collection ratio measures the ratio of incoming payments to rent and service charge receivables from tenants.

Consumer price index

Also called the cost-of-living index, this is calculated in Germany by the Federal Statistical Office on a monthly basis. The CPI is the most important statistical indicator of a change in prices; the price of a basket of goods during a given period is compared with

the price of the same basket during the base year. This change is also known as the inflation rate.

Core

Designation of a real estate investment and/or individual properties as well as the name of an investment style. The term refers to the relationship between risk and return. Core designates mature, transparent, sufficiently large markets or high-quality, well-situated properties that are fully let on a long-term basis to tenants with strong credit ratings. Other return/risk categories are value-added and opportunistic.

Corporate governance

The rules for good, value-driven corporate management. The objective is to control the company's management and to create mechanisms to oblige executives to act in the interests of their shareholders. Covenants A clause in a loan agreement which pertains to and contractually defines the binding warranties to be adhered to by the borrower during the term of a loan.

Coverage

Information provided on a listed public company by banks and financial analysts in the form of studies and research reports.

DAX

Germany's premier equity index. The composition of the DAX is established by Deutsche Börse AG on the basis of the share prices of the 40 largest German companies listed in the Prime Standard in terms of market capitalisation and market turnover.

Discounted-cashflow-modelL (DCF)

Method for the assessment of companies which is used to determine the future payments surpluses and discount them to the valuation date.

Dividend

The share of the distributed net profit of a company to which a shareholder is entitled in line with the number of shares he or she holds.

EBIT

Earnings before interest and taxes. DES calculation: EBT excluding net finance costs and measurement gains / losses (also see the consolidated income statement on page 162).

EBT

Earnings before Taxes.

EBT (excluding measurement gains / losses)

DES calculation: EBT less measurement gains / losses (including at-equity profit / loss) and less the deferred taxes included in at-equity profit / loss.

E-commerce

Direct commercial relationship between supplier and buyer via the internet including the provision of services.

EPRA

European Public Real Estate Association: EPRA is an Amsterdam-based organisation that represents the interests of the major European real estate companies in the public sphere and supports the development and market presence of European real estate corporations.

EPRA earnings

EPRA earnings represent sustained operating earnings and thus lay the foundation for a real estate company's ability to pay a dividend. To calculate this, the profit / loss for the year is adjusted to reflect any income components that have no sustained, recurring impact on operational performance.

The DES calculation is performed using the currently valid version of the EPRA Best Practice Recommendations, which can be found at www.epra.com/finance/financial-reporting/guidelines

EPRA NTA

EPRA NTA: The EPRA NTA represents the net asset value based on a long-term business model. Here, Group equity is adjusted for assets and liabilities that are unlikely to be realised if held over the long term. Intangible assets are eliminated in the process. The DES calculation is performed using the currently valid version of the EPRA Best Practice Recommendations, which can be found at www.epra.com/finance/financial-reporting/guidelines

Fair value

The Fair Value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (exit price).

Food court

Catering area of a shopping center, in which different vendors sell food at stations about a common seating area.

Free cash flow

The surplus cash generated from operating activities recognised in the profit and loss account. This expresses a company's internal financing power, which can be used for investments, the repayment of debt, dividend payments and to meet funding requirements.

Funds from operations (FFO)

Inflow of funds from operations used to finance our ongoing investments in portfolio properties, scheduled repayments on our bank loans and the annual distribution of dividends.

DES calculation: Consolidated profit after adjustment for measurement gains/losses (including at-equity profit/loss), the noncash expense of conversion rights and deferred tax expense.

Gearing

Ratio which shows the relationship between liabilities and equity.

Hedge accounting

Financial mapping of two or more financial instruments that hedge one another.

ifo business climate index

The ifo Business Climate Index is an important forward indicator for economic development in Germany. In order to calculate the index, the ifo Institute asks approximately 7,000 companies every month for their assessment of the economic situation and their short-term corporate planning.

Interest rate swap

Exchange of fixed and variable interest payable on two nominal amounts of capital for a fixed period. By means of an interest rate swap, interest rate risks may be controlled actively.

International financial reporting standards (IFRS)

International Financial Reporting Standards are based on International Accounting Standards (IASs). Since 1 January 2005, listed companies have been required to apply IFRSs. IASs/IFRSs focus on the decision-usefulness of accounts. The key requirement with regard to the annual financial statements is fair presentation that is not qualified by aspects of prudence or risk provision.

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).

Mall

Row of shops in a shopping center.

Market capitalisation

The current quoted price for a share multiplied by the number of shares listed on the stock.

MDAX

German mid-cap index comprising the 50 most important securities after the 40 DAX members.

Measurement gains/ losses

DES calculation: Measurement gains/losses comprise unrealised changes in the market value of properties held as a financial investment (investment properties) before taxes. In the case of fully consolidated companies, the portion of the company that does not belong to the Group is deducted. Measurement gains/losses of associates and joint ventures accounted for using the equity method are contained in the at-equity profit/loss.

**Measurement gains / losses
(including at-equity profit / loss)**

DES calculation: Measurement gains / losses plus the measurement gains / losses included in at-equity profit / loss.

Multi channeling

Using a combination of online and offline communication tools in marketing.

Net asset value (NAV)

The value of an asset after deduction of liabilities. With regard to shares, the NAV constitutes their intrinsic value. The net net asset value (NNAV) is calculated by deducting deferred taxes from the NAV.

Net finance costs

Net finance costs at DES comprise the following income statement items: Share of the profit or loss of associates and joint ventures accounted for using the equity method, interest expense and income, the share of profit attributable to limited partners, income from investments and all other financial income and expenditure.

Peer-group

A share price performance benchmark consisting of companies from similar sectors, put together on the basis of individual criteria.

Performance

The term performance describes the percentage appreciation of an investment or a securities portfolio during a given period.

Retail space

Space in a building and /or an open area that is used for sales by a retail operation and that is accessible to customers. Service areas required for operational and legal purposes are not taken into account, nor are stairways or shop windows. The retail space is part of the leasable space of a business.

Roadshow

Corporate presentations to institutional investors.

Savings ratio

Share of savings of the income available in households.

SDAX

The small-cap index comprising the 70 most important securities after the members of the DAX (40 members) and the MDAX (50 members).

Subprime

Mortgage loan to borrower with a low degree of creditworthiness.

TecDAX

The successor to the NEMAX 50, comprising the 30 largest German listed technology securities in terms of market capitalisation and market turnover.

Volatility

Statistical measure for price fluctuations. The greater the fluctuations in the price of a security, the higher its volatility.

Xetra

An electronic stock ex-change trading system that, in contrast to floor trading, uses an open order book, thus increasing market transparency. The trading hours

MULTI-YEAR OVERVIEW

in € million	2013	2014	2015
Revenue ⁵	188.0	200.8	202.9
EBIT	165.8	177.5	176.3
Net finance costs (excluding measurement gains / losses ¹)	-52.3	-52.5	-49.3
EBT (excluding measurement gains / losses ¹)	113.4	125.0	127.0
Measurement gains / losses ¹	58.4	89.7	267.7
Consolidated profit	171.0	177.4	309.3
Funds from Operations (FFO)	112.0	120.5	123.4
FFO per share in €	2.08	2.23	2.29
Earnings per share in € ²	3.17	3.29	5.73
EPRA Earnings per share in €	1.74	1.84	2.18
Equity ³	1,642.4	1,751.2	2,061.0
Liabilities	1,752.5	1,741.0	1,790.6
Total assets	3,394.9	3,492.2	3,851.6
Equity ratio in % ³	48.4	50.1	53.5
Cash and cash equivalents	40.8	58.3	70.7
Net tangible assets (EPRA)	1,650.4	1,789.4	2,135.2
Net tangible assets per share in € (EPRA)	30.59	33.17	39.12
Dividend per share in €	1.25	1.30	1.35

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

² undiluted

³ incl. non controlling interests

⁴ proposal

⁵ In 2020, there was a change in the disclosure of revenue with adjustment of the comparative figure for the previous year 2019. A comparison with the years 2013 to 2018 is therefore only possible to a limited extent.

QUARTERLY FIGURES

2022

in € million	01.01.– 31.03.2022	01.04.– 30.06.2022	01.07.– 30.09.2022	01.10.– 31.12.2022
Revenue	52.1	53.6	53.0	54.1
Net operating income (NOI)	40.4	43.7	39.8	43.6
EBIT	39.3	36.7	35.5	40.9
EBT (excluding measurement gains / losses ¹)	33.4	31.3	29.7	35.8
EPRA Earnings	31.3	29.5	29.7	39.1
FFO	31.3	35.4	29.7	33.7
EPRA Earnings per share in €	0.51	0.47	0.49	0.63
FFO per share in €	0.51	0.57	0.48	0.55

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



2016	2017	2018	2019	2020	2021	2022
205.1	218.5	225.0	231.5	224.1	211.8	212.8
178.6	192.4	199.1	197.5	161.2	152.5	152.4
-44.1	-39.1	-38.2	-34.3	-33.6	-26.9	-22.3
134.5	153.3	160.9	163.1	127.6	125.6	130.2
145.5	12.9	-58.3	-120.0	-429.6	-54.7	-106.4
221.8	134.3	79.4	112.1	-251.7	59.9	21.4
129.9	148.1	150.4	149.6	123.3	122.3	130.1
2.41	2.54	2.43	2.42	2.00	1.98	2.11
4.11	2.31	1.29	1.81	-4.07	0.97	0.35
2.29	2.42	2.39	2.56	2.02	1.97	2.10
2,240.7	2,574.9	2,573.4	2,601.5	2,314.8	2,377.8	2,343.4
1,873.8	2,052.1	2,036.8	1,957.1	1,922.6	1,901.0	1,864.7
4,114.5	4,627.0	4,610.2	4,558.6	4,237.4	4,278.8	4,208.1
54.5	55.6	55.8	57.1	54.6	55.6	55.7
64.0	106.6	116.3	148.1	266.0	328.8	334.9
2,332.6	2,668.4	2,667.5	2,613.4	2,309.7	2,374.5	2,335.9
43.24	43.19	43.17	42.30	37.38	38.43	37.81
1.40	1.45	1.50	0.00	0.04	1.00	2.50 ⁴



**Main-Taunus-
Zentrum,
Sulzbach**



LEGAL

Published by

Deutsche EuroShop AG
Heegbarg 36
22391 Hamburg
Germany

Phone: +49 (0)40 - 41 35 79 0

Fax: +49 (0)40 - 41 35 79 29

www.deutsche-euroshop.de
ir@deutsche-euroshop.de

Editors

Patrick Kiss
(Editor in chief)
Nicolas Lissner
(Editorial management)

Translation

Lionbridge

Guest Editors

Annabell Behrmann, Giovanni Giampietri,
and Martin Witt

Concept

Deutsche EuroShop AG, Hamburg

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Ben Pakalski, tegut.

Responsible for the editorial content
Deutsche EuroShop AG, Hamburg

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HIGHLIGHTS

- (Travel)Report of the Board
- Many details about the DES centers
- Travel and experience tips
- Destinations of the DES team
- Shopping trends & tips
- News from the portfolio
- Investor relations activities
- ESG report
- and the Group's management report and annual financial statements.



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