ANNUAL REPORT

DES 23

feelestate.de

EAT. SHOP. LAUGH.

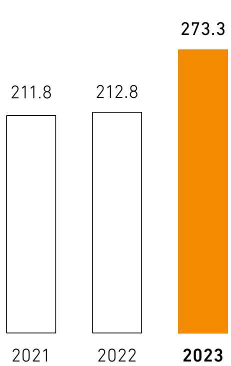
The right ingredients for a perfect shopping experience

KEY FIGURES

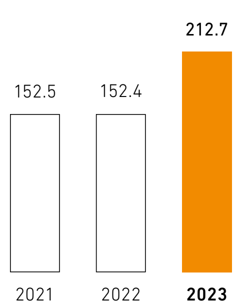
in € millions / per share	2023	2022	+/–
Revenue	273.3	212.8	28 %
Net operating income (NOI)	214.9	167.5	28 %
EBIT	212.7	152.4	40 %
Net finance costs (excluding measurement gains / losses[1])	–43.2	–22.3	–94 %
EBT (excluding measurement gains / losses[1])	169.5	130.2	30 %
Measurement gains / losses[1]	–209.1	–106.4	–97 %
Consolidated profit	–38.3	21.4	–
FFO per share	2.28	2.11	8 %
Earnings per share	–0.51	0.35	–
EPRA Earnings per share	2.29	2.10	9 %
Equity[2]	2,379.0	2,343.4	2 %
Liabilities	2,081.2	1,864.7	12 %
Total assets	4,460.2	4,208.1	6 %
Equity ratio in %[2]	53.3	55.7	
Loan to value (LTV) in %	33.2	30.2	
EPRA LTV in %[3]	34.8	33.5	
Cash and cash equivalents	336.1	334.9	0 %
Net tangible assets (EPRA)	2,414.4	2,335.9	3 %
Net tangible assets per share (EPRA)	31.58	37.81	–16 %
Dividend per share	0.80[5]	4.45[4]	–

[1] Including the share attributable to equity-accounted joint ventures and associates
[2] Incl. non controlling interests
[3] EPRA loan-to-value ratio (EPRA LTV ratio): 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.
[4] includes the dividend of €1.95 and €2.50 per share resolved on 29 August 2023 and 8 January 2024 for financial year 2022.
[5] proposal

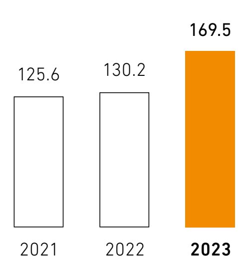
REVENUE
in € millions



EBIT
in € millions

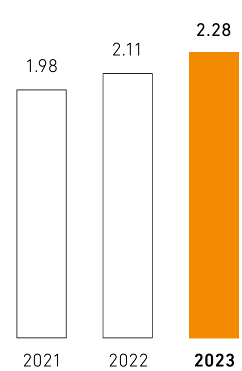


EBT[1]
in € millions



[1] excl. measurement gains / losses

FFO PER SHARE
in €



CONTENTS

Key figures 02
Our values – our goals 03
Report of the Executive Board 04

08

SHOPPING
Digital strategy 09
My purchase of the year 12
Shopping and culinary diversity 14
The new "foodgarden" 18

24

OUR SHOPPING CENTERS
Activities In the centers 36
Casual dining concepts 38
Gastronomy concepts 42
Bicycle specialist B.O.C 47
Food news from the portfolio 48
Center overview 50

70

ESG REPORT
EPRA SBPR reporting 2023 83
The Supervisory Board 92
Memberships and recognised codes 96
Report of the Supervisory Board 98
Corporate Governance 104

112

INVESTOR RELATIONS
The shopping center share 112

124

COMBINED MANAGEMENT REPORT
Basic information about the Group 126
Economic review 128
Report on events after the reporting date 141
Outlook 141
Risk report 143
Opportunity report 149
Report of the Executive Board on relations with affiliated companies 150
Acquisition reporting 150
Declaration on Corporate Governance 151
Reporting on the Annual Financial Statements of Deutsche Euroshop AG 151

154

CONSOLIDATED FINANCIAL STATEMENTS
Consolidated Balance Sheet 156
Consolidated Income Statement 158
Statement of Comprehensive Income 159
Consolidated Statement of Changes in Equity 160
Consolidated Cash Flow Statement 161
Notes to the Consolidated Financial Statements 162

RESPONSIBILITY STATEMENT BY THE EXECUTIVE BOARD 190

INDEPENDENT AUDITOR'S REPORT 192

EPRA REPORTING 200

208

SERVICE
Glossary 209
Multi-year overview 212
Quarterly figures 2023 212
Legal & Disclaimer 213

Our values

We are the only public limited company in Germany to invest exclusively in shopping centres in prime locations. We invest only in selected properties. High quality standards and a high degree of flexibility are just as important to us as sustainable income development through indexed and turnover-linked rental agreements. Added to this is an above-average occupancy rate and professional centre management. These are the core values of our success.

Our goals

For Deutsche EuroShop, it is not quick success that counts but a constantly stable portfolio performance. Our goal is to generate a high liquidity surplus from the long-term leasing of the shopping centres so that we can distribute an attractive dividend to our shareholders. With our investments, we focus on large, high-quality shopping centres in city centre locations and at established sites that operate as vibrant marketplaces in the commuter belt.

Report of the Executive Board

GREETINGS FROM THE *Kitchen*

**Dear shareholders,
dear friends of the company,
dear valued fun seekers,**

For this annual report, we have chosen the motto **"Eat. Shop. Laugh."**. This aptly sums up the various aspects of our shopping center world. Shopping is at the heart of all our activities. Laughter symbolises our approach to retailtainment. And eating represents the diversity of culinary experiences that we offer at our centers. In this report, alongside the usual facts and figures, this time we will present you with a delicious buffet of all things "food & drink".

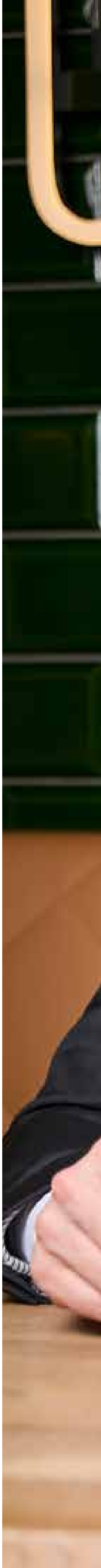
In keeping with this theme, as an **appetizer**, I would like to start by taking a look at the positive developments in our shopping center portfolio. We recorded significant growth in 2023, both in operational terms and in relation to our investment portfolio. Customer footfall and revenue from our tenants continued their recovery. Compared to 2022, 5.7 % more people visited our shopping centers and our tenants increased their retail sales by 8.6 %. In addition to this recovery in the existing portfolio, the acquisitions of shares in six shopping centers at the beginning of the year also had a positive impact on our key performance indicators.

Very pleasing business results for 2023 are on the menu as the **main course:** To aid comparability for you, the figures for 2022 relate to a pro forma group. As part of this, it is assumed that the acquisition of the additional shares in six property companies had already taken place at the beginning of 2022.

Accordingly, we recorded a slight increase in revenue in 2023 to €273.3 million, up 3.2 %. At €212.7 million, earnings before interest and taxes, or EBIT for short, were 9.5 % higher than in the previous year, while earnings before taxes excluding measurement gains / losses rose by 13.3 % to €169.5 million.

In 2023, we were able to allocate higher amounts than we had assumed with the Service charge invoices for the years 2020 and 2021, which were heavily affected by coronavirus. It also became apparent that our write-downs on receivables were not necessary in the amount initially recognised, which meant that we could reverse these partially too. This led to a non-recurring special effect in other operating income in the amount of approx. €15 million.

WE RECORDED
SIGNIFICANT GROWTH
2023



HANS-PETER KNEIP
Member of the Executive Board

Somen in the Altmarkt-Galerie, Dresden, offers traditional Korean dishes

With interest rates stabilising at a higher level, this development had a negative impact on the valuation of our real estate assets in the year under review and resulted in a measurement loss of €209.1 million. The average value of our centers, after ongoing investments, fell by 4.2 %. Unfortunately, this somewhat soured our overall very good operating results. The key indicator "EPRA net tangible assets", EPRA NTA, decreased accordingly by 8.5 % to €31.58 per share. Our occupancy rate at the end of the year was 93.3 %, partly due to temporary vacancies as part of major restructuring measures, e.g. at the A10 Center and Stadt-Galerie, Hamelin.

The measurement loss resulted in a consolidated loss of €–38.3 million in 2023, after a consolidated profit of €21.4 million in the previous year. EPRA earnings, which exclude measurement gains / losses, increased by 15.4 % to €172.4 million or €2.29 per share. Funds from operations were up by 14.5 % to €171.3 million or €2.28 per share.

Our total assets increased by €252,1 million to €4.46 billion as a result of the share acquisitions at the beginning of 2023, the equity ratio at the end of the year was 53.3 %, and the loan-to-value (LTV) ratio, which represents the ratio of net financial liabilities to non-current assets, was 33.2 %.

With regard to financing, only scheduled repayments are due this year, and refinancing does not have to be agreed until 2025. At the end of the year, our consolidated loans with 20 banks and savings banks were fixed at an average interest rate of 2.43 % with an average residual maturity of 5.8 years.

WHAT'S ON THE MENU FOR 2024?

- **We expect revenue of between €268 million and €274 million.**
- **We are forecasting earnings before interest and taxes (EBIT) in the current year of between €204 million and €210 million.**
- **Earnings before taxes (EBT) excluding measurement gains / losses for 2024 are expected to be between €149 million and €155 million.**
- **We expect funds from operations (FFO) to be in the range of €1.91 to €1.99 per share.**

In short, we were able to increase our operating earnings significantly, while consolidated profit was down due to measurement losses on the back of higher interest rates. Our balance sheet remains solid and long-term financing is secured.

Based on the results for financial year 2023, we are currently planning to propose to the Annual General Meeting the distribution of a dividend of €0.80 per share as **dessert**. We reserve the right to sweeten the dessert and adjust the dividend if a higher disbursement proves possible and expedient due to the creation of additional liquidity.

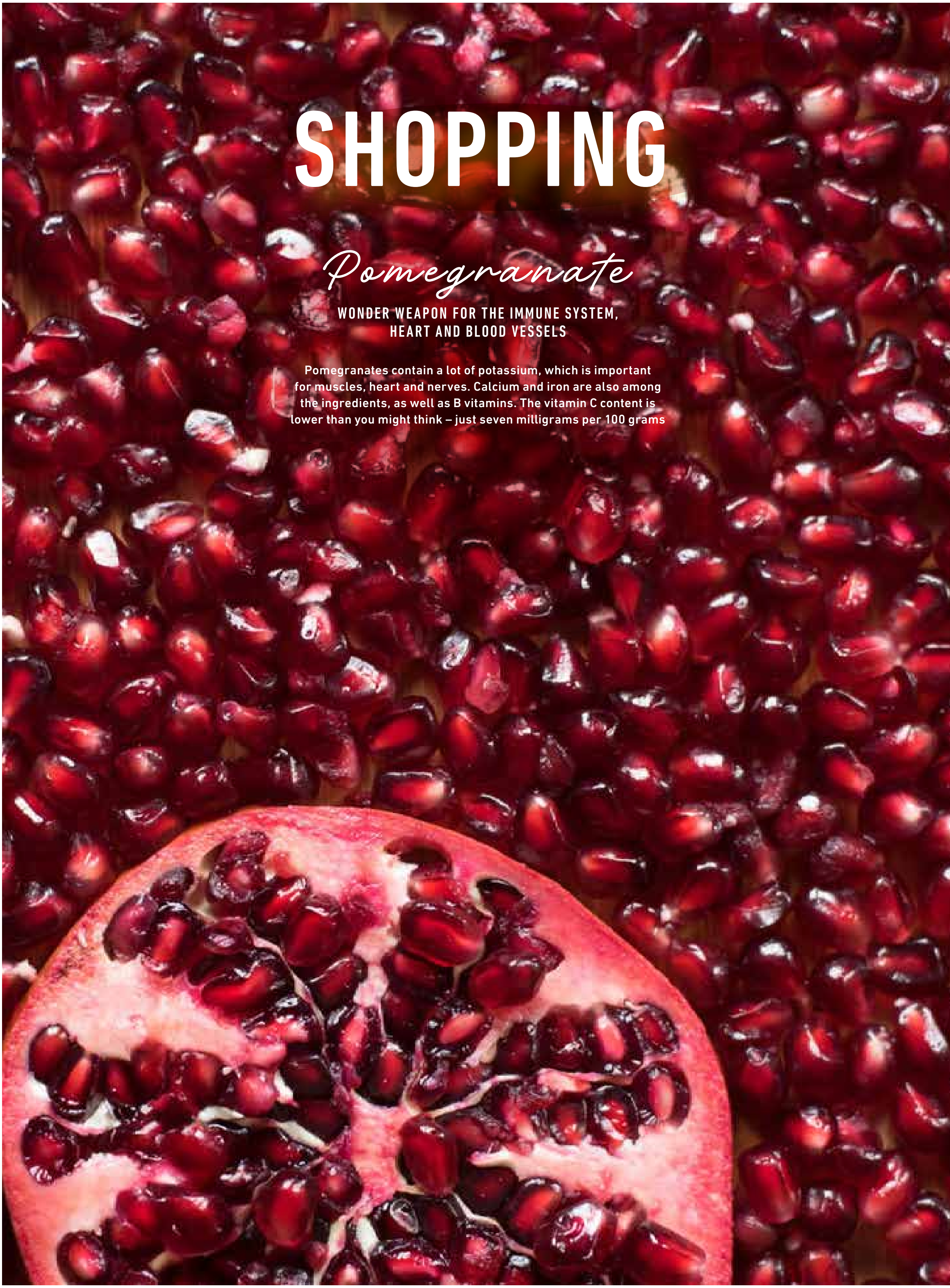
I would like to thank you for your trust and hope that you will continue to accompany us on our journey.

Bon appétit and here's to a successful year full of culinary delights!

Hamburg, April 2024

Hans-Peter Kneip

Hans-Peter Kneip
Executive Board member and "chef de cuisine"



SHOPPING

Pomegranate

WONDER WEAPON FOR THE IMMUNE SYSTEM, HEART AND BLOOD VESSELS

Pomegranates contain a lot of potassium, which is important for muscles, heart and nerves. Calcium and iron are also among the ingredients, as well as B vitamins. The vitamin C content is lower than you might think – just seven milligrams per 100 grams

DIGITAL STRATEGY: FOCUS ON THE CUSTOMER

BY SEBASTIAN BAUMANN

Head of Digital Business & Innovations,
ECE Marketplaces

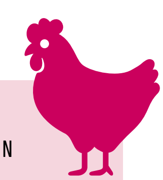
In a time characterised by advancing digitalisation, increased data protection requirements and the consequences of the pandemic, and faced with global challenges such as the war in Europe, reluctance on the part of consumers, insolvencies and consolidations, retail is facing a wide range of necessary adjustments. What changes can be observed in the retail sector and how are these being incorporated into ECE's digital strategy?

For some years now, ECE has been pursuing the approach of establishing the centers it manages as omni-channel hubs. In a world of unified online and offline retail, this strategy is not only sustainable, but also fit for the future. The centers are at the heart of the customer's shopping journey, combining the best of both worlds: easy access, short distances, fast availability and a wide selection – complemented by offerings such as catering and entertainment. Every center also functions as an extensive warehouse. Viewing the centers as micro-hubs not only facilitates higher sales for retailers and faster delivery times for customers, but also contributes to reducing CO_2 by shortening transport routes. Through strong partnerships, we want to continue to drive the topic of omni-channel commerce in the centers we manage.

We are keeping a close eye on developments in online retail. Online marketplaces have seen strong growth in recent years. Bricks-and-mortar retailers have joined these marketplaces in order to boost their trade in the physical world with additional online sales. We have been experiencing a decisive change since the end of last year. Marketplaces are increasingly targeting profitability and drastically raising their fees. This is making it difficult for retailers to offer their products profitably via these platforms. At the same time, the end of the pandemic has brought physical stores back into the focus of many retailers.

The importance of the omni-channel approach is by no means diminished by these developments. There are still numerous retailers with specific product ranges that can operate successfully on marketplaces. At the same time, many retailers have invested in their own infrastructure and can operate independently of marketplaces. Omni-channel is and will remain an essential strategy.

My personal Tip



SEBASTIAN BAUMANN

HEAD OF DIGITAL BUSINESS & INNOVATIONS, ECE MARKETPLACES

I highly recommend the Wulksfelde estate just north of Hamburg. An organic farm with a long tradition, featuring its own arable farming, livestock, farm shop and bakery. It makes a great weekend outing, but the online ordering service is also worthwhile for anyone who enjoys cooking.

CONSUMER ECOSYSTEM

LINKING ALL TOUCHPOINTS IN THE CUSTOMER JOURNEY

AWARENESS	INTEREST	CONSIDERRATION	VISIT	LOYALTY
> Social Media	> Website	> Newlstter > Digital Mail Content	> Center > Parking	> Flashsales > Loyalty Programmes
DATA COLLECTED				
	> User ID 1234	> Meike Muster > meike.muster@gmx.com > Fashion conscious > Interested in brand X	> Meike Muster > meike.muster@gmx.com > Fashion conscious > Interested in brand X > Sporadic visitor > Travelling by car	> Meike Muster > meike.muster@gmx.com > Fashion conscious > Interested in brand X > Sporadic visitor > Travelling by car > 52 years old > Bargain hunter > Prefer high heels to trainers

HANS-PETER KNEIP

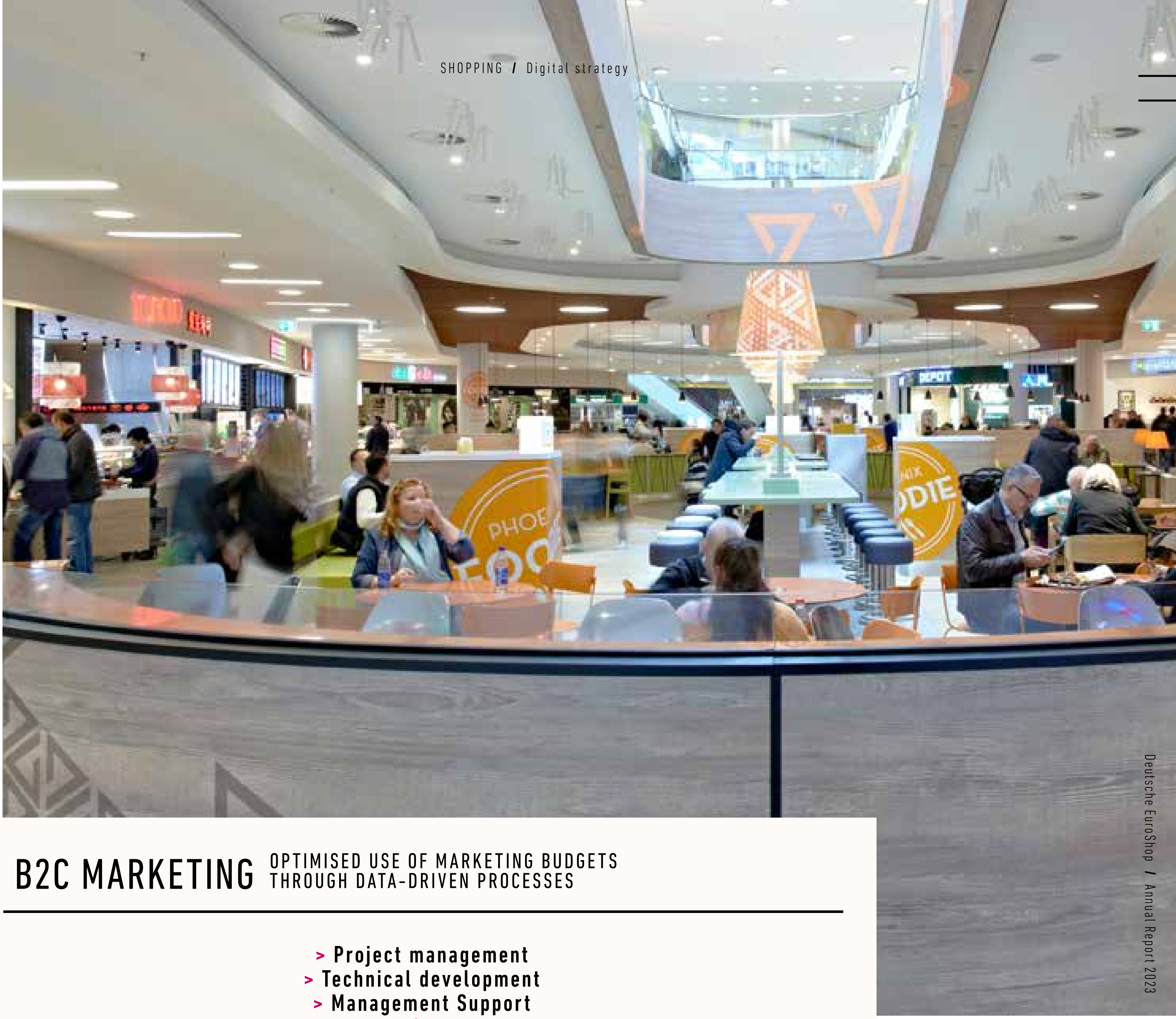
MEMBER OF THE EXECUTIVE BOARD

My restaurant tip is the Watzmann in Hamburg-Sasel, not far from our Group headquarters. It's a place that makes north of the Elbe feel like south of the Danube. While unassuming from the outside, this cosy bistro offers schnitzel and Kaiserschmarrn just like they serve back home.

My personal Tip

For ECE's digital strategy, this means that the primary goal of making bricks-and-mortar retail fit for marketplace retail has been achieved. The pandemic acted as a positive catalyst here. Now we are focusing on the second goal: How can we get to know our visitors as well as online retailers get to know their customers? And how can our tenant partners benefit from this? In this context, we are working on an overarching B2C digitalisation strategy – our "Consumer Ecosystem". The aim is to digitalise the customer relationship, collect comprehensive customer data in compliance with data protection regulations and understand customers better. The "Consumer Ecosystem" consists of various modules to strengthen customer loyalty towards the center, including a consumer app featuring loyalty and parking functions as well as new personalisation functions on the websites. The Digital Mall, woven into this ecosystem as an integral component for supplying content geared towards the customer, will also have the task of providing us with valuable customer insights.

The Digital Mall was a successful first step towards making retailer product ranges visible online. Our user analyses show that customers are particularly interested in specially created content pages, for example featuring fashion tips, and special promotions. The Digital Mall will therefore focus on these two topics in future: curated content related to the retailers in the centers and special product / price promotions for key customer groups several times a year.



B2C MARKETING OPTIMISED USE OF MARKETING BUDGETS THROUGH DATA-DRIVEN PROCESSES

> Project management
> Technical development
> Management Support

BUDGET

LEADS

MARKETING AUTOMATION

Efficiency
> Automation campaign management
> Centralisation
> Standardisation

DATA DRIVEN MARKETING

Effectiveness
> Cross-channel marketing journeys
> Personalised approach

OWNED CHANNELS

Customer loyalty
> Center websites/ digital mall
> Loyalty and parking app/web
> Newsletter

DATA PLATFORM

Transparency
> Structured data management and analyses of customer preferences and behaviour

The gastronomic offering at the Phoenix-Center, Hamburg is well received by visitors

MY PURCHASE OF THE *year*

STEFFEN ERIC FRIEDLEIN

MANAGING DIRECTOR LEASING SERVICES, ECE MARKETPLACES

My purchase of the year was my 'smart' 4-burner Weber gas barbecue. Every fillet of beef is guaranteed to be a success. It's also great for vegetarian food, people tell me....

HANS-PETER KNEIP

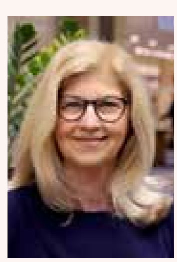
MEMBER OF THE EXECUTIVE BOARD

I recently became the proud owner of the new Sage Barista Touch Impress. With this espresso machine, I can now make flat whites with ease and the kitchen stays clean, much to my wife's delight.

PATRICK KISS

HEAD OF INVESTOR & PUBLIC RELATIONS

I value the advice of experts, especially when it comes to nutrition. My son, who is studying health sciences and does a lot of sport, is an expert in this field as far as I'm concerned. He recommends omega-3 fatty acids as one of the most important food supplements, as studies have shown numerous benefits for human health. Omega-3 fatty acids can have a positive effect on the cardiovascular system, the nervous system, the brain and eyesight, for example. That's why I buy and use these food supplements regularly.



BIRGIT SCHÄFER

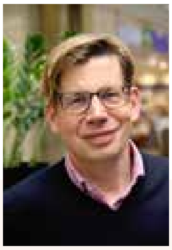
SECRETARY TO THE EXECUTIVE BOARD

A digital barbecue thermometer. It enables me to keep an eye on the core temperature of the food and cook steak and fish to perfection. The results are excellent.

SEBASTIAN BAUMANN

HEAD OF DIGITAL BUSINESS & INNOVATIONS, ECE MARKETPLACES

I bought an Instant Pot, the number one kitchen utensil from the USA. It's an incredible all-rounder for the kitchen – ideal for slow cooking, pressure cooking, rice cooking, steam cooking and air frying. The appliance can do so much, we still haven't got round to trying everything.



RALPH BORGHAUS

HEAD OF FINANCE

My purchase of the year couldn't be more practical: a WMF Grand Gourmet carving knife (32 cm). This essential kitchen implement simplifies not just chopping, but all meal preparation in general. With such a high-quality and sharp knife, every chop and slice becomes a pleasure of effortlessness and precision.

GWENDOLIN TOMMALLA

DIRECTOR ASSET & PORTFOLIO MANAGEMENT

My discovery of the year was the microwave rice cooker from Reishunger. Even sushi rice always turns out perfectly, for example for rolls or bowls. But this implement is now my go-to choice for preparing other types of rice as well.

2023

NICOLAS LISSNER

SENIOR MANAGER INVESTOR & PUBLIC RELATIONS

I bought a really fantastic lemon squeezer from Chef'n on a trip to the USA in 2014. Since then, it's served us well almost every day, whether the lemons are used as source of vitamins or as an ingredient in salad dressing. I still remember the friendly advice from the shop assistant: "No dishwasher!" If only I'd followed that advice, I might have saved myself a great deal of trouble having to find an identical replacement part in Hamburg.

BRITTA BEHRMANN

SENIOR FINANCE MANAGER

During the pandemic, I started baking again after many years. I enjoyed it so much that last year I replaced my decades-old pans with new baking and cake tins in various sizes.

You will find my favourite recipe in the recipe booklet supplementing the Annual Report 2023.
www.deutsche-euroshop.com / recipes

At L'Osteria in the centre of Rhein-Neckar-Zentrum, you feel like you're in Italy. This is where people – families, friends, couples, young and old – come together to eat well.

SHOPPING AND CULINARY DIVERSITY AS A STRATEGY FOR SUCCESS

A visit to a shopping center today has developed into a holistic experience that involves far more than just shopping.

A key factor in the success of modern shopping centers is the intelligent combination of retail stores and food service outlets. It is crucial to optimise the sector mix and tenant structure on an ongoing basis in order to keep pace with changing customer needs.

THE ROLE OF GASTRONOMY IN SHOPPING CENTERS HAS INCREASED SIGNIFICANTLY IN RECENT YEARS.

The role played by eating establishments in shopping centers has increased significantly in recent years, and an appealing and contemporary culinary offering is now an indispensable part of the shopping experience. Investments in innovative food and beverage concepts therefore pay off in the long term and are an important building block for a shopping center's future viability.

Studies show that the vast majority of visitors buy something to eat or drink during their shopping visit. An in-house survey of over 50,000 visitors to centers in Germany that are managed by ECE and a representative online survey of center customers confirm this trend: nowadays, consumers place a greater focus on quality, ambience and individuality and are prepared to pay higher prices for an outstanding culinary experience.

Above: Hardal in the Billstedt-Center, Hamburg
Right: Somen in the Altmarkt-Galerie, Dresden

German shopping centers are increasingly investing in unique gastronomic concepts to further enhance the appeal of their locations. Examples of this include the new Food Garden at the Main-Taunus-Zentrum, the culinary offering at the Rhein-Neckar-Zentrum in Viernheim and the modernisation of the food court at Olympia Brno in the Czech Republic. These projects are part of a broader development aimed at transforming shopping centers into lively urban meeting points that offer far more than just places to shop.

The future of shopping centers lies in a successful combination of retail, food service and entertainment – a concept that meets the changing demands of customers and at the same time sets new standards for the shopping experience.

THE FUTURE OF SHOPPING CENTERS LIES IN A SUCCESSFUL COMBINATION OF RETAIL, FOOD SERVICE AND ENTERTAINMENT

THE NEW **“FOOD GARDEN”:** THE VIBRANT HEART OF THE MAIN-TAUNUS-ZENTRUM

Visualisation of the Food Garden in the Main-Taunus-Zentrum

Right in the middle of the Main-Taunus-Zentrum (MTZ), a new attraction is emerging in the form of the "Food Garden", which will turn the center into a unique destination.

This innovative concept, set to be completed by 2025, is being created by ECE Marketplaces for Deutsche EuroShop and a closed-end real estate fund in response to the changing requirements of the retail sector. The former site of a department store is being transformed into a gastronomic oasis.

The Food Garden is designed as a lively, urban centerpiece that will add a rich and varied culinary offering to the MTZ. Five free-standing restaurant buildings with covered patios and open terraces and featuring attractive architecture will offer a vibrant place to meet and relax.

The aim of this strategic development is to expand the existing offering at the Main-Taunus-Zentrum with high-quality catering facilities in order to further enhance the center's appeal and keep visitors lingering for longer. With the Food Garden, the MTZ will become a place where people not only shop but also go to have fun – an important aspect, especially in view of the large catchment area and the length of time customers spend there.

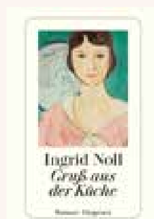
Tenants were immediately interested in the new gastronomy concept. Barely had construction begun in November 2023 and the Food Garden had already been fully let. Well-known establishments such as the restaurant "Alex", the pizza and pasta chain "L'Osteria" and the steakhouse "The Ash" will be the anchor tenants. Other renowned regional restaurants will round out the high-quality tenant portfolio, including the Frankfurt restaurant concept "MoschMosch", which is based on Japanese noodle bars. This will ensure a varied culinary landscape at the MTZ.

The development of the Food Garden as a new gastronomic meeting point at the Main-Taunus-Zentrum showcases the flexibility and adaptability of shopping centers. Occupying the site of the former Karstadt department store, which was closed and demolished in 2020, the Food Garden is being built on an area covering around 9,000 m² with a total rental space of 4,000 m². During the transitional phase, the space was successfully utilised with a temporary food service concept, with a total of ten food trucks and stalls on an area of 1,000 m² offering a diverse selection of food and drinks in the open air. This initiative has already met with a positive response from visitors to the center.

Visualisation of the Food Garden in the Main-Taunus-Zentrum

Visualisation of the Food Garden in the Main-Taunus-Zentrum

BOOK TIPS

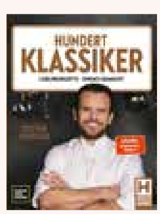


INGRID NOLL: GRUSS AUS DER KÜCHE

(Greetings from the kitchen)

Irma, 40, short, feisty and plump, is the owner and creative chef of the vegetarian restaurant "Aubergine". She employs a truly diverse group of people: Lucy, 17, a red-haired enfant terrible; sous-chef Nicole, Irma's best friend; the former globe-trotter Josch, 32, an unskilled waiter and manager; and Vinzent, over 80, the lonely greengrocer who is desperate for human contact and helps chop the vegetables. Everyone is somehow dependent on each other. They all have unfulfilled desires but also dark stains on their souls. There is no shortage of human drama and crises, and the unassuming greengrocer is a particular source of surprises.

Diogenes Verlag, hardback, 304 pages, ISBN: 978-3-257-07277-8, approx. €26.00



STEFFEN HENSSLER: HUNDERT KLASSIKER

(One hundred classics)

In his latest book from the "Hensslers Schnelle Nummer" (Henssler's kitchen quickies) series, Steffen Henssler proves once again that cooking doesn't have to be complicated and dares to take on some culinary classics. The result is a modern reference work for anyone who loves traditional recipes such as spaghetti bolognese, Wiener schnitzel or cheesecakes and a trusty companion for anyone who wants to rustle up these dishes like a pro. In this cookbook, Steffen Henssler takes the fear out of cooking and explains the easy way to prepare even more elaborate dishes such as goulash, sauerbraten or cabbage rolls. Tips and tricks for every recipe guarantee success in the kitchen – because cooking really can be that easy!

Gräfe & Unzer Verlag, hardback, 164 pages, ISBN: 978-3-8338-9078-9, approx. €29.90

MICHELIN DEUTSCHLAND 2024

(Michelin Guide Germany 2024)

The Michelin Guide Germany is carefully researched and contains objective recommendations for numerous restaurants. Anonymous inspectors use the famed Michelin star rating system to create an extensive selection of great places to eat out for all budgets. Recommendations for 1,870 delicious restaurants. From starred to highly recommended traditional restaurants or starred restaurants for a special occasion. Awards such as the Bib Gourmand denote an affordable and enjoyable meal. Plates identify restaurants offering a good meal. Covers traditional dishes and starred restaurant menus for every occasion.

Published by Michelin, hardback, 575 pages, ISBN: 978-2-06-726440-3, approx. €29.95

OUR SHOPPING CENTERS

Kale

THE NUMBER 1 GERMAN WINTER VEGETABLE

Kale is an incredibly healthy and highly alkaline vegetable. It provides plenty of calcium, iron, vitamin K and vitamin C plus a lot of antioxidant plant substances. Its high quality protein also means that it is often recommended as an alternative to animal protein to eat well.

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 contain 2,673 shops on an area covering 1,086,600 m².

Even after the challenging times for the retail sector due to the pandemic, we are happy about the average occupancy rate of more than 93 % at the end of 2023, 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 80 % of our centers are located.

	Germany	Abroad	Total
No. of centers	17	4	21
Leasable space in m²	880,600	206,000	1,086,600
No. of shops	2,030	643	2,673
Occupancy rate [1]	92 %	98 %	93 %
Inhabitants in catchment area in millions	13.9	3.4	17.3

[1] Acc. to EPRA, based on rental income
As at: 31. December 2023

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 boast a prime location.

Most of our properties are situated in urban centers – 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 lots of cases, they even replace city shopping expeditions altogether and frequently have a strong pull beyond the immediate region.

OPTIMUM ACCESSIBILITY

Whether in the city center 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 Hamelin 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.

All our centers also have their own parking facilities that offer our customers convenient and affordable parking, even in downtown areas, thus ensuring optimum accessibility by car. Many of our properties outside inner 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. Electric vehicle charging stations are an example of how we are always thinking about tomorrow. In addition, we are gradually fitting more and more of our parking facilities at the centers with LED parking space indicators or parking guidance systems, which enable visitors to find a convenient vacant parking space much more quickly. QR code-based guidance systems also efficiently 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 continuously increasing online shopping, it is particularly important to take a targeted approach to meeting customer demands and expanding product ranges at the relevant inner-city location – and, of course, always to offer something special and new. Our overriding goal is to work with retailers in our neighbourhood to make the entire 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 just as important as 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.

SHOPPING WITHOUT BORDERS – FOR EVERYONE!

Step-free entrances, wide doors and large movement areas also allow people with disabilities maximum mobility in our centers.

The results speak for themselves: the outcome is often an architectural gem, where even unique historical buildings are 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.

Everything is designed to ensure that all visitors enjoy spending time at the center and want to come back. Ongoing modernisation and optimisation mean that our centers retain their value and remain competitive. With that in mind, we teamed up with our center management partner ECE to launch "At Your Service"

My personal Tip

BIRGIT SCHÄFER

SECRETARY TO THE EXECUTIVE BOARD

"Das Leben isst schön!" is a cosy, lovingly furnished café in Hamburg-Volksdorf, which serves exceptionally tasty home-baked cakes and heavenly lattes.

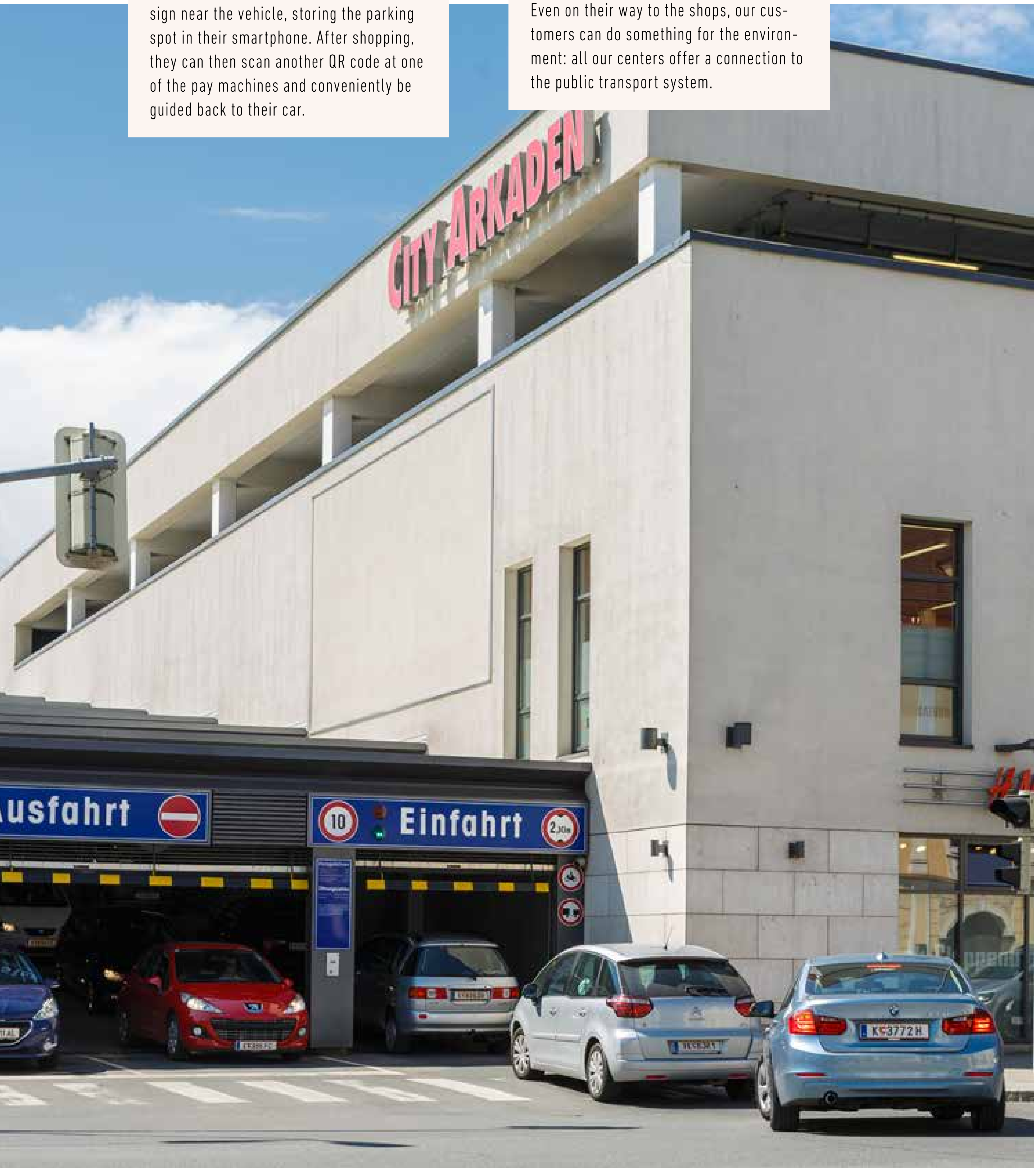
City Arkaden, Klagenfurt, Austria

CAR PARK

The first and last touchpoint 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 the vehicle, storing 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.

APPROACH

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.



– 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 2023, all our 21 shopping centers had contracts with suppliers that use renewable energy sources, such as hydroelectric power, for their electricity needs; 20 used exclusively green electricity. We also want to reduce the overall energy consumption of our properties on an ongoing basis and cut CO_2 emissions in the process. 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 in the ESG section from page 70.

A SECURE FUTURE THROUGH COMPLETE FLEXIBILITY

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

Some tenants expand their retail stores so they can convert the space from a purely retail area into an overall shopping experience. The idea is to give customers more opportunities to take the time to test the desired product on site, and also to consult with specialists on the floor when needed. All these factors play an increasingly important role in retail today, particularly at a time when more and more people are shopping online.

Inner values also count

What is inside counts, too: the interiors of our shopping centers also need to be impressive, as the key consideration 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 and energy-saving lighting 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 and safe air all year round.

We provide customised solutions that meet the growing demand for 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.

Intelligent control systems

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.

Creative lamps in the Allee-Center, Magdeburg

This is what distinguishes our shopping centers from traditional shopping streets, which – even today – generally offer 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 city centers benefits from the resulting increase in diversity.

MORE THAN 150 MILLION VISITORS IN 2023

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 assessed 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 2023, our 21 properties welcomed a total of approx. 152 million visitors.

OUR TOP 10 TENANTS

H&M, one of the world's major textile retailers, is our top tenant, accounting for 2.6% of our rental income. The fashion retailer New Yorker and the shoe retailer Deichmann, which also owns the sneakers chain Snipes, follow with 2.3% each.

Our tenancy portfolio is highly diversified: Our top ten retail tenants account for only about 20% 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 2023, the weighted residual term of the leases in our portfolio was 4.7 years, with 43% of our leases being secured until at least 2029.

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 leasing 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 precisely to each location and is constantly refined as a result of careful analysis of each local retail market.

Center management also involves identifying the wishes and needs of customers. With that in mind, we like to attract retailers to our centers from sectors that are rarely found in city centers 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 the location within the shopping center. This also enables us to give opportunities to new businesses and niche concepts.

THE TEN LARGEST TENANTS

(Share of rental income in %), as at: 31. December 2023

[1] This includes the MediaMarkt and Saturn brands

RESIDUAL TERM OF LEASES IN PLACE

(Term of leases, share of rental income in %), as at: 31. December 2023

Allee-Center, Magdeburg

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. That's why we always aim to offer our visitors something special to tempt their taste buds, with a broad selection of cafés, fast-food restaurants, ice-cream parlours, etc. offering a chance for refreshment and regeneration while shopping. The Phoenix-Center in Hamburg-Harburg, the City-Point in Kassel and the Galeria Baltycka in Gdansk all have their own food courts, with space for lots of diners to enjoy a wide variety

RETAILTAINMENT

The term “retailtainment” is a fusion of the terms “retail” and “entertainment”, and by implication also means the combination of these two concepts. Real in-store experiences can transform shopping from a “chore” into an appealing social activity – a conscious way to relieve stress and an enjoyable way to spend leisure time. With smart ideas, we can continue to inspire customers and generate steadily growing sales. Exciting examples of this in our portfolio include “Indoor Skydiving” in the Rhein-Neckar-Zentrum, where visitors can experience the sensation of real weightlessness thanks to powerful turbines in a glass chamber. Or the “Hole in One Black Light Mini Golf” in the A10 Center’s leisure world, where 18 different holes in six spectacularly themed rooms will amaze guests young and old alike.

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 by 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 offered in stores.

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.

My personal Tip

RALPH BORGHAUS

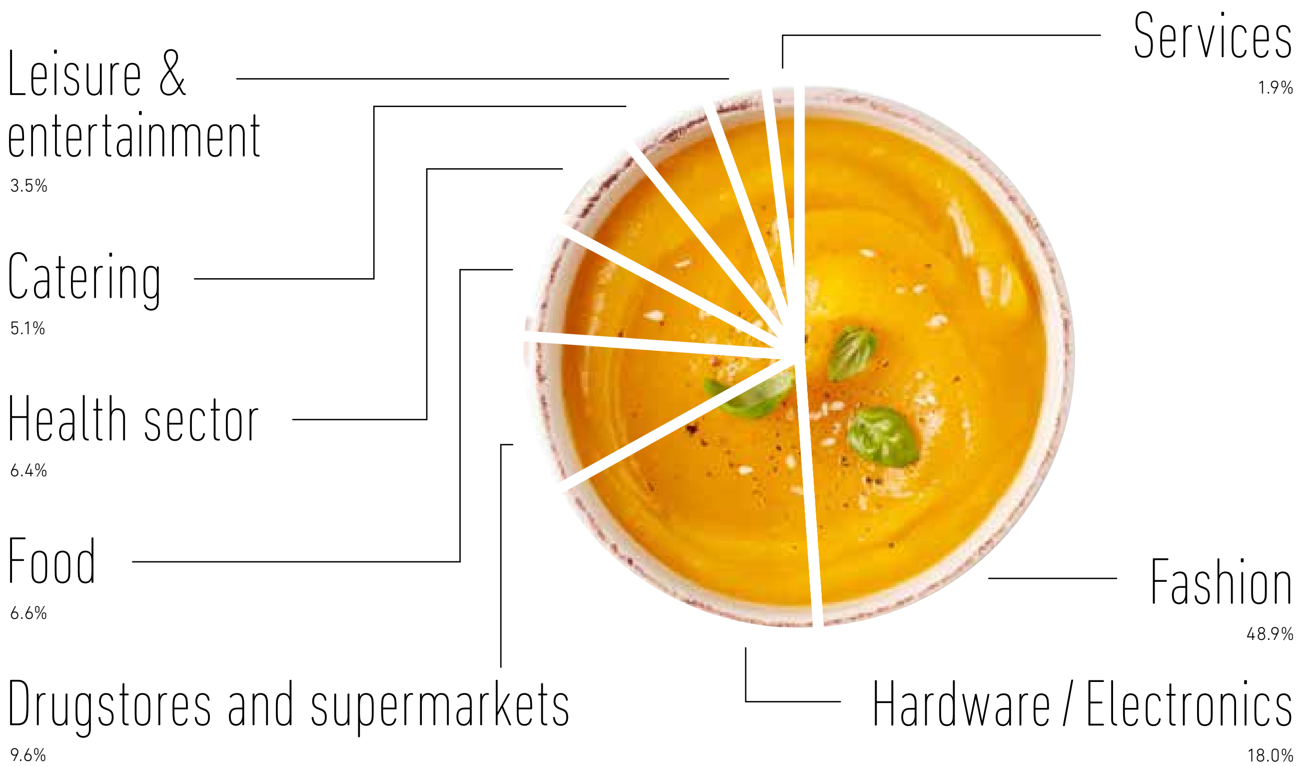
HEAD OF FINANCE

You can buy a freshly baked plaited yeast loaf on Saturdays at the weekly market in Wandsbek in the east of Hamburg. Be sure to get there early, because they sell out quickly. Simply spread with jam or butter – it makes a great start to the weekend!

of cuisines in a single seating area, so that friends or families can choose their food from different outlets while still eating together. In spring 2025, the “Food Garden” will open in the Main-Taunus-Zentrum, offering high-quality and varied catering options with five free-standing restaurant buildings, covered patios and open terraces, green outdoor areas and sophisticated architecture (more on this on page 14).

RETAIL MIX

in % of rental space), as at: 31 December 2023



DIGITAL SUSTAINABILITY

The Internet continues to influence the transformation of retailing – a trend has been accelerated in recent years due to the coronavirus 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 a subsequent purchase – also when buying online.

Multichannel marketing has a part to play here as well, 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 tenants' stores in the center. As a company that rents out a wide range of spaces in prime locations, we have been promoting an omni-channel approach for years – for our center locations as well as for our tenants. In addition to their function as a shopping experience for our visitors, our centers also serve as vast warehouses. Viewing the centers as micro-hubs not only facilitates higher sales for retailers and faster delivery times for customers, but also contributes to reducing CO_2 by shortening transport routes.

Beyond fostering personal customer interaction, our partner ECE Marketplaces has set itself the goal of digitalising the customer relationship, collecting customer data in compliance with data protection regulations and consequently developing a better understanding of customers. To this end, it is currently building a "Consumer Ecosystem", which will include a newsletter, a consumer app and personalisation functions on the center websites and will also be used for our center portfolio. This will allow the further digitalisation of customer relationships and provide an even better understanding of customers and their wishes using data collected in compliance with data protection regulations. The Digital Mall developed over the past few years integrates seamlessly into this ecosystem and, at the same time, furnishes valuable insights into consumer trends.

SUCCESSFUL PARTNER TENANTS

Our tenants are among the key drivers of our success. They include, for example, Aldi, Apple, Apple, Bijou Brigitte, Birkenstock, Breuninger, C&A, Christ, Deutsche Post, Deutsche Telekom, dm drogerie-markt, Douglas, Fielmann, H&M, Jack&Jones, JD Sports, 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.

UNIFORM OPENING HOURS

At our centers, visitors can rely on standard core opening hours, unlike in traditional city centers where individual retailers decide for themselves how long to stay open. Whether a hair salon, an optician or a travel agency, every tenant is open to visitors throughout the center's full opening hours. This too is a strategic advantage, and one that is especially appreciated by customers who have to travel long distances.

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 touchpoints 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 on offer. 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. This transforms the shopping center into a lively marketplace, with fashion shows, art exhibitions, country-themed weeks and information events on a whole range of topics offering guests new and fresh experiences to liven up their visits.

Orientation thanks to 3D wayfinding systems

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.

Local associations and municipal authorities are also involved in the plans and are given the opportunity to be represented at 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. Radio commercials, adverts on and inside local public transport, and illuminated advertising posters ensure that the advertising measures reach a large audience. In terms of social media activity, we are also entering into more partnerships with influencers as multipliers, particularly on Instagram.

ACTIVITIES IN THE CENTERS

Beach cinema in Viernheim

Lehre on Air in Klagenfurt

UFA-Casting in Kassel

BEACH CINEMA IN VIERNHEIM

In a summery beach club setting complete with sand, deckchairs and tropical palm trees situated right in front of the Rhein-Neckar-Zentrum, July 2023 saw the fourth edition of the popular open-air cinema series in collaboration with Kinopolis. Over a period of ten days, visitors were able to enjoy movie blockbusters for free on a giant LED screen. Bands from the region performed daily as part of the fringe entertainment, and DJs span tunes to liven the atmosphere. Snacks and drinks were also provided, of course. A special highlight was a specially furnished “VIP lounge” with a cosy seating area. Access to this exclusive experience was raffled off daily via Instagram, and it goes without saying that it came with plenty of popcorn and drinks. A specially designed programme on two Saturdays also provided lots fun for the center’s younger customers, featuring a children’s disco, clowns and screenings of well-known children’s films.

www.rhein-neckar-zentrum-viernheim.de

"Lehre on Air" in Klagenfurt

"LEHRE ON AIR" IN KLAGENFURT

On the afternoon of 29 September 2023, the fourth "Lehre on Air" took place at a lofty height on the top parking deck of the City Arkaden Klagenfurt. This apprenticeship fair is held every two years and is organised in collaboration with the Carinthian Vocational and Educational Orientation Center (BBOK). Visitors had the chance to experience more than 60 different apprenticeships "hands-on" in the truest sense of the word over an area covering 2,000 m². Some 41 companies across all sectors from the districts of Klagenfurt and the surrounding area presented themselves and their training opportunities. Together, young people, their parents and interested individuals could try out typical tasks and activities in the respective professions and find out about job profiles and training opportunities. Entire school classes were in attendance with their teachers, with over 3,500 visitors welcomed in total – helped along by the fantastic weather. Various tenants of the City Arkaden, such as Fielmann, used the 2023 trade fair to advertise their training programmes.

www.city-arkaden-klagenfurt.at

Magical balloon worlds at the Billstedt-Center

UFA CASTING IN KASSEL

Do I have what it takes to stand in front of a camera? No doubt some of you reading this have asked yourself this question at some point. Do I maybe have a talent that the producers of TV shows and series have been searching for? To find out, professional talent scouts from UFA Base visited the City-Point Kassel on 26 and 27 May 2023. Everyone was invited to introduce themselves and to audition. The scouts were on particular lookout for new faces for television formats, e.g. small-part actors and extras with and without acting experience for shows such as "Gute Zeiten, Schlechte Zeiten", "Alles was zählt" (both RTL) and "Sag die Wahrheit" (SWR). The spectators, including many family members, enjoyed an exciting show packed with emotional performances over the two days that left everyone with goosebumps. As a highlight, DSDS winner Prince Damian performed on stage and signed autographs. The budding singers taking part also had the unique opportunity to sing a duet with the show's star, who of course also had a few professional tips up his sleeve.

www.city-point-kassel.de

MAGICAL BALLOON WORLDS AT THE BILLSTEDT-CENTER

It was a particularly light and airy summer in 2023 at the Billstedt-Center in Hamburg. Visitors were treated to the astonishing spectacle of balloon figures of all shapes and sizes as part of "Balloon Worlds". Characters such as Asterix and Obelix, dinosaurs, jungle animals, dragons and pirates attracted a lot of attention and provided fun for visitors of all ages. The figures were true works of art, designed in great detail. There was also an extensive fringe programme featuring interactive workshops where participants could learn how to make figures out of balloons. A variety of photo campaigns also formed an integral part of the event and met with a great response, particularly on social media.

www.billstedt-center.de

"WE ARE BRINGING MORE AND MORE CASUAL DINING CONCEPTS TO THE CENTERS"

To get an up-to-date picture of the current retail leasing environment, the editorial team of DES Magazine conducted an interview with Steffen Eric Friedlein, Managing Director Leasing Services at ECE Marketplaces.

DES editorial team: Mr Friedlein, as Managing Director Leasing Services, you have a very good overview of the performance of individual sectors or companies. How did 2023 go from your perspective?

Steffen Eric Friedlein: Performance was thoroughly positive. Both revenue and footfall at all shopping centers we manage as ECE Marketplaces increased in 2023 compared to the previous year. Leasing has also been very successful, and we were able to increase leasing performance by almost 50 % in 2023. At the same time, the length of leasing terms has risen sharply again. Retailers' confidence in bricks-and-mortar retail has returned, as demonstrated by their renewed willingness to invest in their store portfolios.

Does this apply equally to all sectors and concepts?
Developments remain heterogeneous. There are some very successful retailers with strong growth rates, while other concepts continue to face problems or have even had to file for insolvency. Services and catering, food and health, and larger textile-oriented spaces developed particularly positively, while the footwear and leather goods sectors as well as small textile spaces were still confronted by major difficulties.

STEFFEN ERIC FRIEDLEIN

MANAGING DIRECTOR LEASING SERVICES, ECE MARKETPLACES

My personal favorite tip is still the cookbook "Jerusalem" by Ottolenghi / Tamimi.

My personal Tip

Allee-Center,
Magdeburg

How worried are you about insolvencies?
Insolvencies always pose a particular challenge, as not only do they have a financial impact, but they can also affect the tenant landscape and the outward face of our centers. We have to tackle this head-on, either by renegotiating contracts or re-letting vacant spaces. We are doing very well here overall, enabling us to maintain the stability of our locations. This is also due to the fact that shopping centers are particularly well suited to tracking ongoing structural change in the retail sector, and constantly adapting to or even anticipating change due to their flexibility.

Are there any exciting new concepts?
Most definitely! We recently welcomed a whole series of exciting new concepts to our centers. The momentum is there for expansion with both new and existing tenants. For example, we successfully integrated a total of 17 Pepco stores into our centers within a short space of time – including several centers in the DES portfolio. Another example is the Inditex brand Stradivarius, which opened its first store in Germany at an ECE center. Parallel to this, established retailers such as Only, TK Maxx Rituals and other Inditex brands are continuing their expansion with us. Our flexible and adaptable center structures often mean that we can offer these brands precisely the space requirements they need.

What trends are you noticing in terms of store footprints?
We are observing a trend towards larger spaces. Large brands in particular prefer to showcase themselves in larger spaces and focus on prime locations. In the past year alone, the average footprint of spaces let in our centers increased by 12 % among the rental agreements concluded.

How important is the fashion industry in the centers?
The fashion industry remains one of the key sectors in our centers and still accounts for around 50 % of the tenant mix, although this can vary significantly from location to location. This proportion could fall slightly at some locations in the long term as we continue to integrate new sectors and concepts into the centers and further diversify our range. However, the fashion industry will remain a very important part of the offering.

What does a center need to offer today in order to attract customers?
Today, a center has to offer more than just a collection of shops. Crucial elements include a clear profile, whether as a local retailer or as a destination center, a suitable tenant mix with attractive anchor tenants, and a high level of service and quality of stay.

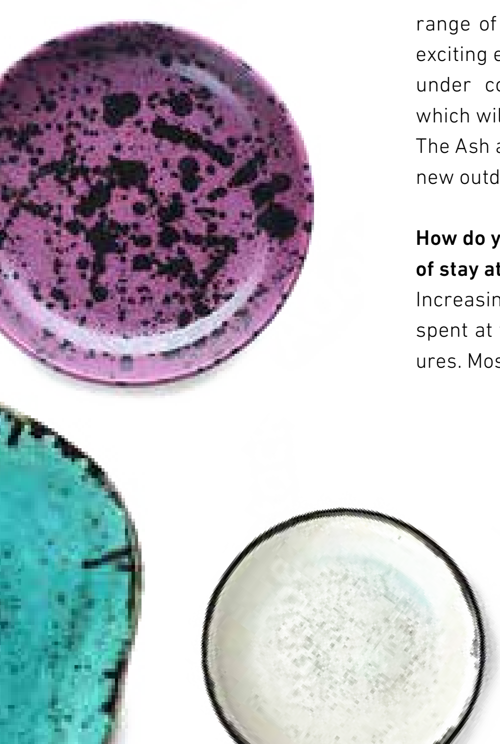
How important is food service in a modern shopping center?
Food service plays an extremely important role in the quality of stay and experience at shopping centers. We have been following this trend for years and the trend has not changed. We are now bringing a wider range of casual dining concepts to the centers. An exciting example of this is the Food Garden currently under construction at the Main-Taunus-Zentrum, which will be home to concepts such as L'Osteria and The Ash and Alex and will also create some attractive new outdoor areas.

How do you increase the quality and length of stay at the centers?
Increasing the quality of stay and the length of time spent at the centers is dependent on several measures. Most critical among these is an attractive tenant mix that regularly introduces new offers. Another important element are events and activities that attract visitors. Supplementary offerings such as food outlets and entertainment also play an important role, as do service and non-retail offerings, which we intend to expand further in the future. The centers function as lively marketplaces where customers can not only shop, but also spend time with friends or run everyday errands.

How have the opening hours at the centers settled down after the volatility experienced in the preceding years?
Many retailers are still struggling with staffing problems due to high sickness rates and labour shortages. As a result, some shops are having to restrict their opening hours temporarily and at short notice, especially during off-peak times such as the last hour before closing. Nevertheless, we are on track overall and are working hard to return to standardised opening hours at all locations.

How far have you got with the streamlining of leases?
We are making good progress with this. Our digital lease agreement is around 50 % leaner than previous lease agreements. It was initially introduced for specific areas and met with a lot of positive feedback from our tenant partners. We have been able to support some new tenants with a digital lease agreement within the space of just four weeks, measured from initial contact though to store opening. Our plan is to expand the rollout the digital lease agreement going forward.

Mr Friedlein, thank you very much for the interesting insights and good luck for the future!



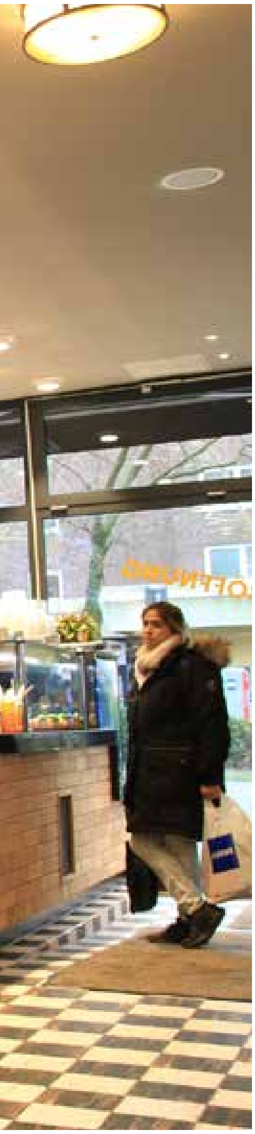
"Hardal", Billstedt –
Turkish BBQ Restaurant
Billstedt-Center,
Hamburg

GASTRONOMY CONCEPTS

"HARDAL" – TURKISH BBQ RESTAURANT BILLSTEDT-CENTER, HAMBURG

In 1995, Ramazan Zülfikar left Turkey to join his father in Germany. After training as a chef, he started his professional career in the kitchens of various restaurants in Hamburg. While working as the manager of a Turkish restaurant, he had the idea of venturing out on his own with a new gastronomy concept.

He chose a space formerly occupied by a bank in Hamburg's Billstedt-Center, which had the great advantage of being directly accessible from the pedestrian zone. The restaurant opened in 2018 after a lengthy planning and approval phase, with the installation of an open charcoal grill posing particular challenges for everyone involved.



The young company used the coronavirus pandemic to grow. The delivery service that was started during this time quickly developed into a mainstay of the restaurant. A conservatory was added to provide additional room and more employees were hired to manage the extra business.

The restaurant is now open daily from early until late. In the morning, diners can enjoy a large breakfast buffet featuring hot and cold specialities as well as classic sweet and savoury baked goods starting from 7:00 am. A lunch menu is also served. Then, in the evening, diners can choose from an extensive menu, including various dishes cooked over a charcoal grill. Fans of traditional Turkish food are catered for as well, with dishes such as falafel and kebabs – all washed down with a glass of cold ayran. At weekends, the restaurant is open until as late as 3:00 am. Most of the dishes on offer originate from the southern Turkish provinces of Kahramanmaraş and Gaziantep. With its broad range of products, Hardal has become a major draw for customers at the Billstedt-Center, serving hundreds of diners every day.

Further milestones followed in 2023 with Hardal ToGo and Hardal Patisserie – also located in the Billstedt-Center. ToGo, for example, offers classic kebabs and other specialities for a quick bite on the run, which can also be eaten in a separate seating area with a view of the mall. The patisserie, meanwhile, serves traditional baklava (a sweet layered dessert made of filo pastry) and a large selection of cakes, which can also be baked to order. As in the restaurant, all dishes and pastries are made on-premises.

"SOMEN" – BARBEQUE FUSION ALTMARKT-GALERIE, DRESDEN

Korean Barbeque wird auch in Deutschland immer Korean BBQ is becoming increasingly popular in Germany. And even though almost everyone is familiar with the term "gangnam style", many people are sceptical at first when they hear it in the food context. But it's definitely worth giving it a try! Korean BBQ is as much a part of Korea as the world-famous K-pop song about the Gangnam neighbourhood of the South Korean capital, Seoul.

At "Somen" in the Altmarkt-Galerie Dresden, since October 2023 guests have been able to enjoy a food experience like no other: on modern grills, they can cook their own meats, fish and seafood as well as various vegan alternatives directly at their table. Real connoisseurs and grill masters aim for a crisp sear and then dip the meat and vegetables in their preferred sauce from the wide selection on offer. Fun is guaranteed, whether dining out with friends or with the whole family. The iconic extractor hoods above the tables keep the atmosphere free from smoke and steam at all times.

NICOLAS LISSNER

SENIOR MANAGER INVESTOR & PUBLIC RELATIONS

Lowinsky's serves excellent speciality coffees and teas. And owner Hillel Lowinsky's warm hospitality is not the only thing that keeps customers returning for more. In keeping with the old deli tradition of his New York home, he also serves the city's finest pastrami sandwiches on his home-baked sourdough bread on Lehmweg in Hamburg's Eppendorf district.

My personal Tip

Somen – Korean BBQ fusion in the Altmarkt-Galerie, Dresden

The restaurant, run jointly by brothers Viet Anh and Vu Anh Doan, employs a diverse team hailing from Korea, Vietnam, Japan and Germany – ensuring a wide variety of dishes and genuine hospitality.

In line with the "fusion concept", Japanese dishes are offered alongside the main Korean menu, some of which even incorporate more familiar German flavours. Sushi lovers will also find plenty to satisfy their appetite, with everything from onigiri and maki to classic sashimi freshly prepared on site in an open kitchen concept. And, of course, no Korean restaurant would be complete without kimchi – a side dish made of salted and fermented vegetables, most often napa cabbage or Korean radish. The art of making kimchi, which is practically a national dish in Korea, has been designated as a National Intangible Cultural Heritage Item.

Of course, a good meal also includes good drinks: from homemade lemonades and cocktails to classic wines and draught beer, there's something to please everyone. The menu also features a selection of soju, the popular Korean spirit distilled from rice and wheat.

The Somen is open Sunday to Thursday from 10:00 am to 10:30 pm, and Friday to Saturday until 11:00 pm. A changing "speed lunch" menu is also offered for those who want a quick and tasty midday meal.

"L'OSTERIA" RHEIN-NECKAR-ZENTRUM

Fans of Italian cuisine have a new go-to spot in Viernheim: L'Osteria opened its doors in a prime location on the grounds of the Rhein-Neckar-Zentrum at the beginning of February 2024. The newly restaurant built as what is known as a "freestander" is the ideal place to get your Italian fix.

Brimming with elegance and flair, the new L'Osteria makes you feel like you are on holiday in Italy. The restaurant is the perfect spot to replenish your reserves either before or after your shopping spree. The cinema and indoor skydiving experience are just a stone's throw away. Inside, L'Osteria has space for 233 guests. From spring onwards, it will also offer an additional 144 seats on the terrace and even a children's playground for the youngsters. A team of over 50 people ensures that everything runs smoothly and provides a plentiful supply of pizza and pasta, served with an extra portion of Italian charm.

If you would like to see the pizza chefs in action, you can catch a glimpse of how the pizza dough is shaped by hand in the open kitchen. The pizzas often hand over the edge of the plate and can also be ordered with different toppings on each half – ideal for sharing. The pasta is also produced to the highest quality standards in the company's own pasta factory, Pastificio No. 12, and served perfectly al dente in the


자몽에
이슬

"L'Osteria", Rhein-Neckar-Zentrum

restaurant. The menu also features classics such as antipasti, salads, dolci and the monthly changing "Menu della Casa" with its special seasonal delicacies. And what would an Italian meal be without a freshly brewed coffee to round it off? L'Osteria has guests covered here too, with beans from its own roastery, the "Bar Italiana" – which make the perfect espresso, café crema or cappuccino.

All dishes are freshly prepared in the open kitchen, the "Cucina", and served seven days a week from midday until late in the evening. If you prefer to enjoy the delicious pasta or 45 cm pizza at home, you can also order it to go or have it delivered directly to your door.

L'Osteria is a great spot to meet up with friends, colleagues or family and enjoy good times over some great food. A place that invites you to linger – where everyone is welcome and hospitality is a top priority. The restaurant is on the lively side with a real buzz, and the air is filled with the aroma of proper Italian cuisine.

BICYCLE SPECIALIST B.O.C OPENS AT THE RHEIN-NECKAR-ZENTRUM

The Rhein-Neckar-Zentrum has gained a new addition from the world of cycling: the bike chain store B.O.C. opened its 45th branch in Germany on 4 April. B.O.C. (Bike & Outdoor Company) has moved into a building formerly occupied by a DIY store and is now adjacent to the Italian restaurant L'Osteria, which opened a few weeks earlier, and Indoor Skydiving, which has been delighting visitors to the center since 2021.

The spacious store offers a wide variety of brands. An assortment of around 1,000 bicycles from well-known brands can be tried out on a dedicated indoor test track within a sales area covering more than 1,800 m². The shop specialises in sports models such as mountain bikes and gravel bikes, but fans of classic commuter bikes or hybrid bikes will also find plenty to choose from. The children's department also has its own test track for the little ones. The large e-bike section offers over 250 latest-generation e-bike models – with specialist advice on hand to answer all your questions. The offering is rounded off by a wide range of accessories and clothing as well as expert workshop servicing.

With its proximity to picturesque vineyards, the Odenwald uplands and the wide plains of the Rhine Valley, Viernheim is an ideal region for cycling.

My personal Tip

GWENDOLIN TOMMALLA

DIRECTOR ASSET & PORTFOLIO MANAGEMENT

I buy the fish for bowls from Fisch-Koch in Wilhelm-Stein-Weg in Hamburg-Hummelsbüttel. I can particularly recommend the excellent and reasonably priced sushi-grade tuna and salmon.

B.O.C. branch from the inside

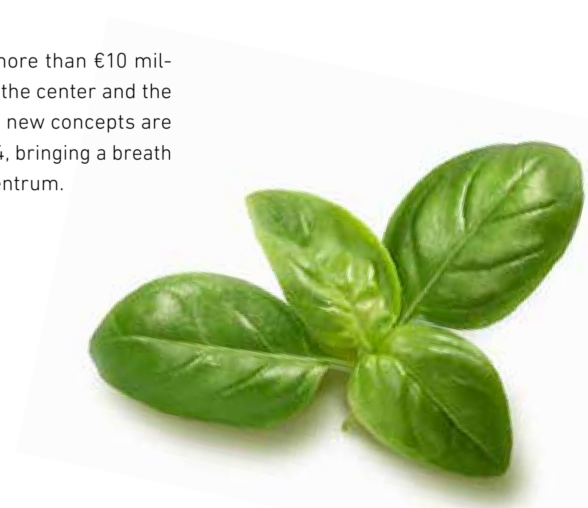
FOOD NEWS FROM THE PORTFOLIO

THE FOOD GARDEN AT THE MAIN-TAUNUS-ZENTRUM: A NEW CULINARY CENTER IS BORN

An exciting construction project has begun in Sulzbach near Frankfurt am Main that will make one of Germany's leading shopping centers, the Main-Taunus-Zentrum (MTZ), even more attractive. The new Food Garden is taking shape on an area covering some 9,000 square metres and will add a rich and varied gastronomic offering to the open-air center. The five independent restaurant buildings, some with covered patios and some with open terraces, were already fully let by the time construction commenced. With its appealing architecture and attractive outdoor areas, the Food Garden is set to become the new place to meet. The grand opening is scheduled for spring 2025 and promises to give a real boost to the MTZ. For further Information see p. 14.

L'OSTERIA ADDS VALUE TO THE RHEIN-NECKAR-ZENTRUM

At the Rhein-Neckar-Zentrum in Viernheim, a new establishment is coming to enrich the culinary offering. The successful pizza and pasta chain L'Osteria will operate a completely new, free-standing restaurant building. The center is expanding its leisure offering to include the bicycle retailer B.O.C., the experience concept JUMP House and another indoor entertainment provider. Construction began at the end of June 2023 on the site of a former Bauhaus store right next to the center. Together with the new tenants, Deutsche EuroShop is investing more than €10 million in the further development of the center and the expansion of the rental space. The new concepts are scheduled to open in stages in 2024, bringing a breath of fresh air to the Rhein-Neckar-Zentrum.



MODERNISATION OF THE FOOD COURT AT THE OLYMPIA CENTER BRNO

At the Olympia Center Brno in the Czech Republic, the Food Court has been expanded and modernised to meet the strong demand for culinary offerings. Besides making the seating area bigger to accommodate more guests, floor coverings and furniture have been replaced and a new escalator and children's playground have been installed. A new lighting concept creates a unique atmosphere that offers visitors a pleasant ambience. The renovation was completed at the end of September 2023 and promises visitors an even better gastronomic experience at the Olympia Center.

CENTER OVERVIEW

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 indexand 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.

Centers in germany

REGIONAL SPECIALTIES

The specialties in each region are as individual as our centers. You can find typical recipes in our recipe booklet accompanying this annual report or online at www.deutsche-euroshop.com/recipes

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

MAIN-TAUNUS-ZENTRUM

SULZBACH/FRANKFURT

Ingredients for this center:

Share: 52 %
Leasable space: 124,000 m²
of which retail space: 91,000 m² (plus C&A)
Parking spaces: 4,500
Number of stores: 170
Occupancy rate: 93 %
Catchment area: 2.1 million residents
Purchased: September 2000
Grand opening: 1964

Restructuring: 2001
Restructuring / Expansion: 2004
Expansion: 2011
Last modernisation: 2024
Anchor tenants: Anson's, Appelrath Cüpper, Apple, Breuninger, Galeria, H&M, Hollister, Intersport, Media Markt, Zara
Visitors 2023: 7.8 million
Address: Am Main-Taunus-Zentrum, 65843 Sulzbach (Taunus)

main-taunus-zentrum.de

Facebook
4.4/5 stars
35,041 fans
MainTaunusZentrum

Instagram
11,092 follower
maintaunuszentrum

Google
4.4/5 stars

DGNB

A special personality

Bistrorante Latina has become something of a trademark at the MTZ. Just like Edoardo Ferracin, who – after more than 40 years – is one of the center's longest-serving tenants. | www.latina-mtz.de

A10 CENTER

WILDAU/BERLIN

Ingredients for this center:

Share: 100 %
Leasable space: 121,000 m²
of which retail space: 66,000 m²
Parking spaces: 4,000
Number of shops: 200
Occupancy rate: 85 %
Catchment area: 1.2 million residents
Purchased: January 2010
Grand opening: 1996

Opening of "Freizeitwelt": 1999
Restructuring / Modernisation / Expansion: 2010 – 2011
Anchor tenants: Bambooland, Bauhaus, C&A, Hammer, H&M, Kaufland, Peek&Cloppenburg, SportScheck
Visitors 2023: 4,6 million.
Address: Chausseestraße 1, 15745 Wildau

a10center.de

Facebook
4.3/5 stars
27,789 fans
A10Center

Instagram
3,353 follower
a10centerwildau

Google
4.4/5 stars

DGNB

Pure refreshment

IceGuerilla is the perfect place to find handmade ice-cream made fresh daily from natural, regional products. The cakes are well worth a try, too. | www.iceguerilla.de

ALTMARKT-GALERIE

DRESDEN

Ingredients for this center:

Share: 100 %

Leasable space: 77,000 m²

of which retail space: 44,000 m²

Parking spaces: 500

Number of shops: 200

Occupancy rate: 94 %

Catchment area: 1.4 million residents

Purchased: September 2000

Grand opening: 2002

Expansion: 2011

Restructuring: 2012

Last modernisation: 2019

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

Visitors 2023: 11.7 million.

Address: Webergasse 1, 01069 Dresden

altmarkt-galerie-dresden.de

Facebook
4.4/5 stars
86,353 fans
altmarkt.galerie

Instagram
6,165 follower
altmarktgaleriedresden

Google
4.5/5 stars

DGNB

Not simply for gourmets

Gourmétage is a delicatessen that also offers wines, spirits and expert advice in a 14th century vaulted cellar. | www.gourmetage.de

RHEIN-NECKAR-ZENTRUM

VIERNHEIM / MANNHEIM

Ingredients for this center:

Share: 100 %

Leasable space: 69,500 m²

of which retail space: 60,000 m² (plus Galeria and C&A)

Parking spaces: 3,800

Number of shops: 110

Occupancy rate: 94 %

Catchment area: 1.6 million residents

Purchased: September 2000

Grand opening: 1972

Restructuring / Expansion: 2003

Restructuring: 2014 and 2024

Last modernisation: 2018

Anchor tenants: Aldi, Engelhorn Active Town, H&M, Hugendubel, Müller Drogerie, Peek&Cloppenburg, TK Maxx

Visitors 2023: 8.2 million.

Address: Robert-Schumann-Straße 8a, 68519 Viernheim

rhein-neckar-zentrum-viernheim.de

Facebook
4.3/5 stars
59,041 fans
RheinNeckarZentrum Viernheim

Instagram
19,399 follower
rheinneckarzentrum_viernheim

Google
4.4/5 stars

DGNB

Hospitality included

KaBowl serves contemporary Afghan cuisine. An establishment bursting with warmth and hospitality. | TikTok: kabowl

HEROLD-CENTER

NORDERSTEDT

Ingredients for this center:

Share: 100 %

Leasable space: 54,300 m²

of which retail space: 26,000 m² (plus Rusta and Saturn)

Parking spaces: 850

Number of shops: 140

Occupancy rate: 94 %

Catchment area: 0.5 million residents

Purchased: January 2013

Grand opening: 1971

Restructuring / Expansion: 1995 and 2003

Last modernisation: 2018

Anchor tenants: C&A, H&M, Peek&Cloppenburg, REWE

Visitors 2023: 8.9 million.

Address: Berliner Allee 38 – 44, 22850 Norderstedt

herold-center.de

Facebook
4.0/5 stars
28,592 fans
Herold.Center.Norderstedt

Instagram
3,134 follower
heroldcenter

Google
4.1/5 stars

DGNB

Vacation feelings

At Giovanni L., you can enjoy tasty ice-cream made at the company's own factory in Kiel. Served by "Bella" the robot – quite an experience. | www.giovannil.com

RATHAUS-CENTER

DESSAU

Ingredients for this center:

Share: 100 %

Leasable space: 52,500 m²

of which retail space: 32,900 m²

Parking spaces: 850

Number of shops: 90

Occupancy rate: 93 %

Catchment area: 0.3 million residents

Purchased: November 2005

Grand opening: 1995

Last modernisation: 2019

Expansion: 2023

Anchor tenants: H&M, Modehaus Fischer, REWE, Thalia, TK Maxx, Media Markt, Rusta

Visitors 2023: 4.8 million.

Address: Kavalierstraße 49, 06844 Dessau-Roßlau

rathauscenter-dessau.de

Facebook
4.0/5 stars
18,845 fans
rathauscenterdessau

Instagram
5,730 follower
rathausscenterdessau

Google
4.2/5 stars

DGNB

Delicious treats

Konditorei Mrosek is a purveyor of cakes, pastries, ice cream and coffee. The family business has existed for over 75 years. | www.konditorei-mrosek.de

Typical for

Norderstedt

More information under:

Recipe collection
for the 2023 annual report
www.deutsche-euroshop.com/
recipes

ALLEE-CENTER

MAGDEBURG

Ingredients for this center:

Share: 100 %

Leasable space: 51,300 m²

of which retail space: 35,000 m²

Parking spaces: 1,300

Number of shops: 150

Occupancy rate: 95 %

Catchment area: 0.9 million residents

Purchased: October 2011

Grand opening: 1998

Expansion: 2001 and 2006

Restructuring: 2018

Last modernisation: 2019

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

Visitors 2023: 8.4 million.

Address: Ernst-Reuter-Allee 11, 39104 Magdeburg

allee-center-magdeburg.de

Facebook
52,931 fans
AlleeCenterMD

Instagram
5,636 follower
alleecentermagdeburg

Google
4.3/5 stars

DGNB

Mom, he likes it

Sapori D'Italia: With its huge Italian hams, traditional antipasti prepared fresh daily and fine wines, this little oasis of Italian lifestyle in the heart of the Allee-Center Magdeburg attracts a loyal following of regulars. | www.sapori-magdeburg.de/

PHOENIX-CENTER

HAMBURG

Ingredients for this center:

Share: 75 %

Leasable space: 43,400 m²

of which retail space: 29,000 m²

Parking spaces: 1,400

Number of shops: 130

Occupancy rate: 94 %

Catchment area: 0.6 million residents

Purchased: August 2003

Grand opening: 2004

Restructuring / Expansion: 2016

Last modernisation: 2020

Anchor tenants: C&A, H&M, Media Markt, New Yorker, REWE, Sinn, TK Maxx, SportScheck

Visitors 2023: 7.7 million.

Address: Hannoversche Straße 86, 21079 Hamburg

phoenix-center-harburg.de

Facebook
4.1/5 stars
26,076 fans
PhoenixCenterHarburg

Instagram
4,381 follower
phoenixcenterharburg

Google
4.2/5 stars

DGNB

Fabulously tasty

At Laziz in the Foodie food hall, you can enjoy delicious falafel and tasty kumpir. | Instagram: lazizkumpirfalafel

BILLSTEDT-CENTER

HAMBURG

Ingredients for this center:

Share: 100 %

Leasable space: 42,500 m²

of which retail space: 29,500 m² (plus Primark)

Parking spaces: 1,500

Number of shops: 110

Occupancy rate: 96 %

Catchment area: 0.8 million residents

Purchased: January 2011

Grand opening: 1969

Restructuring: 1977 and 1996

Last modernisation: 2019

Anchor tenants: C&A, H&M, Media Markt, REWE, TK Maxx

Visitors 2023: 10.1 million.

Address: Möllner Landstraße 3, 22111 Hamburg

billstedt-center.de

Facebook
4.0/5 stars
20,880 fans
Billstedtcenter

Instagram
5,328 follower
billstedtcenter_hamburg

Google
4.0/5 stars

DGNB

Portugal in Hamburg

Café Lia serves its visitors traditional German and Portuguese baked goods – from Franzbrötchen to Pastel de Nata.

SAARPARK-CENTER

NEUNKIRCHEN

Ingredients for this center:

Share: 95 %

Leasable space: 35,600 m²

of which retail space: 33,500 m²

Parking spaces: 1,600

Number of shops: 115

Occupancy rate: 93 %

Catchment area: 0.7 million residents

Purchased: October 2016

Grand opening: 1989

Restructuring: 2009 and 2020

Restructuring / Expansion: 1999

Last modernisation: 2020

Anchor tenants: C&A, Müller Drogerie, H&M, Peek&Cloppenburg, TK Maxx

Visitors 2023: 4.9 million.

Address: Stummplatz 1, 66538 Neunkirchen

saarpark-center.de

Facebook
4.3/5 stars
44,368 fans
SaarparkCenter-Neunkirchen

Instagram
7,002 follower
saarparkcenter

Google
4.3/5 stars

DGNB

Our insider tip

Metzgerei Hirtle offers typical Saarland sausages and delicacies. Their meatloaf is a must-try. | www.hirtle.de

Typical for Hamburg

More information under:

Recipe collection for the 2023 annual report www.deutsche-euroshop.com/recipes

FORUM

WETZLAR

Ingredients for this center:

Share: 100 %

Leasable space: 34,500 m²

of which retail space: 23,500 m²

Parking spaces: 1,700

Number of shops: 110

Occupancy rate: 96 %

Catchment area: 0.5 million residents

Purchased: October 2003

Grand opening: 2005

Restructuring: 2015 and 2020

Anchor tenants: Kaufland, Media Markt, Thalia, TK Maxx

Visitors 2023: 7.2 million.

Address: Am Forum 1, 35576 Wetzlar

forum-wetzlar.de

Facebook
4.3/5 stars
19,186 fans
ForumWetzlar

Instagram
2,899 follower
forumwetzlar

Google
4.3/5 stars

DGNB

We are from here

With its roots in the region dating back to 1926, Metzgerei Götz sells sausages and cold meats from its own slaughter and production facilities. | Instagram: metzgerei_goetz

ALLEE-CENTER

HAMM

Ingredients for this center:

Share: 100 %

Leasable space: 34,000 m²

of which retail space: 21,000 m²

Parking spaces: 1,300

Number of shops: 90

Occupancy rate: 95 %

Catchment area: 0.4 million residents

Purchased: April 2002

Grand opening: 1992

Reconstruction / Restructuring: 2003 and 2009

Last modernisation: 2023

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

Visitors 2023: 4.8 million.

Address: Richard-Matthaei-Platz 1, 59065 Hamm

allee-center-hamm.de

Facebook
4.0/5 stars
30,227 fans
AlleeCenterHamm

Instagram
4,678 follower
alleecentermagdeburg

Google
4.2/5 stars

DGNB

En Familia

Manita: A classic Italian restaurant with a bar and a wide range of delicious dishes cooked to order. They even roast their own coffee in-house. | www.manita 22.com /

CITY-GALERIE

WOLFSBURG

Ingredients for this center:

Share: 100 %

Leasable space: 30,800 m²

of which retail space: 20,000 m²

Parking spaces: 800

Number of shops: 100

Occupancy rate: 86 %

Catchment area: 0.5 million residents

Purchased: September 2000

Grand opening: 2001

Restructuring: 2013

Last modernisation: 2023

Anchor tenants: Hempel, New Yorker, REWE, Saturn

Visitors 2023: 5.9 million.

Address: Porschestraße 45, 38440 Wolfsburg

city-galerie-wolfsburg.de

Facebook
4.1/5 stars
12,702 fans
city.galerie.wolfsburg

Instagram
6,028 follower
citygaleriewolfsburg

Google
4.2/5 stars

DGNB

Enjoy consciously

WurstBasar sells meats and sausages of excellent quality and freshness, lovingly crafted by traditional artisan butchers. | www.wurst-basar.de

CITY-ARKADEN

WUPPERTAL

Ingredients for this center:

Share: 100 %

Leasable space: 28,700 m²

of which retail space: 20,000 m²

Parking spaces: 650

Number of shops: 80

Occupancy rate: 93 %

Catchment area: 0.7 million residents

Purchased: September 2000

Grand opening: 2001

Restructuring: 2011

Last modernisation: 2023

Anchor tenants: Akzenta, H&M, Thalia, Reserved

Visitors 2023: 7.7 million.

Address: Alte Freiheit 9, 42103 Wuppertal

city-arkaden-wuppertal.de

Facebook
10,962 fans
CityArkadenWuppertal

Instagram
2,020 follower
cityarkadenwuppertal

Google
4.2/5 stars

DGNB

This is where connoisseurs meet

For over 40 years, akzenta has been offering an exceptionally wide range of products with a special focus on premium quality. | www.rundum-akzenta.de

Typical for

Passau

More information under:

Recipe collection for the 2023 annual report
www.deutsche-euroshop.com/recipes

CITY-POINT

KASSEL

Ingredients for this center:

Share: 100 %
Leasable space: 27,800 m²
of which retail space: 20,000 m²
Parking spaces: 220
Number of shops: 60
Occupancy rate: 89 %
Catchment area: 0.6 million residents

Purchased: September 2000
Grand opening: 2002
Restructuring: 2009 and 2015
Anchor tenants: H&M, New Yorker, Saturn, tegut
Visitors 2023: 7.5 million.
Address: Königsplatz 61, 34117 Kassel

city-point-kassel.de

Facebook
50,155 fans
CityPointKassel

Instagram
6,926 follower
citypointkassel

Google
4.3/5 stars

DGNB

Just like in the old days

At Rumpf Wurstwaren, you will find real sausages just like the ones sold at traditional village butchers.

STADT-GALERIE

PASSAU

Ingredients for this center:

Share: 100 %
Leasable space: 27,700 m²
of which retail space: 21,000 m²
Parking spaces: 500
Number of shops: 90
Occupancy rate: 95 %
Catchment area: 0.8 million residents

Purchased: December 2006
Grand opening: 2008
Restructuring: 2018 – 2020
Modernisation: planned for 2025
Anchor tenants: C&A, Saturn, Thalia, TK Maxx
Visitors 2023: 6.4 million.
Address: Bahnhofstraße 1, 94032 Passau

stadt-galerie-passau.de

Facebook
4.3/5 stars
35,458 fans
StadtgaleriePassau

Instagram
9,035 follower
stadtgalerie_passau

Google
4.4/5 stars

DGNB

Fine food all over the world

At Galerie Café, Walter Simon sells the finest handmade speciality confectionery – which is also shipped to connoisseurs online and around the world. | www.simon-passau.de

STADT-GALERIE

HAMELIN

Ingredients for this center:

Share: 100 %

Leasable space: 26,000 m²

of which retail space: 19,000 m²

Parking spaces: 500

Number of shops: 85

Occupancy rate: 81 %

Catchment area: 0.3 million residents

Purchased: November 2005

Grand opening: 2008

Restructuring: 2018 and 2024

Anchor tenants: Müller Drogerie, New Yorker, Thalia

Visitors 2023: 4.4 million.

Address: Pferdemarkt 1, 31785 Hameln

stadtgaleriehameln.de

Facebook
4.0/5 stars
12,664 fans
StadtGalerieHameln

Instagram
2,776 follower
stadtgaleriehameln

Google
4.2/5 stars

DGNB

Be sure to try

Anna Feinkost is a delicatessen selling a large range of Greek specialities such as dips, olives, antipasti and pasta. | www.anna-feinkost.de

Typical for

Hamelin

More information under:

Recipe collection for the 2023 annual report
www.deutsche-euroshop.com / recipes

CENTER OVERVIEW

Centers abroad

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

OLYMPIA CENTER

BRNO, CZECH REPUBLIC

Ingredients for this center:

Share: 100 %

Leasable space: 85,000 m²

of which retail space: 71,000 m²

Parking spaces: 4,000

Number of shops: 200

Occupancy rate: 98 %

Catchment area: 1.2 million residents

Purchased: March 2017

Grand opening: 1999

Restructuring: 2014-2016 and 2021

Last modernisation: 2023

Anchor tenants: Albert, H&M, Intersport, Peek&Cloppenburg

Visitors 2023: 8.4 million.

Address:
U Dálnice 777,
664 42 Modřice, Brno,
Czech Republic

olympia-centrum.cz

Facebook
4.5/5 stars
45,389 fans
olympiabrno

Instagram
9,290 follower
olympiacentrumbrno

Google
4.4/5 stars

Cooking event and shopping fun

Spaghetti Parmigiano offers not only an excellent dining experience but also plenty of entertainment: here, the cooking is the show. | Instagram: spaghettiparmigiano

GALERIA BAŁTYCKA

GDANSK, POLAND

Ingredients for this center:

Share: 100 %

Leasable space: 48,700 m²

of which retail space: 43,000 m²

Parking spaces: 1,050

Number of shops: 193

Occupancy rate: 96 %

Catchment area: 1.1 million residents

Purchased: August 2006

Grand opening: 2007

Restructuring: 2017

Last modernisation: 2022

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

Visitors 2023: 7.1 million.

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

galeriabaltycka.pl

Facebook
4.3/5 stars
71,741 fans
galeriabaltycka

Instagram
6,508 follower
galeriabaltycka

Google
4.5/5 stars

For the sweet tooth

Verner Chocolate Stories: Ice cream, cakes, chocolates and desserts in all forms and flavours. Anyone with a sweet tooth will love it here. | Instagram: vernerchocolatier

CITY ARKADEN

KLAGENFURT, AUSTRIA

Ingredients for this center:

Share: 50 %

Leasable space: 36,900 m^2

of which retail space: 30,000 m^2

Parking spaces: 880

Number of shops: 120

Occupancy rate: 97 %

Catchment area: 0.4 million residents

Purchased: August 2004

Grand opening: 2006

Anchor tenants: C&A, Peek&Cloppenburg, Zara, H&M, Billa, Müller Drogeriemarkt, TK Maxx

Visitors 2023: 4.9 million.

Address: Heuplatz 5, 9020 Klagenfurt, Austria

city-arkaden-klagenfurt.at

Facebook
4.3/5 stars
21,636 fans
cityarkadenklagenfurt

Instagram
8,123 follower
cityarkadenklagenfurt

Google
4.4/5 stars

DGNB

Delicacies from all over the world

La Season is a brunch restaurant with a wide and varied menu. Popular dishes include salmon tartare, truffled eggs, pancakes and French toast. The menu also features burgers and tartes flambées, as well as salad and rice bowls. | www.laseason.at

ÁRKÁD

PÉCS, HUNGARY

Ingredients for this center:

Share: 50 %

Leasable space: 35,400 m^2

of which retail space: 33,500 m^2

Parking spaces: 850

Number of shops: 130

Occupancy rate: 99 %

Catchment area: 0.7 million residents

Purchased: November 2002

Grand opening: 2004

Modernisation: planned for 2025

Anchor tenants: C&A, H&M, Media Markt, Interspar

Visitors 2023: 10.6 million.

Address: Bajcsy Zs. U. 11/1, 7622 Pécs, Hungary

arkadpecs.hu

Facebook
4.2/5 stars
43,899 fans
arkadpecs

Instagram
4,007 follower
arkad_pecs

Google
4.4/5 stars

DGNB

Mmmh, a pleasure

At Bisztró Mischler, alongside fine Hungarian and French desserts you will also find superb speciality ice creams in unusual flavours. | www.mischlerbisztro.hu

Typical for

Klagenfurt, Austria

More information under:

Recipe collection for the 2023 annual report
www.deutsche-euroshop.com / recipes

ESG-REPORT

Watermelon

COOLING DOWN AND RELAXING IN SUMMER

Watermelon is rich in vitamins A, B and C and also contains small amounts of minerals such as potassium. The red melon is also healthy and fresh in summer and even helps with weight loss, as the extra portion of water makes us feel full more quickly.

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.

Galeria Bałtycka,
Gdansk, Poland

SUSTAINABILITY CERTIFICATES FOR ALL CENTERS

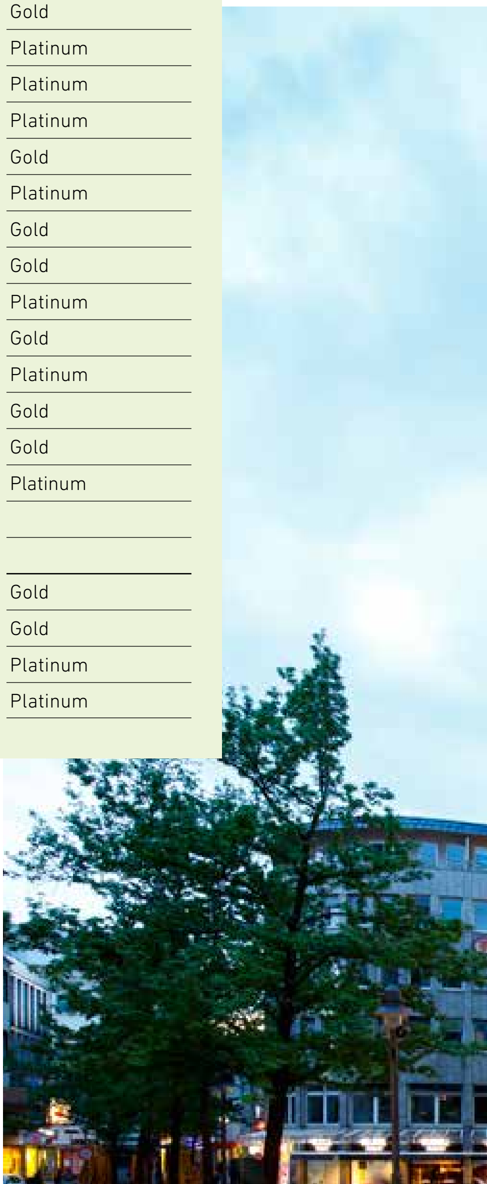
The German Sustainable Building Council (DGNB) has awarded sustainability certificates to all 21 shopping centers in Deutsche EuroShop's portfolio, all of which are managed by ECE. Ten centers received Platinum certificates and eleven received Gold certificates.

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

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, sociocultural projects and mobility. This procedure follows a holistic approach in which all three pillars of sustainability – economic, environmental and social – are continually examined and optimised.

DGNB Sustainability certificates

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



City-Arkaden, Wuppertal

GERMAN SUSTAINABLE BUILDING COUNCIL E.V. (DGNB)

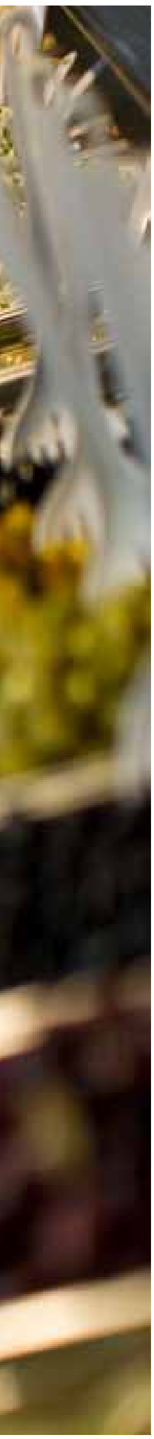
The German Sustainable Building Council (known as the Deutsche Gesellschaft für nachhaltiges Bauen e.V. in German, referred to hereinafter by its acronym DGNB) was founded in 2007 by architects, planners, building product manufacturers, investors and scientists who have long been concerned with the topic 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 the 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.

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.

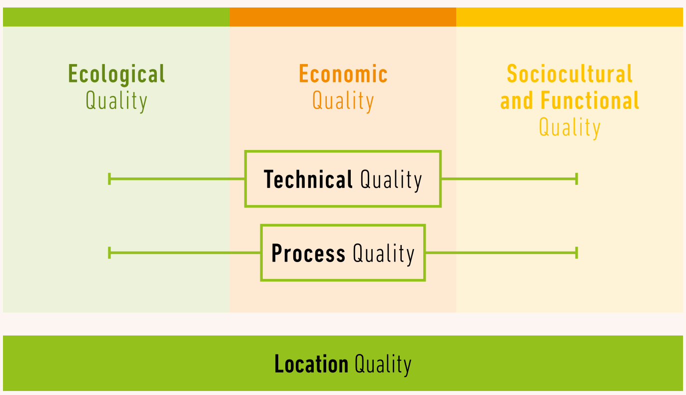
The German Quality Seal for Sustainable Building is based on research carried out by KIT and the University of Darmstadt on the development of a certification system as well as on the results of the DGNB's protection target working groups. It was developed as part of a two-year collaboration between 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

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.

Platinum

Gold

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. These address 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.

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"

CENTERS WITH CHARGING POINTS

Center	Number of charging points	Charging method	Provider / CPO
Main-Taunus-Zentrum, Sulzbach / Frankfurt	32	AC / HPC	Symcharge / Tesla / Allego
Rhein-Neckar-Zentrum, Viernheim / Mannheim	29	DC / AC	Allego / Tesla
A10 Center, Wildau / Berlin	24	DC / HPC	Allego / Tesla
Olympia Center, Brno, Czech Republic	22	AC / HPC	Teplárny / E.On / Tesla
Rathaus-Center, Dessau	4	AC	Stadtwerke Dessau
Forum, Wetzlar	4	AC	Energie- und Wasser-gesellschaft mbH

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

CENTERS WITH PLANNED CHARGING POINTS BY THE END OF 2024

Center	Number of planned charging points
Saarpark-Center, Neunkirchen	16
Allee-Center, Hamm	14
Allee-Center, Magdeburg	14
Billstedt-Center, Hamburg	10
Phoenix-Center, Hamburg	10
Stadt-Galerie, Passau	10
City-Point, Kassel	10
City-Galerie, Wolfsburg	10
City-Arkaden, Wuppertal	10
Herold-Center, Norderstedt	10
Stadt-Galerie, Hamelin	10
Altmarkt-Galerie, Dresden	10
City Arkaden, Klagenfurt, Austria	10
Galeria Bałtycka, Gdansk, Poland	10
Árkád, Pecs, Hungary	10

CONCENTRATED SOLAR POWER AT THE RHEIN-NECKAR-ZENTRUM

An impressive photovoltaic system (PV system) was put into operation on the rooftops of the Rhein-Neckar-Zentrum in April 2024 after less than a year of construction. Technical details such as the load-bearing capacity of the roof structure, the compressive strength of insulation materials and the age of the roof cladding were analysed in detail beforehand as part of a feasibility study. Two large areas proved to be particularly suitable for installation of the PV system.

The 1,850 PV modules generate a total output of 770 kilowatt peak (kWp). The annual yield of 785,000 kWh is sufficient to cover 21 % of the center's electricity consumption. The project immediately became the second largest solar installation in the town of Viernheim.

Our investment volume was approximately €1.1 million. We anticipate annual savings (Calculation based on the current electricity price, spring 2024) going forward of approx. €140,000 or approx. 0.23 €/m^2 in ancillary costs. Additional photovoltaic systems are planned for other roof areas of the center in the course of future refurbishment cycles.

BUSY BEES ON THE ROOFTOPS

Between March and September, a gentle humming is part of the background noise in and around the City-Arkaden in Wuppertal and the A10 Center in Wildau near Berlin. That's when our bees make an extra-special effort and fly to their hives on the roofs of the two shopping centers with their pollen pockets full to the brim. The bee colonies seek out their food sources within a 10-kilometre radius, e.g. in the parks and forests along the river Wupper or in the Wildau spa gardens. By pollinating plants, they do a lot to help biodiversity. And – more or less as a by-product of their activities – they provide something delicious and highly sought after. The honey is "harvested" twice a year. The beekeeper first removes the beeswax from the honey cells and then extracts the honey from the combs using a centrifuge. This "sweet gold" is then poured into jars and given away at various events in the two shopping centers or sold for good causes. And when that happens, it is always snapped up quickly by customers and visitors.

GREEN ELECTRICITY

In 2023, all our 21 shopping centers had contracts with suppliers that use renewable energy sources, such as hydroelectric power, for their electricity needs; 20 used exclusively green electricity. The TÜV Süd certified this electricity for our centers in Germany with the recognised “Eco Power” label. The plan in the years ahead is also to switch the remaining center entirely to green electricity, as far as possible.

Our 21 shopping centers used a total of around 64.0 million kWh of green electricity in 2023. This represented 80 % of the electricity requirement to operate the shopping centers. Based on conservative calculations, this meant a reduction of around 23,060 tonnes in carbon dioxide emissions, which equates to the annual CO_2 emissions of approximately 1,048 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 CO_2 EMISSIONS AND ELECTRICITY CONSUMPTION

COMPLIANCE COMPACT

WHAT IS A WHISTLEBLOWER SYSTEM?

As a listed company, it is our duty – also in the interests of our shareholders – to prevent any form of unlawful or even criminal activity within our own sphere of influence. This includes providing reporting channels so 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. The term "whistleblower system" appears in this context on a regular basis.

Using a whistleblower system, whistleblowers such as 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.

Reporting involves filling 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 the need to disclose their identity. The system is easy and intuitive to use. If a tip-off is received by the Compliance Manager, they proceed to examine the case and initiate any further steps. Complete anonymity of the whistleblower can be guaranteed at all times if desired.

www.deutsche-euroshop.de / compliance

„Whistleblower"

A whistleblower refers to a person who publishes secret or protected information in the interests of the public.

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 2023, green lease contracts had been concluded for just under 35.65 % 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 64.2 % 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.

More information on green leases is available from the German Property Federation (Zentraler Immobilien Ausschuss, ZIA) at:

www.zia-deutschland.de / project / green-lease-2-0-vom-grunen-mietvertrag-zum-esg-lease

EPRA SBPR REPORTING – 2023

INTRODUCTION

We report on our energy, GHG emissions, water and waste impacts, and social and governance measures in accordance with the third edition of the European Public Real Estate Association (EPRA) Sustainability Best Practices Recommendations (sBPR). Our reporting response has been split into two sections:

1. Overarching Recommendations

2. Sustainability Performance Measures

OVERARCHING RECOMMENDATIONS

Organisational boundaries

We use the operational control approach for our data boundaries which, this year, includes 21 assets compared with the 15 in our portfolio last year as we acquired a greater share in six assets: Allee-Center Magdeburg from 50 % to 100 %, Forum Wetzlar from 65 % to 100 %, Galeria Baltycka Gdansk from 74 % to 100 %, Phoenix-Center Hamburg from 50 % to 75 %, Saarpark-Center Neunkirchen from 50 % to 90 % (31. Dec. 2023: 95 %), and Stadt-Galerie Passau from 75 % to 100 %.

There were no changes to our portfolio between 2022 and 2023, 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). 100 % of the portfolio is included in our 2023 EPRA disclosures, which we also recorded for 2022. For 2022, pro forma figures are shown for the portfolio for better comparability, which were prepared on the assumption that the mentioned acquisition of the additional shares in six centers had already taken place at the beginning of 2022.

Estimation of landlord-obtained utility consumption

Of the consumption data reported, approximately less than 10 % (three centers) of our portfolio's water data, less than 5 % (two centers) of district heating and cooling and less than 10 % of fuel consumption data (one center, which is also supplied with district heating) has been estimated in 2023. The estimated data is based on 2022 figures for which 2023 data is not yet available. There has been no estimation of electricity consumption.

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 (m^2) 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 cover 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.

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, are similar in age and the majority have similar EPC ratings.

Third Party Assurance

We do not have third party assurance.

Disclosure on own offices

Consumption for our own occupied offices are reported separately to our portfolio. Please see Table Own offices environmental performance measuress on page 89.

Narrative on performance

Portfolio performance

Energy efficiency (measured in kWh / m^2) across our portfolio decreased by 7 % between 2022 and 2023. We recorded a reduction in consumption for all of our environmental performance measures. There was an 8 % reduction in absolute and like-for-like district heating and cooling; similarly, there was an 8 % reduction in absolute and like-for-like fuel consumption and a 7 % decrease in absolute and like-for-like electricity consumption, both seeing the same reduction trends from last year's reporting period.

Similar to last year, we have reported both market-based and location-based scope 2 emissions, adjusting last year's values accordingly. Market-based emissions factors account for 80.9 % of our electricity supply that comes from green contracts certified by the TÜV Süd. Of the 19.1 % 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 in fuel consumption and a 7 % decrease in indirect scope 2 GHG emissions using the location-based methodology. Overall, the GHG emissions intensity of our portfolio decreased 7 % in 2023.

CO_2 emissions were calculated using the same CO_2 factors from 2022 and 2021, as our new service provider, ECE, has not yet been able to provide the necessary information.

Due to the increase in our share of six assets, the data for 2022 was recalculated.

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 (i.e., 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.pl) with the help of artificial intelligence and the cleaning service provider is certified according to the EU Ecolabel certificate. To promote sustainable mobility, several centers were equipped with covered bicycle stands or e-charging stations.

We observed a small increase in water consumption in absolute and like-for-like terms, with 516,933 m^3 recorded in 2022 and 518,845 m^3 recorded in 2023. While the overall percentage change does not demonstrate significance, it should be noted that this increase can be attributed to an increase in visitors. The water consumption for 2022 had to be used for three centers in 2023, as the invoices were not yet available. The water intensity of our portfolio decreased to 0.003 m^3/visitor in 2023 (compared with 0.004 in 2022), also due to the increase in visitors. Most of our water is from the municipal supply.

There was a 3 % increase of 9,854 tonnes of waste consumption in 2023 compared with the 9,537 tonnes reported in 2022. As a result, we saw a 41 % increase in recycled waste, from 41 % in 2022 to 58 % in 2023; and composting went from 14 % in 2022 to 9 % in 2023, showing a 36 % decrease. Overall, 33 % of our total waste was sent to incineration in 2023 compared with 45 % in 2022, showing a 27 % decrease. It is important to note that the data on waste consumption in 2022 / 2023 is not comparable due to a change in the method of collecting waste data. ECE as our center manager works with tenants to promote waste separation and increase the proportion of waste that is recycled by carrying out waste management analyses, through the publication of a circular to tenants encouraging waste separation and the publication of an article on waste separation in the app for center tenants.

As in 2022, the disposal channels for waste from the BGH office in Germany were selected on a flat-rate basis (i.e., a like-for-like comparison between 2022 and 2023 can be made for these values).

Waste streams have been monitored since 2023, so that the stated proportions of recycling, composting and incineration correspond to reality. In 2022, the disposal channels were still subdivided across the portfolio. The disposal channels from 2022 and 2023 are, therefore, not comparable.

In 2023, we can report that all our assets are certified to the DGNB standard. The breakdown is as follows:

DGNB Platinum:

1. A10 Center, Wildau / Berlin
2. Árkád, Pécs, Hungary
3. Billstedt-Center, Hamburg
4. City Arkaden, Klagenfurt, Austria
5. City-Arkaden, Wuppertal
6. City-Galerie, Wolfsburg
7. Forum, Wetzlar
8. Phoenix-Center, Hamburg
9. Rhein-Neckar-Zentrum, Viernheim / Mannheim
10. Stadt-Galerie, Passau

Together, these represent 43 % of our portfolio by leasable floor area.

DGNB Gold:

1. Allee-Center, Hamm
2. Allee-Center, Magdeburg
3. Altmarkt-Galerie, Dresden
4. City-Point, Kassel
5. Galeria Bałtycka, Gdansk, Poland
6. Herold-Center, Norderstedt
7. Main-Taunus-Zentrum, Sulzbach / Frankfurt
8. Olympia Center, Brno, Czech Republic
9. Rathaus-Center, Dessau
10. Saarpark-Center, Neunkirchen
11. Stadt-Galerie, Hamelin

Together, these represent 57 % of our portfolio by leasable floor area.

OTHER NOTABLE ESG ACTIVITIES IN 2023

New photovoltaic system

Deutsche EuroShop is setting an example in terms of sustainability with the installation of a state-of-the-art photovoltaic system at our assets in the Rhein-Neckar-Zentrum. The €1.1 million investment, with an impressive output of 770 kilowatt peak (kWp), is scheduled for completion in April 2024 and will reduce the center's dependence on conventional energy sources. With an expected self-sufficiency rate of 21 % and annual savings of €139,000 in electricity costs, this initiative not only underlines Deutsche EuroShop's commitment to environmental protection, but also highlights the synergies between sustainability and economic rationality.

Promoting biodiversity

We have installed beehives on the roofs of the City-Arkaden Wuppertal and the A10 Center in Wildau. Between March and September, the bees contribute to biodiversity and produce high-quality honey. Harvesting of the honey takes place twice a year and the honey is given away as gifts or sold for charity at events in the two centers, always with great success among customers and visitors.

Own offices performance

During 2023, electricity consumption within our own offices saw an 11 % reduction, whilst we had no change in our consumption of district heating and cooling. As district heating and cooling represents 100 % of our energy use, the energy intensity of our own offices decreased by 2 %.

As we have begun reporting on a market-based approach for our portfolio, we have reported our own offices performance on the same basis. All our procured electricity is provided on the basis of a renewable supply, so we use an emissions factor of 0 T CO_2¬e. 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.

In March 2022, water meters were installed, enabling the collection of more accurate water data. While the first three months of 2022 were estimated based on the figures collected during the rest of the year with the installed water meters, we were subsequently able to collect accurate data for the entire year 2023. This was a particularly useful measure as water for a public fountain and swimming pool are fed from the same building. Due to this new technology, we continued to see our absolute and like-for-like water consumption decrease, reducing by 17 % in 2023. With an increased average number of employees, we were able to achieve a 21 % reduction in water intensity. No fuels are used at our own offices.

There was a 10 % increase in waste produced by our offices in 2023, but no change in recycled or incinerated waste. The changes between 2022 and 2023 can be attributed to the average number of people in the office, which saw a 5 % increase and there was also an increase in projects in 2023. Additionally, we are constantly working towards producing less paper waste.

As in previous years, 2022 data was updated for 'Own Offices Performance' if more recent data was available since the last publication.

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 six full-time members of staff and there is one member on 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 on the Supervisory Board, three of whom are independent.

Not including the Executive Board, 50 % 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 104). 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 2023, 71 % of our employees attended training amounting to an average of 17 hours per employee, compared with 80 % of employees in 2022 who completed 27 hours of training. The figures in 2022 related to employees excluding the Management Board in which four out of five have undergone further training, with one employee undergoing a very extensive ESG programme. Also, the average number of employees in 2022 was five and in 2023 this number was 5.62.

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 because, although every employee meets with the Executive Board annually, which provides the opportunity for open conversations, these meetings do not constitute a formal review process.

Due to the small number of full-time employees (i.e., six), 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. One employee joined the company in 2023 and our turnover rate was zero.

ECE, as the appointed manager of all centres in the Deutsche EuroShop portfolio, has an external provider of health and safety services to ensure that all legal requirements relating to H& S asset management are met. This is achieved through providing staff with extensive documentation, guidelines and instructions on fire evacuation measures; training for first aiders and fire safety assistants and guidance for crises such as terror attacks. The external provider conducts risk assessments, job hazard analyses, center inspections to control operational risks, and evaluates statistics and accidents.

The external provider, along with ECE employees form an occupational health and safety organisation, who hold health and safety meetings every quarter to discuss the above issues.

In the H& S-Comp division, ECE reported a total of 82 incidents in the approximately 200 shopping centers it manages, including the 21 owned by Deutsche EuroShop. Incidents are documented digitally through the Forms Query platform by the employee concerned. Two weeks before each occupational health and safety meeting, Forms Query is downloaded and forwarded to the external occupational health and safety service provider, Argumed. The incidents are then discussed at the joint health and safety committee meeting or Argumed approaches the individual center concerned and discusses possible measures.

No significant Comty-Eng projects were implemented in 2023.

Location of EPRA sustainability performance measures

EPRA sustainability performance measures for our portfolio and own offices can be found in tables on pages 88 and 89 of this report.

Billstedt-Center, Hamburg

SUSTAINABILITY PERFORMANCE MEASURES

PORTFOLIO ENVIRONMENTAL PERFORMANCE MEASURESS

Indicator	EPRA code	Unit of measure	2022 new portfolio	Coverage	2023	Coverage	Change
Total electricity consumption	Elec-Abs	kWh	84,904,953.17	100 %	79,096,721.00	100 %	–7 %
		% from renewable sources	75.10 %		80.87 %		8 %
Like-for-like electricity consumption	Elec-LFL	kWh	84,904,953.17	100 %	79,096,721.00	100 %	–7 %
Total energy consumption from district heating and cooling	DH&C-Abs	kWh	33,718,521.90	100 %	31,042,426.80	100 %	–8 %
		% from renewable sources	n/a		n/a		
Like-for-like consumption from district heating and cooling	DH&C-LFL	kWh	33,718,521.90	100 %	31,042,426.80	100 %	–8 %
Total energy consumption from fuel	Fuels-Abs	Total energy consumption from fuel	25,538,352.25	100 %	23,548,844.15	100 %	–8 %
		% from renewable sources	0		0		
Like-for-like consumption from fuel	Fuels-LFL	kWh	25,538,352.25	100 %	23,548,844.15	100 %	–8 %
Building energy intensity	Energy-Int	kWh / m²	95	100 %	88	100 %	–7 %
Direct GHG emissions (total) Scope 1	GHG-Dir-Abs	tCO_2	5,157.73	100 %	4,756	100 %	–8 %
Indirect GHG emissions (total) Scope 2	GHG-Indir-Abs	tCO_2 (market based)	17,491	100 %	12,302	100 %	–30 %
		tCO_2 (location based)	37,783		34,977		–7 %
Building GHG emissions intensity	GHG-Int	tCO_2/m^2 (market based)	0.015	100 %	0.011	100 %	–23 %
Building GHG emissions intensity	GHG-Int	tCO_2/m^2 (location based)	0.028	100 %	0.026	100 %	–7 %
Total water consumption	Water-Abs	Total m³	516,933	100 %	518,845.30	100 %	0 %
Like-for-like water consumption	Water-LFL	m³	516,933	100 %	518,845.30	100 %	0 %
Building water consumption intensity	Water-Int	m³/visitor	0.004	100 %	0.003	100 %	–5 %
Weight of waste by disposal route (total)	Waste-Abs	tonnes	9,537	100 %	9,854	100 %	3 %
		% recycled	41		58		41 %
		% composted	14		9		–36 %
		% sent to incineration	45		33		–27 %
Weight of waste by disposal route (Like-for-like)	Waste-LFL	tonnes	9,537	100 %	9,854	100 %	3 %
		% recycled	41		58		41 %
		%composted	14		9		–36 %
		% sent to incineration	45		33		–27 %
Type and number of assets certified	Cert-Tot	% of portfolio certified OR number of certified assets	100 %	100 %	100 %	100 %	0 %
		% of portfolio by leasable space	43 % awarded DGNB Platinum				
			57 % awarded DGNB Gold				

na = not applicable
n/a = not available

DH & C-Abs: December consumption is missing from one center.

Fuels-Abs: Consumption from 2022 was used for one center, as the invoices are not yet available.

GHG-Indir-Abs (market-based): There was an increased deviation due to conversion to green electricity supply for the Polish center in 2023 (2022 grey electricity).

GHG-Indir-Abs (location-based): Country-specific emission factors are used across the board. This means that the actual energy purchase (electricity mix) of a company is not taken into account (i.e., not even the purchase of renewable energies beyond the country mix).

GHG-Int: In consultation with DESAG, the same CO_2 factors were used as in 2022 and 2021.

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.

Water-Abs: The water consumption for 2022 had to be used for three centers as the invoices for 2023 were not yet available.

Waste-Abs (weight of waste by disposal route total): For six centers, the organic waste is handled directly by the tenants, so we do not have any quantities.

Waste-Abs (recycled): From 2023, there was a change in the determination of disposal routes (from flat-rate categorisation to actual route). The values for 2022 and 2023 are not comparable.

Cert-Tot: There was a slight adjustment of the percentages based on the current rental space. No change in the certifications.

OWN OFFICES ENVIRONMENTAL PERFORMANCE MEASURESS

Indicator	EPRA code	Unit of measure	2022	Coverage	2023	Coverage	Change
Total electricity consumption	Elec-Abs	kWh	12,676	100 %	11,261	100 %	–11 %
		% from renewable sources	100 %		100 %		
Like-for-like electricity consumption	Elec-LFL	kWh	12,676	100 %	11,261	100 %	–11 %
Total energy consumption from district heating and cooling	DH&C-Abs	kWh	50,171	100 %	50,171	100 %	0 %
		% from renewable sources	n/a		n/a		
Like for like consumption from district heating and cooling	DH&C-LFL	kWh	50,171	100 %	50,171	100 %	0 %
Total energy consumption from fuel	Fuels-Abs	kWh	na	100 %	na	100 %	
		% from renewable sources	na		na		
Like-for-like consumption from fuel	Fuels-LFL	kWh	na	100 %	na	100 %	
Building energy intensity	Energy-Int	kWh / m²	229	100 %	223	100 %	–2 %
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)	8.8	100 %	8.5	100 %	–3 %
		tCO_2 (location based)	12.76		12.36		–3 %
Building GHG emissions intensity	GHG-Int	tCO_2/m^2 (market based)	0.032	100 %	0.031	100 %	–3 %
Total water consumption	Water-Abs	m³	36.00	100 %	30.00	100 %	–17 %
Like-for-like water consumption	Water-LFL	m³	36.00	100 %	30.00	100 %	–17 %
Building water consumption intensity	Water-Int	m³/employee	6.75	100 %	5.33	100 %	–21 %
Weight of waste by disposal route (total)	Waste-Abs	tonnes	0.245	100 %	0.270	100 %	10 %
		% recycled	56		56		0 %
		% sent to incineration	44		44		0 %
Weight of waste by disposal route (Like-for-like)	Waste-LFL	tonnes	0.245	100 %	0.270	100 %	10 %
		% recycled	56		56		0 %
		% sent to incineration	44		44		0 %
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

Elec-Abs/Elec-LfL: We recorded a partial amount of consumption for 2022, as the invoice is not yet available.

DH&C-Abs: 2023 data refers to 2022, as the 2023 invoice is not yet available.

GHG-Indir-Abs (market-based): If no "supplier factors" are available for the "market-based" method, the country-specific emission factors are used (analogous to the "location-based" method).

GHG -Indir-Abs (location-based): Country-specific emission factors are used to calculate our scope 2 emissions.
This means that the actual energy purchase (electricity mix) of our company is not taken into account (i.e., the purchase of renewable energies beyond the country mix).

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.

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

SOCIAL AND GOVERNANCE PERFORMANCE MEASURES

Indicator	EPRA code	Unit of measure	Indicator	2023
Employee gender diversity	Diversity-Emp	% of male & female employees	Supervisory Board	33 % female 67 % male
			Executive Board	100 % male
			Other employees	50 % female 50 % male
Employee training and development	Emp-Training	Average number of hours	Average hours of training undertaken by employees in the reporting period	17.1
		% of employees	Number of employees	71 %
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	1
			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	4.3
			Number of independent / non-executive board members with competencies relating to environmental and social topics	4
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 (page 104)
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 (page 104)

na = not applicable. Please see narrative on peformance.

THE EXECUTIVE BOARD

HANS-PETER KNEIP
Member of 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.

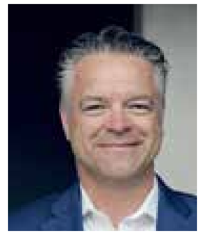
Until 2021, Mr Kneip was Chief Financial Officer of listed residential real estate company Accentro Real Estate AG in Berlin. Before joining Deutsche EuroShop AG, he was Managing Director of Deutsche Teilkauf GmbH in Cologne.

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

SUPERVISORY BOARD

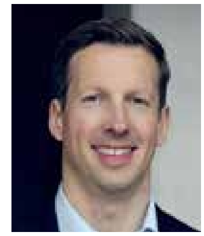
As at: 31 December 2023

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 membership of comparable domestic and foreign supervisory bodies for business enterprises	• Eckes AG, Nieder-Olm (Chairman) • Carl Kühne KG (GmbH & Co.), Hamburg (Chairman) • akf Bank GmbH & Co. KG, Wuppertal	• SCOPE SE & Co. KGaA, Berlin
Position	Management consultant	Independent management consultant
Career milestones	• 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: - 2010-2021: Personally liable partner • since 2022: Management consultant	• 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 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
Skills profile		
Retail	X	
Real estate		
Business management	X	X
Accounting /Auditing	X	X
Financing		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 at 31 December 2023	500	0

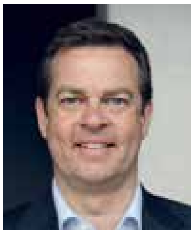
 

Benjamin Paul Bianchi	**Henning Eggers**
1975	1969
London, United Kingdom	Halstenbek
American	German
2022	2019
2027 Annual General Meeting	2024 Annual General Meeting
Member of the Executive Committee	Member of the Executive Committee, Member of the Audit Committee
–	• ECE Group GmbH & Co. KG, Hamburg
Managing Director and Head of Europe, Oaktree Capital Management, London (United Kingdom)	Member of Management, CURA Vermögensverwaltung G.m.b.H., Hamburg
• Degree in engineering with double major in mathematics and civil engineering, Vanderbilt University, Nashville, Tennessee (USA) • 1998-2001: Goldman Sachs Group, Inc. / Archon Group, Dallas (USA), Tokyo (Japan), Seoul (South Korea) and Bangkok (Thailand), Associate • 2001-2005: Moore Capital Management / Moore SVP, Tokyo (Japan), Senior Vice President • 2005-2012: Deutsche Bank AG, London (United Kingdom) and Hong Kong (SAR): - of which 2005-2007: Director SSG Europe 2007-2009: Managing Director, Head of SSG Asia & Co-Head of CRE Asia - 2009-2012: Managing Director, Global Head of Special Situations Group • 2013: Highbridge Principal Strategies, New York (USA), Consultant • since 2014: Oaktree Capital Management, London (United Kingdom) and New York (USA) - of which 2014-2019: Managing Director, Member of the Investment Committee • since 2019: Managing Director, Head of Europe	• 1990-1995: Degree in business administration, University of Hamburg, certified business economist • 1999: German tax advisor exam • 1995-2000: PKF Fasselt Schlage auditing and tax consulting firm, Hamburg • since 2000: KG CURA Vermögensverwaltung G.m.b.H. & Co., Hamburg (family office of the Otto family) • since 2013: Member of Management
X	X
X	X
X	X
X	X
	X
Shareholder representative of Oaktree Capital Management	Shareholder representative of the Otto family
0	0.06 % (indirectly)





Name	**Lemara Grant**	**Dr. Henning Kreke**	**Stuart E. Keith**
Born	1991	1965	1982
Place of residence	London, United Kingdom	Hagen / Westphalia	London, United Kingdom
Nationality	British	German	British
On the Supervisory Board since	2022	2013	2022
Elected until	2027 Annual General Meeting	2028 Annual General Meeting	2027 Annual General Meeting
Committee activities	–	Chairman of the Capital Market Committee	Member of the Capital Market Committee
Membership of other legally required supervisory boards and membership of comparable domestic and foreign supervisory bodies for business enterprises	–	• Douglas GmbH, Düsseldorf (Chairman) • 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, European Tax Counsel (until 29 February 2024), Senior Vice President, European Tax Counsel (since 1 March 2024), Oaktree Capital Management, London (United Kingdom)	Managing Partner, Let's Go JMK KG and Kreke Immobilien KG, Hagen / Westphalia	Managing Director, Oaktree Capital Management, London (United Kingdom)
Career milestones	• 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 Secondee • since 2021: Oaktree Capital Management, London (United Kingdom), - of which 2021-2023: Vice President, European Tax Counsel • since 2024: Senior Vice President, European and Asia Tax Counsel	• 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 • 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 and Kreke Immobilien KG, Hagen / Westphalia, Managing Partner	• 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 2020-2022: Senior Vice President Real Estate • since 2023: Managing Director
Skills profile			
Retail		X	
Real estate			X
Business management	X	X	
Accounting /Auditing		X	X
Financing	X		X
Capital market		X	X
Law	X		
Corporate governance /ESG		X	
Relationship to controlling / major shareholders or Deutsche EuroShop AG	Shareholder representative of Oaktree Capital Management	none	Shareholder representative of Oaktree Capital Management
Deutsche EuroShop securities portfolio as at 31 December 2023	0	0	0



	Dr. Volker Kraft	**Claudia Plath**
	1972	1971
	Hamburg	Hamburg
	German	German
	2022	2019
	2027 Annual General Meeting	2024 Annual General Meeting
	Member of the Capital Market Committee	Member of the Capital Market Committee
	• Allos S.A., Sao Paulo (Brazil)	• Ceconomy AG, Düsseldorf • MEC Metro-ECE Centermanagement GmbH & Co. KG, Düsseldorf
	Managing Director, ECE Real Estate Partners GmbH, Hamburg	CFO, ECE Group Verwaltung GmbH, Hamburg
	• 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 GmbH, Hamburg, Managing Director	• 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 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
	Member of the Management Board of ECE Real Estate Partners GmbH, Hamburg (Alexander Otto (major shareholder) is partner of the partner)	Member of the Management Board of ECE Group Verwaltung GmbH, Hamburg (Alexander Otto (major shareholder) is Chairman of the Management Board)
	0.13 % (indirectly)	260 shares + 0.06 % (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, to which Deutsche EuroShop is committed. The Charter makes statements on the importance, voluntary commitments, activities as well as transparency and monitoring of the real estate industry in relation to 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

GCSP

The German Council of Shopping Places (GCSP) is the only nationwide association representing the interests of the commercial real estate industry. Around 1,000 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

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 shareholder 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

EPRA SUSTAINABILITY REPORTING

2023 saw Deutsche EuroShop awarded the EPRA sBPR Award in "Gold" by the European Public Real Estate Association (EPRA) for the seventh 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.
More information at: **www.epra.com/sustainability/sustainability-reporting/sbpr-awards**

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, Morningstar Sustainalytics, MSCI ESG Ratings and S&P Global Corporate Sustainability Assessment.

REPORT OF THE SUPERVISORY BOARD

REINER STRECKER,
Chairman of the Supervisory Board

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 2023, 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. In 2023, the Executive Committee was kept continuously informed about current developments and notified in advance about intended, more far-reaching decisions of the Executive Board.

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. We were also provided with prompt and continuous information about the payment patterns of our tenants. One area of focus for the advisory activities in financial year 2023 was the further development of the Company's strategy with regard to the portfolio, environmental, social and governance (ESG) issues and financing. 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 committee's discussions focused in particular on the interests of shareholders and of the Company.

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 our tenants' retail sales trends 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. Our discussions also focused on the current and future composition of the Executive Board with regard to the management of the Company by Hans-Peter Kneip as sole member of the Executive Board.

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 the consequences of the geopolitical crises in Ukraine and the Middle East, as well as the political uncertainties and fears of recession for our operating business. The focus was on the effects on inflation and interest rates as well as consumer behaviour. 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 were held in financial year 2023, two in person and two as video conferences. Outside of the meetings, two circular resolutions were passed.

The Executive Committee held one ordinary meeting by video conference, and the Audit Committee held four ordinary meetings by video conference. The newly formed "Project Lion" committee met four times via video conference. No meeting of the Capital Market Committee was held in financial year 2023.

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. 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	"Project Lion" committee
Reiner Strecker (Chairman)	2012	Annual General Meeting 2025	4/4	1/1	4/4	4/4
Chantal Schumacher (Deputy Chairwoman)	2022	Annual General Meeting 2027	4/4	–	4/4	4/4
Benjamin Paul Bianchi	2022	Annual General Meeting 2027	4/4	1/1	–	–
Henning Eggers	2019	Annual General Meeting 2024	4/4	1/1	4/4	–
Lemara Grant	2022	Annual General Meeting 2027	3/4	–	–	–
Stuart E. Keith	2022	Annual General Meeting 2027	4/4	–	–	–
Dr Volker Kraft	2022	Annual General Meeting 2027	4/4	–	–	–
Dr Henning Kreke	2013	Annual General Meeting 2028	4/4	–	–	4/4
Claudia Plath	2019	Annual General Meeting 2024	3/4	–	–	–

April meeting

At the first ordinary meeting on **25 April 2023**, the Executive Board and the auditor's representatives explained the annual financial statements 2022 for the Company and the Group as well as the audit procedures and results. The Executive Board explained its dividend proposal of €2.50 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 sustained recovery of key operating figures such as visitor numbers, tenant revenue and rental payments in our shopping center portfolio. It also addressed the current consumer behaviour of visitors and the bankruptcy cases involving well-known retailers, some of whom are also tenants in our centers. The Executive Board also explained the Company's financing situation. With refinancing for the Main-Taunus-Zentrum contractually secured in the previous year and concluded in January 2023, there is no refinancing requirement until September 2025. The Executive Board also discussed the current situation on the capital markets and opportunities to further optimise and diversify the Company's financing. The Executive Board then presented the investments scheduled in our shopping centers. Major updates are planned at the A10 Center, the Stadt-Galerie Hamelin, the Rhein-Neckar-Zentrum and especially the Main-Taunus-Zentrum to enhance the appeal of these centers, which are supported by the Supervisory Board. The Executive Board also addressed the current state of the transaction market for retail real estate and future opportunities for the Company in this regard. As Chairman of the Supervisory Board, I explained the deliberations of the Executive Committee and of the "Project Lion" committee to the full Supervisory Board. In particular, I reported on the previous discussions regarding the dividend proposal and the Company's minimum liquidity target as well as on the status of succession arrangements for the expiring mandate of Supervisory Board member Dr Henning Kreke. The Supervisory Board approved the agenda items for an Annual General Meeting on 29 August 2023, including the dividend proposal of €2.50 per share. Once the pandemic had subsided, we decided at the proposal of the Executive Board to return to in-person Annual General Meetings in principle. Taking into account any conflicts of interest of individual members, the Supervisory Board approved the conclusion of a loan agreement with major shareholder Hercules BidCo GmbH, intended to ensure adequate minimum liquidity. Finally, the Executive Board reported on the ongoing analysis and planned further development of the Company's ESG strategy.

June video conference

Our ordinary meeting on **22 June 2023** was held in the form of a video conference. The Executive Board first presented to us the results for the first quarter and a projection for financial year 2023. It then reported on current developments, particularly in terms of visitor numbers, retail sales and rental payments, as well as on the wider outlook for the retail sector and the targeted handling of tenant insolvencies in our shopping center portfolio. It also discussed the current status of ongoing investment projects in the portfolio. On the back of the successful pre-leasing drive, the Supervisory Board approved the construction of the Food Garden at the Main-Taunus-Zentrum. We discussed the current situation on the transaction market for retail real estate and possible future opportunities with the Executive Board. The Executive Board explained the Company's current financing and liquidity situation and the options for optimising the capital and financing structure, depending on further developments in the financing environment. The items on the agenda for the Annual General Meeting on 29 August 2023 were discussed and confirmed by the Supervisory Board. Finally, the Executive Board reported on organisational and personnel developments at the Company. In this context, as Chairman, I explained to the entire Supervisory Board the considerations of the Executive Committee – in its simultaneous function as the Nomination Committee – with regard to the further management of the Company by Hans-Peter Kneip as CEO and CFO as well as the possible future composition of the Executive Board.

September meeting

At the ordinary meeting on **29 September 2023**, the Executive Board first explained the results for the first half of the year and the current projection for 2023 as a whole. In this context, it reported on current developments in the operating business and with regard to key tenants in the shopping center portfolio. It also explained to us the valuation of the Company's property portfolio as at 30 June 2023. The Executive Board informed us about the progress of the ongoing investment projects in the portfolio, and the Supervisory Board approved the investment measures planned for the A10 Center and the Stadt-Galerie Hamelin to enhance the appeal of the centers. We also discussed possible optimisations in the shopping center portfolio with the Executive Board. The September meeting focused on a comprehensive report on the development of the Company's strategy with regard to the portfolio, ESG and financing. Finally, the Chairwoman of the Audit Committee reported on the status of the tender process for a new auditor from financial year 2024.

November video conference

At the ordinary meeting on **24 November 2023,** which was held as a video conference, our Executive Board reported on the results for the first nine months and the projection for financial year 2023. It also presented to us the planning for financial years 2024 to 2028, which was subsequently approved by the Supervisory Board. It furthermore informed the Supervisory Board about the Company's current liquidity planning. The Executive Board explained the planned structural optimisation and simultaneous increase in existing loan financing, which we approved. As Chairman of the Supervisory Board, I suggested delegating future borrowings to the Capital Market Committee under certain conditions. The Supervisory Board approved the proposal and the corresponding amendments to the rules of procedure for the Executive Board and Supervisory Board. Based on the liquidity planning, the Executive Board explained the plan to convene an Extraordinary General Meeting on 8 January 2024 to pass a resolution on a special dividend of €1.35 per share, or higher if further distributable liquidity were available before the Annual General Meeting. The Supervisory Board approved this resolution. The meeting moved on to a presentation by the Executive Board on its ideas and considerations regarding the Company's future portfolio strategy. These were based on detailed individual analyses of all 21 shopping centers. The presentation was supported by the asset manager ECE and an external consultant as temporary guests at the meeting. The Chairwoman of the Audit Committee reported on the results of the tender process for a new auditor from financial year 2024. The Supervisory Board resolved to propose RSM Ebner Stolz as the new auditor at the Annual General Meeting. Finally, the Executive Board explained the fundamental possibility of share buy-backs and general legal developments that could be relevant for the Company in future.

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. 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 for the quality of the audit. In addition, the Audit Committee conducted a tender process in the financial year for a new auditor.

In addition, a "Project Lion" committee was in place during the financial year, which was entrusted with a special project for a limited period of time. This special 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 Supervisory Board members (Reiner Strecker, Chantal Schumacher and Dr Henning Kreke). Some of its meetings were also attended by our financial and legal advisors as guests.

The Executive Committee, in its simultaneous function as the Nomination Committee, held an ordinary meeting on 3 April. Four ordinary meetings of the Audit Committee took place, on 3 April, 8 May, 10 August and 10 November, to hear reports from the Executive Board and auditor on the annual financial statements 2022 and to discuss the interim reports 2023 with the Executive Board.

The "Project Lion" committee met on 6 January, 11 January, 12 January and 1 February in financial year 2023. The committee met on 13 December and 16 December during the previous financial year 2022.

CORPORATE GOVERNANCE

In February 2023 and February 2024, 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 2024 that no conflicts of interest had arisen during financial year 2023.

We have published a competence matrix of the Supervisory Board members in the "Declaration on Corporate Governance". 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 2023.

In financial year 2023, three members of the Supervisory Board were independent.

FINANCIAL STATEMENTS OF DEUTSCHE EUROSHOP AG AND THE GROUP FOR THE PERIOD ENDING 31 DECEMBER 2023

At the Audit Committee meeting on 5 April 2024 and at the ordinary Supervisory Board meeting on 25 April 2024, 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 2023, as well as the combined management report and Group management report for financial year 2023. The accounting effects of the acquisition of the minority interests in January 2023 were discussed together with the Executive Board, and the operating developments for the Group were presented to us on the basis of a pro forma comparison. Furthermore, the dependency report and compensation report were 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, the dependency report and the compensation 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, the dependency report and the compensation 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 29 August 2023 – 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 5 April 2024 and the ordinary Supervisory Board meeting on 25 April 2024 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 and compensation 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. The financial statements are thus 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 €61,164,255.20 of the unappropriated surplus of €400,200,747.90 for financial year 2023 remaining after payment in January 2024 of the special dividend for financial year 2022 is to be used to pay a dividend of €0.80 per no-par-value share carrying dividend rights, and the remaining partial amount of €339,036,492.70 is to be carried forward to new account.

The current market environment presents opportunities and development prospects for Deutsche EuroShop. Interest rates have stabilised following the rise in the previous year, and inflation is falling. Furthermore, visitor numbers and tenant revenue in our shopping center portfolio have recovered significantly. At the same time, we are confronted with geopolitical crises, political uncertainties and fears of recession, which are dampening consumer behaviour and continue to pose challenges for the retail sector. Deutsche EuroShop's secured long-term financing is having a stabilising effect; no refinancing is due until September 2025. We also expect further positive impetus for the Company from our major shareholder. One successful step in financial year 2023 was the acquisition of shopping center shares and the resulting simplification of the portfolio structure. By financing the acquisition with a capital increase, we were able to improve our equity base and create further financial leeway.

The Supervisory Board thanks the Executive Board and all employees of Deutsche EuroShop AG for a successful financial year in 2023 and for their outstanding and reliable work.

Hamburg, 25 April 2024

Reiner Strecker, Chairman

More information under:

Recipe collection
for the 2023 annual report
www.deutsche-euroshop.com/
recipes

CORPORATE GOVERNANCE 2023

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 (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 on corporate governance, also on behalf of the Supervisory Board.

OBJECTIVES AND STRATEGY

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

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 further diversified in 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 (the average fixed interest period) at over five years.

DIVERSIFIED SHOPPING CENTER PORTFOLIO

Deutsche EuroShop AG holds a balanced, diversified portfolio of shopping centers from 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 attach higher importance to the quality and yield of our shopping centers than to 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 a wide range of competitive situations. At the same time, the Group's management focuses on optimising the value of the existing portfolio of properties.

TAILORED RENT STRUCTURE

A key component of the rental model is a tailored rent structure. While individual owners in urban centers are often preoccupied with achieving the highest possible rental income from 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: ECE Marketplaces GmbH & Co. KG (ECE), based in Hamburg. 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 success for 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 400,000 and 500,000 people visit our 21 centers every day and are captivated by not only the variety of sectors represented, but also by the wide range of themed exhibitions, casting events, 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 continually being created as part of the ongoing integration of bricks-and-mortar shopping and online retailing.

WORKING METHODS OF THE EXECUTIVE BOARD AND SUPERVISORY BOARD

The strategic alignment of the Company is coordinated between the Executive Board and 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 relevant business developments. The Executive Board and Supervisory Board conduct regular and detailed analyses of the Company's net assets, financial position and results of operations, as well as its risk management. 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 potential impacts can be derived from these at an early stage if 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 decision papers.

Moreover, the Executive Board and Supervisory Board 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 additionally 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 effectively combine the strategic advantages of our shopping centers with the opportunities afforded by e-commerce are extremely important in Executive Board reporting. In financial year 2023, the inflation and interest rate environment, consumer behaviour trends, and the further development of our shopping centers were at the forefront of discussions and decisions for the operating business. The Executive Board and Supervisory Board also dealt at length with the acquisition of minority shopping center shares and the associated capital increase, as well as with the Company's future strategy with regard to the property portfolio, ESG (environmental, social and governance) and financing.

In the case of transactions by the Executive Board requiring approval, telephone or video conferences are also conducted with the Supervisory Board or its committees and circular resolutions are passed in writing.

CORPORATE GOVERNANCE 2023

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 13 February 2024.

EXECUTIVE BOARD AND SUPERVISORY BOARD

The Executive Board and Supervisory Board performed their statutory duties in financial year 2023 in accordance with the applicable laws and the Articles of Association. The strategic alignment of the Company was re-adjusted between the Executive Board and Supervisory Board, and the progress of strategy implementation was discussed at regular intervals. The Supervisory Board was informed regularly, promptly and in detail by the Executive Board of business developments and the risk situation. Detailed information on the main areas of focus of the Supervisory Board's activities in financial year 2023 can be found in the Annual Report 2023 of Deutsche EuroShop AG.

In financial year 2023, 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, as well as the remuneration report for financial year 2022 approved by the Annual General Meeting on 29 August 2023 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 2023 and the auditor's report pursuant to Section 162 AktG will be made available to the public at the same 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 / ESG, 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:

Skills profile	Reiner Strecker (Chairman)	Chantal Schumacher (Deputy Chairwoman)	Benjamin Paul Bianchi	Henning Eggers	Lemara Grant	Dr Henning Kreke	Stuart E. Keith	Dr Volker Kraft	Claudia Plath
Retail	X					X		X	
Real estate			X	X			X	X	X
Business management	X	X	X	X	X	X		X	X
Accounting / Auditing	X	X	X	X		X	X		X
Financing		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.

Three of the total of nine members of the Supervisory Board are independent of the Company, the Executive Board and the controlling shareholder within the meaning of the German Corporate Governance Code. These are Reiner Strecker, Chantal Schumacher and Dr Henning Kreke.

The length of service on the Supervisory Board ranges from 1.5 to 11.5 years, the average being around four years (as at 31 December 2023).

Name	Function	Initially since	Until the AGM which will decide on...	AGM in	Membership of the Supervisory Board as at 12/2023 in years
Henning Eggers		12.06.2019	2023	2024	4.5
Claudia Plath		12.06.2019	2023	2024	4.5
Reiner Strecker	Chairman	13.07.2012	2024	2025	11.5
Chantal Schumacher	Deputy Chairwoman	30.08.2022	2026	2027	1.5
Dr Volker Kraft		30.08.2022	2026	2027	1.5
Benjamin Paul Bianchi		30.08.2022	2026	2027	1.5
Stuart E. Keith		30.08.2022	2026	2027	1.5
Lemara Grant		30.08.2022	2026	2027	1.5
Dr Henning Kreke		20.06.2013	2027	2028	10.5
Average					**4.3**

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 from February to March 2024.

No deductible is provided for the D&O insurance policy of the Supervisory Board. In the Executive Board and 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 Paul Bianchi**
- **Henning Eggers**
- **Lemara 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. 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 monitors the audit and assesses the quality of the auditor's work. It also reviews the effectiveness of the internal control and risk management systems and the Company's corporate governance principles. 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 Wirtschaftsprufungsgesellschaft (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.

This fulfils the requirement of the Finanzmarktintegritätsstärkungsgesetz (FISG – Financial Market Integrity Strengthening Act), which stipulates that one committee member must have experience in accounting and another member must have experience in auditing financial statements.

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 execution. 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 its rules of procedure. The Executive Board's duties, responsibilities and business procedures are laid down in its rules of procedure and – if there are multiple members on the Executive Board – in a 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 was drawn up in 2015 was given concrete shape and expanded in April 2017. It proposes that the Executive Board should consist of members of both genders 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 predominantly 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 / ESG, corporate and personnel management, corporate acquisitions and mergers, and the purchase and sale of real estate. The areas of expertise and experience in the case of multiple Executive Board members should complement each other.

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

As at 31 December 2023, 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 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. In financial year 2023, the company was headed by Hans-Peter Kneip as sole member of the Executive Board (CEO and CFO). The Supervisory Board's deliberations on the future remuneration of the Executive Board have not yet been finalised.

Quota of women

The Supervisory Board and the Executive Board took into consideration the German 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 Executive Board. The Executive Board also set the same target for the management levels below the Executive Board. Due to the number of employees (six), there is only one management level below the Executive Board.

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 2023 was 0 %.

The quota of women in the first management level below the Executive Board, which consists of three people, also stood at 33 % on 31 December 2023.

SHAREHOLDINGS

Executive Board

As at 31 December 2023, the Executive Board held a total of 15,144 shares, amounting to less than 1 % of Deutsche EuroShop AG's share capital.

Supervisory Board

As at 31 December 2023, the members of the Supervisory Board held 760 shares and indirect shareholdings totalling 0.25 % of Deutsche EuroShop AG's share capital, therefore below 1 %.

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 Board 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 Supervisory Board or by certain persons related to members of the executive bodies were notified to Deutsche EuroShop AG during financial year 2023 in accordance with Section 15a of the Wertpapierhandelsgesetz (WpHG – German Securities Trading Act).

Name / Company	Description of financial instrument	Type of transaction	Date	Price (€)	Quantity	Total volume (€)	Place
Hans-Peter Kneip	Share [1]	Purchase	30.01.2023	21.50	405	8,705.50	Tradegate
Hans-Peter Kneip	Share [1]	Purchase	31.01.2023	21.50	8,439	181,406.50	Tradegate
Hans-Peter Kneip	Share [1]	Purchase	06.02.2023	21.50	6,300	135,434.00	Tradegate

[1] ISIN: DE0007480204

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 Board and Supervisory Board. 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 Board and Supervisory Board 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 pandemic having subsided, in financial year 2023 the Company returned to an in-person Annual General Meeting.

Dr Kreke was re-elected as a member of the Supervisory Board at the Annual General Meeting on 29 August 2023. The terms of office of Mr Eggers and Ms Plath as members of the Supervisory Board end with the Annual General Meeting for financial year 2023.

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 directly inform the public and the media of Company's activities. Information that may materially influence the Company's share price is published in the form of ad hoc disclosures in accordance with 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 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 Gesetz zur Umsetzung der zweiten Aktionärsrechterichtlinie (ARUG II – German Act Implementing the Second Shareholder Rights Directive), which came into force on 1 January 2020. The Company set up a whistleblower system for the collection of anonymous internal and external information 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 of the Handelsgesetzbuch (HGB – German Commercial Code). 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 29 August 2023, BDO AG Wirtschaftsprüfungsgesellschaft was elected as the statutory auditor and Group auditor for financial year 2023. BDO AG Wirtschaftsprüfungsgesellschaft has audited the annual and consolidated financial statements of Deutsche EuroShop AG from 2005 to 2023 without interruption. The responsible auditors within the audit company have changed several times during the above-mentioned period. With the annual financial statements 2023, the auditor Olaf Oleski performed his fourth audit of the annual financial statements of our Company and served as lead auditor for the second time. BDO also provided consultancy and other services for our Company in financial year 2023 in the amount of €65 thousand.

DECLARATION OF CONFORMITY

In February 2024, the Executive Board and Supervisory Board of the Company jointly submitted their declaration of conformity with the recommendations of the Government Commission on the German Corporate Governance Code 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 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, 13 February 2024

Executive Board and Supervisory Board
Deutsche EuroShop AG


More information under:
Recipe collection
for the 2023 annual report
www.deutsche-euroshop.com/
recipes


THE SHOPPING
CENTER SHARE
Lemons
BOOST THE IMMUNE SYSTEM
The juice of a lemon contains plenty of vitamin C and thus strengthens the immune system. But the yellow fruit has a lot more to offer: For example, it promotes digestion and supports energy metabolism.

13.9 % PERFORMANCE FOR DES SHAREHOLDERS

The closing price (Xetra) of the Deutsche EuroShop share at the end of the prior year was €22.12. Following the announcement of a capital increase with subscription rights on 12 January 2023, the share price declined until the end of March, before ticking sharply upwards and reaching an annual high of €24.30 on 16 August 2023. The share price then followed a downward trend in the weeks that followed, reaching a low point of €17.14 on 31 October 2023. It then started a recovery that lasted until the end of the year. The DES share closed the year at a price of €22.55 and a market capitalisation of €1.7 billion.

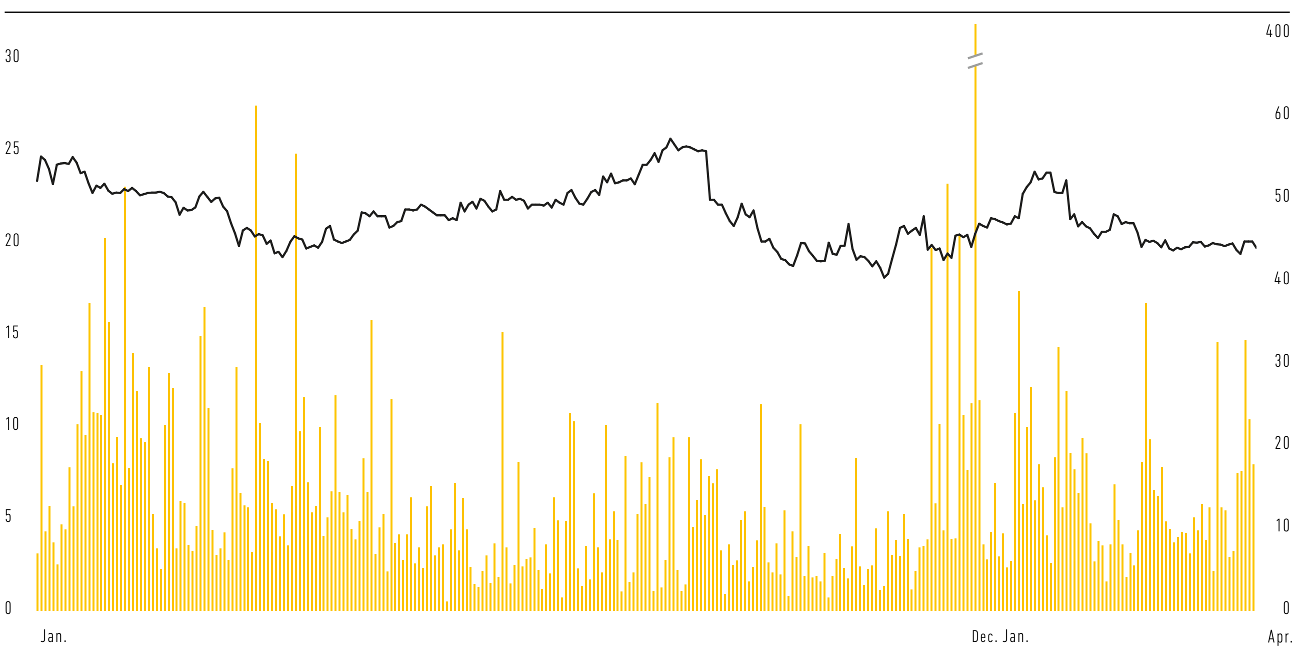
IN THE MIDFIELD OF ITS EUROPEAN PEERS

Including the dividend of €2.50 per share distributed on 1 September 2023, the Deutsche EuroShop share recorded a performance of +13.9 %. Our share price performance in 2023 was therefore slightly below that of the European benchmark for listed real estate companies, the EPRA index (+17.4 %), and in the midfield of its European peer group[1], which reported average gains of 6.2 % (median: +1.9 %). The benchmark index for smaller companies, the SDAX, gained 17.1 % in the year under review.

Over the past year, German open-ended property funds achieved an average performance of +0.6 % (2022: +2.6 %) and attracted cash inflows of €0.1 billion (2022: €4.5 billion).

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

SHARE PRICE in € **VOLUME** in thousand



STOCK MARKET PERFORMANCE

Stock market performance	2023	2022	2021
DES share	+13.9 %	+57.5 %	–20.5 %
DAX	+20.3 %	–12.3 %	+15.8 %
SDAX	+17.1 %	–27.3 %	+11.2 %
EURO STOXX 50 (Europe)	+19.2 %	–11.9 %	+21.0 %
Dow Jones (USA)	+13.7 %	–8.8 %	+18.7 %
Nikkei (Japan)	+28.2 %	–9.4 %	+4.9 %

ANNUAL GENERAL MEETING

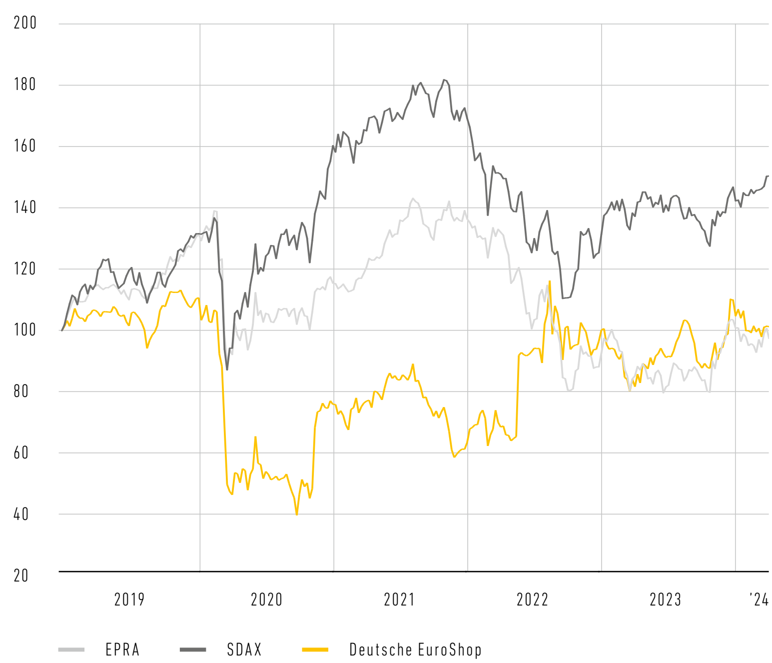
The Annual General Meeting of Deutsche EuroShop was held on 29 August 2023 at the Handwerkskammer Hamburg in the physical presence of shareholders after the previous three Annual General Meetings had been held virtually due to the pandemic.

Over 100 shareholders gathered there to hear Executive Board member Hans-Peter Kneip talk about the events and results of the previous financial year. In his speech, he began with a detailed explanation of the economic conditions and business results for 2022. Shareholders were also given detailed information on the current investments in the portfolio and the takeover by Hercules BidCo, which was completed in 2022. The speech also focused on the situation on the shopping center transaction market, the performance of the share and the outlook for the future.

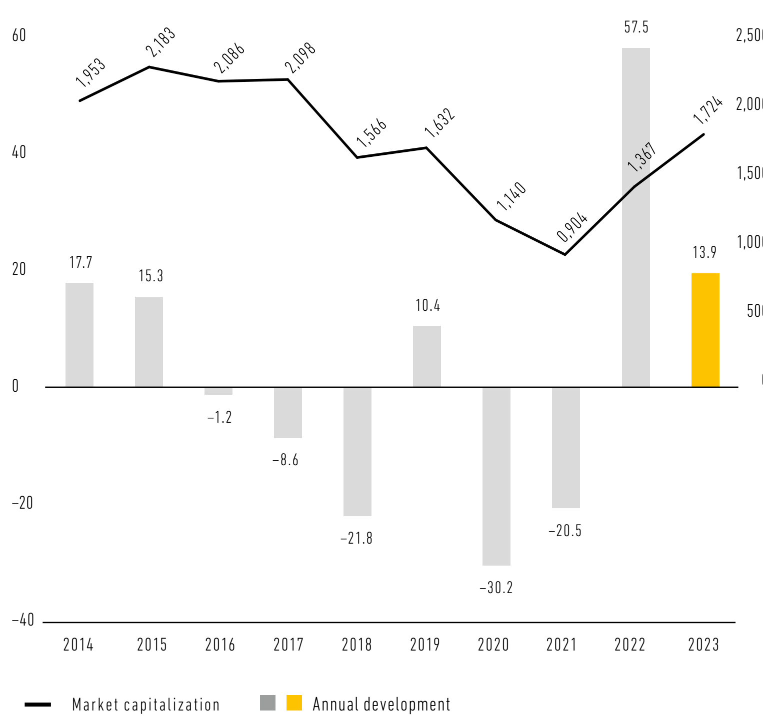
The agenda included the utilisation of the unappropriated surplus in the form of the distribution of a dividend of €2.50 per share and the election of one member of the Supervisory Board, with Dr Henning Kreke duly re-elected for a five-year term of office. A vote was also held on the creation of new conditional and authorised capital. Other items included an authorisation to acquire treasury shares and an amendment to the Articles of Association to allow virtual Annual General Meetings in future. The attendance at the time of the vote on all agenda items was 92.8 %.

The speeches and presentation were made available at the web address below shortly after the event, including a video. This site also contains an archive of agendas and other information relating to previous AGMs.

TREND OF SHARE 5 YEAR-ON-YEAR COMPARISON indexed, in%, as of 7 April 2024



SHARE PERFORMANCE in % | MARKET CAPITALIZATION in € million



LESS COVERAGE OF THE SHARES

Our shares[1] are at present regularly covered by five analysts from respected[2] German and international institutions, and their recommendations introduce us to new groups of investors. Due to the relatively low free float following 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.com / research

Shareholders made use of the opportunity to talk with the Supervisory Board, the Executive Board and employees before the Annual General Meeting and at the lunch that followed it.

An Extraordinary General Meeting was additionally held on 8 January 2024, also in the physical presence of shareholders at the Handwerkskammer Hamburg. The only item on the agenda was the distribution of a special dividend of €1.95 per share for financial year 2022. Approximately 65 shareholders were present; the attendance rate was 92.4 %.

The Annual General Meeting for financial year 2023 is due to be held as an in-person event in Hamburg on 25 June 2024. All shareholders will receive the documents required for registration by post or e-mail in good time.

www.deutsche-euroshop.de / hv

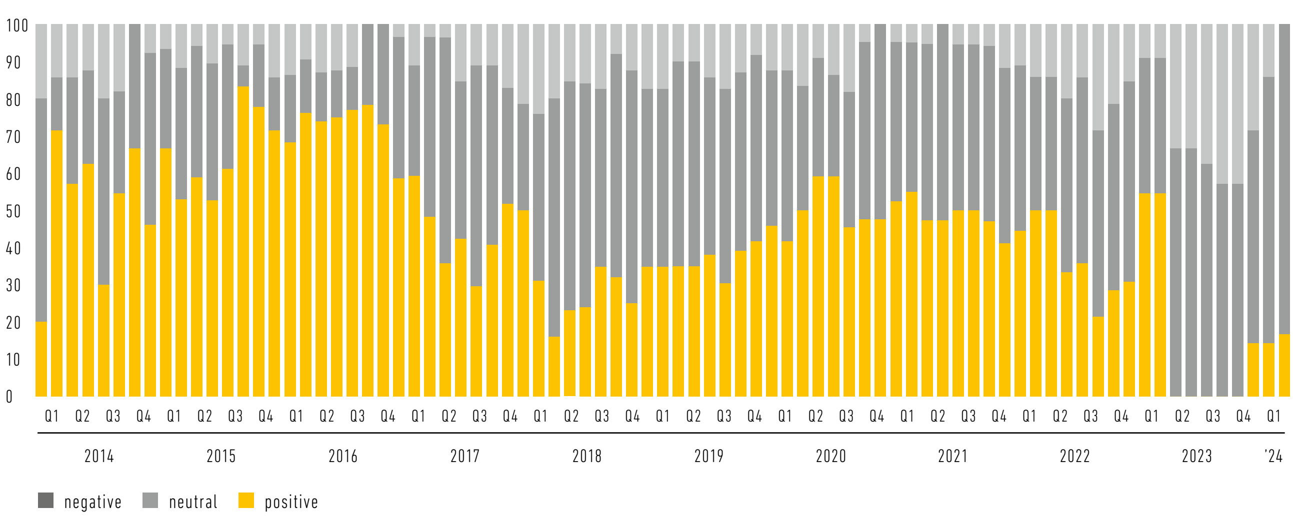
FIGURES FOR THE DEUTSCHE EUROSHOP SHARE [3]

German securities no. / ISIN	748 020 / DE 000 748 020 4
Ticker symbol	DEQ
Share capital in €	76,464,319,00
Number of shares (no-par-value registered shares)	76,464,319
Treasury shares	9,000
Indices	CDAX, EPRA, MSCI Small Cap, HASPAX
Official market	Prime Standard Frankfurt Stock Exchange and Xetra
OTC markets	Berlin-Bremen, Düsseldorf, Hamburg, Hanover, Munich and Stuttgart

The analysts are currently for the most part neutral with regard to the prospects for the DES share[2].

[1] As at: 25 March 2024
[2] Baader Bank, Berenberg Bank, Kepler Cheuvreux, M.M. Warburg and ODDO BHF
[3] As at: 31 December 2023

DIVERSITY OF ANALYST'S OPINION OF THE LAST 10 YEARS in %, indexed – 7 April 2024

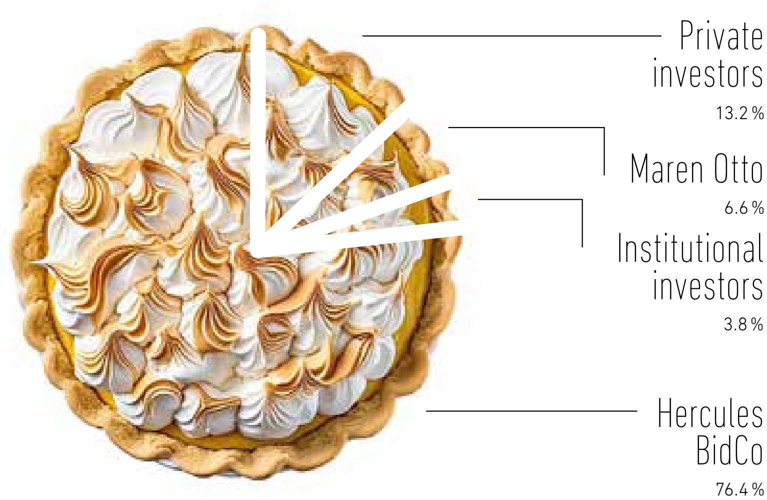


AWARDS FOR IR WORK AND REPORTING QUALITY

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: https://www.deutsche-euroshop.de / Investor-Relations / Contact / Awards

SHAREHOLDER STRUCTURE

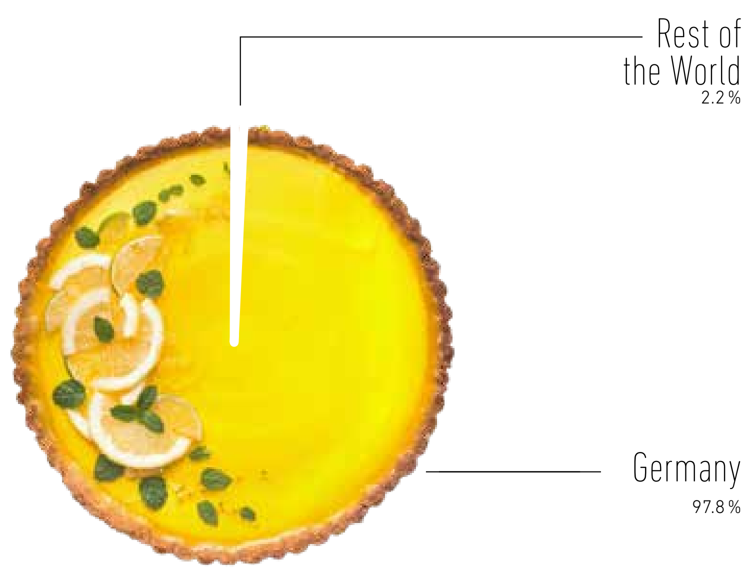


SHAREHOLDER STRUCTURE PRACTICALLY UNCHANGED

The number of investors rose again slightly in 2023: Deutsche EuroShop now has around 8,740 shareholders (as at: 25 March 2024, previous year: 8,450). The shareholder structure has barely changed overall: Hercules BidCo (pooled shares of Oaktree, Alexander Otto and CURA) holds the largest stake at 76.4 %. Maren Otto holds 6.6 % of DES shares, institutional investors around 3.8% (previous year: 3.0%) and private investors 13.2% (previous year: 11.8 %).

There were no changes in the regional distribution. Around 98 % of Deutsche EuroShop shares are held in domestic securities accounts, while around 2 % are held by European and US investors.

SHAREHOLDER STRUCTURE REGIONAL



My personal Tip

PATRICK KISS

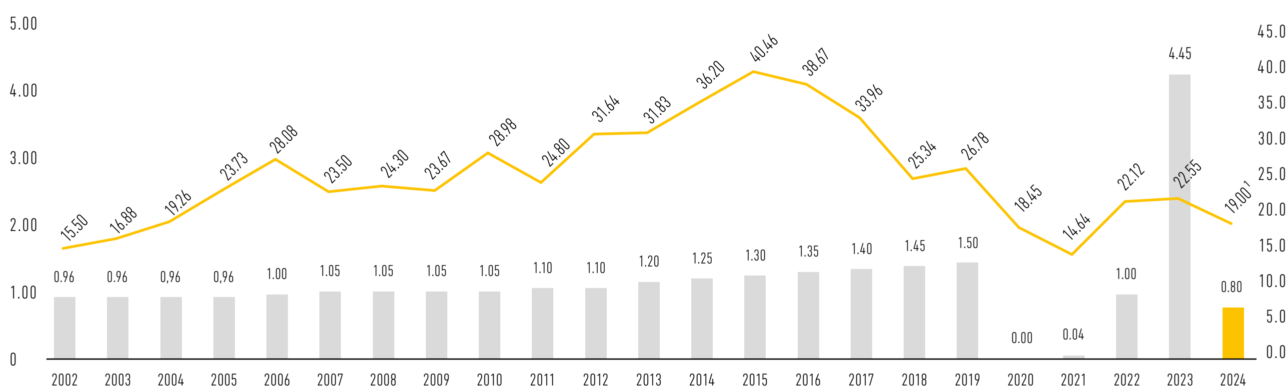
HEAD OF INVESTOR & PUBLIC RELATIONS

My culinary tip is the Too Good To Go app, which helps to reduce food waste. Every day, restaurants, cafés, supermarkets, bakeries and hotels dispose of unsold food that is still edible. Using the app, users can purchase the food in "Surprise Bags" at a reduced price – saving this food from the trash and thus helping to avoid wasted water and CO_2. It's great to see that many catering tenants in our shopping centers are already connected to the platform.

PROPOSED DIVIDEND: €0.80 PER SHARE

The Executive Board, together with the Supervisory Board, has resolved to propose to the Annual General Meeting scheduled for 25 June 2024 the payment of a dividend of €0.80 per share for financial year 2023.

DIVIDEND in € **SHARE PRICE AT THE END OF THE YEAR** in €



Dividend (paid for previous year) Year-end closing price Proposal [1] Price on 20 March 2024

TEN REASONS TO INVEST

in Deutsche EuroShop shares

01. The only public company in Germany to invest solely in shopping centers
02. Prime locations
03. Proven, conservative strategy
04. Cash flow that can be planned over the long term
05. Shareholder-friendly dividend policy
06. Experienced management team
07. Solid performance track record
08. High occupancy rate
09. Inflation-protected rental agreements
10. Solidity combined with potential

WOULD YOU LIKE MORE INFORMATION?

Please visit our website or call us:

Patrick Kiss and Nicolas Lissner
Phone: +49 (0)40 – 41 35 79 20 / -22
Fax: +49 (0)40 – 41 35 79 29
Email: ir@deutsche-euroshop.de
Website: **www.deutsche-euroshop.de / ir**

Nicolas Lissner and Patrick Kiss

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Market capitalisation (basis: year-end closing price) (€million)	1,724	1,367	904	1,140	1,632	1,566	2,098	2,086	2,183	1,953
Number of shares (year-end)	76,464,319	61,783,594	61,783,594	61,783,594	61,783,594	61,783,594	61,783,594	53,945,536	53,945,536	53,945,536
Weighted average number of shares	75,136,922	61,783,594	61,783,594	61,783,594	61,783,594	61,783,594	58,248,007	53,945,536	53,945,536	53,945,536
High (€)	24.30 (16.08.2023)	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)	39.32 (18.04.2017)	42.52 (09.06.2016)	48.00 (10.04.2015)	37.84 (12.06.2014)
Low (€)	17.14 (31.10.2023)	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)	30.37 (25.10.2017)	35.86 (11.02.2016)	36.32 (06.01.2015)	30.72 (04.02.2014)
Year-end closing price (31 Dec) (€)	22.55	22.12	14.64	18.45	26.42	25.34	33.96	38.67	40.46	36.20
Dividend per share (€)	0.80[1]	4.45[3]	1.00	0.04	0.00	1.50	1.45	1.40	1.35	1.30
Dividend yield (31 Dec) (%)	3.5	11.3	6.8	0.2	0	5.9	4.3	3.6	3.3	3.6
Annual performance excl./incl. dividend	+1.9 %/ +13.9 %	+51.1 %/ +57.5 %	–20.7 %/ –20.5 %	–30.2 %/ –	4.3 %/ 10.4 %	–25.4 %/ –21.8 %	–12.2 %/ –8.6 %	–4.4 %/ –1.2 %	11.8 %/ 15.3 %	13.7 %/ 17.7 %
Average daily trading volume (shares)	14,751 (incl. Multilateral Trading Facilities >15,540)[2]	145,982 (incl. Multilateral Trading Facilities >336,666)	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)	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)
EPS in (€) (undiluted)	-0.51	0.35	0.97	-4.07	1.81	1.29	2.31	4.11	5.73	3.29

All share price information relates to Xetra.
[1] proposal
[2] Source: Bloomberg, adjusted data, as of 27.02.2024
[3] Includes the dividend of € 1.95 and € 2.50 per share resolved on 29 August 2023 and 8 January 2024 for the 2022 financial year.

Financial calendar 2024

08.01. Extraordinary General Meeting, Hamburg
17.01. Kepler Cheuvreux German Corporate Conference, Frankfurt
19.03. Preliminary Results FY 2023
17.04. Baader Consumer Day (virtual)
26.04. Publication of the Annual Report 2023
14.05. Quarterly Statement 3M 2024
25.06. Annual General Meeting, Hamburg
14.08. Half-year Financial Report 2024

23.09. Berenberg and Goldman Sachs German Corporate Conference, Munich
24.09. Baader Investment Conference, Munich
14.11. Quarterly Statement 9M 2024

Our financial calendar is updated continuously. Please check our website for the latest events: **www.deutsche-euroshop.de/ir**

IN DIALOGUE WITH INVESTORS

Our Executive Board and Investor Relations team typically attend conferences and run roadshows throughout the year to discuss current 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 current requirements of the capital market and learn which issues are perceived as being 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.

Roadshows

A roadshow involves a team, usually consisting of an Executive Board member and an Investor Relations manager of Deutsche EuroShop, 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 ten meetings to be held in one city on a single day. Alternatively, all appointments can be organised as virtual meetings.

In 2023, we again held various one-on-one meetings with investors. To this end, we took part in various online conferences organised by banks and also used conferences in Frankfurt, Munich and London as an opportunity for face-to-face discussions.

We once again held conference calls, including for the publication of the preliminary figures for 2022 and the results for the first nine months of financial year 2023, which can always be streamed live on our website and are also available on demand after the event.

In 2024, we will continue to maintain contact with our existing and potential investors using methods such as virtual roadshows and conferences. You can find an overview in our financial calendar on page 119. A constantly updated version can also be found on our website at www.deutsche-euroshop.de / Investor-Relations-en.

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

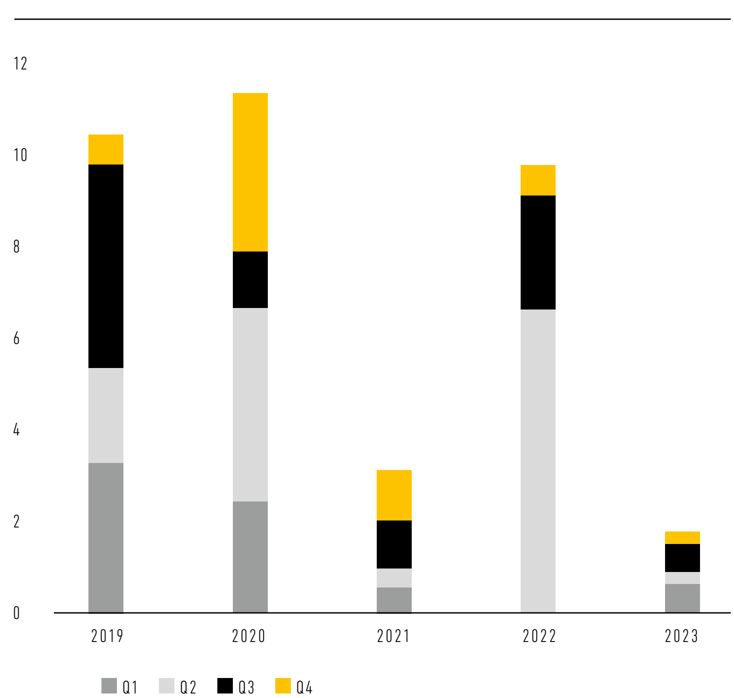
DESTINATION SHOPPING

In 2023, we placed targeted adverts in specialist publications that were timed to coincide with the publication of our most recent financial figures – both in print media and online. The visitor numbers to our centers and the revenue generated our tenants confirm a clear trend in consumer behaviour: people are increasingly making the conscious decision to go out shopping. For many, shopping is not just a necessity, but also an experience – a kind of journey into another world. Our tenants support center visitors on their customer journey by appealing to them in the best way possible. Shopping becomes an experience that fulfils a need and offers enjoyment at the same time. In our advertising series “Destination shopping”, we illustrate this using four examples.

EXPECTED DECLINE IN MEDIA ATTENTION

After the successful takeover of Deutsche EuroShop in 2022 led to a sharp increase in media coverage, this declined significantly in the year under review, as expected. The print circulation of the business and financial media reporting on our Company fell from 9.4 million in the previous year to 2.2 million, while the equivalent advertising value through reports in newspapers and magazines fell to €0.74 million, down by 44 % year on year (previous year: €1.32 million).

PUBLISHED CIRCULATION in millions



BRAND MANAGEMENT

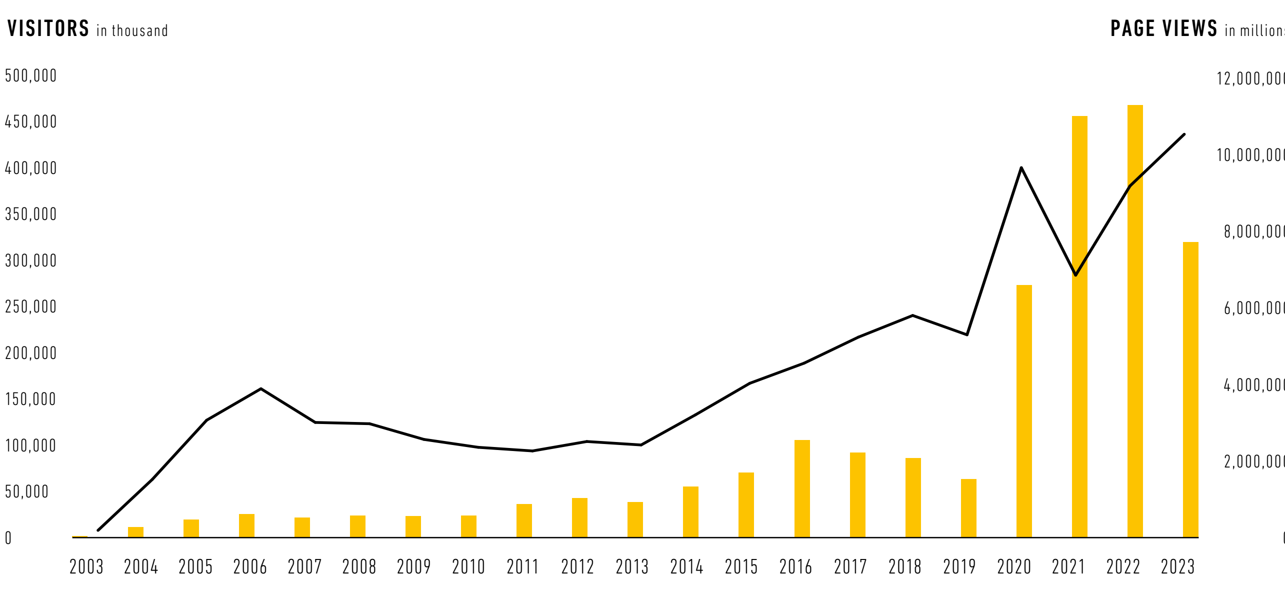
In addition to share marketing, we are also focusing on refining and maintaining the Deutsche EuroShop brand. Our goal is to boost the awareness and recognition of the brand even further. Deutsche EuroShop is an established brand for investments in shopping centers.

Blow Up at the Main-Taunus-Zentrum, Sulzbach / Frankfurt

WEBSITE SEES SHARP RISE IN VISITORS

The www.deutsche-euroshop.de website has been extremely popular for years. It was repeatedly ranked among the best within the European real estate sector for both the information it provides and its user-friendliness. While the number of page views fell (–32 %), the number of website visitors hit a new record high (+15 %).

WEBSITE: VISITORS AND PAGE VIEWS



SOCIAL MEDIA AS ADDITIONAL CONTACT CHANNEL

Social media has established itself as a channel of communication – also 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:

Instagram

On Instagram, we not only post photos and videos from our "everyday Group life", but also regularly share exciting news about our 21 centers, such as store openings by new tenants or the latest promotions: deutscheeuroshop

X (Formerly 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

ONLINE PERFORMANCE INDICATORS OF DES CENTERS

Instagram

134
THOUSAND FOLLOWERS

4
THOUSAND POSTS

Websites

4
MILLION VISITS

79
% OF WHICH MOBILE

Facebook

754
THOUSAND POSTS

4
THOUSAND FANS

20
MILLION PEOPLE REACHED

The top 10 Centers on facebook

Altmarkt-Galerie, Dresden
86,353 fans

Galeria Baltycka, Gdansk, Poland
71,741 fans

Rhein-Neckar-Zentrum, Viernheim / Mannheim
59,041 fans

Allee-Center, Magdeburg
52,931 fans

City-Point, Kassel
50,155 fans

Olympia Center, Brno, Czech republic
45,389 fans

Saarpark-Center, Neunkirchen
44,368 fans

Árkád, Pécs, Hungary
43,899 fans

Stadt-Galerie, Passau
35,458 fans

Main-Taunus-Zentrum, Sulzbach / Frankfurt
35,041 fans

COMBINED MANAGEMENT REPORT

Currant

THE SMALL BERRIES ARE RIGHTLY CONSIDERED TO BE VERY HEALTHY.

They are rich in secondary plant substances such as flavonoids. These combat free radicals in the cells and also keep them elastic, which prevents cardiovascular disease. Phosphorus and calcium support bones and teeth.

Contents

Combined management report

BASIC INFORMATION ABOUT THE GROUP	**126**
Group business model, targets and strategy	126
Management system	127
ECONOMIC REVIEW	**128**
Macroeconomic and sector-specific conditions	128
Business development and overall comment on the Group's financial situation	130
Results of operations of the Group	132
Financial position of the Group	137
Net assets of the Group	139
Report on events after the reporting date	**141**
OUTLOOK	**141**
RISK REPORT	**143**
Principles governing the risk management system and internal control system [1]	143
Accounting-related internal control system	144
Evaluation of the overall risk position	145
Presentation of material individual risks	145
Opportunity report	**149**
REPORT OF THE EXECUTIVE BOARD ON RELATIONS WITH AFFILIATED COMPANIES	**150**
ACQUISITION REPORTING	**150**
DECLARATION ON CORPORATE GOVERNANCE (SECTION 289F, SECTION 315D HGB)	**151**
REPORTING ON THE ANNUAL FINANCIAL STATEMENTS OF DEUTSCHE EUROSHOP AG	**151**

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.

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 16 shopping centers and between 50 % and 95 % in the other five. Further information on the incorporation of these companies into the consolidated annual results is provided in the notes to the consolidated financial statements.

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 centers and established locations offering the potential for stable, long-term value growth. A key investment target is the generation of high surplus liquidity from 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.

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 one or more capital market instruments are also being explored and evaluated. As a result, the Group's loan-to-value ratio (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.

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 the current 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 diverse food options, the different leisure facilities, the rotating promotional activities including fashion shows, learning fairs and interactive exhibitions 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

Deutsche EuroShop is seeing an ever closer connection between bricks-and-mortar stores and online retail. As a company that rents out a wide range of spaces in prime locations, it has been promoting an omni-channel approach for years – for its center locations as well as for its tenants. The centers in the portfolio form the heart of the guests' shopping experience. They also function as an extensive warehouse. Viewing the centers as micro-hubs not only facilitates higher sales for retailers and faster delivery times for customers, but also contributes to reducing CO_2 by shortening transport routes.

Beyond fostering personal customer interaction, ECE Marketplaces has set itself the goal of digitalising the customer relationship, collecting customer data in compliance with data protection regulations and consequently developing a better understanding of customers. To this end, it is currently setting up a "Consumer Ecosystem", which comprises a newsletter, consumer app and personalisation features on center websites and is also set to be used for Deutsche EuroShop's portfolio of centers. This will allow additional digitalisation of customer relationships and an even better understanding of customers and their wishes using data collected in compliance with data protection regulations. The Digital Mall developed over the past few years integrates seamlessly into this ecosystem and, at the same time, provides valuable insights into consumer trends. Going forward, the Digital Mall will focus on curated content and further strengthen customer loyalty with special promotions.

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. 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 five-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 performance is 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 should make it possible to take the necessary urgent measures in the Group 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

According to calculations by the German Federal Statistical Office, gross domestic product (GDP) fell by 0.3 % after price adjustments in 2023 (2022: +1.8 %). The recovery phase following the slump in GDP in 2020 due to the coronavirus has thus come to an end. This is due in part to continued high energy prices, which stabilised at a higher level following a massive increase as a result of the war in Ukraine. The sharp uptick in interest rates has led to a noticeable deterioration in financing conditions, with the construction industry especially hard hit. Uncertainty among consumers owing to above-average inflation and geopolitical tensions as well as the slowdown in the global economy hampering German exports also contributed to the decline in 2023. Nevertheless, GDP is 0.7 % higher than before the coronavirus pandemic in 2019 on a price-adjusted basis.

In 2023, the trend in economic output compared to the previous year varied across the individual sectors in price-adjusted terms. The information and communications sector recorded the highest growth at +2.6 %, followed by public service providers, education, health (+1.0 %) and business service providers (+0.3 %). The construction industry had to be content with a modest gain (+0.2 %) due to the ongoing shortage of materials and skilled labour, rising construction costs and increasing financing costs. The manufacturing industry (excluding construction) recorded a significant decline of 2.0 %. The main reason for this was the energy supply sector, which contracted sharply due to the shutdown of the last three German nuclear power plants and lower energy production from lignite and hard coal.

Price-adjusted private consumer spending fell by 1.1 % and was therefore 2.1 % below the pre-pandemic level of 2019. This decline is mainly due to higher consumer prices, with the inflation rate remaining high at 5.9 % despite a slight decrease compared to the previous year (6.9 %). Food prices recorded an especially sharp increase (+12.4 %), pushing down consumer spending by 4.5 % in this area. Durable goods such as furnishings and household appliances also saw a noticeable drop in expenditure of 6.2 %. By contrast, private household expenditure on transport rose by 2.4 %, and on leisure, entertainment and culture by 1.3 %. Government spending on consumption fell for the first time in two decades, by 1.7 %, due in particular to the discontinuation of expenditure in connection with fighting the pandemic.

The weak economy also impacted the labour market. Unemployment and underemployment rose in 2023, increasing the number of unemployed to an annual average of 2.6 million. This equated to an unemployment rate of 5.7 % (2022: 5.3 %).

Real employee pay rose by 0.1 % in the year under review, according to figures from the German Federal Statistical Office. High inflation eroded the nominal increase in wages in 2023, although at 6.0 % it still reached the highest level seen since 2008. The strong nominal wage increases are due in particular to the payment of an inflation compensation premium and the rise in the minimum wage. The savings rate, however, climbed only slightly from 10.5 % to 10.9 %.

Based on calculations by the German Federal Statistical Office, the German retail sector (including online retail) achieved a nominal increase in revenue of 2.3 % in the year under review; in real terms, however, the retail sector suffered a decline in revenue of 3.3 % compared to 2022 due to inflation.

Besides online retail, the centers' competitive position in the Deutsche EuroShop portfolio is determined with reference to both the shops in the relevant urban centers 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 plans to expand a designer outlet in Zweibrücken, Saarland, which is in the catchment area of the Saarpark-Center in Neunkirchen. An outlet in Remscheid, in the catchment area of the City-Arkaden Wuppertal, is also scheduled to open in 2027. In the inner-city area of Wolfsburg, several retail developments are to be realised in the vicinity of the City-Galerie by 2028.

Retail sector

According to calculations by JLL, a consultancy firm in the real estate sector, the reletting volume in 2023 was 449,500 sqm, up 6.8 % on the previous year (421,000 sqm). The textile sector once again dominated the demand for space with a share of 41 %.

According to the Handelsverband Deutschland (HDE – German Retail Association), total sales in the German retail sector rose to €649.1 billion in the reporting year. Sales in online retail in 2023 were approx. €84.0 billion, accounting for a share of around 13.0 % (2022: 13.4 %) of total retail sales. Bricks-and-mortar retail in Germany recorded a nominal increase in sales of 3.5 % in 2023 (–3.3 % in real terms), with retailers facing difficulties due to inflation, consumer uncertainty, delivery problems, a shortage of skilled labour and high energy costs. The HDE expressed concern about the low propensity to invest in the retail sector as retailers' chances of success going forward would suffer without investment. Investment is also a prerequisite for growth and transformation towards improved climate protection and sustainability.

The retail sector for textiles, clothing, shoes and leather goods continued its recovery following the coronavirus pandemic, with sales rising by 2.6 % in real terms. Nevertheless, the losses incurred in previous years due to the coronavirus pandemic have not yet been fully offset. Compared to the year before the outbreak of the pandemic, 2019, sales in this area were still down by 4.6 % in real terms.

According to the HDE, online retail dragged down sales in 2023, with a nominal decline of 0.4 % (–3.9 % in real terms). Online retail, which has recorded dynamic and continuous growth in the past, saw this trend flatten after several years of brisk activity 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 petered out.

According to the institute of German textile retail traders, BTE Handelsverband Textil, sales of fashion, shoes and accessories in 2023 slightly exceeded pre-coronavirus levels by 0.3 %. However, there were clear differences between the sales channels. The driving force was the bricks-and-mortar clothing trade, with BTE forecasting sales growth at 3-4 %. Online retail sales declined compared to 2022, but were up sharply by an estimated 30 % compared to 2019. The trade association puts the market share of online retail for clothing and household and home textiles at approximately 28 %.

The food service sub-sector comprising restaurants, casual eateries and takeaways recorded a real decline in turnover of 1.1 % in 2023 compared to the previous year, 10.3 % lower than before the pandemic. In Deutsche EuroShop's portfolio, tenants from the food service sector saw a major boom in business: Sales of restaurants, fast food chains, snack bars, ice cream vendors and cafés grew by 19.4 % on a like-for-like basis in the reporting year.

Real estate market

According to JLL, the investment market for real estate in Germany recorded a significant year-on-year decline in transaction volumes by 52 % to €31.7 billion in 2023. This was primarily attributable to higher interest rates and economic and geopolitical uncertainties. These factors have again significantly enhanced the appeal of traditional financial investments for investors compared to real estate. The residential asset class dominated with 29 % of transaction volumes, overtaking the office asset class (2023: 17 %; 2022: 33 %). Retail real estate accounted for 17 % of volumes (2022: 14 %). According to calculations by real estate broker CBRE, investments in German shopping centers totalled around €0.3 billion in full-year 2023, following a strong prior year of around €2.7 billion that was boosted by special effects. Deutsche EuroShop's increased stake in six shopping centers from its existing portfolio undertaken in February 2023 is likely to have accounted for a significant proportion of this investment volume.

JLL observed some significant increases in top returns in the individual sectors ranging from 50 basis points for shopping centers to 98 basis points for offices, mainly driven by the rise in interest rates. Accordingly, at the top shopping centers in Germany, top returns averaged 5.50 % at the end of the year (2022: 5.00 %).

Share price performance

The closing price (Xetra) of the Deutsche EuroShop share at the end of 2022 was €22.12. Following the announcement of a capital increase with subscription rights on 12 January 2023, the share price declined until the end of March, before ticking sharply upwards and reaching an annual high of €24.30 on 16 August 2023. In the following weeks, the share price trended downwards, reaching its low of €17.14 on 31 October 2023. In then started a recovery that lasted until the end of the year. The DES share closed the reporting period at a price of €22.55. Taking the dividend of €2.50 per share paid on 1 September 2023 into consideration, this corresponds to a performance of 13.9 %. The SDAX rose by 17.1 % over the same period. Deutsche EuroShop's market capitalisation stood at €1.7 billion at the end of 2023.

BUSINESS DEVELOPMENT AND OVERALL COMMENT ON THE GROUP'S FINANCIAL SITUATION

KEY CONSOLIDATED FIGURES

in € million	**01.01.–31.12.2023**	01.01.–31.12.2022	+/–	01.01.–31.12.2022 (pro forma)[7]	+/–
Revenue	273.3	212.8	28.4 %	*264.7*	*3.2 %*
EBIT	212.7	152.4	39.5 %	*194.2*	*9.5 %*
EBT (excl. measurement gains / losses[1])	169.5	130.2	30.2 %	*149.6*	*13.3 %*
EPRA[2] earnings	172.4	129.6	33.0 %	*149.1*	*15.7 %*
FFO	171.3	130.1	31.7 %	*149.6*	*14.5 %*
Equity ratio in %[3]	53.3	55.7		*56.2*	
LTV ratio in %[4, 8]	33.2	30.2		*29.9*	
EPRA[2] LTV ratio in %[5, 8]	34.8	33.5		*31.9*	

in €	**01.01.–31.12.2023**	01.01.–31.12.2022	+/–	01.01.–31.12.2022 (pro forma)[7]	+/–
EPRA[2] earnings per share[6]	2.29	2.10	9.0 %	*1.98*	*15.4 %*
FFO per share	2.28	2.11	8.1 %	*1.99*	*14.5 %*
EPRA[2] NTA per share	31.58	37.81	–16.5 %	*34.51*	*–8.5 %*
Weighted number of no-par-value shares issued[6]	75,136,922	61,783,594	21,6 %	*75,136,922*	*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): 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.
6 The number of no-par value shares issued for 2023 takes into account, on a time-weighted basis, the capital increase against cash and non-cash contributions carried out at the beginning of 2023 and entered in the Commercial Register on 3 February 2023, as a result of which the number of Deutsche EuroShop AG shares in circulation increased from 61,783,594 to 76,464,319 no-par value shares, as well as the 9,000 treasury shares acquired by 31 December 2023.
7 The pro-forma figures given relate to a comparable group, which was prepared under the assumption that the acquisition of the six property companies had already taken place at the beginning of 2022. Non-recurring effects resulting from the change in the consolidation method and the initial consolidation were not taken into account. Likewise, no ancillary acquisition costs were recognised in the pro-forma figures. For the purpose of improving comparability, the same weighted number of no-par value shares issued was used in the disclosure of consolidated key figures per share.
8 The disclosure of granted rental incentives was changed in the reporting year and is now recognised under investment properties. The previous year has been adjusted to aid comparability. Please refer to the information in the notes to the consolidated financial statements under section "4. New accounting standards and changes in presentation".

In financial year 2023, Deutsche EuroShop recorded significant growth, both in operational terms and in relation to its investment portfolio. Customer footfall and revenue from tenants continued their recovery. Compared to 2022, 5.7 % more people visited Deutsche EuroShop's shopping centers and its tenants recorded an 8.6 % increase in retail sales. In addition to this recovery in the existing portfolio, the acquisitions of shares in six shopping centers at the beginning of the year also had a positive impact on our key performance indicators. The occupancy rate was down on the previous year, falling from 94.3 % to 93.3 %, due in particular to temporary vacancies within the context of major restructuring measures.

In a pro forma comparison based on an identical portfolio, the trend is as follows:

Revenue grew 3.2 %, from €264.7 million to €273.3 million. As in the previous year, earnings before interest and taxes (EBIT) were impacted by non-recurring special effects. While in 2022 the acquisition of the majority shareholding in Deutsche EuroShop AG and the associated consulting costs coupled with the replacement of the Executive Board including severance payments had a negative impact on EBIT of €12.6 million, in 2023 expenses and income from the acquisition of additional shares in six shopping centers reduced EBIT by €–14.0 million. In spite of this, EBIT still recorded a significant increase of 9.5 % to €212.7 million due to one-off operating income. Earnings before taxes and measurement gains / losses (EBT excluding measurement gains / losses) rose by 13.3 % to €169.5 million. EPRA earnings and funds from operations (FFO) adjusted for measurement and special effects were €172.4 million and €171.3 million, respectively, up 15.7 % and 14.5 % on the previous year.

Last year's annual financial statements contained the following forecast for financial year 2023: significantly higher revenue, EBIT and EBT (excluding measurement gains / losses) due to the acquisition of the additional shares in six shopping centers and FFO per share in the range of €2.00 to €2.10. With the publication of the Half-Year Financial Report 2023, the forecast for FFO per share was increased to between €2.08 and €2.18 due to one-off income from ancillary costs, the reversal of provisions and income from impaired receivables. Major contributing factors in 2023 were the significantly higher allocation of ancillary costs than assumed in 2020 and 2021 when business was heavily affected by the coronavirus pandemic, and the partial reversal of provisions and write-downs that were made during these years. Additional write-downs were reversed and ancillary costs for previous years were settled in the second half of 2023, taking FFO per share above the upper end of the adjusted forecast at €2.28. Revenue, EBIT and EBT (excluding measurement gains / losses) also exceeded last year's expectations. This was mainly due alongside one-off income to higher turnover rent and interest income from invested funds.

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, Middle East conflict, and ongoing high interest rates and inflation). The Executive Board still views the Group's net assets and financial position as very solid, with an equity ratio of 53.3 % and an LTV ratio of 33.2 %. On the whole, the Executive Board is very satisfied with the operational performance in 2023.

RESULTS OF OPERATIONS OF THE GROUP

					Change	
in € thousand		**01.01. – 31.12.2023**		01.01. – 31.12.2022	+ / –	in %
Revenue		273,304		212,811	60,493	28.4
Operating and administrative costs for property		–49,542		–37,213	–12,329	–33.1
Write-downs and derecognition of receivables		–8,858		–8,130	–728	–9.0
NOI		**214,904**		**167,468**	**47,436**	**28.3**
Other operating income		35,335		5,504	29,831	542.0
Other operating expenses		–37,578		–20,540	–17,038	–83.0
EBIT		**212,661**		**152,432**	**60,229**	**39.5**
At-equity profit / loss	*5,005*		*12,926*			
Measurement gains / losses (at equity)	*3,426*		*16,604*			
Deferred taxes (at equity)	*65*		*–7*			
At-equity (operating) profit / loss		8,496		29,523	–21,027	–71.2
Interest expense		–43,313		–36,107	–7,206	–20.0
Profit / loss attributable to limited partners		–13,876		–15,954	2,078	13.0
Other financial gains / losses		5,492		272	5,220	1.919.1
Financial gains / losses (excl. measurement gains / losses)		**–43,201**		**–22,266**	**–20,935**	**–94.0**
EBT (excl. measurement gains / losses)		**169,460**		**130,166**	**39,294**	**30.2**
Measurement gains / losses	*–205,701*		*–89,746*			
Measurement gains / losses (at equity)	*–3,426*		*–16,604*			
Measurement gains / losses (including at equity)		–209,127		–106,350	–102,777	–96.6
Taxes on income and earnings		–5,379		–5,060	–319	–6.3
Deferred taxes	*6,834*		*2,594*			
Deferred taxes (at equity)	*–65*		*7*			
Deferred taxes (including at equity)		6,769		2,601	4,168	160.2
CONSOLIDATED PROFIT		**–38,277**		**21,357**	**–59,634**	**–**

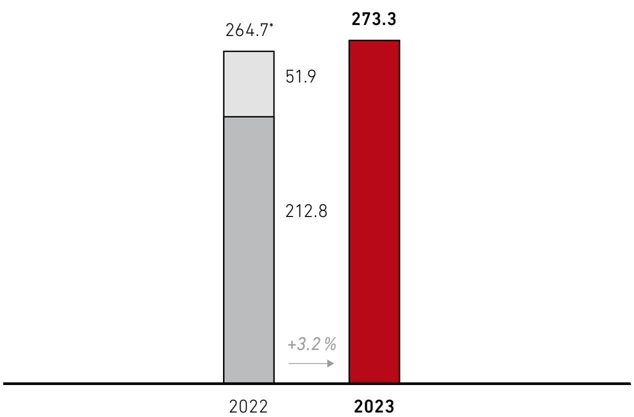
On 12 January 2023, the Deutsche EuroShop Group acquired additional shares in six property companies in which it already held an interest of between 50 % and 75 %. As a result of the acquisition of additional shares, four property companies previously accounted for using the equity method were fully included in the consolidated financial statements for the first time with economic effect from 1 January 2023 (please refer to the corresponding explanations in the notes to the consolidated financial statements in section "2. Basis of consolidation / Acquisitions during the financial year"). A comparison with the previous year is only possible to a limited extent due to this change in the scope of consolidation.

When describing the results of operations, financial position and net assets of the Group, information is also provided below on the basis of a comparable group (pro forma) if this serves to improve comparability with the same period in the previous year. The comparable group was prepared under the assumption that the acquisition of the additional shares in six property companies had already taken place at the beginning of 2022.

Revenue up 3.2 % on like-for-like basis

Revenue rose to €273.3 million (previous year: €212.8 million), up €60.5 million (+28.4 %) year on year. The lion's share of the increase (€51.9 million) can be attributed to the fact that the four companies previously accounted for at-equity were consolidated in full for the first time. The remaining increase of €8.6 million (+3.2 %) reflects the increase in turnover compared to the previous year on a like-for-like basis.

REVENUE
in € million



* pro forma

REVENUE

in € thousand	01.01.–31.12.2023	01.01.–31.12.2022	Change +/–	Change in %
Main-Taunus-Zentrum, Sulzbach	36,776	34,291	2,485	7.2
Altmarkt-Galerie, Dresden	24,880	24,162	718	3.0
A10 Center, Wildau	17,497	17,925	–428	–2.4
Allee-Center, Magdeburg	17,250	0	17,250	–
Rhein-Neckar-Zentrum, Viernheim	17,170	17,201	–31	–0.2
Phoenix-Center, Harburg	14,393	0	14,393	–
Saarpark-Center, Neunkirchen	11,893	0	11,893	–
Herold-Center, Norderstedt	11,751	11,844	–93	–0.8
Billstedt-Center, Hamburg	11,053	10,468	585	5.6
Stadt-Galerie, Passau	10,338	0	10,338	–
Allee-Center, Hamm	10,286	9,970	316	3.2
Forum, Wetzlar	10,254	9,743	511	5.2
City-Galerie, Wolfsburg	8,528	8,311	217	2.6
City-Arkaden, Wuppertal	8,381	8,116	265	3.3
Rathaus-Center, Dessau	7,587	7,347	240	3.3
City-Point, Kassel	7,068	6,733	335	5.0
Stadt-Galerie, Hamelin	5,607	6,941	–1,334	–19.2
DES Verwaltung GmbH	1,161	1,159	2	0.2
Germany	**231,873**	**174,211**	**57,662**	**33.1**
Olympia Center, Brno	23,685	21,893	1,792	8.2
Galeria Baltycka, Gdansk	17,746	16,707	1,039	6.2
Abroad	**41,431**	**38,600**	**2,831**	**7.3**
TOTAL	**273,304**	**212,811**	**60,493**	**28.4**

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

Center operating expenses of €49.5 million in the reporting period (previous year: €37.2 million), which mainly comprised center management fees, non-apportionable ancillary costs, land taxes, building insurance and maintenance, increased year on year by 33.1 %. On a comparable basis, center operating expenses were up by €3.8 million (8.3 %), mainly attributable to increased maintenance measures. Center operating expenses as a percentage of revenue climbed accordingly from 17.5 % to 18.1 %.

Decline in write-downs on a comparable basis

Write-downs and the derecognition of receivables rose by €0.7 million (9.0 %) compared to the previous year. With regard to the comparable group (pro forma), however, write-downs and the derecognition of receivables were reduced by €2.1 million (19.2 %). The ongoing effects of the coronavirus pandemic in the previous year had an especially significant impact here, necessitating higher write-downs of receivables at risk of default as well as insolvency-related write-offs.

Other operating income and expenses

Other operating income of €35.3 million (previous year: €5.5 million) includes €16.2 million in income from the change in the scope of consolidation as part of the acquisition of additional shares in six property companies at the beginning of the financial year. Further major contributors to other operating income were additional payments in conjunction with ancillary costs (€10.5 million), income from rental receivables written down in previous years (€4.3 million) and the reversal of provisions (€1.7 million). This is primarily attributable to higher allocable ancillary costs than assumed in 2020 and 2021 when operations were affected by the coronavirus pandemic.

Other operating expenses of €37.6 million (previous year: €20.5 million) include expenses from the change in the scope of consolidation totalling €30.2 million. These expenses also include the anticipated real estate transfer tax of €21.0 million triggered by the acquisition of the additional shares. By contrast, consulting expenses and personnel expenses fell by €12.1 million year on year, down from the significantly higher prior-year figure in the context of the takeover bid, preparations for the acquisition of additional shares in property companies in conjunction with a capital increase, and severance payments to departing Executive Board members.

EBIT significantly higher than in same period of the previous year

Earnings before interest and taxes (EBIT) at €212.7 million were significantly higher than in the same period of the previous year (€152.4 million) due to the acquisition of €41.8 million in minority interests. However, in a pro forma comparison, EBIT was also up by €18.5 million (+9.5 %) on the previous year, attributable mainly to income from ancillary costs as well as lower write-downs in the reporting year and higher consultancy costs in the previous year.

Decline in financial gains / losses excluding measurement gains / losses

At €–43.2 million, financial gains / losses (excluding measurement gains / losses) were €20.9 million lower than in the previous year (€–22.3 million). In the process, at-equity (operating) profit / loss decreased by €21.0 million to €8.5 million, owing chiefly to the changed scope of consolidation.

The interest expense of Group companies increased by €7.2 million. This was affected not only by the change in the scope of consolidation, but also by the increased interest rate and loan amount in connection with the refinancing agreement for the Main-Taunus-Zentrum.

Other financial gains / losses rose significantly by €5.2 million compared to the previous year, in particular due to interest income from the short-term investment of cash and cash equivalents.

INCOME STATEMENT OF THE JOINT VENTURES

in € thousand	01.01. – 31.12.2023	01.01. – 31.12.2022	Change +/–	Change in %
City-Arkaden, Klagenfurt	7,017	6,725	292	4.3
Árkád, Pécs	4,752	4,415	337	7.6
Allee-Center, Magdeburg	0	8,316	–8,316	–100
Phoenix-Center, Harburg	0	6,675	–6,675	–100
Stadt-Galerie, Passau	0	7,410	–7,410	–100
Saarpark-Center, Neunkirchen	0	6,016	–6,016	–100
Other	40	38	2	5.3
Revenue	**11,809**	**39,595**	**–27,786**	**–70.2**
Operating and administrative costs for property	–1,337	–5,891	4,554	77.3
Write-downs and derecognition of receivables	–144	–1,827	1,683	92.1
NOI	**10,328**	**31,877**	**–21,549**	**–67.6**
Other operating income	394	1,212	–818	–67.5
Other operating expenses	–477	–644	167	25.9
EBIT	**10,245**	**32,445**	**–22,200**	**–68.4**
Interest income	9	10	–1	–10.0
Interest expense	–1,365	–2,713	1,348	49.7
Financial gains / losses	**–1,356**	**–2,703**	**1,347**	**49.8**
Current tax expense	–393	–219	–174	–79.5
At-equity profit / loss (excl. measurement gains / losses)	**8,496**	**29,523**	**–21,027**	**–71.2**
Measurement gains / losses	–3,426	–16,604	13,178	79.4
Deferred taxes	–65	7	–72	–
SHARE OF PROFIT / LOSS	**5,005**	**12,926**	**–7,921**	**–61.3**

EBT (excluding measurement gains / losses) up sharply due to minority purchase

The acquisition of minority interests led to a significant increase in EBT (excluding measurement gains / losses) from €130.2 million to €169.5 million (+30.2 %). In a pro-forma comparison, EBT (excluding measurement gains / losses) rose by €19.8 million (+13.3 %).

Measurement gains / losses negative

Persistently high interest rates and the ongoing downturn on the investment market for real estate in the reporting year had an adverse impact on the valuation of the Group's real estate assets (IAS 40), resulting in a valuation loss of €–209.1 million (previous year: €–106.3 million).

Measurement losses on real estate assets, after minority interests, broke down into €–205.7 million (previous year: €–89.7 million) from the measurement of the real estate assets reported by the Group and €–3.4 million (previous year: €–16.6 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 –4.2 % based on the comparable group (previous year: –3.0 %), with individual measurement gains / losses ranging between –17.9 % and 2.9 %. The occupancy rate at the end of the year declined to 93.3 % (previous year: 94.3 %).

Increase in taxes on income and earnings, deferred taxes

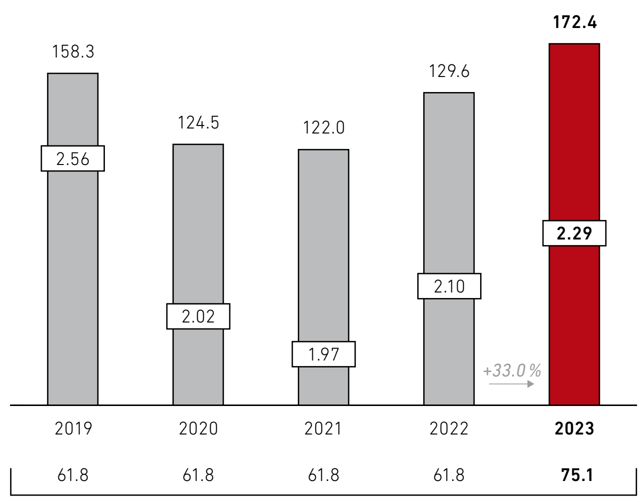
Taxes on income and earnings increased to €5.4 million (previous year: €5.1 million) on the back of the improvement in earnings.

Deferred tax provisions, including the share included in the at-equity result, were reduced by €6.8 million in the year under review as a result of the decline in the fair values of real estate (previous year: €2.6 million).

EPRA earnings higher, consolidated profit lower than previous year

EPRA earnings, which do not include measurement gains / losses, improved by €42.8 million to €172.4 million, or by €0.19 per share to €2.29 per share, due to the acquisition of minority interests. However, there was also an increase of €19.5 million in a pro forma comparison, owing in particular to income from ancillary costs and the reversal of write-downs as well as lower consulting costs compared to the previous year. Consolidated profit totalled €-38.3 million, down sharply by €59.6 million on the prior-year figure of €21.4 million due to the decreased measurement gains. Earnings per share contracted accordingly from €0.35 to €0.51.

EPRA EARNINGS
in € million / per share in €



Weighted number of no-par-value shares issued in million

EPRA EARNINGS

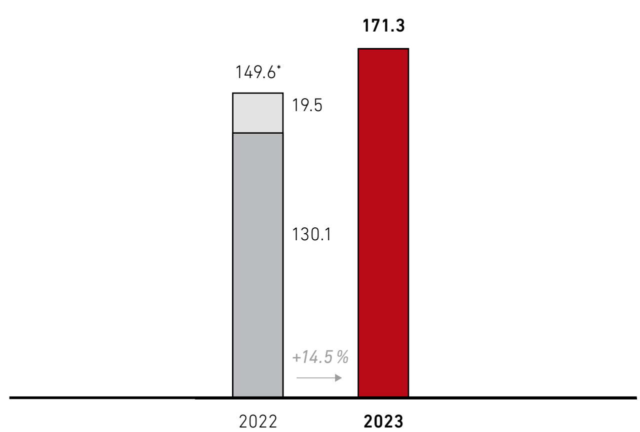
	01.01.–31.12.2023		01.01.–31.12.2022	
	in € thousand	per share in €	in € thousand	per share in €
Consolidated profit	–38,277	–0.51	21,357	0.35
Measurement gains / losses on investment properties[1]	209,127	2.78	106,350	1.72
Income and expenses from the change in the scope of consolidation[2]	7,258	0.10	0	0.00
Deferred taxes on EPRA adjustments[3]	–5,719	–0.08	1,889	0.03
EPRA EARNINGS	**172,389**	**2.29**	**129,596**	**2.10**
Weighted number of no-par-value shares issued		75,136,922		61,783,594

1 Including the share attributable to equity-accounted joint ventures and associates
2 Including acquisition costs from the purchase of additional shares and after consideration of taxes
3 Affects 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 31.7 % from €130.1 million to €171.3 million or from €2.11 to €2.28 per share. In a pro forma comparison, FFO was up by 14.5 % (€+21.7 million).

FUNDS FROM OPERATIONS (FFO)
in € million



* pro forma

FUNDS FROM OPERATIONS

	01.01.–31.12.2023		01.01.–31.12.2022	
	in € thousand	per share in €	in € thousand	per share in €
Consolidated profit	–38,277	–0.51	21,357	0.35
Measurement gains / losses on investment properties[1]	209,127	2.78	106,350	1.72
Income and expenses from the change in the scope of consolidation[2]	7,258	0.10	0	0.00
Expenses in connection with the takeover bid[3]	0	0.00	4,997	0.08
Deferred taxes[1]	–6,769	–0.09	–2,601	–0.04
FFO	**171,339**	**2.28**	**130,103**	**2.11**
Weighted number of no-par-value shares issued		75,136,922		61,783,594

1 Including the share attributable to equity-accounted joint ventures and associates
2 Including acquisition costs from the purchase of additional shares and after consideration of taxes
3 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	01.01.–31.12.2023	01.01.–31.12.2022	Change +/–	Change in %
Revenue	**262,636**	**227,952**	**34,684**	**15.2**
Domestic	209,436	182,590	26,846	14.7
Abroad	53,200	45,362	7,838	17.3
EBIT	**221,410**	**181,842**	**39,568**	**21.8**
Domestic	172,981	142,421	30,560	21.5
Abroad	48,429	39,421	9,008	22.9
EBT (excl. measurement gains / losses)	**184,810**	**147,100**	**37,710**	**25.6**
Domestic	143,274	114,459	28,815	25.2
Abroad	41,536	32,641	8,895	27.3

As part of the acquisition of the additional shares in six property companies at the beginning of the financial year 2023, the shares in Galeria Baltycka in Gdansk were increased to 100 % and for five other property companies allocated to the Germany segment to between 75 % and 100 %. The purchase of additional shares resulted in a significant increase across both segments.

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 weighted equally 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 loan-to-value ratio (LTV ratio) to a range of 50 % to 60 % in 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 it 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 2023, the Deutsche EuroShop Group reported the following key financial data:

in € million	31.12.2023	31.12.2022	Change
Total assets	4,460.2	4,208.1	252.1
Equity (including third-party shareholders)	2,379.0	2,343.4	35.6
Equity ratio in %	53.3	55.7	–2.4
Net financial liabilities	1,341.5	1,144.3	197.2
Loan-to-value ratio (LTV ratio) in % [1]	33.2	30.2	3.0

[1] The disclosure of granted rental incentives was changed in the reporting year and is now recognised under investment properties. The previous year has been adjusted to aid comparability. Please refer to the information in the notes to the consolidated financial statements under section "4. New accounting standards and changes in presentation".

At €2,379.0 million (previous year: €2,343.4 million), the Group's economic equity capital, which comprises the equity of the Group shareholders (€2,119.6 million) and the equity attributable to third-party shareholders (€259.4 million), was up on the previous year overall due to the capital increase carried out at the beginning of 2023 and despite the dividend paid in September 2023. With an accompanying increase in total assets due to the acquisition of minority interests, the equity ratio fell year on year to 53.3 % (previous year: 55.7 %), but remained at a high and healthy level.

FINANCIAL LIABILITIES

in € thousand	31.12.2023	31.12.2022	Change
Non-current bank loans and overdrafts	1,665,679	1,464,917	200,762
Current bank loans and overdrafts	11,921	14,334	–2,413
TOTAL	**1,677,600**	**1,479,251**	**198,349**
Less cash and cash equivalents	336,071	334,943	1,128
Net financial liabilities	**1,341,529**	**1,144,308**	**197,221**

Current and non-current financial liabilities increased by €198.3 million from €1,479.3 million to €1,677.6 million in the year under review due to the acquisition of minority interests and the increase in existing loans. Together with almost unchanged cash and cash equivalents, net financial liabilities totalled €1,341.5 million, a net increase of €197.2 million compared to the end of 2022 (€1,144.3 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 ratio) at the reporting date to 33.2 % (previous year: 30.2 %).

The EPRA LTV ratio, which is based on the Group's proportional share in the joint ventures and subsidiaries, amounted to 34.8 % on the reporting date (previous year: 33.5 %).

EPRA LOAN-TO-VALUE RATIO (EPRA LTV RATIO) [1]

Proportional values in € thousand	31.12.2023	31.12.2022	Change
Non-current and current bank loans and overdrafts	1,601,506	1,481,149	120,357
Owner-occupied property (IFRS 16, lease liability)	292	354	–62
Other liabilities (net)	14,415	19,517	–5,102
Cash and cash equivalents	–322,233	–330,894	8,661
Net financial debt	**1,293,980**	**1,170,126**	**123,854**
Investment properties	3,720,967	3,497,107	223,860
Owner-occupied property (IFRS 16, right-of-use asset)	286	351	–65
Intangible assets	23	29	–6
Property assets	**3,721,276**	**3,497,487**	**223,789**
EPRA LTV ratio in %	**34.8**	**33.5**	**1.3**

[1] The disclosure of granted rental incentives was changed in the reporting year and is now recognised under investment properties. The previous year has been adjusted to aid comparability. Please refer to the information in the notes to the consolidated financial statements under section "4. New accounting standards and changes in presentation".

The financing terms for consolidated borrowing as at 31 December 2023 were fixed at 2.43 % p. a. (previous year: 2.43 % p. a.) with an average residual maturity of 5.8 years (previous year: 6.8 years). The loans to Deutsche EuroShop are maintained as credit facilities with 20 banks and savings banks in Germany, Austria and the Czech Republic.

LOAN STRUCTURE
as at 31 December 2023

Interest rate lock-in	Share of loans in %	Amount in € million	Term in years	Average interest rate in %
up to 1 year	0.0	0.0	0.0	0.00
1 to 5 years	41.6	697.6	3.4	2.50
5 to 10 years	58.4	980.0	7.5	2.37
TOTAL	**100.0**	**1,677.6**	**5.8**	**2.43**

Of the 23 loans across the Group, 20 are subject to credit covenants with the financing banks. There are a total of 38 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 ratio) of the property. The loan conditions were met in financial year 2023. Based on current planning and estimates, the loan conditions will also be met in 2024.

Scheduled repayments totalling €19.4 million for the loans existing as at 31 December 2023 will be made from current cash flow during financial year 2024. Over the period from 2025 to 2027, repayments will average €13.0 million p. a. for existing loans.

Loans totalling €58.4 million are to be rolled over in 2025, and loans totalling €230.7 million in 2026.

Investment analysis

In financial year 2023, investments continued to be made in modernising and positioning the existing portfolio and amounted to €43.4 million after €39.5 million in the previous year.

LIQUIDITY ANALYSIS

in € thousand	01.01.–31.12.2023	01.01.–31.12.2022
Net cash flow from operating activities	175,063	140,625
Cash flow from investing activities	–62,952	–39,498
Cash flow from financing activities	–110,983	–95,023
Net change in cash and cash equivalents	**1,128**	**6,104**
Cash and cash equivalents at beginning of period	334,943	328,839
CASH AND CASH EQUIVALENTS AT END OF PERIOD	**336,071**	**334,943**

The Group's operating net cash flow of €175.1 million (previous year: €140.6 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 investments in portfolio properties (€43.4 million; previous year: €39.5 million) and the cash purchase price (€39.2 million) for the acquisition of additional shares in investments previously accounted for using the equity method less the acquired cash and cash equivalents (€19.8 million).

The cash flow from financing activities of €–111.0 million included the cash inflow from the capital increase carried out in February 2023 in the amount of €61.9 million (after deduction of transaction costs of €2.3 million), the cash outflow from the ongoing repayment of financial liabilities of €13.0 million, the cash inflow from the assumption of financial liabilities of €60.9 million, the dividend payment to Group shareholders of €191.2 million (previous year: €61.8 million), the pay-out to third-party shareholders of €9.9 million (previous year: €10.4 million), the payment of €19.5 million for the acquisition of additional shares in the limited partnership as part of the acquisition of minority interests, and the payment of €0.2 million for the acquisition of treasury shares.

Cash and cash equivalents rose slightly by €1.2 million in the year under review to €336.1 million (previous year: €334.9 million).

NET ASSETS OF THE GROUP

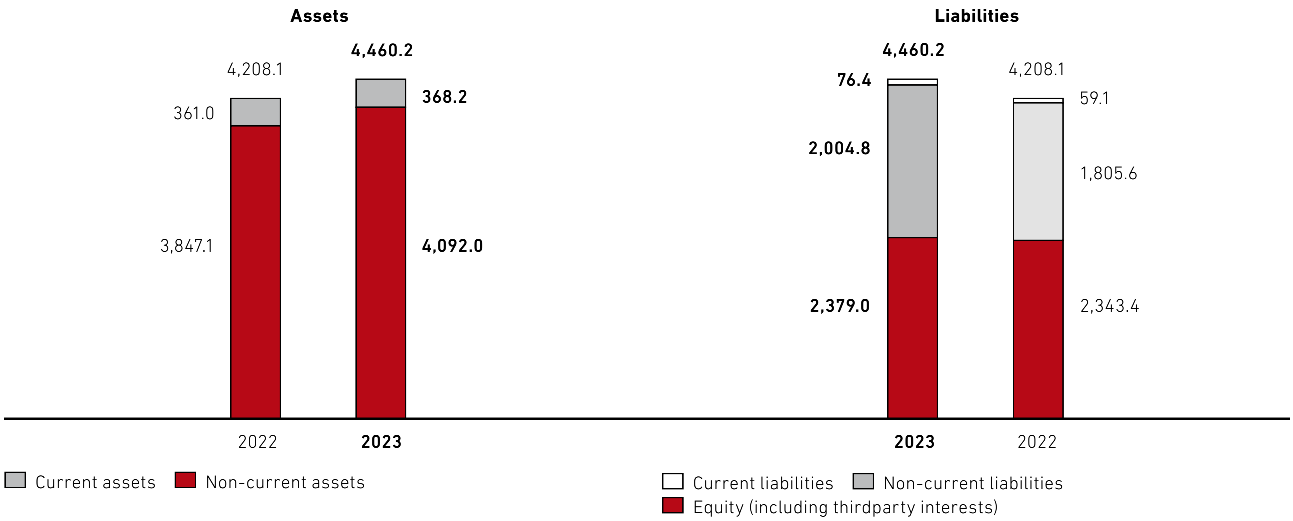
Total assets up sharply

The total assets of the Deutsche EuroShop Group increased sharply by €252.1 million compared with the last reporting date to €4,460.2 million due to the acquisition of minority interests. On a pro-forma basis, total assets fell by €207.7 million.

in € thousand	31.12.2023	31.12.2022 (adjusted) [1]	Change
Current assets	368,244	361,032	7,212
Non-current assets	4,091,953	3,847,074	244,879
Current liabilities	76,427	59,085	17,342
Non-current liabilities	2,004,723	1,805,654	199,069
Equity (incl. third-party shareholders)	2,379,047	2,343,367	35,680
TOTAL ASSETS	**4,460,197**	**4,208,106**	**252,091**

[1] The disclosure of granted rental incentives was changed in the reporting year and is now recognised under investment properties. The previous year has been adjusted to aid comparability. Please refer to the information in the notes to the consolidated financial statements under section "4. New accounting standards and changes in presentation".

BALANCE SHEET STRUCTURE
in € million



Current assets at previous year's level

At the end of the year, current assets amounted to €368.2 million, almost at the same level as the previous year (€361.0 million). Cash and cash equivalents as at the reporting date were €336.1 million (previous year: €334.9 million).

The Group's receivables (after write-downs) increased by €1.4 million to €13.4 million (previous year: €12.0 million).

Other assets rose by €4.6 million, from €14.1 million to €18.7 million.

Non-current assets higher due to minority acquisition

Non-current assets rose by €244.9 million from €3,847.1 million to €4,092.0 million in the year under review. At 91.7 % (previous year: 91.4 %), they are still the most significant items of total assets.

Investment properties increased by €595.2 million to €3,947.0 million (+17.8 %). While the acquisition of minority interests and the costs of investments in portfolio properties resulted in additions of €773.0 million and €43.4 million, respectively, the valuation of the property portfolio triggered measurement losses totalling €229.4 million.

At-equity financial investments decreased by €350.4 million from €443.1 million to €92.7 million, mainly due to the disposal of the four companies recognised at equity, which are now fully consolidated in this reporting year due to the acquisition of additional shares. In addition to the disposal of the equity-accounted companies, which totalled €361.7 million, the change is attributable to the revaluation of the shares as part of the disposal (€12.7 million), the share of profit / loss (€5.0 million) and the losses for the financial year (€8.3 million).

Current and non-current liabilities increased

Current liabilities increased by €17.3 million to €76.4 million, in particular due to tax liabilities.

Non-current liabilities rose on the back of the minority acquisition by €199.2 million from €1,805.6 million to €2,004.8 million. On the basis of the comparable group, non-current liabilities were up by €47.0 million; this is attributable to the increase in existing loans in the amount of €60.9 million.

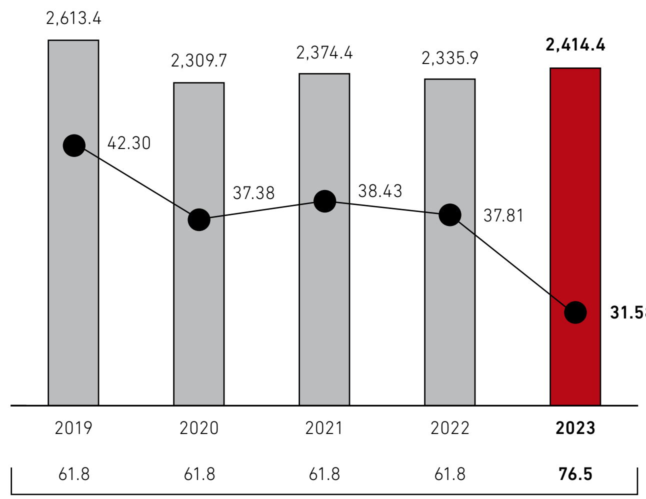
Equity (including third-party shareholders)

Equity (including third-party shareholders) was €2,379.0 million at the end of the reporting year, up €35.7 million on the previous year's equity (€2,343.4 million) owing to the capital increase of €314.1 million, the dividend paid of €191.2 million and the consolidated loss of €38.3 million. Liabilities from limited partner contributions of non-controlling interests fell by €47.8 million due to the acquisition of minority interests, while the market values of swaps decreased equity by €1.0 million.

Net tangible assets according to EPRA

Net tangible assets (NTA) as at 31 December 2023 amounted to €2,414.4 million compared to €2,335.9 million in the previous year. Due to the higher amount of shares issued, the NTA per share decreased by €6.23 from €37.81 to €31.58 per share (-16.5 %).

EPRA NET TANGIBLE ASSETS
in € million / per share in €



EPRA NTA

	31.12.2023		31.12.2022	
	in € thousand	per share in €	in € thousand	per share in €
Equity	2,119,667	27.72	2,036,237	32.96
Derivative financial instruments measured at fair value[1]	6,427	0.08	5,637	0.09
Equity excl. derivative financial instruments	**2,126,094**	**27.80**	**2,041,874**	**33.05**
Deferred taxes on investment properties and derivative financial instruments[1]	340,042	4.45	345,789	5.60
Intangible assets	–23	0.00	–29	0.00
Goodwill as a result of deferred taxes	–51,719	–0.67	–51,719	–0.84
EPRA NTA	**2,414,394**	**31.58**	**2,335,915**	**37.81**
Number of no-par-value shares issued as at the reporting date		76,455,319		61,783,594

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

REPORT ON EVENTS AFTER THE REPORTING DATE

The Extraordinary General Meeting of Deutsche EuroShop AG on 8 January 2024 amended the resolution on the appropriation of profits of 29 August 2023 and resolved to distribute a further dividend of €1.95 per share from the 2022 unappropriated surplus. This corresponds to a total dividend of €149,081 thousand. The remainder of the unappropriated surplus of €350,919 thousand was carried forward to new account.

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 in February 2024, forecasts that gross domestic product will grow marginally by 0.2 % in the current year. The anticipated low growth in global trade is having a negative impact, which affects Germany in particular as an export nation. If the labour market remains stable and consumer price inflation eases as projected, real wages are expected to rise in 2024, pushing up private consumption by 1.1 %. The German government is forecasting a lower inflation rate of 2.8 % compared to 2023, when it stood at 5.9 %.

The labour market proved to be extremely robust in 2023 despite the economic downturn. In 2024 as well, the unemployment rate is expected to rise only slightly from 5.7 % to 5.9 %, even given the shortage of skilled labour and weak growth prospects.

The projection is subject to a high degree of uncertainty due to the current framework conditions. Geopolitical crises such as the war in Ukraine, the conflict in the Middle East and the recent attacks on merchant ships in the Red Sea, in particular, have the potential to drive up energy prices and exacerbate supply bottlenecks. Significantly weaker economic performance in China or in the USA or the escalation of current or new conflicts could also hamper the expected recovery.

Agreed transactions are the foundation for revenue and earnings planning

The Deutsche EuroShop Group's revenue and earnings planning for 2024 does not include the future purchase or sale of any properties. The results of the annual valuation of our shopping centers are likewise excluded from our planning since they are difficult to predict.

Forecasts for the future revenue and earnings situation of our Group are based on

a) the development of revenue and earnings at the existing shopping centers, and

b) the assumption that, in view of the general conditions outlined above, there will be no substantial decline in revenue in the retail sector that would cause a large number of retailers to no longer be able to meet their obligations under existing leases.

Revenue for 2024

The revenue of €273.3 million generated in financial year 2023 exceeded our expectations. Decisive factors here alongside inflation-related rent increases were the higher settlement payments and turnover rents concluded for previous years. Assuming a slight increase in rents coupled with lower turnover rents and settlement payments, revenue for 2024 should be in the range of €268 million to €274 million.

Slight decline in operating earnings for 2024

Earnings before interest and taxes (EBIT) of €212.7 million in 2023 were positively influenced by income and expenses in connection with the acquisition of additional shares in shopping centers and one-off income from ancillary costs for the years affected by the coronavirus. We therefore expect EBIT to contract slightly to between €204 million and €210 million in 2024.

Earnings before tax (EBT) excluding measurement gains and losses amounted to €169.5 million in the year under review. In addition to the effects on EBIT described above, higher-than-expected interest income had a positive impact on the operating result. Taking into account higher interest from the planned revaluation of existing loans and lower interest income, we anticipate an operating result for 2024 in the range of €149 million to €155 million.

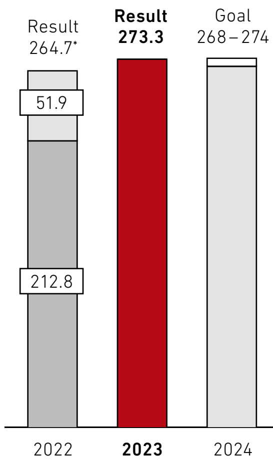
FFO performance for 2024

Funds from operations (FFO) amounted to €2.28 per share in the year under review due to the positive developments described above and consequently exceeded our forecast adjusted in August 2023 (€2.08 to €2.18 per share). This was mainly due to one-off income from ancillary costs and from the reversal of write-downs relating in particular to the years affected by the coronavirus.

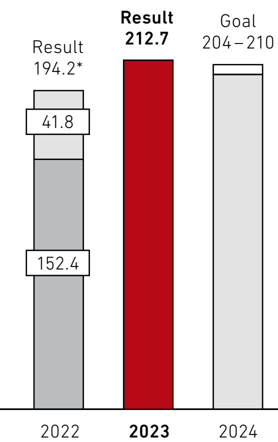
We do not expect any comparable one-off income for 2024, meaning that FFO will be between €146 million and €152 million, or between €1.91 and €1.99 per share.

No share buy-backs for financial year 2024 were taken into account in the disclosure of FFO per share.

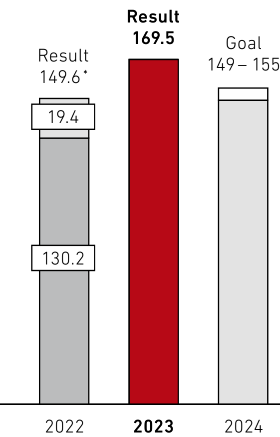
REVENUE
in € million



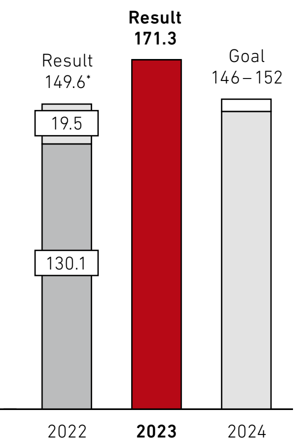
EBIT
in € million



EBT
(excl. measurement gains / losses)
in € million



FUNDS FROM OPERATONS (FFO)
in € million



* pro forma

We view the development of the 2024 financial year as generally positive. Without taking into account the one-off effects of the year under review, we are anticipating development of revenue and EBIT to be stable to slightly positive. We are assuming a slight reduction in EBT and FFO compared to financial year 2023, in view of lower financial income.

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. The Extraordinary General Meeting of Deutsche EuroShop AG on 8 January 2024 therefore amended the resolution on the appropriation of profits of 29 August 2023 and resolved to distribute a further dividend from the 2022 unappropriated surplus. The special dividend of €1.95 per share amounted to a total of €149,081 thousand and was paid out on 11 January 2024.

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.

For financial year 2023, the Executive Board, together with the Supervisory Board, and taking into account available liquidity following the dividend paid in January 2024 and the operating outlook, has decided to propose to the Annual General Meeting the distribution of a dividend of €0.80 per share. The Company reserves the right to adjust its proposed resolution before or at the latest during the Annual General Meeting if it should prove possible and expedient to distribute a higher dividend owing to changed circumstances, in particular due to the creation of additional liquidity through the conclusion of loan agreements.

RISK REPORT

PRINCIPLES GOVERNING THE RISK MANAGEMENT SYSTEM AND INTERNAL CONTROL SYSTEM [1]

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 and sustainable dividend. The focus of the risk management system is therefore on monitoring compliance with this strategy and, building on this, on identifying and assessing risks and opportunities as well as making fundamental decisions on how to manage these risks. Risk management ensures that risks are 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.

[1] 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.

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, and medium-term corporate plans are 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 involves the systematic analysis of economic data such as consumer confidence and retail sales trends, as well as ongoing monitoring of the activities undertaken by competitors.

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 occurrence in consideration of compensatory measures (from a net standpoint). The risk inventory is regularly examined and updated where necessary.

Furthermore, the Executive Board uses scenario-based simulations where 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 as regards which risks the Group is able to sustain.

The Executive Board reports on significant risks at the Supervisory Board meetings. 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.

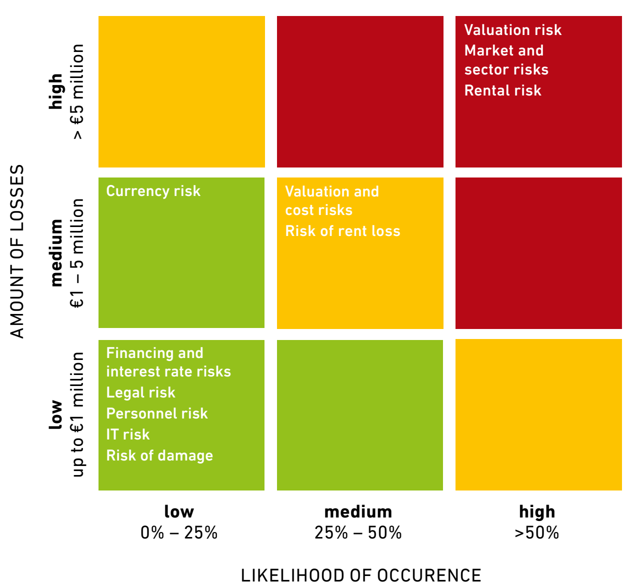
Decisions based on personal judgement, flawed controls, criminal acts or other circumstances cannot be entirely ruled out, however, and may limit the effectiveness and reliability of the internal control and risk management system that is in use. Consequently, the application of the systems used cannot 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 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 and the conflict in the Middle East cannot be estimated at the moment. Individual risks and the overall risk position are monitored on an ongoing basis and reassessed regularly.

RISK MATRIX



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 these.

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 the 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 or depreciation 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 center, cost and leasing management 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 three 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. Furthermore, the conflict in the Middle East, political uncertainties and fears of recession are leading to increased uncertainty about economic conditions going forward. Given the resulting ongoing major uncertainty regarding future developments, significant changes in market value cannot be ruled out in the short term. The likelihood of occurrence 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 associated hygiene and protective measures taken by the authorities had a massive impact on bricks-and-mortar retail in the form of lost sales and gave online retail a real boost during the years of the pandemic. The previous year had already seen bricks-and-mortar retail start to benefit from the discontinuation of all these protective measures in early 2022 and the catch-up effects. Bricks-and-mortar retail then continued to gain shares of total revenue over 2023, with the share of purchases made in stores in Germany rising to 87.0 % (previous year: 86.6 %).

It is expected that online retail will continue to grow in future and increase its share of total retail sales. The segments of fashion, shoes and consumer electronics continue to dominate online commerce, and are also especially heavily represented in shopping centers. Despite the prevalence of online shopping, attractive retail spaces continue to be a strong draw for customers. The reopening of stores after the pandemic was followed by a rapid and significant recovery in customer footfall. 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 can continue to hold their own, offering customers a broad range of products, an enjoyable time and a special shopping experience.

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 centers or factory outlets 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. In Hamburg, for example, Unibail-Rodamco-Westfield SE realised a large-scale project development for the Westfield Hamburg-Überseequartier, a mixed-use district within Hamburg's HafenCity, which is scheduled to open at the end of April 2024. 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 rents and / or under less favourable contractual terms.

To counter the rising share of online retail along with the potential pressure on space utilisation, bricks-and-mortar retail is embracing floorspace 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. Retailers are at different stages of progress and success in this regard, 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 they had few or even no distribution options available to them during the periods of pandemic-related store closures and restrictions. 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.

The leisure, customer experience and meeting point aspects of our centers are continually being enhanced. In addition to the creation of new and attractive 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 touch screens 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, the indoor skydive concept opened in our Rhein-Neckar-Zentrum in 2021 has met with great success, so much so that a wide range of other leisure and food service options are currently being developed in the vicinity. Added to this, the Main-Taunus-Zentrum is in the process of receiving a "Foodgarden", which will significantly expand the center's culinary offering. These and other 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.

Since the outbreak of the war in Ukraine, inflation and interest rates have risen sharply as an indirect consequence and have contributed significantly to slowing economic growth, particularly in Europe. Consumer behaviour has been dampened not only by higher costs, but also by ongoing uncertainty about the further course of the war in Ukraine, the flare-up of the conflict in the Middle East and the budget crisis in Germany. 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. Due to the ongoing uncertainties, we have set the loss amount and likelihood 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 directly affected by 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 and 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. In addition, lower rental income may also affect compliance with loan conditions on existing financing arrangements as well as the terms of new financing and refinancing agreements. 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.

We counteract this risk by transferring leasing management to professional market leaders in asset management as well as by keeping a close eye on the market with continuous and early monitoring of upcoming regular or potentially expected unscheduled leasing. Furthermore, 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 coupled with higher energy costs and interest rates 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 EPRA vacancy rate increased from 2.9 % at the end of 2019 to 6.7 % at the end of 2023.

The pandemic had an extremely negative impact on our tenants, with business closures and restrictions on trade in the years 2020 to 2022. Due to the continuing challenging economic and business environment, insolvency and re-letting risks remain elevated. Accordingly, 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, may lead to defaults on leases and other financial burdens. Defaults on leases may additionally have an impact on compliance with loan covenants, for example. The risk of default on leases consequently comprises the rent payments in their entirety, allocable ancillary costs, as well as 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 €8.9 million in financial year 2023 (previous year: €8.1 million). It is not possible to rule out higher write-downs in the current financial year in view of the structural change in bricks-and-mortar retail and depending on economic developments within the context of today's challenging macroeconomic environment. Accordingly, we have left the loss amount unchanged at high. After several years of direct repercussions from the coronavirus pandemic, we have set the likelihood of occurrence back to medium.

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 going forward.

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 long-term planning for the centers. This ensures that the further development of 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, resulting in 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; economically sensible measures, such as installing photovoltaic systems, are also 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 geopolitical crises (such as the war in Ukraine or the conflict in the Middle East) on the operations and cash flow of retail properties, as well as pronounced intensification of online competition or 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, and loan conditions. Insolvencies of real estate companies, such as the Signa Group or in the project development sector, could also have a negative impact on confidence in the property sector and therefore on banks' lending practices. The eventualities 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.

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 caused by 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, for example, various legislators in Europe, including Germany and Poland, were quick to enact new laws or amend existing laws that granted temporary relief to tenants in terms of their rental payment obligations during public authority-mandated, pandemic-related business closures. Such laws could also be enacted at short notice in other crisis situations.

Given the regular, consensus-oriented negotiations we 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.

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 low 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 the 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.

OPPORTUNITY REPORT

Deutsche EuroShop AG forms part of a retail market undergoing dynamic structural transformation. While bricks-and-mortar retail faces challenges from 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 networks 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 satisfactory revenue during the closure phase with an omni-channel 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 after the lockdown. In addition, bricks-and-mortar spaces are 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 prime locations, broad sector diversification within the centers, the increasing link-up between the shopping centers and online retail, their conceptual 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, 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 of the 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 2023, 76.4 % of the shares were held by Hercules BidCo GmbH, which, based on voting agreements, belongs to Alexander Otto, among others (previous year: 84.4 %). 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 €76,464,319 on 31 December 2023 and was composed of 76,464,319 no-par-value registered shares. As at 31 December 2023, Deutsche EuroShop AG held 9,000 treasury shares, which confer no rights to the Company in accordance with Section 71b AktG. Please refer to the information in the notes to the consolidated financial statements under section "13. Equity and reserves" in the notes to the consolidated financial statements. The notional value of each share 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 addenda to the Articles of Association that relate solely to wording.

By resolution of the Annual General Meeting on 29 August 2023, the Executive Board was authorised, with the approval of the Supervisory Board, to increase the Company's share capital by up to a total of €38,232,159 in increments through individual or multiple issues of new no-par-value registered shares against cash and / or non-cash contributions before 28 August 2028 (Authorised capital 2023). As at 31 December 2023, no use had been made of this authorisation.

In addition, the Annual General Meeting held on 29 August 2023 authorised the Executive Board to acquire treasury shares in the Company on the stock exchange before 28 August 2028 constituting up to 10 % of the share capital available on entry into force or – if this is lower – on exercise of the authorisation. As at 31 December 2023, 9,000 treasury shares had been repurchased on the stock exchange, corresponding to 0.012 % of the share capital as at the reporting date.

By resolution of the Annual General Meeting on 29 August 2023, the Executive Board was authorised, subject to approval of the Supervisory Board, to issue convertible bonds and / or bonds with warrants or a combination of such instruments on one or multiple occasions before 28 August 2028 with a total nominal value of up to €1.5 billion against cash contributions and / or contributions in kind, in particular against investments in other companies, and to grant the holders of the respective, equally privileged bonds conversion and option rights / obligations to new no-par-value shares in the Company up to a total of 38,232,159 shares as detailed in the terms and conditions for the bonds ("Bond conditions"). The bonds and the conversion and option rights / obligations can be issued with or without a term. The bonds may pay a fixed or variable rate of interest, in which case, as with a participating bond, the interest may also be dependent in full or in part on the level of the Company's dividend (Conditional capital 2023). As at 31 December 2023, 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 for Deutsche EuroShop AG, primarily relate to credit facilities and 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 / Investor-Relations / Corporate-Governance / Declaration-of-Conformity**

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 the consolidated financial statements were prepared according to IFRS rules.

RESULTS OF OPERATIONS OF DEUTSCHE EUROSHOP AG (HGB)

			Change	
in € thousand	01.01. – 31.12.2023	01.01. – 31.12.2022	+ / –	in %
Other operating income	275	459	–184	–40
Personnel expenses	–1,820	–4,277	2,457	57
Depreciation / amortisation and other operating expenses	–5,045	–13,489	8,444	63
Investment income	76,253	46,700	29,553	63
Financial gains / losses	–8,041	–9,194	1,153	13
Earnings before taxes	**61,622**	**20,199**	**41,423**	**205**
Taxes on income and earnings	–2,520	1,011	–3,531	–349
Other taxes	–9,820	0	–9,820	–
Net profit	**49,282**	**21,210**	**28,072**	**132**
Profit brought forward	500,000	35	499,965	
Income from capital reduction	0	723,034	–723,034	
Reversal and transfer to other retained earnings	0	–53,118	53,118	
UNAPPROPRIATED SURPLUS	**549,282**	**691,161**	**–141,879**	

Financial year 2023 for Deutsche EuroShop AG was characterised, on the one hand, by the improvement in investment income and the decline in other operating expenses and, on the other, by one-off other taxes (real estate transfer tax). The higher-than-forecast investment and interest income resulted in expected earnings before taxes that were also higher than originally anticipated, at €61.6 million versus the forecast range of €36.0 million to €42.0 million.

Other operating expenses decreased by €8.4 million compared to the previous year. This was mainly due to expenses in the previous year 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 additional shares in shopping center investments, as well as the replacement of the Executive Board.

A principal component of the Company's earnings is investment income. At €76.3 million in 2023 (previous year: €46.7 million), this was €29.6 million higher than in the previous year and also exceeded the previous year's forecast (€45 million to €51 million). Investment income was up for individual investments, particularly due to the settlement of ancillary costs for previous years. The share of non-allocable ancillary costs was estimated to be significantly higher, particularly in the years affected by the coronavirus.

Financial gains / losses were negatively impacted by the write-down on the investment in Saarpark-Center Neunkirchen KG in the amount of €6.5 million (previous year: €5.3 million).

Other taxes relate to the real estate transfer tax triggered by the consolidation of shares at the level of Deutsche EuroShop AG in the course of the acquisition of additional shares in property companies.

Taxes on income and earnings were €2.5 million, compared with income of €1.0 million in the previous year. Of this amount, €1.6 million was attributable to the recognition of deferred taxes (previous year: reversal of €1.5 million), and €0.9 million to taxes payable (previous year: €0.5 million).

NET ASSETS OF DEUTSCHE EUROSHOP AG (HGB)

in € thousand	31.12.2023	31.12.2022	Change +/–
Financial investments	1,314,564	1,099,246	215,318
Other non-current assets	50	69	–19
Receivables and other assets	4,383	849	3,534
Cash and bank balances	92,430	139,518	–47,088
Assets	**1,411,427**	**1,239,682**	**171,745**
Equity	1,222,993	1,049,438	173,555
Provisions	9,597	3,069	6,528
Liabilities	94,211	104,156	–9,945
Deferred tax liabilities	84,626	83,019	1,607
Liabilities	**1,411,427**	**1,239,682**	**171,745**

€310.2 million of the increase in financial investments resulted from the acquisition of additional shares in six property companies in which Deutsche EuroShop AG already held an interest of between 50 % and 75 % either directly or via DES Beteiligungs GmbH & Co. KG. Conversely, financial investments were reduced by the withdrawals from investees made in financial year 2023, less the proportional net profits under commercial law and write-downs of financial assets.

The acquisition was financed by a capital increase against cash and non-cash contributions carried out in February 2023, which bolstered equity by €315.6 million. The dividend of €191.2 million approved at the Annual General Meeting in August 2023 reduced equity accordingly. Deutsche EuroShop AG's equity ratio increased to 86.6 % (previous year: 84.7 %), remaining at a high level and providing the Company with a firm financial footing.

FINANCIAL POSITION OF DEUTSCHE EUROSHOP AG (HGB)

in € thousand	01.01.– 31.12.2023	01.01.– 31.12.2022
Net profit	49,282	21,210
Cash distributions on investees recognised in equity	80,815	55,773
Measurement of investments not affecting liquidity	6,463	5,324
Addition / reversal for deferred income taxes	1,607	–1,528
1. Free cash flow from operating activities	**138,167**	**80,779**
2. Outflows for new investments	**–58,753**	**0**
3. Inflows from equity	**64,252**	**0**
Inflows / outflows from bank loans	–1,544	–1,988
4. Inflows / outflows from financing activities	**–1,544**	**–1,988**
5. Other cash changes in the balance sheet	**2,151**	**3,442**
6. Acquisition of treasury shares	**–200**	**0**
7. Dividend for the previous year	**–191,161**	**–61,784**
Liquidity at the start of the year	**139,518**	**119,069**
Cash changes in liquidity (subtotal 1.–7.)	–47,088	20,449
Liquidity at the end of the year	**92,430**	**139,518**

The free cash flow from operating activities of €138.2 million increased compared to the previous year (€80.8 million). This was due to the lower earnings of investments in the previous year and the partial additional distributions of liquidity, which had been waived in previous years to strengthen liquidity in the investments. For the past financial year, there was a return on the equity paid in amounting to €1,433.0 million of 9.6 %, compared with 5.9 % in the previous year. Free cash flow per share rose from €1.31 to €1.84.

The outflows for new investments include the cash paid by Deutsche EuroShop AG as part of the acquisition of the additional shares in six property companies. The remaining purchase prices were settled by granting shares to the sellers.

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 €92.4 million.

The Executive Board is very satisfied with the results of operations, net assets and financial position in financial year 2023.

Forecast for Deutsche EuroShop AG (HGB)

Management expects the following changes in the key performance indicators: income from investments of €37 million to €43 million, and thus down significantly on 2023 (€76.3 million), and earnings before taxes of between €27 million and €33 million, also sharply lower than the figure seen in 2023.

We consider ourselves to be very well positioned for financial year 2024 in spite of the scheduled lower income from investments and the likewise declining earnings before taxes.

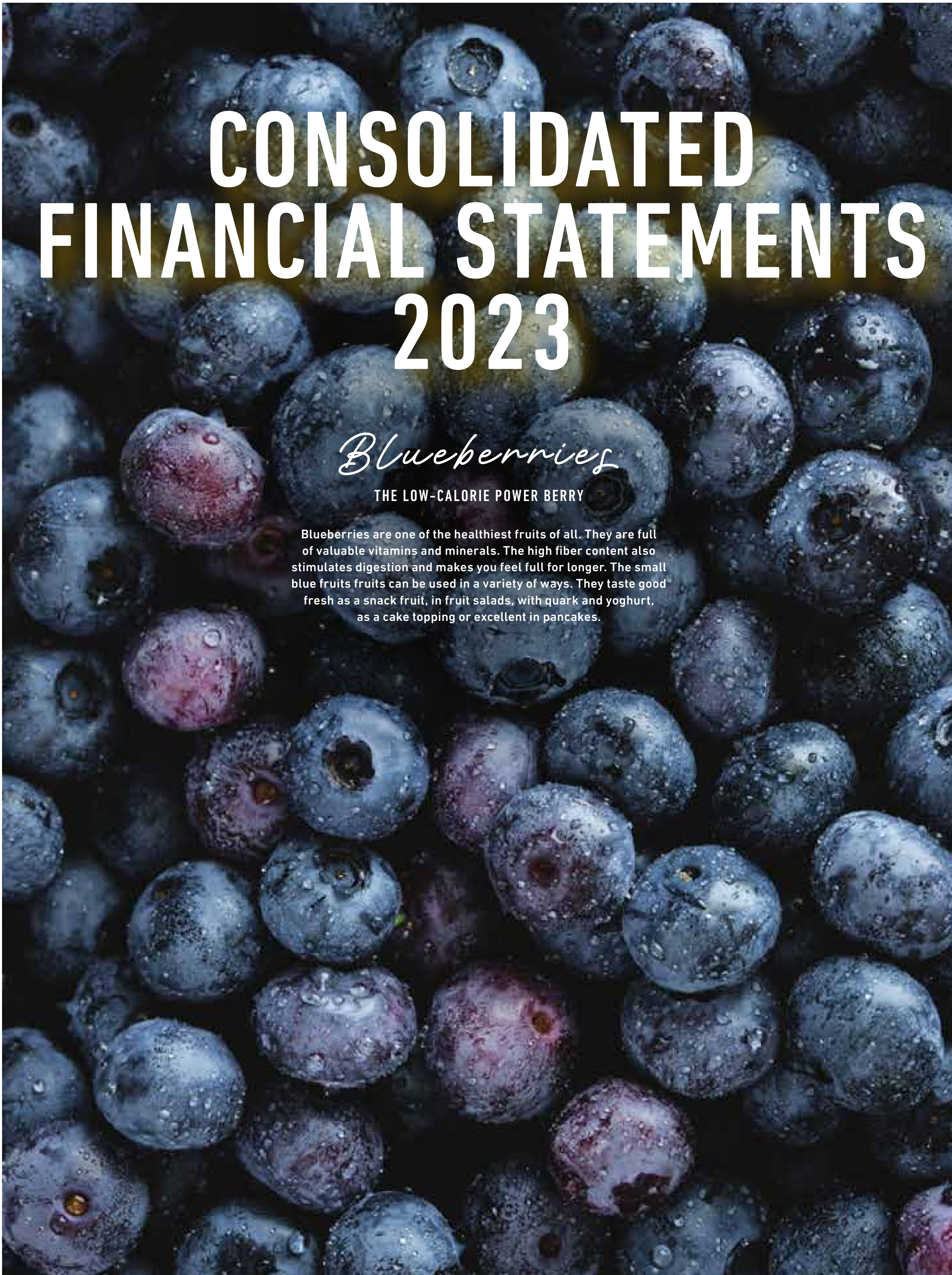
Hamburg, 28 March 2024

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 signs used to indicate rates of change are based on economic considerations: improvements are indicated by a plus (+); deteriorations by a minus (-).



CONSOLIDATED FINANCIAL STATEMENTS 2023

Blueberries

THE LOW-CALORIE POWER BERRY

Blueberries are one of the healthiest fruits of all. They are full of valuable vitamins and minerals. The high fiber content also stimulates digestion and makes you feel full for longer. The small blue fruits fruits can be used in a variety of ways. They taste good fresh as a snack fruit, in fruit salads, with quark and yoghurt, as a cake topping or excellent in pancakes.

Contents

Consolidated financial statements 2023

Consolidated balance sheet 156
Consolidated income statement 158
Statement of comprehensive income 159
Consolidated statement of changes in equity 160
Consolidated cash flow statement 161

Notes to the consolidated financial statements 162

PRINCIPLES UNDERLYING THE CONSOLIDATED FINANCIAL STATEMENTS 162

1. General disclosures 162
2. Basis of consolidation 163
3. Consolidation methods 166
4. New accounting standards and changes in presentation 166
5. Currency translation 167
6. Significant accounting policies and valuation methods 168

NOTES TO THE CONSOLIDATED BALANCE SHEET 171

7. Intangible assets and property, plant and equipment 171
8. Investment properties 171
9. Investments accounted for using the equity method 173
10. Trade receivables 174
11. Other current assets 174
12. Cash and cash equivalents 175
13. Equity and reserves 175
14. Non-current and current financial liabilities 176
15. Other non-current and current financial liabilities 177
16. Deferred tax liabilities 177
17. Limited partner contributions of non-controlling interests 178
18. Other provisions 178

NOTES TO THE CONSOLIDATED INCOME STATEMENT 179

19. Revenue 179
20. Property operating costs 179
21. Property management costs 179
22. Write-downs and disposals of financial assets 179
23. Other operating income 179
24. Other operating expenses 180
25. Share of the profit or loss of associates and joint ventures accounted for using the equity method 180
26. Measurement gains / losses 180
27. Taxes on income and earnings 180
28. Earnings per share 181

SEGMENT REPORTING 182

OTHER DISCLOSURES 184

29. Financial instruments and risk management 184
30. Notes to the consolidated cash flow statement 186
31. Other financial obligations 186
32. Headcount 186
33. Auditor's fees 186
34. Declaration of Conformity with the German Corporate Governance Code 186
35. Related parties for the purposes of IAS 24 186
36. Voting rights notices 187
37. The Supervisory Board and Executive Board 188
38. Events after the reporting date 188
39. Consolidated financial statements 188

INFORMATION ON SHAREHOLDINGS – ANNEX TO THE NOTES 189

CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED BALANCE SHEET

Assets in € thousand	Note	31.12.2023	31.12.2022 (adjusted)[1]
ASSETS			
Non-current assets			
Intangible assets	7.	51,742	51,748
Property, plant and equipment	7.	449	436
Investment properties	8.	3,947,021	3,351,821
Investments accounted for using the equity method	9.	92,741	443,069
Non-current assets		**4,091,953**	**3,847,074**
Current assets			
Trade receivables	10.	13,419	11,974
Other current assets	11.	18,754	14,115
Cash and cash equivalents	12.	336,071	334,943
Current assets		**368,244**	**361,032**
TOTAL ASSETS		**4,460,197**	**4,208,106**

[1] The disclosure of granted rental incentives was changed in the reporting year and the previous year has been adjusted to aid comparability. Please refer to the information in the notes to the consolidated financial statements under section "4. New accounting standards and changes in presentation".

Liabilities

in € thousand	Note	31.12.2023	31.12.2022
EQUITY AND LIABILITIES			
Equity and reserves			
Subscribed capital		76,464	61,784
Capital reserves		793,943	494,526
Retained earnings		1,249,269	1,479,927
Treasury shares		-9	0
Total equity	13.	**2,119,667**	**2,036,237**
Non-current liabilities			
Financial liabilities	14.	1,665,679	1,464,917
Deferred tax liabilities	16.	331,918	334,404
Limited partner contributions of non-controlling interests [2]	17.	259,380	307,130
Other liabilities	15.	7,126	6,333
Non-current liabilities		**2,264,103**	**2,112,784**
Current liabilities			
Financial liabilities	14.	11,921	14,334
Trade payables	15.	10,635	8,067
Tax liabilities	15.	19,891	474
Other provisions	18.	14,459	11,267
Other liabilities	15.	19,521	24,943
Current liabilities		**76,427**	**59,085**
TOTAL EQUITY AND LIABILITIES		**4,460,197**	**4,208,106**

[2] The name of the balance sheet item "Redemption entitlements of other limited partners" was changed in the reporting year. Please refer to the information in section "4. New accounting standards and changes in presentation".

CONSOLIDATED INCOME STATEMENT

in € thousand	Note	01.01.–31.12.2023	01.01.–31.12.2022
Revenue	19.	273,304	212,811
Property operating costs	20.	–34,808	–26,652
Property management costs	21.	–14,734	–10,561
Write-downs and disposals of financial assets	10., 22.	–8,858	–8,130
Net operating income (NOI)		**214,904**	**167,468**
Other operating income	23.	35,335	5,504
Other operating expenses	24.	–37,578	–20,540
Earnings before interest and taxes (EBIT)		**212,661**	**152,432**
Share in the profit or loss of associates and joint ventures accounted for using the equity method	9., 25.	5,005	12,926
Interest expense		–43,313	–36,107
Profit / loss attributable to limited partners	17.	–13,876	–15,954
Interest income		5,492	272
Financial gains / losses		**–46,692**	**–38,863**
Measurement gains / losses	26.	**–205,701**	**–89,746**
Earnings before taxes (EBT)		**–39,732**	**23,823**
Taxes on income and earnings	27.	1,455	–2,466
CONSOLIDATED PROFIT		**–38,277**	**21,357**
Earnings per share (€), undiluted and diluted	28.	–0.51	0.35

STATEMENT OF COMPREHENSIVE INCOME

in € thousand	Note	01.01. – 31.12.2023	01.01. – 31.12.2022
Consolidated profit		**–38,277**	**21,357**
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.	–790	17,761
Deferred taxes on changes in value offset directly against equity	13.	–239	–3,963
Total earnings recognised directly in equity		**–1,029**	**13,798**
TOTAL PROFIT		**–39,306**	**35,155**
Share of Group shareholders		–39,306	35,155

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

in € thousand	Note	Number of shares outstanding	Subscribed capital	Capital reserves	Other retained earnings	Statutory reserve	Cash flow hedge reserve	Treasury shares	Total
01.01.2022		**61,783,594**	**61,784**	**1,217,560**	**799,657**	**2,000**	**–18,135**	**0**	**2,062,866**
Total profit			0	0	21,357	0	13,798	0	35,155
Capital increase	13.	723,034,380	723,034	–723,034	0	0	0	0	–723,034
Capital reduction	13.	–723,034,380	–723,034	0	723,034	0	0	0	723,034
Dividend payments	13.		0	0	–61,784	0	0	0	–61,784
31.12.2022		**61,783,594**	**61,784**	**494,526**	**1,482,264**	**2,000**	**–4,337**	**0**	**2,036,237**
01.01.2023		**61,783,594**	**61,784**	**494,526**	**1,482,264**	**2,000**	**–4,337**	**0**	**2,036,237**
Total profit			0	0	–38,277	0	–1,029	0	–39,306
Capital increase	13.	14,680,725	14,680	299,417	0	0	0	0	314,097
Acquisition of treasury shares	13.	–9,000	0	0	–191	0	0	–9	–200
Dividend payments	13.		0	0	–191,161	0	0	0	–191,161
31.12.2023		**76,455,319**	**76,464**	**793,943**	**1,252,635**	**2,000**	**–5,366**	**–9**	**2,119,667**

CONSOLIDATED CASH FLOW STATEMENT

in € thousand	Note	01.01. – 31.12.2023	01.01. – 31.12.2022
Consolidated profit		**–38,277**	**21,357**
Income taxes	26.	–1,455	2,466
Financial gains / losses		46,692	38,863
Amortisation / depreciation of intangible assets and property, plant and equipment with a finite life	23.	123	155
Unrealised changes in fair value of investment property and other measurement gains / losses	25.	205,701	89,746
Distributions and capital repayments received	9.	6,335	25,198
Other non-cash income and expenses	2.	14,036	0
Changes in trade receivables and other assets	10., 11.	–8,950	827
Changes in current provisions	18.	843	1,147
Changes in liabilities	15.	–9,817	1,326
Cash flow from operating activities		**215,231**	**181,085**
Interest paid		–40,302	–36,269
Interest received		5,492	272
Income taxes paid	26.	–5,358	–4,463
Net cash flow from operating activities		**175,063**	**140,625**
Investments in investment properties	8.	–43,481	–39,483
Investments in intangible assets and property plant and equipment		–16	–15
Acquisition of subsidiaries less acquired cash and cash equivalents	30.	–19,455	0
Cash flow from investing activities		**–62,952**	**–39,498**
Assumption of financial liabilities	14., 28.	60,906	2,749
Repayment of financial liabilities	14.	–12,994	–25,450
Repayment of lease liabilities	15.	–73	–96
Acquisition of treasury shares	13.	–200	0
Payments to limited partners	17.	–9,904	–10,442
Payments for the acquisition of additional shares in the limited partnership	30.	–19,538	0
Inflows from capital increases	13.	61,981	0
Payments to Group shareholders	13.	–191,161	–61,784
Cash flow from financing activities		**–110,983**	**–95,023**
Net change in cash and cash equivalents		**1,128**	**6,104**
Cash and cash equivalents at beginning of period	12.	**334,943**	**328,839**
CASH AND CASH EQUIVALENTS AT END OF PERIOD	12.	**336,071**	**334,943**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR FINANCIAL YEAR 2023

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 2023 have been applied. The Executive Board prepared the consolidated financial statements as at 31 December 2023 on 28 March 2024 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 2023, the reporting date of the consolidated financial statements.

2. BASIS OF CONSOLIDATION

The scope of consolidation changed as follows compared with the previous year:

	Domestic [1]	Abroad [1]	Total
Fully consolidated subsidiaries			
As at 01.01.2023	**11**	**4**	**15**
Additions	4	0	4
Disposals	0	0	0
As at 31.12.2023	**15**	**4**	**19**
Joint ventures included in accordance with the equity method			
As at 01.01.2023	**4**	**3**	**7**
Additions	0	0	0
Disposals	–4	0	–4
As at 31.12.2023	**0**	**3**	**3**
Associates included in accordance with the equity method			
As at 01.01. / 31.12.2023	**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 €655,721 thousand (previous year: €681,721 thousand) [1] and current assets of €38,573 thousand (previous year: €35,405 thousand) [1] as at the reporting date. Non-current liability items (excluding limited partner contributions of non-controlling interests) amounted to €220,270 thousand (previous year: €209,412 thousand) and current liability items totalled €5,150 thousand (previous year: €9,868 thousand). The Company generated revenue of €36,776 thousand (previous year: €34,291 thousand) and net profit (after earnings due to limited partners) of €–7,518 thousand (previous year: €–22 thousand). A dividend of €7,434 thousand (previous year: €7,443 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.

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 generally measured at fair value. 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 2023, 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.

[1] The disclosure of granted rental incentives was changed in the reporting year and the previous year has been adjusted to aid comparability. Please refer to the information in the notes to the consolidated financial statements under section "4. New accounting standards and changes in presentation".

Acquisitions during the financial year

On 12 January 2023, the Deutsche EuroShop Group concluded six purchase agreements for the acquisition of additional shares in six property companies in which it already held an interest of between 50 % and 75 %. Specifically, this involved the following companies:

	Group share	Before acquisition	Acquisition 2023	After acquisition
1.	Allee-Center Magdeburg G.m.b.H. & Co. KG (previously: Allee-Center Magdeburg KG), Hamburg	50 %	50 %	100 %
2.	Stadt-Galerie Passau G.m.b.H. & Co. KG (previously: 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 Baltycka G.m.b.H. & Co. KG, Hamburg	74 %	26 %	100 %
6.	Forum Wetzlar G.m.b.H. & Co. KG (previously: 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) amounted to €304,070 thousand and was financed by means of a capital increase (for more information on the capital increase, see section "13. Equity and reserves"). Of the total purchase price (including accrued interest), €52,687 thousand was paid in cash and €251,383 thousand in the form of shares.

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 taken into consideration as subsidiaries in future. The change in the consolidation method includes a remeasurement of the previous at-equity investments. The remeasurement resulted in other operating income 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, taking into account any deferred taxes. The resulting differences were examined in respect of further hidden reserves or encumbrances and then recognised in profit or loss as other operating income in the amount of €3,538 thousand and as other operating expenses in the amount of €615 thousand. The differences stem mainly from the application of different interest rates when determining the purchase price of the investments and the valuation as part of the initial consolidation. 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 G.m.b.H. & Co. KG, Hamburg	Immobilien-kommanditgesellschaft FEZ Harburg, Hamburg	Stadt-Galerie Passau G.m.b.H. & Co. 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
Limited partner contributions of non-controlling interests	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**
Difference before deferred taxes at Group level	1,282	–3,399	–788	–4,859
Adjustment for deferred taxes	–667	2,043	184	3,281
Difference after deferred taxes at Group level	**615**	**–1,356**	**–604**	**–1,578**

The fair value of the trade receivables corresponds to the previously reported carrying amount, which includes write-downs in the amount of €2,584 thousand.

Since their inclusion in the Group as fully consolidated companies, the four companies have contributed €53,874 thousand to revenue and €-10,414 thousand to consolidated profit.

The acquisition of the remaining shares in companies 5. and 6. results in other operating expenses 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).

Real estate transfer tax was realised as part of the acquisition of the six additional company shares. The land transfer tax had not been fully assessed by the time these financial statements were prepared; based on the best possible estimate, around €21 million was recognised in other operating expenses. Of this €21 million, around €18.1 million is attributable to the acquisition of companies 1.–4.

If the other company shares had already been acquired by 1 January 2022, this would have increased the consolidated revenue by a further €51,893 thousand and the earnings before taxes (excluding measurement gains / losses) by a further €20,391 thousand.

In addition, a further 5.14% of Saarpark Center Neunkirchen KG, Hamburg, was acquired for a total purchase price of €6,066 thousand, mainly in the last three months of the financial year. The difference between the outgoing redemption entitlements of limited partners (€5,207 thousand) and the consideration granted (€6,066 thousand) results in other operating expenses of €859 thousand.

In summary, the acquisition of the additional shares in the financial year had the following impact on earnings:

in € thousand	01.01.–31.12. 2023
Other operating income	
Remeasurement of at-equity investments	12,666
Negative difference from change in consolidation method	3,538
Other operating expenses	
Positive difference from change in consolidation method	–615
Disposal of limited partner contributions of non-controlling interests	–8,625
Real estate transfer tax	–21,000
Impact on earnings of acquisition of minority interests	**–14,036**
Of which attributable to companies with change of consolidation method (companies 1.–4.)	–2,511

3. CONSOLIDATION METHODS

Under the purchase method, the cost is eliminated against the parent company's interest in the remeasured 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 2023:

Amendment / Standard	Date applied (EU)	Amendment	Impact on the net assets, financial position and results of operations or cash flow of Deutsche EuroShop AG
Disclosure of Accounting Policies (Amendment to IAS 1)	01.01.2023	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)	01.01.2023	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)	01.01.2023	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 change has not yet had any impact, but may have an impact on future transactions.

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)	01.01.2024	Clarification of the classification of liabilities as current and non-current	No material impact
Supplier finance arrangements (amendments to IAS 7 and IFRS 7)	01.01.2024	Extensive disclosure requirements have been introduced to improve the transparency of supplier finance arrangements.	No material impact

In addition, further standards and interpretations were adopted which are not expected to have any impact on the Group.

Changes in presentation

In contrast to the previous year, granted rental incentives such as rent-free periods and construction cost subsidies are no longer deducted from the value of the investment properties and are recognised under trade receivables or under other current assets. The adjustment has been made because we believe this presentation better reflects non-current assets. The previous year's figures in the consolidated balance sheet have been adjusted to improve comparability of the current financial year with the previous year:

in € thousand	2023	2022 (adjusted)	Change in presentation	2022
Investment properties	3,947,021	3,351,821	21,826	3,329,995
Trade receivables	13,419	11,974	–5,017	16,991
Other current assets	18,754	14,115	–16,809	30,924

Item name change

The balance sheet item "Redemption entitlements of other limited partners" was changed in the reporting year to "Liabilities from limited partner contributions of non-controlling interests" as the changed item name better reflects the character of the balance sheet item.

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, because 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:

	31.12.2023		31.12.2022	
1 € =	Closing rate	Average rate	Closing rate	Average rate
Hungarian forint (HUF)	382.78	380.57	400.25	391.33
Polish zloty (PLN)	4.35	4.54	4.69	4.69
Czech koruna (CZK)	24.73	24.12	24.12	24.86

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 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, were 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 where the input factors relevant for the fair value are based on directly or indirectly observable market data.

Level 3: Fair values determined using valuation methods where the input factors 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 2023, 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 2023 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 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 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 that is 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 either be recognised 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 2022. 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 for the assistance awarded were submitted in October 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.

Limited partner contributions of non-controlling interests

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. Measurement is based on the tax rates that are expected to apply in the period in which the temporary differences are realised, according to the tax rates and regulations that are valid on the balance sheet date or will be valid in the near future. At present, deferred taxes are primarily formed on the differences between the IFRS carrying amounts of the properties and financial liabilities 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. A tax rate of 9% was applied for Hungarian taxes, 19% for Polish taxes, 21% for Czech taxes (previous year: 19%) and 23% for Austrian taxes. 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.

Treasury shares

Treasury shares are deducted directly from equity with the consideration paid, which includes directly attributable ancillary acquisition costs. The nominal amount of €1 per share is deducted from the subscribed capital, and the premium on the nominal amount is recognised as a reduction in other retained earnings.

NOTES TO THE CONSOLIDATED BALANCE SHEET

7. INTANGIBLE ASSETS AND PROPERTY, PLANT AND EQUIPMENT

	Goodwill		Software and software licenses		Operating and office equipment	
in € thousand	2023	2022	2023	2022	2023	2022
Costs as at 01.01.	**53,867**	**53,867**	**143**	**135**	**1,220**	**884**
Addition from right-of-use assets (IFRS 16)	0	0	0	0	114	329
Additions	0	0	5	8	11	7
Disposals	0	0	0	0	–2	0
as at 31.12.	**53,867**	**53,867**	**148**	**143**	**1,343**	**1,220**
Depreciation as at 01.01.	**–2,148**	**–2,148**	**–114**	**–103**	**–784**	**–640**
Additions	0	0	–11	–11	–112	–144
Disposals	0	0	0	0	2	0
as at 31.12.	**–2,148**	**–2,148**	**–125**	**–114**	**–894**	**–784**
Carrying amount 01.01.	**51,719**	**51,719**	**29**	**32**	**436**	**244**
CARRYING AMOUNT 31.12.	**51,719**	**51,719**	**23**	**29**	**449**	**436**

The goodwill arose from deferred tax liabilities for the real estate assets that had to be recognised at the time of the initial consolidation (29 March 2017) of Olympia Brno.

As at the reporting date, operating and office equipment included right-of-use assets under leases amounting to €402 thousand (previous year: €373 thousand). These result mainly from the rental of office space and the leasing of cars.

8. INVESTMENT PROPERTIES

in € thousand	2023	2022 (adjusted)[1]
Carrying amount 01.01.	**3,351,821**	**3,409,821**
Change in scope of consolidation	773,000	0
Additions	0	0
Disposals	0	0
Change in rental incentives	8,084	5,559
Recognised construction measures	43,481	39,483
Unrealised changes in fair value	–229,365	–103,042
CARRYING AMOUNT 31.12.	**3,947,021**	**3,351,821**

[1] The disclosure of granted rental incentives was changed in the reporting year and the previous year has been adjusted to aid comparability. Please refer to the information in the notes to the consolidated financial statements under section "4. New accounting standards and changes in presentation".

The changes in the scope of consolidation relate to Allee-Center Magdeburg, Stadt-Galerie Passau, Saarpark Center Neunkirchen and Phoenix-Center Harburg. The stakes in the corresponding property companies were increased to between 75 % and 100 % at the beginning of the financial year through the acquisition of additional shares. Consequently, these centers were fully consolidated for the first time in the year under review. Please refer to the information in the notes to the consolidated financial statements under section "2. Basis of consolidation / Acquisitions during the financial year".

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 2023 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 cash flow method (DCF) was used. The compensation contractually fixed for the appraisal reports prior to preparation of the appraisals is independent of the measurement gains / losses.

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.

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 subject to 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:

Valuation parameter in %	31.12.2023	31.12.2022
Rate of rent increases	1.47	1.77
Cost ratio	12.07	12.51
Discount rate	7.10	6.90
Capitalisation interest rate	5.64	5.32

The full extent of the conflicts in Ukraine and in the Middle East cannot be foreseen at present, and the resulting long-term macroeconomic consequences are impossible to predict. Instability in these and other regions may further impair conditions on the property markets, exacerbated by persistent inflationary pressures and increased interest rates. This can trigger rapid 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	1.47	+0.25 % percentage points	117.9	3.2
		–0.25 % percentage points	–108.6	–2.9
Cost ratio	12.07	+1.00 % percentage points	–41.1	–1.1
		–1.00 % percentage points	45.0	1.2
Discount rate	7.10	+0.25 % percentage points	–67.1	–1.8
		–0.25 % percentage points	71.6	1.9
Capitalisation interest rate	5.64	+0.25 % percentage points	–93.8	–2.5
		–0.25 % percentage points	108.1	2.9

Over the forecast period, rents were assumed to increase on average over the long term at 1.47 % (previous year: 1.77 %). On average, management and administrative costs at 12.07 % (previous year: 12.51 %) were deducted from the forecast rents. This resulted in an average net income of 87.93 % (previous year: 87.49 %). Actual management and administrative costs (excluding write-downs) amounted to 18.1 % of rental income in the year under review (previous year: 17.5 %). The appraisal showed that, for financial year 2023, the real property portfolio had an initial yield before deduction of transaction costs of 6.64 %, compared with the prior-year figure of 6.37 %, and an initial rate of return net of transaction costs (net initial yield) of 6.25 %, following 6.01 % in the previous year.

The real estate value includes outstanding tenant incentives granted and still to be distributed over the term of the rental agreements amounting to €29,910 thousand (previous year: €21,826 thousand).

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 2023:

IFRS 13 hierarchy levels in € thousand	Level 1	Level 2	Level 3
Investment properties	0	0	3,947,021

The properties are predominantly secured by mortgages. There were secured financial liabilities in the amount of €1,677,600 thousand (previous year: €1,479,251 thousand). The rental income of the properties valued in accordance with IAS 40 was €273,304 thousand (previous year: €212,811 thousand). Directly associated operating expenses (excluding write-downs) amounted to €49,543 thousand (previous year: €37,213 thousand).

9. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

in € thousand	2023	2022
Carrying amount 01.01.	**443,069**	**455,341**
Distributions and capital repayments received	–6,335	–25,198
Share of profit / loss	5,005	12,926
Remeasurement	12,666	0
Disposals	–361,664	0
CARRYING AMOUNT 31.12.	**92,741**	**443,069**

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 disposals in the year under review relate to Allee-Center Magdeburg G.m.b.H. & Co. KG (previously: Allee-Center Magdeburg KG), Immobilienkommanditgesellschaft FEZ Harburg, Stadt-Galerie Passau G.m.b.H. & Co. KG (previously: Stadt-Galerie Passau KG) and Saarpark Center Neunkirchen KG (all with registered office in Hamburg). The stakes in the four companies were increased to between 75 % and 100 % at the beginning of the financial year through the acquisition of additional shares. Consequently, these centers were fully consolidated for the first time in the year under review. Please refer to the information in the notes to the consolidated financial statements under section “2. Basis of consolidation / Acquisitions during the financial year”.

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:

	EKZ Eins Errichtungs- und Betriebs Ges.m.b.H. & Co OG, Vienna [1]		Einkaufs-Center Arkaden Pécs KG, Hamburg	
in € thousand	**31.12.2023**	31.12.2022 (adjusted) [2]	**31.12.2023**	31.12.2022 (adjusted) [2]
Non-current assets	203,884	209,912	96,000	95,000
Current assets	5,786	5,140	6,873	6,410
of which cash and cash equivalents	*4,731*	*4,657*	*5,401*	*4,331*
Non-current liabilities	87,124	88,250	34,724	35,195
of which financial liabilities	*87,124*	*88,250*	*25,050*	*25,650*
Current liabilities	2,309	2,959	2,905	1,915
of which financial liabilities	*554*	*541*	*600*	*600*
Revenue	14,034	13,450	9,502	8,829
Net interest income	–1,924	–1,931	–773	–813
EBT (excl. measurement gains / losses)	10,813	9,331	6,957	6,686
Measurement gains / losses	–6,261	–4,118	–591	–3,049
Taxes on income and earnings	0	0	–910	–412
Net loss / profit for the year	4,552	5,213	5,457	3,226
Other income	0	0	0	0
TOTAL PROFIT	**4,552**	**5,213**	**5,457**	**3,226**

1 Includes the figures for the immaterial joint venture CAK City Arkaden Klagenfurt KG, Hamburg. The equity method valuation amounted to €885 thousand (previous year: €912 thousand) and the net profit for the year to €16 thousand (previous year: €32 thousand).

2 The disclosure of granted rental incentives was changed in the reporting year and the previous year has been adjusted to aid comparability. Please refer to the information in the notes to the consolidated financial statements under section “4. New accounting standards and changes in presentation”.

Under the equity method, the joint ventures changed as follows in the period under review:

in € thousand	Allee-Center Magdeburg G.m.b.H. & Co. KG, Hamburg	Immobilien-kommandit-gesellschaft FEZ Harburg, Hamburg	Stadt-Galerie-Passau G.m.b.H. & Co. 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 01.01.2023	**111,488**	**58,366**	**120,669**	**58,476**	**61,922**	**32,148**
Share of profit / loss	0	0	0	0	2,276	2,729
of which EBT (excl. measurement gains / losses)	*0*	*0*	*0*	*0*	*5,406*	*3,479*
of which measurement gains / losses	*0*	*0*	*0*	*0*	*–3,130*	*–296*
Remeasurement	0	7,314	0	5,352	0	0
Disposal	–111,488	–65,680	–120,669	–63,828	0	0
Deposits / withdrawals	0	0	0	0	–4,079	–2,255
EQUITY METHOD VALUATION AS AT 31.12.2023	**0**	**0**	**0**	**0**	**60,119**	**32,622**

10. TRADE RECEIVABLES

in € thousand	2023	2022 (adjusted) [1]
Trade receivables as at 31.12.	**25,951**	**21,866**
Write-downs as at 01.01.	–9,892	–16,731
Change in scope of consolidation	–2,710	0
Utilisation	2,204	9,254
Change in write-downs for expected losses	–2,134	–2,415
Write-downs as at 31.12.	**–12,532**	**–9,892**
	13,419	**11,974**

[1] The disclosure of granted rental incentives was changed in the reporting year and the previous year has been adjusted to aid comparability. Please refer to the information in the notes to the consolidated financial statements under section "4. New accounting standards and changes in presentation".

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.

The measurement of receivables as at 31 December 2023 and the derecognition of receivables during the year resulted in total expenses of €8,858 thousand (previous year: €8,130 thousand).

11. OTHER CURRENT ASSETS

in € thousand	31.12.2023	31.12.2022 (adjusted) [1]
Other receivables from tenants	5,050	2,931
Cash deposits	3,445	3,334
Prepaid center marketing costs	1,661	3,804
Value added tax receivables	2,005	1,709
Other current assets	6,593	2,337
	18,754	**14,115**

[1] The disclosure of granted rental incentives was changed in the reporting year and the previous year has been adjusted to aid comparability. Please refer to the information in the notes to the consolidated financial statements under section "4. New accounting standards and changes in presentation".

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	13,419 (11,974)	13,419 (11,974)	0 (0)
Other assets	18,754 (14,115)	18,754 (14,115)	0 (0)
(PREVIOUS YEAR'S FIGURES)	**32,173 (26,089)**	**32,173 (26,089)**	**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	31.12.2023	31.12.2022
Current accounts	286,070	294,942
Short-term deposits / time deposits	50,000	40,000
Cash	1	1
	336,071	**334,943**

13. EQUITY AND RESERVES

Changes in equity are presented in the statement of changes in equity.

The share capital is €76,464,319, comprised of 76,464,319 no-par-value registered shares. All shares have been issued in full and have been fully paid up. As at 31 December 2023, Deutsche EuroShop AG held 9,000 treasury shares, which confer no rights to the Company in accordance with Section 71b AktG.

The notional value of each share is €1.00.

The Annual General Meeting held on 29 August 2023 authorised the Executive Board to acquire **treasury shares** in the Company on the stock exchange before 28 August 2028 constituting up to 10 % of the share capital available on entry into force or – if this is lower – on exercise of the authorisation. The intended use of the treasury shares acquired on the basis of this authorisation can be found in the resolution on item 10 of the agenda of the Annual General Meeting of 29 August 2023. The shares can be used, among other things, as part of business combinations and company acquisitions exclusive of shareholders' subscription rights or sold to third parties for cash at a price that is not significantly lower than the stock market price at the time of sale. The shares may be promised and transferred by the Supervisory Board to the members of the Company's Executive Board within the framework of determining the variable remuneration; they may also be redeemed without any further resolution by the Annual General Meeting. The Company may not use the authorisation for purposes of trading in treasury shares. At no time may the acquired shares, together with the treasury shares already held by the Company or attributable to it pursuant to Sections 71d and 71e AktG, account for more than 10 % of the Company's share capital.

In exercising this authorisation, the Executive Board of Deutsche EuroShop AG resolved a share buy-back programme with the approval of the Supervisory Board on 18 December 2023. Under this programme, up to 750,000 shares (corresponding to around 1.0 % of the Company's share capital) are to be bought back in the period from 21 December 2023 to 20 December 2024. The maximum volume of the share buy-back programme (acquisition costs excluding incidental acquisition costs) is €15.0 million. In the period from 21 December 2023 to 31 December 2023, 9,000 treasury shares were repurchased on the stock market at an acquisition price (excluding incidental acquisition costs) of €200 thousand for an average price of €22.21 per share. This corresponds to €9,000 or 0.012 % of the share capital as at the reporting date.

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 €18,535,078 through individual or multiple issues of new no-par-value registered shares against cash and / or non-cash contributions before 29 August 2027 **(Authorised capital 2022).** On 12 January 2023, the Deutsche EuroShop Group concluded six purchase agreements for the acquisition of additional shares in six property companies in which it already held an interest of between 50 % and 75 % (for more information, see the notes to section "2. Basis of consolidation / Acquisitions during the financial year"). 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. The transaction costs of the capital increase in the amount of €2,271 thousand were recognised against the capital reserve, taking deferred tax assets into account. The capital increase was entered in the commercial register on 3 February 2023.

By resolution of the Annual General Meeting on 29 August 2023, the existing Authorised capital 2022 of €3,854,353.00 was cancelled following partial utilisation, and the Executive Board was authorised, with the approval of the Supervisory Board, to increase the Company's share capital by up to a total of €38,232,159 in increments through individual or multiple issues of new no-par-value registered shares against cash and / or non-cash contributions before 28 August 2028 **(Authorised capital 2023).**

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 convertible bonds on one or multiple occasions before 17 June 2026 with a total nominal value of up to €200 million and a maximum term of ten 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).** By resolution of the Annual General Meeting on 29 August 2023, the Conditional Capital 2021 was revoked and restated. Accordingly, the Executive Board is authorised, with the approval of the Supervisory Board, to issue convertible bonds and / or bonds with warrants or a combination of such instruments on one or multiple occasions before 28 August 2028 with a total nominal value of up to €1.5 billion against cash contributions and / or non-cash contributions, in particular against investments in other companies, and to grant the holders of the respective, equally privileged, bonds conversion and option rights / obligations to new no-par-value shares in the Company up to a total of 38,232,159 shares as detailed in the terms and conditions for the bonds ("Bond conditions"). The bonds and the conversion and option rights / obligations can be issued with or without a term. The bonds may pay a fixed or variable rate of interest, in which case, as with a participating bond, the interest may also be dependent in full or in part on the level of the Company's dividend **(Conditional capital 2023).** As at 31 December 2023, no use had been made of this authorisation.

Deutsche EuroShop AG's prior-year unappropriated surplus of €691,161 thousand was used by resolution of the Annual General Meeting on 29 August 2023 to pay a dividend of €2.50 per share, corresponding to a total dividend of €191,161 thousand, while the remaining amount of the unappropriated surplus of €500,000 thousand was carried forward to new account.

The Extraordinary General Meeting on 8 January 2024 amended the resolution on the appropriation of profits from 29 August 2023 and approved a further dividend of €1.95 per share from the unappropriated surplus for 2022, which corresponds to a total dividend of €149,081 thousand, with the remaining amount of the unappropriated surplus of €350,919 thousand carried forward to new account (see section "38. Events after the reporting date").

The Executive Board and the Supervisory Board will propose to the Annual General Meeting in June 2024 that Deutsche EuroShop AG's remaining unappropriated surplus for 2023 of €400,201 thousand following distribution of a further dividend for 2022 in January 2024 be used to pay a dividend of €0.80 per eligible share and that the remaining amount of €339,036 thousand 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:

2023 in € thousand	**before taxes**	**Taxes**	**Net**
Cash flow hedges	–790	–239	–1,029

2022 in € thousand	before taxes	Taxes	Net
Cash flow hedges	17,761	–3,963	13,798

14. NON-CURRENT AND CURRENT FINANCIAL LIABILITIES

	31.12.2023		31.12.2022	
in € thousand	non-current	current	non-current	current
Bank loans and overdrafts	1,665,679	11,921	1,464,917	14,334

Bank loans and overdrafts relate to loans raised to finance property acquisitions and investment projects. Land charges on Company properties totalling €1,677,600 thousand (previous year: €1,479,251 thousand) serve as collateral.

Current bank loans and overdrafts include the scheduled repayment portion of the long-term loans for 2024, accrued interest and repayments that were settled in early 2024.

Discounts are amortised over the term of the loan. In the year under review, €29 thousand (previous year: €26 thousand) was recognised as an expense in the income statement. A total of €43,313 thousand (previous year: €36,107 thousand) was recognised in financial gains / losses as interest expense for bank loans and overdrafts.

Twenty of the 23 loan agreements currently contain arrangements regarding covenants. There are a total of 38 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 ratios). The loan conditions were met in financial year 2023. Based on current planning and estimates, the loan conditions will also be met in 2024. The full extent of the war in Ukraine and the conflict in the Middle East cannot be foreseen at present, and the resulting long-term macroeconomic consequences are impossible to predict. Instability in these and other regions may further impair conditions on the property markets, exacerbated by persistent inflationary pressures and increased interest rates. This may trigger rapid changes in market value, which can have an impact on individual loan covenants (e.g. LTV ratio). 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	2023	2022
Carrying amount 01.01.	**1,479,251**	**1,502,114**
Changes affecting liquidity	47,912	–22,701
Changes not affecting liquidity		
Change in scope of consolidation	147,426	0
Change in carrying amount under the effective interest rate method	3,011	–162
CARRYING AMOUNT 31.12.	**1,677,600**	**1,479,251**

Changes affecting liquidity consisted of the take-up of non-current financial liabilities in the amount of €60,906 thousand (previous year: €2,749 thousand) and the repayment of current financial liabilities in the amount of €12,994 thousand (previous year: €25,450 thousand). The first-time consolidation of the four companies previously accounted for using the equity method (see section "2. Basis of consolidation / Acquisitions during the financial year") increased financial liabilities by €147,426 thousand.

15. OTHER NON-CURRENT AND CURRENT FINANCIAL LIABILITIES

	31.12.2023		31.12.2022	
in € thousand	non-current	current	non-current	current
Interest rate swaps	6,427	0	5,637	0
Rental deposits	0	6,896	0	4,932
Other liabilities to tenants	0	4,728	0	10,477
Value added tax	0	1,684	0	649
Debtors with credit balances	0	4,935	0	5,589
Lease liabilities	628	99	624	72
Other	71	1,179	72	3,224
	7,126	**19,521**	**6,333**	**24,943**

In connection with borrowing, interest rate hedges (interest rate swaps) were concluded to hedge against higher capital market interest rates. Their present value totalled €6,427 thousand as at the reporting date (previous year: €5,637 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	1,677,600 (1,479,251)	11,921 (14,334)	1,665,679 (1,464,917)
Trade payables	10,635 (8,067)	10,635 (8,067)	0 (0)
Tax liabilities	19,891 (474)	19,891 (474)	0 (0)
Other liabilities	26,647 (31,276)	19,521 (24,943)	7,126 (6,333)
(PREVIOUS YEAR'S FIGURES)	**1,734,773 (1,519,068)**	**61,968 (47,818)**	**1,672,805 (1,471,250)**

16. DEFERRED TAX LIABILITIES

Deferred tax assets and liabilities are the result of tax effects of temporary differences and tax loss carryforwards:

	31.12.2023		31.12.2022	
in € thousand	Deferred tax assets	Deferred tax liabilities	Deferred tax assets	Deferred tax liabilities
Investment properties	0	317,982	0	289,235
Investments accounted for using the equity method	0	18,268	0	53,066
Financial liabilities	0	5,859	0	0
Other liabilities				
Interest swaps (not recognised in profit or loss)	1,061	0	1,300	0
Loss carryforwards	8,455	0	5,465	0
Other	675	0	1,132	0
Deferred taxes before netting	**10,191**	**342,109**	**7,897**	**342,301**
Netting	–10,191	–10,191	–7,897	–7,897
DEFERRED TAXES AFTER NETTING	**0**	**331,918**	**0**	**334,404**

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 % was recognised on the calculated corporate tax, and in some cases a rate of 16.45 % for trade tax.

As at the reporting date, there were corporation tax loss carryforwards of €575 thousand (previous year: €3,459 thousand) and trade tax loss carryforwards of €50,848 thousand (previous year: €29,889 thousand); deferred tax assets were recognised for these carryforwards to the extent that their realisation is reasonably certain. Of the additions to deferred tax assets on loss carryforwards in the financial year, €733 thousand (previous year: €0 thousand) has no impact on profit or loss.

Of the deferred taxes, €4,367 thousand (previous year: €3,874 thousand) had been recognised directly in equity by the balance sheet date.

As at the reporting date, there were taxable temporary differences of €6,544 thousand (previous year: €6,492 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. LIMITED PARTNER CONTRIBUTIONS OF NON-CONTROLLING INTERESTS

in € thousand	2023	2022
Settlement claim as at 01.01.	**307,130**	**314,914**
Earnings contributions	13,876	15,954
Share of measurement gains / losses	–23,664	–13,296
Addition	45,606	0
Disposal	–73,664	0
Outflows	–9,904	–10,442
SETTLEMENT CLAIM AS AT 31.12.	**259,380**	**307,130**

The limited partner contributions of non-controlling interests include the equity interests of third-party shareholders, which are to be reported in accordance with IAS 32 as debt capital.

Due to the acquisition of the outstanding shares in Forum Wetzlar G.m.b.H. & Co. KG and Einkaufs-Center Galeria Baltycka G.m.b.H. & Co. KG at the beginning of the financial year and additional shares in Saarpark-Center Neunkirchen KG at the end of the financial year, the corresponding redemption entitlements with respect to these companies totalling €73,664 thousand were derecognised in the year under review. The additions of €45,606 thousand relate to Immobilienkommanditgesellschaft FEZ Harburg and Saarpark Center Neunkirchen KG, whose shares were increased to 75 % and 90 % respectively at the beginning of the financial year through the acquisition of additional shares. Please refer to the information in the notes to the consolidated financial statements under section "2. Basis of consolidation / Acquisitions during the financial year".

18. OTHER PROVISIONS

in € thousand	As at 01.01.2023	Change in scope of consolidation	Utilisation	Reversal	Addition	As at 31.12.2023
Maintenance and construction work already performed but not yet invoiced	2,991	345	2,725	536	5,757	5,832
Fees	1,622	0	1,303	314	2,012	2,017
Other	6,654	1,298	5,720	894	5,272	6,610
	11,267	**1,643**	**9,748**	**1,744**	**13,041**	**14,459**

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	2023	2022
Minimum rental income	255,512	201,010
Allocable property tax and insurance	7,425	6,055
Turnover rent	7,662	4,243
Other	2,705	1,503
	273,304	**212,811**
of which rental income directly attributable to investment properties in accordance with IAS 40	273,304	212,811

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	2023	2022
Maturity within 1 year	246,789	194,810
Maturity from 1 year to 5 years	595,123	495,342
Maturity after 5 years	148,635	162,294
	990,547	**852,446**

20. PROPERTY OPERATING COSTS

in € thousand	2023	2022
Operating costs that cannot be passed on	8,183	8,502
Real property tax	7,845	6,062
Center marketing	7,756	5,127
Maintenance and repairs	6,919	2,978
Building insurance	2,249	1,841
Other	1,856	2,142
	34,808	**26,652**
of which operating expenses directly attributable to investment properties in accordance with IAS 40	34,808	26,652

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	2023	2022
Center management / agency agreement costs	**14,734**	**10,561**
of which operating expenses directly attributable to investment properties in accordance with IAS 40	14,734	10,561

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	2023	2022
Write-downs	5,714	3,222
Disposals of financial assets	3,144	4,908
	8,858	**8,130**
of which operating expenses directly attributable to investment properties in accordance with IAS 40	8,858	8,130

Please refer to the information in the notes to the consolidated financial statements under section "10. Trade receivables".

23. OTHER OPERATING INCOME

in € thousand	2023	2022
Income in connection with the change in the scope of consolidation	16,204	0
Income from ancillary costs from previous years	10,538	1,796
Reversals of write-downs	4,304	1,863
Income from the reversal of provisions	1,744	1,025
Other	2,545	820
	35,335	**5,504**

With regard to income in connection with the change in the scope of consolidation, please refer to the information in the notes to section “2. Basis of consolidation / Acquisitions during the financial year”.

Other operating income primarily consists of income from damages, insurance compensation and other reimbursements.

24. OTHER OPERATING EXPENSES

in € thousand	2023	2022
Land transfer tax	21,000	0
Expenses in connection with the change in the scope of consolidation	9,240	0
Legal, consulting and audit expenses	2,749	12,416
Personnel expenses	1,820	4,277
Appraisal costs	550	713
Marketing costs	546	598
Financing costs	199	125
Supervisory Board compensation	188	256
Fees and contributions	183	170
Write-downs	123	155
Exchange rate losses	36	268
Other	944	1,562
	37,578	**20,540**

With regard to expenses in connection with the change in the scope of consolidation and the land transfer tax, please refer to the information in the notes to section “2. Basis of consolidation / Acquisitions during the financial year”.

Legal, consulting and audit expenses include €552 thousand in expenses for the auditing of Group companies (previous year: €412 thousand). Personnel expenses include wages and salaries totalling €1,720 thousand (previous year: €4,183 thousand), and social security contributions and expenses for pensions and other benefits amounting to €100 thousand (previous year: €94 thousand), of which €1 thousand (previous year: €6 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	2023	2022
Profit / loss from joint ventures	4,997	12,910
Profit / loss from associates	8	16
PROFIT / LOSS FROM EQUITY-ACCOUNTED ASSOCIATES	**5,005**	**12,926**

The profit / loss of equity-accounted companies included a measurement gain / loss before deferred taxes of €–3,426 thousand (previous year: €–16,604 thousand). EBT (excluding measurement gains / losses) for equity-accounted companies amounted to €8,889 thousand (previous year: €29,742 thousand).

26. MEASUREMENT GAINS / LOSSES

in € thousand	2023	2022
Unrealised changes in fair value	–229,365	–103,042
Profit / loss attributable to limited partners	23,664	13,296
	–205,701	**–89,746**

27. TAXES ON INCOME AND EARNINGS

in € thousand	2023	2022
Current tax expense	–5,379	–5,060
Domestic deferred tax expense / income	–6,446	3,033
Foreign deferred tax expense / income	13,280	–439
	1,455	**–2,466**

Tax reconciliation

Income taxes in the amount of €1,455 thousand in the year under review (previous year: €2,466 thousand) are derived as follows from an expected income tax expense that would have resulted from applying 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	2023	2022
Consolidated profit before income tax	**–39,732**	**23,823**
Theoretical income tax 32.28 %	**12,825**	**–7,690**
Tax rate differences for foreign Group companies	3,554	1,303
Tax rate differences for domestic Group companies	–7,697	3,085
Tax effect from change in tax rates	–5,575	0
Tax-free income / non-deductible expenses	–212	–80
Tax effect from investments accounted for using the equity method	74	521
Change in scope of consolidation	–1,058	0
Aperiodic tax expense / income	–456	395
CURRENT INCOME TAX	**1,455**	**–2,466**

Excluding tax expenses / income for other periods and the change in the scope of consolidation, the effective income tax rate in financial year 2023 was 7.5 %.

28. EARNINGS PER SHARE

	2023	2022
Group shareholders' portion of profits / losses (€ thousand)	–38,277	21,357
Weighted number of no-par-value shares issued	75,136,922	61,783,594
UNDILUTED AND DILUTED EARNINGS PER SHARE (€)	**–0.51**	**0.35**

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.

The number of no-par-value shares issued for 2023 takes into account, on a time-weighted basis, the capital increase against cash and non-cash contributions carried out at the beginning of 2023 and entered in the Commercial Register on 3 February 2023, as a result of which the number of Deutsche EuroShop AG shares in circulation increased from 61,783,594 to 76,464,319 no-par-value shares, also taking into account the 9,000 no-par-value shares acquired by 31 December 2023.

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	Domestic	Abroad	Total	Reconciliation	01.01 – 31.12.2023
Revenue	**209,436**	**53,200**	**262,636**	**10,668**	**273,304**
EBIT	**172,981**	**48,429**	**221,410**	**–8,749**	**212,661**
Profit / loss of joint ventures and associates	0	0	0	5,005	5,005
Interest income	2,727	287	3,014	2,478	5,492
Interest expense	–32,434	–7,180	–39,614	–3,699	–43,313
EBT (EXCL. MEASUREMENT GAINS / LOSSES)	**143,274**	**41,536**	**184,810**	**–15,350**	**169,460**
					31.12.2023
Investment properties	2,985,707	735,260	3,720,967	226,054	3,947,021
Additions and recognised construction measures for investment properties	30,768	7,138	37,906	5,575	43,481
Goodwill	0	0	0	51,719	51,719
Investments accounted for using the equity method	0	0	0	92,741	92,741
Other segment assets	221,561	35,514	257,075	111,641	368,716
SEGMENT ASSETS	**3,207,268**	**770,774**	**3,978,042**	**482,155**	**4,460,197**
SEGMENT LIABILITIES	**1,317,079**	**343,303**	**1,660,382**	**680,148**	**2,340,530**

in € thousand	Domestic	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 / loss 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 (adjusted)[1]
Investment properties	2,819,113	677,994	3,497,107	–145,286	3,351,821
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	182,909	34,381	217,290	144,207	361,497
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**

[1] The disclosure of granted rental incentives was changed in the reporting year and the previous year has been adjusted to aid comparability. Please refer to the information in the notes to the consolidated financial statements under section "4. New accounting standards and changes in presentation".

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 income and expenses in connection with the change in the scope of consolidation and the real estate transfer tax as part of the acquisition of minority interests are also allocated to the reconciliation column. 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 €-4,313 thousand (previous year: €-17,283 thousand) and EBT (excl. measurement gains / losses) of €-2,100 thousand (previous year: €-17,181 thousand), in the segment assets with €97,558 thousand (previous year: €141,137 thousand) and in the segment liabilities with €2,724 thousand (previous year: €4,476 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 31.12.2023**	Amount stated in line with IFRS 9: Amortised cost	Fair value recognised in income	Fair value recognised in equity	Fair value as at 31.12.2023
Financial assets						
Trade receivables	AC	13,419	13,419			13,419
Other assets	AC	9,408	9,408			9,408
Cash and cash equivalents	AC	336,071	336,071			336,071
Financial liabilities						
Financial liabilities [2]	FLAC	1,677,600	1,677,600			1,555,534
Limited partner contributions of non-controlling interests	FLAC	259,380	259,380			259,380
Trade payables	FLAC	10,635	10,635			10,635
Other liabilities	FLAC	16,017	16,017			16,017
Interest rate hedges not recognised in profit or loss [2]	n. a.	6,427			6,427	6,427

in € thousand	Measurement category in accordance with IFRS 9	Carrying amounts as at 31.12.2022 (adjusted) [4]	Amount stated in line with IFRS 9: Amortised cost	Fair value recognised in income	Fair value recognised in equity	Fair value as at 31.12.2022
Financial assets						
Trade receivables	AC	11,974	11,974			11,974
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
Limited partner contributions of non-controlling interests	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

[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)
[4] The disclosure of granted rental incentives was changed in the reporting year and the previous year has been adjusted to aid comparability. Please refer to the information in the notes to the consolidated financial statements under section "4. New accounting standards and changes in presentation".

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 and payables, 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 2023:

in € thousand	Carrying amount as at 31.12.2023	Debt service 2024	Debt service 2025–2028	Debt service from 2028
Bank loans and overdrafts	1,677,600	60,360	838,582	1,012,017

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 2023. The majority of the trade payables and other financial liabilities reported at the end of the financial year will fall due in 2024.

Credit and default risk

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 €8,858 thousand (previous year: €8,130 thousand) were recognised under expenditure.

The maximum default risk in relation to trade receivables and other assets totalled €32,173 thousand as at the reporting date (previous year: €26,089 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".

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 €2,669 thousand (previous year: €3,608 thousand). The vast majority of loan liabilities have fixed interest terms. As at the reporting date, loans totalling €91,000 thousand (previous year: €93,000 thousand) were hedged using derivative financial instruments.

Capital management

The Group's capital management is designed to preserve a strong equity base with the aim of ensuring that its ability to repay its debts and financial well-being are maintained in future. The Group's financial policies are also based on the annual payment of a dividend.

in € thousand	31.12.2023	31.12.2022
Equity	2,379,047	2,343,367
Equity ratio (%)	53.3	55.7
Net financial debt	1,341,529	1,144,308

Equity is reported here including the limited partner contributions of non-controlling interests.

Net financial debt is determined from the financial liabilities as at the reporting date less cash and cash equivalents.

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. Other non-cash income and expenses include the impact on earnings due to the acquisition of minority interests.

The portion of the purchase prices paid in cash as part of the acquisition of additional shares in investments previously accounted for using the equity method (see section "2. Basis of consolidation / Acquisitions during the financial year") is recognised under the item "Acquisition of subsidiaries less acquired cash and cash equivalents" in the cash flow from investing activities. This item comprises the acquisition costs paid for the additional shares totalling €39,215 thousand less the acquired cash and cash equivalents of €19,760 thousand. The transaction costs paid are included in cash flow from operating activities.

The proceeds from capital increases included in cash flow from financing activities contain the cash proceeds from the capital increase of €64,252 thousand completed in February 2023 less transaction costs of €2,271 thousand. Cash flow from financing activities also recognises payments for the acquisition of additional shares in the limited partnership (see section "2. Basis of consolidation / Acquisitions during the financial year").

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 €69.2 million arising from service contracts.

There are financial obligations of €4.8 million which will arise in 2024 in connection with investment measures in our shopping centers.

32. HEADCOUNT

An average of six (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 2023 amounted to €553 thousand (previous year: €525 thousand). Of this amount, €488 thousand (previous year: €412 thousand) related to auditing services. In addition, other assurance services were provided by the auditor within the context of the non-cash capital increase (recoverability certification) and in conjunction with the audit review of the reconciliations under Section 4h(2)(1c) sentence 11 of the Einkommensteuergesetz (EStG – Income Tax Act) totalling €55 thousand and other services (translations) in the amount of €10 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 AktG 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:
www.deutsche-euroshop.de / Investor-Relations / Corporate-Governance / Declaration-of-Conformity

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 remuneration of the Supervisory Board and Executive Board is explained in the compensation 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, Hamburg, held 76.44% 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 Oaktree Capital Group Holdings GP, LLC, Wilmington, DE (United States of America) and Kommanditgesellschaft CURA Vermögensverwaltung G.m.b.H. & Co., Hamburg – the latter, in turn, being controlled by Mr Alexander Otto. ECE Group GmbH & Co. KG, Hamburg, and its subsidiaries (together referred to below as the "ECE Group") and CURATAX Treuhand GmbH Steuerberatungsgesellschaft, Hamburg, both of which are controlled by Mr Alexander Otto, are therefore considered related parties as defined by IAS 24.

Fees for service contracts and subsidy agreements with the ECE Group and CURATAX Treuhand GmbH Steuerberatungsgesellschaft totalled €31,922 thousand in the year under review (previous year: €26,326 thousand). These were partially offset by income from leases and mall marketing with the ECE Group in the amount of €13,633 thousand (previous year: €9,597 thousand). Receivables from the ECE Group came to €5,729 thousand (previous year: €6,997 thousand), while liabilities amounted to €3,773 thousand (previous year: €5,039 thousand).

On 12 January 2023, the Group entered into share purchase agreements with Kommanditgesellschaft ARENA Vermögensverwaltung G.m.b.H. & Co. KG, Hamburg, and KG Vermögensverwaltungsgesellschaft Einkaufs-Center Danzig, Hamburg, both of which are also ultimately controlled by Mr Alexander Otto, for the acquisition of additional shares in Immobilienkommanditgesellschaft FEZ Harburg, Forum Wetzlar G.m.b.H. & Co. KG (previously: Forum Wetzlar KG) and in the shopping center Galeria Baltycka G.m.b.H. & Co. KG for a total purchase price of €91,979 thousand (see section "2. Basis of consolidation / Acquisitions during the financial year").

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… (in %) or reason for report	New voting share (in %)	of which direct (in %)	of which indirectly attributable (in %)
Oaktree Capital Group Holdings GP, LLC, Wilmington, DE, United States of America	13.09.2023	…exceeds threshold (75) / Execution of instruments	76.44	0.00	76.44
CURA Vermögensverwaltung G.m.b.H., Hamburg	13.09.2023	Voluntary Group notification due to threshold reached by a subsidiary; execution of instruments	78.62	0.00	78.62
Alexander Otto	13.09.2023	Voluntary Group notification due to threshold reached by a subsidiary; execution of instruments	78.62	0.46	78.16
Thomas Armbrust	13.09.2023	…falls below threshold (3)	2.76	0.01	2.74
Maren Otto	13.09.2023	Voluntary Group notification due to threshold reached by a subsidiary	6.55	0.32	6.23

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 (Chairman)

Chantal Schumacher, Munich, Deputy Chairwoman
Independent management consultant
- Scope SE & Co. KGaA, Berlin

Benjamin P. Bianchi, London (United Kingdom)
Partner, Oaktree Capital Management (UK) LLP, London (United Kingdom)

Henning Eggers, Halstenbek
Member of Management, CURA Vermögensverwaltung G.m.b.H, Hamburg
- ECE Group GmbH & Co. KG, Hamburg

Lemara Grant, London (United Kingdom)
Senior Vice President, European and Asia Tax Counsel, Oaktree Capital Management (UK) LLP, London (United Kingdom)

Stuart E. Keith, London (United Kingdom)
Managing Director, Oaktree Capital Management (UK) LLP, London (United Kingdom)

Dr Volker Kraft, Hamburg
Managing Director, ECE Real Estate Partners GmbH, Hamburg
- Allos S.A., São 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
- Slyrs Destillerie GmbH & Co. KG, Schliersee

Claudia Plath, Hamburg
CFO, ECE Group Verwaltung GmbH, Hamburg
- CECONOMY AG, Düsseldorf
- MEC Metro-ECE Centermanagement GmbH & Co. KG, Düsseldorf

The remuneration of the members of the Supervisory Board totalled €188 thousand in the financial year (previous year: €256 thousand).

Executive Board

Hans-Peter Kneip, Düsseldorf

The compensation of the Executive Board excluding pension expenses totalled €493 thousand (previous year: €1,327 thousand), which includes performance-related compensation in the amount of €124 thousand (previous year: €675 thousand).

The Long-Term Incentive programme (LTI) for the Executive Board and employees was introduced on 1 January 2022. As at 31 December 2023, a reserve in the amount of €156 thousand had been set aside for the Executive Board. We refer to the notes on the remuneration of the Executive Board and Supervisory Board in the separate compensation report published on the Company's website.

38. EVENTS AFTER THE REPORTING DATE

The Extraordinary General Meeting of Deutsche EuroShop AG on 8 January 2024 amended the resolution on the appropriation of profits from 29 August 2023 and approved a further dividend of €1.95 per share from the unappropriated surplus for 2022, which corresponds to a total dividend of €149,081 thousand, with the remaining amount of the unappropriated surplus of €350,919 thousand carried forward to new account.

No further significant events occurred between the reporting date and the date of preparation of the financial statements.

39. CONSOLIDATED FINANCIAL STATEMENTS

The Company is included in the consolidated financial statements of Hercules Holding S.à.r.l., Luxembourg (City), which are published in the RCS Registre de Commerce et des Sociétés in Luxembourg (City), Luxembourg, in accordance with statutory provisions.

Hamburg, 28 March 2024

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 2023:

Company name and domicile	Interest in equity
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 %
A 10 Center Wildau GmbH, Hamburg	100 %
Main-Taunus-Zentrum KG, Hamburg	52.01 %
Forum Wetzlar G.m.b.H. & Co. KG (previously: Forum Wetzlar KG), Hamburg [1, 3]	100 %
Objekt City-Point Kassel GmbH & Co. KG, Hamburg [1]	100 %
Stadtgalerie Hameln GmbH & Co. KG, Hamburg [1]	100 %
Altmarkt-Galerie Dresden GmbH & Co. KG, Hamburg [1, 2]	100 %
Allee-Center Magdeburg G.m.b.H. & Co. KG (previously: Allee-Center Magdeburg KG), Hamburg [1, 2, 3]	100 %
Stadt-Galerie Passau G.m.b.H. & Co. KG (previously: Stadt-Galerie Passau KG), Hamburg [1, 3]	100 %
Saarpark Center Neunkirchen KG, Hamburg [1, 3]	95.14 %
Immobilienkommanditgesellschaft FEZ Harburg, Hamburg [1]	75 %
Einkaufs-Center Galeria Baltycka G.m.b.H. & Co. KG, Hamburg	100 %
Einkaufs-Center Galeria Baltycka G.m.b.H. & Co. KG, Sp. kom., Warsaw, Poland	100 %
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:	
CAK City Arkaden Klagenfurt KG, Hamburg	50 %
EKZ Eins Errichtungs- und Betriebs Ges.m.b.H. & Co OG, Vienna, Austria	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 a management report in accordance with Section 264b HGB.
3 For these companies, use was made of the exemption from the preparation of notes 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, 28 March 2024

Hans-Peter Kneip

Hans-Peter Kneip

City-Arkaden, Wuppertal

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 2023, 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 2023 to 31 December 2023, 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 2023 to 31 December 2023. 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 2023, and of its financial performance for the financial year from 1 January 2023 to 31 December 2023, 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 2023 to 31 December 2023. 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
3. Upward consolidation of shares in four property companies with change of status

1. MEASUREMENT OF INVESTMENT PROPERTIES

Matter

Deutsche EuroShop AG reported investment properties totalling EUR 3,947.0 million in its consolidated financial statements as of 31 December 2023 and held a participating interest in further material investment properties through its stakes in joint ventures and associates (EUR 149.5 million). The shopping center properties held as investment property are measured at fair value in accordance with IAS 40. In financial year 2023, expenses from this measurement of EUR 205.7 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 –3.4 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 the war in Ukraine as well the associated inflationary effects in conjunction with the increased interest rates, 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 centres 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 four center visits in financial year 2023. 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 war in Ukraine, inflationary dynamics and the associated increase in interest rates 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 totalling EUR 331.9 million in its consolidated financial statements as of 31 December 2023. 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.

3. UPWARD CONSOLIDATION OF SHARES IN FOUR PROPERTY COMPANIES WITH CHANGE OF STATUS

Matter

With effect from 12 January 2023, the Deutsche EuroShop Group acquired a majority interest in each of four property companies. The investments were previously recognized as joint ventures in the consolidated financial statements using the equity method in accordance with IAS 28. The remeasurement of the previously held at-equity interests at fair value, the reversal of differences from capital consolidation and expenses for real estate transfer tax associated with the transactions, which was necessary due to the upward consolidation with a change in status, resulted in a total expense of EUR 2.5 million.

The valuations carried out at the time of acquisition for the purposes of purchase price allocation resulted in a total fair value of EUR 597.3 million for the acquired assets and liabilities, which is almost exclusively attributable to the properties (shopping centers) recognized in the property companies less the loan liabilities taken out to finance them.

The loan liabilities taken out for financing purposes were measured at a fair value of EUR 147.4 million at the time of acquisition. The amortized cost of the loan liabilities amounted to EUR 172.8 million at this time. After taking into account deferred taxes on the proportionate hidden reserves disclosed, this resulted in total income of EUR 12.7 million, which is reported under other operating income.

The purchase price for the acquired shares totalling EUR 227.8 million was paid in cash in the amount of EUR 39.2 million and settled through the issue of new shares in the amount of EUR 188.6 million.

As part of the transitional consolidation, goodwill of EUR 0.6 million was recognized for one property company. Negative differences totalling EUR 3.5 million was recognized for the other property companies. Following a reassessment, the negative differences were confirmed and subsequently recognized in profit or loss. The share acquisitions also gave rise to fictitious real estate transfer tax issues, which led to expenses for real estate transfer tax totalling EUR 18.1 million.

Due to the materiality of the upward consolidation with change of status for the Group's net assets and results of operations as well as the complexity of the issues associated with the accounting treatment, this is a key audit matter.

Information on the transactions can be found in the notes to the consolidated financial statements in the section "Basis of consolidation / acquisitions during the financial year" and in the sections "Notes to the consolidated balance sheet" and "Notes to the consolidated income statement".

Auditor's response

As part of our audit, we satisfied ourselves that the acquired assets and liabilities of the property companies each represent business operations and that the transactions constitute business combinations in accordance with IFRS 3. In addition, we traced the acquisition date of the property companies. When auditing the purchase price allocations, we inspected the contracts for the company acquisitions and other relevant documents and verified the identification of the individual assets and liabilities. We satisfied ourselves that the forecast values and parameters (rental income, future vacancy rates, management, maintenance and administration costs and interest rates used) included in the measurement of the shopping center as of 31 December 2022 are still appropriate as at the acquisition date and that there have been no changes in the fair values of the properties that require recognition.

We verified the fair value of the financial liabilities assumed by reviewing the contractual components and market data included in the calculation. In addition, we checked the calculated values for mathematical accuracy. In doing so, we were supported by internal specialists for the valuation of financial instruments.

Furthermore, we reconciled the settlement of the purchase prices with the underlying share issues and, for the cash portion, with the proof of payment.

We verified the derivation of the goodwill and the negative differences. We assessed the client's reassessment with regard to the complete and correct identification of all assets and liabilities and the correct application of the valuation methods.

We verified the amounts of real estate transfer taxes by reviewing the assumptions used to determine the tax base and by assessing the calculation performed by the Company's tax advisor. In doing so, we consulted internal specialists in the field of real estate transfer tax.

We have assessed the appropriateness and completeness of the disclosures on business combinations in the notes to the consolidated financial statements.

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 information contained in the combined management report that is not part of the management report and has been labelled as unaudited. These comprise the reporting in the section „Risk report" in the subsection „Principles governing the risk management system and the internal control system
- 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 "529900Y9QTEFHFEKQ736-2023-12-31-de (2).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 2023 to 31 December 2023 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 rendering 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 29 August 2023. We were engaged by the chairman of the audit committee of the supervisory board on 1 November 2023. 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 2024

BDO AG
Wirtschaftsprüfungsgesellschaft

Signed by Kaletta	Signed by Oleski
German Public Auditor	German Public Auditor

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 ratio) as a key change.

OVERVIEW OF EPRA KEY FIGURES

	31.12.2023		31.12.2022		Change	
	in € thousand	per share in €	in € thousand	per share in €	+/– in € thousand	in %
EPRA Earnings	172,389	2.29	129,596	2.10	42,793	33.0
EPRA NRV	2,659,232	34.78	2,563,274	41.49	95,958	3.7
EPRA NTA	2,414,394	31.58	2,335,915	37.81	78,479	3.4
EPRA NDV	2,170,890	28.39	2,130,683	34.49	40,207	1.9

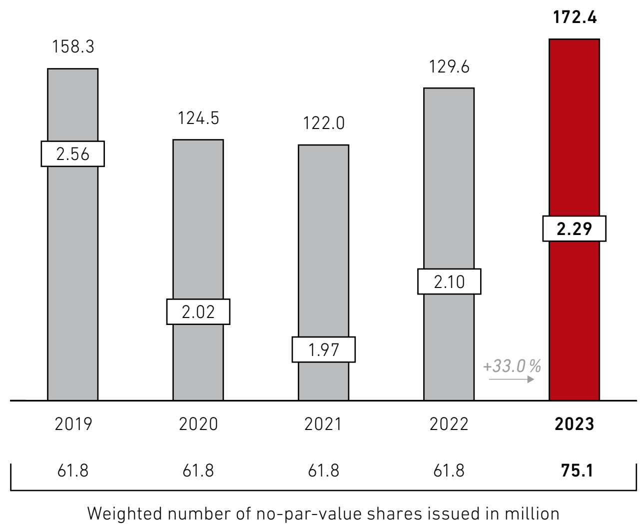
	31.12.2023	31.12.2022	Change
	in %	in %	in % points
EPRA loan-to-value ratio (EPRA LTV ratio)	34.8	33.5	1.3
EPRA net initial yield (EPRA NIY)	5.9	5.3	0.6
EPRA "topped-up" net initial yield	5.9	5.4	0.5
EPRA cost ratio (incl. direct vacancy costs)	29.1	27.3	1.8
EPRA cost ratio (excl. direct vacancy costs)	27.9	26.3	1.6
EPRA vacancy rate	6.7	5.7	1.0

[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 used by us. In contrast to EPRA Earnings, in the case of FFO all non-cash deferred taxes are adjusted.

EPRA EARNINGS
in € million / per share in €



EPRA EARNINGS

	01.01. – 31.12.2023			01.01. – 31.12.2022			Change	
	in € thousand	in € thousand	per share in €	in € thousand	in € thousand	per share in €	per share in €	in %
Consolidated profit		–38,277	–0.51		21,357	0.35	–0.86	–245.7
Measurement gains / losses on investment properties	205,701			89,746				
Measurement gains / losses on investment properties (at equity)	3,426			16,604				
Measurement gains / losses on investment properties[1]		209,127	2.78		106,350	1.72	1.06	61.6
Income and expenses from changes in the scope of consolidation[2]		7,258	0.10		0	0.00	0.10	–
Deferred taxes on adjustments[1]		–5,719	–0.08		1,889	0.03	–0.11	–
EPRA EARNINGS		**172,389**	**2.29**		**129,596**	**2.10**	**0.19**	**9.0**
Weighted number of no-par-value shares issued			75,136,922			61,783,594		

1 Including the share attributable to equity-accounted joint ventures and associates
2 Including acquisition costs from the purchase of additional shares and after consideration of taxes

On 12 January 2023, the Deutsche EuroShop Group concluded six purchase agreements for the acquisition of additional shares in six property companies in which it already held an interest of between 50 % and 75 %. The acquisition resulted in non-recurring non-operating income and expenses from changes in the scope of consolidation (please refer to the relevant information in the notes to the consolidated financial statements in section "2. Basis of consolidation / Acquisitions during the financial year"), which must be corrected accordingly. Income and expenses from changes in the scope of consolidation also include ancillary acquisition costs from the acquisition of investments, which at €21.0 million mainly comprise the land transfer tax.

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

	31.12.2023		31.12.2022	
	in € thousand	per share in €	in € thousand	per share in €
Equity	2,119,667	27.72	2,036,237	32.96
Derivative financial instruments measured at fair value[1]	6,427	0.09	5,637	0.09
Deferred taxes on investment properties and derivative financial instruments[1]	340,042	4.45	345,789	5.60
Goodwill as a result of deferred taxes	−51,719	−0.68	−51,719	−0.84
Less ancillary acquisition costs[1]	244,815	3.20	227,330	3.68
EPRA NRV	**2,659,232**	**34.78**	**2,563,274**	**41.49**
Number of no-par-value shares issued as at the reporting date		76,455,319		61,783,594

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

EPRA net tangible assets (EPRA NTA):
The EPRA NTA measures the net asset value of a company based on a business model with a long-term focus. To do this, 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

	31.12.2023		31.12.2022	
	in € thousand	per share in €	in € thousand	per share in €
EPRA NRV	2,659,232	34.78	2,563,274	41.49
Ancillary acquisition costs[1]	−244,815	−3.20	−227,330	−3.68
Intangible assets	−23	0.00	−29	0.00
EPRA NTA	**2,414,394**	**31.58**	**2,335,915**	**37.81**
Number of no-par-value shares issued as at the reporting date		76,455,319		61,783,594

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

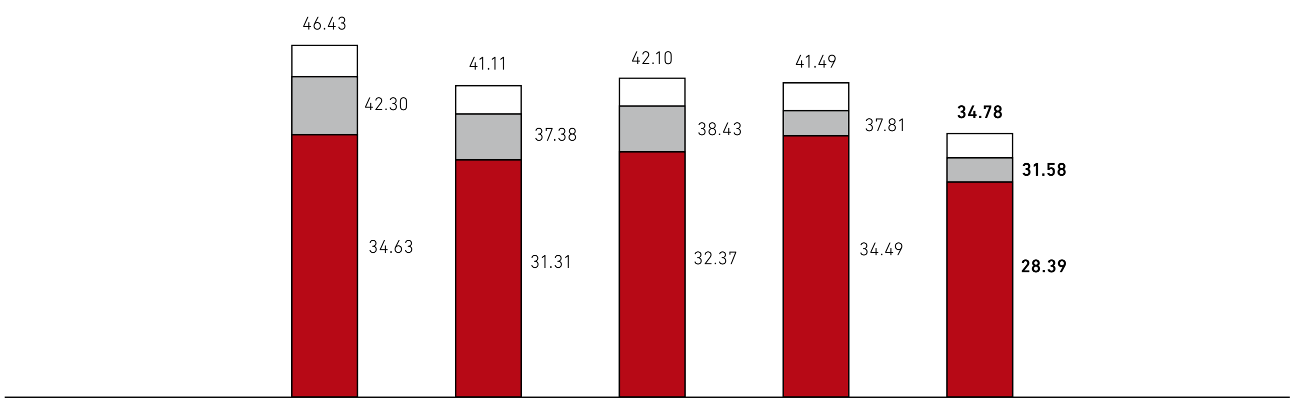
EPRA net disposal value (EPRA NDV):
The EPRA NDV indicates the net asset value that would result if the assets and liabilities were not held to maturity. The EPRA NDV thus also factors in assets and liabilities measured at fair value as at the reporting date, which are unlikely to be realised taking 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

	31.12.2023		31.12.2022	
	in € thousand	per share in €	in € thousand	per share in €
EPRA NRV	2,659,232	34.78	2,563,274	41.49
Ancillary acquisition costs[1]	−244,815	−3.20	−227,330	−3.68
Derivative financial instruments measured at fair value[1]	−6,427	−0.08	−5,637	−0.09
Difference between non-accounted financial liabilities measured at fair value and their carrying amount[1]	125,093	1.63	176,083	2.85
Deferred taxes on difference between non-accounted financial liabilities measured at fair value and their carrying amount[1]	−22,151	−0.29	−29,918	−0.48
Deferred taxes on investment properties and derivative financial instruments[1]	−340,042	−4.45	−345,789	−5.60
EPRA NDV	**2,170,890**	**28.39**	**2,130,683**	**34.49**
Number of no-par-value shares issued as at the reporting date		76,455,319		61,783,594

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

EPRA NRV / NTA / NDV
per share in € / in € million



in € million	2019	2020	2021	2022	**2023**
EPRA NRV	2,868.6	2,540.0	2,601.2	2,563.3	**2,659.2**
EPRA NTA	2,613.4	2,309.7	2,374.4	2,335.9	**2,414.4**
EPRA NDV	2,139.5	1,934.2	2,000.0	2,130.7	**2,170.9**
Number of no-par-value shares issued as at the reporting date in million	61.8	61.8	61.8	61.8	**76.5**

EPRA LOAN-TO-VALUE RATIO (EPRA LTV RATIO) [1]

The EPRA LTV ratio 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. Another key difference to the LTV figures previously reported in the Group is the inclusion of other liabilities [2] in the EPRA LTV ratio.

EPRA LTV RATIO

				31.12.2023				31.12.2022
in € thousand	Group	at equity	Share of third-party shareholders	Total (proportional)	Group	at equity	Share of third-party shareholders	Total (proportional)
Bank loans and overdrafts	1,677,600	56,664	–132,758	1,601,506	1,479,251	143,899	–142,001	1,481,149
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) [2]	33,032	–320	–18,297	14,415	19,358	0	1,939	19,517
Owner-occupied property (liabilities)	292	0	0	292	354	0	0	354
Debt with equity features	0	0	0	0	0	0	0	0
Less cash and cash equivalents	–336,071	–5,083	18,921	–322,233	–334,943	–15,351	19,400	–330,894
Net debt	**1,374,853**	**51,261**	**–132,134**	**1,293,980**	**1,164,020**	**128,548**	**–120,662**	**1,170,126**
Investment properties	3,947,021	149,960	–376,014	3,720,967	3,351,821	578,211	–432,925	3,497,107
Owner-occupied property	286	0	0	286	351	0	0	351
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)	23	0	0	23	29	0	0	29
Other assets (net)	0	0	0	0	0	0	0	0
Financial assets	0	0	0	0	0	0	0	0
Property assets	**3,947,330**	**149,960**	**–376,014**	**3,721,276**	**3,352,201**	**578,211**	**–432,925**	**3,497,487**
EPRA LTV ratio in %				**34.8**				**33.5**

[1] The disclosure of granted rental incentives was changed in the reporting year and is now recognised under investment properties. The previous year has been adjusted to aid comparability. Please refer to the information in the notes to the consolidated financial statements under section "4. New accounting standards and changes in presentation".
[2] Other liabilities (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 [1]

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		31.12.2023		31.12.2022
Market value investment properties	3,947,021		3,351,821	
Market value investment properties (at equity)	149,960		578,210	
Market value investment properties[1]		4,096,981		3,930,031
Less expanded space[1]		−15,160		−10,960
Less ancillary acquisition costs[1]		244,815		227,330
Market value investment properties (gross)		**4,326,636**		**4,146,401**
Annualised rental income[1]		286,279		249,739
Non-allocable property expenses[1]		−30,526		−28,191
Annualised net rental income		**255,753**		**221,548**
Rental incentives and other rental adjustments[1]		1,352		1,037
Annualised "topped-up" net rental income		**257,105**		**222,585**
EPRA net initial yield (EPRA NIY) in %		**5.9**		**5.3**
EPRA "topped-up" net initial yield in %		**5.9**		**5.4**

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	31.12.2023	31.12.2022
Market rent for vacancy[1]	17,811	13,714
Total market rent[1]	267,428	239,521
EPRA vacancy rate in %	**6.7**	**5.7**

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

1 The disclosure of granted rental incentives was changed in the reporting year and is now recognised under investment properties. The previous year has been adjusted to aid comparability. Please refer to the information in the notes to the consolidated financial statements under section "4. New accounting standards and changes in presentation".

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.-31.12.2023	01.01.-31.12.2022
Operating and administrative costs for property[1]	50,879	43,104
Write-downs and derecognition of receivables[1]	9,002	9,957
Other operating expenses[1] excluding financing costs	28,616	21,059
Other revenue from cost allocations and reimbursements[1]	−7,605	−7,079
EPRA costs (incl. direct vacancy costs)	**80,892**	**67,041**
Direct vacancy costs[1]	−3,381	−2,599
EPRA costs (excl. direct vacancy costs)	**77,511**	**64,442**
Rental revenue (excluding cost allocations and reimbursements)[1]	277,508	245,327
EPRA cost ratio (incl. direct vacancy costs)[2] in %	**29,1**	**27,3**
EPRA cost ratio (excl. direct vacancy costs)[3] in %	**27,9**	**26,3**

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 25.9 % (previous year: 23.3 %).
3 The EPRA cost ratio (excl. direct vacancy costs) excluding write-downs and derecognition of receivables would be 24.7 % (previous year: 22.2 %).

INVESTMENTS IN REAL ESTATE ASSETS

Investments in the Group's real estate assets amounted to:

EPRA INVESTMENTS IN REAL ESTATE ASSETS

	31.12.2023			31.12.2022		
in € thousand	Group	at equity	Total	Group	at equity	Total
Acquisitions	773,000	0	773,000	0	0	0
Developments, new construction	0	0	0	0	0	0
Investment properties						
- Incremental lettable space	0	0	0	0	0	0
- Non-incremental lettable space	43,481	863	44,344	39,483	859	40,342
- Tenant incentives	8,084	63	8,147	5,559	243	5,802
EPRA investments in real estate assets[1]	**824,565**	**926**	**825,491**	**45,042**	**1,102**	**46,144**

1 Investments in 2023 and 2022 almost entirely affect cash in the year in question.

The acquisitions include the property values of four joint ventures previously accounted for using the equity method, which were included in the Group as subsidiaries for the first time following the acquisition of additional shares at the beginning of the financial year.

The property companies concerned are as follows:

	Group share	Before acquisition	Acquisition 2023	After acquisition	Shareholding Real estate values
1.	Allee-Center Magdeburg G.m.b.H. & Co. KG (previously: Allee-Center Magdeburg KG), Hamburg	50 %	50 %	100 %	217,000
2.	Stadt-Galerie Passau G.m.b.H. & Co. KG (previously: Stadt-Galerie Passau KG), Hamburg	75 %	25 %	100 %	157,000
3.	Saarpark Center Neunkirchen KG, Hamburg	50 %	40 %	90 %	172,000
4.	Immobilienkommanditgesellschaft FEZ Harburg, Hamburg	50 %	25 %	75 %	227,000
	Total				**773,000**

The purchase price for the additional shares in the four property companies totalled €227.8 million and was financed by means of a capital increase (please refer to the relevant information in the notes to the consolidated financial statements in section "2. Basis of consolidation / Acquisitions during the financial year").

The investments in the portfolio properties arise from investments in the center infrastructure and in rental areas as well as from the ongoing "At Your Service" investment programme. Interest was not capitalised as part of the investments.

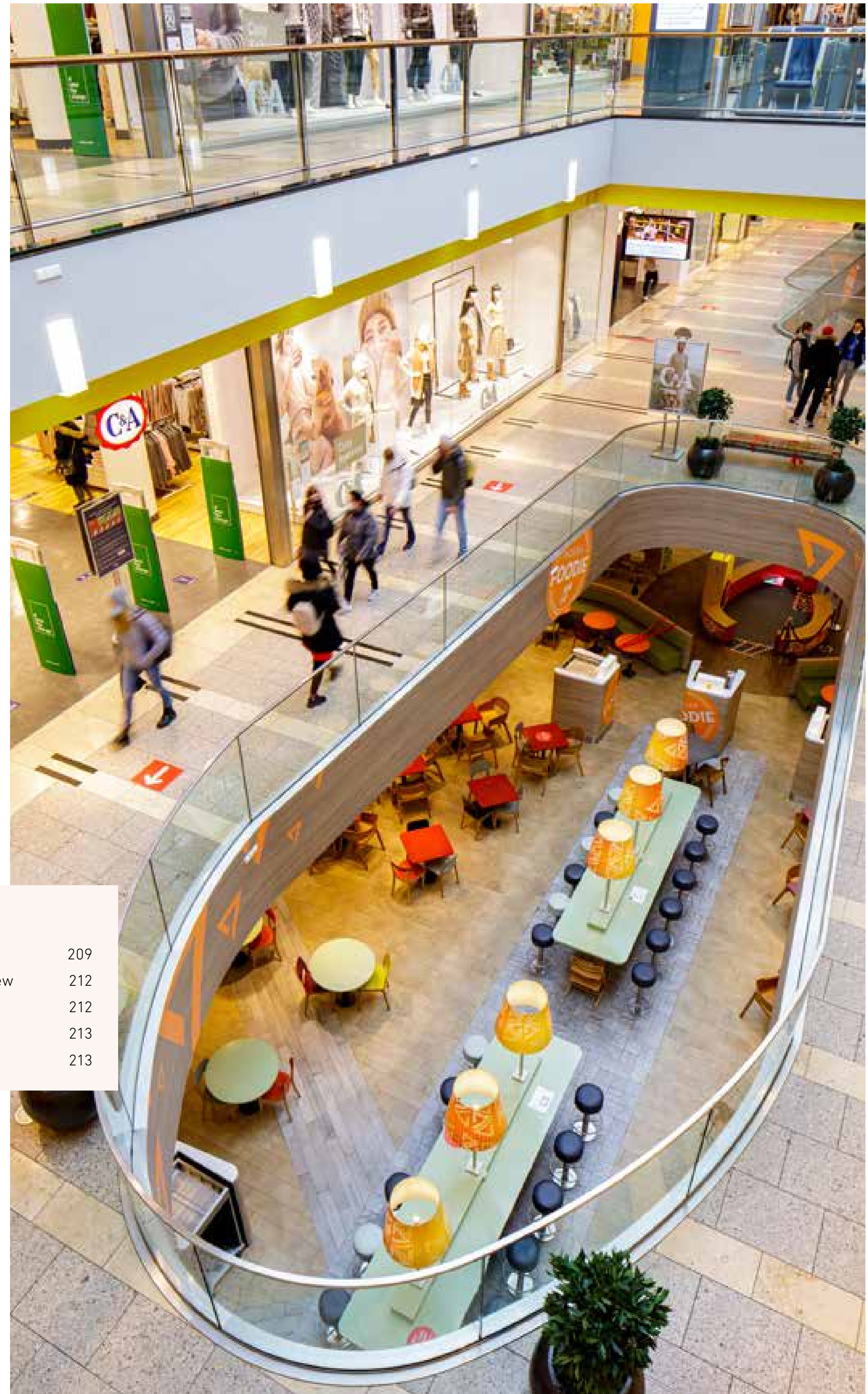
EPRA LIKE-FOR-LIKE NET RENTAL GROWTH

The EPRA like-for-like net rental growth shows growth based on an unchanged real estate portfolio composition. Acquisitions or sales during the reporting year are not taken into account.

EPRA LIKE-FOR-LIKE NET RENTAL GROWTH

in € thousand	2023	Effects from portfolio change	Like-for-like change	Like-for-like change (in %)	2022
Minimum rental income	255,512	51,456	3,046	1.5	201,010
Allocable property tax and insurance	7,425	1,532	−162	−2.7	6,055
Net rental income	7,662	885	2,534	59.7	4,243
Other	2,705	0	1,202	80.0	1,503
Revenue	**273,304**	**53,873**	**6,620**	**3.1**	**212,811**
of which					
Domestic	231,873	53,873	3,789	2.2	174,211
Abroad	41,431	0	2,831	7.3	38,600

The portfolio change effects include the four joint ventures previously accounted for within the Group using the equity method, which were included in the Group as subsidiaries for the first time following the acquisition of additional shares at the beginning of the financial year.



Service

Glossary 209
Multi-year overview 212
Quarterly figures 212
Legal 213
Disclaimer 213

Phoenix-Center, Hamburg

GLOSSARY

Adverstising 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 super visory 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, wellsituated properties that are fully let on a long-term basis to tenants with strong credit ratings. Other return / risk categories are valueadded 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 surplusses 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 pay able 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.

Pro forma
Pro forma financial information supplements annual, consolidated or interim financial statements to take account of transactions that took place during or after the reporting period. Their purpose is to show the potential impact of these transactions on the historical financial statements if they had already existed at the time the financial statements were prepared.

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 in vestors.

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 and open order book, thus increasing market transparency. The trading hours

MULTI-YEAR OVERVIEW

in € million	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Revenue [6]	200.8	202.9	205.1	218.5	225.0	231.5	224.1	211.8	212.8	273.3
EBIT	177.5	176.3	178.6	192.4	199.1	197.5	161.2	152.5	152.4	212.7
Net finance costs (excluding measurement gains / losses [1])	–52.5	–49.3	–44.1	–39.1	–38.2	–34.3	–33.6	–26.9	–22.3	-43.2
EBT (excluding measurement gains / losses [1])	125.0	127.0	134.5	153.3	160.9	163.1	127.6	125.6	130.2	169.5
Measurement gains / losses [1]	89.7	267.7	145.5	12.9	–58.3	–120.0	–429.6	–54.7	–106.4	-209.1
Consolidated profit	177.4	309.3	221.8	134.3	79.4	112.1	–251.7	59.9	21.4	-38.3
Funds from Operations (FFO)	120.5	123.4	129.9	148.1	150.4	149.6	123.3	122.3	130.1	171,3
FFO per share in €	2.23	2.29	2.41	2.54	2.43	2.42	2.00	1.98	2.11	2.28
Earnings per share in € [2]	3.29	5.73	4.11	2.31	1.29	1.81	–4.07	0.97	0.35	-0.51
EPRA Earnings per share in €	1.84	2.18	2.29	2.42	2.39	2.56	2.02	1.97	2.10	2.29
Equity [3]	1,751.2	2,061.0	2,240.7	2,574.9	2,573.4	2,601.5	2,314.8	2,377.8	2,343.4	2,379.0
Liabilities	1,741.0	1,790.6	1,873.8	2,052.1	2,036.8	1,957.1	1,922.6	1,901.0	1,864.7	2,081.2
Total assets	3,492.2	3,851.6	4,114.5	4,627.0	4,610.2	4,558.6	4,237.4	4,278.8	4,208.1	4,460.2
Equity ratio in % [3]	50.1	53.5	54.5	55.6	55.8	57.1	54.6	55.6	55.7	53.3
Cash and cash equivalents	58.3	70.7	64.0	106.6	116.3	148.1	266.0	328.8	334.9	336.1
Net tangible assets (EPRA)	1,789.4	2,135.2	2,332.6	2,668.4	2,667.5	2,613.4	2,309.7	2,374.5	2,335.9	2,414.4
Net tangible assets per share in € (EPRA)	33.17	39.12	43.24	43.19	43.17	42.30	37.38	38.43	37.81	31.58
Dividend per share in €	1.30	1.35	1.40	1.45	1.50	0.00	0.04	1.00	4.45 [4]	0.80 [5]

1 Including the share attributable to equity-accounted joint ventures and associates
2 undiluted
3 including non controlling interests
4 Includes the dividend of € 1.95 and € 2.50 per share resolved on 29 August 2023 and 8 January 2024 for the 2022 financial year.
5 proposal
6 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 2023

in € million	01.01.–31.03.2023 [2]	01.04.–30.06.2023 [2]	01.07.–30.09.2023 [2]	01.10.–31.12.2023
Revenue	67.8	67.6	67.8	70.1
Net operating income (NOI)	54.5	53.0	52.7	54.7
EBIT	44.2	56.1	55.2	57.2
EBT (excluding measurement gains / losses [1])	32.3	45.4	44.5	47.3
EPRA Earnings	44.2	43.4	42.1	42.7
FFO	44.2	43.3	42.2	41.6
EPRA Earnings per share in €	0.62	0.57	0.55	0.55
FFO per share in €	0.62	0.57	0.55	0.54

1 Including the share attributable to equity-accounted joint ventures and associates
2 The income and expenses from the change in the scope of consolidation were reported in the interim reports in the measurement gains and losses in contrast to the reporting as at 31 December 2023. The quarterly figures were adjusted accordingly to the reporting at the end of the year in other operating income and expenses.

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 Editor
Sebastian Baumann

Concept
Deutsche EuroShop AG, Hamburg

Art Direction & Design
Silvester Group, Hamburg

Pictures
Abobe Stock, Axel Martens, B.O.C., Deutsche EuroShop, ECE, iStock, L´Osteria, Nicolas Lissner, Patrick Kiss, Shutterstock

Responsible for the editorial content:
Deutsche EuroShop AG, Hamburg

DISCLAIMER

Information on wording: Wherever any terms indicating the male gender only (he, him, etc.) have, in the interests of simplicity, been used in this Magazine, such references should be construed as referring equally to the male, female and divers gender. **Author contributions:** Sections of text bearing an author's name do not necessarily reflect the views of Deutsche EuroShop AG. The authors in question are responsible for the content of the texts. **Trademarks:** All trademarks and brand or product names mentioned in this Annual Report are the property of their respective owners. This applies in particular to DAX, MDAX, SDAX and Xetra, which are registered trademarks and the property of Deutsche Börse AG. **Rounding and rates of change:** Percentages and figures stated in this report may be subject to rounding differences. The prefixes before rates of change are based on economic considerations: improvements are indicated by a plus (+); deteriorations by a minus (–).

Forward-looking statements: This Annual 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 being forecast. **Publications for our shareholder:** Annual Report (German and English), Quarterly Statement 3M, Quarterly Statement 9M and Half-Year Financial Report (German and English). The Annual Report of Deutsche EuroShop is available on the Internet at **www.deutsche-euroshop.com** as a PDF file and ePaper.

Convenience Translation – the German version is the only binding version


DES
Deutsche EuroShop
www.shoppingcenter.ag