HALF-YEAR FINANCIAL REPORT
AS AT 30 JUNE 2024

KEY CONSOLIDATED FIGURES

in € million	01.01.– 30.06.2024	01.01.– 30.06.2023	+/–
Revenue	132.8	135.4	– 1.9%
Net operating income (NOI)	106.4	107.5	– 1.0%
EBIT[7]	107.4	100.4	7.0%
EBT (excl. measurement gains / losses[1])[7]	82.1	77.7	5.6%
EPRA[2] earnings	80.6	87.6	– 8.0%
FFO	79.0	87.5	– 9.7%
Consolidated profit	59.5	37.1	60.5%

in €	01.01.– 30.06.2024	01.01.– 30.06.2023	+/–
EPRA[2] earnings per share[6]	1.06	1.19	– 10.9%
FFO per share	1.04	1.19	– 12.6%
Earnings per share	0.78	0.50	56.0%
Weighted number of no-par-value shares issued[6]	76,283,452	73,787,722	3.4%

in € million	30.06.2024	31.12.2023	+/–
Equity[3]	2,284.9	2,379.0	– 4.0%
Liabilities	2,175.5	2,081.2	4.5%
Total assets	4,460.4	4,460.2	0.0%
EPRA[2] NTA	2,326.5	2,414.4	– 3.6%
EPRA[2] NTA per share in €	30.57	31.58	– 3.2%
Equity ratio in %[3]	51.2	53.3	
LTV ratio in %[4]	35.5	33.2	
EPRA[2] LTV ratio in %[5]	37.3	34.8	
Cash and cash equivalents	338.6	336.1	0.7%

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 had increased in 2023 from 61,783,594 to 76,464,319 no-par-value shares. Furthermore, treasury shares acquired by 31 December 2023 or 30 June 2024 are taken into account when determining the weighted number.
7 Income and expenses from the change in the scope of consolidation have been reported in the Half-year Financial Report as at 30 June 2023 in measurement gains/losses – in contrast to 31 December 2023, when they were reported under other operating income and expenses. Furthermore, in deviation from 31 December 2023, no deferred taxes were recognised as part of the initial consolidation. The previous year's figures have been adjusted to the year-end figures, taking deferred taxes into account.

LETTER FROM THE EXECUTIVE BOARD

Dear Shareholders,
Dear Readers,

Deutsche EuroShop's operating performance in the first half of 2024 was according to plan. Visitor numbers and sales on the part of our tenants continue to trend upwards. We recorded an increase in visitor numbers to our shopping centers of 1.0% compared to the first half of 2023. Our tenants also increased their sales by 1.9%.

We currently have extensive construction projects under way at several of our locations. We are making considerable investments in the A10 Center, Main-Taunus-Zentrum, Rhein-Neckar-Zentrum, Stadt-Galerie Hameln and City-Galerie Wolfsburg to further optimise these locations and enhance their appeal. This has resulted in temporary vacancies, contributing to the slight decline in revenue by 1.9% from €135.4 million to €132.8 million.

Net operating income (NOI) was also slightly negative (– 1.0%) at €106.4 million. By contrast, earnings before interest and taxes (EBIT) increased by 7.0% to €107.4 million, while earnings before taxes and measurement gains / losses (EBT excluding measurement gains / losses) rose by 5.6% to €82.1 million. The prior half year contained one-off effects on earnings from the acquisition of further shares in six property companies.

The valuation of our properties remained largely stable in the first half of 2024. Increased investments in the property portfolio resulted in a slight measurement loss of €12.6 million. This constitutes year-on-year improvement of €27.2 million, boosting consolidated profit to €59.5 million – up 60.5% on first half of the previous year.

EPRA earnings adjusted for measurement gains / losses fell by 8.0% from €87.6 million to €80.6 million. Funds from operations (FFO), which are calculated excluding measurement gains / losses and non-recurring effects, decreased from €87.5 million to €79.0 million, corresponding to a decrease of 9.7%. In the first half of the previous year, both key figures benefited from one-off income from ancillary cost settlements and the reversal of value adjustments.

Since the end of 2023, Group liquidity has climbed from €336.1 million – following the distribution of a dividend of €149.1 million in January of this year – to €338.6 million, partly due to loan increases. At €30.57, EPRA net tangible assets (NTA) per share were 3.2% (€1.01) lower than at the end of 2023 (€31.58) owing to the dividend payment and the increased weighted number of shares.

Based on earnings in the first six months, we confirm our forecast for financial year 2024. On the back of this performance coupled with the additional free cash flow from ongoing business operations and the successful conclusion of further loan agreements by subsidiaries, we have resolved to increase the planned dividend of €0.80 per share by €1.80 per share. We will therefore propose to the Annual General Meeting on 29 August 2024 in Hamburg to distribute a dividend of €2.60 per share for financial year 2023, of which €0.22 per share is expected to be subject to capital gains tax.

Thank you for the confidence you have placed in us.

Hamburg, August 2024

Hans-Peter Kneip

BASIC INFORMATION ABOUT THE GROUP

GROUP BUSINESS MODEL

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.

The shopping centers 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. The operational management of the shopping centers is contracted out to external service providers under agency agreements.

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.

The share capital amounted to €76,464,319 as at 30 June 2024 and was composed of 76,464,319 no-par value registered shares. As at 30 June 2024, Deutsche EuroShop AG held 359,164 treasury shares, which confer no rights to the Company in accordance with Section 71b of the Aktiengesetz (AktG - German Public Companies Act). The notional value of each share in the share capital is €1.00.

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 and subject to the prevailing market conditions, the Group's LTV ratio could be increased to a range of 50% to 60%. Depending on the financing instrument, any issue is subject to the condition of an investment grade rating.

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 rules of procedure and in a 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), specifically revenue, EBIT (earnings before interest and taxes), EBT (earnings before taxes) excluding measurement gains / losses and FFO (funds from operations).

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ECONOMIC REVIEW

MACROECONOMIC AND SECTOR-SPECIFIC CONDITIONS

According to the German Federal Ministry for Economic Affairs and Climate Action (BMWK), the economic recovery suffered a further setback in the first half of 2024. The latest sentiment and economic indicators for the German economy have softened, with the still subdued uptick in the domestic economy only able to partially offset the ongoing weak foreign demand within the industry. The inflation rate fell slightly to +2.2% in June.

In Germany, Deutsche EuroShop's main market, gross domestic product (GDP) shrank by 0.1% in the second quarter of 2024 when adjusted for price and calendar effects, after having risen by 0.2% at the start of 2024. In a year-on-year comparison, GDP in the second quarter of 2024 was 0.3% higher than in the second quarter of 2023 on a price-adjusted basis. The unemployment rate at the end of June 2024 was 5.8% (previous year: 5.5%).

According to consumer research company GfK, the recovery in consumer sentiment in Germany came to a standstill in June 2024, hampered by moderately declining income expectations. The chief contributing factor is the slight increase in the inflation rate in the second quarter of 2024, which is now trending higher than the European Central Bank (ECB) target of around 2%. There is still very little movement in the propensity to buy.

According to the information published so far[1] by the Federal Statistical Office, German retail sales were largely constant overall in real terms in the first four months of 2024 (rising by 0.2%). Sales in the non-food retail sector recorded a price-adjusted decline of 0.4% compared to the same period in the previous year. Retail sales of textiles, clothing, shoes and leather goods fell by 0.6% in real terms, while online and mail order retail sales were down by 1.5% on a price-adjusted basis in the same period.

Real estate consultancy Savills reports that retail properties once again achieved the highest sales among all usage types in the first half of 2024, accounting for 31% of the commercial investment volume and generating a transaction volume of €3.3 billion. This represents an increase of around 22% compared to the prior-year period, which posted a transaction volume of €2.7 billion. The investment market for retail property remains more stable compared to other segments, although the transaction volume in 2024 will be driven by a small number of transactions. There are currently hardly any transactions in shopping centers, either in the prime segment or among centers in need of repositioning – due in part to differing price expectations.

[1] Due to IT problems, the Federal Statistical Office has deferred the provision of more current data from the retail sector until the end of August 2024.

in € thousand		01.01.–30.06.2024		01.01.–30.06.2023	Change +/–	Change in %
Revenue		132,847		135,355	–2,508	–1.9
Operating and administrative costs for property		–22,086		–23,037	951	4.1
Write-downs and derecognition of receivables		–4,318		–4,810	492	10.2
NOI		**106,443**		**107,508**	**–1,065**	**–1.0**
Other operating income[1]		4,565		25,781	–21,216	–82.3
Other operating expenses[1]		–3,656		–32,932	29,276	88.9
EBIT		**107,352**		**100,357**	**6,995**	**7.0**
At-equity profit / loss	*9,213*		*5,804*			
Measurement gains / losses (at equity)	*–5,071*		*–1,422*			
Deferred taxes (at equity)	*148*		*32*			
At-equity (operating) profit / loss		4,290		4,414	–124	–2.8
Interest expense		–22,770		–21,501	–1,269	–5.9
Profit shares attributable to limited partners		–7,105		–7,458	353	4.7
Interest income		2,162		1,870	292	15.6
Other financial expenses		–1,876		0	–1,876	
Financial gains / losses (excl. measurement gains / losses)		**–25,299**		**–22,675**	**–2,624**	**–**
EBT (excl. measurement gains / losses)		**82,053**		**77,682**	**4,371**	**5.6**
Measurement gains / losses	*–17,669*		*–41,225*			
Measurement gains / losses (at equity)	*5,071*		*1,422*			
Measurement gains / losses (including at equity)		–12,598		–39,803	27,205	68.3
Taxes on income and earnings		–3,036		–3,371	335	9.9
Deferred taxes[1]	*–6,771*		*2,602*			
Deferred taxes (at equity)	*–148*		*–32*			
Deferred taxes (including at equity)		–6,919		2,570	–9,489	–
CONSOLIDATED PROFIT		**59,500**		**37,078**	**22,422**	**60.5**

[1] Income and expenses from the change in the scope of consolidation have been reported in the Half-year Financial Report as at 30 June 2023 in measurement gains / losses – in contrast to 31 December 2023, when they were reported under other operating income and expenses. Furthermore, in deviation from 31 December 2023, no deferred taxes were recognised as part of the initial consolidation. The previous year's figures have been adjusted to the year-end figures.

Revenue down slightly

Revenue fell by €2.5 million (–1.9%) compared to the first half of 2023. The main reasons for this decline included temporary vacancies as a result of investment measures at shopping centers, lower turnover rents and settlement payments than in the prior-year period, and isolated decisions not to extend individual leases.

Operating center expenses as a percentage of revenue on a par with the previous year

Operating center expenses of €22.1 million in the reporting period, mainly comprising center management fees, non-apportionable ancillary costs, land taxes, building insurance and maintenance, were on a par with the previous year in terms of their percentage of revenue (16.6% compared to 17.0%).

Fewer write-downs required

Write-downs and the derecognition of receivables decreased compared to the previous year by €0.5 million (10.2%) to €4.3 million.

Net operating income (NOI)

Lower write-downs and property operating and administration costs were unable to fully offset the decline in sales, as a result of which net operating income (NOI) fell by 1.0% to €106.4 million.

Other operating income and expenses

Other operating income, stemming primarily from the reversal of provisions, from income from rental receivables for which impairment losses had been recognised in previous years as well as from additional payments with respect to ancillary costs, amounted to €4.6 million, representing a significant decrease compared with the same period of the previous year (€25.8 million). This was primarily due to income (€16.2 million) 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 previous year.

Other operating expenses, which mainly comprised general administrative costs and personnel costs, fell to €3.7 million. In the previous year, this item also included €29.4 million in expenses in connection with the change in the scope of consolidation.

EBIT up 7%

At €107.4 million, earnings before interest and taxes (EBIT) were up on the previous year (€100.4 million), driven mainly by the impact on earnings from the change in the scope of consolidation.

Net financial income down on first half of previous year

At €–25.3 million, net financial income (excluding measurement gains / losses) was below that of the previous year (€–22.7 million). Compared to the previous year, interest income improved by €0.3 million to €2.2 million, while the interest expense of Group companies increased by €1.3 million. Loan increases for the Stadt-Galerie Passau (already concluded at the end of financial year 2023), the Allee-Center Magdeburg and the Allee-Center Hamm had an impact here. The long-term refinancing and increase in the loan for the Allee-Center Hamm also resulted in other financial expenses in relation to redeeming a swap for the old loan in the amount of €1.9 million.

Increase in EBT (excluding measurement gains / losses)

Increased EBIT less the reduced net financial income led to overall higher EBT (excluding measurement gains / losses) from €77.7 million to €82.1 million (+5.6%).

Measurement gains / losses shaped by investments

Property values remained largely stable in the first half of 2024, resulting in measurement losses of €12.6 million including the increased investments in the real estate portfolio.

Of this, €–17.7 million after minority interests was attributable to the measurement of the real estate assets reported by the Group, and €+5.1 million to the measurement of the real estate assets of joint ventures accounted for using the equity method.

The changes in market value of the individual real estate values ranged from –3.6% to +4.4%. The occupancy rate of 94.1% increased slightly versus the last reporting date (–0.8 percentage points) and thus remained at a high level.

Taxes on income and earnings

Taxes on income decreased to €–3.0 million (previous year: €–3.4 million) as a result of the utilisation of tax loss carryforwards. The expense arising from deferred taxes, resulting mainly from the systematic amortisation of the tax balance sheet values of our real estate assets, amounted to €6.9 million (previous year: income of €2.6 million).

EPRA earnings down slightly due to one-off income in the previous year

EPRA earnings, which exclude measurement gains / losses, decreased by €7.0 million or €0.13 per share, in particular due to one-off income from ancillary costs and reversals of write-downs in the previous year.

Significantly higher consolidated profit

At €59.5 million, consolidated profit was €22.4 million higher than the previous year (€37.1 million) and earnings per share increased from €0.50 to €0.78.

EPRA EARNINGS

	01.01. – 30.06.2024		01.01. – 30.06.2023	
	in € thousand	per share in €	in € thousand	per share in €
Consolidated profit	59,500	0.78	37,078	0.50
Measurement gains / losses on investment properties [1]	12,598	0.17	39,803	0.54
Income and expenses from changes in the scope of consolidation [3]	0	0.00	13,177	0.18
Deferred tax adjustments pursuant to EPRA [2]	8,485	0.11	–2,450	–0.03
EPRA EARNINGS	**80,583**	**1.06**	**87,608**	**1.19**
Weighted number of no-par-value shares issued		76,283,452		73,787,722

[1] Including the share attributable to equity-accounted joint ventures and associates
[2] Affects deferred taxes on investment properties and derivative financial instruments
[3] Including acquisition costs from the purchase of additional shares

Development of funds from operations

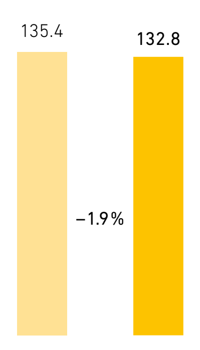
Funds from operations (FFO) are used to finance our ongoing investments in portfolio properties, make scheduled repayments on our long-term bank loans and as the basis for the distribution of dividends. Significant non-recurring effects that are not part of the Group's operating activities are eliminated in the calculation of FFO. FFO declined from €87.5 million to €79.0 million or from €1.19 to €1.04 per share.

FUNDS FROM OPERATIONS

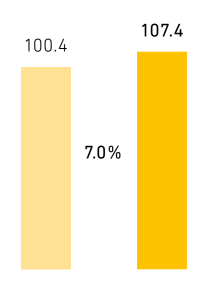
	01.01. – 30.06.2024		01.01. – 30.06.2023	
	in € thousand	per share in €	in € thousand	per share in €
Consolidated profit	59,500	0.78	37,078	0.50
Measurement gains / losses on investment properties [1]	12,598	0.17	39,803	0.54
Income and expenses from changes in the scope of consolidation [2]	0	0.00	13,177	0.18
Deferred taxes [1]	6,919	0.09	–2,570	–0.03
FFO	**79,017**	**1.04**	**87,488**	**1.19**
Weighted number of no-par-value shares issued		76,283,452		73,787,722

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

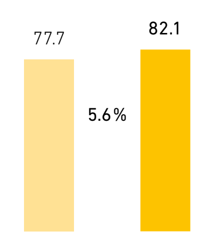
REVENUE
in € million



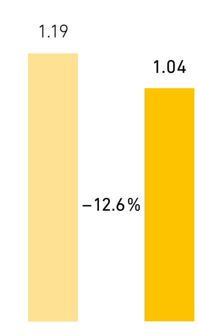
EBIT
in € million



EBT [1]
in € million



FFO PER SHARE
in €



[1] excl. measurement gains / losses

FINANCIAL POSITION AND NET ASSETS

Net assets and liquidity

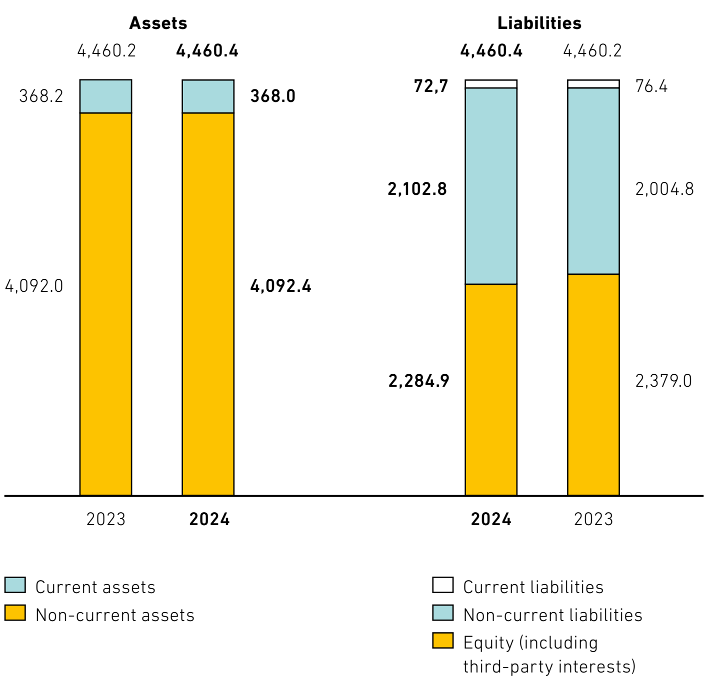
At €4,460.4 million, the Deutsche EuroShop Group's total assets were almost unchanged from the last reporting date. Despite the dividend of €149.1 million paid in January of this year, cash and cash equivalents increased from €336.1 million to €338.6 million.

in € thousand	30.06.2024	31.12.2023	Change
Current assets	367,950	368,244	–294
Non-current assets	4,092,448	4,091,953	495
Current liabilities	72,676	76,427	–3,751
Non-current liabilities	2,102,867	2,004,723	98,144
Equity (incl. third-party shareholders)	2,284,855	2,379,047	–94,192
TOTAL ASSETS	**4,460,398**	**4,460,197**	**201**

Equity ratio of 51.2%

The equity ratio (including the shares of third-party shareholders) of 51.2% decreased compared to the last reporting date (53.3%) due to the distribution of a special dividend for financial year 2022 in the amount of €149.1 million in January 2024. However, it remains at a healthy level.

BALANCE SHEET STRUCTURE
Total assets in € million



Liabilities

Current and non-current financial liabilities increased to €1,774.0 million as at 30 June 2024 due to the loan increases for the Allee-Center Magdeburg and the Allee-Center Hamm. As at 30 June 2024, all loan covenants were met.

Non-current deferred tax liabilities increased by €7.4 million to €339.3 million due to additional provisions. Other current and non-current liabilities and provisions decreased by €9.5 million.

Net tangible assets according to EPRA

Net tangible assets (NTA) as at 30 June 2024 were €2,326.5 million, down by €87.9 million on the figure at year-end 2023 (€2,414.4 million) due to the dividend paid at the beginning of the financial year. NTA per share fell accordingly by €1.01 from €31.58 to €30.57 per share (–3.2%).

EPRA NTA

	30.06.2024		31.12.2023	
	in € thousand	per share in €	in € thousand	per share in €
Equity (excl. third-party shareholders)	2,026,609	26.63	2,119,667	27.72
Derivative financial instruments measured at fair value[1]	2,443	0.03	6,427	0.09
EQUITY EXCL. DERIVATIVE FINANCIAL INSTRUMENTS	**2,029,052**	**26.66**	**2,126,094**	**27.81**
Deferred taxes on investment properties and derivative financial instruments[1]	349,152	4.59	340,042	4.45
Intangible assets	–18	0.00	–23	0.00
Goodwill as a result of deferred taxes	–51,719	–0.68	–51,719	–0.68
EPRA NTA	**2,326,467**	**30.57**	**2,414,394**	**31.58**
Number of no-par-value shares issued as at the reporting date		76,105,155		76,455,319

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

EPRA loan-to-value ratio (EPRA LTV ratio)

The EPRA LTV ratio, which is based on the Group's proportional share in the joint ventures and subsidiaries, amounted to 37.3% on the reporting date (previous year: 34.8%).

EPRA LOAN-TO-VALUE RATIO (EPRA LTV RATIO)

Proportional values in € thousand	30.06.2024	31.12.2023	Change
Non-current and current bank loans and overdrafts	1,697,361	1,601,506	95,855
Owner-occupied property (IFRS 16, lease liability)	255	292	–37
Other liabilities (net)	14,266	14,415	–149
Cash and cash equivalents	–324,187	–322,233	–1,954
NET FINANCIAL DEBT	**1,387,695**	**1,293,980**	**93,715**
Investment properties	3,722,635	3,720,967	1,668
Owner-occupied property (IFRS 16, right-of-use asset)	261	286	–25
Intangible assets	18	23	–5
Other assets (net)	0	0	0
PROPERTY ASSETS	**3,722,914**	**3,721,276**	**1,638**
EPRA LTV RATIO IN %	**37.3**	**34.8**	**2.5**

REPORT ON EVENTS AFTER THE REPORTING DATE

The Executive Board of Deutsche EuroShop AG, with the approval of the Supervisory Board, resolved on 8 August 2024 to propose for resolution to the Annual General Meeting convened for 29 August 2024 the payment of a dividend of now €2.60 per share of the company, and thus to increase the amount of €0.80 per share stipulated in the convening notice of the Annual General Meeting published in the Federal Gazette on 17 July 2024 by €1.80. It has been possible to increase the planned amount of the dividend thanks to the additional free liquidity received by the company from ongoing business operations and from the conclusion of further loan agreements by subsidiaries.

No further significant events occurred between the balance sheet date of 30 June 2024 and the date of preparation of the financial statements.

OUTLOOK

Economic conditions

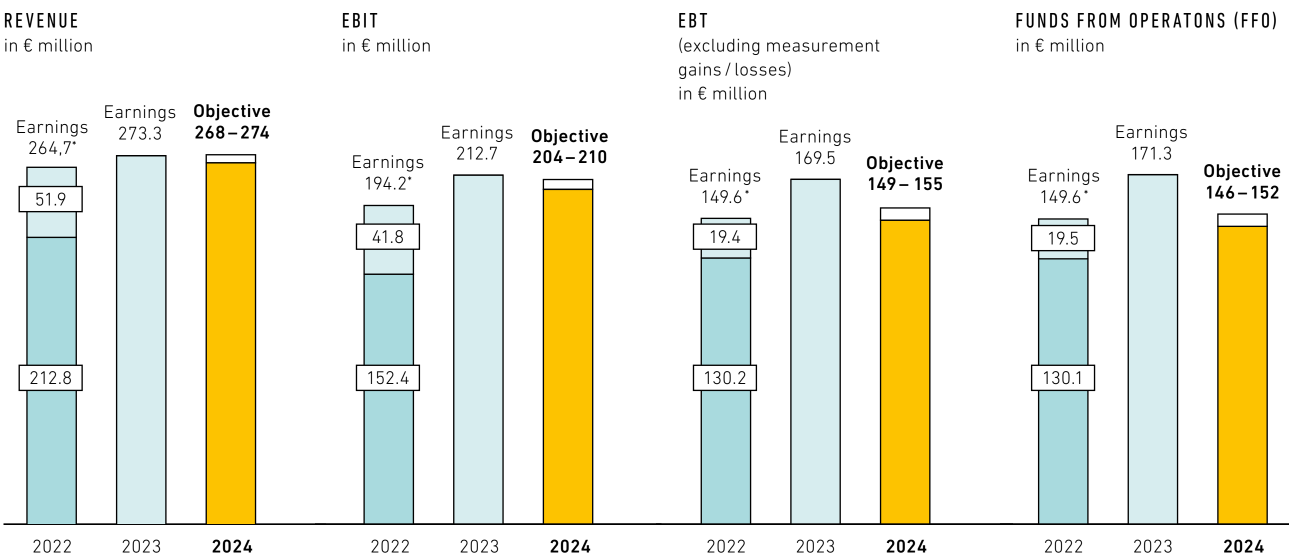
For 2024, the Kiel Institute for the World Economy (IfW) expects a slight rise in gross domestic product of 0.2%. It states that the initial, moderate economic recovery will be driven primarily by the uptick in exports and private consumption. However, there will be no sustained gain in economic momentum. The ifo Institute expects inflation to decline sharply to 2.2% and unemployment to rise slightly to 5.9%. Over the remainder of the year, the overall economic recovery will gather pace as consumer spending normalises. According to the ifo Institute, the purchasing power of private households should continue to increase and demand for goods and services should gradually recover.

The IfW expects economic output for 2025 to grow by 1.1% and the inflation rate to settle around 2.0%. It says there are increasing signs that the German economy could emerge from recession. The interest rate turnaround indicated by the European Central Bank (ECB) would be an important step in this direction. In June 2024, the ECB cut its key rates by 0.25 percentage points. The IfW projects that the ECB will make two further cuts to interest rates before the end of the year of 0.25 percentage points in each case. This would ease the restrictive effect of prevailing monetary policy, creating improved financing conditions for both companies and private consumers as a result of the key interest rate cuts. After low growth in the previous year, real wages would rise by 3.4% in 2024 – the strongest increase in over 30 years. Following a decline in the previous year (–0.7%), private consumption is expected to grow markedly by 0.6% in the current year and by 1.2% in 2025.

Expected results of operations and financial position

The first half of 2024 was characterised by operating business that progressed according to plan. We are therefore reiterating our forecast for financial year 2024:

- Revenue: €268 – 274 million
- Earnings before interest and taxes (EBIT): €204 – 210 million
- Earnings before taxes (EBT) excluding measurement gains / losses: €149 – 155 million
- Funds from operations (FFO): €146 – 152 million



* Pro forma

Dividend planning

The Executive Board, together with the Supervisory Board, has decided to propose to the Annual General Meeting scheduled for 29 August 2024 in Hamburg the payment of a dividend of €2.60 per share for financial year 2023 (please also refer to the comments in the "Report on events after the reporting date").

RISK REPORT

Since the beginning of the financial year, there have been no significant changes to the information provided in the risk report of the combined management report as at 31 December 2023 (see Annual Report 2023, p. 143 onwards). We do not believe that the Company currently faces any risks capable of jeopardising its continued existence.

CONSOLIDATED BALANCE SHEET

Assets in € thousand	**30.06.2024**	31.12.2023
ASSETS		
Non-current assets		
Intangible assets	51,736	51,742
Property, plant and equipment	403	449
Investment properties	3,943,021	3,947,021
Investments accounted for using the equity method	97,288	92,741
Non-current assets	**4,092,448**	**4,091,953**
Current assets		
Trade receivables	11,964	13,419
Other current assets	17,419	18,754
Cash and cash equivalents	338,567	336,071
Current assets	**367,950**	**368,244**
TOTAL ASSETS	**4,460,398**	**4,460,197**

Liabilities in € thousand	**30.06.2024**	31.12.2023
EQUITY AND LIABILITIES		
Equity and reserves		
Subscribed capital	76,464	76,464
Capital reserves	793,943	793,943
Retained earnings	1,156,561	1,249,269
Treasury shares	–359	–9
Total equity	**2,026,609**	**2,119,667**
Non-current liabilities		
Financial liabilities	1,760,503	1,665,679
Deferred tax liabilities	339,335	331,918
Liabilities from limited partner contributions of non-controlling interests	258,246	259,380
Other liabilities	3,029	7,126
Non-current liabilities	**2,361,113**	**2,264,103**
Current liabilities		
Financial liabilities	13,539	11,921
Trade payables	11,430	10,635
Tax liabilities	17,227	19,891
Other provisions	11,403	14,459
Other liabilities	19,077	19,521
Current liabilities	**72,676**	**76,427**
TOTAL EQUITY AND LIABILITIES	**4,460,398**	**4,460,197**

CONSOLIDATED INCOME STATEMENT

in € thousand	01.04. – 30.06.2024	01.04. – 30.06.2023	01.01. – 30.06.2024	01.01. – 30.06.2023 (adjusted)[1]
Revenue	66,830	67,570	132,847	135,355
Property operating costs	– 7,901	– 9,114	– 14,715	– 16,209
Property management costs	– 3,871	– 3,290	– 7,371	– 6,828
Write-downs and disposals of financial assets	– 2,368	– 2,178	– 4,318	– 4,810
Net operating income (NOI)	**52,690**	**52,988**	**106,443**	**107,508**
Other operating income	2,247	4,837	4,565	25,781
Other operating expenses	– 1,946	– 1,723	– 3,656	– 32,932
Earnings before interest and taxes (EBIT)	**52,991**	**56,102**	**107,352**	**100,357**
Share in the profit or loss of associates and joint ventures accounted for using the equity method	7,146	3,600	9,213	5,804
Interest expense	– 11,553	– 10,813	– 22,770	– 21,501
Profit / loss attributable to limited partners	– 3,459	– 3,653	– 7,105	– 7,458
Other financial expenses	– 1,876	0	– 1,876	0
Interest income	1,457	1,499	2,162	1,870
Financial gains / losses	**– 8,285**	**– 9,367**	**– 20,376**	**– 21,285**
Measurement gains / losses	**– 12,942**	**– 35,374**	**– 17,669**	**– 41,225**
Earnings before taxes (EBT)	**31,764**	**11,361**	**69,307**	**37,847**
Taxes on income and earnings	– 4,974	– 830	– 9,807	– 769
CONSOLIDATED PROFIT	**26,790**	**10,531**	**59,500**	**37,078**
Earnings per share (€), undiluted and diluted	0.35	0.13	0.78	0.50

[1] Income and expenses from the change in the scope of consolidation have been reported in the Half-year Financial Report as at 30 June 2023 in measurement gains / losses – in contrast to 31 December 2023, when they were reported under other operating income and expenses. Furthermore, in deviation from 31 December 2023, no deferred taxes were recognised as part of the initial consolidation. The previous year's figures have been adjusted to the year-end figures, taking deferred taxes into account.

STATEMENT OF COMPREHENSIVE INCOME

in € thousand	01.04. – 30.06.2024	01.04. – 30.06.2023	01.01. – 30.06.2024	01.01. – 30.06.2023
Consolidated profit	**26,790**	**10,531**	**59,500**	**37,078**
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	2,606	1,362	3,984	1,252
Deferred taxes on changes in value offset directly against equity	– 418	– 308	– 645	– 286
Total earnings recognised directly in equity	**2,188**	**1,054**	**3,339**	**966**
TOTAL PROFIT	**28,978**	**11,585**	**62,839**	**38,044**
Share of Group shareholders	28,978	11,585	62,839	38,044

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

in € thousand	Number of shares outstanding	Share capital	Capital reserves	Other retained earnings	Statutory reserve	Cash flow hedge reserve	Treasury shares	Total
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	37,078	0	966	0	38,044
Capital increase	14,680,725	14,680	299,417	0	0	0	0	314,097
Dividend payments		0	0	0	0	0	0	0
30.06.2023	**76,464,319**	**76,464**	**793,943**	**1,519,342**	**2,000**	**–3,371**	**0**	**2,388,378**
01.01.2024	**76,455,319**	**76,464**	**793,943**	**1,252,635**	**2,000**	**–5,366**	**–9**	**2,119,667**
Total profit		0	0	59,500	0	3,339	0	62,839
Acquisition of treasury shares	–350,164	0	0	–6,466	0	0	–350	–6,816
Dividend payments		0	0	–149,081	0	0	0	–149,081
30.06.2024	**76,105,155**	**76,464**	**793,943**	**1,156,588**	**2,000**	**–2,027**	**–359**	**2,026,609**

CONSOLIDATED CASH FLOW STATEMENT

in € thousand	01.01.–30.06.2024	01.01.–30.06.2023 (adjusted) [1]
Consolidated profit	**59,500**	**37,078**
Income taxes	9,807	769
Financial gains / losses	20,376	21,285
Amortisation / depreciation of intangible assets and property, plant and equipment with a finite life	67	55
Unrealised changes in fair value of investment property and other measurement gains / losses	17,669	41,225
Distributions and capital repayments received	4,666	3,689
Other non-cash income and expenses	0	13,177
Changes in trade receivables and other assets	3,063	1,350
Changes in current provisions	–3,056	–431
Changes in liabilities	–2,373	–10,304
Cash flow from operating activities	**109,719**	**107,893**
Interest paid	–22,819	–20,427
Interest received	2,162	1,870
Income taxes paid	–3,037	–2,390
Net cash flow from operating activities	**86,025**	**86,946**
Outflows for the acquisition of investment properties	–16,445	–16,330
Outflows for the acquisition of intangible assets and property, plant and equipment	–16	–7
Acquisition of subsidiaries less acquired cash and cash equivalents	0	–19,455
Cash flow from investing activities	**–16,461**	**–35,792**
Inflows from financial liabilities	113,428	10,906
Outflows from the repayment of financial liabilities	–18,813	–7,836
Outflows from the repayment of lease liabilities	–50	–39
Acquisition of treasury shares	–6,816	0
Payments to limited partners	–5,736	–5,410
Payments for the acquisition of additional shares in the limited partnership	0	–13,472
Inflows from capital increases	0	61,981
Payments to Group shareholders	–149,081	0
Cash flow from financing activities	**–67,068**	**46,130**
Net change in cash and cash equivalents	**2,496**	**97,284**
Cash and cash equivalents at beginning of period	**336,071**	**334,943**
CASH AND CASH EQUIVALENTS AT END OF PERIOD	**338,567**	**432,227**

[1] The presentation of minority interests in the cash flow statement has been adjusted to the presentation as at 31 December 2023. This mainly relates to the separate disclosure of "Payments for the acquisition of additional shares in the limited partnership", which were previously presented together with "Acquisition of subsidiaries less acquired cash and cash equivalents".

DISCLOSURES

REPORTING PRINCIPLES

These interim financial statements of the Deutsche EuroShop Group as at 30 June 2024 have been prepared in compliance with IAS 34 (Interim Financial Reporting) in an abridged form. The abridged interim financial statements are to be read in conjunction with the consolidated financial statements as at 31 December 2023.

The interim financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS), as applicable in the EU. The accounting policies applied correspond to those used in the last consolidated financial statements as at the end of the financial year. For a detailed description of the methods applied, please refer to the notes to our consolidated financial statements for 2023 (Annual Report 2023, p. 168 onwards).

The new accounting standards and interpretations for which application became compulsory for the first time on 1 January 2024 were observed; however, these did not have any impact on the presentation of the financial statements.

The interim financial statements as at 30 June 2024 have neither been audited in accordance with Section 317 of the Handelsgesetzbuch (HGB – German Commercial Code) nor reviewed by an auditor.

DISCLOSURES ON THE CONSOLIDATED BALANCE SHEET AND THE CONSOLIDATED INCOME STATEMENT

Investment properties

Investment properties performed as follows in the first half of 2024:

in € thousand	2024	2023
CARRYING AMOUNT 01.01.	**3,947,021**	**3,351,821**
Change in scope of consolidation	0	773,000
Change in rental incentives	−273	8,084
Recognised construction measures	16,445	43,481
Unrealised changes in fair value	−20,172	−229,365
CARRYING AMOUNT 30.06./31.12.	**3,943,021**	**3,947,021**

Investment properties (IAS 40) have been measured at fair value. Valuations were performed by the appraiser Jones Lang LaSalle (JLL) as at 30 June 2024, as well as at 31 December 2023. The discounted cash flow method (DCF) was used as at 31 December 2023. Please refer to the explanations on the DCF method in our Annual Report 2023, p. 171 onwards. This was a valuation method from Level 3 of the fair value hierarchy as set out in IFRS 13.

The following overview shows the key assumptions used by JLL to determine the market values:

VALUATION PARAMETER

in %	30.06.2024	31.12.2023
Rate of rent increases[1]	1.46	1.47
Cost ratio	12.16	12.07
Discount rate	7.10	7.10
Capitalisation interest rate	5.64	5.64

[1] Nominal rental growth rate in the DCF model over the measurement period of 10 years, taking into account inflation-related rent indexation and changes in the occupancy rate

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	1.46	+ 0.25%-points −0.25%-points	121.4 −108.6	3.3 −2.9
Cost ratio	12.16	+ 1.00%-points −1.00%-points	−43.1 43.3	−1.2 1.2
Discount rate	7.10	+ 0.25%-points −0.25%-points	−65.6 71.6	−1.8 1.9
Capitalisation interest rate	5.64	+ 0.25%-points −0.25%-points	−93.3 106.6	−2.5 2.9

The appraisal showed that for the first half of 2024, the real estate portfolio had a net initial yield before transaction costs of 6.55% compared with 6.64% in financial year 2023, and a net initial yield after transaction costs of 6.17% compared with 6.25% in 2023. The EPRA net initial yield for the first half of 2024 remained unchanged at 5.9%.

Financial instruments

With the exception of derivative financial instruments and other financial investments measured at fair value, financial assets and liabilities were measured at amortised cost. Due to the predominantly short-term nature of trade receivables, other assets and other liabilities, and cash and cash equivalents, the carrying amounts on the reporting date did not deviate significantly from the fair values.

The fair values of financial liabilities measured at amortised cost were equal to the net present value of debt-related payments based on current yield curves (Level 2 under IFRS 13), and amounted to €1,657.6 million as at 30 June 2024 (31 December 2023: €1,555.5 million).

The derivative financial instruments measured at fair value were interest rate hedges. Here, the fair value was 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. Liabilities from interest rate hedges totalled €2.4 million as at 30 June 2024 (31 December 2023: €6.4 million).

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 SEGMENT

in € thousand	Domestic	Abroad	Total	Reconciliation	01.01. – 30.06.2024
Revenue	**101,208**	**26,932**	**128,140**	**4,707**	**132,847**
(01.01. – 30.06.2023)	(103,470)	(26,373)	(129,843)	(5,512)	(135,355)
EBIT	**81,575**	**23,785**	**105,360**	**1,992**	**107,352**
(01.01. – 30.06.2023)	(86,137)	(24,911)	(111,048)	(– 10,691)	(100,357)
EBT excl. measurement gains / losses	**63,794**	**20,466**	**84,260**	**– 2,207**	**82,053**
(01.01. – 30.06.2023)	(70,758)	(21,404)	(92,162)	(– 14,480)	(77,682)
					30.06.2024
Segment assets	**3,129,842**	**780,648**	**3,910,490**	**549,908**	**4,460,398**
(31.12.2023)	(3,207,268)	(770,774)	(3,978,042)	(482,155)	(4,460,197)
of which investment properties	**2,977,875**	**744,760**	**3,722,635**	**220,386**	**3,943,021**
(31.12.2023)	(2,985,707)	(735,260)	(3,720,967)	(226,054)	(3,947,021)

The adjustment of the proportionate consolidation of the joint ventures and subsidiaries in which the Group does not own a 100% stake is carried out in the reconciliation column. Deferred tax liabilities are considered by the Executive Board of Deutsche EuroShop AG cross-segmentally and are therefore included in the reconciliation column for segment liabilities. Accordingly, the goodwill from the acquisition of Olympia Brno was allocated to the reconciliation column of the segment assets. The reconciliation column also contains the companies that are not allocated to either of the two segments (Deutsche EuroShop AG, DES Management GmbH and DES Beteiligungs GmbH & Co. KG).

In view of the geographical segmentation, no further information pursuant to IFRS 8.33 is given.

RELATED PARTIES FOR THE PURPOSES OF IAS 24

We refer to the consolidated financial statements as at 31 December 2023 (Annual Report 2023, p. 186) for information on related parties, which were not subject to any significant changes in the year up to 30 June 2024.

OTHER DISCLOSURES

RESPONSIBILITY STATEMENT BY THE EXECUTIVE BOARD

To the best of my knowledge, and in accordance with the applicable reporting principles for interim financial reporting, the interim consolidated financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group, and the interim management report of the Group includes a fair review of the performance of the business, including the operating results and the position of the Group, together with a description of the principal opportunities and risks associated with the expected performance of the Group for the remainder of the financial year.

Hamburg, 14 August 2024

Hans-Peter Kneip

THE SHOPPING CENTER SHARE

The price of €22.55 [1] was not only the closing price at the end of 2023, but also the high for the half year under review, recorded on 2 and 3 January 2024. In the weeks that followed, the Deutsche EuroShop share price trended downwards, partly as a result of the dividend payout after the Extraordinary General Meeting on 8 January 2024. The lowest price in the first three months was recorded on 15 March 2024 at €18.36. Until 25 May, the share price trended sideways, hovering at around €19.00, before gathering pace and closing the first half of the year at €22.10.

Taking into account the special dividend of €1.95 per share distributed for financial year 2022, this corresponds to a performance of +7.4%. The SDAX rose by 2.6% over the same period. Deutsche EuroShop's market capitalisation stood at €1.69 billion at the end of June 2024.

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) totals €15.0 million. By 30 June 2024, 374,078 treasury shares (0.49% of share capital) had been repurchased via the stock exchange (Xetra) as part of this programme at an average price of €19.62 per share for a total volume of €7.34 million. [2]

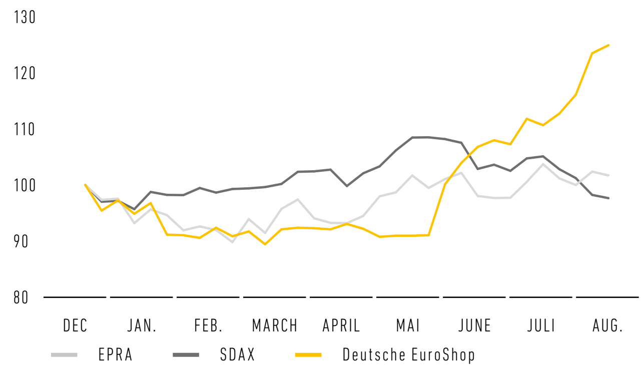
[1] Unless otherwise specified, all information and calculations are based on Xetra closing prices.
[2] The shares were acquired in our name by 30 June 2024, but some were only entered into the DES securities account shortly after this date.

KEY SHARE DATA

Sector / industry group	Financial services / real estate
Share capital as at 30.06.2024	€76,464,319.00
Number of shares as at 30.06.2024 (no-par-value registered shares)	76,464,319
Dividend for 2023 (proposed)	€2.60
Share price on 30.12.2023	€22.55
Share price on 30.06.2024	€22.10
Low / high for the period under review	€18.36 / €22.55
Market capitalisation on 30.06.2024	€1.7 billion
Prime Standard	Frankfurt and Xetra
OTC markets	Berlin, Düsseldorf, Hamburg, Hanover, Munich and Stuttgart
Indices	CDAX, EPRA, MSCI Small Cap (+ ESG Screened), HASPAX, Prime All Share Index,Classic All Share Index
ISIN	DE 000748 020 4
Ticker symbol	DEQ, Reuters: DEQGn.DE

DEUTSCHE EUROSHOP VS. SDAX AND EPRA

Comparison, January to August 2024 (indexed, base of 100, in %)



Financial calendar 2024

14.08. **Half-year Financial Report 2024**
29.08. **Annual General Meeting, Hamburg**
23.09. Berenberg and Goldman Sachs German Corporate Conference, Munich
24.09. Baader Investment Conference, Munich
14.11. **Quarterly Statement 9M 2024**
21.11. CIC Forum by Market Solutions (virtual)

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

WOULD YOU LIKE FURTHER INFORMATION?

Then visit us online or call us:

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Forward-looking statements
This statement 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 (–).