

KEY FIGURES

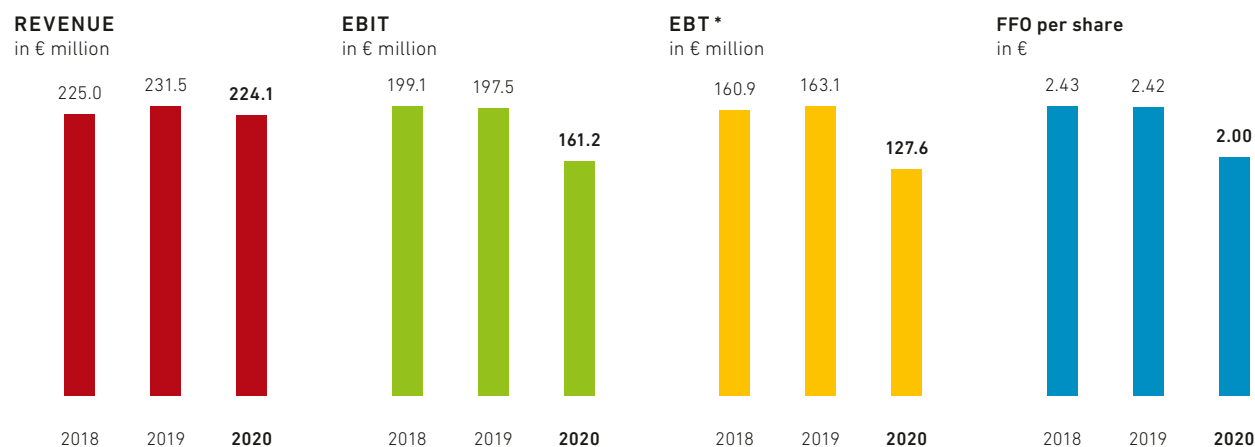
in € millions	2020	2019	+/-
Revenue ⁴	224.1	231.5	-3%
EBIT	161.2	197.5	-18%
Net finance costs (excluding measurement gains / losses ¹)	-33.6	-34.3	2%
EBT (excluding measurement gains / losses ¹)	127.6	163.1	-22%
Measurement gains / losses ¹	-429.6	-120.0	-258%
Consolidated profit	-251.7	112.1	-325%
FFO per share in €	2.00	2.42	-17%
Earnings per share in €	-4.07	1.81	-325%
EPRA Earnings per share in €	2.02	2.56	-21%
Equity ²	2,314.8	2,601.5	-11%
Liabilities	1,922.6	1,957.1	-2%
Total assets	4,237.4	4,558.6	-7%
Equity ratio in % ²	54.6	57.1	
Loan to value (LTV) in %	32.9	31.5	
Cash and cash equivalents	266.0	148.1	80%
Net tangible assets (EPRA)	2,309.7	2,613.4	-12%
Net tangible assets per share in € (EPRA)	37.38	42.30	-12%
Dividend per share in €	0.04 ³	0.00	-

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

² incl. non controlling interests

³ proposal

⁴ In 2020, there was a change in the disclosure of revenue with adjustment of the comparative figure for the previous year 2019.



* excluding measurement gains / losses

* AN·TICI·PA·TION

Anticipation, noun, a feeling of excitement about something that is going to happen in the near future

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OUR VALUES

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

OUR GOALS

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

DEAR SHAREHOLDERS,

The coronavirus pandemic arrived in Europe about a year ago and has had a firm grip on large parts of the world, many sectors of the economy and entire populations ever since. In this unprecedented and challenging situation, the focus of Deutsche EuroShop is on protecting the people in our centers and supporting our tenants, and therefore safeguarding the continued existence of our properties.

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Thanks to a diverse range of safety and hygiene measures, safe center and business operations have been guaranteed ever since the restrictions were lifted last summer. Visitors' cautious conduct in the centers is exemplary. Throughout it all, we gained one important insight, which was also an affirmation: bricks-and-mortar retail remains enduringly popular among consumers. Whenever stores reopened, we observed a dynamic increase in customer footfall at our centers. Although visitor numbers were still below 2019 levels due to ongoing restrictions, this tells us that people are excited to go out and meet in busy places, socialise and shop in real-world stores.

We are firmly convinced that bricks-and-mortar retail will continue to play an important role in future – despite the challenges

posed by the growth in online retailing, which was accelerated even further due to the pandemic. What is more, our tenants share that conviction. Despite the pandemic, a number of leases were concluded or extended last year, meaning that the portfolio still has an average lease term of five years. The pandemic has also demonstrated the importance of integrating shops into an omnichannel world. This is where the Digital Mall continues to make headway: 780 stores in Germany now offer 2.8 million products on this platform, which is linked to our centers.

Incidentally, the content of our magazine is based on consumer interest and the consistently high relevance of bricks-and-mortar retailing. Under the motto "Anticipation", we provide insights and trends as well as expectations for the "post-COVID" age, even if we still have to wait for a return to a care-free shopping experience and although store closures continue to dominate the picture.

The lockdown in the first half of 2020 had an extremely negative impact on our results of operations in the past financial year. We have been making an ongoing effort to communicate closely with our tenants with the goal of finding viable solutions for both sides against the backdrop of the extraordinary financial burdens. In doing so, we have taken legal and economic aspects into account as well as the goal of sustainable business stabilisation and development. We have already been largely successful in reaching agreements with tenants for the first phase of the pandemic and are continuing to work on future-oriented solutions.

Full-year revenues decreased only slightly by 3.2% in 2020 in the wake of special coronavirus legislation and higher vacancy rates. However, earnings before interest and taxes (EBIT) show the impact of the initial lockdowns on our business: At €161.2 million, this was down 18.3% on the previous year due to write-downs in connection with pandemic-related rent concessions and insolvencies. Earnings before interest and measurement gains/losses (EBT before measurement) decreased by 21.8% to €127.6 million. EPRA earnings developed in line with that, amounting to €124.5 million. Adjusted for valuation and special effects,



Wilhelm Wellner
CEO

Olaf Borkers
Member of the Executive Board

funds from operations (FFO) totalled €2.00 per share. The collection ratio, i.e. the ratio of rent paid to rent invoiced after taking concessions into account, developed cyclically over the year and in line with the mandated shop closures. It came to 89.6% for the year as a whole.

The measurement loss for our real estate was also dominated by the impact of the pandemic as a natural catastrophe. With the occupancy rate down slightly to 95.4%, factors such as an increase in acquisition yields for shopping centers, higher investments in lease renewals and adjustments to market rents in particular caused a devaluation in the portfolio of 10.7%. Irrespective of these market value adjustments, we continue to have a solid balance sheet and liquidity position. Our long-term, conservative financial policy coupled with the measures we introduced swiftly and systematically last year after the onset of the pandemic (cost cuts, postponement of investments that were not absolutely necessary and suspension of dividends) made a positive contribution in this regard. Deutsche EuroShop weathered the coronavirus crisis in 2020 well overall thanks to its solid credit rating and stable liquidity situation, although the negative impact on earnings was substantial.

The Group's debt ratio of 32.9% is solid in absolute terms and also in a sector comparison. It is an important factor in the trusting dialogue we maintain with our financing partners in this persistently challenging situation. Two Group loans totalling €135 million are due for refinancing in mid-2021. We have already been able to conclude a refinancing agreement for a loan in the

amount of €65 million and are in the final stages of negotiation for the second loan of €70 million.

With a view to the current financial year, the situation – which goes hand in hand with the ups and downs of the pandemic – remains tense for our tenants, and thus indirectly also for us. A majority of our centers are currently in strict lockdown, meaning that essentially only those stores that meet everyday needs are allowed to open. In our main market of Germany, this situation has persisted for nearly four months and we have no way of knowing what will happen next. Even in this phase of the pandemic, we are communicating with our tenants in a spirit of partnership and working on fast, viable solutions that will offer them the support they need. We remain convinced that this kind of approach will lay the best foundation for shared and sustainable business success going forward.

Initially, though, these measures will have a negative impact on our rental income and cash flow. In light of these uncertainties, we cannot assess at this point in time what impact this will have on operating earnings nor can we provide a forecast for the 2021 financial year as a whole. Given this situation and in our capacity as the Executive Board, we have decided to propose to the Annual General Meeting the distribution of the minimum dividend provided for by law in order to safeguard the liquidity of the Company going forward. Notwithstanding the recent suspension or limits on dividend payments due to the coronavirus, we intend to continue our dividend policy, one that is geared toward sustainable business success and focused on continuity, once this exceptional situation has stabilised.

What makes us optimistic is the growing availability of vaccines – also in Europe – and the corresponding growth in vaccination rates. This will be crucial in determining whether the pandemic situation improves over the course of the second quarter and, by extension, whether shops are able to open again. It is these shops that lay the basis for our long-term profitability. Building on this, we remain confident that our company will be able to overcome any challenges ahead.

We thank you for your trust. Stay well and stay healthy!

Best regards



Wilhelm Wellner



Olaf Borkers

Deutsche EuroShop has now been listed on the stock exchange for 20 years. We are taking this as an opportunity to look back on the development of our still young company at various points in this magazine.

**WILHELM WELLNER,
CEO**

Born 8 March 1967



WILHELM WELLNER is a trained banker who earned a degree in business management from the University of Erlangen-Nuremberg and a Master of Arts (economics) degree from Wayne State University Detroit.

He started his professional career at Siemens AG in 1996 as a specialist for international project and export finance. In 1999 Mr Wellner took a position as a senior officer in the area of corporate finance at Deutsche Lufthansa AG, where he was responsible for a variety of capital market transactions and supervised numerous M&A projects.

In 2003 Mr Wellner switched to ECE Projektmanagement G.m.b.H. & Co. KG in Hamburg, Europe's market leader in the area of inner-city shopping centers. As the international holding company's Chief Financial Officer, he helped shape the expansion of this shopping center developer and was appointed Chief Investment Officer of the ECE Group in 2009.

From 2012 to 2014 Mr Wellner served as Chief Financial Officer of the finance, human resources, legal affairs and organisation departments at Railpool GmbH, a Munich-based leasing company for rail vehicles.

Mr. Wellner joined the Executive Board of Deutsche EuroShop AG at the start of 2015. He has German citizenship, is married and has two children.



**OLAF BORKERS,
MEMBER OF THE EXECUTIVE
BOARD**

Born 10 December 1964

After serving as a ship's officer in the German Navy, **OLAF BORKERS** completed a banking apprenticeship at Deutsche Bank AG in 1990. He then studied business administration in Frankfurt am Main.

From 1995, Mr Borkers worked as a credit analyst for Deutsche Bank AG in Frankfurt and Hamburg in the ship financing industry. In 1998, he joined RSE Grundbesitz und Beteiligungs AG, Hamburg, as an assistant to the Executive Board. There, among other things, he took responsibility for managing a project to acquire a major, formerly municipal housing company.

In 1999, Mr Borkers was appointed to the Executive Board of TAG Tegernsee Immobilien und Beteiligungs AG, Tegernsee und Hamburg, where he was responsible for the finance and investor relations departments until September 2005. He also held various Supervisory Board and management positions within the TAG Group. As sole director, he launched the company on the stock market with a secondary offering and then on the SDAX after various capital-raising measures.

Olaf Borkers has been a Member of the Executive Board at Deutsche EuroShop AG since October 2005. He is a German citizen and married with two children.

THE SUPERVISORY BOARD

Status: 31 December 2020

Name	Reiner Strecker (Chairman)	Karin Dohm (Deputy Chairwoman)
Born	1961	1972
Place of residence	Wuppertal	Kronberg im Taunus
Nationality	German	German
Appointed since	2012	2012
End of appointment	2022 Annual General Meeting	2022 Annual General Meeting
Committee activities	Chairman of the Executive Committee, Deputy Chairman of the Capital Market Committee, Member of the Audit Committee	Member of the Executive Committee, Chair of the Audit Committee, Financial Expert
Membership of other legally required supervisory boards and memberships in comparable domestic and foreign supervisory bodies for business enterprises	<ul style="list-style-type: none"> • Carl Kühne KG (GmbH & Co.), Hamburg (Chairman, since 1 December 2020) • akf Bank GmbH & Co. KG, Wuppertal 	<ul style="list-style-type: none"> • Ceconomy AG, Düsseldorf • Deutsche Bank Europe GmbH, Frankfurt (Chair, until 30 April 2020) • Deutsche Bank Luxembourg S.A., Luxembourg (Luxembourg) (until 27 March 2020)
Position	Personally liable partner, Vorwerk & Co. KG, Wuppertal	Member of the Executive Board, Hornbach Baumarkt AG and Hornbach Management AG, Bornheim
Key positions held	<ul style="list-style-type: none"> • 1981 – 1985: Degree in business administration, Eberhard Karls University, Tübingen • 1986 – 1990: Commerzbank AG, Frankfurt • 1991 – 1997: STG-Coopers & Lybrand Consulting AG, Zurich (Switzerland) • 1998 – 2002: British-American Tobacco Group, Hamburg, London (UK), Auckland (New Zealand) • 2002 – 2009: British-American Tobacco (Industrie) GmbH, Hamburg, Member of the Executive Board for Finance and IT • since 2009: Vorwerk & Co. KG, Wuppertal - since 2010: Personally liable partner 	<ul style="list-style-type: none"> • 1991 – 1997: Studied business and economics in Münster, Zaragoza (Spain) and Berlin • 2002: Steuerberaterexamen (German tax advisor exam) • 2005: Wirtschaftsprüferexamen (German auditor exam) • 1997 – 2010: Deloitte & Touche GmbH, Berlin, London (UK), Paris (France) • 2010 – 2011: Deloitte & Touche GmbH, Berlin, Partner Financial Services • 2011 – 2020: Deutsche Bank AG, Frankfurt: <ul style="list-style-type: none"> - 2011 – 2014: Head of Group External Reporting - 2015: Chief Financial Officer, Global Transaction Banking - 2016: Global Head of Group Structuring - 2017 – 2019: Global Head of Government & Regulatory Affairs - 2020: Global Program Director • since 2021: Hornbach Baumarkt AG and Hornbach Management AG, Bornheim, Member of the Executive Board
Profile of skills	Experience in retail, corporate management, accounting, capital markets and corporate governance	Experience in accounting, financing, capital markets, law and corporate governance
Relationship to controlling / major shareholders or Deutsche EuroShop AG	none	none
Deutsche EuroShop securities portfolio as at 31 December 2019	9,975	0

Dr. Anja Disput

Henning Eggers

1977	1969
Frankfurt	Halstenbek
German	German
12 June 2019	12 June 2019
2024 Annual General Meeting	2024 Annual General Meeting
–	Member of the Executive Committee, Deputy Chairman of the Capital Market Committee, Member of the Audit Committee
–	<ul style="list-style-type: none"> • ECE Group GmbH & Co. KG, Hamburg • Platinum AG, Hamburg (until 21 September 2020)
Partner, Disput Hübner Partnerschaft von Rechtsanwälten mbB, Frankfurt	Member of Management, CURA Vermögensverwaltung G.m.b.H. & Co., Hamburg
<ul style="list-style-type: none"> • 1997–2002: Law studies, Johann Wolfgang Goethe University, Frankfurt • 2002–2005: Hanau district court, legal clerkship • 2005–2010: Taylor Wessing, Frankfurt, London (United Kingdom) and Munich, Attorney-at-Law in Real Estate Law • 2010–2015: Taylor Wessing, Frankfurt, Partner in Real Estate Law • 2015–2020: Curtis, Mallet-Prevost, Colt & Mosle LLP, Frankfurt, Partner and Attorney-at-Law in Real Estate Law • since 2020: Disput Hübner Partnerschaft von Rechtsanwälten mbB, Frankfurt, Partner 	<ul style="list-style-type: none"> • 1990–1995: Degree in Business Administration, University of Hamburg • 1999: Steuerberaterexamen (German tax advisor exam) • 1995–2000: PKF Fasselt Schlage Auditing and Tax Consultancy, Hamburg • since 2000: KG CURA Vermögensverwaltung G.m.b.H. & Co., Hamburg (Family Office of the Otto family) <ul style="list-style-type: none"> - since 2013: Member of Management
Experience in real estate, law and corporate governance	Experience in corporate management, accounting, financing, capital markets and corporate governance
none	Shareholder representative of the Otto family
0	1,100

Name	Dr. Henning Kreke	Alexander Otto	Claudia Plath
Born	1965	1967	1971
Place of residence	Hagen / Westphalia	Hamburg	Hamburg
Nationality	German	German	German
Appointed since	2013	2002	12 June 2019
End of appointment	2023 Annual General Meeting	2023 Annual General Meeting	2024 Annual General Meeting
Committee activities	Member of the Capital Market Committee	–	–
Membership of other legally required supervisory boards and memberships in comparable domestic and foreign supervisory bodies for business enterprises	<ul style="list-style-type: none"> • Douglas GmbH, Düsseldorf (Chair) • Thalia Bücher GmbH, Hagen / Westphalia • Encavis AG, Hamburg • Axxum Holding GmbH, Wuppertal • Püschmann GmbH & Co. KG, Wuppertal • Con-Pro Industrie-Service GmbH & Co. KG, Peine • Noventic GmbH, Hamburg • Perma-tec GmbH & Co. Euerdorf • Ferdinand Bilstein GmbH & Co. KG, Ennepetal 	<ul style="list-style-type: none"> • Peek & Cloppenburg KG, Düsseldorf • SITE Centers Corp., Beachwood (USA) • Sonae Sierra Brasil S.A., São Paulo (Brazil) (until 5 August 2019) • Verwaltungsgesellschaft Otto mbH, Hamburg 	<ul style="list-style-type: none"> • Ceconomy AG, Düsseldorf • Hochbahn AG, Hamburg (until 23 August 2019) • MEC Metro-ECE Centermanagement GmbH & Co. KG, Düsseldorf
Position	Managing Partner, Jörn Kreke Holding KG and Kreke Immobilien KG Hagen / Westphalia	CEO, ECE Group Verwaltung GmbH, Hamburg	CFO, ECE Group Verwaltung GmbH, Hamburg
Key positions held	<ul style="list-style-type: none"> • Studied business (BBA and MBA) at the University of Texas at Austin (USA) • Doctorate (Political Science) from the University of Kiel • 1993–2017: Douglas Holding AG, Hagen / Westfalen: <ul style="list-style-type: none"> - 1993–1997: Assistant to the Executive Board - 1997–2001: Member of the Board of Management - 2001–2016: Chairman of the Board of Management • since 2016: Jörn Kreke Holding KG and Kreke Immobilien KG, Hagen / Westphalia, Managing Partner 	<ul style="list-style-type: none"> • Studied at Harvard University and Harvard Business School, Cambridge, USA • 1994–2020: Verwaltung ECE Projektmanagement G.m.b.H., Hamburg: <ul style="list-style-type: none"> - 2000–2020: CEO • since 2021: ECE Group Verwaltung GmbH, Hamburg, CEO 	<ul style="list-style-type: none"> • 1991-1996: Degree in Business Administration, Technical University of Berlin • 1996–2020: Verwaltung ECE Projektmanagement G.m.b.H., Hamburg: <ul style="list-style-type: none"> - 1996–2001: Controller - 2001–2003: Group Manager Controlling - 2004–2009: Divisional Head of Controlling - 2009–2010: Director Asset Management & Controlling (national) - 2010–2012: Senior Director Asset Management (national / international) - 2013–2020: CFO • since 2021: ECE Group Verwaltung GmbH, Hamburg, CFO
Profile of skills	Experience in retail, corporate management, accounting, capital markets and corporate governance	Experience in retail, real estate, corporate management, capital markets and corporate governance	Experience in real estate, corporate management, accounting, financing and corporate governance
Relationship to controlling / major shareholders or Deutsche EuroShop AG	Partner and Supervisory Board Member at Douglas GmbH as well as at Thalia Bücher GmbH (both companies are tenancy agreement partners of Deutsche EuroShop AG)	Major shareholder	Member of the Management Board of ECE Group Verwaltung GmbH, Hamburg (Alexander Otto (major shareholder) is the Chairman of the Management Board)
Deutsche EuroShop securities portfolio as at 31 December 2019	0	12,372,602	7,260

Klaus Striebich	Roland Werner
1967	1969
Besigheim	Hamburg
German	German
2012	2015
2022 Annual General Meeting	2025 Annual General Meeting
–	–
<ul style="list-style-type: none"> • Klier Hairgroup GmbH, Wolfsburg • The Food Chain Investor Holding SE, Hamburg (until 31 August 2020) • Sinn GmbH, Hagen • Unternehmensgruppe Dr. Eckert GmbH, Berlin 	–
Managing Director, RaRe Advise Klaus Striebich, Besigheim	Chairman of the Board of Management, Bijou Brigitte modische Accessoires AG, Hamburg
<ul style="list-style-type: none"> • Studied business in Mosbach • 1990: Kriegbaum Gruppe, Böblingen, Assistant to the Management Board • 1992–2017: Verwaltung ECE Projektmanagement G.m.b.H., Hamburg: <ul style="list-style-type: none"> – 2003–2017: Managing Director Leasing • since 2018: Independent Consultant, RaRE Advise Klaus Striebich, Besigheim 	<ul style="list-style-type: none"> • Studied business at EBC University, Hamburg • since 2001: Bijou Brigitte modische Accessoires AG, Hamburg: <ul style="list-style-type: none"> – 2004–2009: Member of the Board of Management – since 2009: Chairman of the Board of Management
Experience in retail, real estate and corporate management	Experience in retail, corporate management, accounting and capital markets
none	none
30,000	525



Customers looking forward to

SHOPPING EXPERIENCES, EVENTS AND SOCIAL INTERACTION

The importance of city centers as meeting places and social hubs will increase again after the lockdown. According to a recent study by the global strategy and marketing consultancy Simon-Kucher & Partners, consumers are showing a high level of solidarity with local retailers. But they have also changed their expectations with regard to prices, offers and services.

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90%

OF CONSUMERS ARE
LOOKING FORWARD
TO BEING ABLE TO VISIT
LOCAL STORES AGAIN

Consumers prefer going on a shopping spree downtown to shopping online. It's hardly surprising that fully 90% of consumers are looking forward to being able to visit local stores again once the lockdown regulations have been lifted. 88% of respondents say it has become more important for them to support downtown retailers than before the COVID-19 pandemic. 43% of them are even prepared to spend more money on this.

In general, the social aspect of visiting the city center has become more important for many consumers: 60% want to use a local shopping trip to meet friends and family, while 46% plan to combine this with a visit to a café or restaurant.

The study found that retail will remain an important magnet for a vibrant city center after the lockdown, and the relevance of city centers as meeting places and social hubs is increasing. For example, events such as urban festivals and Christmas markets

have become more important, especially for younger target groups (53%). Similarly, the shopping atmosphere at local retailers also plays a greater role for 40% of respondents. Events with like-minded people, feel-good shopping and the shopping experience: these are the factors that will lure consumers back to town centers once the lockdown is over. Offers that combine these factors will offer synergy effects for municipalities, traders and consumers alike.

Changing customer expectations of the retail trade

The survey also found that attractive prices and special offers (40%) have become more important to consumers since the start of the COVID-19 pandemic, as has the availability of goods (37%). According to the organizers of the study, increased online shopping in recent months has changed what customers expect from local retailers. They have become accustomed to online norms such



as transparent price comparisons and the constant availability of products, and now expect the same when shopping in town. In addition, for younger consumers between the ages of 16 and 34 in particular, generous return policies, home delivery services and so-called "click & collect" offers have become a given.

The results show that the changing expectations of customers are both an opportunity and a challenge for local retailers. On the one hand, the importance of the shopping atmosphere has increased, and local retailers can differentiate themselves from Internet shopping and offer added value. At the same time, there is also a strong wave of consumer solidarity with local downtown merchants – but this is not unconditional. In order to remain competitive, retailers must therefore continue to develop their prices, product ranges, offers and services in a targeted manner in the new environment and offer hybrid solutions – especially with regard to younger target groups.

About the study: The representative study "Shopping-Verhalten in der Innenstadt nach dem COVID-19-Lockdown" (Downtown shopping behaviour after the COVID-19 lockdown) was conducted by Simon-Kucher & Partners as an online questionnaire in March 2021. A total of 1,007 consumers in Germany were asked about, amongst other things, the extent to which the lockdown had changed their reasons for visiting town centers and the criteria for selecting local retailers.



Allee-Center, Magdeburg



Altmarkt-Galerie, Dresden

RETAIL WILL REMAIN
AN IMPORTANT
MAGNET FOR A VIBRANT
CITY CENTER



Phoenix-Center, Hamburg



Interview

HEAD OF DIGITAL MALL, SEBASTIAN BAUMANN, TALKS ABOUT THE MERGER OF OFFLINE AND ONLINE SALES



Sebastian Baumann
Head of the Digital Business & Innovation Department, ECE Marketplaces

The Head of Department Digital Business & Innovation at ECE Marketplaces explains why the coronavirus pandemic has accelerated numerous trends and which innovations customers can look forward to in future.

Mr Baumann, among other things, you are responsible for the further development of the Digital Mall. Can you please give us a brief introduction to this innovative product?

The aim of our Digital Mall is to bring together the two channels online and offline. The Digital Mall is therefore designed as an online search engine for the products of participating retailers at ECE centers, showing the availability of these products on the digital channels of these shopping centers. This enables customers to research in advance on the center's website or app whether a desired product is in stock at the center, then reserve and collect it later on site. The Digital Mall is thus an omnichannel extension that we offer the retailers at our centers to provide them with additional online reach for the products they sell at their physical stores. In this way, we are responding to changing shopping habits and the growing need for convenience since many customers prepare their purchases online and want the option to check availability for bricks-and-mortar stores.

All German DES properties are already connected to the Digital Mall. When can we expect the centers in Austria, Poland, the Czech Republic and Hungary to follow suit?

The Digital Mall has grown rapidly in recent months and we have been able to expand it to more and more locations. With a total of over 60 affiliated centers, we have been able to go live with a broad network, potentially reaching 44 million people in the catchment areas of the participating centers. I think it's great that DES introduced this innovative product together with us at a very early stage at locations such as the Main-Taunus-Zentrum in Sulzbach near Frankfurt and the Altmarkt-Galerie in Dresden, thus showing itself to be a pioneer and trailblazer for innovation. Since then, we have been able to

connect all German DES centers and have even taken the first step outside Germany by introducing it in Austria. Here too, DES was a pioneer with its connection of the City-Arkaden in Klagenfurt. It's too early to say when we will expand to other markets, such as Poland, the Czech Republic and Hungary, but we're working on it.

How many tenants have you been able to attract to the Digital Mall thus far? And what new names can we expect to see this year?

We have been able to increase the number of participating retailers by over 40% in recent months and now have a total of 87 partner retailers. The number of affiliated bricks-and-mortar shops has also

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increased by almost 30%. The participating retailers include major chains such as Thalia, C&A, Peek & Cloppenburg Düsseldorf, Ansons, Edeka, Gamestop, Levi's and Tamaris. The first branches of Bestseller, including Vero Moda, were also recently added. Even regional partners like Hifi Böhm, Koffer Kopf, Schuhhaus Hittcher and Schuhhaus Galipp are cooperating with us. In all, customers now have access to some 2.8 million products from more than 780 shops at the Digital Mall. This year, we expect to be able to increase the number of participating partners to more than 100 and that more exciting names will then also be added.

To what extent has the coronavirus pandemic affected your project?

The coronavirus pandemic has greatly accelerated many of the developments of recent years, such as the trend towards omnichannels. Online availability checks, click & reserve, click & collect and ship-from-store are now available to all retailers as important tools. Of course, online preparation of offline purchases has taken a bit of a back seat during the temporary lockdowns of recent months, simply because stores have repeatedly had to close for weeks and months at a time. However, as stores reopen, we will also see demand increasing here too again because the strategic omnichannel expansion for offline retailing and thus the Digital Mall has generally become more relevant. The last few months in particular have shown how important it is for retailers to network their online and offline activities. Surveys such as the Corona Consumer Check of the IFH / ECC in Cologne show that almost a third of consumers have increasingly been researching offers online since

the start of the crisis. In the target group of 18- to 29-year-olds in particular, more than one in every five respondents missed having the option to check online availability for bricks-and-mortar retailers.

The issues of reservation and payment are undoubtedly important aspects for customers. What are the next steps in the development of the Digital Mall? Where do you stand in this respect? And what are the challenges?

Omnichannel services such as reservation (i.e. click & reserve) and payment (click & collect or ship-from-store) are indeed playing an increasingly important role for customers and retailers. In this respect, showing local availability, as we do in the current status with the Digital Malls for most shopping centers, should primarily be seen as the first step on the road to more advanced services. You have to understand that we first had to create the underlying conditions by digitising the product ranges available at stores. For this we required a real-time connection to the retailers' merchandise management systems in order to be able to provide information on availability and products. In the next step, we plan to have a digital feedback channel to the retailer channel that can also feed reservations and in future other transactions like orders back to the store. This is more complex than it sounds because every retailer obviously has its own technical infrastructure and our partners therefore present us with a very heterogeneous world. Nevertheless, we have been able to make progress in this area in recent months and have built up the ability to relay reservations to our dealers via such a feedback channel. We now want to test this in practice at a few centers after the lockdown has ended. In addition, we are, of course, addressing the issues of payment and delivery. However, the processes involved here are significantly more complex. Consequently, we are currently testing and developing them for the

Alstertal shopping center (AEZ) in Hamburg as part of a pilot project for delivery from the stores at the center.

How did your initial tests go regarding deliveries from the center? And what is planned next?

Within the framework of an initial pilot project conducted last year, we expanded the digital "shop window" of the AEZ's Digital Mall into an online shop with a delivery service. For this, we had to implement center-specific logistics for all pick & pack activities relating to online orders at all the center's stores to ensure that ordered goods could be collected at the shops and then consolidated, packed and shipped. This was initially only made available to a closed test group of ECE Group employees. At the end of last year, the pilot project was then extended to end customers in the catchment area during the "lockdown light". However, we then had to discontinue the pilot temporarily due to the lockdown that followed shortly thereafter and the resulting lack of local fulfillment opportunities at the stores which had been mandated to close. We are currently actively working with a smaller number of retailers whose stores have opened for omnichannel services. In the coming months, we intend both to test end-customer acceptance and continue to optimise logistical processes together with our logistics partner.

What are you most looking forward to within this project?

I'm convinced that we are on the right track with the direction we have taken in networking online and offline retail offers. Of course, this is still a very new and innovative product which we are continuing to develop together with our partners. I think it's great that we are thinking along the same lines and breaking new ground together. We have already made good progress rolling out the Digital Mall to other centers, and now we are focusing strongly on developing new functions, which I am, of course, particularly looking forward to.



SHOE STORE ZUMNORDE

AT THE ALTMARKT-GALERIE IN DRESDEN

A commercial dynasty
in its fifth generation

"A meeting place for lovers of beautiful shoes": that is the slogan of the long-established family-run Zumnorde company. Since the Altmarkt-Galerie was opened in 2002, the Zumnorde shoe shop has been an integral part of Dresden's retail sector, offering customers a large selection of women's, men's and children's shoes.

Zumnorde comprises 23 bricks-and-mortar shoe shops as well as an online store. It is currently successfully managed by the fifth generation of the Zumnorde family.

"We see ourselves as a family business and definitely not a chain. We approach each city with a separate concept and operate individually and very personally with regard to our orientation, product range and design. That's our USP. And we continually aim to be the local market leader in the mid-range and premium segment, always service-oriented, never aloof," explains Thomas Zumnorde,

one of the three managing directors of this family-run company and the face of the young fifth generation.

Each generation also brings innovations. For instance, Thomas Zumnorde built up the online shop in addition to the company's regular business. However, this is not intended to be a competitor, but complementary. "Many customers appreciate being able to get information over the Internet before coming into our shops," Thomas Zumnorde says. "But the special thing about shoes is that you have to try them on." He is convinced that a multi-channel approach combining local shoe shops with online retailing both makes sense and is a passport to the future.



Opening
in Dresden
2002

23
bricks-and-mortar
shoe shops

19





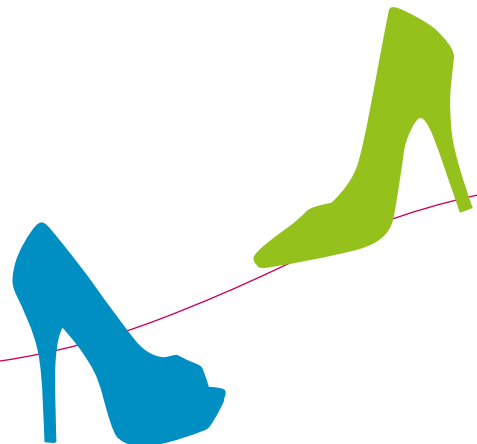
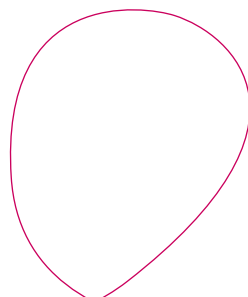
Zumnorde at the Altmarkt-Galerie in Dresden

Click & Meet

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In the current pandemic in particular, this multi-channel strategy has proven to be an important building block of customer loyalty. For example, modern software enables shoes that are in stock at the store in the Altmarkt-Galerie to be shipped to customers nationwide. Social media channels such as Facebook or Instagram regularly familiarise customers with the latest trends, even if they can't visit the store at present. Customers in Dresden, for example, are always actively offered the opportunity to pick up the goods they order online or by phone in person at the center. This provides a personal point of contact too. "Click&meet" also enables customers – local conditions permitting – to make appointments and thus benefit from regular on-site advice, all subject to a strict hygiene concept.

"WE SEE OURSELVES AS A FAMILY BUSINESS AND DEFINITELY NOT A CHAIN."



“LUCA” APP HELPS WITH CONTACT TRACING



The luca app could enormously simplify shopping trips in the future.

As our shopping center management partner for all properties in Deutsche EuroShop’s portfolio, ECE has been using the new luca app nationwide since March 2021 to enable secure contact tracing via smartphone. The same applies to many large retailers such as Breuninger, Deichmann and Thalia.

This app achieved prominence in part because a rapper named Smudo from a popular hip-hop group called Die Fantastischen Vier was involved in its development. Federal policy also advocates its use and introduction at public health authorities.

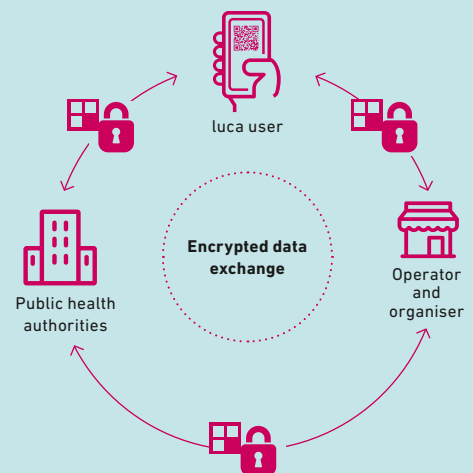
luca works on an extremely simple principle: Each shop digitally enters its location and displays a QR code in its shop window or entrance area. The customer downloads the app onto their smartphone, stores his or her contact details, scans the QR code and checks in at the store. Then, if any coronavirus infections are reported, the local public health authorities can use the encrypted system to trace any possible contacts in the store both quickly, easily and in compliance with data protection regulations in order to swiftly interrupt chains of infection. Once the public health authorities have performed a risk assessment, all it takes is the click of a mouse and a matter of minutes to notify people who could potentially be involved in a chain of infections.

If as many customers as possible would install this app on their smartphones, this would enormously simplify shopping trips in future. luca can also help take some of the burden off public health authorities.

The team behind the luca app is made up of neXenio GmbH, a spin-off of the Hasso Plattner Institute, the Federal Printing Office, Fraunhofer AISEC and a number of people from the cultural sector such as the band Die Fantastischen Vier.

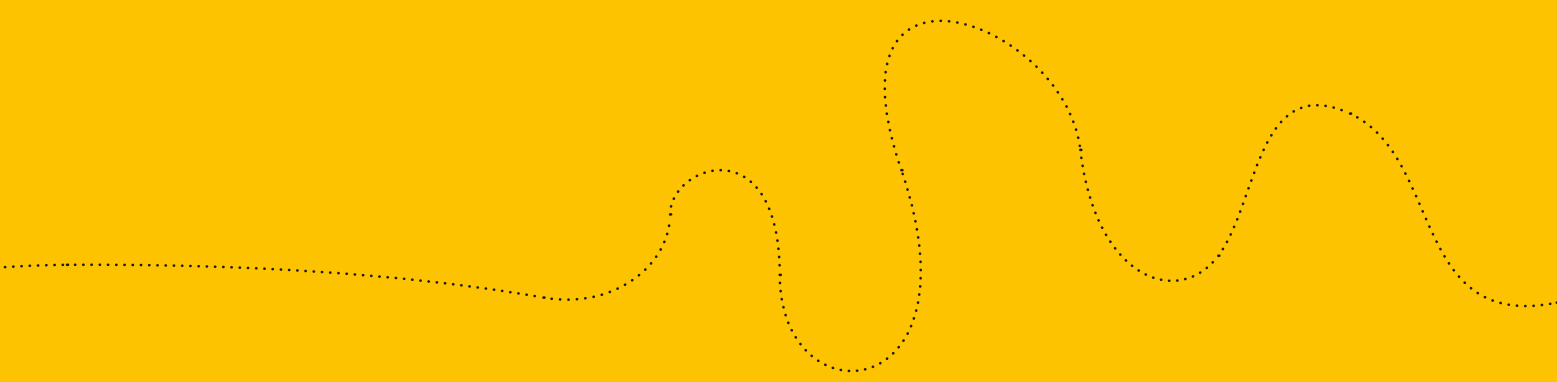


(f.l.t.r.) Michi Beck, Marcus Trojan & Patrick Hennig, Smudo present the luca app. Berlin, 1 March 2021 © Jens Oellermann





“WE’RE LOOKING
FORWARD TO
OUR WEEKEND
SHOPPING
OUTINGS.”



Alexander Otto:

„OUR TASK IS TO CREATE PLACES AND SPACES THAT PLAY A ROLE IN PEOPLE’S DAY-TO-DAY LIVES: A LOCATION THEY ENJOY VISITING OVER AND OVER AGAIN.“

The CEO of the ECE Group talks about 20 years of partnership with DES, as well as shopping centers as omnichannel platforms and an important part of the cities of tomorrow.

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Mr Otto, you have been closely associated with DES for 20 years – as a shareholder, Supervisory Board member and business partner. Can you tell us briefly how this particular constellation came about?

Deutsche EuroShop and ECE do indeed have a particularly close and long-lasting partnership. I have been involved with DES since its IPO 20 years ago: in my more than 20 years as CEO of ECE, through my own investments in several shopping centers together with DES, as an investor and since 2002 also as a member of the DES Supervisory Board. And all DES shopping centers are managed by ECE. But our shared history actually begins much earlier, in the 1970s. Since then, ECE has maintained a partnership with Deutsche Bank, which, through its subsidiary Deutsche Grundbesitz Management, floated a portfolio shortly after the turn of the millennium that contained several shopping centers already operated by ECE – the foundation on which the DES portfolio was built. I was immediately taken with the idea of DES. As an investment vehicle, it offers an interesting alternative to closed-end and open-end funds. One advantage is that no real estate has to be sold when investors want their money back; investors simply sell their shares. This proved particularly beneficial during the financial crisis. Over the past 20 years, the partnership between DES and ECE has become an enduring success story.



Alexander Otto
CEO, ECE Group

Honestly, how often do you look at the DES share price?

I take a look at the share price every once in a while, of course, because I keep close tabs on the company’s performance. But as a very long-term investor, I generally stick to the stock market rule that you shouldn’t check the share price constantly. I don’t let myself be guided by short-term trends and share price developments; rather I’m interested in the long-term development of both the assets and the company. In my opinion, it’s not quick success that matters, but the portfolio’s stable, long-term growth. And that is something I’m firmly convinced the DES share will continue to offer in the long term – even in these challenging times.

You've increased your position in DES over and over again over the years and currently hold a stake of around 20%. It has a diversified real estate portfolio. What do you consider special about DES?

The special thing about DES is that it's Germany's only listed company that invests exclusively in shopping centers – in prime locations. All centers in the DES portfolio are professionally managed by ECE. For me, of course, that's an unbeatable indicator of quality. What's more, you should only invest in companies whose business model you understand. I can justifiably make that claim about DES.

The DES portfolio now comprises 21 centers. Of those centers, are there any with which you have a very special relationship?

It's hard for me to single out any one property. I helped develop many of those centers myself, meaning I know almost every detail including all their strengths – and sometimes their minor weaknesses. While each and every one of these shopping centers is unique in its own right, I've grown particularly fond of Stadtgalerie Passau, because developing this center right in the heart of the old town was a special challenge. Many different plots of land had to be acquired and some spaces that were already under lease first had to be cleared of tenants before this project could go ahead. With its modern yet delicate architecture, the Stadtgalerie fits perfectly into the pedestrian zone's most prime location and has been enormously successful since it was first opened.

A lot has happened in the shopping center universe in the past 20 years. Which were the most formidable changes, in your opinion?

We live in an era of constant transformation. Not only affecting the way we live and work, but also how we consume and organise our leisure time. What is more, the pace of change is increasing all the time. This gives rise to entirely new requirements – and enormous opportunities – for us as developers and real estate property operators. It's important that the properties are continually adapted in line with customer wishes and requirements, and that their further development forms part of an ongoing process. For shopping centers, that means increasingly networking bricks-and-mortar retail and e-commerce, which is why we're making our retail partners' products visible online for the first time in the "Digital Mall". The digital world offers bricks-and-mortar retail many new opportunities to attract customers to the store. A second big change: People today don't just want to drive to a shopping center to shop. They want to meet up with friends, enjoy moments together and share exciting experiences. That's why today's centers must offer a triad comprised of shopping, experiences and enjoyment – shopping centers are evolving into leisure, service and experience centers. The effects of the coronavirus crisis will accelerate this development even further.



The coronavirus pandemic has hit the retail sector particularly hard. What lessons were you as ECE able to learn from this?

The most important realisation for me is this: A crisis like the coronavirus pandemic can only be overcome by working together as partners – through close cooperation between owners, tenants and operators. Despite all the challenges we've faced in recent months, we've largely succeeded in doing precisely that. In this context, ECE is called upon to act as a mediator to reconcile the interests of tenants and investors as effectively as possible. Finding fair solutions that are tailored to the respective situation plays an important role, both then and now. That's why we advocated for half of tenants' rent to be waived during the lockdowns, so that the burden is spread equally between owners and tenants. In doing so, we also set a standard for the industry.

The retail trade is constantly changing. What changes can we expect to see in the centers in the future?

In the future, the focus will be on vigorously redeveloping shopping centers and their function. On the topic of "mixed use": In line with urban and social change, going forward many centers will embrace our image of them as "lively marketplaces" and not only increasingly house hospitality, leisure and entertainment offerings alongside traditional shops, but also feature complementary uses such as service centers, office and residential space and even hotels. Our task is to create places and spaces that play a role in people's day-to-day lives: a location they enjoy visiting over and over again – together with their peers, friends and family. At the same time, we will continue working with our partners to network the online and offline worlds and systematically help the center sites evolve into omnichannel platforms. Due to their central locations, the centers are also ideally positioned as a starting point for the last mile, i.e. the final delivery of products to the surrounding area, which is still extremely cost intensive and not very sustainable. We can also transform them into local logistics hubs. Shopping centers have always been flexible shells that continuously adapt to customers' wishes – and they will continue to do so in future.

What are you looking forward to in particular?

I'm especially looking forward to the day when the centers can finally go back to playing their role as lively marketplaces without any restrictions; a place where people can meet up and spend time without any worries. Both the properties belonging to ECE – which vary from retail to mixed-use – as well as those belonging to DES are mostly located in the heart of cities. They can all become truly prominent pieces in the puzzle of the city of tomorrow. That's why we need to listen carefully to understand the wants and needs of the local market and people. If you ask me, this is a great prospect for the future!

Sustainability also plays a major role in shopping centers. Where are we now and what is planned?

Sustainability is at the heart of everything we do and for good reason. Sustainability isn't an option, it's a reality of life and must be incorporated into each and every aspect of our business. ECE has been doing this for many years. We pursue a holistic sustainability strategy and have firmly anchored the idea of "Environmental Social Governance" – ESG – into our corporate culture. In consultation with our stakeholders, we've identified four key areas for action: energy, resources, sustainable mobility and well-being. In order to make even more efficient use of the energy employed, we are continuously testing new concepts for our centers' lighting and ventilation systems. We purchase 100 percent green electricity for our centers in Germany. Thermal insulation and smart control systems help make efficient use of energy and water. In the area of mobility, ECE has already set up more than 300 electric charging points. Sustainability is one of the most important issues for the future and we must always keep it firmly in mind in all our plans.



Phoenix-Center, Hamburg



WHAT PURCHASE OR OTHER EVENT ARE YOU MOST LOOKING FORWARD TO THIS YEAR?

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WILHELM WELLNER

CEO, Deutsche EuroShop

"I'm looking forward to buying new gear for my racing bicycle at a sporting goods store: going in, browsing, trying it on, ensuring it fits and taking it home with me!"



OLAF BORKERS

Member of the Executive Board, Deutsche EuroShop

"I'm looking forward to all the 'normal' things that I've had to forego in recent months. To name just one: going for lunch at Gosch in the Alstertal shopping center in Hamburg."



BRITTA BEHRMANN

Senior Finance Manager, Deutsche EuroShop

"I'm really looking forward to sitting by the Alster on a warm summer evening in a new dress with a cocktail in my hand, looking out over the water and then going to a ballet performance at the State Opera."



NICOLAS LISSNER

Senior Manager Investor & Public Relations, Deutsche EuroShop

"I'm looking forward to finally going on the beach holiday in Thailand that I will soon reluctantly have to rebook for the third time."



RALPH BORGHHAUS

Head of Finance, Deutsche EuroShop

"I'm looking forward to shopping for new running shoes and being able to get advice and test the shoes on a treadmill. During the pandemic, I only ever bought the more recent models of my existing trainers online, but I would feel much better if we were able to get advice from someone more knowledgeable at a store. I'm also looking forward to testing my new shoes extensively in Valencia in December."



PATRICK KISS

Head of Investor & Public Relations, Deutsche EuroShop

"I'm looking forward to being able to use three types of property more regularly again: shopping centers, museums and airports."





ALEXANDER OTTO

CEO, ECE Group
"I'm looking forward to buying a ticket for an HSV Bundesliga home game at Hamburg's Volksparkstadion."



KLAUS HELLWIG

Founder and Editor, Nebenwerte Journal
"I'm looking forward to being able to browse through books at a bookshop again and no longer having to choose them based on blurbs or reviews. This purchase will take a very long time and build the anticipation of getting to sit down with the book later on. I will probably also buy far more book than planned."



MARIA HILL

Director Sustainability & Corporate Communications, ECE Group Services
"Honestly? I'm most looking forward to the 'shopping' experience: finally strolling around with my daughter again, sharing a meal, trying on clothes together in a changing room and then heading off to a travel agency. I have thousands of destinations in mind and look forward to getting some personal advice!"



BIRGIT SCHÄFER

Secretary to the Executive Board, Deutsche EuroShop
"I want to buy a dress at a boutique so that I can have a real shopping experience again."



SEBASTIAN BAUMANN

Head of Digital Business & Innovation Department, ECE Marketplaces
"I'm especially looking forward to booking a flight again when the lockdown ends, and for that I'm also in desperate need of new luggage."



Forum, Wetzlar

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THE PORTFOLIO

The success of our company lies in our portfolio. We have 21 centers, each of which is unique. Seventeen of these are in Germany and there is also one each in Austria, Poland, the Czech Republic and Hungary. Together, they have more than 2,703 shops over an area covering 1,086,600 m².

Even in these extremely challenging times for the retail sector due to the pandemic, we are satisfied with an average occupancy rate of more than 95% at the end of 2020 and we are optimistic about the future. This figure confirms the quality of our portfolio, particularly given the current situation. Indeed, this figure has remained at a consistently very high level since Deutsche EuroShop was established. Our investments are squarely focused on Germany, where 81% of our centers are located.

THE IMPORTANCE OF LOCATION FOR SUCCESS

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

Most of our properties are situated in city 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 some 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 Hameln and Passau, for example, our centers are right next to the main bus stations, while our properties in Norderstedt and Hamburg-Billstedt are directly above or adjacent to underground stations.

All our centers also have their own parking facilities that offer visitors and customers convenient and affordable parking, even in downtown areas, ensuring optimum accessibility by car. Many of our properties outside city centers 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.

	Domestic	Abroad	Total
No. of centers	17	4	21
Leasable space in m ²	880,600	206,000	1,086,600
No. of shops	2,060	643	2,703
Occupancy rate ¹	95%	97%	95%
Inhabitants in catchment area in millions	13.9	3.4	17.3

¹ as per EPRA, based on rental income
As at 31 December 2020

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

EVEN ON THEIR WAY TO THE SHOPS, OUR CUSTOMERS CAN DO SOMETHING FOR THE ENVIRONMENT: ALL OUR CENTERS ARE LOCATED NEAR BUS AND RAILWAY STATIONS.



Forum, Wetzlar

The first and last touchpoint on a visit to a center is the car park. Our Car Finder offers better guidance here: 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.



Herold-Center,
Norderstedt

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SUCCESSFUL MIX

Each of our 21 shopping centers has a unique leasing structure that is the result of a long, intensive and constantly developed process. In these times of increasing online trading, it is particularly important to take a targeted approach to meeting customer demands and expanding product ranges at the relevant city center location. Our goal is always to work with retailers in the neighbourhood to make the entire location more attractive, so that everyone can benefit from the increased appeal of the downtown area as a whole. Here, too, we keep up with the times and offer appropriate solutions. For example, many of our centers now have their own rapid COVID-19 testing stations. In some cases, these tests can even be carried out in a car on the parking deck.

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 given to the architecture. Specific plot requirements are deemed no less important than the functional needs of our tenants. We also always have a responsibility towards the city and its residents, and it is important

to us that we fulfil this. This includes the best-possible integration into the urban landscape, combined with an exterior that meets modern architectural standards. In seeking to achieve this, we work very closely with the local authorities.

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

What is inside counts too: the interiors of our shopping centers also need to be impressive, as the most important thing is that 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 as soon as this is possible again in a relaxed manner. An innovative lighting concept provides a suitable atmosphere in the center depending on the time of day, while state-of-the-art air-conditioning systems guarantee a pleasant "shopping climate" as well as clean, safe air all year round. In 2020, we implemented a comprehensive hygiene concept at all centers, including all the necessary social distancing, hygiene and safety measures to protect against infection.

In the current situation, the health and preventative protection of our visitors, tenants and center employees is our top priority. That's why we implemented a comprehensive safety and hygiene concept at our centers in 2020. This was tested and certified by an independent institute.



SHOPPING WITHOUT BORDERS – FOR ALL! STEP-FREE ACCESS, WIDE DOORWAYS AND PLENTY OF SPACE TO MANOEUVRE MEAN THAT PEOPLE WITH DISABILITIES CAN ENJOY MAXIMUM MOBILITY IN OUR CENTERS AS WELL.

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

All our German centers have been operating on certified green electricity since 2011. Our foreign properties are in the process of being switched to energy from renewable sources. We also want to reduce the overall energy consumption of our properties on an ongoing basis and in so doing to cut CO₂ emissions. To this end, we use ultra-modern 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 left-over 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.

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 electricity.

A SECURE FUTURE THROUGH COMPLETE FLEXIBILITY

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

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

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

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

122 MILLION VISITORS IN 2020

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. A location's catchment area is a major factor for us when it comes to selecting an investment: this is ascertained at regular intervals according to standardised rules for all shopping centers and represents the total number of potential customers for the location in question. In the challenging year 2020, our 21 locations received a total of about 122 million visitors in spite of extensive coronavirus-related restrictions and local directives. That figure was even higher in previous years, at about 180 million.

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OUR TOP 10 TENANTS

H&M, one of the world's major textile retailers is our top tenant, accounting for 3.3% of our rental income. The next spots in this league table are occupied by fashion retailer Peek & Cloppenburg, at 2.5%, and Ceconomy, with its two sales brands Media Markt and Saturn, at 2.4%.

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

LONG-TERM RENTAL CONTRACTS

Most of the rental agreements that we conclude with our tenants are medium- to long-term. As at 31 December 2020, the weighted residual term of the rental agreements in our portfolio was 5.0 years, with 45% of our rental agreements being secured until at least 2026.

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 the professional operation and marketing of shopping centers as well as their continuous further development 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

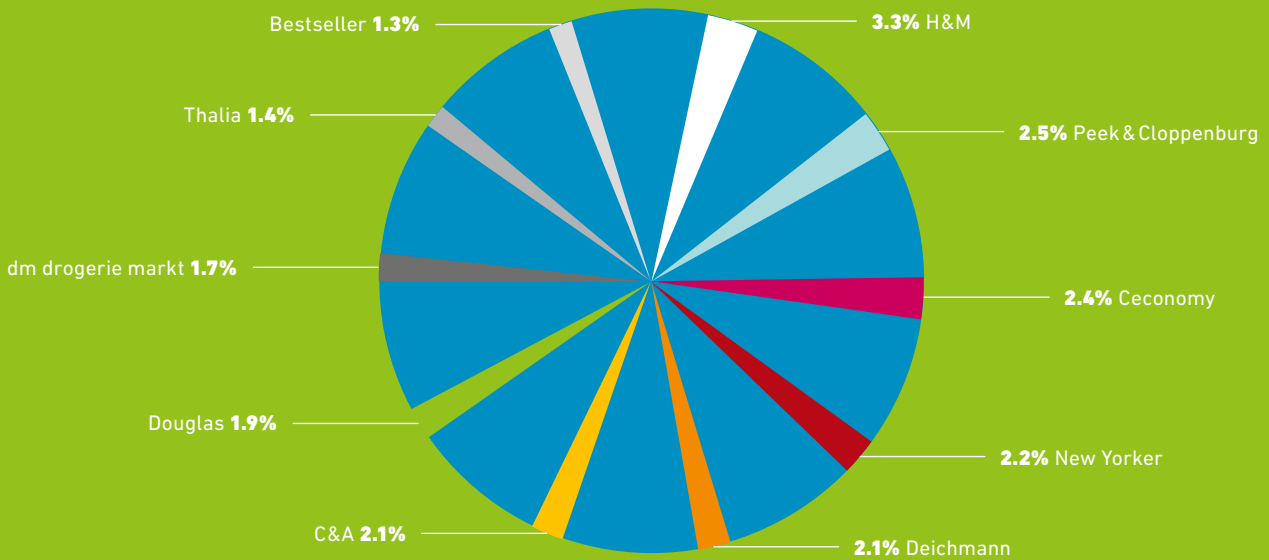
Allee-Center,
Magdeburg

THE TEN LARGEST TENANTS

(share of rental income in %), as at 31 December 2020

Total of the top 10 tenants: **20.8%**

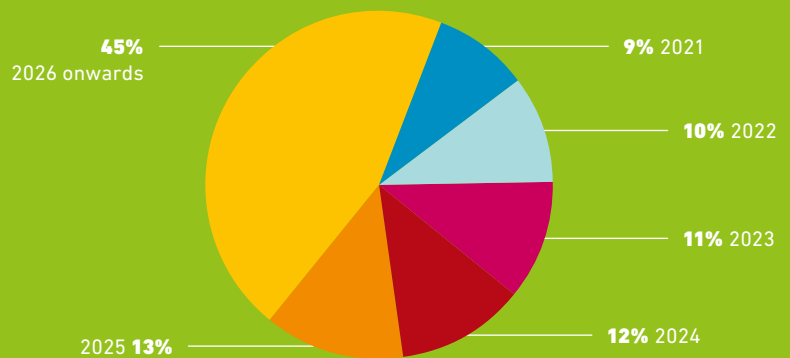
Other tenants: **79.2%**



122
million
visitors in 2020

RESIDUAL TERM OF RENTAL AGREEMENTS IN PLACE

(Long-term rental agreements, share in %), as at 31 December 2020



RENT OPTIMISATION RATHER THAN MAXIMISATION

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

Center management is also about identifying the wishes and needs of customers. As a result, we like to attract retailers to our centers from sectors that are rarely found in 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. Rather than focus on each shop space in isolation, we look at the property as a whole. The rent in each case is calculated primarily on the basis of the sales potential of the sector to which the tenant belongs as well as its location within the shopping center. This also enables us to give opportunities to new businesses and niche concepts.

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

CULINARY DELIGHTS

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



left: **Herold-Center,**
Norderstedt
right: **Olympia Center,**
Brünn

FOCUS ON FASHION

The fashion industry dominates our retail mix at around 52%. The large fashion offering at our centers is confirmed time and again in customer surveys. It is one reason why customers are willing to travel sometimes long distances from the surrounding area to enjoy the wide selection and quality of advice given.

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

DIGITAL SUSTAINABILITY

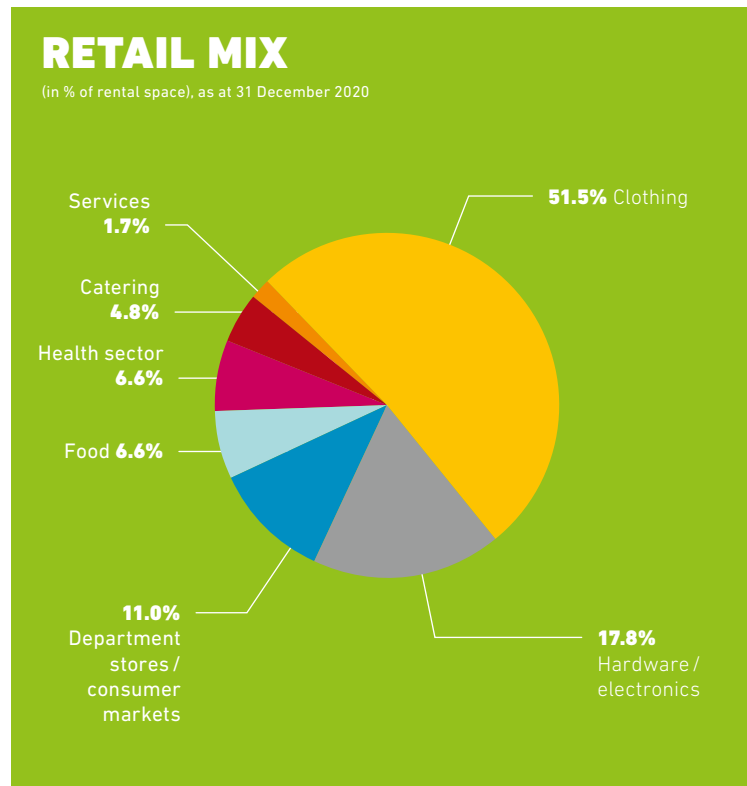
The Internet continues to influence the transformation of retailing. This trend has even been accelerated due to the pandemic. We want to bring together the best of both worlds in our centers, offline and online, and showcase the strengths of our tenants: atmosphere, services, fitting rooms, immediate availability of merchandise. It is not

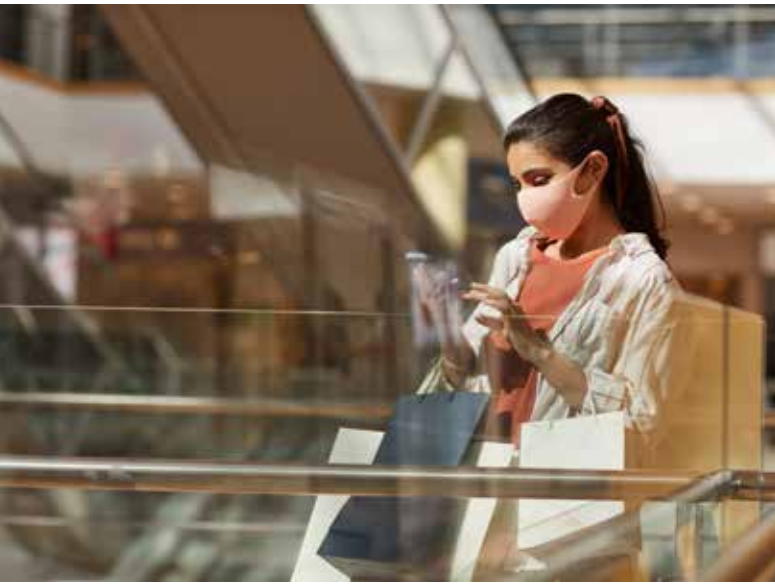
for nothing that more and more online-only retailers are learning that pure branding mostly takes place offline and that direct and personal contact with customers is often the best prerequisite even for subsequent online purchases.

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

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

All our German shopping centers are connected to the digital mall developed by our partner ECE. This enables our customers to find information on the availability of products, sizes and prices at any time, wherever they may be in the center. As part of the next stage of development, customers will be able to reserve their desired products at many centers and then simply collect them later on site.





Find online, buy offline: The Digital Mall offers our customers a seamless omnichannel experience. On the websites of all German centers in our portfolio, customers can experience the variety of products offered by many shops, find out online about the offering available, and then buy the articles they want from the relevant retailer in the actual shopping center. The range currently includes more than 2.8 million products. By rolling out this project, our partner ECE has become the first operator of shopping centers in Germany to fulfil the wish expressed by many customers for an integrated, cross-channel shopping experience.

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The concept of the digital mall is based on the idea that customers can find out what is available at their local center from home without automatically being redirected to the major e-commerce providers when searching for products over the Internet. Our online product search function now offers more than 2.8 million products from more than 750 stores at all ECE centers. Negotiations with many other tenants are currently underway. The prospects for delivering products from centers to surrounding areas look good. Initial test projects have also proven successful.

SUCCESSFUL PARTNER TENANTS

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

Nespresso, New Yorker, Nordsee, Peek&Cloppenburg, 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 always rely on standard opening hours, unlike in the traditional city center where each individual retailer decides for itself how long to stay open. No matter whether it's a hairdresser, an optician or a travel agency, all our tenants are available to customers throughout the stated opening hours if normal store operation is possible. This too is a strategic advantage, and one that is appreciated in particular by customers who have to travel a long distance to reach us.

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, product, ATM or toilet. The route is displayed in an authentic, three-dimensional manner from the customer's perspective. It can also be downloaded from the Wayfinder system onto personal smartphones using a QR code.

TOGETHERNESS IS OUR STRENGTH

Service is always center stage at our centers. There are Service Points manned by friendly staff who can answer any questions about the center. 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. Customers can feel safe at all times thanks to the deployment of discreet security personnel. Baby changing rooms, modern customer toilets and cash machines complete the services. Cleanliness and hygiene are a given.

Every one of our tenants is automatically also a member of the marketing association of the center in question. This means that each tenant pays a share of the center's marketing costs and can play

an active role in the marketing strategy committee. The marketing association plans events together with the center management, thus transforming the shopping center into a lively marketplace. Fashion shows, art exhibitions, country-themed weeks and information events dealing with a whole range of topics offer visitors new and fresh experiences time and again.

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

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



SPECIAL CORONA REPORT:

HYGIENE CONCEPT

HEALTH IS TOP PRIORITY

In the current situation, our top priority is the health of our visitors, tenants and center employees as well as preventive measures designed to protect them. In collaboration with our tenants, our center management partner ECE implemented a comprehensive hygiene concept in the centers and stores at an early stage that includes all the necessary social distancing, hygiene and safety rules to protect against infection. We are convinced that this proven, comprehensive hygiene and prevention concept will enable us to guarantee safety, even at higher infection rates. According to the information currently available, retail does not play any major role as a driver of infection. Other measures were also poised for implementation, including regular testing of all employees working in retail and a mandatory FFP2 mask requirement. Supermarkets and drugstores prove every day that these are the keys to effective prevention and safe shopping.

CERTIFIED SAFETY AND HYGIENE CONCEPT IN THE CENTERS

When the stores were allowed to reopen after the first lockdown, operations in the centers were carefully prepared and restarted on time in compliance with all requirements, despite the fact that this often had to be done at extremely short notice. To minimise the risk of virus transmission in our centers, the center teams work with our tenants to implement comprehensive on-site measures to ensure the safety of all visitors.

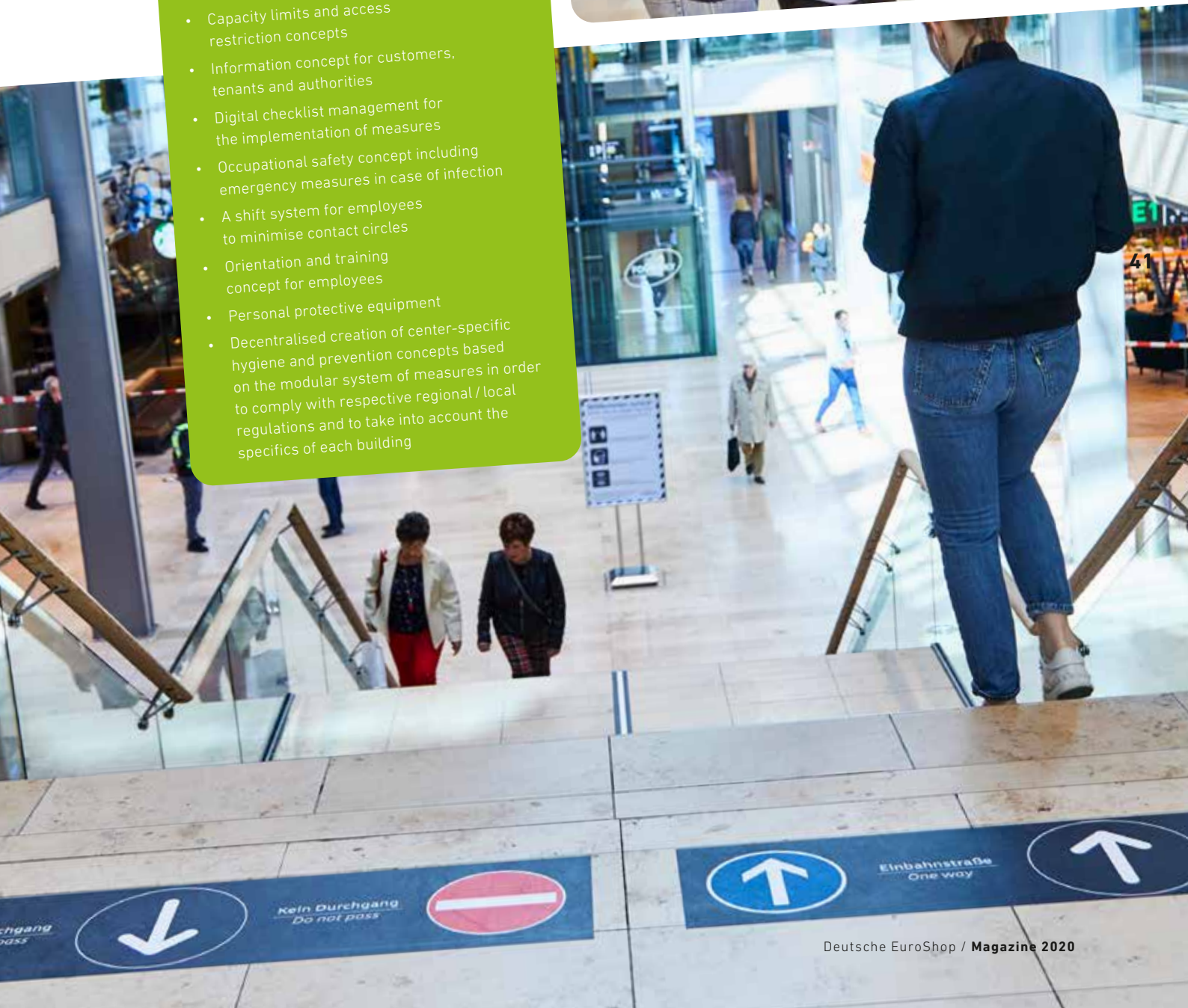
The modular concept drawn up by the center management team was developed to serve as a standard for all ECE centers and was reviewed, refined, deemed effective and certified by experts from the Institute for Hygiene and Microbiology, headed up by Dr Brill and Dr Steinmann. It was put in place as an overall concept with the center in Hamburg serving as a pilot location.

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COMPONENTS OF THE MODULAR HYGIENE AND PREVENTION CONCEPT

- Social distancing measures (floor markings, one-way traffic system, etc.)
- Queuing concept
- Barriers (sneeze guards, etc.)
- Increased security staff to verify compliance with measures
- Cleaning and disinfection measures
- Capacity limits and access restriction concepts
- Information concept for customers, tenants and authorities
- Digital checklist management for the implementation of measures
- Occupational safety concept including emergency measures in case of infection
- A shift system for employees to minimise contact circles
- Orientation and training concept for employees
- Personal protective equipment
- Decentralised creation of center-specific hygiene and prevention concepts based on the modular system of measures in order to comply with respective regional / local regulations and to take into account the specifics of each building



LOCATION, LOCATION, LOCATION

THE ETERNAL BASIC RULE OF THE LOCATION FACTOR

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by Dieter Thomaschowski

Whether it's the Hippocratic oath for doctors or arithmetic according to Adam Ries, a number of vernacular rules have established themselves. But has COVID-19 broken all the rules? And what about investments in real estate?

Location factors play an important role in residential, office, retail and logistics real estate. That's not just because real estate is immobile.

Location factors are often mentioned in connection with corporate sites. To some extent, accessibility affects the decision for or against a specific location. Regardless of whether it's a place to live, work, do business or manage logistics – the transport infrastructure or proximity to nurseries and schools can influence our decisions.



Stadt-Galerie, Passau

MARKETPLACE

Even in antiquity, goods were traded on a mostly central square. Sellers were able to offer their merchandise to buyers who were also present. Classical Athens had specialised markets. At the wine market, wines could be tasted and bought at a tasting stand. Free market access was the norm. As a result, the exclusion of the Megarians from the markets of Athens in 432 BC is believed to have been what led to the outbreak of the Peloponnesian War. Since the very beginnings of urban development, markets have been the centers of urban life and often also areas of great importance for urban planning purposes. Given their function, they were often situated at the heart of a town or city. The history of Germany's marketplaces dates back to the 10th century.

In the Middle Ages, markets mostly developed along overland roads, primarily where these roads intersected. In Nuremberg, the main market is located within the walls of the old town, right next to the town hall. Even today, municipalities place great importance on enhancing their town centers.

HARD AND SOFT LOCATION FACTORS

A distinction can be made between hard and soft factors. When it comes to real estate – no matter what type – subjective factors and even instincts also play a role. Economic considerations should not be underestimated for commercial properties. Therefore, whereas desk-based and internet research can lay the groundwork for a decision, the

impression gained on site remains crucial. This starts with how to get there, be it by car, public transport, bicycle or on foot. When buying an apartment, you don't want to hear the noise of a nearby motorway or railway line. By contrast, easy accessibility and regular local public transport are desirable.

For traders and transport companies, location plays an all-important role. This also applies to service companies. Online traders who don't have walk-in customers like bricks-and-mortar retailers need an excellent infrastructure as well as storage capacities. Logistics companies prefer transshipment points close to motorways, rail networks, airports or ports.



Phoenix-Center,
Hamburg

MINIMISING RISK

The tenants of Deutsche EuroShop shopping centers are a veritable who's who of retailers, from A for ALDI and Apple to Z for Zara. Supermarket chains are increasingly moving into prime locations – like Mönkebergstrasse, Odeonsplatz or the "KÖ-Bogen" – or they are part of a well situated residential complex.

LOCATION

A few examples from the DES portfolio: The Galeria Baltycka in Gdansk is situated between the main railway station and the old town, with its own train station for local and long-distance public transport on the doorstep. The same is true of the Altmarkt-Galerie in Dresden, which lies directly next to the historic market – the heart of the city. The Phoenix-Center in Harburg is centrally situated in one of Hamburg's seven district centers, directly adjacent to the bus, regional and even long-distance railway station. Rent and location optimisation are two sides of the same coin. The A10 Center in southern Berlin has easy access to the motorway, but can also be reached by train.

The sales area of the Altmarkt-Galerie in Dresden was expanded by 18,000 m² in 2011 and the number of shops increased by 96 to about 200 specialist outlets. Its access routes were optimised as far as possible. In Wuppertal, DES has also benefitted from the redevelopment of the Elberfeld railway station, which is within easy walking distance. It has optimal connections by road as well as local and long-distance public transport.



Main-Taunus-Zentrum, Sulzbach (Taunus)

Incidentally, the Hamburger Meile, which is now managed by ECE, would have been not only Hamburg's first shopping center but also the first inner-city shopping mall if extraordinary factors hadn't delayed its realisation by a decade, from 1958 to 1968. This property is not part of the Deutsche EuroShop portfolio.

Germany's very first shopping center – the Main-Taunus-Zentrum in Sulzbach near Frankfurt – opened its doors in 1964. The center is located right by the A66 (colloquially also known as "Route 66"), the road connecting Frankfurt and Wiesbaden, which averages some 140,000 vehicles a day.

These are just six examples of the high-quality sites occupied by Deutsche EuroShop's shopping centers. Each of the 21 shopping centers is a prime location.

STRENGTHENING INNER-CITY RETAIL LOCATIONS AGAINST THE BACKDROP OF INCREASING ONLINE SHOPPING

The limited range of products offered by bricks-and-mortar retailers is one of the biggest competitive disadvantages they face when compared to online traders. In principle, the frequency of use of retail locations will continue to play an important role going forward. Whether it's at Galeria, MediaMarkt or P&C, so-called "smart natives" and senior citizens alike are taking advantage of the possibility to reserve goods online and subsequently pick them up from a store ("click&collect").

MODERN SHOPPING TAKES PLACE ONLINE AND OFFLINE

Shopping centers offer customers the advantage of being able to optionally search for products at between 50 and more than 200 shops and even enhance the shopping experience itself. One of the biggest stumbling blocks for online shopping in customers' eyes – at least, according to general opinion – is that products can't be tried out

and the delivery date cannot be set exactly because the goods first have to be shipped over from Southeast Asia, for example. Visitors to a mall appreciate having a coffee or a snack before or after shopping, and then continuing browsing through and purchasing products. Of course, location also plays a role within a shopping center. And if a customer can't understand the mall maps, the service point can help.

NATURAL PATHWAYS: FREQUENCY ANALYSIS

It is important to pay attention to natural pathways – especially in pedestrian precincts. In contrast to offices, it's not enough for retailers to be in the second row. In areas where retail has become established, when a site has to be modified, consideration is given to whether the development plan can be amended so that offices can be situated above retail zones. What is important for retail areas is which side and which part of a pedestrian precinct gets the most foot traffic. Automated real-time counting of passers-by can help here, for example using artificial intelligence (AI). Interviews within the movement streams are still a module. However, AI also helps identify how long passers-by spend looking at shop windows or advertisements.

THE DUMBBELL PRINCIPLE

ECE, which manages Deutsche-EuroShop's centers, has already successfully deployed the "dumbbell principle"¹ approach in its planning of shopping centers over many years. Its experienced center managers know which tenant mix will attract the most customers to a mall. So-called "anchor

tenants" like H&M or the consumer electronics chain Saturn have a significant impact on the success of a shopping center. They are therefore placed in the middle of the shopping mall or at opposite ends. Even within a shopping center, it can be advantageous for stores to be situated near to anchor tenants. Where expensive women's clothing is sold, jewellery and shoe stores are never far away. This is designed to "suck" customers into the center. Often enough, planning permission for a shopping center is not even sought until the anchor tenants have signed their leases.

CONCLUSION

Location, location, location: Whether London, Hamburg, Gdansk or Passau, the old rules hold true. One decisive criterion for the development of a property's value is its location. And when you add retail into the equation, location is more than merely an attribute. It is quite simply the basis for success. At shopping centers, this is one reason why established center managers ensure that visitor frequency is optimised subject to different underlying conditions. "Click&collect" is just one of the modules of the future. People are drawn like magnets to places they already know. In this way, customers almost automatically stumble across enduringly attractive tenants such as Saturn, REWE and C&A and thus discover the many other retailers that also give centers their individual flair.

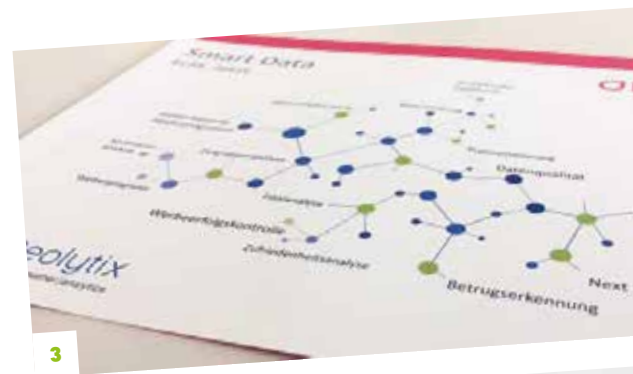
¹ In the dumbbell principle, at least two anchor tenants are placed in such a way that customers must pass by as many of the other shops as possible to reach these anchor tenants.

DIGITALISATION OF CENTER OPERATION

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Start-up power for smart real estate:

Our partner ECE is currently implementing four innovative solutions for smart buildings with selected tech start-ups within the framework of the Smart Buildings Challenge conducted jointly with the technology group Bosch and the partners Microsoft, TÜV Süd and Deka Immobilien.



THE PROJECT

The four start-ups were selected from a total of 26 participants in the Smart Buildings Challenge, launched in summer 2019, and presented as the winners of the challenge at the Bosch Connected World in Berlin, one of the leading conferences on digital transformation and the Internet of Things, in February 2020.

In the next step, the winners are now in the process of implementing their concepts at a pilot shopping center run by ECE and conducting practical tests in close cooperation with the operational ECE project teams.

All the involved stakeholders are working closely together to ensure successful implementation of the project. This includes not only the challenge partners and winning start-ups, but particularly also the internal ECE units that play a key role in the success of the overall project. On-site center management, corporate IT and facility management personnel, for example, are also closely involved.

Smart space flow analytics

The Spanish start-up Cubelizer will employ smart space flow analytics and an artificial intelligence-based sensor network to measure the routes taken by visitors to the mall, taking data-protection requirements into account, and will then map these in real time and prepare the data for analysis in a dashboard provided especially for this purpose.

Smart metering system

The start-up aedifion, which was founded in 2018, develops solutions for the cloud-based operation and optimisation of building automation systems. It will install a smart metering system for the automated recording, analysis and optimisation of energy consumption levels.

Smart automated building

The smart automated building approach of Thing Technologies aims to control and analyse heating, cooling, ventilation and meter technology on the basis of the two other installed tools in order to propose measures for increasing efficiency.

Smart building cockpit

A project team from Holisticon will set up a smart building cockpit. This is a central dashboard for building data that presents information collected by aedifion and Thing Technologies visually and in a targeted and user group-oriented manner, providing the basis for extensive analyses of energy consumption.

NEW APPROACHES TO TENANT COMMUNICATION

Few aspects are as important as fast and uncomplicated communication between tenants and center management. This was demonstrated once again by the coronavirus crisis. To connect both sides even more effectively, our partner ECE offers a digital tenant portal in the form of an app. The initial results of the pilot have already proven successful: 90% of the shops in the center have registered for the app and 70% are already actively using it.

OUTDOOR ANALYTICS

Where do visitors to the shopping centers come from? How much purchasing power do they have? How often do they come and, in particular, how long do they stay? These issues are highly relevant to investors and retailers alike from a wide variety of perspectives, but until now it has not been possible to analyse them in quantifiable form – beyond traditional customer surveys – on a daily basis. The aim of the outdoor analytics project approach is therefore to use GPS technology to provide answers to precisely these questions. In the next step, insights can be gained that could lead to more targeted and customised marketing budget allocation and thus directly increase the number of visitors to the center.

- 1 Mithilfe Künstlicher Intelligenz werden die Laufwege der Kunden in der Mall gemessen und analysiert
- 2 Digitales Mieterportal
- 3 Mit dem „Smart Automated Building“-Ansatz kann die Energie-Effizienz gesteigert werden
- 4 „Smart-Metering-System“ zum automatisierten Auslesen des Energieverbrauchs





ENVIRONMENT

Climate protection is a top priority for Deutsche EuroShop. We firmly believe that sustainability and profitability are not mutually exclusive. Neither are shopping experience and environmental awareness. Long-term thinking is part of our strategy, and that includes a commitment to environmental protection.

In 2020, all of our 21 shopping centers had contracts with suppliers that use renewable energy sources, such as hydroelectric power, for their electricity needs, and 19 centres exclusively purchased green electricity. The TÜV Süd certified this electricity for our centers in Germany with the renowned "Eco Power Product" label.

The 21 centers used a total of around 65.8 million kWh of green electricity in 2020. This represented 79% of the electricity requirements to operate the shopping centers. Based on conservative calculations, this meant a reduction of around 26,625 tonnes in carbon dioxide emissions, which equates to the annual CO₂ emissions of more than 1,210 two-person households. The use of heat exchangers and energy-saving light bulbs allows us to further reduce energy consumption in our shopping centers.

Deutsche EuroShop also supports a diverse range of local and regional activities that take place in our shopping centers in the areas of the environment, society and the economy.

REDUCTION OF CO₂ EMISSIONS AND ELECTRICITY CONSUMPTION



SUSTAIN- ABILITY

NEVER-ENDING ANTICIPATION

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By Maria Hill, Director Sustainability & Corporate Communications, ECE Group Services

This heading may initially provoke incomprehension or irritation. What does sustainability have to do with anticipation and why is it never-ending? But the answer is simple: sustainability is an ongoing challenge which never ends. There is a positive message here. We are starting, as a society as a whole and as a real estate industry in particular, to understand the issue better and to find solutions to the challenges. These solutions consist of the systematically recording the resources used, networking the real estate industry with the energy industry, devising sensible funding options and developing innovative technologies. Much of this is cause for "anticipation" as all areas along the value chain – from investment management to architects, engineers, utilities, waste disposal companies and, last but not least, politics – are already helping to shape the goals of tomorrow.





**A QUICK LOOK-BACK:
SUSTAINABILITY WAS ALSO
IN FOCUS 20 YEARS AGO –
ONLY DIFFERENTLY!**

Sustainability is not a new topic. It has long played a role in the development and operation of shopping centers. Of course, not under this name, and – to be honest – not with the intention of saving the world. Right from the beginning, however, the aim was to produce properties with a long lifespan. Materials were selected that were long-lasting. This was accompanied by flexible space concepts that enable rapid and resource-saving redesign in the rapidly changing environment of a shopping center, as well as efficient building technology. The aim was to reduce costs for the tenant and owner and consequently to ensure as a primary goal that the value of the property is maintained. This in principle is exactly what sustainability is all about: conserving resources, increasing efficiency and securing the value of the property in the long term.

**LOCATION, LOCATION,
LOCATION: YES! DATA, DATA
DATA: WHY?**

The strategic integration of the concept of sustainability into the shopping center sector began around the beginning of the new millennium. In addition to establishing sustainable processes and structures within the company, a key step in this process was the systematic collection of sustainable data. Only if you know what you are consuming and where can you know where to intervene and take control. What sounds so simple is often not yet a standard. That's because it is

not possible or only possible under very difficult conditions in many industries to collect data (especially where there are many different tenants). Another building block was the certification of new developments. Thinking about sustainability from the outset is cheaper than taking countermeasures after the event. Certifications have supported this process. A nice side effect is that all the necessary sustainable data is already available at the development stage. This pays off especially when the property is valued later on.

And many measures have already been implemented. In operations, ventilation systems and lighting (the biggest energy guzzlers) are already achieving huge efficiencies. Green electricity is purchased as standard for all centers operated by ECE, and in the area of mobility all DES centres are already equipped with e-charging infrastructure.

ESG IS NOT JUST AN ENVIRONMENTAL ISSUE

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With the ESG concept, sustainability is now taking the next step – making it clear in particular that sustainability was and is not a purely environmental issue, but combines several aspects. For example, ESG divides sustainability into three categories, which can then be assigned criteria: Environmental, Societal and Governance.

We have already achieved a lot in category “E” The real estate industry operates differently to the automotive industry. The lifecycle of a property is many times longer. Acquiring and developing a property involves long-term, sustainable decisions. Maintenance and investment strategies are therefore an integral part of the governance structures in companies that manage a portfolio, as DES does.

A well-managed shopping center can also offer a lot in terms of social aspects. The quality of stay for visitors – and indeed all visitors, whether young, old, families, individuals – with or without disabilities, is an essential component in the construction and management of shopping centers. Likewise, it is nothing new to take into account the health of employees and customers in processes ranging from the selection of materials used right through to the organisation of necessary evacuations; this has been routine for some time now. Another important element: shopping centers have long since become “lively marketplaces” with their varied range of products – both before and again after the pandemic. In this way, not only do they support social contact, but also offer a place to meet and exchange ideas through information events, art and cultural activities.

ESG DIVIDES SUSTAINABILITY INTO THREE CATEGORIES, WHICH CAN THEN BE ASSIGNED CRITERIA: ENVIRONMENTAL, SOCIETAL AND GOVERNANCE.

Forum, Wetzlar



Main-Taunus-Zentrum,
Sulzbach (Taunus)



In the area of mobility all DES centres are already equipped with e-charging infrastructure



The quality of stay for visitors is an essential component in the construction and management of shopping centers.

OUTLOOK: THE INCLUSION OF ESG IN THE WORLD OF FINANCE – SUSTAINABLE FINANCE

Because of our increasingly better understanding, but also due to pressure from politicians, the topic of ESG has gained further momentum despite the pandemic. To achieve the Paris climate target and make a CO₂-neutral future a possibility, the European Commission has made 750 billion euros available as part of a "Green Deal". Part of this agreement relates to the Sustainable Finance Act, which aims to steer financial flows towards sustainability. To this end, Brussels has included an information and transparency requirement in the Disclosure Regulation (in force since March 2021). Financial market players such as capital management companies, insurance companies, pension funds and banks are therefore obliged to provide transparent reporting on climate and environmental data. Investors must be comprehensively informed about sustainable investment opportunities and it should be possible to compare investment options.

To create greater transparency in real estate, a list of criteria – the "taxonomy" – is currently being developed, which will make real estate comparable in its asset classes from a sustainability point of view.

With 20 years under its belt as a joint-stock company, DES is still a "youngster" – but in sustainability terms it is already a more experienced player. It is already on a sustainable path with its properties, and the company as a whole and can therefore look forward with "anticipation" to the evolution of ESG!

EPRA sBPR¹ Reporting

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INTRODUCTION

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

1. Overarching recommendations
2. Sustainability performance measures

OVERARCHING RECOMMENDATIONS

Organisational boundaries

We use the operational control approach for our data boundary, which includes 15 assets². There were no changes to our portfolio between 2019 and 2020, meaning the scope of assets included in our Absolute and Like-for-Like performance measures is the same.

Coverage

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

Estimation of landlord-obtained utility consumption

Of all our data reported, 13% of our portfolio water consumption data has been estimated. The estimated data relates to two assets in our portfolio for which 2020 data is not yet available. Instead, the 2019 performance data for these two assets has been applied.

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.

¹ European Public Real Estate Association (EPRA) Sustainability Best Practices Recommendations (sBPR)

² A10 Center Wildau, Allee-Center Hamm, Altmarkt-Galerie Dresden, Billstedt-Center Hamburg, City-Arkaden Wuppertal, City-Galerie Wolfsburg, City-Point Kassel, Forum Wetzlar, Galeria Bałtycka Gdansk, Herold-Center Norderstedt, Main-Taunus-Zentrum, Olympia Center Brno, Rathaus-Center Dessau, Rhein-Neckar-Zentrum and Stadt-Galerie Hameln.

Analysis - Normalisation

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

Analysis – Segmental analysis (by property type, geography)

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

Third Party Assurance

We do not have third party assurance.

Disclosure on own offices

Our own occupied offices are reported separately to our portfolio. Please see Table on page 58.

NARRATIVE ON PERFORMANCE

Portfolio performance

In 2020, the environmental impact of our portfolio across our environmental indicators was notably reduced. The impacts of COVID-19 which resulted in wide-spread closures due to lockdowns is evident in our performance. However, the reduction in energy consumption, water and waste may have been offset due to our shopping centres remaining open to provide essential services.

The energy efficiency (measured in kWh / m²) of our portfolio improved by 14% between 2019 and 2020, and this was influenced by a 15% reduction in absolute and like-for-like electricity consumption, a 16% reduction in absolute and like-for-like fuel consumption and a 6% reduction in absolute and like-for-like district heating and cooling consumption.

Due to COVID-19, energy efficiency improvements were largely put on hold across the portfolio.

We saw a 16% reduction in direct Scope 1 emissions equal to the decrease from fuels and a 29% reduction in indirect Scope 2 GHG emissions from electricity and district heating and cooling (using the location-based methodology). The GHG emissions intensity of our portfolio consequently reduced by 25% to 0.017 tCO₂/m² in 2020. Market-based emissions factors that account for the 72% of our electricity supply that comes from green contracts certified by the TÜV Süd were not available at the time of publication.

Water consumption reduced by 18% in absolute and like-for-like terms. However, the water intensity of our portfolio increased to 0.004 m³/visitor due to the reduction in footfall at our assets owing to shop closures and lockdowns due to COVID-19. All water is from the municipal supply.

Waste produced across our portfolio decreased by 22% to 5.434 tonnes in 2020. Of this, 55% was recycled, 2% was composted and 43% was sent for incineration. Given that most waste is generated by our tenants, this is not under our direct operational control. We nonetheless work with tenants to promote waste separation to increase the proportion of waste that is recycled. The changes compared with 2019 can be attributed to the fact that we continue to collect more accurate separation data.

In 2020, we continue to report that all our assets are certified to the DGNB standard and 15% were upgraded from DGNB Gold to Platinum. The breakdown is as follows:

- DGNB Platinum: A10 Center Wildau, Billstedt-Center Hamburg, City-Galerie Wolfsburg, Rhein-Neckar-Zentrum Viernheim, Forum Wetzlar and City-Arkaden Wuppertal.

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

- DGNB Gold: Allee-Center Hamm, Altmarkt-Galerie Dresden, City-Point Kassel, Galeria Baltycka Gdansk, Herold-Center Norderstedt, Main-Taunus-Zentrum Sulzbach, Olympia Center Brno, Rathaus-Center Dessau and Stadt-Galerie Hameln.

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

Own office performance

During 2020, electricity consumption within our own office varied only marginally compared with 2019. The 2% reduction in electricity consumption was offset by a 3% increase in consumption of district heating and cooling. As district heating and cooling represents 86% of our energy use, the energy intensity of our own office likewise increased by 3%.

Due to the coronavirus pandemic and the resulting stay at home order, our absolute and like-for-like water consumption decreased significantly by 29%. Consequently, our water intensity decreased by the same amount (29%).

Despite no changes to the amount of waste produced by our offices in 2020, we continued to reduce the proportion of waste sent for incineration, achieving an increase of 123% in recycled waste and a 35% reduction in the amount of waste being incinerated. The changes compared with 2019 can be attributed to the fact that we continue to collect more accurate separation data.

Social and governance performance measures

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

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

Not including the Executive Board, 40% of our employees are female. Our reporting on gender diversity is in line with the German Corporate Governance Code and our approach and performance is detailed in the Corporate Governance chapter in the Financial Report of the Group 2020 (see page 86). 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 2020, 80% of our employees attended training amounting to an average of 8 hours per employee. Training focuses on building the skills and knowledge we need to fulfil our business strategy, and supporting employees' career development goals. EmpDev is marked as not applicable: although every employee meets with the CFO and CEO annually which provides the opportunity for open conversations to be had, these meetings do not constitute a formal review process.

No employees joined or left the company in 2020, meaning our new hire and turnover rate was zero.

Location of EPRA sustainability performance measures

EPRA sustainability performance measures for our portfolio and own offices can be found in Table "Own office environmental performance measures" on page 58 of this report.

SUSTAINABILITY PERFORMANCE MEASURES

PORTFOLIO ENVIRONMENTAL PERFORMANCE MEASURES

Indicator	EPRA code	Unit of measure	2019	Coverage	2020	Coverage	Change
Total electricity consumption	Elec-Abs	kWh	74,642,700	100%	63,346,008	100%	-15%
		% from renewable sources	70%		72%		
Like-for-like electricity consumption	Elec-LFL	kWh	74,642,700	100%	63,346,008	100%	-15%
Total energy consumption from district heating and cooling	DH&C-Abs	kWh	22,582,512	100%	21,294,908	100%	-6%
		% from renewable sources	n/a		n/a		
Like-for-like consumption from district heating and cooling	DH&C-LFL	kWh	22,582,512	100%	21,294,908	100%	-6%
Total energy consumption from fuel	Fuels-Abs	kWh	30,639,493	100%	25,759,370	100%	-16%
		% from renewable sources	0		0		
Like-for-like consumption from fuel	Fuels-LFL	kWh	30,639,493	100%	25,717,754	100%	-16%
Building energy intensity	Energy-Int	kWh / m ²	112	100%	97	100%	-14%
Direct GHG emissions (total) Scope 1	GHG-Dir-Abs	tCO ₂	6,188	100%	5,205	100%	-16%
Indirect GHG emissions (total) Scope 2	GHG-Indir-Abs	tCO ₂ (market based)	n/a	100%	n/a	100%	
		tCO ₂ (location based)	19,093		13,639		-29%
Building GHG emissions intensity	GHG-Int	tCO ₂ /m ²	0.022	100%	0.017	100%	-25%
Total water consumption	Water-Abs	Total m ³	463,173	100%	381,924	100%	-18%
Like-for-like water consumption	Water-LFL	m ³	463,173	100%	381,924	100%	-18%
Building water consumption intensity	Water-Int	m ³ /visitor	0.003	100%	0.004	100%	33%
Weight of waste by disposal route (total)	Waste-Abs	tonnes	6,949	100%	5,434	100%	-22%
		% recycled	44		55		25%
		% composted	2		2		0%
		% sent to incineration	54		43		-20%
Weight of waste by disposal route (Like-for-like)	Waste-LFL	tonnes	6,949	100%	5,434	100%	-22%
		% recycled	44		55		25%
		%composted	2		2		0%
		% sent to incineration	54		43		-20%
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			62% awarded DGNB Gold		38% awarded DGNB Platinum

na = not applicable
n/a = not available

The proportion of DH&C from renewable sources is not currently available. We are making enquiries with our suppliers to obtain proof of supply, but we have not been able to obtain this across all assets at the time of publication.

GHG emissions: We calculate our emissions based on the GHG Protocol methodology using location-based emissions factors. Market-based emissions factors for indirect Scope 2 GHG emissions are not available at the time of publication. Renewable electricity comes from specific contracts certified by the TÜV Süd.

OWN OFFICE ENVIRONMENTAL PERFORMANCE MEASURES

Indicator	EPRA	Unit of measure	2019	Coverage	2020	Coverage	Change
Total electricity consumption	Elec-Abs	kWh	8,817	100%	8,607	100%	-2%
		% from renewable sources	100		100		
Like-for-like electricity consumption	Elec-LFL	kWh	8,817	100%	8,607	100%	-2%
Total energy consumption from district heating and cooling	DH&C-Abs	kWh	49,471	100%	51,197	100%	3%
		% from renewable sources	na		na		
Like for like consumption from district heating and cooling	DH&C-LFL	kWh	49,471	100%	51,197	100%	3%
Total energy consumption from fuel	Fuels-Abs	kWh	na	100%	na	100%	
		% from renewable sources	na	100%	na	100%	
Like-for-like consumption from fuel	Fuels-LFL	kWh	na	100%	na	100%	
Building energy intensity	Energy-Int	kWh / m ²	212	100%	217	100%	3%
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 (location based)	9,5	100%	8,8	100%	
		tCO ₂ (market based)	n/a		n/a		
Building GHG emissions intensity	GHG-Int	tCO ₂ /m ²	0,03	100%	0,03	100%	
Total water consumption	Water-Abs	m ³	540	100%	386	100%	-29%
Like-for-like water consumption	Water-LFL	m ³	540	100%	386	100%	-29%
Building water consumption intensity	Water-Int	m ³ /employee	53	100%	38	100%	-29%
Weight of waste by disposal route (total)	Waste-Abs	tonnes	2	100%	2	100%	
		% recycled	22		49		123%
		% sent to incineration	78		51		-35%
Weight of waste by disposal route (Like-for-like)	Waste-LFL	tonnes	2	100%	2	100%	
		% recycled	22		49		123%
		% sent to incineration	78		51		-35%
Type and number of assets certified	Cert-Tot	% of portfolio certified OR number of certified assets	0	100%	0	100%	

na = not applicable
n/a = not available

GHG emissions: We calculate our emissions based on the GHG Protocol methodology using location-based emissions factors. Indirect Scope 2 GHG emissions are calculated using market-based emissions factors. Renewable electricity comes from specific contracts certified with the „Green Energy“ label by environmental associations like NABU and BUND.

No fuels are used at our office building.

Water, district heating and cooling and waste are calculated using figures for the whole building, and the m² percentage the DES office occupies (DES has an office of 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	2020
Employee gender diversity	Diversity-Emp	% of male & female employees	Supervisory Board	33% female 67% male
			Executive Board	100% male
			Other employees	40% female 60% male
Employee training and development	Emp-Training	Average number of hours	Average hours of training undertaken by employees in the reporting period	8
		% of employees	Number of employees	80%
Employee performance appraisals	Emp-Dev	% of total workforce	% of total employees who received regular performance and career development reviews during the reporting period	na
New hires and turnover	Emp-Turnover	Total number and rate	New employee hires	0
			Employee turnover	0%
Composition of the highest governance body	Gov-Board	Total numbers	Number of supervisory board members	9
			Number of independent supervisory board members	5
			Average tenure on the supervisory board	6.8
			Number of independent/non-executive board members with competencies relating to environmental and social topics	0
Process for nominating and selecting the highest governance body	Gov-Selec	Narrative description	The nomination and selection processes for the Board of Directors and its committees and the specific criteria used for nominating and selecting highest governance body members	Corporate Governance Section (pg 88 of Annual Financial Report of the Group 2020)
Process for managing conflicts of interest	Gov-COI	Narrative description	Processes to ensure that conflicts of interest are avoided and managed in the highest governance body and how they are reported	Corporate Governance Section (pg 88 of Annual Financial Report of the Group 2020)

na = not applicable. Please see narrative on performance.

CENTER OVERVIEW

60

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



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



Main-Taunus-Zentrum

Sulzbach (Taunus)

Investments: 52%

Leasable space: 124,000 m²

of which retail space:
91,000 m² (plus C&A)

Parking: 4,500

No. of shops: 170

Occupancy rate: 95%

Catchment area: 2.1 million residents

Purchased by DES:
September 2000

Grand opening: 1964

Modernisation: 2004

Expansion: 2011

Anchor tenants: Anson's, Appellrath Cüpper, Apple, Breuning, Galeria Kaufhof, H&M, Hollister, Intersport, Media Markt, Zara

Visitors in 2020:
5.4 million

Address:
Am Main-Taunus-Zentrum,
65843 Sulzbach (Taunus)

main-taunus-zentrum.de

Facebook
4.4/5 stars
34,386 fans
MainTaunusZe-
ntrum

Instagram
5,250 follower
maintaunusze-
ntrum

Google
4.4/5 stars



A10 Center

Wildau / Berlin

Investments: 100%

Leasable space: 121,000 m²

of which retail space:
66,000 m²

Parking: 4,000

No. of shops: 200

Occupancy rate: 99%

Catchment area: 1.2 million residents

Purchased by DES:
January 2010

Grand opening: 1996

Restructuring: 2010 – 2011

Anchor tenants: Bambooland, Bauhaus, C&A, Hammer, H&M, Karstadt Sports, MediMax, Peek & Cloppenburg, real

Visitors in 2020:
4.7 million

Address:
Chausseestraße 1,
15745 Wildau

a10center.de

Facebook
4.3/5 stars
28,235 fans
A10Center

Instagram
1,850 follower
a10centerwildau

Google
4.4/5 stars



CENTERS IN GERMANY

- 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, Hameln



Altmarkt-Galerie

Dresden

Investments: 100%
Leasable space: 77,000 m²

of which retail space:
44,000 m²

Parking: 500

No. of shops: 200

Occupancy rate: 98%

Catchment area: 1.4 million residents

Purchased by DES:
September 2000

Grand opening: 2002

Expansion: 2011

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

Visitors in 2020:
8.8 million

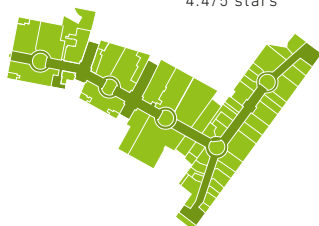
Address:
Webergasse 1,
01069 Dresden

altmarkt-galerie-dresden.de

Facebook
4.4/5 stars
88,777 fans
altmarkt-galerie

Instagram
3,170 follower
altmarkt-galeriedresden

Google
4.4/5 stars



Rhein-Neckar-Zentrum

Viernheim/Mannheim

Investments: 100%
Leasable space: 69,500 m²

of which retail space: 60,000 m²
(plus Karstadt und C&A)

Parking: 3,800

No. of shops: 110

Occupancy rate: 93%

Catchment area: 1.6 million residents

Purchased by DES:
September 2000

Grand opening: 1972

Restructuring / Expansion: 2002

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

Visitors in 2020:
6.2 million

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

rhein-neckar-zentrum-viernheim.de

Facebook
4.3/5 stars
58,810 fans
RheinNeck-arZentrum Viernheim

Instagram
14,900 follower
rheinneck-arzentrum_viernheim

Google
4.4/5 stars



Herold-Center

Norderstedt

Investments: 100%
Leasable space: 54,300 m²

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

Parking: 850

No. of shops: 140

Occupancy rate: 91%

Catchment area: 0.5 million residents

Purchased by DES:
January 2013

Grand opening: 1971

Restructuring / Expansion: 1995 und 2003

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

Visitors in 2020:
7.0 million

Address:
Berliner Allee 38-44,
22850 Norderstedt

herold-center.de

Facebook
4.0/5 stars
29,461 fans
Herold.Center.Norderstedt

Instagram
2,260 follower
heroldcenter

Google
4.1/5 stars





Rathaus-Center

Dessau

Investments: 100%
Leasable space: 52,500 m²
of which retail space:
 32,900 m²
Parking: 850
No. of shops: 90
Occupancy rate: 89%
Catchment area: 0.3 million residents
Purchased by DES:
 November 2005
Grand opening: 1995
Anchor tenants: H&M, Modehaus Fischer, REWE, Thalia, TK Maxx
Visitors in 2020:
 4.3 million
Address:
 Kavalierstraße 49,
 06844 Dessau-Roßlau

rathauscenter-dessau.de

Facebook
 4.0/5 stars
 18,694 fans
 rathauscenter-
 dessau

Instagram
 4,120 follower
 rathaus-
 centerdessau

Google
 4.2/5 stars



Allee-Center

Magdeburg

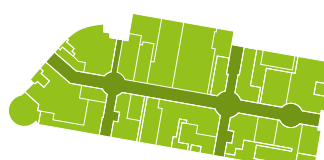
Investments: 50%
Leasable space: 51,300 m²
of which retail space:
 35,000 m²
Parking: 1,300
No. of shops: 150
Occupancy rate: 99%
Catchment area: 0.9 million residents
Purchased by DES:
 October 2011
Grand opening: 1998
Expansion: 2006
Anchor tenants: H&M, REWE, Saturn, Sinn, SportScheck
Visitors in 2020:
 6.8 million
Address:
 Ernst-Reuter-Allee 11,
 39104 Magdeburg

allee-center-magdeburg.de

Facebook
 4.3/5 stars
 53,817 fans
 AlleeCenterMD

Instagram
 4,560 follower
 alleecenter-
 magdeburg

Google
 4.3/5 stars





Phoenix-Center

Hamburg

Investments: 50%
Leasable space: 43,400 m²
of which retail space: 29,000 m²
Parking: 1,400
No. of shops: 130
Occupancy rate: 97%
Catchment area: 0.6 million residents
Purchased by DES: August 2003
Grand opening: 2004
Expansion / Restructuring: 2016
Anchor tenants: C&A, H&M, Karstadt Sports, Media Markt, New Yorker, REWE, Sinn
Visitors in 2020: 6.5 million
Address: Hannoversche Str. 86, 21079 Hamburg

phoenix-center-harburg.de

Facebook
 4.1/5 stars
 26,546 fans
 Phoenix-CenterHarburg

Instagram
 3,080 follower
 phoenix-centerharburg

Google
 4.2/5 stars



Billstedt-Center

Hamburg

Investments: 100%
Leasable space: 42,500 m²
of which retail space: 29,500 m² (plus Primark)
Parking: 1,500
No. of shops: 110
Occupancy rate: 97%
Catchment area: 0.8 million residents
Purchased by DES: January 2011
Grand opening: 1969/1977
Restructuring: 1996
Anchor tenants: C&A, H&M, Media Markt, REWE, TK Maxx
Visitors in 2020: 8.9 million
Address: Möllner Landstr. 3, 22111 Hamburg

billstedt-center.de

Facebook
 4.0/5 stars
 20,643 fans
 Billstedtcenter

Instagram
 3,920 follower
 billstedtcenter_hamburg

Google
 4.0/5 stars



Saarpark-Center

Neunkirchen

Investments: 50%
Leasable space: 35,600 m²
of which retail space: 33,500 m²
Parking: 1,600
No. of shops: 130
Occupancy rate: 96%
Catchment area: 0.7 million residents
Purchased by DES: October 2016
Grand opening: 1989
Restructuring: 1999 und 2009
Anchor tenants: C&A, Müller Drogerie, H&M, Peek & Cloppenburg, TK Maxx
Visitors in 2020: 4.4 million
Address: Stummplatz 1, 66538 Neunkirchen

saarpark-center.de

Facebook
 4.2/5 stars
 44,359 fans
 Saarpark-Center-Neunkirchen

Instagram
 5,020 follower
 saarparkcenter

Google
 4.3/5 stars





Forum

Wetzlar

Investments: 65%

Leasable space: 34,500 m²

of which retail space:
23,500 m²

Parking: 1,700

No. of shops: 110

Occupancy rate: 95%

Catchment area: 0.5 million
residents

Purchased by DES:
October 2003

Grand opening: 2005

Anchor tenants: Kaufland,
Media Markt, Thalia

Visitors in 2020:
5.1 million

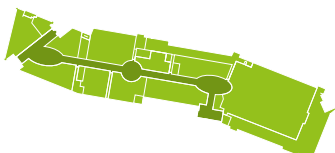
Address:
Am Forum 1,
35576 Wetzlar

forum-wetzlar.de

Facebook
4.3/5 stars
19,434 fans
ForumWetzlar

Instagram
1,930 follower
forumwetzlar

Google
4.3/5 stars



Allee-Center

Hamm

Investments: 100%

Leasable space: 34,000 m²

of which retail space:
21,000 m²

Parking: 1,300

No. of shops: 90

Occupancy rate: 94%

Catchment area: 0.4 million
residents

Purchased by DES: April 2002

Grand opening: 1992

Renovation / Restructuring:
2003 und 2009

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

Visitors in 2020:
3.8 million

Address:
Richard-Matthaei-Platz 1,
59065 Hamm

allee-center-hamm.de

Facebook
30,575 fans
AlleeCenter-
Hamm

Instagram
2,650 follower
alleecenter-
hamm

Google
4.2/5 stars





City-Galerie

Wolfsburg

Investments: 100%

Leasable space: 30,800 m²
of which retail space: 20,000 m²

Parking: 800

No. of shops: 100

Occupancy rate: 96%

Catchment area: 0.5 million residents

Purchased by DES: September 2000

Grand opening: 2001

Restructuring: 2011

Expansion: 2011

Anchor tenants: Hempel, New Yorker, REWE, Saturn

Visitors in 2020: 4.8 million

Address: Porschestra. 45, 38440 Wolfsburg

city-galerie-wolfsburg.de

Facebook
 4.1/5 stars
 12,235 fans
[city.galerie.wolfsburg](https://www.facebook.com/city.galerie.wolfsburg)

Instagram
 4,330 follower
[citygalerie-wolfsburg](https://www.instagram.com/citygalerie-wolfsburg)

Google
 4.2/5 stars



City-Arkaden

Wuppertal

Investments: 100%

Leasable space: 28,700 m²
of which retail space: 20,000 m²

Parking: 650

No. of shops: 80

Occupancy rate: 94%

Catchment area: 0.7 million residents

Purchased by DES: September 2000

Grand opening: 2001

Restructuring: 2011

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

Visitors in 2020: 6.2 million

Address: Alte Freiheit 9, 42103 Wuppertal

city-arkaden-wuppertal.de

Facebook
 4.2/5 stars
 10,788 fans
[CityArkaden-Wuppertal](https://www.facebook.com/CityArkaden-Wuppertal)

Instagram
 1,470 follower
[cityarkaden-wuppertal](https://www.instagram.com/cityarkaden-wuppertal)

Google
 4.2/5 stars





City-Point

Kassel

Investments: 100%

Leasable space: 27,800 m²

of which retail space:
20,000 m²

Parking: 220

No. of shops: 60

Occupancy rate: 93%

Catchment area: 0.6 million
residents

Purchased by DES:
September 2000

Grand opening: 2002

Restructuring:
2009 und 2015

Anchor tenants: H&M,
New Yorker, Saturn, tegut

Visitors in 2020:
5.4 million

Address:
Königsplatz 61,
34117 Kassel

city-point-kassel.de

Facebook

51,987 fans
CityPointKassel

Instagram

5,450 follower
citypointkassel

Google

4.3/5 stars



Stadt-Galerie

Passau

Investments: 75%

Leasable space: 27,700 m²

of which retail space:
21,000 m²

Parking: 500

No. of shops: 90

Occupancy rate: 96%

Catchment area: 0.8 million
residents

Purchased by DES:
December 2006

Grand opening: 2008

Anchor tenants: C&A,
Saturn, Thalia

Visitors in 2020:
4.4 million

Address:
Bahnhofstr. 1,
94032 Passau

stadt-galerie-passau.de

Facebook

4.4/5 stars
35,643 fans
StadtGalerie-
Passau

Instagram

6,270 follower
stadtgalerie_
passau

Google

4.4/5 stars



Stadt-Galerie

Hameln

Investments: 100%

Leasable space: 26,000 m²

of which retail space:
19,000 m²

Parking: 500

No. of shops: 100

Occupancy rate: 93%

Catchment area: 0.3 million
residents

Purchased by DES:
November 2005

Grand opening: 2008

Anchor tenants: Müller Drogerie,
New Yorker, real, Thalia

Visitors in 2020:
4.2 million

Address:
Pferdemarkt 1,
31785 Hameln

stadtgaleriehameln.de

Facebook

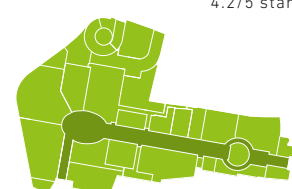
4.0/5 stars
12,515 fans
StadtGalerie-
Hameln

Instagram

1,780 follower
stadtgalerie-
hameln

Google

4.2/5 stars





Olympia Center

Brno, Czech Republic

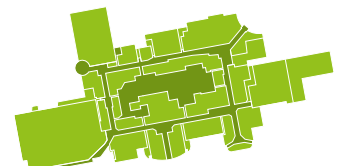
- Investments:** 100%
- Leasable space:** 85,000 m²
of which retail space: 71,000 m²
- Parking:** 4,000
- No. of shops:** 200
- Occupancy rate:** 97%
- Catchment area:** 1.2 million residents
- Purchased by DES:** March 2017
- Grand opening:** 1999
- Restructuring:** 2014–2016
- Expansion:** 2011
- Anchor tenants:** Albert, H&M, Intersport, Peek & Cloppenburg
- Visitors in 2020:** 6.3 million
- Address:** U Dálnice 777, 664 42 Modřice, Brno, Czech Republic

olympia-centrum.cz

Facebook
4,6/5 stars
43,680 fans
olympiabrno

Instagram
4,750 follower
olympia-centrumbrno

Google
4,4/5 stars



CENTERS ABROAD

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



Galeria Baltycka

Gdansk, Poland

Investments: 74%

Leasable space: 48,700 m²

of which retail space:
43,000 m²

Parking: 1,050

No. of shops: 193

Occupancy rate: 95%

Catchment area: 1.1 million residents

Purchased by DES:
August 2006

Grand opening: 2007

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

Visitors in 2020:
5.3 million

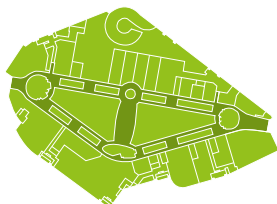
Address:
al. Grunwaldzka 141,
80-264 Gdańsk, Poland

galeria-baltycka.pl

Facebook
4.4/5 stars
71,881 fans
[galeriabaltycka](https://www.facebook.com/galeriabaltycka)

Instagram
5,600 follower
[galeriabaltycka](https://www.instagram.com/galeriabaltycka)

Google
4.4/5 stars



City Arkaden

Klagenfurt, Austria

Investments: 50%

Leasable space: 36,900 m²

of which retail space:
30,000 m²

Parking: 880

No. of shops: 120

Occupancy rate: 96%

Catchment area: 0.4 million residents

Purchased by DES:
August 2004

Grand opening: 2006

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

Visitors in 2020:
3.7 million

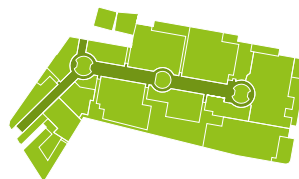
Address:
Heuplatz 5,
9020 Klagenfurt, Austria

city-arkaden-klagenfurt.at

Facebook
4.3/5 stars
20,473 fans
[cityarkaden-klagenfurt](https://www.facebook.com/cityarkaden-klagenfurt)

Instagram
5,220 follower
[cityarkaden-klagenfurt](https://www.instagram.com/cityarkaden-klagenfurt)

Google
4.3/5 stars



Arkád

Pécs, Hungary

Investments: 50%

Leasable space: 35,400 m²

of which retail space:
33,500 m²

Parking: 850

No. of shops: 130

Occupancy rate: 98%

Catchment area: 0.7 million residents

Purchased by DES:
November 2002

Grand opening: 2004

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

Visitors in 2020:
9.4 million

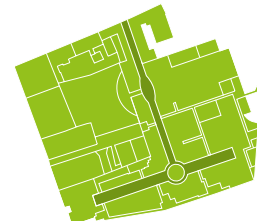
Address:
Bajcsy Zs. U. 11/1,
7622 Pécs, Hungary

arkadpecs.hu

Facebook
4.2/5 stars
42,955 fans
[arkadpecs](https://www.facebook.com/arkadpecs)

Instagram
1,680 follower
[arkad_pecs](https://www.instagram.com/arkad_pecs)

Google
4.4/5 stars

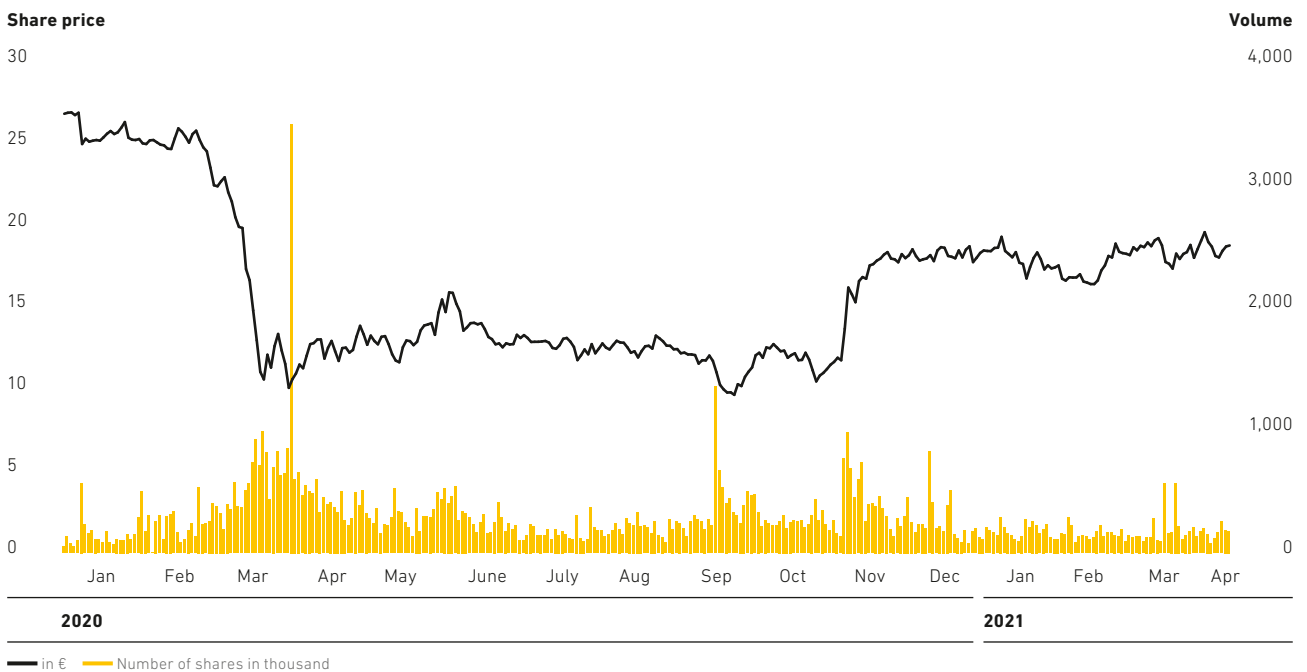


THE SHOPPING CENTER SHARE

INVESTOR RELATIONS
2020

70

TREND OF SHARE





Billstedt Center,
Hamburg

CORONAVIRUS CRISIS DOMINATES SHARE PRICE PERFORMANCE

Following a year-end closing price for 2019 of €26.42, Deutsche EuroShop shares were steady in the first few weeks of 2020. On 3 January 2020, the share closed at €26.50, its highest level of the year. At the end of February, investor uncertainty rose sharply in connection with the coronavirus pandemic. This led to considerable price falls in the DES share, those of our peers and stock markets worldwide. From mid-March to the end of October, the DES share price trended sideways, exhibiting large fluctuations between €9.50 and €15.50. During this phase, on 25 September, the share price hit its low for the year of €9.52. The price recovered from the beginning of November onwards, and the DES share closed the reporting period on 30 December 2020 at €18.45. Deutsche EuroShop's market capitalisation stood at €1.14 billion at the end of 2020.

SHARE PRICE PERFORMANCE IN UPPER THIRD OF PEER GROUP

The price of Deutsche EuroShop shares plummeted by 30.2% (previous year: +4.3%, +10.4% incl. dividend). As such, our share price performance in 2020 was below that of the European benchmark for listed real estate companies, the EPRA index (-10.0%), but nevertheless in the upper third of its European peer group, which reported average declines of 38.6% (median: -41.0%). The benchmark index for smaller companies, the SDAX, gained 18.0% in the year under review.

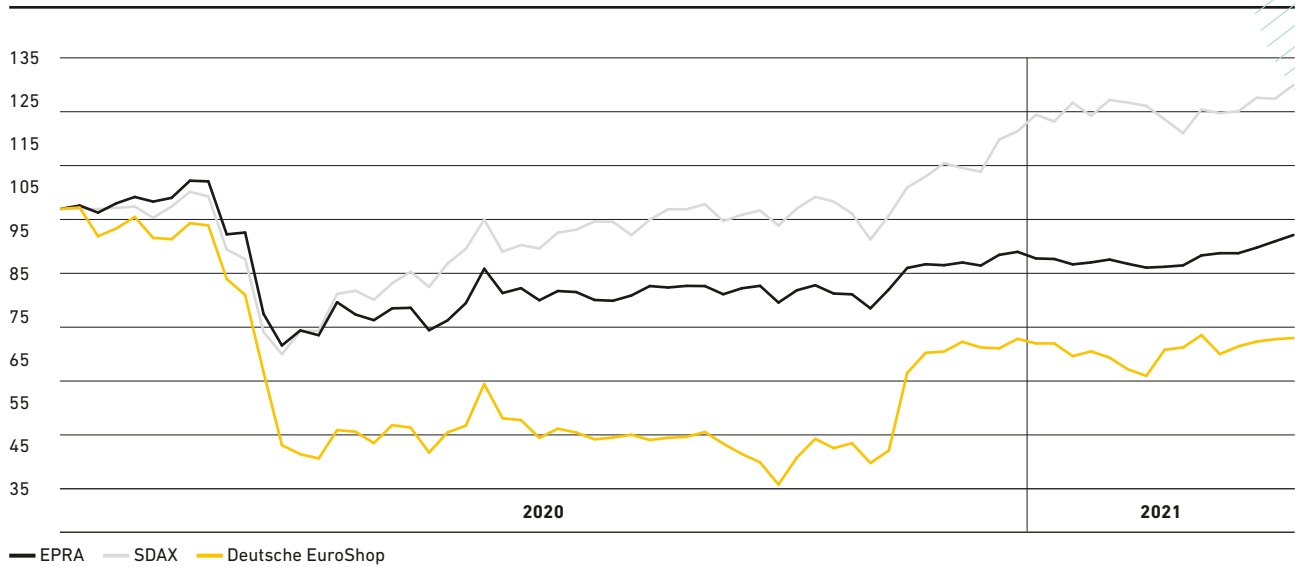
Over the past year, German open-ended property funds achieved an average performance of +2.5% (2019: +3.2%) and attracted cash inflows of €8.3 billion (2019: €10.6 billion).

¹ Atrium European Real Estate, Carmila, Citycon, Eurocommercial Properties, Hammerson, IGD, Klepierre, Mercialis, Unibail-Rodamco-Westfield, Vastned Retail and Wereldhave.



TREND OF SHARE

indexed – 30. December 2019



Figures for the Deutsche EuroShop share

German securities no. / ISIN	748 020 / DE 000 748 020 4
Ticker symbol	DEQ
Share capital in €	61,783,594.00
Number of shares (no-parvalue registered shares)	61,783,594
Indices	SDAX, EPRA, GPR 250, MSCI Small Cap, HASPAX, F.A.Z.-Index
Official market	Prime Standard Frankfurter Stock Exchange and Xetra
OTC markets	Berlin-Bremen, Dusseldorf, Hamburg, Hanover, Munich and Stuttgart

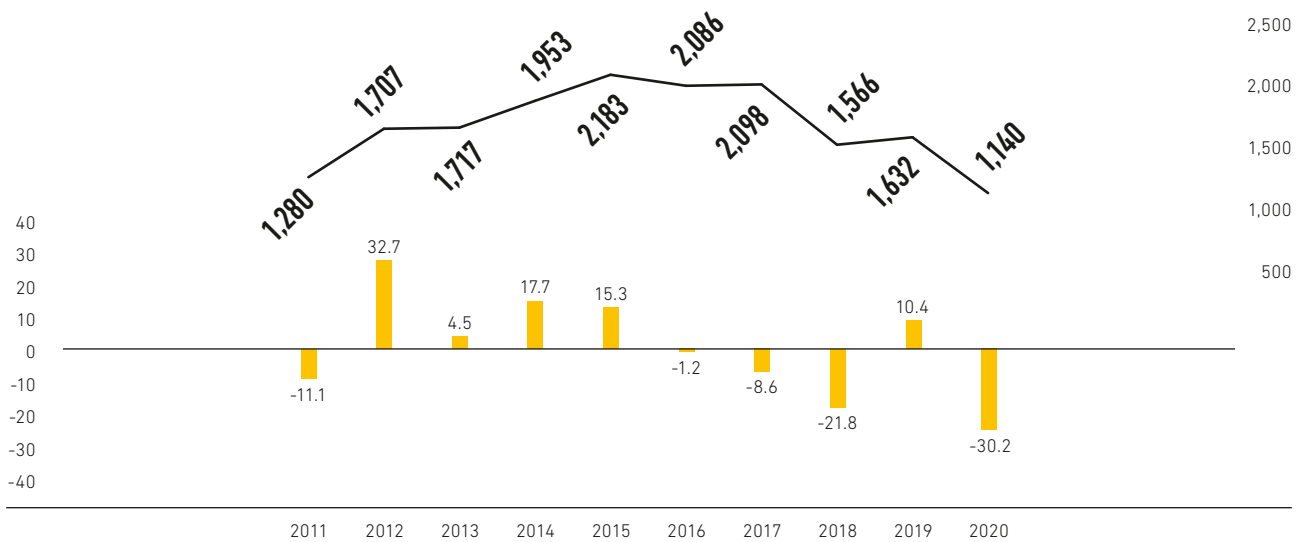


Stock market performance	2020	2019
DES share	-30.20%	10.40%
DAX	3.60%	25.50%
SDAX	18.00%	31.60%
EURO STOXX 50 (Europe)	-5.10%	24.80%
Dow Jones (USA)	6.30%	22.30%
Nikkei (Japan)	16.00%	18.20%

SHARE PERFORMANCE AND MARKET CAPITALISATION OVER THE LAST 10 YEARS

Share performance
in %

Market capitalisation
in € million



■ Annual development incl. dividend

VIRTUAL ANNUAL GENERAL MEETING WELL RECEIVED

To protect the health of shareholders and employees of DES and our service providers, the Annual General Meeting was held on 16 June 2020 as a virtual event without the physical presence of shareholders or their proxies. We had made the speech by the Chairman of the Board of Management available on our website three days before the right to ask questions ended, so that questions could be asked on the basis of the speech – as is customary at traditional AGMs.

The entire Annual General Meeting was broadcast via livestream. After registering for the Annual General Meeting in due time, shareholders were able to submit their questions regarding the agenda and also exercise their voting rights in advance by casting their vote by post or by issuing a power of attorney to the Company's proxies. Twenty shareholders took advantage of the opportunity to ask questions and asked a total of 121 questions, all of which were answered by the Executive Board and the Chairman of the Supervisory Board. Around 250 shareholders attended virtually, representing 62.9% (previous year: 63.3%) of the capital, and approved all of the items on the agenda.

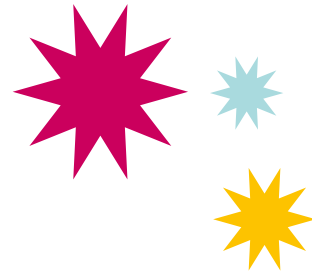
COVERAGE OF SHARE RECORDS DECLINE

Our shares are regularly covered by 14 analysts from respected German and international institutions, and their recommendations introduce us to new groups of investors. Due to the relatively restrained investor interest in retail real estate companies at present, DES's lower market capitalisation as well as structural market changes (regulation, discontinuation or shift in research undertaken by individual banks), the number of institutions offering coverage of Deutsche EuroShop has recorded a renewed decline. Information on the recommendations can be found at www.deutsche-euroshop.de/analysen

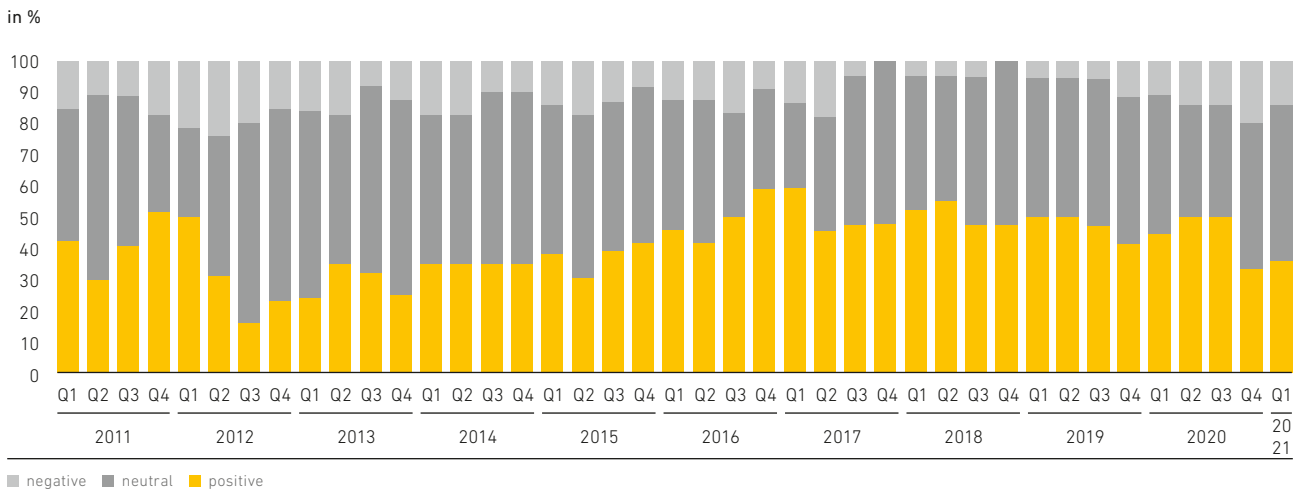
The analysts are currently neutral to positive² on the prospects for the DES share.

² SAs at: 10 March 2021

³ Baader Bank, Bank of America, Berenberg Bank, Commerzbank, Deutsche Bank, DZ Bank, Green Street Advisors, HSBC, Independent Research, J.P. Morgan Cazenove, Kempen, Kepler Cheuvreux, M.M. Warburg and NORD / LB.



DIVERSITY OF ANALYST'S OPINION OF THE LAST 10 YEARS



AWARDS FOR 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

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



Shareholder structure

- **35.9%** Institutional investors
- **24.4%** Private investors
- **20.0%** Alexander Otto
- **5.1%** PGGM
- **5.0%** State Street
- **3.3%** Johannes Schorr
- **3.3%** BlackRock
- **3.0%** AXA



INSTITUTIONAL INVESTORS STOCK UP

The number of investors declined somewhat in 2020 after a multi-year increase: Deutsche EuroShop now has around 21,800 shareholders² (previous year: 24,600, -11%). This development, in which many smaller positions have merged into a few large ones, is also visible in the shareholder structure: Alexander Otto holds a 20.0% stake in Deutsche EuroShop AG, PGGM 5.1%, State Street 5.0%, BlackRock 3.3%, Johannes Schorr 3.3% and AXA 3.0%. In addition, other institutional investors hold approx. 35.9% (previous year: 35.6%) of the shares and private investors hold 24.4% (previous year: 25.3%).

In a shareholder identification process, we regularly analyse the international distribution of our shares. Over the past year, there were minimal changes in the regional breakdown. Investors from Germany continue to hold a clear majority in Deutsche EuroShop, almost unchanged at just under 63%, although the German stake has fallen by around six percentage points. Overall, the shareholder structure is still dominated by European investors (approx. 85%), with British investors leading the pack. Dutch and French investors in particular have rediscovered the DES share. North American investors currently hold around 14% of the shares in DES.

Shareholder structure regional

- **62.9%** Germany
- **12.9%** USA
- **6.6%** United Kingdom
- **5.1%** France
- **5.1%** Netherlands
- **1.7%** Norway
- **1.3%** Switzerland
- **1.1%** Canada
- **2.7%** Rest of Europe
- **0.7%** Rest of the World



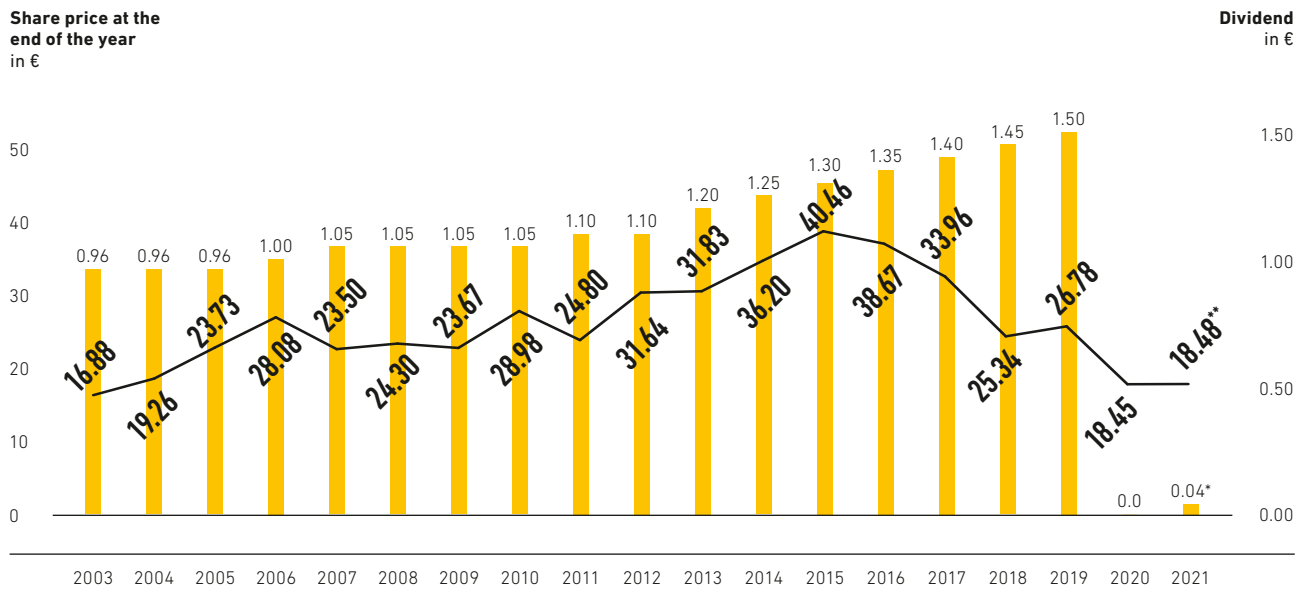
MINIMUM DIVIDEND PROPOSED

To further safeguard and strengthen the Company's liquidity, the Executive Board has decided to propose to the (virtual) Annual General Meeting scheduled for 18 June 2021 that a minimum dividend (4% of the share capital or €0.04 per share) be paid for financial year 2020. The Executive Board and the Supervisory Board intend to adhere to the dividend policy, which is geared to sustainable business success and focused on continuity, once the extraordinary situation has been overcome.



SHARE PRICE AND DIVIDEND SINCE IPO

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* proposal ** Price on 11 March 2021

Nicolas Lissner and Patrick Kiss



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

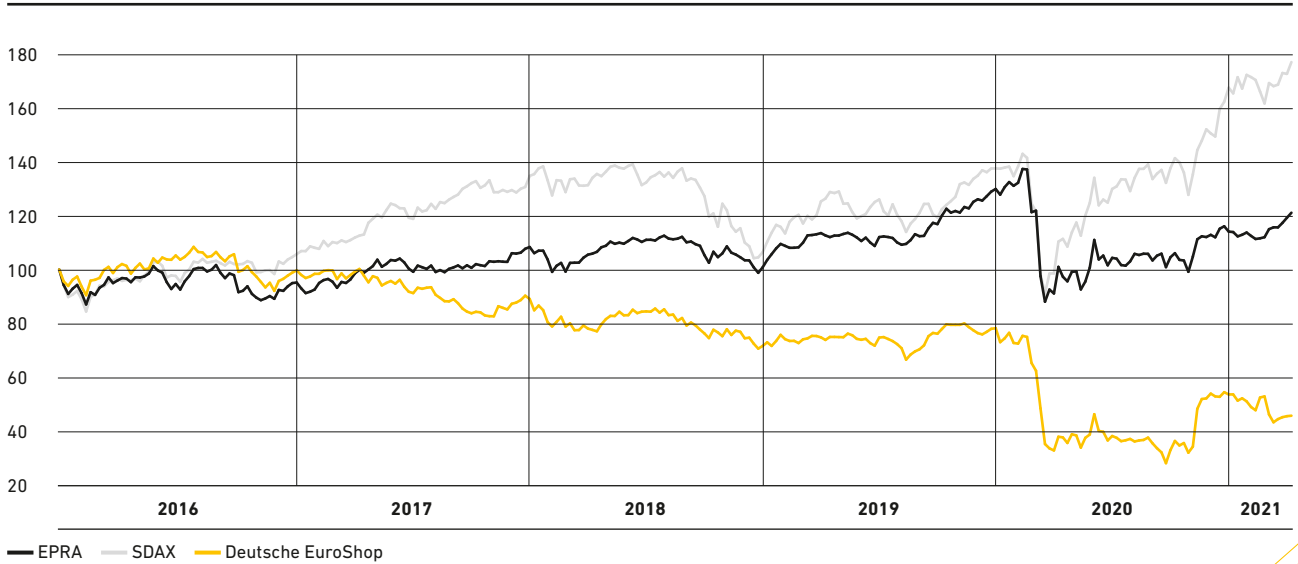
Fax: +49 (0)40-41 35 79 29

E-mail: ir@deutsche-euroshop.de

Internet: www.deutsche-euroshop.de/ir

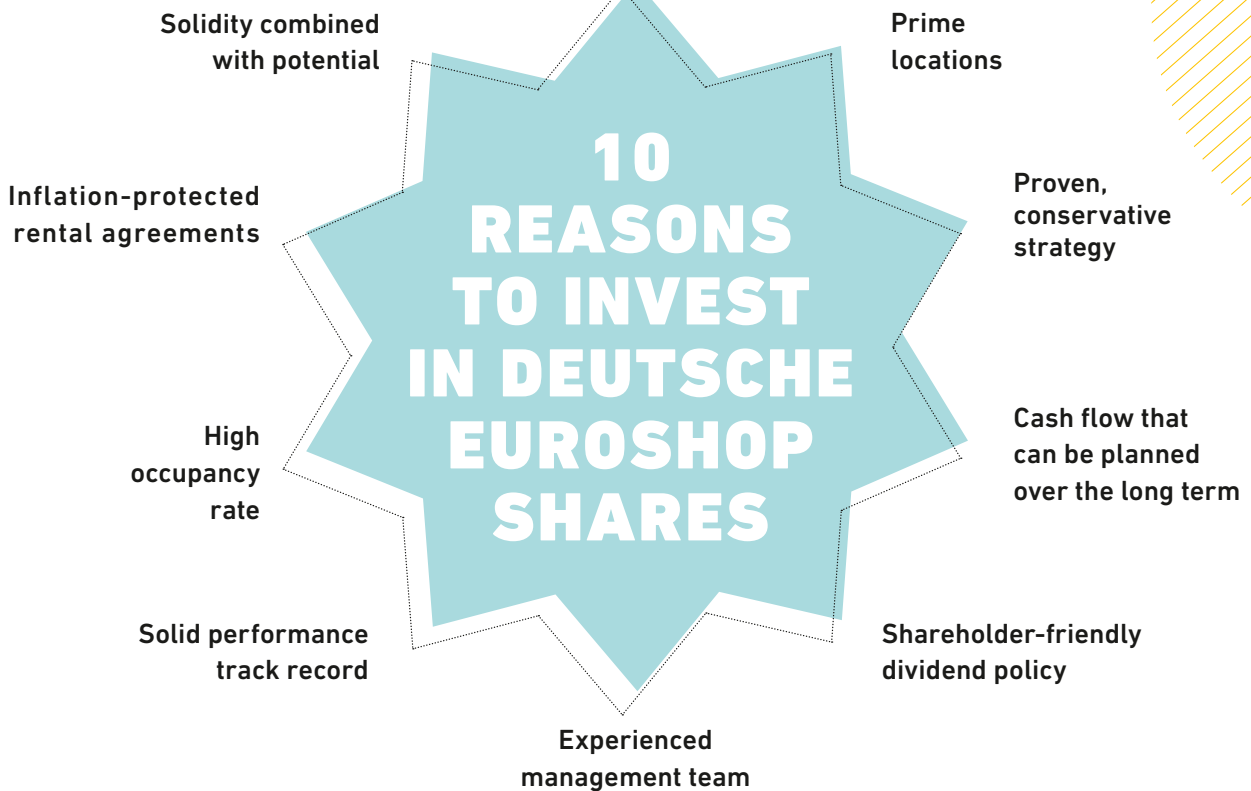
TREND OF SHARE

indexed – since 2016





The only public company
in Germany to invest solely
in shopping centers

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A TRIP DOWN MEM- ORY LANE WITH THE DES SHARE



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20 years of stability during
turbulent stock markets

Twenty years ago, when Deutsche EuroShop AG listed its shares on the stock exchange and offered investors the opportunity to buy into shopping centers in Germany and abroad, there was no comparable real estate holding company. In the two decades since then, the business model is unchanged, and remains unique. But stock markets determine the value of a share not only by its objective share of the equity, but also by the assessments of a large number of market participants, whose hopes, fears and expectations for the future set the current price. In these times of pandemic and lockdowns, there now is increased scepticism about shopping malls in city centre locations.

AGAINST THE DOTCOM BUBBLE

One of the quirks of the business model is the policy to reduce the high volume of retained earnings over the years by paying out dividends with a tax deferral. The share capital of €20 million was divided into 15.625 million no-par value shares; 34% of these were tradable on the stock exchange as at 2 January 2001; the placement price was €38.40. Deutsche Bank retained 45% of the shares, while the Otto family took a 21% stake; the management was relocated from Frankfurt to Hamburg. The year 2001 was marked by new highs on the Dax and the "Neuer Markt", often viewed as Germany's equivalent of the US's Nasdaq. At some point, however, they could not advance any further due to their sometimes ludicrous valuations, despite all attempts to the contrary. It was a time when small

distributors of children's films were suddenly worth billions on the stock market and when the magic word "dotcom" promised quick profits for small investors. Established valuation criteria based on P/E and P/B ratios lost out to multiples based on assumed future revenues.

After reaching the zenith, things went downhill in the second half of the year, accelerated by 9/11 as no story can replace sustained rising profits. Although the Deutsche Euroshop AG share also fell to €29, the decline was comparatively modest: the dividend of €1.92, which was paid again one year later, supported the share price with yields of up to 7.3%. The gap of up to 25% to book value suggested a recovery in the event of improved stock market sentiment.

WHEN THE CANNONS BOOM

Although the year 2002 was marked by widespread falling share prices and even though the prophets who had previously fuelled the euphoria were now almost proclaiming the economic "end of the world", which institutional investors in particular almost helped bring about by selling off their stocks at rock-bottom prices, the share turned around shortly before the end of the year at €26.10, justifying the old stock market adage that "the darkest hour cometh before the dawn". Another saying that it pays to "buy on the sound of cannons" was once again proved to be right on the money; for indeed the gloom on the stock markets was dispelled with the start of the Iraq campaign, which drove up prices again in the second half of the year. According to the Nebenwerte-Journal, Deutsche EuroShop, which was featured in a cover story in February 2003 at a price of €30.05, was not just a company backed by profits but also one founded on substance. Furthermore, it had something in common with many other German shares at the time: with the DAX trading at 2,700, a massive undervaluation offered an invitation to buy and brush aside the prevailing doom-and-gloom scenario. The "professionals" at banks and insurance companies in particular thought there was no more upside for shares at all, so they sold at rock-bottom prices and advised against shares.

"SHE" ALSO THINKS ABOUT SHARES

Nevertheless, it was no problem at all to place all the shares held by Deutsche Bank over the counter in anticipation of rising profits from what were 11 investments in shopping centers. The strategy was still the same: to distribute the annual, ongoing liquidity surpluses from rental income almost completely as dividends; the payments were made from the tax receipt account. For the first time, a net asset value (NAV) of €554 million was calculated as at 31 December 2003, which exceeded the book value of €495 million in the consolidated balance sheet by €59 million. The NAV per share of €43.56 was still 26% higher in April 2004 despite the rise in the share price to €34.50. By the end of the year, the gap had narrowed to 10%, as the share price of €39.05 exceeded its issue price again after four years. In May 2005, the NAV almost touched €43.30, and the next

dividend was soon paid at €1.92 again. There were 14 investments on the balance sheet, and accounting was changed from the German Commercial Code to IFRS. In the shopping centers, new kinds of posters caught the eye with the message: "She thinks about shopping, he thinks about his shares." This traditional division of roles had been changing as more and more women were becoming shareholders. At that time, the campaign was also an indication of the constant efforts to make the share better known through intensive public relations work. Thanks to the increasing acceptance of shopping centers, Deutsche EuroShop was able to largely decouple itself from the weak retail environment and set further growth in its sights.

BEFORE THE 1:2 SHARE SPLIT

In the increasingly febrile stock market atmosphere that led to the financial crisis and ended in 2008, the DES share price also exceeded the NAV, which stood at €43.96 per share at the end of 2005. By then, there were investments in 16 shopping centers with a total area of 593,000 sqm. While the retail sector posted a nominal gain of 1.5%, DES rental partners were up 2.7%. The first capital increase of 10% took place in 2005. In 2007, the notional value of the no-par value shares was changed to €1.00 and the number of shares doubled from 17.2 to 34.4 million by means of a 1:2 split. Prior to this, the share had risen to its then all-time high of €59.72 and its market value to €1.3 billion. The share price was 17.4% above the NAV at the end of 2006. Stock markets ignored the signs of the already visible financial crisis; it took the Lehman bankruptcy to bring to the fore the extent of the runaway debt that had been created by the securitisation of vast numbers of worthless mortgages in the US, shaking the financial markets worldwide. A subprime crisis turned into a financial and credit crisis, which in Germany meant the government stepping in to "guarantee" savings deposits and the state taking a stake in Commerzbank. It is not surprising that real estate shares in particular came under massive pressure here in Germany and suffered price losses of up to 90%. Although the DES share was sucked in too, it remained relatively stable at €21.90 compared with its high for the year of €28.50 (constituting a drop of 23%), especially as there were hardly any fundamental reasons for the decline; forecasts were even raised.

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WORLD FLOORED BY FINANCIAL CRISIS

Given the recession in the USA and its widening impact around the globe, it was advisable to bet on individual stocks of substance with good dividends, which at the beginning of 2009, after the Dax had tumbled by 55% to 3,666 points, included the likes of the DES share (at a low of €18.89) and which up for grabs for bargain prices. The dividend for the crisis year 2008 remained unchanged at €1.05, i.e. €2.10 split-adjusted, and was yielding up to 5.5%. Once again, it was clear that prices below the NAV, which stood at €27.43 at the end of 2008, were virtually an open sesame to share price gains. But it took a good dash of daring to buy against the prevailing "doomsday mood". The rewards came quickly when the stock market traffic light switched back to green. By 2011, the share capital had grown





to €516 million, rising in stages in parallel with center acquisitions. The market's respect for the company could be seen in the share price of €29, which significantly exceeded the NAV of €26.16; the dividend for 2010 was raised to €1.10. As at the end of 2010, a total of 17 shopping centers in Germany, Austria, Poland and Hungary were held as investments. The general stock market trend was less stable than that of DES, before the flood of liquidity triggered in 2012 to overcome the financial crisis ushered in the bull market that continues to this day.

GROWTH INSTEAD OF VALUE

The real estate market was being boosted by low interest rates on the one hand, while being held back by rising prices on the other. The growing online trade was seen as a threat to bricks-and-mortar retail, especially in the English-speaking world. In spite of this and the capital increase, the DES share continued to climb and, at €37.90, exceeded its NAV by 20% in 2013. The dividend of €1.25 per share was only partially tax-exempt. When the previous all-time high of €48.82 with an NAV of €33.17 was hit in April 2015, €625 million had been distributed to shareholders. Despite the buoyant consumer climate, favourable funding and a dividend of €1.35 for 2015, the DES share came under pressure as there was little growth on the stock market, hovering between €38 and €43 until spring 2017, before slipping to €22.54 in August 2018.

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IN THE WAKE OF THE PANDEMIC

The ensuing recovery with prices between €25 and €30 was brought to an abrupt halt in March 2020 with the first lockdown and a crash to €10.45. In September 2020, a new nadir of €9.52 was reached before news of an effective vaccine boosted stock markets and the DES price, which at that time had settled down between €18 and €20. The growing gap to NAV is due not only to the trend towards online shopping, but also to recurring fears of rising interest rates. Deutsche EuroShop is responding by stepping up its digitalisation and developing its centers into worlds of experience. Parallel to this, the positions held by hedge funds that are no longer convinced about the business model were also expanded.

LIGHT AT THE END OF THE TUNNEL

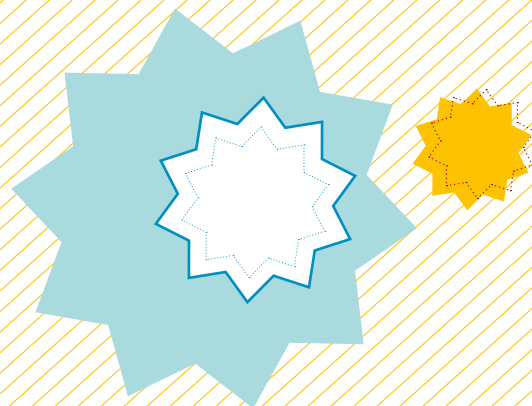
After refraining from new acquisitions since 2018, the DES portfolio consists of 21 investments, four of which are overseas. The unchanged dividend scheduled for 2019 was waived in 2020 to build up reserves. The interim discount of up to 75%, which was about 50% to the NAV of €37.38 at the end of 2020, was a reflection of the uncertainty in the pandemic year 2020, which is now beginning to ease with the prospects of the crisis being brought to an end as vaccinations are rolled out. Limiting the dividend for 2020 to €0.04 boosts liquidity. In turn, the retained earnings left in the company as result means a higher enterprise value (€1.19 billion on the stock exchange with 61.784 million no-par value shares). This trip down memory lane shows just how much buying below NAV can pay off.

WHY DIVIDENDS ARE IMPORTANT

Share price performance should be only considered in conjunction with dividends, which are often given too little attention. One share cost €38.40 at the time of the IPO, and there was a total of €11.78 in dividends until the stock split in 2007. In August 2007, one share became two shares, for which €29.68 was paid from then until financial year 2020, i.e. a total of €41.46 in dividends. In relation to the purchase price, this means €2.07 or 5.4% p.a. over 20 years. In the years 2019 and 2020, the retained earnings increased the enterprise value. The pandemic-related share price low of currently €19.30, or €38.60 for two shares, is only 2% shy of the initial level and should increase significantly when life returns to "normal" life and dividends become attractive again, paving the way for share price gains. Of course, this argument in favour of investing in shares over the long term does not mean you should not buy or sell when the opportunity presents itself to get a higher return. But this is not such an easy feat, as our look back in time shows.

(Tax aspects and subscription rights are not included in this analysis).

Klaus Hellwig



	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Market capitalisation (basis: year-end closing price) (€ million)	1,140	1,632	1,566	2,098	2,086	2,183	1,953	1,717	1,707	1,280
Number of shares (year-end)	61,783,594	61,783,594	61,783,594	61,783,594	53,945,536	53,945,536	53,945,536	53,945,536	53,945,536	51,631,400
Weighted average number of shares	61,783,594	61,783,594	61,783,594	58,248,007	53,945,536	53,945,536	53,945,536	53,945,536	51,934,893	51,631,400
High €	26.50 (03,01.)	27.44 (21,05.)	33.90 (02,01.)	39.32 (18,04.)	42.52 (09,06.)	48.00 (10,04.)	37.84 (12,06.)	34.48 (20,05.)	32.03 (01,11.)	29.06 (01,06.)
Low €	9.52 (25,09.)	22.54 (16,08.)	24.98 (27,12.)	30.37 (25,10.)	35.86 (11,02.)	36.32 (06,01.)	30.72 (04,02.)	29.45 (24,06.)	23.72 (06,01.)	22.94 (23,11.)
Year-end closing price (31.12.) €	18.45	26.42	25.34	33.96	38.67	40.46	36.20	31.83	31.64	24.80
Dividend per share (€)	0.04 ¹	0.00	1.50	1.45	1.40	1.35	1.30	1.25	1.20	1.10
Dividend yield (31.12.)%	0.2	0	5.9	4.3	3.6	3.3	3.6	3.9	3.8	4.4
Annual performance excl./incl. dividend %	-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%	0.6%/ 4.5%	27.6%/ 32.7%	-14.4%/ -11.1%
Average daily trading volume (shares)	153,503 (incl. Multi-lateral Trading Facilities >455,895) ²	149,891 (incl. Multi-lateral Trading Facilities >458,797)	192,835 (incl. Multi-lateral Trading Facilities >526,239)	212,422 (incl. Multi-lateral Trading Facilities >533,866)	142,133 (incl. Multi-lateral Trading Facilities >412,750)	152,355 (incl. Multi-lateral Trading Facilities >449,500)	113,000 (incl. Multi-lateral Trading Facilities >250,400)	112,400 (incl. Multi-lateral Trading Facilities >204,000)	129,400 (incl. Multi-lateral Trading Facilities >174,000)	125,400 (incl. Multi-lateral Trading Facilities >210,000)
EPS (€) (undiluted)	-4.07	1.81	1.29	2.31	4.11	5.73	3.29	3.17	2.36	1.92

All share price information relates to Xetra

¹ proposal

² Source: Bloomberg, adjusted data, as of 16 March 2021



Main-Taunus-Zentrum,
Sulzbach



Altmarkt-Galerie,
Dresden

FINANCIAL CALENDAR 2021

- | | | | |
|---------------|--|---------------|---|
| 07.01.–08.01. | Oddo BHF Forum (virtual) | 23.06.–24.06. | UniCredit Kepler Cheuvreux German Property Day, Paris |
| 11.01.–13.01. | Bank of America SMID Cap Conference 2021 (virtual) | 12.08. | Half-year Financial Report 2021 |
| 19.01. | Kepler Cheuvreux GCC (virtual) | 02.09. | Commerzbank Sector Conference, Frankfurt |
| 23.03. | Preliminary Results 2020 | 20.09. | Berenberg and Goldman Sachs German Corporate Conference, Munich |
| 25.03. | Bank of America EMEA Real Estate CEO Conference 2021 (virtual) | 21.09. | Baader Investment Conference, Munich |
| 26.03. | Commerzbank German Real Estate Forum 2021 (virtual) | 22.09.–23.09. | Bank of America Global Real Estate Conference (virtual) |
| 28.04. | Publication of the Annual Report 2020 | 11.11. | Quarterly Statement 9M 2021 |
| 11.05. | Quarterly Statement 3M 2021 | 01.12. | DZ Bank Equity Conference, Frankfurt |
| 26.05. | Societe Generale The Nice Conference (virtual) | | |
| 27.05. | Kempen European Property Seminar (virtual) | | |
| 18.06. | Annual General Meeting, Hamburg (virtual) | | |

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

ANNUAL GENERAL MEETING



Deutsche EuroShop's Annual General Meeting (AGM) was held on 16 June 2020, albeit as a purely virtual event without the physical presence of shareholders for the first time due to the pandemic. For this, we set up a complete AGM studio in Hamburg, where only a small team of technicians and specialists gathered alongside the Supervisory Board, Executive Board and the company's proxy subject to strict hygiene regulations.

Registered shareholders and their proxies could follow the entire AGM, including the Q&A session and votes, by joining a live audio-visual broadcast via a password-protected online service. An average of about 240 people watched the livestream of the virtual AGM.

CEO Wilhelm Wellner informed the shareholders in attendance about the events and results of the previous financial year. In his speech, Mr Wellner also addressed the current economic climate and the state of the shopping-center transaction market. Shareholders were additionally provided with detailed information on the impact of the coronavirus pandemic on the operation of our shopping centers. Another topic was the progress made in implementing the Digital Mall at our properties.

Shareholders were given an opportunity to submit questions online in advance via a portal. In all, we received 121 questions from a total of 20 individuals or institutions, each of which was answered by the Executive Board and Supervisory Board. These also included various questions from the SdK and DSW, the German associations for the protection of small shareholders and securities holders respectively.

The speeches and the associated presentation were made available to the general public shortly after the event at the web address given below. This site also contains an archive of agendas and other information relating to previous AGMs.

The agenda for the most recent meeting included a vote on a Supervisory Board member: Roland Werner was re-elected to the committee for a further five-year term. The attendance at the time of the vote on all agenda items was 62.9%.

The AGM for the 2020 financial year is scheduled to take place on 18 June 2021 and is planned to be held as a virtual event once more. As part of this, it is important for us to provide our shareholders with the means to participate in a safe, informative and uncomplicated manner. You will be sent all the necessary documents by post or e-mail in good time. We will also keep you updated about this on our website. In future, in order to promote sustainability and reduce costs, we would like to switch increasingly to electronic mailing of invitations and hope we have your consent to do so.

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ROADSHOWS AND CONFERENCES

The coronavirus pandemic also had a significant impact on our IR work in 2020. Our Executive Board and investor relations team typically attend a variety of conferences throughout the year and run numerous roadshows to discuss specific topical issues as well as Deutsche EuroShop's strategy with existing shareholders and present the company to potential new investors.

Direct contact with our investors is extremely important to us: by engaging in frank discussions with analysts as well as fund and portfolio managers, we seek to understand the requirements of the capital market and to learn which issues are seen as most important. Conversely, many fund management companies also hinge their investment decisions on their ability to hold regular meetings with a company's Executive Board.

In the spring of 2020, it quickly became clear that there would probably be no opportunities for in-person meetings for the time being and that travel would also have to be reduced to a minimum. By contrast, we have always been available to our investors for virtual meetings and have participated in numerous online conferences organised by banks. Online security is of course an important aspect here, which is why special attention is always paid to the software solutions and transmission techniques used.

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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.

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 center to visit existing or interested potential investors in person and inform them about the company's current development and /or strategy. Investors have the opportunity to meet the management personally and ask them questions. This allows up to 10 meetings to be held in one city on a single day. Alternatively, all appointments can be organised as virtual meetings.

In all, we held more than 100 one-on-one meetings with investors from four continents. We also held numerous conference calls, including for the publication of our quarterly and annual figures, which were streamed live on our website, where they could naturally also be viewed after the event or accessed via podcast.

Once the situation has stabilised following the coronavirus pandemic, we hope to be able to ramp up our investor relations activities again as quickly as possible over the remainder of in 2021 in order to cultivate our contacts with existing investors and tap into new investor groups. For this, we will of course also continue using techniques such as virtual roadshows and conferences. You can find an overview in our financial calendar on page 82. A constantly updated version can also be found on our website at www.deutsche-euroshop.com/IR.



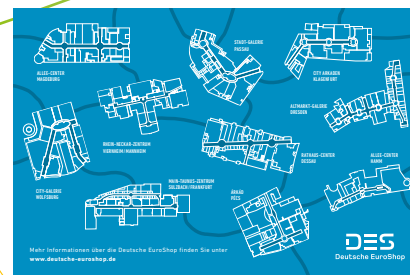
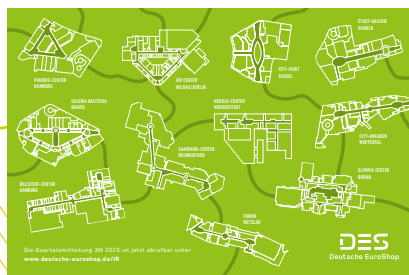
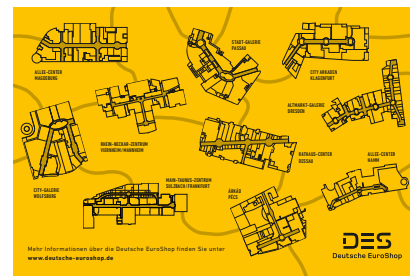
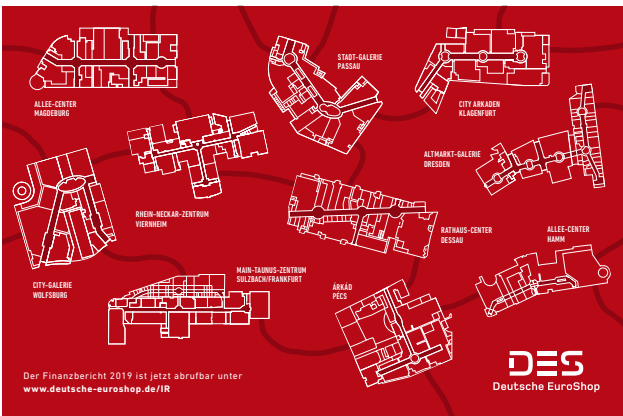
MARKETING

IN ADDITION TO SHARE MARKETING, WE FOCUS ON REFINING AND MAINTAINING THE DEUTSCHE EUROSHOP BRAND. OUR GOAL IS TO BOOST THE AWARENESS AND RECOGNITION OF THE BRAND EVEN FURTHER. DEUTSCHE EUROSHOP HAS ESTABLISHED ITSELF AS THE BRAND FOR INVESTMENTS IN SHOPPING CENTERS.

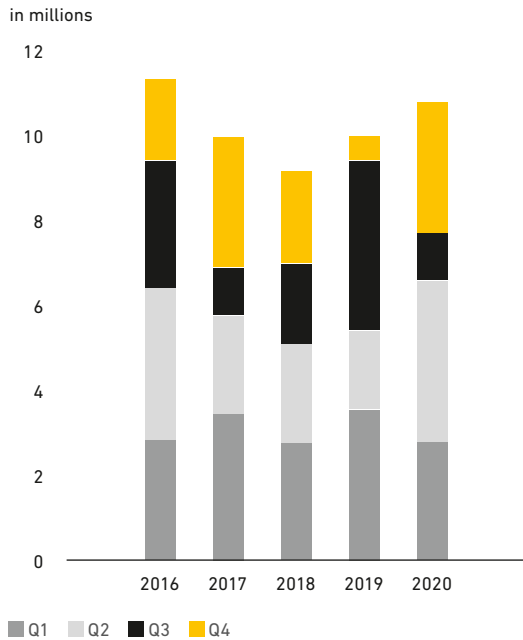
IT'S ALL IN THE DETAILS

In 2020, to coincide with the publication of our most recent financial figures, we placed advertisements in the trade press aimed at specific target groups. However, we placed these ads more cautiously and in a manner appropriate to the situation. The design of our ads was simple and colourful. The motif of the four-part series looked identical at first glance, but – just like a shopping center – it was the details that mattered. Attentive viewers were able to spot that we reproduced the floor plans of all of our 21 centers in our advertisements over the course of the year. These image and information advertisements were intended to draw attention to our company and the current results publications.

Our advertisements over the course of the year



PUBLISHED CIRCULATION



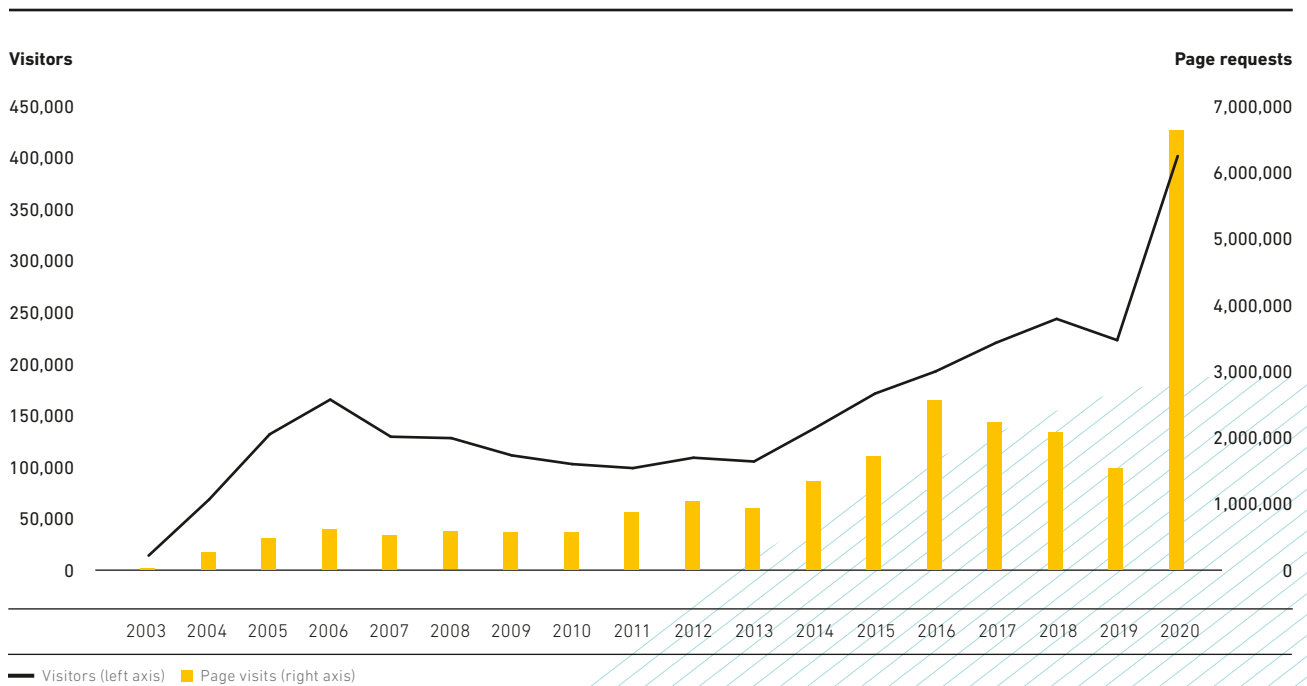
MEDIA ATTENTION RISING SLIGHTLY

Deutsche EuroShop enjoyed a strong media presence in 2020, particularly in the first and third quarters, and business and financial journalists regularly wrote about our company. A number of television and radio stations as well as online publications also devoted reports and interviews to Deutsche EuroShop. The print circulation of these media increased by about 8% year over year from 10 million to 10.8 million copies, while the equivalent advertising value through reports in newspapers and magazines rose to €3.42 million (+92%, previous year: €1.78 million).

WEBSITE WITH RAPIDLY GROWING POPULARITY

Our website, www.deutsche-euroshop.com, has been extremely popular for years. It is always ranked among the best in the index and within the European real estate sector for both the information it provides and its user friendliness. In order to ensure that it remains at this level, we updated the design and functions of the website last year. At a time when contact has to be minimised to stem the pandemic, our online presence has received an extra boost as an information channel. This was also reflected in the sharp increase in the number of visitors (+80%) and page requests (+334%).

VISITORS AND PAGE REQUESTS



ONLINE PERFORMANCE INDICATORS OF DES CENTERS

756

thousand fans

55

million people
reached

5.2

million visits

72

thousand followers

6.7

thousand posts
of which

80%

mobile



TOP 10 CENTER ON FACEBOOK

Altmarkt-Galerie Dresden

88,777 FANS

Galeria Bałtycka, Gdansk, Poland

71,881 FANS

Rhein-Neckar-Zentrum

58,810 FANS

Allee-Center Magdeburg

53,817 FANS

City-Point Kassel

51,987 FANS

Saarpark-Center, Neunkirchen

44,359 FANS

**Olympia Center, Brynn,
Czech Republic**

43,680 FANS

Árkád Pécs, Hungary

42,955 FANS

Stadt-Galerie Passau

35,643 FANS

Main-Taunus-Zentrum

34,386 FANS

SOCIAL MEDIA ALSO BOOMING

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



Twitter

Follow us on Twitter:

www.twitter.com/DES_AG



Facebook

Become a fan on Facebook:

www.facebook.com/euroshop



Instagram

See photos and videos from DES at:

www.instagram.com/deutscheeuroshop



IR Mall

Our Investor Relations blog:

www.ir-mall.com



Flickr

View our uploaded photos on the online platform Flickr:

www.flickr.com/desag



SlideShare

See our presentations and reports on SlideShare:

www.slideshare.net/desag



YouTube

Watch our videos on YouTube:

www.youtube.com/DeutscheEuroShop

GLOSSARY

Advertising value equivalence

Index number for the assessment of the monetary value of an editorial article. It is based on the advertising rate of the medium.

Annual financial statement

Under German (HGB) accounting principles, the annual financial statements consist of a company's balance sheet, profit and loss account, the notes to the financial statements and the management report. The annual financial statements of a public company are prepared by its executive board, audited by a certified public accountant (in Germany: Wirtschaftsprüfer) and adopted by the supervisory board.

Benchmark

A standard of comparison, e.g. an index which serves as a guideline.

Cash flow per share (CFPS)

The cash flow per share is calculated by dividing the cash flow by the number of shares issued by a company. The cash flow per share is taken as the basis for calculating the price / cash flow ratio.

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Class of assets

Division of the capital and real estate market into different classes of assets or asset segments.

Collection Ratio

The collection ratio measures the ratio of incoming payments to rent and service charge receivables from tenants.

Consumer price index

Also called the cost-of-living index, this is calculated in Germany by the Federal Statistical Office on a monthly basis. The CPI is the most important statistical indicator of a change in prices; the price of a basket of goods during a given period is compared with the price of the same basket during the base year. This change is also known as the inflation rate.

Core

Designation of a real estate investment and/or individual properties as well as the name of an investment style. The term refers to the relationship between risk and return. Core designates mature, transparent, sufficiently large markets or high-quality, well-situated properties that are fully let on a long-term basis to tenants with strong credit ratings. Other return / risk categories are value-added and opportunistic.

Corporate governance

The rules for good, value-driven corporate management. The objective is to control the company's management and to create mechanisms to oblige executives to act in the interests of their shareholders.

Covenants

A clause in a loan agreement which pertains to and contractually defines the binding warranties to be adhered to by the borrower during the term of a loan.

Coverage

Information provided on a listed public company by banks and financial analysts in the form of studies and research reports.

DAX

Germany's premier equity index. The composition of the DAX is established by Deutsche Börse AG on the basis of the share prices of the 30 largest German companies listed in the Prime Standard in terms of market capitalisation and market turnover.

Discounted-cashflow-model (DCF)

Method for the assessment of companies which is used to determine the future payments surpluses and discount them to the valuation date.

Dividend

The share of the distributed net profit of a company to which a shareholder is entitled in line with the number of shares he or she holds.

EBIT

Earnings before interest and taxes. DES calculation: EBT excluding net finance costs and measurement gains / losses (also see the consolidated income statement on page 32 of the Financial Report 2019).

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 <https://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 non-cash 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 for using the equity method).

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 60 most important securities after the 30 DAX members.

Measurement gains / losses

DES calculation: Measurement gains/losses comprise unrealised changes in the market value of properties held as a financial investment (investment properties) before taxes. In the case of fully consolidated companies, the portion of the company that does not belong to the Group is deducted. Measurement gains / losses of associates and joint ventures accounted for using the equity method are contained in the at-equity profit / loss.

Measurement gains / losses (including at-equity profit / loss)

DES calculation: Measurement gains / losses plus the measurement gains / losses included in at-equity profit / loss.

Multi channeling

Using a combination of online and offline communication tools in marketing.

Net asset value (NAV)

The value of an asset after deduction of liabilities. With regard to shares, the NAV constitutes their intrinsic value. The net net asset value (NNAV) is calculated by deducting deferred taxes from the NAV.

Net finance costs

Net finance costs at DES comprise the following income statement items: Share of the profit or loss of associates and joint ventures accounted for using the equity method, interest expense and income, the share of profit attributable to limited partners, income from investments and all other financial income and expenditure.

Peer-group

A share price performance benchmark consisting of companies from similar sectors, put together on the basis of individual criteria.

Performance

The term performance describes the percentage appreciation of an investment or a securities portfolio during a given period.

Retail space

Space in a building and/or an open area that is used for sales by a retail operation and that is accessible to customers. Service areas required for operational and legal purposes are not taken into account, nor are stairways or shop windows. The retail space is part of the leasable space of a business.

Roadshow

Corporate presentations to institutional investors.

Savings ratio

Share of savings of the income available in households.

SDAX

The small-cap index comprising the 70 most important securities after the members of the DAX (30 members) and the MDAX (60 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 exchange trading system that, in contrast to floor trading, uses an open order book, thus increasing market transparency. The trading hours are currently 9,00 a.m. to 5,30 p.m.

MULTI-YEAR OVERVIEW

in € million	2011	2012 ⁵	2013 ⁵	2014 ⁵	2015 ⁵	2016 ⁵	2017 ⁵	2018 ⁵	2019 ⁵	2020 ⁵
Revenue ⁶	190.0	178.2	188.0	200.8	202.9	205.1	218.5	225.0	231.5	224.1
EBIT	165.7	151.6	165.8	177.5	176.3	178.6	192.4	199.1	197.5	161.2
Net finance costs (excluding measurement gains / losses ¹)	-79.2	-56.1	-52.3	-52.5	-49.3	-44.1	-39.1	-38.2	-34.3	-33.6
EBT (excluding measurement gains / losses ¹)	94.9	95.5	113.4	125.0	127.0	134.5	153.3	160.9	163.1	127.6
Measurement gains / losses ¹	41.9	7.9	58.4	89.7	267.7	145.5	12.9	-58.3	-120.0	-429.6
Consolidated profit	99.0	122.5	171.0	177.4	309.3	221.8	134.3	79.4	112.1	-251.7
Funds from Operations (FFO)	83.1	86.4	112.0	120.5	123.4	129.9	148.1	150.4	149.6	123.3
FFO per share in €	1.61	1.68	2.08	2.23	2.29	2.41	2.54	2.43	2.42	2.00
Earnings per share in € ²	1.92	2.36	3.17	3.29	5.73	4.11	2.31	1.29	1.81	-4.07
EPRA Earnings per share in €	1.19	1.35	1.74	1.84	2.18	2.29	2.42	2.39	2.56	2.02
Equity ²	1,473.1	1,606.1	1,642.4	1,751.2	2,061.0	2,240.7	2,574.9	2,573.4	2,601.5	2,314.8
Liabilities	1,752.0	1,741.5	1,752.5	1,741.0	1,790.6	1,873.8	2,052.1	2,036.8	1,957.1	1,922.6
Total assets	3,225.1	3,347.6	3,394.9	3,492.2	3,851.6	4,114.5	4,627.0	4,610.2	4,558.6	4,237.4
Equity ratio in % ³	45.7	48.0	48.4	50.1	53.5	54.5	55.6	55.8	57.1	54.6
Cash and cash equivalents	64.4	161.0	40.8	58.3	70.7	64.0	106.6	116.3	148.1	266.0
Net asset value (EPRA)	1,427.3	1,538.9	1,650.4	1,789.4	2,135.2	2,332.6	2,668.4	2,667.5	2,613.4	2,309.7
Net asset value per share in € (EPRA)	27.64	28.53	30.59	33.17	39.12	43.24	43.19	43.17	42.30	37.38
Dividend per share in €	1.10	1.20	1.25	1.30	1.35	1.40	1.45	1.50	0.00	0.04 ⁴

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

² undiluted

³ incl. non controlling interests

⁴ proposal

⁵ at equity consolidation

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 2011 to 2018 is therefore only possible to a limited extent.

QUARTERLY FIGURES 2020

in Mio. €	01.01.– 31.03.2020	01.04.– 30.06.2020	01.07.– 30.09.2020	01.10.– 31.12.2020
Revenue	55.8	53.6	55.0	59.7
Net operating income (NOI)	50.0	30.0	41.0	45.5
EBIT	48.3	30.2	39.6	43.1
EBT (excluding measurement gains / losses ¹)	40.8	21.3	31.3	34.2
EPRA Earnings	38.5	21.3	31.0	33.7
FFO	38.6	21.3	31.0	32.4
EPRA Earnings per share in €	0.62	0.35	0.50	0.55
FFO per share in €	0.62	0.35	0.50	0.53

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

LEGAL

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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/Financial Report 2020 (in English and German), Quarterly Statement 3M 2020, Quarterly Statement 9M 2020 and Interim Report H1 2020 (in English and German). **Online Annual Report:** The Deutsche EuroShop Annual Report can be downloaded in PDF format or accessed as an interactive online report at deutsche-euroshop.com. This Annual Report is also available in German. In the event of conflicts the German-language version shall prevail.

20 YEARS

DES

Deutsche EuroShop



2001



2002



2003



2004



2005



2006



2007



2008



2009



2010



2011



2012



2013



2014



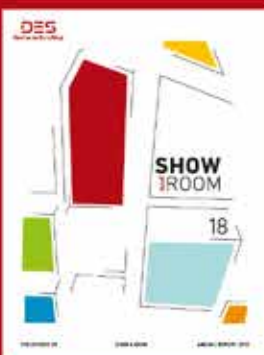
2015



2016



2017



2018



2019



2020