

# COMPENSATION REPORT 2023

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# COMPENSATION REPORT FOR FINANCIAL YEAR 2023

This compensation report details the components and the operating principles of the remuneration logic as well as the individual remuneration amounts for the Executive Board and the Supervisory Board.

Detailed information on the remuneration systems for the members of the Executive Board and the Supervisory Board of Deutsche EuroShop AG is available on the Company's website: <https://www.Deutsche-EuroShop.de/Investor-Relations/Corporate-Governance/Remuneration>

## GUIDELINES AND PRINCIPLES OF THE REMUNERATION SYSTEM FOR THE MEMBERS OF THE EXECUTIVE BOARD OF DEUTSCHE EUROSHOP AG

Deutsche EuroShop AG's business strategy aims to make investments in high-quality shopping centers in urban centers and established locations offering the potential for stable, long-term value growth and enabling the generation of high surplus liquidity from leases in shopping centers. The strategic targets are geared to consolidating the Company's successful positioning among its European competitors and increasing the value of the Company for its shareholders over the long term. The success of this development is measured on the basis of performance criteria and taken into appropriate account in the remuneration paid to the Executive Board. The remuneration thus provides the Executive Board with an effective incentive to implement the business strategy and achieve success. For this reason, the remuneration consists primarily of variable components that reward the achievement of set targets and reduce the remuneration paid in the event of non-achievement. This establishes a direct correlation between corporate success and remuneration.

The Annual General Meeting of 29 August 2023 approved the compensation report 2022 with a 97.55% vote in favour, so no adjustment to the form of the compensation report was necessary.

## REMUNERATION OF THE MEMBERS OF THE EXECUTIVE BOARD

### Main features of the remuneration system

In 2021, Deutsche EuroShop AG developed a remuneration system for the members of the Executive Board in accordance with Section 87a of the Aktiengesetz (AktG – German Public Companies Act), which was resolved by the Supervisory Board on 9 April 2021 at the recommendation of the Executive Committee and approved by the Annual General Meeting on 18 June 2021 with an approval rate of 99.54%. It is based on the strategic alignment of the Company and complies with the regulatory requirements of AktG and the recommendations of the Deutscher Corporate Governance Kodex (DCGK – German Corporate Governance Code).

The following overview presents the basic components of the remuneration system and their design:

### FIXED (NON-PERFORMANCE-RELATED) COMPONENTS

Basic annual remuneration	<ul style="list-style-type: none"> <li>Fixed basic annual remuneration, paid monthly in twelve equal instalments</li> </ul>
Ancillary benefits	<ul style="list-style-type: none"> <li>Car for business and private use</li> <li>Accident insurance / D&amp;O insurance</li> <li>Allowance for health and long-term care insurance</li> </ul>
Company pension scheme	<ul style="list-style-type: none"> <li>Defined contribution plan in the form of a fixed annual amount to a provident fund</li> <li>Alternative: Conclusion of old-age pension insurance</li> </ul>

## VARIABLE (PERFORMANCE-RELATED) COMPONENTS

Short-term Incentive (STI)	
Plan type	• Annual target bonus plan
Cap	• 150 % of target amount
Performance targets	<ul style="list-style-type: none"> <li>• Financial performance target:               <ul style="list-style-type: none"> <li>- Funds from operations (FFO) per share</li> </ul> </li> <li>• Personal criteria-based multiplier (0.8–1.2):               <ul style="list-style-type: none"> <li>- 50 % ESG target (e.g. certification of centers)</li> <li>- 25 % personal target (e.g. capital market communication rating)</li> <li>- 25 % individual special projects / strategy implementation</li> </ul> </li> </ul>
Long-term Incentive (LTI)	
Plan type	• Performance cash plan (annual rolling)
Cap	• 150 % of target amount
Performance targets	<ul style="list-style-type: none"> <li>• Total shareholder return (TSR; 75 %):               <ul style="list-style-type: none"> <li>- 2/3 absolute TSR</li> <li>- 1/3 relative TSR compared to relevant competitors</li> </ul> </li> <li>• Loan-to-value ratio (LTV; 25 %):               <ul style="list-style-type: none"> <li>- Absolute LTV</li> <li>- Multiplier depending on relative LTV compared to relevant competitors (0.8–1.2)</li> </ul> </li> </ul>
Performance period	• Four years
Payout	• Due in cash upon adoption of the annual financial statements for the last financial year of the respective tranche, thus four years after issue

## FURTHER CONTRACTUAL REGULATIONS

Maximum remuneration per Executive Board member	• €1,100,000 p. a.
Share Ownership Guidelines	<ul style="list-style-type: none"> <li>• Obligation to acquire and hold shares in Deutsche EuroShop AG amounting to at least 100 % of the gross basic annual remuneration</li> <li>• Regular holding obligation for entire period of service and two years beyond</li> <li>• Build-up of one-third of the STI and 100 % of the LTI payout amount</li> </ul>
Clawback	• Possibility of reclaiming variable remuneration (STI as well as LTI) in certain cases
Severance cap	• Limited to two years' remuneration (basic annual remuneration plus contributions to company pension plan, STI and LTI), but <u>not exceeding</u> the remaining term of the employment contract

The target total remuneration of the Executive Board members is defined as the sum of the basic annual remuneration, ancillary benefits, company pension plan, and STI and LTI (in each case assuming 100 % target achievement). The basic annual remuneration corresponds to between 40 % and 50 % of the target total remuneration. The STI accounts for around 20 % to 25 % and the LTI for around 25 % to 30 % of the target total remuneration. The company pension plan accounts for around 5 % and ancillary benefits for around 2 % to 4 % of the target total remuneration. The significant share of the variable remuneration components in the target total remuneration and the higher weighting of the LTI compared with the STI underscore the "pay for performance" approach and the way that remuneration is geared to the long-term and sustainable success of Deutsche EuroShop AG.

As required by Section 87a (1) sentence 2 no. 1 AktG, the Supervisory Board has set an individual cap on remuneration. The maximum remuneration per member of the Executive Board for each financial year is €1,100 thousand. This maximum remuneration additionally limits the combined payout of all remuneration components granted for a financial year (basic annual remuneration, ancillary benefits, company pension plan, and STI and LTI) regardless of when they are paid out.

The Executive Board remuneration system was applied for the first time when extending the contract for Mr Wellner from 1 January 2022 and when initially appointing Mr Kneip from 1 October 2022. The term of Mr Borkers' contract, which is not subject to the remuneration system, ran until 30 September 2022.

In its reporting, Deutsche EuroShop AG must report on the remuneration granted and owed in the last financial year in accordance with Section 162 (1) AktG. The compensation report is based on the following definition: The term "granted" refers to the actual inflow of remuneration components, while the term "owed" refers to remuneration components that are due but have not yet been paid.

### Remuneration practice in financial year 2023

In financial year 2023, the remuneration of the members of the Executive Board was based on the arrangements agreed in the individual contracts when these were signed. The remuneration agreed in these Executive Board contracts is made up of non-performance-related (fixed) and performance-related (variable) components. The fixed remuneration comprises the basic remuneration as well as ancillary benefits and, in some cases, a company pension plan. The variable remuneration reflects the performance during a financial year as well as the long-term development of the Company. Short-term variable remuneration (Short-term Incentive) and long-term variable remuneration (Long-term Incentive) are therefore applied depending on performance.

In determining the target remuneration, the Supervisory Board took into account the size, complexity and structure of Deutsche EuroShop AG. Additional consideration was given to the economic and financial situation of the Company, the structure and level of Executive Board remuneration in comparable companies, the areas of responsibility of the individual Executive Board members, and the internal remuneration environment.

In the 2023 reporting year, Mr Hans-Peter Kneip was appointed as sole member of the Executive Board. In the previous year, the members appointed to the Executive Board were Mr Wilhelm Wellner (until 20 April 2022), Mr Olaf Borkers (until 30 September 2022) and Mr Hans-Peter Kneip (since 1 October 2022). On 20 April 2022, the Supervisory Board of Deutsche EuroShop AG revoked the appointment of CEO Wilhelm Wellner at his request for a limited period until 30 September 2022. On 19 July 2022, the Supervisory Board then agreed by best mutual consent with Mr Wellner to conclude a termination agreement and revoked his reappointment with effect from 1 October 2022. Mr Borkers left the Company as scheduled on 30 September 2022.

#### Fixed remuneration

The members of the Executive Board receive basic annual remuneration for their work based on the position, duties and area of responsibility of the respective Board member.

The fixed remuneration components additionally include other ancillary benefits, primarily a car for business and private use or a corresponding flat-rate payment, plus accident insurance. The Executive

Board members also receive an allowance for health and long-term care insurance amounting to 50% of the amounts payable by them, but not exceeding 50% of the contributions to statutory health and long-term care insurance. In addition, a market-based D&O insurance policy has been taken out for the members of the Executive Board.

#### Reimbursement of travel expenses

Mr Kneip's contract includes annual reimbursement of travel expenses capped at €15 thousand for travel from his residence to his place of work and for accommodation at his place of work. Travel expenses are paid against proof by 30 June each year.

#### Company pension plan

A defined contribution plan was agreed for Mr Wellner with effect from 1 July 2018. In this context, the Company will make a vested entitlement of €50 thousand per year to a provident fund until 2029. This contribution will be disbursed even if the appointment as a member of the Executive Board ends before the age of 62, unless Mr Wellner has not accepted an offer to extend his appointment on comparable terms. The obligation to contribute ended with the death of Mr Wellner in the previous year.

The Company committed to providing a company pension for Mr Borkers, for which it has been making contributions of €3 thousand per year to a pension fund for the benefit of Mr Borkers since 1 July 2010. These contribution payments ran until Mr Borkers' retirement on 30 September 2022.

Mr Kneip receives a subsidy for his private pension and term life insurance of up to a maximum of €25 thousand.

There were no other pension commitments as at 31 December 2023.

#### Variable remuneration

The variable remuneration components are based both on the achievement of annual targets and on the long term performance of the Company. The short-term variable remuneration component and the long-term variable remuneration component incentivise the performance of Executive Board members from different perspectives, over different performance periods and taking account of different performance criteria.

With the departure of Mr Borkers and Mr Wellner and the arrival of Mr Kneip, the remuneration components were redefined in the previous year.

The performance criteria used as the basis for variable remuneration in financial year 2023 and the previous year and their relevance to strategy are shown in the table below:

Performance criteria	Short-term Incentive (STI)	Long-term Incentive (LTI)	Relevance to strategy
Earnings before taxes (excluding measurement gains / losses)	x		Mapping of long-term operating success, which is reflected in the Company's ability to invest and pay dividends
STI target amount FFO-based	x		Shows sustainable earnings power in the form of funds from operations per share; the weighting factors are sustainability and personal target achievement and are derived from strategy
Share price		x	Sustainable growth and increasing the value of the Company
TSR target achievement level		x	Sustainable growth and increasing the value of the Company
Financing target achievement level		x	Securing long-term financing

In addition, in accordance with the Share Ownership Guidelines, the contract with Mr Kneip provides for an obligation to acquire shares with a value equivalent to 100% of the fixed basic remuneration within a four-year period.

The following table shows which variable components are applied in which contracts:

Performance criteria	Wellner	Borkers	Kneip
Earnings before taxes (excluding measurement gains / losses)	x	x	
Share price	x	x	
FFO			x
Total shareholder return			x
Financing component			x

#### Short-term Incentive for Mr Wellner and Mr Borkers

The Short-term Incentive for Mr Wellner and Mr Borkers is based on a weighted average of Group EBT (excluding measurement gains / losses) of the current and the two preceding financial years, with EBT of the current financial year weighted at 60%, EBT of the previous financial year at 30% and EBT of the financial year before that at 10%.

	Year	Weighting
current financial year	2022	60 %
previous financial year	2021	30 %
financial year before that	2020	10 %

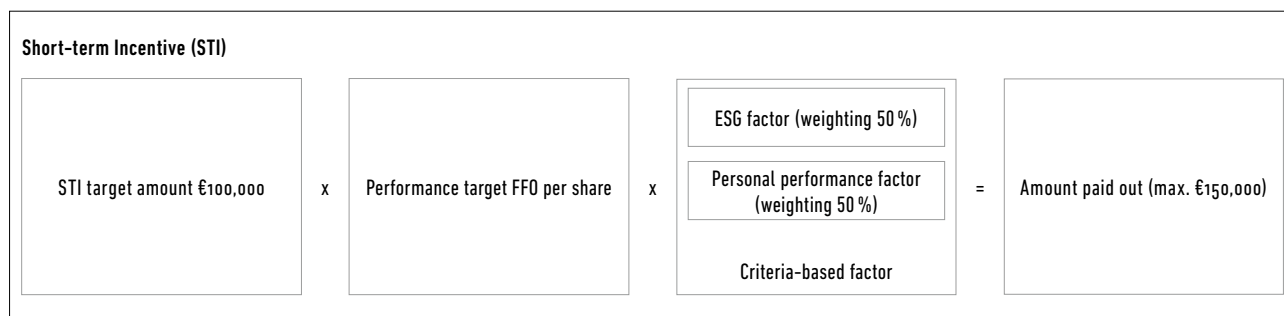
The amount of the STI is calculated for Mr Wellner as 0.25% of weighted EBT and for Mr Borkers as 0.20% of weighted EBT, with payouts capped at €423 thousand and €300 thousand, respectively.

	Payout factor	Cap in EUR k
Wilhelm Wellner	0.25 %	423
Olaf Borkers	0.20 %	300

Due to their departure during the course of the year in 2022, Mr Wellner and Mr Borkers received pro rata variable remuneration up to the date of their departure in the amount of €189 thousand (Mr Borkers) and €144 thousand (Mr Wellner). In addition, Mr Borkers received one-time additional remuneration of €250 thousand in 2022 for the period of his appointment as sole member of the Executive Board.

**Short-term Incentive for Mr Kneip**

The annual STI target amount is €100 thousand for 100% target achievement. The STI target achievement level can be a maximum of 150%, with the STI payout amount capped at €150 thousand. The STI target achievement level in Mr Kneip's contract is determined using the following formula:



The performance target for FFO per share is calculated by comparing the funds from operations per share reported in the consolidated financial statements to funds from operations per share derived from corporate planning, as determined from the budget approved by the Supervisory Board.

If target achievement is below 75%, the performance target is not achieved overall. If target achievement is above 133%, the performance target is capped at 150%. In the range between 75%–100% and 100%–133%, the performance target is calculated by interpolation. For every 1.0 percentage point above or below target, the performance target is adjusted up or down by 1.5 percentage points.

In a second step, the FFO per share performance target calculated in this way is multiplied by a criteria-based factor. This is composed of an ESG factor and a personal performance factor, each comprising 50%. The ESG factor is determined on the basis of the ESG certifications awarded by the DGNB (Deutsche Gesellschaft für Nachhaltiges Bauen e.V.) (platinum: 1.2, gold: 1.0, silver: 0.9, bronze: 0.8) calculated arithmetically for the individual shopping centers. The personal performance factor refers to a multiplier that may be 0.8, 0.9, 1.0, 1.1 or 1.2, the amount of which is determined by the Supervisory Board based on its assessment of the extent to which the Executive Board member has achieved one or more personal performance targets for the financial year in question and has demonstrated good role-specific performance in the process.

The Supervisory Board may individually adjust the Short-term Incentive in the event of extraordinary events that would lead to inappropriate results.

The personal performance factor for the current financial year will be determined at the meeting of the Executive Committee of the Supervisory Board in the following year and was not yet known at the time of the preparation of the compensation report. Nevertheless, a provisional STI has been calculated and accrued for the current financial year. At the beginning of April 2023, the Executive Committee of the Supervisory Board set an STI for Mr Kneip of €123 thousand for financial year 2022, offset by a deferred amount of €130 thousand. A provisional STI of €124 thousand was accrued for financial year 2023.

**Long-Term Incentive Plan for Mr Wellner and Mr Borkers**

The Long-term Incentive for Mr Wellner and Mr Borkers focuses on the long-term performance of the enterprise value of Deutsche EuroShop AG. The current long-term variable remuneration was approved in June 2021 and has applied since 1 January 2022.

The amount of the long-term variable remuneration is based on the development of the market capitalisation of Deutsche EuroShop AG over the performance period from 1 January 2022 to 31 December 2025. Individual payout factors have been defined for the Executive Board members, through which they participate proportionately in the increase in market capitalisation. For an increase in market capitalisation of up to €500 million, the payout factor is 0.10% for Mr Wellner and 0.05% for Mr Borkers. If the increase exceeds the value of €500 million, this share is additionally remunerated at 0.05% for Mr Wellner and 0.025% for Mr Borkers.

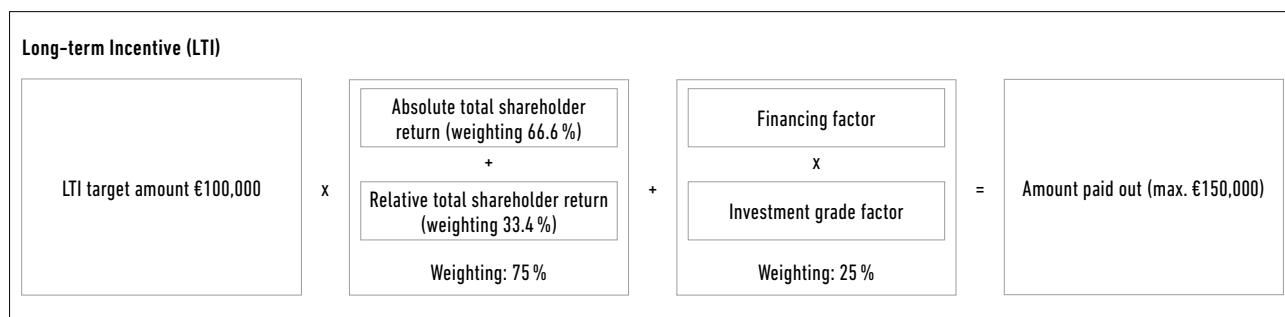
Market capitalisation is calculated by multiplying the volume-weighted average share price of the Company over the last twenty trading days by the number of Company shares issued.

Due to the departure of Mr Wellner and Mr Borkers from the Executive Board in financial year 2022, the LTI owing to them was calculated by comparing the market capitalisation at 1 January 2022 with the market capitalisation at the time of their departure. Mr Wellner received €242 thousand and Mr Borkers received €258 thousand from the LTI in 2022.

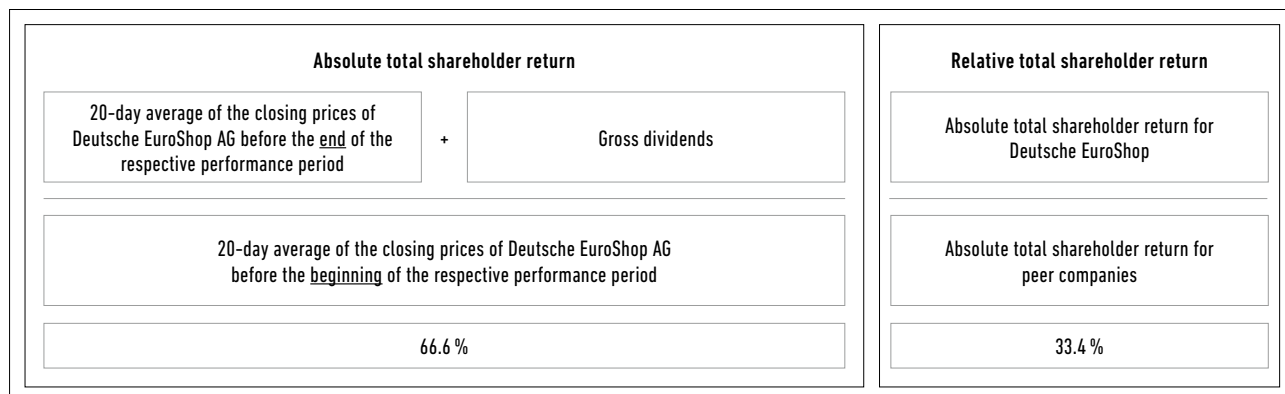
**Long-Term Incentive Plan for Mr Kneip**

The Long-term Incentive for Mr Kneip takes into account the long-term change in the value of Deutsche EuroShop AG and is based on two targets: total shareholder return (TSR) and financing. The LTI covers a rolling period of four years in each case and will be paid out at the end of these four years. The LTI 2022 covers the period from 2022 to 2025 and will be paid out in 2026. The LTI 2023 covers the period from 2023 to 2026 and will be paid out in 2027.

The annual LTI target amount is €100 thousand for 100 % target achievement. The LTI target achievement level can be a maximum of 150 %, with the LTI payout amount capped at €150 thousand. The LTI target achievement level in Mr Kneip's contract is determined using the following formula:



Total shareholder return is an indicator of the return on the shares and translates shareholders' return expectations into the remuneration structure of the Executive Board. Two-thirds of total shareholder return is calculated from the total shareholder return of Deutsche EuroShop AG and one-third from a comparison with relevant peer companies.





The other components of the LTI and the way they are calculated are shown in the following overview:

#### Long-term Incentive (LTI) - Calculation of target achievement

Target achievement for absolute total shareholder return denotes a percentage between 0 % and a maximum of 150 % and amounts to 100 % when absolute total shareholder return is 24 %.

Target achievement for relative total shareholder return denotes a percentage between 0 % and a maximum of 150 % and amounts to 100 % when the figure is 0 %.

Financing factor denotes a percentage between 0 % and a maximum of 150 % and amounts to 100 % when a financing volume of €500 million is achieved.

Absolute total Shareholder return	Target achievement
< 0 %	0 %
= 24 %	100 %
> 36 %	150 %

Relative total Shareholder return	Target achievement
< -20 %	0 %
= 0 %	100 %
> 20 %	150 %

Financing volume	Target achievement
< 400 Mio. €	0 %
= 400 Mio. €	80 %
= 500 Mio. €	100 %
> 600 Mio. €	150 %

When total shareholder return is between 0 % (target achievement 0 %) and 24 % or between 24 % and 36 % (target achievement 150 %), target achievement is calculated by interpolation.

When relative total shareholder return is between -20 % (target achievement 0 %) and 0 % or between 0 % and 20 % (target achievement 150 %), target achievement is calculated by interpolation.

When financing volume is between €400 million (target achievement 80 %) and €500 million or between €500 million and €600 million (target achievement 150 %), target achievement is determined by interpolation. Notwithstanding the calculation given above for 0 %, in the event that there is no corresponding investment grade rating from a rating agency at the end of the relevant performance period, the financing factor is 0 %.

No remuneration from the LTI was granted or is owed to Mr Hans-Peter Kneip, as this can only be determined for the first time at the end of financial year 2025 for the LTI 2022 or at the end of financial year 2026 for the LTI 2023. Nevertheless, provisions of €113 thousand were recognised for the LTI 2022, and provisions of €44 thousand for the LTI 2023.

The Supervisory Board is entitled to deviate from the above arrangements in the event of extraordinary events which would lead to inappropriate results (e.g. destruction of a center, COVID 19 pandemic).

#### Benefits in the event of premature termination of the employment contract

In the event that the employment contract is terminated prematurely by the Company without cause, the members of the Executive Board will be entitled to a severance payment in the amount of the annual remuneration outstanding up to the end of the agreed contractual term, but limited to an amount equivalent to a maximum of two basic annual remunerations plus the respective target amounts under the Short-term Incentive bonus and the Long-term Incentive bonus. When measuring the annual remuneration amount, the average annual remuneration for the previous financial year and the probable annual remuneration for the current financial year are used.

Mr Wellner was paid remuneration of €1,500 thousand upon conclusion of a termination agreement in 2022.

#### Benefits in the event of an adjustment event

The following are deemed adjustment events: acquisition of control of more than 30 % of the voting rights, withdrawal of admission of the shares to trading on a regulated market, or a shareholder application for a squeeze-out. In the event of an adjustment event, the Executive Board is entitled to adjust the overall LTI target achievement level to take into account the changed framework conditions and a claim to pro rata temporis settlement of LTI tranches already earned; the Supervisory Board is entitled to agree different arrangements in the interests of the Company.

#### Malus and clawback rules

The employment contracts of the Executive Board members Mr Wellner and Mr Borkers concluded in previous years did not contain any specific malus or clawback provisions. However, with the conclusion of a new Executive Board remuneration contract in January 2022, such a provision was agreed with Mr Wellner. The Executive Board contract with Mr Kneip provides for the ability to reduce variable remuneration not yet paid out ("**malus**") or reclaim variable remuneration already paid out ("**claw back**") in the event of breaches of duty. The Supervisory Board did not make use of the option to withhold variable remuneration components for the members of the Executive Board in financial year 2023.

#### Deviations from the remuneration system

The remuneration system provides for a loan-to-value performance target with a weighting of 25 % in the LTI. The contract with **Mr Hans-Peter Kneip**, on the other hand, contains a financing factor

performance target weighted at 25%. From the Company's point of view, this incentivises comparable objectives, but the components are not identical. Contrary to the provisions in the remuneration system, the STI and LTI in Mr Hans-Peter Kneip's Executive Board contract are each weighted equally and are in total slightly below the target range set of 50% to 60% of total remuneration. The deviations were necessary in order to take account of the changes in the general conditions resulting from the changes in the shareholder structure.

### Remuneration granted and owed to members of the Executive Board

The table below shows the remuneration granted and owed to the active and former members of the Executive Board. The remuneration granted has already been received by the members of the Executive Board. For the active members of the Executive Board, the remuneration owed is hereinafter understood to mean the remuneration that will fall due upon completion of the relevant performance period in financial year 2023 but that has not yet been paid. The Short-term Incentive is therefore shown as remuneration owed for 2023. However, the Long-term Incentive Plan is not part of the remuneration owed, as no performance periods were completed in financial year 2023.

TABLE 1: REMUNERATION GRANTED AND OWED

Remuneration granted and owed	Hans-Peter Kneip (since 1 October 2022)				Wilhelm Wellner (until 20 April 2022)				Olaf Borkers (until 30 September 2022)			
	2023	2023	2022	2022	2023	2023	2022	2022	2023	2023	2022	2022
	EUR k	Share	EUR k	Share	EUR k	Share	EUR k	Share	EUR k	Share	EUR k	Share
Fixed remuneration	325	63%	81	37%	–	–	293	13%	–	–	177	20%
Ancillary benefit	54	10%	14	6%	–	–	15	1%	–	–	2	0%
<b>Fixed income</b>	<b>379</b>	<b>73%</b>	<b>95</b>	<b>43%</b>	<b>–</b>	<b>–</b>	<b>308</b>	<b>14%</b>	<b>–</b>	<b>–</b>	<b>179</b>	<b>20%</b>
<b>Short-term Incentive Plan<sup>1</sup></b>	<b>124</b>	<b>24%</b>	<b>123</b>	<b>57%</b>	<b>–</b>	<b>–</b>	<b>144</b>	<b>7%</b>	<b>–</b>	<b>–</b>	<b>189</b>	<b>22%</b>
<b>Long-term Incentive Plan</b>	<b>0</b>	<b>0%</b>	<b>0</b>	<b>0%</b>	<b>–</b>	<b>–</b>	<b>242</b>	<b>11%</b>	<b>–</b>	<b>–</b>	<b>258</b>	<b>29%</b>
<b>Travel expenses</b>	<b>15</b>	<b>3%</b>	<b>0</b>	<b>0%</b>	<b>–</b>	<b>–</b>	<b>0</b>	<b>0%</b>	<b>–</b>	<b>–</b>	<b>0</b>	<b>0%</b>
<b>Severance pay</b>	<b>0</b>	<b>0%</b>	<b>0</b>	<b>0%</b>	<b>–</b>	<b>–</b>	<b>1,500</b>	<b>68%</b>	<b>–</b>	<b>–</b>	<b>0</b>	<b>0%</b>
<b>Special payment</b>	<b>0</b>	<b>0%</b>	<b>0</b>	<b>0%</b>	<b>–</b>	<b>–</b>	<b>0</b>	<b>0%</b>	<b>–</b>	<b>–</b>	<b>250</b>	<b>29%</b>
<b>Total remuneration</b>	<b>518</b>	<b>100%</b>	<b>218</b>	<b>100%</b>	<b>–</b>	<b>–</b>	<b>2,194</b>	<b>100%</b>	<b>–</b>	<b>–</b>	<b>876</b>	<b>100%</b>

<sup>1</sup> At the beginning of April 2023, the Executive Committee of the Supervisory Board set an STI for Mr Kneip of €123 thousand for financial year 2022, offset by a deferred amount of €130 thousand. A provisional STI of €124 thousand was accrued for financial year 2023.

In 2023, Mr Claus-Matthias Böge (former CEO who left the Company in 2015) received a pension payment of €40 thousand.

Mr Kneip's reimbursable travel expenses are reimbursed in the following year by 30 June of each year.

The following pension expense was recorded for the active members of the Executive Board:

TABLE 2: PENSION EXPENSE

In EUR k	Hans-Peter Kneip <sup>1</sup>		Wilhelm Wellner		Olaf Borkers <sup>1</sup>	
	2023	2022	2023	2022	2023	2022
Pension expense	25	7	–	25	–	2

<sup>1</sup> The pension expense is also included in Table 1 under ancillary benefits.

No maximum remuneration has been agreed in the Executive Board contracts with Mr Wellner and Mr Borkers on which the remuneration is based. Mr Kneip's Executive Board contract includes maximum remuneration of €725 thousand. The Executive Board remuneration contract concluded with Mr Wellner in January 2022 specified maximum remuneration of €1.1 million.

## REMUNERATION OF THE MEMBERS OF THE SUPERVISORY BOARD

In accordance with Article 8 (4) of the Articles of Association, the Chair of the Supervisory Board receives annual remuneration of €50 thousand, the Vice Chair receives €37,500, and all other members of the Supervisory Board receive fixed remuneration of €25 thousand.

In accordance with Article 8 (5) of the Articles of Association, members of the Supervisory Board are reimbursed for cash expenses incurred during performance of their duties. In addition, any sales tax incurred is reimbursed if the Supervisory Board members are entitled to invoice the Company separately for the sales tax.

The remuneration granted and owed to the Supervisory Board is constituted as follows:

Members of the Supervisory Board who join or leave the Supervisory Board in the course of a financial year receive pro rata remuneration for the corresponding financial year.

Remuneration granted / owed to the Supervisory Board	2023			2022		
	Fixed remuneration		Total remuneration	Fixed remuneration		Total remuneration
	EUR k	%	EUR k	EUR k	%	EUR k
Reiner Strecker	50	100 %	50	50	100 %	50
Chantal Schumacher (since 30 August 2022)	37.5	100 %	37.5	12.7	100 %	12.7
Benjamin Paul Bianchi <sup>1</sup> (since 30 August 2022)	25	100 %	25	8.5	100 %	8.5
Karin Dohm (until 30 August 2022)	-	-	-	24.8	100 %	24.8
Dr Anja Disput (until 30 August 2022)	-	-	-	16.5	100 %	16.5
Henning Eggers	25	100 %	25	25	100 %	25
Dr Henning Kreke	25	100 %	25	25	100 %	25
Lemara Grant <sup>1</sup> (since 30 August 2022)	25	100 %	25	8.5	100 %	8.5
Stuart E. Keith <sup>1</sup> (since 30 August 2022)	25	100 %	25	8.5	100 %	8.5
Dr Volker Kraft (since 30 August 2022)	25	100 %	25	8.5	100 %	8.5
Alexander Otto (until 23 May 2022)	-	-	-	9.7	100 %	9.7
Claudia Plath	25	100 %	25	25	100 %	25
Klaus Striebich (until 30 August 2022)	-	-	-	16.5	100 %	16.5
Roland Werner (until 30 August 2022)	-	-	-	16.5	100 %	16.5

<sup>1</sup> Mr Benjamin Paul Bianchi, Mr Stuart E. Keith and Ms Lemara Grant have declared in writing to the Company that they will forego the Supervisory Board remuneration to which they are entitled.

## INFORMATION ON THE RELATIVE TREND OF THE REMUNERATION OF THE EXECUTIVE BOARD, THE REMUNERATION OF OTHER EMPLOYEES AND THE DEVELOPMENT OF THE COMPANY'S EARNINGS

The table below shows the trend in remuneration for the members of the executive bodies in comparison with the development of the earnings of Deutsche EuroShop AG and the average remuneration of all employees in Germany on a full-time equivalent basis during the period 2018 to 2023.

The development of Deutsche EuroShop AG's earnings is shown on the basis of earnings before taxes.

	Change 2018–2019	Change 2019–2020	Change 2020–2021	Change 2021–2022	Change 2022–2023
<b>Remuneration of members of the Executive Board</b>					
Wilhelm Wellner	5.3 %	–7.5 %	–4.6 %	– <sup>10</sup>	–
Olaf Borkers	2.5 %	4.8 %	–4.4 %	– <sup>10</sup>	–
Claus-Matthias Böge <sup>1</sup>	8.8 %	1.6 %	–90.5 %	0.0 %	0.0 %
Hans-Peter Kneip	–	–	–	– <sup>10</sup>	– <sup>10</sup>
<b>Remuneration of members of the Supervisory Board<sup>2</sup></b>					
Reiner Strecker	0.0 %	–19.0 %	0.0 %	0.0 %	0.0 %
Chantal Schumacher <sup>5</sup>	–	–	–	– <sup>10</sup>	0.0 %
Benjamin Paul Bianchi <sup>5</sup>	–	–	–	– <sup>10</sup>	0.0 %
Karin Dohm <sup>6</sup>	0.0 %	–19.0 %	0.0 %	– <sup>10</sup>	–
Dr Anja Disput <sup>3,6</sup>	–	–	– <sup>10</sup>	– <sup>10</sup>	.
Henning Eggers <sup>3</sup>	–	–	– <sup>10</sup>	0.0 %	0.0 %
Dr Henning Kreke	0.0 %	–19.0 %	0.0 %	0.0 %	0.0 %
Lemara Grant <sup>5</sup>	–	–	–	– <sup>10</sup>	0.0 %
Stuart E. Keith <sup>5</sup>	–	–	–	– <sup>10</sup>	0.0 %
Dr Volker Kraft <sup>5</sup>	–	–	–	– <sup>10</sup>	0.0 %
Alexander Otto <sup>7</sup>	0.0 %	–19.0 %	0.0 %	– <sup>10</sup>	–
Claudia Plath <sup>3</sup>	–	– <sup>10</sup>	0.0 %	0.0 %	0.0 %
Klaus Striebich <sup>6</sup>	0.0 %	–19.0 %	0.0 %	– <sup>10</sup>	–
Roland Werner <sup>6</sup>	0.0 %	–19.0 %	0.0 %	– <sup>10</sup>	–
Beate Bell <sup>4</sup>	0.0 %	– <sup>10</sup>	–	–	–
Thomas Armbrust <sup>4</sup>	0.0 %	– <sup>10</sup>	–	–	–
Manuel Better <sup>4</sup>	0.0 %	– <sup>10</sup>	–	–	–
<b>Earnings indicators</b>					
Earnings before taxes of the Company <sup>8</sup>	42.4 %	–73.6 %	68.2 %	–41.9 %	105.1 %
Group operating profit before measurement gains / losses and taxes <sup>9</sup>	1.4 %	–21.8 %	–1.6 %	3.7 %	30.2 %
<b>Remuneration of employees</b>					
Employees in Germany	3.4 %	2.2 %	0.5 %	4.7 %	6.0 %

<sup>1</sup> On the Executive Board until 30 June 2015, grant under company pension plan since 2019, grant under LTI until 2020

<sup>2</sup> Until 2019, the remuneration of the Supervisory Board members was paid with input tax included. From 2020 onwards, the remuneration has been paid with input tax excluded due to ECJ rulings. Remuneration in accordance with the Articles of Association remained unchanged over the period under review

<sup>3</sup> On the Supervisory Board since 12 June 2019

<sup>4</sup> On the Supervisory Board until 12 June 2019

<sup>5</sup> On the Supervisory Board since 30 August 2022

<sup>6</sup> On the Supervisory Board until 30 August 2022

<sup>7</sup> On the Supervisory Board until 23 May 2022

<sup>8</sup> Separate financial statements of Deutsche EuroShop AG (HGB)

<sup>9</sup> Voluntary additional information

<sup>10</sup> No disclosure of changes due to joining or departing during the year

# REPORT OF THE INDEPENDENT AUDITOR

## ON THE AUDIT OF THE REMUNERATION REPORT PURSUANT TO § 162 (3) AKTG

Note: This is a convenience translation of the German original. Solely the original text in the German language is authoritative.

To Deutsche EuroShop AG, Hamburg

### Audit Opinion

We have formally audited the remuneration report of Deutsche EuroShop AG, Hamburg, for the financial year from 1 January 2023 to 31 December 2023 to determine whether the disclosures pursuant to § 162 (1) and (2) AktG (Aktengesetz: German Stock Corporation Act) have been made in the remuneration report. In accordance with section 162 (3) AktG, we have not audited the content of the remuneration report.

In our opinion, the accompanying remuneration report complies, in all material respects, with the disclosure requirements pursuant to § 162 (1) and (2) AktG. Our audit opinion does not cover the content of the remuneration report.

### Basis for the Audit Opinion

We conducted our audit of the remuneration report in accordance with § 162 (3) AktG and in compliance with the IDW Auditing Standard: The Audit of the Remuneration Report pursuant to § 162 (3) AktG (IDW PS 870 (08.2021)). Our responsibilities under this regulation and this standard are further described in the "Auditor's Responsibilities" section of our auditor's report. Our audit firm has applied the requirements of the IDW Quality Assurance Standard: Quality Assurance Requirements in Audit Practices (IDW QS 1). We have complied with our professional duties pursuant to the German Public Auditors Act (WPO) and the Professional Charter for Auditors / Chartered Accountants (BS WP/vBP), including the independence requirements.

### Responsibilities of the Executive Directors and the Supervisory Board

The Executive Directors and the Supervisory Board of Deutsche EuroShop AG are responsible for the preparation of the remuneration report, including the related disclosures, in compliance with the requirements of § 162 AktG. They are also responsible for internal controls they consider to be necessary to enable the preparation of a remuneration report, including the related disclosures, that is free from material misstatement, whether due to fraud or error.

### Auditor's Responsibilities

Our responsibility is to obtain reasonable assurance about whether the remuneration report complies, in all material respects, with the disclosure requirements pursuant to § 162 (1) and (2) AktG, and to issue an auditor's report that includes our opinion.

We planned and performed our audit to obtain evidence about the formal completeness of the remuneration report by comparing the disclosures made in the remuneration report with the disclosures required by § 162 (1) and (2) AktG. In accordance with § 162 (3) AktG, we have not audited whether the disclosures are correct or individual disclosures are complete or whether the remuneration report is fairly presented.

### Consideration of Misleading Representations

In connection with our audit, our responsibility is to read the remuneration report considering the knowledge obtained in the audit of the financial statements and to remain alert for indications as to whether the remuneration report contains misleading representations in relation to the correctness of the content of the disclosures, the completeness of the individual disclosures or the fair presentation of the remuneration report.

If, based on the work we have performed, we conclude that such a misleading representation exists, we are required to report that fact. We have nothing to report in this regard.

Hamburg, 12 April 2024

BDO AG  
Wirtschaftsprüfungsgesellschaft

Signed by Kaletta  
German Public Auditor

Signed by Oleski  
German Public Auditor