FEEL

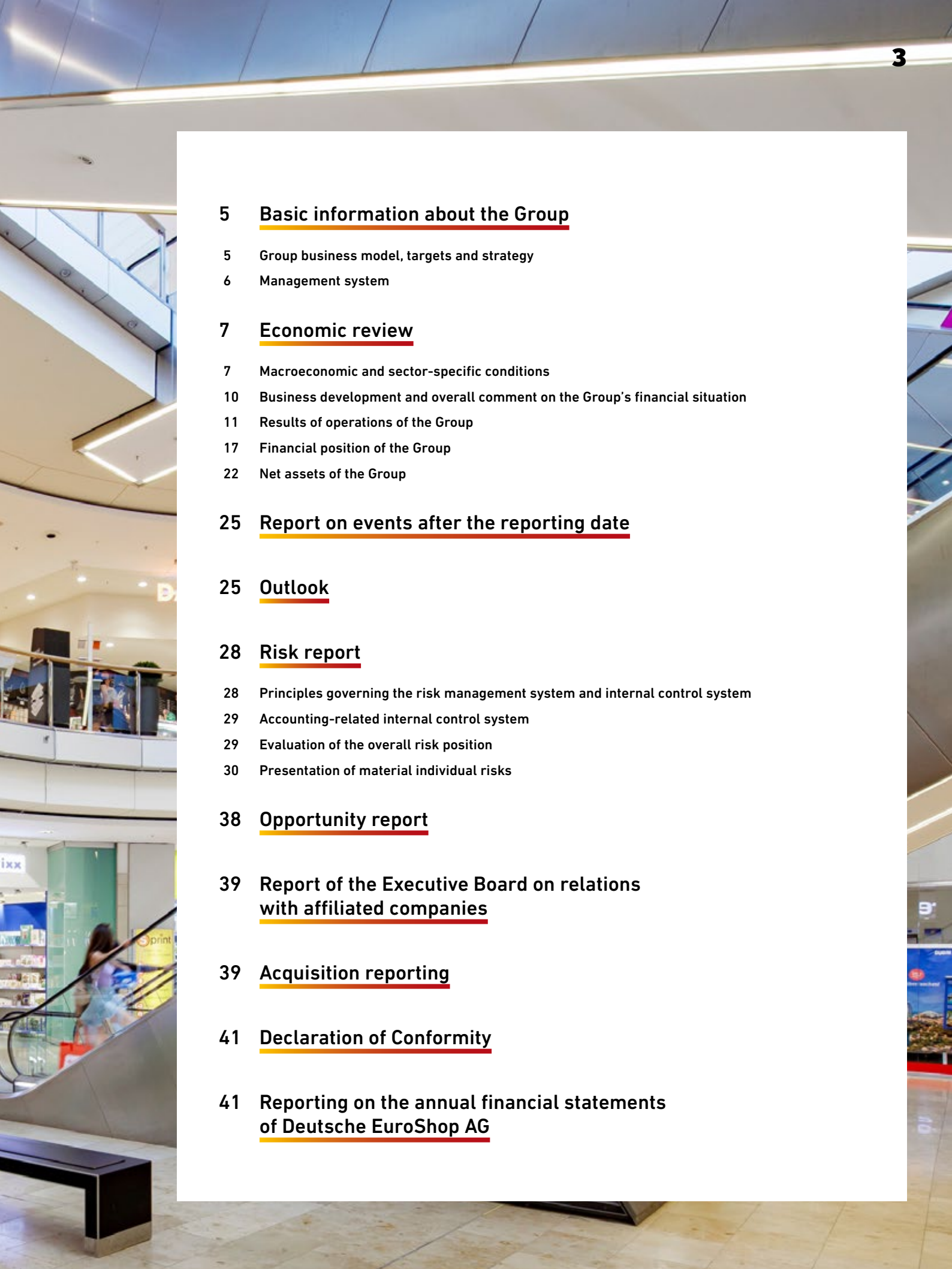


Annual financial statements **2025**

DES
Deutsche EuroShop



Combined management report



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Billstedt-Center
Hamburg

Basic information about the Group

Group business model, targets and strategy

Deutsche EuroShop AG is an Aktiengesellschaft (public company) under German law. The Company's registered office is in Hamburg. Deutsche EuroShop AG is the only public company in Germany to invest solely in shopping centers in prime locations. A total of 21 shopping centers in Germany, Austria, Poland, Hungary and the Czech Republic are held in the real estate portfolio. The Group generates its reported revenue from rental income on the spaces it lets in the shopping centers.

These are held by independent companies, with Deutsche EuroShop AG holding stakes of 100 % in 16 shopping centers and between 50 % and 95 % in the other five. Further information on the incorporation of these companies into the consolidated annual results is provided in the notes to the consolidated financial statements.

The Group managing company is Deutsche EuroShop AG. It is responsible for corporate strategy, portfolio and risk management, financing and communication. The Deutsche EuroShop Group has a central structure and lean personnel organisation.

Objectives and strategy

The management focuses on investments in high-quality shopping centers in urban centres and established locations offering the potential for stable, long-term value growth. A key investment target is the generation of high surplus liquidity from leases in shopping centers, of which a significant portion can be paid out to shareholders in the form of an annual dividend. To this end, the Company invests its capital in shopping centers in different European regions in accordance with the principle of risk diversification. Germany is the main focus of investment. Indexed and revenue-linked commercial rents contribute to profitability.

The Deutsche EuroShop Group aims to take advantage of favourable financing conditions while expanding and diversifying its pool of funding sources to mitigate risks. Accordingly, the capital and financing structure is continuously and purposefully refined. The Deutsche EuroShop Group funds its investment activity through secured loans from a range of lenders as well as unsecured capital market instruments. Deutsche EuroShop AG holds an investment-grade rating, which enables it to issue bonds and comparable alternative instruments. Deutsche EuroShop AG takes steps to maintain and further improve this rating in order to remain flexible in an environment of fluctuating interest rates and generally tighter lending requirements. As a result, and depending on market conditions, we expect the Deutsche EuroShop Group's loan-to-value (LTV) ratio to fluctuate between 40 % and 50 %.

Diversified shopping center portfolio

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

Seizing opportunities and maximising value

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

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

Tailored rent structure

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

The shopping experience concept

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

Omni-channel approach

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

Management system

The Executive Board of Deutsche EuroShop AG manages the Group in accordance with the provisions of German company law and with its rules of procedure. The Executive Board's duties, responsibilities and business procedures are laid down in its rules of procedure and in its schedule of responsibilities.

The Group targets shopping centers with sustainable and stable value growth and a high liquidity surplus generated from long-term leases. These parameters are then used to derive relevant management indicators (performance indicators). For the Group, these are: revenue, EBIT (earnings before interest and taxes); EBT (earnings before taxes) excluding measurement gains/losses; and FFO (funds from operations) per share. Under commercial law, the performance indicators for the annual financial statements of Deutsche EuroShop AG are income from investments and earnings before taxes.

Based on five-year medium-term planning for each shopping center, aggregated Group planning is drawn up once a year and the management indicator targets are established. Throughout the year, current performance is compared periodically (quarterly) against these targets and current projections. In addition, the value drivers behind the management indicators – such as retail sales, footfall and the occupancy rate – are monitored in monthly controlling reports. This should make it possible to take the necessary urgent measures in the Group in good time.

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

More information about the Executive Board and the Supervisory Board can be found in the Declaration of Conformity.

Economic review

Macroeconomic and sector-specific conditions

The German economy concluded the 2025 financial year in positive territory. This slight recovery followed two years of recession. According to calculations by the German Federal Statistical Office, real GDP was up by 0.2 % in 2025 after price adjustments (2024: -0.2 %). This modest uptick was primarily attributable to increased consumption expenditure by private households and the public sector. Exports declined once again. In the reporting year, the export sector faced formidable headwinds caused by elevated US tariffs, a stronger euro and intensified competition from China. Capital expenditure remained subdued. Both equipment purchases and construction investments were down in 2025 compared to the previous year.

The manufacturing sector's gross value added contracted for the third consecutive year in 2025 (-1.3 %), albeit at a less severe pace than in the two previous years. Major subsectors such as mechanical engineering and automotive production continued to register losses due to stiffer competition in sales markets. 2025 was another challenging year for the construction sector. Gross value added fell again (-3.6 %), while insolvency filings rose further. The industry's performance was dampened by persistently high construction costs, particularly within the high-rise segment.

The picture was mixed in the services sector. Corporate service providers (-0.8 %) and other service providers, encompassing sports, entertainmen and leisure (-0.3 %), saw a decline in price-adjusted gross value added, while the trade, transport and hospitality sectors recorded an improvement (+1.2 %). Retail made a notable contribution to this growth. The hospitality sector, however, generated less value than in the previous year. Public service providers, education and the health sector saw another uptick in value added (+1.4 %).

As in the previous year, consumer prices rose by 2.2 % on average in Germany over the course of 2025 according to the German Federal Statistical Office. This indicates that consumer prices have stabilised. This marked a substantial decline from 5.9 % in 2023 and 6.9 % in 2022.

Real wages continued their positive trend in the past year and were 2.7 % higher in the third quarter of 2025 than in the previous year.

Private consumer spending saw another modest increase (+1.4 %) on a price-adjusted basis according to the German Federal Statistical Office. Consumer spending on health services rose (3.8 %) while mobility expenditures increased (2.7 %), the latter driven primarily by an increase in vehicle purchases. Consumers continued to spend less on eating out and accommodation (-0.6 %).

Government consumption rose by 1.5 %, slightly outpacing private consumption. Social and care-related expenditures increased, along with state-paid employee wages.

Germany's economic slowdown is clearly reflected in the labour market. The number of unemployed people in Germany increased by 161,000 year-on-year to 2,948,000 on average in 2025. This pushed the unemployment rate up 0.3 percentage points compared to 2024 to an average of 6.3 %.

In the Czech Republic, the rate of inflation stood at 2.5 % in 2025, compared to 2.4 % in the previous year. Prices for goods rose by 1.1 % overall in 2025, while the cost of services went up by 4.7 %.

Poland's consumer prices jumped 2.4 % in December 2025 compared with the same month a year earlier, driven by a 5.2 % rise in service costs and a 1.3 % increase for goods. Polish consumer prices went up by 3.6 % year-on-year overall in 2025.

Retail

According to preliminary data from the Federal Statistical Office, the retail sector in Germany generated 2.7 % more revenue in real terms (price-adjusted) in 2025 than in the previous year. Compared with 2021, when the retail sector recorded its highest-ever sales since the Federal Statistical Office began compiling data in 1994, annual sales in 2025 were 0.1 % lower in real terms, according to preliminary results.

According to the German Retail Association (HDE), total sales in the German retail sector rose by 3.0 % to €683.7 billion in the reporting year. Online retail sales increased by 3.9 % in 2025 to €92.3 billion. This accounted for approximately 13.5 % of total retail sales, up from 13.3 % in 2024.

The competitive landscape of Deutsche EuroShop AG's portfolio remains primarily influenced by online retail, inner-city stores, shopping centers in the immediate catchment area, and inner-city centres in major regional urban centres. For example, the city centres of Dortmund, Mannheim and Braunschweig are serious rivals to the Allee-Center in Hamm, the Rhein-Neckar-Zentrum in Viernheim and the City-Galerie in Wolfsburg, respectively.

Another factor is additional competition in the form of growing numbers or expansions of factory and designer outlets on greenfield sites outside the city limits and, to a certain extent, also within them. There are currently plans to expand a designer outlet in Zweibrücken, Saarland, which is in the catchment area of the Saarpark-Center in Neunkirchen. An outlet in Remscheid, in the catchment area of the City-Arkaden Wuppertal, is also scheduled to open in 2027.

Retail sales in the Czech Republic rose by 1.8 % year-on-year in real terms in December 2025, while month-over-month they fell by 0.1 %. Retail sales in the Czech market increased by 3.5 % in 2025 as a whole.

Poland's retail sales grew by 4.3 % on a price-adjusted basis between January and December 2025 compared with the previous year.

Real estate market

According to JLL, Germany's investment market for commercial real estate was stagnant in 2025, with transaction volumes falling slightly to €33.9 billion from €35.4 billion the year before (-4 %). The residential sector accounted for 30 % of total transactions (€10.2 billion), unchanged from the previous year. Retail real estate held the second spot with more than €6.5 billion or 19 % of the transaction volume (previous year: 16 %). Logistics followed closely with a volume of just under €6.5 billion or 19 % (previous year: 22 %), while office space rounded out the top three with roughly €6.3 billion, or 19 % (previous year: 15 %).

The recovery in the retail real estate sector continued. The increase in transaction volumes in 2025 compared to the previous year was driven by the two largest transactions across all asset classes – the sale of the Oberpollinger department store in Munich for approximately €380 million and the sale of the Neumünster Designer Outlet Center for approximately €350 million. In addition to inner-city retail and commercial buildings, the economic recovery was also reflected in the continued steady demand for supermarkets and food-centric markets. According to JLL, international trade policy appeared to calm down somewhat towards the end of 2025 following the tension and debate surrounding US tariffs.

JLL also reported that top returns for real estate were mostly unchanged in 2025. Trends varied from asset class to asset class. At the top shopping centers in Germany, top returns remained unchanged at the end of the year at an average of 5.90 % (2024: 5.90 %).

According to JLL, the reletting volume for retail properties in 2025 was 519,500 m^2, 8.6 % higher than in the previous year (478,300 m^2). The number of lease agreements rose from 932 in the previous year to 954, JLL also highlighted the consistently high importance of international formats for the German retail market. The most expansive tenant group was once again textile retailers, who successfully maintained their leading position in space take-up for the full year 2025 with 136,878 m^2 and accounted for approximately 26 % of total space take-up. The Young Fashion segment expanded the most, accounting for almost half of the industry's leasing volume. The gastronomy/food sector secured second place with 113,293 m^2 (22 % of total take-up). According to JLL, this underscores the continued importance of food retail and gastronomy for revitalising inner cities.

Share price performance

The closing price (Xetra) of the Deutsche EuroShop share as at 31 December 2024 was €18.50. The share price traded in a tight corridor between €18.00 and €19.00 in the first few weeks of 2025 before briefly breaking above this range in the second half of March. Later on, the share price saw a pronounced decline in line with the rest of the market amid global discussions about potential US tariffs. The share price it fell to its lowest level of the year (€17.26) on 7 April 2025.

Before recovering strongly, particularly in the two weeks leading up to the Annual General Meeting of Deutsche EuroShop. Shareholders were invited to Hamburg on 27 June 2025. The share price reached its high for the year of €23.20 on 25 June 2025. Subsequent months saw the price largely oscillate between €18.00 and €19.00. It closed the year at €18.84.

Taking into account the dividend of €2.65 per share for the 2024 financial year, which was distributed on 2 July 2025, the overall performance for 2025 as a whole was +15.3 %. The small cap index SDAX rose by +25.3 % over the same period. Deutsche EuroShop's market capitalisation stood at around €1.43 billion at the end of 2025.

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

in € million	01.01.-31.12.2025	01.01.-31.12.2024	±
Revenue[1]	270.4	271.4	-0.4 %
EBIT[1]	214.4	216.3	-0.9 %
EBT (excluding measurement gains/losses)[1 2]	147.8	165.2	-10.5 %
EPRA[3] earnings[9]	145.2	161.6	-10.1 %
FFO[1 4]	147.6	162.5	-9.2 %
Equity ratio in %[5]	47.1	49.2	
LTV ratio in %[6]	41.3	39.2	
EPRA[3] LTV in %[7]	43.4	41.1	

in €	01.01.-31.12.2025	01.01.-31.12.2024	±
EPRA[3] earnings per share[6 9]	1.92	2.12	-9.4 %
FFO per share[4]	1.95	2.14	-8.9 %
EPRA[3] NTA per share	28.45	29.02	-2.0 %
Weighted number of no-par-value shares issued[8]	75,743,854	76,090,428	-0.5 %

1 Key performance indicators
2 Including the share attributable to equity-accounted joint ventures and associates
3 European Public Real Estate Association
4 Due to the first-time adjustment of FFO for non-cash interest expense and one-off effects, the previous year's figures have been adjusted accordingly. Adjusted FFO provides a more accurate picture of changes in cash flow from operating activities.
5 Including non-controlling interests
6 Loan-to-value (LTV): Ratio of net financial liabilities (financial liabilities less cash and cash equivalents) to non-current assets (investment properties and financial investments accounted for using the equity method)
7 EPRA Loan-to-Value (EPRA LTV): Ratio of net debt (financial liabilities and lease liabilities less cash and cash equivalents) to real estate assets (investment properties, owner-occupied properties, intangible assets and other assets (net)). Net debt and real estate assets are calculated on the basis of the Group's share in the subsidiaries and joint ventures.
8 The treasury shares which were acquired were factored in on a time-weighted basis in the comparative period.
9 EPRA earnings have been adjusted for one-off items in accordance with the current "Best Practice Recommendations" issued by EPRA for the first time. The adjustment relates to non-recurring expenses arising from the early termination of interest rate swaps as part of the Group's realignment of its financing structure. The previous year's figure has been restated accordingly to ensure comparability.

The Deutsche EuroShop Group's operating business was stable and in line with expectations in financial year 2025. While retail sales maintained their slight positive trend, footfall declined slightly. Our tenants achieved a 2.2 % increase in retail sales compared with the same period in the previous year, however footfall at our shopping centers fell by -0.4 % over the same period. The occupancy rate increased from 95.4 % in the previous year to 95.7 % as at the reporting date and was therefore at a high level. The EPRA occupancy rate increased from 93.3 % to 95.0 %.

The forecast for financial year 2025, as stated in last year's financial report, was as follows: revenue between €268 million and €276 million; slight decline in EBIT to between €209 million and €217 million; EBT (excluding measurement gains/losses) between €150 million and €158 million; FFO: €145 million to €153 million, or €1.91 to €2.02 per share. The quarterly report as at 30 September 2025 refined the projections as follows based on developments in November:

- Revenue: €268 million to €273 million
- EBIT: €211 million to €216 million
- EBT (excluding measurement gains/losses): €144 million to €149 million
- FFO: €146 million to €151 million

As expected, revenue was slightly lower in the 2025 financial year at €270.4 million, but still within the forecast range. The fall in revenue was due to the provision of rental incentives

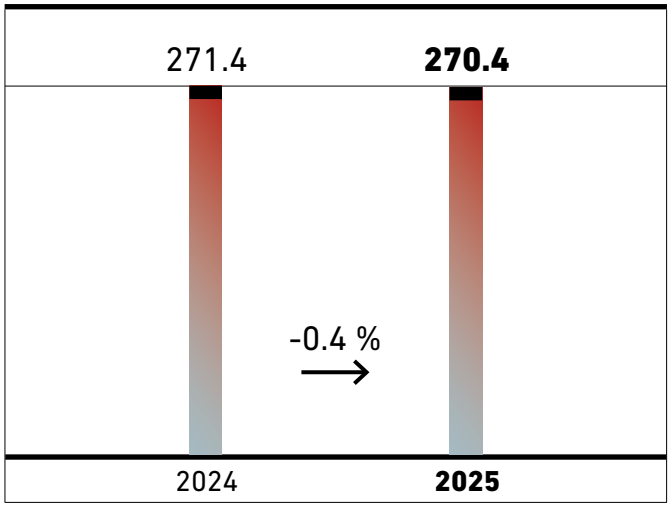
spread over the term of a lease (including construction cost subsidies and rent-free periods) and downturns in revenue from land tax apportionments and insurance expense. The EBIT figure for the 2025 financial year was lower than in the previous year due to higher center operating expenses, but also remained within the forecast range at €214.4 million. EBT (excluding measurement gains/losses) of €147.8 million and FFO of €147.6 million were also within the projected ranges.

In the opinion of the Executive Board, the Group's results of operations developed positively overall in spite of the ongoing challenges it faced during the financial year (recession, geopolitical uncertainties and conflicts). The Executive Board still views the Group's net assets and financial position as very solid, with an equity ratio of 47.1 % and LTV of 41.3 %. On the whole, the Executive Board is very satisfied with the operational performance in 2025.

Results of operations of the Group

			Change	
in € thousand	**01.01.-31.12.2025**	**01.01.-31.12.2024**	**±**	**in %**
Revenue	270,393	271,403	-1,010	-0.4
Operating and administrative costs for property	-49,584	-46,252	-3,332	-7.2
Write-downs and derecognition of receivables	-7,185	-7,731	546	7.1
NOI	**213,624**	**217,420**	**-3,796**	**-1.7**
Other operating income	10,937	9,074	1,863	20.5
Other operating expenses	-10,113	-10,189	76	0.7
EBIT	**214,448**	**216,305**	**-1,857**	**-0.9**
At-equity profit/loss	*11,228*	*16,581*		
Measurement gains/losses (at equity)	*-2,613*	*-8,231*		
Deferred taxes (at equity)	*34*	*474*		
At-equity (operating) profit/loss	8,649	8,824	-175	-2.0
Interest expense	-62,617	-49,083	-13,534	-27.6
Profit/loss attributable to limited partners	-14,589	-14,397	-192	-1.3
Other financial expenses	-2,739	-1,876	-863	-46.0
Interest income	4,626	5,408	-782	-14.5
Financial gains/losses (excluding measurement gains/losses)	**-66,670**	**-51,124**	**-15,546**	**-30.4**
EBT (excluding measurement gains/losses)	**147,778**	**165,181**	**-17,403**	**-10.5**
Measurement gains/losses	*11,804*	*-22,870*		
Measurement gains/losses (at equity)	*2,613*	*8,231*		
Measurement gains/losses (including at equity)	14,417	-14,639	29,056	198.5
Taxes on income and earnings	-7,228	-8,115	887	10.9
Deferred taxes	*60,117*	*-18,439*		
Deferred taxes (at equity)	*-34*	*-474*		
Deferred taxes (including at equity)	60,083	-18,913	78,996	417.7
Consolidated profit	**215,050**	**123,514**	**91,536**	**74.1**

Revenue in € million



Revenue down slightly

Revenue fell by €1.0 million (-0.4 %, like-for-like) year-on-year to €270.4 million (previous year: €271.4 million). While revenue from minimum rental income rose as a result of higher contractual rents, turnover rents were slightly lower than in the previous year. Revenue from land tax apportionments and insurance expenses fell by €1.8 million, largely as a result of the land tax liability of our shopping centers going down after land tax reforms.

Revenue

			Change	
in € thousand	**01.01.-31.12.2025**	**01.01.-31.12.2024**	**±**	**in %**
Main-Taunus-Zentrum, Sulzbach	37,572	35,845	1,727	4.8
Altmarkt-Galerie, Dresden	24,370	24,113	257	1.1
A10 Center, Wildau	17,889	18,058	-169	-0.9
Rhein-Neckar-Zentrum, Viernheim	17,192	17,498	-306	-1.7
Allee-Center, Magdeburg	16,656	16,965	-309	-1.8
Phoenix-Center, Harburg	12,347	13,835	-1,488	-10.8
Saarpark-Center, Neunkirchen	11,596	11,817	-221	-1.9
Billstedt-Center, Hamburg	11,100	11,353	-253	-2.2
Herold-Center, Norderstedt	10,920	11,231	-311	-2.8
Allee-Center, Hamm	10,384	9,924	460	4.6
Stadt-Galerie, Passau	9,849	10,330	-481	-4.7
Forum, Wetzlar	8,793	9,991	-1,198	-12.0
City-Arkaden, Wuppertal	8,301	8,355	-54	-0.6
Rathaus-Center, Dessau	7,574	7,591	-17	-0.2
City-Galerie, Wolfsburg	7,558	8,137	-579	-7.1
City-Point, Kassel	5,985	6,526	-541	-8.3
Stadt-Galerie, Hamelin	5,127	5,219	-92	-1.8
DES Verwaltung GmbH	1,484	1,408	76	5.4
Germany	**224,697**	**228,196**	**-3,499**	**-1.5**
Olympia Center, Brno	26,486	24,800	1,686	6.8
Galeria Bałtycka, Gdansk	19,210	18,407	803	4.4
Abroad	**45,696**	**43,207**	**2,489**	**5.8**
Total	**270,393**	**271,403**	**-1,010**	**-0.4**

Center operating expenses up on previous year

Center operating expenses came to €49.6 million in the financial year (previous year: €46.3 million). These mainly comprise center management fees, non-apportionable ancillary costs, land taxes, building insurance and maintenance, and were up 7.2 % on the previous year. The increase is primarily attributable to one-off expenses arising from non-apportionable ancillary costs associated with the renewal of technical equipment, as well as storm damage. The building insurance provider has already reimbursed the eligible expenses, and these reimbursements have been recognised in other operating income. In contrast, land tax expenses have fallen sustainably due to the lower land tax liability following the land tax reforms.

Lower need for write-downs

Write-downs and the derecognition of receivables decreased compared to the previous year by €0.5 million (7.1 %) to €7.2 million(previous year: €7.7 million).

Other operating income and expenses

Other operating income amounted to €10.9 million (previous year: €9.1 million) and was therefore higher than the prior year (€1.9 million). It mainly comprised income from rent receivables that had been written down in prior years (€2.6 million, previous year: €3.2 million), insurance reimbursements (€2.3 million, previous year: €0.8 million), the reversal of provisions (€2.0 million, previous year: €1.5 million) and additional payments related to ancillary costs (€1.2 million, previous year: €1.4 million). Other operating expenses, which mainly comprised general administrative costs and personnel costs, were on a par with the previous year at €10.1 million (previous year: €10.2 million).

EBIT down slightly compared to previous year

At €214.4 million, earnings before interest and taxes (EBIT) were slightly lower than in the previous year (€216.3 million) despite an increase in other operating income. This was mainly due to a decline in net operating income (NOI) and higher center operating expenses.

Decrease in financial gains/losses as expected

Financial gains/losses (excluding measurement gains/losses) came to €-66.7 million, down from €-51.1 million in the previous year. This was largely attributable to a €13.5 million increase in interest expense. This was affected by the bond issued in June 2025, the June 2024 loan increases for the Allee-Center Hamm and the Allee-Center Magdeburg, and the first-time borrowing in August 2024 for the Rathaus-Center Dessau. Interest income came to €4.6 million, slightly lower than in the previous year (€5.4 million). Other financing expenses amounting to €2.7 million (previous year: €1.9 million) were the result of the termination of swaps in connection with the early repayment of the underlying loans for Stadt-Galerie Hameln and Stadt-Galerie Passau in 2025. In the previous year, other financing expenses were related to the termination of a swap in connection with the long-term refinancing for the Allee-Center Hamm and securing a larger loan with improved terms.

Proportionate and cumulative income statement of the joint ventures

in € thousand	01.01.-31.12.2025	01.01.-31.12.2024	Change ±	Change in %
City-Arkaden, Klagenfurt	7,388	6,950	438	6.3
Árkád, Pécs	5,141	5,027	114	2.3
Other	47	41	6	14.6
Revenue	**12,576**	**12,018**	**558**	**4.6**
Operating and administrative costs for property	-1,753	-1,673	-80	-4.8
Write-downs and derecognition of receivables	-274	-203	-71	-35.0
NOI	**10,549**	**10,142**	**407**	**4.0**
Other operating income	332	600	-268	-44.7
Other operating expenses	-410	-298	-112	-37.6
EBIT	**10,471**	**10,444**	**27**	**0.3**
Interest income	29	56	-27	-48.2
Interest expense	-1,325	-1,366	41	3.0
Financial gains/losses	**-1,296**	**-1,310**	**14**	**1.1**
Current tax expense	-492	-311	-181	-58.2
At-equity profit/loss (excluding measurement gains/losses)	**8,683**	**8,823**	**-140**	**-1.6**
Measurement gains/losses	2,579	8,231	-5,652	-68.7
Deferred taxes	-34	-474	440	92.8
Share of profit/loss	**11,228**	**16,580**	**-5,352**	**-32.3**

Downturn in EBT (excluding measurement gains/losses)

As a result of the fall in financial gains/losses and the slight decline in EBIT, EBT (excluding measurement gains/losses) fell by 10.5 % to €147.8 million (previous year: €165.2 million).

Measurement gains/losses

Property values experienced a slight improvement in 2025, resulting in a measurement gain of €14.4 million including the increased investments in the real estate portfolio (previous year: €-14.6 million). Due to rising contractual rents, real estate appraisals stabilised in the reporting year and, after years of declining valuations, there has been a slight increase in the value of the real estate portfolio.

Measurement gains/losses on real estate assets, after minority interests, broke down into €11.8 million (previous year: €-22.9 million) from the measurement of the real estate assets reported by the Group and €2.6 million (previous year: €8.2 million) from the measurement of the real estate assets of the joint ventures recorded on the balance sheet using the equity method.

On average, real estate assets increased in value by 1.4 % in the financial year (previous year: 0.7 %). This was mainly due to ongoing investments of €32.2 million in the real estate assets reported on a Group level with unrealised gains from changes in market value of €14.9 million and ongoing investments of €0.5 million in the real estate assets of the joint ventures accounted for using the equity method with unre-

alised gains from changes in market value of €2.6 million. Measurement gains/losses for properties ranged between -2.9 % and +10.0 %.

Increase in taxes on income and earnings, deferred taxes

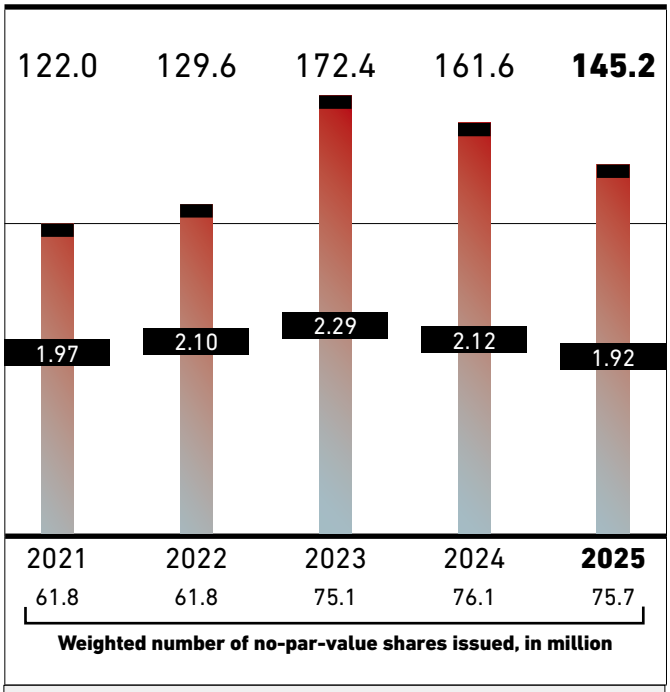
Taxes on income and earnings went down to €7.2 million (previous year: €8.1 million) due to the slight downturn in EBT (excluding measurement gains/losses).

Deferred tax provisions, including the share included in the at-equity result, decreased by €60.1 million in the year under review as a result of the gradual reduction of the corporation tax rate from 15 % by 2027 to 10 % from 2032. In the previous year, these provisions increased by €18.9 million).

Significantly higher consolidated profit

At €215.1 million, consolidated profit was €91.5 million higher than the previous year (€123.5 million) due to the improvement in measurement gains/losses and one-off income from the reversal of deferred taxes. Earnings per share increased accordingly from € 1.62 to € 2.84.

EPRA Earnings in € million / in € per share



EPRA earnings down

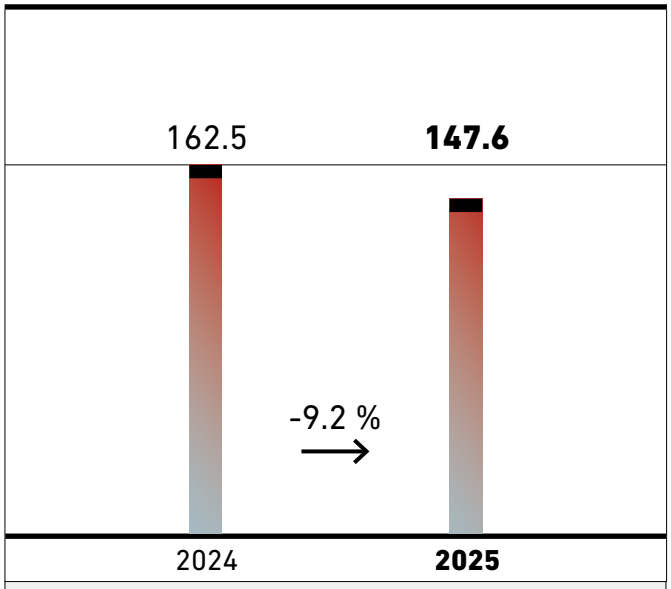
EPRA earnings, which exclude measurement gains/losses, fell by €16.4 million to €145.2 million or by €0.20 to €1.92 per share. This was largely due to the lower EBIT and the fall in financial gains/losses.

EPRA earnings

	01.01.-31.12.2025		01.01.-31.12.2024	
	in € thousand	per share in €	in € thousand	per share in €
Consolidated profit	215,050	2.84	123,514	1.62
Measurement gains/losses on investment properties[1]	-14,417	-0.19	14,639	0.19
One-off effects[1] [3]	2,739	0.04	1,876	0.02
Deferred taxes on EPRA adjustments[2]	-58,153	-0.77	21,556	0.29
EPRA earnings	**145,219**	**1.92**	**161,585**	**2.12**
Weighted number of no-par-value shares issued		75,743,854		76,090,428

[1] Including the share attributable to equity-accounted joint ventures and associates
[2] Affects deferred taxes on investment properties and derivative financial instruments
[3] EPRA earnings have been adjusted for one-off items in accordance with the current "Best Practice Recommendations" issued by EPRA for the first time. The adjustment relates to non-recurring expenses arising from the early termination of interest rate swaps as part of the Group's realignment of its financing structure. The previous year's figure has been restated accordingly to ensure comparability.

Funds from Operations (FFO) in € million



Development of funds from operations

Funds from operations (FFO) are used to finance our ongoing investments in portfolio properties, scheduled repayments on our long-term bank loans and as the basis for the distribution of dividends. Significant non-recurring effects that are not part of the Group's operating activities and non-cash interest expenses are eliminated in the calculation of FFO. FFO decreased from €162.5 million to €147.6 million, or from €2.14 to €1.95 per share.

Funds from operations

	01.01.-31.12.2025		01.01.-31.12.2024	
	in € thousand	per share in €	in € thousand	per share in €
Consolidated profit	215,050	2.84	123,514	1.62
Measurement gains/losses on investment properties[1]	-14,417	-0.19	14,639	0.19
Non-cash interest expense[1 2]	4,280	0.05	3,528	0.05
One-off effects[1 2]	2,739	0.04	1,876	0.03
Deferred taxes[2]	-60,083	-0.79	18,913	0.25
FFO	**147,569**	**1.95**	**162,470**	**2.14**
Weighted number of no-par-value shares issued		75,743,854		76,090,428

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

[2] Due to the first-time adjustment of FFO for non-cash interest expense and one-off effects, the previous year's figures have been adjusted accordingly. Adjusted FFO provides a more accurate picture of changes in cash flow from operating activities.

Results of operations of the segments

The subsidiaries and equity-accounted joint ventures are included in the Group's segment reporting in proportion to the Group's share therein. A distinction is made between the shopping centers in Germany ("domestic") and elsewhere in Europe ("abroad") (for further details, please see our statements on segment reporting in the notes to the consolidated financial statements):

			Change	
in € thousand	01.01.-31.12.2025	01.01.-31.12.2024	±	in %
Revenue	**261,156**	**262,144**	**-988**	**-0.4**
- Domestic	203,152	206,961	-3,809	-1.8
- Abroad	58,004	55,183	2,821	5.1
EBIT	**210,462**	**213,130**	**-2,668**	**-1.3**
- Domestic	160,021	164,970	-4,949	-3.0
- Abroad	50,441	48,160	2,281	4.7
EBT (excluding measurement gains/losses)	**159,671**	**169,625**	**-9,954**	**-5.9**
- Domestic	114,985	128,119	-13,134	-10.3
- Abroad	44,686	41,506	3,180	7.7

Financial position of the Group

Principles and objectives of financial management

Deutsche EuroShop aims to take advantage of favourable financing conditions while expanding and diversifying its pool of funding sources to mitigate risks. Accordingly, the capital and financing structure is continuously and purposefully refined. The Company funds its investment activity through secured loans from a range of lenders as well as unsecured capital market instruments. Deutsche EuroShop holds an investment-grade rating, which enables it to issue bonds and comparable alternative instruments. The Company takes steps to maintain and further improve this rating in order to remain flexible in an environment of fluctuating interest rates and generally tighter lending requirements. As a result, and depending on market conditions, we expect the Group's loan-to-value (LTV) ratio to fluctuate between 40 % and 50 %.

We finance our real estate projects on a long-term basis. Deutsche EuroShop AG also has access to short-term financing instruments to enable it to respond immediately to investment opportunities. Until used for investment, any cash not needed is invested short-term to finance ongoing costs or pay dividends.

Financing analysis

As at 31 December 2025, the Deutsche EuroShop Group reported the following key financial data:

in € million	31.12.2025	31.12.2024	Change
Total assets	4,603.8	4,364.4	239.4
Equity (including third-party shareholders)	2,170.1	2,145.7	24.4
Equity ratio in %	47.1	49.2	-2.1
Net financial liabilities	1,704.0	1,595.9	108.1
Loan-to-value (LTV) in %	41.3	39.2	2.1

The Group's overall equity amounted to €2,170.1 million (previous year: €2,145.7 million). This consists of equity attributable to the Group's shareholders of €1,901.5 million and equity attributable to third-party shareholders of €268.6 million. This change reflects the €200.7 million dividend paid in July 2025. Total assets increased by €239.4 million in connection with the issuance of a €500 million green bond on 18 June 2025. The equity ratio (including the shares of third-party shareholders) of 47.1 % has decreased compared to the last reporting date (49.2 %) due to the aforementioned dividend distributions and the bond issue. However, it remained at a healthy level.

Financial liabilities

in € thousand	31.12.2025	31.12.2024	Change
Non-current financial liabilities	1,938,879	1,795,909	142,970
Current financial liabilities	152,536	12,465	140,071
Total	**2,091,415**	**1,808,374**	**283,041**
Less cash and cash equivalents	387,405	212,438	174,967
Net financial liabilities	**1,704,010**	**1,595,936**	**108,074**

Non-current and current financial liabilities increased in the reporting year from €1,808.4 million to €2,091.4 million, a rise of €283.0 million. This was largely due to the bond issued in June 2025. The loans of Herold-Center Norderstedt and Stadt-Galerie Hameln were repaid in full, while the loans of Stadt-Galerie Passau and City-Point Kassel were partially repaid. Despite the increase in cash and cash equivalents as a result of issuing the bond, net financial liabilities stood at €1,704.0 million, €108.1 million higher than the year-end 2024 figure (€1,595.9 million).

The net financial liabilities existing at the end of the year are used exclusively to finance non-current assets. This brought the percentage of non-current assets financed with debt capital (LTV) at the reporting date to 41.3 % (previous year: 39.2 %).

EPRA LTV, which is based on the Group's proportional share in the joint ventures and subsidiaries, amounted to 43.4 % on the reporting date (previous year: 41.1 %).

EPRA Loan-to-Value (EPRA LTV)

Proportional values in € thousand	31.12.2025	31.12.2024	Change
Bank and bond liabilities	2,013,192	1,731,232	281,960
Owner-occupied property (IFRS 16, right-of-use asset)	166	230	-64
Other liabilities (net)	9,440	8,495	945
Cash and cash equivalents	-377,393	-201,182	-176,211
Net financial debt	**1,645,405**	**1,538,775**	**106,630**
Investment properties	3,793,810	3,744,255	49,555
Owner-occupied property (IFRS 16, right-of-use asset)	159	223	-64
Intangible assets	27	12	15
Property assets	**3,793,996**	**3,744,490**	**49,506**
EPRA LTV in %	**43.4**	**41.1**	**2.3**

The conditions of the financial liabilities as at 31 December 2025 were secured on average for 4.9 years (previous year: 5.5 years) at an annual rate of 3.16 % (previous year: 2.60 % p.a.).

The loans to the Deutsche EuroShop Group are maintained as credit facilities with 18 banks and savings banks in Germany, Austria and the Czech Republic.

Financial liabilities as at 31 December 2025

	Share of loans	Amount	Term	Average interest rate
	in %	in € million	in years	in %
Interest rate lock-in				
up to 1 year	6.6	137.5	0.7	2.08
1 to 5 years	50.8	1,063.3	4.1	3.16
5 to 10 years	42.6	890.6	6.4	3.33
Total	**100.0**	**2,091.4**	**4.9**	**3.16**

Financial liabilities as at 31 December 2024

	Share of loans	Amount	Term	Average interest rate
	in %	in € million	in years	in %
Interest rate lock-in				
up to 1 year	0.0	0.0	0.0	0.00
1 to 5 years	38.3	691.8	3.0	2.36
5 to 10 years	61.7	1,116.6	7.0	2.75
Total	**100.0**	**1,808.4**	**5.5**	**2.60**

The maturity bond has a fixed term until 15 October 2030 with a coupon rate of 4.50 % p.a. The terms of the bond include a maximum net loan-to-value ratio (bond LTV) of 60.0 %, a maximum secured net loan-to-value ratio (bond secured LTV) of 45.0 % and an interest coverage ratio (bond ICR) of at least 1.8. As at 31 December 2025, the bond LTV was 40.4 %, the bond secured LTV was 28.6 % and the bond ICR was 4.2. Loan agreements also include covenants which must be met at a property or property company level. These include debt service cover ratios (DSCRs), interest cover ratios (ICRs), changes in revenue, the equity ratio, the leverage ratio and loan-to-value (LTV) ratios.

The loan conditions were met in financial year 2025. Based on current planning and estimates, the bond and loan conditions will also be met in 2026.

Scheduled repayments totalling €19.4 million for the loans existing as at 31 December 2025 will be made from current cash flow during financial year 2026. Over the period from 2027 to 2029, repayments will average €18.6 million p.a. for existing loans.

Loans totalling €135.9 million are to be rolled over in 2026, and loans totalling €46.4 million in 2027.

A loan agreement is in place for a short-term working capital line of credit in the amount of €50.0 million, which had not been drawn down as at 31 December 2025.

Investment analysis

In financial year 2025, investments continued to be made in modernising and positioning the existing portfolio and amounted to €32.2 million after €47.2 million in the previous year.

Liquidity analysis

in € thousand	01.01.-31.12.2025	01.01.-31.12.2024
Net cash flow from operating activities	132,927	160,433
Cash flow from investing activities	-32,282	-40,288
Cash flow from financing activities	74,323	-243,778
Net change in cash and cash equivalents	**174,967**	**-123,633**
Cash and cash equivalents at beginning of period	212,438	336,071
Cash and cash equivalents at end of period	**387,405**	**212,438**

The Group's net cash flow from operating activities amounted to €132.9 million (previous year: €160.4 million). This figure represents the amount generated by the Group after deducting all costs associated with leasing shopping center space. It is primarily used to finance the dividends of Deutsche EuroShop AG and payments to third-party shareholders as well as ongoing interest, loan repayments and investments.

Cash flow from investing activities included cash investments in existing properties (€32.2 million, previous year: €47.2 million) and, in the previous year, proceeds from the sale of a Polish property totalling €6.9 million.

Cash flow from financing activities came to €74.3 million (previous year: €-243.8 million). This comprised cash inflow from the assumption of financial liabilities of €493.9 million, cash outflow for the repayment of financial liabilities of €208.5 million, the dividend paid to Group shareholders of €200.7 million, (previous year: €346.6 million), distributions to third-party partners of €10.2 million (previous year: €10.2 million), and the payment for the purchase of treasury shares in the previous year of €14.8 million. The cash inflow from the assumption of financial liabilities relates to the bond issued in June 2025. The cash outflow from repayments includes scheduled repayments, the early repayments of the loans for Herold-Center Norderstedt and Stadt-Galerie Hameln, as well as the partial repayments of the loans for Stadt-Galerie Passau and City-Point Kassel.

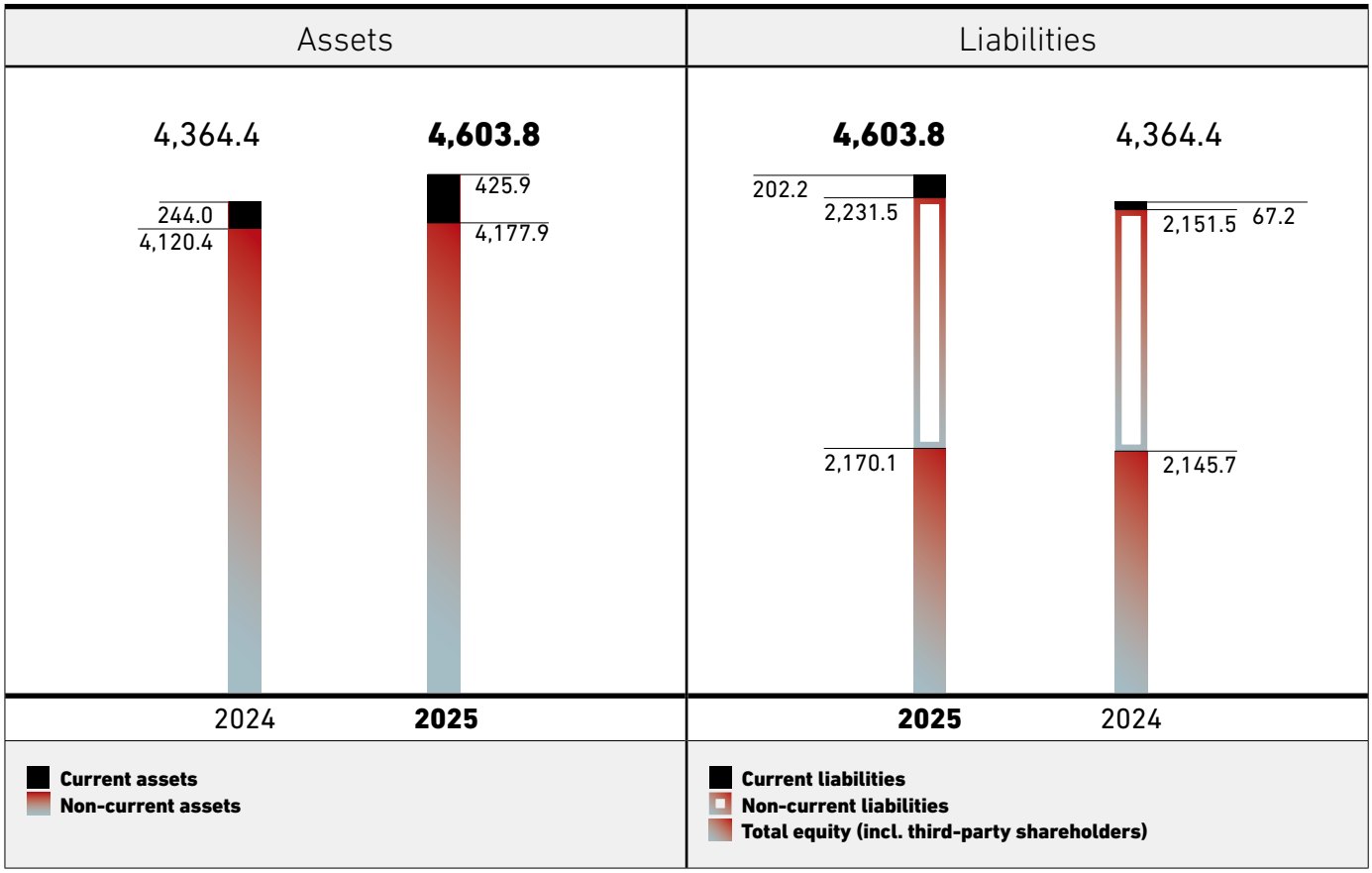
Cash and cash equivalents increased in the reporting year by €175.0 million to €387.4 million (previous year: €212.4 million), largely due to the bond that was issued.

Net assets of the Group

Slight increase in total assets

The total assets of the Deutsche EuroShop Group increased by €239.4 million compared with the previous reporting date to €4,603.8 million, mainly due to a rise in cash and cash equivalents and investment properties.

Balance sheet structure Balance sheet total in € million



in € thousand	31.12.2025	31.12.2024	Change
Current assets	425,922	244,048	181,874
Non-current assets	4,177,910	4,120,357	57,553
Current liabilities	202,224	67,198	135,026
Non-current liabilities	2,231,509	2,151,511	79,998
Equity (incl. third-party shareholders)	2,170,099	2,145,696	24,403
Total assets	**4,603,832**	**4,364,405**	**239,427**

Current assets up significantly after bond issue

At the end of the year, current assets amounted to €425.9 million, significantly higher than in the previous year (€244.0 million). This increase was largely driven by the rise in cash and cash equivalents (€+175.0 million), which were boosted by the proceeds from the bond issue after repayments of existing loans. Cash and cash equivalents as at the reporting date came to €387.4 million (previous year: €212.4 million).

The Group's receivables (after write-downs) increased slightly by €1.5 million to €16.3 million (previous year: €14.7 million).

Other assets rose by €5.4 million, from €16.9 million to €22.3 million.

Slight increase in non-current assets

Non-current assets rose slightly by €57.6 million from €4,120.4 million to €4,177.9 million in the year under review. At 90.7 % (previous year: 94.4 %), they are still the most significant component of total assets.

At €4,020.7 million, investment properties were slightly higher than in the previous year (€3,966.7 million). The costs of investments in portfolio properties resulted in additions of €42.2 million, while the measurement of the real estate portfolio triggered an increase in value of €11.8 million.

Financial investments accounted for using the equity method increased by €3.6 million to €105.2 million, mainly as a result of measurement effects.

Increase in current and non-current liabilities

Current liabilities increased by €135.0 million to €202.2 million, primarily due to a bank loan scheduled for extension in 2026.

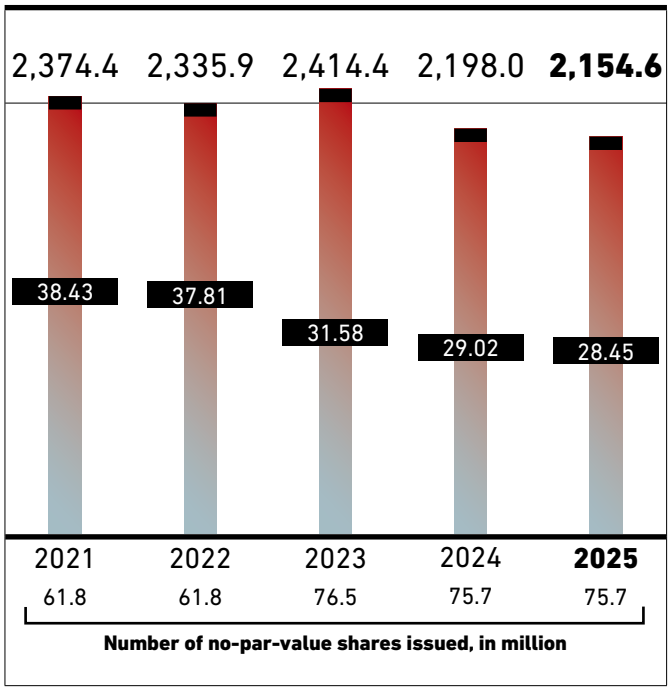
Non-current liabilities grew by €80.0 million from €2,151.5 million to €2,231.5 million. This was largely driven by the issued bond. The full repayment of loans for Herold-Center Norderstedt and Stadt-Galerie Hameln had an offsetting effect, together with the partial loan repayment for Stadt-Galerie Passau and City-Point Kassel.

Equity (incl. third-party shareholders)

Equity (including third-party shareholders) was €2,170.1 million at the end of the reporting year, down €24.4 million on the previous year's equity (€2,145.7 million) owing to the dividend paid of €200.7 million and the consolidated profit of €215.1 million. The liabilities arising from limited partner contributions of non-controlling interests amounted to €268.6 million. This represents a modest increase compared with the previous year (€261.2 million) and was largely due to measurement effects.

EPRA Net Tangible Assets

in € million / in € per share



EPRA net tangible assets

Net tangible assets (NTA) as at 31 December 2025 amounted to €2,154.6 million compared to €2,198.0 million in the previous year. Due to the decrease in equity, mainly as a result of the dividend distribution for the 2025 financial year, NTA per share went down by €0.57, from €29.02 to €28.45 per share (-2.0 %).

EPRA NTA

	01.01.-31.12.2025		01.01.-31.12.2024	
	in € thousand	per share in €	in € thousand	per share in €
Equity	1,901,467	25.10	1,884,540	24.88
Derivative financial instruments measured at negative fair value[1]	0	0.00	3,128	0.04
Equity excl. derivative financial instruments	**1,901,467**	**25.10**	**1,887,668**	**24.92**
Deferred taxes on investment properties and derivative financial instruments[1]	304,900	4.03	362,055	4.78
Intangible assets	-27	0.00	-12	0.00
Goodwill as a result of deferred taxes	-51,719	-0.68	-51,719	-0.68
EPRA NTA	**2,154,621**	**28.45**	**2,197,992**	**29.02**
Number of no-par-value shares issued as at the reporting date		75,743,854		75,743,854

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

Report on events after the reporting date

The loan to Árkád Pécs was extended until 2031 as part of an agreement that was finalised on 18 February 2026. The financing for Olympia Brno was extended until 2031 under an agreement dated 6 March 2026.

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

Outlook

Expected developments in general conditions

Following several years of sluggish or declining economic performance, the Federal Ministry for Economic Affairs and Climate Action's 2026 Annual Economic Report suggests that a gradual recovery began at the turn of the year 2025/2026. The German economy continues to face structural headwinds that are dampening growth and investment. These include heavy regulation and bureaucracy, a backlog in infrastructure development and digitalisation, a shrinking workforce due to demographic shifts, high energy costs by international standards, as well as high levies and taxes. The global economy is also undergoing a profound transformation. Geopolitical and geoeconomic tensions, rising protectionism and the strategic use of resources as a tool of power have become increasingly significant in recent years and are straining established multilateral institutions and frameworks. Germany is particularly affected by these shifts because its economy is so deeply integrated into international supply chains.

Against this backdrop, the Federal Government is forecasting real GDP growth of 1.0 % for 2026. Federal investment is set to rise by 11.3 % compared to the 2025 budget to a total of approximately €128.7 billion. This has the potential to improve the overall environment for all economic players. Consumer prices are expected to rise by 2.1 %, slightly above the 2.0 % target.

At its first meeting in February 2026, the European Central Bank (ECB) kept key interest rates unchanged. This is the fifth time it has done so since the last cut in March 2025. The ECB currently expects inflation to stabilise at around the 2 % target over the medium term. Despite a challenging global landscape, the economy remains robust. Low unemployment, solid private sector balance sheets, the gradual rollout of public spending on defence and infrastructure and the positive impact of previous interest rate cuts are all expected to drive growth. However, the outlook remains clouded by uncertainty due to ongoing global trade tensions and geopolitical instability.

JLL expects activity to pick up in the investment market in 2026 as the economy improves and demand rises in the rental market. While JLL notes that investors are likely to remain generally cautious, interest is growing in alternative assets such as infrastructure and data centres. JLL is forecasting a total transaction volume of up to €40 billion in 2026.

The German Retail Federation (HDE) expects 2026 to be a challenging year for the retail sector. It is currently projecting that retail sales will reach €697 billion, representing a 2 % increase. The association is predicting a nominal rise of 4.4 % in revenue for online retail (real terms: 3.5 %). Private consumption and retail will remain under pressure in 2026. The HDE is calling on policymakers to lower cost drivers like energy prices to ease the pressure on retail companies. The federation also considers the trade union ver.di to bear

responsibility in the upcoming collective bargaining talks in April 2026, and is therefore warning against further strain on business due to unreasonable demands.

The European Commission's Directorate-General for Economic and Financial Affairs expects the Czech Republic's real GDP to grow by 1.9 % in 2026, with private household consumption remaining the primary growth driver. Inflation is expected to reach 2.1 % in 2026.

The European Commission's Directorate-General for Economic and Financial Affairs is forecasting that Poland's economic growth will pick up pace and accelerate to 3.5 % in 2026. While private consumption is likely to remain robust, it may be slightly weaker than the previous year due to sluggish growth in disposable income. The inflation rate is expected to reach 2.9 % in 2026.

Agreed transactions are the foundation for revenue and earnings planning

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

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

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

The Deutsche EuroShop Group's revenue and earnings planning for 2026 does not include the future purchase or sale of any properties. The results of the annual valuation of our shopping centers are likewise excluded from our planning since they are difficult to predict.

Revenue in 2026

Revenue came to €270.4 million in the 2025 financial year, down slightly on the previous year. While revenue from minimum rental income (accounting for 94.5 % of total take-up) rose as a result of higher contractual rents and other factors, turnover rents (3.1 % of total take-up) were slightly lower than in the previous year. Revenue from land tax apportionments and insurance expenses fell by €1.8 million, largely as a result of the land tax liability of our shopping centers going down after land tax reforms. Assuming a slight increase in minimum rental income, revenue in 2026 should be in the range of €269 million to €277 million.

Operating earnings for 2026

At €214.4 million, earnings before interest and taxes (EBIT) in 2025 were affected by the slight decline in NOI related to rising center operating expenses and an expected year-on-year decline in revenue. We therefore expect EBIT to be between €211 million and €219 million in 2026, slightly higher than in the reporting year.

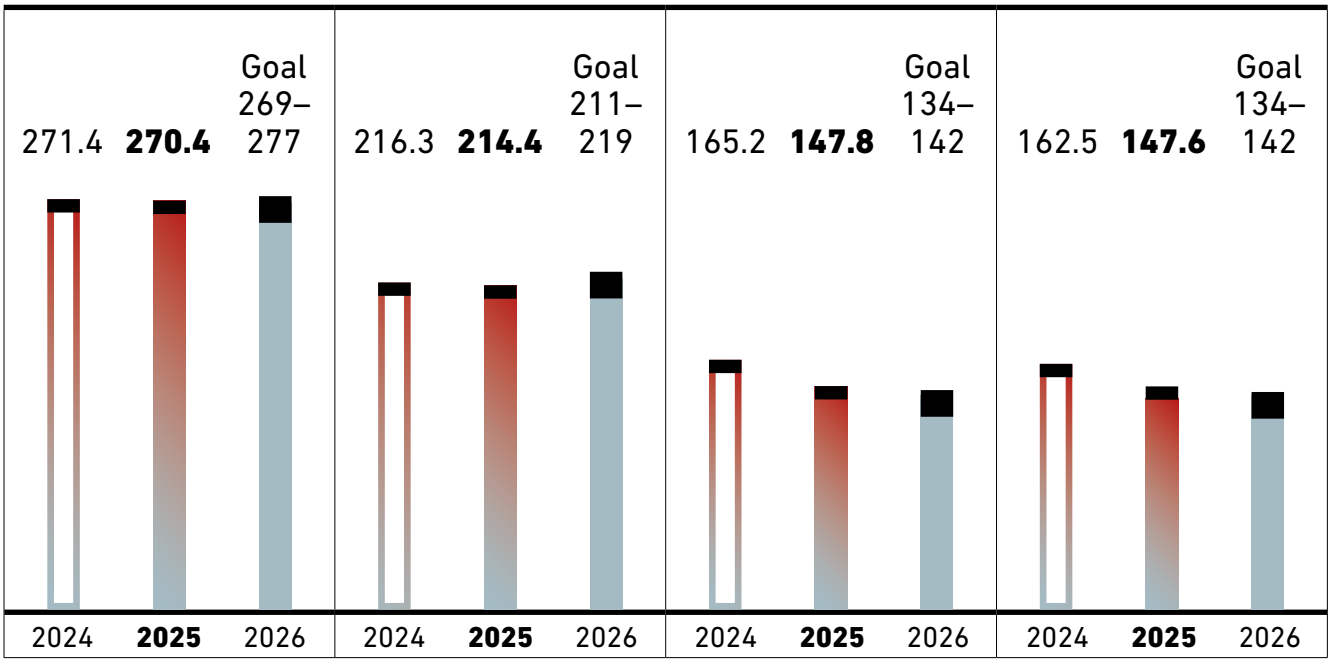
EBT (excluding measurement gains/losses) amounted to €147.8 million in 2025. The drop in financial income also had an effect on EBIT. The Group expects to see a slightly lower level of EBT (excluding measurement gains/losses) in 2026 compared with the 2025 financial year, primarily as a result of the planned increase in interest expense. EBT (excluding measurement gains/losses) is expected to be between €134 million and €142 million.

FFO performance for 2026

Funds from operations (FFO) amounted to €147.6 million in the reporting year (previous year: €162.5 million). The year-on-year decrease was primarily due to higher interest expenses. Based on the effects described for EBT, we expect FFO to range between €134 million and €142 million, or €1.77 to €1.87 per share,[1] in 2026.

We view the development of the 2026 financial year as generally positive and are anticipating development of revenue and EBIT to be slightly positive or stable. We are assuming a slight reduction in EBT (excluding measurement gains/losses) and FFO compared to financial year 2025, in view of higher planned interest expense.

Revenue in € million



EBIT in € million

EBT (excluding measurement gains/losses) in € million

Funds From Operations in € million

Dividend policy

One of Deutsche EuroShop AG's key investment objectives is to generate an attractive liquidity surplus from the long-term leasing of shopping centers, which is distributed to shareholders in the form of regular dividends. The Company continually reviews opportunities to further increase its ability to distribute dividends in future years.

In principle, the Company aims to distribute funds in excess of its liquidity requirements to its shareholders. However, the distribution of dividends is highly dependent on prevailing economic conditions, financing needs for further growth and other factors.

For financial year 2025, the Executive Board, together with the Supervisory Board, and taking into account available liquidity and the operating outlook, has decided to propose to the Annual General Meeting the distribution of a dividend of €1.00 per share. The Company reserves the right to adjust its proposed resolution before or at the latest during the Annual General Meeting if it should prove possible and expedient to distribute a higher dividend owing to changed circumstances.

[1] Number of shares, not including treasury shares

Risk report

Principles governing the risk management system and internal control system[1]

Deutsche EuroShop AG's strategy is geared towards maintaining and increasing shareholders' assets and generating sustainably high surplus liquidity from leasing real estate, thereby enabling the distribution of an appropriate and sustainable dividend. The focus of the risk management system is therefore on monitoring compliance with this strategy and, building on this, on identifying and assessing risks and opportunities as well as making fundamental decisions on how to manage these risks. Risk management ensures that risks are identified at an early stage and can then be evaluated, communicated promptly and mitigated. Monitoring and management of the risks identified form the focal point of the internal control system, which at the Group level is essentially the responsibility of the Executive Board. The Supervisory Board is notified regularly and, if necessary, immediately by the Executive Board about identified risks. The internal control system is an integral part of the risk management system.

Within the framework of its legal mandate for auditing the annual financial statements, the auditor checks whether the early warning system for risks is suitable for detecting at an early stage any risks or developments that might endanger the Company.

The risk analysis, as a continuous process, promptly identifies, evaluates and communicates the factors that may jeopardise the achievement of business targets. The process also includes management and control of the risks identified.

The Executive Board was not aware of any information during the year under review that would have led it to believe that there were material inefficiencies in the effectiveness of the internal control system or risk management system, or that these systems were inappropriate in any way. Generally, however, it should be borne in mind that an internal control system, irrespective of its design, provides no absolute guarantee of identifying deficiencies in our business processes.

Risk analysis

Under existing service contracts, the Executive Board of Deutsche EuroShop AG is continuously briefed about the business performance of the shopping centers and the corresponding property companies. Financial statements and financial control reports are submitted on a quarterly basis for each shopping center, and medium-term corporate plans are submitted annually. The Executive Board regularly reviews and analyses these reports, using the following information in particular to assess the level of risk:

1. Portfolio properties

- Trend in amounts outstanding
- Trend in occupancy rates
- Retail sales trend in the shopping centers
- Variance against projected income from the properties
- Observance of financial covenants in loan agreements

2. Centers under construction and significant structural work affecting portfolio properties

- Pre-leasing levels
- Construction status
- Budget status
- Development of financial covenants in loan agreements and observance of disbursement conditions

Risks are identified by observing issues and changes that deviate from the original plans and budgets. Risk management also involves the systematic analysis of economic data such as consumer confidence and retail sales trends, as well as ongoing monitoring of the activities undertaken by competitors.

[1] This section of the combined management report is not subject to mandatory audit. Therefore, the information it contains has not been audited by the auditor.

Risk inventory

The risks identified in the course of the risk analysis are summarised in a risk inventory and evaluated in terms of their potential loss amounts and likelihood of occurrence in consideration of compensatory measures (from a net standpoint). The risk inventory is regularly examined and updated where necessary.

Furthermore, the Executive Board uses scenario-based simulations where the key planning parameters (including rent, cost, return and interest rate trends) are altered to assess the way in which risk aggregation affects the Group's continued existence. This analysis also allows for an evaluation as regards which risks the Group is able to sustain.

The Executive Board reports on significant risks at the Supervisory Board meetings. In the event of risks that jeopardise the continued existence of the Group, a report is issued immediately.

Accounting-related internal control system

Preparation of the financial statements is another important element of the internal control system and is monitored and controlled at the level of the Group holding company. The Group uses rules and policies to ensure that its internal and external reports are prepared properly and meet legal requirements. Risks related to the accounting process are identified in good time.

The decentralised preparation of Group-relevant reports is followed by the aggregation and consolidation of the individual annual financial statements and the preparation of the information for reporting in the notes and combined management report by the accounting department of the holding company, with the aid of the consolidation software ConMezzo. This is accompanied by manual process controls such as the principle of dual control by the employees charged with ensuring the regularity of financial reporting and by the Executive Board. The internal control system is monitored by the Supervisory Board.

By virtue of the organisational, control and monitoring measures laid down in the Group, the accounting-related internal control system enables the full recording, processing and evaluation of Company-related matters as well as their proper presentation in Group financial reporting.

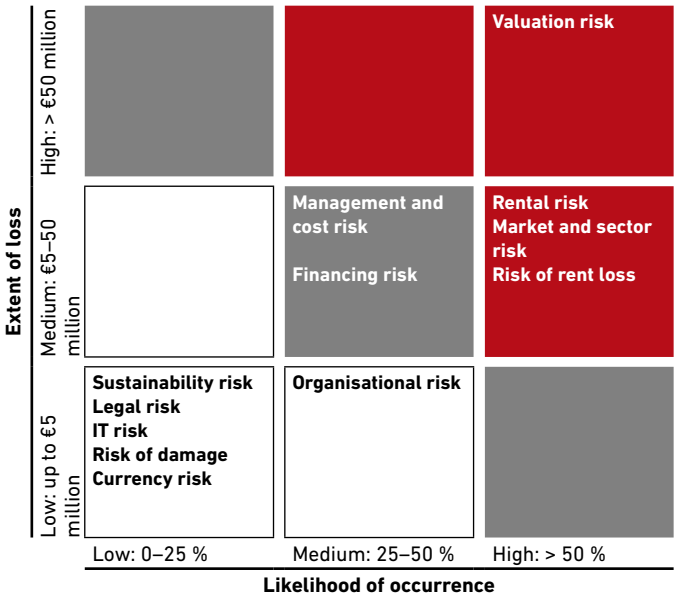
Risks related to the report preparation process are addressed by performing automated and manual plausibility checks, segregating duties and applying the dual-review principle. The auditor of the consolidated financial statements assesses the functionality and effectiveness of the accounting-related internal control system as part of its audit of the annual and consolidated financial statements.

The statements made relate solely to those subsidiaries included in the consolidated financial statements of Deutsche EuroShop AG for which Deutsche EuroShop AG is in a position, directly or indirectly, to dictate their operating and financial policies.

Evaluation of the overall risk position

The overall risk situation is presented in the following matrix. The potential extent of losses in the risk matrix is calculated on the basis of the impact on EBIT and FFO for the financial year following the year under review. When it comes to valuation risk, the accounting effects (change in investment properties or total assets) are analysed as well. The extent of losses is analysed on a consolidated basis. The factors that could influence the likelihood of occurrence and severity of the individual risks as well as the evaluation of the overall risk position due to ongoing geopolitical conflicts cannot be estimated at the moment. Individual risks and the overall risk position are monitored on an ongoing basis and reassessed regularly.

Risk matrix



On the basis of the monitoring system described, Deutsche EuroShop AG has taken appropriate steps to identify developments that could jeopardise its continued existence at an early stage and to counteract these.

As in previous years, the Executive Board conducted simulations using consolidated liquidity planning to assess the extent to which the Group is able to bear individual risks or the concurrence of multiple individual risks. The Executive Board is accordingly not aware of any risks or risk aggregations that would jeopardise the continued existence of the Company and the Group. The Executive Board is also of the opinion that the Group is adequately positioned to take advantage of opportunities that may arise without having to enter into unacceptable risks.

Presentation of material individual risks

Valuation risk

The value of a property is essentially determined by its capitalised earnings value, which in turn depends on factors such as the level of annual revenue, the management costs and the investment needs, the underlying location risk, the general condition of the property, the evolution of capital market interest rates and, in particular, the demand for shopping center properties. The appreciation or depreciation of property values is also impacted by various macroeconomic and regional factors as well as by factors specific to those properties, which are for the most part unforeseeable and beyond the control of the Company. The factors described are taken into account in the annual market valuations of our portfolio properties by independent appraisers. These have a direct impact on the recognition of investment properties and measurement gains/losses due to the application of IAS 40. Rising capital market interest rates could negatively impact the valuation of the Deutsche EuroShop Group's real estate portfolio as they tend to be associated with an increase in the discount and capitalisation rates used to determine the fair value of the portfolio as well as a downturn in the market prices paid for shares in shopping centers. As a result, higher interest rates typically have a negative effect on the market value of the Deutsche EuroShop Group's real estate portfolio. Changes in market valuations could also affect compliance with loan conditions on existing financing arrangements (e.g. compliance with debt ratios) as well as the terms of new financing and refinancing agreements as a fall in market valuations would lead to a higher debt ratio.

The assignment of external, independent appraisers with a great deal of experience in the industry, along with the Company's critical assessment of their appraisal, minimises the risk of measurement error. As part of efforts aimed at controlling value-driving factors, the Company has adopted further measures aimed at minimising valuation risk. The main focus here is on professional center, cost and leasing management at the shopping centers, which is ensured through the selection of suitable asset managers. All of our shopping centers are currently managed by ECE Marketplaces GmbH & Co. KG, Hamburg, the European market leader in the area of shopping center management, with active maintenance management ensuring that the properties are continuously kept in a sound general condition.

The parameters used to arrive at a valuation of the real estate portfolio include derived interest rates, market rents, operating costs and renewal periods. All parameters of this kind are subject to uncertainty. Geopolitical conflicts, political uncertainties and concerns over the possibility of recession could lead to increased uncertainty about economic conditions going forward. Rising inflation rates and higher interest rate levels could have a significant negative impact on the parameters used for estimates. Significant changes in market value cannot be ruled out despite interest rates stabilising and moderate inflation. A 25 basis point increase in the capitalisation rate would result in the real estate portfolio as at 31 December 2025 being written down by

€94.7 million. For more information, please refer to the sensitivities presented in the notes (Investment Properties section of the notes to the consolidated financial statements).

We therefore continue to consider the likelihood of occurrence and the extent of loss of the valuation risk as high.

Market and sector risks

The share of purchases made in stores in Germany was 86.5 %, on a par with the previous year (86.7 %). It is expected that online retail will continue to grow in future and increase its share of total retail sales. The segments of fashion, shoes and consumer electronics continue to dominate online commerce, and are also especially heavily represented in shopping centers. Despite the prevalence of online shopping, attractive retail spaces continue to be a strong draw for customers. The upwards trend in footfall shows that attractive and spacious retail facilities that are leaders in their respective catchment areas are resilient and continuing to hold their own against the competition by offering customers a broad range of products, an enjoyable time and a special shopping experience.

Alongside the growth in online retail, additional retail commercial space offered on the rental market, created for example through the building, expansion or modernisation of shopping centers or factory outlets both in city centers and on the outskirts, as well as through the revitalisation of retail locations in city centers, may cause realisable revenues in bricks-and-mortar retail trade to be distributed over more rental space overall and lead to lower space utilisation. In Hamburg, for example, Unibail-Rodamco-Westfield completed a large-scale project development for the Überseequartier, a mixed-use district within Hamburg's Hafen City, which opened at the beginning of the second quarter of 2025. We do not currently believe that this will have a significant impact on our shopping centers in Hamburg and Norderstedt. Larger or improved rental space offerings in the competitive environment of our shopping centers and a potentially permanent redistribution of retail revenues to online channels and the accompanying permanent drop in space utilisation for bricks-and-mortar retailers harbour the risk that subsequent leases and/or renewals could be concluded at lower rents and/or under less favourable contractual terms (due to an increase in construction cost subsidies, for example), leading to a downturn in EBIT and FFO.

To counter the rising share of online retail along with the potential pressure on space utilisation, bricks-and-mortar retail is embracing floorspace restructuring and focusing on good retail locations, optimising product ranges, improving quality of service and placing an emphasis on individual consultations when shopping. Increased synergy between e-commerce channels and bricks-and-mortar stores is also becoming increasingly important. Retailers are at different stages of progress and success in this regard, particularly as far as implementation of their omni-channel concepts is concerned. Omnichannel concepts are becoming increasingly important for the retail sector. Retailers need to maintain a physical presence in order for their online offerings to be successful, creating opportunities for the Deutsche EuroShop Group's shopping centers.

Service-oriented tenants such as healthcare professionals, hair stylists, public authorities and food and beverage providers are an important part of our tenant mix, and something shoppers expect to find in our shopping centers. As these are services that can only be delivered in person, they drive up footfall.

The leisure, customer experience and meeting point aspects of our centers are continually being enhanced. In addition to the creation of new and attractive restaurant spaces, this includes our established "At Your Service" and "Mall Beautification" investment programmes. The aim is to make the centers a more pleasurable place to be and to raise the quality of service through targeted investments in, among other things, improved service and lounge areas, modern entertainment zones for kids, simplified in-house navigation when searching for shops or parking using touch screens or smartphone solutions, and intelligent parking guidance systems. To increase the appeal of the centers, the expansion of the entertainment offering is also being examined and progressed. For example, the trampoline park concept opened in our Rhein-Neckar-Zentrum in 2024 has met with great success, so much so that a wide range of other leisure and food service outlets have opened in the vicinity. The "Food Garden" at the Main-Taunus-Zentrum opened its doors in the second quarter of 2025. This significantly expanded the food and beverage options available at the center and increased footfall. These and other investments also improve the appeal of the locations beyond the immediate region. The conclusion of leases with as long a term as possible with tenants with high credit ratings across every retail segment also reduces market and sector risks.

Uncertainties resulting from geopolitical conflicts, rising inflation rates or higher interest rates could have a direct negative impact on private consumption. For retailers, high energy prices can become a massive burden if they cannot be passed on in full to customers. Cost increases and possible energy bottlenecks can lead to delivery problems for manufacturers and thus have a lasting negative impact on retail sales.

We continue to assess the potential extent of loss as moderate, whilst the probability of occurrence remains high.

Rental risk

The long-term success of the Deutsche EuroShop Group's business model depends, in particular, on leases for retail space and the generation of stable and/or growing rental income in addition to low vacancy rates. Due to the medium-term and long-term renting of retail space, the Deutsche EuroShop Group is not as directly affected by short-term economic developments as company groups in other sectors. However, given retail commerce's greater dependency on the state of the economy, we cannot rule out the possibility of a change in economic conditions impacting the Deutsche EuroShop Group's business.

Uncertainty driven by unclear political situations, economic fluctuations, the global economy and structural changes in the retail market are affecting demand for floor space, rent prices and contractual conditions. Insolvencies in the retail sector are also making their effect felt. According to the German Federal Statistical Office, the number of corporate insolvencies in Germany between January and November 2025 was 10.0 % higher than in the previous year. It is expected to remain at a high level in 2026. Thus, there is the risk that floor space is not rented or is rented at inadequate prices or excessively unfavourable conditions, for example with respect to lease terms, service charge apportionments or necessary construction cost subsidies. Low contributions to revenue from leasing and/or rising vacancy rates are also possible. Furthermore, the time required to negotiate new leases may extend beyond the planned timeframe.

As a result, income and EBIT would turn out to be less than budgeted, and distributions to shareholders might have to be reduced due to the downturn in FFO. In addition, lower revenue may also affect compliance with loan conditions on existing financing arrangements as well as the terms of new financing and refinancing agreements. If the revenue for a property company is no longer sufficient to meet its interest and repayment obligations, this could lead to the loss of the entire property.

The Deutsche EuroShop Group counteracts this risk by transferring leasing management to professional market leaders in asset management (currently ECE Marketplaces) as well as by keeping a close eye on the market with continuous and early monitoring of upcoming regular or potentially expected unscheduled leasing. Furthermore, where enforceable on the market, the Deutsche EuroShop Group prefers to conclude medium- and long-term leases with proportionately high minimum rent agreements.

Interest rates and energy costs influence demand for floor space, rental rates and the contractual conditions for new and renewed leases. The time required to re-let space has also increased compared with previous years. A longer re-letting period can also have a negative impact on valuations.

Due to the continuing challenging economic and business environment, insolvency and re-letting risks remain elevated. We continue to assess the potential extent of loss as moderate, whilst the probability of occurrence remains high.

Risk of rent loss

The number of corporate insolvencies increased significantly towards the end of the 2025 financial year. Insolvency and deteriorating performance and credit ratings among tenants, which may be triggered by serious external political or economic shocks, may lead to defaults on leases and other financial burdens. In addition to the full rent, the risk of loss of rental income applies to apportionable ancillary costs as well as any legal and reinstatement costs; this would have a negative impact on EBIT. Defaults on leases may have an impact on compliance with loan covenants. Insolvency on the part of tenants, especially anchor tenants or shop chains, can moreover lead to increases in vacancy rates.

Risk is reduced by carefully selecting tenants, regularly analysing their retail sales trends and amounts outstanding, as well as adopting re-letting measures early on in the event of negative developments. As a rule, tenants also put up commensurate security deposits, which are able to offset some of the financial burden in the event of default.

The requisite write-downs are recognised on the balance sheet in individual cases. These totalled €7,185 thousand in the 2025 financial year (previous year: €7,731 thousand). It is not possible to rule out higher write-downs in financial year 2026 in view of the structural change in bricks-and-mortar retail and depending on economic developments within the context of today's challenging macroeconomic environment. These would have a negative impact on EBIT and FFO.

Diverging from the previous year's medium rating, the probability of occurrence is now assessed as high. This is mainly due to the marked increase in corporate insolvencies. The potential extent of loss is considered moderate, in line with the previous year.

Management and cost risks

Expenditure on investment projects and maintenance could turn out higher than budgeted based on our past experience. Differences may also materialise owing to external damage or loss, inaccurate assessment of maintenance requirements, or deficiencies that are not identified or are identified too late. We reduce risks from cost overruns in current investment projects and maintenance measures by taking cost models for all identifiable risks into account in our calculations as a precautionary measure at the planning stage. In addition, more large-scale construction contracts are normally only awarded on a fixed-price basis to general contractors with strong credit ratings. During the building phase, professional project management is assured by the companies we commission. However, it is impossible to completely avoid cost overruns in individual cases.

Long-term increases in energy prices, higher carbon costs and stricter legal requirements (e.g. carbon pricing and energy-efficiency standards) are driving up operating costs. In principle, a large portion of ancillary costs can be passed on to tenants, but a not inconsiderable portion remains with the landlord, so cost increases have a direct effect here. Indirectly, the burden from the cost increases can lead to payment difficulties for tenants or even to the termination of tenancies, resulting in potentially longer vacancy periods and necessary renovation measures. The share of non-allocable ancillary costs and necessary investments would therefore increase. To mitigate cost risk, particularly due to rising energy prices, our shopping centers are checked for energy efficiency. Economically sensible measures, such as installing photovoltaic systems, are also implemented.

The complexity of the applicable court decisions and changes thereto could lead to corrections and objections in relation to ancillary costs, which in turn could lead to limits being enforced on passing the burden on to tenants and/or to subsequent reimbursements to the same. Besides financial losses, this could also affect tenant satisfaction. Continuous examination of ancillary cost invoicing based on current legislation minimises this risk. New changes in the law may also mean that additional costs cannot legally and/or economically be passed on in their entirety to tenants as ancillary costs going forward.

Higher management costs would put EBIT under pressure and consequently reduce FFO, lowering the potential size of dividends.

We assess the potential extent of loss as medium, differing from the previous year's low rating, while the probability of occurrence remains in the medium range.

Financing risk

As at the reporting date, the Group's financing mainly consisted of long-term loan agreements and a long-term corporate bond, each with fixed interest rates. Refinancing is currently being negotiated for two shopping centers. No new financing or refinancing is planned until 2027.

We are constantly monitoring the interest rate environment so as to be able to react appropriately to interest rate changes. Financing risk is mitigated by concluding long-term instruments with maturities or fixed interest periods generally in the order of five to ten years and fixed interest rates. Interest rate levels are materially determined by underlying macroeconomic and political conditions and therefore cannot be predicted by the Company. Geopolitical tensions and conflicts are making capital markets increasingly volatile and driving up the overall level of risk. There is a risk that refinancing for loans and corporate bonds may only be available at higher interest rates than before. This would negatively impact FFO.

In order to secure refinancing on reasonable terms in the future — particularly for unsecured corporate bonds — it is essential for Deutsche EuroShop to maintain an Investment Grade rating. Any deterioration in this rating could adversely affect the conditions for refinancing maturing corporate bonds, which in turn would negatively impact FFO.

The Deutsche EuroShop Group is required to comply with certain financial covenants (net loan-to-value ratio, net secured loan-to-value ratio, interest coverage ratio), reporting obligations and other commitments in connection with the corporate bond. A failure to comply with these obligations could trigger termination rights and payment obligations relating to the corporate bond. Loan agreements also include covenants which must be met at a property or property company level. These include debt service cover ratios (DSCRs), interest cover ratios (ICRs), changes in revenue, the equity ratio, the leverage ratio and loan-to-value (LTV) ratios. These conditions, which are reviewed on a regular basis, could limit the Deutsche EuroShop Group's ability to finance its future operating and capital needs as well as to pursue acquisitions and other business activities. The ability to meet these conditions is dependent on a number of factors, some of which may be beyond the Group's control, such as a downturn in the industry and real estate markets or the inaccuracy of assumptions used for long-term planning and forecasts. Failing to comply with a financial covenant could have serious consequences for the Deutsche EuroShop Group. If subsidiaries of Deutsche EuroShop AG breach a financial covenant or another restrictive agreement, lenders could, under certain circumstances, demand the early repayment of a specific percentage of the loan amount, withhold funds, or terminate the respective financing agreement prematurely.

An economic and financial crisis, the substantial indirect repercussions of geopolitical crises on the operations and cash flow of retail properties, as well as pronounced intensification of online competition or stricter regulation of the financial sector could lead to a significant deterioration of banks' lending policies with respect to credit margins, financing terms and expiries, and loan conditions. These factors also have the potential to make it more difficult to issue bonds and alternative financing instruments. Insolvencies of real estate companies could also have a negative impact on confidence in the real estate sector and therefore on banks' lending practices and the capital market. The eventualities would negatively affect the earnings and financial position of the Company and FFO. Under extreme circumstances, the financing market could dry up altogether. The possibility cannot be completely excluded that, due for example to a deterioration in the results of operations of individual property companies or a change in lending policy, banks may not be prepared to provide refinancing.

The Deutsche EuroShop Group responds to this financing risk by concluding long-term loan agreements, using the capital market, avoiding the accumulation over time of loan maturities, maintaining a robust corporate rating and observing appropriate debt ratios. Furthermore, the Group maintains long-term business relationships with a large number of capital market investors and investment, commercial and mortgage banks in its target markets in order to secure the best possible access to financing.

Due to this volatility, the probability of occurrence has risen to medium in the current year (previous year: low). The potential extent of the loss related to this risk is considered medium (previous year: low), reflecting the larger volume of financial liabilities and the higher LTV.

Sustainability risks

Germany has committed itself to achieving ambitious climate targets as part of its Climate Action Programme 2030. The Climate Change Act (Klimaschutzgesetz) sets legally binding national climate targets and forms the core of the German government's climate policy. Germany is aiming to be climate-neutral by 2045. Following a referendum in October 2025, Hamburg is now legally committed to achieving climate neutrality by 2040. This will have an impact on our shopping centres in Harburg and Billstedt. The real estate sector is a major energy consumer. Since nearly 40 % of global carbon dioxide emissions are caused by the construction and operation of buildings, owners of commercial properties face significant risks related to climate change and potential future costs for reducing carbon dioxide emissions and other related environmental impacts. Ten shopping centers in the Deutsche EuroShop Group's portfolio were built before the turn of the millennium, eleven afterwards. Even though the older shopping centers (median age: 24 years as of end of 2025) have largely been modernised and renovated, further investment will be required to meet stricter energy efficiency standards. The Deutsche EuroShop Group may be required to make substantial additional investments in its shopping centers and implement the measures which are needed to achieve this goal. The shopping centers of the Deutsche EuroShop Group have been certified Gold by the German Sustainable Building Council (DGNB). One of our centers has achieved Platinum status. Changes to DGNB criteria may require us to invest further and make improvements to the shopping centers for future recertification. This could result in the Deutsche EuroShop Group incurring significant investment and modernisation costs.

The demand for properties that meet higher ESG standards may continue to rise. This could make it more difficult to sell or arrange financing for real estate in the future. The reputation of the Deutsche EuroShop Group may be damaged if it fails to implement ESG-related measures and/or comply with new energy efficiency standards, or fails to implement its ESG strategy by other means. In addition, decreased demand from banks and investors – who are increasingly looking for ESG-compliant assets – could prevent the Deutsche EuroShop Group from selling or financing shopping centers that do not meet these standards or have a significant negative impact on the sale prices or financing terms for non-compliant assets. Climate change and energy efficiency are becoming increasingly important for tenants, investors and visitors and causing them to change their behaviour. This has the potential to make individual sites more or less attractive.

Through early analysis and the planning of necessary measures in our shopping center properties, Deutsche EuroShop ensures that requirements and actions are implemented efficiently, on time, and at the appropriate scale with the support of expert asset managers and advisors. The measures for this are successively and individually reviewed and evaluated as part of the maintenance cycles for the centers. Investment needs are included in long-term planning for the centers. This ensures that the further development of properties is cost-efficient and spread out over time, with the use of public subsidies where available. The shopping centers were recertified by the DGNB, and the Deutsche EuroShop Group issued its first green bond in June of the reporting year in connection with the published Green Finance Framework. This demonstrates how effective the Deutsche EuroShop Group's efforts have been in this area. The Deutsche EuroShop Group has further strengthened its sustainability strategy and introduced ESG policies that establish a clear and structured framework for responsible corporate governance and sustainable business practices.

Regulations and external reporting requirements related to the EU Taxonomy have increased significantly in recent years. These requirements place demands on our internal control systems, governance, monitoring and mandated external reporting processes. In December of the reporting year, an agreement was reached at the EU level regarding the Omnibus I package, which reduces sustainability obligations for companies. The Deutsche EuroShop Group falls outside the scope of the Corporate Sustainability Reporting Directive (CSRD) because it does not meet the applicable thresholds.

Because the Deutsche EuroShop Group is no longer subject to extensive CSRD reporting obligations and has been successful at implementing its sustainability strategy, we now consider the probability of occurrence to be low, unlike in the previous year, and the estimated extent of the financial loss is still estimated to be low.

Organisational risks

The Deutsche EuroShop Group has a lean organisational structure made up of an Executive Board and seven employees. As a result, it relies heavily on external service providers and specific individuals in key positions.

The Deutsche EuroShop Group maintains contractual relationships with service providers (such as center management companies) as part of its day-to-day business. All center management-related activities have been outsourced to ECE Marketplaces. ECE Marketplaces provides its services under independent service agreements with the property companies for each shopping center. Under these agreements, ECE Marketplaces is responsible for center management, including leasing based on standardised contracts, maintenance and repairs, accounting, contract-related and legal matters, in addition to technical planning and architectural tasks. These center management contracts typically have a term of ten to 15 years, and are automatically extended by two to five years unless terminated. They predominantly allow for the contract to be terminated for cause if the shopping center in question is sold to a third party.

If ECE Marketplaces were to terminate all or a significant portion of these contracts, the Deutsche EuroShop Group would need to either insource its asset management needs and expand its own resources – likely leading to higher costs – or secure contracts covering the center management services and potentially other services provided by ECE with alternative service providers within a short timeframe and possibly under less favourable conditions.

Given the small number of employees of Deutsche EuroShop AG, the Company is dependent on individual persons in key positions. The departure of these key staff would lead to a loss of expertise, and the recruitment and induction of new replacement personnel could temporarily impair day-to-day business. The shortage of skilled labour is getting worse, increasing the risk that replacements cannot be recruited within a reasonable time. This is being exacerbated by the fact that new hires have to meet higher standards in an increasingly complex market environment. This kind of impairment is kept as low as possible by means of representation policies and the documentation of material work processes.

Because the talent shortage is growing and the market is becoming more complex, the probability of occurrence is now rated as medium, in contrast to the previous year. The estimated extent of the financial loss remains low.

Currency risk

The Deutsche EuroShop Group's activities are limited exclusively to the European Union's economic area. Manageable currency risks arise in the case of the eastern European investment companies. These risks are not hedged because this is purely an issue of translation at the reporting date and is therefore not associated with any cash flow risks. The currency risk from operations is largely hedged by linking rents and loan liabilities to the euro. There is a risk that if the Hungarian forint, the Polish zloty or the Czech koruna were to plummet against the euro for an extended period of time, tenants would no longer be able to pay what would then be considerably higher rents denominated in a foreign currency.

We continue to consider the likelihood of occurrence and the extent of loss as low.

Risk of damage

Real estate properties are subject to the risk of total or partial ruin caused by external factors (e.g. damage from fire or flooding, vandalism, terror attacks), which can lead to repair costs and leasing defaults. These types of damage are hedged to the greatest possible extent by insurance policies with insurers with a high credit rating. It is, however, conceivable that not all theoretically possible damage is adequately covered by insurance policies, or that this insurance coverage cannot be maintained on adequate terms in light of changing conditions in the insurance market, or that sufficient insurance protection will not even be offered. In addition, insurers may deny their services or a deterioration in the credit rating of an insurer may lead to potential defaults on payments in connection with the enforcement of insurance claims.

In order to avoid damage, our properties are also actively secured by fire and burglary protection and anti-vandalism measures.

We also face risks related to the increasing frequency of extreme weather events, such as severe storms, floods, heat waves and droughts. These have the potential to cause property damage, disrupt operations or increase our maintenance expenses. This would impact both our tenants and their customers, as well as the shopping center properties themselves. The risk of potential impacts such as damage is mitigated by arranging appropriate insurance coverage and taking preventive measures.

We continue to consider the likelihood of occurrence and the extent of financial loss as low.

Legal risk

The concept for our business model is based on the current legal situation, administrative opinion and court decisions, all of which may, however, change at any time. For example, amendments to the Real Estate Transfer Tax Act or changes in the related administrative opinion could result in a retroactive tax liability related to share deals. In pandemics or other crisis situations, there is a risk of legislators acting quickly to enact new laws or amend existing laws that granted temporary relief to tenants in terms of their rental payment obligations during public authority-mandated, pandemic-related business closures.

The Company is not currently aware of any legal risks that could have a major impact on its assets or results of operations.

We continue to consider the likelihood of occurrence and the extent of loss as low.

IT risk

Deutsche EuroShop AG's information system is based on a centrally managed network solution. Corrective and preventive maintenance of the system is carried out by an external service provider. A detailed access policy ensures that staff and external service providers are granted access exclusively to the systems they require for their work. A virus protection concept and permanent monitoring of data traffic with respect to hidden and dangerous content are designed to protect against external attacks. All data relevant to operations is backed up daily by remote backup and also regularly on multiple storage media. In the event of a hardware or software failure in our system, all data can be reproduced at short notice.

We continue to consider the likelihood of occurrence and the extent of financial loss as low.

Opportunity report

The Deutsche EuroShop Group forms part of a retail market undergoing dynamic structural transformation. While bricks-and-mortar retail faces challenges from growth in online retail, and many transformation processes are being initiated more actively, the strict boundaries between the online and offline shopping world continue to disappear. Even before the pandemic, however, there was a clear trend towards purely online retailers increasingly opening shops and branch networks or gaining access to bricks-and-mortar retail chains and their branch networks through acquisitions or joint ventures. This development is based on the expectation from customers that they will be able to buy all products online or offline depending on the situation. Lots of retailers had to accept that they were only able to generate satisfactory revenue during the pandemic's closure phase with an omni-channel sales approach, as this sales approach opens up new opportunities in the areas of customer contact and service and provides revenue growth potential. Attractive bricks-and-mortar retail spaces and thus also shopping centers will continue to play an important role in the transformation of the retail landscape to a largely integrated omni-channel distribution. This is evidenced by the rapid and relatively significant recovery in customer footfall and tenant revenue in many segments following the reopening of stores after the lockdown. In addition, bricks-and-mortar spaces are increasingly lending themselves to being used as local logistics hubs for fast and cost-efficient delivery services.

Given the positioning of our shopping centers at prime locations, broad sector diversification within the centers, the increasing link-up between the shopping centers and online retail, their conceptual adaptation with an emphasis on leisure, customer experience and meeting point aspects, and the increasing complementary importance of shop spaces for online retail, we see opportunities for further success even during the current accelerated phase of structural change.

There are growth opportunities for Deutsche EuroShop AG, in keeping with its clearly defined, selective investment strategy, through the acquisition of further shopping centers or stakes therein and increase the Company's earnings in the long term. Further external growth can also enhance the diversification effect in the Company's holdings portfolio. Due to the great degree of flexibility in the implementation of our acquisition and holdings structures, our good reputation with banks and as a reliable partner in the real estate market, the Company is well positioned to be able to continue to operate in the transactions market in such a way as to exploit opportunities going forward.

Furthermore, the are opportunities to achieve better access to financing opportunities on the capital market. Additional attractive financing opportunities can lead to positive effects on EBT and FFO, especially in a market environment of rising interest rates and a tendency towards stricter loan conditions.

Report of the Executive Board on relations with affiliated companies

Pursuant to section 312 of the AktG, the Executive Board has prepared a report on relations with affiliated companies, which contains the following concluding statement: "I declare that, with regard to the legal transactions and other measures mentioned in the report on relationships with affiliated companies, and according to the circumstances known to us at the time legal transactions were carried out or measures were taken or omitted, the Company received appropriate consideration for each legal transaction and was not disadvantaged by the fact that measures were taken or omitted."

Acquisition reporting

Deutsche EuroShop AG shares are traded on the Stock Exchange in Frankfurt am Main and other exchanges. As at 31 December 2025, 77.2 % of the shares were held by Hercules BidCo GmbH, which, based on voting agreements, belongs to Alexander Otto, among others (previous year: 76.4 %). With regard to disclosures concerning direct or indirect shareholdings that exceed 10 % of voting rights, please refer to the notes and the notes to the consolidated financial statements.

Share capital amounted to €75,743,854 (previous year: €76,464,319) as of 31 December 2025 and is divided into 75,743,854 (previous year: 76,464,319) no-par-value registered shares. As at 31 December 2024, Deutsche EuroShop AG held 720,465 treasury shares, which conferred no rights to the Company in accordance with Section 71b AktG. On 30 September 2025, the Supervisory Board approved a resolution of the Executive Board to cancel treasury shares. The capital reduction came into effect on 1 October 2025. Since then, the share capital has amounted to €75,743,854, divided into 75,743,854 shares. Please refer to the information in the notes to the consolidated financial statements under section "13. Equity and reserves" in the notes to the consolidated financial statements. The notional value of each share in the share capital is €1.00.

The appointment and removal of members of the Executive Board are governed by Sections 84 and 85 AktG and Article 7 of the Articles of Association. Pursuant to Article 7 (1) of the Articles of Association, the Executive Board shall consist of one or more persons; furthermore, the Supervisory Board shall determine the number of members of the Executive Board. Amendments to the Articles of Association are subject to Sections 179 and 133 AktG and Article 13 of the Articles of Association. Pursuant to Article 13 (4) of the Articles of Association, the Supervisory Board shall be authorised to resolve amendments and addenda to the Articles of Association that relate solely to wording.

By resolution of the Annual General Meeting on 29 August 2023, the Executive Board was authorised, with the approval of the Supervisory Board, to increase the Company's share capital by up to a total of €38,232,159 in increments through individual or multiple issues of new no-par-value registered shares against cash and/or non-cash contributions before 28 August 2028 (Authorised capital 2023). As at 31 December 2025, no use had been made of this authorisation.

The Annual General Meeting held on 29 August 2023 authorised the Executive Board to acquire treasury shares in the Company on the stock exchange before 28 August 2028 constituting up to 10 % of the share capital available on entry into force or – if this is lower – on exercise of the authorisation. As at 31 December 2024, 720,465 treasury shares had

been repurchased on the stock exchange. This corresponds to 0.942 % of the share capital as at the reporting date. No further treasury shares were acquired in 2025. Effective 1 October 2025, 720,465 treasury shares were cancelled and the share capital was reduced accordingly.

By resolution of the Annual General Meeting on 29 August 2023, the Executive Board was authorised, subject to approval of the Supervisory Board, to issue convertible bonds and/or bonds with warrants or a combination of such instruments on one or multiple occasions before 28 August 2028 with a total nominal value of up to €1.5 billion against cash contributions and/or contributions in kind, in particular against investments in other companies, and to grant the holders of the respective, equally privileged bonds conversion and option rights/obligations to new no-par-value shares in the Company up to a total of 38,232,159 shares as detailed in the terms and conditions for the bonds ("Bond conditions"). The bonds and the conversion and option rights/obligations can be issued with or without a term. The bonds may pay a fixed or variable rate of interest, in which case, as with a participating bond, the interest may also be dependent in full or in part on the level of the Company's dividend (Conditional capital 2023). As at 31 December 2025, no use had been made of this authorisation.

A change-of-control arrangement has been agreed with two employees. Under this arrangement, if and insofar as the Company informs them that they will no longer be employed in their current positions, these employees will have a special right of termination with a notice period of one month up to the end of the quarter, which will be valid for twelve months from the date the change of control takes effect.

A change of control arises if Deutsche EuroShop AG merges with another company, if a public takeover bid has been made under the German Wertpapiererwerbs- und Übernahmegesetz (WpÜG – Securities Acquisition and Takeover Act) and has been accepted by a majority of shareholders, if the Company is integrated into a new group of companies, or if the Company goes private and is delisted.

In the event of such termination of the employment relationship, these employees will receive a one-time payment amounting to three months' gross salary multiplied by the number of years that they have worked for the Company, but limited to a maximum of 24 months' gross salary.

The Deutsche EuroShop Group does not currently have any other compensation agreements with members of the Executive Board or other employees for the event of a change of control.

The material provisions governing Deutsche EuroShop AG, which include a change of control clause for Deutsche EuroShop AG, primarily relate to the bond issue, credit facilities and loan agreements. In the event of a takeover, the relevant lenders may be entitled to terminate the instruments and where applicable demand immediate repayment. A takeover is defined as a third party taking control of Deutsche EuroShop AG; the takeover may also be made by a group acting jointly.

Declaration of Conformity

(Section 289f, Section 315d HGB)

The combined declaration in accordance with Section 289f and Section 315d HGB on corporate governance and on the Corporate Governance Code is published on the Deutsche EuroShop AG website at: www.deutsche-euroshop.de/Investor-Relations/Corporate-Governance/Declaration-of-Conformity

Reporting on the annual financial statements of Deutsche EuroShop AG

As the Group managing company, Deutsche EuroShop AG is responsible for corporate strategy, portfolio and risk management, financing and communication. As the holding company, the economic development of Deutsche EuroShop AG depends primarily on the business development of the Group's operating companies. Deutsche EuroShop AG also directly participates in and shares the opportunities and risks of the Group companies. Therefore, please also refer to the reporting on the Group in the sections "Macroeconomic and sector-specific conditions", "Business development and overall comment on the Group's financial situation", "Risk report" and "Opportunity report" in this combined management report.

The annual financial statements of Deutsche EuroShop AG were prepared in accordance with the rules of the German Commercial Code (HGB), in compliance with the German Stock Corporation Act (AktG), while the consolidated financial statements were prepared according to IFRS rules.

Results of operations of Deutsche EuroShop AG (HGB)

			Change	
in € thousand	**01.01.-31.12.2025**	**01.01.-31.12.2024**	**±**	**in %**
Other operating income	977	233	744	319
Personnel expenses	-2,853	-2,399	-454	-19
Depreciation/amortisation and other operating expenses	-9,688	-3,169	-6,519	-206
Investment income	52,433	61,448	-9,015	-15
Financial gains/losses	-13,123	-9,330	-3,793	-41
Earnings before taxes	**27,746**	**46,783**	**-19,037**	**-41**
Taxes on income and earnings	21,383	2,047	19,336	945
Net profit	**49,129**	**48,830**	**299**	**1**
Profit brought forward	50,781	202,672	-151,891	
Withdrawals from capital reserves	12,361	0	12,361	100
Withdrawals from other retained earnings	92,639	0	92,639	100
Unappropriated surplus	**204,910**	**251,502**	**-46,592**	

The 2025 financial year was characterised by a lower level of income from investments, an increase in other operating expenses and a decline in financial income for Deutsche EuroShop AG.

Other operating expenses decreased by €6.5 million compared to the previous year. The main drivers were commission expenses and legal and consulting fees incurred in connection with the bond issued in June 2025.

One of the Company's main sources of income is investment income of €52.4 million (previous year: €61.4 million). This was €9.0 million below the previous year's figure but above the forecast range of €31 million to €37 million published in the previous year. Investment income was better than planned, in particular due to lower expenses for investments in rental areas and maintenance.

Financial income was burdened by interest expense of €12.2 million related to the bond that was issued in June of the reporting year. An impairment loss of €3.1 million was recognised on the investment in Saarpark Center Neunkirchen GmbH & Co. KG (previous year: €9.3 million).

Income before tax amounted to €27.7 million, below the prior-year figure of €46,783 thousand but within the projected range of €25.0 million to €31.0 million. The decrease is attributable to investment income being higher than expected, higher interest expense linked to the adjustment of the financing structure, and other operating expenses incurred in this regard.

Income taxes rose from €2.0 million in the previous year to €21.4 million. Of this, €22.1 million relates to deferred taxes (previous year: €4.1 million) and €-0.7 million to taxes payable (previous year: €-2.0 million). Income from deferred taxes is related to the reduction in the corporation tax rate from 15 % to 10 %.

Net assets of Deutsche EuroShop AG (HGB)

in € thousand	31.12.2025	31.12.2024	Change ±
Financial investments	1,152,706	1,049,221	103,485
Other non-current assets	104	66	38
Receivables and other assets	6,294	4,329	1,965
Cash and bank balances	263,918	33,401	230,517
Prepaid expenses	1,030	0	1,030
Assets	**1,424,052**	**1,087,017**	**337,035**
Equity	758,821	910,414	-151,593
Provisions	14,875	7,013	7,862
Liabilities	591,897	89,055	502,842
Deferred tax liabilities	58,459	80,535	-22,076
Liabilities	**1,424,052**	**1,087,017**	**337,035**

The increase in financial assets in the 2025 financial year was primarily attributable to additions arising from contributions to investees from bond proceeds, for the purpose of repaying the Norderstedt and Hameln loans and making a partial repayment of the Passau loan at property company level. This was offset by withdrawals from investees, which were equal to free liquidity, less the proportional net profits under commercial law in 2025 and write-downs of financial investments.

Cash and cash equivalents primarily increased due to the bond issue. This effect was offset by deposits with investees and the distribution to shareholders.

The dividend of €200.7 million approved at the Annual General Meeting in June 2025 reduced equity accordingly. At the same time, borrowing rose following the €500 million bond issue in June 2025. The equity ratio of Deutsche EuroShop AG fell to 53.3 % as a result (previous year: 83.8 %). It remains at a healthy level.

Financial position of Deutsche EuroShop AG (HGB)

in € thousand	01.01.–31.12.2025	01.01.–31.12.2024
Net profit	49,129	48,830
Cash distributions on investees recognised in equity	84,570	250,801
Measurement of investments not affecting liquidity	3,074	9,331
Non-cash expenses related to transaction costs	5,000	0
Addition/reversal for deferred income taxes	-22,076	-4,091
1. Free cash flow from operating activities	**119,697**	**304,871**
Outflows from additional mandatory contributions	-183,517	0
Outflows from loan disbursements	-7,612	0
2. Outflows to investees	**-191,129**	**0**
Inflows/outflows from corporate bonds	493,855	0
Inflows/outflows from bank loans	0	-341
3. Inflows/outflows from financing activities	**493,855**	**-341**
4. Other cash changes in the balance sheet	**8,815**	**-2,150**
5. Acquisition of treasury shares	**0**	**-14,800**
6. Dividend for the previous year	**-200,721**	**-346,609**
Liquidity at the start of the year	**33,401**	**92,430**
Cash changes in liquidity (subtotal 1. – 6.)	230,517	-59,029
Liquidity at the end of the year	**263,918**	**33,401**

The free cash flow from operating activities of €119.7 million decreased compared to the previous year (€304.9 million). This was due to earnings from investments being lower than in the previous year and the additional liquidity distributions arising from the loan increases for Passau, Magdeburg and Hamm in the previous year. For the past financial year, the return on equity paid in of €758.8 million stood at 8.4 %, compared with 21.5 % in the previous year. Free cash flow per share fell from €4.01 to €1.58.

Outflows to investees mainly relate to deposits made at subsidiaries for the purpose of the full repayment of the loans for Norderstedt and Hameln and the partial repayment of the loan for Passau using the proceeds of the bond issue.

The bond issued in June of the reporting year generated cash inflows from financing activities of €493.9 million.

Taking into account the cash changes in net working capital, liquidity came to €263.9 million at the end of the year.

The Executive Board is very satisfied with the results of operations, net assets and financial position in financial year 2025.

Forecast for Deutsche EuroShop AG (HGB)

Management expects the following changes in the key performance indicators: income from investments of €43 million to €49 million, thus down significantly on 2025 (€52.4 million), and earnings before taxes of between €14 million and €20 million, also sharply lower than the figure seen in 2025 (€27.7 million) due to planned interest expense.

We believe that we are still well positioned for financial year 2026 in spite of the scheduled lower income from investments and the declining earnings before taxes.

Hamburg, 26 March 2026

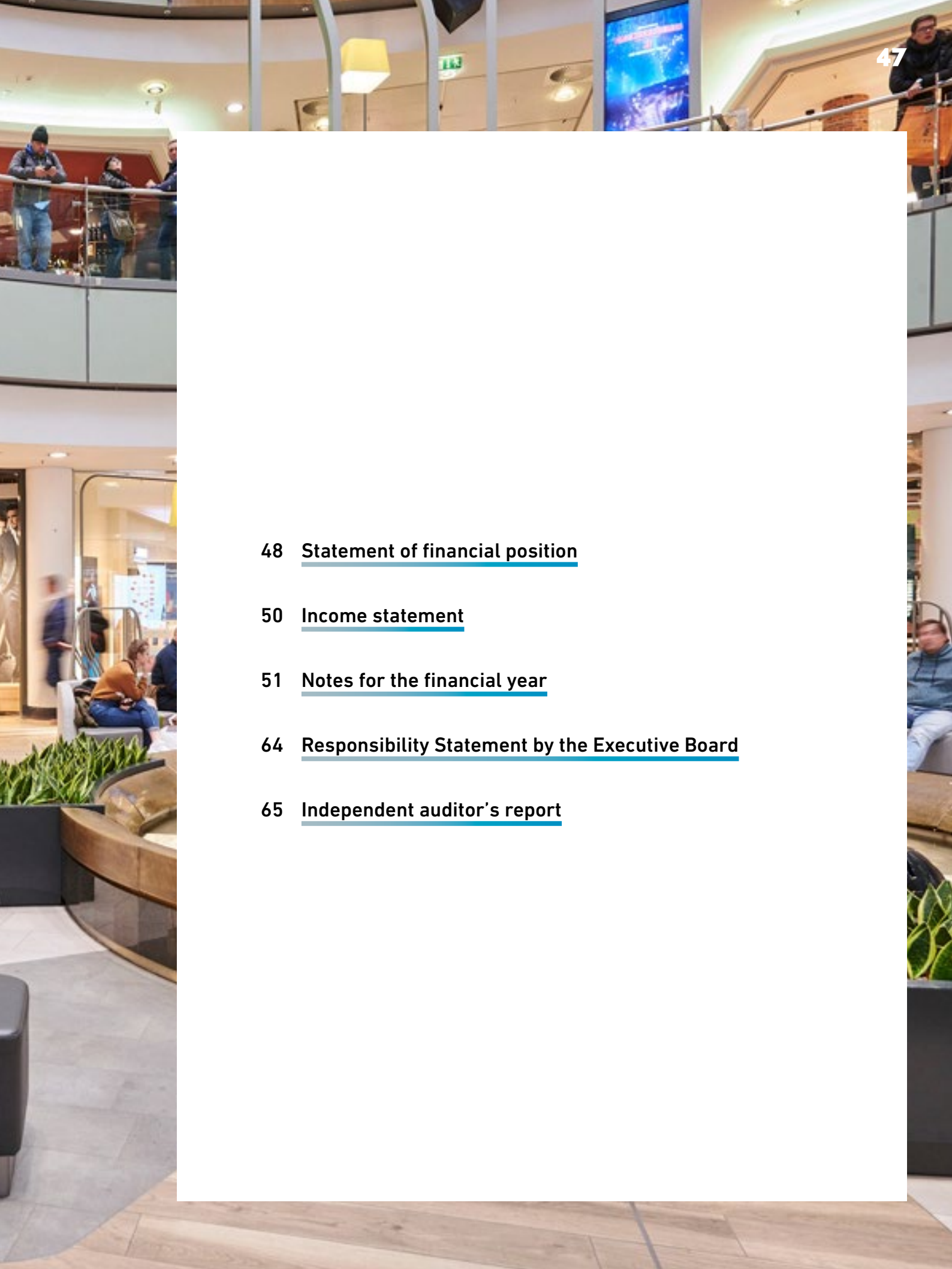
Forward-looking statements

This combined management report contains forward-looking statements based on estimates of future developments by the Executive Board. The statements and forecasts represent estimates based on all of the information available at the current time. If the assumptions on which these statements and forecasts are based do not materialise, the actual results may differ from those currently forecast.

Rounding and rates of change

Percentages and figures stated in this report may be subject to rounding differences. The prefixes before rates of change are based on economic considerations: improvements are indicated by a plus (+); deteriorations by a minus (-).

Separate financial statements



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Statement of financial position

Assets in €	Notes	31.12.2025	31.12.2024
A. Non-current assets	1.		
I. Intangible assets			
Industrial property rights and similar rights acquired against payment		15,068.50	0.00
II. Property, plant and equipment			
Operating and office equipment		89,295.60	66,080.10
III. Financial investments			
1. Shares in affiliated companies		1,137,249,966.55	1,040,603,986.26
2. Loans to affiliated companies		7,612,499.60	0.00
3. Investments		7,843,478.06	8,616,704.65
		1,152,705,944.21	1,049,220,690.91
		1,152,810,308.31	**1,049,286,771.01**
B. Current assets			
I. Receivables and other assets			
1. Receivables from affiliated companies	2.	96,213.54	0.00
2. Other assets	2.	6,197,477.54	4,328,641.30
II. Cash and bank balances		263,918,515.36	33,401,260.43
		270,212,206.44	**37,729,901.73**
C. Accruals and deferrals	3.	**1,029,618.00**	**0.00**
Total assets		**1,424,052,132.75**	**1,087,016,672.74**

Liabilities in €	Notes	31.12.2025	31.12.2024
A. Equity			
I. Subscribed capital	4.	75,743,854.00	76,464,319.00
II. Treasury shares		0.00	-720,465.00
III. Capital reserves	5.	476,167,601.57	488,528,644.95
IV. Retained earnings	6.	2,000,000.00	94,638,956.62
V. Unappropriated surplus	7.	204,909,602.71	251,502,280.25
		758,821,058.28	**910,413,735.82**
B. Provisions			
1. Tax provisions		3,934,597.00	4,858,661.00
2. Other provisions	8.	10,940,613.00	2,154,584.02
		14,875,210.00	**7,013,245.02**
C. Liabilities	9.		
1. Bonds, of which convertible €0.00		504,746,591.79	0.00
2. Trade payables		143,468.50	553,138.12
3. Advances received on future income from commercial partnerships		85,229,093.67	86,723,893.67
4. Liabilities to affiliated companies		1,774,700.00	1,774,700.00
5. Other liabilities		3,010.51	2,960.11
		591,896,864.47	**89,054,691.90**
D. Deferred tax liabilities	7.	**58,459,000.00**	**80,535,000.00**
Total equity and liabilities		**1,424,052,132.75**	**1,087,016,672.74**

Income statement

in €	Notes	01.01.-31.12.2025	01.01.-31.12.2024
1. Other operating income	11.	976,703.70	232,922.57
2. Personnel expenses			
a) Wages and salaries		2,710,785.04	2,275,093.73
b) Social security contributions and expenses for pensions and other benefits		142,082.78	124,330.92
		2,852,867.82	2,399,424.65
3. Depreciation and amortisation of intangible assets and property, plant and equipment		40,780.11	28,399.16
4. Other operating expenses	12.	9,647,652.19	3,140,283.48
5. Income from investments	13.	52,432,802.24	61,448,401.98
6. Other interest and similar income	14.	2,592,783.78	1,153,303.91
7. Write-downs of financial assets	15.	3,074,486.48	9,330,575.37
8. Interest and similar expenses		12,641,499.56	1,152,671.75
9. Taxes on income and earnings	16.	-21,383,532.00	-2,046,942.90
10. Profit after tax		**49,128,535.56**	**48,830,216.95**
11. Net profit		**49,128,535.56**	**48,830,216.95**
12. Profit brought forward		50,781,067.15	202,672,063.30
13. Withdrawals from capital reserves		12,361,043.38	0.00
14. Withdrawals from other retained earnings		92,638,956.62	0.00
15. Additions to other retained earnings		0.00	0.00
16. Unappropriated surplus		**204,909,602.71**	**251,502,280.25**

Notes for the financial year

from 1 January 2025 to 31 December 2025

I. General disclosures

The Company's registered office is Hamburg, registered under HRB 91799, Hamburg Local Court.

The annual financial statements have been prepared by the Executive Board in accordance with the accounting provisions of the Handelsgesetzbuch (HGB – German Commercial Code), taking into account the Aktiengesetz (AktG – German Public Companies Act). The income statement is prepared according to the total expenditure format.

Where disclosures can be made either in the notes or in the balance sheet or income statement, they are made in the notes.

In deviation from the balance sheet classification pursuant to Section 266 HGB, the additional item "Advances received on future income from commercial partnerships" has been included in the balance sheet in accordance with Section 265 (5) HGB.

The Executive Board prepared the annual financial statements up to 31 December 2025 on 26 March 2026 and then forwarded them to the Supervisory Board for examination and approval.

II. Accounting policies and valuation methods

Intangible assets acquired against payment and **property, plant and equipment** are carried at cost less scheduled straight-line amortisation and depreciation. The scope of the acquisition costs corresponds to Section 255 (1) HGB. Amortisation and depreciation are calculated using the straight-line method over useful lives of 3 to 13 years.

With regard to the commercial partnerships, **financial assets** are recognised at cost less distributions in excess of the respective pro rata net profit of the investees under commercial law and, in the event of a probable permanent impairment, measured at the lower fair value at the reporting date. Impairment losses are reversed up to the amortised cost if the reasons for the permanent impairment no longer exist. Corporations are recognised at cost less any withdrawals and, in the event of a probable permanent impairment, are measured at the lower fair value at the reporting date.

Receivables, other assets and **cash and bank balances** are carried at nominal value or at cost.

The **subscribed capital** is recognised at the nominal amount. The nominal amount of the share capital attributable to **treasury shares** was openly deducted from the subscribed capital in the previous year in accordance with Section 272 (1a) HGB. The difference between the nominal amount and the acquisition cost of treasury shares was offset against the freely available reserves. Incidental acquisition costs were recognised in the income statement.

Provisions take into account all identifiable risks and uncertain obligations. They are recognised at the settlement amount deemed necessary in accordance with prudent business judgement to cover identifiable risks and uncertain obligations. Future price and cost increases are taken into account as necessary.

Liabilities are recognised at their settlement value.

Deferred taxes are calculated for temporary differences between the commercial and tax-based valuations of assets, liabilities, and prepaid expenses and deferred charges. A total resulting tax burden is shown in the balance sheet as deferred tax liabilities.

III. Disclosures and notes to the balance sheet

1. Non-current assets

For the classification and development of non-current assets, please refer to the fixed-asset movement schedule attached to the notes.

The financial assets are shown in the list of shareholdings. Loans to affiliated companies are unsecured.

2. Receivables and other assets

As in the previous year, receivables from affiliated companies (€96 thousand; previous year: €0 thousand) and other assets (€6,197 thousand; previous year: €4,329 thousand) have a remaining term of up to one year.

3. Prepaid expenses

The prepaid interest on the bond issued during the financial year will be amortised using the straight-line method until the bond matures on 15 October 2030. €115 thousand is included in the interest expense for the financial year.

4. Subscribed capital

The share capital amounts to €75,743,854 (previous year: €76,464,319) and is divided into 75,743,854 (previous year: 76,464,319) no-par value registered shares. All shares have been issued in full and have been fully paid up. As at 31 December 2024, Deutsche EuroShop AG held 720,465 treasury shares, which confer no rights to the Company in accordance with Section 71b AktG. On 30 September 2025, the Supervisory Board approved a resolution of the Executive Board to cancel treasury shares. The capital reduction came into effect on 1 October 2025. Since then, the share capital has amounted to €75,743,854, divided into 75,743,854 shares.

The notional value of each share in the share capital is €1.00.

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

In exercising this authorisation, the Executive Board of Deutsche EuroShop AG resolved a share buy-back programme with the approval of the Supervisory Board on 18 December 2023. Under this programme, up to 750,000 shares (corresponding to around 1.0% of the Company's share capital) are to be bought back in the period from 21 December 2023 to 20 December 2024. The maximum volume of the share buy-back programme (acquisition costs excluding incidental acquisition costs) was €15.0 million. In the period from 21 December 2023 to 11 December 2024, 720,465 treasury shares were repurchased on the stock market at an acquisition price (excluding incidental acquisition costs) of €15,000 thousand for an average price of €20.82 per share. This corresponded to €720,465 or 0.942 % of the share capital as at the reporting date. Effective 1 October 2025, 720,465 treasury shares were cancelled and the share capital was reduced accordingly.

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

By resolution of the Annual General Meeting on 29 August 2023, the Executive Board is authorised, subject to approval of the Supervisory Board, to issue convertible bonds and/or bonds with warrants or a combination of such instruments on one or multiple occasions before 28 August 2028 with a

total nominal value of up to €1.5 billion against cash contributions and/or contributions in kind, in particular against investments in other companies, and to grant the holders of the respective, equally privileged bonds conversion and option rights/obligations to new no-par-value shares in the Company up to a total of 38,232,159 shares as detailed in the terms and conditions for the bonds ("Bond conditions"). The bonds and the conversion and option rights/obligations can be issued with or without a term. The bonds may pay a fixed or variable rate of interest, in which case, as with a participating bond, the interest may also be dependent in full or in part on the level of the Company's dividend (**Conditional capital 2023**). As at 31 December 2025, no use had been made of this authorisation.

Deutsche EuroShop AG's prior-year unappropriated surplus of €251,502 thousand was used by resolution of the Annual General Meeting on 27 June 2025 to pay a dividend of € 2.65 per share, corresponding to a total dividend of €200,721 thousand, while the remaining amount of the unappropriated surplus of €50,781 thousand was carried forward to new account.

The Executive Board and the Supervisory Board plan to propose to the Annual General Meeting in June 2026 that Deutsche EuroShop AG's unappropriated surplus for 2025 of €204,910 thousand be used to pay a dividend of €1.00 per eligible share and that the remaining amount of 129,166 thousand be carried forward to new account.

Voting rights notices

In line with Section 160 (1) no. 8 AktG, we give notice that the following investments and changes to voting rights have been registered to our Company in conformity with the duty of disclosure in accordance with Section 33 of the Wertpapierhandelsgesetz (WpHG – Securities Trading Act). The disclosures were taken from the latest notice by those subject to reporting requirements. It should be noted that the number of voting rights might have since changed within the respective thresholds, with no reporting obligation arising. No events giving rise to shareholding reports occurred in 2024 or 2025. As a result, the most recent reports were published on 13 September 2023:

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

All voting rights notices received by Deutsche EuroShop AG can be found on the website of Deutsche EuroShop AG under Investor Relations > Share > Significant voting interests.

5. Capital reserves

The Company's capital reserves totalled €476,168 thousand on the balance sheet date (previous year: €488,529 thousand).

6. Retained earnings

As at the balance sheet date, retained earnings comprise the statutory reserve of €2,000 thousand (previous year: €2,000 thousand). The previous year's figure included other retained earnings of €92,639 thousand.

7. Unappropriated surplus

The unappropriated surplus for financial year 2025 amounts to €204,910 thousand and includes a profit carryforward of €50,781 thousand (previous year: €202,672 thousand) and withdrawals from reserves totalling €105,000 thousand.

The Executive Board and the Supervisory Board will propose to the Annual General Meeting in June 2026 that Deutsche EuroShop AG's unappropriated surplus for 2025 of €204,910 thousand be used to pay a dividend of €1.00 per eligible share and that the remaining amount of €129,166 thousand be carried forward to new account.

8. Other provisions

Other provisions break down as follows:

in € thousand	31.12.2025	31.12.2024
Income subsidy Saarpark Center Neunkirchen GmbH & Co. KG, Hamburg	8,107	0
Personnel costs	1,679	1,187
Annual audit	384	278
Annual report	255	168
Supervisory Board compensation	188	188
Annual General Meeting	150	198
Consulting fees	0	24
Other	178	112
	10,941	**2,155**

By way of a subsidy agreement dated 11 April 2025, the Company has undertaken to provide Saarpark Center Neunkirchen GmbH & Co KG, Hamburg, with an income subsidy and to make sufficient financial resources available to enable the Saarpark Center Neunkirchen GmbH & Co KG, Hamburg, to meet its obligations.

9. Liabilities

in € thousand	Total	up to 1 year	1–5 years	over 5 years
Bonds	504,747	4,747	500,000	0
	(0)	(0)	(0)	(0)
Trade payables	143	143	0	0
	(553)	(553)	(0)	(0)
Advances received on future income from commercial partnerships	85,229	0	0	85,229
	(86,724)	(0)	(0)	(86,724)
Liabilities to affiliated Companies	1,775	1,775	0	0
	(1,775)	(1,775)	(0)	(0)
Other liabilities	3	3	0	0
	(3)	(3)	(0)	(0)
	591,897	6,668	500,000	85,229
(Previous year's figures in brackets)	**(89,055)**	**(2,331)**	**(0)**	**(86,724)**

The liabilities from advances received on future income from commercial partnerships are for two affiliated companies and one company in which a participating interest is held.

As in the previous year, the liabilities from advances received on future income from commercial partnerships and liabilities to affiliated companies are other liabilities.

10. Deferred tax liabilities

The deferred tax liabilities result from different valuations of the Company's investments in the commercial and tax balance sheets in the amount of €544,853 thousand, which were offset against deferred tax assets from tax loss carryforwards. As at the reporting date, there were no other measurement differences that could result in deferred tax assets or liabilities. The change in deferred tax liabilities is as follows:

in € thousand	As at 01.01.2025	Change	As at 31.12.2025
Deferred tax liabilities	89,986	-31,527	58,459
Less deferred tax assets	-9,451	9,451	0
	80,535	**-22,076**	**58,459**

Deferred taxes were calculated based on a corporation tax rate of between 10 % and 15 % (depending on the period in which the temporary differences were realised) together with a trade tax rate of 16.45 %. An additional 5.5 % solidarity surcharge was calculated on the corporation tax rate. Even though trade tax is generally taken into account when calculating deferred taxes, deferred taxes on financial investments are calculated using a rate of corporation tax plus the solidarity surcharge. A tax rate of 23 % was used for Austrian taxes.

IV. Disclosures and notes to the income statement

11. Other operating income

Other operating income includes income from the release of provisions related to other periods amounting to €806 thousand, as well as other income of €171 thousand.

12. Other operating expenses

in € thousand	2025	2024
Legal and consulting costs	7,407	1,076
Audit fees	442	413
Annual report	398	241
Marketing costs	353	187
Supervisory Board compensation	188	188
Fees and insurance	145	173
Annual General Meeting	95	205
Rent and ancillary costs	89	86
Appraisal costs	82	99
Share management, share register costs, mandatory publications	68	85
Travel expenses	57	65
Other expenses	324	322
	9,648	**3,140**

The majority of legal and consulting fees were related to the bond issued in June 2025.

13. Income from investments

in € thousand	2025	2024
Affiliated companies		
DES Beteiligungs GmbH & Co. KG, Hamburg	14,790	18,913
DES Shoppingcenter GmbH & Co. KG, Hamburg	9,054	9,217
Einkaufs-Center Galeria Baltycka G.m.b.H. & Co. KG, Hamburg	8,211	7,414
Altmarkt-Galerie Dresden GmbH & Co. KG, Hamburg	7,981	9,503
Saarpark Center Neunkirchen GmbH & Co. KG, Hamburg	3,629	4,421
DES Verwaltung GmbH, Hamburg	1,365	2,500
Main-Taunus-Zentrum KG, Hamburg	1,228	1,511
Allee-Center Magdeburg G.m.b.H. & Co. KG, Hamburg	439	641
Phoenix-Center Harburg GmbH & Co. KG, Hamburg	389	464
Forum Wetzlar G.m.b.H. & Co. KG, Hamburg	371	420
DES Management GmbH, Hamburg	32	31
A10 Center Wildau GmbH, Hamburg	0	1,824
Stadt-Galerie Passau G.m.b.H. & Co. KG, Hamburg	0	32
	47,489	**56,891**
Companies in which a participating interest is held:		
CAK City Arkaden Klagenfurt KG, Hamburg	2,832	2,691
Einkaufs-Center Arkaden Pécs KG, Hamburg	2,112	1,866
	4,944	**4,557**
	52,433	**61,448**

In the case of commercial partnerships, the reported income from investments represents pro rata commercial balance sheet profits for the year 2025. In the case of the other investees, the net profit for 2024 was distributed. The investees are included in the list of shareholdings pursuant to Section 285 No. 11 HGB.

In the reporting year, expenses of €11,180 thousand related to the measurement of the investment in Saarpark Center Neunkirchen GmbH & Co KG, Hamburg, were offset against the income from investments related to the same subsidiary.

14. Other interest and similar income

Interest income includes interest on demand deposits of €327 thousand relating to the previous year, as well as loan interest of €96 thousand from affiliated companies, (previous year: €0 thousand).

15. Write-downs of financial assets

Write-downs of financial assets (2025: €3,074 thousand; 2024: €9,331 thousand) relate to the investment in Saarpark Center Neunkirchen GmbH & Co. KG, Hamburg, for which an expected permanent impairment was assumed. Additionally, measurement-related expenses were offset against the income from investments in connection with the same subsidiary.

16. Taxes on income and earnings

Taxes on income and earnings include a reversal of deferred tax liabilities of €22,076 thousand (previous year: €4,091 thousand). This is related to the gradual reduction of the corporate tax rate from 15 % in 2027 to 10 % in 2032, as well as the derecognition of deferred tax assets on trade tax loss carryforwards.

V. Other disclosures

The Company employed an average of seven employees in the financial year.

The total fee charged by the auditor for the financial year amounted to €612 thousand, of which €432 thousand was for auditing services and €180 thousand for other assurance services. The other assurance services relate to the issuance of a comfort letter and related confirmations and certifications in connection with the interest cap, along with auditing services provided for the auditor of the consolidated financial statements of Hercules Holding S.à r.l., Luxembourg (city).

Contingent liabilities and other financial obligations

As at the balance sheet date, there were contingent liabilities to affiliated companies amounting to €63.7 million arising from the revival of the limited partner's liability pursuant to Section 172 (4) HGB and guarantees from loan obligations to banks for an affiliated company amounting to €24 million. Due to the stable business development of the subsidiaries, utilisation is deemed unlikely as at the balance sheet date. However, this cannot be completely ruled out either from a legal perspective.

There are contingent liabilities from real estate transfer tax in connection with the purchase of further shares in a subsidiary in the estimated amount of €11 million, as it is not entirely unlikely that these will be utilised in the meantime. Uncertainties exist with regard to the amount and timing of a possible temporary outflow of resources. In the event of legal proceedings, we assume that it is highly unlikely that we will be held liable.

In addition, there were other financial obligations as at the reporting date in the amount of €215 thousand, resulting mainly from the rental of office space and car leases.

Corporate governance

The Declaration of Conformity with the German Corporate Governance Code required by Section 161 AktG has been issued jointly by the Supervisory Board and the Executive Board, and has been made available to shareholders on the Deutsche EuroShop website under Investor Relations > Corporate Governance > Declaration of Conformity: https://www.deutsche-euroshop.de/Investor-Relations/Corporate-Governance/Declaration-of-Conformity/Declaration-of-Conformity-201

Shareholdings

List of shareholdings in accordance with Section 285 (11) HGB as at 31 December 2025:

Company name and domicile	Interest in equity	of which indirect	of which direct	Equity as at 31 December 2025	Results for 2025
				€	€
DES Verwaltung GmbH, Hamburg	100.00 %	-	100.00 %	13,899,738.35	2,635,545.84
DES Beteiligungs GmbH & Co. KG, Hamburg	100.00 %	-	100.00 %	318,558,927.41	14,789,653.82
DES Management GmbH, Hamburg	100.00 %	-	100.00 %	59,485.98	34,485.98
DES Shoppingcenter GmbH & Co. KG, Hamburg	100.00 %	-	100.00 %	283,412,595.38	9,054,182.90
A 10 Center Wildau GmbH, Hamburg	100.00 %	-	100.00 %	25,700,294.33	3,158,004.67
Objekt City-Point Kassel GmbH & Co. KG, Hamburg	100.00 %	100.00 %	-	-37,098,874.28	-2,387,080.86
City-Point Beteiligungs GmbH, Hamburg	100.00 %	100.00 %	-	47,328.28	2,683.01
Stadtgalerie Hameln GmbH & Co. KG, Hamburg	100.00 %	-	100.00 %	39,056,468.24	-518,897.06
Altmarkt-Galerie Dresden GmbH & Co. KG, Hamburg	100.00 %	-	100.00 %	-24,966,557.08	7,980,747.38
Stadt-Galerie Passau G.m.b.H. & Co. KG, Hamburg	100.00 %	89.90 %	10.10 %	27,326,457.09	-1,098,307.07
Einkaufs-Center Galeria Baltycka G.m.b.H. & Co. KG, Hamburg	100.00 %	-	100.00 %	40,550,660.45	8,211,118.39
Allee-Center Magdeburg G.m.b.H. & Co. KG, Hamburg	100.00 %	89.90 %	10.10 %	-81,437,391.79	4,347,312.36
Forum Wetzlar G.m.b.H. & Co. KG, Hamburg	100.00 %	89.90 %	10.10 %	-9,882,494.36	3,673,513.33
Main-Taunus-Zentrum KG, Hamburg	52.01 %	42.00 %	10.01 %	-111,760,515.00	12,268,494.81
Saarpark Center Neunkirchen GmbH & Co. KG, Hamburg	95.14 %	-	95.14 %	-36,243,240.13	15,564,938.21
CAK City Arkaden Klagenfurt KG, Hamburg	50.00 %	-	50.00 %	-38,034,722.72	5,664,577.41
EKZ Eins Errichtungs- und Betriebs Ges.m.b.H. & Co OG, Vienna, Austria	50.00 %	50.00 %	-	-47,446,949.72	5,721,183.36
EKZ Vier Errichtungs- und Betriebs Ges.m.b.H., Vienna, Austria	50.00 %	50.00 %	-	714,753.08	-45,780.82
Phoenix-Center Harburg GmbH & Co. KG, Hamburg	75.00 %	64.90 %	10.10 %	-44,893,376.04	3,847,642.74
Einkaufs-Center Arkaden Pécs G.m.b.H. & Co. KG, Hamburg	50.00 %	-	50.00 %	9,566,999.27	4,223,941.41
Einkaufs-Center Arkaden Pécs Verwaltungs G.m.b.H., Hamburg	50.00 %	-	50.00 %	25,271.07	886.58
				CZK [1]	CZK [1]
Olympia Brno s.r.o., Prague, Czech Republic	100.00 %	-	100.00 %	3,869,219,619.36	120,458,440.73
				PLN [2]	PLN [2]
Einkaufs-Center Galeria Baltycka G.m.b.H. & Co. KG, Sp. kom., Warsaw, Poland	100.00 %	99.99 %	0.01 %	55,351,436.19	46,860,051.75
CASPIA Investments Sp. z o.o., Warsaw, Poland	100.00 %	100.00 %	-	10,049,129.89	357,289.79

[1] 31 December 2025 (CZK/EUR): closing rate 25.19; average rate 24.73
[2] 31 December 2025 (PLN/EUR): closing rate 4.27; average rate 4.31

The Supervisory Board and Executive Board

The Supervisory Board of Deutsche EuroShop AG is composed of nine members. The Supervisory Board included the following members with membership of other statutory supervisory boards and membership of comparable supervisory bodies of business enterprises in Germany or other countries:

Peter Ballon, Toronto, Canada, Chairman (since 27 June 2025)	President, Royal Capital Inc., Toronto (Canada) ■ Allos S.A., São Paulo (Brazil) ■ Cabot Properties, Inc., Boston (USA)
Reiner Strecker, Wuppertal, Chairman (until 27 June 2025)	Independent management consultant ■ Eckes AG, Nieder-Olm (Chairman) ■ Carl Kühne KG (GmbH & Co.), Hamburg (Chairman) ■ Storch-Ciret Holding GmbH, Wuppertal
Chantal Schumacher, Munich, Deputy Chairwoman	Independent management consultant ■ Sompo International Insurance (Europe) SA, Luxembourg (Luxembourg) ■ Banque et Caisse d'Epargne de l'Etat (Spuerkeess), Luxembourg (Luxembourg) (since 1 April 2025)
Benjamin Bianchi, London (United Kingdom) (until 21 January 2026)	Managing Director, Head of Europe, Oaktree Capital Management, London (United Kingdom)
Henning Eggers, Halstenbek	Member of Management, CURA Vermögensverwaltung G.m.b.H, Hamburg ■ ECE Group GmbH & Co. KG, Hamburg (Chairman) (until 31 December 2025)
Lemara Grant, London (United Kingdom) (until 27 June 2025)	Senior Vice President, Co-Head of Global Tax Structuring, Oaktree Capital Management, London (United Kingdom)
Stuart Keith, London (United Kingdom)	Managing Director, Oaktree Capital Management, London (United Kingdom)
Dr Volker Kraft, Hamburg	Managing Director, ECE Real Estate Partners GmbH, Hamburg ■ Allos S.A., São Paulo (Brazil)
Dr Henning Kreke, Hagen/Westphalia	Managing Partner, Let's Go JMK KG and Kreke Immobilien KG, Hagen/Westphalia ■ Douglas AG, Düsseldorf (Chairman) ■ Thalia Bücher GmbH, Hagen (Westphalia) ■ Encavis AG, Hamburg ■ Axxum Holding GmbH, Wuppertal ■ Noventic GmbH, Hamburg ■ Perma-tec GmbH & Co. KG, Euerdorf ■ Slyrs Destillerie GmbH & Co. KG, Schliersee
Todd Liker, New York (USA) (since 27 June 2025)	Managing Director, Portfolio Manager and Co-Head of Real Estate, Oaktree Capital Management, New York (USA) ■ Timbers Holdings, LLC, Orlando (USA) ■ Thomas James Homes, LLC, Aliso Viejo (USA)
Claudia Plath, Hamburg	Member of the Executive Board, ECE Group Verwaltung GmbH, Hamburg ■ MEC Metro-ECE Centermanagement GmbH & Co. KG, Düsseldorf

Executive Board

Hans-Peter Kneip, Düsseldorf

The remuneration of the Executive Board – excluding pension expenses – amounted to €833 thousand (previous year: €682 thousand), of which €133 thousand (previous year: €112 thousand) is related to performance-related short-term incentives. Provisions totalling €400 thousand (€239 thousand) were formed for performance-related long-term incentive plans for the Executive Board.

We refer to the notes on the compensation of the Executive Board and Supervisory Board in the separate compensation report published on the Company's website.

Consolidated financial statements

The Company holds the majority of the shares in Altmarkt-Galerie Dresden GmbH & Co. KG, Hamburg, Forum Wetzlar G.m.b.H. & Co. KG, Hamburg, DES Shoppingcenter GmbH & Co. KG, Hamburg, DES Verwaltung GmbH, Hamburg, DES Management GmbH, Hamburg, DES Beteiligungs GmbH & Co. KG, Hamburg, Stadt-Galerie Passau G.m.b.H. & Co. KG, Hamburg, Main-Taunus-Zentrum KG, Hamburg, A 10 Center Wildau GmbH, Hamburg, Einkaufs-Center Galeria Baltycka G.m.b.H. & Co. KG, Hamburg, Stadtgalerie Hameln GmbH & Co. KG, Hamburg, Allee-Center Magdeburg G.m.b.H. & Co. KG, Hamburg, Saarpark Center Neunkirchen GmbH & Co. KG, Hamburg, Phoenix-Center Harburg GmbH & Co. KG, Hamburg and Olympia Brno s.r.o., Prague (Czech Republic). It is therefore the parent company of the Group and prepares consolidated financial statements in accordance with International Financial Reporting Standards, which are filed with the Company Register.

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

Events after the reporting date

No significant events occurred between the balance sheet date and the date of preparation of the financial statements.

Hamburg, 26 March 2026

Deutsche EuroShop AG

The Executive Board



Hans-Peter Kneip

Statement of changes in fixed assets 31 December 2025

in €	Acquisition and production costs 01.01.2025	Additions	Disposals	31.12.2025
I. Intangible assets				
Industrial property rights and similar rights acquired against payment	101,094.81	21,698.64	0.00	122,793.45
II. Property, plant and equipment				
Operating and office equipment	498,075.75	57,365.47	0.00	555,441.22
III. Financial investments				
1. Shares in affiliated companies	1,080,034,952.78	191,554,075.93	91,833,609.16	1,179,755,419.55
2. Loans to affiliated companies	0.00	7,612,499.60	0.00	7,612,499.60
3. Investments	8,616,704.65	0.00	773,226.59	7,843,478.06
	1,088,651,657.43	**199,166,575.53**	**92,606,835.75**	**1,195,211,397.21**
Total	**1,089,250,827.99**	**199,245,639.64**	**92,606,835.75**	**1,195,889,631.88**

	Accumulated depreciation				Carrying amounts	
	01.01.2025	**Additions**	**Disposals**	**31.12.2025**	**31.12.2025**	**31.12.2024**
	101,094.81	6,630.14	0.00	107,724.95	15,068.50	0.00
	431,995.65	34,149.97	0.00	466,145.62	89,295.60	66,080.10
	39,430,966.52	3,074,486.48	0.00	42,505,453.00	1,137,249,966.55	1,040,603,986.26
	0.00	0.00	0.00	0.00	7,612,499.60	0.00
	0.00	0.00	0.00	0.00	7,843,478.06	8,616,704.65
	39,430,966.52	**3,074,486.48**	**0.00**	**42,505,453.00**	**1,152,705,944.21**	**1,049,220,690.91**
	39,964,056.98	**3,115,266.59**	**0.00**	**43,079,323.57**	**1,152,810,308.31**	**1,049,286,771.01**

Responsibility Statement by the Executive Board

I declare that, to the best of my knowledge, and in line with the accounting policies to be applied, the annual financial statements present a true and fair view of the net assets, financial position and results of operations of the Company, and that the combined management report presents the course of business including business performance and the situation of the Company in a way that is true and fair and describes the material opportunities and risks relating to the likely development of the Company.

Hamburg, 26 March 2026



Hans-Peter Kneip

Independent auditor's report

To Deutsche EuroShop AG, Hamburg

Report on the audit of the annual financial statements and of the combined management report

Audit Opinions

We have audited the annual financial statements of Deutsche EuroShop AG, Hamburg, which comprise the balance sheet as of 31 December 2025, the income statement for the fiscal year from 1 January to 31 December 2025, and notes to the financial statements, including the recognition and measurement policies presented therein. In addition, we have audited the combined management report of Deutsche EuroShop AG, Hamburg, which is combined with the group management report, for the fiscal year from 1 January to 31 December 2025. In accordance with the German legal requirements, we have not audited the content of the Declaration on Corporate Governance (Sec. 289f, Sec. 315d HGB) ["Handelsgesetzbuch": German Commercial Code] published on the Company's website, which is referred to in the section of the combined management report with the same title, not the disclosures in the "Risk report" section in subsection "Principles governing the risk management system and the internal control system" of the combined management report.

In our opinion on the basis of the knowledge obtained in the audit,

- the accompanying annual financial statements comply, in all material respects, with the requirements of German commercial law applicable to business corporations and give a true and fair view of the assets, liabilities and financial position of the Company as at 31 December 2025 and of its financial performance for the fiscal year from 1 January to 31 December 2025 in compliance with German legally required accounting principles, and
- the accompanying combined management report as a whole provides an appropriate view of the Company's position. In all material respects, this combined management report is consistent with the annual financial statements, complies with German legal requirements and appropriately presents the opportunities and risks of future development. Our opinion on the combined management report does not cover the content of those parts of the combined management report not audited by us referred to above.

Pursuant to Sec. 322 (3) sentence 1 HGB, we declare that our audit has not led to any reservations with respect to the legal compliance of the annual financial statements and of the combined management report.

Basis of the opinions

We conducted our audit of the annual financial statements and of the combined management report in accordance with Sec. 317 HGB and the EU Audit Regulation (No 537/2014, referred to subsequently as "EU Audit Regulation") and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW). Our responsibilities under those requirements and principles are further described in the "Auditor's responsibilities for the audit of the annual financial statements and of the combined management report" section of our auditor's report. We are independent of the Company in accordance with the requirements of European law and German commercial and professional law, and we have fulfilled our other German professional responsibilities in accordance with these requirements. In accordance with Art. 10 (2) f) of the EU Audit Regulation, we declare that we have not provided non-audit services prohibited under Art. 5 (1) of the EU Audit Regulation. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions on the annual financial statements and on the combined management report.

Key audit matters in the audit of the annual financial statement

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the annual financial statements for the fiscal year from 1 January to 31 December 2025. These matters were addressed in the context of our audit of the annual financial statements as a whole and in forming our opinion thereon; we do not provide a separate opinion on these matters.

Below, we describe what we consider to be key audit matter:

Measurement of financial assets

a) Risk to the annual financial statements

Deutsche EuroShop AG, Hamburg, recognizes shares in affiliated companies and equity investments in the amount of EUR 1,153 million (previous year: EUR 1,049 million). This corresponds to around 80.9% of total assets (previous year: 96.5%). The affiliated companies and equity investments are partnerships.

The Company's disclosures on the measurement of financial assets and equity investments are contained in sections "II. II. Accounting policies and valuation methods", "III.11 Income from investments" and "III.12 Impairments of financial assets" in the notes. In addition, the development of the financial assets of Deutsche EuroShop AG, Hamburg, is presented in the statement of changes in fixed assets as an integral part of the notes. Further information is provided in the section titled "Report on the Financial Statements of Deutsche EuroShop AG" in the consolidated management report.

Financial assets relating to partnerships are recognized at cost less the distributions that exceed the respective pro rata annual net income under commercial law. To assess for potential permanent impairment, the Legal Representative compares the carrying amount of the respective financial asset with the market value of its associated equity. The market value of equity is determined using a simplified net asset method, which adjusts the carrying amount of the property to its fair value (based on external expert valuations), deducts deferred taxes, and factors in hidden reserves and financing encumbrances. The fair values of real estate are determined primarily based on expert opinions from internationally recognized specialists, employing, discounted cash flows of each shopping center to 31 December 2025, using market-based, property-specific discount and capitalization rates. These valuations depend largely on estimates and assumptions, there is significant risk of material misstatement-particularly overvaluation-due to the judgement required and the materiality of these assets to the financial statements. We therefore consider the risk of inappropriate valuation of these assets to be of particular significance to our audit.

b) Audit approach and conclusion

Based on an assessment of the appropriateness of the accounting process for the valuation of the financial assets, we placed particular emphasis on examining the valuation procedure for the properties with regard to the accuracy and completeness of the data used for the property portfolios and the appropriateness of the valuation-relevant parameters, in particular the rental growth rate, the cost ratio and the discount and capitalization rate. We also assessed the independence and qualifications of the external appraisers engaged. Recognizing that even small changes in the valuation-relevant parameters can have a significant impact on the amount of the real estate assets and thus indirectly on the valuation of the financial assets. We also assessed the sensitivity analyses performed by the external appraiser and the effects of possible fluctuations in these parameters. Furthermore, we assessed the appropriateness of the related disclosures in the notes to the financial statements. Our audit of the recoverability of the financial assets was primarily conducted on a test basis. We verified the accuracy of the data included in the valuation tool and performed mathematical checks of the valuations. Based on the procedures performed, we found no indications or evidence that the Legal Representative's judgment regarding the accounting treatment of financial assets were not exercised in a balanced or appropriate manner.

Other Information

The Legal Representatives and the Supervisory Board are responsible for the other information. The other information comprises:

- the corporate governance statement published on the company's website, to which reference is made in the "Corporate governance statement (Sec. 289f, Sec. 315d HGB)" section of the combined management report.
- the reporting in the section "Risk report" in the subsection "Principles of the risk management system and internal control system" of the combined management report.
- the responsibility statement pursuant to Sec. 264 (2) sentence 3 HGB to the annual financial statements and the responsibility statement pursuant to Sec. 289 (1) sentence 5 in conjunction with Sec. 315 (1) sentence 5 HGB to the combined management report.

The Legal Representative and the Supervisory Board are responsible for the declaration pursuant to Sec. 161 AktG ["Aktiengesetz": German Stock Corporation Act] on the German Corporate Governance Code, which is part of the corporate governance declaration published on the company's website (Sec. 289f, Sec. 315d HGB). Otherwise, the Legal Representative is responsible for the other information.

Our opinions on the annual financial statements and on the combined management report do not cover the other information, and consequently we do not express an opinion or any other form of assurance conclusion thereon.

In connection with our audit, our responsibility is to read the other information mentioned above and, in so doing, to consider whether the other information:

- are materially inconsistent with the annual financial statements, with the combined management report disclosures audited or our knowledge obtained in the audit, or
- otherwise appears to be materially misstated.

If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Legal Representative and the Supervisory Board for the annual financial statements and the combined management report

The Legal Representative is responsible for the preparation of the annual financial statements that comply, in all material respects, with the requirements of German commercial law applicable to business corporations, and that the annual financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Company in compliance with German legally required accounting principles. In addition, the Legal Representative is responsible for such internal control as they, in accordance with German legally required accounting principles, have determined necessary to enable the preparation of annual financial statements that are free from material misstatement, whether due to fraud (i.e., fraudulent financial reporting and misappropriation of assets) or error.

In preparing the annual financial statements, the Legal Representative is responsible for assessing the Company's ability to continue as a going concern. He also has the responsibility for disclosing, as applicable, matters related to going concern. In addition, he is responsible for financial reporting based on the going concern basis of accounting, provided no actual or legal circumstances conflict therewith.

Furthermore, the Legal Representative is responsible for the preparation of the combined management report that, as a whole, provides an appropriate view of the Company's position and is, in all material respects, consistent with the annual financial statements, complies with German legal requirements and appropriately presents the opportunities and risks of future development. In addition, the Legal Representative is responsible for such arrangements and measures as he has considered necessary to enable the preparation of a combined management report that is in accordance with the applicable German legal requirements, and to be able to provide sufficient appropriate evidence for the assertions in the combined management report.

The Supervisory Board is responsible for overseeing the Company's financial reporting process for the preparation of the annual financial statements and of the combined management report.

Auditor's responsibilities for the audit of the annual financial statements and of the combined management report

Our objectives are to obtain reasonable assurance about whether the annual financial statements as a whole are free from material misstatement, whether due to fraud or error, and whether the combined management report as a whole provides an appropriate view of the Company's position and, in all material respects, is consistent with the annual financial statements and the knowledge obtained in the audit, complies with the German legal requirements and appropriately presents the opportunities and risks of future development, as well as to issue an auditor's report that includes our opinions on the annual financial statements and on the combined management report.

Reasonable assurance is a high level of assurance but is not a guarantee that an audit con-ducted in accordance with Sec. 317 HGB and the EU Audit Regulation and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the In-stitut der Wirtschaftsprüfer (IDW) will always detect a material misstatement. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the annual financial statements and this combined management report.

We exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the annual financial statements and of the combined management report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than the risk of not detecting a material misstatement resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit of the annual financial statements and of arrangements and measures relevant to the audit of the combined management report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control and of such arrangements and measures.
- evaluate the appropriateness of accounting policies used by the Legal Representative and the reasonableness of estimates made by the Legal Representative and related disclosures.
- conclude on the appropriateness of the Legal Representative's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the annual financial statements and in the combined management report or, if such disclosures are inadequate, to modify our respective opinions. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to be able to continue as a going concern.
- evaluate the overall presentation, structure, and content of the annual financial statements, including the disclosures, and whether the annual financial statements present the underlying transactions and events in a manner that gives a true and fair view of the assets, liabilities, financial position and financial performance of the Company in compliance with German legally required accounting principles.
- evaluate the consistency of the combined management report with the annual financial statements, its conformity with [German] law, and the view of the Company's position it provides.
- perform audit procedures on the prospective information presented by the Legal Representative in the combined management report. On the basis of sufficient appropriate audit evidence we evaluate, in particular, the significant assumptions used by the Legal Representative as a basis for the prospective information and evaluate the proper derivation of the prospective information from these assumptions. We do not express a separate opinion on the prospective information and on the assumptions used as a basis. There is a substantial unavoidable risk that future events will differ materially from the prospective information.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with the relevant independence requirements and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, the related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the annual financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter.

Other legal and regulatory requirements

Report on the assurance on the electronic rendering of the annual financial statements and the combined management report prepared for publication purpose in accordance with Sec. 317 (3a) HGB.

Opinion

We have performed assurance work in accordance with Sec. 317 (3a) HGB to obtain reasonable assurance about whether the rendering of the annual financial statements and the combined management report (hereinafter also referred to as "euroshop-JA-2025-12-31-1-de.xhtml" and prepared for publication purposes complies in all material respects with the requirements of Sec. 328 (1) HGB for the electronic re- porting format ("ESEF format"). In accordance with German legal requirements, this assurance work extends only to the conversion of the information contained in the annual financial statements and the combined management report into the ESEF format and therefore relates neither to the information contained within these renderings nor to any other information contained in the file identified above.

In our opinion, the rendering of the annual financial statements and the combined management report contained in the file identified above and prepared for publication purposes complies in all material respects with the requirements of Sec. 328 (1) HGB for the electronic reporting format. Beyond this assurance opinion and our audit opinions on the accompanying annual financial statements and the accompanying combined management report for the fiscal year from 1 January to 31 December 2025 contained in the "Report on the audit of the annual financial statements and of the combined management report" above, we do not express any assurance opinion on the information contained within these renderings or on the other information contained in the file identified above.

Basis of the opinion

We conducted our assurance work on the rendering of the annual financial statements and the combined management report contained in the file identified above in accordance with Sec. 317 (3a) HGB and the IDW Assurance Standard: Assurance on the Electronic Rendering of Financial Statements and management reports prepared for Publication Purposes in Accordance with Sec. 317 (3a) HGB (IDW AsS 410 (06.2022)). Our responsibility in accordance therewith is further described in the "Auditor's responsibilities for the assurance work on the ESEF documents" section. Our audit firm applies the IDW Standard on quality management requirements for Quality Management in the Audit Firm (IDW QMS 1 (09.2022)).

Responsibilities of the Legal Representative and the Supervisory Board of the ESEF documents

The Legal Representative of the Company is responsible for the preparation of the ESEF documents including the electronic rendering of the annual financial statements and the combined management report in accordance with Sec. 328 (1) sentence 4 No. 1 HGB and for the tagging of the annual financial statements in accordance with Sec. 328 (1) sentence 4 No. 2 HGB.

In addition, the Legal Representative of the Company is responsible for such internal control as they have determined necessary to enable the preparation of ESEF documents that are free from material intentional or unintentional non-compliance with the requirements of Sec. 328 (1) HGB for the electronic reporting format.

The Supervisory Board is responsible for overseeing the process for preparing the ESEF documents as part of the financial reporting process.

Auditor's responsibilities for the assurance work on the ESEF documents

Our objective is to obtain reasonable assurance about whether the ESEF documents are free from material intentional or unintentional non-compliance with the requirements of Sec. 328 (1) HGB. We exercise professional judgment and maintain professional skepticism throughout the assurance work. We also:

- identify and assess the risks of material intentional or unintentional non-compliance with the requirements of Sec. 328 (1) HGB, design and perform assurance procedures responsive to those risk, and obtain assurance evidence that is sufficient and appropriate to provide a basis for our assurance opinion.
- obtain an understanding of internal control relevant to the assurance on the ESEF documents in order to design assurance procedures that are appropriate in the circumstances, but not for the purpose of expressing an assurance opinion on the effectiveness of these controls.
- evaluate the technical validity of the ESEF documents, i.e., whether the file containing the ESEF documents meets the requirements of Commission Delegated Regulation (EU) 2019/815, in the version in force at the date of the financial statements, on the technical specification for this file.
- evaluate whether the ESEF documents enable an XHTML rendering with content equivalent to the audited annual financial statements and to the audited combined management report.

Further information pursuant to Art. 10 of the EU Audit Regulation

We were elected as auditor by the Annual General Meeting on June 27, 2025. We were engaged by the chair of the audit committee on September 14, 2025. We have been the auditors of Deutsche EuroShop AG, Hamburg, uninterrupted since fiscal year 2024.

We declare that the opinions expressed in this auditor's report are consistent with the additional report to the Audit Committee pursuant to Art. 11 of the EU Audit Regulation (long-form audit report).

Other matter - use of auditor's report

Our auditor's report must always be read together with the audited annual financial statements and the audited combined management report as well as the assured ESEF documents. The annual financial statements and the combined management report converted to the ESEF format - including the versions to be published in the Unternehmensregister [German Company Register] - are merely electronic renderings of the audited annual financial statements and the audited combined management report and do not take their place. In particular, the ESEF report and our assurance opinion contained therein are to be used solely together with the assured ESEF documents made available in electronic form.

German Public Auditor responsible for the engagement

The German Public Auditor responsible for the engagement is Till Kohlschmitt.

Hamburg, 27 March 2026

RSM Ebner Stolz GmbH & Co. KG

Wirtschaftsprüfungsgesellschaft
Steuerberatungsgesellschaft

Florian Riedl
German Public Auditor

Till Kohlschmitt
German Public Auditor



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