



Invitation

ANNUAL  
GENERAL  
MEETING  
2021

Deutsche EuroShop AG  
Hamburg  
German securities no.: 748 020  
ISIN: DE 000 748 020 4

We hereby invite our shareholders to our

# (VIRTUAL) ANNUAL GENERAL MEETING

on Friday, 18 June 2021, at 10.00 a.m. (CEST).

The Annual General Meeting will take place as a virtual annual general meeting without the physical presence of the shareholders (this invitation refers to all genders; for the sake of readability, no other forms are mentioned) or their authorised representatives (with the exception of the proxies appointed by the Company) in Saseler Damm 39b, 22395 Hamburg, Germany.

The Annual General Meeting will be streamed live in video and audio (German only) for duly registered shareholders or their authorised representatives using the password-protected internet service at the web address

[www.deutsche-euroshop.de/HV](http://www.deutsche-euroshop.de/HV)

Shareholders and their authorised representatives may exercise their voting rights exclusively by means of absentee voting or by granting power of attorney to the proxies appointed by the Company. Further details are provided below, following the agenda.

(Convenience Translation – the German version is the only binding version)

## AGENDA

### 1. Presentation of the adopted annual financial statements as at 31 December 2020, the consolidated financial statements as at 31 December 2020, as approved by the Supervisory Board, the Company management report and the Group management report with the Supervisory Board report for financial year 2020 and the Executive Board's explanatory report on disclosures pursuant to sections 289a and 315a of the Handelsgesetzbuch (HGB – German Commercial Code)

The documents referred to above can be viewed and downloaded (German only) on the Internet at [www.deutsche-euroshop.de/HV](http://www.deutsche-euroshop.de/HV).

On 9 April 2021, the Supervisory Board approved the annual financial statements and the consolidated financial statements drawn up by the Executive Board pursuant to sections 172 and 173 of the Aktiengesetz (AktG – German Public Companies Act). The annual financial statements have thus been adopted. A resolution to this effect by the Annual General Meeting is therefore unnecessary.

### 2. Utilisation of unappropriated surplus for financial year 2020

The Executive Board and the Supervisory Board propose that, of the unappropriated surplus of €43,782,879.60 for financial year 2020

- a) a portion amounting to €2,471,343.76 be used to fund the corresponding dividend distribution of €0.04 per share entitled to dividends

and

- b) the remaining portion of €41,311,535.84 be carried forward to the new accounts.

In accordance with section 58 (4) sentence 2 of the Aktiengesetz (German Public Companies Act – AktG), the claim to the dividend becomes due on the third business day following the resolution passed by the Annual General Meeting, i.e. 23 June 2021.

### 3. Approval of the actions of the Executive Board for financial year 2020

The Executive Board and the Supervisory Board propose that the actions of the members of the Company's Executive Board serving in 2020 be approved for financial year 2020.

### 4. Approval of the actions of the Supervisory Board for financial year 2020

The Executive Board and the Supervisory Board propose that the actions of the members of the Company's Supervisory Board serving in 2020 be approved for financial year 2020.

### 5. Election of the auditor for financial year 2021

At the recommendation of the Audit Committee, the Supervisory Board proposes that BDO AG Wirtschaftsprüfungsgesellschaft in Hamburg be appointed as the auditor and the Group auditor for the financial year 2021.

In its recommendation, the Audit Committee declared that it is free from undue influence by third parties and that no clause of the type referred to in article 16(6) of the EU Audit Regulation has been imposed on it (Regulation (EU) No 537/2014 of the European Parliament and of the Council of 16 April 2014 on specific requirements regarding statutory audit of public-interest entities and repealing Commission Decision 2005/909/EC).

BDO AG Wirtschaftsprüfungsgesellschaft, Hamburg has declared to the Supervisory Board that there are no business, financial, personal or other relationships between itself, its executive bodies and its head auditors, on the one hand, and the Company and the members of the Company's executive bodies, on the other, that could give rise to doubts about its independence.

## 6. Resolution on the approval of the remuneration system for the Executive Board

Pursuant to section 120a (1) AktG, the annual general meeting of a listed company must pass a resolution on the approval of the remuneration system for the Executive Board presented by the Supervisory Board whenever there is a material change to the system, but at least every four years.

Taking into account the specifications outlined in section 87a (1) AktG and at the recommendation of its Executive Committee, which simultaneously functions as a Nomination Committee, the Supervisory Board adopted the following remuneration system for the Executive Board on 9 April 2021.

The Supervisory Board proposes – based on the recommendation of its Executive Committee, which simultaneously functions as a Nomination Committee – that the remuneration system for the members of the Executive Board resolved by the Supervisory Board be approved.

### Description of the remuneration system for the Executive Board

#### Remuneration system for the Executive Board of Deutsche EuroShop AG

##### *Principles of the remuneration system*

Deutsche EuroShop AG (hereinafter “DES”) is the only joint stock company in Germany to invest solely in shopping centers in prime locations. The strategy pursued by DES focuses on investments in high-quality shopping centers in city centers and established locations offering the potential for stable, long-term value growth.

A key objective is to generate high surplus liquidity from leases in shopping centers, which 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 turnover-linked commercial rents form the basis to achieve the high earnings targets. In addition, new investments must be funded from a balanced mix of sources.

Climate protection is another top priority for DES. The aim is to combine sustainability and profitability as well as shopping experience and environmental awareness.

The remuneration system of the DES Executive Board supports this strategy in a balanced way and serves as an important control to achieve the core corporate objectives. Within this context, the structure of the remuneration system for the DES Executive Board is based on the following principles:

- Strategy-compliant and performance-based consideration of key figures relevant to corporate governance as well as individual performance targets
- Integration of the topic of sustainability and climate protection through the inclusion of criteria from environmental, social and governance (ESG)
- Focus on sustainable corporate development in order to align actions with the long-term and consistent success of DES
- Compliance with regulatory requirements and consideration of current market practice
- Ensuring that the interests of shareholders and other stakeholders are aligned with those of the DES Executive Board

The remuneration system for the Executive Board developed on this basis meets the regulatory requirements of the German Public Companies Act (AktG) and also complies with the recommendations of the Deutscher Corporate Governance Kodex (DCGK – German Corporate Governance Code). The performance targets defined by the remuneration system set incentives for successful and sustainable corporate growth and link the remuneration of the Executive Board to the long-term successful development of the Company.

The components of the remuneration system are explained in detail below. Subject to approval by the Annual General Meeting, this remuneration system applies to all Executive Board employment contracts that are extended or newly concluded.

##### *Procedure for establishing, implementing and reviewing the remuneration system*

Pursuant to § 87a (1) AktG, the Supervisory Board of DES determines a remuneration system for the Executive Board, which is submitted to the Annual General Meeting for approval pursuant to § 120a (1) AktG.

This remuneration system was adopted by the Supervisory Board at its meeting on 9 April 2021. It will be submitted for approval at the Annual General Meeting on 18 June 2021.

If, in the course of the ongoing review of the remuneration system, material changes are made to the remuneration system, it must be resubmitted to the Annual General Meeting; even if no material changes are made to the remuneration system, such resubmission is required at least every four years after the last vote on the remuneration system by the Annual General Meeting.

In the event that the Annual General Meeting does not approve the remuneration system, the Supervisory Board must submit a revised remuneration system to the next Annual General Meeting for approval in accordance with section 120a (3) AktG.

The regulations outlined in the German Public Companies Act (AktG) and the German Corporate Governance Code (DCGK) on the handling of conflicts of interest in the case of members of the Supervisory Board are observed both during the process of establishing and implementing the remuneration system and as part of its ongoing review. If conflicts of interest exist, the members of the Supervisory Board concerned must disclose these to the Chair of the Supervisory Board and abstain from voting on the relevant matters. In addition, the Chair of the Supervisory Board reports to the DES Annual General Meeting on any conflicts of interest that have arisen and how they have been dealt with. If the conflicts of interest are material and not merely temporary, they must lead to a termination of the Supervisory Board mandate.

**Determination of the specific target total remuneration.**

**Suitability test**

The Supervisory Board sets a target total remuneration for the members of the Executive Board. In doing so, it ensures that this remuneration is proportionate for the duties and performance of the respective member of the Executive Board as well as the situation of the Company and does not exceed the customary remuneration without special reasons. In addition, the target total remuneration must be geared towards the long-term and sustainable development of the Company.

To ensure a suitable level of remuneration, the remuneration levels of the members of the DES Executive Board are compared with the remuneration levels customary in the market using a suitable peer group (horizontal comparison). The Supervisory Board furthermore takes into account the Company's internal remuneration ratios when determining remuneration levels by comparing the remuneration of the Executive Board with the remuneration of the general workforce (vertical comparison). This also takes into account the remuneration trends of the aforementioned employee groups over time.

If the Supervisory Board enlists the services of an external remuneration expert to develop the remuneration system and assess the appropriateness of the defined remuneration, it must ensure that the expert is independent of the Executive Board and of the Company.

**Overview of the remuneration system**

**Components of the remuneration system**

The following overview shows the basic components of the remuneration system and their structure:

**Fixed (non-performance-related) components**

Annual remuneration	<ul style="list-style-type: none"> <li>Fixed basic annual remuneration, paid monthly in twelve equal instalments</li> </ul>
Ancillary benefits	<ul style="list-style-type: none"> <li>Car for business and private use</li> <li>Accident insurance / D&amp;O insurance</li> <li>Subsidy for health insurance and long-term care insurance</li> </ul>
Company pension scheme	<ul style="list-style-type: none"> <li>Defined contribution plan in the form of an annual fixed amount paid into a pension fund</li> <li>Alternative: taking out a retirement insurance policy for pension benefits</li> </ul>

**Variable (performance-related) components**

**Short-Term Incentive (STI)**

Plan type	<ul style="list-style-type: none"> <li>Annual target bonus plan</li> </ul>
Cap	<ul style="list-style-type: none"> <li>150% of target amount</li> </ul>
Performance targets	<ul style="list-style-type: none"> <li>Financial performance target:                             <ul style="list-style-type: none"> <li>Funds from operations (FFO) per share</li> </ul> </li> <li>Personal criteria-based multiplier (0.8 – 1.2):                             <ul style="list-style-type: none"> <li>50% ESG target (e.g. certification of centers)</li> <li>25% personal target (e.g. capital market communication rating)</li> <li>25% individual special projects / strategy implementation</li> </ul> </li> </ul>
Payment	<ul style="list-style-type: none"> <li>Due in cash upon approval of the annual financial statements</li> </ul>

**Long-Term Incentive (LTI)**

Plan type	<ul style="list-style-type: none"> <li>Performance cash plan (annual rolling)</li> </ul>
Cap	<ul style="list-style-type: none"> <li>150% of target amount</li> </ul>
Performance targets	<ul style="list-style-type: none"> <li>Total shareholder return (TSR; 75%):                             <ul style="list-style-type: none"> <li>2/3 absolute TSR</li> <li>1/3 relative TSR compared to relevant competitors</li> </ul> </li> <li>Loan to value (LTV; 25%):                             <ul style="list-style-type: none"> <li>Absolute LTV</li> <li>Multiplier depending on relative LTV (0.8 – 1.2)</li> </ul> </li> </ul>
Performance period	<ul style="list-style-type: none"> <li>Four years</li> </ul>
Payment	<ul style="list-style-type: none"> <li>Due in cash upon approval of the annual financial statements for the last financial year of the respective tranche</li> </ul>

**Other contractual arrangements**

Maximum remuneration per Executive Board member	<ul style="list-style-type: none"> <li>• €1,100,000 p.a.</li> </ul>
Share Ownership Guidelines	<ul style="list-style-type: none"> <li>• Obligation to acquire and hold shares in Deutsche EuroShop AG amounting to at least 100% of gross annual basic remuneration</li> <li>• Obligation to hold shares for the entire period of service and for two years thereafter</li> <li>• Build up over one third of the STI and 100% of the LTI payout amount</li> </ul>
Clawback	<ul style="list-style-type: none"> <li>• Possibility of reclaiming variable remuneration (STI as well as LTI) in certain cases</li> </ul>
Severance cap	<ul style="list-style-type: none"> <li>• Limited to two years' remuneration (basic annual remuneration plus contributions to the company pension scheme, STI and LTI), but no longer than the remaining term of the employment contract</li> </ul>

**Relative shares of the remuneration components in the target total remuneration**

The target total remuneration of the members of the Executive Board is defined as the sum of the annual basic remuneration, ancillary benefits, company pension scheme as well as STI and LTI (in each case assuming 100% target achievement). The basic annual remuneration corresponds to between 40–50% of the total target remuneration. The STI accounts for around 20–25% and the LTI for around 25–30% of the target total remuneration. The company pension scheme accounts for around 5% and ancillary benefits for around 2–4% of the target total remuneration.

The significant share of the variable remuneration components in the target total remuneration and the higher weight of the LTI compared with the STI underline the “pay for performance” approach and the alignment of the remuneration towards the long-term and sustainable success of DES.

**Maximum remuneration of the Executive Board**

The variable remuneration components of the Executive Board (STI and LTI) are subject to an individual cap of 150% of the target amount in each case. In addition to this individual cap, the Supervisory Board has set a maximum level of remuneration in accordance with section 87a (1) sentence 2 no. 1 of the German Public Companies Act (AktG). The amount of the maximum remuneration per Executive Board member for each financial year is €1,100,000. This maximum remuneration additionally limits the payouts of all remuneration components granted for a financial year (basic annual remuneration, ancillary benefits, company pension scheme as well as STI and LTI), irrespective of when they are paid out.

**Components of the remuneration system in detail****(A) Fixed (non-performance-related) components****1.1 Annual basis remuneration**

The members of the Executive Board receive a fixed basic annual salary for their work, which is paid in twelve equal monthly instalments and is based on the duties of the respective Executive Board member.

**1.2 Ancillary benefits**

In addition to the basic annual remuneration, the fixed remuneration components include further ancillary benefits for the members of the Executive Board. These essentially include a car for business and private use as well as accident insurance. The members of the Executive Board also receive an allowance for health and long-term care insurance amounting to 50% of the amounts payable by them, but not exceeding 50% of the contributions to statutory health and long-term care insurance. In addition, a standard D&O insurance policy is taken out for the members of the Executive Board.

**1.3 Company pension scheme**

The members of the Executive Board receive a company pension in the form of a defined contribution plan. Under this plan, the Company pays a fixed amount each year into a support fund or other pension investment vehicle (e.g. unit-linked investments). Alternatively, the Company may take out a retirement insurance policy on behalf of the Executive Board member for pension benefits.

The following provisions from previous contracts continue to apply: Under an existing employment contract, an Executive Board member has a fixed entitlement to benefits under the company pension scheme granted in previous years even if their appointment as an Executive Board member ends before the age of 62, unless the Executive Board member has not accepted an offer to extend their appointment on comparable terms. Furthermore, this entitlement ceases at the end of the year in which the Executive Board member becomes incapacitated for work or dies (“grandfather clause”).

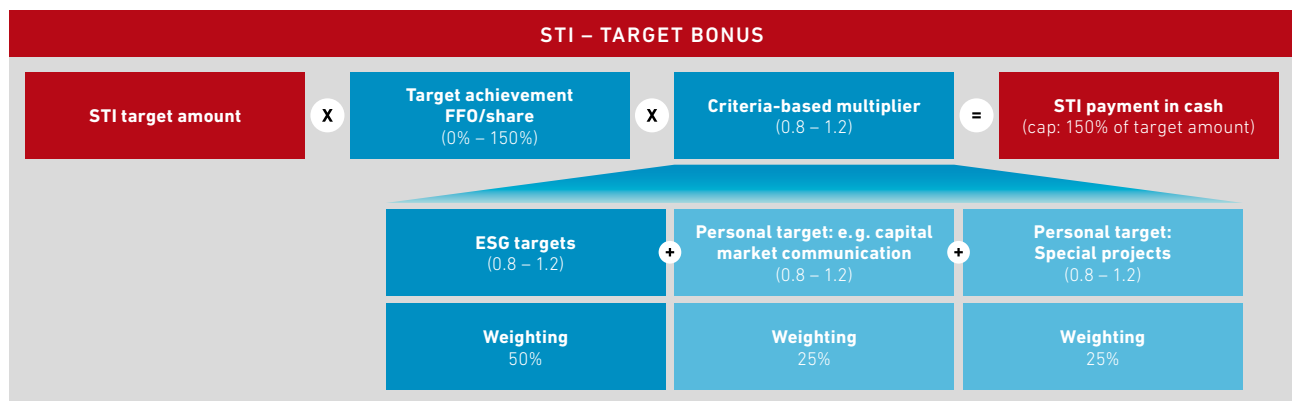
**(B) Variable (performance-related) components**

In addition to the non-performance-related components, the members of the Executive Board are granted performance-related remuneration components on an annual basis. These ensure that the Executive Board is remunerated in line with its performance and underline the Company's commitment to the “pay for performance” approach. The variable components are divided into the one-year short-term incentive (STI) and the four-year long-term incentive (LTI). The division into STI and LTI streamlines the focus on DES's long-term and sustainable development while pursuing its annual operational targets. The variable components thus underpin successful implementation of the corporate strategy.

2.1 Short-Term Incentive (STI)

The STI is designed in the form of a target bonus system that promotes the successful implementation of the corporate strategy through targeted incentives. For this purpose, alongside a main control parameter of DES – funds from operations (FFO), consideration is given to the personal strategic goals for the individual members of the Executive Board as well as to sustainability goals from the areas of environment, social and governance (ESG). The payout amount is calculated by multiplying the STI target amount agreed in the Executive Board member’s employment contract by the level of target achievement of the financial performance target FFO per share. Subsequently, the non-financial performance targets are taken into account by means of a criteria-based multiplier. The STI payout amount can assume a value between 0% and a maximum of 150% of the STI target amount. Any possible STI payment is due upon approval of the annual financial statements.

The main features of the STI are as follows:



- a. Funds from operations (FFO) per share  
 FFO is included in STI target achievement in the form of the financial performance target FFO per share, which can reach a possible target achievement of 0% to a maximum of 150%. FFO are used to finance ongoing investments in portfolio properties, scheduled repayments on long-term bank loans and as the distribution of dividends. Significant non-recurring effects that are not part of the Group’s operating activities are eliminated in the calculation of FFO. FFO is therefore the key indicator for assessing the performance of the operating business and, in the form of FFO per share, is an important indicator for external valuation of the Company. The inclusion of FFO per share in the STI supports the corporate strategy by incentivising the sustained stable performance of the shopping centers and the generation of a high liquidity surplus from their leasing. Since FFO per share is also a strong indicator of future dividend payments, the interests of shareholders are likewise taken into account in the remuneration of the Executive Board.

At the beginning of each financial year, a target value for FFO per share is set in line with capital market communication, whereby target achievement is set at 100%. This target value corresponds to the value for FFO per share specified in budget planning for the respective financial year. For each 1% deviation from the respective budget value, the target achievement is reduced or increased by 1.5 percentage points. From a deviation in FFO per share of minus 25% compared with the budget value, target achievement is 0%. In addition, if FFO per share is plus 33.33% versus budget, target achievement is capped at 150%. If this upper limit is reached, a further increase in FFO per share will not result in a further increase in target achievement.

b. Criteria-based multiplier

In addition to the financial performance target of FFO per share, the final payout amount of the STI is influenced by personal targets and ESG targets. These are taken into account in the form of a criteria-based multiplier, which can have a value of 0.8 to 1.2. The value of the criteria-based multiplier is the sum of the achieved factors of three performance targets, each multiplied by their weighting.

As an investment company with hardly any staff of its own, sustainable real estate is a core objective of DES. The external and independent certification of the centers (e.g. by the Deutsche Gesellschaft für Nachhaltiges Bauen e.V. (DGNB – German Sustainable Building Council, DGNB) or a comparable organisation) is therefore taken into account as a sustainability goal. The DGNB issues certificates in platinum, gold, silver or bronze to certified centers upon qualification. These certificates attest to greater sustainability in the operation of real estate. A factor is assigned to each certificate. Platinum receives the factor 1.2, gold 1.0, silver 0.9 and bronze 0.8. If no certificate is issued or no certification is performed for a center, the value is 0. A weighted average is calculated over the entire DES portfolio using these factors. This weighted average can assume a value of 0.8 to 1.2 and is factored with a weighting of 50% when determining the value of the criteria-based multiplier.

For example, an external and independent capital market communication rating in the “Real Estate Europe” sector can be used as a personal strategic target for the members of the Executive Board. Depending on the rank of DES within this rating, a factor of 1.2 is produced for positioning in the upper third, 1.0 in the middle third and 0.8 in the lower third. The respective factor is assigned a weighting of 25% in the criteria-based multiplier. This performance target underlines the importance of excellent capital market communication for successful implementation of the corporate strategy.

As the final personal performance target, individual special projects or the contribution made to implementing the strategy of the Executive Board members are also included in calculation of the criteria-based multiplier with a weighting of 25%.

These can take the form of funding transactions as targets for the Chief Financial Officer, or mergers & acquisitions and restructuring projects as targets for the CEO, for example. This provides an incentive for the successful implementation of key projects and strategy components relevant for the Company's success and focuses on the individual, role-specific performance of the respective Executive Board member. If the Supervisory Board rates the performance within the special project as very good, this equates to a factor of 1.2. A good performance rating results in a factor of 1.0, while a below-average performance is rated with a factor of 0.8.

The actual target achievement per performance target of the STI as well as the value of the criteria-based multiplier are disclosed ex post in the remuneration report after conclusion of the respective financial year.

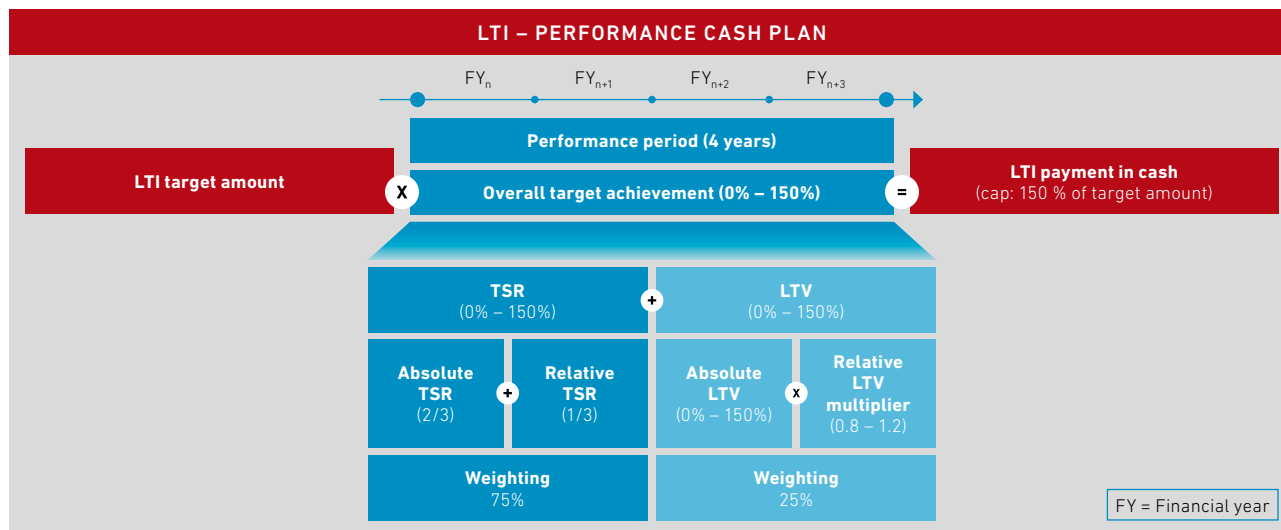
## 2.2 Long-Term Incentive (LTI)

The LTI takes the form of a performance cash plan with a performance period of four years. When selecting the performance targets for the LTI, special focus is placed on the long-term and stable performance of DES. The LTI is granted on a rolling basis, meaning that at the beginning of each financial year a target LTI is proposed for each Executive Board member, which is stipulated in their employment contract. This rolling allocation additionally promotes sustainable behaviour as the results from one financial year are relevant for several LTI tranches. Depending on predefined performance targets, the overall target achievement for each LTI tranche at the end of the four-year performance period determines the final LTI payout amount. Alongside internal key figures, the performance targets also take into account relative performance compared with competitors. The LTI payout amount can assume a value between 0% and a maximum of 150% of the LTI target amount. A potential LTI payout is due upon approval of the annual financial statements for the last financial year of the respective tranche.

The LTI payout amount is dependent on two financial performance targets, which are considered both in relative and absolute terms. These are, on the one hand, the total shareholder return (TSR) with a weighting of 75% and, on the other, the loan to value (LTV) with a weighting of 25%.



The main features of the LTI are as follows:



a. Total shareholder return (TSR)

The TSR, which is weighted at 75%, is considered in two ways. Two-thirds of the TSR success target depends on absolute TSR. The remaining third is determined by the relative TSR compared with relevant competitors. This ensures an adequate shareholder return in both absolute and relative terms.

The absolute TSR denotes the total shareholder return from the change in the share price over the performance period under consideration plus notionally reinvested gross dividends. In order to avoid distortions due to e.g. reporting date effects, the absolute TSR is calculated on the basis of the average closing prices of DES in the month before the beginning and before the end of the respective performance period, plus the notionally reinvested gross dividend during this period.

The target value for achieving 100% corresponds to an absolute TSR of 24%. In addition, a lower limit is set where target achievement is 0%. This case occurs at an absolute TSR of 0%. The upper limit is set at an absolute TSR of 36%, with target achievement of 150%. An increase in the absolute TSR beyond 36% does not result in a further increase in achievement of the target. The degree of target achievement is interpolated on a linear basis between the specified target achievement points (0%/100%/150%).

The relative TSR compares the TSR with a peer group of relevant competitors. The peer group currently consists of the following companies: Unibail-Rodamco-Westfield SE, Compagnie Foncière Klépierre, Atrium European Real Estate Limited, Citycon Oyj, Eurocommercial Properties N.V., Mericalys SA and Wereldhave N.V. The Supervisory Board has the option of

removing individual companies from the peer group before the start of a new tranche. The prerequisite for this is that the respective company no longer exists in its current form or that comparability with DES is no longer given. There is also the possibility of adding new, suitable companies.

To determine target achievement, the average TSR of the peer group is first determined as described (with all peer companies weighted equally). This is subtracted from the TSR of DES to obtain the outperformance in percentage points. The outperformance value describes the relative TSR. If this calculation results in outperformance of 0 percentage points (i.e. the average TSR of the peer group has performed identically to the TSR of DES over the performance period), this corresponds to target achievement of 100%. With a relative TSR of minus 20 percentage points, target achievement is 0%. The maximum target achievement corresponds to 150% and is reached beginning from a relative TSR of plus 20 percentage points. The degree of target achievement is interpolated on a linear basis between the specified target achievement points (0% / 100% / 150%).

b. Loan to value (LTV)

In addition to the TSR, the LTV of the DES Group is factored into the LTI with a weighting of 25%. The LTV describes the 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, excluding goodwill). It is therefore a key indicator for assessing DES's creditworthiness and is also an important criteria for approving financing.

To determine target achievement, the average LTV of the DES Group over four years is calculated on the basis of the Group's LTV values reported in the respective annual financial statements for the relevant financial years. If the average LTV is greater than 55%, this corresponds to target achievement of 0%. If the average LTV is greater than 45% but less than or equal to 55%, target achievement is 50%. The target value and thus target achievement of 100% is reached with an LTV greater than or equal to 35% but less than 45%. Below an LTV of 35%, target achievement is 150%. A further reduction in the LTV does not result in an increase in target achievement above 150%.

In addition to its absolute consideration, the LTV is also compared with the equivalent and equally weighted average LTV of the peer group described above over the performance period and is factored into the process of determining the LTI payout amount with the aid of a multiplier. If the comparison reveals that the LTV of the peer group is more than 1% lower than that of the DES Group, a multiplier of 0.8 is applied to the target achievement resulting from absolute consideration of the LTV. For positive deviations of 1% or less, the multiplier is 1.0. The multiplier is 1.2 in the event that the LTV of the peer group is more than 1% higher than that of the DES Group. Irrespective of this, the multiplier cannot increase target achievement of the absolute LTV to more than 150%.

Any adjustments to the composition of the peer group and the reasons for this adjustment, the actual target achievement per LTI performance target and the value of the multiplier are disclosed ex post in the remuneration report after the end of the performance period.

#### *(C) Clawback*

In certain cases, the Supervisory Board has the option of reclaiming all or part of the variable remuneration paid to the Executive Board members (STI and LTI). The prerequisite for this is an intentional breach of material duties punishable by a penalty or a fine, or a serious breach of other material duties of the executive body. In addition, the Company or one of its affiliated companies must have incurred a significant financial disadvantage as a result.

A claim for repayment exists in the amount of the net inflow after income taxes paid and lapses after expiry of a period of three years after the variable remuneration component is granted or after the Executive Board member leaves the Executive Board, whichever is earlier.

#### *(D) Share Ownership Guidelines (SOG)*

The employment contracts of the members of the Executive Board also contain obligations pertaining to purchasing and holding shares, known as Share Ownership Guidelines (SOG). These require each member of the Executive Board to buy and hold DES shares worth 100% of their respective gross annual basic remuneration (SOG target). Until this SOG target is reached, Executive Board members must invest one third of their STI payment amount and 100% of their LTI payment amount (in each case, after income tax) in Deutsche EuroShop AG shares within a period of three months of receipt. In the case of insider trading, the Supervisory Board has the option of extending this three-month acquisition period. Shares already directly held by the Executive Board member are factored into achievement of the SOG target. The shares must be held for the entire period of service and for another two years after leaving the Executive Board.

The SOG regulations described above further align the interests of the Executive Board with those of shareholders while at the same time incentivising the long-term and sustainable development of DES.

#### *Remuneration-related legal transactions*

- *Contract terms and termination options*

The employment contracts of the members of the Executive Board have a fixed term of up to five years. In the case of initial appointments, the contract period is a maximum of three years.

Neither party has the ordinary right to terminate employment contracts. This does not affect the right to terminate the employment contract for good cause pursuant to section 626 (1) of the Bürgerliches Gesetzbuch (BGB – German Civil Code).

- *Provisions in the event of premature termination of the employment contract*

In the event that the employment contract is terminated prematurely by the Company without good cause for which the Executive Board member is responsible as defined by section 84 (3) AktG, the Executive Board member is entitled to a gross severance payment in the amount of two years' remuneration. The annual remuneration comprises the basic annual salary and contributions to the company pension scheme as well as to the STI and LTI. For measurement of the annual remuneration amount, the average annual remuneration for the financial year just ended and the probable annual remuneration for the current financial year is applicable. If the remaining remuneration to which the Executive Board member is entitled until the scheduled end of the employment contract amounts to less than two years' remuneration, the severance payment entitlement is reduced accordingly, meaning that the severance payment only provides compensation for the remaining term of the employment contract.

In all other cases of premature termination of the employment contract, there is no entitlement to a severance payment.

If the employment contract is terminated at the instigation of the Company without good cause for which the Executive Board member is responsible as defined by section 84 (3) AktG, any components of variable remuneration that have already been granted will be paid out in accordance with the scheduled payment conditions.

In the event that the employment contract is terminated prematurely by the Company for good cause for which the Executive Board member is responsible as defined by section 84 (3) AktG, all components of variable remuneration that have already been granted but not yet paid must be forfeited.

The previous regulations regarding the company pension scheme of a member of the Executive Board remain exempt from these regulations.

- **Temporary and permanent incapacity for work and death**

In the event of temporary incapacity for work, all remuneration components must be paid pro rata temporis for a period of six months, but no longer than until termination of the employment contract.

If the Executive Board member becomes permanently incapacitated for work during the term of the employment contract, the employment contract must end at the close of the quarter during which the permanent incapacity for work was established. In this case, the remuneration components for the financial year in question are reduced pro rata temporis up to the departure date. Any downstream payments attributable to previous years from current tranches or from previous periods are disbursed immediately based on the assumption that overall target achievement of the variable remuneration components is 100%. The contributions to the company pension scheme must continue to be paid until the end of the year in which the Executive Board member became permanently incapacitated for work.

In the event of death, the same regulations apply as in the case of permanent incapacity for work. However, the employment contract ends at the end of the month in which death occurred. All payment claims arising from the employment contract are heritable.

- **Regulations in the event of entry or exit during the year**

If the Executive Board member's activity begins or ends during the current financial year, the basic annual remuneration, the variable remuneration and the annual contribution to the company pension scheme are granted pro rata temporis. The variable remuneration components are paid out in accordance with the scheduled payment conditions.

- **Internal Supervisory Board mandates**

Any remuneration received by a member of the Executive Board for assuming internal Supervisory Board mandates or comparable mandates from affiliated companies is offset against the Executive Board remuneration.

- **Temporary deviation from the remuneration system**

Pursuant to § 87a (2) sentence 2 AktG, the Supervisory Board of DES may temporarily deviate from the remuneration system insofar as this is necessary in the interests of the long-term prosperity of DES.

Such deviations may be necessary, for example, to ensure adequate incentives in the event of a serious corporate crisis (e.g. destruction of a center), force majeure or economic crisis (e.g. COVID-19 crisis). A temporary deviation of this kind is possible only in exceptional circumstances. Generally unfavourable market developments do not count as exceptional circumstances justifying a temporary deviation from the remuneration system. The circumstances necessitating the deviation are determined by resolution of the Supervisory Board.

Irrespective of a possible temporary deviation from the remuneration system, the Supervisory Board ensures that the remuneration of the Executive Board continues to be aligned to the long-term and sustainable development of DES. In addition, the Supervisory Board oversees that the remuneration of the Executive Board is commensurate with the situation of DES and the performance of the respective Executive Board member.

After determining the exceptional circumstances by resolution of the Supervisory Board, the Supervisory Board may make deviations from the remuneration structure, the performance targets of variable remuneration and the individual remuneration components of the remuneration system applicable to the Executive Board.

In the event of a temporary deviation, the circumstances necessitating the deviation and the procedure for the deviation are explained in the remuneration report in accordance with section 162 (1) no. 5 AktG, and the remuneration components affected by the deviation are specified.

## 7. Resolution on confirmation of remuneration and resolution on the remuneration system for the members of the Supervisory Board

Pursuant to section 113 (3) AktG, the annual general meeting of a listed company must resolve on the remuneration of the members of the Supervisory Board at least every four years, whereby a resolution confirming the existing remuneration is permissible.

In accordance with the proposal in G.18 (1) of the German Corporate Governance Code (DCGK) as amended on 16 December 2019 and published on 20 March 2020 ("DCGK"), the Supervisory Board receives purely fixed remuneration and is paid entirely in cash.

The current remuneration of the Supervisory Board is defined in article 8 (4) and (5) of the Articles of Association. The relevant provisions of the Articles of Association and the underlying abstract remuneration system with the disclosures pursuant to sections 113 (3) sentence 3, 87a (1) AktG are reiterated below.

The Executive Board and Supervisory Board are of the opinion that the amount of remuneration and the structure of the remuneration system for the Supervisory Board are appropriate in view of the duties of the members of the Supervisory Board and the situation of the Company, and that the Supervisory Board receives remuneration that is in line with market practice and proportionate.

The Executive Board and the Supervisory Board therefore propose that the existing remuneration arrangements for the members of the Supervisory Board, which are specifically set out in article 8 (4) and (5) of the Articles of Association and which are based on the abstract remuneration system set out below, are confirmed.

### Description of the remuneration for the members of the Supervisory Board

#### 1. Legal basis of the remuneration of the members of the Supervisory Board

Article 8 (4) and (5) of the Articles of Association are worded as follows:

4) The Company grants each member of the Supervisory Board annual remuneration. This is set at €50,000 for the chair, €37,500 for the deputy chair and €25,000 each for the other members of the Supervisory Board (effective for the first time for the 2007 financial year). If any member of the Supervisory Board leaves the Supervisory Board during the financial year, they receive their remuneration pro rata.

5) The Company reimburses the cash expenses of the members of the Supervisory Board. Value added tax is reimbursed by the Company to the extent that the members of the Supervisory Board are entitled to invoice the sales tax separately and exercise this right.

#### 2. Presentation of the remuneration system for members of the Supervisory Board

The remuneration system for the members of the Supervisory Board of Deutsche Euroshop AG based on the provisions stipulated in article 8 (4) and (5) of the Articles of Association is presented below in accordance with sections 113 (3) and 87a (1) sentence 2 AktG.

##### 2.1. Structure

The remuneration system is structured in a manner that is simple, clear and understandable. The members of the Supervisory Board receive the fixed remuneration stipulated in the Articles of Association. The chair of the Supervisory Board receives double and the deputy chairman one and a half times this amount. No additional remuneration is granted for membership of committees.

Unlike the Executive Board, the Supervisory Board does not execute an operational function and does not make any decisions on business strategy. Rather, the Supervisory Board contributes to the long-term development of the Company through its supervisory duties (section 87a (1) sentence 2 no. 2 AktG).

The payment of purely fixed remuneration without any variable components has proven its worth and corresponds to the practice that is prevalent in other listed companies. The exclusively fixed remuneration that is paid to the members of the Supervisory Board is the best way of taking account of the control function exercised by the Supervisory Board, which is to be performed independently of the Company's success. With such a remuneration system, the Supervisory Board can make its decisions for the good of the Company that are aligned with the Company's long-term business strategy and sustainable development, without pursuing other motives which could possibly be derived from performance-related remuneration. The remuneration of the Supervisory Board therefore does not contain any variable remuneration components (section 87a (1) sentence 2 nos. 3, 4 and 6 AktG) or any share-based components (section 87a (1) sentence 2 no. 7 AktG).

In accordance with article 8 (4) of the Articles of Association, the remuneration is payable at the end of each financial year. There are no deferral periods for the payment of remuneration components (section 87a (1) sentence 2 no. 5 AktG).

The remuneration of the members of the Supervisory Board is conclusively governed by the Articles of Association; there are no ancillary agreements. Remuneration is linked to the duration of the appointment. No undertakings are made for redundancy payments, pensions or early retirement (section 87a (1) sentence 2 no. 8 AktG).

## 2.2 Procedure for reviewing remuneration

The Supervisory Board has reviewed the appropriateness of the structure and amount of its remuneration at irregular intervals. For this purpose, the Supervisory Board evaluates the remuneration of the supervisory board at other comparable companies and compares this with the remuneration of the Supervisory Board of the Company. The Supervisory Board then uses this analysis to assess the appropriateness of its remuneration.

Due to the amendment of the German Stock Corporation Act (AktG) by the Act Implementing the Second Shareholders' Rights Directive (ARUG II) of 12 December 2019, which provides for regular approval of the remuneration system by the Annual General Meeting at intervals exceeding no more than four years, the Supervisory Board will in future perform an appropriate internal analysis of its remuneration in preparation for these resolutions, also no later than every four years. If there are grounds to amend the remuneration system for the Supervisory Board, the Executive Board and the Supervisory Board will submit a corresponding proposal for resolution to the Annual General Meeting in this regard.

## 8. Resolution regarding the cancellation of the existing authorised capital 2017 and the creation of new authorised capital 2021 as well as related amendments to the Articles of Association

The authorised capital 2017 approved by the Annual General Meeting on 28 June 2017 under agenda item 7 and set forth in article 5 of the Articles of Association will expire on 27 June 2022. To ensure that the Company remains sufficiently flexible in the future, the authorised capital 2017 will be revoked and replaced by a new authorised capital 2021.

The Executive Board and the Supervisory Board propose the following:

- a) The authorisation of the Executive Board to increase the share capital (authorised capital 2017) as approved by the Annual General Meeting on 28 June 2017 under agenda item 7 must be cancelled with effect for the future from the date on which, following approval, the new authorised capital 2021 as specified under b) and c) below becomes effective through entry in the commercial register.
- b) With the approval of the Supervisory Board, the Executive Board may increase the share capital of the Company by up to a total of €12,356,718 on one or more occasions until 17 June 2026 by issuing no-par-value registered shares for cash and / or non-cash contributions (authorised capital 2021). In the case of cash contributions, the new shares can also be acquired by one or more banks or another company that meets the requirements of section 186 (5) sentence 1 AktG, subject to the obligation that they are offered exclusively to the shareholders for subscription (indirect subscription right).  
  
Shareholders must be granted subscription rights. However, with the approval of the Supervisory Board the Executive Board may exclude shareholders' subscription rights
  - (1) to remove fractional amounts from the subscription rights;
  - (2) if capital is increased for cash contributions and the issue price of the new shares is not significantly lower than the listed price of shares offering the same conditions at the time the Executive Board sets the final issue price. Pursuant to section 186 (3) sentence 4 AktG, the number of shares issued excluding subscription rights must not exceed 10% of the share capital, neither at the time at which the authorisation becomes effective nor at the time at which it is exercised. This restriction must include shares which are or will be issued for the purpose of servicing subscription rights stemming from warrant-linked or convertible bonds insofar as the bonds are issued exclusive of subscription rights during the period of validity of this authorisation pursuant to section 186 (3) sentence 4 AktG; furthermore, this restriction must also include shares that are sold exclusive of subscription rights during the period of validity of this authorisation on the basis of an authorisation to use treasury shares pursuant to sections 71 (1) no. 8, 186 (3) sentence 4 AktG;
  - (3) if this is necessary for the purpose of dilution protection in order to grant subscription rights to the holders or creditors of warrants and / or conversion rights or obligations stemming from warrant-linked or convertible bonds which were or will be issued by the Company and / or subsidiary Group companies at the level to which they would be entitled following exercising of the conversion right or warrant or upon fulfilment of the conversion obligation;
  - (4) if capital is increased for non-cash contributions in order to grant shares as part of mergers or for the purpose of acquiring companies, parts of companies, shareholdings in companies or other assets.

Disregarding shares excluding subscription rights which were issued in order to offset fractional amounts and/or as dilution protection to the benefit of holders or creditors of warrant-linked or convertible bonds, this authorisation is restricted to the extent that, following exercising of the authorisation, the total number of shares issued exclusive of subscription rights as part of this authorised capital may not exceed 20% of the share capital existing at the time this authorisation becomes effective or, if lower, the share capital existing at the time the authorisation is utilised. This restriction must also include shares excluding subscription rights that are issued within the scope of any other authorised capital during the period of validity of the aforementioned authorisation and, in addition, any shares to be issued as the result of the exercising of rights or obligations attributed to warrant-linked or convertible bonds insofar as the relevant warrant-linked or convertible bonds are issued exclusive of subscription rights during the period of validity of this authorisation; exclusions of subscription rights to offset fractional amounts and/or for the purpose of dilution protection for holders or creditors of warrant and/or conversion rights or obligations stemming from warrant-linked or convertible bonds are exempted from the inclusion described above.

With the approval of the Supervisory Board, the Executive Board may also determine the further details of the capital increase and all other details of the shares and the terms of issue. The Supervisory Board is authorised to revise the Articles of Association in accordance with the relevant utilisation of the authorised capital or after expiry of the authorisation.

c) Article 5 of the Articles of Association is rewritten as follows:

*"With the approval of the Supervisory Board, the Executive Board may increase the share capital of the Company by up to a total of €12,356,718 on one or more occasions until 17 June 2026 by issuing no-par-value registered shares for cash or non-cash contributions (authorised capital 2021). In the case of cash contributions, the new shares can also be acquired by one or more banks or another company that meets the requirements of section 186 (5) sentence 1 AktG, subject to the obligation that they are offered exclusively to the shareholders for subscription (indirect subscription right).*

*Shareholders must be granted subscription rights. However, with the approval of the Supervisory Board the Executive Board may exclude shareholders' subscription rights*

- a) *to remove fractional amounts from the subscription rights;*
- b) *if capital is increased for cash contributions and the issue price of the new shares is not significantly lower than the listed price of shares offering the same conditions at the time at which the Executive Board sets the final issue price. Pursuant to section 186 (3) sentence 4 AktG, the number of shares issued excluding subscription rights must not exceed 10% of the share capital, neither at the time at which the authorisation becomes effective nor at the time at which it is exercised. This restriction must include shares that are or will be issued for the purpose of servicing subscription rights stemming from warrant-linked or convertible bonds insofar as the bonds are issued exclusive of subscription rights during the period of validity of this authorisation pursuant to section 186 (3) sentence 4 AktG; furthermore, this number must also include shares that are sold exclusive of subscription rights during the period of validity of this authorisation on the basis of an authorisation to use treasury shares pursuant to sections 71 (1) no. 8 and 186 (3) sentence 4 AktG;*
- c) *if this is necessary for the purpose of dilution protection in order to grant subscription rights to the holders or creditors of warrants and/or conversion rights or obligations stemming from warrant-linked or convertible bonds which were or will be issued by the Company and/or subsidiary Group companies at the level to which they would be entitled following exercising of the conversion right or warrant or upon fulfilment of the conversion obligation;*

- d) if capital is increased for non-cash contributions in order to grant shares as part of mergers or for the purpose of acquiring companies, parts of companies, shareholdings in companies or other assets.

*Disregarding shares excluding subscription rights which were issued in order to offset fractional amounts and/or as dilution protection to the benefit of holders or creditors of warrant-linked or convertible bonds, this authorisation is restricted to the extent that, following exercising of the authorisation, the total number of shares issued exclusive of subscription rights as part of this authorised capital may not exceed 20% of the share capital existing at the time this authorisation becomes effective or, if lower, the share capital existing at the time the authorisation is utilised. This 20% restriction must also include shares excluding subscription rights that are issued within the scope of any other authorised capital during the period of validity of the aforementioned authorisation and, in addition, any shares to be issued as the result of the exercising of rights or obligations attributed to warrant-linked or convertible bonds insofar as the relevant warrant-linked or convertible bonds are issued exclusive of subscription rights during the period of validity of this authorisation; exclusions of subscription rights to offset fractional amounts and/or for the purpose of dilution protection for holders or creditors of warrants and/or conversion rights or obligations stemming from warrant-linked or convertible bonds are exempted from the inclusion described above.*

*With the approval of the Supervisory Board, the Executive Board may determine the further details of the capital increase and all other details of the shares and the terms of issue. The Supervisory Board is authorised to revise the Articles of Association in accordance with the relevant utilisation of the authorised capital or after expiry of the authorisation."*

### **Executive Board's report on item 8 on the agenda pursuant to section 203 (2) sentence 2 in connection with section 186 (4) sentence 2 AktG regarding the subscription right exclusion for authorised capital**

The proposed authorised capital 2021 is intended to provide Deutsche EuroShop AG with access to flexible and prompt financing that is in the interests of the Company. To do so, the Company requires instruments to raise capital that are customary and necessary for listed companies.

The authorised capital 2017 approved by the Annual General Meeting on 28 June 2017 under agenda item 7 and set forth in article 5 of the Articles of Association will expire on 27 June 2022.

To ensure that the Company remains sufficiently flexible in the future, the authorised capital 2017 will be revoked and replaced by a new authorised capital 2021.

The structure of the authorised capital 2021 is essentially the same as the authorised capital 2017; it is based on 20% of the share capital of Deutsche EuroShop AG at the time the invitation was published. As a result of the increase in share capital since 2017 from €58,404,996,00 to €61,783,594,00, the proposed volume of authorised capital has also increased slightly (from €11,680,999 previously to €12,356,718 today).

When the authorised capital is utilised, shareholders must be granted a subscription right.

Instead of directly issuing new shares to shareholders, the new shares can also be acquired by one or more banks specified by the Executive Board, subject to the obligation that they are offered to the shareholders for purchase (indirect subscription right). The use of banks or another company that meets the requirements of section 186 (5) sentence 1 AktG as intermediaries merely makes the technical processing of the share issue easier.

However, in certain cases, shareholders' subscription rights may be excluded:

#### **1. Exclusion of subscription rights for fractional amounts**

With the approval of the Supervisory Board, the Executive Board may exclude subscription rights for fractional amounts (proposal for article 5 a) of the Articles of Association). This authorisation will simplify administration aspects. Fractional amounts can result from the respective issue volumes and the subscription ratio. The value of a fractional amount apportionable to each share is generally low, while the expense of an issue without such an exclusion tends to be high.

## **2. Exclusion of subscription rights in the case of certain capital increases for cash contributions**

With the approval of the Supervisory Board, the Executive Board may exclude subscription rights in the case of capital increases for cash contributions if the shares are issued at a price that, at the time of the final setting of the issue price, is not significantly below the share price (proposal for article 5 b) of the Articles of Association). The Executive Board will attempt to keep any discount on the stock market price as low as possible under the market conditions prevailing at the time of issue.

Pursuant to section 186 (3) sentence 4 AktG, the number of shares issued excluding subscription rights must not exceed 10% of the share capital, neither at the time at which the authorisation becomes effective nor at the time at which it is exercised. This number must include shares that are or will be issued for the purpose of servicing subscription rights stemming from warrant-linked or convertible bonds insofar as the bonds are issued exclusive of subscription rights during the period of validity of this authorisation pursuant to section 186 (3) sentence 4 AktG; furthermore, this number must also include shares that are sold exclusive of subscription rights during the period of validity of this authorisation on the basis of an authorisation to use treasury shares pursuant to sections 71 (1) no. 8 and 186 (3) sentence 4 AktG.

These requirements take account of shareholders' interest in protecting their shareholdings from dilution in a manner that is compliant with legal regulations. Due to the fact that new shares are issued at a price similar to their stock market price as well as the limited volume of a capital increase for which subscription rights are excluded, shareholders have the opportunity to purchase the shares they need to maintain their stake in the Company at nearly the same conditions as on the market. At the same time, this simplifies the Company's financing efforts by way of raising capital. It puts Deutsche EuroShop AG in a position to quickly cover any capital needs that might arise at short notice, i.e. as a result of opportunities that appear on the market. High consideration must be paid, particularly when it comes to investments in shopping centers that boost our enterprise value even further. Excluding subscription rights not only permits the Company to act in a more timely manner but also place shares at a price similar to that on the stock market and generally with a lower discount than for subscription rights issues. Moreover, new shareholder groups can be targeted through this kind of placement. This ensures that the economic and voting rights of shareholders are adequately protected when shares are issued from the authorised capital under exclusion of subscription rights in accordance with the legal assessment of section 186 (3) sentence 4 AktG, while granting the Company added flexibility in the interest of all shareholders.

## **3. Exclusion of subscription rights in case of dilution protection**

With the approval of the Supervisory Board, the Executive Board may also exclude subscription rights wherever necessary in order to offer subscription rights for new shares to the holders of warrant-linked or convertible bonds if specified by the terms of the bonds (proposal for article 5 c) of the Articles of Association. To facilitate their placement on the capital market, bonds such as these have dilution protection which states that bond holders can be granted subscription rights to new shares in subsequent share issues in the same way that shareholders are entitled to. They would thus be treated as if they already were shareholders. In order to equip bonds with this kind of dilution protection, shareholders' subscription rights to these shares must be excluded. This facilitates the placement of the bonds and serves shareholders' interests in achieving an optimised financial structure for the Company.

## **4. Exclusion of subscription rights in case of non-cash capital increases**

With the approval of the Supervisory Board, the Executive Board may exclude subscription rights for non-cash capital increases (proposal for article 5 d) of the Articles of Association). In the future, as in the past, we want to be able to purchase shopping centers, land, companies, parts of companies and shareholdings so that our enterprise value continues to increase. In many cases, very high consideration has to be paid for this, which has an adverse effect on the liquidity of our Company when we pay in cash rather than in shares. Sometimes sellers, too, insist on receiving shares as consideration as this can be more favourable to them, or they agree to payment in the form of shares. The possibility of using shares as acquisition financing gives the Company the necessary scope to take quick and flexible advantage of the acquisition opportunities that arise and enables it to acquire major shareholdings itself in return for the transfer of shares. For this, it must be possible to exclude the shareholders' subscription right in the interest of the Company. As such an acquisition has to take place at short notice, it cannot generally be agreed by the Annual General Meeting, which takes place once a year. The Executive Board requires authorised capital that it can access quickly – with the agreement of the Supervisory Board.



#### 5. Limit of 20% for exclusions of subscription rights

The total number of shares issued exclusive of subscription rights as part of this authorisation (not including exclusions of subscription rights for the purpose of offsetting fractional amounts as well as for offering dilution protection to the holders of warrant-linked and convertible bonds) must not exceed 20% of the share capital existing at the time this authorisation becomes effective or, if lower, the share capital existing at the time the authorisation is utilised. Certain exclusions of subscription rights linked to other authorisations are included in this amount. These requirements limit the total volume of the shares issued from authorised capital exclusive of subscription rights and thus offer shareholders additional protection against a substantial dilution of their stakes.

The Executive Board will carefully examine each individual case to determine whether to utilise its authorisation to raise capital exclusive of subscription rights. This option will only be utilised if both the Executive Board and the Supervisory Board feel that this is in the interest of the Company and thus its shareholders.

Every year, the Executive Board will provide a report detailing its utilisation of authorised capital exclusive of subscription rights at the next Annual General Meeting.

#### 9. Resolution on authorisation to issue convertible bonds with the possibility of excluding subscription rights, on a conditional increase in capital and on related amendments to the Articles of Association (Conditional Capital 2021)

The Company currently has no authorisation to issue convertible bonds. To enable the Executive Board to take advantage of attractive financing options and allow the Company to borrow at favourable interest rates, the Annual General Meeting is requested to authorise the Executive Board to issue convertible bonds and create conditional capital to service the convertible bonds.

The Executive Board and the Supervisory Board therefore propose the following resolution:

##### I. Authorisation to issue convertible bonds

##### 1. Authorisation, authorisation period, nominal value, number of shares, term and interest

The Executive Board is authorised, with the Supervisory Board's approval, to issue, on one or more occasions until 17 June 2026, interest-bearing bearer and/or registered convertible bonds with a total nominal value of up to €200 million and a maximum term of ten years for cash or non-cash contributions and to grant the holders of the respective, equally privileged partial bond conversion rights to new no-par value shares in the Company up to a total of 10,000,000 shares, in accordance with the detailed provisions of the terms and conditions for convertible bonds ("**bond conditions**"). The conversion rights will have a term not exceeding ten years. The convertible bonds may also pay a variable rate of interest, in which case, as with a participating bond, the interest may be dependent in full or in part on the level of the Company's dividend.

## **2. Currency, issue by companies in which a majority interest is held**

The convertible bonds are to be issued in euros. They may also be issued by companies in which Deutsche EuroShop AG directly or indirectly holds a majority interest (companies in which Deutsche EuroShop AG participates directly or indirectly with a majority of the voting rights and the capital); in this case the Executive Board is authorised to assume the guarantee for the convertible bonds for Deutsche EuroShop AG and to grant the holders of such convertible bonds conversion rights to shares in Deutsche EuroShop AG.

## **3. Conversion right, conversion ratio**

In the event of convertible bonds being issued, the holders of the bonds will be given the right to convert their partial bonds into shares in Deutsche EuroShop AG in accordance with the detailed provisions of the bond conditions. The conversion ratio will result from dividing the nominal value of a bond by the conversion price for a share in Deutsche EuroShop AG. Any notional fractions of shares that result will be settled in cash. The bond conditions may also stipulate that the number of shares to be subscribed for upon the exercising of conversion rights or following the fulfilment of conversion obligations, or a related conversion right, is variable. The proportion of the share capital – converted into a nominal value – represented by the shares to be issued upon conversion may not exceed the nominal value of the convertible bond.

## **4. Conversion obligation**

The bond conditions may also establish and define a conversion obligation, at the end of the term or at an earlier point in time (in either case referred to as “final maturity”) or make provision for Deutsche EuroShop AG having the right to grant the partial bond holders, upon final maturity, shares in Deutsche EuroShop AG, fully or partially in lieu of payment of the cash amount due. In these cases too, the proportion of the share capital, converted into a nominal value, represented by the shares to be issued upon conversion may not exceed the nominal value of the convertible bond.

## **5. Granting of new or existing shares; cash payment**

The bond conditions may make provision, in the event of conversion rights being exercised or upon fulfilment of conversion obligations, for Deutsche EuroShop AG to either grant new shares from conditional capital or grant existing shares in the Company, at its discretion.

The bond conditions may also make provision for Deutsche EuroShop AG to have the right, in the event of conversion rights being exercised or upon fulfilment of conversion obligations, to pay out the equivalent value of the shares in cash instead of granting shares in Deutsche EuroShop. The equivalent value corresponds, in accordance with the detailed provisions of the bond conditions, to the average closing auction price of the Deutsche EuroShop AG share in Xetra trading on the Frankfurt Stock Exchange, or in a successor system replacing the Xetra system, over the ten trading days preceding or following the declaration of conversion, or, in the case of conversion obligations, preceding or following the final maturity date.

## **6. Determination of the conversion price**

The bond conditions may provide for the conversion price to be adjusted during the term of the convertible bonds within a range stipulated by the Executive Board depending on the development of the share price or as a consequence of dilution protection provisions.

The conversion price to be set for a share in Deutsche EuroShop AG will be determined in euros and – even in the case of a variable conversion price – must

- a) amount to at least 80% of the average closing price of the shares in Deutsche EuroShop AG in Xetra trading on the Frankfurt Stock Exchange, or in a corresponding successor system, on the last ten trading days preceding the date of the resolution by the Executive Board on the issue of the convertible bonds,

or

- b) in the event that subscription rights are granted to the shareholders of Deutsche EuroShop AG, amount to at least 80% of the average closing price of the shares in Deutsche EuroShop AG in Xetra trading on the Frankfurt Stock Exchange, or in a corresponding successor system, over the period from the day on which the subscription period starts up to and including the day preceding the announcement of the definitive setting of the conditions pursuant to section 221 (4) sentence 3 in conjunction with section 186 (2) AktG.

By way of deviation from the above, in cases where a conversion obligation applies in accordance with point 4, the conversion price may correspond to the average closing price of the shares in Deutsche EuroShop AG in Xetra trading on the Frankfurt Stock Exchange, or in a corresponding successor system, over the ten trading days preceding or following the date of final maturity, even if this average price is below the minimum conversion price referred to under a) and /or b) above.

Section 9 (1) AktG and section 199 (2) AktG remain unaffected.

#### **7. Value-preserving adjustment of the conversion price in the event of dilution effects**

If, during the term of partial bonds that grant a conversion right or stipulate a conversion obligation, the economic value of the existing conversion rights /obligations is diluted and no subscription rights to shares in Deutsche EuroShop AG are granted as compensation for this, the bond conditions may stipulate that the conversion price – without prejudice to section 9 (1) AktG and section 199 (2) AktG – is adjusted in order to preserve value, unless the adjustment is already legally obligatory. In no case may the proportionate amount of the share capital represented by the shares to be subscribed for per partial bond exceed the nominal value of the individual partial bond.

Dilution effects may result in particular from changes in the capital (e.g. a capital increase or decrease or a share split), but also in connection with dividend payments (e.g. a special dividend), the issue of (additional) convertible bonds or warrant-linked bonds or other warrants, as well as in the case of extraordinary events that occur during the term of the convertible bonds (e.g. acquisition of control by a third party).

Instead of the conversion price being adjusted, in such cases the payment of a corresponding amount in cash by Deutsche EuroShop AG may be provided for in accordance with the detailed provisions of the bond conditions in the event of conversion or upon fulfilment of the conversion obligations.

#### **8. Subscription rights and exclusion of subscription rights**

Shareholders must be granted subscription rights. The convertible bonds may also be acquired by one or more banks or a syndicate of banks, subject to the obligation that they are offered to the shareholders of Deutsche EuroShop AG. If the convertible bonds are issued by a company in which Deutsche EuroShop AG directly or indirectly holds a majority interest, Deutsche EuroShop AG must ensure that subscription rights are granted to the shareholders of Deutsche EuroShop AG in accordance with the above.

The Executive Board is, however, authorised, with the Supervisory Board's approval, to exclude the above-mentioned statutory subscription rights of shareholders to convertible bonds with conversion rights to up to 10,000,000 shares in the Company in the following cases:

- (a) Exclusion of subscription rights pursuant to section 221 (4) sentence 2 in conjunction with section 186 (3) sentence 4 AktG

The subscription rights may be excluded provided that the convertible bonds are so established that their issue price is not significantly lower than their theoretical market value calculated in accordance with recognised financial methods. However, this authorisation to exclude subscription rights only applies insofar as bonds carrying conversion rights or obligations relating to shares representing a proportionate amount of Deutsche EuroShop AG's share capital not exceeding 10% in total are issued or are to be issued. The amount of share capital at the time the Annual General Meeting passes the resolution on this authorisation or – if lower – at the time this authorisation is exercised will be decisive for calculating this 10% limit.

This restriction to 10% of the share capital includes the sale of treasury shares, insofar as the shares are sold (exclusive of subscription rights) after this authorisation becomes effective, on the basis of an authorisation valid at the time this authorisation enters into effect or on the basis of an authorisation replacing this one, pursuant to section 71 (1) sentence 1 no. 8 sentence 5 in conjunction with section 186 (3) sentence 4 AktG. Also included in this limit are shares that are issued (exclusive of subscription rights) after this authorisation becomes effective by making use of an authorisation to issue new shares from authorised capital on which a resolution has been passed at the time this authorisation becomes effective or an authorisation replacing this one, pursuant to section 203 (1) sentence 1 in conjunction with section 186 (3) sentence 4 AktG.

The above authorisation to issue convertible bonds that carry conversion rights or obligations exclusive of subscription rights pursuant to section 221 (4) sentence 2 in conjunction with section 186 (3) sentence 4 AktG is also restricted to the extent that, following the exercising of the conversion rights or fulfilment of the conversion obligations, the shares to be issued together with shares that are issued exclusive of subscription rights for non-cash contributions on the basis of the authorised capital 2021 (article 5 of the Articles of Association) may not exceed 20% of the share capital existing at the time this authorisation becomes effective or – if lower – the share capital existing at the time use is made of the authorisation.

- (b) Exclusion of subscription rights for fractional amounts and to avoid dilution effects

If the Executive Board does not make use of the above authorisation to exclude subscription rights, subscription rights may be excluded for fractional amounts that arise on the basis of the subscription ratio.

- (c) Exclusion of subscription rights to avoid dilution effects

Subscription rights may also be excluded if this is necessary to be able to grant holders of previously issued warrant-linked or convertible bonds that carry warrants or conversion rights or warrant or conversion obligations relating to shares in Deutsche EuroShop AG subscription rights at the level to which they would be entitled following exercising of the conversion right or warrant or upon fulfilment of the warrant or conversion obligation.

#### 9. Authorisation to determine additional details

The Executive Board is authorised, with the Supervisory Board's approval, to determine, within the above framework, the bond conditions as well as the additional details relating to the issue and features of the convertible bonds and the conversion rights and obligations, in particular the interest rate, issue price, term and denomination, as well as the conversion period, or to do so in consultation with the bodies of the companies issuing the convertible bonds in which Deutsche EuroShop AG holds a majority interest.

#### II. Creation of new Conditional Capital 2021

New Conditional Capital 2021 will be created.

The Company's share capital will be conditionally increased by up to €10,000,000.00 through the issue of up to 10,000,000 new no-par value registered shares (Conditional Capital 2021). The conditional capital increase will be used to grant shares, upon the exercise of conversion rights or upon fulfilment of conversion obligations, to the holders of the convertible bonds issued on the basis of the authorisation given by the Annual General Meeting on 18 June 2021.

The new shares will be issued at the conversion price, as determined in accordance with the authorisation under I. and the bond conditions defined by the Executive Board with the Supervisory Board's approval on the basis of this authorisation. The conversion price is the issue price of the share.

The conditional capital increase will only be carried out if

- (a) the holders of conversion rights arising from convertible bonds issued or guaranteed up to 17 June 2026 by Deutsche EuroShop AG, or companies in which it directly or indirectly holds a majority interest, on the basis of the authorisation resolution of the Annual General Meeting on 18 June 2021 make use of their conversion rights, or
- (b) the issuer fulfils its conversion obligation arising from the convertible bonds issued or guaranteed up to 17 June 2026 by Deutsche EuroShop AG, or companies in which it directly or indirectly holds a majority interest, on the basis of the authorisation resolution of the Annual General Meeting on 18 June 2021,

and the Conditional Capital 2021 is required in accordance with the conditions applying to the convertible bonds (in particular, treasury shares are not used to service the bonds).

The new shares issued on the basis of the exercise of conversion rights or the fulfilment of conversion obligations will participate in profits from the beginning of the financial year in which they are created.

The Executive Board is authorised, with the Supervisory Board's approval, to determine the additional details that will apply to the conditional capital increase.

### III. Amendment of the Articles of Association

Article 6 of the Articles of Association will be rewritten as follows:

*“The Company’s share capital is to be conditionally increased by up to €10,000,000.00 through the issue of up to 10,000,000 new no-par value registered shares (Conditional Capital 2021). The conditional capital increase will be used to grant shares, upon the exercise of conversion rights or upon fulfilment of conversion obligations, to the holders of the convertible bonds issued on the basis of the authorisation given by the Annual General Meeting on 18 June 2021.*

*The new shares will be issued at the conversion price, as determined in accordance with the authorisation to issue convertible bonds of the Annual General Meeting on 18 June 2021 and the bond conditions defined by the Executive Board with the Supervisory Board’s approval on the basis of this authorisation. The conversion price is the issue price of the share.*

*The conditional capital increase will only be carried out if*

- (a) the holders of conversion rights arising from convertible bonds issued or guaranteed up to 17 June 2026 by Deutsche EuroShop AG, or companies in which it directly or indirectly holds a majority interest, on the basis of the authorisation resolution of the Annual General Meeting on 18 June 2021 make use of their conversion rights, or*
- (b) the issuer fulfils its conversion obligation arising from the convertible bonds issued or guaranteed up to 17 June 2026 by Deutsche EuroShop AG, or companies in which it directly or indirectly holds a majority interest, on the basis of the authorisation resolution of the Annual General Meeting on 18 June 2021,*

*and the Conditional Capital 2021 is required in accordance with the conditions applying to the convertible bonds (in particular, treasury shares are not used to service the bonds).*

*The new shares issued on the basis of the exercise of conversion rights or the fulfilment of conversion obligations will participate in profits from the beginning of the financial year in which they are created.*

*The Executive Board is authorised, with the Supervisory Board’s approval, to determine the additional details that will apply to the conditional capital increase.”*

### IV. Authorisation of the Supervisory Board

The Supervisory Board is authorised to amend the wording of article 6 of the Articles of Association depending on the utilisation of the conditional capital and following the expiry of all conversion periods, as well as to make all other amendments to the Articles of Association in connection with the above that concern only the wording. The same will apply in the event that the authorisation under I. has not been made use of upon expiry of the authorisation period and in the event that the conditional capital has not been utilised upon expiry of the periods for the exercising of conversion rights or the fulfilment of conversion obligations.

#### **Executive Board’s report on item 9 on the agenda pursuant to section 221 (4) sentence 2 in conjunction with section 186 (4) sentence 2 AktG regarding the subscription right exclusion for authorisation to issue convertible bonds:**

The proposed authorisation to issue convertible bonds with a total nominal value of up to €200 million and the creation of the associated conditional capital of up to €10,000,000.00 are intended to safeguard and enhance the options, explained in more detail below, that are open to Deutsche EuroShop AG to fund its activities, and should give the Executive Board, with the Supervisory Board’s approval, access to flexible and prompt funding in the interests of the Company, in particular when conditions are favourable on the capital market.

A distinction can be made here between two possible arrangements: Firstly, the Executive Board is authorised, with the Supervisory Board’s approval, to issue, on one or more occasions until 17 June 2026, interest-bearing convertible bonds to the shareholders of Deutsche EuroShop AG for cash or non-cash contributions and to attach conversion rights to the partial bonds that entitle the acquirers to subscribe for shares in Deutsche EuroShop AG up to a total of 10,000,000 shares, in accordance with the detailed provisions of the bond conditions. To facilitate settlement, however, full use is to be made of the option of issuing the convertible bonds to a bank or a syndicate of banks, subject to the obligation that the convertible bonds are offered to shareholders in accordance with their subscription rights (indirect subscription right within the meaning of section 221 (4) sentence 2 in conjunction with section 186 (5) AktG).

Secondly, the Executive Board is authorised to exclude the statutory right of shareholders to subscribe for the convertible bonds, albeit only within certain limits; on the one hand, this will only be possible to a very limited extent for two specific purposes and, on the other, to a greater extent only when certain strict prerequisites apply:

### 1. Exclusion of subscription rights for fractional amounts

In cases where subscription rights must be granted, it is to be possible to exclude subscription rights to the extent necessary to offset any fractional amounts arising when the subscription ratio is determined. Fractional amounts result from the amount of the issue volume and the presentation of a practicable subscription ratio. In such cases, an exclusion of subscription rights facilitates the settlement of the capital-raising measure, in particular of the subscription rights of shareholders.

### 2. Exclusion of subscription rights to avoid dilution effects

In addition, the possibility is to be available of excluding subscription rights so that the holders of previously issued warrant-linked or convertible bonds can be granted subscription rights. This exclusion of subscription rights for the benefit of holders of previously issued warrant-linked or convertible bonds will take place in consideration of the dilution protection to which they may be entitled in accordance with the bond conditions in the event of a further issue of warrant-linked or convertible bonds by the Company. Excluding subscription rights by making use of this authorisation is an alternative to adjusting the warrant exercise or conversion price, which would otherwise be necessary. This makes it possible to achieve a higher inflow of funds overall.

### 3. Exclusion of subscription rights pursuant to section 221 (4) sentence 2 in conjunction with section 186 (3) sentence 4 AktG

Furthermore, use is to be made of the option pursuant to section 221 (4) sentence 2 in conjunction with section 186 (3) sentence 4 AktG of excluding subscription rights also for the issue of convertible bonds. This authorisation to exclude subscription rights applies, with section 186 (3) sentence 4 AktG applying *mutatis mutandis*, insofar as the shares issued or to be issued to satisfy the conversion rights or in the case of conversion obligations do not exceed 10% of the share capital overall. The share capital at the time the resolution on this authorisation is passed by the Annual General Meeting or – if lower – at the time the authorisation is exercised must be decisive.

This restriction to 10% of the share capital will also include the issue of new shares for cash contributions, insofar as this takes place (exclusive of subscription rights) after this authorisation becomes effective by making use of an authorisation to issue new shares from authorised capital on which a resolution has been passed at the time that this authorisation or an authorisation replacing this one becomes effective, pursuant to section 203 (1) sentence 1 in conjunction with section 186 (3) sentence 4 AktG. This will include the sale of treasury shares, insofar as the shares are sold (exclusive of subscription rights) after this authorisation becomes effective, on the basis of an authorisation valid at the time this authorisation enters into effect or on the basis of an authorisation replacing this one, pursuant to section 71 (1) sentence 1 no. 8 sentence 5 in conjunction with section 186 (3) sentence 4 AktG.

Such inclusion ensures that no convertible bonds are issued exclusive of subscription rights pursuant to section 221 (4) sentence 2 in conjunction with section 186 (3) sentence 4 AktG if this would lead overall to the subscription rights of shareholders being excluded for more than 10% of the share capital in direct or indirect application of article 186 (3) sentence 4 AktG in the absence of a particularly pertinent reason. This more extensive restriction is in the interests of shareholders who wish to retain their participation quota as far as possible in the event of capital-raising measures.

The authorisation is also restricted to the extent that, in the event of the issue of convertible bonds excluding subscription rights pursuant to section 221 (4) sentence 2 in conjunction with section 186 (3) sentence 4 AktG, following the exercising of the conversion rights or fulfilment of the conversion obligations, the shares to be issued together with shares that are issued exclusive of subscription rights for non-cash contributions on the basis of the "authorised capital 2021" (article 5 of the Articles of Association) may not exceed 20% of the share capital existing at the time this authorisation becomes effective or – if lower – the share capital existing at the time use is made of the authorisation.

A prerequisite for an exclusion of subscription rights with section 186 (3) sentence 4 AktG applying *mutatis mutandis* is that the issue price for the convertible bonds is not significantly lower than their theoretical market value. The Executive Board will therefore calculate the theoretical market value of the convertible bonds in accordance with recognised actuarial methods and determine an issue price for the bonds that is not significantly lower than the theoretical market value, thereby ensuring that the prerequisites of section 186 (3) sentence 4 AktG are also observed in this respect in the utilisation of the Conditional Capital 2021.

This possibility of excluding subscription rights will allow the Executive Board, with the Supervisory Board's approval, to call on the capital markets swiftly and at short notice and, by setting the conditions in line with the market, to achieve optimum conditions when determining the interest rate and in particular the issue price of the convertible bond, for example. This will therefore enable the Executive Board to strengthen the Company's capital base. Placement excluding shareholders' subscription rights opens up the possibility of realising a substantially higher inflow of funds than in the case of an issue with subscription rights. A crucial aspect here is that the exclusion of subscription rights gives the Company the necessary flexibility to take advantage of favourable stock market situations at short notice. Although section 186 (2) permits publication of the subscription price in cases where subscription rights are granted (and therefore *mutatis mutandis* via section 221 (4) sentence 2 AktG the conditions for convertible bonds in the case of convertible bonds) up to the third to last day of the subscription period, the volatility of the capital markets means that a market risk also applies over several days in such cases and leads to safety margins when the bond conditions are set and therefore to conditions that are not in line with the market. Subscription rights also jeopardise a successful placement due to the uncertainty of these being exercised (subscription behaviour), and in any case this is associated with additional costs. Ultimately, the granting of subscription rights means that the Company is unable to respond swiftly to favourable or unfavourable market conditions due to the length of the subscription period, but may instead be exposed, in particular, to declining share prices during the subscription period that may lead to unfavourable financing conditions for the Company.

The requirement to protect shareholders is taken into account by setting the issue price of the convertible bonds at a level that is not significantly lower than their theoretical market value, as in this way there is no unreasonable dilution of the economic value of their shares:

It is possible to determine whether a dilution effect applies by calculating the theoretical market price of the convertible bonds in accordance with recognised actuarial methods and comparing it

with the issue price. If an obligatory check by the Executive Board reveals that this issue price is only marginally below the theoretical market price at the time the convertible bonds are issued, the value of a subscription right falls practically to zero. Shareholders therefore do not suffer any appreciable economic disadvantage as a result of subscription rights being excluded. In this case an exclusion of subscription rights is permitted in accordance with the spirit and purpose of the provisions of section 186 (3) sentence 4 AktG. The protection of shareholders against an unreasonable dilution of their shareholdings is therefore guaranteed by setting the issue price at a level that is not significantly lower than the theoretical market value.

The Executive Board may seek expert advice from third parties in situations it considers appropriate, in particular with regard to the determination of the theoretical market value of the convertible bond. For instance, a syndicate bank supporting the issue can ensure in a suitable manner that no appreciable dilution of the value of the shares is to be expected. Independently of this check by the Executive Board, it is also possible to ensure that conditions are set in line with the market and therefore that any appreciable dilution in value is prevented by carrying out a book-building process. With this process the convertible bonds are not offered at a set issue price; the issue price and interest rate in particular, as well as other individual conditions relating to the convertible bonds, are only set on the basis of the purchase applications submitted by investors and the total value of the convertible bond is determined in line with the market. This ensures that there is no appreciable dilution of the value of the shares in the Company as a consequence of the exclusion of subscription rights and that no economic disadvantage therefore arises for shareholders due to subscription rights being excluded.

The proposed conditional increase in the share capital by up to €10,000,000.00 is intended exclusively to ensure the issue of the necessary shares in Deutsche EuroShop AG upon the exercising of conversion rights and the fulfilment of conversion obligations, insofar as these shares are required and treasury shares are not employed, for example.

## I. Information on holding the virtual Annual General Meeting

With the consent of the Supervisory Board of the Company, the Annual General Meeting will be held as a virtual Annual General Meeting without the physical presence of shareholders or their authorised representatives (with the exception of the proxies appointed by the Company) in accordance with the Gesetz über Maßnahmen im Gesellschafts-, Genossenschafts-, Vereins-, Stiftungs- und Wohnungseigentumsrechts zur Bekämpfung der Auswirkungen der COVID-19-Pandemie (Act on Measures in Corporate, Cooperative, Association, Foundation and Condominium Law to Mitigate the Effects of the COVID-19 Pandemic) (article 2 of the Gesetz zur Abmilderung der Folgen der COVID-19-Pandemie im Zivil-, Insolvenz- und Strafverfahrensrecht (Act on Measures to Mitigate the Effects of the COVID-19 Pandemic in Civil, Insolvency and Criminal Procedure Law), Federal Law Gazette I 2020, p. 569, last amended by article 11 of the Gesetz zur weiteren Verkürzung des Restschuldbefreiungsverfahrens und zur Anpassung pandemiebedingter Vorschriften im Gesellschafts-, Genossenschafts-, Vereins- und Stiftungsrecht sowie im Miet- und Patentrecht (Act on the Further Abridgement of Residual Debt Exemption Proceedings and the Adjustment of Pandemic-Related Provisions in Corporate, Cooperative, Association and Foundation Law as well as in Tenancy and Patent Law of 22 December 2020), Federal Law Gazette I 2020, p. 3328; hereinafter “**COVID-19 Act**”).

The Annual General Meeting will be streamed live in video and audio (German only) for duly registered shareholders or their authorised representatives using the password-protected internet service at the web address [www.deutsche-euroshop.de/HV](http://www.deutsche-euroshop.de/HV) from 10:00 a.m. (CEST) on 18 June 2021. This transmission does not enable participation in the Annual General Meeting as defined by section 118 (1) sentence 2 AktG.

Shareholders who wish to exercise their shareholder rights at the virtual Annual General Meeting must register in advance (see below under “**II. Requirements for exercising shareholder rights at the virtual Annual General Meeting**”). Physical participation of shareholders or their authorised representatives (with the exception of the proxies appointed by the Company) in the virtual Annual General Meeting is excluded.

Shareholders can exercise their shareholder rights on the Internet at the following web address

[www.deutsche-euroshop.com/AGM](http://www.deutsche-euroshop.com/AGM)

using a password-protected internet service. In this way, shareholders (and, if applicable, their authorised representatives) can, among other things, register for the Annual General Meeting in accordance with the procedure provided for this purpose and the provisions outlined below, exercise their voting rights by electronic absentee ballot, grant powers of attorney to third parties as well as powers of attorney and instructions to the proxies appointed by the Company, submit questions or declare objections for the record.

Access authorisation is required to use the password-protected internet service. Details can be found below in section “**II. Requirements for exercising shareholder rights at the virtual Annual General Meeting**”.

## II. Requirements for exercising shareholder rights at the virtual Annual General Meeting

Shareholders who are registered in the share register as shareholders of the Company by midnight on 11 June 2021 (CEST) (“**technical record date**”) and who have duly registered with the Company by midnight on 11 June 2021 (CEST) are entitled to exercise their shareholder rights at the virtual Annual General Meeting, in particular their voting rights.

Registration can be completed electronically using the password-protected internet service or in text form.

### Electronic registration with the Company using the password-protected internet service

Shareholders can register with the Company electronically using the password-protected internet service at the web address [www.deutsche-euroshop.com/AGM](http://www.deutsche-euroshop.com/AGM) in accordance with the procedure defined by the Company.

Access authorisation is required to use the password-protected internet service. Shareholders who are entered in the Company's share register by no later than 0.00 a.m. (CEST) on 28 May 2021 will be sent their individual access data (access code and access password) together with the invitation to the virtual Annual General Meeting.

### Registration in text form

Shareholders can register with the Company in text form using the following address, fax number or email address:

Deutsche EuroShop AG  
c/o Better Orange IR & HV AG  
Haidelweg 48  
81241 Munich  
Germany  
Fax +49 (0)89 - 889 690 633  
Email: [deutsche-euroshop@better-orange.de](mailto:deutsche-euroshop@better-orange.de)



To facilitate registration in text form, a registration form will be sent to shareholders who are entered in the Company's share register by midnight on 28 May 2021, (CEST) at the latest, together with the invitation to the virtual Annual General Meeting. This registration form can also be downloaded from the Company's website at [www.deutsche-euroshop.com/AGM](http://www.deutsche-euroshop.com/AGM). It can also be requested free of charge from the Company, e. g. by sending an email to [deutsche-euroshop@better-orange.de](mailto:deutsche-euroshop@better-orange.de).

If the form sent by the Company is not used for registration, the shareholder registering must be clearly identified, for example by stating the full name or full company name of the shareholder, the address and the shareholder number. The individual access data (access code and access password) for the password-protected internet service will be sent to these shareholders after their registration has been received by the Company.

### Meaning of the technical record date

The number of votes to which a shareholder is entitled depends on the number of shares entered in the share register on the day of the Annual General Meeting. The registered number of shares must be the number registered on the date of close of registration for the Annual General Meeting, as no deletions, entries or amendments may be made in the share register in the six days prior to the Annual General Meeting or on the day of the Annual General Meeting itself pursuant to article 11 (5) of the Articles of Association. The technical record date is therefore midnight on 11 June 2021 (CEST). Acquirers of shares whose applications for changes of registration are received by the Company after midnight on 11 June 2021 (CEST) will therefore be unable to exercise the entitlements to participate in the Annual General Meeting and the voting rights of these shares. In such cases, the entitlements to participate in the Annual General Meeting and the voting rights of these shares will remain with the shareholder who is registered in the share register. However, the shares are not blocked in any way as a result of registering for the Annual General Meeting, meaning that shareholders can freely dispose of and – for example – sell their shares even after registration.

## III. Procedure for exercising voting rights

Shareholders can exercise their voting rights by means of absentee voting, through authorised representatives and proxies appointed by the Company.

### Exercising voting rights by means of absentee voting

Shareholders who have duly registered may cast their votes by means of absentee voting using electronic communication. In this case as well, timely registration for the Virtual General Meeting is required in accordance with the provisions outlined above in section "II. Requirements for exercising shareholder rights at the virtual Annual General Meeting".

Voting by electronic absentee ballot can be conducted electronically using the password-protected internet service on the Company's website at [www.deutsche-euroshop.com/AGM](http://www.deutsche-euroshop.com/AGM) in accordance with the procedure provided for this purpose. This absentee voting option will be available until voting begins at the Virtual Annual Meeting on 18 June 2021. The same applies to revoking or a changing a vote submitted by absentee ballot.

If an individual vote is held on an agenda item without this having been communicated in advance of the Annual General Meeting, the vote cast by absentee ballot on this agenda item must also be deemed to be a corresponding vote for each item of the individual vote.

Authorised intermediaries, shareholders' associations and proxy advisors or other persons treated as equivalent pursuant to section 135 (8) AktG may also use electronic absentee voting.

### Exercising voting rights through an authorised representative

Voting rights may also be exercised at the Annual General Meeting by an authorised representative, e. g. an intermediary, a shareholders' association, a voting advisor, the proxies appointed by the Company or any other third party of the shareholder's choice. In this case as well, timely registration for the Virtual General Meeting is required in accordance with the provisions outlined above in section "II. Requirements for exercising shareholder rights at the virtual Annual General Meeting".

Authorised representatives may exercise the voting rights for the shareholders they represent within the scope of their respective powers of attorney by means of absentee voting or by (sub)authorising the Company's proxies who are bound by instructions. Use of the password-protected internet service by the authorised representative requires that the authorised representative receives the corresponding access data.

If neither an intermediary, nor a shareholder association, nor a voting rights consultant nor an equivalent person or institution in accordance with section 135 (8) of the German Stock Corporation Act (AktG) is authorised, the power of attorney may be granted in writing, by fax or by means of electronic data transmission in accordance with article 13 (3) sentence 2 of the Articles of Association. The same applies to the revocation of a power of attorney.

The power of attorney may be declared to the person to be authorised or to the Company. A form that can be used to grant power of attorney will be sent to shareholders together with the invitation to the virtual Annual General Meeting. Corresponding forms are also available for download at [www.deutsche-euroshop.com/AGM](http://www.deutsche-euroshop.com/AGM).

Proof of authorisation may be sent to the Company, amended or revoked no later than midnight on 17 June 2021 (CEST) using the following postal address, fax number or email address

Deutsche EuroShop AG  
c/o Better Orange IR & HV AG  
Haidelweg 48  
81241 Munich  
Germany  
Fax: +49 (0)89 - 889 690 633  
Email: [deutsche-euroshop@better-orange.de](mailto:deutsche-euroshop@better-orange.de)

The time of receipt by the Company is decisive.

Proof of authorisation may also be sent, amended or revoked using the password-protected internet service at [www.deutsche-euroshop.com/AGM](http://www.deutsche-euroshop.com/AGM) until the day of the virtual Annual General Meeting.

On the day of the virtual Annual General Meeting itself, powers of attorney can only be submitted, amended or revoked until the start of voting using the password-protected internet service accessible at [www.deutsche-euroshop.com/AGM](http://www.deutsche-euroshop.com/AGM).

The aforementioned methods of transmission are also available until the dates specified above if the power of attorney is to be granted by declaration to the Company; in this case, no separate proof is required that the power of attorney has been granted. The revocation or amendment of a power of attorney already granted may also be declared directly to the Company using the aforementioned methods of transmission until the dates specified above.

Section 135 of the German Stock Corporation Act (AktG) applies in the case of authorisation of intermediaries, shareholder associations, voting rights consultants or an equivalent person or institution in accordance with section 135 (8) AktG.

Neither the law nor the Articles of Association require the written form for the authorisation of an intermediary, a shareholders' association or any other equivalent person, institution, company or association in accordance with section 135 (8) AktG. However, in these cases the persons to be authorised may require a special form of power of attorney as they must record this in a verifiable way in accordance with section 135 (1) sentence 2 AktG (in conjunction with section 135 (8) AktG if applicable). Please contact the authorised representative concerned about any special requirements that may need to be taken into account.

### **Exercising voting rights through the proxy appointed by the Company**

Deutsche EuroShop AG also allows its shareholders to authorise a Company-nominated proxy who must be bound by the instructions of the shareholder to act as their representative at the Annual General Meeting.

A form that can be used to grant power of attorney and issue instructions to the proxies appointed by the Company will be sent to shareholders together with the invitation to the virtual Annual General Meeting. It can also be downloaded from the Company's website at [www.deutsche-euroshop.com/AGM](http://www.deutsche-euroshop.com/AGM).

Powers of attorney may be granted and instructions to the proxies appointed by the Company may be issued by post, fax or email using the following address, fax number or email address by midnight on 17 June 2021 (CEST) at the latest:

Deutsche EuroShop AG  
c/o Better Orange IR & HV AG  
Haidelweg 48  
81241 Munich  
Germany  
Fax: +49 (0)89 - 889 690 633  
Email: [deutsche-euroshop@better-orange.de](mailto:deutsche-euroshop@better-orange.de)

In addition, proxies and instructions to the proxies appointed by the Company may be issued electronically using the password-protected internet service on the Company's website at [www.deutsche-euroshop.com/AGM](http://www.deutsche-euroshop.com/AGM) in accordance with the procedure provided for this purpose. This option of granting power of attorney and issuing instructions to the proxies appointed by the Company will be available until the start of voting at the virtual Annual General Meeting on 18 June 2021.

The above information on the possibilities of transmission and applicable deadlines apply mutatis mutandis to revoking the power of attorney that has been granted to the proxies appointed by the Company or to amending the instructions.

If proxies appointed by the Company are authorised, they must be given instructions on how to exercise the voting rights. The proxies are obliged to vote in accordance with the instructions given to them. The proxies of the Company do not accept any authorisations to submit objections to resolutions of the Annual General Meeting, to exercise the right to ask questions or to propose motions.

If an individual vote is held on an agenda item without this having been communicated in advance of the virtual Annual General Meeting, the instruction on this agenda item must also be deemed to be a corresponding instruction for each item of the individual vote.

#### **IV. Video and audio streaming of the Annual General Meeting on the Internet**

Registered shareholders and their authorised representatives can follow the entire Annual General Meeting live on the Internet in video and audio using the password-protected internet service available on the Company's website at [www.deutsche-euroshop.de/HV](http://www.deutsche-euroshop.de/HV) from 10.00 a.m. (CEST) on 18 June 2021 in accordance with the procedure provided for this purpose.

In order to activate internet transmission via the password-protected internet service, timely registration for the virtual Annual General Meeting is required in accordance with the provisions outlined above in section "II. Requirements for exercising shareholder rights at the virtual Annual General Meeting".

#### **V. Objection to a resolution of the Annual General Meeting**

Registered shareholders or their proxies who have exercised their voting rights by means of absentee voting or by granting power of attorney have the opportunity, during the duration of the virtual Annual General Meeting on 18 June 2021 until its closure by the chair of the meeting, to object to a resolution of the Annual General Meeting for notarisation in accordance with section 1 (2) sentence 1 no. 4 of the COVID-19 Act in conjunction with section 245 no. 1 AktG via the password-protected internet service for the Annual General Meeting in accordance with the procedure provided for this purpose.

#### **VI. Information on the rights of shareholders pursuant to sections 122 (2), 126 (1), 127 and 131 (1) AktG in conjunction with section 1 of the COVID-19 Act**

##### **Agenda motions pursuant to section 122 (2) AktG**

Pursuant to section 122 (2) AktG, shareholders whose shares together amount to at least one-twentieth or €500,000.00 of the share capital may request the inclusion and publication of motions on the agenda. Each new motion must be accompanied by an explanation or a proposed resolution. The respective shareholders must provide proof that they have been holders of the shares for at least 90 days before the date on which the request was received and that they will hold the shares until the Executive Board makes its decision on the application (cf. section 142 (2) sentence 2 AktG in conjunction with section 122 (1) sentence 3 and (2) sentence 1 AktG).

The request must be made in writing and be received by the Company by no later than midnight on 18 May 2021 (CEST). Please send requests to the following address:

Deutsche EuroShop AG  
Executive Board  
Heegbarg 36  
22391 Hamburg  
Germany

Motions to be published – unless already included in the invitation – must be published (German only) in the German Federal Official Gazette immediately upon receipt. In addition, they will form part of the notifications pursuant to section 125 AktG. They will also be published on the Company's website at

[www.deutsche-euroshop.de/HV](http://www.deutsche-euroshop.de/HV)

**Countermotions and nominations pursuant to sections 126 (1), 127 AktG in conjunction with section 1 (2) sentence 2 of the COVID-19 Act**

Shareholders may file countermotions and alternative election proposals to a proposal by the Executive Board and/or Supervisory Board on a specific item on the agenda. Such requests should be sent to the following address, stating the name of the shareholder and any reason(s) for the request:

Deutsche EuroShop AG  
Patrick Kiss  
Heegbarg 36  
22391 Hamburg  
Germany  
Fax: +49 (0)40 - 41 35 79 29  
Email: [ir@deutsche-euroshop.de](mailto:ir@deutsche-euroshop.de)

Countermotions by shareholders that are received at the given address at least 14 days before the date of the Annual General Meeting, i.e. no later than midnight on 3 June 2021 (CEST), must be published (German only) without delay on the Internet at

[www.deutsche-euroshop.de/HV](http://www.deutsche-euroshop.de/HV)

for the attention of all shareholders, together with any comments by the management, provided that the requirements for the obligation to publish pursuant to section 126 AktG are met. Countermotions by shareholders sent to any other address must not be considered. The above statements on section 126 (1) AktG (including those concerning the specified address) apply correspondingly to any proposal by a shareholder on the appointment of Supervisory Board members (provided these are the subject of the agenda item) or auditors pursuant to section 127 AktG.

Motions or nominations by shareholders which are to be made accessible pursuant to sections 126, 127 AktG in conjunction with section 1 (2) sentence 2 of the COVID-19 Act must be deemed to have been made at the Annual General Meeting if the shareholder submitting the motion or making the nomination is duly authorised and registered for the Annual General Meeting.

**Right to ask questions in accordance with section 1 (2) sentence 1, no. 3 of the COVID-19 Act**

Duly registered shareholders have the right to ask questions by means of electronic communication (section 1 (2) sentence 1 no. 3 of the COVID-19 Act).

Shareholder questions must be submitted by no later than midnight on 16 June 2021 (CEST) using the password-protected internet service on the Company's website at [www.deutsche-euroshop.de/HV](http://www.deutsche-euroshop.de/HV) in accordance with the procedure provided for this purpose. Questions submitted after this deadline or by other means will be disregarded.

Notwithstanding section 131 AktG, the Executive Board may decide at its own discretion in accordance with its duties how to answer the questions. The Executive Board may summarise responses in this regard. Only questions submitted in German will be considered. The Executive Board also reserves the right to answer questions in advance on the Company's website.

During the virtual Annual General Meeting, neither the right to information pursuant to section 131 AktG nor the right to speak and ask questions pursuant to a resolution of the Executive Board with the consent of the Supervisory Board are provided for. The Company would like to point out that the Investor Relations team will be available to answer questions outside of the Annual General Meeting.

With regard to exercising the right to ask questions, the aforementioned statements are equally applicable to the authorised representatives of shareholders, with the exception of the proxies appointed by the Company.

**Additional explanations of the rights of shareholders**

Additional explanations of the rights of shareholders pursuant to sections 122 (2), 126 (1), 127 and 131 (1) AktG in conjunction with section 1 of the COVID-19 Act can be viewed on the Internet at

[www.deutsche-euroshop.com/AGM](http://www.deutsche-euroshop.com/AGM)

## **VII. Publications on the Company's website**

Information pursuant to section 124a AktG will be published online for the attention of shareholders at

[www.deutsche-euroshop.de/HV](http://www.deutsche-euroshop.de/HV)

The voting results will also be published there after the end of the virtual Annual General Meeting.

## **VIII. Total number of shares and voting rights at the time of convening the Annual General Meeting**

At the time of convening this Annual General Meeting, the Company's share capital was divided into 61,783,594 no-par-value shares with a total of 61,783,594 voting rights. The Company does not hold any treasury shares at the time of convening this Annual General Meeting.

## **IX. Information about data protection**

Our Data Protection Statement regarding the processing of the personal data of our shareholders is available for inspection and download on the Company's website at [www.deutsche-euroshop.com/AGM](http://www.deutsche-euroshop.com/AGM).

Hamburg, May 2021

Deutsche EuroShop AG  
The Executive Board

**Minimum information pursuant to section 125 para. 2 German Stock Corporation Act (AktG) in connection with section 125 para. 5 AktG, article 4 para. 1 and table 3 of the annex to Implementing Regulation (EU) 2018/1212**

<b>Type of Information</b>	<b>Description</b>
<b>A. Specification of the message</b>	
1. Unique identifier of the event	DEQ062021oHV
2. Type of message	Meeting notice of a general meeting [format pursuant to Implementing Regulation (EU) 2018/1212: NEWM]
<b>B. Specification of the issuer</b>	
1. ISIN	DE0007480204
2. Name of issuer	Deutsche EuroShop AG
<b>C. Specification of the meeting</b>	
1. Date of the general meeting	<b>18.06.2021</b> [format pursuant to Implementing Regulation (EU) 2018/1212: 20210618]
2. Time of the general meeting	<b>10:00 hours (CEST)</b> [format pursuant to Implementing Regulation (EU) 2018/1212: 08:00 UTC]
3. Type of the general meeting	Ordinary annual general meeting [format pursuant to Implementing Regulation (EU) 2018/1212: GMET]
4. Location of the general meeting	Virtual general meeting: <a href="http://www.deutsche-euroshop.de/HV">www.deutsche-euroshop.de/HV</a>  Location of the general meeting as defined by the Stock Corporation Act: Saseler Damm 39b, 22395 Hamburg, Germany
5. Record Date	<b>11.06.2021 24:00 hours (CEST)</b> [format pursuant to Implementing Regulation (EU) 2018/1212: 20210611]
6. Uniform Resource Locator (URL)	<a href="http://www.deutsche-euroshop.de/HV">www.deutsche-euroshop.de/HV</a>

## **IMPRINT**

### **Published by**

Deutsche EuroShop AG, Heegbarg 36, 22391 Hamburg, Germany  
Phone.: +49 (0)40 - 41 35 79 0, Fax: +49 (0)40 - 41 35 79 29  
[www.deutsche-euroshop.com](http://www.deutsche-euroshop.com), [ir@deutsche-euroshop.com](mailto:ir@deutsche-euroshop.com)

### **Art Direction & Design**

Silvester Group, Hamburg, Germany

**DES**

Deutsche EuroShop