



Letter to the Shareholders

 Jochberg (Austria)

Dear Shareholders,

As we reflect on the year 2023, we welcome the opportunity to share the journey of HomeToGo with all our esteemed shareholders. **At the same time, we are excited about what lies ahead for us in 2024, marking our 10th anniversary as a company.**

2023 was another year filled with successes and major milestones in the development of the HomeToGo Group. We have achieved our number one goal for the year: Adjusted EBITDA break-even. This goal was of paramount importance. Moreover, our very successful Subscriptions & Services business accounted for more than 20% of the total Group's IFRS Revenues. With this, we reached our second goal promised during the IPO in 2021. Overall, this year has been a testament to our commitment to further shape the vacation rental industry, driving us closer to our vision of **making incredible homes easily accessible to everyone.**

Throughout the year, HomeToGo has continued its steadfast dedication to enhancing our experience for travelers, amplifying our regional presence, and spearheading AI innovation in the vacation rental industry. Our relentless focus on technology and building innovative solutions for travelers has propelled us toward new milestones and achievements.

Challenging macroeconomic conditions and geopolitical risks

In the beginning of 2023 we witnessed a continued pent up of post-pandemic travel demand, starting the year with a record Booking Revenues Backlog.¹ However, looking at the events of the financial year 2023, we cannot overlook the challenging macroeconomic conditions that shaped our journey as the year brought forth a complex and ever-changing economic landscape. Global economic uncertainties, inflationary pressures, and supply chain disruptions were just a few of the challenges that de-

finied the period. We recognized the potential impact on our industry and prepared ourselves to navigate these turbulent waters. Besides tense macroeconomic conditions, we have seen a continuation of the war in Ukraine and a new devastating war between Israel and Palestine unfolding during the fourth quarter. Besides these diverse challenges, HomeToGo's business model continues to prove resilient, which has also become evident by the great start into 2023.

Despite open trajectories with respect to economic conditions and geopolitical risks, the market for vacation rentals continued on its growth path and demonstrated yet again its strong resilience, and so did we at HomeToGo. In early 2024, The German Holiday Home Association (Deutscher Ferienhausverband) published their short term growth expectations for the German vacation rental market indicating a CAGR of 5-8% p.a. for the years 2024 until 2026.² For the financial year 2023, we were able to materially outpace the general market by growing our Booking Revenues by 16% compared to the previous year period. In 2024 we, once again, strive to outperform this growth with our unique marketplace offering the largest selection of vacation rentals worldwide and a first class experience, increasingly making us the first choice for travelers.

The HomeToGo share stopped its negative price performance during the course of 2022 and climbed 9.3% throughout 2023. Given the strong development in the beginning of the year where we were able to increase our share price by almost 50% compared to the year-end of 2022, we recognize that our share price performance throughout the year has not met the expectations we set for our Company. Despite reaching new highs in our business performance, HomeToGo's stock has followed a wider underperformance of Small Caps versus the Large Cap stock universe and an overall increasing level of volatility. We have also been able

¹ Booking Revenues generated in 2022 or prior with IFRS Revenues recognition in FY2023

² Deutsche Ferienhausverband e. V. (2024)

to successfully onboard new research analysts from renowned investment banks now covering the HomeToGo share on a regular basis. We are pleased to see that the attractiveness of our equity story appeals to the investment community.

Operational progress and strategic advancements

In 2023, we generated a record of **€190.1M in Booking Revenues, the highest value in HomeToGo's history, growing by 16% YoY in 2023 (vs. €163.7M in 2022) and resulting in an IFRS Revenues growth of 10% YoY to €162.0 million.** Despite the strong overall performance in FY/23, we also witnessed temporary weakness in demand during the summer time. We consciously did not counteract with higher marketing efforts in order to strictly preserve our number one target and 2023 priority to reach Adjusted EBITDA break-even.

Further reflecting on the past year, we have made tremendous progress in further developing our world-class marketplace: On the **demand side**, we have substantially enhanced our product experience to deliver high conversion and further scale retention. In 2023 we launched Modes, a new line of curated search experiences to make it faster, easier, and more convenient than ever to find a perfect vacation rental. With our **AI Mode**, the first edition in our Modes collection, we are proud to be the first vacation rental-focused marketplace to launch an AI product. This combines our deep expertise of working with machine learning and our passion for delivering seamless experiences to our travelers. Looking ahead, our product vision is to build a fully AI-powered marketplace. Besides being poised to continue our journey of technological excellence, we also ensure to deliver continuous value by being less reliant on paid marketing as travelers increasingly return to book again, **driving efficient repeat demand.** With an ROI-based marketing approach to build sustainable growth, we have significantly improved our Marketing and Sales cost ratio.

On the **supply side**, we continue to offer our thousands of partners access to an attractive customer base and ensure further technological enablement in offering solutions for the fragmented vacation

rental market. Most importantly, we are growing our partners and are among the most crucial booking channels for many already: Amongst the Top 25 partners, for **50% we rank amongst the two most important and for 90% we rank amongst the five most important booking channels.** We were also able to make further progress on our **CPA Take Rate** at new and existing inventory which we have **increased to 10.9%** on average whilst continuing to expand the international reach of the marketplace. Another highlight of this year's technological journey was that we are now able to allow hosts to directly list their inventory and enjoy the usability and distribution power of our marketplace.

In 2023 we expanded our profitable Subscriptions & Services business, which now represents more than 20% of HomeToGo Group's total IFRS Revenues. Going forward, we have established HomeToGo_PRO as an entirely new B2B brand and business segment, of which the former Subscriptions & Services business forms the core. From January 1, 2024, our B2C focused business will be grouped under our complementary Marketplace segment.

Our overarching goal: Increasing shareholder value

The newly created business segment HomeToGo_PRO consists of Software & Service Solutions for the whole travel market, with a special focus on SaaS for the supply side of vacation rentals. Besides providing higher transparency to the capital markets through a distinct segment reporting beginning from January 1, 2024, we are even further improving the actual steering and measurement of the underlying performance of the company with our external sets of reporting to the benefit of our shareholders.

2023 was also characterized by successful M&A transactions, namely by signing binding contracts shortly before year-end to acquire majority stakes in KMW Reisen GmbH and Super Urlaub GmbH, the two leading specialist providers in the DACH market for selling thematic travel bundled with hotel offerings for short trips. This deal offers us a unique opportunity to further strengthen our worldwide leading marketplace both on the demand and supply side. With the strength of the



company's lead brands Kurz Mal Weg and Kurzurlaub combined under one umbrella, these key brands will have the added benefit of access to our global reach and vacation rental selection as well as technology and marketing power while adding new demand from shoulder season travelers to our existing marketplace offering. This acquisition marks a significant milestone in our strategic journey as it aligns perfectly with our vision.

From a financial perspective the two acquired companies, which will be included in our Marketplace segment from financial year 2024 onwards, have clearly met our rigid M&A policy to only acquire profitable businesses that add directly and positively to our operational and financial performance. Together with their talented team, we'll be even more effective at targeting our combined travelers to drive high retention and further enhance HomeToGo's profitable repeat business.

In line with our vision to build a platform that enables and empowers travelers and partners to make more sustainable choices, we have evaluated our existing efforts for sustainability, social standards, and corporate governance practices by an external rating agency and achieved an industry-leading result. We are thrilled to report that we have reached a "Low Risk" score of 16 by Morningstar Sustainability, underscoring our leading commitment to sustainable business practices. This ranks HomeToGo in the Top 10 percent worldwide, both in the Soft-

ware & Services category and within the Internet and Software Services subcategory. Our ESG Rating places us well ahead of our direct peers with a substantially lower risk in comparison to the larger US-based incumbents in our industry. We firmly believe that our responsibility extends beyond providing an exceptional travel experience to actively contributing to the preservation of our planet's beauty for generations to come. We are motivated to raise the bar even higher, focusing on making continuous strides on all three ESG pillars in the future.

None of these achievements would have been possible without the unwavering dedication and hard work of the entire HomeToGo team. Their resilience, creativity, and passion have been the driving force behind our success, and we extend our heartfelt gratitude to each and every member of our HomeToGo team.

Looking ahead, we remain committed to pushing boundaries, exploring new horizons, and setting even more ambitious goals for the future. We are excited about the opportunity that lies ahead and are confident that we will continue to lead the way in revolutionizing the vacation rental market.

To our shareholders, colleagues, partners, and travelers: Thank you for your trust and continued support in HomeToGo. Here's to an even more remarkable journey ahead.

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