

THE SUPERVISORY BOARD



CHRISTOPH BARCHEWITZ
CHAIRMAN SUPERVISORY BOARD



DR. ANTONELLA MEI-POCHTLER
DEPUTY CHAIRMAN



THOMAS HARDING



CHRISTIAN STRAIN



OLIVER SAMWER



MICHAEL HOFFMANN
CHAIRMAN AUDIT COMMITTEE

SUPERVISORY BOARD REPORT

Dear Shareholders,

The fiscal year 2018 was a very successful year for Westwing Group AG (“**Westwing**” or the “**Company**”) with a loyal and growing customer base enabling solid growth and full-year Adjusted EBITDA profitability. Highlights of the year were the outstanding performance of the business in the DACH region, which proves the success of Westwing’s business model, and the continued loyalty of Westwing’s customer base with the Company making 85 % of revenue with customers who visit its sites and apps on average 100 times per year. Furthermore, Westwing’s IPO with our shares being admitted to trading on the regulated market of the Frankfurt Stock Exchange constitutes a major milestone in the 8-year history of the company.

Trading of Westwing shares commenced on October 9, 2018, with a final issue price of EUR 26 per share. This translated into a market capitalization of EUR 539m. The IPO generated proceeds of EUR 122m enabling investments in the technology platform and customer experience, enhancement of the product offering, investments into Own Label and Private Label, investments in strategic flexibility to drive current international market growth and repayment of debt.

Below, I would like to inform you about the work of the Supervisory Board and its committee during the fiscal year 2018.

Management Oversight and Other Key Supervisory Board Activities

The Supervisory Board duly performed its duties in accordance with the statutory requirements, the Articles of Association of Westwing Group AG, the Rules of Procedure of the Supervisory Board dated August 7, 2018 (the “**Supervisory Board Rules of Procedure**”), and the German Corporate Governance Code. The Supervisory Board obtained regular and detailed information, written and verbal, about business policy, significant financial, investment and personnel planning matters and the course of business. In particular, the Management Board discussed and agreed on the Company’s strategy with the Supervisory Board. Furthermore, the Supervisory Board was directly involved in all fundamental decisions.

Before adopting a resolution, any transactions that require Supervisory Board approval according to the Articles of Association and/or the Management Board Rules of Procedure were explained by the Management Board and discussed by the Supervisory Board and the Management Board. Discussions took place in meetings of the Supervisory Board or its committee or in informal communications with the Management Board outside the Supervisory Board meetings. The Chairman of the Audit Committee discussed audit-related topics with the auditor outside the meetings and without the involvement of the Management Board.

The Chairman of the Supervisory Board as well as other members of the Supervisory Board were also in regular contact with the Management Board outside the Supervisory Board meetings. The Supervisory Board also took some decisions via email.

The Supervisory Board discussed and reviewed the following topics in fiscal year 2018:

- The results for the first half year and the third quarter of 2018
- The development of business during the year
- The revenue and earnings planning of Westwing for 2019
- The strategic positioning and structure of the Group and the corporate organization
- The audit planning and quarterly reports
- The exchange of shareholding and option entitlements of local management and other supporters in respect of local subsidiaries of Westwing for shareholdings or option entitlements in Westwing in preparation of the IPO
- Divestment of the Company’s local subsidiaries in Brazil and Russia
- Entering into loans as part of the financing strategy prior to the IPO
- The entering into lease agreements for additional office space
- The utilization of the Greenshoe option
- Declaration of compliance with the German Corporate Governance Code

Cooperation Between Supervisory Board and Management Board

The Management Board and Supervisory Board cooperated closely for the benefit of Westwing in fiscal year 2018. In an ongoing dialogue between the boards, the Supervisory Board discussed strategy, planning, business development and risk management issues with the Management Board.

Cooperation between the Supervisory Board and Management Board involves the immediate notification of the Chairman of the Supervisory Board of important events and the requirement for the Supervisory Board to approve transactions of fundamental importance, transactions by members of the Management Board and related persons with Westwing and the acceptance of sideline work outside the entity.

Composition of the Supervisory Board and Committees

According to the Articles of Association of Westwing, the Supervisory Board has six (6) members. All members of the Supervisory Board are elected by the Annual General Meeting as shareholder representatives. The Supervisory Board is not subject to employee codetermination.

In fiscal year 2018, the Supervisory Board had one committee, the Audit Committee.

Meetings of the Supervisory Board and its Committees

The Supervisory Board met 14 times in fiscal year 2018 as well as until the date of approval of the financial statements in fiscal year 2019 in presence or by telephone/video conference and passed resolutions four (4) times by circulation.

The Audit Committee held a total of four (4) meetings. The outcome of the committee meetings was reported in the next plenary meeting.

Each Supervisory Board Meeting had a quorum.

All members of the Audit Committee attended the Supervisory Board committee meetings.

Members of the Management Board attended all Supervisory Board meetings, reporting to the Supervisory Board in detail on the course of the Company's and the Group's business, including on the development of the Company's revenue and profitability, position and business policy. The reports by the Management Board were also made available to the respectively absent members. The content of the reports by the Management Board were discussed in depth with the Supervisory Board. The topics addressed, and the scope of the reports met the legal requirements, the principles of good corporate governance and the requirements of the Supervisory Board.

The plenary meetings in fiscal year 2018 had a focus on business performance, profitable growth strategy and the preparations for the IPO. In this context, the Management Board gave regular updates about the IPO preparations and advised the Supervisory Board about the next steps. The Supervisory Board approved the capital increase required for the IPO. In preparing the IPO, the Supervisory Board also dealt with the shareholdings and option entitlements of local management and other supporters in respective local subsidiaries of Westwing that were exchanged for shareholdings or option entitlements in Westwing.

The Audit Committee discussed the quarterly and first-half-year results for fiscal year 2018, discussed and agreed on the general audit process and addressed the Company's obligations after the IPO.

In addition to holding meetings, the Supervisory Board and its committees discussed specific topics in conference calls. Furthermore, the Supervisory Board adopted several resolutions by circulation.

No conflicts of interest arose in respect of any member of the Supervisory Board in dealing with topics in the Supervisory Board.

Corporate Governance

Both the Management Board and Supervisory Board are committed to upholding the principles of good corporate governance in accordance with the recommendations of the Federal German Government Commission on the German Corporate Governance Code. In September 2018, the Supervisory Board and Management Board issued a declaration of compliance for Westwing in accordance with Sec. 161 AktG (“Aktengesetz”: German Stock Corporation Act) for the first time as part of its reporting on fiscal year 2018. This is published in the Investor Relations section on Westwing’s website, www.westwing.com. The few exceptions from the German Corporate Governance Code are described in the declaration.

The corporate governance report contains additional information on the Company’s corporate governance.

Audit of the Separate and Consolidated Financial Statements

Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft, Munich office, was elected as auditor for fiscal year 2018 by the Annual General Meeting and engaged by the Supervisory Board. The Supervisory Board issued the engagement of Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft. The following areas of audit focus were agreed upon:

- Audit of the books and records
- Audit of the separate financial statements, including the review and analysis of the early warning system for the detection of risks
- Audit of the consolidated financial statements in accordance with International Financial Reporting Standards (“IFRSs”)
- Audit of the combined management report of Westwing Group AG and the Group for fiscal year 2018

The auditor issued an unqualified auditor’s report in each case.

The Supervisory Board satisfied itself of the auditor’s independence and obtained a written declaration in this respect. The financial statements and the auditor’s long-form reports were sent to the members of the Supervisory Board. The Supervisory Board reviewed the separate and consolidated financial statements and the combined management report of Westwing. The results of the review by the Audit Committee and the results of its own review are fully consistent with the results of the auditor’s audit. Having completed its review, the Supervisory Board has no reason to raise any objections to the audit of the financial statements. The Supervisory Board has therefore approved the separate and consolidated financial statements of Westwing Group AG for fiscal year 2018. The financial statements of Westwing Group AG for 2018 are thus ratified.

The Supervisory Board would like to thank the Management Board and all employees of Westwing for the business success achieved, their hard work and their high level of commitment in fiscal year 2018.

Munich, March 27, 2019

On behalf of the Supervisory Board

Christoph Barchewitz