

– CONVENIENCE TRANSLATION ONLY –

Report from the Management Board on agenda item 9 (Resolution on cancellation of the existing authorization to acquire and use treasury shares and the granting of a new authorization to acquire and use treasury shares, including the authorization to cancel treasury shares acquired, to reduce the capital and to exclude subscription rights) and on agenda item 10 (Resolution on the cancellation of the existing authorization for the use of equity derivatives and granting of a new authorization for the use of equity derivatives in connection with the acquisition of treasury shares and the exclusion of subscription rights and tender rights)

The Management Board submits the following report pursuant to Section 71(1) no. 8 sentence 5 in conjunction with Section 186(4) sentence 2 Stock Corporation Act on agenda item 9 and agenda item 10 of this Annual General Meeting concerning the reasons for the authorization to exclude the shareholders' subscription rights during the sale of the treasury shares acquired:

With regard to agenda item 9, the Management Board and Supervisory Board propose authorizing the Company to acquire treasury shares equivalent to up to 10% of the Company's share capital existing at the time the resolution is adopted by the Annual General Meeting or, if this value is lower, existing at the time the authorization is exercised, up to August 4, 2026.

The intention of this authorization is to extend the possibility to buy back shares and use acquired shares. The Company acquired treasury shares on the basis of the authorization of the General Meeting of September 21, 2018 under agenda item 5. In order to give the Company full scope for action again for a period of five years, a new authorization is already to be granted to the Management Board this year, cancelling the existing authorization remaining after its partial use. The authorization also covers the use of treasury shares already acquired under the existing authorization pursuant to the resolution of the General Meeting of September 21, 2018 and previous authorizations. The treasury shares may be acquired both by the Company itself and by dependent companies or companies in which the Company holds a majority interest (group companies) or by third parties acting for the account of the Company or for the account of group companies.

With regard to agenda item 10, the Management Board and Supervisory Board propose to enable the Company to also use equity derivatives to acquire treasury shares, in addition to the possibilities provided for under agenda item 9.

Treasury shares may be purchased on the stock exchange or by way of a public purchase or Exchange Offer. The principle of equal treatment of shareholders set down in

Section 53a of the Stock Corporation Act must be observed. The proposed acquisition on the stock exchange or by way of a public purchase or Exchange Offer takes this into account. If the number of shares for which the put option is exercised exceeds the purchase volume intended by the Company in the case of a public purchase or Exchange Offer, the purchase or exchange will be effected on a pro rata basis in proportion to the shares put per shareholder. However, regardless of the number of shares put by the shareholder, a preferential acquisition or exchange of small numbers of shares up to one hundred (100) shares per shareholder may be provided for. Shares with a put price determined by the shareholder at which the shareholder is willing to sell the shares to the Company and which is higher than the purchase price determined by the Company will not be considered in the acquisition; this will apply in the same way in the case of an exchange ratio determined by the shareholder at which the Company would have to deliver and transfer more Exchangeable Shares for shares in the Company than at the exchange ratio determined by the Company.

- a) The proposed authorization provides that treasury shares acquired can be cancelled without a further resolution of the General Meeting or can be resold on the stock exchange or by means of a public offering made to all shareholders. The cancellation of the treasury shares will in principle lead to a reduction in the Company's share capital. However, the Management Board is also authorized to cancel the treasury shares without reducing the share capital as set out in Section 237(3) no. 3 Stock Corporation Act. This would increase the proportion of the remaining shares in the share capital pursuant to Section 8(3) Stock Corporation Act (notional value) on a pro rata basis. The principle of equal treatment under stock corporation law is observed in both of the above methods of disposal.
- b) The proposed authorization also provides that treasury shares acquired be used to implement a stock dividend (scrip dividend), in which shares in the Company are issued (also partially and/or optionally) against contribution of shareholders' dividend claims. This is intended to enable the Company to distribute a stock dividend on optimal term. In the case of a stock dividend, shareholders are offered the opportunity to contribute all or part of their entitlement to payment of the dividend arising from the resolution on the appropriation of profits adopted by the General Meeting to the Company as a contribution in kind in exchange for new shares in the Company. The distribution of a stock dividend may be effected as a rights issue, observing in particular the provisions of Section 186(1) of the Stock Corporation Act (minimum subscription period of two weeks) and Section 186(2) of the Stock Corporation Act (announcement of the issue amount no later than three days prior to the end of the subscription period). In certain cases, however, depending on the situation on the capital markets, it may be preferable to structure the distribution of a stock dividend in such a way that the Management Board, while offering all shareholders entitled to dividends new shares for subscription against contribution of their dividend entitlement in

compliance with the general principle of equal treatment (Section 53a Stock Corporation Act), thus economically granting the shareholders a subscription right, legally excludes the shareholders' subscription right to new shares as a whole. Excluding subscription rights in such a way allows the stock dividend to be distributed without the restrictions in Section 186(1) and 2 Stock Corporation Act referred to above and thus on more flexible terms. Since all shareholders are offered the new shares and excess dividend amounts are settled by cash payment of the dividend, excluding subscription rights in such a case appears justified and reasonable.

- c) Furthermore, the intention is that Management Board (or the Supervisory Board, as far as members of the Management Board are involved) will be able to use treasury shares in connection with various compensation or bonus schemes. The compensation or bonus schemes serve to provide targeted incentives to those participating in the scheme and at the same time are intended to bind them to the Company:
 - aa) They may be offered for purchase and transferred to persons who are or were employed by the Company or one of its affiliates, as well as to members of the Company's governing bodies or those of affiliates of the Company or their investment vehicles, holders of acquisition rights, in particular from options issued (by the Company's legal predecessors) which are or were issued by the Company, the Company's legal predecessors or its subsidiaries.
 - bb) They may be offered and transferred for the purpose of servicing virtual option rights to the persons entitled under the virtual options issued, in particular for the purpose of servicing virtual option rights granted by the Company prior to the change in the Company's legal form to a stock corporation to managing directors, employees and/or sponsors of the Company and/or its direct and/or indirect subsidiaries.
 - cc) They may be transferred to persons who are or were in an employment relationship with the Company or one of its affiliates on the basis of commitments in connection with their employment relationships.

Shareholders' subscription rights are to be excluded in this context. The use of these authorizations in connection with compensation and incentive schemes for persons who are or were employed by the Company or one of its affiliates, as well as members of governing bodies of the Company or affiliates of the Company within the meaning of Section 15 of the Stock Corporation Act may not lead to the pro rata amount in the share capital attributable to the newly issued shares exceeding a total of 10% of the Company's share capital, either at the time of the resolution by the Annual General Meeting on the above authorizations or at the time of utilization of these authorizations. In order to protect shareholders against dilution, this 10% limit will also include

shares issued or sold from authorized capital or conditional capital under incentive schemes to members of the Management Board and employees of the Company as well as to members of the management and employees of affiliates of the Company within the meaning of the Section 15 Stock Corporation Act during the term of these authorizations.

- d) Moreover, it will be possible for the Management Board to offer and transfer treasury shares to third parties with the consent of the Supervisory Board in exchange for contributions in kind, in particular but not exclusively in the context of business combinations or for the acquisition (also direct) of companies, businesses, parts of businesses or equity interests, as consideration for services provided by third parties not affiliated with the Company (in particular but not exclusively service providers) and for the acquisition (also direct) of assets or claims to the acquisition of assets, including claims against the Company or its group companies. In addition, the above shares may also be used to terminate or settle arbitration proceedings under company law at affiliated companies of the Company. Shareholders' subscription rights are to be excluded in this context. The proposed authorization is intended to strengthen the Company in the competition for interesting acquisition targets and to enable it to react to opportunities to acquire quickly, flexibly and in a manner that preserves liquidity. The proposed exclusion of shareholders' subscription rights takes this into account. The decision on whether to use treasury shares or shares from authorized capital in individual cases will be made by the Management Board, guided solely by the interests of the Company and the shareholders. When valuing the treasury shares and the consideration for them, the Management Board will ensure that the interests of the shareholders are adequately safeguarded. In doing so, the Management Board will take into account the stock market price of the Company's shares; a schematic link to a stock market price is not intended, in particular so that negotiation outcomes cannot be called into question again by fluctuations in the stock market price once achieved.

- e) It will also be possible for the Management Board to sell the treasury shares acquired to third parties by the Management Board against cash consideration and excluding the shareholders' subscription rights with the consent of the Supervisory Board, provided that the selling price per share in the Company is not significantly lower than the stock market price of the Company's shares. This authorization makes use of the possibility of a simplified exclusion of subscription rights permitted under Section 71(1) no. 8 sentence 5 Stock Corporation Act and Section 186(3) sentence 4 Stock Corporation Act, applied by analogy. This will enable the Management Board to quickly and flexibly take advantage of opportunities arising from favorable stock market situations and to achieve the highest possible resale price by setting a price close to the market price, in this way regularly strengthening equity or tapping new groups of investors.

The authorization is subject to the provision that the shares issued excluding subscription rights may not exceed a total of 10% of the share capital, whether at the time the resolution is adopted or at the time the authorization is exercised. Shares issued during the term of the resale authorization under Section 186(3) sentence 4 Stock Corporation Act, applied directly or by analogy, will count towards this limit. This also includes shares that are or can be issued to service convertible bonds, bonds with warrants or profit participation rights with conversion or option rights, provided that the underlying Bonds are issued in the future during the term of this authorization up to this point in time excluding subscription rights in accordance with Section 186(3) sentence 4 Stock Corporation Act.

The asset and voting right interests of the shareholders will be adequately safeguarded by this method of selling treasury shares. In principle, the shareholders have the option of maintaining the stake held by them on comparable conditions by purchasing shares on the stock exchange.

- f) Moreover, the Company will also have the possibility to use treasury shares to service purchase obligations or purchase rights in relation to shares in the Company arising from and in connection with convertible bonds or bonds with warrants, profit participation rights with conversion or option rights issued by the Company or one of its group companies. In order to provide the Company with the flexibility to prematurely repurchase convertible bonds, bonds with warrants or profit participation rights with conversion or option rights issued by the Company or one of its group companies in a manner that preserves liquidity, it will also be possible to offer and transfer the treasury shares to their holders as consideration. For this purpose, the shareholders' subscription rights must be excluded in each case. This also applies in the event of a sale of treasury shares by means of a public offering to all shareholders for the possibility of also granting the holders of such instruments rights to subscribe for the shares to the extent to which they would be entitled if the conversion or option rights had already been exercised (protection against dilution).
- g) Finally, the Management Board is authorized to exclude any fractional amounts in an offer to all shareholders. This is necessary for the technical processing of such an offer in order to avoid the issuing of fractional shares. The Management Board will utilize the shares excluded from the shareholders' subscription rights as fractional shares either by sale on the stock exchange or in another manner to the best possible advantage of the Company.

The acquisition of treasury shares using derivatives in the form of put or call options or a combination of both may only be effected through option transactions with a financial institution or over the stock exchange at near-market conditions. To avoid a dilutive effect, the acquisition of treasury shares using derivatives in the form of put or call options or a

combination of both is also limited to a maximum of treasury shares of equivalent to up to a total of 5% of the share capital, with the treasury shares acquired through derivatives being counted towards the maximum limit of 10% of the share capital of the Company when acquiring and holding treasury shares.

The authorization may be exercised in respect of shares in the Company acquired under this authorization or previous authorizations to acquire treasury shares.

The Management Board will report on any use of this authorization at the next General Meetings in accordance with Section 71(3) sentence 1 Stock Corporation Act.

Munich, in June 2021

Westwing Group AG

The Management Board