

**Report from the Management Board to the Annual General Meeting on agenda item 7 pursuant to article 5 SE Regulation in conjunction with sections 203 (2), 186 (4) sentence 2 German Stock Corporation Act (AktG)**

With regard to item 7 of the agenda for the Annual General Meeting on May 18, 2022, the Management Board has submitted a written report on the reasons for the exclusion of subscription rights in accordance with article 5 SE Regulation in conjunction with sections 203 (2), 186 (4) sentence 2 German Stock Corporation Act (AktG). The report has the following content:

In the period from February 1, 2013 up to and including 3 August 2018, prior to the change of the legal form of the Company into a stock corporation (and a European stock corporation (SE)), the Management Board and the Supervisory Board of the Company granted or promised share purchase rights to managing directors and employees of the Company and its direct or indirect subsidiaries ("**Beneficiaries**"). The Beneficiaries can exercise their share purchase rights against the Company within contractually defined periods by paying an exercise price. In addition, certain other contractually defined events must occur. In the period from February 1, 2013 up to and including August 3, 2018, the following share purchase rights were issued or granted

- In view of the IPO, Westwing Group GmbH, a legal predecessor of the Company established a new long-term incentive program (the "**Long Term Incentive Program 2019**"), under which the Company granted the members of the Management Board and other key employees of the Company and its direct or indirect subsidiaries as Beneficiaries a total of 2,333,250 options to purchase shares of the Company (share purchase rights) on the basis of generally standardized terms and conditions.
- Of these 2,333,250 share purchase rights, 2,112,000 share purchase rights (the "**First Tranche**") were granted on essentially the same terms and conditions to members of the Management Board and 19 other key employees of the Group, while 221,250 share purchase rights (the "**Second Tranche**") were granted to an additional 56 key employees of the Group.
- The Beneficiaries may exercise their share purchase rights in whole or in part no earlier than twelve months after the occurrence of a liquidity event or an IPO and a listing of the shares of the Company. The exercise price and the nominal value of the shares underlying the share purchase rights shall be adjusted in the event of pure capital increases, capital decreases and changes in the number of shares issued without a capital measure. The Company may require the exercise of the share purchase rights upon the occurrence of a liquidity event (which generally does not include an initial public offering). The share purchase rights lapse if the Beneficiary concerned does not exercise the share purchase rights within two weeks of such a request. In addition, after a period of 48 months following the occurrence of a liquidity event or an IPO, the Beneficiary is obligated, at the Company's request, to exercise all share purchase rights not yet exercised. The Company may, at its discretion, at any time satisfy share purchase rights or claims for delivery of shares under the share purchase rights by granting virtual shares or comparable instruments or cash settlement for the equivalent value of the share purchase rights.

- Westwing Group GmbH, a legal predecessor of the Company, has established another long-term incentive program (the "**Long Term Incentive Program 2016**") under which the Company granted members of the Management Board and other key employees of the Group as Beneficiaries a total of 434,850 options to purchase shares in the Company (share purchase rights) on the basis of generally standardized terms and conditions.

The share purchase rights granted under the Long Term Incentive Program 2016 can be exercised twelve months after the occurrence of a liquidity event or an IPO or listing of the shares of the Company. The exercise price and the nominal value of the shares underlying the share purchase rights shall be adjusted in the event of pure capital increases, capital decreases and changes in the number of shares issued without a capital measure. The Company may require the exercise of the share purchase rights upon the occurrence of a liquidity event (this does not normally include an IPO). The share purchase rights lapse if the Beneficiary concerned does not exercise the share purchase rights within two weeks of such a request. In addition, after a period of 48 months following the occurrence of a liquidity event or an IPO, the Beneficiary is obligated, at the request of the Company, to exercise all share purchase rights not yet exercised. The Company may, at its discretion, at any time satisfy share purchase rights or claims for delivery of shares under the share purchase rights by granting virtual shares or comparable instruments or cash settlement for the equivalent value of the share purchase rights.

The exercise prices of the share purchase rights under both programs vary depending on the issue date and range from EUR 1.00 to EUR 34.86.

In order to satisfy claims under these programs by delivering new shares in the Company, the Annual General Meeting of the Company held on June 5, 2018 authorized the Management Board, with the approval of the Supervisory Board, to increase the registered share capital by a total of up to EUR 8,000,000.00 against contributions in cash and/or in kind ("**Authorized Capital 2018/V**"). To date, no new shares have been issued under Authorized Capital 2018/IV. Due to partial utilization of Authorized Capital 2018/I, Authorized Capital 2018/III, Authorized Capital 2018/IV and Authorized Capital 2018/V, the authorized capital no longer exists in the legally permissible amount of half of the current registered share capital and the Company also no longer has the option of issuing shares without share purchase rights to the legally permissible extent. In addition, Authorized Capital 2018/V will expire on August 6, 2023. In order to enable the Company to back the share purchase rights with shares of the Company, the existing Authorized Capital 2018/V shall be cancelled, and new authorized capital shall be created to the extent permitted by the SE Regulation in conjunction with the German Stock Corporation Act (*AktG*), excluding subscription rights.

The subscription right of the shareholders is excluded for the Authorized Capital 2022/I.

The total pro rata amount of registered share capital attributable to the new shares issued may not exceed 10% of the Company's registered share capital existing at the time of the resolution on Authorized Capital 2022/I or - if either of these amounts is lower - at the time Authorized Capital 2022/I becomes effective or is exercised. To protect shareholders against dilution, shares issued or transferred under participation programs from authorized capital, conditional capital or treasury shares to members of the Management

Board and employees of the Company and to members of the management and employees of affiliated companies within the meaning of article 15 German Stock Corporation Act (*AktG*) since the resolution on Authorized Capital 2022/I shall be counted towards this 10% limit.

The Management Board is to be authorized to determine the further details of the capital increase and its implementation with the approval of the Supervisory Board; this also dividend entitlement of the new shares which, in deviation from article 9 (1) c) ii) SE Regulation in conjunction with section 60 (2) German Stock Corporation Act (*AktG*), may also be determined for a fiscal year which has already ended.

At the same time, these restrictions also limit a dilution of the voting rights of the shareholders excluded from the subscription right. Taking all these circumstances into account, this exclusion of subscription rights is necessary, suitable, appropriate and in the interests of the Company within the limits described.

If the Management Board issues shares from the new Authorized Capital 2022/I excluding subscription rights, it will report on this at the next Annual General Meeting.