Document in Accordance with Article 1(5) First Subparagraph, Point (ba)(iii) of Regulation (EU) 2017/1129

Date of the Document: February 17, 2025	
1. Issuer's name (including LEI), country of incorporation, link to website	The issuer is HomeToGo SE (LEI: 2221001IK1TS34BCHL37), a European Company (*Societas Europaea*) incorporated under the laws of the Grand Duchy of Luxembourg ("Luxembourg"), with its registered office at 9 rue de Bitbourg, L-1273 Luxembourg, Luxembourg and registered with the Luxembourg Trade and Companies Register (*Registre de Commerce et des Sociétés*) under registration number B 249273. The issuer's website is https://ir.hometogo.de.
2. Declaration about information	The issuer declares that, to the best of its knowledge, the information contained in this document is in accordance with the facts and that the document makes no omission likely to affect its import.
3. Name of competent authority and further statement	The competent authority of the issuer's home Member State is the Luxembourg Commission for the Supervision of the Financial Sector (*Commission de Surveillance du Secteur Financier* – CSSF). This document does not constitute a prospectus within the meaning of Regulation (EU) 2017/1129 and has not been subject to the scrutiny and approval by the competent authority of the home Member State.
4. Statement of compliance	Throughout the period of being admitted to trading, the issuer continuously complies with reporting and disclosure obligations, including under Directive 2004/109/EC and Regulation (EU) No 596/2014.
5. Availability of regulated information	Regulated information published by the issuer pursuant to ongoing disclosure obligations is available on the website of the Luxembourg Officially Appointed Mechanism (https://www.luxse.com/issuer-services-overview/oam/oam-search). The issuer's most recent prospectus, which was published under the issuer's prior name (Lakestar SPAC I SE) on September 21, 2021, can be downloaded on the website of the Luxembourg Officially Appointed Mechanism (https://www.luxse.com/issuer-services-overview/oam/oam-search). The validity of the prospectus expired on September 21, 2022. The information in the prospectus is as of the date of the prospectus and any obligation to supplement the prospectus in the event of significant new factors, material mistakes or material inaccuracies ended with the commencement of trading of the new class A shares on the Frankfurt Stock Exchange, which was September 23, 2021.
6. Reason for issuance and use of proceeds	The 53,125,000 redeemable class A shares in the issuer, which are the subject of this document and for which admission to trading on the regulated market of the Frankfurt Stock Exchange (*Prime Standard*) is sought (the "**New Shares**"), have already been placed with investors against cash consideration of in total €85 million to fund a part of the CHF 150 million (ca. €160 million) purchase price for the acquisition of the Interhome Group ("**Interhome**") from Migros (further deferred purchase price payments of up to CHF 85 million (ca. €90 million) may become due in tranches between 2026 and 2029). The net proceeds are expected to amount to approximately €81.7 million and will be applied towards the Interhome purchase price. If the Interhome acquisition, for which a definitive share purchase agreement was entered into on February 12, 2025, does not close, the net proceeds will be used for general corporate purposes.
7. Risk factors	An investment in redeemable class A shares of the issuer is subject to risks. The market price of the shares could decline if any of these risks were to materialize, in which case investors could lose some or all of their investment. The following risks, alone or together with additional risks and uncertainties not currently known to the issuer, or that the issuer might currently deem immaterial, could have a material adverse effect on our future business, financial condition, cash flows, results of operations and prospects. In compliance with Annex IX point (VIII) of Regulation (EU) 2017/1129, the risk factors featured below are limited to risks that are specific to the issuer. There may be other general risks associated with an investment in the shares of the issuer, which if they materialize have a material adverse effect on the issuer or the investment in the issuer's shares. The following risk factors are categorized into subcategories based on their nature. The order of the risk factors does not indicate their materiality. **A. Risks Related to the Industry in which we operate** Increasing competition and consolidation in our industry could result in a decrease in the amount and types of accommodation that we offer on our platform, the value of our services to users and a loss of users, which would adversely affect our business, financial performance and prospects: The HomeToGo Group, consisting of the issuer and its consolidated subsidiaries (together, "**HTG**", also referred to as "**we**", "**our**", "**us**", "**ourselves**"), operates a leading business-to-consumer (B2C) market place for vacation rentals (Marketplace segment) and offers business-to-business (B2B) software & service solutions for the travel market with a focus on software for the supply side of vacation rentals (HomeToGo_PRO segment). The travel industry is highly and increasingly competitive. Many of our current and potential competitors may have deeper budgets, a longer company and/or operating history, a larger user base, a wider range of products and services, a greater name and a better brand recognition and customer loyalty in certain markets and/or significantly greater financial, marketing, personnel, technical and other resources than we do. Some of these competitors may be able to offer products and services on more favorable terms devoting significantly greater resources to marketing and promotional campaigns, attracting and retaining key employees, securing property suppliers, website and systems development, research and development, and enhancing the speed at which their services return user search results. Many of these competitors may also offer user incentives, such as loyalty points or priority access to services, which may not be available if travelers book through third-party sites or services like ours. In addition, search engines have developed or might develop their own booking platforms, favoring their own products and promoting such products to their users. Global climate protection efforts may result in changing consumer preferences that affect travel demand and accessibility: Any trend to travel less to protect the planet could affect customers' willingness to book multiple vacations per year and/or long-distance travel. Stakeholder concerns, as well as media coverage about "flight shaming" or any negative coverage about the concept of "workation", could negatively impact a customer's willingness to travel. Pressure to use sustainable modes of transportation may make it more difficult for some of our inventory to be accessible, and hence less attractive to book. With increasing repercussions caused by the severity of climate change, the inaccessibility of certain regions due to extreme weather conditions or natural disasters might make it more difficult or even impossible to travel to relevant destinations, which could negatively affect our bookings. **B. Risks related to our Business Activities** HTG has incurred net losses in each year since inception, and we may not be able to achieve profitability: HTG incurred net losses of €177.0 million, €53.5 million, €28.3 million and €7.1 million for 2021, 2022, and 2023 and for the nine months ended September 30, 2024, respectively. Historically, HTG has invested significantly in efforts to grow its platform, introduced new or enhanced offerings and features, increased its marketing spend, expanded its operations, hired additional employees. We anticipate continuing to make significant investments in our business, including improvements on our platform technology, infrastructure and our payment methods in the future. These efforts may prove more expensive than we currently anticipate, and we may not succeed in increasing our revenue sufficiently to offset these higher expenses. In addition, we may in the future reduce our commission for strategic or competitive

reasons. Any failure to increase our revenue or to manage the increase in our operating expenses could prevent us from achieving or sustaining profitability as measured by net income.

We may not be able to maintain or grow our revenue or our business: HTG experienced significant growth in the past, with total revenue increasing from €94.8 million in 2021 to €146.8 million in 2022, and to €162.0 million in 2023 and at €176.7 million in the nine months ended September 30, 2024. Similarly, the number of offers imported into our technology system from contracted online travel agencies ("**OTAs**"), tour operators, property managers and other inventory suppliers (together, "**Partners**") via technical interfaces (consisting of vacation rentals, hotels and other accommodation types, including multiple offers of the same property if offered by more than one Partner on our websites, collectively "**Offers**") since HTG's inception in 2014 has grown to over 15 million. However, there can be no assurance that we will be able to sustain these historic levels of revenue or inventory growth, or that we will continue to experience any growth at all. We anticipate that our growth rate will decline over time as we achieve higher market penetration rates in all markets in which we operate. To the extent our growth rate slows, our business performance will become increasingly dependent on the efficiency of our operations and the management of our cost-base as well as our ability to achieve economies of scale by, among other things, using our operating leverage and reducing marketing costs in relation to our revenue. HTG has made and we are continuing to make investments in optimizing and localizing our user experience, our fulfillment and technology infrastructure and the development of mobile applications. However, there is no assurance that these efforts will be sufficient to grow our revenue or business in total or in relation to the costs we incur. If our revenue growth slows or if our revenue declines, this could have a material adverse effect on our business, financial condition, results of operations and prospects.

We might elect to pursue new business opportunities, develop new websites or apps, or offer new products, or services, which could prove to be non-cost-effective or otherwise unsuccessful: With a platform built for scale and geographic expansion, we continuously assess opportunities to expand into new geographic markets. While HTG has a track record of market entries, we need to tailor our offering to the specific circumstances of every new geography, which results in significant investments. However, we may not be able to reach our strategic goals for these new markets or these markets may prove less attractive than anticipated. If we launch but fail to generate satisfactory returns from any such expansion, it could have a material adverse effect on our business, financial condition, results of operations and prospects. If we choose to enter into new markets, expand our product offering or develop new businesses, websites, apps, software, promotions, sales formats or services, we believe would be compatible with, adjacent to, or complementary to our existing business, there can be no guarantee that any such endeavor will succeed. As a result, we may need to discontinue parts of our business. Any such expansion initiative that is not favorably received by customers or suppliers could damage our reputation and brand, and any expansion or alteration of our operations could require significant additional expenses and divert management and other resources, which could in turn negatively affect our results of operations. Furthermore, our suppliers could consider our development of new products as an increase in direct competition and stop providing services to us or only at less favorable terms.

The closing of our agreed acquisition of Interhome is subject to certain conditions; if these are not satisfied, the transaction may not close and we would not be able to grow our business as currently intended: On 12 February 2025, we entered into a definitive share purchase agreement with Migros for the acquisition of Interhome. In the same agreement, DERTOUR Group, a renowned international tourism group, agreed to acquire the other entities in Hotelplan Group, of which Interhome is currently a part. Closing of the transaction is subject to regulatory approvals for both the acquisition of Interhome by HTG and of the other entities in Hotelplan Group by DERTOUR Group, as well as other customary conditions. If one or more of these conditions are not satisfied, including if DERTOUR Group does not receive regulatory approval to acquire the other entities in Hotelplan Group, we may not be able to close the transaction. In this case, we would not be able to grow our business and use the proceeds from the issuance as currently intended. Any failure to close the Interhome acquisition could also have a material adverse effect on our share price.

Any failure to successfully execute and integrate acquisitions could materially adversely affect our business, results of operations and financial condition: HTG has acquired multiple businesses since 2018 and we will continue to regularly evaluate potential acquisitions. Most recently, HTG entered into an agreement to acquire the Interhome business.
We may expend significant cash or incur substantial debt to finance further acquisitions, which indebtedness could result in restrictions on our business and significant use of available cash to make payments of interest and principal. In addition, we may also finance other acquisitions by issuing equity or convertible debt securities, which could result in further dilution to our existing stockholders. We may enter into negotiations for acquisitions that are not ultimately consummated. Those negotiations could result in diversion of management time and significant out-of-pocket costs. If we fail to evaluate and execute acquisitions successfully, our business, results of operations, and financial condition could be materially adversely affected.
Although we have conducted due diligence on Interhome, there is no assurance that this diligence revealed all material issues that may be present in Interhome's business or that factors outside of our or Interhome's control will not later arise. Even if our due diligence successfully identified certain risks, unexpected risks may arise and previously known risks may materialize in a manner not consistent with our preliminary risk analysis. As a result, we may be forced to write down or write off assets, restructure operations, or incur impairment or other charges that could result in losses. Even though these charges may be non-cash items and may not have an immediate impact on our liquidity, any significant charges of this nature could contribute to negative market perceptions about us or our securities. In addition, charges of this nature may cause us to be unable to obtain future financing on favorable terms or at all.
In addition, we may not be successful in integrating acquisitions, including the Interhome business, or the businesses we acquire may not perform as well as we expected. While our acquisitions to date have not caused major disruptions in our business, any future failure to manage and successfully integrate acquired businesses could materially adversely affect our business, results of operations, and financial condition. Acquisitions involve numerous risks, including the following:

- difficulties in integrating and managing the combined operations, technology platforms, or offerings of the acquired companies and realizing the anticipated economic, operational, and other benefits in a timely manner, which could result in substantial costs and delays, and failure to execute on the intended strategy and synergies;
- failure of the acquired businesses to achieve anticipated revenue, earnings, or cash flow;
- diversion of management's attention or other resources from our existing business;
- our inability to maintain the key customers, business relationships, suppliers, and brand potential of acquired businesses;
- uncertainty of entry into businesses or geographies in which we have limited or no prior experience or in which competitors have stronger positions;
- responsibility for the liabilities of acquired businesses, including those that were not disclosed to us or exceed our estimates;
- difficulties in or costs associated with assigning or transferring to us or our subsidiaries the acquired companies' intellectual property or its licenses to third-party intellectual property;
- challenges in integrating the workforce of acquired companies and the potential loss of key employees of the acquired companies; and
- challenges in ensuring strict compliance with rules and regulations applicable to an acquired business.

	<u>We rely on external financing to support the continued growth of our business and may require additional capital, which might not be available on economically acceptable terms, or at all</u>: To finance a part of the purchase price for Interhome, we entered into a €75 million senior loan facility with UniCredit and KfW that has a term until December 2027. Going forward, we may fail to generate sufficient cash flow, in which case we would require additional capital to re-finance this obligation, finance any deferred payments of the purchase price for Interhome and/or finance our future growth and further scale our operations. We may also require additional capital if we encounter difficulties in meeting obligations associated with our other financial liabilities. HTG recorded negative cash flows from operating activities during the last three years. If we are not able to generate or raise the required capital on economically acceptable terms, or at all, we may be forced to limit or even scale back our operations, which may adversely affect our growth, business and market share and could ultimately lead to an insolvency of the issuer. If we choose to raise capital by issuing new shares, our ability to place such shares at attractive prices, or at all, depends on the condition of equity capital markets in general and the share price of the issuer in particular, and such share price may be subject to considerable fluctuations. If we choose to raise capital through debt financing, such financing may require us to post collateral in favor of lenders or accept other restrictions on our business and financial position (e.g., in the form of covenants). Such restrictions may adversely affect our operations and prevent us from growing our business as intended. A breach of covenants may trigger immediate prepayment obligations or may lead lenders to seize collateral posted by us, all of which may adversely affect our business. In addition, if we raise capital through debt financing on unfavorable terms, this could adversely affect our operational flexibility and profitability. <u>Partners, Users, or third-party actions that are criminal, violent, inappropriate, or dangerous, or fraudulent activity, may undermine the safety or the perception of safety of our platform and our ability to attract and retain Partners and consumers who visit our websites ("**Users**") and materially adversely affect our reputation, business, results of operations, and financial condition</u>: We have no control over or ability to predict the actions of Users renting a property or third parties, such as neighbors or invitees, either during the User's rental, or otherwise, and therefore, we cannot guarantee the safety of our Partners, Users, and third parties. The actions of Partners, Users, and other third parties have resulted and can further result in fatalities, injuries, other bodily harm, fraud, invasion of privacy, property damage, discrimination, brand and reputational damage. We do not verify the identity of all of our Partners and Users, nor do we verify or screen third parties who may be present during a reservation made through our platform. We do not independently verify the safety, suitability, location, quality, compliance and legal compliance, such as fire code compliance or the presence of carbon monoxide detectors, of all our Partners' Offers. HTG has in the past relied, and we may in the future rely, on Partners to disclose information relating to their Offers and such information may be inaccurate or incomplete. HTG has faced civil litigation, regulatory information requests, and inquiries involving allegations of, among other things, unsuitable Offers, practices or behavior by Partners, Users, and third parties, general misrepresentations regarding the accuracy of Offers on HTG's platform, and other Partners, Users, or third-party actions that are criminal, or fraudulent. Offers that are inaccurate, or of a lower-than-expected quality may harm Users and public perception of the quality and safety of Offers on our platform and materially adversely affect our reputation, business, results of operations, and financial condition. If Partners, Users, or third parties engage in criminal activity, misconduct, fraudulent, negligent, or inappropriate conduct or use our platform as a conduit for criminal activity, Users may not consider our platform and the Offers on our platform safe, and we may receive negative media coverage, or be subject to involvement in a government investigation concerning such activity, which could adversely impact our brand and reputation, and lower the adoption rate of our platform. The methods used by perpetrators of fraud and other misconduct are complex and constantly evolving, and our trust and security measures have been, and may currently or in the future be, insufficient to detect and help prevent all fraudulent activity and other misconduct. In some cases, Users have informed our customer service on potentially fraudulent Offers (e.g., Partners asking for bank transfer to them directly and then fail to provide the property address/check-in information; Partners canceling booking without reason). <u>Our business depends on our strong brands, which we might not be able to maintain or enhance, and unfavorable customer feedback or negative publicity could adversely affect our brands</u>: Maintaining and enhancing our main brands, in particular our key brand HomeToGo, is critical to expand and retain our base of Users and Partners, to compete effectively, to preserve and deepen the engagement of our existing Users and Partners, to maintain and improve our standing in the communities where our Partners operate, including our standing with regulatory bodies, and to mitigate legislative or regulatory scrutiny, litigation, and government investigations. We are heavily dependent on the perceptions of Users and Partners who use our platform to help make word-of-mouth recommendations that contribute to our growth. Any incident, whether actual or rumored to have occurred, involving the safety or security of Offers, Partners or Users, fraudulent transactions, or incidents that are mistakenly attributed to our brands, and any media coverage resulting therefrom, could create a negative public perception of HTG, which would adversely impact our ability to attract Users and Partners. When Partners cancel reservations or fail to provide timely refunds to Users in connection with cancellations, User perception of the value of our company is adversely impacted and may cause Users to not use our platform in the future. The impact of these issues may be more pronounced if we are seen to have failed to provide prompt and appropriate User support or our platform policies are perceived to be too permissive or too restrictive, or if we are perceived to provide Partners and/or Users with unsatisfactory resolutions. Moreover, media backlash due to publishing or an executive being quoted in controversial or politically incorrect information could lead to loss of reputation for our brands towards Users and Partners as well as potential investors and impact us financially. In addition, our brand and reputation could be harmed if we fail to act responsibly or are perceived as not acting responsibly, or fail to comply with regulatory requirements as interpreted by certain governments or agencies thereof, in a number of other areas, such as safety and security, data security, privacy practices, provision of information about Users and activities on our platform, sustainability, human rights, diversity, non-discrimination, and support for employees and local communities. Media, legislative, or government scrutiny around HTG, including the perceived impact on affordable housing and over-tourism, neighborhood nuisance, privacy practices, provision of information as requested by certain municipalities or agencies thereof, content on our platform, business practices and strategic plans, impact of travel on the environment, and public health policies that may cause geopolitical backlash, our Partners, and our practices relating to our platform, Offers, employees, competition, litigation, and response to regulatory activity, could adversely affect our brands and our reputation with our Partners and Users. Social media compounds the potential scope of the negative publicity that could be generated and the speed with which such negative publicity may spread. Any resulting damage to our brands or reputation could materially adversely affect our business, results of operations, and financial condition. We rely on our Partners, who operate their own booking platform, to provide trustworthy reviews and ratings from their platform that Users of our websites may rely upon to help decide whether or not to book a particular Offer and that we use to enforce quality standards. We rely on these reviews to further strengthen trust among Users. Our Users may be less likely to rely on reviews and ratings if they believe that the reviews and ratings we provide them with are not trustworthy. <u>Our investments to increase brand awareness, to generate website or app traffic and to build or retain a loyal User base may not be effective</u>: HTG has made significant investments related to brand awareness, User acquisition and User loyalty, and we expect to continue to spend significant amounts to attract new and retain existing Users. For example, HTG has incurred, and we will continue to incur, significant expenses in marketing through a broad range of media to attract website and app traffic, to increase User loyalty and repeat bookings to increase revenue and maintain our brand awareness and recognition. These expenses include substantial outlays

for offline marketing, especially television advertising, and online marketing such as search engine marketing (SEM), search engine optimization (SEO) and the use of social media, including different social media channels of influencers. Therefore, we rely on third-party marketing services, search engines and social media, which might fail to deliver sufficient visits or impressions, or attracted visitors might not make sufficient bookings. Our decisions regarding investments in User acquisition substantially depend upon our analysis of the historic profit contribution generated from Users we acquired in earlier periods. There can be no assurance that our assumptions regarding required User acquisition investment and resulting revenue from such Users, including those relating to the effectiveness of our marketing expenditures, will prove to be correct or that our marketing efforts and other promotional activities will achieve what we consider to be a good mix of advertising and marketing at a cost we consider to be economically viable. We cannot guarantee that certain methods of advertising that we currently utilize will not become less effective, be prohibited or otherwise be unavailable to us in the future. Our marketing partners might be unable to deliver the anticipated number of User visits or impressions, or Users that are attracted to our websites by such campaigns might not make as many bookings as anticipated by us. Moreover, changes to search engines' algorithms or terms of services could exclude our websites from, or rank them lower in, search results.
If we are unable to maintain and enhance our brand awareness, increase website or app traffic, translate enough Users into booking accommodations, acquire new Users and maintain a loyal User base, increase repeat bookings from Users, or do any of the foregoing on a cost-effective basis, our future growth could be limited or our revenue could even decline. The occurrence of any of these events, alone or in combination, could have a material adverse effect on our business, financial condition and results of operations which is critical to the success and profitability of the issuer.

<u>If we fail to retain existing Partners or add new Partners, or if Partners fail to provide high-quality properties, our business, results of operations, and financial condition would be materially adversely affected</u>: Our business depends on our Partners maintaining their Offers on our platform and engaging in practices that encourage Users to book those Offers, including increasing the number of nights that are available to book, providing timely responses to inquiries from Users, offering a variety of desirable and differentiated Offers at competitive prices that meet the expectations of Users, and offering exceptional hospitality and services to Users. These practices are outside of our direct control. If Partners do not establish or maintain enough Offers and availability for their properties, the number of nights booked declines for a particular period, or the price charged by Partners declines, our revenue would decline and our business, results of operations, and financial condition would be materially adversely affected. Partners manage and control their properties and typically market them on our platform with no obligation to make them available to Users for specific dates and with no obligation to accept bookings from prospective Users. HTG has had many Partners offer their properties on its platform in one period and cease to offer these properties in subsequent periods for a variety of reasons. While we plan to continue to invest in our Partners and in tools to assist Partners, these investments may not be successful in growing our Partners and Offers on our platform. Partners may not establish or maintain Offers if we cannot attract prospective Users to our platform and generate bookings from many Users.
If we are unable to retain existing Partners or add new Partners, or if Partners elect to market their Offers exclusively with a competitor or cross-list with a competitor, we may be unable to offer a sufficient supply and variety of properties to attract Users to use our platform. It is critical that we continue to attract and retain Partners who list their Offers on our platform. We attract Partners predominantly through organic channels such as word of mouth and our strong brand recognition. If we are unable to attract and retain Partners in a cost-effective manner, or at all, our business, results of operations, and financial condition would be materially adversely affected. Partners often offer properties on our platform as well as on the platforms of our competitors. We do not control whether Partners provide us with a sizable allocation of rooms and competitive pricing relative to the same properties offered with other services. If we are not able to effectively deploy professional tools, application programming interfaces, and payment processes, work with third-party channel managers, and develop effective sales and account management teams that address the needs of these Partners, we may not be able to attract and retain Partners. If our fee structure and payment terms are not as competitive as those of our competitors, these Partners may choose to provide less inventory and availability to us. Historically, HTG has seen an increase in the number of, and revenue from, large Partners, such as major OTAs and property managers, on its platform. The uniqueness of Offers on our platform will be negatively impacted if the number of Offers from smaller, regional Partners does not grow at the same rate. The future growth of Partners' Offers on our platform may depend on a number of factors affecting Partners, including:

- cancellations or suspensions of agreements with Partners;
- enforcement or threatened enforcement of laws and regulations, including short-term occupancy and tax laws;
- private groups, such as homeowners, landlords, and condominium and neighborhood associations, adopting and enforcing contracts that prohibit or restrict short-term rentals;
- leases and mortgages of the suppliers of our Partners and other agreements, or regulations that purport to ban or otherwise restrict short-term rentals;
- Partners opting for listings on other platforms as an alternative to offering their properties on our platform;
- economic, social, and political factors;
- perceptions of trust and safety on and off our platform;
- negative experiences with Users, including Users who damage Partner property or engage in other unlawful acts; and
- our decision to remove Partners from our platform for not adhering to our standards or other factors we deem detrimental to our business.

<u>Our business depends to a significant extent on our relationship with our Partners and them providing us with property related content</u>: Our Partners provide us with content, for example descriptions, images, amenities, customer reviews, that we display on our websites. If our Partners decide to reduce the amount or depth of information that they share with us, the information that we provide to Users may be limited or the quality of the information may suffer, which may negatively affect Users' perception of the value of our product and our reputation. Such a negative perception may have a material adverse effect on our business, results of operations, financial condition and prospects. In addition, technical issues in the IT infrastructure of a partner or application programming interface ("**API**") issues could limit our ability to show results from such a Partner's website or even to a slowdown of our services.

<u>If we do not continue to innovate and provide tools, software and services that are useful to Users and Partners, we may not remain competitive, and our revenue and results of operations could suffer</u>: Our success depends on continued innovation to provide features and services that make our websites and apps and other services and products useful for Users and our Partners. Our competitors are constantly developing innovations in online travel-related services and features. As a result, we must continue to invest significant resources in research and development to continuously improve the speed, accuracy and comprehensiveness of our services. HTG has invested, and in the future we may invest, in new business strategies and services. These strategies and services may not succeed, and, even if successful, our revenue may not increase. If we are unable to continue offering innovative services, we may be unable to attract additional Users or Partners or retain our current Users or Partners, which may have a material adverse effect on our business, results of operations, financial condition and prospects.

<u>We rely on search engines, which may change their business models or search engine algorithms in ways that could have a negative impact on our business, financial performance and prospects</u>: We use search engines to generate traffic to our websites, principally

through the purchase of traffic with accommodation-related keywords. We obtain a significant amount of traffic via search engines and therefore utilize techniques, such as search engine optimization and search engine marketing to improve our placement in relevant search queries. Search engines frequently update and change the logic that determines the placement and display of results of a User's search. These changes could negatively affect the purchased or algorithmic placement of links to our websites. In addition, a significant amount of traffic is directed to our websites through our participation in display advertising campaigns on search engines, advertising networks, affiliate websites and social networking sites. Pricing and operating dynamics for these traffic sources can experience rapid change, both technically and competitively. Moreover, any of these providers could, for competitive or other purposes, alter their search algorithms or results, causing our websites to place lower in search results. If a major search engine changes its algorithms in a manner that negatively affects the search engine ranking, paid or unpaid, of our websites, or if competitive dynamics impact the costs or effectiveness of search engine optimization, search engine marketing or other traffic generating arrangements in a negative manner, it may have a material adverse effect on our business, results of operations, financial condition and prospects.

<u>A failure to adopt and apply technological advances in a timely manner could limit our growth and prevent us from reaching or maintaining profitability</u>: The Internet and e-commerce are characterized by rapid technological development. Advances in technology can increase competitive pressure. Our success therefore depends, for example, on our ability to improve our current technological machine learning algorithms and big data infrastructure and to develop new online features and apps for a variety of platforms in a timely manner to remain competitive. Any failure to adopt and apply new technological advances in a timely manner could decrease the attractiveness of our websites and apps to Users and thus adversely affect our growth and our revenue.

<u>We are exposed to the risk of security breaches, including cyber-attacks, and unauthorized use of one or more of our websites, databases, online security systems or computerized logistics management systems</u>: We operate websites and apps with which we collect, maintain, transmit, and store information about our Users, Partners and others, including personal information, as well as other confidential and proprietary information, including information related to intellectual property. We also employ third-party service providers that store, process and transmit proprietary, personal, and confidential information on our behalf. Furthermore, we rely on encryption and authentication technology licensed from third parties to securely transmit confidential and sensitive information. While we have a cyber risk management team in place and take extensive steps to protect the security, integrity, and confidentiality of sensitive and confidential information (e.g., password policies and firewalls), our security practices may be insufficient enabling third parties to potentially breach our systems (e.g., through Trojans, spyware, ransomware or other malware attacks, or breaches by our employees or third-party service providers), which may result in unauthorized use or disclosure of information. Such attacks might lead to blackmail attempts, forcing us to pay substantial amounts to release our captured data or resulting in the unauthorized release of such data. Given that techniques used in those attacks change frequently and often are not recognized until launched against a target, it may be impossible to completely secure our systems. In addition, technical advances and continued expansion and increased complexity of our IT infrastructure could increase the likelihood of security breaches.
The operation of our business requires a number of licenses and other (usage) rights, e.g., in connection with integrating content into our platform. In the future, we may require additional licenses (e.g., if legal environments change, or we provide additional services). There is, however, no guarantee that we will be able to obtain all required licenses or other (usage) rights or that we will manage to comply with all requirements imposed on us thereunder. If we fail to obtain and maintain such licenses or rights, we may not be able to conduct our business as intended, which may adversely affect our growth and profitability. Service outages might occur by loss of domains of our brands due to overlooked renewals that could result in a loss of Booking and IFRS Revenues. To mitigate these risks, we continuously review and strengthen our IT security strategy and take an increasing number of technical measures and organizational policies to protect against unauthorized access to our systems and data.

<u>We rely on a number of third-party providers, including payment service providers, for the operation of our platform and their failure to provide these services could severely impact the functionality of our platform or adversely affect our operations and profitability</u>: We rely on third party providers with regard to essential parts of our platform such as partnering, cloud computing or map services. For our payment services we rely on a payment service provider (PSP) who then facilitates our one-off or pay later transactions. For inbound payments, we pay these third parties interchange fees and other processing and gateway fees to help facilitate payments from travelers to Partners. Third-party providers may in the future fail or stop to provide such services. For example, there has been an instance where a cloud computing data center in Frankfurt am Main, Germany experienced an outage for a longer period of time. While we have back up plans in place for such scenarios, we may not or may only to a certain degree be able to continue the operation of our platform. Additionally, we might not be able to find an adequate replacement to provide such services to us. If we are unable to maintain our relationships with these third parties on favorable terms or if these fees are increased for any reason, our profit margin, business, and results of operations could be harmed. Furthermore, there is a risk that services by third-party providers are hacked or otherwise attacked or manipulated, which could cause service availability issues, data leaks, data altering or data loss. In addition, some of our third-party providers are at the same time our competitors and might, while providing service to us, have access to sensitive information regarding our business model.

<u>We may be unable to attract, train, motivate and retain suitably qualified personnel and to maintain good relationships with our workforce</u>: Our employees' expertise and commitment are important factors for our successful development and depend on our ability to recruit, train, motivate and retain highly qualified employees and, at the same time, promote our corporate culture. Changes in the macro-economic landscape may impact the stability of our social climate, e.g. the ability to retain and attract top talent in a competitive and ever-evolving environment. A risk factor is the shortage of skilled labor which continues to prevail in Germany and other countries, which may pose a risk to retain key employees and attract additional top talent and qualified staff, e.g., in the field of software developers. The loss of qualified staff, high employee fluctuation or lasting difficulties in filling vacant positions with suitable applicants might adversely affect our ability to effectively compete in our business, and we might lose important know-how, or our competitors might gain access to such know-how. As we have recently announced its product vision to build a fully AI-enabled marketplace, the competition for skilled professionals in the field of Artificial Intelligence, Chat-GPT integrations and other Large Language Model Applications has intensified, giving rise to a new "war of talent", as we are not just looking to sustain but also to enhance our capabilities and continued innovation power in the realm of AI-driven solutions.
Any failure to attract, train, motivate or retain skilled personnel at reasonable costs could result in a material adverse effect on our business, financial condition and our reputation. Furthermore, current employees including key employees with crucial skills and knowledge might leave our company which could lead to a loss of skills and knowledge if previous work has not been documented correctly.
Although none of our own employees is currently subject to any collective bargaining agreement, there can be no assurance that labor disputes, work stoppages, strikes or similar actions will not occur in the future which might urge us to adopt or negotiate a collective bargaining agreement. Any material disagreements between us and our employees could disrupt our operations, lead to a loss in revenue and customers and increase our operating costs.

In recent fiscal years, a substantial part of our revenue in the HomeToGo marketplace segment depended, and in the future may continue to depend, on certain key Partners. The loss of one or more of these Partners could adversely affect our business: In 2023, HTG's top three Partners accounted for 39% of its IFRS revenue (2020: 65% due to lower overall business size and higher share of the HomeToGo marketplace segment). Going forward, there may also be periods during which a substantial part of our revenue depends on certain key Partners. Such future dependence on certain Partners could be caused (i) by the way we recognize revenue in the HomeToGo marketplace segment, i.e., during periods when travel activity and check-ins are low, and we therefore recognize less revenue from our Booking (Onsite) business, our revenue depends to a larger degree on our business with certain key advertising Partners, or (ii) by other factors outside our control such as local travel restrictions that limit our business with other Partners.
Since our key Partners, in particular OTAs, typically operate their own platforms and/or also use the services of other platforms, we face the risk that a key Partner may decide to suspend or terminate its partnership with us. Such decisions can be based on factors that are beyond our control. For example, a key Partner may decide to reduce spending on services from us due to a challenging economic environment or other factors, both internal and external, relating to its business. These factors, among others, may include corporate restructuring, pricing pressure, changes to an outsourcing strategy, or switching to another platform.
Furthermore, our reliance on certain key Partners for a significant portion of our revenue may give these Partners a certain degree of pricing leverage against us when negotiating contracts and terms of service.
The loss of all or a portion of our business with, or the failure to retain a significant amount of business with, any of our key Partners could have a material adverse effect on our business, financial condition and results of operations.

A significant portion of our bookings and revenue are denominated in foreign currencies, and our financial results are exposed to changes in foreign exchange rates: A significant portion of our business is denominated and transacted in foreign currencies, which subjects us to foreign exchange risk. We offer integrated payments to our Partners and Users in over 30 currencies. Euro strength adversely impacts the translation of the portion of our revenue that is generated in foreign currencies into Euro. In 2023, 9.5% of HTG's revenue was denominated in currencies other than Euro. Our results of operations could also be negatively impacted by a strengthening of the Euro as a large portion of our costs are Euro-denominated.
While HTG has entered, and we may choose to enter, into transactions to hedge portions of our foreign currency translation and balance sheet exposure in the future, it is impossible to predict or eliminate the effects of foreign exchange rate exposure. Strengthening of the Euro could materially adversely affect our results of operations and financial condition.

High inflation and rising interest rates may adversely impact consumer behavior, financial performance, and asset valuations: Our financial performance is subject to global macroeconomic conditions being impacted by high inflation rates and a rapid rise in interest rates as a reaction by central banks. High inflation might impact our business model negatively as the consumers' real discretionary income might shrink. Higher interest rates set by central banks as a countermeasure to normalize inflation rates will impact the global economy with adverse effects on consumers' ability to travel. Higher interest rates will lead to higher costs of capital, used as discount rates in our impairment test models. Higher discount rates would reduce valuations, absent any offsetting adjustments to cash flow projections, for example due to inflation. This would be an impairment trigger and could result in an impairment. We are carefully monitoring our cost spending and might be able to pass part of increasing prices on to market participants.

C. Regulatory, Legal, Compliance and Tax Risks

We are subject to a variety of regulations, including but not limited to consumer protection laws, regulations governing e-commerce, data protection and competition laws, ESG regulation or climate protection rules, and future regulations might impose additional requirements and other obligations on our business: We are subject to numerous laws and regulations, particularly on data protection, competition, consumer protection, online commerce, platform regulation and short-term rentals on the EU, national and local levels. This includes the General Data Protection Regulation ("**GDPR**") and extends to local legal frameworks and changes pertaining to the German Telekommunikation-Digitale-Dienste-Datenschutz-Gesetz (TDDDG), the German Act Against Unfair Competition (*Gesetz gegen den unlauteren Wettbewerb (UWG)*) as well as the German Platform Tax Transparency Act (*Plattformen-Steuertransparenzgesetz* ("**PStTG**")), besides travel-related regulations for platforms offering short-term rentals. On the digital environment as such, the evolving regulatory framework for the use of cookies and similar technologies in many jurisdictions may impair a convenient online service for our users and performance on our platforms that may lead to limitations for our business and digital marketing techniques.
Responsible and confidential handling of customer data is key to our business. To mitigate risks of potential violations, our legal team continuously monitors data protection requirements and developments in interpretations, supports in implementing corresponding measures and processes, including cybersecurity advancements, and provides advice. Mandatory training and a regular focus group raise awareness for GDPR compliance, which goes hand in hand with close cooperation and alignment with responsible teams for adequate protection of personal data of customers as well as partners and employees. Appropriate processes are reviewed, updated and implemented with due care, also seeking advice from external (foreign) legal counsels and the external data protection officer(s) to ensure correct interpretation of changing legal requirements and timely incident response. Incident management is closely coordinated with the expanded IT Security team.
In addition, short-term rental regulations on federal, regional and municipality levels impact the display of our offerings and are considered in operational business processes and product configurations. Those short-term rental regulations are enacted worldwide with the intention to control and restrict the renting of private accommodations. Such law implementations may result in higher legal costs and necessary resources depending on the individual market and jurisdiction.
Legislative and regulatory authorities or other policy-making organizations in other countries where we operate may expand the scope of application of laws and regulations in force, enact new laws or regulations or issue revised rules or guidelines on data privacy, short-term rentals, consumer protection or overall online commerce, respectively platform regulation. For instance, climate change and greater emphasis on sustainability could lead to regulatory efforts to address the carbon impact of housing and travel and altered consumer demand. In addition, the EU Directive 2021/514 (DAC7, Directive of Administrative Cooperation in the field of taxation in the EU) with the consecutive national laws like the PStTG came into force resulting in reporting obligations - on the income realized by sellers offering certain services - applicable to the digital economy. In 2024, the EU Digital Services Act (DSA) further regulates online platforms more generally with more exhaustive additional rules (e.g. on transparency) and further compliance measures. The new tax reporting obligations of platform operators under PStTG in conjunction with DAC7 were assessed in detail for our different business models and in their applicable jurisdiction in the different EU countries, appropriate operational business processes were developed and delivery prepared in due time. Furthermore, obligations under the EU Digital Services Act are scoped and an implementation project launched for timely compliance with these recent requirements in the digital ecosystem.
Furthermore, the relevance of environmental, social and governance ("**ESG**") aspects continues to persist as a major global trend and companies have a responsibility to report on and advance their ESG activities. The European Union issued extensive regulatory reporting standards with the publication of the first set of European Sustainability Reporting Standards under the EU's Corporate Sustainability Reporting Directive ("**CSRD**"). In addition, the International Sustainability Standards Board (ISSB) standards issued its IFRS Sustainability Disclosure Standards. In this regard, we recognize we will need to continue investing significant effort and resources to further develop and align our ESG activities whilst continuing to comply with the changing regulations and policies, specifically in terms

of how we measure and report comprehensive ESG data. Under these reporting standards we also have to analyze and potentially report on our chain of activities. Hereto, we need to rely on our business partners, which may have to rely on their business partners throughout the value chain, to provide the necessary data. We recognize that limited transparency down the full depth of our supply chain may pose difficulties to enforce adequate compliance with reporting requirements and protection from human rights-related risks along the supply chain. In August of 2023, we established a Supplier Code of Conduct that emphasizes our commitment to upholding human rights down our value chain, expecting suppliers to adhere to ethical business practices and comply with laws. We see a risk in the fact that the Supplier Code of Conduct is currently only available online, but not explicitly part of the onboarding process for new Partners. There is a risk that if our ESG practices do not meet regulatory requirements or investor, traveler or employee expectations, then our reputation could be negatively impacted. Similarly, our failure to fulfill ESG commitments to meet reporting standards could mean we are subject to regulatory punishment that could negatively impact our business.
All of this leads to a high number of regulations that must be observed and abided by us. Such laws may lead to significantly higher legal costs and resources depending on individual markets and jurisdictions. If we are not able to react in time or do not assess and comply with any new regulations we could be subject to significant fines, litigation, administrative orders or even criminal charges having a material adverse effect on our business, results of operations, and financial condition.

<u>Conducting business in multiple countries requires us to comply with numerous, complex and sometimes conflicting legal and regulatory requirements, which makes compliance more costly and challenging</u>: The properties offered on our websites are located in more than 240 countries, and our business may therefore be subject to various laws and regulations of these countries. Many of these laws and regulations are complex and difficult to interpret and we may not always be aware of all countries where the properties are located. Moreover, as we expand our international operations to target Users in additional countries, we will become subject to additional laws and regulatory regimes, including laws and regulations relating to countries or individuals that are subject to sanctions. The legal and regulatory frameworks governing our business and operations may become increasingly uncertain due to quickly changing laws, contradictory interpretation of laws and regulations, administrative bypassing of legal frameworks or a lack of market precedents upon which we can rely.
For example, the Tourist Promotion Act enforced in Vienna, Austria, stipulates that platforms must report addresses and contact details of registered vacation rentals proactively to the city. Furthermore, in Barcelona, Spain, and in Italy platforms may only advertise vacation rentals that have obtained a license by displaying the adequate registration number. There are also registration and reporting requirements in certain U.S. states. If the requirements of these laws are not met, administrative, penalties can be imposed. Our international business is subject to laws and regulations in many areas, including those governing short-term rental, local employment, privacy, data security, telecommunications, online content, intellectual property protection, corporate governance, foreign ownership and foreign investment, tax, finance, money laundering, online payment, anti-corruption and antitrust. These various laws and regulations often evolve and sometimes conflict with each other. Furthermore, operating in foreign jurisdictions entails an inherent risk of misinterpreting and wrongly implementing foreign laws and regulations. We cannot rule out that HTG has not been in full compliance with these laws and regulations in the past.
Additionally, some of the tax systems in our countries of operations are very complex and there is no guarantee that tax authorities agree with the positions HTG has taken or the tax optimization structures and measures HTG has used to minimize legal risks, administrative burdens and tax rates. The application of foreign direct investment laws and regulations, license rules and similar rules and regulations is also often unclear. These laws and regulations are subject to multiple interpretations, e.g., by different courts, regulators and other players in the legal community, which may differ from the interpretations to which we have adhered. In other countries, changes in the political or legal climate may impact our use of local currency and local banking. Similarly, we are bound by extended waiting periods and complex and costly administrative approval processes and registration.
As these laws continue to evolve and as we expand into new jurisdictions, our compliance efforts will become more complex and expensive, and the risk of non-compliance will increase. Violations of applicable laws and regulations may harm our reputation and result in legal action, criminal and civil sanctions, or administrative fines and penalties against us or members of our governing bodies and our employees. Such violations may also result in damage claims by third parties or other adverse legal consequences, including legal proceedings by national and international regulators resulting in the limitation or prohibition of business operations. There is no guarantee that we can successfully manage or avoid any of the legal risks to which we are exposed, and non-compliance with the legal and regulatory frameworks that govern our operations, whether intentional or not, may have material adverse effects on our businesses, including causing us to cease our operations entirely.

<u>Laws, regulations, and rules that affect the short-term rental and home sharing business have limited and may continue to limit the ability or willingness of our current or potential Partners to offer properties for short-term rent and expose them to significant penalties, which have had and could continue to have a material adverse effect on our business, results of operations, and financial condition</u>:
The short-term rental and home sharing business is subject to continuing legal and regulatory developments. Hotels and groups affiliated with hotels have engaged and will likely continue to engage in various lobbying and political efforts for stricter regulations governing our business in both local and national jurisdictions. Other private groups, such as homeowners, landlords, and condominium and neighborhood associations, have adopted contracts or regulations that purport to ban or otherwise restrict short-term rentals, and third-party lease agreements between landlords and tenants, home insurance policies, and mortgages may prevent or restrict the ability of Partners to list their properties. In Europe, a group of mayors representing 22 cities (including Amsterdam, Barcelona, and London) has been meeting with the European Commission to seek increased regulatory control in relation to short-term rental platforms. These groups and others cite concerns around affordable housing and over-tourism in major cities, and some state and local governments have implemented or considered implementing rules, ordinances, or regulations governing the short-term rental of properties and/or home sharing. Such regulations include ordinances that restrict or ban Partners from short-term rentals, set annual caps on the number of days Partners can share their homes, require Partners to register with the municipality or city, or require Partners to obtain permission before offering short-term rentals. In addition, some jurisdictions regard short-term rental or home sharing as “hotel use” and claim that such use constitutes a conversion of a residential property to a commercial property requiring a permitting process. Macroeconomic pressures and public policy concerns could continue to lead to new laws and regulations, or interpretations of existing laws and regulations, that limit the ability of Partners to offer properties for short-term rent. If laws, regulations, rules, or agreements significantly restrict or discourage Partners in certain jurisdictions from sharing their properties, it would have a material adverse effect on our business, results of operations, and financial condition.
While a number of cities and countries have implemented legislation to address short-term rentals, there are many others that are not yet explicitly addressing or enforcing short-term rental laws and could follow suit and enact regulations. New laws, regulations, government policies, or changes in their interpretations in the cities where we operate entail significant challenges and uncertainties. In the event of any such changes, pre-existing bookings may not be honored, and current and future listings and bookings could decline significantly, and our relationship with our Partners and Users could be negatively impacted, which would have a materially adverse effect on our business, results of operations, and financial condition. For example, when new regulations requiring us to share Partner data with the city in which such Partner’s property is located, such Partner may withdraw its Offers from our platform.

	While we seek to work with governments, HTG has in the past, and we are likely in the future to, become involved in disputes with government agencies regarding such laws and regulations. For example, some governments have attempted to impose fines on us regarding what they contend is illegal offering of short-term accommodations or non-compliance with requests for information in violation of applicable laws. Certain jurisdictions have adopted laws and regulations that seek to impose lodging taxes, often known as transient or occupancy taxes, on travelers, collection and remittance obligations on our Partners and/or us and withholding obligations on us. In addition, some third parties and regulators have asserted that we, through our operations, are subject to regulations with respect to short-term rentals, Partner registration, licensing, and other requirements for the listing of accommodations, such as real estate broker or agent licenses, travel agency licenses, and insurance-related licenses. We could be held liable and incur significant financial and potential criminal penalties if we are found to have violated any of these regulations. In certain jurisdictions, HTG has resolved disputes concerning the application of these laws and regulations by agreeing, among other things, to share certain data with government agencies to assist in the enforcement of limits on short-term rentals as well as the enforcement of safety regulations, and to implement measures to confirm to the government that Partners are operating in compliance with applicable law. When a government agency seeks to apply laws and regulations in a manner that limits or curtails Partners' and Users' ability or willingness to offer and search for accommodations in that particular geography, HTG has attempted, and we may continue to attempt, through litigation or other means to defend against such application of laws and regulations, but has sometimes been, and we may continue to be, unsuccessful in certain of those efforts. Further, if we or our Partners and Users were required to comply with laws and regulations, government requests, or agreements with government agencies that adversely impact our relations with Partners and Users, our business, results of operations, and financial condition would be materially adversely affected. Moreover, if we enter an agreement with a government or governmental agency to resolve a dispute, the terms of such agreement will likely be publicly available and could create a precedent that may put us in a weaker bargaining position in future disputes with other governments. <u>We are subject to a wide variety of complex, evolving, and sometimes inconsistent and ambiguous laws and regulations that may adversely impact our operations and discourage Partners and Users from using our platform, and that could cause us to incur significant liabilities which could have a material adverse effect on our business, results of operations, and financial condition</u>: There are national, state, local, and foreign laws and regulations in jurisdictions that relate to or affect our business. Moreover, the laws and regulations of each jurisdiction in which we operate are distinct and may result in inconsistent or ambiguous interpretations among local, regional, or national laws or regulations applicable to our business. Compliance with laws and regulations of different jurisdictions imposing varying standards and requirements is burdensome for businesses like ours, imposes added cost and increases potential liability to our business, and makes it difficult to realize business efficiencies and economies of scale. For example, we incur significant operational costs to comply with requirements of jurisdictions and cities that have disparate requirements around tax collection, tax reporting, Partner registration, limits on lengths of stays, and other regulations, each of which require us to dedicate significant resources to provide the infrastructure and tools needed on our platform for our Partners to meet these legal requirements and for us to fulfill any obligations we may have. The complexity of our platform and changes required to comply with the large number of disparate requirements can lead to compliance gaps if our internal resources cannot keep up with the pace of regulatory change and new requirements imposed on our platform, or if our platform does not work as intended or has errors or bugs. It may be difficult or impossible for us to investigate or evaluate laws or regulations in all cities, countries, and regions. The application of existing laws and regulations to our business and platform can be unclear and may be difficult for Partners, Users, and us to understand and apply, and are subject to change, as governments or government agencies seek to apply legacy systems of laws or adopt new laws to new online business models in the travel and accommodations industries, including ours. Uncertain and unclear application of such laws and regulations to Partner and User activity and our platform could cause and has caused some Partners to leave or choose not to use our platform for their Offers, more generally reduce supply and demand for our platform and services, increase the costs of compliance with such laws and regulations, and increase the threat of litigation or enforcement actions related to our platform, all of which would materially adversely affect our business, results of operations, and financial condition. There are laws that apply to us, and there are laws that apply to our Partners and/or Users. While we require our Partners and Users to comply with their own independent legal obligations under our terms of service, we have limited means of enforcing or ensuring the compliance of our Partners and Users with all applicable legal requirements. Sometimes governments try to hold us responsible for laws that apply to our Partners and/or Users. Whether applicable to us, our Partners, and/or our Users, the related consequences arising out of such laws and regulations, including penalties for violations of and costs to maintain compliance with such laws and regulations, have had and could continue to have a material adverse effect on our reputation, business, results of operations, and financial condition. We take certain measures to comply, and to help Partners comply, with laws and regulations, such as requiring registration numbers to be displayed on a listing profile for listings in some jurisdictions where such registration is required. These measures, changes to them, and any future measures we adopt could increase friction on our platform and reduce the number of listings available on our platform from Partners and bookings by Users, and could reduce the activity of Partners and Users on our platform. We may be subject to additional laws and regulations which could require significant changes to our platform that discourage Partners and Users from using our platform. We are also subject to laws regulating employment, employee working conditions, including wage and hour laws, employment dispute and employee bargaining processes, collective and representative actions, and other employment compliance requirements. There is increased governmental interest in regulating technology companies in areas including privacy, tax, data localization and data access, algorithm-based discrimination, and competition. Any new or existing laws and regulations applicable to existing or future business areas, including amendments to or repeal of existing laws and regulations, or new interpretations, applications, or enforcement of existing laws and regulations, could expose us to substantial liability, including significant expenses necessary to comply with such laws and regulations, and materially adversely impact bookings on our platform, thereby materially adversely affecting our business, results of operations, and financial condition. Furthermore, some of our Partners or some of our offerings may now or in the future be subject to the European Package Travel Directive, which imposes various obligations upon package providers and upon marketers of travel packages, such as disclosure obligations to consumers and liability to consumers. <u>If we do not adequately protect our intellectual property and our data, our business, results of operations, and financial condition could be materially adversely affected</u>: We hold a broad collection of intellectual property rights related to (1) our brands, (2) certain content and design elements on our platforms, (3) research and development efforts, (4) a repository of licensed visual assets, (5) marketing and promotional concepts and materials, and (6) a collection of editorial content. This includes registered domain names, registered and unregistered trademarks, copyrights, trade secrets, licenses of intellectual property rights of various kinds, and other forms of intellectual property rights in the European Union and in many countries around the world. In addition, to extend its proprietary rights, HTG has purchased trademarks, domain name registrations and copyrights. In the future, we may acquire or license additional intellectual property assets and rights from third parties, which could require significant cash expenditures.

We rely on a combination of trademark, copyright, and trade secret laws, international treaties, contractual provisions, restrictions on disclosure, technological measures, and confidentiality and assignment agreements with our employees, consultants and third parties to protect our intellectual property assets from infringement and misappropriation. Our pending and future trademark applications may not be approved. Furthermore, effective intellectual property protection may not be available in every country in which we operate or intend to operate our business. There can be no assurance that others will not offer technologies, products, services, features, or concepts that are substantially similar to ours and compete with our business, or copy or otherwise obtain, disclose and/or use our brand, content, design elements, creative, editorial, and entertainment assets, or other proprietary information without authorization. We may be unable to prevent third parties from seeking to register, acquire, or otherwise obtain trademarks, service marks, domain names, or social media handles that are similar to, infringe upon or diminish the value of our trademarks, service marks, copyrights, and our other proprietary rights. Third parties have also obtained or misappropriated certain of our data through website scraping, robots, or other means to launch copycat sites, aggregate our data for their internal use, or to feature or provide our data through their respective websites, and/or launch businesses monetizing this data. While we routinely employ technological and legal measures to divert, halt, or mitigate such operations, we may not always be able to detect or halt the underlying activities as technologies used to accomplish these operations continue to rapidly evolve.
Our intellectual property assets and rights are essential to our business. If the protection of our proprietary rights and data is inadequate to prevent use that is unauthorized or in a legal grey area or misappropriation by third parties, the value of our brand and other intangible assets may be diminished and competitors may be able to more effectively mimic our technologies, offerings, or features or methods of operations. For example, competitors have used in the past, and may use in the future, sophisticated website crawling mechanisms to collect (technological) data (e.g., regarding inventory matching) from our websites. Even if we do detect such actions or misappropriations and decide to enforce our rights, litigation may be necessary to enforce our rights, and any enforcement efforts we undertake could be time-consuming and expensive, could divert our management's attention, and may result in a court determining that certain of our intellectual property rights are unenforceable. If we fail to protect our intellectual property and data in a cost-effective and meaningful manner, our competitive standing could be harmed; our Partners and Users could devalue the content of our platform; and our brand, reputation, business, results of operations, and financial condition could be materially adversely affected.

Third parties might accuse us of infringing their intellectual property rights: We might be subject to litigation and disputes related to our intellectual property rights and technology in the future, as well as disputes related to intellectual property and product offerings of third-party suppliers featured on our websites and apps. The costs of defending against such actions can be high, and there is no guarantee that such defenses will be successful. In addition, as our business expands and the number of competitors in our market increases, infringement claims against us could increase in number and significance.
Legal claims regarding intellectual property rights are subject to inherent uncertainties due to the complex issues involved, and we cannot be certain that we will be successful in defending ourselves against such claims. Many potential litigants have the ability to dedicate substantially greater resources than we allocate to the enforcement of intellectual property rights and defense of claims that may be brought against them. If successful, a claimant could secure a judgment against us for substantial damages or prevent us from conducting our business as HTG has historically done so or as we may desire to do so in the future. We could also be required to seek additional licenses or pay royalties for the use of the intellectual property we need to conduct our business, which might not be available on commercially acceptable terms or at all. Alternatively, we may be forced to develop non-infringing technology or intellectual property on a proprietary basis, which could be expensive and/or unsuccessful.
HTG has received in the past, and we anticipate receiving in the future, communications alleging that certain items posted on our websites or apps violate third-party copyrights, marks and trade names or other intellectual property rights or other proprietary rights. Brand and content owners and other proprietary rights owners have actively asserted their purported rights against online companies, including HTG. Such claims, whether or not meritorious, could result in significant additional expenses, redirect management attention and have an adverse effect on our reputation as well as on our financial condition.

Our use of "open-source" software could adversely affect our ability to offer our platform and services and subject us to costly litigation and other disputes and increase our risk that hackers could gain unauthorized access: HTG incorporates certain "open-source" software into its code base. Open-source software is generally licensed by its authors or other third parties under open-source licenses, which in some instances may subject us to certain unfavorable conditions, including requirements that we offer our products that incorporate the open-source software for no cost, that we make publicly available the source code for any modifications or derivative works we create based upon, incorporating or using the open-source software, or that we license such modifications or derivative works under the terms of the particular open-source license. From time to time, companies that use open-source software have faced claims challenging the use of open-source software or compliance with open-source license terms. Furthermore, there is an increasing number of open-source software license types, almost none of which have been tested in a court of law, resulting in a dearth of guidance regarding the proper legal interpretation of such licenses. We could be subject to suits by parties claiming ownership of what we believe to be open-source software or claiming noncompliance with open-source licensing terms.
While we employ practices designed to monitor our compliance with the licenses of third-party open-source software and protect our proprietary source code, inadvertent use of open-source software is fairly common in software development in the Internet and technology industries. Such inadvertent use of open-source software could expose us to claims of non-compliance with the applicable terms of the underlying licenses, which could lead to unforeseen business disruptions, including being restricted from offering parts of our product that incorporates the software, being required to publicly release proprietary source code, being required to re-engineer parts of our code base to comply with license terms, or being required to extract the open-source software at issue. Our exposure to these risks may be increased because of evolving our core source code base, introducing new offerings, integrating acquired-company technologies, or making other business changes, including in areas where we do not currently operate. Any of the foregoing could adversely impact the value or enforceability of our intellectual property, and materially adversely affect our business, results of operations, and financial condition.
The use of open-source software can also present additional security risks because the source code for open-source software is publicly available, which could make it easier for third parties to determine how to breach our websites and systems that rely on open-source software. Any unauthorized access to our systems as well as third-party challenges to our User rights could divert our management's attention from day-to-day tasks, incur significant legal costs and thus have a material adverse effect on our reputation, business and financial condition.

We may not be able to obtain and maintain the licenses or other (usage) rights required to operate our business as intended: The operation of our business requires a number of licenses and other (usage) rights, e.g., in connection with integrating content into our platform. In the future, we may require additional licenses (e.g., if legal environments change or we provide additional services). There is, however, no guarantee that we will be able to obtain all required licenses or other (usage) rights or that we will manage to comply with all requirements imposed on us thereunder. If we fail to obtain and maintain such licenses or rights, we may not be able to conduct our business as intended, which may adversely affect our growth and profitability.

	The control and prevention mechanisms of our compliance structure might not be sufficient to adequately protect us from all legal or financial risks: To protect us against legal risks and other potential harm, we have introduced, or are in the process of introducing, several compliance programs including a code of conduct, an anti-corruption policy, sanctions framework and further programs. These codes, guidelines and policies and the oversight of our internal compliance and legal departments might not be sufficient to prevent all unauthorized practices, legal infringements (including violations of applicable sanctions), corruption and fraud or other adverse consequences of non-compliance within our organization or by or on behalf of our employees. Any compliance failure may be punishable by criminal and civil sanctions, including substantial fines, could harm our reputation and have a material adverse effect on our business, financial condition, results of operations and prospects. We are subject to regulatory inquiries, litigation, and other disputes, which have materially adversely affected and could materially adversely affect our business, results of operations, and financial condition: HTG has been, and we expect to continue to be, a party to various legal and regulatory claims, litigation or pre-litigation disputes, and proceedings arising in the normal course of business. The number and significance of these claims, disputes, and proceedings have increased as HTG has grown larger and the scope and complexity of HTG's business have expanded, and we expect they will continue to increase. HTG has been, and we expect to continue to be, subject to various government inquiries, investigations, and proceedings related to legal and regulatory requirements such as compliance with laws related to short-term rentals, tax, consumer protection, pricing, advertising, discrimination, data protection, data sharing, payment processing, privacy, and competition. In many cases, these inquiries, investigations, and proceedings can be complex, time consuming, costly to investigate, and require significant company and management attention. For certain matters, we are implementing recommended changes to our products, operations, and compliance practices, including enabling tax collection, tax reporting, display of object registration numbers, and removal of noncompliant listings. We are unable to predict the outcomes and implications of such inquiries, investigations, and proceedings on our business, and such inquiries, investigations, and proceedings could result in large fines and penalties and require changes to our products and operations, and materially adversely affect our brand, reputation, business, results of operations, and financial condition. In some instances, applicable laws and regulations do not yet exist or are being adapted and implemented to address certain aspects of our business, and such adoption or change in their interpretation could further alter or impact our business and subject us to future government inquiries, investigations, and proceedings. HTG has been and may in the future be involved in litigation with consumer protection associations, municipalities and other government authorities, including as a plaintiff and as a defendant, concerning laws seeking to limit or outlaw short-term rentals and to impose obligations or liability on HTG as a platform. We may also become more vulnerable to third-party claims as European laws such as the European E-Commerce Directive and/or laws in other jurisdictions are interpreted by the courts or otherwise modified or amended, as our platform and services provided to our Partners and customers continue to expand, and as we expand geographically into jurisdictions where the underlying laws with respect to the potential liability of online intermediaries such as ourselves are either unclear or less favorable. Furthermore, we face claims and litigation relating to fatalities, violent acts, illness, cancellations and refunds, personal injuries, property damage and privacy violations that occurred at listings or experiences during a booking made on our platform. In addition, in the ordinary course of business, disputes may arise because we are alleged to have infringed third parties' intellectual property or in which we agree to provide indemnification to third parties with respect to certain matters, including losses arising from our breach of such agreements or from intellectual property infringement claims, or where we make other contractual commitments to third parties. Adverse results in any regulatory inquiry, litigation, legal proceedings, or claims may include awards of potentially significant monetary damages, including statutory damages for certain causes of action in certain jurisdictions, penalties, fines, injunctive relief, royalty or licensing agreements, or orders preventing us from offering certain services. Moreover, many regulatory inquiries, litigation, legal proceedings, or claims are resolved by settlements that can include both monetary and nonmonetary components. Adverse results or settlements may result in changes in our business practices in significant ways, increased operating and compliance costs, and a loss of revenue. In addition, any litigation or pre-litigation claims against us, whether or not meritorious, are time consuming, require substantial expense, and result in the diversion of significant operational resources. We use various software platforms that in some instances have limited functionality which may impede our ability to fully retrieve records in the context of a governmental inquiry or litigation. In addition, our insurance may not cover all potential claims to which we are exposed and may not be adequate to indemnify us for all liability that may be imposed. As we continue to grow, regulatory inquiries, litigation, legal proceedings, and other claims will continue to consume significant company resources and adverse results in future matters could materially adversely affect our business, results of operations, and financial condition. Our business is subject to the general tax environment in the jurisdictions in which we are conducting our business and possible future changes may adversely affect our operations. We may be required to pay additional taxes, accrued interest and penalties following tax audits of the Group: Our business is subject to the general tax environments in the countries in which we operate. Changes in tax legislation or case law, especially with regards to transnational e-commerce activities – which might be applied retroactively – could increase our tax burden. Changes in tax treatment of companies engaged in e-commerce in the jurisdictions in which we operate could adversely affect the commercial use of our sites and our financial results. For example, some jurisdictions in which we operate our business (e.g., Italy) have introduced new local taxes on transnational e-commerce activities ("digital services taxes" or "**DST**"). These DST generally aim at securing taxation rights of the jurisdiction for the revenues / profits generated by the transnational e-commerce activities with customers who are resident in this specific jurisdiction. New local DST may be introduced or existing DST may be expanded with the result that this could adversely affect our tax liability. In addition, we cannot predict the effect of current attempts to impose sales, income or other taxes on e-commerce. New or revised taxes – e.g., sales taxes, VAT (including changes to the Tour Operator Margin Scheme, which establishes specific VAT rules for tour operates and travel agents) and similar taxes – would likely increase the cost of doing business online and decrease the attractiveness of advertising and renting accommodations over the Internet. New taxes could also lead to significant increases in internal costs necessary to capture data and collect and remit taxes. Additionally, tax laws may be interpreted differently by the competent tax authorities and courts, and their interpretations may change at any time, which could lead to an increase of our tax burden. Accordingly, we may face unfounded tax claims in such countries. Moreover, legislators and tax authorities may change territoriality rules or their interpretation for the application of VAT on cross-border services, which may lead to significant additional payments for past and future periods. In addition, court decisions are sometimes ignored by competent tax authorities or overruled by higher courts, which could lead to higher legal and tax advisory costs and create significant uncertainty. New taxes could also result in additional costs necessary to collect the data required to assess these taxes and to remit them to the relevant tax authorities. Besides this, the documentation obligations under applicable VAT and VAT-related laws are considerable. Therefore, it cannot be ruled out that we may not fully comply, or that we may not have fully complied with applicable VAT regulations throughout all phases of their development.

	Taxes actually assessed in future tax audits for periods not yet covered by our last tax audit may exceed the taxes already paid by us. As a result, we may be required to make significant additional tax payments with respect to previous periods. Furthermore, the competent tax authorities could revise their original tax assessments. Any tax assessments that deviate from our expectations could lead to an increase in our tax burden. In addition, we may be required to pay interest on these additional taxes as well as late filing penalties. Any of these events occurring could, alone or in combination, have a material adverse effect on our business, financial condition, results of operations and prospects. **D. Risks related to the securities** <u>There is no guarantee that a liquid market for the redeemable class A shares will develop and persist</u>: Previously, the liquidity of the redeemable class A shares has been limited and been subject to high volatility. There is no guarantee that following the issuance an active and liquid market for the redeemable class A shares will develop and persist. Consequently, investors may not be able to sell their redeemable class A shares at or above the price at which they acquired them. The development of the share price may be volatile, and investors may lose all or part of their investments. <u>The payment of future dividends will depend on our business, financial condition, cash flows and results of operations</u>: The general shareholders' meeting will decide on matters relating to the payment of future dividends. Such decisions will be based on the issuer's particular situation at the time, including its earnings, financial and capital expenditure needs, and the availability of distributable capital. In addition, some future financing arrangements may contain restrictions and covenants relating to leverage ratios and restrictions on dividend distributions upon a breach of any covenant. Any of these factors, individually or in combination, could restrict the issuer's ability to pay dividends. <u>Upon conversion of the Public Warrants, the SPAC Founder Warrants and the SPAC Founder Shares into redeemable class A shares, investors in the redeemable class A shares would experience substantial dilution</u>: The issuer placed 9,166,666 class A warrants (the "**Public Warrants**") and 5,350,875 class B warrants subscribed by the founders of Lakestar SPAC I SE (the "**SPAC**") via which our business was listed (the "**SPAC Founder Warrants**"). Each Public Warrant and Founder Warrant entitles its holder to subscribe for one class A share, with a stated exercise price of €11.50 (subject to customary anti-dilution adjustments). The Public Warrants and SPAC Founder Warrants are currently exercisable and will expire on September 21, 2026, or earlier upon redemption by the issuer or liquidation. Furthermore, the SPAC founders hold 4,583,333 class B shares composed of class B2 and class B3 shares (the "**SPAC Founder Shares**"), which will convert into redeemable class A shares in accordance with the following schedule: (i) 2,291,667 class B2 shares if the closing price of the redeemable class A shares for any 10 trading days within a 30 trading day period exceeds €12.00, and (ii) 2,291,666 class B3 shares if the closing price of the redeemable class A shares for any 10 trading days within a 30 trading day period exceeds €14.00. Any exercise of Public Warrants or SPAC Founder Warrants prior to their expiration or any automatic conversion of SPAC Founder Shares would substantially dilute the economic and voting rights of the existing holders of redeemable class A shares and accordingly reduce the value of their interests in the issuer.
8. Characteristics of the securities	The New Shares are 53,125,000 redeemable class A shares in the issuer (ISIN: LU2290523658, WKN: A2QM3K, symbol: HTG). They are freely transferable in accordance with the legal provisions applicable to dematerialized shares, subject to certain lock-up commitments entered by the issuer, the members of the management board and of the supervisory board as well as certain investors prior to the private placement of the New Shares. The New Shares exist in dematerialized form and shareholders are not entitled to request the issue of share certificates. Each shareholder is entitled to attend any general meeting of the shareholders of the issuer. Each New Share carries one vote at the general meetings of the shareholders of the issuer. For all matters submitted to a vote at the general meeting of the shareholders of the issuer, except as required by Luxembourg law, all shares of the issuer will vote together as a single class, with each share entitling the holder to one vote. The New Shares carry the same rights as all other redeemable class A shares of the issuer. Any New Shares shall generally be offered by preference to the existing shareholders, however such preferential subscription right might be limited or removed in accordance with the applicable legal provisions. The New Shares carry full dividend rights from the date of their issuance with respect to the dividends declared after the date of their issuance. Each New Share grants a *pro rata* right to participate in the distribution of liquidation proceeds.
9. Dilution and shareholding after the issuance	The issuance of the 53,125,000 New Shares diluted each existing shareholder's participation in the issuer's share capital and voting rights by 41.8%. The net book value as of September 30, 2024 (defined as total assets less non-current liabilities and less current liabilities) derived from the issuer's unaudited condensed consolidated interim financial statements as of and for the nine-month period ended September 30, 2024, prepared in accordance with IFRS on interim financial reporting (IAS 34), amounted to €286.7 million, which resulted in a net book value per share of approximately €2.38 (based on 115,933,525 redeemable class A shares and 4,583,333 class B shares in the issuer outstanding immediately prior to the issuance). Given net proceeds from the issuance of approximately €81.7 million, the net book value of the issuer as of September 30, 2024 would increase to €368.4 million, which would result in a net book value per share of approximately €2.12 (on the basis of 169,058,525 redeemable class A shares and 4,583,333 class B shares in the issuer outstanding after completion of the issuance). This corresponds to a decrease of the issuer's net book value per share of €0.26 (10.8%, from €2.38 to €2.12) for the issuer's existing shareholders as a result of the issuance of the New Shares and entails an immediate increase in net book value per share for the purchasers of New Shares of €0.52 (32.6%, based on the difference between the placement price of €1.60 per New Share and a net book value per share of €2.12). Based on the most recent notifications of major shareholdings received by the issuer and the results of the issuance of the New Shares, the issuer expects notifiable shareholdings to be as follows after the issuance: Jeffrey Horing (12.7%), Active Ownership Advisors GmbH (8.7%), Klaus Hommels (8.6% + 2.8% class B warrants), DN Capital (UK) LLP (6.3%), Acton Capital Partners GmbH (6.1%) and Janus Henderson Investors Hong Kong Limited (5.5%).
10. Regulated market	Redeemable class A shares of the issuer are already admitted to trading on the regulated market of the Frankfurt Stock Exchange (Prime Standard).