Annual Report

2021

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making
incredible
homes easily
accessible to
everyone

Company

01

Key Business Highlights

World's #1 marketplace for alternative accommodation[1], removing friction for Supply & Demand through Technology

Demand

Consumers
Travelers

home to go_

Technology platform

EUR 1,000bn+

Total addressable market

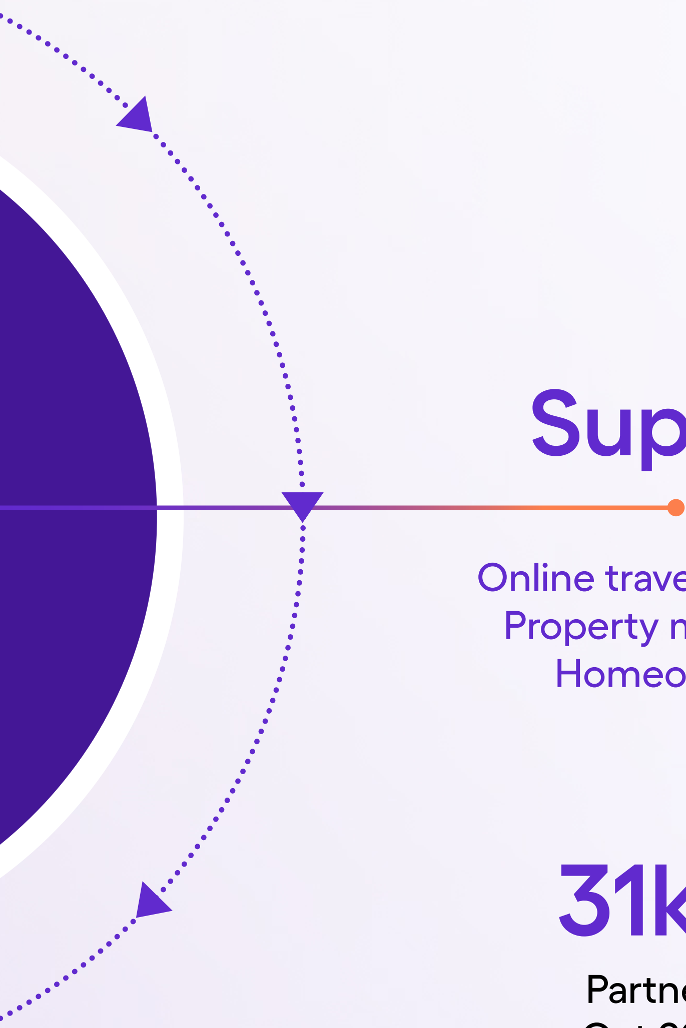
~50m

Monthly visits as of June 2021

EUR 1.4bn

Gross Booking Value 2021

1 Relating to the total number of aggregated alternative accommodation offers



Supply

Online travel agencies
Property managers
Homeowners

31k+
Partners
Oct 2021

15m+
Offers
Oct 2021

"Together, we have built a state-of-the-art platform that solves key pain points of the market and removes friction between supply and demand, thus enabling the whole alternative accommodation ecosystem to be more successful.

Our platform accelerates a virtuous cycle of growth and innovation: we leverage data to drive better outcomes for our partners, which in turn drives adoption of our technology solutions and generates more revenues including increasingly higher adoption of our technology solutions as part of our Subscriptions & Services. This subsequently funds investment in consumer attraction, retention, and the accumulation of more data.

These network effects are constantly fueling our highly scalable flywheel and help us build a technology enabler for the entire alternative accommodation ecosystem."

KPIs Overview

2021 At a Glance

	Q4 2021	Full Year 2021
Gross Booking Value (GBV)	EUR 243.7m	EUR 1.4bn
vs 2020	53%	15%
vs 2019	15%	17%
Booking Revenues	EUR 23.1m	EUR 123.6m
vs 2020	109%	51%
vs 2019	66%	55%
Subscriptions & Services	EUR 2.6m	EUR 8.8m
vs 2020	56%	38%
vs 2019	168%	129%
CPA Onsite	EUR 8.8m	EUR 50.2m
vs 2020	253%	116%
vs 2019	128%	151%
IFRS Revenues	EUR 21.2m	EUR 94.8m
vs 2020	150%	44%
vs 2019	120%	36%

Note: Regarding the alternative performance measures Gross Booking Value (GBV) and Booking Revenues, please refer to the corresponding definitions in the Glossary.

KPIs Overview

KPIs	Q4/2019	Q4/2020	Q4/2021	21 vs. 19	21 vs. 20	2019	2020	2021	21 vs. 19	21 vs. 20
Gross Booking Value (GBV) (EUR'000)	**211,171**	**159,235**	**243,691**	**15%**	**53%**	**1,226,312**	**1,252,675**	**1,437,515**	**17%**	**15%**
CPA (Onsite + Offsite)	151,744	120,284	184,821	22%	54%	827,939	881,286	1,134,899	37%	29%
Bookings (#)	**173,353**	**97,365**	**140,776**	**(19%)**	**45%**	**1,018,815**	**890,944**	**929,419**	**(9%)**	**4%**
CPA Onsite	40,041	27,270	82,176	105%	201%	211,301	269,049	492,281	133%	83%
CPA Offsite	133,312	70,095	58,600	(56%)	(16%)	807,514	621,895	437,138	(46%)	(30%)
CPA Basket Size[1] (EUR)	884	1,244	1,057	20%	(15%)	818	1,002	1,252	53%	25%
Take Rate[2]	6.2%	6.7%	10.1%	63%	51%	6.2%	6.4%	8.4%	35%	31%
CPA Take Rate	6.9%	7.1%	8.3%	21%	18%	6.8%	7.4%	8.3%	22%	13%
Booking Revenues[3] (EUR'000)	**13,949**	**11,050**	**23,146**	**66%**	**109%**	**79,649**	**81,946**	**123,555**	**55%**	**51%**
CPA Onsite	3,879	2,501	8,830	128%	253%	20,017	23,269	50,168	151%	116%
CPA Offsite	6,547	5,992	6,585	1%	10%	36,635	41,614	44,350	21%	7%
CPC + CPL	2,572	926	5,177	101%	459%	19,162	10,712	20,249	6%	89%
Subscriptions & Services	952	1,632	2,553	168%	56%	3,835	6,352	8,788	129%	38%
Booking Revenues Onsite share[4]	**30%**	**27%**	**43%**	**44%**	**62%**	**26%**	**31%**	**44%**	**66%**	**42%**
Cancellations (EUR'000)	**(2,409)**	**(2,526)**	**(3,035)**	**26%**	**20%**	**(7,275)**	**(18,917)**	**(24,797)**	**241%**	**31%**
Cancellation Rate	17.3%	23.4%	15.6%	(10%)	(33%)	9.1%	23.2%	20.1%	120%	(13%)
IFRS Revenues (EUR'000)	**9,659**	**8,495**	**21,206**	**120%**	**150%**	**69,564**	**65,855**	**94,839**	**36%**	**44%**
CPA Onsite	1,461	1,402	6,585	351%	370%	17,195	14,382	31,523	83%	119%
CPA Offsite	4,714	4,416	6,735	43%	53%	29,538	34,313	34,127	16%	(1%)
CPC + CPL	2,532	1,045	5,333	111%	411%	18,996	10,808	20,401	7%	89%
Subscriptions & Services	952	1,632	2,553	168%	56%	3,835	6,352	8,788	129%	38%
Adjusted EBITDA[5] (EUR'000)	**nm[6]**	**(7,040)**	**(4,424)**	**nm[6]**	**(37%)**	**(16,041)**	**(2,762)**	**(21,070)**	**31%**	**663%**
Cash & cash equivalents + other highly liquid short-term financial assets (EUR'000)	10,972	36,237	252,910	2,205%	598%	10,972	36,237	252,910	2,205%	598%
Equity (EUR'000)	35,480	22,865	300,687	747%	1,215%	35,480	22,865	300,687	747%	1,215%
Equity ratio	54.7%	21.8%	82.3%	50%	277%	54.7%	21.8%	82.3%	50%	277%

1 CPA basket size defined as CPA Gross Booking Value per booking, before cancellations
2 Take Rate is defined as Booking Revenues divided by Gross Booking Value (excl. Hotels, Feries, Escapada Rural & Smoobu)
3 Non-IFRS operating metric to measure performance, which we define as the net EUR value generated by transactions on our platform in a period (CPA, CPC, CPL, etc.) before cancellations. Booking Revenues do not correspond to, and should not be considered as alternative or substitute for, IFRS Revenues recognized in accordance with IFRS
4 Booking Revenues net of Subscription & Services Revenues
5 EBITDA adjusted for expenses for share-based payments and one-off items
6 Not available under IFRS

Letter to the Shareholders

Dear Shareholders,

2021 has been a remarkable year on HomeToGo's journey of growth, marking a milestone as our first year as a publicly listed company. On September 22 when we listed on the Frankfurt Stock Exchange, the entire HomeToGo team felt immensely proud. It was a testament to how far we have come since our founding in 2014, the continuous hard work of our team, and the demonstrated resilience throughout the past two years of a global pandemic. As Europe's first tech-focused SPAC IPO, this was the biggest historical moment on our path thus far, creating a globally recognised and industry-defining tech company made in Europe.

Together, we have made incredible homes easily accessible to everyone by continuing to grow our supply and pioneer new technology solutions that consolidate and benefit the entire alternative accommodation ecosystem. In 2021 our comprehensive inventory grew to more than 15 million offers from over 31,000 trusted partners worldwide – including online travel agencies, property managers, and homeowners. In a pandemic year when travelers increasingly seek out vacation rentals – be it a spacious villa in Portugal for a winter workation, or a cabin in Colorado for a rural, socially distanced retreat – our unparalleled selection as the world's largest marketplace for vacation rentals helped travelers find and discover new ways to travel.

From a demand perspective, we welcome ~50 million monthly[1] to our localized apps and websites across 24 countries, tapping into a EUR 1 trillion+ total addressable market for accommodation that is projected to grow to EUR 1.7 trillion+ within the next decade. Customers search for our site because they know that HomeToGo is where they will find the largest selection of alternative accommodation, complemented by our growing brand and proven marketing playbook. Increasingly, our guests book and return because they want to enjoy a trusted user experience – also contributing to our growing onsite business, with travelers increasingly booking directly on HomeToGo's domains.

Our market-leading technology is at the heart of everything we do, and being one of the first movers in the industry, setting high standards is part of our company DNA. For example, in 2015, we first introduced a Flexible Search technology, which today has become a common industry standard as customers demand flexible travel options, with ours notably seeing a massive uplift in usage this year compared to pre-pandemic times. In 2021, we introduced a Find Accommodations Near You feature, to serve the rising interest in domestic, drive-to travel during the pandemic, as well as significantly optimized our data-driven recommendation engine to offer even more personalized search experiences. Ultimately, these advanced technologies help elevate the book-ing experience to drive conversion-optimized, qualified demand.

These technology solutions also benefit our partners – by giving them access to a global pool of consumers, providing AI tools that help them optimize their listing and further strengthening our Subscriptions & Services offering. As part of that we've invested in our growing modular SaaS solutions, which allow for instance homeowners to synchronize availability and prices of their offerings across multiple websites instantly.

The overall success is reflected in our full-year financial results for 2021. Despite the on-going Covid-19 pandemic, we have generated a record **EUR 124 million of Booking Revenues** in 2021, **51% more** than the year before. After a strong Q4'21, we started the fiscal year 2022 with a record Booking Revenues backlog of **EUR 19 million**, 90% more than what we observed at the beginning of 2021.

In parallel, we have continued to execute on our strategy of offering onsite bookings – where the

1 June 2021, HomeToGo Group

complete transaction from discovery to payment happens on HomeToGo domains without the user being redirected to our partners' website. The positive results of this can be seen in our year-on-year **+116%** increase in onsite Booking Revenues, resulting in onsite Booking Revenues of **EUR 50 million** that contributed to **44%**[2] of overall Booking Revenues for the full year.

Our full year IFRS Revenues of **EUR 95 million** are above our increased November 2021 guidance of EUR 85-90 million. We have demonstrated the strong resilience of our business model in what was a considerably challenging environment for the travel industry. Alternative accommodation is the new zeitgeist, and we are poised for growth based on already observed tailwinds and changing travel behaviors accelerated by the pandemic.

With the proceeds from our de-SPAC and PIPE, in the year ahead we face a significant opportunity to grow in depth and breadth. We will continue to invest in our onsite and technology solutions and expand our portfolio globally, notably through targeted M&A activities: our recent closing on the acquisition of AMIVAC in early January 2022, a leading vacation rental business unit in France, is just one example of how we are already successfully executing against this strategy.

2021 was a year of monumental milestones and impressive highlights. We can be proud of what we have achieved together. Therefore, we want to thank every one of you, as shareholders, investors, current and former colleagues, partners, customers and suppliers. Your commitment, dedication, feedback, enthusiasm, and ideas push us forward every day. All of you made HomeToGo's voyage possible and have helped to make 2021 the most impressive year in our history so far.

There is no time to rest. Based on the significant achievements so far, there is much more to come in 2022. Like a traveler, we are always on the move and looking for new opportunities. We are looking forward to continuing on this next phase of our journey and delivering on our vision.

Dr. Patrick Andrae
Co-founder & CEO

Wolfgang Heigl
Co-founder & CSO

Valentin Gruber
COO

Steffen Schneider
CFO

2 Onsite share in % of Booking Revenues; Booking Revenues net of Subscription & Services Revenues

HomeToGo: Enabling the market with technology

HomeToGo is enabling the market with technology by building its operating system

Increase in service offering

=

higher overall contribution share

World's Leading Metasearch

- → Largest supply of vacation rentals ✓
- → Demand at scale ✓

Launched 2015

Fully Integrated Marketplace

- → Direct onsite booking engine with high share (> 50% in Europe) ✓
- → Increase Take Rate (+61% in Europe vs. 2019) ✓
- → Mainly CPA Revenues ✓

Launched 2017

Operating System

- → Payment services ✓
- → SaaS & technology solutions for partners incl. prices / yield, channel management & syncing, supply etc. ✓
- → 3rd party modules ✓
- → Auxiliary service products
- → Data as a service
- → > 20% Subscriptions & Services Revenues ✓

Launched 2020

✓achieved & further improving
✓started

M&A strategy supports quick roll-out: acquire synergistic businesses in line with our strategy, which we can integrate in our tech-stack, generating synergy effects as part of our flywheel

An ambitious team and first-class mindset have enabled HomeToGo's continuous evolution from leading metasearch to integrated marketplace

Our vision at HomeToGo is to make incredible accommodation easily accessible to everyone. Ever since our founding in 2014, we have enjoyed tremendous growth. Today, we are the marketplace with the world's largest selection of vacation rentals, with over **15 million offers** from more than **31,000 partners**. HomeToGo's brands welcome **~50 million visitors**[3] each month, operating localized apps and websites in 24 countries, including brands such as AMIVAC, Tripping.com, Casamundo, EscapadaRural, CaseVacanza.it, Agriturismo.it and Wimdu.

On September 22, 2021 we achieved another major milestone: we went public via the first European Technology de-SPAC.

We were listed on the Frankfurt Stock Exchange and raised EUR 250 million in capital, which will be used to further fuel our growth strategy.

HomeToGo has resolved significant market pain points. Accommodation is a rapidly growing EUR 1 trillion business, projected to reach EUR 1.7 trillion within the next decade.[4] However, alternative accommodation is highly fragmented, lacks transparency and is underserved. It is distributed across a multitude of international, regional and local players – homeowners, property managers and online travel agencies (OTAs) – with varying levels of experience and resources. We estimate that the three largest OTAs cover only 8% of the current addressable market for accommodation overall. By aggregating supply and generating reach for partners, while creating an inspirational onsite experience for customers, we have elevated the entire alternative accommodation ecosystem.

The secret behind this success is that it's been in our DNA since day one, with an incredibly ambitious team, always adapting and evolving to do things better and differently, marked by an unparalleled standard for excellence. From founding to present, we've continuously brought new innovations to shape the market, pioneered new technologies and utilized radically different and highly efficient marketing tactics – well ahead of the market. This first-class, fearless mindset flows across the entire company: from our highly flexible and adaptable platform

3 June 2021, HomeToGo Group
4 Source: Broker research

The market for accommodation is highly fragmented – even the large online travel agencies (OTAs) cover only a fraction of it

Global stays in accomodation

44%
Onsite Share in % of Booking Revenues[5]

+51%
Growth in Booking Revenues vs. 2020

architecture and technology development cycles, to the nimble and efficient way in which we further accelerate growth through strategic acquisitions.

With this mentality, we have undergone a tremendous shift. From being the world's leading metasearch platform, we transitioned to a fully integrated marketplace for vacation rentals with strong growth in our onsite business, where the complete transaction from discovery to booking and payment happens on HomeToGo domains. In 2021 onsite share made up **44%[6] of Booking Revenues (+13pp vs. 2020)**, elevating the customer experience and fueling an overall higher take rate per booking of **8.4% (vs. 6.4% in 2020)**. The success of our strategy and resilience of our business model can be seen in our stellar growth momentum, despite the ongoing challenges of the Covid-19 pandemic – Booking Revenues grew to **EUR 124 million (+51% vs. 2020)** and we finished the year above the top end of our already upward revised guidance, with **EUR 95 million** in IFRS Revenues.

5+6 Booking Revenues net of Subscription & Services Revenues

"The next step in our evolution is developing a solution-focused operating system that benefits the entire alternative accommodation industry."

The significant growth we observed in 2021 is only the beginning. The next step in our evolution is becoming the industry's operating system, elevating the entire alternative accommodation ecosystem through a strong suite of solutions for our partners, with our marketplace as a core element at the forefront.

In 2022 we are focused on this next evolution, already proven by our onsite business and Subscription & Services growth in 2021. This will be complemented by further expanding our brand offering, growing inventory globally to better serve our guests, driving engagement through efficient marketing tactics, and accelerating our global growth through strategic M&A.

Here's to ambitiously igniting the next level of growth.

Demand: Solving the key pain points for travelers with technology

Consumers trust us...

50
Net Promoter Score(1)

Average for all HomeToGo domains as of December 2021

Customer reviews(2)

App store ratings(3)

4.6 ★★★★★ REVIEWS.io

4.8 ★★★★★

4.1 ★★★★★ Google Play

Customer feedback

“The booking was very easy and uncomplicated. The contact was also flawless and quick.”

“We have already booked several times with HomeToGo. The accommodations were top. No problems at all and if we had any questions, they were answered promptly.”

“Perfect offer and uncomplicated booking – pure joy!”

1 Net Promoter Score measured by Zenloop; Average for all HomeToGo domains as of December 2021
2 Average for all HomeToGo GmbH domains as of December 2021
3 As of December 2021

Alternative accommodation is the new zeitgeist

What we have observed in the market is that travelers who try out a vacation rental once continue to book because of the unparalleled experience. It’s convenient, often better-priced than other options, and feels like home. This has made alternative accommodation the new zeitgeist: the market we are serving is fast-growing and demand has been rising rapidly, even before the pandemic.[7]

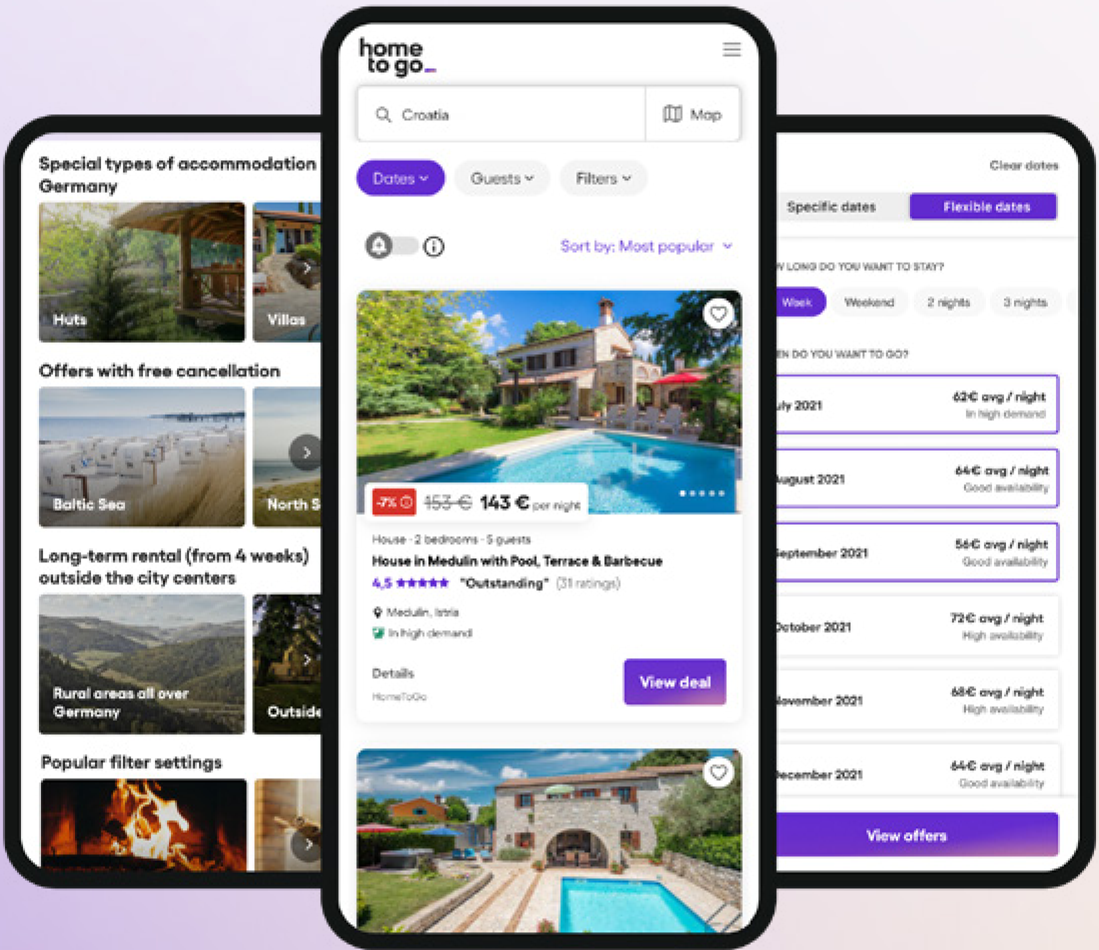
With secular tailwinds from the Covid-19 pandemic, new structural trends have accelerated this pre-pandemic growth – travelers prefer the safety of private homes instead of crowded hotels, increasingly choose remote, drive-to, domestic destinations – which are also a more sustainable option – and have adapted to the new remote work reality, taking longer “workations” around the world in the comfort of a spacious vacation rental.

These are only first glimpses of the impact the pandemic has had on demand, bringing new customers into the alternative accommodation segment and allowing them to experience its advantages first-hand.

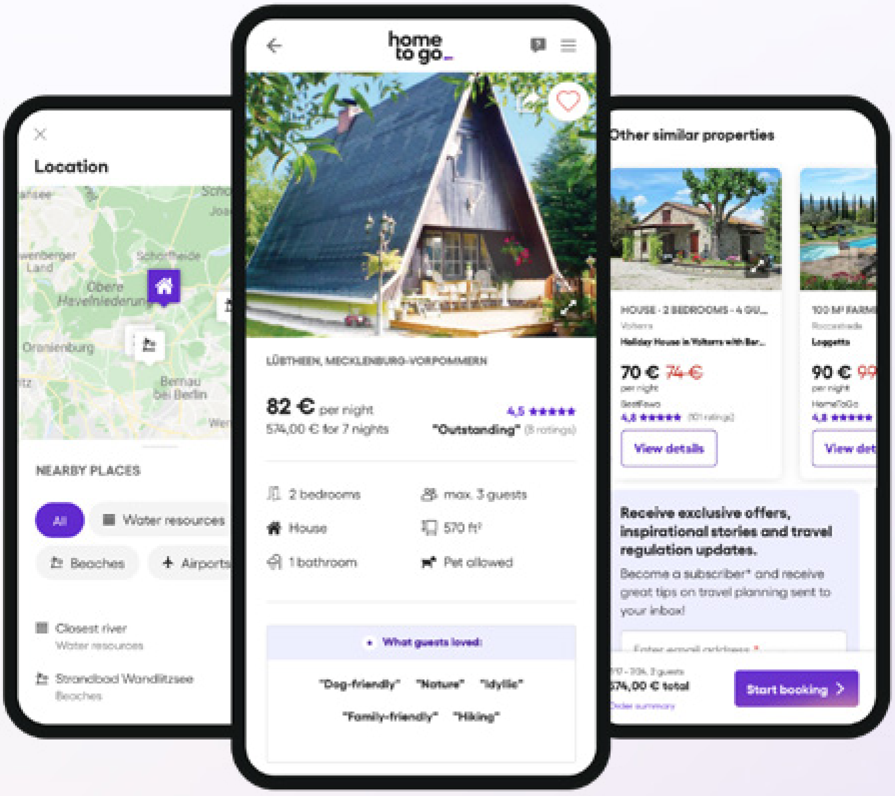
These long-term trends are here to stay – alternative accommodation has proven to become mainstream and new phenomena, such as workations, are just on the cusp of becoming prevalent in the upcoming years.[8]

7 Source: Skift
8 Source: Phocuswire

Our superior consumer experience offers choice, transparency, highly relevant content and trust & safety when booking

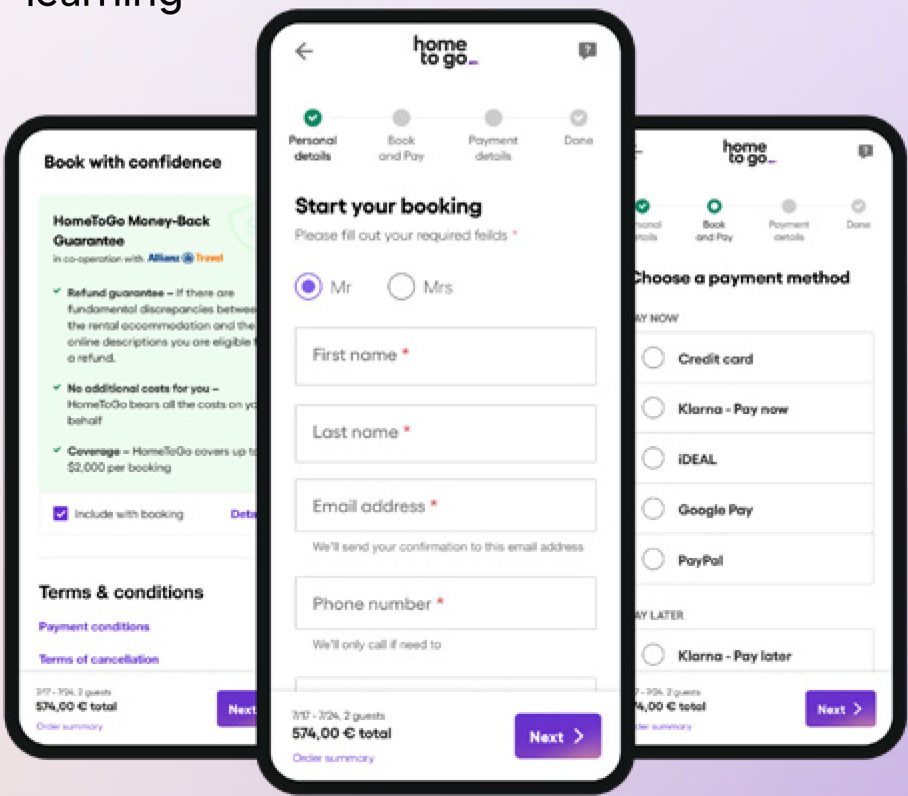


Broad choice
combined with smart tools like
Flexible Search



"There is a huge selection, many filter options and the site is very clearly and transparently designed. You can also find real treasures among the offers."
Customer feedback

Smart and personalized
with data and machine learning



"They provided us with a service which I was unable to obtain anywhere else on the internet."
Customer feedback

Trusted checkout & payments
generating more bookings for Partners

HomeToGo is strongly positioned to tap into this accelerated demand with a unique value proposition and an exceptional customer experience

HomeToGo is ideally positioned, with a first-class product and user experience that has been tactfully tailored to serve its customers. Before HomeToGo existed, travelers had to laboriously search for offers and manually compare prices across hundreds of websites in a highly fragmented market. By bringing supply and demand together through technology, we have built a unique value proposition, offering an unprecedented selection on a single, easy-to-use and reliable platform. Our superior customer experience offers both transparency and highly personalized recommendations, in addition to a secure and trusted checkout and payments process to ensure a seamless and convenient experience. As a result, our customers trust us: we have a Reviews.io score of 4.6[9], and a Net Promoter Score (NPS) of 50 points[10], far ahead of the market.[11]

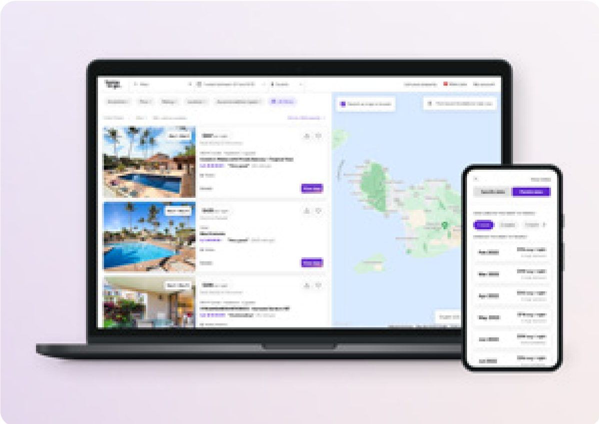
Core to our company spirit is the ambition to continuously innovate, adapt and enhance our product to better serve our customers. We pioneered powerful technologies, such as being one of the **first short-term rental players to create "Flexible Search" back in 2015**, allowing guests to search for the best price across any trip duration. This saw a **massive uplift in usage (+667% Q4 2021 vs. Q4 2019)** following the onset of the pandemic, as travelers demanded unprecedented travel flexibility.

Uplift in usage of our "Flexible Search" feature

+667%

2021 vs. 2019

9 Average for all HomeToGo GmbH domains as of December 2021
10 Net Promoter Score measured by ZenLoop; Average for all HomeToGo GmbH domains as of December 2021
11 Compared to an average NPS score of 18 for travel websites (Source: Skift)



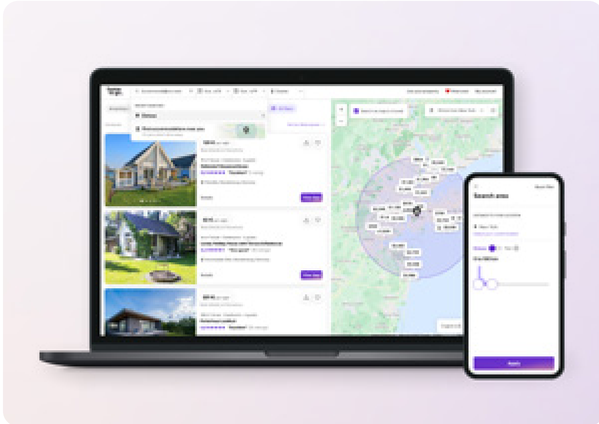
Flexible Search Feature

Furthermore, as we observed a growing demand for domestic getaways throughout the pandemic, we launched our “Find Accommodations Near You” feature in May 2021 and built additional features in reaction to demand, such as advanced filters for cancellation options and a Covid-19 information tool to provide up-to-date information on safety, hygiene, and ever-changing travel restrictions on a destination and property level.

“We’re laser focused on enhancing marketing efficiency – capturing the increasing demand while decreasing costs – and building a loyal customer base to sustain our long-term growth.”

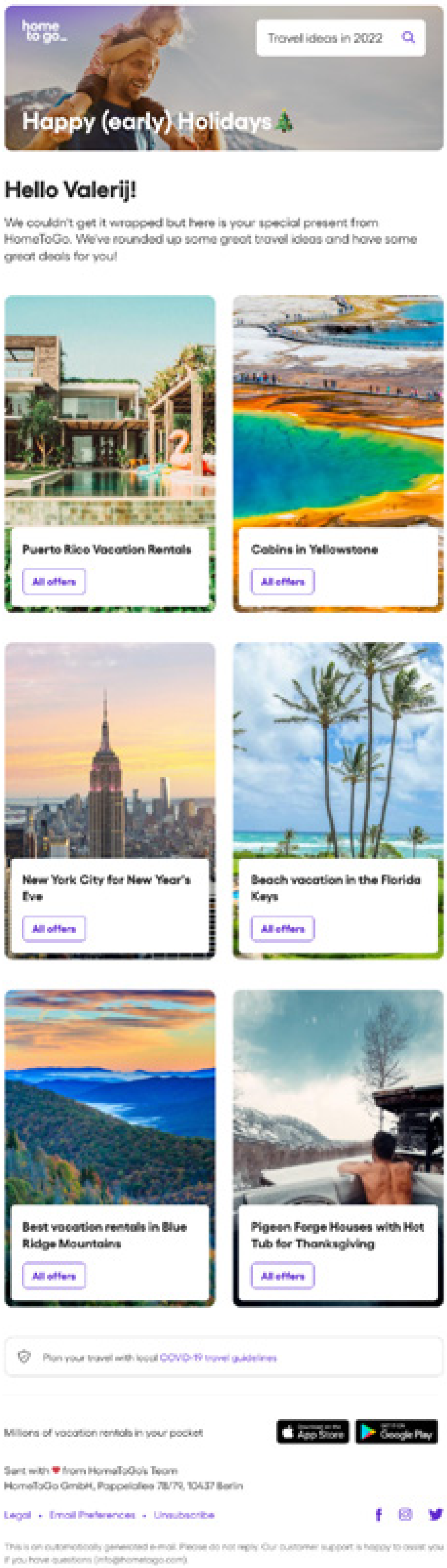
In order to capture the full demand potential and to continuously scale our business, we leverage proven marketing tactics across brand and organic, as well as paid marketing initiatives. To subsequently turn a first time customer into a loyal fan with a lasting relationship, we’ve built out a state-of-the-art customer retention strategy. As such we are able to continuously increase marketing efficiencies and will, over time, gradually reduce marketing expenses relative to revenues.

Throughout 2021 we invested in refining our proprietary ad-tech backbone to support paid marketing, which guarantees a strong return and is scalable across multiple markets and brands, such as our own “Campaign Builder” tool. It allows the automation of a large set of campaigns by targeting and grabbing search demand from millions of keywords, and serving highly tailored content to travelers on a destination basis.



Find Accomodations Near You Feature

In tandem, our award-winning Search Engine Optimization (SEO) approach has become renowned within the industry and has been one of the major drivers behind our increase in organic traffic. To fuel the next phase of growth, we will continue to identify new customer segments and build tailored landing page experiences to leverage untapped demand potential. This is clearly reflected in how well we rank compared to other market participants – for the majority of 2021, our SEO visibility score in Germany was



Example of an Email with Inspirational Content

well above some of the most well-known alternative accommodation brands.[12]

To support customer retention and grow our loyal fan base, we enhanced our personalized customer experiences via our app and CRM channel. **Through millions of targeted push messages and emails with personalized recommendations,** travel offers and inspiration each month, we engaged and re-engaged customers through relevant and inspirational content at marginal costs. This led to more and more revenues gained from customers returning via free channels such as email, direct or branded traffic, and our app.

Supporting these initiatives were additional investments into brand building, highlighted with the launch of HomeToGo's new brand in the summer of 2021. With a fresh logo and updated look and feel, amplified by a 360-degree rebranding campaign, we solidified our evolution to a global marketplace.

There is a powerful and emotional narrative about our new brand identity:

Our new logo is both dynamic and stable with the simple addition of a dash, which represents that HomeToGo offers a place for whatever you need – "a home to go…", so "a home to go relax", "a home to go work remotely", adventure, spend time with family, and so on.

Our new brand color, twilight purple, symbolizes the moment at the end of a day of travel, enjoying a sunset from a vacation rental and admiring nature's color palette.

To bring this new identity further to life, we collaborated with travel influencers on a TV and out of home advertising campaign to grow our brand awareness and positively impact our organic traffic and customer loyalty. This was complemented by our proven data-driven PR approach leveraging proprietary demand data on observed travel trends to position HomeToGo's travel expertise across global press coverage.

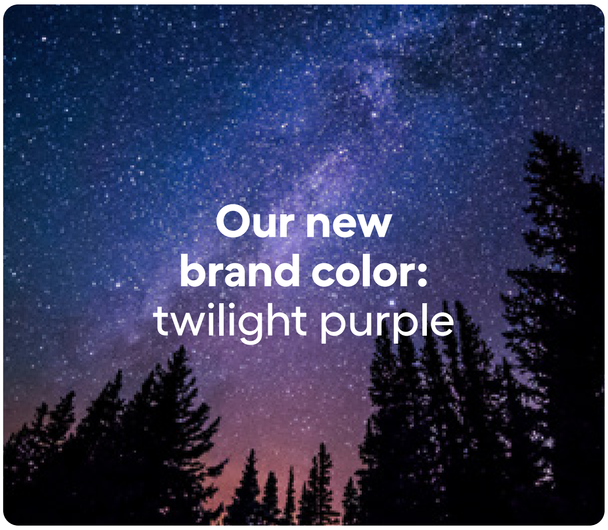
12 As of December 2021

Our strategy has led to tangible results and fuels a virtuous cycle for HomeToGo

Through this proven strategy we have already decreased traffic from paid marketing in 2021 to **52% (vs. 74% in 2016)**, resulting in **-44% cost per visit 2016 to 2021** and an increased lifetime value of our customers.

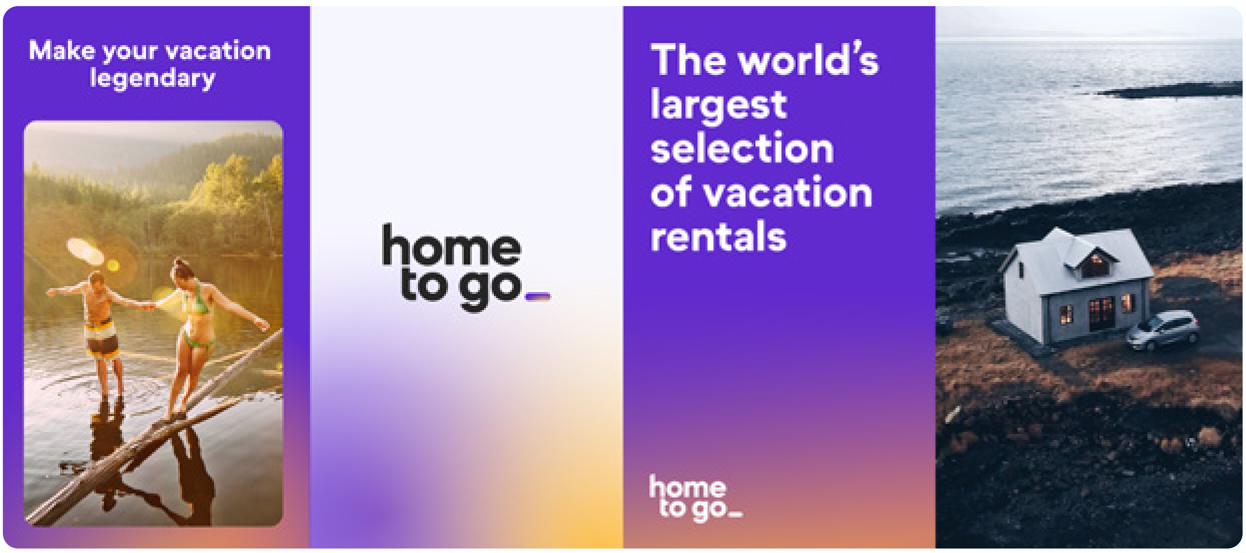
-44%
cost per visit 2016 to 2021

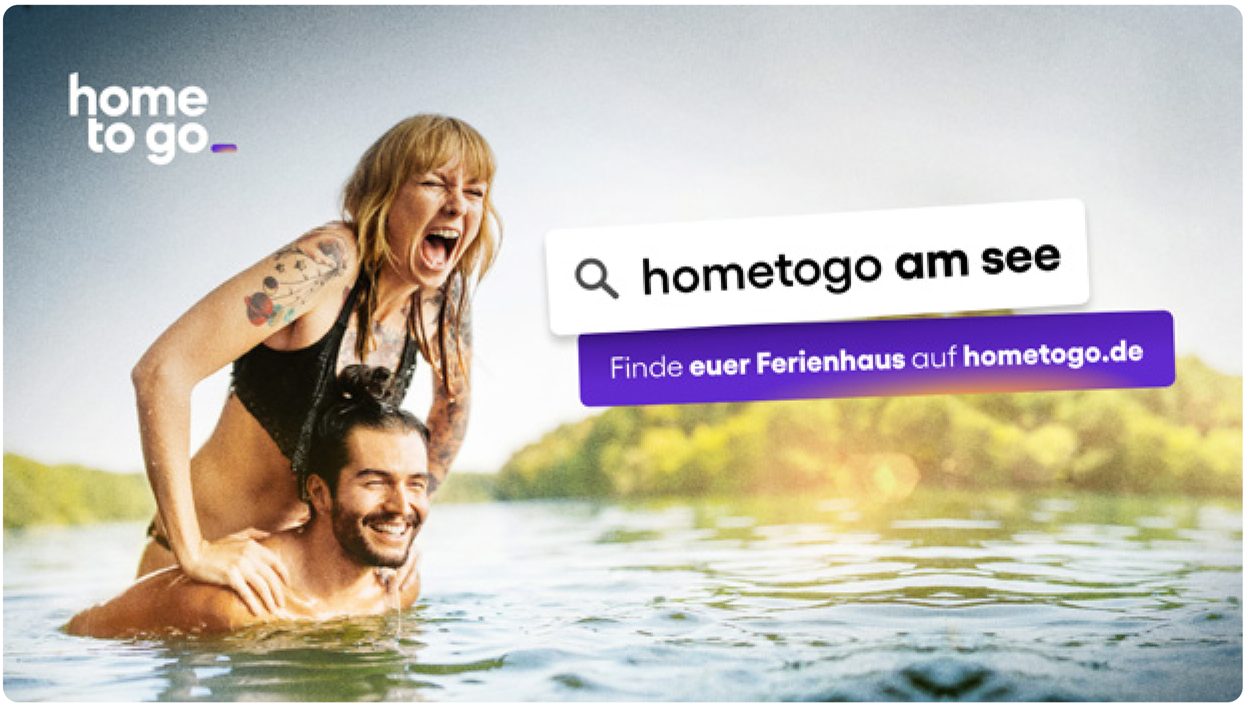
This approach fuels a virtuous cycle as the contribution per customer (the difference between booking revenues after cancellations and advertising spend) can be invested into additional brand and paid marketing to improve awareness and customer acquisition – in turn, further supporting growth and retention.

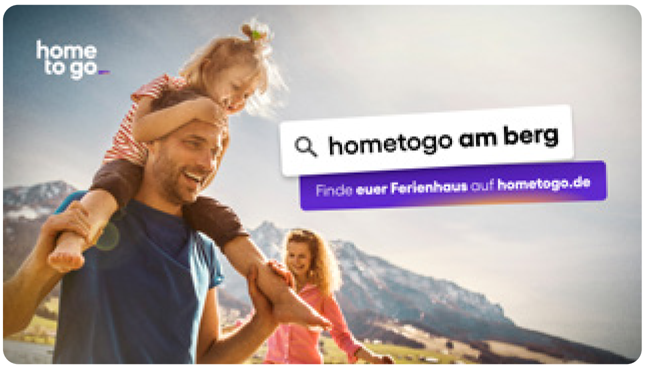


In 2021 we demonstrated the strength of our product and value proposition, while building the foundations for scalable, efficient, and automated marketing tactics. In 2022 we plan to scale this even further, leveraging our vast amounts of data and in-house technology team to continue driving strong returns and product features.

We will optimize our paid initiatives by launching new models and use cases for our campaign builder and plan to increase customer retention by continuing to develop a personalized, targeted customer journey and delivering high-quality services and content. Our goal is to be top of mind when customers plan their vacations and are looking to book their perfect accommodation. This includes use cases beyond the classical meaning of vacation, such as the new trend of workations or nearby, weekend trips.







In 2022 we remain focused on increasing customer retention, building on our solid foundation of Brand & Organic and Paid Marketing to grow our onsite business and drive repeat business

Imagery from HomeToGo's branding initiatives

Supply: Solving the key pain points of our partners with technology

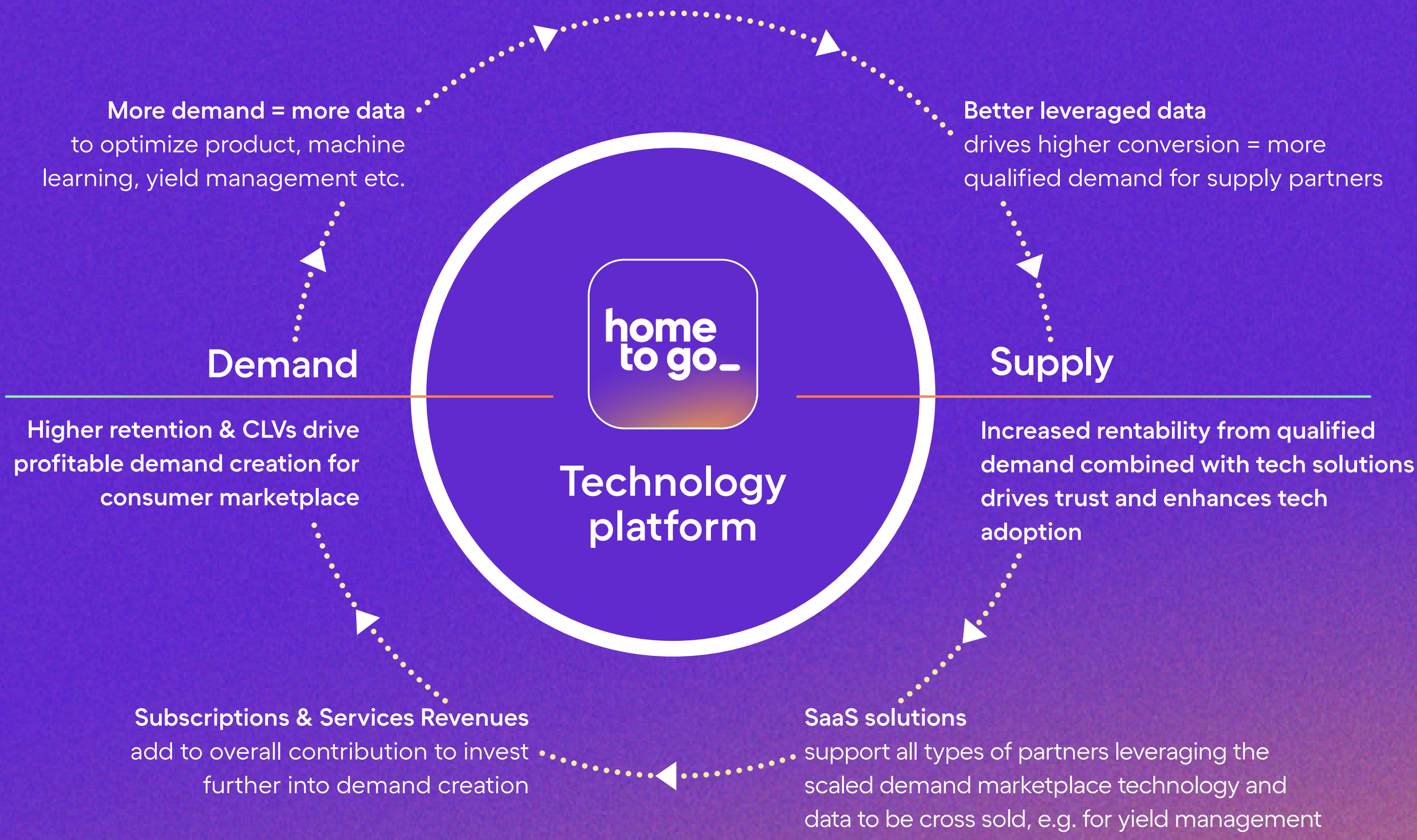
Solving for Suppliers

HomeToGo’s technology solutions for partners are providing tangible benefits and contributing to growth across the entire alternative accommodation ecosystem

Qualified demand largely on commission
for confirmed bookings

Supply, technology & data get quality
supply leads, enhance, manage & utilize supply
better get data insights, e.g. for yield management

Solving the key pain points of our partners with technology



When our over 31,000 partners win, we win. By offering tailored solutions for every partner type, our platform benefits the entire alternative accommodation ecosystem.

"Our partners include **online travel agents (OTAs)**, like Booking.com, Expedia/Vrbo or TripAdvisor, **property managers** and **individual homeowners** that either list directly on our platform or via other channels."

HomeToGo's cutting-edge technology and impactful data enables our partners to optimize inventory and improve rentability through data correction and enrichment using proprietary AI-driven algorithms. Our highly diversified supply means that we do not depend on one single partner given that the majority of our inventory is offered by multiple partners.

Our partners see tangible benefits: case studies of onsite partners have shown that those who switched to the HomeToGo platform observe a booking uplift of up to 60 times within three years.[13] Positive overall results of this can be seen in our +116% year-on-year increase in onsite booking revenues, resulting in EUR 50 million booking revenues for 2021 (44% onsite share).[14] For OTAs, partnering with HomeToGo is a way to attract more traffic and bookings from an additional source. For property managers and smaller businesses, partnering with HomeToGo gives them access to domestic and international travelers beyond their traditional marketing reach. In addition, we provide them with features and infrastructure, such as a convenient check-out process, image beautification tools or a customer care hotline, which helps them professionalize their offers for their guests. For homeowners, we provide a shopify-like convenient all-in-one solution with the possibility of managing listings automatically over multiple rental platforms. This includes the offering of a homeowner website, direct price and availability data syncing, central guest communication tools and more. This growing SaaS solution, which we operate under our Smoobu brand, will be rolled out further going forward.

We leverage deep inventory knowledge to optimize inventory both for partners and customers

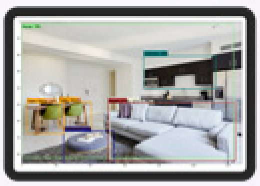


Image Recognition

Deduplication

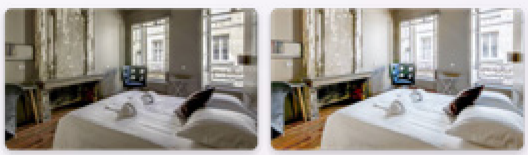
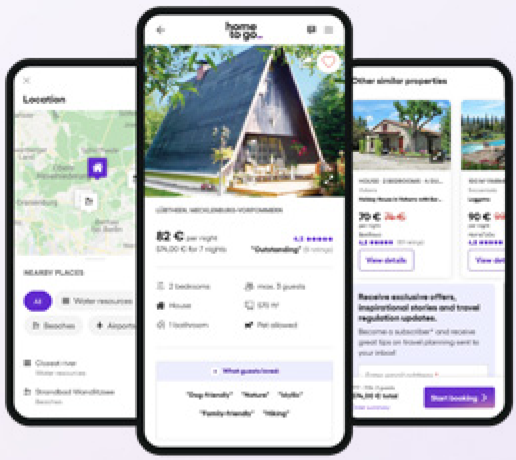


Image Enhancement



Proprietary AI-based images enhancement

Image recognition
Deduplication
Image enhancement
Image selection

Analyze, correct and enrich supplied data

Natural language processing (NLP) based content checks auto-add meta data such as nearby points of interest (e.g. airports)
Demend forecasting & trend prediction for yield management

13 Based on pre-cancellation data. Exemplary case to show possible potential uplift due to integration change for a partner with thousands of properties
14 Booking Revenues net of Subscription & Services Revenues

We are scaling our highly diversified supply and growing our global geographic footprint through targeted M&A activities

We are continuing to grow our global supply footprint through ongoing local sales efforts as well as acquisitions of local listing providers such as Agriturismo.it and CaseVacanza.it (part of Feries) in 2018 and EscapadaRural in 2019.

Recent acquisitions have included AMIVAC, the vacation rental business of Groupe SeLoger, which was signed in 2021 and closed at the beginning of 2022. We expect a positive contribution from this acquisition in 2022, both in terms of strengthening our offering in France and in terms of a positive financial contribution to our growth.

In 2021 we further grew our selection by winning new partnerships and intensifying our cooperation with existing partners, while enhancing our technology solutions

The mainstreaming of alternative accommodation was drastically accelerated by the pandemic. Our experienced and well-connected Business Development team leveraged this momentum to deepen relationships with existing partners and grow new relationships, building awareness of HomeToGo's benefits throughout the B2B community by attending more than 20 conferences and presenting at countless webinars worldwide.

Both new and existing partners could experience HomeToGo's resilience throughout the pandemic firsthand, reflected in booking numbers and the constant cooperation and adaptation we practiced in their interest. For example, we monitored guest preferences as a result of the pandemic, working with partners to quickly adapt listings to reflect both updated cancellation policies and safety practices.

Throughout 2021, we also continued to grow our technology solutions and benefits for our partners, leveraging our deep inventory knowledge to optimize inventory for partners and customers. **Continuous developments in our proprietary AI-based image enhancement and data-enrichment tools[15] have helped partners optimize their listings and grow demand.** Our onsite business drove more demand for our partners, whilst we started offering payment processing solutions that more and more partners onboard to.

In 2022 we aim to continue to increase and diversify our portfolio of suppliers

In 2022 we will continue to remain focused on partner acquisition, while building organic growth and awareness. With proceeds from the SPAC, we aim to grow our footprint in North America and drive long-term growth beyond Europe. In parallel, we will execute further inorganic growth through targeted M&A activity.

"Since opening up our Italian countryside home in 2011 we have loved the experience of offering a unique stay to travelers. Thanks to Agriturismo.it and HomeToGo, our inquiries have increased significantly over the years to build this into a business. What we love most is how simple and effortless it is to manage our listing and attract guests from around the world."
Daniele and Alessandra, Gardahill FerienWohnungen & Agriturismo, Soiano del Lago, Brescia

15 Our image enhancement technology, which not only enhances images visually but also interprets them in terms of content and automatically initiates an update of the overall data quality. In addition, location information like the distance to the beach or the type of amenities help users make informed decisions and improve booking success overall

Technology: The core of our business

The core of our business

Technology is at the core of our business, we enable the market with a state-of-the-art platform that has removed friction between demand and supply

Technology is at the core of our business. We enable the market with a state-of-the-art platform that has removed friction between demand and supply

At the core of our business and running through every customer or partner interaction is our leading-edge technology. This is also what drives our internal operations and decision making. With about **50% of our 400+ employees[16] working in our product and engineering teams**, constantly evolving this technology is our focus.

50%

of our 400+ employees are working in our product and engineering teams

Together, we have built a state-of-the-art platform that solves key pain points of the market and removes friction between supply and demand thus enabling the whole alternative accommodation ecosystem to be more successful.

Our platform accelerates a virtuous cycle of growth and innovation: we leverage data to drive better outcomes for our partners, which in turn drives adoption of our technology solutions and generates more revenues including increasingly higher adoption of our technology solutions as part of our Subscriptions & Services. This subsequently funds investment in consumer attraction, retention, and the accumulation of more data. These network effects are constantly fueling our highly scalable flywheel and help us build a technology enabler for the entire alternative accommodation ecosystem.

Our technology platform is fast, reliable, scalable and proprietary

HomeToGo's technology platform is able to support the entire ecosystem, because it is highly secure and extremely scalable. The infrastructure is fully cloud-based, built with redundancy and auto-scaling to increase resilience against infrastructure outages. It can also deal with high workloads, which vary over time due to business seasonality or changing user activity during the day, in a cost-efficient way.

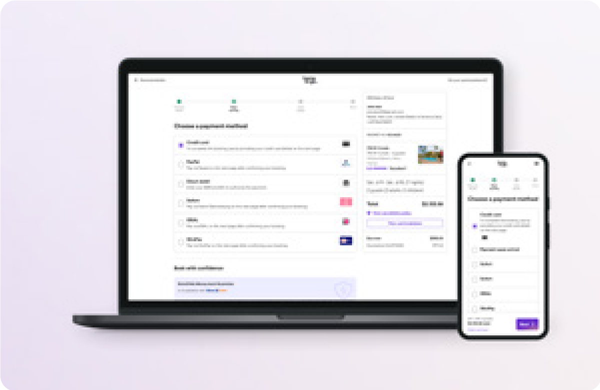
The platform has been designed using modular architecture, allowing engineering teams to develop multiple products independently from one another. This ensures a fast development speed, allowing rapid innovation, and immediate adaptation to new trends or demands needed to remain an industry leader.

This architecture is further supported by dedicated sets of automated test suites, deployment pipelines and extensive monitoring tools for each product, to ensure uncompromising, high-quality standards. Powerful A/B testing and extensive data analytics capabilities allow us to make data-informed decisions faster and maximize value creation for customers and partners.

In 2021 we enhanced our technology platform and added new security features, while enabling more HomeToGo brands to benefit from our technology

Over the past year, we have continued to enhance our platform and create new tech hubs to allow for even faster growth of our technology team. Our data warehouse technologies have also been upgraded to further increase self-service capabilities,

16 Headcount HomeToGo Group incl. dedicated teams of tech service provider NFQ



Payments Methods on HomeToGo

speed, reliability, and observability of our data platform. This enables our teams to make even more data-informed decisions.

We continuously strengthen our IT-security strategy and take an increasing number of technical and organizational measures to prevent unauthorized access to our systems and data, paying special attention to protecting personal data by applying even more stringent security measures. In 2021, we introduced dedicated security roles within the company, ran multiple security assessment workshops and conducted penetration tests with external security experts.

Furthermore, we delivered on our goal of consolidating technologies within the HomeToGo Group, enabling more of our brands, and eventually external brands, to take advantage of our platform. **We have also updated our proprietary modular HomeToGo Design System to the next version, further bringing the multi-branding and customization capabilities of our technology platform to the next level. This lays the ground for a suite of cloud-based services that we can offer to our partners and third parties.** One of the first examples of this is that we have implemented an enhanced White Label technology as part of the updated HomeToGo Design System.

Data-informed insights and technology are at the core of our product, driving innovation and guaranteeing a superior experience for both our customers and partners

We typically run over **100 A/B tests in production at the same time** resulting in releasing multiple new innovative and enhanced features to our platform on a weekly basis. Our cutting-edge technology is therefore not relying on big release dates. We can dynamically update our products without having to wait for certain launch dates, which is a benefit versus older technology setups. Taking advantage of large amounts of consumer behavior data, we train and enhance our cutting edge machine learning algorithms and recommendation models. Combining the right models with smart and easy-to use search tools, we are able to quickly adapt to new travel patterns across the globe. This offers increased relevance as well as convenience to our consumers, resulting in observed **higher onsite conversion rates on our platform (+18% 2021 vs. 2020).**

100 A/B
tests in production at the same time

Our onsite product enables consumers to book and pay directly on our platform. In 2021, we released five trusted payment methods that guarantee a fast, secure and easy checkout process. We further invested in our onsite post-booking flow, enabling consumers to easily access and manage their trip details, providing a superior end-to-end experience on our platform, and thus driving retention rates and customer lifetime value.

Our product team is focused on creating a state-of-the-art technology platform to remove friction for both supply and demand and help fuel growth for the alternative accommodation industry as a whole and enable everyone to be more successful.

With Smoobu, we provide a convenient, Shopify-like all-in-one solution for homeowners giving them the possibility to manage listings across multiple rental platforms in one central place. This includes the offering of a homeowner website, direct price and availability data syncing, central guest communication tools and more. For Smoobu's connected demand channel partners – including Airbnb, Booking.com and Vrbo, among others – this means more up to date data on availabilities and prices as well as easier access to supply.

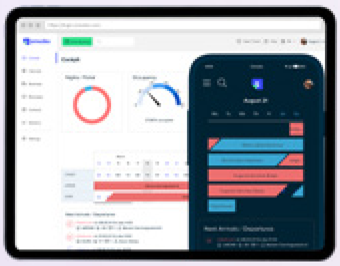
In 2022 we will continue to enhance our technology and security, while automating more processes.

In 2022 we will continue with the consolidation of our technology platform across our brands and with the improvements in infrastructure and automation of the business operations, while also advancing our recommendation models. **We also plan to continue to scale our SaaS product, through continued focus on new features and software advancements, including increasing synergies with our existing Subscription & Services offerings.**

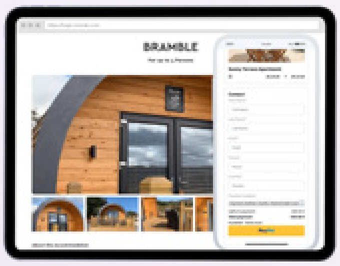
We will also launch new security initiatives by adopting an industry-leading NIST Cybersecurity Framework, and establish regular security assessments, based on a comprehensive set of well-defined security criteria, further investing into security tools and staff awareness training.

A shopify-like convenient all-in-one SaaS solution to connect homeowners more easily to our Partners – enabling the whole supply side to be more successful

smoobu



Overview via central cockpit incl. guest communication



Click-and-Build own website easily

Synchronise data like prices & availabilities

Leveraging external services via open API as well as the direct connection in the future to HomeToGo's data intelligence to improve inventory attractiveness, yield management etc.

Capterra ★★★★★ 4.6/5 Highly rated by users

An employer of choice

An employer of choice

Our employees are part of an ambitious, open-minded team of professionals with high growth potential and a motivating work culture

HomeToGo Berlin Office

The same ambitious, high-growth mindset with which HomeToGo was founded is what has made us an employer of choice for our 400+ employees. By joining HomeToGo, employees become part of a team of ambitious and open-minded professionals in a diverse company with high growth potential and a motivating work culture.

In line with our Leadership Principles, **we operate according to seven core values that define the way we work together, how we discuss ideas, and a foundation for developing all of us as leaders.** In short, these principles prioritize: Customer success, having a bias for delivering strong results, taking responsibility and ownership to move things forward, thinking, and acting entrepreneurially, being solution-oriented, developing and empowering each other, and, finally, a pronounced feedback culture so that we can grow together as a team.

In an environment that is still characterized by the original start-up flair, our employees are not seen as a “human resource”; instead, we focus on the individual. People are enabled to succeed through autonomous ownership of high impact projects and we focus on a healthy error culture. Our flat hierarchies also offer excellent opportunities for personal development, which is supported by extensive professional training, coaching and mentoring programs.

Each individual is empowered to set ambitious goals, to make an impact and grow their career.

The Covid-19 pandemic brought on an unprecedented change in how the HomeToGo team works together with a shift from a mainly in-office setting to being fully remote. Through it all, our team embraced the change and adapted - continuing to flourish and grow during an incredibly dynamic time. When the vaccination process started in early 2021, we began to brainstorm what our "new normal" could look like. We wanted this to be a holistic HomeToGo decision that prioritized the well-being of our team as well as the impact on the performance for HomeToGo, so we asked our team for input on how they work best. Together we developed a new hybrid approach: Flexible Work @ HomeToGo.

Our Flexible Work approach combines the best of both working models: in-office collaboration with remote work efficiency. This allows our team the freedom to choose if they work at home, in our offices while following proper precautions, or even while traveling. With this, given the freedom, trust and responsibility to choose their most productive and efficient work environment helps them achieve their best results.

Based on the deep trust in our employees, they are not only able to choose from where and how they work but also receive the necessary support to do so - for example, helping to set up their home office. To assist employees through psychological difficulties that arose with lockdowns and ongoing isolation, the company also offered mental health workshops, courses and counseling.

We believe in a strong feedback culture to enable continuous improvement of our employee value proposition

At HomeToGo we foster an open and constructive feedback and communication style focused on respect, transparency and trust. A 360-degree feedback culture, employee surveys, open feedback forums at all company meetings and a transparent culture serve as a basis for our continuous improvement. We see our open-minded and pronounced feedback culture as one of the most important prerequisites for our growth.

glassdoor	kununu
4.6/5	**4.4/5**

High growth opportunities, our Flexible Work approach, and our culture of trust and results-based attitudes are among the most frequently cited positive attributes in employee surveys. This positive internal feedback is also reflected on public employer rating platforms. With a Glassdoor rating of 4.6[17] (out of 5) and a Kununu rating of 4.4[18] (out of 5), HomeToGo is positioned well above the results of similar companies.

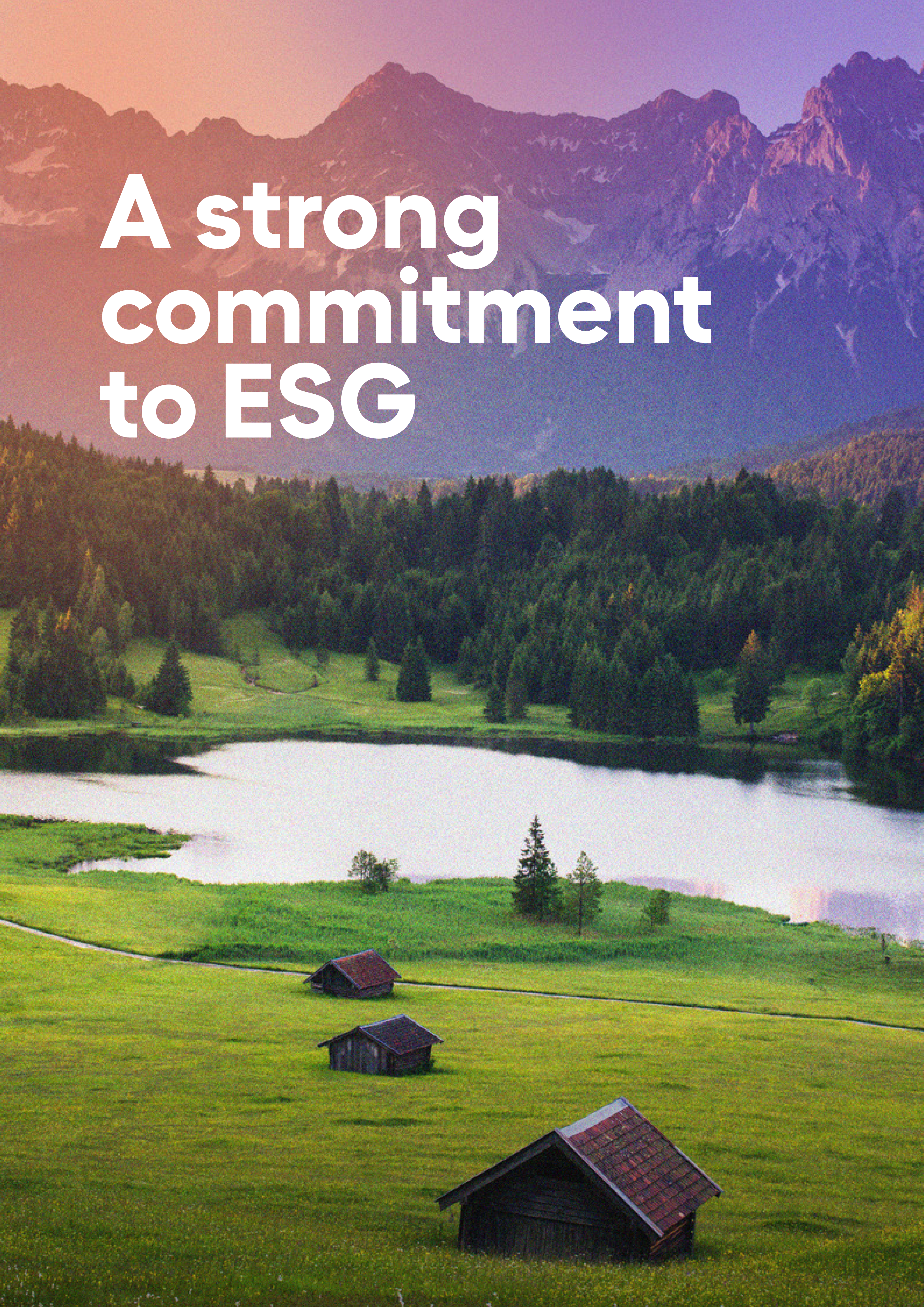
In 2022 we will grow our diverse and high-performing teams, while continuing to put our people first

HomeToGo will continue to put quality before quantity when it comes to hiring new colleagues in 2022, with targets to modestly grow our employee base. In return, our existing and new hires will be given the opportunity to develop and grow together with the company. After all, in today's ubiquitous "war for talent", companies can only become attractive to the best of the best, if they also offer the appropriate, inspiring opportunities.

17+18 For HomeToGo GmbH as of Dec 2021


Linwood
Corona
QUEENS

A strong commitment to ESG



A strong commitment to ESG

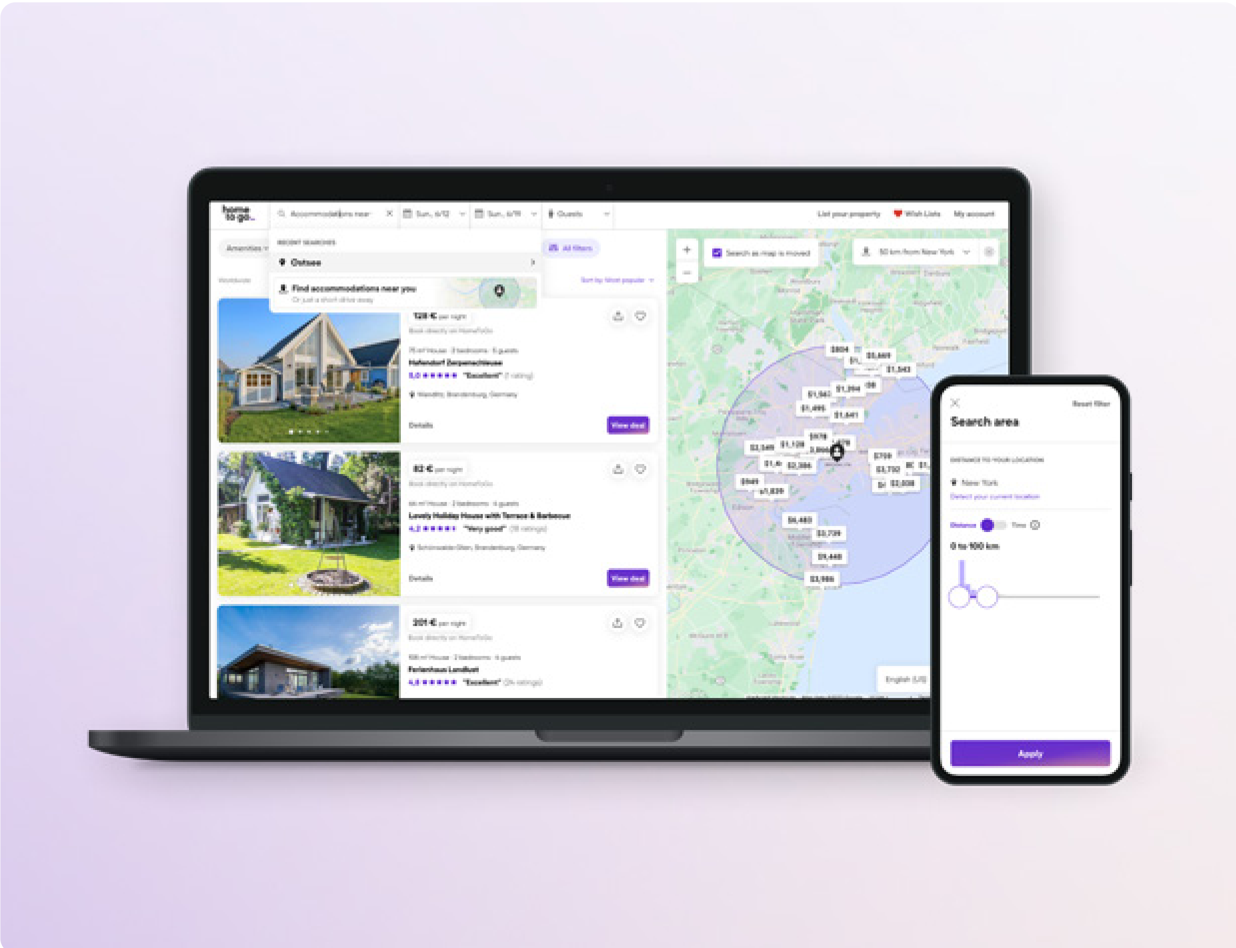
Our commitment to sustainability

We are committed to driving positive change for our customers, partners, employees and ourselves, as well as the environment. As part of our sustainability efforts, we focus on reducing our carbon footprint and combating the effects of climate change. For example, **we have been calculating our baseline and Scope 3 emissions for our German and Lithuanian offices since 2019, offsetting 100% of our carbon footprint in an effort to make these offices completely climate neutral.** We are also committed to fighting climate change through sustainable partnerships: as a member of Leaders for Climate Action – joining thousands of entrepreneurs, brands and companies – and through our certified carbon offsetting with ClimatePartner to support local projects such as Clean Oceans Worldwide.

ClimatePartner

leaders for climate action

We have also been driving sustainability through our ecosystem: Travelers can make their trips more environmentally friendly by being able to book rentals in drive-to, domestic destinations, made even easier by our introduction of a “Find Accommodations Near



Our "Find Accommodations Near You" feature supports sustainable, local travel

You" feature in May 2021. Based on our research and structural trends seen from the pandemic, we expect this trend to grow in the future.

Travel companies can contribute to significantly improving the sustainability of the entire travel ecosystem. This is something HomeToGo is eager to work towards in our commitment to greater climate protection and sustainability, and will continue to explore through product innovations and features to meet the growing customer demand for sustainable travel options.[19] By introducing new sustainable product features, we expect this to both positively impact growth[20] and more importantly foster a paradigm shift in the travel industry where we can encourage our consumers to give preference to sustainable product offerings wherever possible.

Our commitment to strong compliance standards

In 2021, we further strengthened our compliance system and introduced mandatory compliance training for all employees. We communicated internal guidelines that aim to ensure legal compliance, confidentiality and overall lawful conduct by our employees. Additionally, we defined principles for our corporate responsibilities, how we work with each other and with partners. In the course of our listing, we further strengthened these standards, bringing on additional specialists to support us in aligning our compliance system to the requirements of the capital market and the current legal environment. We have also introduced a "Speak Up System", which employees can use anonymously to report any suspicious behavior or even potential rule breaches. In terms of our interaction with the industry, we adhere to and uphold fair competition practices.

In our technology chapter we described how we continuously strengthen our IT security strategy and how to prevent unauthorized access to our systems. As a technology innovator of the industry, data protection is of particular importance to us. We pay special attention to protecting personal data through compliant GDPR standards. We have also brought on board an internal data protection expert in addition to an external data protection officer.

Our commitment to continuously promoting diversity

We place great emphasis on structures and practices that create true equality of opportunity. We take diversity in all forms very seriously, and ensure it through internal processes, policies, and training. Regardless of gender, nationality, sexual orientation, religion or culture, we aim to maximize the benefits of diversity as we believe in it as a core driver for greater innovation leading to better business outcomes. **Our team now consists of employees from 43 different nationalities**, whilst 40% of employees and 39% at and above the manager level of HomeToGo Group are female.

43

different nationalities of employees in our team

We are working to attract and hire talent from all backgrounds and to empower every individual to succeed. We are achieving this with a consistent recruitment process that reflects our HomeToGo values and culture. At the same time, we recognize that there is always more room for greater diversity, and we are actively working to achieve this in the next few years.

HomeToGo strongly believes that a diverse community has a positive impact on our products, company, industry and our team.

19 81% of global travelers say they want to stay in a sustainable accommodation in the upcoming year
Source: Booking.com 2021 Sustainable Travel Report
20 Sustainable products outperform regular products in terms of growth; Source: Harvard Business Review

Supervisory Board and Corporate Governance

HomeToGo SE
Report of the Supervisory Board for the Financial Year 2021

Dear Shareholders,

In the financial year 2021, the Supervisory Board of HomeToGo SE ("HomeToGo" or the "Company") fulfilled all of its duties as required by law, the articles of association and its rules of procedure with the utmost care. It regularly monitored the Management Board of the Company on the basis of comprehensive reports and provided advice on HomeToGo's strategic development and on important individual measures, about which the Supervisory Board was regularly and thoroughly informed by the Management Board. This occurred both during and outside of the meetings of the Supervisory Board and its Audit Committee in the form of written and oral reports. Matters ranged from the development of the business, questions on planned and current investments, the state of HomeToGo including its risk position, to risk management and compliance. Furthermore, the Management Board aligned HomeToGo's strategic focus with the Supervisory Board. The Supervisory Board discussed in detail the reports prepared by the Management Board and also deliberated on future prospects for HomeToGo with the Management Board. It was convinced of the lawfulness, expediency and propriety of the Management Board's leadership of HomeToGo and was involved in all fundamental decisions of HomeToGo.

The Supervisory Board was always promptly and comprehensively informed of current developments and significant individual issues by the Management Board. The Supervisory Board was involved at an early stage in decisions of major importance, in particular regarding the Company's initial listing on the Frankfurt Stock Exchange in February 2021 (Listing), then still trading under Lakestar SPAC I SE, and the business combination with HomeToGo GmbH (Business Combination), which was completed in September 2021. The Supervisory Board passed resolutions on all of those individual measures taken by the Management Board, which by law, the articles of association or the rules of procedure required the approval of the Supervisory Board.

The Supervisory Board initially included Dr. Klaus Hommels (Chairman), Raymond Bär and Dr. Dirk Altenbeck. Following the completion of the Business Combination with HomeToGo GmbH, Christoph Schuh, Thilo Semmelbauer, Susanne Sandler, Martin Reiter, Philipp Kloeckner and Dr. Dirk Altenbeck were elected as members of the Supervisory Board by the extraordinary general meeting of the Company in September 2021. In the following meeting of the Supervisory Board, Christoph Schuh was elected as Chairman and Dr. Dirk Altenbeck as Deputy Chairman.

Name	Age	Member since	Appointed until	Committees
Christoph Schuh (Chairman)	57	2021	2023	Audit Committee
Dr. Dirk Altenbeck (Deputy Chairman)	56	2021	2023	Audit Committee (Chairman)
Philipp Kloeckner	41	2021	2023	None
Martin Reiter	38	2021	2023	None
Susanne Sandler	37	2021	2023	None
Thilo Semmelbauer	56	2021	2023	Audit Committee

Meetings of the Supervisory Board and Written Resolutions

The Supervisory Board held four meetings in the financial year 2021. In addition, the Supervisory Board passed one written resolution and Dr. Klaus Hommels as a delegate appointed by the Supervisory Board issued three written resolutions. In these Supervisory Board meetings and written resolutions, the Supervisory Board approved all major decisions of the Management Board.

Despite the restrictions due to the ongoing Covid-19 pandemic, the Supervisory Board was able to hold all proposed meetings except one, which was substituted with a written resolution, in person or via video conference. These meetings were also attended by all members of the Management Board.

Key Activities

In addition to the Management Board reporting, in particular, with regard to the economic state and the development of HomeToGo and on material business events as well as the statutory regular reporting on intended business policy and fundamental questions with regard to HomeToGo's operative planning and profitability, especially the following topics were in depth dealt with by the Supervisory Board:

- → The issuance of public shares and public warrants in connection with the initial listing of the Company on the Frankfurt Stock Exchange.
- → Adoption and subsequent amendment of rules of procedure for the Supervisory Board and approval of the Rules of Procedure of the Management Board.
- → Formation of the Audit Committee of the Supervisory Board and adoption and subsequent amendment of its Rules of Procedure.
- → The Business Combination with HomeToGo GmbH and related issuance of new shares, PIPE transaction and listing of the newly issued shares.
- → Confirmation of the appointment of Dr. Patrick Andrae, Wolfgang Heigl, Valentin Gruber and Steffen Schneider as new members of the Management Board.
- → The annual financial statements for the financial year 2021 and their review by the Supervisory Board.
- → Development of the business during the course of the year 2021.
- → Strategic positioning and structuring of the business organization.
- → The invitation to and the agenda of the extraordinary general meeting in September 2021, including the proposals for resolutions.

Audit Committee

The Supervisory Board has one committee, the Audit Committee, the current members of which are Dr. Dirk Altenbeck (Chairman), Christoph Schuh and Thilo Semmelbauer. Prior to the Business Combination, the Audit Committee consisted of Dr. Dirk Altenbeck (Chairman) and Raymond Bär.

The Audit Committee convened four times during the financial year 2021, and held its meetings both virtually and in person.

In the first meeting of the Audit Committee on May 3, 2021, the Company approved and confirmed the requirements of independence of EY Luxembourg as auditor of the Company.

At its second meeting on July 14, 2021, the Audit Committee, after having reviewed related party transactions resulting from the transaction structure of the Business Combination, confirmed that sufficient disclosure had been made thereof and that risks resulting from related party transactions for shareholders had been adequately addressed by the Management Board and the Supervisory Board.

In the third meeting on November 4, 2021, the Audit Committee reviewed and discussed the financial statements for the third quarter of the financial year 2021.

At its fourth meeting on November 22, 2021, the Audit Committee discussed and prepared together with its auditor, EY Luxembourg, and EY Germany the upcoming auditing process for the financial year 2021.

Conflicts of Interest

During the meeting of the Supervisory Board on February 12, 2021, Dr. Klaus Hommels, indirectly subscribing for shares and warrants in connection with the initial listing of the Company, declared a potential conflict of interest and did not participate in the discussion and abstained from voting on the terms and conditions of Class B Shares and Class B Warrants as well as the respective purchase agreement in this meeting.

The Supervisory Board noted during its meeting on May 3, 2021, that Lakestar Fund II, of which Dr. Klaus Hommels is a beneficial owner, held a minor participation in HomeToGo GmbH.

The Supervisory Board noted during its meeting on July 14, 2021, that Dr. Klaus Hommels and Raymond Bär had a potential conflict of interest in respect to the PIPE financing in connection with the Business Combination as they (indirectly) subscribed for a certain amount of shares in connection with the PIPE transaction. The Supervisory Board further noted that Dr. Klaus Hommels was indirectly invested in HomeToGo GmbH and that the Audit Committee had reviewed and approved the Business Combination. It was noted that Dr. Klaus Hommels and Raymond Bär, respectively, abstained from voting on certain resolutions to the extent that conflicts of interest in the sense of Luxembourg law existed.

No other conflicts of interest were reported or were discernible in the reporting period.

Corporate Governance

As a Luxembourg governed company, whose shares are listed on the Frankfurt Stock Exchange, HomeToGo is neither required to adhere to the Luxembourg corporate governance regime applicable to companies that are traded in Luxembourg nor to the German corporate governance regime applicable to listed companies in Germany. While HomeToGo does not apply the Luxembourg or German corporate governance regime in its entirety on a voluntary basis, HomeToGo and the Supervisory Board remain committed to applying and implementing high standards in terms of corporate governance throughout HomeToGo's organization.

Audit and Adoption of the Annual Financial Statements and Consolidated Financial statements

The annual financial statements and the consolidated financial statements for 2021, both including the combined management report were audited with an unqualified audit opinion. The Management Board forwarded the annual financial statements and the consolidated financial statements for fiscal year 2021, both including the combined management report as well as the proposal of the Management Board for the appropriation of profit 2021 as well as the auditors' reports to the Supervisory Board and the Audit Committee.

In the first step, the Audit Committee comprehensively examined and discussed the financial statements and the proposal for the appropriation of profit in the presence of the auditor. The auditor reported on the most significant audit matters.

Thereafter and based on the Audit Committee's recommendation, the Supervisory Board examined the annual financial statements and consolidated financial statements for fiscal year 2021, both including the combined management report as well as the proposal of the Management Board for the appropriation of profit. The result of the pre-assessment conducted by the Audit Committee and the Supervisory Board's own results corroborate the result of the external auditor. Based on this final review, the Supervisory Board raised no objections to the audit. The Supervisory Board, therefore, adopted the annual financial statements for 2021 and the consolidated financial statements for 2021 and approved their respective submission to the annual general meeting planned to be held on May 24, 2022. The Supervisory Board concurred with the proposal of the Management Board to carry forward the net loss for the year to new account.

Changes to the Management Board

After Stefan Winners, Inga Schwarting and Luca Ellul had resigned as members of the Management Board as previously intended in the context of the Business Combination, Dr. Patrick Andrae (CEO, until March 22, 2025), Wolfgang Heigl (CSO, until September 22, 2024), Valentin Gruber (COO, until September 22, 2025) and Steffen Schneider (CFO, until September 22, 2025) were elected new members of the Management Board.

Closing Remarks of the Chairman of the Supervisory Board

I would like to extend my special thanks to all present and former members of the Supervisory Board and the Management Board as well as all employees for their excellent performance in this special financial year 2021. The successful completion of the Business Combination and positive development of HomeToGo under the challenging circumstances of the year 2021 would not have been possible without the commitment, motivation and positive attitude of all board members and employees.

Luxembourg, March 30, 2022

For the Supervisory Board
Christoph Schuh
Chairman of the Supervisory Board of HomeToGo SE

Corporate Governance Report of HomeToGo SE

The corporate governance of HomeToGo SE (the **"Company"** or **"HomeToGo"**) is primarily determined by the applicable Luxembourg law, in particular the law of August 10, 1915 on commercial companies, as amended, and the law of May 24, 2011 on the exercise of certain shareholder rights in listed companies, as amended, the Company's articles of association (the **"Articles of Association"**) as well as the rules of procedure of the Company's Management Board (the **"Management Board"** and its rules of procedure the **"Management Board's Rules of Procedure"**), the rules of procedure of the Company's Supervisory Board (the **"Supervisory Board"** and its rules of procedure the **"Supervisory Board's Rules of Procedure"**) and the terms of reference of the Company's Audit Committee (the **"Audit Committee"** and its terms of reference the "Charter of the Audit Committee"). HomeToGo is committed to ensuring compliance with its core values of integrity, transparency and responsibility through the Company's code of conduct (the **"Code of Conduct"**). The principles set out in the Code of Conduct are binding for every employee of the Company. As a Luxembourg governed company, which shares are traded on the Frankfurt Stock Exchange, HomeToGo is not required to adhere to the Luxembourg corporate governance regime applicable to companies, whose shares are traded in Luxembourg or to the German corporate governance regime applicable to listed companies in Germany. The Company has opted not to apply the Luxembourg or German corporate governance regime in its entirety on a voluntary basis either, however, HomeToGo remains committed to applying and implementing a high standard of corporate governance throughout its organization and has therefore decided to set up its own corporate governance rules as described in the following paragraphs in order to build up a corporate governance structure which meets the specific needs and interests of the Company. The Company is, for example, in compliance with those rules of the German corporate governance codex that it believes are of particular importance such as that the Audit Committee of the Company's Supervisory Board is being chaired by an independent member of the Supervisory Board, Dr. Dirk Altenbeck, who has specific knowledge and experience in applying accounting principles and who is not the Chairman of the Supervisory Board.

The Company is obliged under Luxembourg law to draw up a remuneration policy for the Management Board as well as for the Supervisory Board. The principles and measurement of the remuneration policy for the Management Board and Supervisory Board are prepared in accordance with the aforementioned Luxembourg law of May 24, 2011. The remuneration policy and a remuneration report will be published separately from this annual report.

Under the Code of Conduct, all employees of the Company are required to abide by applicable laws and practice a culture of integrity, thereby committing to the Company's core values. The Code of Conduct outlines the values, corporate responsibility, commitment to fair competition and principles of internal communication for the Company.

In all business dealings, the Company is committed to its core values of integrity, transparency and responsibility. The teams and focus groups work together on the basis of openness, respect and constructive cooperation, thereby fostering a culture and work environment that empowers every employee to do their best work. This approach ensures the Company's success, which is based on great products and services, happy and loyal customers as well as the Company's reputation.

In order to work to the highest principles of quality, the Company adheres to all legal requirements, technical rules and regulations and complies with all relevant approval processes. The Company is committed to respecting and promoting the human rights of its employees and its business partners. Demonstrating openness to people from different backgrounds, the Company is firmly opposed to any form of discrimination. To create a safe and healthy working environment, the Company complies with all legal requirements and takes all necessary measures to prevent health risks associated with work. The challenge of sustainability and environmental protection is of paramount importance. The Company seeks to reduce its environmental impact, remain climate-neutral and fight against the climate crisis. Measures to this purpose include the complete climate neutrality for the Company's offices.

Given that the Company operates online platforms, it is aware of the special responsibility with regard to data protection and IT security. In order to protect all personal data of its employees, customers, suppliers and business partners, the Company complies with the applicable provisions and requirements under the applicable data protection laws and is particularly committed to basic principles such as purpose limitation, storage limitations and the accountability of the person responsible for processing the data. The Company has implemented appropriate technical and organizational measures to prevent its data from unauthorized access. Employees are required to use company property only for business purposes and to protect it from loss or damage by treating it properly. Furthermore, the Company attaches importance not to disclose confidential information, which may include, inter alia, technical and financial data or business strategies relating either to the Company or to entities outside of the Company.

To ensure that the market trusts the Company to conduct its business responsibly, the Company strives to maintain fair and balanced competition. Any kind of corruption or fraud is not accepted. Employees may accept only reasonable, socially adequate benefits from business partners and it is strictly forbidden for them to accept benefits that may influence their business decisions. Making sure that action is always taken in the interests of the Company, employees must inform their office superior or the Company's compliance office (the **"Compliance Office"**) in the event of a potential conflict of interest, so that an appropriate behavior can be determined internally. Donations, sponsorships and charity work are only carried out to selected organizations and causes in a transparent way pursuant to the Company's internal policies and must not harm the Company's reputation. Committing to fair and open competition, all employees are expected to act in accordance with applicable antitrust and competition laws. Any kind of arrangement or exchange of information aimed at or causing any restraints of competition is not permitted. The Company respects the intellectual property of its customers, business partners and third parties. By respecting financial laws and the confidentiality of non-public information, the Company maintains the trust of its investors and the public. No employee may disclose non-public information without due authorization or use non-public information for private purposes. Acknowledging the critical importance of market transparency and accurate and reliable financial and business records, the Company complies with all legal provisions on proper accounting and financial reporting. The Company complies with all applicable trade regulations and sanctions regimes and implements any new provisions as soon as possible. Employees are required to report any indications of money laundering to the Compliance Office. With regard to the choice of business partners, the Company applies the same high ethical and legal standards. Business partners are selected exclusively on objective criteria.

The Company's compliance system contributes to the effective implementation of the aforementioned values, principles and rules. Employees are encouraged to be alert, observant and to express concerns if they suspect a violation of a corporate governance rule. Concerns can be addressed to office superiors or the Compliance Office. Furthermore, suspected wrongdoing can be reported on an anonymous basis through the Company's internal communication channels.

Procedures of the Management Board and the Supervisory Board

Management Board Procedures

The Company is managed by the Management Board, which exercises its functions under the supervision of the Supervisory Board. The Management Board is vested with the broadest powers to act in the name of the Company and to take any action necessary or useful to fulfil the Company's corporate purpose, with the exception of the powers reserved to the Supervisory Board or to the general meeting of shareholders by any laws or regulations or by the Articles of Association.

The Management Board bears responsibility for managing the Company's business. It is bound to act in the interest of the Company and to increase the long-term value of the Company. The four members of the Management Board are responsible for the Company's strategy and its day-to-day implementation. They work collaboratively and inform each other constantly about any significant measures and events within their area of responsibility.

The Management Board develops the Company's strategy under the supervision of the Supervisory Board and ensures its implementation. It also conducts the Company's business with the due care and diligence of a prudent and conscientious manager in accordance with the applicable law, the Articles of Association and the Management Board's Rules of Procedure. The Management Board cooperates in an atmosphere of collegiality and trust with the other bodies of the Company in the best interest of the Company.

The collaboration and responsibilities of the members of the Management Board are set out in the Management Board's Rules of Procedure. The members of the Management Board represent the Company in dealing with third parties. With regard to the daily management of the Company's affairs, the Management Board may delegate such actions to one or several members of the Management Board, officers or agents. Pursuant to the Articles of Association and the Management Board's Rules of Procedure, the Company is bound towards third parties by the joint signature of any two members of the Management Board, or by the individual or joint signature of any persons to whom such signatory power may have been delegated by the Management Board within the limits of such delegation.

The Management Board endeavors to hold one meeting in each calendar quarter. Additional meetings are held if necessary. At least every three months the Management Board provides a written report to the Supervisory Board on the business of the Company and its foreseeable future development. In addition, the Management Board is obliged to promptly inform the Supervisory Board about any events likely to have a material effect on the Company.

Any member of the Management Board who has a financial interest conflicting with the interest of the Company in connection with a transaction falling within the responsibility of the Management Board is required to disclose such conflict of interest immediately to the Supervisory Board and inform the other members of the Management Board thereof. The relevant member of the Management Board may not take part in the discussions relating to such transaction nor vote on such transaction. Any such conflict of interest must be reported to the next general meeting of shareholders prior to such meeting taking any resolution on any other item. In addition, the authorization of the Supervisory Board is required for transactions relating to such conflict matters.

Supervisory Board Procedures

The Supervisory Board shall be in charge of the permanent supervision and control of the Company's management by the Management Board. It may in no case interfere with such management. The Supervisory Board has an unlimited right of information regarding all operations of the Company and may inspect any of the Company's documents. It may request the Management Board to provide any information necessary for exercising its functions and may directly or indirectly proceed to all verifications, which it may deem useful in order to carry out its duties. A member of the Management Board cannot be a member of the Supervisory Board at the same time.

The Supervisory Board regularly advises and supervises the Management Board in its management of the Company. It is involved in all decisions of fundamental importance for the Company. The Supervisory Board conducts its business in accordance with the applicable law, the Articles of Association and the Supervisory Board's Rules of Procedure. It cooperates closely in an atmosphere of trust with the other corporate bodies of the Company, in particular with the Management Board, in the best interest of the Company. Pursuant to the Articles of Association and the Supervisory Board's Rules of Procedure, the Supervisory Board must be composed of at least three members. The Supervisory Board must comprise what it considers an adequate number of independent members. However, at least one member of the Supervisory Board must be independent. Currently, the Supervisory Board has six members, of which five are independent.

The Supervisory Board has adopted the Supervisory Board's Rules of Procedure. The Supervisory Board's Rules of Procedure govern the procedures and responsibilities of the Supervisory Board. The Supervisory

Board holds at least one meeting per calendar quarter. Additional meetings are convened if necessary. The Supervisory Board reviews the efficiency of its activities at least annually. The Supervisory Board is subject to the same rules regarding conflicts of interest as the Management Board as described above.

The Supervisory Board's Rules of Procedure also lay out procedures and responsibilities for the Company's committees. Currently, the Supervisory Board has one committee, the Audit Committee, whose procedures and responsibilities are governed by the Charter of the Audit Committee.

Composition of the Management Board and the Supervisory Board

Composition of the Management Board

Pursuant to the Supervisory Board's Rules of Procedure, when appointing members of the Management Board, the Supervisory Board also takes diversity into account. The age limit for members of the Management Board is 69. With regard to succession, the Management Board and the Supervisory Board must ensure that there is a long-term succession planning of the Management Board.

The following table lists the current members of the Management Board:

Name	Nationality	Age	Position	Start of Term	Expected End of Term
Dr. Patrick Andrae	German	40 years	Co-founder, Chief Executive Officer	2021	2025
Wolfgang Heigl	German	53 years	Co-founder, Chief Strategy Officer	2021	2024
Valentin Gruber	German	31 years	Chief Operating Officer	2021	2025
Steffen Schneider	German	50 years	Chief Financial Officer	2021	2025

Until September 21, 2021, the Management Board of the Company (then called Lakestar SPAC I SE) consisted of three members, Stefan Winners (as Chief Executive Officer and Chief Financial Officer), Inga Schwarting (Chief Investment Officer) and Marc Siepmann), who was replaced by Luca Ellul (Chief Administrative Officer) on March 31, 2021.

Composition of the Supervisory Board

Pursuant to the Supervisory Board's Rules of Procedure, each member of the Supervisory Board must have the required knowledge, abilities and expert experience to fulfill his or her duties properly. At least one member of the Supervisory Board must have knowledge in the field of accounting and auditing. Each member of the Supervisory Board must ensure that he or she has sufficient time to perform his or her mandate. The members of the Supervisory Board must take responsibility for undertaking any training of professional development measures necessary to fulfill their duties. The Company must adequately support them in this regard.

In the Supervisory Board's Rules of Procedure, the Supervisory Board has specified the following goals for its composition and the following profile of skills and expertise for its members:

- → The Supervisory Board members taken together shall have the required knowledge, abilities and expert experience required to successfully complete their tasks.
- → The Supervisory Board members in their entirety must be familiar with the sector in which the Company operates.
- → At least one member of the Supervisory Board shall not have any board position, consulting or representation duties with main suppliers, lenders or other business partners of the Company.
- → The Supervisory Board members must not exercise directorships or similar positions or advisory tasks for material competitors of the Company
- → The age limit for members of the Supervisory Board is 69.

Pursuant to the Supervisory Board's Rules of Procedure, proposals by the Supervisory Board to the Company's general meeting for its composition must aim at fulfilling the aforementioned overall profile of the required skills and expertise.

The following table shows the current members of the Supervisory Board:

Name	Nationality	Age	Profession	Start of Term	Expected End of Term	Functions in the Board
Christoph Schuh	German	57 years	Active investor	2021	2023	Chairman of the Supervisory Board, Member of the Audit Committee
Dr. Dirk Altenbeck	German	56 years	Tax Consultant	2021	2023	Deputy Chairman of the Supervisory Board, Chairman of the Audit Committee
Phillip Kloeckner	German	41 years	Marketing and due diligence advisor, mentor and angel investor	2021	2023	–
Martin Reiter	Austrian	38 years	Manager, entrepreneur	2021	2023	–
Susanne Sandler	US-American	37 years	Manager	2021	2023	–
Thilo Semmelbauer	US-American	56 years	Managing Director	2021	2023	Member of the Audit Committee

Until September 21, 2021, the Supervisory Board of the Company (then called Lakestar SPAC I SE) consisted of three members, Dr. Klaus Hommels (as Chairman), Dr. Dirk Altenbeck and Raymond Bär.

Audit Committee

The Audit Committee oversees the accounting and financial reporting processes of the Company, the audits of the financial statements of the Company, internal control and choice of the Company's independent auditor (the "**Independent Auditor**"). The mode of operation as well as the duties and responsibilities are set out in the Charter of the Audit Committee. The powers and responsibilities of the Audit Committee include (i) the discussion of the Company's earnings press releases as well as financial information and earnings guidance provided to analysts and rating agencies with the Management Board and the Independent Auditor, (ii) the review and approval of all related-party transactions, (iii) the dis-cussion of certain correspondences and legal matters, (iv) requesting certain assurances from the Management Board, the Independent Auditor and the Company's internal auditor with regard to foreign subsidiaries and foreign affiliated entities, (v) the discussion of risk assessment and risk management with the Management Board, (vi) setting clear hiring policies for employees of former employers of the Company's Independent Auditor, (vii) establishing procedures for the receipt, retention and treatment of complaints regarding accounting, internal accounting controls or auditing matters, and (viii) providing the Company with any report of the committee required to be included into the Company's periodic reports and any legally required reports.

The Audit Committee consists exclusively of members of the Supervisory Board and must consist of at least three members. The Chairman of the Audit Committee must have specific knowledge and experience in applying accounting principles and internal control procedures. The majority of the Audit Committee must be independent of the Company. The Chairman of the Audit Committee must be designated by the Supervisory Board and must be independent of the Company. Members of the Audit Committee as a whole shall be competent in the business sector of the Company. Neither the Chairman of the Supervisory Board nor former members of the Management Board, whose terms of office ended less than two years ago, must be appointed as Chairman of the Audit Committee.

The current members of the Audit Committee are Dr. Dirk Altenbeck (as Chairman), Christoph Schuh and Thilo Semmelbauer.

The HomeToGo Share: 2021 in Review

Share development: Growth potential in a volatile market environment

First Technology-focused SPAC in Europe, first SPAC on the Frankfurt Stock Exchange

2021 has been a good year for global capital equity markets. In this environment, the leading German stock market index DAX reached a new all-time high of 16,251.13 points in December amid solid cyclical recovery, and continued low real interest rates despite supply-chain disruptions affecting multiple sectors (e.g. automotive industry due to lack of semiconductors, leisure and lifestyle industry due to lockdown restrictions in many countries around the globe). Whilst inflation rates have significantly increased in the second half of 2021 and are expected to last into 2022, longer-dated real yield rates (i.e. nominal bond prices minus inflation) continued to be anchored at very low levels, fueling positive market dynamics.

On September 22, 2021, HomeToGo SE started to trade its shares and warrants on the Frankfurt Stock Exchange under the ticker symbols “HTG” and “HTGW”, respectively. Following the closing of the business combination between HomeToGo GmbH and Lakestar SPAC I SE on September 21, 2021 we became the first European Technology-focused SPAC (Special Purpose Acquisition Company).

The business combination and the associated PIPE financing generated gross proceeds of around EUR 250 million for us, which we are investing into growth initiatives that will expand our service offering and into inorganic growth. **This will strengthen our position in the alternative accommodation ecosystem, in particular by providing new and innovative technology solutions for our business and supply partners.**

Stock market development in 2021

The stock market year 2021 was again characterized by uncertainties. In 2021, the DAX initially rushed from record to record starting in January. And it did so despite supply bottlenecks, global political conflicts, inflation fears and a pandemic. Only the emergence of the Omicron Covid-19 variant halted the DAX’s soaring performance at the end of November: within a few days, the DAX lost around 1,000 points before prices recovered toward the end of the year. Despite a turbulent year on the financial markets, it was successful from an investor’s point of view: the DAX, which had grown in size (from 30 to 40 companies), ended the year trading at 15,885 points, or up around 16%.

It should be noted that not all sectors benefited from this positive development. Travel and tourism companies, for example, were particularly hit hard by developments in the pandemic.

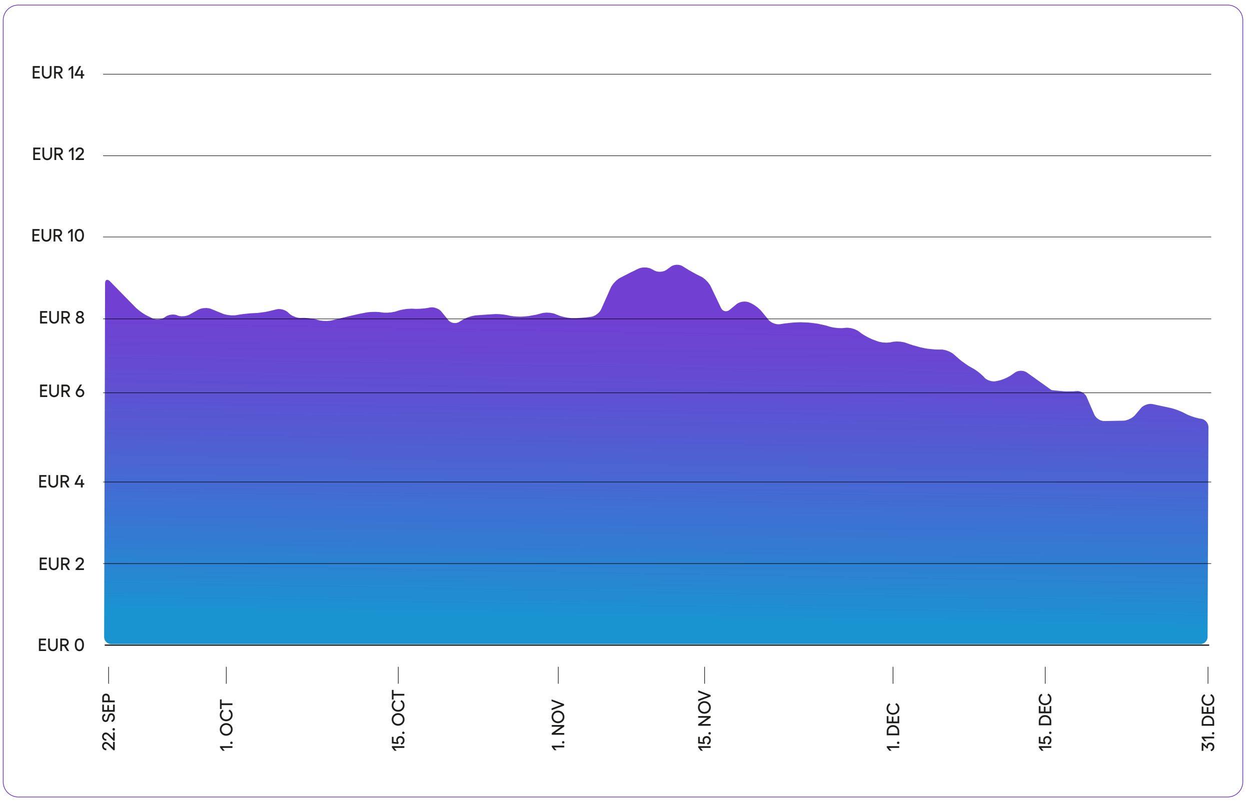
Development of the HomeToGo share

Given the dynamic development of the stock market and despite HomeToGo’s demonstrated resilience of its business model with record year-on-year growth, HomeToGo’s share price underperformed, with -41% at the end of 2021 compared to the issue price.

The share initially opened at a price of EUR 8.85 on September 22, 2021 and closed at a price of EUR 5.26 on December 30, 2021. The share reached its highest price during the reporting period at EUR 9.51 on November 10, 2021, and its lowest price during the period was EUR 5.20 on December 21, 2021.

The average daily trading volume in the reporting period was 31,827 shares.

Overview share price development HomeToGo SE



Source: Frankfurt Stock Exchange

ISIN LU2290523658

WKN A2GM3K

As of the balance sheet date December 31, 2021, the market capitalization of HomeToGo SE amounted to EUR 615 million based on 116.9 million shares outstanding at a closing price of EUR 5.26.

HomeToGo has been covered by three banks during its first four months on the stock exchange. The company was covered by analysts from Deutsche Bank, Berenberg Bank and Baader Bank.

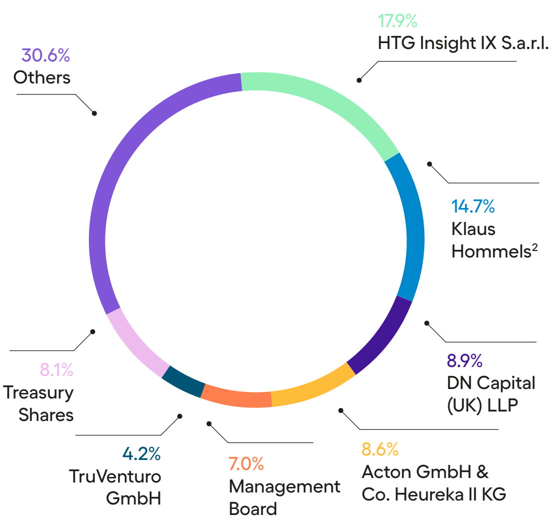
Analysts	Recommendation	Target Price
Baader Bank (Volker Bosse)	Buy	10.50 EUR (since Nov. 25, 2021)
Berenberg Bank (Wolfgang Specht)	Buy	12.00 EUR (since Nov. 29, 2021)
Deutsche Bank (Silvia Cuneo)	Buy	11.50 EUR (since Nov. 23, 2021)

HomeToGo strives to maintain and strengthen the trust of all capital market participants through close, regular and open dialogue. We do so by engaging with institutional investors in numerous one-on-one meetings, calls, roadshows and conferences around the globe.

As such, we participated in a number of events and hosted our inaugural Analyst Day on October 14, 2021. An overview of previous and planned activities can be found in the financial calendar on our Investor Relations Website:

Date	Event
Sep. 22, 2021	Baader Investment Conference
Oct. 14, 2021	Analyst Day
Nov. 17 – Nov. 18, 2021	Morgan Stanley European TMT Conference
Nov. 24, 2021	Deutsche Börse AG: Deutsches Eigen-kapitalforum 2021
Nov. 29 – Dec. 2, 2021	Credit Suisse 25th Annual Technology Conference
Dec. 6 – Dec. 8, 2021	UBS Global TMT Virtual Conference
Dec. 9, 2021	Berenberg European Conference

Shareholder Structure[1]



[1] As of October 14, 2021
[2] Incl. ANXA Holding PTE and Lakestar II

Basic information on the HomeToGo SE share

Shareholder structure

Basic Information	
First Day of Trading	September 22, 2021
Issuer	HomeToGo SE
Listing Venue	Frankfurt Stock Exchange
Market Segment	Regulated Market (General Standard) of Frankfurt Stock Exchange
Public Share ISIN	LU2290523658
Public Share WKN	A2QM3K
Public Share Ticker Symbol	HTG
Total number of shares outstanding as of September 22, 2021	116,868,948 (112,285,615 Class A Shares and 4,583,333 Class B Shares)
Total number of shares issued as of September 22, 2021	127.138.982 (122.555.649 Class A Shares und 4.583.333 Class B Shares)
Share Capital as of September 22, 2021	EUR 2,441,068.45
Type of Shares	Class A Shares (Public Shares) and Class B Shares (Founder Shares)
Public Warrants ISIN	LU2290524383
Public Warrants WKN	A3GPQR
Public Warrants Ticker Symbol	HTGW
Paying Agent:	Banque Internationale à Luxembourg S.A.

Combined Management Report

02

HomeToGo SE (formerly Lakestar SPAC I SE), Luxembourg

Combined Management Report for Financial Year 2021

1. Background to the Group

1.1. General

HomeToGo SE, Luxembourg is a public European company (Société Européenne) that is listed on the Frankfurt Stock Exchange, having 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 de Luxembourg) under number B249273.

This management report comprises both the group management report and the management report of HomeToGo SE. Herein, we report on the business performance as well as the situation and expected development of HomeToGo Group (hereafter also referred to as “HTG”, “Group” or “HTG Group”) and HomeToGo SE (hereafter also referred to as “HTG SE” or “the Company”).

1.2. Business Model

The HTG Group operates an international marketplace for vacation rentals, which connects millions of users in their search for a place to stay with thousands of inventory suppliers across the globe, resulting in the world’s most comprehensive inventory coverage in the alternative accommodation space. At the time of the report, the portfolio of HTG comprises more than 15 million aggregated accommodation offers provided by over 31,000 online travel agencies, tour operators, property managers and other inventory suppliers (“Partners”) worldwide.

HTG operates its business through local websites and apps in 24 countries. The international market appearance is carried out through various brands, mainly HomeToGo, Casamundo, Wimdu, Tripping, Agriturismo.it, CaseVacanza.it, Smoobu and Escapada Rural. The marketplace integrates a vast inventory in one simple search and enables users to book accommodations from diverse partners, either on the partners’ external websites or directly on the HTG platform. Since March 2021, we offer our new software as a service (“SaaS“) product for semi-professional agencies and homeowners, which enables them to centrally control their listings and coordinate their actions across multiple platforms, we also effectively improve the quality and synchronization of the existing inventory for our Partners, in particular online travel agencies (“OTAs“), and grant them access to additional new inventory that otherwise would not be (easily) available to them.

As an internet marketplace, HTG sees itself as an entry opportunity in the search for a vacation rental. With our on-site solution, there is an option to directly book with the connected partners via HTG. The use of the platform is thereby free of charge for users. Instead, HTG receives a commission from the connected booking partner for every successful mediation of a booking or for the generation of a query, respectively.

1.3. Group Structure

On July 14, 2021, Lakestar SPAC I SE (hereafter also referred to as “Lakestar SPAC”) and HomeToGo GmbH (hereafter also referred to as “HTG GmbH”) that was the former parent company of HTG Group, entered into a business combination agreement (in the following referred to as “the Transaction”) by way of contribution of all shares in HTG GmbH into Lakestar SPAC in exchange for the issuance of new public shares. The business combination was completed on September 21, 2021 and resulted after changing the name of Lakestar SPAC I SE in the new combined entity HomeToGo SE. The former parent company of HTG Group, HTG GmbH, was deemed to be both the accounting acquirer and the predecessor entity in the subsequent fillings of the combined company. Therefore, HTG Group presents as comparative information, the financial information of former HTG GmbH Group as of December 31, 2020. See section 6 - Business Combinations and other acquisitions of the notes to the consolidated financial statements for further details on the business combination.

HTG Group is managed by its ultimate parent company HTG SE and is operated under one segment. The Group comprises the parent entity, HTG SE, domiciled in Luxembourg, and its subsidiaries in Germany, Italy, Spain, Lithuania and the US. As of December 31, 2021, HTG SE had direct or indirect shareholdings in 15 companies, which belong to the Group and from which 13 are fully consolidated.

Subsidiaries and Investments	Location	Share in capital
HomeToGo GmbH	Berlin, Germany	100%
LS I Advisors Verwaltungs-GmbH	Munich, Germany	100%
LS I Advisors GmbH & Co. KG	Munich, Germany	100%
Casamundo GmbH	Berlin, Germany	100%
UAB HomeToGo Technologies	Kaunas, Lithuania	100%
UAB HomeToGo Technologies Vilnius	Vilnius, Lithuania	100%
Mertus 288. GmbH	Berlin, Germany	100%
HS Holiday Search GmbH	Berlin, Germany	100%
Feries S.r.l.	Milan, Italy	100%
Escapada Rural S.L.	Barcelona, Spain	100%
HOMETOGO INTERNATIONAL, INC.	Wilmington, Delaware, USA	100%
Smoobu GmbH	Berlin, Germany	100%
Mapify UG (haftungsbeschränkt)	Kassel, Germany	100%
SECRA GmbH	Sierksdorf, Germany	19%
SECRA Bookings GmbH	Sierksdorf, Germany	19%

1.4. Management System

The governing bodies of the Group are the Management Board, the Supervisory Board and the Shareholders' Meeting of HomeToGo SE. Detailed information on the composition of Management and Supervisory Board can be found on the Investor Relations website of the company.

The Management Board monitors and controls the Group's development through a comprehensive reporting system. The Management Board reporting informs in detail on current developments in the operating business in the form of absolute and relative key figures.

The Supervisory Board receives a monthly report including an income statement that provides a comprehensive picture of HTG Group's economic position. Significant items and their changes are explained and discussed in detail in regular meetings between the management and the Supervisory Board.

HTG's most important financial key performance indicators (KPIs) for the Management of the group are revenues and Adjusted EBITDA (non-GAAP). Besides revenues Management Board uses Adjusted EBITDA because we believe that it provides useful information to investors and others in understanding and evaluating our results of operations, as well as provides a useful measure for period-to-period comparisons of our business performance. It is a key measure used by Management internally to make operating decisions, including those related to analyzing operating expenses, evaluating performance, and performing strategic planning and annual budgeting. Both metrics are outlined in the following table:

Revenues	Revenues according to IFRS accounting policies. CPA revenues are recognized on check-in date. CPC + CPL revenues are recognized on booking or click date. Revenues from Subscriptions & Services are recognized over time or when services are provided.
Adjusted EBITDA*	Net income (loss) before (i) income taxes; (ii) finance income, finance expenses; (iii) depreciation and amortization; adjusted for (iv) expenses for share-based compensation and (v) one-off items. One-off items relate to one-time and therefore non-recurring expenses and income outside the normal course of business.

* unaudited

In addition to the above, HTG also uses a range of further non-GAAP KPIs to manage its business. The Management Board uses them to measure operating performance and as a basis for strategic planning, and because the Management Board believes that such non-GAAP KPIs will be used by investors and analysts to assess the performance of HTG. These further non-GAAP KPIs are described in the following table:

Gross Booking Value (GBV)*	GBV is the gross EUR value of bookings on our platform in a reporting period (including all components of the booking amount except for VAT). GBV is recorded at the time of booking and is not adjusted for cancellations or any other alterations after booking. For CPA transactions, GBV includes the booking volume as reported by the Partner. For CPC, GBV is estimated by multiplying the total click value with the expected conversion rate. The total click value is the duration of the search multiplied with the price per night of the clicked offer. This total click value is multiplied with the average conversion rate of that micro conversion source for CPA Partners in the respective month.
Bookings*	Bookings represent the number of bookings generated by users of the HomeToGo platforms.
CPA Basket Size*	CPA Basket Size defined as CPA Gross Booking Value per booking, before cancellations.
Take Rate*	Take Rate is the margin realized on the gross booking amount and defined as Booking Revenues divided by Gross Booking Value (excl. revenues from Hotels and Subscriptions & Services).
Booking Revenues*	Booking Revenues is a non-GAAP operating metric to measure performance that is defined as the net Euro value before cancellations generated by transactions on the HTG platforms in a reporting period (CPA, CPC, CPL, etc.). Booking Revenues does not correspond to, and should not be considered as alternative or substitute for Revenue recognized in accordance with IFRS.

* unaudited

1.5. Research & Development

As a technology company, HTG undertakes development in view of optimizing the search intelligence and develops self-used IT modules. The technical platform, on the basis of which the Group's websites and apps are operated, is an important differentiating factor compared to competitors, being continuously further developed in line with the requirements of the market and the expectations of the users. In-house and external experts engage with the continuous development of the platform. Our R&D work aims at achieving innovations that support a more convenient booking experience for our customers. Furthermore, we aim at ensuring our market leadership as the largest vacation home search machine in the world. In this regard, the Lithuanian subsidiaries, UAB HomeToGo Technologies and UAB HomeToGo Technologies Vilnius, which perform most of the development services for the HTG Group, play a major role.

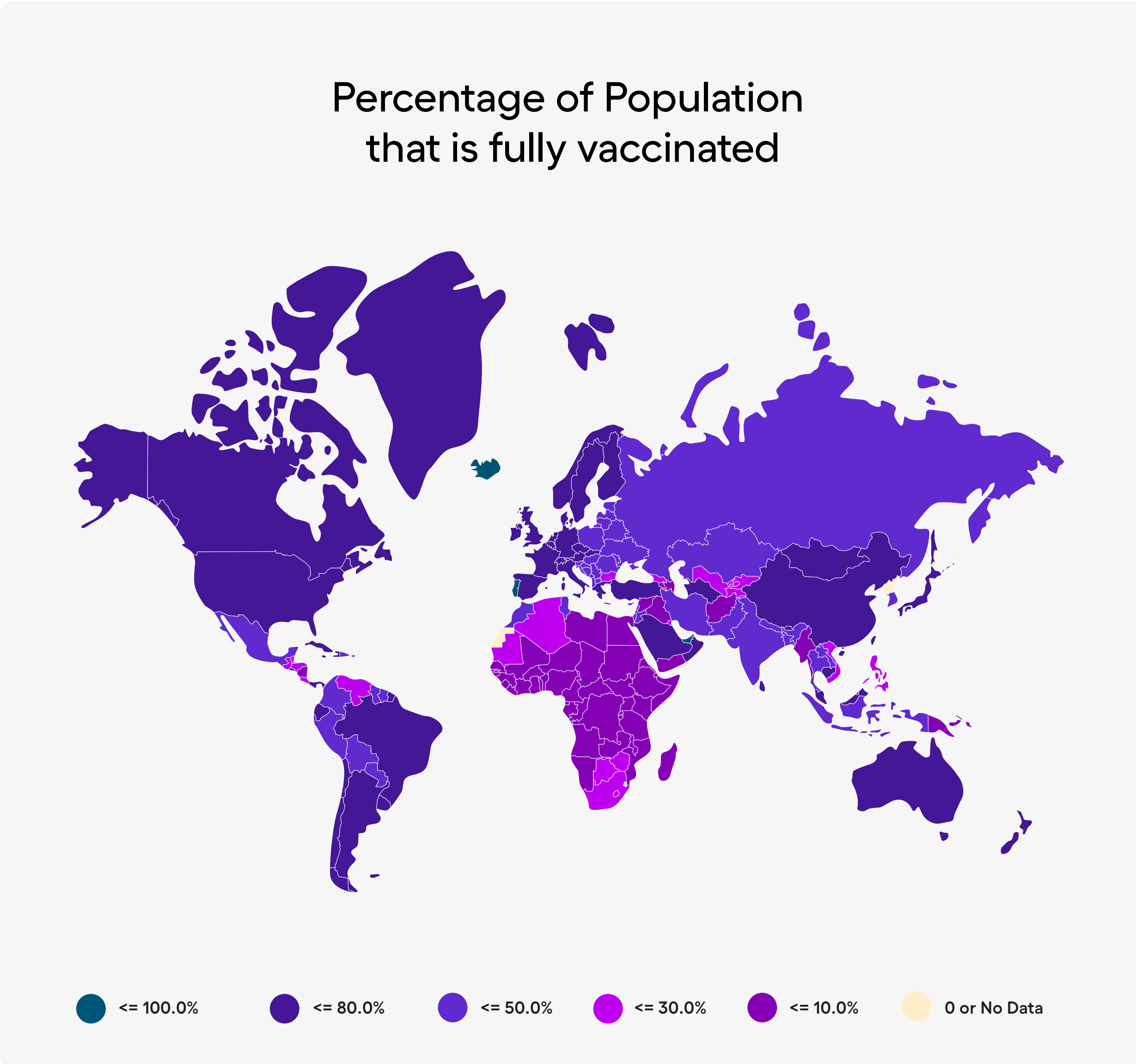
Over the past year, HTG continued to enhance its platform while the data warehouse technologies have also been upgraded to further increase self-service capabilities, speed, reliability, and observability of the data platform. HTG also consolidated technologies within the Group, enabling more of the brands to take advantage of the platform.

The Group's direct R&D expenses in 2021 amounted to EUR 8,163 thousand (2020: EUR 6,002 thousand), resulting in a R&D rate of 9% in relation to HTG's revenues (2020: 9%). The capitalization ratio amounts to 19% (2020: 23%) and amortization allocatable to capitalized R&D expenses amounted to EUR 542 thousand (2020: EUR 285 thousand). HomeToGo SE as an individual entity and pure financial holding does not conduct any operations related to research and development.

2. Report on Economic Position

2.1. Macroeconomic and Sector-specific Environment

The market for alternative vacation rentals was still highly impacted by the ongoing Covid-19 pandemic in the financial year 2021, though to a lesser extent than the previous year following a gradual relief of travel restrictions in Europe, North America and other parts of the world in spring. The overall development remained dynamic with the appearance of different Covid-19 variants that created multiple infection waves over the year. As measured by an in-



Source: UBS Evidence Lab

crease of 5.9% of the global price-adjusted gross domestic product (GDP)[1], economic development resurged in 2021 after a running into a recession in the previous year.

While global Covid-19 vaccine adoption against new cases trended in the right direction, there were still large waves of new cases. However, because hospital resources are less constrained in North America and the EU, these countries are moving forward cautiously with easing travel restrictions. The Omicron variant introduced new uncertainty, though the world appeared to be transitioning to a mindset of living with the pandemic.

The pandemic has changed travel patterns for much of 2020 and 2021, shifting when and how people book and travel. Large shifts out of urban centers towards traditional vacation destinations. People are taking longer trips. The shift to more remote work during the pandemic also allowed people to travel more and stay longer. One result of this has also been a faster recovery among short term rentals than hotels.

1 As of 2021. Source: Statista

Still, the online travel business and the business with alternative vacation rentals remains a growing market despite the ongoing pandemic. The entire addressable market is estimated to amount to more than EUR 1 trillion, being expected to reach more than EUR 1.7 trillion within the next decade.[2]

2.2. Business Development

HTG KPIs Overview	2021	2020	2021 vs. 2020
Gross Booking Value (EUR thousands)*	1,437,515	1,252,675	15%
Bookings (#)*	929,419	890,944	4%
CPA Onsite*	492,281	269,049	83%
CPA Offsite*	437,138	621,895	(30)%
CPA Basket Size (EUR)*	1,252	1,002	25%
Take Rate*	8.4%	6.4%	31%
Booking Revenues (EUR thousands)*	**123,555**	**81,946**	**51%**
CPA Onsite*	50,168	23,269	116%
CPA Offsite*	44,350	41,614	7%
CPC + CPL*	20,249	10,712	89%
Subscriptions & Services*	8,788	6,352	38%
Booking Revenues onsite share*	**44%**	**31%**	**42%**
Cancellations (EUR thousands)*	(24,797)	(18,917)	31%
Cancellation Rate*	20%	23%	(13)%
IFRS Revenues (EUR thousands)	**94,839**	**65,855**	**44%**
CPA Onsite	31,523	14,382	119%
CPA Offsite	34,127	34,313	(1)%
CPC + CPL	20,401	10,808	89%
Subscriptions & Services	8,788	6,352	38%
Adj. EBITDA (EUR thousands)*	(23,768)	(2,421)	882%
One-off items*	2,698	(341)	(891)%
Adj. EBITDA excl. one-off items*	(21,070)	(2,762)	663%

Table continues →

HTG KPIs Overview	2021	2020	2021 vs. 2020
Cash & cash equivalents + other highly liquid short-term financial assets (EUR thousands)	252,910	36,237	598%
Equity (EUR thousands)	300,687	22,865	1,215%
Equity ratio	82%	22%	273%
Employees (end of period)	417	302	38%

* unaudited

Although the global activity within the market for tourism and vacations in 2021 was remarkably decreased due to the ongoing pandemic HTG was able to close a successful business year and achieved a strong growth. The Group's revenue grew strongly by +44% to EUR 94,839 thousand in 2021. Booking Revenues increased by 51% to EUR 123,555 thousand with an overall growing share of onsite bookings made directly on our platforms increasing to 44% from 31% in the previous year.

Additionally, while we recorded approx. 321 million website visits in 2020, our 2021 increase to approx. 375 million stands for HomeToGo's brand awareness that has gradually increased, in particular over the last two years. At the time of the report, HTG managed to increase the number of partners to more than 31,000 (vs. 30,000 in 2020) contributing to an inventory of more than 15 million offers (vs. 14 million in 2020) on the Group's platforms.

With the acquisition of the Berlin based all-in-one vacation rental management software provider Smoobu GmbH, Berlin ("Smoobu") in March 2021 as well as our investment in SECRA GmbH, Sierksdorf and SECRA Bookings GmbH, Sierksdorf SECRA Booking GmbH, Sierksdorf, we are enhancing our SaaS strategy and provide further technology solutions to the supply-side of our business operations.

2.3. Results of Operations, Financial Position and Net Assets

The statements made on the net assets, financial position and results of operations of the HTG Group are based on the values and comparative figures of the

2 Deutsche Bank Research, Airbnb – The air bed looks fully inflated, January 4, 2021, Exane BNP Paribas, Airbnb – Floating On Air, January 4, 2021

consolidated financial statements for the financial year 2021, which have been prepared in accordance with the International Financial Reporting Standards (IFRS) as adopted by the EU. More detailed explanations on the accounting and valuation methods applied can be found in the notes to the consolidated financial statements 2021.

a) Results of operations

Compared to the previous fiscal year, the Group's operating result has developed as shown in the following table:

Shortened Statements of Profit or Loss			
(in EUR thousands)	**2021**	**2020**	**change**
Revenues	94,839	65,855	44%
Cost of revenues	(4,336)	(2,792)	55%
Gross profit	**90,503**	**63,063**	**44%**
Product development and operations	(23,726)	(15,275)	55%
Marketing and sales	(95,495)	(52,235)	83%
General and administrative	(112,751)	(13,092)	761%
thereof: Non-cash listing service expense (de-SPAC Charge)	*(70,437)*	–	*n/a*
Other expenses	(626)	(735)	(15)%
Other income	11,639	1,058	1,000%
Profit (loss) from operations	**(130,456)**	**(17,216)**	**(658)%**

The following sections outline the development of individual income and expense items:

Breakdown of revenues by activity areas		
(in EUR thousands)	**2021**	**2020**
CPA	65,650	48,695
thereof:		
CPA Onsite	31,523	14,382
CPA Offsite	34,127	34,313
CPC and CPL	20,401	10,808
Subscriptions & Services	8,788	6,352
Total	**94,839**	**65,855**

In the financial year 2021, the Group's total revenues increased by more than EUR 28,984 thousand to EUR 94,839 thousand. While revenues from Subscription & Services are continuously growing, still, the major portion of the revenues was generated from CPA ("Cost per Action"), CPC ("Cost per Click") and CPL ("Cost per Lead") transactions. Overall, the growth in revenues is partly reflected by the resurgence in the travel industry in 2021. In addition, the increase is on the back of solid increase of 83% in onsite transactions and take rate and increased brand awareness. Increased revenues in Subscriptions & Services are mainly explained by the acquisition of the SaaS company Smoobu.

Breakdown of expenses by functional areas		
(in EUR thousands)	**2021**	**2020**
Cost of revenues	4,336	2,792
Product development and operations	23,726	15,275
Marketing and sales	95,495	52,235
General and administrative	112,751	13,092
Other expenses	626	735
Total	**236,934**	**84,129**

The Group's 2021 costs are primarily driven by expenses for performance-marketing within our marketing and sales function and share-based compensation expenses that strongly impacted especially the general and administrative function. The reconciliation to adjusted EBITDA below provides a general overview of the impact of share-based compensation on the different cost functions.

Cost of revenues increased by EUR 1,544 thousand or 55% from EUR 2,792 thousand in 2020 to EUR 4,336 thousand in 2021 due to higher expenses for hosting and higher amortization of self-developed software, partly also arising from the additional amortization of the fair value step-up from the acquisition of Smoobu.

The increase in expenses for product development and operations by 55% to EUR 23,726 thousand in 2021 (2020: EUR 15,275 thousand) mainly results from higher expenses for share-based compensation (2021: EUR 8,260 thousand, 2020: EUR 3,170 thousand). Furthermore, our Product, Data and Engineer workforce has grown by 57% compared to the previous fiscal year leading to personnel-related expenes of EUR 9,435 thousand in 2021 compared to EUR 6,747 thousand in 2020.

Marketing and sales expenses grew by 83% from EUR 52,235 thousand in 2020 to EUR 95,495 thousand in 2021. The majority of the increase was driven by EUR 40,656 thousand or 100% higher expenses for performance-marketing compared to prior year as spend was increased across all markets. In addition, there was stronger competition compared to prior year leading to higher bids and therefore higher expense. Besides, additional expenses incurred as HTG specifically targeted travelers to download the HTG app. This investment supported the strong growth in CPA onsite revenues.

The increase in general and administrative expenses (2021: EUR 112,751 thousand, 2020: EUR 13,092 thousand) mainly results from share-based compensation (2021: EUR 88,038 thousand, 2020: EUR 3,395 thousand). The vast majority of this share-based compensation relates to the listing service expense of EUR 70,437 thousand which was recognized as part of the business combination that was treated as reverse acquisition accounting-wise. This one-time non-cash expense reflects the excess of the fair value of shares issued by HomeToGo GmbH over the fair value of Lakestar SPAC I SE identifiable net assets acquired. Please refer to section 6 - Business Combinations and other acquisitions of the notes to the consolidated financial statements for further details. Additionally, general and administrative expenses have increased due to higher consulting expenses (2021: EUR 13,079 thousand, 2020: EUR 1,643 thousand) and expenses for service agreements with third parties (2021: EUR 1,829 thousand, 2020: EUR 1,155 thousand), both incurred in connection with the business combination. Personnel-related expenses in general and administrative increased year-on-year to EUR 6,803 thousand (2020: EUR 4,613 thousand), with the number of staff having increased.

Other income increased due to government grant related income in 2021 of EUR 9.3 million (2020: EUR 0.4 million). EUR 8.6 million relate to income from a grant that is part of the Covid-19 aids by the German State.

In 2021, the Group incurred a consolidated net loss in the amount of EUR (166,789) thousand compared to the 2020 result of EUR (23,806) thousand. The decrease compared to the previous period is strongly related to the aforementioned listing service expenses and non-recurring consulting expenses that was incurred as part of the business combination and shown in general and administrative.

In order to assess the operating performance of the business, HTG's management also considers adjusted EBITDA. HTG recorded an adjusted EBITDA excluding expenses for share-based compensation and one-off items of EUR (21,070) thousand in 2021 compared to EUR (2,762) thousand in 2020. The decrease is mainly due to the higher marketing and sales expenses. Overall, the development of the Group's result of operations are assessed favorable given the ongoing pandemic-related pressure on the travel industry. The derivation of the Group's adjusted EBITDA excluding one-off items is shown in the following table:

Adjusted EBITDA reconciliation (in EUR thousands)	2021	2020
Profit (loss) from operations	(130,456)	(17,216)
Depreciation and amortization	4,691	3,607
Share-based payment expenses	101,997	11,188
thereof:		
Listing service expense (Sponsor as well as public shares and warrants from de-SPAC)	70,437	–
HTG Virtual Stock Option Program	31,560	11,188
thereof recognized in:		
Product development and operations	8,260	3,170
Marketing and sales	5,700	4,623
General and administrative	17,601	3,395
Adjusted EBITDA*	**(23,768)**	**(2,421)**
One-off items*	2,698	(341)
thereof:		
Business Combination*	12,801	–
Mergers and Acquisitions*	533	12
Covid-19 related Restructuring*	–	63
Other*	438	–
Income from Government Grants*	(9,256)	(416)
Capitalized transaction costs under IFRS	(1,818)	–
Adjusted EBITDA excl. one-off items*	**(21,070)**	**(2,762)**

* unaudited

b) Financial position

The following table provides an overview of the Group's financial development:

(in EUR thousands)	2021	2020
Cash and cash equivalents at the beginning of the year	36,237	10,972
Cash flow from operating activities	(83,256)	(11,309)
Cash flow from investing activities	(118,343)	(4,649)
Cash flow from financing activities	317,093	41,449
Foreign currency effects	1,213	(226)
Cash and cash equivalents at the end of the year	**152,944**	**36,237**

As of December 31, 2021, the Group has cash and cash equivalents in the amount of EUR 152,944 thousand (2020: EUR 36,237 thousand). The financial development of the Group was primarily driven by the de-SPAC transaction.

The decrease in cash inflow from operating activities is due to the cash settlement to beneficiaries of the HomeToGo Virtual Stock Option Program ("VSOP") in the amount of EUR 42,111 thousand.

The increase in cash outflow from investing activities from EUR (4,649) thousand in 2020 to EUR (118,343) thousand in 2021 results mainly from the investment of EUR 100,000 thousand in a money market fund to minimize the impact of negative interest rates on regular bank accounts. Furthermore, the increase is explained by the acquisition of Smoobu, reflected in payment for acquisition of subsidiary, net of cash acquired in the amount of EUR (16,385) thousand.

The increase in cash inflow from financing activities is mainly due to the collected proceeds of more than EUR 171,489 thousand resulting from the cash in Lakestar SPAC I SE and from additional subscription agreements with investors in a private investment in public equity ("PIPE") transaction in the aggregate amount of EUR 75,000 thousand. Furthermore, additional convertible loans with a combined principal amount of EUR 66,206 thousand have been issued in March and April 2021. Together with the other outstanding convertible loans these were already fully converted to equity prior to the de-SPAC transaction resulting in an increase in equity of EUR 146,277 thousand. Besides, the Group had also drawn down a bank loan of EUR 10,000 thousand in February 2021 that was already granted as of August 2020 for working capital financing.

In addition to the financing from convertible loans in the past HTG also uses external financing in the form of regular bank loans. The following table provides an overview on the outstanding loans within the Group as of December 31, 2021:

Debtor	Loan Amount (in EUR thousands)	Payout date	Maturity	Nominal interest rate	Carrying amount (in EUR thousands)
HomeToGo GmbH	6,000	February 2020	December 2023	4.35%	3,000
HomeToGo GmbH	10,000	February 2021	September 2025	2.12%	8,414
Feries S.r.l.	400	August 2020	August 2025	1.50%	376
Escapada Rural S.L.	500	May 2020	June 2023	2.50%	337
Escapada Rural S.L.	300	May 2020	June 2025	1.55%	252

The HTG Group's financial position can be stated as positive, especially against the backdrop of the successful business combination with Lakestar SPAC I SE. The Group has been able to meet its payment obligations at any time. Liquidity shortages have neither occurred nor are such shortages foreseeable for the future.

c) Net Assets

(in EUR thousands)	31.12.2021		31.12.2020		change	
Non-current assets	85,962	24%	60,984	58%	+24,978	+41%
Current assets	279,321	76%	43,819	42%	+235,502	+ >100 %
Total assets	**365,284**	**100%**	**104,803**	**100%**	**+260,481**	**+ >100 %**
Equity	300,687	82%	22,865	22%	+277,822	+ >100 %
Non-current liabilities	28,499	8%	66,745	64%	(38,246)	(57)%
Current liabilities	36,098	10%	15,193	14%	+20,905	+ >100 %
Total equity and liabilities	**365,284**	**100%**	**104,803**	**100%**	**+260,481**	**+ >100 %**

As of the balance sheet date, the balance sheet total of the Group amounts to EUR 365,284 thousand (2020: EUR 104,803 thousand), with EUR 85,962 thousand (2020: EUR 60,984 thousand) accounting for non-current assets and EUR 279,321 thousand (2020: EUR 43,819 thousand) accounting for current assets.

The main non-current assets are composed of intangible assets in the amount of EUR 61,360 thousand (2020: EUR 41,570 thousand) and property, plant and equipment in the amount of EUR 15,202 thousand (2020: EUR 16,413 thousand). The increase in intangible assets mainly results from the acquisition of Smoobu, resulting in the recognition of additional goodwill in the amount of EUR 14,664 thousand and trademarks, customer relationships and software in the amount of EUR 6,605 thousand. Property, plant and equipment slightly decreased due to depreciation that was not fully compensated by replacement investments. Moreover, the Group has purchased 19% shares each in SECRA GmbH and SECRA Bookings GmbH. Both investments are accounted for at fair value through profit and loss amounting together to EUR 3,597 thousand as of December 31, 2021.

Current assets mainly relate to trade receivables including other receivables (2021: EUR 18,992 thousand, 2020: EUR 5,647 thousand) and cash and cash equivalents (2021: EUR 152,944 , 2020: EUR 36,237 thousand). The increase in trade receivables corresponds to the increased revenues. Furthermore, current other financial assets have increased to EUR 101,960 thousand as of December 31, 2021 from EUR 549 thousand as of the prior year due to an investment in short-term money market funds of spare cash resulting from the business combination to avoid negative interest. Current other receivables increased from EUR 505 thousand as of December 31, 2020 to EUR 9,237 thousand as of December 31, 2021 due to the government grant that was applied and received as part of the Covid-19 aids from the German state.

As of December 31, 2021, the Group's equity amounts to EUR 300,687 thousand (2020: EUR 22,865 thousand). Accordingly, the equity ratio amounts to 82% (2020: 22%) and is above the target equity ratio of 50%. The increase in the equity ratio compared to the prior year mainly results from the proceeds from shares issued as part of the business combination and the conversion of convertible loans to equity.

Non-current liabilities decreased to EUR 28,499 thousand as of December 31, 2021 compared to EUR 66,745 thousand in the prior year mainly due to the conversion of convertible loans to equity in September 2021 prior to the business combination.

Current liabilities amounted to EUR 36,098 thousand as of December 31, 2021 compared to EUR 15,193 thousand as of the prior year. The increase is explained by outstanding trade payables related to transaction fees incurred as part of the business combination. Furthermore, current liabilities as of December 31, 2021 contain the holdback amount of EUR 5,000 thousand for the acquisition of Smoobu that is due in 2022 as well as a customer with a credit balance EUR 2,564 thousand resulting from double-payment.

d) Overall statement

The Management Board views the overall business development of HTG as positive, specifically considering the negative impact of the Covid-19 pandemic. Overall, the net assets and financial position has been strongly improved by the business combination with Lakestar SPAC I SE.

GBV and take rate have developed in line with the expectations while the development in booking revenues and revenues has exceeded the expectations by the Management Board due to a strong fourth quarter. The negative adjusted EBITDA was expected due to the increased expenses for performance-marketing as well as the additional expenses as a result of being public.

2.4. Employees

In 2021 the Group had employed on average 372 employees (2020: 269), representing an increase of 38% compared to the prior year. The overall increase is explained by the Group's expansion of business activities. The strongest increase was recorded in the Product, Data and Engineer Teams (57% in 2021). In addition, the head count increased in connection with the acquisition of Smoobu.

3. Statutory Results of Operations and Financial Position of the Company

Until the Transaction, the Company's sole purpose was the acquisition of an operating business with principal business operations in a member state of the European Economic Area or the United Kingdom or Switzerland that is based in the technology sector through a merger, capital stock exchange, share purchase, asset acquisition, reorganization or similar transaction. After the closing of the Transaction, the Company's purpose is the creation, holding, development and realization of its investment in HTG GmbH.

Results of Operations

As pure financial holding the Company did not generate any revenues or income during the fiscal year 2021. The Company incurred expenses of EUR 17,740 thousand in 2021 (2020: EUR 1,044 thousand) that led to a loss in the same amount in the respective period. The expenses in 2021 mainly compose of underwriting fees (EUR 9,000 thousand) for the initial public offering ("IPO") in February, 2021 as well as for the admission of the newly issued shares as part of the de-SPAC transaction in September 2021. The remaining expenses mainly incurred in relation to the preparation of de-SPAC process as well as from consulting, accounting and auditing.

Financial Position

As of December 31, 2021, the Company had cash and cash equivalents of EUR 2,906 thousand compared to EUR 738 thousand in the previous year. During the fiscal year 2021, the Company had raised EUR 275,000 thousand of equity funds as part of an IPO and from additional subscription agreements with investors in a private investment in public equity ("PIPE") transaction in the aggregate amount of EUR 75,000 thousand. As part of the consumption of the Transaction, shares in the amount of EUR 102,692 thousand had been redeemed and are now held as treasury shares. After the Transaction, redemptions in the amount of EUR 100,627 were paid out and the major part of the remaining funds have been transferred to HomeToGo GmbH by means of a capital contribution in the amount of EUR 237 million.

The Company was able to meet its payment obligations at all times. No liquidity shortfalls have occurred or are foreseeable in the future.

Net Assets

(in EUR thousands)	31.12.2021		31.12.2020		change	
Non-current assets	1,088,637	91%	31	4%	+1,088,606	+ >100 %
Current assets	106,295	9%	738	96%	+105,557	+ >100 %
Total assets	**1,194,931**	**100%**	**768**	**100%**	**+1,194,163**	**+ >100 %**
Equity	1,193,118	100%	(924)	(120)%	+1,194,042	- < 100 %
Non-current liabilities	–	–%	1,500	195%	(1,500)	+ >100 %
Current liabilities	1,813	–%	192	25%	+1,621	+ >100 %
Total equity and liabilities	**1,194,931**	**100%**	**768**	**100%**	**+1,194,163**	**+ >100 %**

Non-current assets are composed of the Company's investments whereas the increase during the fiscal year is the result of the Transaction. The book value of the investment in HTG GmbH amounts to EUR 1,088,080 thousand as of December 31, 2021.

Current assets comprise 10,269,314 treasury shares in the amount of EUR 102,692 thousand (December 31, 2020: EUR 0) and cash and cash equivalents of EUR 2,906 thousand (December 31, 2020: EUR 738 thousand).

4. Risk and Opportunity Report

4.1. Risk and Opportunity Management System

The Management Board of HTG SE assumes overall responsibility for the development and operation of an effective risk and opportunity management system (RMS) for HTG. The CFO has implemented the RMS that consists of the following elements:

Risk and Opportunity Objectives
The objective of the RMS is to create the necessary transparency about risks and opportunities for decision makers, to foster the risk and opportunity culture, and to create a common understanding of risks and opportunities throughout the company.

Risk and Opportunity Identification and Monitoring
Using multiple instruments, such as workshops and self-assessments, the identification and assessment of risks and opportunities is carried out by both the risk and opportunity owners during day-to-day operations and the CFO on a quarterly basis.

Risk and Opportunity Assessment
All risks and opportunities identified are evaluated with regard to their probability of occurrence and their potential impact based on a one-year time horizon. The identified single risks and opportunities are finally aggregated. The probability of occurrence represents the possibility that a specific impact for a risk or an opportunity may materialize within the next 3 to 60 months. The impact assessment is conducted on a quantitative scale that refers to the potential financial impact. The material risks and opportunities are described in the next section of this report.

Risk and Opportunity Control
Risk and opportunity owners are charged with developing and implementing effective risk mitigating and opportunity supporting measures within their responsibility area. Depending on the type, characteristics, and assessment of the risks, different risk strategies are applied by the risk owners to reduce the risk, considering costs and effectiveness. Risk strategies can be risk avoidance, reduction, transfer to a third party, or acceptance.

Risk and Opportunity Management Improvements and Reporting
The respective risk owner reports on the overall risk and opportunity situation to the senior management, the Management Board, and the Supervisory Board on a quarterly basis.

4.2. Illustration of Risks

As at the time of the publication of the combined management reports, governments, in particular in Europe, are further lifting measure such as social distancing, duty to wear face masks in public institutions or contact restriction regimes previously aimed at containing the spread of Covid-19. Although these measures are being lifted, there still exists a risk that the pandemic will resurge e.g. in the form of other virus variants and due to limited efficacy of existing vaccines against those variants. We expect that complete normality with unrestricted traveling will only be possible again in the medium term. HTG will continue to flexibly respond at short notice to any new development, as the Group has already done since 2020 when the pandemic occurred. Overall, the risks associated with the Covid-19 pandemic are not classified as a threat to HTG's continued existence as the business has now proven its resilience multiple times.

The main operational risks relate to the areas of IT and marketing. The business model of the HTG Group is strongly based on the functionality of the IT systems and therefore exposed to IT risks. Errors or malicious external interference may threaten business processes. For this reason, we use state-of-the-art server solutions scalable by specialized third-party providers and recruit experts in order to ensure system integrity and safety and reduce the IT risks to an acceptable level. Appropriate measures also comprise an authorization concept that regulates which employee has access to which internal data and services.

Another risk factor, in addition to the IT infrastructure, is the reachable efficiency and effectiveness of marketing expenses. There is a risk of increased user acquisition costs as competition with direct and indirect competitors in online marketing channels is intensifying. HTG counters this with investments in the brands of the HTG Group, which are, for example, geared to the main brand, HomeToGo. For example, through the evaluation of organic search results, targeted CRM campaigns are launched or TV and outdoor advertising is placed in order to increase the efficiency of the marketing measures applied and to reduce the dependency on individual online marketing channels.

Our business depends on our partners maintaining their offers on our platform and engaging in practices that encourage users to book those offers. If partners do not establish or maintain a sufficient number of 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. 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. In addition, partners may not establish or maintain offers if we cannot attract prospective users to our platform and generate bookings from a large number of users. While HTG has experienced only a limited number of contract terminations by partners in the past, partners have from time to time taken their inventory temporarily off its websites, e.g., for technical reasons.

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.

Due to the continuing loss situation, there is generally a medium-term liquidity risk. Furthermore, a default risk exists in respect of our partners' receivables, which might also adversely affect liquidity. Given the size of our partners (partly listed companies), we regard a default of large partners as unlikely. A slightly higher default risk arises from small and non-professionalized partners, which is treated through consistent follow-up care. Overall, this refers to a minor volume and does not adversely affect HTG's further existence. The Group has strong liquidity resources at its disposal following the business combination in September 2021 and an effective liquidity management. In the financial year, based on its robust business model, it has proven that it has been able to attract new investors and procure fresh capital in the capital market even in times of a pandemic.

We offer our partners and users integrated payments in more than 28 currencies and a considerable portion of our business is conducted in foreign currencies. Therefore, we are exposed to a certain currency risk. HTG counters this currency risk through natural hedging of the main foreign currencies (primarily USD and GBP) by keeping bank accounts in the corresponding foreign currency in order to always be able to hold a stock of foreign currency in this way and not to be exposed to short-term currency fluctuations.

We operate websites and apps through which we collect, maintain, transmit and store information about our users, Partners and others, including credit card or other financial information and 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 in an effort to securely transmit confidential and sensitive information, including credit card details. While we have a cyber-risk management 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 and third parties may 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 properly secure our systems. In addition, technical advances or a 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.

Our employees' expertise and commitment are important factors for our successful development and the management of opportunities and risks. Therefore, our success largely depends on our ability to recruit, train, motivate and retain highly qualified employees and, at the same time, promote our corporate culture. A shortage of qualified and motivated staff, primarily in key positions, might adversely affect our development and growth and increase our costs. We are competing for 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. In order to attract and retain qualified staff, we offer competitive compensation packages with long-term incentive models and other employer benefits, which serve the professional and health promotion of our employees. Furthermore, we strongly invest in our corporate culture and the development and further training of our employees.

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 and consumer protection. For example, it is expected that the European Commission initiative for a Digital Single Market (DSM) will lead to additional regulations for e-commerce or data protection, information security and privacy protection, which might increase our costs for the compliance with such regulations or require necessary adjustments to our business model. Several governments have also introduced regulatory requirements for platforms offering short-term rentals and will probably continue to do so. Those regulations are enacted worldwidewith the intention to control and restrict the renting of private accommodations, which leads to a large number of regulations that we have to observe and comply with. Such laws may result in higher legal costs and necessary resources, depending on the individual market and jurisdiction. HTG counters these regulatory risks by ongoing monitoring and early recognizing political developments, which might lead to an adjustment of our business model or our technology. In addition, HTG is engaged in industry associations, such as the Deutscher Ferienhausverband e.V. (DFV) and actively advocates the EU-wide harmonization of the regulation on short-term renting (e.g., by preparing and submitting position papers).

HTG has acquired multiple businesses since 2018 and we will continue to regularly evaluate potential acquisitions. We may expend significant cash or incur substantial debt to finance such 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 finance 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.

In addition, we may not be successful in integrating acquisitions 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.

In summary, Management believes, in view of the risk situation in the reporting period, no risks have been identified that could endanger the Company's and the Group's ability to continue as a going concern and, from today's perspective, no such risks are recognizable for the foreseeable future.

4.3. Illustration of Opportunities

The market for alternative vacation rentals had been the fastest growing segment of the online travel industry already prior to the Covid-19 pandemic. We assume that this market, as a result of a general shift of the travelers' preferences from traditional hotel and resort bookings towards the rental of vacation homes, which has even been accelerated by the Covid-19 pandemic, will experience considerable growth. In the last two years, many citizens spent their vacation in their home countries according to their governments' recommendations, which, in our opinion, will lead to a long-term trend towards domestic traveling also in the future and an increase in demand for alternative vacation rentals. Moreover, the increasing awareness in respect of the ecological impact of air travel contributes to the general trend to prefer domestic or nearby vacation destinations. With its innovative platforms and an increasing number of users and website visitors, HTG aims at successfully serving this market segment also in the future. In addition, increasing digitization of this privately and semi-professionally operated segment of the tourism sector will open up new market fields, in which HTG will offer its customers and users a fully integrated product portfolio, with customized products and software-based solutions, in order to continue its previous growth path in a sustained manner.

In particular faster recovery from Covid-19 restrictions can lead to additional demand in the shoulder seasons. Further expansion of workation is expected as consumers are adding additional days before or after their holidays and just work from away.

During the Covid-19 pandemic the cancellation rate has increased, in particular in 2020. Since then it has decreased, however, it is still above the historic average. A faster than expected return to historic cancellation rates can lead to additional revenues.

Faster implementation of our software solutions can lead to faster digitalization of inventory and therefore benefit the whole alternative accommodation industry.

Increased competition among our partners can lead to better economics for HTG as the partners want to have a higher traffic share.

5. Significant Events after the Reporting Period

In February 2022, a number of countries (including the US, the UK and the EU) imposed sanctions against certain entities and individuals in Russia and Belarus as a result of the official recognition of the Donetsk People Republic and Luhansk People Republic by the Russian Federation. Announcements of potential additional sanctions have been made following military operations initiated by Russia against Ukraine on February 24, 2022.

Due to the war in Ukraine, there has been a significant increase in volatility on the securities and currency markets. It is expected that these events may affect the activities of Russian enterprises in various sectors of the economy, but also the economy of sanctioning countries and people in those countries as well.

The Management Board regards these events as non-adjusting events after the reporting period. Although neither HTG's performance and going concern nor operations, at the date of this report, have been significantly impacted by the above, the Management Board continues to monitor the evolving situation and its impact on the financial position and results of the company. The indirect impact of the war in Ukraine and its implications, such as a potential change in travel behavior, cannot be quantified at this point in time.

6. Outlook

The business started very strong into 2022 with significantly higher booking revenues than in 2021 at the same period. At the time of publishing this combined management report, we can already observe an increased demand for alternative vacation rentals compared to previous years.

The travel market will still be impacted by Covid-19 and might not return to its pre-pandemic state in the short-term view. While in parts of Europe and North America most restrictions have been lifted a new wave of Covid-19 seems to build up in Asia which could impact the global economy and could lead to new travel restrictions.

The Group will continue its growth path of 2021 both organically and non-organically by satisfying our customers' and partners' needs with the help of new products and technical solution and further by acquisition activity which will partly be financed with the proceeds from the business combination. We will also continue to invest in our onsite business, both in Europe and North America.

The direct impact of the war in Ukraine is expected to be minimal as both the Ukrainian and Russian markets are of little importance for HTG. Both in terms of travel destination as well as bookings. However, the indirect impact of the war such as a potential change in travel behavior, and its implications on energy cost and consumer confidence cannot be quantified at this point in time, in particular not in case the war would involve additional countries.

It is expected that inflation in 2022 will rise to the highest level since decades, in particular driven by higher energy cost. These higher costs could lead to a reallocation of consumer spending towards food, heating and transportation.

For the fiscal year 2022, the HTG Group expects to grow revenues within a 27-32% range (equals EUR 120 million to EUR 125 million). We expect that the Group will generate a negative adjusted EBITDA again in 2022. We expect that adjusted EBITDA will see a decline compared to 2021 resulting in an amount between EUR (25) million and EUR (35) million due to further investments into our onsite business.

Luxembourg, March 28, 2022
Management Board of HomeToGo SE

Dr. Patrick Andrae
Co-founder & CEO

Wolfgang Heigl
Co-founder & CSO

Valentin Gruber
COO

Steffen Schneider
CFO

Consolidated Financial Statements

03

HomeToGo SE (formerly Lakestar SPAC I SE), Luxembourg

Consolidated Financial Statements

Consolidated Statements of Profit or Loss and Other Comprehensive Income for the Years Ended December 31

(in EUR thousands, except share and per share data)	Note	2021	2020
Revenues	9	94,839	65,855
Cost of revenues	10	(4,336)	(2,792)
Gross profit		**90,503**	**63,063**
Product development and operations	11	(23,726)	(15,275)
Marketing and sales	12	(95,495)	(52,235)
General and administrative	13	(112,751)	(13,092)
Other expenses	14	(626)	(735)
Other income	14	11,639	1,058
Loss from operations		**(130,456)**	**(17,216)**
Finance income		2,833	–
Finance expenses		(38,964)	(7,906)
Financial result, net	15	(36,131)	(7,906)
Loss before tax		**(166,587)**	**(25,122)**
Income taxes	16	(202)	1,316
Net loss		**(166,789)**	**(23,806)**
Total comprehensive loss		**(166,806)**	**(23,806)**
Basic and diluted earnings (loss) per share	17	(2.09)	(0.36)
Weighted average ordinary shares outstanding (basic and diluted)		79,619,166	66,681,774

The accompanying notes are an integral part of these consolidated financial statements.

Consolidated Statements of Financial Position as of December 31

(in EUR thousands)	Note	2021	2020
Assets			
Non-current assets			
Intangible assets	**19**	61,360	41,570
Property, plant and equipment	**20**	15,202	16,413
Other receivables (non-current)	**21**	814	1,414
Income tax receiva-bles (non-current)		79	34
Other financial assets (non-current)	**22**	8,249	1,485
Other assets (non-current)	**23**	258	68
Total non-current assets		**85,962**	**60,984**
Current assets			
Trade and other receivables (current)	**21**	18,992	5,647
Income tax receiva-bles (current)		79	139
Other financial assets (current)	**22**	101,960	549
Other assets (current)	**23**	5,347	1,246
Cash and cash equivalents		152,944	36,237
Total current assets		**279,321**	**43,819**
Total assets		**365,284**	**104,803**

Table continues →

(in EUR thousands)	Note	2021	2020
Equity and liabilities			
Equity			
Subscribed capital		2,441	93
Capital reserves		508,963	113,280
Foreign currency translation reserve		(18)	–
Share-based payments reserve		68,744	22,148
Retained Earnings		(279,444)	(112,656)
Total shareholder´s equity	**24**	**300,687**	**22,865**
Borrowings (non-current)	**25**	9,371	3,557
Convertible loans (non-current)	**26**	–	33,132
Other financial liabilities (non-current)	**28**	12,954	26,139
Provisions (non-current)	**27**	1,182	558
Other liabilities (non-current)	**29**	1,117	1,105
Income tax liabilities (non-current)		–	17
Deferred tax liabilities	**30**	3,874	2,236
Non-current liabilities		**28,499**	**66,745**
Borrowings (current)	**25**	3,007	2,114
Trade payables (current)		15,395	4,233
Other financial liabilities (current)	**28**	8,885	1,574
Provisions (current)	**27**	108	1,100
Other liabilities (current)	**29**	8,535	6,156
Income tax liabilities (current)		168	16
Current liabilities		**36,098**	**15,193**
Total liabilities		**64,596**	**81,938**
Total shareholder´s equity and liabilities		**365,284**	**104,803**

Consolidated Statements of Changes in Equity for the Years Ended December 31

(in EUR thousands)	Note	Subscribed capital	Capital reserves	Retained earnings	Foreign currency translation reserve	Share-based payments reserve	Total share-holders' equity
As of Jan 1, 2020		**93**	**113,280**	**(88,852)**	**–**	**10,959**	**35,480**
Net loss		–	–	(23,806)	–	–	(23,806)
Total comprehensive loss		**–**	**–**	**(23,806)**		**–**	**(23,806)**
Share-based compensation	31	–	–	–	–	11,189	11,189
As of Dec 31, 2020		**93**	**113,280**	**(112,656)**	**–**	**22,148**	**22,865**
As of Jan 1, 2021		**93**	**113,280**	**(112,656)**	**–**	**22,148**	**22,865**
Net loss		–	–	(166,789)	–	–	(166,789)
Other comprehensive loss		–	–	–	(18)		(18)
Total comprehensive loss		**–**	**–**	**(166,789)**	**(18)**		**(166,806)**
Conversion of convertible loans	6	18	146,259	–	–	–	146,277
Conversion of earn outs	6	1	515	–	–	(515)	1
Share capital restructuring	6	1,438	(1,438)	–	–	–	–
Reverse acquisition of Lakestar SPAC	6	665	164,616	–	–	70,437	235,718
Share issuance for PIPE financing	6	144	74,856	–	–	–	75,000
Share issuance transaction costs	6	–	(1,818)	–	–	–	(1,818)
Share-based compensation	31	81	12,693	–	–	(23,325)	(10,551)
As of Dec 31, 2021		**2,441**	**508,963**	**(279,445)**	**(18)**	**68,745**	**300,687**

The accompanying notes are an integral part of these consolidated financial statements.

Consolidated Statements of Cash Flows for the Years Ended December 31

(in EUR thousands)	Note	2021	2020
Loss before income tax		**(166,587)**	**(25,122)**
Adjustments for:			
Depreciation and amortization		4,690	3,607
Non-cash employee benefits expense - de-SPAC Charge	**31**	70,437	—
Non-cash employee benefits expense - share-based payments	**31**	31,560	11,189
Fair value (gains)/losses on non-current financial assets at fair value through profit or loss		(377)	–
VSOP - Exercise tax settlement charge	**6**	(30,495)	—
VSOP - Cash paid to beneficiaries	**6**	(11,616)	—
Finance costs - net	**15**	36,466	7,906
Net exchange differences		(972)	(33)
Change in operating assets and liabilities			
(Increase) / Decrease in trade and other receivables		(12,496)	(1,676)
(Increase) / Decrease in other financial assets		(4,968)	(135)
(Increase) / Decrease in other assets		(4,135)	143
Increase / (Decrease) in trade and other payables		9,742	(1,061)
Increase / (Decrease) in other financial liabilities		2,105	(229)
Increase / (Decrease) in other liabilities		(5,067)	(6,236)
Increase / (Decrease) in provisions		(376)	1,182
Cash generated from operations		**(82,088)**	**(10,465)**
Interest and other finance cost paid (-)		(1,140)	(680)
Income taxes (paid) / received		(28)	(163)
Net cash used in operating activities		**(83,256)**	**(11,309)**
Payment for financial assets at fair value through profit and loss	**22**	(100,000)	–
Payment for acquisition of subsidiary, net of cash acquired	**6**	(16,385)	(1,647)
Payments for property, plant and equipment	**20**	(324)	(1,551)
Payments for intangible assets	**19**	(91)	(100)
Payments for internally generated intangible assets	**19**	(1,545)	(1,369)
Proceeds from sale of property, plant and equipment		2	18
Net cash used in investing activities		**(118,343)**	**(4,649)**
Proceeds from borrowings and convertible loans	**25/26**	76,175	43,512
Proceeds from recapitalization, net of redemptions	**6**	171,489	–
Proceeds from PIPE financing	**6**	75,000	–
Transaction costs		(1,818)	–
Repayments of borrowings	**25**	(2,787)	(1,500)
Principal elements of lease payments		(966)	(563)
Net cash provided by financing activities		**317,093**	**41,449**
Net increase (decrease) in cash and cash equivalents		**115,494**	**25,490**
Cash and cash equivalents at the beginning of the period		**36,237**	**10,972**
Effects of exchange rate changes on cash and cash equivalents		1,213	(226)
Cash and cash equivalents at the end of the period		**152,944**	**36,237**

Table continues →

The accompanying notes are an integral part of these consolidated financial statements.

HomeToGo SE, Luxembourg

Notes to the Consolidated Financial Statements (Amounts in EUR thousands, except stated otherwise)

1. Corporate information

The HomeToGo Group ("HTG" or "Group"), comprises the parent entity HomeToGo SE ("HTG SE"), Luxembourg, Luxembourg (the "Company"), and its direct and indirect subsidiaries. The Company is registered in the commercial register of the Registre de commerce et des sociétés in Luxembourg under number B249273. The Company's address is 9, Rue de Bitbourg, 1273, Luxembourg, Luxembourg.

The business activities of HTG include the operation of an international marketplace for alternative accommodations that connects millions of users searching for a place to stay with thousands of inventory suppliers across the globe, resulting in the world's most comprehensive inventory coverage in the alternative accommodation space. At the time of the report, HTG's portfolio comprised of more than 15 million aggregated accommodation offers provided by over 31,000 online travel agencies, tour operators, property managers and other inventory suppliers ("Partners") worldwide. HTG operates its business through localized websites and apps in 24 countries. The marketplace seamlessly integrates a vast inventory in one simple search and enables users to book accommodations from diverse Partners, either on the Partner's external accommodation websites or directly on the HomeToGo marketplace platform. The consolidated financial statements of HTG were initially authorized for issue by the Management Board on March 28, 2022.

HTG SE was originally known as Lakestar SPAC I SE ("Lakestar SPAC") a Special Purpose Acquisition Company with the objective of acquiring a European late-stage growth company in the technology sector with the funds raised from private placements. Lakestar SPAC became listed on the Frankfurt Stock Exchange on February 22, 2021.

On July 14, 2021, HomeToGo GmbH ("HTG GmbH") and Lakestar SPAC entered into a Business Combination Agreement ("BCA") whereby Lakestar SPAC became the legal parent company of HTG GmbH, its direct and indirect subsidiaries for a contribution and exchange of HTG GmbH shares for new Public Shares (the "Business Combination" or "Transaction"). On September 21, 2021 the Transaction was closed (the "Closing") and Lakestar SPAC changed its name to HomeToGo SE.

HTG GmbH was deemed to be both the accounting acquirer and the predecessor entity in the subsequent fillings of the combined company. Therefore, HomeToGo Group presents as comparative information, the financial information of former HomeToGo GmbH Group as of December 31, 2020. See Note 6 for further details.

2. Basis of preparation

The accompanying consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") and the interpretations issued by the International Financial Reporting Standards Interpretations Committee ("IFRIC") as adopted by and to be applied in the European Union.

The official version of the accounts is the ESEF version available at the Officially Appointed Mechanism (OAM) at the German Federal Gazette ("Bundesanzeiger") under https://www.bundesanzeiger.de.

The accounting principles set out below, unless stated otherwise, have been applied consistently for all periods presented in the consolidated financial statements.

HTG's financial year ends December 31. All intercompany transactions are eliminated during the preparation of the consolidated financial statements.

The consolidated financial statements have been prepared on a historical cost basis, unless otherwise stated. The consolidated financial statements are presented in Euro ("EUR"), which is the functional currency of the Company and all subsidiaries of HTG. All values are rounded to the nearest thousand, except when otherwise indicated. Due to rounding, differences may arise when individual amounts or percentages are added together.

The consolidated financial statements are prepared under the assumption that the Group will continue as a going concern. Management believes that HTG has adequate resources to continue operations for the foreseeable future.

3. Scope of consolidation

The consolidated financial statements include the balances and results of the Company and its wholly-owned subsidiaries. Subsidiaries are entities directly or indirectly controlled by the Company. The Company controls an entity when it is exposed to, or has the right to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are consolidated from the date on which control commences until the date on which control ceases.

Besides the Company, the following subsidiaries are included in the scope of consolidation as of December 31, 2021:

Subsidiary	Location	Percentage of ownership
HomeToGo GmbH	Berlin, Germany	100%
LS I Advisors Verwaltungs-GmbH	Munich, Germany	100%
LS I Advisors GmbH & Co. KG	Munich, Germany	100%
Casamundo GmbH	Berlin, Germany	100%
UAB HomeToGo Technologies	Kaunas, Lithuania	100%
UAB HomeToGo Technologies Vilnius	Vilnius, Lithuania	100%
Mertus 288. GmbH	Berlin, Germany	100%
HS Holiday Search GmbH	Berlin, Germany	100%
Feries S.r.l.	Milan, Italy	100%
Escapada Rural S.L.	Barcelona, Spain	100%
HOMETOGO INTERNATIONAL, INC.	Wilmington, Delaware, USA	100%
Smoobu GmbH	Berlin, Germany	100%
Mapify UG (haftungsbeschränkt)	Kassel, Germany	100%

Table continues →

Please refer to note 6 - Business Combinations and other acquisitions for additions to the scope of consolidation during the year 2021 and 2020.

4. Summary of significant accounting policies

a. Current versus non-current classification

HTG classifies assets and liabilities by maturity. They are classified as current in the consolidated statement of financial position if they mature within one year. Deferred tax liabilities and assets are consistently presented as non-current in the consolidated statement of financial position.

b. Foreign currency translation

HTG's consolidated financial statements are presented in Euro, which is the functional and presentation currency of the Company and its subsidiaries. For each entity, the Group determines the functional currency and items included in the financial statements of each entity are measured using that functional currency. Functional currency is defined as the currency of the primary economic environment in which each entity operates.

Any transactions denominated in foreign currencies are translated at the exchange rates prevailing on the date of transaction. Balance sheet items denominated in foreign currencies are translated at the closing rate for each reporting period, with resulting translation differences recognized within the consolidated statement of profit or loss and comprehensive income.

The results and financial position of foreign operations (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the reporting currency as follows:

- assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet
- income and expenses for each statement of profit or loss and statement of comprehensive income are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions), and
- all resulting exchange differences are recognized in other comprehensive income.

On consolidation, exchange differences arising from the translation of any net investment in foreign entities, and of borrowings are recognized in other comprehensive income. When a foreign operation is sold or any borrowings forming part of the net investment are repaid, the associated exchange differences are reclassified to profit or loss, as part of the gain or loss on sale.

c. Profit or loss structure

HTG uses a cost of revenue structure to present its revenues and expenses by function. See section 9 and the following paragraph for further explanations about the content in the different profit or loss line items.

d. Revenue recognition

HTG applies IFRS 15 Revenue from Contracts with customers. The standard establishes principles for reporting information to users of financial statements, about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers. Management applies the five-step model according to IFRS 15 when determining the timing and amount of revenue recognition.

HTG operates a marketplace for alternative accommodations that connects millions of travelers searching for a perfect place to stay with thousands of inventory suppliers across the globe. HTG generates revenue through the following main revenue types:

- Cost per Action ("CPA"): CPA is the largest revenue stream, whereby HTG receives a percentage-based commission for successful on- or offsite booking referrals, which facilitate a stay. Depending on the contractual terms with the respective partner, the revenue for HTG is either calculated as percentage of the commission or as percentage of the booking value (sometimes called revenue share).
- Cost per Click ("CPC") HTG receives a fixed commission based on every successful referral click.
- Cost per Lead ("CPL"): HTG receives a fixed commission based on every successful referral inquiry (lead).
- Subscriptions and Services are related to subscription-based revenue from partners who can use the platform for listing of their rental objects over a determined period and are generated mainly by the foreign entities in Italy and Spain.

CPA transactions are commission-based revenues where the Partner compensates HTG for facilitating bookings that resulted in a stay of the traveler. HTG is acting as an agent in either scenario as described above. The Company considers its Partners, in particular online travel agencies ("OTAs"), or the rental property owners and managers to be its customers. Only the CPA contracts and the specific bookings taken together would constitute a contract under IFRS 15. Typically, these bookings are cancellable at any time. The contracts with the OTA partners stipulate that HTG only earns CPA for bookings that facilitate a stay. Furthermore, for the majority of contracts the payment claim of HTG only comes into existence once the check-in of the traveler has occurred. HTG also engages in a multitude of post-booking activities that facilitate the check-in (hence the stay of the traveler), e.g. customer support for the traveler. These activities are not distinct from each other and are not separate performance obligations. It is therefore management's judgement to define the single performance obligation of the Group's CPA transactions as 'successful booking' which facilitates a stay. Therefore, the revenues for CPA transactions are recognized at the same point in time as the check-in date of the traveler when HTG's performance obligation is satisfied. Payments received from OTA partners for bookings where check-in has not occured yet are recognized as contract liabilities.

For CPC or CPL transactions, HTG receives a fixed commission based on every successful inquiry or referral click. As opposed to CPA transactions, each click or inquiry initiated by the traveler through the HTG platform with referral to the partner website is considered a distinct promised service. HTG has an enforceable payment claim based on the monthly click volume and is not subject to cancellation or similar risks. Therefore, the 'simple referral' through CPC meets the criteria of a performance obligation which is satisfied at a point in time i.e. with the click through the partner website. HTG recognizes the revenue for CPC at the corresponding click date.

In HTG's subscription contracts, property managers or owners pay in advance for Software as a Service ("SaaS") and online advertising services related to the listing of their properties for rent over a fixed period, which is usually one year. As the performance obligation is the SaaS or listing service and is provided to the property manager/owner over time of use (SaaS) or the life of the listing period, the subscription revenues are recognized on a straight-line basis over the time of use (SaaS) or listing period respectively. Amounts received as prepayment are recognized as contract liabilities.

Variable consideration might occur in the form of performance-based bonuses with respect to revenue based on bonus agreements that can be agreed for CPL and CPA transactions. HTG includes variable consideration estimated in the transaction price only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognized will not occur when the uncertainty associated with the variable consideration is subsequently resolved.

e. Intangible assets and goodwill

Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses, if any. The useful life of intangible assets is assessed as either finite or indefinite. Refer to Note 19 - Intangible assets and goodwill for further details regarding the carrying amount of HTG's intangible asset balances and to Note 6 – Business Combinations and other acquisitions with respect to information on goodwill and intangible assets resulting from business combinations.

Intangible assets with a finite useful life

Intangible assets with a finite useful life consist of licenses, trademarks and domains, customer relationships, order backlog and internally generated software.

In accordance with IAS 38, development costs that are directly attributable to the design, coding and testing of identifiable software modules controlled by the Group are recognized as intangible assets where the following criteria are met: 1) It is technically feasible to complete the software so that it will be available for use, 2) management intends to complete the software and use or sell it, 3) there is an ability to use or sell the software, 4) it can be demonstrated how the software will generate probable future economic benefits, 5) adequate technical, financial and other resources to complete the development and to use or sell the software are available, 6) and the expenditure attributable to the software during its development can be reliably measured. Directly attributable costs that are capitalized as part of the software include employee costs and other directly attributable costs. Software maintenance costs are recognized as an expense incurred.

Intangible assets with a finite life are amortized over their estimated useful life on a straight-line basis and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method of intangible assets with a finite useful life are reviewed at least annually, with any changes treated as changes in accounting estimates. Changes in the expected useful life or the expected pattern of consumption of the assets' future economic benefits are considered when assessing the amortization method and useful life of the asset.

The estimated useful lives are as follows:

Asset type	Estimated useful life
Software and licenses	3 to 5 years
Trademarks	3 to 15 years
Customer relationship	10 years
Order backlog	1 year
Internally generated software	3 to 7 years
Goodwill	indefinite

Goodwill

HTG's goodwill originated from the acquisitions of Feries, Casamundo, Escapada Rural and Smoobu in 2018, 2019 and 2021 and represents the difference between the purchase price and the net identifiable assets acquired at fair value. Refer to Note 6 for further details.

Goodwill is not amortized but reviewed for impairment at least annually. Refer to accounting policy on business combination and goodwill in section q).

f. Property, plant and equipment

Property, plant and equipment is stated at historical cost, net of accumulated depreciation and accumulated impairment losses, if any. Historical cost includes any expenditures that are directly attributable to the acquisition of the asset, including costs incurred to prepare the asset for its intended use.

Property, plant and equipment is depreciated on a straight-line basis over each asset's expected useful life. Depreciation methods, useful lives and residual values are reviewed at least annually and adjusted prospectively, if appropriate.

HTG applies the following useful lives when estimating depreciation of property and equipment:

Asset type	Estimated useful life
Leasehold improvements	2 to 15 years
Other equipment and office equipment	2 to 13 years

Leasehold improvements are amortized over the shorter of the underlying lease or the expected useful life of the asset.

All repair and maintenance costs are expensed when incurred.

HTG assesses property, plant and equipment for impairment whenever there is an indication of potential impairment.

g. Leases

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at inception. The arrangement is, or contains, a lease if fulfillment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement. HTG assesses at the inception of the contract whether the contract is or contains a lease.

HTG's leases consist of real estate, car leasing and distinct server leases. Lease terms are negotiated on an individual basis and may contain a range of different terms and conditions. Lease contracts may be negotiated for fixed period or include extension options.

To determine the lease terms, all facts and circumstances which offer economic incentives to exercise extension options are included. If it is reasonably certain that a lease term will be extended, the related extension option is included. The lease terms include fixed payments as well as variable payments that depend on an index or rate.

Management of HTG reviews the contractual and current market conditions individually when determining whether an extension option is reasonably certain to be exercised.

The lease liability is measured at the date of commencement of the lease as the present value of the expected lease payments. To determine the present value, HTG discounts the remaining lease payments with the incremental borrowing rate of the lessee. The incremental borrowing rate is the interest rate that HTG would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset as the underlying lease agreement in a similar economic environment.

Right-of-use assets are measured at cost at the date of commencement of the lease. The cost is comprised of the initial lease liability measurement and any lease payments made before the commencement date, less any lease incentives received and estimated cost of dismantling and removing the underlying asset incurred by the lessee.

Right-of-use assets are presented in the balance sheet as part of property, plant and equipment.

After the commencement date, HTG measures right-of-use assets at cost less accumulated depreciation and any accumulated impairment losses.

For subsequent measurement, the carrying amount of the lease liability is increased to reflect the interest on the lease liability and reduced to reflect the lease payments made. The finance expenses associated with the lease term are recognized in the consolidated statement of profit or loss and other comprehensive income over the lease term.

No impairment losses have been identified on HTG's right-of-use assets in 2021 and 2020.

HTG elected to apply an exemption for low value leases and short-term leases in accordance with IFRS 16. Low value leases are leases with contract amounts below EUR 5 thousand. Short-term leases relate to lease agreements with a lease term of less than 12 months. Lease payments associated with low value leases and short-term leases are expensed on a straight-line basis over the lease term. Accordingly, no right-of-use assets or lease liabilities are recognized for low value and short-term leases.

h. Impairment of non-financial assets

HTG assesses whether an asset may be impaired at each reporting date. If any indication of impairment exists, or when annual impairment testing for such an asset is required, HTG estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or CGU's fair value less costs of disposal or its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. HTG does not use the fair value less costs of disposal method when assessing the recoverable amount of its non-financial assets.

HTG bases its impairment calculation on detailed budgets and forecasted cash flows. Impairment losses are recognized in the consolidated statement of profit or loss and other comprehensive income in expense categories consistent with the function of the impaired asset.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognized impairment losses no longer exist or has decreased.

If such indication exists, HTG estimates the asset's or CGU's recoverable amount.

Financial instruments - Initial recognition and subsequent events

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortized cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and HTG's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, HTG initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which HTG has applied the practical expedient are measured at the transaction price.

In order for a financial asset to be classified and measured at amortized cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

HTG's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortized cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows while financial assets classified and measured at fair value through OCI are held within a business model with the objective of both holding to collect contractual cash flows and selling.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

→ Financial assets at amortized cost (debt instruments)
→ Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments)
→ Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
→ Financial assets at fair value through profit or loss (equity instruments, money market funds).
→ Financial assets at amortized cost (debt instruments)

Financial assets at amortized cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognized in profit or loss when the asset is derecognized, modified or impaired.

In the case of a financial asset not at fair value through profit or loss (FVTPL), financial assets are measured at amortized cost and include trade and other receivables and other financial assets.

Financial assets at fair value through profit or loss (equity instruments)

The group subsequently measures all equity investments at fair value. Changes in the fair value of financial assets at FVTPL, in particular to investments in money market funds, are recognized in profit or loss in the period in which it arises.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognized (i.e., removed from HTG's consolidated statement of financial position) when:

→ The rights to receive cash flows from the asset have expired

Or

→ HTG has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) HTG has transferred substantially all the risks and rewards of the asset, or (b) HTG has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When HTG has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, HTG continues to recognize the transferred asset to the extent of its continuing involvement. In that case, HTG also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that HTG has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that HTG could be required to repay.

Impairment

HTG recognizes an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss, if the exposure is material. For trade receivables, HTG applies a simplified approach in calculating ECLs. Therefore, HTG does not track changes in credit risk, but instead recognizes a loss allowance based on lifetime ECLs at each reporting date if the exposure is material. HTG has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The Group considers a financial asset in default when contractual payments are 180 days past due. However, in certain cases, HTG may also consider a financial asset to be in default when internal or external information indicates that HTG is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by HTG. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss.

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and other payables, net of directly attributable transaction costs.

HTG's financial liabilities include trade and other payables, as well as loans and borrowings including bank overdrafts.

Subsequent measurement

For purposes of subsequent measurement, financial liabilities are classified in two categories:

- Financial liabilities at fair value through profit or loss
- Financial liabilities at amortized cost

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term.

Gains or losses on liabilities held for trading are recognized in the statement of profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in IFRS 9 are satisfied. The Group has not designated any financial liability as at fair value through profit or loss.

Financial liabilities at amortized cost

This is the most relevant category to HTG. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the statement of profit or loss.

Derecognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of profit or loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statement of financial position if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants as of the measurement date in the principal or, in its absence, the most advantageous market to which HTG has access at that date. The fair value of a liability reflects its non-performance risk.

A number of HTG's accounting policies and disclosures require the measurement of fair value for both financial liabilities. HTG measures the fair value of an instrument using the quoted price in an active market for that instrument, if such price is available. A market is regarded as "active" if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

If there is no quoted price in an active market, then HTG uses valuation techniques that maximize the use of relevant observable inputs and minimize the use of unobservable inputs. The chosen valuation technique incorporates all factors that market participants would take into account in pricing a transaction.

In connection with management judgement about the fair value measurement, the Group involves an independent external valuation expert, who uses appropriate valuation techniques, and determines the fair value of assets and liabilities.

Based on the input parameters used for valuation the fair values have to be assigned to one of the following levels of the fair value hierarchy:

- Level 1: Quoted (unadjusted) market prices in active markets for identical assets and liabilities,
- Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices), and
- Level 3: Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

i. Convertible loans and embedded derivatives

Convertible loans are subject to split accounting. The loan is initially measured at their fair value and subsequently at amortized cost using the effective interest rate method, or at the reporting date fair value with the change being reflected through profit or loss.

The fair value of the embedded derivatives in HTG's convertible loans, if separable, is deducted from the issuance proceeds of the loan and treated as a financial liability at initial recognition. The difference between the fair value of the entire instrument and the fair value of the embedded derivative is the fair value of the host contract of the loan (without conversion right). Transaction costs are deducted from the fair value of the host contract. The host contract of the loan is subsequently measured at amortized cost until extinguished on conversion or maturity of the loan. The embedded derivative is recognized as a derivative financial liability and subsequently measured at fair value through profit or loss.

j. Provisions

HTG recognizes provisions when it has a present obligation, legal or constructive, as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are measured at the present value of management´s best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The increase in provision due to the passage of time and unwinding of the discount rate is recognized as finance expenses.

k. Income taxes

Current income taxes

Current income tax is the expected tax payable or receivable based on the taxable income or loss for the period and the tax laws that have been enacted or substantively enacted as of the reporting date. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate based on amounts expected to be paid to the tax authorities. In case of uncertainties related to income taxes, they are accounted for in accordance with IFRIC 23 and IAS 12 based on the best estimate of those uncertainties.

HTG establishes tax liabilities on the basis of expected tax payments. Liabilities for trade taxes, corporate taxes and similar taxes on income are determined based on the taxable income of the consolidated entities less any prepayments made. Calculation of tax liabilities is based on the recent tax rates applicable in the tax jurisdiction of HTG.

Deferred taxes

Deferred taxes are recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable income and are accounted for using the balance sheet-liability method.

Deferred tax liabilities are generally recognized for all taxable temporary differences and deferred tax assets are recognized to the extent that it is probable that taxable income will be available against which deductible temporary differences can be utilized.

However, deferred tax liabilities are not recognized if the temporary difference arises from goodwill.

Furthermore, deferred tax assets and deferred tax liabilities are not recognized if the temporary difference arises from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither taxable income, nor the accounting profit.

Current and deferred tax is charged or credited in the consolidated statement of profit or loss and other comprehensive income, except when it relates to items charged or credited directly to equity, in which case the current or deferred tax is also recognized directly in equity.

Deferred tax assets and liabilities are calculated using tax rates expected to be in place in the period of realization of the associated asset or liability, based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period in the respective jurisdiction.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable income will be available to allow all or part of the asset to be recovered.

l. Earnings (Loss) per share

HTG Group presents earnings (loss) per share data for its ordinary shares. Basic earnings (loss) per share is calculated by dividing the net income of the period by the weighted average number of ordinary shares outstanding during the period. HTG Group only issued ordinary shares according to IAS 33, all of which are outstanding, because all share classes are subject to the same dividend entitlement with regard to the earnings for the period. The potential ordinary shares were not taken into account, because the effect on loss per share would have been antidilutive. The weighted average number of shares is calculated from the number of shares in circulation at the beginning of the period adjusted by the number of shares issued during the period and multiplied by a time-weighting factor. The time-weighting factor reflects the ratio of the number of days on which shares were issued and the total number of days of the period.

m. Segment reporting

An operating segment is a component of HTG that engages in business activities from which it may earn revenues and incur expenses and for which discrete financial information is available and used by the Chief Operating Decision Maker ("CODM") to make decisions around resource allocation and review operating results of HTG. HTG identified the CEO of the Company as the CODM and operates under only one operating segment and therefore the consolidated financial information represents the segment reporting.

n. Share-based compensation

The Group granted remuneration in the form of share-based payments, whereby management and employees render services as consideration for equity instruments of the Group (equity-settled transactions).

The measurement of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model in accordance with IFRS 2. Costs are recognized within profit or loss together with a corresponding increase in equity (share-based payment reserves), over the period in which the service and, where applicable, the performance conditions are fulfilled (the vesting period). The cumulative expense recognized for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The expense or credit in the statement of profit or loss for a period represents the movement in cumulative expense recognized as at the beginning and end of that period. Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of HTG's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions. No expense is recognized for awards that do not ultimately vest because non-market performance and/or service conditions have not been met. Where awards include a market or non-vesting condition, the transactions are treated as vested irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied. When the terms of an equity-settled award are modified, the minimum expense recognized is the grant date fair value of the unmodified award, provided the original vesting terms of the award are met. An additional expense, measured as at the date of modification, is recognized for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee. Where an award is cancelled by the entity or by the counterparty, any remaining element of the grant date fair value of the award is credited immediately through profit or loss.

The Group sometimes engages in share-based payment transactions to acquire goods or services from parties other than employees. The goods or services received in exchange for shares should be measured at the fair value of those goods or services. It is presumed that the fair value of goods or services can be measured reliably in the case of transactions with parties other than employees. If this presumption is rebutted, the fair value is measured indirectly by reference to the fair value of the equity instruments granted as consideration. Employee services or unidentifiable goods or services are measured indirectly at the date on which the equity instruments are granted. The fair value is not subsequently re-measured after the grant date.

o. Government grants

Government grants are recognized where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognized as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. The Group has chosen to present grants related to an expense item as other operating income in the statement of profit or loss and other comprehensive income.

p. Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, which is measured at acquisition date fair value. Acquisition-related costs are expensed as incurred and included in General and administrative expenses.

The Group determines if a transaction is to be accounted for as a business combination, using the concentration test and by determining that it has acquired a business when the acquired set of activities and assets include an input and a substantive process that together significantly contribute to the ability to create outputs. The acquired process is considered substantive if it is critical to the ability to continue producing outputs, and the inputs acquired include an organized workforce with the necessary skills, knowledge, or experience to perform that process or it significantly contributes to the ability to continue producing outputs and is considered unique or scarce or cannot be replaced without significant cost, effort, or delay in the ability to continue producing outputs.

Any contingent consideration to be transferred by the acquirer will be recognized at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of IFRS 9 Financial Instruments, is measured at fair value with the changes in fair value recognized in the statement of profit or loss in accordance with IFRS 9.

Goodwill is initially measured at cost (being the excess of the aggregate of the consideration transferred and any previous interest held over the net identifiable assets acquired and liabilities assumed). If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognized at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognized in profit or loss.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to the group of cash-generating units. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose. The units or groups of units are identified at the lowest level at which goodwill is monitored for internal management purposes, being the operating segments. HTG comprises one segment with four CGUs. HTG management identifies the acquired businesses HTG, Feries, Escapada Rural and Smoobu as separate CGUs for the purpose of testing assets, other than goodwill, for impairment. Casamundo became part of the existing HTG CGU. Goodwill is tested for impairment on the basis of the three combined CGUs since this is the lowest level at which management captures information for internal management reporting purposes about the benefits of goodwill.

Impairment losses relating to goodwill cannot be reversed in future periods.

Where goodwill has been allocated to a cash-generating unit or group of cash-generating units and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating units retained.

5. New and revised standards

a. New and revised standards and interpretations applied for the first time

HTG has applied all IFRS Standards applicable as of December 31, 2021 to the extent these have an impact on the consolidated financial statements.

b. New and revised standards issued, but not yet effective

At the date of authorization of these financial statements, HTG has not applied the following new and revised IFRS standards that have been issued, but are not yet effective:

New or revised standards – endorsement completed	Effective date
IFRS 3 (A) Business Combinations	January 1, 2022
IAS 16 (A) Property, Plant and Equipment	January 1, 2022
IAS 37 (A) Provisions, Contingent Liabilities and Contingent Assets	January 1, 2022
Annual Improvements 2018-2020	January 1, 2022
IFRS 17 Insurance Contracts	January 1, 2023

Table continues →

(A) Amendment

New or revised standards – endorsement outstanding	Effective date
IAS 1 (A) Presentation of Financial Statements: Classification of Liabilities as Current or Non-current	January 1, 2023
IAS 1 (A) Presentation of Financial Statements and IFRS Practice Statement 2: Disclosure of Accounting policies	January 1, 2023
IAS 8 (A) Accounting Policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates	January 1, 2023
IAS 12 (A) Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction	January 1, 2023

(A) Amendment

From the standards listed above the only amendments expected to have an impact on the reported assets and liabilities and net income of HTG are the one listed below.

The IAS 12 (A) could have an impact on the recognition of deferred tax liabilities and assets from rights of use assets and lease liabilities in the future. So far, the exemption for the initial recognition of a deferred tax resulting from the recognition of a rights of use asset and lease liability according to IAS 12.15 has been availed, which will not be possible anymore.

IFRS 16 (A) for Covid-19-related rent concessions could have an impact in the future since HTG Group holds several office leases which might be subject to future concessions. The given concessions would be treated as variable payments and deducted from expenses and lease liability.

The impact on the consolidated financial statements from the amendments to IAS 1 is not considered to be material.

6. Business Combinations and other acquisitions

Smoobu GmbH

On March 1, 2021, HS Holiday Search GmbH, a wholly-owned subsidiary of HTG, acquired 100% of the shares of Smoobu GmbH (“Smoobu”) for EUR 18.5 million in cash. The purchase price of EUR 18.5 million consists of a fixed price in the amount of EUR 19.0 million in cash less working capital adjustments of EUR 0.5 million. Of the purchase price, EUR 13.5 million were paid by the closing date and deferred consideration of EUR 5.0 million is not due until March 2022 and bears no interest.

Smoobu is a provider of all-in-one vacation rental management software. It was acquired as part of the Software as a Service (“SaaS”) strategy to enhance the whole supply-side with technology solutions. In addition, the subscription model contributes to the group with a positive EBITDA.

The final allocation of the consideration to assets and liabilities assumed as of March 1, 2021 as part of the business combination is shown in the following table:

(in EUR thousands)	Fair Value
Cash	299
Intangible assets: trademarks	1,849
Intangible assets: customer relationships	2,328
Intangible assets: software	2,428
Trade receivables	135
Other assets	163
Net deferred tax liability	(1,643)
Other liabilities	(1,689)
Net identifiable assets acquired	**3,870**
Add: goodwill	14,664
Net assets acquired	**18,534**

A total deferred tax liability of EUR 1.6 million was recognized based on the local tax rate of 30.2% and net of deferred tax assets for tax losses carried forward of EUR 352 thousand, which are not yet expired due to the transaction. No additional liabilities were identified. The goodwill recognized as part of the business combination relates to platform synergy effects and the entity’s market position within the subscription business. It will not be deductible for tax purposes.

The fair value of acquired trade receivables is EUR 135 thousand and equals the gross contractual amount for trade receivables due less loss allowance.

Acquisition-related costs of EUR 269 thousand are included in General and administrative expenses in the consolidated statement of or loss and other comprehensive loss.

The acquired business contributed revenues of EUR 3.1 million and net loss of EUR 0.8 million to HTG for the period from March 1, 2021 to December 31, 2021. If the acquisition had occurred on January 1, 2021, consolidated pro-forma revenue and net loss for the Group for the financial year 2021 would have been EUR 95.3 million and EUR 166.6 million respectively. These amounts have been calculated using the subsidiary’s results and adjusting them for:

- differences in the accounting policies between the group and the subsidiary, and
- the additional depreciation and amortization that would have been charged assuming the fair value adjustments to intangible assets had applied from January 1, 2021, together with the consequential tax effects.

The composition of the consideration and the impact on the Statement of Cash Flows can be derived from the following table:

(in EUR thousands)	March 1, 2021
Cash paid	13,534
Deferred consideration	5,000
Total purchase consideration	18,534
Cash and cash equivalents acquired	299

As a result of the above transaction, the Group’s goodwill increased by EUR 14.6 million from EUR 25.7 million at December 31, 2020 to EUR 40.3 million at December 31, 2021.

Mapify UG (haftungsbeschränkt)

Mapify UG (haftungsbeschränkt) (“Mapify”) was active in operating a community-backed travel website and was in the process of winding down. On May 31, 2021, HTG agreed to issue to the sellers 63 virtual shares from the Company's Virtual option plans at a strike price of EUR 3,783. The virtual shares are granted and fully vested immediately and represent the only consideration for Mapify. No employees were taken over. Furthermore, no established processes were continued. The transaction does not qualify as a business combination. IFRS 3 is therefore not applicable and the cost of an intangible asset or services acquired for shares is measured in accordance with IFRS 2 and classified as equity settled. The identified service is marketing and influencer content from the Mapify community. Since the business of Mapify only generated immaterial revenues, the acquired trademark has no value and thus is not recognized as an intangible asset. The grant date fair value of the 63 granted and fully vested virtual shares amount to EUR 172 thousand and is recognized under marketing and sales expenses. The 63 virtual shares were exercised as part of the Business Combination as further described below.

de-SPAC transaction

HomeToGo SE was originally known as Lakestar SPAC I SE ("Lakestar SPAC"), a Special Purpose Acquisition Company with the objective of acquiring a European late-stage growth company in the technology sector with the funds raised from private placements. Lakestar SPAC was listed on the Frankfurt Stock Exchange on February 22, 2021.

On July 14, 2021, HomeToGo GmbH ("HTG") and Lakestar SPAC entered into a Business Combination Agreement ("BCA") whereby Lakestar became the legal parent company of HTG, and its direct and indirect subsidiaries, for a contribution and exchange of HTG shares for new public shares ("Class A Shares") that is hereinafter also referred to as the "Transaction". On September 21, 2021 the Transaction was closed (the "Closing") and Lakestar SPAC changed its name to HomeToGo SE.

The Transaction has been accounted for as a capital reorganization, whereby Lakestar SPAC was treated as the acquired company and HTG as the acquirer. Operations prior to the Business Combination are those of HTG and the historical financial statements of HTG became the historical financial statements of the combined entity, upon the consummation of the Transaction. Accordingly, the consolidated statement of Profit or Loss for the year ended December 31, 2021 includes the transactions of HomeToGo SE starting from the date of the Closing of the Transaction.

Pursuant to the Closing several transactions occurred:

- Lakestar SPAC entered into subscription agreements with investors (the "PIPE Investors") in a Private Investment in Public Equity transaction (the "PIPE Financing") in the aggregate amount of EUR 75 million. In return for their investment, the PIPE Investors received a total of 7,500,000 additional Lakestar SPAC Class A Shares.
- Under HTG's convertible loan agreements, the HTG Lenders had granted and disbursed loans to HTG in an aggregate principal amount of EUR 104.6 million. The resulting convertible loans of EUR 108.6 million (including accrued interest) and the derivatives of EUR 37.6 million classified as a liability and bifurcated at initial recognition were converted into 18,438 HTG shares. In addition, pursuant to the Convertible Loan Agreement 2018, under certain conditions, PG HoldCo, Inc., (in this context the "Earn-Out Subscriber") was entitled to subscribe for further 1,290 HTG shares. Following an amendment agreed between the lenders and the Earn-Out Subscriber, the HTG shares were subsequently exchanged for Lakestar SPAC Class A Shares.
- HTG Virtual Stock Options Plan ("VSOP") holders accepted the HomeToGo VSOPs Amendment, provided for in the BCA, under which the Transaction qualifies as an exercise event and pursuant to which all vested and exercisable virtual options were exercised in connection with the Business Combination. The exercise was fulfilled via a cash payment equal to 50% of the VSOP claim, to cover estimated relevant tax obligations, and newly issued Class A Shares in Lakestar SPAC equal to the remaining 50% of the VSOP claim divided by a price of EUR 10.00 per share, irrespective of the actual share price of the Public Shares at the time of the delivery. Outstanding virtual options not vested and exercisable as of the Transaction closing will vest and become exercisable to the same conditions and will be settled in Class A Shares upon future exercise by the option holder. See Note 31 - Share-based payments for further information.

The acquisition of Lakestar SPAC is not identified as a business combination according to IFRS 3 since

Lakestar SPAC itself was a shell company with no business. Instead, the transaction is considered being similar to a reverse acquisition under IFRS 3 and falls within the scope of IFRS 2 with Lakestar SPAC providing HTG GmbH with the service of making HTG public ("listing service"). As at Closing date, the fair value of HTG GmbH's shares and warrants that were deemed to be issued to Lakestar SPAC amounted to EUR 235.7 million, based on the initial closing price of shares and warrants of HTG SE according to the table below. As a result, Class A Warrants issued by Lakestar SPAC and not redeemable are reclassified as equity instruments under IFRS 2. In return, HTG received Lakestar SPAC's listing service and its net assets which mainly consisted of remaining cash net of redemptions and liabilities related to the warrants of EUR 165.3 million, resulting in a total non-cash listing service expense of EUR 70.4 million to General and administrative expenses:

	Fair Value in EUR million
Class A Shares (19.8 million shares at EUR 8.98 per Share)	177.6
Class A Warrants (9.2 million warrants at EUR 0.8 per warrant)	7.3
Class B2 Shares (2.3 million shares at EUR 8.45 per share)	19.4
Class B3 Shares (2.3 million shares at EUR 8.23 per share)	18.9
Class B Warrants (5.3 million warrants at EUR 2.34 per warrant)	12.5
HTG GmbH's shares and warrants deemed issued	**235.7**
Less:	
Lakestar SPAC's net assets	165.3
IFRS 2 non-cash listing service expense	**70.4**

The expense for the warrants was determined on the basis of the fair value at the date of the Transaction. The fair value was derived by applying the Black-Scholes option pricing model where the expected volatility was derived from the historical volatility of peer group companies and based on historical stock returns adjusted by individual leverage ratios.

Lakestar SPAC's net assets at Closing September 21, 2021 (proceeds of EUR 75.0 million from PIPE financing not included):

	Fair Value in EUR million
Cash	272.1
Redemption payable	(100.6)
Advances from Sponsors to be repaid	(2.2)
Accruals and trade creditors	(4.0)
Net assets	**165.3**

As part of the public share offering a total of 10.1 million shares with an agreed price of EUR 10 were redeemed and are currently held as treasury shares. The redemption payable of EUR 100.6 million was still outstanding at Closing, but has been paid subsequently prior to December 31, 2021.

After all redemptions the resulting ownership structure was as follows:

	Ownership in shares	Equity%
HomeToGo Investors	80,793,077	69
Lakestar SPAC Public Shareholders	17,437,338	15
Lakestar SPAC Founders	6,927,628	6
VSOP Holders	4,210,905	4
PIPE Investors	7,500,000	6
	116.868.948	**100**

As part of the recapitalization HTG GmbH's share capital was exchanged for shares in Lakestar of EUR 1,551,227, being the 80.8 million shares, shown in the table above, at a par value of EUR 0.0192. This capital reorganization was shown as an increase within share capital by EUR 1.4 million from the old share capital (par value of EUR 1) before Closing of EUR 112,951 by reducing share premium. HTG Group has decided not to adjust the share capital in the comparatives and to show the capital reorganization only in the current financial year.

A total of EUR 1.8 million were capitalized within equity as transaction costs resulting from the de-SPAC transaction.

SECRA GmbH and SECRA Bookings GmbH

On August 23, 2021 HS Holiday Search GmbH acquired shares in SECRA GmbH and in SECRA Bookings GmbH (together "SECRA") which led to an ownership of 19% in each entity. The consideration payable for SECRA GmbH was EUR 3.0 million and for SECRA Bookings GmbH EUR 190 thousand. Thereof EUR 3.1 million have been paid and EUR 150 thousand being a holdback amount will be due the following year.

Both acquisitions are accounted for under IFRS 9 as investments at fair value through profit and loss. With the signing of the sales and purchase agreement and the additional shareholders' agreement HTG also obtained the call option to acquire the remaining 81% of SECRA in two years time at its fair market value at the time of exercise. Furthermore, HTG also obtained a perpetual put option to sell all acquired shares at a price of EUR 1 back to SECRA. The sellers obtained a perpetual call option to buy back the shares held by HTG at the same conditions of previous transfers as well as the right of offer which gives the Seller the option to offer the 81% of shares to HTG. Please refer to note 22 - Other financial assets (current and non-current) for further information regarding the investment.

7. Critical accounting judgments and key estimates and assumptions

The preparation of HTG's consolidated financial statements in accordance with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying note disclosures and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Estimates and underlying assumptions are subject to continuous review.

Below is a summary of the critical measurement processes and the key assumptions used by management in applying accounting policies with regard to the future, and which could have significant effects on carrying amounts stated in the consolidated financial statements, or for which there is a risk that significant adjustments may be made to the carrying amount of assets and liabilities in subsequent years.

a. Critical accounting judgements

Classification of Class A Warrants and B Warrants

As part of the SPAC transaction HTG took over public warrants which were issued by Lakestar SPAC prior to the Transaction that is treated as an equity-settled share-based payment arrangement under IFRS 2, rather than a financial liability under IFRS 9. Public warrants are classified under IFRS 2 as equity since they are considered part of the issuance of equity instruments to acquire Lakestar SPAC. Since the exercise period after the closing of the SPAC transaction has lapsed whereby the warrant holders were able to redeem their warrants for cash, the Group assessed that there is no potential present obligation to settle in cash. In addition, through public communications and publications warrant holders should not expect to be able to redeem the warrants in cash nor does the Group have any established history of settlement of these instruments in cash. The classification of warrants of this kind has been submitted to regulators of the IFRS Interpretations Committee ("IFRS IC") for clarification. This committee will have its first deliberations in March 2022. Depending on the outcome of the IFRS IC's deliberations, HTG may need to change its accounting policy and retrospectively change its accounting for the de-SPAC when a final agenda decision is available. If warrants are considered to be acquired they would continue to be financial liabilities. The IFRS 2 listing service expense would not change.

Internally generated intangible assets

For individual software modules, management sometimes applies judgement to determine the point in time where research can be separated from development activities. In connection with management judgement about the future economic benefit of software modules, the Group uses assumptions regarding the future performance of the software modules concerned and their implications on the Group's business activities.

Government Grants

In 2020, HTG received governments grants recognized as income for investment in new employments. The granting of subsidies is subject to the condition that investments are made in permanent jobs and that the payroll exceeds a certain amount in the grant period from August 19, 2019 to February 18, 2023. The management of HTG assumes that the conditions of reaching a certain level of personnel-related expenses are and will be met with reasonable assurance. Therefore, HTG recognized the full receivable amounting to EUR 1.9 million under the grant in 2020 from which EUR 0.5 million have been received and EUR 1.1 million recognized as other income until December 31, 2021 from which EUR 0.7 million other income relate to the fiscal year 2021.

In 2021, HTG applied for a subsidy amounting to EUR 8.593 thousand as part of the Covid-19 aid by German State for a defined period in 2020 and 2021 that is fully taxable, but does not need to be repaid. The decision on the grant by the authority was received subsequent to December 31, 2021. Since the conditions for the grant were at the time of balance sheet date the application HTG, considers that there was reasonable assurance to receive the grant and recorded a receivable as of December 31, 2021. The gain from the grant is presented in other income as well.

SECRA GmbH and SECRA Bookings GmbH

On August 23, 2021 HS Holiday Search GmbH entered into a sale and purchase agreement for 19% of the share capital in SECRA GmbH and SECRA Bookings, respectively. The additional shareholders' agreement provides for various consent rights as well as informational rights. The Group is also holder of a call option to acquire all outstanding shares in both companies at fair market value, that is currently not exercisable. The management of HTG concludes that neither control, joint control nor a significant influence exists until December 31, 2021. The Group is accounting for the investment under IFRS 9 in the category fair value through profit and loss.

AMIVAC SAS

On Oct. 27, 2021 the Group entered into a sale and purchase agreement ("SPA") for 100% of the shares in AMIVAC for EUR 4.15 million. The closing date is January 1, 2022. As all rights granted for the period between the signing of the SPA and Jan. 1, 2022 must be considered protective, the Group will only gain control over AMIVAC SAS with the transfer of the shares on Jan. 1, 2022.

b. Key estimates and assumptions

Incremental borrowing rate

The incremental borrowing rate for lease accounting is determined based on interest rates from various external financial data adjusted to reflect the terms of the lease and the nature of the leased asset. For additional information with respect to extension options refer to Note 4.

Impairment of goodwill and trademark

At least annually, or when circumstances indicate a potential impairment event may have occurred, HTG assesses whether its goodwill and trademark are impaired. The CGUs which resulted from the business combinations were also tested for impairment with the Covid-19 pandemic being a triggering event. Key assumptions used in HTG's impairment assessments of these assets include forecasted cash flows of the business, estimated discount rate, and future growth rates. Management uses internal and external data to forecast these key assumptions. This includes consideration of any impact of the Covid-19 pandemic and of any impact of the ongoing discussion about climate change. Refer to Note 19 – Intangible assets and goodwill.

Litigation

HTG Group has set up a provision for a litigation that could not be settled by the date the consolidated financial statements of HTG Group were authorized for issue. The provision is measured using the calculated expected value of a performed scenario analysis by weighing the possible scenarios with their probability. Due to the inherent uncertainty of a litigation the possible financial risk might be higher than the expected value. Refer to Note 26.

Covid-19 pandemic

Existing protective measures put in place in 2020, such as social distancing, the requirement to wear face masks in public institutions, or contact restriction regimes are slowly being released across Europe. Despite the lifting of these restrictions, there is still a possibility that the pandemic can resurface, for example, in the form of new viral variants and due to the low efficiency of existing vaccinations against those variants. It can be estimated that normalcy with unlimited travel will only be attainable in the medium term. HTG will continue to adapt flexibly to any new development on short notice, as it has done since the epidemic began in 2020. As part of the

Covid-19 aids by German State HTG has applied for and received a grant of EUR 8.593 thousand that does not need to be repaid.

Fair value determination for share-based payment arrangements and derivative financial liabilities

Share-based payment arrangements

The Group has adopted an equity-settled share-based compensation plan, pursuant to which certain participants are granted virtual shares of the Company. The grants made under this plan are accounted for in accordance with the policy as stated in Note 31 - Share-based payments. The total amount to be expensed is determined by reference to the fair value of the options granted, which is subject to estimates over time. The fair value is measured at the date of grant using an Option Pricing model as further explained in Note 31 - Share-based payments. Due to the lack of quoted market prices prior to the Transaction, the Group has determined the fair value for the measurement of the equity-settled transactions at the grant date with assistance of an external appraiser, considering certain assumptions relating to the volatility of stock price, the determination of an appropriate risk-free interest rate and expected dividends. The share price input is based on the company's valuation.

Embedded derivatives

Embedded derivatives resulting from the split accounting of convertible loans are measured at fair value, with changes in those fair values being recognized in profit or loss. In order to value these various instruments, the Company makes assumptions and estimates concerning variables such as discount rates, probability of a qualifying event taking place and the fair value of the Company's shares which includes assumptions in future cash flows, discount rates, expected volatility and risk-free rate. The assumptions of future outcomes, and other sources of estimation uncertainty concerning the determination of key inputs to the valuation models, are based on management's best assessment using the knowledge available, management's historical experiences as well as other factors that are considered to be relevant. The estimates and assumptions are reviewed on an ongoing basis.

8. Segment and geographic information

In line with the management approach, the operating segment was identified on the basis of HTG's internal reporting and how the CODM assesses the performance of the business. On this basis, HTG identifies as a single operating and therefore the consolidated financial information represents the segment reporting.

Assets are not allocated to the business segment for internal reporting purposes.

In the reporting period two single customers accounted for more than 10% of HTG's revenues:

	Year ended December 31,	
(in EUR thousands)	2021	2020
Customer 1	19,114	9,065
Customer 2	30,534	23,498
	49,648	**32,563**

In prior year one additional customer accounted for more than 10% of the revenues.

Revenues from external customers can be attributed to the entity's country of domicile in the amount of EUR 30.9 million, 2020: EUR 20.3 million and to all foreign countries in total EUR 63.9 million, 2020: EUR 45.5 million. Due to the reverse acquisition of HTG SE (formerly Lakestar SPAC) by HTG GmbH Germany is still treated as the entity's country of domicile.

Non-current assets other than financial instruments and deferred tax assets located in the entity's country of domicile amounting to EUR 50.5 million, 2020: EUR 24.4 million and in all foreign countries amounting to EUR 34.6 million, 2020: EUR 33.6 million.

9. Revenues

HTG recognizes its revenues as follows:

	Year ended December 31,	
(in EUR thousands)	2021	2020
Revenues recognized at a point in time		
CPA	65,650	48,695
thereof:		
CPA onsite	31,523	14,382
CPA offsite	34,127	34,313
CPC and CPL	20,401	10,808
Other	–	654
Revenues recognized over time		
Subscriptions	8,788	6,352
	94,839	**65,855**

CPA onsite reflect revenues from bookings made directly on HTG platforms while CPA offsite revenues are generated on Partner's platforms.

For CPA and CPC revenues, typically the payment occurs shortly after the performance obligation is satisfied. However, a few customers paid in advance leading to a certain amount of fees which are presented under contract liabilities. Subscription revenues are generally collected before the performance obligation is satisfied over time leading to a high balance of contract liabilities, which is subsequently released over the performance period.

The 2021 increase in revenues is explained both by increased activity in travel following the gradual release of measures aimed at containing the spread of the coronavirus, increased brand awareness as well as additional revenues from acquisition of Smoobu.

Revenues recognized in the financial years 2021 and 2020 from contract liabilities were EUR 2.9 million and EUR 11.9 million respectively, the change in contract liabilities goes back to updated invoice terms with some of our customers during prior period. Substantially all amounts recognized from contract liabilities are recognized as revenue within the subsequent year. Refer to Note 29 - Other liabilities (current and non-current) for further information on contract liabilities. No information is provided about remaining performance obligations as of December 31, 2021 and December 31, 2020 since all performance obligations are originally expected to be satisfied within one year or less, as allowed by IFRS 15.121.

HTG holds trade receivables from contracts with partners as of December 31, 2021 of EUR 9.8 million, December 31, 2020 of EUR 5.2 million. These have been impaired individually by EUR 1.0 million, 2020: EUR 0.5 million.

10. Cost of revenues

	Year ended December 31,	
(in EUR thousands)	2021	2020
Hosting and domains	3,003	2,154
Depreciation and amortization	866	285
Other	467	353
	4,336	**2,792**

Hosting and domains comprise the expenses for server hosting services and the expenses for domain subscriptions. Depreciation and amortization contains the amortization of the internally generated intangible assets.

11. Product development and operations

	Year ended December 31,	
(in EUR thousands)	2021	2020
Personnel-related expenses	9,435	6,747
Depreciation and amortization	785	721
Licence expenses	878	581
Software expenses	4,223	4,056
Share-based compensation	8,260	3,170
Other	145	–
	23,726	**15,275**

Personnel-related expenses for product development and operations comprise expenses for the workforce for development and maintenance of the platform and system infrastructure as well as customer service. Depreciation and amortization relate to the respective assets attributed to this workforce.

Other includes overhead costs directly attributable to the Product development and operations function.

12. Marketing and sales

	Year ended December 31,	
(in EUR thousands)	2021	2020
Performance marketing	81,173	40,517
Personnel-related expenses	5,289	4,202
Depreciation and amortization	2,559	2,111
Share-based compensation	5,700	4,623
Other	774	782
	95,495	**52,235**

Performance marketing relates to paid marketing services, search engine marketing ("SEM"), content marketing and other forms of inbound marketing as well as on- and off-site search engine optimization. Performance marketing activities are scaled to bringing demand to the Group's booking platforms and converting website visitors to users who make bookings. The significant increase in 2021 in performance marketing expenses as spend was increased across all markets. In addition, there was stronger competition compared to prior year leading to higher bids and therefore higher expense. Besides, additional expenses incurred as HTG specifically targeted travelers to download the HTG app. This investment supported the strong growth in CPA onsite revenues.

13. General and administrative

	Year ended December 31,	
(in EUR thousands)	2021	2020
Personnel-related expenses	6,803	4,613
Depreciation and amortization	480	491
Consulting expenses	13,079	1,643
License expenses	553	178
Expenses for third-party-services	1,829	1,155
Share-based compensation	88,038	3,395
Other	1,969	1,617
	112,751	**13,092**

2021 expenses for share-based compensation contain a non-cash expense for the listing service of EUR 70.4 million incurred as part of the accounting for the Transaction, see section 6 – Business Combinations and other acquisitions for further details.

The increase in personnel-related expenses is in line with the growth of the Group's number of employees, see note 18 - Personnel expenses for further details.

Consulting expenses are significantly up compared to the prior year due to the number of external service providers involved during the preparation of the Transaction.

The increase in expenses for third-party-services is related to the Group's cooperation with providers of temporary staff as part of foreign operations.

Other have mainly increased due to the increase in valuation allowances of trade receivables.

14. Other income and expenses

Other income includes foreign exchange gains of EUR 1.6 million (2020: EUR 0.4 million) and government grant related income in 2021 of EUR 9.3 million (2020: EUR 0.4 million). EUR 8.6 million relate to income from a grant that is part of the Covid-19 aids by the German State. The increase in foreign exchange gains goes back to an increase in USD denominated bank balances.

There are future conditions or other contingencies attached to the expense related grants. HTG did not benefit directly from any other forms of government assistance.

Other expenses include foreign exchange losses of EUR 0.6 million (2020: EUR 0.7 million).

15. Financial result, net

	Year ended December 31,	
(in EUR thousands)	2021	2020
Finance income		
Interest income	1	–
Other	18	–
Income from remeasurement to fair value	2,814	–
Finance expenses		
Interest expenses	3,644	2,000
Expenses from remeasurement to fair value	34,672	5,471
Interest expenses on leases	517	311
Other	130	124
Financial result, net	**(36,131)**	**(7,906)**

Income from remeasurement to fair value relates to the remeasurement of the embedded derivatives resulting from the convertible loans. Both, income and expenses from remeasurement to fair value relating to the embedded derivatives amounting to EUR 34.7 million (2020: EUR 5.5 million) and interest expenses in relation to the convertible loan in the amount of EUR 1.9 million (2020: EUR 1.0 million) are non-cash items. Refer to Note 26 - Convertible loans for a breakdown of those expenses.

16. Income taxes

During the financial year 2020, HTG's tax rate was 30.175%, consisting of the German corporate tax rate of 15.0%, a 5.5% solidarity surcharge on the corporate tax rate and a trade tax rate of 14.35%. As a result of the de-SPAC transaction and incorporation of the HTG SE the Group became subject to taxation under the laws of Luxembourg. Therefore, the overall tax rate changed to 24.94% in 2021, consisting of corporate tax rate of 17%, a 7% solidary surcharge on the corporate tax rate and a municipal business tax rate of 6.75%. The recognition of deferred tax assets ("DTA") on temporary differences consist of the exercised convertible loans in the amount of EUR 9.5 million. Refer to Note 26 – Convertible loans.

	Year ended December 31,	
(in EUR thousands)	2021	2020
Current tax	(207)	(40)
Deferred tax	5	1,356
Income tax	**(202)**	**1,316**

The following table shows the reconciliation between the expected and the reported income tax expense:

(in EUR thousands)	2021	2020
Loss before tax	**(166,587)**	**(25,122)**
Tax at the expected group tax rate (24.94%, 2020: 30.18%)	41,547	7,581
Tax effects of:		
Deviations from group tax rate 24.94% (2020: 30.18%)	7,957	40
Virtual option plan	17,498	(3,376)
Listing service fee de-SPAC transaction	(21,083)	–
Permanent differences	(3)	(113)
Non-deductible expenses	(366)	(92)
Non-recognition of DTA on current year tax losses	(36,334)	(3,612)
Non-recognition of DTA on temporary differences	(9,378)	939
IRE Leasing and dismantling obligation	(125)	(61)
Other tax effects	86	10
Total income tax expense	**(202)**	**1,316**
Effective total income tax rate (%)	**0.12%**	**(5.24)%**

17. Earnings (loss) per share

Basic earnings per share:

	Year ended December 31,	
	2021	2020
Net income (loss) for the period (in EUR thousands)	**(166,789)**	**(23,806)**
Weighted average number of ordinary shares issued	79,619,166	66,681,774
Total basic and diluted earnings per share attributable to the ordinary equity holders of the Company (in EUR)	**(2.09)**	**(0.36)**

On July 14, 2021, HTG GmbH and Lakestar SPAC entered into a BCA whereby Lakestar SPAC became the legal parent company of HTG GmbH for a contribution and exchange of HTG GmbH shares for new Public Shares. On September 21, 2021 the Transaction was closed. Refer to Note 6 - Business Combinations and other acquisitions for further details.

As the business combination is accounted for as a reverse acquisition, the number of shares is adjusted to reflect the capital structure of the legal parent. In accordance with IAS 33.64, the calculation of the basic and diluted earnings per share for all periods presented must be adjusted retrospectively due to these changes.

The conversion ratio is calculated as the number of shares of the legal parent, 80,793,077 to the legal subsidiary, 112,951. Refer to Note 24 - Shareholder's equity for an overview of the conversion and the different share classes.

For the calculation of diluted earnings per share, the share-based payment programs were considered. In accordance with IAS 33.58, settlement in ordinary shares was assumed for contracts where the Company has the option to settle in cash or in ordinary shares. These potential ordinary shares were not taken into account, because the effect on loss per share would have been antidilutive. As a result, basic earnings per share corresponds to diluted earnings per share.

Number of potential ordinary shares:

	As of December 31,	
	2021	2020
Convertible loan	–	337,900
Share-based payment programs	33,868	21,612
	33,868	**359,512**

18. Personnel expenses

The average number of employees is presented below:

	Year ended December 31,	
(Number of employees)	2021	2020
female	161	129
male	211	140
Total	**372**	**269**

Employee benefits expense are composed of the items as shown in the following table:

	Year ended December 31,	
(in EUR thousands)	2021	2020
Wages and salaries	14,258	13,091
Social security expenses	4,964	2,359
thereof: Retirement benefit costs	6	17

19. Intangible assets and goodwill

(in EUR thousands)	Goodwill	Trade-marks and domains	Software and licenses	Internally generated software	Customer rela-tion-ships	Order Backlog	Intangible assets
Cost							
As of January 1, 2020	**25,654**	**7,056**	**448**	**2,931**	**10,105**	**1,249**	**47,444**
Additions	–	–	100		–	–	100
Additions from internal development	–	–	–	1,369	–	–	1,369
Disposals	–	23	–	–	–	–	23
As of December 31, 2020	**25,654**	**7,033**	**548**	**4,300**	**10,105**	**1,249**	**48,890**
Accumulated amortization and impairment							
As of January 1, 2020	**–**	**912**	**92**	**2,021**	**990**	**1,249**	**5,264**
Amortization charge of the year	–	786	17	285	990	–	2,078
Disposals	–	23	–	–	–	–	23
As of December 31, 2020	**–**	**1,675**	**109**	**2,306**	**1,980**	**1,249**	**7,319**
Carrying amount							
As of January 1, 2020	**25,654**	**6,144**	**357**	**910**	**9,115**	**–**	**42,179**
As of December 31, 2020	**25,654**	**5,358**	**439**	**1,994**	**8,125**	**–**	**41,570**
Cost							
As of January 1, 2021	**25,654**	**7,033**	**548**	**4,300**	**10,105**	**1,249**	**48,890**
Additions	–	–	1	–	–	–	1
Additions from business combinations	14,664	1,849	2,475	–	2,328	–	21,317
Additions from internal development	–	–	–	1,545	–	–	1,545
As of December 31, 2021	**40,318**	**8,882**	**3,024**	**5,845**	**12,433**	**1,249**	**71,752**
Accumulated amortization and impairment							
As of January 1, 2021	**–**	**1,675**	**109**	**2,306**	**1,980**	**1,249**	**7,319**
Amortization charge of the year	–	828	193	867	1,184	–	3,072
As of December 31, 2021	**–**	**2,503**	**302**	**3,173**	**3,164**	**1,249**	**10,391**
Carrying amount							
As of January 1, 2021	**25,654**	**5,358**	**439**	**1,994**	**8,125**	**–**	**41,570**
As of December 31, 2021	**40,318**	**6,379**	**2,722**	**2,672**	**9,270**	**–**	**61,361**

Amortization in relation to trademarks and domains and customer relationships are presented within marketing sales expenses, while order backlog and internally generated software amortization is presented within cost of revenues.

Material intangible assets comprise trademarks from Casamundo of EUR 2.5 million (2020: EUR 2.1 million), Smoobu of EUR 1.7 million (2020: EUR 0.0 million), Feries of EUR 1.3 million (2020: EUR 1.4 million), Escapada of EUR 0.7 million (2020: EUR 0.7 million), as well as customer relationships from Feries of EUR 2.6 million (2020: EUR 2.9 million), Smoobu of EUR 2.1 million (2020: EUR 0.0 million), Casamundo of EUR 1.4 million (2020: EUR 1.6 million) and Escapada of EUR 3.1 million (2020: EUR 3.5 million). The intangible assets were identified as part of the business combination in the corresponding period. Both, customer relationships and trademarks from all four acquisitions have a remaining amortization period of 6-9 years as of December 31, 2021. Refer to Note 6 - Business Combinations and other acquisitions for further information.

The recoverable amount of the group of CGUs is determined based on the value in use. The key assumptions for determining the value in use are those regarding the cash flows, discount rates and growth rates. The values assigned to the key assumptions represent management's assessment of future trends in the relevant industries and have been based on historical data from both external and internal sources.

The future cash flows were estimated with the underlying assumption that the Covid-19 pandemic opened up an increased market potential for vacation rentals as more traveler used vacation rental for the first time to avoid hotel accommodations. These travelers saw the benefits of vacation rental and thus, there is the assumption for a sustainable positive trend in the upcoming years. In addition, the pandemic has provided an additional market potential for Working from Home (WFH) away or "workation". Travelers are enabled by their employers to extend their holidays and to work for example a week ahead of the actual holidays or a week after. Thus, travelers are staying in a holiday area for three weeks instead of two weeks. In addition, management sees travelers becoming longer term rental customers, for example staying over the winter abroad instead of for example in Germany. Before the pandemic this was not an option for the majority of employees. These effects, combined with the Group's ambitious measures to grow the business as an OTA, are driving a more optimistic business plan post Covid-19 and therefore higher revenues and EBITDA. Moreover, the increasing awareness in respect of the ecological impact of air travels contributes to the general trend to prefer domestic or nearby vacation destinations. With its innovative platforms and an increasing number of users and website visitors, the Management Board believes that HTG is well placed with its offerings to meet that expected change in travelling behavior and therefore expects that it will be able to achieve its growth ambition. On that basis, the Group expects significant double-digit growth over the next years. The cash flow projections are based on a detailed business plan for 5 years. Due to the high growth stage of HTG, the business plan was prolonged by four further planning years (based on yearly assumptions regarding the net sales and margin development) to reflect a step-by-step declining growth of the Group until the terminal value.

Management estimates discount rates as a pre-tax measure estimated based on the historical industry average weighted-average cost of capital. The WACC takes into account cost of equity and cost of debt, weighted according to the portion of debt and equity in the Group's target capital structure. The cost of equity and cost of debt are derived from the expected return an investor would require for an equity investment or debt investment with similar risk. Segment-specific risks of the travel market are incorporated by applying a beta factor. The beta factor is evaluated annually based on publicly available market data of comparable companies. Adjustments to the discount rate are made to reflect a pre-tax discount rate. The additional basis was a market risk premium and the risk-free interest rate.

The growth rates are based on industry growth forecasts. Management has considered the upper end of commonly applied growth rates to be appropriate given the development stage of HTG and the planned growth for the upcoming years.

	Financial Year	
	2021	2020
Discount rate (pre-tax)	14.9%	14.8%
Growth rate	2.0%	2.0%

During the periods presented, no impairment was recognized. No change in a key assumption considered possible by management would cause the carrying amount to exceed the recoverable amount. Even if the free cash flows were to decrease by 70% this would not result in any impairment.

20. Property, plant and equipment

(in EUR thousands)	Right-of-Use-Real Estate	Right-of-Use-Asset Car Leasing	Leasehold improvements	Other equipment, factory and office equipment	Total property, plant and equipment
Cost					
As of January 1, 2020	**3,078**	**18**	**331**	**675**	**4,102**
Additions	13,435	–	1,773	149	15,357
Disposals	1	–	–	175	176
As of December 31, 2020	**16,512**	**18**	**2,104**	**649**	**19,284**
Accumulated depreciation and impairment					
As of January 1, 2020	**955**	**14**	**132**	**350**	**1,450**
Depreciation charge of the year	1,266	5	101	158	1,529
Disposals	–	–	–	109	109
As of December 31, 2020	**2,221**	**18**	**232**	**399**	**2,870**
Carrying amount					
As of January 1, 2020	**2,123**	**4**	**199**	**325**	**2,652**
As of December 31, 2020	**14,291**	**–**	**1,872**	**250**	**16,413**
Cost					
As of January 1, 2021	**16,512**	**18**	**2,104**	**649**	**19,284**
Additions	19	–	54	324	396
Additions from business combinations	–	27	–	10	37
Disposals	(32)	–	–	(23)	(55)
As of December 31, 2021	**16,499**	**45**	**2,158**	**960**	**19,662**
Accumulated depreciation and impairment					
As of January 1, 2021	**2,221**	**18**	**232**	**399**	**2,870**
Depreciation charge of the year	1,304	6	138	170	1,618
Disposals	–	–	–	(22)	(22)
As of December 31, 2021	**3,525**	**24**	**370**	**547**	**4,466**
Carrying amount					
As of January 1, 2021	**14,291**	**–**	**1,872**	**250**	**16,413**
As of December 31, 2021	**12,974**	**22**	**1,788**	**412**	**15,197**

Expenses on leases accounted for under the low value exemption amounted to EUR 8 thousand in the financial year 2021 (2020: EUR 14 thousand) and short-term lease exemption amounted to EUR 270 thousand in the financial year 2021 (2020: EUR 16 thousand).

The total cash outflow for leases amounted to EUR 1,512 thousand in 2021 (2020: EUR 905 thousand). It includes the payment of the principal amounts, interest and short-term and low value leases.

Leasing activity during the reporting periods presented is comprised of office buildings and cars. The most significant contract, which commenced in 2020, is the office building in Berlin, also resulting in significant dismantling obligations.

Extension options are assumed to be reasonably certain to be exercised for all leases and are therefore considered within the calculation of the rights-of-use assets and lease liabilities.

21. Trade and other receivables (current and non-current)

Current trade and other receivables consist of:

	December 31,	
(in EUR thousands)	2021	2020
Trade receivables	9,755	5,142
Other receivables	9,237	505
	18,992	**5,647**

The increase in trade receivable is related to the growth in business activity and corresponds to the increase in revenues in 2021.

Non-current other receivables consist of:

	December 31,	
(in EUR thousands)	2021	2020
Other receivables	814	1,414
	814	**1,414**

Current and non-current other receivables in financial year 2021 include receivables from government grants of EUR 10.0 million (2020: EUR 1.9 million).

22. Other financial assets (current and non-current)

Other current financial assets consist of:

	December 31,	
(in EUR thousands)	2021	2020
Deposits	1,995	361
Money market fund	99,965	188
	101,960	**549**

The current portion of other financial assets contains an investment into a short-term money market fund accounted for at fair value through profit and loss.

Other non-current financial assets consist of:

	December 31,	
(in EUR thousands)	2021	2020
Deposits	1,502	1,485
Financial asset at fair value through profit or loss	3,597	–
Payments in advance for business combination	3,150	–
	8,249	**1,485**

Financial asset at fair value through profit or loss represents the fair value of the Company's investment as of the balance sheet date in SECRA. Payments in advance for business combination contains a payment in advance for the acquisition of a new subsidiary, refer to section 36 - Subsequent events after the reporting period for further details.

23. Other assets (current and non-current)

Other current assets consist of:

	December 31,	
(in EUR thousands)	2021	2020
Other non-financial assets	1,695	24
Other tax receivables	1,253	379
Prepaid expenses	2,399	843
	5,347	**1,246**

Other non-financial assets have mainly increased due to a guaranteed prepayment for services related to a new server hosting agreement that do not relate to a specific point in time in the future. Prepaid expenses have increased following the closing of new IT infrastructure agreements with prepayments.

Other non-current assets consist of:

	December 31,	
(in EUR thousands)	2021	2020
Other tax receivables	187	53
Prepaid expenses	65	15
Other non-financial assets	6	–
	258	**68**

24. Shareholder's equity

The different shareholder classes can be summarized as follows:

	HomeToGo GmbH shares (1 EUR nominal value)									HomeToGo SE shares (0.0192 EUR nominal value)		
	Common Shares	Series A Shares	Series B Shares	Series C Shares	Series C1 Shares	Series C2 Shares	Series C3 Shares	Series C3/ Fall 2018	Series C4	Class A Shares	Class B2 Shares	Class B3 Shares
As of Jan. 1, 2020	**36,736**	**15,488**	**13,618**	**10,030**	**645**	**5,160**	**7,837**	**3,709**				
As of Dec. 31, 2020	**36,736**	**15,488**	**13,618**	**10,030**	**645**	**5,160**	**7,837**	**3,709**				
As of Jan. 1, 2021	**36,736**	**15,488**	**13,618**	**10,030**	**645**	**5,160**	**7,837**	**3,709**				
Conversion of convertible loans									18,438			
Conversion of earn outs								1,290				
Capital reorganization	-36,736	-15,488	-13,618	-10,030	-645	-5,160	-7,837	-4,999	-18,438	80,793,077		
Shares issued in recapitalization, net of redemptions										30,051,667	2,291,667	2,291,666
Shares issuance for PIPE financing										7,500,000		
Share-based compensation										4,210,905		
As of Dec. 31, 2021	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**122,555,649**	**2,291,667**	**2,291,666**

Common Shares and Series A through Series C3/Fall 2018 shares are non-par value shares and have been fully paid since 2018. Holders of these shares are entitled to the same dividends rights as declared from time to time and are entitled to one vote per share at general meetings of the Company. In general, disposal of shares requires the Company's approval.

On September 21, 2021 HTG GmbH and Lakestar SPAC (now HTG SE) consummated the BCA which led to the listing on the Frankfurt Stock Exchange and a capital reorganization of the Group. See Note 6 – Business Combinations and other acquisitions for further information.

Class A through to Class B3 Shares in HTG SE are non-par value shares and have been fully paid. Class A Shares are publicly traded. As part of the public share offering a total of 10.1 million Class A Shares were redeemed against capital reserves and are currently held as treasury shares by the Company. Class B1 to B3 Shares are neither redeemable nor transferable, assignable or sellable other than to the members of the Management or Supervisory Board. Holders of Class A to B3 Shares are entitled to the same dividend and liquidation rights and one vote per share at general meetings.

As part of the consummation of the de-SPAC transaction all Class B1 Shares were automatically converted into Class A Shares at a ratio one for one. All Class B2 Shares will automatically convert into Class A Shares at a ratio one for one, once the closing price of the Class A Shares for any ten trading days within a thirty trading day period exceeds EUR 12. Similarly, all Class B3 Shares will automatically convert into Class A Shares at a ratio one for one, once the closing price of the Class A Shares for any ten trading days within a thirty trading day period exceeds EUR 14. There is no expiry date for the conversion of Class B2 Shares or Class B3 Shares into Class A Shares.

Proceeds entitlement of share classes in Liquidity Event

HomeToGo SE shares

In the event of a liquidation of the Company the surplus resulting from the realization of the assets and the payment of liabilities shall be distributed equally amongst the shareholders.

HomeToGo GmbH shares (until Closing)

If proceeds obtained by the Company in a liquidity event or exit event are distributed to the shareholders or in case of a liquidation of the Company, the holders of the Series A through Series C3/Fall 2018 shares receive a dividend and liquidation preference in comparison to the common shares, whereas each share class has an individual liquidation preference. Liquidity Events are thereby a sale of 50% or more of the interest in HTG in a single transaction or a series of related transactions, the transfer 50% or more of all assets of the group in a single transaction or a series of related transactions and the liquidation of the Company or HTG. The distribution of proceeds from these cases for each shareholder would be determined according to a multi-stage distribution mechanism. In each stage the respective amount to be distributed to a certain share class and its allocation among the holders of the respective shares of that class is determined by the payments made by the holders of the respective share class in the past into the share capital and the capital reserves or the purchase price paid to the holders of the respective share class. If the (remaining) proceeds to be distributed on the respective stages are not sufficient to cover the entire total investment, the remaining proceeds are distributed pro rata between the holders of the eligible share classes. The Stages are as follows:

Stage	Eligible Share Class
1	**Series C3/Fall 2018**
2	**Series C, Series C1, Series C2, Series C3**
3	**Series B, Series A**
4	**Series C3/Fall 2018, Series C, Series C1, Series C2, Series C3, Series B, Series A, Common Shares**

The distribution of the proceeds to shareholders are subject to a share class individual cap. In the event of any type of distribution made with respect to shares in the Company not being a distribution of proceeds from a Liquidity Event, such distribution shall reduce the amount of proceeds distributed on Stages 1 to 4 in a subsequent Liquidity Event accordingly.

In the event of an initial public offering or admission to a stock exchange, all shares should be reallocated amongst the shareholders so that the value of shares, based on the issue or first quoted price, equal the amount which would have been distributed according to the distribution mechanism as if all shares would have been sold.

Capital reserves
Subscribed capital and capital reserves include received capital through the issuance of shares for cash or premium in kind. See above for share issuances during the presented periods.

Retained earnings
Retained earnings include the accumulated losses attributable to the shareholders.

Foreign currency translation reserve
Exchange differences arising on translation of the foreign controlled entity are recognized in other comprehensive income, as described in note 4 b), and accumulated in a separate reserve within equity. The cumulative amount is reclassified to profit or loss when the net investment is disposed of.

Share-based payments reserve
The share-based payments reserve is dedicated for share-based payment transactions. See Note 6 - Business Combinations and other acquisitions for information on the Mapify transaction, Note 6 - Business Combinations and other acquisitions for information on the overall Business Combination and Note 31 - Share-based payments for HTG GmbH's granted virtual options and the exercises of such options in the course of the Business Combination. The Company does not reclassify amounts for vested awards to other equity items.

Issued Class A and Class B Warrants are also classified within the share-based payments reserve.

25. Borrowings

The following table provides an overview on the outstanding loans within the Group as of December 31, 2021:

Debtor	Loan Amount (in EUR thousands)	Payout date	Maturity	Nominal interest rate	Carrying amount (in EUR thousands)
HomeToGo GmbH	6,000	February 2020	December 2023	4.35%	3,000
HomeToGo GmbH	10,000	February 2021	September 2025	2.12%	8,414
Feries S.r.l.	400	August 2020	August 2025	1.50%	376
Escapada Rural S.L.	500	May 2020	June 2023	2.50%	337
Escapada Rural S.L.	300	May 2020	June 2025	1.55%	252

26. Convertible loans

As of December 31, 2020, HTG GmbH had EUR 33.1 million in subordinated convertible loans outstanding. HTG GmbH issued additional subordinated convertible loans in total of EUR 66.2 million between March 12, 2021 and April 14, 2021 and all amounts were received by June 4, 2021. All loans were fully converted into HTG GmbH shares prior to the Transaction and before being exchanged for HTG SE shares. See Note 6 - Business Combinations and other acquisitions for further information.

The convertible loans contained several embedded derivatives in the form of a conversion right at the end of maturity or in the context of a financing round as well as further prepayment features. The several embedded derivatives are presented as a single instrument due to their interdependency and are separated from the host contract. The final exercise price of the conversion right was EUR 7,932.46.

	December 31, 2021	
(in EUR thousands)	Financial liability	Derivative financial liability
Face value of loan issued before conversion	**(146,259)**	**–**
Initial value	(72,213)	(31,940)
Amortization effects by applying the effective interest method	(38,275)	–
Valuation effect derivative	–	(2,041)
Income / Expense from contractual modifications	1,862	(3,653)
Conversion into equity	108,626	37,634
Carrying amount	**–**	**–**

	December 31, 2020	
(in EUR thousands)	Financial liability	Derivative financial liability
Face value of loan issued	**(38,437)**	–
Initial value	(31,348)	(6,979)
Amortization effects by applying the effective interest method	(3,646)	–
Valuation effect derivative	–	(1,834)
Income / Expense from contractual modifications	1,862	(3,653)
Carrying amount	**(33,132)**	**(12,465)**

27. Provisions (current and non-current)

			2021
(in EUR thousands)	Dismantling	Other	Total
Beginning of financial year	**483**	**1,175**	**1,658**
Additions	–	83	83
Utilizations	–	(451)	(451)
End of financial year	**483**	**807**	**1,290**
Thereof: non-current	**431**	**751**	**1,182**

			2020
(in EUR thousands)	Dismantling	Other	Total
Beginning of financial year	**112**	**362**	**474**
Additions	371	866	1,237
Releases	–	(6)	(6)
Utilizations	–	(48)	(48)
End of financial year	**483**	**1,175**	**1,658**
Thereof: non-current	**431**	**127**	**558**

The provision for dismantling relates to HTGs dismantling provisions for leasehold improvements. Other provisions include an onerous contract provision of EUR 305 thousand for a lease of an office which is not being used and could not be sublet as of December 31, 2020 and December 31, 2021.

As of December 31, 2021 a provision of EUR 751 thousand is recorded as other provision for a legal dispute. Since the investigations and proceedings have not yet been completed, the complexity of the individual influencing factors, the ongoing consultations with the authorities and other latent legal risks, which are factored into the estimation of the provision, are subject to significant estimations risks. In accordance with IAS 37.92, no further disclosures are made on estimates of the financial impact or on uncertainties regarding the amount or timing of amounts of provisions and contingent liabilities in connection with the legal dispute in order not to prejudice the outcome of the proceedings and the interests of the Group.

28. Other financial liabilities (current and non-current)

Other current financial liabilities consist of:

	December 31,	
(in EUR thousands)	2021	2020
Lease liabilities	1,228	1,464
Other financial liabilities	7,657	110
	8,885	**1,574**

Other financial liabilities include a liability for the acquisition of a new subsidiary after the balance sheet date in the amount of EUR 5 million, see note 36 - Subsequent events after the reporting period for further details. EUR 2.6 million of the carrying amount of other financial liabilities as of December 31, 2021 relate to a debtor with a creditor balance.

Other non-current financial liabilities consist of:

	December 31,	
(in EUR thousands)	2021	2020
Lease liabilities	12,949	13,665
Derivatives	–	12,465
Other	5	9
	12,954	**26,139**

The derivatives shown in 2020 were related to the CLAs that were fully converted to equity prior to the Transaction.

29. Other liabilities (current and non-current)

Other current liabilities consist of:

	December 31,	
(in EUR thousands)	2021	2020
Personnel-related liabilities	1,652	955
Other tax liabilities	570	276
Other non-financial liabilities	2,450	2,017
Contract liabilities	3,864	2,908
	8,535	**6,156**

Other non-current liabilities consist of:

	December 31,	
(in EUR thousands)	2021	2020
Personnel-related liabilities	322	304
Other non-financial liabilities	795	801
	1,117	**1,105**

Other non-financial liabilities mainly relate to the deferred government grant.

30. Deferred taxes

The change in deferred tax liabilities, net was recognized as income tax expense (income) or through acquisition of subsidiaries during 2020 and 2021. The unrecognized deferred tax assets amount to EUR 59.8 million (2020: EUR 23.4 million) and are mainly attributable to EUR 59.8 million (2020: EUR 21.7 million) unused tax losses and EUR 0.0 million (2020: EUR 1.6 million) unrecognized temporary differences. There is no expiry date for the cumulative tax losses except for tax losses in Luxembourg which will expire after 17 years according to local tax regulations. Tax losses include deductions for the virtual share program. Since the legal situation of deductions for share based programs has not yet been finally clarified, for an amount of EUR 14 million it is uncertain whether or not the tax authorities may accept the deduction.

The total amount of temporary differences associated with investments in subsidiaries, branches and associates and interests in joint ventures for which deferred tax liabilities have not been recognized amount to EUR 256 thousand (2020: EUR 149 thousand).

	December 31,	
(in EUR thousands)	2021	2020
Deferred tax liabilities, net		
Beginning of fiscal year	**(2,236)**	**(3,592)**
Recognized through profit or loss	5	1,356
Recognized through acquisition of subsidiaries	(1,643)	–
End of fiscal year	**(3,874)**	**(2,236)**

Deferred tax assets and liabilities are recognized for the following types of temporary differences and tax loss carryforwards.

	December 31, 2021 / Deferred tax		December 31, 2020 / Deferred tax	
(in EUR thousands)	Assets	Liabilities	Assets	Liabilities
Intangible assets	–	(5,963)	–	(3,962)
Convertible loan	–	–	207	–
Provisions	247	(3)	355	–
Borrowings	–	–	–	(1,389)
Trade payables	47	–	–	–
Other liabilities	6	–	–	–
Contract Liabilities	–	–	394	–
Tax losses	1,792	–	2,158	–
Total Gross	**2,092**	**(5,966)**	**3,115**	**(5,351)**
thereof non-current	1,839	(5,966)	3,115	(5,351)
Offsetting	**(2,092)**	**2,092**	**(3,115)**	**3,115**
Total after offsetting	**–**	**(3,874)**	**–**	**(2,236)**

31. Share-based payments

Virtual Option Plans - General

The Company has implemented several similar share-based payment programs, i.e. separate share-based payment agreements in 2015, a Virtual Option Plan in 2016, a Founder Program in 2019, a Key Management Program in 2019 and a C-Level Incentive Program. Pursuant to the Programs, current and future members of the Company as well as other beneficiaries, who participate in the Programs according to the terms and conditions, are eligible to participate in the future growth of the Company by receiving cash payments or non-cash consideration by the Company subject to certain exit related events defined thereunder. The Programs do not provide for straight equity but virtual options which relate to an increase in the Company's enterprise value. In the case of certain exit events such as an IPO the Company has the option to settle the payment claim in shares of the Company. Since the programs are substantially comparable according to IFRS 2.45, the following disclosures are presented on aggregate for the different programs.

Terms and conditions

Each issued virtual option shall grant the respective beneficiary the right to economically participate from an exit event taking into account any prior payment of any Liquidation Preferences pursuant to the Shareholders' Agreement. Therefore, upon the occurrence of an exit event the virtual options transform into a payment claim of a beneficiary against the Company for payment of a certain monetary amount in cash or granting of a non-cash consideration. The beneficiaries are not obliged to pay a fee for the granting of the virtual options but the virtual options are granted with a certain exercise price. The exercise price is specified in the individual allotment letters with the beneficiary.

The following events are considered an exit event in the option terms: the sale and transfer of more than 50% of all shares of the Company ("Share Deal Exit"), the sale and transfer of more than 50% of all tangible and intangible assets ("Asset Deal Exit") or the listing of the Company on a stock exchange ("IPO Exit") and in some cases also the liquidation of the Company ("Liquidation"). In the case of an Asset Deal Exit or Share Deal Exit the Company is entitled to fulfill the payment claim in whole or in part by transfer of non-cash performances that the Company received as consideration in course of the exit event, in lieu of paying a cash amount. In case of an IPO Exit the Company is entitled or even obligated to fulfill the payment claim through shares in the Company in lieu of paying a cash amount. In those instances where the Company has a choice of settlement in shares, there is no stated intent or policy to settle in cash.

The respective vesting schedules and leaver conditions vary and are specified individually. The vesting period for the virtual options is three and four years and the vesting shall begin on the allotment day. Some beneficiaries have a one-year cliff and after the cliff day the virtual options are vested for every completed quarter of the year of the following three years. Other granted virtual options shall vest in equal monthly installments over four years on a linear basis. Also, different accelerated vesting and non-vesting conditions are agreed individually. Some grants are subject to accelerated vesting in case of an IPO/exit event before the vesting period some are partially (e.g. 50%) subject to accelerated vesting and some grants do not have an accelerating vesting condition and will continue to vest after the exit event. Good leaver and bad leaver events leading to expiry for some, or all of the vested options are also defined differently, whereas in case of a termination by the employee the expiry conditions range from full expiry to 33% expiry.

Some grants are furthermore subject to specific hurdle rates, or the exercise price is subject to an adjustment mechanism depending on the exit valuation.

Classification and accounting

Prior to the Transaction management estimated that the IPO exit is the most probable exit scenario as of all relevant valuation dates. Since the Company in that case is entitled to fulfill the payment claim through shares in the Company and the assessment of the Company's intent, past practice and ability to settle in equity results in all programs being classified as equity settled. The fair value is determined at grant date and the share-based payments expenses are recognized over the service period.

Vesting conditions are treated as graded or linear vesting or both depending on the individual terms and conditions summarized above. Market performance conditions are assessed as part of the fair value measurement at grant.

Fair value measurement

The fair value at grant date is determined by HTG using the following two methods. First, the common share price was derived from an option pricing model using interpolation between the previous and the latest transaction or financing round as of the grant date. In 2021, where no financing rounds took place, the Company's fair value was based on a discounted cash flow valuation approach instead. Secondly, the fair value of the virtual option as of grant date per individual beneficiary was calculated by applying the Black Scholes model based on the resulting input from the option pricing model for the underlying common share prices.

The fair value was measured based on the following significant parameters: a weighted average share price of EUR 6.7 thousand (2020: EUR 3.1 thousand), a volatility of 54.5% (2020: 34.8%), a weighted average of exercise price of EUR 5.0 thousand (2020: EUR 2.1 thousand), a risk-free interest rates between -1.0% and 2.0% and a dividend yield of 0.0% (all periods). The expected volatility was derived from the historical volatility of peer group companies. The expected date of the IPO, September 30, 2022 or September 30, 2024 (for grants before 2018) was taken as the relevant date for deriving the number of shares to be received by the respective beneficiary in case of accelerated vesting conditions and for calculating the remaining term. The actual exercise of the options can only take place after the expiry of the respective waiting period i.e. usually the lock up period related to the event. The weighted average term of the virtual shares outstanding is 3.6 years (2020: 3.3 years). The valuation resulted in a weighted average fair value of EUR 3,215 per virtual share (2020: EUR 1,430).

Reconciliation of virtual options

	2021	
	Number of virtual options	Weighted Average of exercise prices
Outstanding as of January 1	**20,376**	**2,080**
granted during the year	3,207	3,496
forfeited during the year	139	2,313
exercised during the year	15,792	5,041
Outstanding as of December 31	**7,652**	**2,272**

Table continues →

	2020	
	Number of virtual options	Weighted Average of exercise prices
Outstanding as of January 1	**16,050**	**1,824**
granted during the year	4,386	3,003
forfeited during the year	60	1,092
Outstanding as of December 31	**20,376**	**2,080**

None of the instruments granted are currently exercisable.

The total expense in relation to share-based payment awards of virtual options amounts to EUR 22.1 million (2020: EUR 11.2 million). With respect to share-based payment expenses resulting from other transactions please refer to Note 6 - Business Combinations and other acquisitions ("Mapify").

C-Level Incentive Program

General

On July 14, 2021 the Company signed a business combination agreement ("BCA") with the SPAC. Refer to Note 6 - Business Combinations and other acquisitions for further information on the BCA. For the C-level management of HTG SE, the new legal parent entity after closing, 8,600 VSOPs were awarded in June 2021 as part of the SPAC deal/BCA negotiations and approved by the Advisory Board in July 2021.

Vesting and performance conditions

The allotments are based substantially on the terms of the Founder Program in 2019. The VSOPs are subject to graded vesting over four years. The vesting start date is prior to the grant date since the VSOPs are considered as remuneration for the work performed on the preparation of the SPAC-transaction.

In case of a SPAC-transaction, no accelerated vesting with respect to the 50% of the unvested virtual options applies. With respect to such remaining (i.e. unvested) virtual options that only vest after the SPAC-transaction, a payment claim is payable to the beneficiary, provided that he or she is still employed by HTG at that point in time. The due date for the first tranche of the Stay-on Payment is 360 days after SPAC-transaction for all other Stay-on Payments one month after lapse of the respective calendar year. In addition, 60% of the virtual options shall be allotted without hurdle, 20% if the closing price of the public shares of HTG SE exceeds EUR 12.00 and another 20% if the closing price of the public shares of HTG SE exceeds EUR 14.00, in each case for any 10 trading days within any 30 trading day period in XETRA trading. The vested portion of these VSOPs as of December 31, 2021 amounts to 18.75%

Classification and accounting

The VSOPs are accounted according to the existing Founder Program in 2019 as equity settled with the difference that accelerated vesting does not apply and the new different hurdle rates are considered by using a Monte Carlo simulation in the fair value determination.

The fair value was measured based on the following significant parameters: a weighted average share price of EUR 6.5 thousand, a volatility of 45.2%, a weighted average of exercise price of EUR 3.5 thousand , a risk-free interest rate of 0.64% and a dividend yield of 0.0%. The expected volatility was derived from the historical volatility of peer group companies. The actual exercise of the options can only take place after the expiry of the respective waiting period i.e. usually the lock up period related to the event. The weighted average term of the virtual shares outstanding is 0.2 years. The valuation resulted in a weighted average fair value of EUR 3,524 per virtual share.

Reconciliation of virtual options

	2021	
	Number of virtual options	Weighted Average of exercise prices
Outstanding as of January 1	–	–
granted during the year	8,600	3,480
exercised during the year	323	3,365
Outstanding as of December 31	**8,277**	**3,480**

Smoobu–Virtual participation awards

General

As part of the acquisition of Smoobu, HTG granted new virtual participation awards to the founders and managing directors of Smoobu, which are outside the scope of the IFRS 3 purchase consideration (Note 7) because of the continued employment requirements. Unvested options are forfeited upon employment termination and, therefore, the new virtual participations are consideration for post-combination services.

The beneficiaries were granted options to acquire a certain number of future shares in the Company. Through such options, the beneficiaries will participate in HTG's future growth and increase in value. The awards can be classified into two components: 'stay on options' and 'earn-out options'.

Both option types are virtual share rights which carry a contractual right to payment of a certain cash amount. An option may be exercised only in respect of vested option shares and only in the context of a defined liquidity event. Liquidity Event shall mean i) a share sale with more than 50% of the shares, ii) a liquidation, iii) an initial public offering (the "IPO") or iv) an asset sale of more than 50% of the assets or an equivalent profit distribution from an asset sale. HTG has the option to settle the payment claim in common shares in case of an IPO, which is the most probable scenario through the de-SPAC transaction.

Vesting and performance conditions

The stay on option shares and the earn-out option shares are subject to vesting conditions. All option shares vest monthly on a linear basis over two years starting from March 1,2021, i.e. until the lapse of March 1, 2023. Accelerated vesting is applied to all option shares in the case of a Liquidity Event during that period. The unvested option shares lapse if the beneficiary terminates his service agreement. In case a Beneficiary ceases to provide his services before the lapse of March 1, 2023, he will have to repay to the Company a cash amount corresponding to the accelerated VSOPs that would have been unvested at that point in time. Therefore, graded vesting is applied. Furthermore, the earn-out option shares are subject to non-market performance conditions such as non-financial KPI's and a defined positive cash flow of the entity.

Classification and accounting

Both option types are in scope of IFRS 2, because even the earn-out options only come into existence if the contract will not be terminated by the beneficiary before the lapse of the earn out period and are therefore linked to future service conditions of the beneficiaries. Management estimates that the IPO exit according to the contract is the most probable exit scenario. Since the Company in that case is entitled to fulfill the payment claim through shares in the Company and the assessment of the Company's past practice and ability to settle in equity results in the award being classified as equity settled. The fair value is determined at grant date and the share-based payments expenses are recognized over the service period. Non-market performance conditions are assessed as part of the number of shares expected to vest.

The fair value was measured based on the following significant parameters: a weighted average share price of EUR 6.9 thousand, a volatility of 63.9%, a weighted average of exercise price of EUR 0.0 thousand , a risk-free interest rate of -0.6% and 2.0% and a dividend yield of 0.0%. The expected volatility was derived from the historical volatility of peer group companies. The actual exercise of the options can only take place after the expiry of the respective waiting period i.e. usually the lock up period related to the event. The weighted average term of the virtual shares outstanding is 0.5 years. The valuation resulted in a weighted average fair value of EUR 6,162 per virtual share.

	2021	
	Number of virtual options	Weighted Average of exercise prices
Outstanding as of January 1	**–**	**–**
granted during the year	1,643	–
exercised during the year	514	6,844
Outstanding as of December 31	**1,129**	**–**

Impact of de-SPAC on Virtual Option Plans

With the closing of the Transaction as described in Note 6 - Business Combinations and other acquisitions all vested and exercisable virtual options were exercised in connection with the Business Combination on September 21, 2021 since it qualifies as an exercise event. Until that date the share-based payment reserve for those vested and exercised options accumulated to EUR 25.5 million.

Based on the HomeToGo VSOPs Amendment the exercise was fulfilled via 50% of the VSOP claim in equity settlement and 50% of the VSOP claim in cash settlement to cover estimated relevant tax obligations. The equity settlement led to the issuance of 4,210,905 Class A Shares in HTG SE in the nominal value of EUR 80,849 based on the agreed share price of EUR 10. 50% of the accumulated share-based payment reserve being EUR 12.8 million were reclassified within equity. Thereof EUR 80,849 were reclassified into share capital and EUR 12.7 million into capital reserves.

According to IFRS 2 the portion of the cash settlement used for tax obligations, which are settled through HTG Group on behalf of the beneficiaries, is considered a modification of the equity-settled plan and accounted for as a repurchase of vested instruments. It was therefore also taken out from the share-based payment reserve. However, the actual payroll tax was lower as expected given that the actual share price used for the payroll tax calculation was lower than the agreed EUR 10, resulting in a cash payment to the beneficiaries of the remaining cash settlement amount of EUR 4.7 million. In addition, not all beneficiaries' payroll taxes were settled through HTG Group, for example for freelancers. As a result, the full cash settlement of EUR 6.9 million was paid out to those beneficiaries. In total EUR 34.0 million were reclassified from the share-based payment reserve. Thereof EUR 30.5 million were used for payroll tax purposes. While EUR 3.5 million for this settlement were taken from the share-based payment reserve the remaining cash settlement portion of EUR 8.1 million was expensed as followed:

(in EUR thousands)	
Product development and operations	3,517
Marketing and sales	1,292
General and administrative	3,283
Total cash settlement expense	**8,092**

The total expenses in relation to all existing share-based compensation are allocated as follows:

(in EUR thousands)	2021	2020
Product development and operations	8,260	3,170
Marketing and sales	5,700	4,623
General and administrative	88,038	3,395
thereof: Listing service expense (Sponsor as well as public shares and warrants from de-SPAC)	70,437	–
Total	**101,997**	**11,188**

The IFRS 2 reserve thus developed as follows:

		2021	2020
(in EUR thousands)		Change	Change
January 1	Brought forward	22,148	10,959
May 31, 2021	Acquisition Mapify	172	–
September 16, 2021	Conversion of Earn Outs	(515)	–
September 21, 2021	Lakestar SPAC Listing Service Fee	70,437	–
September 21, 2021	VSOP Exercise equity settlement	(12,774)	–
September 21, 2021	VSOP Exercise tax settlement charge	(30,495)	–
September 21, 2021	VSOP Exercise cash settlement charge not through Profit or loss	(3,524)	–
Financial Year 2021 / 2020	Regular VSOP charge	23,296	11,189
December 31, 2021	Year end	68,744	22,148

32. Related party transactions

The HTG's related parties are comprised of a significant shareholder of HTG, the members of the Management Board and the Supervisory Board, the close members of the family of these persons and controlled entities by these persons.

Entities with significant influence over the Group

Until the Transaction, the largest shareholder of the Group had significant influence over the Group and constituted a related party according to IAS 24. Due to the fact that this investor is also represented on the Supervisory Board of HTG SE the investor is still assumed to have significant influence over the Group although the percentage share in the parent company significantly reduced through the Transaction. This shareholder participated in the new convertible loan in 2021 with EUR 3.0 million and in the convertible loan in 2020 with EUR 4.2 million.

Key management personnel of the Group

The Management Board as well as the Supervisory Board of the Group constitute the key management personnel and therefore related persons according to IAS 24 for the HTG.

Expenses for compensation of the key management personnel are summarized in the table below.

	December 31,	
(in EUR thousands)	2021	2020
Short-term benefits	1,020	413
Share-based payments	15,660	1,730
	16,680	**2,143**

Share-based payments expenses for key management personnel solely arise from the Virtual Option Plans described under section 'Share-based payments' above, for the terms and conditions refer to Note 31 - Share-based payments.

The Group has not granted any loans, guarantees, or other commitments to or on behalf of any of the related persons. Other than the remuneration disclosed above the following transactions occurred with entities controlled by key management personnel:

UAB NFQ Technologies ("NFQ"), a software company registered in the Republic of Lithuania, has been identified as a related party according to IAS 24. During the reporting period, an agreement with NFQ was intact on the provision of certain software development services, office space and other services by NFQ to entities of the HTG for cash consideration. Other services mainly include the provision of payroll, accounting and car rental services. The business transactions under the scope of the agreement occurred under market conditions. Below listed amounts resulted from related party transactions with NFQ during the reporting period:

	December 31,	
(in EUR thousands)	2021	2020
Product development and operations expenses	5,493	4,469
Other Services	172	131
Office Rent	246	204
Payables towards NFQ	4	19

33. Auditor's fees

The following expenses incurred for services provided by the auditors and related companies of the auditors for the HomeToGo Group:

	December 31,	
(in EUR thousands)	2021	2020
Audit fees	1,490	73
thereof: Audit fees for previous fiscal year audits	838	–
Other attestation services	127	–
Total	**1,618**	**73**

34. Financial instruments

The table below shows the net gains and losses of financial instruments per measurement categories defined by IFRS 9:

	December 31,	
(in EUR thousands)	2021	2020
Financial assets measured at Amortized cost (AC)	(1,069)	(480)
Financial assets and financial liabilities measured at fair value through profit or loss (FVTPL)	342	–
Financial liabilities measured at Amortized cost (AC)	–	(2,125)
Financial liabilities measured at fair value through profit or loss (FVTPL)	207	(5,471)

Total interest expenses including amortization from the effective interest method on financial liabilities that are measured at amortized cost for the year was EUR 0.9 million (2020: EUR 2.0 million).

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. The table excludes fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount reasonably approximates fair value. The carrying amounts of cash and cash equivalents, trade and other receivables as well as trade payables are approximately their fair value due to their short-term maturities. For all other financial assets and liabilities, no changes have occurred that would have had a material effect on the fair value of these instruments since their initial recognition.

Financial instruments as of December 31, 2021 are as follows:

	December 31, 2020			
(in EUR thousands)	Carrying amount	Category in accordance with IFRS 9	Fair value	Fair value level
Non-current assets				
Other receivables	814	Amortized Cost		
Other financial assets	8,249			
thereof deposits	1,502			
thereof investments	3,597	FVTPL	3,597	Level 3
Current assets				
Trade and other receivables	18,992	Amortized Cost		
thereof trade receivables	9,755			
thereof other receivables	9,237			
Cash and cash equivalents	152,944	Amortized Cost		
Other financial assets	101,960			
thereof deposits	1,995			
thereof money market funds	99,965	FVTPL	99,965	Level 1
thereof other financial assets	–	Amortized Cost		
Non-current liabilities				
Borrowings	9,371	Amortized Cost		
Other financial liabilities	12,954			
thereof lease liabilities	12,949	N/A		
thereof other liabilities	5			
Current liabilities				
Borrowings	3,007	Amortized Cost		
Trade payables	15,395	Amortized Cost		
Other financial liabilities	8,885			
thereof lease liabilities	1,228	N/A		
thereof other liabilities	7,656	Amortized Cost		

Financial instruments as of December 31, 2020 are as follows:

	December 31, 2020			
(in EUR thousands)	Carrying amount	Category in accordance with IFRS 9	Fair value	Fair value level
Non-current assets				
Other receivables	1,414	Amortized Cost		
Other financial assets	1,485	Amortized Cost		
thereof deposits	1,485			
Current assets				
Trade and other receivables	5,647	Amortized Cost		
thereof trade receivables	5,142			
thereof other receivables	505			
Cash and cash equivalents	36,237	Amortized Cost		
Other financial assets	549	Amortized Cost		
thereof deposits	361			
thereof other financial assets	188			
Non-current liabilities				
Convertible Loans	33,132	Amortized Cost	33,295	Level 3
Borrowings	3,557	Amortized Cost		
Other financial liabilities	26,139			
thereof lease liabilities	13,665	N/A		
thereof other liabilities	9			
thereof derivatives	12,465	FVTPL	12,465	Level 3
Current liabilities				
Borrowings	2,114	Amortized Cost		
Trade payables	4,233	Amortized Cost		
Other financial liabilities	1,574			
thereof lease liabilities	1,464	N/A		
thereof other liabilities	110	Amortized Cost		

The carrying amounts of the financial assets and liabilities measured at amortized cost listed above and defined by IFRS 9 as of December 31, 2021 and 2020 were as follows:

	December 31,	
(in EUR thousands)	2021	2020
Carrying amount		
Financial assets measured at amortized cost	179,397	45,333
Financial assets measured at fair value through profit or loss (FVTPL)	103,562	–
Financial liabilities measured at amortized cost	26,555	43,155
Financial liabilities measured at fair value through profit or loss (FVTPL)	–	12,465

As HTG does not meet the criteria for offsetting, no financial instruments are netted.

Where quoted prices in an active market do not exist, HTG uses valuation techniques that maximize the use of relevant observable inputs and minimize the use of unobservable inputs. The valuation technique used incorporates all factors that market participants would consider in pricing such a transaction, e.g. the fair values disclosed in the notes for the host contract of convertible loans are determined by using credit-risk specific discount factors.

The following paragraph shows the valuation technique used in measuring Level 3 fair values at December 31, 2021 and December 31, 2020 for financial instruments measured at fair value in the statement of financial position (derivative financial liability for conversion right and contingent consideration for Escapada) as well as the significant unobservable inputs used:

→ Valuation techniques: The valuation of the embedded derivative is performed by using an option price model. More specifically the valuation was performed using binomial trees for HTG's share price and refinancing rate to come up to a fair value of the conversion right. The valuation technique for the contingent consideration resulting from the acquisition of Escapada is described under note 6.

→ Significant unobservable inputs: The option price model for the embedded derivative uses different inputs. The most significant unobservable input is the refinancing rate of HTG. Further inputs for the valuation model are the Company value and the volatility of equity. Both inputs have a lower impact on the fair value of the entire embedded derivative. The unobservable inputs for the contingent consideration resulting from the acquisition of Escapada are described under note 6.

The following tables show a reconciliation for Level 3 fair values:

(in EUR thousands)	Embedded Derivative	Contingent Consideration
Opening balance Jan 1, 2020	**(315)**	**(1,647)**
Issuance of convertible loans and modification of existing contracts	(6,679)	–
Settlement	–	1,647
Losses recognized in finance costs	(5,471)	–
Closing balance Dec 31, 2020	**(12,465)**	**–**
Opening balance Jan 1, 2021	**(12,465)**	**–**
Issuance of convertible loans and modification of existing contracts	(24,961)	–
Losses recognized in finance costs	(2,644)	–
Gains recognized in finance income	2,436	–
Conversion into equity	**37,634**	**–**
Closing balance Dec 31, 2021	**–**	**–**

There were no transfers between the different levels of the fair value hierarchy during the periods presented. HTG's policy is to recognize transfers into and transfers out of fair value hierarchy levels as of the end of the reporting period.

35. Financial risk management

HTG is exposed to the following risks from the use of financial instruments:

a) Credit risk
b) Liquidity risk
c) Market risk, interest rate and currency risk

The Company´s Management Board have the overall responsibility for the establishment and oversight of HTG's risk management framework. HTG's risk management policies are established to identify and analyze the risks faced by HTG and to minimize negative impact on the financial position of HTG related to those risks.

Capital risk management

HTG's objective when managing capital is to safeguard HTG's ability to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. Management monitors capital usage by overseeing the decrease and increase of cash and cash equivalents as presented in the consolidated statement of financial position. The Group is subject to a financial covenant with regard to some loans issued in 2020 for which no breach has occurred. HTG needs to achieve an equity ratio of 50% or higher. Management expects to achieve the necessary equity ratio.

a. Credit risk

Credit risk is the risk of financial loss to HTG if a customer or counterparty to a financial instrument fails to meet its contractual obligations. Credit risk includes both the immediate default risk and the danger of a decline in the customer's creditworthiness.

HTG is exposed to credit risk on cash and cash equivalents and current other financial assets, which it monitors centrally. HTG maintains its cash deposits at financial institutions with top credit ratings. The creditworthiness of these financial institutions is constantly monitored. HTG considers that its cash and cash equivalents and current other financial assets have low credit risk based on the external credit ratings of these financial institutions.

HTG is generally exposed to the credit risk that its partners are cash-strapped or in financial difficulties and thus, would not pass the agreed share of commission to HTG. Overall, the credit risk for trade and other receivables is considered low. The maximum risk exposure for all financial assets is the carrying amount. Refer to Note 4 regarding the application of the expected credit loss model.

b. Liquidity risk

Liquidity risk is the risk that HTG will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. HTG's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to HTG's reputation. HTG uses regular external financing options such as bank loans, but also financing instruments such as convertible loans, to quickly raise larger amounts of fresh capital and thus always ensure a certain liquidity buffer.

The following are the remaining contractual maturities of financial liabilities at the balance sheet date. Apart from lease liabilities, the amounts are gross and undiscounted and include contractual interest payments and exclude the impact of netting agreements.

	December 31, 2021				
(in EUR thousands)	<1 year	1–5 years	> 5 years	Total	Carrying amount
Trade and other payables	15,395	–	–	15,395	15,395
Other liabilities	8,535	1,117	–	9,653	9,653
Convertible Loans	–	–	–	–	–
Borrowings	3,007	9,371	–	12,378	12,378
Lease liabilities	1,228	1,632	11,318	14,178	14,178
Total	**28,165**	**12,120**	**11,318**	**51,603**	**51,603**

	December 31, 2020				
(in EUR thousands)	<1 year	1– 5 years	> 5 years	Total	Carrying amount
Trade and other payables	4,233	–	–	4,233	4,233
Other liabilities	110	9	–	119	119
Convertible Loans	–	42,231	–	42,231	33,132
Borrowings	1,930	4,212	103	6,245	5,671
Lease liabilities	1,487	5,154	12,674	19,315	15,129
Total	**7,760**	**51,606**	**12,777**	**72,143**	**58,284**

The following table shows changes in liabilities arising from financing activities:

(in EUR thousands)	Jan. 1, 2021	Cash flows	Changes in fair values	New leases	Additions from business combinations	Reclassification / Conversion	Modifications and other effects	Interest	Dec. 31, 2021
Borrowings (non-current)	3,558	9,969	–	–	–	(3,255)	(1,244)	343	9,371
Convertible loans (non-current)	33,132	66,206	–	–	–	(108,626)	(25,341)	34,629	–
Lease liabilities (non-current)	13,665	–	–	1	10	(517)	(210)	–	12,949
Derivatives (non-current)	12,465	–	207	–	–	(37,633)	24,961	–	–
Borrowings (current)	2,113	(2,362)	–	–	–	3,255	–	–	3,007
Lease liabilities (current)	1,464	(966)	–	18	10	517	(332)	517	1,229
	66,398	**72,848**	**207**	**19**	**19**	**(146,259)**	**(2,166)**	**35,490**	**26,555**

(in EUR thousands)	Jan. 1, 2020	Cash flows	Changes in fair values	New leases	Additions from business combinations	Reclas-si-fica-tion	Modifica-tions and other effects	Interest	Dec. 31, 2020
Borrowings (non-current)	–	7,170	–	–	–	(3,860)	–	246	3,558
Convertible loans (non-current)	1,697	29,663	–	–	–	–	(1,862)	3,634	33,132
Lease liabilities (non-current)	1,397	–	–	12,943	–	(311)	(364)	–	13,665
Derivatives (non-current)	315	6,679	1,818	–	–	–	3,653	–	12,465
Borrowings (current)	–	(1,500)	–	–	–	3,860	–	(246)	2,113
Lease liabilities (current)	862	(563)	–	491	–	311	52	311	1,464
	4,271	**41,449**	**1,818**	**13,434**	**–**	**–**	**1,479**	**3,945**	**66,398**

c. Market, interest rate and currency risk

Market risk is the risk that changes in market prices, such as foreign exchange rates or interest rates will affect HTG's income or the value of its financial instruments. HTG manages its market risk on a centralized basis with the objectives of managing and controlling market risk exposures within acceptable parameters.

Exposure to interest rate risk normally arises from variable interest-bearing financial instruments. HTG only has fixed interest loan agreements and therefore is not exposed to an interest rate risk.

HTG is not exposed to a material transactional foreign currency risk.

36. Subsequent events after the reporting period

AMIVAC

On August 29, 2021 HS Holiday Search GmbH entered into an transfer agreement for AMIVAC SAS ("AMIVAC") whereby the sole shareholder had to sell all shares in AMIVAC if the French workers council agreed to the transaction. With the fulfillment of the condition HS Holiday Search GmbH entered into a share purchase agreement to acquire 100% of the shares in AMIVAC for EUR 4.2 million with a holdback amount of EUR 1 million on October 27, 2021, with the agreed closing date being January 1, 2022.

As part of the agreement the seller carved out all assets related to its vacation business unit and transferred those to AMIVAC until January 1, 2022. As a result, AMIVAC will hold three complementary platforms offering vacation rentals listings and an IT platform. In addition, the seller is to provide the operational support through a service agreement in order to run AMIVAC's vacation business as usual for one year.

Given that HTG has no controlling rights as of year end, AMIVAC is not consolidated yet in 2021. Apart from the holdback amount of EUR 1 million, which is shown within other financial liabilities, EUR 3.2 million have been fully paid as at year end. The EUR 4.2 million claim to shares are shown within other financial assets.

Preliminary purchase price allocation:

(in EUR thousands)	Preliminary Fair Value
Cash	150
Intangible assets: trademarks	570
Intangible assets: customer relationships	1,391
Intangible assets: software	117
Other assets	161
Net deferred tax asset	756
Other liabilities	(1,263)
Net identifiable assets acquired	**1,881**
Add: goodwill	2,269
Net assets acquired	**4,150**

The purchase price allocation is preliminary as the valuation of assets and liabilities assumed as part of the business combination is not complete due to the short time frame between acquisition and authorization for issue of the Group's financial statements.

Furthermore, the Company is continuously looking for and possibly in negotiation in view of potential acquisitions.

Virtual Stock Option Program 2022 / Restricted Stock Unit Program 2022

In 2022 a new long-term incentive (LTI) program was established, but no awards were granted to beneficiaries as of December 31, 2021. Under the Virtual Stock Option Program (VSOP 2022) and the Restricted Stock Unit Program (RSUP 2022) Virtual Stock Options (VSOs) / Restricted Stock Units (RSUs) are granted to employees, advisors of the Company and Affiliated Companies as well as members of the Management Board.

The participants are able to select the allocation of their overall grant between VSOP 2022 and RSUP 2022 (from 30% to 70% RSUP 2022 and vice versa 70% to 30% VSOP 2022). The aggregate maximum plan volume of the RSUP 2022 and VSOP 2022 shall be limited to the value of 1,225,556 Class A Shares of the Company. VSO / RSU may be granted to the participants in one or more tranches at any time until the end of the year 2025.

Ukraine

In February 2022, a number of countries (including the US, UK and EU) imposed sanctions against certain entities and individuals in Russia and Belarus as a result of the official recognition of the Donetsk People Republic and Luhansk People Republic by the Russian Federation. Announcements of potential additional sanctions have been made following military operations initiated by Russia against Ukraine on February 24, 2022.

Due to the war in Ukraine, there has been a significant increase in volatility on the securities and currency markets. It is expected that these events may affect the activities of Russian enterprises in various sectors of the economy, but also the economy of sanctioning countries and people in those countries as well.

The Management Board regards these events as non-adjusting events after the reporting period. Although neither HTG's performance and going concern nor operations, at the date of this report, have been significantly impacted by the above, the Management Board continues to monitor the evolving situation and its impact on the financial position and results of the company. The indirect impact of the war in Ukraine and its implications, such as a potential change in travel behavior, cannot be quantified at this point in time.

Luxembourg, March 28, 2022
Management Board of HomeToGo SE

Dr. Patrick Andrae
Co-founder & CEO

Wolfgang Heigl
Co-founder & CSO

Valentin Gruber
COO

Steffen Schneider
CFO

Responsibility Statement of the Management Board

We, Dr. Patrick Andrae, Wolfgang Heigl, Valentin Gruber and Steffen Schneider assure, to the best of our knowledge that the consolidated financial statements which have been prepared in accordance with the International Financial Reporting Standards as adopted by the European Union, give a true and fair view of the assets, liabilities, financial position and profit or loss of HomeToGo SE and the undertakings included in the consolidation taken as a whole and that the combined management report includes a fair review of the development and performance of the business and the position of HomeToGo SE and the undertakings included in the consolidation taken as a whole, together with a description of the material risks and opportunities associated with the expected development of the Group.

Luxembourg, March 28, 2022
Management Board of HomeToGo SE

Dr. Patrick Andrae
Co-founder & CEO

Wolfgang Heigl
Co-founder & CSO

Valentin Gruber
COO

Steffen Schneider
CFO

To the Shareholders of HomeToGo SE (formerly Lakestar SPAC I SE)
19, rue de Bitbourg, L-1273 Luxembourg

Report on the audit of the consolidated financial statements

Opinion

We have audited the consolidated financial statements of HomeToGo SE and its subsidiaries (the "Group"), which comprise the consolidated statement of financial position as at December 31, 2021, and the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and the notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at December 31, 2021, and of its consolidated financial performance and consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union.

Basis for opinion

We conducted our audit in accordance with EU Regulation N° 537/2014, the Law of July 23, 2016 on the audit profession (the "Law of July 23, 2016") and with International Standards on Auditing ("ISAs") as adopted for Luxembourg by the "Commission de Surveillance du Secteur Financier" ("CSSF"). Our responsibilities under the EU Regulation N° 537/2014, the Law of July 23, 2016 and ISAs are further described in the "Responsibilities of the "réviseur d'entreprises agréé" for the audit of the consolidated financial statements" section of our report. We are also independent of the Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants ("IESBA Code") as adopted for Luxembourg by the CSSF together with the ethical requirements that are relevant to our audit of the consolidated financial statements, and have fulfilled our other ethical responsibilities under those ethical requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of the audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Revenues

Description

Total revenues for the year ended December 31, 2021 were EUR 94.8 million, of which EUR 65.6 million corresponding to Click Per Action ("CPA") transactions, where the Group receives a percentage-based commission for successful onsite or offsite booking referrals. CPA revenue is recognized upon check-in of the traveler, when the Group's performance obligation is satisfied.

Revenue recognition for CPA is a complex matter due to the high number of low-value transactions and the variety of billing terms in the customer contracts which gives rise to an elevated risk of accounting errors. In light of the significance and the large number of individual transactions recorded, we assessed that revenue recognition for CPA transactions is a key audit matter.

Auditor’s response

We have performed the following audit procedures:

- → We analyzed the accounting policies applied in the consolidated financial statements for revenue recognition in terms of the five-step model defined in IFRS 15 “Revenue form contracts with customers”.
- → We verified the processes and internal controls implemented by Management for the recognition of CPA revenues.
- → We obtained an understanding of IT systems involved in revenue recognition for CPA transactions.
- → We tested the end-to-end reconciliation between the IT systems involved in revenue recognition with the general ledger and validated material journals processed.
- → We reconciled the revenues recognized for a statistical sample to source documents and verified whether the revenues were recorded in the correct period based on the underlying terms and conditions of the customer contract. We tested the correlation of revenues to cash and anchored revenue recorded to cash receipts for a sample of transactions.

de-SPAC transaction

Description

In 2021, the Group acquired HomeToGo GmbH (“HTG GmbH”). The transaction was considered a reverse acquisition within the scope of IFRS 2 “Share Based Payment”.

HTG GmbH, accounting acquirer, received Lakestar SPAC I SE’s net assets, EUR 165.3 million, which mainly consisted of cash. The fair value of HTG GmbH’s shares and warrants deemed issued as part of the de-SPAC transaction amounted to EUR 235.7 million, so that a total non-cash listing service expense of EUR 70.4 million was recognized as share based payment expense.

We considered the de-SPAC transaction to be a key audit matter because of the materiality of the amounts involved.

Auditor’s response

We have performed the following audit procedures:

- → We read and analysed the share purchase agreement
- → We verified the accounting analysis carried out by Management and Management’s specialist. We assessed the competence of Management’s specialist.
- → We verified the classification of warrants deemed issued as equity.
- → We verified the valuation of the share-based payment expense arising from the transaction.
- → We verified that the accounting for the conversion of convertible loans was appropriate.

Other information

The Management Board is responsible for the other information. The other information comprises the information included in the annual report including the combined management report and the corporate governance statement but does not include the consolidated financial statements and our report of “réviseur d’entreprises agréé” thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report this fact. We have nothing to report in this regard.

Responsibilities of the Management Board and of those charged with governance for the consolidated financial statements

The Management Board is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS as adopted by the European Union, and for such internal control as the Management Board determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

The Management Board is also responsible for presenting and marking up the consolidated financial statements in compliance with the requirements set out in the Delegated Regulation 2019/815 on European Single Electronic Format, as amended ("ESEF Regulation").

In preparing the consolidated financial statements, the Management Board is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Management Board either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Responsibilities of the "réviseur d'entreprises agréé" for the audit of the consolidated financial statements

The objectives of our audit are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a report of the "réviseur d'entreprises agréé" that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with EU Regulation N° 537/2014, the Law of July 23, 2016 and with the ISAs as adopted for Luxembourg by the CSSF will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with EU Regulation N° 537/2014, the Law of July 23, 2016 and with ISAs as adopted for Luxembourg by the CSSF, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

→ dentify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
→ Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
→ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management Board.
→ Conclude on the appropriateness of Management Board use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report of the "réviseur d'entreprises agréé" to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our report of the "réviseur d'entreprises agréé". However, future events or conditions may cause the Group to cease to continue as a going concern.
→ Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
→ Obtain sufficient appropriate audit evidence regarding the financial information of the entities and business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate to them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our report unless law or regulation precludes public disclosure about the matter.

Our responsibility is to assess whether the consolidated financial statements have been prepared in all material aspects with the requirements laid down in the ESEF Regulation.

Report on other legal and regulatory requirements

We have been appointed as "réviseur d'entreprises agréé" by the General Meeting of the Shareholders on December 21, 2020 and the duration of our uninterrupted engagement, including previous renewals and reappointments, is 2 years.

The combined management report is consistent with the consolidated financial statements and has been prepared in accordance with applicable legal requirements.

The accompanying corporate governance statement on page 124 is the responsibility of the Management Board. The information required by article 68ter paragraph (1) letters c) and d) of the law of December 19, 2002 on the commercial and companies register and on the accounting records and annual accounts of undertakings, as amended, is consistent with the consolidated financial statements and has been prepared in accordance with applicable legal requirements.

We confirm that the audit opinion is consistent with the additional report to the audit committee or equivalent.

We confirm that the prohibited non-audit services referred to in EU Regulation No 537/2014 were not provided and that we remained independent of the Group in conducting the audit.

We have checked the compliance of the consolidated financial statements of the Group as at December 31, 2021 with relevant statutory requirements set out in the ESEF Regulation that are applicable to consolidated financial statements.

For the Group it related to:
Financial statements prepared in a valid xHTML format.

The XBRL markup of the consolidated financial statements using the core taxonomy and the common rules on markup specified in the ESEF Regulation.

In our opinion, the consolidated financial statements of HomeToGo S.E. as at December 31, 2021, identified as htg-2021-12-31-en.zip (41165f0205f66bf4e6b3ecc6c02e5c3e39e22e6e07e544bb3ce77dbeb258a8f0), have been prepared, in all material aspects, with the requirements laid down in the ESEF Regulation.

Ernst & Young
Société anonyme
Cabinet de révision agréé

Yves Even
Luxembourg, March 30, 2022

Statutory Financial Statements

04

HomeToGo SE (formerly Lakestar SPAC I SE)

Annual Accounts and independent Auditor's Report

Registered office: 9, rue de Bitbourg
L - 1273 Luxembourg, R.C.S. Luxembourg: B249273

Profit and Loss Account

(in EUR)		Reference(s)		Current year		Previous year
1. Net turnover	1701		701		704	
2. Variation in stocks of finished goods and in work in progress	1703		703		704	
3. Work performed by the undertaking for its own purposes and capitalised	1705		705		706	
4. Other operating income	1713		713		714	
5. Raw materials and consumables and other external expenses	1671		671	(16,806,386.74)	672	(1,042,523.03)
a) Raw materials and consumables	1601		601		602	
b) Other external expenses	1603	7	603	(16,806,386.74)	604	(1,042,523.03)
6. Staff costs	1605		605		606	
a) Wages and salaries	1607		607		608	
b) Social security costs	1609		609		610	
i) relating to pensions	1653		653		654	
ii) other social security costs	1655		655		656	
c) Other staff costs	1613		613		614	
7. Value adjustments	1657		657		658	
a) in respect of formation expenses and of tangible and intangible fixed assets	1659		659		660	
b) in respect of current assets	1661		661		662	
8. Other operating expenses	1621	8	621	(671,229.09)	622	–
9. Income from participating interests	1715		715		716	
a) derived from affiliated undertakings	1717		717		718	
b) other income from participating interests	1719		719		720	
10. Income from other investments and loans forming part of the fixed assets	1721		721		722	
a) derived from affiliated undertakings	1723		723		724	
b) other income not included under a)	1725		725		726	

Table continues →

(in EUR)		Reference(s)		Current year		Previous year
11. Other interest receivable and similar income	1727		727	15,860.30	728	–
a) derived from affiliated undertakings	1729		729	15,808.24	730	–
b) other income not included under a)	1731		731	52.06	732	–
12. Share of profit or loss of undertakings accounted for under the equity method	1663		663		664	
13. Value adjustments in respect of financial assets and of investments held as current assets	1665		665		666	
14. Interest payable and similar expenses	1627		627	(273,655.38)	628	(1,397.25)
a) concerning affiliated undertakings	1629		629	(3,945.22)	630	(1,397.25)
b) other interest and similar expenses	1631	6	631	(269,710.16)	632	–
15. Tax on profit or loss	1635	9	635		636	
16. Profit or loss after taxation	1667		667	(17,735,410.91)	668	(1,043,920.28)
17. Other taxes not shown under items 1 to 16	1637		637	(4,815.00)	638	–
18. Profit or loss for the financial year	**1669**		**669**	**(17,740,225.91)**	**670**	**(1,043,920.28)**

Balance Sheet

(in EUR)		Reference(s)		Current year		Previous year
A. Subscribed capital unpaid	1101		101		102	
I. Subscribed capital not called	1103		103		104	
II. Subscribed capital called but unpaid	1105		105		106	
B. Formation expenses	1111		107		108	
C. Fixed assets	1109		109	1,088,636,518.22	110	30,500.00
I. Intangible Assets	1111		111		112	
1. Costs of development	1113		113		114	
2. Concessions, patents, licences, trade marks and similar rights and assets, if they were	1115		115		116	
a) acquired for valuable consideration and need not be shown under C.I.3	1117		117		118	
b) created by the undertaking itself	1119		119		120	
3. Goodwill, to the extent that it was acquired for valuable consideration	1121		121		122	
4. Payments on account and intangible assets under development	1123		123		124	
II. Tangible assets	1125		125		126	
1. Land and buildings	1127		127		128	
2. Plant and machinery	1129		129		130	
3. Other fixtures and fittings, tools and equipment	1131		131		132	
4. Payments on account and tangible assets in the course of construction	1133		133		134	

Table continues →

(in EUR)		Reference(s)		Current year		Previous year
III. Financial assets	1135	3	135	1,088,636,518.22	136	30,500.00
1. Shares in affiliated undertakings	1137		137	1,088,636,518.22	138	30,500.00
2. Loans to affiliated undertakings	1139		139		140	
3. Participating interests	1141		141		142	
4. Loans to undertakings with which the undertaking is linked by virtue of participating interests	1143		143		144	
5. Investments held as fixed assets	1145		145		146	
6. Other loans	1147		147		148	
D. Current assets	1151		151	105,605,861.84	152	737,892.01
I. Stocks	1153		153		154	
1. Raw materials and consumables	1155		155		156	
2. Work in progress	1157		157		158	
3. Finished goods and goods for resale	1159		159		160	
4. Payments on account	1161		161		162	
II. Debtors	1163		163	7,735.00	164	–
1. Trade debtors	1165		165		166	
a) becoming due and payable within one year	1167		167		168	
b) becoming due and payable after more than one year	1169		169		170	
2. Amounts owed by affiliated undertakings	1171		171		172	
a) becoming due and payable within one year	1173		173		174	
b) becoming due and payable after more than one year	1175		175		176	
3. Amounts owed by undertakings with which the undertaking is linked by virtue of participating interests	1177		177		178	
a) becoming due and payable within one year	1179		179		180	
b) becoming due and payable after more than one year	1181		181		182	
4. Other debtors	1183		183	7,735.00	184	–
a) becoming due and payable within one year	1185		185	7,735.00	186	–
b) becoming due and payable after more than one year	1187		187		188	
III. Investments	1189		189	102,692,447.53	190	–
Shares in affiliated undertakings	1191		191		192	
2. Own shares	1209	4	209	102,692,447.53	210	–
3 Other investments	1195		195		196	
IV. Cash at bank and in hand	1197		197	2,905,679.31	198	737,892.01
E. Prepayments	1199		199	688,981.82	200	–
Total (Assets)			201	**1,194,931,361.88**	202	**768,392.01**

Notes to the annual accounts for year ended December 31, 2021 (Expressed in EUR)

Balance Sheet (cont'd)

(in EUR)		Reference(s)		Current year		Previous year
A. Capital and reserves	**1301**	**5**	**301**	**1,193,118,189.78**	**302**	**(923,920.28)**
I. Subscribed capital	1303		303	2,441,068.45	304	120,000.00
II. Share premium account	1305		305	1,097,265,857.10	306	–
III. Revaluation reserve	1307		307		308	
IV. Reserves	1309		309	112,195,410.42	310	–
1. Legal reserve	1311		311		312	
2. Reserve for own shares	1313		313	102,692,447.53	314	–
3. Reserves provided for by the articles of association	1315		315	280,065.00	316	–
4. Other reserves, including the fair value reserve	1429		429	9,222,897.89	430	–
a) other available reserves	1431		431	9,222,897.89	432	–
b) other non available reserves	1433		433		434	
V. Profit or loss brought forward	1319		319	(1,043,920.28)	320	–
VI. Profit or loss for the financial year	1321		321	(17,740,225.91)	322	(1,043,920.28)
VII. Interim dividends	1323		323		324	
VIII. Capital investment subsidies	1325		325		326	
B. Provisions	**1331**		**331**		**332**	
1. Provisions for pensions and similar obligations	1333		333		334	
2. Provisions for taxation	1335		335		336	
3. Other provisions	1337		337		338	
C. Creditors	**1435**	**6**	**435**	**1,813,172.10**	**436**	**1,692,312.29**
1. Debenture loans	1437		437		438	
a) Convertible loans	1439		439		440	
i) becoming due and payable within one year	1441		441		442	
ii) becoming due and payable after more than one year	1443		443		444	
b) Non convertible loans	1445		445		446	
i) becoming due and payable within one year	1447		447		448	
ii) becoming due and payable after more than one year	1449		449		450	
2. Amounts owed to credit institutions	1355		355	6.71	356	–
a) becoming due and payable within one year	1357		357	6.71	358	–
b) becoming due and payable after more than one year	1359		359		360	

Table continues →

(in EUR)		Reference(s)		Current year		Previous year
3. Payments received on account of orders in so far as they are not shown separately as deductions from stocks	1361		361		362	
a) becoming due and payable within one year	1363		363		364	
b) becoming due and payable after more than one year	1365		365		366	
4. Trade creditors	1367		367	1,338,845.22	368	190,915.04
a) becoming due and payable within one year	1369		369	1,338,845.22	370	190,915.04
b) becoming due and payable after more than one year	1371		371		372	
5. Bills of exchange payable	1373		373		374	
a) becoming due and payable within one year	1375		375		376	
b) becoming due and payable after more than one year	1377		377		378	
6. Amounts owed to affiliated undertakings	1379		379	346,217.49	380	–
a) becoming due and payable within one year	1381		381	346,217.49	382	–
b) becoming due and payable after more than one year	1383		383		384	
7. Amounts owed to undertakings with which the undertaking is linked by virtue of participating interests	1385		385		386	
a) becoming due and payable within one year	1387		387		388	
b) becoming due and payable after more than one year	1389		389		390	
8. Other creditors	1451		451	128,102.68	452	1,501,397.25
a) Tax authorities	1393		393	4,815.00	394	–
b) Social security authorities	1395		395		396	
c) Other creditors	1397		397	123,287.68	398	1,501,397.25
i) becoming due and payable within one year	1399		399	123,287.68	400	1,397.25
ii) becoming due and payable after more than one year	1401		401	–	402	1,500,000.00
D. Deferred income	**1403**		**403**		**404**	
Total (CAPITAL, RESERVES AND LIABILITIES)			**405**	**1,194,931,361.88**	**406**	**768,392.01**

Notes to the Annual Accounts for the year ended December 31, 2021 (Expressed in EUR)

1. General

HomeToGo SE (formerly Lakestar SPAC I SE) was incorporated in Luxembourg as a société européenne ("SE") on November 26, 2020, subject to the Luxembourg law of August 10, 1915 on commercial companies for an unlimited period of time. The Company has its registered office at 9, rue de Bitbourg, L-1273 Luxembourg. The Company is registered with the "Registre de Commerce et des Sociétés" ("RCS") in Luxembourg under the number B249273 on December 4, 2020. The Company is a listed entity with its Class A Shares traded in the regulated market of Frankfurt Stock Exchange under the symbol "HTG" since February 22, 2021. Likewise, the Company's Class A Warrants are also traded on the open market of the Frankfurt Stock Exchange under the symbol "HTGW".

The Company's purpose was the acquisition of one operating business with principal business operations in a member state of the European Economic Area or the United Kingdom or Switzerland that is based in the technology sector with a focus on the sub-sectors software as a service (SaaS), Fintech, transportation, and logistics, healthtech and deep tech through a merger, capital stock exchange, share purchase, asset acquisition, reorganization or similar transaction (the "Business Combination").

After the closing of the Business Combination, the Company's purpose shall be as from such time, the creation, holding, development and realization of a portfolio, consisting of interests and rights of any kind and of any other form of investment in entities in the Grand Duchy of Luxembourg and in foreign entities, whether such entities exist or are to be created, especially by the way of subscription, by purchase, sale or exchange of securities or rights of any kind whatsoever, such as equity instruments, debt instruments as well as the administration and control of such portfolio.

The Company may further grant any form of security for the performance of any obligations of the Company or of any entity in which it holds a direct or indirect interest or right of any kind or in which the Company has invested in any other manner or which forms part of the same group of the entities as the Company and lend funds or otherwise assist any entity in which it holds a direct or indirect interest or right of any kind or in which the Company has invested in any other manner or which forms part of the same group of companies as the Company.

The Company may borrow in any form and may issue any kind of notes, bonds and debentures and generally issue any debt, equity and/or hybrid securities in accordance with Luxembourg law.

The Company may carry out any commercial, industrial, financial, real estate or intellectual property activities which it considers useful for the accomplishment of these purposes.

The Company's current financial year runs from January 1st, 2021 to December 31, 2021, except for the first financial period which ran from December 4, 2020 (date of registration with RCS) to December 31, 2020.

The Company also prepares consolidated financial statements which are published under International Financial Reporting Standards as adopted by the European Union.

2. Summary of significant accounting policies

2.1. Basis of preparation

These annual accounts have been prepared in conformity with applicable legal and statutory requirements in Luxembourg under the historical cost convention and on a going concern basis.

The accounting and valuation methods are determined and implemented by the Management Board, apart from the regulations of the law of December 19, 2002.

The preparation of these annual accounts requires the use of certain critical accounting estimates. It also requires the Management Board to exercise significant judgment in the process of applying the accounting policies. Changes in assumptions may have a significant impact on the annual accounts in the period in which the assumptions changed. The Management Board believes that the underlying assumptions are appropriate and that the annual accounts therefore present fairly the financial position and results.

The Company makes estimates and assumptions that affect the reported amounts of assets and liabilities in the next financial year. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

2.2. Significant Accounting Policies

The following are the significant accounting policies and valuation rules adopted by the Company in the preparation of these annual accounts.

2.2.1 Foreign Currency Translation

The Company maintains its books and records in Euro ("EUR"). The balance sheet and the profit and loss account are expressed in EUR.

Translation of foreign currency transactions

Foreign currency transactions are translated into EUR using the exchange rates prevailing at the dates of the transactions.

Translation of foreign currency balances as at the balance sheet date

Financial assets denominated in currencies other than EUR are translated at the historical exchange rates;

Other assets denominated in currencies other than EUR are translated at the lower between the exchange rate prevailing at the balance sheet date and historical exchange rate;

Debts denominated in currencies other than EUR are translated at the higher between the exchange rate prevailing at the balance sheet date and historical exchange rate; and

Cash at bank and in hand denominated in currencies other than EUR are translated at the exchange rates prevailing at the balance sheet date.

As a result, realized exchange gains and losses and unrealized exchange losses are recorded in the profit and loss account. Unrealized exchange gains are not recognized unless it arises from cash at bank and in hand.

2.2.2 Formation expenses

Formation expenses include costs and expenses incurred in connection with the incorporation of the Company and subsequent capital increases. Formation expenses are charged to the profit and loss account of the year in which they were incurred.

2.2.3 Financial assets

Shares in affiliated undertakings are valued at acquisition cost including the expenses incidental thereto.

In case of durable decline in value according to the opinion of the Management Board, value adjustments are made in respect of financial assets so that these are valued at the lower figure to be attributed at the balance sheet date. These value adjustments are not continued if the reasons for which the value adjustments were made ceased to apply.

2.2.4 Cash at bank and in hand

Cash at bank and in hand comprise cash at banks and on hand and short-term highly liquid deposits with a maturity of three months or less, that are readily convertible to a known amount of cash and subject to an insignificant risk of changes in value.

2.2.5 Debtors

Debtors are recorded at their nominal value. These are subject to value adjustments where their recovery is compromised. These value adjustments are not continued if the reasons for which the value adjustments were made ceased to apply.

2.2.6 Own shares

Own shares are valued at acquisition cost. These are subject to value adjustments where their recovery is compromised. These value adjustments are not continued if the reasons for which the value adjustments were made ceased to apply.

2.2.7 Prepayment

Prepayments include expenditure items incurred during the financial year but relating to a subsequent financial year.

2.2.8 Provisions

Provisions are intended to cover losses or debts which originate in the financial year under review or in the previous financial year, the nature of which is clearly defined and which, at the date of the balance sheet, are either likely to be incurred or certain to be incurred but uncertain as to their amount or the date they will arise.

Provisions for taxation
Provisions for taxation corresponding to the tax liability estimated by the Company for the financial years for which the tax return has not yet been filed are recorded under the caption "Creditors becoming due and payable within one year". The advance payments are shown in the assets of the balance sheet under the "Debtors becoming due and payable within one year" item.

2.2.9 Creditors
Creditors are recorded at their reimbursement value. Where the amount repayable on account is greater than the amount received, the related repayment premium is shown in the balance sheet as an asset and is amortized over the period of the related debt on a straight-line method.

2.2.10 Operating income and expenses
Income and expenses are accounted for on an accrual basis.

2.2.11 Income tax
The Company is subject to income taxes in Luxembourg.

2.3. Comparative figures
For the year ended December 31, 2021, the Company abandoned the presentation of the balance sheet and profit and loss using the abridged version for a full version as it became listed on the Frankfurt Stock exchange in 2021. Furthermore, certain figures for the period ended December 31, 2020 have been reclassified to ensure comparability with the figures for the year ended December 31, 2021.

3. Financial assets
Movements in financial assets during the financial year are as follows:

(in EUR)	Shares in affiliated Undertakings
Gross book value–opening balance	30,500.00
Additions for the year	1,365,679,736.99
Repayments for the year	(277,073,718.77)
Gross book value–closing balance	**1,088,636,518.22**
Accumulated value adjustment–opening balance	–
Allocation of value adjustments for the year	–
Reversals of value adjustments for the year	–
Accumulated value adjustment–closing balance	**–**
Net book value–opening balance	**30,500.00**
Net book value–closing balance	**1,088,636,518.22**

On February 23, 2021, the Company made an additional capital contribution to LS I Advisors GmbH & Co. KG amounting to EUR 277,600,000.00. This refers to the proceeds from the issuance of Class A Shares and A Warrants, including the Additional Sponsor Subscription (note 5) which were held in escrow by LS I Advisors GmbH & Co. KG.

On July 14, 2021, the Company entered into a Business Combination Agreement ("BCA") with HomeToGo GmbH, in which HomeToGo GmbH shares will be contributed to the Company by HomeToGo GmbH shareholders in exchange for the issuance of the Company's Class A Share ("HTG Business Combination").

On September 21, 2021, the HTG Business Combination was successfully completed and the Company became the legal parent company of HomeToGo GmbH. The total acquisition cost amounted to EUR 1,087,039,971.40. In addition, the capitalized incidental costs on the acquisition amounted to EUR 1,039,765.59 which mainly refer to legal fees.

On September 21, 2021, LS I Advisors GmbH & Co. KG repaid the capital contribution amounting to EUR 277,073,718.77. This refers to the release of the monies held in escrow upon the consummation of HTG Business Combination.

Shares in affiliated undertakings in which the Company holds at least 20% share capital or which it is a general partner are as follows:

Name of undertakings	Registered office	Ownership%/ Contribution	Cost of acquisition (in EUR)	Last balance sheet date	Net equity as at 31.12.2021	Profit/(Loss) as at 31.12.2021 (in EUR)
LS I Advisors Verwaltungs-GmbH	Theresienhöhe 28, 80339 München, Deutschland	100%	28,500.00	31.12.2021	(25,846.72)	(440.47)
LS I Advisors GmbH & Co.KG	Theresienhöhe 28, 80339 München, Deutschland	EUR 500 (*)	528,281.23	31.12.2021	559,734.50	4,517.63
HomeToGo GmbH	Pappelallee 78/79, 10437 Berlin, Germany	100%	1,088,079,736.99	31.12.2021	306,255,389.07	(20,496,173.64)

(*) The Company is the sole limited partner of LS I Advisors GmbH & Co.KG and therefore holds 100% of the contributions.

The Management Board did not identify a permanent value adjustment within financial assets. Therefore, no adjustments in value of the financial assets have been recognized.

4. Own shares

On September 21, 2021, the Company redeemed 10,061,942 Class A Shares at EUR 10.00 per share as requested by the shareholders in connection with the HTG Business Combination.

On the same date, the Company redeemed 207,372 Class A Share (formerly Class B1 Shares) with respect to the Additional Sponsor Subscription for an amount of EUR 2,073,027.53 that was used to cover the negative interest on the escrow.

5. Capital and reserves

Movements during the year are as follows:

(in EUR)	Subscribed capital	Share premium account	Legal reserves	Reserve for own shares
Opening balance	**120,000.00**	**–**	**–**	**–**
Issuance of new shares	2,321,068.45	1,200,238,369.63	–	–
Issuance of warrants	–	–	–	–
Redemption of shares (note 4)	–	(102,692,447.53)	–	102,692,447.53
Allocation of warrant reserve	–	(280,065.00)	–	–
Allocation of previous year's results to profit or loss brought forward	–	–	–	–
Results for the financial year/period	–	–	–	–
Closing balance	**2,441,068.45**	**1,097,265,857.10**	**–**	**102,692,447.53**

Subscribed Capital and Share premium

Convertible Class B Shares

As at December 31, 2020, the subscribed share capital amounts to EUR 120,000.00 consisting of 6,250,000 redeemable Class B Shares, without nominal value which were subscribed by the Founders of the Company (hereinafter also referred to as "SPAC Founders").

On February 15, 2021, the Company created three classes of Class B Shares, namely Class B1, Class B2 and Class B3 Shares, (together as "Class B Shares") and converted the existing 6,250,000 shares into these classes.

On February 19, 2021, the Founders subscribed an additional 208,334 Class B1 Shares, 208,333 Class B2 Shares and 208,333 Class B3 Shares for an aggregate price of EUR 12,000.00.

On February 19, 2021, the Company issued 260,000 redeemable Class B1 Shares (par value of EUR 0.0192 per share) which were issued together with 86,666 Class B Warrants (allocated value of EUR 866.66), for an aggregate price of EUR 2,600,000.00 ("Additional Sponsor Subscription").

The Class B Shares are not listed on a stock exchange.

Upon and following the completion of the Business Combination, the Class B Shares existing at that point in time shall automatically be converted to Class A Share, on the ratio of one to one, as follows:

1. Class B1 Shares converted into Class A Shares on the trading day following the consummation of the Business Combination;
2. Class B2 Shares converted into Class A Shares on the date, post consummation of the Business Combination, on which the closing price of the Class A Shares for any 10 trading days within a 30 day trading period exceeds EUR 12.00 and;
3. Class B3 Shares converted into Class A Shares on the date, post consummation of the Business Combination, on which the closing price of the Class A Shares for any 10 trading days within a 30 day trading period exceeds EUR 14.00.

As at December 31, 2021, the Class B1 Shares are converted to Class A Shares.

Reserves provided for by the articles of association	Other available reserves	Profit or loss brought forward	Profit or loss for the financial year	Total
–	**–**	**–**	**(1,043,920.28)**	**(923,920.28)**
–	–	–	–	1,202,559,438.08
–	9,222,897.89	–	–	9,222,897.89
	–	–	–	–
280,065.00	–	–	–	–
–	–	(1,043,920.28)	1,043,920.28	–
–	–	–	(17,740,225.91)	(17,740,225.91)
280,065.00	**9,222,897.89**	**(1,043,920.28)**	**(17,740,225.91)**	**1,193,118,189.78**

Class A Shares
On February 19, 2021, the Company had issued 27,500,000 redeemable public shares (or “Class A Shares”) with a par value of EUR 0.0192 per share, International securities identification number (“ISIN”) LU2290523658, together with Class A Warrants (together, as “unit”) for an aggregate price of EUR 10.00 per unit. The Class A Warrants has an allocated value of EUR 91,666.66 from the total proceeds. The proceeds were temporarily held in escrow by LS I Advisors GmbH & Co. KG and was also released upon the consummation of HTG Business Combination.

On September 21, 2021, in connection with the HTG Business Combination, below are the movements in the subscribed capital and share premium:

- the Company issued 7,500,000 Class A Shares at EUR 10.00 per share (par value of EUR 0.0192 per share) to PIPE (“Private Investments in Public Equity”) investors;
- the Company issued 80,793,077 Class A Shares at EUR 10.00 per share (par value of EUR 0.0192 per share) to the shareholders of HomeToGo GmbH in exchange of HomeToGo GmbH shares (contribution in kind); and
- the Company issued 4,210,905 Class A Shares at EUR 10.00 per share (par value of EUR 0.0192 per share) as a settlement against the claim of the holders of the virtual options of HomeToGo GmbH that was assumed by the Company.

On the same date, the Company also redeemed a number of Class A Shares and Class B1 Shares, as disclosed in Note 4.

As at December 31, 2021, the subscribed capital of the Company amounts to EUR 2,441,068.45 represented by 122,555,649 Class A Shares, 2,291,667 Class B2 Shares and 2,291,666 Class B3 Shares, without nominal value. The authorized capital, excluding the issued share capital, is set at EUR 8,811.571.55 consisting of 458,996,018 Class A Shares.

Legal reserve
In accordance with Luxembourg law, the Company is required to allocate a minimum of 5% of its net profits for each financial year to a legal reserve. This requirement ceases to be necessary once the balance on

the legal reserve reaches 10% of the subscribed capital. The legal reserve is not available for distribution to the shareholders.

Reserves for own shares

The Company purchased its own shares during the year as shown in balance sheet as Own shares (note 4). Accordingly, the Company has provided a non-distributable reserve in accordance with the Luxembourg law for an amount equivalent to the acquisition cost.

Reserves provided for by the articles of association – Warrant reserve

Pursuant to Article 31 of the Articles of Association, the Management Board shall create a specific reserve in respect of the exercise of any Class A Warrants or Class B Warrants issued by the Company and allocate and transfer sums contributed to the share premium and/or any other distributable reserve of the Company to such Warrant Reserve. The Management Board may, at any time, fully or partially convert amounts contributed to such Warrant Reserve to pay for the subscription price of any Class A Shares to be issued further to an exercise of Class A Warrants or Class B Warrants issued by the Company. Only in case of failure by the Company to secure a Business Combination before the expiry of the imparted time, the Warrant Reserve may be used for redemption of Class A Shares, in case where other available reserves are not sufficient. The Warrant Reserve is not distributable or convertible prior to the exercise, redemption or expiration of all outstanding Class A Warrants and Class B Warrants and may only be used to pay for the Class A Shares issued pursuant to the exercise of such Class A Warrants and Class B Warrants; thereupon, the Warrant Reserve will be a distributable reserve.

On February 15, 2021, the Management Board resolved to allocated EUR 280,065.00 to the warrant reserve.

Other reserves

Other reserves refers to the Class A and B Warrants.

Class A Warrants

On February 19, 2021, the Company issued 9,166,666 Class A Warrants together with the redeemable Class A Shares (together, as "unit") for an aggregate price of EUR 10.00 per unit. Class A Warrants has ISIN of LU2290524383. Each Class A Warrants entitles its holder to subscribe for one Class A Share, with a stated exercise price of EUR 11.50 subject to customary anti-dilution adjustments. Holders of Class A Warrants can exercise the warrants on a cashless basis unless the Company elects to require exercise against payment in cash of the exercise price. As at December 31, 2021, the value of the other reserves related to Class A Warrants is EUR 91,666.66.

Class A Warrants may only be exercised for a whole number of shares. No fractional shares will be issued upon exercise of the Class A Warrants. Class A Warrants will become exercisable 30 days after the completion of a Business Combination. Class A Warrants expire five years from the date of the consummation of the Business Combination, or earlier upon redemption or liquidation. The Company may redeem Class A Warrants upon at least 30 days' notice at a redemption price of EUR 0.01 per Class A Warrant (i) if the closing price of its Class A Shares for any 20 out of the 30 consecutive trading days following the consummation of the Business Combination equals or exceeds EUR 18.00 or (ii) if the closing price of its Class A Shares for any 20 out of the 30 consecutive trading days following the consummation of the Business Combination equals or exceeds EUR 10.00 but is below EUR 18.00, adjusted for adjustments to the number of Class A Shares issuable upon exercise or the exercise price of Class A Share as described in the prospectus. Holders of Class A Warrants may exercise them after the redemption notice is given.

Class B Warrants

On February 18, 2021, the Company issued 5,333,333 Class B Warrants at a price of EUR 1.50 per warrant. The proceeds from the Class B Warrants are used to finance the Company's working capital requirements, private placement and listing expenses (except for fixed deferred listing commission). The SPAC Founders agreed to set off EUR 1,500,000.00 of the shareholder loan (note 6) against the subscription price of the warrants. The SPAC Founders paid an additional subscription price of EUR 3,200,000.00 to cover the remuneration of the members of the Management Board of the Company and due diligence costs in relation to the Business Combination. The excess portion of the additional subscription price was repaid to the SPAC Founders subsequent to the consummation of HTG Business Combination amounting to EUR 2,068,944.19.

On February 19, 2021, the Company issued 260,000 redeemable Class B1 Shares together with 86,666 Class B Warrants, for an aggregate price of EUR 2,600,000.00 ("Additional Sponsor Subscription"). The proceeds from this Additional Sponsor Subscription is used to cover the negative interest, if any on the cash held in escrow. The excess portion of the Additional Sponsor Subscription remaining after the consummation of the Business Combination was repaid to the SPAC Founders through the redemption of the respective Class B1 Shares (note 4) and warrants.

As at December 31, 2021, the value of the other reserves related to Class B Warrants is EUR 9,131,231.23.

Class B Warrants are identical to the Class A Warrants underlying the Units sold in the private placement, except that the Class B Warrants are not redeemable and may always be exercised on a cashless basis while held by the SPAC Founders or their Permitted Transferees (defined in the prospectus). Class B Warrants are not part of the private placement and are not listed on a stock exchange.

6. Creditors

Creditors are composed of the following:

(in EUR)	Becoming due and payable within one year	Becoming due and payable after more than one year	Total 31.12.2021	Total 31.12.2020
Trade creditors and accruals	1,338,845.22	–	1,338,845.22	190,915.04
Payable to related party	346,217.49	–	346,217.49	–
Payable to directors	123,287.68	–	123,287.68	–
Other payables	4,821.71	–	4,821.71	–
Shareholders loans - interests	–	–	–	1,397.25
Shareholders loans - principal	–	–	–	1,500,000.00
Total	**1,813,172.10**	**–**	**1,813,172.10**	**1,692,312.29**

On December 10, 2020, a shareholder loan agreement was granted by the SPAC Founders to the Company as a borrower, for an amount of EUR 10,000,000.00 with an interest rate of 2% p.a. and a maturity date December 31, 2022. The total amount of the paid-out loan as at December 31, 2020 amounted to EUR 1,500,000.00. The interest expense accrued on the loan was EUR 1,397.25 as at December 31, 2020.

On February 18, 2021, the SPAC Founders agreed to set off the loan balance due against the subscription price of the Class B Warrants (note 5). Consequently, the loan agreement was terminated and any interest accrued on the loan was waived by the SPAC Founders. The accrued interest on the loan as at February 18, 2021 amounted to EUR 3,945.22. The total accumulated interest on the loan amounted to EUR 5,342.47 (which was waived as a result of the set off) is presented as part of other interest receivable and similar income in the profit and loss account.

7. Other external expenses

Other external expenses are composed of:

(in EUR)	2021	From 26.11.2020 to 31.12.2021
Underwriting fees	9,000,000.00	–
Legal fees	1,845,255.76	922,544.88
Audit fees	1,604,657.79	44,226.00
Consulting, advisory fees and other professional fees	1,475,398.44	10,000.00
Accounting and administration fees	1,429,923.42	64,916.38
Negative interest on the bank accounts	629,576.70	–
Listing and agency fees	519,901.24	–
Other insurance	273,232.28	–
Bank fees	23,176.11	835.77
Rent	5,265.00	–
Total	**16,806,386.74**	**1,042,523.03**

The total audit fees paid are as follows:

(in EUR)	2021	From 26.11.2020 to 31.12.2020
Statutory audit of the annual accounts	707,147.28	44,226.00
Audit-related fees	651,810.51	–
Other fees	245,700.00	–
Total	**1,604,657.79**	**44,226.00**

8. Other operating expenses

Other operating expenses are composed of:

(in EUR)	2021	From 26.11.2020 to 31.12.2020
Directors' fees	496,499.88	–
Directors' expenses	12,606.92	–
CSSF fees	161,972.52	–
Other operating charges, etc.	149.77	–
Total	**671,229.09**	**–**

9. Other interest and similar expenses

As at December 31, 2021, the Company incurred negative interest on its bank account amounting to EUR 269,406.43 (2020: nil).The remaining amount refers to foreign exchange losses.

10. Staff

The Company did not employ any staff during the financial year ended on December 31, 2021 (2020: nil).

11. Emoluments granted to the members of the Management and Supervisory Board and commitments in respect of retirement pensions for former members of those bodies

The Company did not grant any emoluments and has no commitments in respect of retirement pensions to members of its Management Board during the financial year ended on December 31, 2021 (2020: nil).

12. Advances and loans granted to the members of the Management and Supervisory Board

The Company did not grant any advances or loans to members of its Management Board during the financial year ended on December 31, 2021 (2020: nil).

13. Off balance sheet commitments

There are no off-balance sheet commitments as of December 31, 2021 (2020: None).

14. Subsequent events

In February 2022, a number of countries (including the US, UK and EU) imposed sanctions against certain entities and individuals in Russia and Belarus as a result of the official recognition of the Donetsk People Republic and Luhansk People Republic by the Russian Federation. Announcements of potential additional sanctions have been made following military operations initiated by Russia against Ukraine on February 24, 2022.

Due to the war in Ukraine, there has been a significant increase in volatility on the securities and currency markets. It is expected that these events may affect the activities of Russian enterprises in various sectors of the economy, but also the economy of sanctioning countries and people in those countries as well.

The Management Board regards these events as non-adjusting events after the reporting period. Although neither HTG's performance and going concern nor operations, at the date of this report, have been significantly impacted by the above, the Management Board continues to monitor the evolving situation and its impact on the financial position and results of the company. The indirect impact of the war in Ukraine and its implications, such as a potential change in travel behavior, cannot be quantified at this point in time.

Responsibility Statement of the Management Board

We, Dr. Patrick Andrae, Wolfgang Heigl, Valentin Gruber and Steffen Schneider assure, to the best of our knowledge that the annual accounts which have been prepared in accordance with the legal requirements and generally accepted accounting principles applicable in the Grand Duchy of Luxembourg, give a true and fair view of the assets, liabilities, financial position and profit or loss of HomeToGo SE and that the combined management report includes a fair review of the development and performance of the business and the position of HomeToGo SE, together with a description of the material risks and opportunities associated with the expected development of the Company.

Luxembourg, March 28, 2022
Management Board of HomeToGo SE

Dr. Patrick Andrae
Co-founder & CEO

Wolfgang Heigl
Co-founder & CSO

Valentin Gruber
COO

Steffen Schneider
CFO

To the Shareholders of HomeToGo SE (formerly Lakestar SPAC I SE)
19, rue de Bitbourg, L-1273 Luxembourg

Report on the audit of the annual accounts

Opinion

We have audited the annual accounts of HomeToGo SE (the "Company"), which comprise the balance sheet as at December 31, 2021, and the profit and loss account for the year then ended, and the notes to the annual accounts, including a summary of significant accounting policies.

In our opinion, the accompanying annual accounts give a true and fair view of the financial position of the Company as at December 31, 2021, and of the results of its operations for the year then ended in accordance with Luxembourg legal and regulatory requirements relating to the preparation and presentation of the annual accounts.

Basis for opinion

We conducted our audit in accordance with EU Regulation N° 537/2014, the Law of July 23, 2016 on the audit profession (the "Law of July 23, 2016") and with International Standards on Auditing ("ISAs") as adopted for Luxembourg by the "Commission de Surveillance du Secteur Financier" ("CSSF"). Our responsibilities under the EU Regulation N° 537/2014, the Law of July 23, 2016 and ISAs are further described in the "Responsibilities of the "réviseur d'entreprises agréé" for the audit of the annual accounts" section of our report. We are also independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants ("IESBA Code") as adopted for Luxembourg by the CSSF together with the ethical requirements that are relevant to our audit of the annual accounts, and have fulfilled our other ethical responsibilities under those ethical requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the annual accounts of the current period. These matters were addressed in the context of the audit of the annual accounts as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Valuation of shares in affiliated undertakings

Matter

As at December 31, 2021, the Company has shares in affiliated undertakings amounting to EUR 1.088 million, mainly comprised of shares in HomeToGo GmbH. Shares in affiliated undertakings are recognised and valued at acquisition price, including the expenses incidental thereto. They are subject to value adjustments in case of permanent impairment in value. In assessing whether such permanent impairment exists, management considers factors that could give rise to the impairment of its investments. When an impairment loss indicator is identified, management evaluates whether the impairment is of permanent nature. We considered the valuation of shares in affiliated undertakings to be a key audit matter because it requires a high level of management judgement and due to the materiality of the amounts involved.

Auditor's response

We considered management's impairment assessment based on our understanding of the investments and existing market conditions. We have performed procedures over the assessment of recoverability of the investment, including testing the valuation model for consistency and arithmetical accuracy, and testing of input parameters (such as the weighted average cost of capital and the long term growth rate).

We assessed management's conclusions on the absence of permanent impairment on the value of the investment and related disclosures in the notes to the annual accounts.

Other information

The Management Board is responsible for the other information. The other information comprises the information included in the annual report including the combined management report and the corporate governance statement but does not include the annual accounts and our report of "réviseur d'entreprises agréé" thereon.

Our opinion on the annual accounts does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the annual accounts, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the annual accounts or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report this fact. We have nothing to report in this regard.

Responsibilities of the Management Board and those charged with governance for the annual accounts

The Management Board is responsible for the preparation and fair presentation of the annual accounts in accordance with Luxembourg legal and regulatory requirements relating to the preparation and presentation of the annual accounts, and for such internal control as the Management Board determines is necessary to enable the preparation of annual accounts that are free from material misstatement, whether due to fraud or error.

The Management Board is also responsible for presenting the financial statements in compliance with the requirements set out in the Delegated Regulation 2019/815 on European Single Electronic Format, as amended ("ESEF Regulation").

In preparing the annual accounts, the Management Board is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Management Board either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Responsibilities of the "réviseur d'entreprises agréé" for the audit of the annual accounts

The objectives of our audit are to obtain reasonable assurance about whether the annual accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue a report of the "réve iseur d'entreprises agréé" that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with EU Regulation N° 537/2014, the Law of July 23, 2016 and with the ISAs as adopted for Luxembourg by the CSSF will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual accounts.

As part of an audit in accordance with EU Regulation N° 537/2014, the Law of July 23, 2016 and with ISAs as adopted for Luxembourg by the CSSF, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- dentify and assess the risks of material misstatement of the annual accounts, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the

Management Board.
- Conclude on the appropriateness of Management Board use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report of the "réviseur d'entreprises agréé" to the related disclosures in the annual accounts or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our report of the "réviseur d'entreprises agréé". However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the annual accounts, including the disclosures, and whether the annual accounts represent the underlying transactions and events in a manner that achieves fair presentation.
- Assess whether the financial statements have been prepared, in all material respects, in compliance with the requirements laid down in the ESEF Regulation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate to them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the annual accounts of the current period and are therefore the key audit matters. We describe these matters in our report unless law or regulation precludes public disclosure about the matter.

Report on other legal and regulatory requirements

We have been appointed as "réviseur d'entreprises agréé" by the General Meeting of the Shareholders on November 26, 2020 and the duration of our uninterrupted engagement, including previous renewals and reappointments, is 2 years.

The combined management report is consistent with the annual accounts and has been prepared in accordance with applicable legal requirements.

The accompanying corporate governance statement on pages 2 to 3 is the responsibility of the Management. The information required by article 68ter paragraph (1) letters c) and d) of the law of December 19, 2002 on the commercial and companies register and on the accounting records and annual accounts of undertakings, as amended, is consistent with the annual accounts and has been prepared in accordance with applicable legal requirements.

We confirm that the prohibited non-audit services referred to in EU Regulation No 537/2014 were not provided and that we remained independent of the Company in conducting the audit.

We have checked the compliance of the financial statements of the Company as at December 31, 2021 with relevant statutory requirements set out in the ESEF Regulation that are applicable to financial statements.

For the company it related to:
- Annual accounts prepared in a valid xHTML format.

In our opinion, the financial statements of the Company as at December 31, 2021, identified as htg-2021-12-31-en-HomeToGo SE statutory annual accounts.zip (e2bab25075ecaabd8588264731ad4d07bf7e61156153 2b00789829df46014970), have been prepared, in all material respects, in compliance with the requirements laid down in the ESEF Regulation.

Ernst & Young
Société anonyme
Cabinet de révision agréé

Yves Even
Luxembourg, March 30, 2022

Other Information

05

Glossary

Illustration of our KPIs

Booking Date ▸ December 3, 2021
Check-in Date ▸ August 10, 2022
Gross Booking Value ▸ EUR 3,000
Take Rate ▸ 10%
Booking Revenue ▸ EUR 300

→ EUR 3,000 Gross Booking Value will be shown in 2021
→ EUR 300 Booking Revenues will be shown in 2021 (before August 10, 2022)
→ EUR 300 IFRS Revenues will be shown for 2022 (after August 10, 2022)
→ EUR 300 are considered Booking Revenues Backlog for 2022

Booking Revenues Non-IFRS operating metric to measure performance, which we define as the net EUR value generated by transactions on our platform in a period (CPA, CPC, CPL, etc.) before cancellations. Booking Revenues do not correspond to, and should not be considered as alternative or substitute for, IFRS Revenues recognized in accordance with IFRS

Brand & Organic traffic Visits from direct traffic, branded channels, like visitors who type in keywords in search engines that include a reference to any HomeToGo Group brand, CRM (Customer Relation Management), App, SEO (Search Engine Optimization), free channels and internal traffic (between our businesses within the HomeToGo Group)

CPA Cost per action

CPC Cost per click. Offsite CPC revenues are not affected by any cancellations retrospectively

CPL Cost per lead

EscapadaRural ESCAPADA RURAL SERVICIOS PARA PROPIETARIOS SL (Barcelona), an indirect (100%) subsidiary of HomeToGo GmbH

Feries Feries S.r.l (Milan), an indirect (100%) subsidiary of HomeToGo GmbH, operating main websites agriturismo.it and casevacanza.it

Campaign Builder One of the leading examples of HomeToGo's proprietary advertising tech stack to efficiently scale marketing efforts across multiple markets and brands. Allows the automation of a large set of campaigns by targeting and grabbing search demand from millions of keywords, and serving highly tailored content to travelers

Gross Booking Value (GBV) Non-IFRS operating metric defined as the gross EUR value of bookings on our platform in a period (including all components of the booking amount except for VAT). GBV is recorded at the time of booking and is not adjusted for cancellations or any other alterations after booking. GBV includes the booking volume as reported by the Partner for CPA transactions. For CPC, GBV is estimated by multiplying the total click value with the expected conversion rate. The total click value is the duration of the search multiplied with the price per night of the clicked offer. This total click value is multiplied with the average conversion rate of that micro conversion source for CPA Partners in the respective month

NIST Cybersecurity framework that integrates industry standards and best practices to help organizations manage their cybersecurity risks

Offsite Transaction Transactions where the end booking happens on a Partner's site (referral types could be CPA, CPC, CPL etc.)

Onsite Transaction Onsite CPA transaction, where complete user journey (from discovery to booking to payment) happens on HomeToGo domains

Partners Contracted businesses (such as online travel agencies, tour operators, property managers, other inventory suppliers, software partners) or private persons that distribute, manage or own accommodations which they directly or indirectly list on HomeToGo Group platforms. Contracts with our more professional partners usually do not have a defined contract length, but if they do they typically auto-renew

SaaS Software as a service

Smoobu Smoobu GmbH (Berlin), an indirect (100%) subsidiary of HomeToGo

Take Rate Booking Revenues divided by Gross Booking Value (excl. Hotels, Feries, Escapada Rural & Smoobu)

Financial Calendar

Financial Calendar

March 31, 2022
FY 2021 & Q4 2021 Financial Results and Earnings Call

May 4, 2022
Goldman Sachs Small- & Mid-Cap Symposium

May 17, 2022
Q1 2022 Financial Results and Earnings Call

May 18 – 19, 2022
Handelsblatt CFO Summit

May 23 – 25, 2022
Equity Forum Spring Conference 2022

May 24, 2022
Annual General Meeting 2022

May 25, 2022
dbAccess

June 23, 2022
Goldman Sachs Business Services, Leisure & Transport Conference

August 16, 2022
Q2 2022 Financial Results and Earnings Call

September 19 – 23, 2022
11th Baader Investment Conference

November 10, 2022
Q3 2022 Financial Results and Earnings Call

November 28 – 30, 2022
Deutsches Eigenkapitalforum 2022

Imprint

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