



General Meeting of home24 SE on June 14, 2022

Report of the management board regarding agenda item 6: Resolution on the cancellation of the Authorized Capital 2020 and creation of a new authorized capital, with the possibility to exclude the subscription right (Authorized Capital 2022) as well as corresponding amendments of the articles of association

Regarding agenda item 6 of the invitation to the virtual general meeting, the management board presents the following report about the reasons for the authorization to exclude the subscription right of shareholders when issuing new shares in accordance with Article 5 SE-Regulation in conjunction with Section 203 para. 2 sentence 2 in conjunction with Section 186 para. 4 sentence 2 AktG:

In order to ensure that the company remains flexible in the future to strengthen its equity if necessary by issuing new shares against cash contribution without subscription rights, the existing Authorized Capital 2020 is to be canceled, new Authorized Capital resolved and the articles of association amended accordingly. The new Authorized Capital proposed under letter b) of agenda item 6 is intended to authorize the management board to increase the Company's share capital, with the consent of the supervisory board, once or several times, by up to EUR 3,046,366.00 (in words: three million forty-six thousand three hundred sixty-six Euros) in aggregate until June 13, 2027 through the issuance of up to 3,046,366 new bearer shares with no par value against contributions in cash or in kind ("**Authorized Capital 2022**").

The Authorized Capital 2022 is intended to enable the company to continue to raise the capital required for further development of the company at short notice by issuing new shares against contribution in cash with exclusion of subscription rights and to flexibly and quickly take advantage of a favorable market environment to cover its future financing needs. Since decisions on the coverage of future capital requirements must frequently be made at short notice, it is important that the company is not dependent on the rhythm of the annual general meetings or the long convocation period of an extraordinary general meeting. The legislature has taken these circumstances into account with the instrument of authorized capital.

When utilizing the Authorized Capital 2022 to issue shares against cash contributions, the shareholders generally have a subscription right (Article 5 SE-Regulation in conjunction with Section 203 para. 1 sentence 1 in conjunction with Section 186 para. 1 AktG), where an indirect subscription right within the meaning of Section 186 para. 5 AktG also suffices. The issue of shares granting such an indirect subscription right is already not to be regarded as an exclusion of subscription rights under the law. Ultimately, the shareholders are granted the same subscription rights as with a direct subscription. For technical reasons, only one or more credit institutions are involved in the settlement.

However, the management board shall be authorized to exclude the subscription rights in certain cases with the consent of the supervisory board.

- i. The management board shall be authorized, with the consent of the supervisory board, to exclude the subscription rights for fractional amounts. This exclusion of subscription rights aims to facilitate the settlement of an issuance with a general subscription right of the shareholders, because it enables a technically feasible subscription ratio to be represented. The value of the fractional amounts is usually low per shareholder, which is why the possible dilution effect can likewise be considered as low. In contrast, the effort for the issuance without such an exclusion is significantly higher. The exclusion therefore serves the purpose of practicality and the easier implementation of an issuance. The new shares excluded as free fractions from the subscription rights of the shareholders will be realized either by sale on the stock exchange or in another manner in the best interest of the company. For these reasons, the management board and the supervisory board consider the possible exclusion of subscription rights to be objectively justified and, taking into account the interests of the shareholders, also appropriate.
- ii. The subscription right can also be excluded in the case of cash capital increases if the shares are issued at an amount that is not substantially below the market price and such a capital increase does not exceed 10% of the share capital (simplified exclusion of subscription rights in accordance with Article 5 SE-Regulation in conjunction with Section 186 para. 3 sentence 4 AktG). The authorization enables the company to react flexibly to favorable capital market situations that arise and to place the new shares at very short notice, i.e., without the requirement of a subscription offer lasting at least two

weeks. The exclusion of the subscription right enables very quick action and placement close to the stock exchange price, i.e., without the discount that is customary for subscription issues. This creates the basis for achieving the highest possible sale amount and the greatest possible strengthening of own funds. The authorization for the simplified exclusion of subscription rights is factually justified not least by the fact that a higher inflow of funds can frequently be generated. Such a capital increase may not exceed 10% of the share capital existing at the time the authorization takes effect and also at the time of its exercise. The proposed resolution also provides for a credit clause. Shares that are issued or are to be issued to service subscription rights or to fulfill conversion or option rights or obligations arising from convertible and/or option bonds, profit participation rights and/or profit participation bonds (or combinations of these instruments) (collectively "Bonds"), are to be counted towards the maximum of 10% of the share capital affected by this exclusion of subscription rights if the Bonds are issued during the term of the Authorized Capital 2022 in analogous application of Article 5 SE-Regulation in conjunction with Section 186 para. 3 sentence 4 AktG under the exclusion of the subscription rights of the shareholders. Furthermore, the disposal of treasury shares shall be counted, provided this occurs during the term of this authorization on the basis of an authorization to sell treasury shares under the exclusion of the subscription right pursuant to Article 5 SE-Regulation in conjunction with Section 71 para. 1 No. 8 sentence 5, 186 para. 3 sentence 4 AktG. Finally, shares that are issued during the term of the Authorized Capital 2022 on the basis of other capital measures under the exclusion of the subscription rights of the shareholders in analogous application of Article 5 SE-Regulation in conjunction with Section 186 para. 3 sentence 4 AktG are also credited.

The simplified exclusion of subscription rights is subject to the condition that the issue price of the new shares is not substantially below the market price. A possible discount from the current stock exchange price or from the volume-weighted stock exchange price during a reasonable period before the final determination of the issue price is, subject to special circumstances of the individual case, not expected to exceed approx. 5% of the corresponding stock exchange price. This also takes into account the shareholders' need for protection against the dilution of the value of their participation. By setting the issue price close to the stock exchange price it is ensured that the value of a

subscription right for the new shares is practically very low. Shareholders have the option of maintaining their relative participation by purchasing additional shares on the stock exchange. For these reasons, the management board and the supervisory board consider the possible exclusion of subscription rights to be objectively justified and, taking into account the interests of the shareholders, also appropriate.

If the management board utilizes one of the above authorizations to exclude subscription rights in the course of a capital increase from Authorized Capital 2022 during a fiscal year, it will report on this at the following general meeting.

Berlin, May 2022

home24 SE
– The Management Board –

Disclaimer

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