Convenience Translation

General Meeting of home24 SE on June 14, 2022

Report of the management board on the partial utilization of the Authorized Capital 2020

The management board submits the following written report on the partial utilization of the Authorized Capital 2020 in April 2022, excluding subscription rights:

Based on the authorization of the Annual General Meeting on June 3, 2020 and Section 4 para. 7 of the articles of association, the management board resolved on April 1, 2022, with the consent of the supervisory board on April 1, 2022, to partially utilize the Authorized Capital 2020 in the amount of EUR 1,181,849.00. In the process, the subscription rights of shareholders were excluded in the context of the increase in the registered share capital against contribution in kind. As part of this capital increase, which was entered in the Company's commercial register on April 27, 2022, the Company's registered share capital was increased from EUR 29,281,813.00 by EUR 1,181,849.00 to EUR 30,463,662.00 by issuing 1,181,849 new no-par value bearer shares with a notional value in the registered share capital of EUR 1.00 each (the "**New No-Par Value Shares**"). Therefore, the New No-Par Value Shares account for approximately 3.88% of the Company's registered share capital.

The capital increase was carried out in order to implement the Company's acquisition of the Butlers Group. On December 22, 2021, the Company had entered into a notarized agreement with Butlers' founder Wilhelm Josten, among others, for the direct and indirect acquisition of all shares in Butlers Holding GmbH & Co. KG ("**Butlers Holding**"), the parent company of the Butlers Group, which is active in the retail and wholesale of household goods and home accessories. Whereas the Company had purchased and had paid in cash for 74.8% of the shares in Butlers Holding, the remaining 25.2% of the shares – represented by a corresponding partial partnership interest – were acquired from Wilhelm Josten by way of a contribution in kind as part of the capital increase in return for granting the New No-Par Value Shares.

The New No-Par Value Shares, which were issued at an issue price of EUR 1.00 per share and with a right to draw profit from the beginning of the current financial year, were subscribed by Wilhelm Josten. The number of New No-Par Value Shares was calculated based on a value of EUR 18.00 per New No-Par Value Share. This value of EUR 18.00 was above both the last closing price of the Company's shares in Xetra trading on the Frankfurt Stock Exchange on the day prior to the conclusion of the Acquisition Agreement on December 22, 2021 of EUR 10.48 and the daily volume-weighted average price of the Company's shares in Xetra trading on the Frankfurt Stock Exchange in the last three months prior to signing of the Acquisition Agreement of EUR 12.45.

If the weighted average price of the Company's share in Xetra trading on the Frankfurt Stock Exchange does not reach EUR 18.00 over a period of three months in the calendar year 2026, the acquisition agreement provides for a compensation payment to be paid by the Company to Wilhelm Josten in the amount of the difference between EUR 18.00 and the highest three-month average price of the Company's share in Xetra trading on the Frankfurt Stock Exchange in the period from January 1 to December 31, 2026, weighted by daily trading volume, up to a maximum of the difference between EUR 18.00 and the three-month average price prior to the conclusion of the acquisition agreement of EUR 12.45, for each share in the Company from the transaction (still) held by Wilhelm Josten on December 31, 2025. The possible compensation claim against the Company can therefore amount to a maximum of EUR 6,559,261.95.

The New No-Par Value Shares will be admitted to trading on the regulated market without a prospectus and simultaneously to the sub-segment of the regulated market with additional post-admission obligations (Prime Standard) of the Frankfurt Stock Exchange and will be included in the respective existing listing.

By excluding shareholders' subscription rights, authorization granted under the Authorized Capital 2020 was utilized to exclude shareholders' subscription rights in the event of a capital increase against contributions in kind, in particular for the acquisition (including the indirect acquisition) of companies.

The exclusion of subscription rights was objectively justified, as the New No-Par Value Shares were issued against a contribution in kind for the purpose of acquiring Butlers Holding in full.

The complementary product ranges and sales strategies offered by the Company and Butlers Holding represent a sound commercial opportunity, enabling both companies to step up the pace and generate synergies in each other's market potential. The aim of the acquisition of the Butlers Group is to achieve strong growth for the Company in the coming years, both in online and bricks-and-mortar retail. The Company is expanding customer access in city centers with integrated showrooms in selected Butlers stores. The acquisition also allows the Company to complement its range of branded furniture with Butlers' home textiles, decoration and tableware product ranges. These product ranges are strategically crucial to build customer loyalty and for seasonal customer communications. At the same time, the Butlers range of products will be strengthened by selected furniture ranges from the Company. The contribution in kind was made on reasonable terms. In addition, the auditing firm Ebner Stolz GmbH & Co. KG confirmed the adequacy of the consideration under the Acquisition Agreement in an indicative business valuation ("**Fairness Opinion**") dated December 15, 2021.

By granting the New No-Par Value Shares, 25.8% of the shares in Butlers Holding were acquired in a manner that has so far been liquidity-preserving. This allowed the transaction to be completed without external financing. The financing of these shares by means of a cash capital increase with the granting of subscription rights would have led to delays and significantly higher costs, would have been dependent on the successful implementation of the capital increase and would therefore have affected the transaction security. Overall, the exclusion of subscription rights only relates to a shareholding of approximately 3.88% of the registered share capital; the resulting dilution of the remaining shareholders can be compensated by them through share purchases on the stock exchange.

In light of the above, the exclusion of subscription rights in compliance with the provisions of the Authorized Capital 2020 when it was utilized was objectively justified overall.

Berlin, May 2022

home24 SE
– The Management Board –

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