

SUPERVISORY BOARD REPORT

Dear Shareholders,

It will most certainly come as no surprise for you to read that the COVID-19 pandemic and its many effects had a significant impact on our Company in the 2020 fiscal year.

In an unprecedented way, the pandemic has been influencing all our lives and dominating the public debate over the last year. However, alongside the myriad challenges that this crisis has caused there are some great opportunities, not the least for companies which have a sustainable business model and which are able to adapt quickly to change.

The coronavirus also meant a change for Westwing. A large part of the Company's employees now work from their homes. Strict and comprehensive hygiene measures in our offices and logistics centers in Germany, Poland, Italy and Spain protect the safety of those who cannot work remotely. Our employees have adapted to this new reality with great confidence and even proved to be impressively productive in the process.

Achieving our mission "To inspire and make every home a beautiful home" was probably more pressing and relevant in 2020 than ever before. Westwing has succeeded time and time again in picking up on the zeitgeist of society and further strengthening the loyalty of our customers in these precarious times.

We are thus proud to look back on a year in which Westwing Group AG achieved its greatest operational successes so far. Both in terms of its growth targets and profitability, all of our forecasts for the fiscal year have been exceeded. We can now report strong results for the past fiscal year: EUR 433m revenue compared to EUR 267m in the 2019 fiscal year, representing growth of 62%. The Adjusted EBITDA margin was at a remarkable 11.5%, based on a 29.5% contribution margin and further scale effects. An incredible 4.1 million orders were placed with us in the past fiscal year.

While it is recognized that such remarkable business figures are partly driven by the impact of the coronavirus pandemic and should therefore be viewed with due restraint, they nevertheless very clearly reveal the future potential of Westwing. However, the business development in the 2020 fiscal year, which was supported by existing customers with higher engagement and repeat purchases alongside very strong new customer acquisition, gives us great confidence that this development will be sustainable. We were convinced of the huge potential of our business model for the future even before 2020. The trend is moving further in the direction of eCommerce. The past fiscal year 2020 has further fueled this change, and this change will ensure an accelerated shift in sales from offline to online channels in the Home & Living category.

In addition to the economic development, Westwing has also made significant progress in 2020. Our focus on sustainability, which affects the entire supply chain from production to delivery, is particularly notable. This is a challenge that will have a fundamental impact on the Company in the coming years and in which the Supervisory Board will support the Management Board in its efforts. Westwing is also making a difference on the issues of diversity and inclusion. With regard to compliance and corporate governance standards, Westwing has made further structural progress, which the Supervisory Board has regularly reviewed in detail.

Advising and Overseeing the Management Board

The Supervisory Board was fully committed to its work in the 2020 fiscal year. Its legal bases are the German Stock Corporation Act, the Articles of Association of Westwing Group AG and the Rules of Procedure of the Supervisory Board. The Articles of Association of Westwing Group AG and the Rules of Procedure of the Supervisory Board have been made permanently available on the corporate website.

We have supervised and advised the Management Board in its management of the business on the basis of detailed and regular reports. In addition, a regular dialogue was maintained between the Chairman of the Supervisory Board and the Chairman of the Management Board. On an informal basis, all members of the Supervisory Board discussed individual management issues with both members of the Management Board quickly and efficiently. The Chairman of the Audit Committee additionally discussed audit-related topics with the auditor outside the meetings of the Supervisory Board and the Audit Committee and without the presence of the Management Board.

Accordingly, the Supervisory Board was always aware of all significant matters within the Company. Among these are individual management issues as well as corporate planning, including in particular financial, investment and personnel planning, the profitability of Westwing Group AG and the current business development, both at the level of the entire organization and with regard to individual company segments.

The Supervisory Board was directly involved in all fundamental decisions at an early stage. Such decisions were discussed in depth and in detail with the Management Board. In particular, the Management Board and the Supervisory Board discussed, and the Supervisory Board approved, the corporate strategy for the upcoming five years. Transactions requiring the approval of the Supervisory Board were explained by the Management Board and carefully reviewed prior to the adoption of the resolution.

According to the recommendation of the new German Corporate Governance Code 2020, the Report of the Supervisory Board shall report on the measures implemented by the Company to support the Supervisory Board members in their appointment as well as their training and continuing education. The members of the Supervisory Board of Westwing Group AG are themselves responsible for the training and continuing education measures required to fulfil their duties. In such a case, Westwing Group AG provides them with unqualified support, including financial support in particular. In the past 2020 fiscal year, there was no occasion for training and further education measures to be promoted by the Company.

In accordance with the Rules of Procedure of the Supervisory Board and the German Corporate Governance Code, the Supervisory Board regularly reviews the efficiency of its activities. In addition to qualitative criteria to be defined by the Supervisory Board, the subject of the efficiency review is in particular the procedures in the Supervisory Board as well as the timely and sufficient flow of information to the Supervisory Board. Further information on the Supervisory Board's self-assessment can be found in the corporate governance statement.

Among the Topics of the Supervisory Board 2020

In the 2020 fiscal year, the Supervisory Board discussed the following topics in particular:

- The impact of the coronavirus pandemic on the Company and the measures to be taken in this context
- Communication with investors on topics specific to the Supervisory Board as well as the development of the Westwing Group AG's share price
- The business planning and the business development during the year 2020, including the revenue and earnings planning for the fiscal year 2021, as well as the long-term business strategy and orientation of the Company
- The audit of the annual financial statements and consolidated financial statements as well as the management report for the 2019 fiscal year; in addition, the audit of financial information during the 2020 fiscal year
- The tender for the audit of the financial statements of the Westwing Group
- The consent to conduct a virtual (ordinary) Annual General Meeting 2020 as well as its agenda
- The review and further improvement of the Company's internal compliance & risk system
- The draft of a remuneration system for the members of the Management Board which complies with the latest requirements under the German Stock Corporation Act, as well as the further effects of the Act Implementing the Second Shareholders' Rights Directive (known as "ARUG II") on Westwing Group AG
- The merger of wLabels GmbH into Westwing GmbH
- The consent to capital increases in Westwing Group AG using authorized capital to settle agreements on the provision of subscription rights with former shareholders of Westwing Group AG or former equity holders or lenders

German Corporate Governance Code

In December 2020, the Management Board and Supervisory Board of Westwing Group AG resolved a declaration of conformity in accordance with Section 161 of the German Stock Corporation Act. The declaration of conformity has been made permanently available to shareholders on the Company's corporate website. The declaration of conformity is included in the Corporate Governance Statement.

For the sake of clarity it should be noted that all references in this report to the German Corporate Governance Code refer to both the German Corporate Governance Code in the version of February 7, 2017, and the German Corporate Governance Code in the version of December 16, 2019, which came into force upon publication in the Federal Gazette on March 20, 2020. Where reference is made solely to the new Corporate Governance Code as published on March 20, 2020, this will be explicitly indicated.

The Members of the Supervisory Board and the Audit Committee

In the 2020 fiscal year, the Supervisory Board consisted of four members in accordance with the Articles of Association: Christoph Barchewitz (Chairman), Dr. Antonella Mei-Pochtler (Deputy Chairwoman), Michael Hoffmann and Thomas Harding.

All members of the Supervisory Board were elected by the Annual General Meeting of Westwing Group AG. The Supervisory Board is not subject to codetermination by employees. The CVs of the members of the Supervisory Board are available and updated annually on the Company's corporate website.

According to the recommendation of the German Corporate Governance Code, the Supervisory Board shall inform the General Meeting in its report on any conflicts of interest which have arisen and how they have been addressed. No conflicts of interest arose in the Supervisory Board in the 2020 fiscal year. In particular, no conflict of interest was disclosed to the Chairman of the Supervisory Board by a member of the Supervisory Board or reported by a member of the Management Board or third parties. Furthermore, with regard to the independence of the members of the Supervisory Board, reference is made to the Corporate Governance Statement.

In the 2020 fiscal year, the Supervisory Board maintained one committee, the Audit Committee. The Audit Committee is comprised of three members of the Supervisory Board: Michael Hoffmann (Chairman of the Audit Committee), Christoph Barchewitz and Thomas Harding.

The Chairman of the Audit Committee, Michael Hoffmann, possesses a high level of expertise in the areas of accounting and auditing. All members of the Audit Committee are, in their entirety, very familiar with the industry in which Westwing Group AG operates. Therefore, every member of the Audit Committee meets the personal criteria set forth in the German Stock Corporation Act, the German Corporate Governance Code and the rules of procedure of the Supervisory Board.

As recommended by the German Corporate Governance Code, the Audit Committee deals in particular with the review of accounting, the monitoring of the accounting process, and the effectiveness of the Company's internal control system, risk management system and internal audit system, as well as the audit of the financial statements and compliance. The activities of the Audit Committee are governed by the Rules of Procedure of the Supervisory Board, which is available on the Company's corporate website.

Disclosure of Individual Attendance at Meetings

The attendance level of the members at the meetings of the Supervisory Board and the Audit Committee was at 100 %.

A total of eight meetings of the Supervisory Board were convened in the 2020 fiscal year. The Audit Committee convened a total of five times in the 2020 fiscal year, with the results of the Audit Committee meetings being announced at the following plenary meetings of the Supervisory Board.

Two meetings of the Supervisory Board at the beginning of the fiscal year took place as a telephone conference. In February, the Supervisory Board and the Audit Committee met in person.

Due to the special circumstances caused by the coronavirus pandemic, the meetings of both boards from March 2020 onwards were all convened via video conference. This was done in awareness of the suggestion of the German Corporate Governance Code, according to which telephone and video conferencing should not be the rule for attending meetings of the Supervisory Board and committee meetings. However, due to the circumstances, this has practically become the rule since last March. Nevertheless, it is worth noting that this has in no way affected the efficiency of the work of the Supervisory Board or of the Audit Committee.

In the past fiscal year, the Supervisory Board has passed six resolutions by way of a circular resolution (Umlaufbeschluss) outside of meetings.

The attendance of the members of the Supervisory Board at the meetings of the Supervisory Board as well as the Audit Committee is disclosed below in individualized form:

No. of meetings / attendance in %	Supervisory Board		Audit Committee	
	No.	%	No.	%
Christoph Barchewitz (Chairman)	8/8	100	5/5	100
Dr. Antonella Mei-Pochtler (Deputy Chairwoman)	8/8	100	not a member of the Audit Committee	
Michael Hoffmann (Chairman of the Audit Committee)	8/8	100	5/5	100
Thomas Harding	8/8	100	5/5	100
		100		100

Audit of the Annual and Consolidated Financial Statements of Westwing Group AG and the Westwing Group of Companies

At the 2020 Annual General Meeting, Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft, Stuttgart, Munich office, was elected as auditor and group auditor for the fiscal year 2020.

The audit covered the annual and consolidated financial statements and the combined management report for Westwing Group AG and the Westwing group for the 2020 fiscal year. In all cases, an unqualified audit opinion was granted.

Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft, Stuttgart, Munich office, has been the auditor for Westwing Group AG (and previously Westwing Group GmbH) and the Westwing group of companies since the 2012 fiscal year.

Stefan Ehrnböck has been signing as the auditor since the 2019 fiscal year and Dirk Gallowsky has been signing as the auditor responsible for the audit since the 2019 fiscal year.

The annual financial statements of Westwing Group AG and the combined management report for Westwing Group AG and the Westwing group of companies were prepared in accordance with German statutory regulations.

The consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) applicable in the European Union as well as in accordance with the supplementary German statutory provisions applicable under Section 315e (1) of the German Commercial Code. The consolidated financial statements also comply with IFRS as published by the International Accounting Standards Board (IASB). The auditor conducted the audit in accordance with Section 317 of the German Commercial Code and the EU Regulation on Auditors, in compliance with the German generally accepted standards for the audit of financial statements issued by the Institute of Chartered Accountants (Institut der Wirtschaftsprüfer) and in supplementary consideration of the International Standards on Auditing (ISA).

The annual financial statements, the consolidated financial statements and the combined management report were dealt with in-depth and discussed in detail at the meeting of the audit committee on March 29, 2021. In particular, the Audit Committee dealt with the key audit matters outlined in the respective auditor's report (including the audit procedure). The Audit Committee's review also covered the non-financial disclosures for Westwing Group AG and the Westwing group included in the combined management report.

The auditor's reports were made available to all members of the Supervisory Board and were discussed in detail in the presence of the auditor at the Supervisory Board's meeting on March 29, 2021. The auditor reported on the scope, the key aspects and the main results of its audit and in particular on the key audit matters and the audit procedure. No significant weaknesses in the internal control and risk management system were reported. The Management Board explained the financial statements of Westwing Group AG and the Westwing group in detail during this meeting.

The Supervisory Board agrees with the results of the audit. Following the final review by the Audit Committee and our own review, no objections arise. The Management Board has prepared the annual financial statements and the consolidated financial statements. We have approved the annual financial statements and the consolidated financial statements. The annual financial statements are therefore adopted.

Tender for the Audit of the Westwing Group of Companies

The German Corporate Governance Code 2020 recommends that the Audit Committee shall regularly conduct an evaluation of the quality of the audit of the financial statements.

In light of the above and the many years of service provided by Ernst & Young GmbH as the auditor of Westwing Group AG, the Audit Committee, as the committee responsible under the Supervisory Board's rules of procedure, decided on October 30, 2020, to re-tender the audit of the Westwing group financial statements.

On November 5, 2020, Westwing Group AG published the tender for the audit of the separate and consolidated financial statements of Westwing Group AG and certain financial statements of its group companies included in the consolidated financial statements as well as the audit review of the interim financial information to be prepared for the fiscal year 2021, starting with the audit review of the condensed financial statements and the interim management report as of June 30, 2021, in the Federal Gazette (Bundesanzeiger).

Auditors and audit firms were able to submit their application to Westwing Group AG by November 24, 2020. By the deadline, eleven auditors and audit firms had submitted their application. Subsequently, the tender documents were sent to eleven auditors and audit firms.

On March 9, 2021, the Audit Committee resolved, after careful consideration and in-depth consultation, to propose PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft and Dietmar Eglauer as the responsible auditor for the election. In accordance with the rules of procedure of the Supervisory Board, the Audit Committee obtained a declaration from the proposed auditor with regard to its independence. There are no doubts in this regard. Accordingly, at the upcoming Annual General Meeting of Westwing Group AG, the Supervisory Board, upon the recommendation of its Audit Committee, proposes to appoint PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft, Frankfurt, Munich office, as auditor of the financial statements and auditor of the consolidated financial statements for the fiscal year 2021. Furthermore, PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft, Frankfurt, Munich office, shall be appointed as auditor for a review of the condensed financial statements and the interim management report for the first half of the fiscal year 2021 and as auditor for a review of additional interim financial information.

Changes on the Management Board

Delia Lachance resigned from the Management Board with effect of February 29, 2020. We are pleased to have welcomed Delia back to Westwing on a part-time basis as Chief Creative Officer beginning November 2020.

Dr. Dr. Florian Drabeck left the Management Board with effect as of April 1, 2020. The Supervisory Board appointed Sebastian Säuberlich as a member of the Management Board with effect as of April 1, 2020.

Acknowledgements

In light of the coronavirus pandemic, which has been and continues to be accompanied by a wide range of restrictions and personal hardships, the Westwing team has performed extraordinarily well. We would like to express our utmost appreciation for their unparalleled dedication and the great achievements they have accomplished in the 2020 fiscal year.

On behalf of the entire Supervisory Board, I would like to sincerely thank the members of the Management Board and all employees of Westwing Group AG and its group companies.

London, March 29, 2021

On behalf of the Supervisory Board

Christoph Barchewitz

Chairman of the Supervisory Board