



General Meeting of home24 SE on June 14, 2022

Report of the management board regarding agenda item 7: Resolution on a new authorization to acquire treasury shares and on the use thereof, including the authorization to redeem acquired treasury shares, the reduction of the share capital, and cancellation of the corresponding existing authorizations

In accordance with Article 5 of the SE-Regulation in conjunction with Section 71 para. 1 no. 8 sentence 5 and Section 186 para 4 sentence 2 AktG, the management board submits the following report on agenda item 7 of the Annual General Meeting on the reasons for authorizing the exclusion of shareholders' subscription rights when selling treasury shares:

With regard to agenda item 7, the management board and supervisory board propose that the management board be authorized, with the consent of the supervisory board, to acquire treasury shares of the Company until June 13, 2027 up to an amount of 10% of the share capital existing at the time the resolution is adopted by the Annual General Meeting or – if this amount is lower – at the time the authorization is exercised.

This authorization is intended to create the possibility of share buybacks and the use of treasury shares. The authorization to acquire, use and redeem treasury shares resolved by the extraordinary general meeting on May 24, 2018, expires on May 23, 2023, and thus before the next Annual General Meeting. Since the adoption of this resolution of the extraordinary general meeting, the Company has increased the share capital of the Company excluding shareholders' subscription rights in accordance with Article 5 SE-Regulation in conjunction with Section 186 para. 3 sentence 4 AktG. Shares issued or sold in direct or analogous application of Article 5 SE-Regulation in conjunction with Section 186 para. 3 sentence 4 AktG during the term of the authorization up to this point in time are to be counted towards the option of using repurchased treasury shares excluding subscription rights. The authorizations to use repurchased treasury shares in accordance with Article 5 of the SE-Regulation in conjunction with Section 186 para. 3 sentence 4 AktG have therefore already been fully utilized. Therefore, it shall be proposed to the Annual General Meeting to grant the Company a new authorization to acquire and use treasury shares, cancelling the remaining authorizations, which also takes into account the increased share capital since the extraordinary general meeting on May 24, 2018 to the extent permitted by the SE Regulation in conjunction with the AktG.

The treasury shares may be acquired via the stock exchange or by way of a public purchase or exchange offer. The acquisition must comply with the principle of equal treatment of shareholders pursuant to Article 9 para. 1 c)

(ii) SE-Regulation in conjunction with Section 53a AktG. The proposed acquisition via the stock exchange or by way of a public purchase or exchange offer takes this into account. If, in the case of a public purchase or exchange offer, the number of shares tendered exceeds the acquisition volume envisaged by the Company, the acquisition or exchange will be effected on a pro rata basis in accordance with the ratio of the shares tendered per shareholder. However, regardless of the number of shares tendered by the shareholder, a preferential acquisition or exchange of small numbers of up to one hundred (100) shares per shareholder may be provided for. Shares with a tender price determined by the shareholder at which the shareholder is willing to sell the shares to the Company and which is higher than the purchase price determined by the Company shall not be taken into account in the acquisition; this shall apply accordingly in the case of an exchange ratio determined by the shareholder at which the Company would have to deliver and transfer more exchange shares for shares of the Company than at the exchange ratio determined by the Company.

- i. The proposed authorization provides that acquired treasury shares may be redeemed without a further resolution by the Annual General Meeting or may be resold on the stock exchange or by way of a public offer to all shareholders. The redemption of treasury shares generally leads to a reduction in the Company's share capital. However, the management board is also authorized to redeem the treasury shares without reducing the share capital in accordance with Article 5 SE-Regulation in conjunction with Section 237 para. 3 no. 3 AktG. This would increase the proportion of the remaining shares in the share capital in accordance with Article 5 SE-Regulation in conjunction with Section 8 para. 3 AktG (calculated nominal amount) on a pro rata basis. In the case of the two aforementioned alternatives, the principle of equal treatment under stock corporation law is observed.
- ii. In addition, it shall be possible for the management board, with the approval of the supervisory board, to offer and transfer treasury shares in return for contributions in kind, in particular in connection with business combinations or for the (also indirect) acquisition of companies, businesses, parts of businesses or shareholdings, as consideration for services provided by third parties not affiliated with the Company (in particular service providers), and for the (also indirect) acquisition of assets or claims to the acquisition of assets, including claims against the Company or its group companies. In addition, the aforementioned shares may also be used to finalize or settle appraisal proceedings under company law at affiliated companies of the Company. Shareholders' subscription rights are to be excluded in this respect. The proposed authorization is intended to strengthen the Company in the competition for interesting acquisition targets and enable it to respond quickly, flexibly and in a way that preserves liquidity to opportunities for acquisition that arise. The proposed exclusion of shareholders' subscription rights takes this into account. The decision on whether to use treasury shares or shares from authorized capital in individual cases is made by the management board, guided solely by the interests of the Company and the

shareholders. In valuing the treasury shares and the consideration for them, the management board will ensure that the interests of the shareholders are adequately safeguarded. In doing so, the management board will take into account the stock market price of the Company's shares; a schematic link to a stock market price is not intended, in particular so that negotiation results once achieved cannot be called into question again by fluctuations in the stock market price.

- iii. The acquired treasury shares may also be sold by the management board, with the approval of the supervisory board, to third parties for cash excluding shareholders' subscription rights, provided that the selling price per share is not significantly lower than the stock market price of shares in the Company at the time of the sale. This authorization makes use of the option of simplified exclusion of subscription rights permitted by Article 5 of the SE-Regulation in conjunction with Section 71 para. 1 no. 8 sentence 5 AktG in corresponding application of Section 186 para 3 sentence 4 AktG. This enables the management board to quickly and flexibly take advantage of opportunities arising from favorable stock market situations and to achieve the highest possible resale price by setting a price close to the market price, thus regularly strengthening equity or tapping new groups of investors. The authorization is subject to the condition that the shares sold with exclusion of subscription rights may not exceed a total of 10% of the share capital of the Company, either at the time the authorization is resolved or – if this amount is lower – at the time the authorization is exercised. Shares issued or sold during the term of the resale authorization in direct or analogous application of Article 5 SE-Regulation in conjunction with Section 186 para. 3 sentence 4 AktG are to be counted towards this limit. This also includes shares issued to service convertible bonds or bonds with warrants or profit participation rights with conversion or option rights or conversion or option obligations or to be issued on the basis of the conversion price valid at the time of the resolution of the management board on the utilization of the authorization, insofar as these bonds or profit participation rights were issued during the term of this authorization up to this time with exclusion of subscription rights in accordance with Article 5 SE-Regulation in conjunction with Section 186 para. 3 sentence 4 AktG. The asset and voting right interests of the shareholders are adequately safeguarded in this way of selling treasury shares. In principle, the shareholders have the option of maintaining their participation quota at comparable conditions by purchasing shares on the stock exchange.
- iv. In addition, the Company shall also be able to use treasury shares to service purchase obligations or purchase rights to shares in the Company arising from and in connection with convertible bonds or bonds with warrants or profit participation rights with conversion or option rights or conversion or option obligations issued by the Company or one of its group companies. Shareholders' subscription rights must be excluded for this purpose. This also applies in the event of a sale of treasury shares by public offer to all shareholders for the

possibility of also granting the creditors of such instruments subscription rights to the shares to the extent to which they would be entitled if the respective conversion or option rights or conversion or option obligations had already been exercised (protection against dilution). This authorization is subject to the condition that the shares used with the exclusion of subscription rights may not exceed a total of 10% of the share capital of the Company, either at the time of the resolution or – if this amount is lower – at the time the authorization is exercised. Shares issued or sold during the term of the repurchase authorization in direct or analogous application of Article 5 SE-Regulation in conjunction with Section 186 para. 3 sentence 4 AktG are to be counted towards this limit. This also includes shares issued to service convertible bonds or bonds with warrants or profit participation rights with conversion or option rights or conversion or option obligations or to be issued on the basis of the conversion price valid at the time of the resolution of the management board on the utilization of the authorization, insofar as these bonds or profit participation rights were issued during the term of this authorization up to this time with exclusion of subscription rights in accordance with Article 5 SE-Regulation in conjunction with Section 186 para. 3 sentence 4 AktG.

- v. In addition, it shall be possible for the management board (or the supervisory board, insofar as members of the management board are concerned) to use treasury shares in connection with various remuneration or bonus programs. The remuneration or bonus programs serve to provide targeted incentives for program participants and at the same time are intended to bind them to the Company:
 - aa) They may be offered for purchase and transferred to persons who are or were in an employment relationship with the Company or one of its affiliated companies, as well as to current and former board members of the Company or of companies affiliated with the Company or their investment vehicles, holders of acquisition rights, in particular from option rights issued (also by the Company's legal predecessors), holders of virtual options which are or were issued by the Company, the Company's legal predecessors or their subsidiaries, also for the purpose of settling monetary claims. Shareholders' subscription rights are to be excluded in this respect. Insofar as members of the management board of the Company are concerned, this authorization shall apply to the supervisory board, which shall also determine the respective details.
 - bb) They may be transferred to persons who are or were employed by the Company or one of its affiliated companies on the basis of commitments made in connection with the employment relationship. Shareholders' subscription rights are to be excluded in this respect.

The use of the authorizations explained above under items ii) to v) may not

result in a total pro rata amount of 10% of the Company's capital stock being exceeded, either at the time the resolution on the above authorizations is adopted by the Annual General Meeting or – if this amount is lower – at the time these authorizations are used. Shares issued from authorized capital during the term of the authorizations explained under items ii) to v) excluding shareholders' subscription rights shall be counted towards this 10% limit. Shares issued to service bonds (including profit participation rights) with conversion or option rights or a conversion obligation (or a combination of these instruments) or to be issued on the basis of the conversion price valid at the time of the resolution of the management board on the use of the authorization shall also be counted, provided that the bonds or profit participation rights were issued during the term of the authorizations set out above under items ii) to v) excluding shareholders' subscription rights.

The management board will report on any use of this authorization at the next Annual General Meetings in accordance with Article 5 of the SE-Regulation in conjunction with Section 71 para. 3 sentence 1 AktG.

Berlin, May 2022

home24 SE
– The Management Board –

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