



General Annual Meeting of home24 SE on 19 June 2019

## **Report of the management board on the partial utilization of the Authorized Capital 2015/III to service claims from virtual stock options**

Pursuant to Section 4 para 4 of the articles of association, the management board was authorized to increase the share capital of the company by May 17, 2023, with the consent of the supervisory board, once or several times by a total of up to EUR 277,350.00 by issuing up to 277,350 bearer shares against contributions in kind while excluding shareholders' subscription rights (the "**Authorized Capital 2015/III**"). The Authorized Capital 2015/III solely served to settle any financial claims by managers and employees of the company or affiliates from the virtual stock option programs 2010 and 2013/2014 (together, the "**Virtual Stock Option Program**") against the company. The issue price equaled EUR 1.00 per share, whereby the contributions for the new shares were to be made by contributing the financial claims of the option holders of the Virtual Stock Option Program against the company.

To settle claims under the Virtual Stock Option Program, the management board resolved on September 19, 2018, with the consent of the supervisory board of the same date, to partially utilize the Authorized Capital 2015/III by issuing 83,253 shares at an issue price of EUR 1.00 per share. 25 current and former employees or members of the management of the company and its affiliates, respectively, were admitted to subscribe for and assume the new shares in exchange for compensation claims under the Virtual Stock Option Program totaling EUR 82,253.00. The capital increase was registered in the commercial register on October 16, 2018.

The management board and the supervisory board have passed their respective resolutions on the utilization of the Authorized Capital 2015/III after careful consideration of the facts in the best interest of the shareholders: By issuing shares from the Authorized Capital 2015/III, the company can settle the financial claims from virtual stock options in a manner that conserves liquidity and at the same time incentivize the relevant managers in accordance with the interests of the company. Therefore, the utilization of the Authorized Capital 2015/III was in the interest of the shareholders.

After partial utilization, the Authorized Capital 2015/III currently still amounts to up to 194,097 new shares of the company.

Berlin, May 2019

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– The Management Board –