



# ABOUT YOU<sup>®</sup>

**ANNUAL FINANCIAL  
STATEMENTS FY 2023/2024**  
of ABOUT YOU Holding SE  
including the Combined Manage-  
ment Report of ABOUT YOU  
Holding SE and the Group

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# 1. COMBINED MANAGEMENT REPORT

This combined management report comprises both the group management report and the management report of ABOUT YOU Holding SE. It reports on the business operations as well as the current situation and expected development of ABOUT YOU Holding SE ("ABOUT YOU" or "Company") and its fully consolidated subsidiaries (together with ABOUT YOU referred to as "ABOUT YOU Group" or "Group").

The comments on ABOUT YOU are included in a separate section of the business report with disclosures according to the German Commercial Code (HGB). The consolidated financial statements of the Company have been prepared in accordance with Section 315e HGB in compliance with the International Financial Reporting Standards (IFRS) as applicable in the European Union. With the exception of the HGB disclosures in the chapter "Supplementary Management Report to the separate Financial Statements of ABOUT YOU Holding SE", all key financial figures contained in this combined management report, including the comparative figures for the previous financial year, have been prepared in accordance with IFRS. The German Accounting Standard 20 (GAS 20) "Group Management Report" has been applied. In the chapter "Accounting Policies" of the notes to the consolidated financial statement, additional disclosures are made on the underlying accounting principles.

## 1.1 Background to the Group

### 1.1.1 Business Model

ABOUT YOU has become one of Europe's fastest-growing online fashion stores of scale and is a leading e-commerce player for the Gen Y&Z with over 42 million monthly active users.<sup>1</sup> By digitizing the offline shopping stroll, ABOUT YOU creates an inspiring and personalized shopping experience on the smartphone. The target group includes women and men between the ages of 18 and 40, who can find an assortment of more than 700,000 items<sup>2</sup> from over 4,000 brands<sup>3</sup> on aboutyou.com and in the ABOUT YOU app, including the own brands "ABOUT YOU" and "EDITED". ABOUT YOU is represented in all key markets in Continental Europe and in total ships to around 100 countries worldwide with the help of ABOUT YOU Global Shipping. In addition to the Commerce business, the ABOUT YOU Group has licensed its infrastructure, enabling corporate customers in the lifestyle sector and other industries to leverage ABOUT YOU's proprietary technology through the brand SCAYLE with its software-as-a-service ("SaaS") solution.

With influencer-driven discovery shopping, ABOUT YOU aims to inspire customers who are not looking to purchase any specific item or brand, enabling an exclusive and personalized online shopping experience that makes ABOUT YOU one of the preferred online fashion stores for young and fashion-conscious customers. With an online fashion market penetration of around 25% in 2023<sup>4</sup>, ABOUT YOU expects continued long-term growth in the online fashion market, mainly due to the continued rise in the use of smartphones and social media. The so-called Gen Y&Z "digital natives" who tend to be inspired by influencers rather than traditional advertising and often make impulse purchases<sup>5</sup>, will continue to contribute to a sustained shift from offline to online offerings. With its innovative and digital offering, aimed in particular at the Gen Y&Z, ABOUT YOU is ideally positioned to benefit from the ongoing shift of the fashion market from offline to online retail.

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<sup>1</sup> The data is voluntary and therefore unaudited.

<sup>2</sup> The data is voluntary and therefore unaudited.

<sup>3</sup> Brands available in online fashion store as of February 29, 2024, excl. Second Love – The data is voluntary and therefore unaudited.

<sup>4</sup> Euromonitor (2024) European apparel and footwear and apparel and footwear e-commerce. Retail value, current prices, fixed exchange rates 2023

<sup>5</sup> According to the SWPR Consumer Culture Report 2024

To meet the ever-changing demand for fashion items, ABOUT YOU's Commerce business operates with a hybrid business model consisting of 1P and 3P. 1P refers to ABOUT YOU's own inventory, while 3P refers to partners' inventory. Both 1P and 3P are seamlessly integrated into ABOUT YOU's shopping offering, enabling an attractive value proposition for both customers and brands. ABOUT YOU stocks the most in-demand items from third-party brands in its own warehouses to ensure fast delivery times and to negotiate attractive prices. As a key component of 1P, the ABOUT YOU Group has established its own brands "ABOUT YOU" and "EDITED", among others, and regularly launches celebrity brands, in close and exclusive cooperation with influencers, celebrities, and brands. With the 3P model, ABOUT YOU enables brand partners to market their products via its online fashion store in two different operating models: Drop shipping, where the partner is responsible for its fulfillment, and "Fulfillment by ABOUT YOU" ("FbAY"), where ABOUT YOU manages the fulfillment. With 3P, ABOUT YOU can offer its customers a wide selection of relevant fashion items with full price control, while the partners benefit from the opportunity to target a young, digital, and social media-driven audience.

To fully leverage its expertise in e-commerce technology and marketing, ABOUT YOU established its Tech, Media, and Enabling ("TME") segment in 2018. It comprises B2B e-commerce software solutions ("Tech"), various advertising formats for brands ("Media"), and 360° services along the e-commerce value chain for third-party brands, including e-commerce operations and marketing growth services ("Enabling"). To further expand its B2B business and help other companies grow their D2C business, ABOUT YOU launched the B2B brand SCAYLE ("SCAYLE Commerce Engine"), spun off into a separate legal entity in 2023. The SCAYLE Commerce Engine enables brands and retailers to drive their growth with a state-of-the-art technology, extensive built-in features and a unique retail DNA. As a technical backbone for the development of an international D2C business, brands and retailers gain access to the entire Commerce infrastructure of ABOUT YOU in a flexible solution as an enterprise cloud license product. SCAYLE focuses on providing an intuitive, powerful user interface for business users and coding flexibility for developers. Commerce and tech teams can therefore directly shape the development of customer experiences.

As of February 29, 2024, ABOUT YOU had 1,233 permanent employees on a full-time equivalent basis ("FTE").

## 1.1.2 Group Structure

### Management and Control

The Group is controlled by ABOUT YOU as the parent company, in which all management functions are bundled. The Group's revenue is mainly generated by ABOUT YOU SE & Co. KG, which is directly or indirectly fully controlled by ABOUT YOU.

ABOUT YOU's Management Board consists of three members: Tarek Müller (Co-Founder and Co-CEO), Hannes Wiese (Co-Founder and Co-CEO), and Sebastian Betz (Co-Founder and Co-CEO) who are jointly responsible for the strategy and operational management of the Group.

The Supervisory Board consists of six members who appoint and advise the Management Board and monitor its management activities. It is directly involved in all decisions of major importance to the Company. In particular, the Supervisory Board reviews the annual financial statements and the combined management report, approves the consolidated financial statements and reports on the results of its examination in the Supervisory Board's report to the Annual General Meeting.

### Group Segments

In line with the ABOUT YOU Group's internal steering, the segment reporting is structured according to the ABOUT YOU Group's business segments.

The ABOUT YOU DACH segment remains the segment with the highest revenue in the current financial year. The DACH segment includes the ABOUT YOU online stores in Germany, Austria, and Switzerland. In addition to the DACH segment, there is also the ABOUT YOU Rest of Europe (“RoE”) segment. This segment includes the ABOUT YOU online stores in the other European countries. The TME segment essentially comprises three service businesses: the SaaS solution SCAYLE Commerce Engine (Tech, Media, Enabling), brand and advertising solutions (Media), and 360° services along ABOUT YOU's e-commerce value chain as well as other revenue-generating services and business areas (Enabling).

### 1.1.3 Vision, Mission and Corporate Strategy

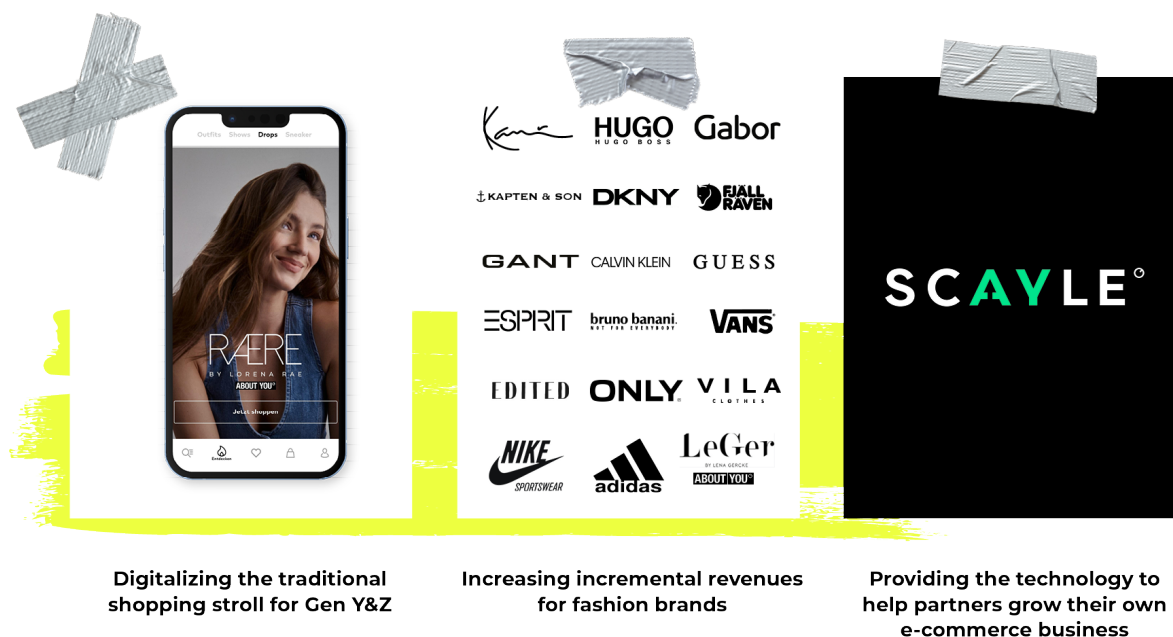
#### Vision and Mission<sup>6</sup>

ABOUT YOU's values are defined as being fast, stay hungry, and execute with passion. Based on these values, the ABOUT YOU Group is continuously working to realize its vision of outgrowing the market and becoming the global #1 fashion platform.

The three pillars that form the foundation for the ABOUT YOU Group's success and shape its mission are shown in the illustration “Vision and Mission”.

Vision: Become the Global #1 Fashion Platform

[Figure]: Vision and Mission



#### Corporate Strategy

To realize its vision, ABOUT YOU pursues a clear strategy based on five strategic priorities.

#### Capture the E-Commerce Fashion Market by Accelerating the Offline to Online Shift

For FY 2023/2024, the online fashion market once again experienced a significant decline compared to the already weak previous year. According to the German E-Commerce Association (bevh), online fashion revenue in Germany dropped by 13.3% in 2023 (2022: -

<sup>6</sup> The contents of this chapter or section are voluntary and therefore unaudited.

13.7%).<sup>7</sup> The downward trend can be attributed to a surge in the cost of living, driven by elevated inflation and high interest rates, along with macroeconomic uncertainty due to the ongoing wars in Ukraine and the Middle East, which all pressured discretionary spending. Nevertheless, bevh expects an easing of this downward trend throughout 2024 and reassures that online shopping remains deeply anchored within all age groups, maintaining high customer satisfaction rates.<sup>8</sup> According to the Management Board's assessment, the current downturn has no material impact on the overall long-term rising growth trend in the online fashion market that was anticipated prior to Covid-19 starting in FY 2019/2020. Overall, this points to a significant potential for further growth, particularly among younger customers. According to Eurostat, the highest proportion of internet users ordering fashion online in 2023 was in the 25 to 34 age group, closely followed by the 35 to 44 and 16 to 24 age groups.<sup>9</sup>

ABOUT YOU's offering is mobile and geared towards the younger generation of customers. Given the increase in online shopping and media consumption by the Gen Y&Z as well as the professionalization of the influencer ecosystem, discovery shopping is becoming increasingly important compared to traditional window shopping.<sup>10</sup> Thanks to the inspirational and the influencer-driven shopping experience, as well as the highly scalable B2B e-commerce software solution, SCAYLE, the Management Board is convinced that ABOUT YOU is ideally positioned to capture a significant share of the European fashion market and to become the global #1 fashion platform in the long run.

### Scaling and Increasing Profitability of Existing Markets

As ABOUT YOU's online fashion store was designed to scale geographically, the Group has regularly explored opportunities to expand into new markets. To implement these expansion plans, ABOUT YOU utilized its agile and efficient go-to-market playbook, which enables fast and cost-effective roll-outs into new markets. As such, the Group expanded its reach outside the DACH region to Belgium and the Netherlands ("BeNe") in FY 2017/2018, followed by Central and Eastern Europe ("CEE") in FY 2018/2019, and Southern Europe ("SEU") as well as the Nordics in FY 2020/2021. To explore further growth and investment opportunities, ABOUT YOU Global Shipping went online in FY 2020/2021 at aboutyou.com in English and Spanish with a selected range of products. Today, the ABOUT YOU Group can ship to a total of around 100 countries worldwide with the help of this service.

Due to its strong presence in all key markets in Continental Europe, ABOUT YOU is not planning any major new market entries in FY 2024/2025 but will rather focus on the further development of its existing markets, in line with the go-to-market playbook. This initially entails the scaling phase, i.e., a strong build-up phase of the customer base and high growth. This is followed by the profitability phase, i.e., the medium- to long-term goal of adjusted EBITDA break-even after market entry and continuing to grow profitably.

### Expand the Offering of Own Labels as well as Exclusive Products and Add New Product Categories

To differentiate itself from its competitors, ABOUT YOU has expanded its range of third-party fashion items with Own Labels as well as exclusive celebrity brands. This allows ABOUT YOU to create a fashion offering tailored to its core customer groups. In addition, its strong presence on social media and experience with influencers make it easier to identify trends. Offering such exclusive products leads to increased customer loyalty and attracts new customers.

According to the Management Board, ABOUT YOU has established trust and credibility with its fashion offering and is well-positioned in the market. Nevertheless, ABOUT YOU

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<sup>7</sup> bevh (January 2024) Umsätze im E-Commerce erreichen Talsohle [Revenue in e-commerce reaches bottom]

<sup>8</sup> bevh (January 2024) Umsätze im E-Commerce erreichen Talsohle [Revenue in e-commerce reaches bottom]

<sup>9</sup> Eurostat (March 2024) E-commerce statistics for individuals

<sup>10</sup> Market study conducted by Ipsos on behalf of ABOUT YOU

consistently evaluates and updates its offering to refine the core fashion selection and explore opportunities in adjacent product categories. This includes further expanding the product range in segments such as kidswear, sportswear, and inclusive sizing to meet evolving consumer needs.

### **Scale and Expand the TME Business**

The ABOUT YOU Group monetizes its proprietary technological infrastructure, markets its website inventory, and offers its value chain through the TME segment as a SaaS product. The aim is to strengthen and expand the B2B business line in the e-commerce infrastructure market and build a solid and loyal corporate customer base. To further drive TME's growth, the ABOUT YOU Group plans to grow its sales team, to develop new products, and to expand the existing product range.

The B2B brand SCAYLE, which provides services to external enterprise customers independently of the ABOUT YOU Commerce ecosystem, is expected to remain a key contributor to this end. Since August 18, 2023, SCAYLE services are performed by SCAYLE GmbH, which is a separate legal entity within the ABOUT YOU Group, alongside the online fashion store ABOUT YOU.<sup>11</sup> With this step, SCAYLE is structurally ideally positioned to drive further growth with increased autonomy and flexibility. Despite the challenging market conditions in e-commerce, SCAYLE's business performance has developed strongly in FY 2023/2024 with several go-lives, such as s.Oliver, Fielmann and DEICHMANN. Additionally, SCAYLE's focus was on acquiring further new as well as international customers beyond Germany. These include, amongst others, Mister Spex, ATP Autoteile, Babymarkt.de, Perfectly Basics, and Manchester United.

### **Continue to Improve Adjusted EBITDA**

In FY 2023/2024, the ABOUT YOU Group delivered on its plan to reach adjusted EBITDA break-even at Group level. This has been the result of increasing gross margin while reducing marketing, fulfillment and administrative costs relative to revenue. Going forward, the Management Board plans to continue to improve the adjusted EBITDA in absolute terms.

Gross margin is expected to increase, driven by the reduced promotional activity in the fashion industry due to the normalized inventory situation compared to previous periods. Additionally, the introduction of a new commission model for brand partners, price adjustments within the FbAY business model, and a higher proportion of SCAYLE's high-margin B2B revenue in the TME segment are expected to further support this gross margin growth.

In terms of marketing costs, the focus in FY 2023/2024 was on performance marketing to support revenue growth, alongside influencer campaigns, content generation, and smaller brand-building initiatives. While these measures will persist, a slight uptick in the marketing cost-to-revenue ratio is anticipated due to increased brand building and customer acquisition campaigns aimed at further penetrating and scaling existing markets.

The fulfillment cost-to-revenue ratio is expected to decrease as all distribution centers are now operational, marking the completion of the network rollout. The decrease is also attributed to easing inflation and measures to improve unit economics.

Finally, the administrative cost-to-revenue ratio is expected to decrease by further benefiting from positive scaling effects and operational efficiency measures.

### **1.1.4 Management System**

The Group's key performance indicators are revenue and adjusted EBITDA.

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<sup>11</sup> SCAYLE GmbH is a 100% owned subsidiary of ABOUT YOU Verwaltungs SE, which in turn is a 100% subsidiary of ABOUT YOU Holding SE.

Adjusted EBITDA is not a recognized financial indicator under IFRS. The Management Board of ABOUT YOU believes that the adjustments to EBITDA allow the performance to be compared on a consistent basis excluding special items. Adjusted EBITDA is defined as EBITDA excluding share-based payment expenses, restructuring costs and non-operating one-time effects. Non-operating one-time effects are defined as key non-recurring expenses or income that do not result from the Group's core activities. The adjusted EBITDA margin is calculated as the ratio of adjusted EBITDA to revenue.

### **1.1.5 Research and Development**

It is characteristic for ABOUT YOU as an e-commerce and technology company to invest in its own technological infrastructure. In addition to the company's own employees, freelancers are also involved in development. Capitalized own development costs amounted to EUR 34.7 million in FY 2023/2024 (2022/2023: EUR 36.4 million). Depreciation of capitalized development costs amounted to EUR 20.6 million in FY 2023/2024 (2022/2023: EUR 18.2 million). Development costs, which are at a slightly lower level than in the previous year continue to illustrate the further development of the company's own technological infrastructure to meet the demands on operating processes and systems due to growth and the expansion of the B2B services offered. Research costs were insignificant in FY 2023/2024.

## **1.2 Report on Economic Position**

### **1.2.1 Macroeconomic and Sector-Specific Environment**

During FY 2023/2024, economic growth was impacted by various factors and faced significant challenges. Inflation rates remained elevated although they experienced a decline throughout the year. Central banks maintained interest rates at restrictive levels impacting economic growth and geopolitical tensions intensified further, affecting global supply chains. Considering these developments, the International Monetary Fund (IMF) estimates that the global economy grew by 3.1% in 2023 (2022: 3.5%).<sup>12</sup> Compared to the last estimate in October 2023, the growth expectation was revised upward by 0.1 percentage points due to stronger than estimated economic growth in the United States as well as several major emerging market and developing economies. For the eurozone, the IMF estimates that the economy grew by 0.5% in 2023 (2022: 3.4%), reflecting a relatively high exposure to the war in the Ukraine. Growth expectations were revised downward by 0.2 percentage points compared to the last estimate in October 2023. This was mainly due to Germany where a contraction of the economy was forecasted for H2 2023 due to weakness in interest-rate-sensitive sectors and slower trading-partner demand.

Even though global economic growth developed slightly better than expected in H2 2023, growth rates were significantly lower in the eurozone compared to 2022. This is also reflected in consumer confidence for the eurozone which has only recovered slightly from its lows in 2022 as the overall macroeconomic environment remained challenging.

Similar to the broader economy, the online fashion market was impacted by a surge in the cost of living driven by elevated inflation and high interest rates. The macroeconomic uncertainty further pressured discretionary spending and the online to offline rebalancing continued to negatively impact the online fashion market. This became particularly visible in the online apparel segment in Germany. According to bevH estimates this fell by 13.3% in 2023 (2022: -13.7%).<sup>13</sup>

### **1.2.2 Business Development**

In a volatile and uncertain market environment, the ABOUT YOU Group achieved its FY 2023/2024 top-line guidance narrowed in January 2024. The Group recorded a 1.6% YoY increase in revenue to EUR 1,935.2 million (2022/2023: EUR 1,904.6 million). ABOUT YOU also

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<sup>12</sup> IMF (January 2024) World Economic Outlook

<sup>13</sup> bevH (Januar 2024) Umsätze im E-Commerce erreichen Talsohle [Revenue in e-commerce reaches bottom]



achieved its bottom line guidance. Adjusted EBITDA amounted to EUR 3.2 million in FY 2023/2024 (2022/2023: EUR -137.0 million) and is thus in line with the guidance released in May 2023.

ABOUT YOU's Q1 2023/2024 started in a challenging market environment with unfavorable cold weather conditions in Europe and continued elevated inventory levels. This led to a discount-intensive competitive environment in the fashion industry. Consumer sentiment in the eurozone improved slightly but was still at a low level. In Q2 2023/2024, revenue momentum increased slightly mainly because comparative figures from the previous year were on a lower basis and easier to beat. Consumer sentiment continued to improve moderately but remained in negative territory. In addition, persistently elevated inventory levels in the fashion industry continued to result in a discount-intensive competitive environment and impacted revenue growth. Based on the business results achieved in H1 2023/2024, as well as the ongoing difficult market environment, ABOUT YOU narrowed its expectations for revenue growth at the time of its H1 2023/2024 reporting on October 10, 2023, to the lower half of the range of +1% to +11% YoY in FY 2023/2024.

The revenue development at the beginning of Q3 2023/2024 was impacted by unusually warm weather conditions in Central European markets leading to a delayed sellout of the fall/winter collections. Although revenue dynamics improved throughout Q3 2023/2024, the market environment continued to be volatile and consumer sentiment remained on low levels having an overall negative impact on revenue dynamics. Based on the business results achieved in the first nine months of FY 2023/2024 and the ongoing volatile market environment, ABOUT YOU narrowed the top-line guidance even further expecting revenue growth to come in around the lower end of the range of +1% to +11% YoY. In Q4 2023/2024, revenue returned to growth driven by lower comparative figures from the previous year and a lower level of discounting.

	Original Guidance FY 2023/2024	October 10, 2023: Narrowed guidance FY 2023/2024	January 11, 2024: Further narrowed guidance FY 2023/2024	Results FY 2023/2024
Revenue Growth	+1 to +11%	Around lower half of the range of +1% to +11%	Around lower end of the range of +1% to +11%	1,6 %
Adjusted EBITDA	Break-even	Break-even	Break-even	EUR 3,2 Million
Adjusted EBITDA margin	Improve significantly	Improve significantly	Improve significantly	Improved significantly by 740 basis points
Capital expenditure	EUR 30 to 50 million	EUR 30 to 50 million	EUR 30 to 50 million	EUR 38.8 million
Net working capital	Around FY 2022/2023 levels of EUR 40.7 million	Around FY 2022/2023 levels of EUR 40.7 million	Around FY 2022/2023 levels of EUR 40.7 million	EUR (16.9) million

### 1.3 Group Result of Operations

To improve the control of individual cost items and to increase comparability with competitors, ABOUT YOU works with additional performance indicators, known as Alternative Performance Measures (“APMs”). Four cost APMs are decisive for ABOUT YOU: cost of sales, fulfillment costs, marketing costs, and administrative costs, and their respective ratios to revenue.

These APMs break down the Group's costs in a way that it becomes visible where they were incurred. This makes it easier to distinguish costs with variable portions from costs with higher fixed cost portions. The Group's results of operations can hence be managed with greater accuracy.

#### Income Statement based on APM

in EUR million	<b>FY 2023/2024</b>	<b>As % of revenue</b>	FY 2022/2023	As % of revenue
<b>Revenue</b>	1,935.2	100.0%	1,904.6	100.0%
Growth rate	1.6 %	0.0%	10.0%	0.0%
Cost of sales	1,186.9	61.3%	1,184.0	62.2%
<b>Gross profit</b>	748.4	38.7%	720.6	37.8%
Fulfillment costs	444.8	23.0%	466.2	24.5%
Marketing costs	211.3	10.9%	302.7	15.9%
Administrative costs	89.1	4.6%	88.7	4.7%
<b>Adjusted EBITDA</b>	3.2	0.2%	(137.0)	(7.2)%

#### 1.3.1 Revenue Development

In FY 2023/2024, Group revenue increased by 1.6% to EUR 1,935.2 million (2022/2023: EUR 1,904.6 million).

In a difficult market environment, the number of LTM active customers decreased by 3.2% to 12.3 million as per February 29, 2024 (12.7 million as per February 28, 2023). This decline was primarily driven by the shortening of the timeframe for achieving the break-even target in customer acquisition and a reduction in media-driven market entry and sales campaigns.<sup>14</sup>

The average order frequency per active customers decreased by 1.0% to 3.1 (2022/2023 LTM: 3.1). The decline in order frequency can be attributed mainly to the challenging market conditions as well as unit economics measures introduced to increase the profitability of existing customers. The lower order frequency and the decrease in the number of active customers resulted in a reduction of number of orders by 4.2% to 37.8 million orders (2022/2023: 39.4 million).<sup>15</sup>

The average order value (LTM) increased by 5.8% YoY to EUR 58.0 (2022/2023 LTM: EUR 54.8) due to the positive effects of measures to improve unit economics as well as higher gross selling prices and lower discount levels.<sup>16</sup>

In FY 2023/2024 the uptick in the average order value overcompensated for the slight decline in the average order frequency driving the average LTM GMV per customer to increase by 4.8% YoY to EUR 177.7 (2022/2023: EUR 169.6).

<sup>14</sup> The content of this section is voluntary and therefore unaudited.

<sup>15</sup> The content of this section is voluntary and therefore unaudited.

<sup>16</sup> The content of this section is voluntary and therefore unaudited.

### 1.3.2 Alternative Performance Measures (APM)

#### Definition and Development of Gross Profit

Gross profit is defined as the difference between revenue and cost of sales. Cost of sales mainly comprise the cost of goods sold, expenses for inbound logistics, write-downs of inventories, and other costs relating to revenue. Cost of sales represents the cost of goods sold less rebates, discounts, and bonuses granted by suppliers. Inbound logistics expenses include all expenses incurred before inventories are stored in the fulfillment centers and consist mainly of customs and inbound transportation expenses (including related personnel expenses). Inventory write-downs reflect write-downs of inventories to net realizable value to account for risks arising from reduced demand or quality of goods. Other cost of sales mainly comprise IT costs for B2B services and related personnel expenses. Other cost of sales also include personnel, IT, and infrastructure expenses in connection with the procurement of inventories. Cost of sales is reduced by the estimated amount of the expense of goods sold that is expected to be returned by customers. Gross margin is calculated as the ratio of gross profit to revenue.

In FY 2023/2024, cost of sales increased by 0.2% to EUR 1,186.9 million (2022/2023: EUR 1,184.0 million). This increase was slower than revenue growth, mainly due to stronger revenues from lower discounts backed by an improving inventory composition.

Subsequently, gross profit rose by 3.9% to EUR 748.4 million (2022/2023: EUR 720.6 million). As a result, the gross margin increased by 80 basis points to 38.7% in FY 2023/2024 (2022/2023: 37.8%). The lower promotional intensity in the fashion industry due to the improved inventory situation versus the prior year was the main driver for the gross margin increase. The introduction of a new commission model for brand partners, price adjustments for the FbAY business model and the increased share of high-margin Tech B2B revenue in the TME segment further drove the gross margin increase.

#### Definition und Development of Fulfillment Costs

Fulfillment costs mainly consist of expenses for outbound and returns logistics, distribution infrastructure expenses, payment transaction expenses, and service costs. Outbound logistics include expenses for warehousing, packaging, pick and pack, delivery costs, as well as the personnel and IT infrastructure expenses associated with these processes. Return logistics expenses consist primarily of inbound logistics expenses for returns and the costs of return centers. Payment transaction expenses are all expenses related to the payment process, including expenses for external payment providers, bank charges for transactions, and the associated personnel and IT infrastructure. Service costs are the expenses for call centers as well as service-related IT and personnel costs (B2C as well as B2B). Fulfillment costs thus include all selling expenses except marketing costs. The ratio of fulfillment costs is calculated as the ratio of fulfillment costs to revenue.

In FY 2023/2024, fulfillment costs decreased by 4.6% to EUR 444.8 million (2022/2023: EUR 466.2 million). The fulfillment cost-to-revenue ratio decreased by 150 basis points to 23.0% (2022/2023: 24.5%). The decrease was primarily attributable to the absence of one-time costs related to the expansion of the European distribution network, softening inflationary dynamics, and measures to improve unit economics.

#### Definition and Development of Marketing Costs

Marketing costs mainly comprise external expenses for online and offline advertising, cooperation and production costs, and the personnel and IT infrastructure expenses associated with these processes. Online marketing costs relate mainly to social media channels, CRM, search engine advertising, and affiliate marketing. Offline marketing mainly comprises costs from TV, radio, and billboard campaigns, as well as offline shows and events. Cooperation costs refer to various costs incurred through cooperations with external parties such as influencers or brands. Production costs include expenses for editorial content, video

productions, product and model photography. The marketing cost-to-revenue ratio is calculated as the ratio of marketing costs to revenue.

Marketing costs decreased by 30.2% to EUR 211.3 million in the last financial year (2022/2023: EUR 302.7 million). This represents a 500 basis point reduction in the cost-to-revenue ratio to 10.9% in FY 2023/2024 (2022/2023: 15.9%). The decrease was mainly due to the reduction of campaign activities in the Nordic and Southern European markets, the absence of Big Bang market entry campaigns in new markets and the pausing of large-scale marketing events. The marketing costs-to-revenue ratio also benefited from efficiency measures. In addition, the shortening of break-even targets for new customers in marketing steering and thus a stronger focus on short-term efficiency in marketing initiatives also led to a reduction in marketing costs.

The focus of marketing measures in FY 2023/2024 was on performance marketing to support revenue growth, as well as influencer campaigns, content generation, and smaller brand building initiatives.

### Definition and Development of Administrative Expenses

Administrative costs are composed primarily of personnel expenses, office infrastructure, and legal and consulting costs. Administrative costs originate from departments operating across the Group (such as Human Resources and Recruiting, Finance, Business Intelligence, and Legal) as well as from departments with internal functions (such as Facility, IT Security, Infrastructure or Office Management). Furthermore, cost centers for strategy, planning, management or control functions, as well as other operating expenses and other operating income not related to the cost lines are included here. The administrative cost-to-revenue ratio is calculated as the ratio of administrative expenses to revenue.

Administrative expenses increased under-proportionally to revenue by 0.4% to EUR 89.1 million in FY 2023/2024 (2022/2023: EUR 88.7 million). Accordingly, the cost-to-revenue ratio decreased by 10 basis points to 4.6% (2022/2023: 4.7%). The decline is due to operational efficiency measures as well as a slowdown in new hires, in particularly in non-tech functions

### Development and Reconciliation of Adjusted EBITDA

In the current financial year, adjusted EBITDA amounted to EUR 3.2 million (2022/2023: EUR -137.0 million). This corresponds to an adjusted EBITDA margin of 0.2% (2022/2023: -7.2%). The adjusted EBITDA margin is calculated as the ratio of adjusted EBITDA to revenue.

The adjusted EBITDA development in FY 2023/2024 is characterized on the one hand by slight revenue growth and an improvement in the gross margin, and on the other hand by lower cost-to-revenue ratios in the areas of fulfillment, marketing and administrative costs.

A total of EUR 25.7 million has been adjusted in FY 2023/2024 (2022/2023: EUR 14.6 million). EUR 9.0 million of these relate to severance payments and other one-time costs in connection with underutilization resulting from the postponed ramp-up of the distribution center in France (EUR 2.5 million), and the costs of underutilization due to force majeure at the distribution center in Poland (EUR 6.5 million). As a result, one-off costs were incurred as special processes were required at alternative distribution centers. Further, EUR 4.3 million were adjusted for reorganizational measures in the context of the separation of the SCAYLE Tech and SCAYLE Payment entities, as well as severance payments and other costs related to organizational development measures in the Group. EUR 12.5 million is explained by expenses for equity-settled share-based compensation. These costs have been eliminated in the calculation of adjusted EBITDA.

## Adjustments

	FY 2023/2024	FY 2022/2023
in EUR million		
<b>Adjusted EBITDA</b>	<b>3.2</b>	<b>(137.0)</b>
Equity-settled share-based compensation	(12.5)	(12.4)
Non-operating one-time effects	(13.2)	(2.1)
<b>EBITDA</b>	<b>(22.5)</b>	<b>(151.6)</b>

## Nature of Expenses: Reconciliation of the Consolidated Income Statement to APM

FY 2023/2024						
in EUR million	NoE/ APM	Cost of sales	Fulfillment costs	Marketing costs	Admin. expenses	Adjusted EBITDA
<b>Revenue</b>	<b>1,935.2</b>	<b>(1,186.9)</b>	<b>(444.8)</b>	<b>(211.3)</b>	<b>(89.1)</b>	<b>3.2</b>
Cost of Materials	(1,174.3)	(1,174.3)	0.0	0.0	0.0	0.0
Personnel expenses	(97.8)	(12.6)	(10.5)	(34.1)	(40.6)	0.0
Other operating expenses	(698.7)	(5.5)	(455.2)	(184.5)	(53.5)	0.0
Other operating income	4.0	0.0	6.4	(2.7)	0.3	0.0
Own work capitalized <sup>17</sup>	34.7	5.5	14.6	10.0	4.7	0.0
<b>Adjusted EBITDA</b>	<b>3.2</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

FY 2022/2023						
in EUR million	NoE/ APM	Cost of sales	Fulfillment costs	Marketing costs	Admin. expenses	Adjusted EBITDA
<b>Revenue</b>	<b>1,904.6</b>	<b>(1,184.0)</b>	<b>(466.2)</b>	<b>(302.7)</b>	<b>(88.7)</b>	<b>(137.0)</b>
Cost of Materials	(1,178.4)	(1,178.4)	0.0	0.0	0.0	0.0
Personnel expenses	(94.0)	(12.4)	(9.2)	(37.8)	(34.6)	0.0
Other operating expenses	(820.9)	(5.2)	(480.6)	(272.5)	(62.7)	0.0
Other operating income	15.3	0.0	14.5	0.0	0.8	0.0
Own work capitalized	36.4	12.0	9.0	7.6	7.8	0.0
<b>Adjusted EBITDA</b>	<b>(137.0)</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

### 1.3.3 Segment Results of Operation

The following sections provide additional explanations on segment reporting. These are disclosures from internal reporting, which include internal transactions between segments and revenues that are recognized based on customer order date instead of customer invoice date, which is used for internal management purposes.. Further information on segment

<sup>17</sup> Own work capitalized includes internal personnel costs and all other cost items eligible for capitalization.

reporting can be found in the Notes to the Consolidated Financial Statements (See section 3.7.6).

### **ABOUT YOU DACH**

The ABOUT YOU DACH segment revenue was broadly flat at EUR 916.7 million in FY 2023/2024 (2022/2023: EUR 916.3 million). Germany was a challenging market with consumer sentiment remaining volatile on low levels having a negative impact on revenue development. Revenue dynamics improved towards the end of FY 2023/2024 on a weak comparative base from the prior year period. In Austria and Switzerland, revenue continued to grow in FY 2023/2024.

The segment achieved an adjusted EBITDA of EUR 33.0 million in FY 2023/2024 (2022/2023: EUR 13.5 million), representing an increase in the adjusted EBITDA margin of 210 basis points to 3.6% (2022/2023: 1.5%). The increase in the EBITDA margin was the result of a gross margin increase due to a lower level of discounting compared to the prior year period, tighter marketing efficiency targets and operational efficiency measures.

### **ABOUT YOU RoE (Rest of Europe)**

Revenue in the Rest of Europe segment grew by 2.8% to EUR 925.9 million in FY 2023/2024 (2022/2023: EUR 900.4 million).

Revenue growth was fueled by the CEE region driven by improving consumer sentiment in key markets and successful campaigns. In the Nordics and Southern European markets, growth rates were relatively broad explained by different impacts of the cost-reduction measures at country level and effects from the prior-year period 2022/2023.

The segment reported an adjusted EBITDA of -62.8 million in FY 2023/2024 (2022/2023: -168.7 million). This corresponds to an improvement in the adjusted EBITDA margin of 1200 basis points to -6.8% (2022/2023: -18.7%). The improvement in the EBITDA margin was driven by lower expenses for media and marketing measures, the non-recurrence of one-time costs related to the rollout of the European distribution network as well as operational efficiency measures.

### **TME (Tech, Media, Enabling)**

In FY 2023/2024, revenue in the TME segment declined by 3.2% to EUR 188.9 million (2022/2023: EUR 195.1 million). In the Tech sub-segment, revenue remained broadly stable with annual recurring revenue increasing significantly. For Media, revenue declined as brand partners reduced their marketing campaign budgets due to the challenging market environment. In the Enabling subsegment, revenue declined mainly as a result of the elimination of loss-making revenue streams.

Adjusted EBITDA in FY 2023/2024 amounted to EUR 50.4 million (2022/2023: EUR 31.4 million). This corresponds to an increase in the adjusted EBITDA margin of 1060 basis points to 26.7% (2022/2023: 16.1%). The margin increase is the result of a positive mix effect with a higher share of high-margin Tech revenue in the TME segment, as well as the elimination of loss-making revenue streams, cost discipline and one-time effects resulting in higher adjustments.

### **1.3.4 Cash Flows**

The liquidity position and financial performance of the Group are shown in the consolidated statement of cash flows below:

**Statement of Cash Flows for FY 2023/2024**

in EUR million	FY 2023/2024	FY 2022/2023
<b>Loss for the period</b>	<b>(112.2)</b>	<b>(229.0)</b>
Amortization, depreciation, and write-downs	67.2	61.6
Income taxes	(0.9)	1.9
Net interest result	11.9	2.5
Taxes paid	0.0	0.0
Increase / decrease in inventories	35.1	(166.5)
Increase / decreases in trade receivables and other receivables	(65.8)	35.2
Increase in trade payables	50.1	58.9
Increase in other assets / liabilities	39.2	8.0
Non-cash expenses	23.1	20.9
<b>Cash flow from operating activities</b>	<b>47.8</b>	<b>(206.5)</b>
Payments for investments in intangible assets and property, plant, and equipment	(35.4)	(38.2)
Acquisition of shares in companies	(1.3)	(0.2)
Payments for loans as well as interest received	(2.1)	(16.2)
<b>Cash flow from investing activities</b>	<b>(38.8)</b>	<b>(54.5)</b>
<b>Free cash flow</b>	<b>9.0</b>	<b>(261.0)</b>
Proceeds from issue of share capital	0.0	0.1
Repayments for leasing liabilities	(36.4)	(26.6)
Interest paid	(13.5)	(3.8)
<b>Cash flow from financing activities</b>	<b>(49.9)</b>	<b>(30.4)</b>
Cash and cash equivalents at beginning of period	204.9	496.2
Net change in cash and cash equivalents	(40.9)	(291.4)
<b>Cash and cash equivalents at end of period</b>	<b>163.9</b>	<b>204.9</b>

ABOUT YOU generated a cash flow from operating activities of EUR 47.8 million in FY 2023/2024 (2022/2023: EUR -206.5 million) . The positive development vs last FY is mainly attributable to the considerably improved EBITDA of EUR -22.5 million (2022/2023: EUR -151.6 million) and a decrease in net working capital compared to previous year. The net working capital development is mainly a result from a reduction in own stock inventories and a sharpening of payables management. The decrease in own-stock inventories is largely the result of a more conservative seasonal own stock buy in line with current market conditions, as well as improved inventory management across the logistics network. The reduction is also explained by the elevated inventory levels at the end of FY 2022/2023.

Cash flow from investing activities is mainly driven by CAPEX and amounted to EUR -38.8 million in FY 2023/2024. (2022/2023: EUR -54.5 million). It primarily relates to investments in intangible assets and property, plant, and equipment, which added up to EUR 35.4 million (2022/2023: EUR 38.2 million), The investments in intangible assets mainly consist of capitalized in house work of software and infrastructure. Loans to related parties and related interest received amounted to net EUR 2.1 million in FY 2023/2024 (2022/2023: EUR 16.2 million). The reduction vs last year is explained by an improved outlook for loan-financed influencer brands and incubators, as well as the corresponding decision to reduce the new lending to these entities.

Free cash flow improved by EUR 270.0 million compared to previous financial year. In total, this results in a positive free cash flow amounting to EUR 9.0 million (2022/2023: EUR -261.0 million).

Cash flow from financing activities amounted to EUR -49.9 million (2022/2023: EUR -30.4 million) and consist of EUR 36.4 million repayments for leasing liabilities (2022/2023: EUR 26.6 million) and EUR 13.5 million (2022/2023: EUR 3.8 million) of interest payments for leasing liabilities.

As per February 29, 2024, ABOUT YOU held cash and cash equivalents of EUR 163.9 million (February 28, 2023: EUR 204.9 million). ABOUT YOU was able to meet its payment obligations for the present financial year at all times. In addition, the ABOUT YOU Group has agreed a credit facility of EUR 97.5 million with its main shareholders. As of the reporting date, the credit facility had not been drawn.

### 1.3.5 Financial Position

#### Statement of Financial Position

The Group's net assets are presented in the consolidated statement of financial position below:

#### Consolidated Statement of Financial Position for FY 2023/2024

<b>Assets</b>	2/29/2024	2/28/2023
<b>Non-current assets</b>	<b>257.7</b>	<b>300.9</b>
Intangible assets	79.6	65.4
Right-of-use assets	147.8	199.6
Property, plant, and equipment	6.0	6.9
Other non-current financial assets	24.4	29.0
<b>Current assets</b>	<b>887.0</b>	<b>880.5</b>
Inventories	519.7	554.9
Trade receivables and other receivables	106.5	40.7
Other financial assets	13.4	0.0
Other non-financial assets	83.4	80.1
Cash and cash equivalents	163.9	204.9
<b>Total Assets</b>	<b>1,144.7</b>	<b>1,181.4</b>

<b>Equity and Liabilities</b>	2/29/2024	2/28/2023
<b>Equity</b>	<b>267.3</b>	<b>366.6</b>
Subscribed capital	186.2	186.2
Share premium	958.6	946.1
Retained deficit	(877.4)	(765.3)
Hedging provision	0.0	(0.4)
<b>Non-current liabilities</b>	<b>137.5</b>	<b>179.9</b>
Non-current lease liabilities	121.7	172.9
Other non-current liabilities	9.7	0.0
Deferred tax liabilities	6.1	7.0
<b>Current liabilities</b>	<b>739.9</b>	<b>634.9</b>
Trade payables	456.7	406.6
Lease liabilities	53.2	45.2
Other financial liabilities	115.9	103.1
Other non-financial liabilities	112.3	78.2
Provisions	1.7	1.7
<b>Total Liabilities</b>	<b>1,144.7</b>	<b>1,181.4</b>



Total assets decreased by EUR 36.8 million compared to February 28, 2023 to EUR 1,144.7 million. The dominating balance sheet items on the assets side are right-of-use assets, working capital items of the assets side as well as cash and cash equivalents.

Non-current assets decreased mainly due to the reduction of EUR 51.8 million in right-of-use assets, which is primarily explained by depreciation. In addition, other non-current financial assets decreased by EUR 4.6 million. The decline is due to the result from investments accounted for using the equity method. The offsetting effect was the increase in intangible assets of EUR 14.1 million, which is predominantly attributable to investments in internally developed software.

As of February 29, 2024, inventories were reduced by EUR 35.1 million to EUR 519.7 million (February 28, 2023: EUR 554.9 million). The reduction in inventories is largely the result of a more conservative seasonal own stock level in line with current market conditions, as well improved inventory management across the logistics network. The reduction is also explained by the elevated inventory levels at the end of FY 2022/2023.

The increase in receivables is due to increased use of the deferred payment method Cash-on-Delivery (CoD) by our Eastern and Southern European customers. CoD payment methods are paid out with a time delay compared to instant payment methods. At the same time, B2B receivables from the TME segment increased compared to the previous year. B2B payment methods generally have worse payment terms than the B2C business. Trade receivables also increased due to the higher reclassification of accounts receivable with credit balances.

Other financial assets increased by EUR 13.4 million due to a cash deposit for issued guarantees. Other non-financial assets increased by EUR 3.4 million, mainly driven by a slightly higher return provision.

As of February 29, 2024, equity decreased by EUR 99.3 million compared to February 28, 2023. The decrease is mainly attributable to the result for the period of EUR -112.2 million (2022/2023: EUR -229.0 million). At the same time the capital reserve increased by EUR 12.5 million (2022/2023: EUR 12.5 million) is explained by share-based expenses with an offsetting effect in equity.

Non-current liabilities mainly include lease liabilities of EUR 121.7 million, which decreased by EUR 51.1 million compared to February 28, 2023. The decrease is mainly explained by scheduled repayments. This decrease was mitigated by an increase in non-current liabilities of EUR 9.7 million, which mainly results from advance payments for long-term SaaS projects. This corresponds to a contractual liability.

Current liabilities increased by EUR 105.0 million to EUR 739.9 million as per February 29, 2024, mainly as a result of an increase in trade payables. This is the result of working capital measures, such as renegotiated payment terms, optimized payables management and increased utilization of the Group's working capital programs. As on the assets side, the increase is also partly explained by the gross disclosure of receivables and payables positions due to the higher reclassification of debtors with credit balances.

Other financial liabilities increased by EUR 12.8 million, mainly driven by an increase in the provision for items subject to return. As on the assets side, the increase in other non-financial liabilities is explained by the gross disclosure of receivables and liabilities items due to the higher reclassification of debtors with credit balances.

### **Net Working Capital**

The calculation of net working capital is shown in the following table:

in EUR million	2/29/2024	2/29/2023
<b>(+) Current assets excl. Cash and cash equivalents</b>	<b>723.1</b>	<b>675.7</b>
Inventories	519.7	554.9
Trade receivables and other receivables	106.5	40.7
Other financial assets	13.4	0
Other non-financial assets	83.4	80.1
<b>(-) Current liabilities</b>	<b>739.9</b>	<b>634.9</b>
Trade payables	456.7	406.6
Lease liabilities	53.2	45.2
Other financial liabilities	115.9	103.1
Other non-financial liabilities	112.3	78.2
Other provisions	1.7	1.7
<b>= Net working capital</b>	<b>(16.9)</b>	<b>40.7</b>

As per February 29, 2024, net working capital amounted to EUR -16.9 million (February 28, 2023: EUR 40.7 million). Net working capital has decreased, by EUR 57.6 million compared to last financial year. As per February 29, 2024, current liabilities amounted to EUR 739.9 million (February 28, 2023: EUR 634.9 million), while current assets excluding cash and cash equivalents amounted to EUR 723.1 million (February 28, 2023: EUR 675.7 million).

The main drivers for the change in net working capital are, in addition to what has already been described in section 2.3.5 under the balance sheet, primarily the active working capital measures and the optimization of payment terms.

### 1.3.6 Employees

As per February 29, 2024, the Group had 1,233 permanent employees.<sup>18</sup> This represents a decrease of 49 permanent employees compared with February 28, 2023 (1,282 permanent employees).

### 1.3.7 Report on Relationships with Related Parties

ABOUT YOU's Management Board has submitted the Dependency Report required by Section 312 of the German Stock Corporation Act (AktG) for FY 2023/2024 to the Supervisory Board and issued the following final declaration:

Pursuant to Section 312 (3) of the German Stock Corporation Act (AktG), we declare that the Company received appropriate consideration for each legal transactions listed in the report on relations with affiliated companies in FY 2023/2024, based on the circumstances known to ABOUT YOU at the time the legal transactions were carried out.

### 1.4 Group Non-Financial Report<sup>19</sup>

The separate ESG Report for FY 2023/2024 will be published on May 15, 2024. It is available on the ABOUT YOU website under About Us (<https://corporate.aboutyou.de/de/about-us>). The legally required non-financial report of ABOUT YOU pursuant to Sections 315b, 315c in conjunction with Sections 289c to 289e HGB is integrated into this ESG Report.

<sup>18</sup> Full-time equivalent employees

<sup>19</sup> The content of the group non-financial report is not part of the audit. It is subject to a separate audit on limited assurance engagement.

## 1.5 Risk Management

The ABOUT YOU Group actively manages its exposure to economic, industry, financial, and company-specific risks and opportunities. The following section describes the Group's risk management activities (called risk management system, "RMS") and provides an overview of the Group's key material risks and opportunities.

### 1.5.1 Risk Management System

Together with a Compliance Management System ("CMS") and Internal Control Systems ("ICS"), the RMS is an integral part of the corporate governance structure of the ABOUT YOU Group. The implementation and integration of the three systems form the basis of an efficient corporate governance structure. The RMS defines the overall control objectives and the risk assessment process for the different business areas of the ABOUT YOU Group. The Group has established its RMS in accordance with the Committee of Sponsoring Organizations of the Treadway Commission Enterprise Risk Management ("COSO ERM") criteria and uses this structured approach to meet regulatory requirements such as the Auditing Standards 340 and 981 of the Institute of Public Auditors in Germany ("IDW").

#### Objectives of the Risk Management System

- The objectives of the RMS are to set up procedures to identify and manage risks through a regular and systematic process that allows appropriate risk measures to be taken, to promote active risk awareness, and to create transparency about risks and opportunities.
- RMS objectives include:
- Identify relevant risks: Maintain an effective process for identifying risks faced by the Group
- Take proactive actions: Maintain a structured approach to risk management, including documentation, reporting, assessment, control and ongoing monitoring, along with measures to mitigate risks
- Promote awareness: Develop a culture of active risk management and opportunity recognition, promoting employee awareness
- Ensure transparency: Facilitate early identification of risks and opportunities, enabling effective countermeasures at every organizational level within the Group
- Comply with regulations: Ensure compliance with statutory and legal requirements, including comprehensive reporting of risks to the Management Board and the Audit Committee of the Supervisory Board through standardized procedures
- Serve as a guideline: Use RMS outcomes as a reference point for well-informed business decisions

#### Identification of Risks and Opportunities

Risks and opportunities are continuously identified and monitored to ensure transparency. The Group's risk management team conducts structured and overall continuous risk assessments. Overarching risks are managed centrally, while function-specific risks are identified, measured, and documented on a decentralized basis as part of a bi-annual risk process.

#### Risk Assessment

Risks are assessed based on two main factors, the probability of occurrence and the potential financial impact. The potential financial impact is assessed in three different scenarios: pessimistic, realistic, and optimistic scenario. Moreover, the financial impact and the

probability of occurrence are assessed within a time horizon of twelve months. Each risk also entails risk mitigation measures (either to bear risk, minimize risk, or to avoid risk), each of which is assessed in terms of its impact on the aforementioned factors. The corresponding measures are reviewed and submitted by identified risk leads throughout the Group, as part of the risk assessment process. The evaluation of the risks results in a gross risk assessment, which describes the risks before the measures are applied, and a net risk assessment, which includes the effects of the risk measures. These assessments are made on an individual risk basis.

The result of the net risk assessments is thereafter, as part of the bi-annual risk process, used to simulate the overall expected financial impact of the identified risks. This is done via a Monte Carlo simulation which considers the estimated probability of occurrence, the three different financial impact scenarios, and the mitigation effects of the risk mitigation measures on both dimensions.

As a last step, the risks are classified into three different levels according to their probability of occurrence and potential impact: minor risks, moderate risks, or top risks. In addition, the identified risks are summarized in accordance with the COSO-ERM standards.

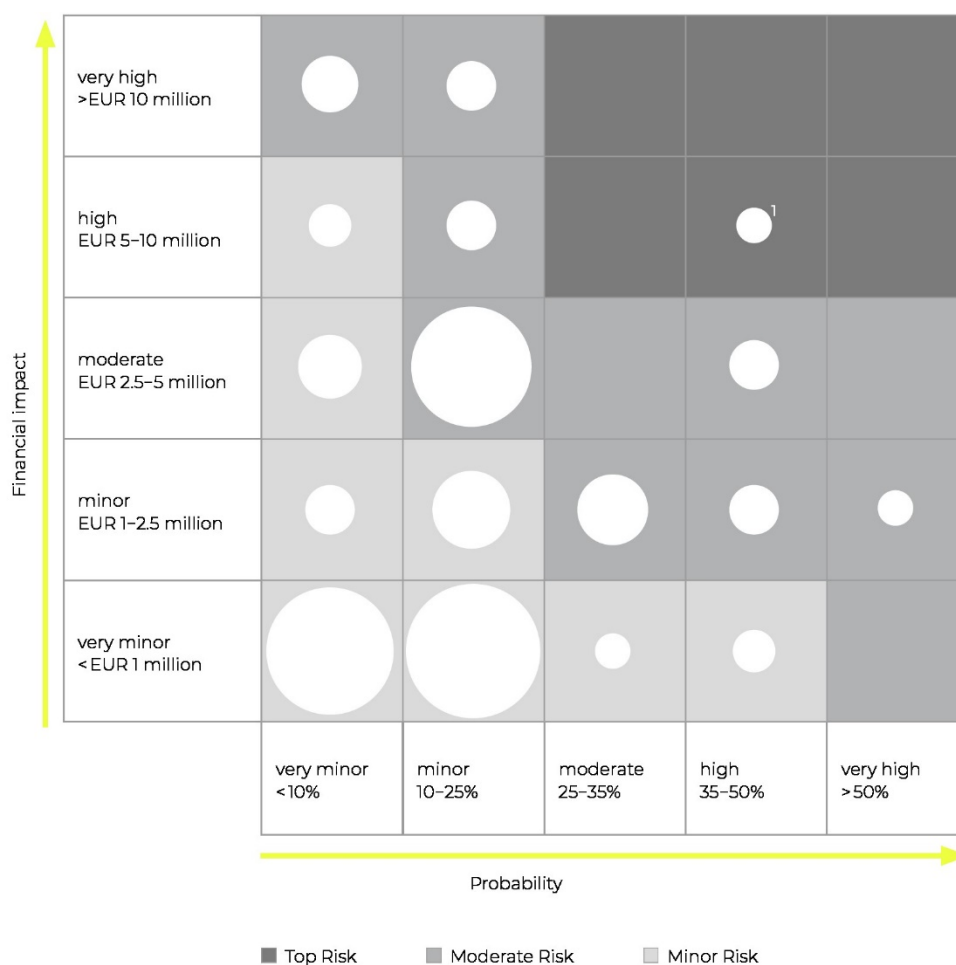
The ABOUT YOU Group also assesses its risk-bearing capacity in accordance with IDW PS 340. The outcome of the Monte Carlo simulation, which is the simulated overall financial impact of the identified risks, is compared with the risk-bearing capacity, which is defined as the estimated average liquidity position (cash and cash equivalents and marketable debt securities and similar investments) for the next twelve months.

This process also includes defining the acceptance and management of certain risks. Risk appetite is defined as the acceptance of a certain level of risk in order to achieve the Group's objectives and create additional value and sets the boundaries within which the ABOUT YOU Group is willing to operate given its risk appetite. The Management Board has set the risk tolerance for the individual functional areas which have been communicated and delegated to the various managers.

In addition, all risks are reviewed and classified according to Environmental, Social, and Governance (ESG) aspects.

The illustration "ABOUT YOU Group Net Risk Inventory" below, provides an overview of all identified risks. The size of the circles represents the number of risks. The smallest circle represents one risk, the largest circle represents 15 risks. The identified top risk is "Data Leakage".

[Abbildung]: ABOUT YOU Group Net Risk Inventory<sup>20</sup>



The bi-annual risk process results in a comprehensive risk report with an updated risk inventory and a risk presentation with the risk matrix presented above.

The risk management team is responsible for preparing the report which is thereafter reviewed and approved by the Management Board. After the Management Board's review, the report is submitted to the Audit Committee and the Supervisory Board to ensure oversight of the overall risk strategy. The Supervisory Board and the Audit Committee have direct access to the risk management team and can carry out further review measures at any time if necessary.

### Improvements, Control, and Communication of the Risk Management System

The adequacy and effectiveness of the RMS is monitored by process-integrated and process-independent controls.

Process-independent controls include a full review of the RMS process, which takes place every two years and is conducted by the risk management team. The process includes the identification of areas for improvement and subsequent adjustments following a review by the Management Board. In addition, an independent RMS review is included in the Group's audit plan. Process-integrated controls include a regular internal quality assurance process for continuous improvement of the RMS.

<sup>20</sup> Top Risk: Data leakage

## 1.5.2 Illustration of Risks

The latest bi-annual risk process resulted in a total of 86 identified risks that could have an impact on the Group over the next twelve months. No individual risks or risk groups were identified that could jeopardize the continued existence of the Group.

Key changes in the Group's risk assessment result from numerous external and internal factors which were taken into account as part of the latest risk process.

These factors include:

- Economic instability, for example, leading to increased costs or the insolvency of B2B partners
- Market dynamics and increasing competition
- Supply chain issues
- High stock levels
- Geopolitical tensions such as the war in Ukraine
- Changing and less predictable consumer preferences
- Regulatory requirements, specifically ESG legislation

In addition, the expansion of the ABOUT YOU Group and the increasing scope of the Group's operations, e.g. caused by the SCAYLE spin-off, contributed to the latest risk inventory.

As part of their description, the following risks are assigned to the categories shown in the figure "ABOUT YOU Group Net Risk Inventory" (low risk, moderate risk, top risk) according to their probability of occurrence and financial impact. The illustration of risks focuses on the top risk and the moderate risks. Further details regarding the most important risks of each risk category are provided below:

### Strategic Risks

The strategic risk landscape is characterized by multiple macroeconomic factors. Uncertainty and changing preferences among consumers poses key challenges for the ABOUT YOU Group and the entire e-commerce industry. Despite overall stabilization, intensified competition, especially from third-generation fast fashion e-commerce players, creates a challenging market environment for the Group, as well as for its TME segment enterprise customers. Therefore, the general macroeconomic development, the competitive environment, and financial challenges of TME segment enterprise customers, represent key moderate risks for the ABOUT YOU Group. Further, the ongoing war in Ukraine remains a concern impacting consumer sentiment, especially in Central and Eastern Europe and for ABOUT YOU's supply chain. The impact on the supply chain is a moderate risk, while the consumer sentiment represents a minor risk. Given the experience of facing these risks in the past year, business planning for the upcoming year proactively addresses these challenges. Therefore, the risk impact has not significantly increased compared to the previous risk assessment.

The Group is taking continuous measures to mitigate the effects of these risks. The consumer sentiment and the competitive environment are actively monitored, and marketing campaigns are adjusted accordingly.

### Operational Risks

The Group regularly adjusts its business planning and operations to align with the evolving macroeconomic situation. Accordingly, ABOUT YOU has applied multiple actions and adjustments to mitigate pervasive risks related to stock and purchase price increases.

Therefore, both warehouse overstock and increased purchase prices, previously two of the top risks of the Group, still represent relevant moderate risks for ABOUT YOU, but are no longer categorized as top risks.

In addition, ABOUT YOU faces several risks which could impact the supply chain as well as in- and outbound warehouse operations. Causes for these risks range from external factors like extreme weather events and geopolitical tensions to internal factors like process or technical inefficiencies. This is why three of the main moderate operational risks are inbound delays due to supply chain issues, warehouse inefficiencies, and disruptions, as well as outbound disruptions due to extreme weather events.

### **Financial Risks**

The current volatile macroeconomic situation has an impact on the Group's financial risks. An example for one of the main moderate financial risks are possible insolvencies of B2B partners that could result in outstanding receivables not being paid. Also, the global growth of ABOUT YOU's supplier network increases the influence of international markets on the Group's business. Hence, another key moderate financial risk is associated with exchange rates volatility unless effectively mitigated through hedging transactions. Further, newly introduced regulations, as well as increasing reporting obligations, pose a financial risk. For instance, the late payment directive could potentially impact reported cash levels, and therefore represents a moderate risk. Specific financial risks are discussed in more detail in section 3.7.1 "Financial Risk Management".

### **Risks relating to Compliance and the Regulatory Environment**

Key compliance and regulatory risks are driven by changed legal requirements, the Group's vulnerability to cybercrime, and its reliance on a significant extent of data.

The ABOUT YOU Group's assessed top risk arises from the possible loss of confidential data, which may for example lead to lawsuits, penalty payments and impairment of customer satisfaction. This can be triggered by internal (including system errors) or external factors (including hacker attacks). The Group constantly invests in data security and has implemented a comprehensive IT security program. The program consists, among other things, of security audits with external service providers as well as training for employees (including security awareness training and phishing training).

Additionally, new and changing regulatory requirements pose a risk for the ABOUT YOU Group in the form of increasing administrative efforts and potential fines. For new regulations, like the German Supply Chain Due Diligence Act, the Group implements new regulatory instruments in a timely manner to stay compliant and can therefore minimize risks related to potential fines.

### **1.5.3 Illustration of Opportunities**

Opportunities connected to the ABOUT YOU Group's future development arise from the scaling of the business model at various levels, as well as optimization of business processes. The opportunities are addressed along the dimensions of the Group's growth strategy and are independent from the way risks are classified. The opportunities are presented below in descending order in line with their potential impact on the ABOUT YOU Group.

### **Macroeconomic Environment, Market Penetration, and Profitable Growth**

In the past years, the ABOUT YOU Group has faced volatile and challenging market conditions. In defiance of this macroeconomic situation, the Group introduced a variety of strategic and operational measures to further optimize inventory, logistics, marketing planning, and hiring. This improved cost structure provides the foundation for sustained profitability and for navigation of potential future challenges in macroeconomic conditions.

Despite this ongoing pressure and volatility, the macroeconomic environment has slightly stabilized. With inflation rates decreasing, the Group expects consumer sentiment to slightly recover and the overall market conditions to be more stable in the upcoming twelve months.<sup>21</sup> Once the market fully recovers, ABOUT YOU will leverage the potential of its business model to further accelerate growth, while increasing efficiency to ensure long-term profitability.

The macroeconomic conditions have not only affected the ABOUT YOU Group but has challenged the entire industry. Over the past twelve months, there has been an increasing level of consolidations and insolvencies affecting mostly brick-and-mortar retailers, but also online retailers.<sup>22</sup> This will not only allow ABOUT YOU to grow its customer base and gain additional market shares, but it also creates investment and talent acquisition opportunities. The fundamental long-term offline to online channel shift will continue, despite challenging consumer sentiment and insolvencies across all fashion retailers.

### TME Scaling

In addition to the Commerce segment, the ABOUT YOU Group sees additional opportunities in the further expansion of its TME segment. The successful spin-off of SCAYLE in the past financial year into its own legal entity provides the flexibility to further accelerate the successful growth of SCAYLE even in a challenging macroeconomic environment. The increasing internationalization of SCAYLE lays the foundation for future growth and acquisition of new enterprise customers. The most recent example of the acquisition of a global enterprise customer is the soccer club Manchester United. The slight stabilization of macroeconomic situation and consumer sentiment provides potential for fostering customer relationships, as well as prospect acquisitions for both SCAYLE and other TME activities of the Group.

### Enhanced Logistics Network and Diversification of Supply Models and Assortment

ABOUT YOU is able to rely on an established logistics network, suitable to cater for the increasing customer demand for convenient and fast delivery. Moreover, it grants the necessary resources for growing activities under the FbAY model. The diversification of supply models also includes the implementation of additional operating models. This represents one of the essential opportunities identified, which allows ABOUT YOU to further diversify the assortment across all supply models and deepen its existing cooperations to continue the success stories of brands and ABOUT YOU alike.

The ABOUT YOU Outlet, launched in 2022, provides customers with the opportunity to shop discounted products in a time of lower discretionary spending, and offers ABOUT YOU, as well as suppliers, an additional touchpoint to new and existing customers. Due to the increasing assortment and the growing awareness among consumers, the ABOUT YOU Outlet is expected to continue its growth in the upcoming twelve months.

Alongside the collaborations with brands, ABOUT YOU is continuously working on new exclusive collaborations, as well as private labels collections. Potential for growth can be identified especially within LAYBELS, where ABOUT YOU creates exclusive cooperations and brands together with creators and celebrities. The founding of brands like LeGer creates an exclusive assortment attracting customers, who then also shop from other, non-exclusive brands at ABOUT YOU.

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<sup>21</sup> Eurostat via Statista (2024) - Europäische Union: Inflationsrate von Januar 2022 bis Januar 2024; Statista Market Insights (2024) - eCommerce Fashion Revenue Europe; Statista Market Insights (2024) - eCommerce Average Fashion Revenue per User Europe; Euromonitor (2024) - European apparel and fashion market

<sup>22</sup> Textilwirtschaft (2023) - Diese Modeunternehmen haben 2023 Insolvenz angemeldet [These fashion companies filed for insolvency in 2023]



## Innovation and Personalization across multiple Consumer Touchpoints

ABOUT YOU strives for continuous improvement of the customer-friendliness of its technology platform and a consequently more and more exciting shopping experience. By leveraging innovative technologies, specifically Artificial Intelligence, ABOUT YOU aims to not only offer a unique customer experience, but also to increase efficiency both internally, as well as along the customer journey. A specific example is the new AI assistant MAYA, which has been providing customers with personalized outfit recommendations and shopping advice using artificial intelligence in the ABOUT YOU app in DACH since April 2024. uses AI to provide customers with personalized outfit recommendations and shopping guidance. As a result, ABOUT YOU expects higher customer engagement and frequency, along with strengthening customer loyalty.

In addition to optimizing the technology platform, new and reintroduced marketing initiatives ranging from online to offline experiences allow for a reinforcement of ABOUT YOU's brands. Through experiences like the ABOUT YOU Pangea Festival, ABOUT YOU Fashion Week, and inspiring onsite and social media content, ABOUT YOU creates an emotional connection with customers. In times of market wide decreasing brand loyalty<sup>23</sup>, this emotional connection will help ABOUT YOU to further grow its customer base, while aiming to enhance the customer lifetime value.

## Planet, People, and Progress

Since its foundation, ABOUT YOU has been striving for its mission to support people in expressing themselves individually through fashion and to confidently stand up for diversity, tolerance and fairness. ABOUT YOU's goal is to create a particularly inspiring and personalized shopping experience by combining fashion and technology. In doing so, ABOUT YOU is highly aware of its responsibility – ecologically, socially, and in the digital sphere.

The uniform regulation of social and environmental standards along the supply chain through the German Supply Chain Due Diligence Act enables ABOUT YOU to further assess and increase transparency across the Group's supply chain. This creates an opportunity to further improve ABOUT YOU's impact on "Planet, People and Progress".

ABOUT YOU's Second Love category provides customers the opportunity to shop second-hand clothing, and herewith reduce waste, material, and CO2 emissions. At the same time, customers continue to benefit from the same unique selling propositions (USPs) as with ABOUT YOU's regular assortment. In cooperation with leading re-commerce companies, ABOUT YOU has significantly grown its Second Love assortment in the past financial year and sees the opportunity to further expand its growth in the future.

### 1.5.4 Internal Control System<sup>24</sup>

#### Internal Control System Structure

In addition to the Group-wide RMS, the ABOUT YOU Group has implemented control systems (referred to as Internal Control System, "ICS") in accordance with Section 315 (4) HGB, which is discussed in more detail in the following section.

The Group currently has implemented an accounting-related ICS, an ESG ICS, and finally, an IT security ICS, all in line with COSO. The goal is to assess and control risks within the Group that could have a key influence on the appropriateness of the content and presentation of the consolidated financial statements, management reporting and the annual report.

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<sup>23</sup> McKinsey, The Business of Fashion (2023) – The State of Fashion 2024

<sup>24</sup> The content of this paragraph is unaudited

All risks and the controls to reduce the risks are analyzed and documented. Cross-process risk control matrices have been implemented in the Group for this purpose, which include features such as description and type of the control, control frequency, and parties responsible for executing and monitoring the controls.

The Group's internal control systems are continuously updated and adapted to changing processes. The effectiveness of the controls is evaluated on a regular basis. The Management Board reports to the Audit Committee on the ICS at least twice per year.

ABOUT YOU's internal control system must be continuously adapted to the dynamic development of ABOUT YOU, such as changes in the business model, the type and scope of business transactions or responsibilities. This is associated with the need to further develop the appropriateness and effectiveness of the systems in individual areas as a result of the regular assessments by those responsible for the controls, as well as the findings of the auditors.

Due to the complex internal process and system landscape and the dynamic changes in operational processes, the internal control system in particular needs to be continuously developed in the Tech, Media and Enabling segments in order to ensure control reliability. Measures to formalize and increase the level of maturity have already been implemented in the current financial year and will also be implemented in the next financial year in line with ABOUT YOU's development.

### **Accounting-related Internal Control System**

As stated above, the ABOUT YOU Group has implemented an accounting-related ICS in accordance with Section 315 (4) HGB. The objective of the ICS is to ensure the correctness, completeness, and reliability of internal and external accounting and reporting in accordance with IFRS and the German HGB, which result from Sections 76 (1), 93 (1) of the German Stock Corporation Act (AktG) and Section 107 (3) sentence 2 of the AktG. Central to the ICS is the identification, assessment and management of all risks that could have a key impact on the proper content and fair presentation of the consolidated financial statements and the combined management report. The accounting-related ICS provides preventive, investigative, monitoring and error corrective measures to ensure accuracy of the accounting and external financial reporting.

Risks relevant to financial reporting and the controls used to mitigate these risks are analyzed and documented on an ongoing basis. A cross-process risk control matrix defines relevant controls, including a description of the risk to be mitigated, the frequency of controls, and the persons responsible for implementing and monitoring them.

The appropriateness and effectiveness of the accounting-related ICS is regularly and continuously reviewed and further developed by those responsible in the finance department.

### **1.6 Corporate Governance Statement<sup>25</sup>**

Since its founding, ABOUT YOU's goal has been to empower people to find and express themselves through fashion, standing up for diversity, tolerance, and self-confidence. This goal also shapes the corporate culture of ABOUT YOU, which is similarly based on diversity, tolerance, and self-confidence. Accordingly, the Management Board and Supervisory Board are jointly committed to responsible and sustainable corporate governance and jointly issue the following corporate governance statement pursuant to Art. 9 (1) lit. C) iii) SE Regulation

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<sup>25</sup> The content of this paragraph is unaudited

in conjunction with Sections 289f, 315d HGB<sup>26</sup> which is part of the combined management report.

### 1.6.1 Declaration of Compliance

In May 2023, the Management Board and Supervisory Board issued the following declaration of compliance pursuant to Section 161 of the German Stock Corporation Act (AktG), which is also available on the Investor Relations website under Governance: <https://ir.aboutyou.de/websites/about-you/English/7000/governance.html>

Pursuant to Section 161 (1) sentence 1 of the German Stock Corporation Act (AktG), the Management Board and Supervisory Board of ABOUT YOU Holding SE, with its registered office in Hamburg ("ABOUT YOU"), must declare annually that the recommendations of the "Government Commission on the German Corporate Governance Code" published by the Federal Ministry of Justice in the official section of the Federal Gazette (Bundesanzeiger) have been and are being complied with, or which of the Code's recommendations have not been applied or are not being applied and the reasons therefor.

The Management Board and the Supervisory Board of ABOUT YOU declare that ABOUT YOU has complied and will continue to comply with the recommendations of the German Corporate Governance Code in its revised version dated April 28, 2022, and published in the Federal Gazette on June 27, 2022.

### 1.6.2 Corporate Governance

The starting point for ABOUT YOU's Corporate Governance are the Statutory Provisions, the Articles of Association, the Rules of Procedure of the Management Board and Supervisory Board, the recommendations of the German Corporate Governance Code (CCGC) 2022 and internal company guidelines. For ABOUT YOU, responsible and transparent corporate governance is a key prerequisite for corporate management and for sustainably increasing the Company's value. Furthermore, ABOUT YOU's sustainability initiatives are an integral part of the company's management in order to continuously balance economic and ecological goals. Further information on ABOUT YOU's sustainability initiatives and sustainability strategy can be found in the ESG Report 2023/2024, which also contains the separate Non-Financial Group Report and disclosures in accordance with the EU Taxonomy Regulation and will be available on ABOUT YOU's website from May 15, 2024.

Furthermore, the RMS and the ICS are additional components through which ABOUT YOU actively manages and controls its exposure to economic and industry-specific risks. The RMS promotes active risk awareness and transparency regarding risks and makes it possible to identify them at an early stage through a regular and systematic process and to take appropriate (risk) measures. ABOUT YOU has an accounting-related ICS in place in accordance with Section 315 (4) HGB and additionally a non-financial ICS with focus on ESG and IT security, in line with the COSO guidelines. The goal of the ICS is to identify, assess, and manage operational risks that can have a significant impact on the content and presentation of the annual and consolidated financial statements, management reporting and the annual report. The RMS and ICS are dynamic systems that are continuously adapted to the business model, the nature and handling of business transactions or responsibilities, and are subject to ongoing development. Further information on the RMS and ICS can be found in the Risk and Opportunity Report in section 2.5.1.

The ABOUT YOU Business Code of Ethics and Business Code of Conduct are also available on the About Us website under Compliance.

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<sup>26</sup> In the following, the relevant reference provisions of Council Regulation (EC) No. 1257/2001 of October 8, 2001 on the Statute for a European Company (SE) (SE Regulation), the German SE Implementation Act (SEAG) and the German SE Employee Involvement Act (SEBG) are omitted insofar as they do not result in any key deviations from the AktG.

The Business Code of Ethics describes the way ABOUT YOU works as a company and addresses self-imposed ethical standards to all ABOUT YOU employees. The Business Code of Ethics forms the basis for all internal company guidelines and represents the basis for the actions of all ABOUT YOU employees. In terms of content, the Business Code of Ethics states that all employees are required to comply with the relevant legal provisions as well as with ABOUT YOU's internal corporate guidelines, which are based on ABOUT YOU's core values and contain topics relating to the integrity of the way in which business relationships are conducted, the mutual treatment of employees, the treatment of third-party information and data and responsible conduct. These core values are substantiated thematically with measures to combat corruption, standards for compliance with data protection regulations for the protection of personal data and compliance with insider trading regulations.

The Business Code of Conduct defines – based on the amfori BSCI Code of Conduct – minimum standards for business partners who produce and/or supply goods or services on behalf of ABOUT YOU and must be recognized by the business partners. The aim of the Business Code of Conduct is to promote an ethical and ecological value chain in which employees can work safely, are financially secure and comply with certain environmental standards. In addition, ABOUT YOU screens against existing sanctions lists and the compliance database for certain groups of business partners and/or in cases where there are indications of potential compliance risks. In addition to adhering to the Business Code of Conduct, ABOUT YOU's business partners are expected to comply with applicable national and international regulations in order to reduce compliance risks.

Furthermore, ABOUT YOU has implemented a CMS based on the auditing standard IDW PS 980. The aim of the CMS is to monitor, control and document compliance with legal provisions, internal company guidelines and standards of ethical business management. Components of the CMS are a policy management system, a whistleblower system through which employees, business partners and third parties can actively participate openly or anonymously through various channels to report concerns and/or compliance violations (including any investigations), business partner screenings and compliance-related training.

ABOUT YOU has also created the so-called Culture Booklet, an internal document that explains why ABOUT YOU was founded and what its mission is. In addition, this booklet outlines all relevant aspects of the Company's culture. It is given to all employees as part of the onboarding package. Employees must also confirm that they have read and understood the Business Code of Conduct and the Business Code of Ethics. ABOUT YOU also plans to establish its own internal audit department in the medium term. Currently, an external service provider was mandated with the tasks of internal auditing and, in a coordinated auditing plan, audits business processes, including IT solutions according to its own risk assessment and makes recommendations for improving the effectiveness and efficiency of control.

### **1.6.3 Composition and Functioning of the Management Board and Supervisory Board**

ABOUT YOU has the legal form of a European Company (Societas Europaea, SE) with a dualistic management system, consisting of a Management Board, which manages the company on its own responsibility, and a Supervisory Board, which supervises the management. Both bodies work closely together for the benefit of ABOUT YOU.

#### **Composition and Working Methods of the Management Board**

The Management Board of ABOUT YOU consists of three members – Hannes Wiese, Tarek Müller, and Sebastian Betz – who jointly manage the company as Co-CEOs under their own responsibility. The current appointment of the Management Board members runs until April 15, 2025. By June 1, 2026, the Supervisory Board has also set a target that the proportion of women on the Management Board should be at least  $\frac{1}{4}$  and that the Management Board should include at least one woman. There is currently no plan to change the composition of the Management Board, so the target to be met by June 1, 2026, was not implemented in the past financial year.

The actions of the Management Board are guided by the interests of the company and the corresponding sustainable growth of ABOUT YOU. This also includes the development of business policy and corporate strategy and ensuring their implementation in day-to-day business, applying the diligence of a prudent and conscientious business manager.

In developing the corporate strategy and growth planning, the Management Board works together with the Supervisory Board in a spirit of trust for Company's benefit. The cooperation and responsibilities of the Management Board members have been defined by the Supervisory Board in the Rules of Procedure. These stipulate that the Management Board members are jointly responsible for the management of the Company, irrespective of the allocation of responsibilities, and that they work together as colleagues and keep each other informed on an ongoing basis of important transactions and developments in their areas of responsibility. The departmental responsibilities of the Management Board members are governed by the schedule of responsibilities adopted by the Supervisory Board in connection with the Rules of Procedure. Sebastian Betz is responsible for Tech & Product, Tarek Müller for Marketing & Brand, and Hannes Wiese for Operations & Finance.

The Management Board informs the Supervisory Board regularly, promptly, and comprehensively about all business developments, especially regarding corporate strategy, corporate planning, the risk situation, risk, and opportunity management, as well as compliance and ICS.

In addition, the Management Board maintains regular contact with the Supervisory Board's Chairman and the Audit Committee's Chairwoman between Supervisory Board and Committee meetings and informs them about the course of business, the situation of the company and discusses strategy, planning, and business development as well as RMS. The Management Board is responsible for informing the Supervisory Board's Chairman and the Audit Committee's Chairwoman of any events or business matters that may significantly affect the evaluation of ABOUT YOU's current situation, its development, and the overall management of the company.

As a rule, only people who are not older than 67 years at the end of their term of office should be appointed as Management Board members; exceptions are possible in justified individual cases. In accordance with Recommendation B.2 GCGC, the Supervisory Board shall cooperate with the Management Board with regard to the composition of the Management Board to ensure long-term succession planning. The Management Board regularly reports to the Supervisory Board on succession planning and ensures that the upper management levels are filled with employees who are suitable for a Management Board position and can be developed accordingly.

No Management Board committees were formed in the reporting period. However, the Management Board has set up an Ad-hoc committee to deal with issues relating to the publication of information relevant to the financial markets. The permanent members of this committee are Management Board member Hannes Wiese and one representative each from Investor Relations, Legal & Compliance, Corporate Office and Finance. The Ad-hoc Committee supports the Management Board in an advisory capacity in complying with the ad-hoc disclosure requirements pursuant to Art. 17 of Regulation (EU) 596/2014 (Market Abuse Regulation – MAR).

Further information on the Management Board members and the Remuneration Report are available on the Investor Relations website under Governance.

### **Composition and Working Methods of the Supervisory Board**

The Supervisory Board regularly advises and monitors the Management Board's management of the Company. It works closely and in a spirit of trust with the Management Board for the good of the company and is involved at an early stage in decisions of fundamental importance. ABOUT YOU's Supervisory Board consists of six members, all of whom are shareholder representatives. Supervisory Board members are Sebastian Klauke

(Chairman of the Supervisory Board), Niels Jacobsen<sup>27</sup> (Deputy Chairman of the Supervisory Board), Christina Johansson<sup>28</sup> (Chairwoman of the Audit Committee), Petra Scharner-Wolff, Christian Leybold<sup>29</sup> and André Schwämmlein<sup>30</sup>. The regular term of office of the Supervisory Board members runs until the end of the Annual General Meeting in 2026. There are currently no plans to change the composition of the Supervisory Board. Until June 1, 2026, the Supervisory Board also has the target that the proportion of women should be at least 1/3 and that the Supervisory Board should therefore include at least two women. At present, this target is met.

The Supervisory Board's members are selected in a way that ensures that, collectively, they possess the required knowledge, skills, and professional experience to fulfill the duties of the board for a capital market-oriented, internationally active company that operates online stores for fashion products and other goods, as well as other e-commerce activities. Based on the Group's business operations and recommendations of the GCGC, the Supervisory Board believes that the following experience and knowledge are key: (i) management of an internationally active company, (ii) trading in fashion products as well as e-commerce, (iii) in key markets in which the Group operates, (iv) in the areas of financial and capital markets, (v) in accounting and financial reporting, (vi) in controlling, risk management and internal auditing, (vii) in the area of governance and compliance, (viii) sustainability in the area of trading in fashion products and e-commerce. Overall, the Supervisory Board strives to ensure that ABOUT YOU's specific needs are considered and that the Management Board is advised and monitored in a competent and qualified manner. Each Supervisory Board member has the professional experience and skills to properly perform their duties. In addition, all members of the Supervisory Board are familiar with the sector in which ABOUT YOU operates. Furthermore, each member ensures that they have sufficient time to perform their duties. In the composition of the Supervisory Board, the latter also ensures that, in accordance with the competence profile, different professional and international experience is taken into account and that the gender target figures and the general requirements for individual Supervisory Board members are achieved. Further details are available in the Supervisory Board's competency profile and in its Rules of Procedure via the Investor Relations website under Governance.

According to Recommendation C.7 GCGC, more than half of the shareholder representatives on the Supervisory Board should be independent of the Company and the Management Board; all Supervisory Board members of ABOUT YOU meet this requirement. According to Recommendation C.9 GCGC, if the Company has a controlling shareholder, in the case of a Supervisory Board with six or fewer members, it should have at least one member who is independent of the controlling shareholder. In accordance with this recommendation, four Supervisory Board representatives of ABOUT YOU are independent of the controlling shareholder, Otto (GmbH & Co. KG).

In accordance with Recommendation C.1 GCGC, the following qualification matrix shows the competence profile and provides information on what the Supervisory Board considers to be an appropriate number of independent shareholder representatives and the names of these members.

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<sup>27</sup> Independent member of the Supervisory Board.

<sup>28</sup> Independent member of the Supervisory Board.

<sup>29</sup> Independent member of the Supervisory Board.

<sup>30</sup> Independent member of the Supervisory Board.

[Table]: Qualification Matrix of the Supervisory Board

Name	Nationality	Profession	Competence Profile									
			Management	Industry Knowledge	Market Knowledge	Financial and capital markets	Accounting	Audit	Controlling, RMS and internal audit	Governance/ Compliance	Sustainability	Independence
Sebastian Klauke	German	Managing Director at Otto (GmbH & Co. KG)	✓	✓	✓	✓					✓	
Niels Jacobsen	Danish	CEO at William Demant Invest A/S	✓		✓	✓	✓	✓				✓
Petra Scharner-Wolff	German	Business Managing Director at Otto (GmbH & Co. KG)	✓	✓	✓	✓	✓	✓	✓	✓	✓	
Christina Johansson	Swiss / Swedish	CFO at Dormakaba Holding AG	✓			✓	✓	✓	✓	✓	✓	✓
Christian Leybold	German	Managing Partner at Headline	✓	✓	✓	✓						✓
André Schwämmlein	German	Founder and CEO at Flix SE	✓		✓	✓					✓	✓

Furthermore, Recommendation C.12 GCGC states that members of the Supervisory Board shall not exercise any executive or advisory functions for key competitors, nor shall they have any personal relationship with a key competitor. All members of the Supervisory Board meet this requirement.

In accordance with Recommendation E.1 GCGC and the provisions of the Rules of Procedure of the Supervisory Board, conflicts of interest must be disclosed without delay to the Chairman of the Supervisory Board or, in the case of the Chairman of the Supervisory Board, to the Deputy Chairman of the Supervisory Board. Permanent and key conflicts of interest shall lead to termination of the mandate. No conflicts of interest had to be disclosed in the past financial year.

In accordance with Recommendation C.2 GCGC, the Supervisory Board has set itself an age limit in the Rules of Procedure according to which, as a rule, only persons who are not older than 70 at the beginning of their term of office should be proposed for election as Supervisory Board members; justified exceptions are permitted in individual cases. All members of the Supervisory Board comply with the age limit.

In accordance with Recommendation D.12 GCGC, the Supervisory Board also assesses the effectiveness of the performance of its duties and those of its committees on a regular basis. The self-assessment focuses in particular on the organization and working methods of the Supervisory Board and its committees as well as the provision of information to the Supervisory Board. In the financial year 2023/2024, the assessment of the Supervisory Board was obtained using an extensive questionnaire. The results were evaluated in the first quarter of the new FY 2024/2025 and discussed by the Supervisory Board in light of ABOUT YOU's business requirements. No significant objections were identified.

The Supervisory Board has formed two standing committees from among its members: an Audit Committee and a Presidential and Nomination Committee. The Audit Committee consists of Christina Johansson (Audit Committee Chair), Sebastian Klauke (Supervisory Board Chair), Niels Jacobsen (Supervisory Board Vice Chair), and Petra Scharner-Wolff. Under Art. 100 par. 5 AktG, at least one Supervisory Board member must have expertise in accounting and at least one other Supervisory Board member must have expertise in auditing. With Christina Johansson as a former long-standing member of the Executive Board and CFO of Bilfinger SE and current member of the Executive Board and CFO of dormakaba Holding AG and Petra Scharner-Wolff as a long-standing member of the Otto Group's Executive Board and responsible for Finance and Controlling, the Audit Committee has at least two members having the expertise in both of the aforementioned areas and therefore fulfilling the D.3 GCGC recommendation. The Audit Committee is responsible for reviewing and monitoring the accounting process, the effectiveness of the ICS, the RMS, internal auditing, the CMS, and the audit of the financial statements. In addition, the Audit Committee prepares the resolutions of the Supervisory Board in connection with the (intra-

year) financial reporting and the non-financial reports, and the proposal for the election of the auditor for the Annual General Meeting, including the selection and independence of the auditor and the implementation of a required selection procedure in accordance with the EU Regulation on Statutory Auditors.

The Presidential and Nomination Committee consists of Sebastian Klauke (Chairman of the Presidential and Nomination Committee), Niels Jacobsen (Vice Chairman of the Supervisory Board) and Christian Leybold. The Presidential and Nomination Committee main tasks are to nominate suitable candidates for the Supervisory Board and to prepare the Supervisory Board's proposals to the Annual General Meeting on the election of Supervisory Board members, the selection, appointment, dismissal and remuneration of the Management Board members, and the conclusion, amendment or termination of their service contracts.

The Supervisory Board report in section 1.3 provides further details on the activities of both committees and the Supervisory Board for FY 2023/2024. In addition, the curricula vitae of the Supervisory Board members, the Rules of Procedure of the Supervisory Board, its competency profile and the Remuneration Report are available on the Investor Relations website under Governance.

#### **1.6.4 Commitment to the promotion of women representation on the Supervisory Board, the Management Board and on Management Levels below the Management Board according to sections 76 (4), 111 (5) AktG**

ABOUT YOU believes that diversity in all respects and across all organizational levels is the key to success. ABOUT YOU generally strives for a balanced gender representation. The focus lies on the composition of the Supervisory Board, the Management Board and the three levels below the Management Board. In accordance with Section 111 (5) of the German Stock Corporation Act (AktG), the Supervisory Board has set targets for the proportion of women on the Supervisory Board and Management Board; details are provided in section 2.6.3.

In addition, the Management Board has set targets for the three levels below the Management Board beyond the requirements of Section 76 (4) of the German Stock Corporation Act (AktG). For the first three levels below the Management Board, ABOUT YOU has defined the target of achieving a balanced gender representation of 40/60/\* by June 1, 2026, where women and men are represented within a range of 40-60%. With the \*, ABOUT YOU explicitly recognizes and includes non-binary gender identities. At the end of FY 2023/2024, the proportion of women in the management levels is 49.7%. In the three levels below the Management Board, this figure is between 37.2% and 54.2%:

- First level below Management Board: 37.2%.
- Second level below the Management Board: 48.8%
- Third level below Management Board: 54.2%.

Further details of what ABOUT YOU is doing to meet gender balance for employees can be found in the ESG Report FY 2023/2024, which also includes the separate group non-financial report and will be available on ABOUT YOU's website from May 15, 2024.

#### **1.6.5 Remuneration Report and Renumeration System**

The Remuneration Report for FY 2023/2024 and the Auditor's Report on the audit in accordance with Section 162 of the German Stock Corporation Act (AktG) have been published separately and will be available on the Investor Relations website under Governance from May 7, 2024. The Remuneration Report 2023/2024 will be submitted to the Annual General Meeting 2024 for approval.

The Remuneration System for Members of the Management Board and Supervisory Board drawn up by the Supervisory Board on the recommendation of the Presidential and Nomination Committee was approved by the Annual General Meeting on August 23, 2022,



and is available together with the most recent remuneration resolution on the Investor Relations website under Governance.

## 1.7 Outlook

All forecasts and expectations are subject to a significant degree of uncertainty, as it is difficult to predict the development of macroeconomic events, including the war in Ukraine, the implementation of monetary policy measures, as well as the further level of inflation and the impact on consumer sentiment. During FY 2024/2025, the ABOUT YOU Group will therefore continuously monitor developments in economic and industry conditions to respond quickly and comprehensively to potential changes.

### 1.7.1 Future overall Economic and industry-specific Situation

The IMF assumes global economic growth to remain at 3.1% in 2024 (2023: 3.1%). This forecast is also lower than the historical (2000-2019) average of 3.8%. This is because central bank policy rates will remain elevated to combat inflation, alongside a reduction in fiscal support and the burden of high debt weighing on economic activity.

For the eurozone, the IMF expects economic growth to slightly increase to 0.9% in 2024 (2023: 0.5%)<sup>31</sup>. Stronger household consumption is anticipated as the effects of the shock to energy prices diminish and inflation declines, thereby supporting real income growth driving the recovery.

The global apparel industry is anticipated to be impacted by persistent high levels of macroeconomic and geopolitical uncertainty, which are expected to continue putting pressure on global consumer sentiment. Accordingly, Business of Fashion and the consultancy McKinsey & Company expect growth in the global apparel market (excluding the luxury segment) to remain steady YoY in a range between 2% to 4%.<sup>32</sup> The apparel market in Europe is expected to develop weaker, aligning with growth observed in H2 2023, ranging from 1% to 3%. This is due to declining consumer confidence and decreasing household savings.

### 1.7.2 Guidance

ABOUT YOU is aiming for further sustainable revenue growth and expects to moderately accelerate revenue growth and moderately increase adjusted EBITDA in FY 2024/2025. The Management Board aims to achieve this target by slightly increasing the gross margin while at the same time moderately reducing fulfillment and administrative expenses relative to revenue. A slight increase in marketing costs relative to revenue is expected in order to accelerate the acquisition of new customers in FY 2024/2025.

ABOUT YOU expects moderate YoY revenue growth for FY 2024/2025.

For FY 2024/2025, the Group is expected to moderately improve its adjusted EBITDA compared to the same period of the previous year. The Group's adjusted EBITDA margin is expected to improve slightly in the 2024/2025 financial year.

The segments are expected to remain at different levels of maturity, which will also be reflected in different growth and profitability patterns.

In DACH, slight revenue growth is expected for FY 2024/2025 and thus an acceleration in the revenue growth rates compared to FY 2023/2024. In terms of profitability, a slight improvement in the adjusted EBITDA margin compared to FY 2023/2024 is expected, which is why adjusted EBITDA is expected to improve slightly in absolute terms.

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<sup>31</sup> IMF (January 2024) World Economic Outlook

<sup>32</sup> Business of Fashion and McKinsey & Company, The State of Fashion 2024

Moderate revenue growth is expected for RoE and thus a slight acceleration in the growth rate compared to FY 2023/2024. The segment is still in the scaling phase. For this reason, the segment will not yet be profitable at adjusted EBITDA level in FY 2024/2025. It is expected that the adjusted EBITDA loss in absolute terms in FY 2024/2025 will be moderately lower than in the same period of the previous year. As a result, the adjusted EBITDA margin should improve moderately compared to FY 2023/2024.

A moderate increase in revenue is expected for TME, and thus a slight acceleration in revenue growth compared to FY 2023/2024. The adjusted EBITDA margin is likely to improve slightly from the already high starting point, which is why adjusted EBITDA is also likely to increase slightly in absolute terms compared to FY 2023/2024.

## **1.8 Supplementary Management Report to the separate Financial Statements of ABOUT YOU Holding SE**

### **Business activity**

ABOUT YOU assumes the function of the holding company within the Group. The key function of ABOUT YOU is the holding and management of financial assets, which reflects the operating business of the Group and is determined by the key performance indicators of the Group as a whole. Therefore, ABOUT YOU's key performance indicator is the income from investments, including possible effects from write-downs on financial assets, which reflects the valuation of financial assets.

Furthermore, ABOUT YOU provides administrative and management services to the other subsidiaries in the Group.

ABOUT YOU is represented by the Management Board, which defines the Group's overarching strategy.

The annual financial statements of ABOUT YOU are prepared in accordance with the HGB. The Consolidated Financial Statements are prepared in accordance with IFRS, as applicable in the EU. The application of different accounting standards results in differences in the accounting and valuation methods to be applied. The differences mainly relate to deferred taxes.

### **Assets, Liabilities, Financial Position and Financial Performance of ABOUT YOU Holding SE**

The assets, liabilities, financial position, and profit or loss of ABOUT YOU Holding SE developed as follows in FY 2023/2024 in accordance with HGB:

**Balance Sheet of ABOUT YOU Holding SE according to HGB as of February 29, 2024**

**Assets**

in EUR million	<b>02/29/2024</b>	02/28/2023
<b>A. Fixed Assets</b>	835.6	1,164.5
I. Financial Assets	835.6	1,164.5
Shares in affiliated companies	835.6	1,164.5
<b>B. Current Assets</b>	53.4	353.9
I. Receivables and other assets	50.9	338.5
1. Receivables from related parties	45.4	337.9
2. Other assets	5.5	0.6
II. Cash balances with credit institutions	2.5	15.4
<b>Balance sheet total</b>	<b>889.0</b>	<b>1,518.4</b>

**Equity and liabilities**

in EUR million	<b>02/29/2024</b>	02/28/2023
<b>A. Equity</b>	874.4	1,514.2
I. Subscribed capital	186.2	186.2
Own shares	(12.0)	(13.7)
II. Capital reserve	962.2	951.4
III. Retained earnings	434.9	434.9
Other retained earnings	434.9	434.9
IV. Accumulated loss	(696.9)	(44.6)

<b>B. Provisions</b>	0.7	0.3
Other provisions	0.7	0.3
<b>C. Liabilities</b>	12.4	2.4
1. Trade accounts payable	1.1	0.7
2. Liabilities to affiliated companies	11.1	1.4
3. Other liabilities	0.2	0.3
<b>D. Deferred tax liabilities</b>	1.5	1.5
<b>Balance sheet total</b>	889.0	1,518.4

**Income Statement of ABOUT YOU Holding SE In accordance with the HGB  
from March 1, 2023 to February 29, 2024**

in EUR million	<b>FY 2023/2024</b>	FY 2022/2023
1. Revenue	24.0	17.7
2. Other operating income	0.8	0.1
3. Cost of materials	0.0	(0.1)
Expenses for purchased services	0.0	(0.1)
4. Personnel expenses	(28.6)	(18.9)
a) Wages and Salaries	(26.3)	(18.0)
b) Social security contributions	(2.3)	(0.9)
5. Other operating expenses	(6.9)	(5.6)
6. Interest and similar income	3.2	5.5
7. Write-downs on financial assets	(642.9)	0.0
8. Interest and similar expenses	(1.9)	(0.2)
9. Taxes on income and earnings	0.0	0.0
<b>10. Earnings after Taxes</b>	<b>(652.3)</b>	<b>(1.5)</b>
<b>11. Net loss for the period</b>	<b>(652.3)</b>	<b>(1.5)</b>
12. Loss carried forward	(44.6)	(43.1)
<b>13. Accumulated Loss</b>	<b>(696.9)</b>	<b>(44.6)</b>

Financial assets decreased by a total of EUR 328.9 million. This is due on the one hand to the write-down of EUR 642.9 million described in the notes to the income statement and on the other hand to a significant offsetting effect of EUR 312.8 million resulting from an additional payment to the capital reserve of ABOUT YOU Verwaltungs SE in accordance with Section 272 (2) No. 4 HGB. The additional payment was made by way of a contribution in kind in the form of the assignment of payment claims of ABOUT YOU Holding SE against ABOUT YOU SE & Co. KG from shareholder loan agreements, with the proviso that ABOUT YOU Verwaltungs SE in turn assigns the claims to ABOUT YOU SE & Co. KG and the claim expires due to confusion.

The EUR 292.5 million decrease in receivables from related parties was mainly due to the assignment chain described above.

The EUR 12.9 million reduction in bank balances is due to the granting of loans to affiliated companies.

Equity decreased by EUR 639.8 million, mainly due to the sharp rise in accumulated losses. The increase in the capital reserve is mainly due to the expenses for share-based payments, which had an offsetting effect on the accumulated loss. Liabilities to affiliated companies increased by EUR 9.7 million due to higher utilization of the loans granted.

The income statement shows an increase in turnover of EUR 6.3 million, which is attributable to a higher volume of personnel and IT services in the Group. As in the previous financial year, revenue in FY 2023/2024 also includes expenses passed on to affiliated companies,

Personnel expenses include EUR 12.5 million in expenses from share-based payments (2022/2023: EUR 12.4 million).

Other operating expenses increased by EUR 1.3 million compared to the previous year, which is primarily due to higher consulting costs.

The write-downs on financial assets result from an impairment of the shares in ABOUT YOU Verwaltungs SE. To test the carrying amount of the investment for impairment, an enterprise value was calculated on the basis of the discounted cash flow method after taking into account net financial debt (equity value) and compared with the carrying amount of the investment. As the equity value was lower than the carrying amount of the investment, an impairment loss was recognized.

The increase in interest expenses of EUR 1.7 million is mainly due to the commitment fees for the shareholder credit line.

## Guidance for ABOUT YOU

ABOUT YOU expects the earnings situation to improve in the coming financial year 2024/2025. For FY 2024/2025, the financial assets are not expected to be subject to impairment. As an impairment of financial assets was recognized in the current financial year, a significant improvement in the investment result is expected for the next financial year.

### **1.9 Disclosures required by takeover law pursuant to sections 289A (1), 315A (1) German Commercial Code (HGB) and Explanatory Report**

The disclosures required under Section 289a sentence 1 and Section 315a sentence 1 of the HGB are presented and explained below. The disclosures pursuant to Section 160 (1) No. 2 of the German Stock Corporation Act (AktG) can be found in section 3.6.7 (19) of the notes to the consolidated financial statements.

#### **1.9.1 Composition of the registered Shared Capital**

The registered share capital of ABOUT YOU as of February 29, 2024, amounts to EUR 186,153,487 and is divided into 186,153,487 bearer shares with no-par value. Each Company share has an arithmetical share in the share capital of EUR 1.00. All shares carry the same rights and obligations. Each share grants one vote at the Annual General Meeting and is decisive for the shareholder's share in the Company's profits. The rights and obligations of shareholders are set out in detail in the provision' of the German Stock Corporation Act (AktG), in particular Sections 12, 53a et seq., 118 et seq. and 186 of the German Stock Corporation Act (AktG).

## 1.9.2 Restrictions on voting rights and transfer of shares

At the end of the financial year, the Company held 11,992,338 treasury shares (previous year: 13,719,858) from which no rights (in particular no voting rights) derive pursuant to Section 71b of the German Stock Corporation Act (AktG). Compared to February 28, 2023, the number of treasury shares has been reduced by such a number equal to the number of virtual stock options exercised and restricted stock units settled as part of share-based employee compensation programs.

In general, the voting rights of the shares concerned are excluded by law in cases covered by Section 136 of the German Stock Corporation Act (AktG).

In addition, to the knowledge of the Management Board, the following agreements exist or existed as of February 29, 2024, which may be considered restrictions within the meaning of Sections 289a sentence 1 no. 2, 315a sentence 1 no. 2 of the HGB:

### Voting Pool Agreement between Otto and GFH

The shareholders Otto and GFH Gesellschaft für Handelsbeteiligungen m.b.H. ("GFH") are parties to a pool agreement dated March 23, 2021 ("Pool Agreement"). In the Pool Agreement, Otto and GFH have undertaken to exercise the voting rights from the shares they hold in ABOUT YOU uniformly in accordance with the agreement between them. The Pool Agreement covers all shares with voting rights in ABOUT YOU currently and in the future held by the aforementioned shareholders and the companies dependent on them in each case within the meaning of Section 17 of the German Stock Corporation Act (AktG), as well as those shares currently or in the future held by third parties on the basis of trust agreements or similar arrangements for the aforementioned shareholders.

Pursuant to the Pool Agreement, before transferring or entering an obligation to transfer any shares covered by the Pool Agreement to a third party not being a party to the Pool Agreement, GFH must offer the relevant shares to Otto. This right of first refusal does not apply to sales via the stock exchange or as part of a block trade in an amount of up to EUR 25 million and up to 0.4% of the issued shares of ABOUT YOU.

### Shareholders' Agreement between Otto and Heartland A/S

Pursuant to a shareholders' agreement between the shareholder Otto and Heartland A/S (the parent company of the shareholder Aktieselskabet af 12.6.2018 – "Heartland") dated February 22/26, 2021 (as amended on March 29, 2021) ("Shareholders' Agreement"), the aforementioned shareholders have, inter alia undertaken to exercise their voting rights (including voting rights held by third parties who have pooled their interests with one of the parties to the Shareholders' Agreement) in favor of the intended governance structure of ABOUT YOU as set out below and, of other certain matters set forth in the Shareholders' Agreement. A general pooling of voting rights has not been agreed between Otto and Heartland.

The Shareholders' Agreement stipulates that ABOUT YOU shall have a Supervisory Board with six members, all of whom shall be elected by the Annual General Meeting. According to the Shareholders' Agreement, Otto has the right to nominate and demand the dismissal of up to three members of the Supervisory Board, no more than two of whom may be executives or employees of Otto.<sup>33</sup> This right exists as long as Otto controls, including through affiliates or pooling agreements, at least 40% of ABOUT YOU's share capital (excluding

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<sup>33</sup> Currently, Niels Jacobsen has been nominated by Heartland. He is independent of ABOUT YOU, the Management Board, and the controlling shareholder Otto – as well as of Heartland – within the meaning of the GCGC. Currently, Sebastian Klauke and Petra Scharner-Wolff have each been nominated by Otto. In addition to their Supervisory Board activities at ABOUT YOU, they have an executive function at Otto (GmbH & Co KG). They are considered dependent within the meaning of the GCGC. In addition, Otto has nominated Christian Leybold as a member of the Supervisory Board, who is, however, independent of ABOUT YOU, the Management Board, and the controlling shareholder Otto within the meaning of the GCGC

treasury shares held by ABOUT YOU). For Heartland, the Shareholders' Agreement provides for the right to nominate and request the dismissal of one member of the Supervisory Board.<sup>33</sup> The remaining two other members of the Supervisory Board shall be independent and shall be determined by mutual agreement between the parties to the Shareholders' Agreement. Otto may also request the dismissal of one of the independent members at any time, unless after this dismissal the Supervisory Board would no longer include any independent member. The parties to the Shareholders' Agreement would welcome (i) a member nominated by Otto to be elected chairperson of the Supervisory Board, (ii) the member nominated by Heartland to be elected deputy chairperson of the Supervisory Board and (iii) one of each of the members nominated by the contracting parties to become a member of the Audit Committee and the Presidential and Nomination Committee.

The parties to the Shareholders' Agreement also aim to ensure that the chairperson of the Supervisory Board (but not the deputy chairperson) has a casting vote in the event of a tie and that an amendment to the rules of procedure of the Supervisory Board requires a unanimous decision by the Supervisory Board. In addition, qualified majority requirements required by law and stipulated in the Articles of Association of ABOUT YOU may not be reduced.

With respect to capital authorizations, the Shareholders' Agreement provides that Otto and Heartland will vote in favor of the renewal of existing authorizations, e.g., authorized capital as well as the authorization to issue convertible/option bonds and the underlying conditional capital. Any utilization of authorized capital excluding the pre-emptive rights of the remaining shareholders against contribution in kind by a shareholder holding more than 25% of the share capital of ABOUT YOU (excluding treasury shares held by ABOUT YOU) shall require the approval of 75% within the Supervisory Board, i.e., five out of six members.

### **Lock-up Obligations in Connection with the Private Placement**

The shares held by the members of the Management Board (indirectly via their respective investment vehicles, i.e. Ohana Group Hamburg GmbH<sup>34</sup>, Sebastian Betz Beteiligungsgesellschaft mbH, and Hannes Wiese Beteiligungsgesellschaft mbH), which are neither vesting shares (as defined and described below) nor shares sold in the course of the private placement of the Company's shares, were subject to a staggered lock-up obligation towards the Company, according to which 50% of these shares could not be transferred or otherwise disposed of for one year after the private placement (i.e., calculated from June 16, 2021). This part of the lock-up expired at the end of June 15, 2022. The Lock-Up of the other 50% of the shares expired at the end of June 16, 2023.

### **Re-Vesting Scheme / Further Lock-up for Investment Vehicles of Management Board Members**

In connection with the private placement, ABOUT YOU and each Management Board member and their respective investment vehicles entered into a re-vesting agreement on June 4, 2021, pursuant to which a portion of the Company's shares held by the respective investment vehicles of the Management Board members at the time of the private placement are subject to a re-vesting scheme ("Re-Vesting Agreement"). This means that the shares covered by the Re-Vesting Agreement grant full shareholder rights, but the Company may request a transfer of these shares to the Company free of charge via a call option ("Call Option") if a leaver event occurs or the performance targets defined under the Long-Term Incentive Plan 2021 are not achieved. The number of shares subject to this Call Option decreases at the end of each financial quarter until the vesting period expires in full at the end of April 15, 2025, provided that the Management Board member concerned has not left the Company ("Leaver Event") prior to the end of the respective quarter ("Time Vesting"). A distinction is made between Good Leaver Events and Bad Leaver Events. In the case of a Good Leaver Event, the shares that have vested pursuant to the Time Vesting

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<sup>34</sup> Previously: Tarek Müller Beteiligungsgesellschaft mbH

arrangement are no longer subject to the Company's Call Option (subject to the Performance Vesting described below). In case of a Bad Leaver Event, all shares that were covered by the Call Option at the time of the conclusion of the Re-Vesting Agreement are subject to the Call Option, irrespective of Time Vesting.

In addition to Time Vesting, the vesting of a portion of the shares subject to the Call Option is conditional upon the achievement of predefined performance targets within certain time periods ("Performance Vesting"). These performance targets consist of the average annual growth ("CAGR") of sales, the development of the adjusted EBITDA of ABOUT YOU and various sustainability-related ("ESG") criteria. The definition of the Leaver Event, the differentiation between Bad Leavers and Good Leavers and the performance targets for Performance Vesting largely correspond to the regulations of the Long-Term Incentive Plan 2021 (LTIP 2021). Further details can be found in the Remuneration Report on the Investor Relations website under Governance.

The shares held by the investment vehicles of the Management Board members that are subject to the Call Option may not be sold or otherwise disposed of by them (lock-up). Pursuant to the Re-Vesting Agreement, any Company shares held by the respective investment vehicles of the Management Board members at the time of the private placement that are neither covered by the Call Option (as explained above) nor were sold in the private placement are also subject to a staggered lock-up obligation vis-à-vis the Company as described above.

### **Trading Bans (Closed Periods)**

Furthermore, in accordance with Article 19 (11) Regulation (EU) No 596/2014 (Market Abuse Regulation – MAR) and on the basis of internal guidelines and Company agreements, members of executive bodies and employees are subject to certain trading prohibitions when buying and selling ABOUT YOU shares within closed periods that commence 30 days prior to the publication of quarterly, half-yearly and full-year financial results and end with the corresponding publication of the financial results.

### **1.9.3 Shareholdings in the capital exceeding 10% of the voting rights**

As of February 29, 2024, Michael Otto Stiftung and Dr Michael Otto, Anders Holch Povlsen, and Benjamin Otto indirectly held 64.74% of the shares in ABOUT YOU.

This information is based on the notifications pursuant to Sections 33 et seq. German Securities Trading Act (WpHG), which ABOUT YOU has received and published. Voting rights notifications published by ABOUT YOU are made available in the Notes and on the Investor Relations website under News – Voting Rights Notifications.

### **1.9.4 Statutory Provisions and Provisions of the articles of association on the appointment and dismissal of members of the Management Board and on amendments to the articles of association**

The Supervisory Board appoints the members of the Management Board based on Article 9 (1), Article 39 (2) and Article 46 SE Regulation and Sections 84, 85 of the German Stock Corporation Act (AktG) and Article 7 (2) of the Articles of Association for a maximum term of six years. Reappointments are permissible. The Supervisory Board is entitled to revoke the appointment of a Management Board member for good cause. According to Article 7 (1) of the Articles of Association, the Management Board consists of one or more persons. The number of Management Board members is determined by the Supervisory Board.

Amendments to the Articles of Association must be resolved by the Annual General Meeting. Pursuant to Article 59 (1) SE-Regulation and Section 179 (2) of the German Stock Corporation Act (AktG), resolutions on amendments to the Articles of Association require a majority of at least three quarters of the votes cast and the share capital represented at the Annual General Meeting adopting the resolution. Amendments to the Articles of Association are otherwise governed by Sections 179, 181, 133, 119 (1) no. 5 of the German Stock Corporation Act (AktG). In



In addition, there are numerous other provisions of the German Stock Corporation Act (AktG) that might apply to, modify or overrule provisions in the Articles of Association, e.g., Sections 182 et seq. of the German Stock Corporation Act (AktG) in case of capital increases, Sections 222 et seq. of the German Stock Corporation Act (AktG) in case of capital reductions and Section 262 of the German Stock Corporation Act (AktG) in case of the dissolution of the Company.

Pursuant to Article 12 of the Articles of Association, the Supervisory Board is authorized to adopt amendments to the Articles of Association that only affect their wording.

### **1.9.5 Powers of the Management Board to issue or repurchase shares**

#### **Authorized Capital 2021**

Pursuant to Article 4 (4) of the Articles of Association, the Management Board is authorized, with the consent of the Supervisory Board, to increase the share capital of the Company on one or more occasions on or before May 30, 2026 (inclusive) by a total of up to EUR 78,791,000 by issuing new no-par value bearer shares against cash contributions and/or contributions in kind ("Authorized Capital 2021"). Shareholders are generally entitled to the statutory pre-emptive right to the new shares. The new shares may also be taken up by banks designated by the Management Board or by equivalent companies pursuant to Section 186 (5) sentence 1 of the German Stock Corporation Act (AktG) with the obligation to offer them to the shareholders for subscription.

The Management Board is authorized, with the consent of the Supervisory Board, to exclude the shareholders' statutory pre-emptive rights in whole or in part in certain cases specified in Article 4 (4) of the Articles of Association. In simplified terms, this is possible in the following cases:

- to avoid fractional amounts resulting from the subscription ratio,
- to offer shares to holders of conversion or option rights attached to convertible and/or option bonds to the extent to which they are entitled to such shares after conversion or exercise of the option,
- if, in the case of a capital increase against cash, the issue price is not significantly lower than the stock exchange price and the total pro rata amount attributable to the new shares for which the pre-emptive right is excluded does not exceed 10% of the share capital,
- to issue shares against contributions in kind, for the purpose of acquiring companies, parts of companies or participations in companies, in the context of mergers and/or for the purpose of acquiring other assets (including rights and receivables), or
- to issue shares against cash and/or in-kind contributions within the scope of participation programs and/or within the scope of share-based remuneration, provided that the total pro rata amount attributable to the new shares for which the pre-emptive right is excluded does not exceed 10% of the share capital.

The authorizations to exclude pre-emptive rights explained above may also be combined.

The Management Board is authorized, with the consent of the Supervisory Board, to determine the further content of the share rights and the conditions of the share issue. Further details on Authorized Capital 2021 can be found in Article 4 (4) of the Articles of Association.

#### **Conditional Capital 2021/I**

The share capital of the Company is conditionally increased pursuant to Article 4 (5) of the Articles of Association of ABOUT YOU by up to EUR 3,310,500 by the issuance of in total up to

3,310,500 new bearer shares with no-par value (Conditional Capital 2021/I). The Conditional Capital 2021/I serves exclusively the purpose of servicing pre-emptive rights of the members of the Management Board granted until July 31, 2021 (inclusive) under the Long-Term Incentive Plan 2021 in accordance with the resolution of the General Meeting on May 31, 2021. The conditional capital increase will be implemented only to the extent that the holders of the granted pre-emptive rights exercise their pre-emptive rights to shares in the Company, and the Company neither grants treasury shares nor cash payments to fulfil the pre-emptive rights. Granting and fulfilling pre-emptive rights vis-à-vis the members of the Management Board of the Company is the exclusive responsibility of the Supervisory Board.

### **Powers to Issue Convertible Bonds or Bonds with Warrants / Conditional Capital 2021/II**

By resolution of May 31, 2021, the General Meeting authorized the Management Board, subject to the consent of the Supervisory Board, to issue bearer and/or registered convertible and/or option bonds with a limited or unlimited term (hereinafter together the "Bonds") in the total nominal amount of up to EUR 2.2 billion on one or several occasions on or before May 30, 2026, and to grant to the holders or creditors of such Bonds, respectively, conversion or option rights for subscribing to up to a total of 75,480,000 new no-par value bearer shares representing up to EUR 75,480,000 of the Company's registered share capital.

The Bonds may also be issued by a domestic or foreign company in which ABOUT YOU directly or indirectly holds a majority of the votes and capital. In this case, the Management Board is authorized, subject to the consent of the Supervisory Board, to assume the guarantee for these Bonds on behalf of ABOUT YOU and to grant to the holders or creditors of such Bonds, respectively, conversion or option rights for shares in the Company as well as to make further declarations and take further actions as are required for a successful issuance.

The aforementioned authorization contains concrete specifications regarding the option or conversion price in each case. The option or conversion price may be adjusted in a value-preserving manner in the event of economic dilution or in the event of changes in capital or other extraordinary measures or events that may lead to a change in the economic value of the Bonds (e.g., dividend payments, acquisition of control by a third party), even beyond the cases provided for by law. Furthermore, the terms and conditions of the Bonds may provide that the exchange ratio and/or the option or conversion price are variable and that the option or conversion price is determined within a range to be specified depending on the development of the share price during the term.

Whenever Bonds are issued, the shareholders are generally entitled to the statutory pre-emptive rights. The statutory pre-emptive rights may be granted to the shareholders in such a way that the Bonds are underwritten by a bank or by equivalent companies within the meaning of Section 186 (5) sentence 1 of the German Stock Corporation Act (AktG) with the obligation to offer them to the shareholders for subscription. If Bonds are issued by a company in which ABOUT YOU directly or indirectly holds a majority of the votes and capital, ABOUT YOU must ensure that the statutory pre-emptive rights are granted to the shareholders of the company in accordance with the above.

However, the Management Board is authorized, subject to the consent of the Supervisory Board, to exclude the shareholders' statutory pre-emptive rights in whole or in part as specified in the authorization resolution. In simplified terms, this is possible in the following constellations:

- by applying Section 186 (3) sentence 4 of the German Stock Corporation Act (AktG) accordingly, provided that the Bonds are issued against consideration in cash and the Management Board comes, after due assessment, to the conclusion that the issue price is not significantly below the theoretical market value of the Bonds with conversion or option right or conversion obligation as determined in accordance with generally accepted financial calculation methods. However, this authorization to exclude pre-emptive rights only applies to Bonds with conversion and/or option

rights or conversion obligations with respect to shares, the total proportionate amount of which does not exceed 10% of the registered share capital, neither at the time this authorization becomes effective nor – if lower – at the time it is exercised. This 10% threshold shall include the pro-rate amount of the share capital (i) attributable to Company shares issued or sold during the term of this authorization with exclusion of pre-emptive rights in direct or analogous application of Section 186 (3) sentence 4 of the German Stock Corporation Act (AktG), and (ii) attributable to Company shares issued or still to be issued for the purpose of servicing conversion or option rights or conversion obligations or option obligations or convertible profit participation rights which (on the basis of other authorizations) were in turn issued during the term of the authorization with the exclusion of pre-emptive rights in analogous application of Section 186 (3) sentence 4 of the German Stock Corporation Act (AktG),

- to exclude fractional amounts from the shareholders' pre-emptive rights,
- to the extent necessary to grant to the holders or creditors of conversion or option rights attached to convertible and/or option bonds and/or convertible profit participation rights previously issued by the Company or a company in which it holds a majority interest, or, in case of an own conversion right of the Company, to holders or creditors obligated thereby, pre-emptive rights to the extent they would be entitled to after exercising the conversion or option rights or after fulfilling a conversion or option obligation, or
- insofar as Bonds are issued against contributions in kind, in particular for the purpose of acquiring companies, parts of companies or participations in companies, within the scope of mergers and/or for the purpose of acquiring other assets (including rights and receivables) and the Management Board, after due examination, has come to the conclusion that the value of the contributions in kind is in reasonable proportion to the theoretical market value of the Bonds as determined in accordance with recognized principles of financial mathematics.

The authorizations to exclude preemptive rights explained above may also be combined.

This authorization creates conditional capital of up to EUR 75,480,000 pursuant to Article 4 (6) of the Articles of Association through the issuance of up to 75,480,000 new no-par value bearer shares (Conditional Capital 2021/II). The Conditional Capital 2021/II serves the purpose of granting shares to holders or creditors of convertible bonds as well as to holders of option rights attached to option bonds that are issued on or before May 30, 2026, based on the authorization granted by resolution of the General Meeting of ABOUT YOU Holding AG (the legal predecessor of the Company) on May 31, 2021, by the Company or a national or foreign subsidiary in which the Company either directly or indirectly holds a majority in terms of voting rights and capital. The conditional capital increase is only implemented to the extent that the conversion or option rights attached to the aforementioned bonds are de facto exercised or conversion obligations attached to such bonds are fulfilled and to the extent that no other forms of fulfillment are used for this purpose. The new shares are issued at the conversion price or option price that is determined in accordance with the authorization resolution. The Management Board is authorized, with the consent of the Supervisory Board, to determine the further details of the implementation of the conditional capital increase.

### **Powers to Acquire Treasury Shares**

By resolution of June 14, 2021, the General Meeting authorized the Company pursuant to Section 71 (1) no. 8 of the German Stock Corporation Act (AktG) to acquire treasury shares on or before June 13, 2026, in an amount of up to 10% of the share capital of the Company at the time the authorization is granted or – if such amount is lower – at the time of the authorization is exercised. The amount of treasury shares acquired on the basis of this authorization together with other treasury shares in possession of the Company or attributed

to the Company pursuant to Sections 71a et seq. of the German Stock Corporation Act (AktG) may not exceed at any time an amount of 10% of the respective share capital.

The acquisition may, at the discretion of the Management Board, be effected (i) via the stock exchange, (ii) by means of a public tender offer addressed to all shareholders, (iii) by means of a public solicitation to submit offers for sale, (iv) via participants in share-based incentive or remuneration programs or entities owned by such participants in connection with the settlement of such programs and/or (v) via the holders of (former) preference shares in the Company in connection with, or subsequent to, a cancellation of profit or liquidation preferences of preference shares and their conversion into ordinary shares. The authorization contains specifications regarding the purchase price and the procedure in the event of an oversubscription of a public purchase offer.

Subject to the consent of the Supervisory Board, the Management Board is authorized to use treasury shares of the Company in particular:

- to sell treasury shares for cash other than via the stock exchange or by an offer directed to all shareholders, provided that the selling price per share is not materially below the market trading price of the Company's shares. This authorization is limited to the sale of shares to which a total pro rata amount of no more than 10% of the share capital is attributable at the time this authorization becomes effective and at the time this authorization is exercised. This 10% limit shall include the proportional value of the share capital (i) attributable to shares of the Company that are issued or sold during the term of the authorization with the exclusion of pre-emptive rights by applying Section 186 (3) sentence 4 of the German Stock Corporation Act (AktG) directly or accordingly, and (ii) attributable to shares of the Company that are or still can be issued for the purpose of servicing conversion or option rights or fulfilling conversion or option obligations attached to convertible or option bonds or convertible profit participation rights to the extent that the bonds or profit participation rights are issued during the term of this authorization on the basis of a different authorization by exclusion of pre-emptive rights by applying Section 186 (3) sentence 4 of the German Stock Corporation Act (AktG) accordingly;
- for the sale or other transfer of shares in the Company via the stock exchange or by means of an offer to all shareholders, insofar as this is effected against consideration in kind, in particular in the case of the acquisition of companies, parts of companies or participations in companies, in the case of mergers or in the case of the acquisition of other assets (including rights and receivables);
- for the purpose of fulfilling option and/or conversion rights or obligations attached to convertible and/or option bonds and/or convertible profit participation rights which are granted by the Company or by entities dependent on the Company or entities in which the Company holds a majority interest;
- to the extent that it is necessary in order to grant to holders or creditors of option and/or conversion rights attached to convertible and/or option bonds and/or convertible profit participation rights, which are granted by the Company or by entities dependent on the Company or entities in which the Company holds a majority interest, or, in case of an own conversion right of the Company, to holders or creditors obligated thereby, preemptive rights to shares to the extent that such holders or creditors would be entitled to after the exercise of the conversion or option rights or after the fulfillment of the conversion or option obligations; or
- in the context of participation programs and/or in the context of share-based remuneration (also at reduced prices and/or without separate remuneration). Insofar as treasury shares are to be granted to members of the Management Board of the Company, the Supervisory Board of the Company shall decide on the allocation.

The Management Board is also authorized, with the consent of the Supervisory Board, to redeem treasury shares in whole or in part without a further resolution by the Annual General Meeting. The redemption shall be effected by way of a simplified procedure without a capital reduction or in such a way that the share capital remains unchanged, thereby increasing the notional portion of the share capital associated with the remaining shares pursuant to Section 8 (3) of the German Stock Corporation Act (AktG).

All the above authorizations may be exercised in whole or in part, on one or more occasions, by the Company or by companies in which the Company holds a majority interest; furthermore, the authorization may also be exercised for the account of the Company or for the account of third parties acting on behalf of dependent companies or companies in which the Company holds a majority interest.

The provisions on the use of treasury shares under exclusion of pre-emptive rights as well as on the redemption of treasury shares also apply to treasury shares that are acquired based on the authorizations granted by resolution of the General Meeting of May 31, 2021, pursuant to Section 71 (1) no. 8 of the German Stock Corporation Act (AktG) to acquire treasury shares or to acquire treasury shares using derivatives.

Pursuant to the resolution of the General Meeting of June 14, 2021, the Company is also authorized to acquire treasury shares, other than by the means described above, using derivatives in accordance with Section 71 (1) no. 8 of the German Stock Corporation Act (AktG).

For this purpose, the Company is authorized to:

- sell options that obligate the Company to purchase shares in the Company upon exercise of the option (put options);
- purchase options giving the Company the right to acquire shares in the Company upon exercise of the option (call options); and
- enter into forward purchase agreements (Terminkaufverträge) with respect to shares of the Company which have a period of more than two stock exchange trading days between the conclusion of the respective purchase agreement and the settlement with the acquired shares (forward purchases)

Treasury shares may be acquired using put options, call options, forward purchases (together "Derivatives") and/or a combination of these Derivatives. The use of Derivatives to acquire treasury shares requires the consent of the Supervisory Board.

The authorization may be exercised in whole or in part, on one or several occasions, by the Company or by companies controlled or majority-owned by the Company; furthermore, the authorization may also be exercised by third parties acting for the account of the Company or for the account of companies controlled or majority-owned by the Company.

Share acquisitions using Derivatives are limited in total to shares amounting to a maximum of 5% of the Company's share capital existing at the time the authorization is granted or – if such an amount is lower – at the time the authorization is exercised.

The term of the respective Derivatives may not exceed 18 months. Furthermore, the term of the Derivatives must be chosen in such a way that the acquisition of shares in the Company using Derivatives does not take place after June 13, 2026.

It must be ensured in the terms and conditions of the Derivatives that the Derivatives are fulfilled only with shares that were previously acquired on the stock exchange in compliance with the principle of equal treatment, whereby the purchase price per share paid for the acquisition on the stock exchange (not including ancillary acquisition costs) must be within the pricing corridor applicable to the acquisition of shares by the Company via the stock exchange pursuant to the authorization to acquire treasury shares (resolution of the General Meeting of June 14, 2021).

The authorization to acquire treasury shares by means of Derivatives contains concrete specifications regarding the purchase price agreed in this context depending on the stock exchange price of the shares of the Company.

If treasury shares are acquired by using Derivatives in accordance with the provisions set out above, the shareholders shall have no right to conclude such derivative contracts with the Company. Shareholders have a right to tender their shares to the Company only to the extent that the Company is obligated vis-à-vis the respective shareholders to take delivery of such shares under the derivative contracts. Any further right to tender is excluded.

For the use of treasury shares acquired using Derivatives, the aforementioned rules for the use of treasury shares acquired on the basis of the authorization set out by the General Meeting on June 14, 2021, apply accordingly.

Hamburg, May 2, 2024

Tarek Müller

Hannes Wiese

Sebastian Betz

## 2. ANNUAL FINANCIAL STATEMENTS

### 2.1 Balance Sheet

#### Balance Sheet of ABOUT YOU Holding SE according to HGB as of February 29, 2024

##### Assets

in EUR million	02/29/2024	02/28/2023
<b>A. Fixed Assets</b>	835.6	1,164.5
I. Financial Assets	835.6	1,164.5
Shares in affiliated companies	835.6	1,164.5
<b>B. Current Assets</b>	53.4	353.9
I. Receivables and other assets	50.9	338.5
1. Receivables from related parties	45.4	337.9
2. Other assets	5.5	0.6
II. Cash balances with credit institutions	2.5	15.4
<b>Balance sheet total</b>	<b>889.0</b>	<b>1,518.4</b>

##### Equity and liabilities

in EUR million	<b>02/29/2024</b>	02/28/2023
<b>A. Equity</b>	<b>874.4</b>	<b>1,514.2</b>
I. Subscribed capital	186.2	186.2
Own shares	(12.0)	(13.7)
II. Capital reserve	962.2	951.4
III. Retained earnings	434.9	434.9
Other retained earnings	434.9	434.9
IV. Accumulated loss	(696.9)	(44.6)
<b>B. Provisions</b>	<b>0.7</b>	<b>0.3</b>
Other provisions	0.7	0.3
<b>C. Liabilities</b>	<b>12.4</b>	<b>2.4</b>
1. Trade accounts payable	1.1	0.7
2. Liabilities to affiliated companies	11.1	1.4
3. Other liabilities	0.2	0.3
<b>D. Deferred tax liabilities</b>	<b>1.5</b>	<b>1.5</b>
<b>Balance sheet total</b>	<b>889.0</b>	<b>1,518.4</b>

## 2.2 Income Statement

### Income Statement of ABOUT YOU Holding SE In accordance with the HGB from March 1, 2023 to February 29, 2024

in EUR million	<b>FY 2023/2024</b>	FY 2022/2023
1. Revenue	24.0	17.7
2. Other operating income	0.8	0.1
3. Cost of materials	0.0	(0.1)
Expenses for purchased services	0.0	(0.1)
4. Personnel expenses	(28.6)	(18.9)
a) Wages and Salaries	(26.3)	(18.0)
b) Social security contributions	(2.3)	(0.9)
5. Other operating expenses	(6.9)	(5.6)
6. Other income and similar income of which from related parties: 3.2 (previous year: 5.5)	3.2	5.5
7. Write-downs on financial assets	(642.9)	0.0
8. Interest and similar expenses of which to related parties: 1.7 (previous year: 0.0)	(1.9)	(0.2)
<b>9. Earnings after Taxes</b>	<b>(652.3)</b>	<b>(0.0)</b>
<b>10. Net loss for the period</b>	<b>(652.3)</b>	<b>(1.5)</b>
11. Loss carried forward	(44.6)	(1,5)
<b>12. Accumulated loss</b>	<b>(696,9)</b>	<b>(43.1)</b>



# 3. NOTES TO THE FINANCIAL STATEMENTS IN FISCAL YEAR 2023/2024

## 3.1 General Information

ABOUT YOU Holding SE (hereinafter referred to as “ABOUT YOU” or the “Company”) is a publicly listed European stock corporation with its registered office in Hamburg, Germany, which is entered in the commercial register at the Hamburg District Court under the number HRB 170972

## 3.2 Accounting Policies

Due to its capital market orientation, ABOUT YOU Holding SE is a large corporation within the meaning of Section 267 (3) sentence 2 HGB. The annual financial statements were prepared in accordance with the statutory provisions for large corporations.

The income statement was prepared using the nature of expense method.

### Valuation of Financial Assets

Financial assets are measured at the lower of cost or fair value.

### Valuation of Receivables and Other Assets

Receivables and other assets are recognized at nominal value less appropriate value adjustments.

### Valuation of Bank Balances

Bank balances are recognized at nominal value.

### Valuation of Equity

Equity is measured at nominal value. The valuation of treasury shares included in equity is explained in section 3.3 (4.). The valuation of the share-based remuneration included in the capital reserve is shown in section 3.3 (6.).

### Valuation of Other Provisions

Other provisions are recognized in accordance with prudent business judgment for uncertain liabilities in the amount required to settle them.

### Valuation of Payables

Liabilities are measured at the settlement amount.

### Deferred Taxes

Deferred taxes are recognized for temporary differences that are expected to reverse in the future between the carrying amounts of assets and liabilities for financial reporting and tax purposes, insofar as this is permitted under Section 274 HGB. If there is a surplus of deferred tax assets, no use is made of the existing recognition option.

In order to address concerns about the unequal distribution of profits and the unequal tax contributions of large multinational companies, various global agreements have been reached, including an agreement by over 135 countries on the introduction of a global minimum tax rate of 15%. Following the publication of several drafts and guidelines by the OECD, on November 10, 2023, the German Bundestag passed the Act to Ensure a Global

Minimum Tax Rate for Groups (Minimum Taxation Act), which was subsequently approved by the German Bundesrat on December 15, 2023.

ABOUT YOU Holding SE has been closely following the progress of the legislative process in Germany. As soon as the changes to the tax legislation in Germany come into force, ABOUT YOU Holding SE may be subject to the minimum tax on its income. As of February 29, 2024, the minimum tax legislation is not applicable in Germany. ABOUT YOU Holding SE may be subject to this obligation from the financial year 2024/2025, which ends on February 28, 2025, at the earliest.

No minimum taxation or increase in tax rates is expected in Germany, as the cumulative tax burden is around 30% and even if the corporate income tax rate (15%) is considered in isolation, the minimum tax rate would initially be met.

ABOUT YOU Holding SE has applied the reform of the international tax system - model provisions for Pillar 2 (amendments to IAS 12). As a result, the exemption applies to the calculation of deferred taxes due to global minimum taxation.

The exemption is to be applied retrospectively. As no new law on the introduction of global minimum taxation applies in Germany as at February 29, 2024 and no associated deferred taxes were recognized at that time, the retrospective application has no effect on the Consolidated Financial Statements.

### **3.3 Notes to the Balance Sheet and Income Statement**

#### **(1.) Fixed Assets**

The development of fixed assets is as follows

**Development of financial assets as of 02/29/2024**

in EUR million	Financial Assets
<b>Acquisition costs</b>	
<b>03/01/2023</b>	<b>1,164.5</b>
Additions	314.0
<b>02/29/2024</b>	<b>1,478.5</b>
<b>Depreciation and amortization</b>	
<b>03/01/2023</b>	<b>0.0</b>
Additions	642.9
<b>02/29/2024</b>	<b>642.9</b>
<b>Carrying amounts</b>	
<b>03/01/2023</b>	<b>1,164.5</b>
<b>02/29/2024</b>	<b>835.6</b>

**Development of financial assets as of 02/28/2023**

in EUR million	Financial Assets
<b>Acquisition costs</b>	
<b>03/01/2022</b>	<b>1,164.5</b>
<b>02/28/2023</b>	<b>1,164.5</b>
<b>Depreciation and amortization</b>	
<b>03/01/2022</b>	<b>0.0</b>
<b>02/28/2023</b>	<b>0.0</b>
<b>Carrying amounts</b>	
<b>03/01/2022</b>	<b>1,164.5</b>
<b>02/28/2023</b>	<b>1,164.5</b>

(2.) Financial assets

The shares in affiliated companies included in financial assets break down as follows as at February 29, 2024

Company name/registered Office	Share of Capital in %	Equity as of 02/29/2024 in EUR million	Result for the FY 2023/2024 in EUR million
ABOUT YOU Verwaltungs SE, Hamburg	100	670.6	(3.7)

In addition, ABOUT YOU Holding SE indirectly held shares in the following companies as of February 29, 2024:

Company	Seat, Country	Group Shareholding reporting date	Equity of the last financial year in EUR million	Result of the last financial year in EUR million
Adference GmbH <sup>35</sup>	Lüneburg, Germany	100.0%	1.5	0.0
ABOUT YOU SE & Co. KG <sup>36</sup>	Hamburg, Germany	100.0%	105.9	(107.3)
ABOUT YOU Beteiligungs GmbH <sup>31</sup>	Hamburg, Germany	100.0%	0.1	0.0
SCAYLE Payments GmbH <sup>31</sup>	Hamburg, Germany	100.0%	0.6	(2.3)
SCAYLE GmbH <sup>37</sup>	Hamburg, Germany	100.0%	12.2	0.0
LeGer GmbH <sup>38</sup>	Hamburg, Germany	40.0%	0.0	(14.8)
Guido Maria Kretschmer Ajour GmbH <sup>39</sup>	Hamburg, Germany	19.9%	0.0	(8.2)
The HAUS Apparel GmbH <sup>40</sup>	Berlin, Germany	49.0%	0.0	(1.4)
Soko München GmbH <sup>41</sup>	Munich, Germany	39.6%	0.2	(0.3)
Supreme GmbH <sup>42</sup>	Rostock, Germany	38.0%	0.6	(0.7)
Why Not Enterprises GmbH <sup>43</sup>	Berlin, Germany	43.0%	0.0	(0.2)
6PM GmbH <sup>44</sup>	Frankfurt am Main, Germany	20.0%	3.1	(0.6)

### (3.) Receivables and other assets

Of the receivables reported in the balance sheet, EUR 20.9 million (28.02.2023: EUR 0.0 million) were due in more than one year as at 29.02.2024. The other receivables are due within one year.

<sup>35</sup> Disclosure of equity after profit transfer and earnings as at December 31, 2023 in accordance with HGB; Adference GmbH has a different financial year (January 1 to December 31)

<sup>36</sup> Disclosure of the preliminary equity and the preliminary result as at 29.02.2024 in accordance with HGB

<sup>37</sup> Disclosure of equity and earnings as at December 31, 2022 in accordance with HGB; LeGer GmbH has a different financial year (January 1 to December 31)

<sup>38</sup> Disclosure of the preliminary equity and the preliminary result as at December 31, 2023 in accordance with HGB; the Company has a deficit not covered by equity as at December 31, 2023; the Company has a different financial year (January 1 to December 31)

<sup>39</sup> Disclosure of equity and the result as at December 31, 2022 in accordance with the German Commercial Code (HGB); the Company reported a deficit not covered by equity as at February 29, 2024

<sup>40</sup> Disclosure of equity and earnings as at December 31, 2022 in accordance with the German Commercial Code (HGB); the Company has a deficit not covered by equity as at December 31, 2022; the Company has a different financial year (January 1 to December 31)

<sup>41</sup> Disclosure of equity and earnings as at December 31, 2022 in accordance with the German Commercial Code (HGB); the Company has a different financial year (January 1 to December 31)

<sup>42</sup> Disclosure of equity and earnings as at December 31, 2021 in accordance with the German Commercial Code (HGB); the Company has a different financial year (January 1 to December 31)

<sup>43</sup> Disclosure of equity and the result as at 28.02.2022 in accordance with the German Commercial Code (HGB); the Company has a deficit not covered by equity as at 28.02.2022

<sup>44</sup> Disclosure of equity and earnings as at December 31, 2021 in accordance with the German Commercial Code (HGB); the Company has a different financial year (January 1 to December 31)

Receivables from affiliated companies included trade receivables of EUR 24.5 million as at 29.02.2024 (28.02.2023: EUR 17.5 million).

#### (4.) Equity

##### Number of Shares

As of the reporting date ABOUT YOU had issued 186,153,487 no-par value bearer shares of common stock. Each share represents a pro rata amount of the subscribed capital of EUR 1.00 and entitles the holder to one vote at the Company's Annual General Meeting.

##### Treasury Shares

As of the reporting date, ABOUT YOU held 11,992,338 treasury shares (previous year: 13,719,858) with an acquisition cost of zero, from which the Company has no rights pursuant to Section 71b of the German Stock Corporation Act (AktG). Compared with February 28, 2023, the number of treasury shares has been reduced by the number of stock options exercised in the amount of 1,727,520 as part of share-based payments.

##### Authority of the Management Board to Issue or Repurchase Shares

###### Authorized Capital 2021

Pursuant to Article 4 (4) of the Articles of Association, the Management Board is authorized, with the consent of the Supervisory Board, to increase the share capital of the Company on one or more occasions on or before May 30, 2026 (inclusive) by a total of up to EUR 78,791,000 by issuing new no-par value bearer shares against cash contributions and/or contributions in kind ("Authorized Capital 2021"). Shareholders are generally entitled to the statutory pre-emptive right to the new shares. The new shares may also be taken up by banks designated by the Management Board or by equivalent companies pursuant to Section 186 (5) sentence 1 of the German Stock Corporation Act (AktG) with the obligation to offer them to the shareholders for subscription.

The Management Board is authorized, with the consent of the Supervisory Board, to exclude the shareholders' statutory pre-emptive rights in whole or in part in certain cases specified in Article 4 (4) of the Articles of Association. In simplified terms, this is possible in the following cases:

- to avoid fractional amounts resulting from the subscription ratio,
- to offer shares to holders of conversion or option rights attached to convertible and/or option bonds to the extent to which they are entitled to such shares after conversion or exercise of the option,
- if, in the case of a capital increase against cash, the issue price is not significantly lower than the stock exchange price and the total pro rata amount attributable to the new shares for which the pre-emptive right is excluded does not exceed 10% of the share capital,
- to issue shares against contributions in kind, for the purpose of acquiring companies, parts of companies or participations in companies, in the context of mergers and/or for the purpose of acquiring other assets (including rights and receivables), or
- to issue shares against cash and/or in-kind contributions within the scope of participation programs and/or within the scope of share-based remuneration, provided that the total pro rata amount attributable to the new shares for which the pre-emptive right is excluded does not exceed 10% of the share capital.

The authorizations to exclude pre-emptive rights explained above may also be combined.

The Management Board is authorized, with the consent of the Supervisory Board, to determine the further content of the share rights and the conditions of the share issue. Further details on Authorized Capital 2021 can be found in Article 4 (4) of the Articles of Association..

## Conditional Capital 2021/I

The share capital of the Company is conditionally increased pursuant to Article 4 (5) of the Articles of Association of ABOUT YOU by up to EUR 3,310,500 by the issuance of in total up to 3,310,500 new bearer shares with no-par value (Conditional Capital 2021/I). The Conditional Capital 2021/I serves exclusively the purpose of servicing pre-emptive rights of the members of the Management Board granted until 31 July 2021 (inclusive) under the Long-Term Incentive Plan 2021 in accordance with the resolution of the General Meeting on 31 May 2021. The conditional capital increase will be implemented only to the extent that the holders of the granted pre-emptive rights exercise their pre-emptive rights to shares in the Company, and the Company neither grants treasury shares nor cash payments to fulfil the pre-emptive rights. Granting and fulfilling pre-emptive rights vis-à-vis the members of the Management Board of the Company is the exclusive responsibility of the Supervisory Board.

## Powers to Issue Convertible Bonds or Bonds with Warrants / Conditional Capital 2021/II

By resolution of May 31, 2021, the General Meeting authorized the Management Board, subject to the consent of the Supervisory Board, to issue bearer and/or registered convertible and/or option bonds with a limited or unlimited term (hereinafter together the "Bonds") in the total nominal amount of up to EUR 2.2 billion on one or several occasions on or before May 30, 2026, and to grant to the holders or creditors of such Bonds, respectively, conversion or option rights for subscribing to up to a total of 75,480,000 new no-par value bearer shares representing up to EUR 75,480,000 of the Company's registered share capital.

The Bonds may also be issued by a domestic or foreign company in which ABOUT YOU directly or indirectly holds a majority of the votes and capital. In this case, the Management Board is authorized, subject to the consent of the Supervisory Board, to assume the guarantee for these Bonds on behalf of ABOUT YOU and to grant to the holders or creditors of such Bonds, respectively, conversion or option rights for shares in the Company as well as to make further declarations and take further actions as are required for a successful issuance.

The aforementioned authorization contains concrete specifications regarding the option or conversion price in each case. The option or conversion price may be adjusted in a value-preserving manner in the event of economic dilution or in the event of changes in capital or other extraordinary measures or events that may lead to a change in the economic value of the Bonds (e.g., dividend payments, acquisition of control by a third party), even beyond the cases provided for by law. Furthermore, the terms and conditions of the Bonds may provide that the exchange ratio and/or the option or conversion price are variable and that the option or conversion price is determined within a range to be specified depending on the development of the share price during the term.

Whenever Bonds are issued, the shareholders are generally entitled to the statutory pre-emptive rights. The statutory pre-emptive rights may be granted to the shareholders in such a way that the Bonds are underwritten by a bank or by equivalent companies within the meaning of Section 186 (5) sentence 1 of the German Stock Corporation Act (AktG) with the obligation to offer them to the shareholders for subscription. If Bonds are issued by a company in which ABOUT YOU directly or indirectly holds a majority of the votes and capital, ABOUT YOU must ensure that the statutory pre-emptive rights are granted to the shareholders of the company in accordance with the above.

However, the Management Board is authorized, subject to the consent of the Supervisory Board, to exclude the shareholders' statutory pre-emptive rights in whole or in part as specified in the authorization resolution. In simplified terms, this is possible in the following constellations:

- by applying Section 186 (3) sentence 4 of the German Stock Corporation Act (AktG) accordingly, provided that the Bonds are issued against consideration in cash and the Management Board comes, after due assessment, to the conclusion that the issue price is not significantly below the theoretical market value of the Bonds with

conversion or option right or conversion obligation as determined in accordance with generally accepted financial calculation methods. However, this authorization to exclude pre-emptive rights only applies to Bonds with conversion and/or option rights or conversion obligations with respect to shares, the total proportionate amount of which does not exceed 10% of the registered share capital, neither at the time this authorization becomes effective nor – if lower – at the time it is exercised. This 10% threshold shall include the pro-rate amount of the share capital (i) attributable to Company shares issued or sold during the term of this authorization with exclusion of pre-emptive rights in direct or analogous application of Section 186 (3) sentence 4 of the German Stock Corporation Act (AktG), and (ii) attributable to Company shares issued or still to be issued for the purpose of servicing conversion or option rights or conversion obligations or option obligations or convertible profit participation rights which (on the basis of other authorizations) were in turn issued during the term of the authorization with the exclusion of pre-emptive rights in analogous application of Section 186 (3) sentence 4 of the German Stock Corporation Act (AktG),

- to exclude fractional amounts from the shareholders' pre-emptive rights,
- to the extent necessary to grant to the holders or creditors of conversion or option rights attached to convertible and/or option bonds and/or convertible profit participation rights previously issued by the Company or a company in which it holds a majority interest, or, in case of an own conversion right of the Company, to holders or creditors obligated thereby, pre-emptive rights to the extent they would be entitled to after exercising the conversion or option rights or after fulfilling a conversion or option obligation, or
- insofar as Bonds are issued against contributions in kind, in particular for the purpose of acquiring companies, parts of companies or participations in companies, within the scope of mergers and/or for the purpose of acquiring other assets (including rights and receivables) and the Management Board, after due examination, has come to the conclusion that the value of the contributions in kind is in reasonable proportion to the theoretical market value of the Bonds as determined in accordance with recognized principles of financial mathematics.

The authorizations to exclude pre-emptive rights explained above may also be combined.

This authorization creates conditional capital of up to EUR 75,480,000 pursuant to Article 4 (6) of the Articles of Association through the issuance of up to 75,480,000 new no-par value bearer shares (Conditional Capital 2021/II). The Conditional Capital 2021/II serves the purpose of granting shares to holders or creditors of convertible bonds as well as to holders of option rights attached to option bonds that are issued on or before May 30, 2026, based on the authorization granted by resolution of the General Meeting of ABOUT YOU Holding AG (the legal predecessor of the Company) on May 31, 2021, by the Company or a national or foreign subsidiary in which the Company either directly or indirectly holds a majority in terms of voting rights and capital. The conditional capital increase is only implemented to the extent that the conversion or option rights attached to the aforementioned bonds are de facto exercised or conversion obligations attached to such bonds are fulfilled and to the extent that no other forms of fulfilment are used for this purpose. The new shares are issued at the conversion price or option price that is determined in accordance with the authorization resolution. The Management Board is authorized, with the consent of the Supervisory Board, to determine the further details of the implementation of the conditional capital increase.

### **Powers to Acquire Treasury Shares**

By resolution of June 14, 2021, the General Meeting authorized the Company pursuant to Section 71 (1) no. 8 of the German Stock Corporation Act (AktG) to acquire treasury shares on or before June 13, 2026, in an amount of up to 10% of the share capital of the Company at the time the authorization is granted or – if such amount is lower – at the time of the authorization is exercised. The amount of treasury shares acquired on the basis of this authorization together with other treasury shares in possession of the Company or attributed

to the Company pursuant to Sections 71a et seq. of the German Stock Corporation Act (AktG) may not exceed at any time an amount of 10% of the respective share capital.

The acquisition may, at the discretion of the Management Board, be effected (i) via the stock exchange, (ii) by means of a public tender offer addressed to all shareholders, (iii) by means of a public solicitation to submit offers for sale, (iv) via participants in share-based incentive or remuneration programs or entities owned by such participants in connection with the settlement of such programs and/or (v) via the holders of (former) preference shares in the Company in connection with, or subsequent to, a cancellation of profit or liquidation preferences of preference shares and their conversion into ordinary shares. The authorization contains specifications regarding the purchase price and the procedure in the event of an oversubscription of a public purchase offer.

Subject to the consent of the Supervisory Board, the Management Board is authorized to use treasury shares of the Company in particular:

to sell treasury shares for cash other than via the stock exchange or by an offer directed to all shareholders, provided that the selling price per share is not materially below the market trading price of the Company's shares. This authorization is limited to the sale of shares to which a total pro rata amount of no more than 10% of the share capital is attributable at the time this authorization becomes effective and at the time this authorization is exercised. This 10% limit shall include the proportional value of the share capital (i) attributable to shares of the Company that are issued or sold during the term of the authorization with the exclusion of pre-emptive rights by applying Section 186 (3) sentence 4 of the German Stock Corporation Act (AktG) directly or accordingly, and (ii) attributable to shares of the Company that are or still can be issued for the purpose of servicing conversion or option rights or fulfilling conversion or option obligations attached to convertible or option bonds or convertible profit participation rights to the extent that the bonds or profit participation rights are issued during the term of this authorization on the basis of a different authorization by exclusion of pre-emptive rights by applying Section 186 (3) sentence 4 of the German Stock Corporation Act (AktG) accordingly;

for the sale or other transfer of shares in the Company via the stock exchange or by means of an offer to all shareholders, insofar as this is effected against consideration in kind, in particular in the case of the acquisition of companies, parts of companies or participations in companies, in the case of mergers or in the case of the acquisition of other assets (including rights and receivables);

for the purpose of fulfilling option and/or conversion rights or obligations attached to convertible and/or option bonds and/or convertible profit participation rights which are granted by the Company or by entities dependent on the Company or entities in which the Company holds a majority interest;

to the extent that it is necessary in order to grant to holders or creditors of option and/or conversion rights attached to convertible and/or option bonds and/or convertible profit participation rights, which are granted by the Company or by entities dependent on the Company or entities in which the Company holds a majority interest, or, in case of an own conversion right of the Company, to holders or creditors obligated thereby, pre-emptive rights to shares to the extent that such holders or creditors would be entitled to after the exercise of the conversion or option rights or after the fulfillment of the conversion or option obligations; or

in the context of participation programs and/or in the context of share-based remuneration (also at reduced prices and/or without separate remuneration). Insofar as treasury shares are to be granted to members of the Management Board of the Company, the Supervisory Board of the Company shall decide on the allocation.

The Management Board is also authorized, with the consent of the Supervisory Board, to redeem treasury shares in whole or in part without a further resolution by the Annual General Meeting. The redemption shall be effected by way of a simplified procedure without a capital



reduction or in such a way that the share capital remains unchanged, thereby increasing the notional portion of the share capital associated with the remaining shares pursuant to Section 8 (3) of the German Stock Corporation Act (AktG).

All the above authorizations may be exercised in whole or in part, on one or more occasions, by the Company or by companies in which the Company holds a majority interest; furthermore, the authorization may also be exercised for the account of the Company or for the account of third parties acting on behalf of dependent companies or companies in which the Company holds a majority interest.

The provisions on the use of treasury shares under exclusion of pre-emptive rights as well as on the redemption of treasury shares also apply to treasury shares that are acquired based on the authorizations granted by resolution of the General Meeting of May 31, 2021, pursuant to Section 71 (1) no. 8 of the German Stock Corporation Act (AktG) to acquire treasury shares or to acquire treasury shares using derivatives.

Pursuant to the resolution of the General Meeting of June 14, 2021, the Company is also authorized to acquire treasury shares, other than by the means described above, using derivatives in accordance with Section 71 (1) no. 8 of the German Stock Corporation Act (AktG).

For this purpose, the Company is authorized to:

sell options that obligate the Company to purchase shares in the Company upon exercise of the option (put options);

purchase options giving the Company the right to acquire shares in the Company upon exercise of the option (call options); and

enter into forward purchase agreements (Terminkaufverträge) with respect to shares of the Company which have a period of more than two stock exchange trading days between the conclusion of the respective purchase agreement and the settlement with the acquired shares (forward purchases)

Treasury shares may be acquired using put options, call options, forward purchases (together "Derivatives") and/or a combination of these Derivatives. The use of Derivatives to acquire treasury shares requires the consent of the Supervisory Board.

The authorization may be exercised in whole or in part, on one or several occasions, by the Company or by companies controlled or majority-owned by the Company; furthermore, the authorization may also be exercised by third parties acting for the account of the Company or for the account of companies controlled or majority-owned by the Company.

Share acquisitions using Derivatives are limited in total to shares amounting to a maximum of 5% of the Company's share capital existing at the time the authorization is granted or – if such an amount is lower – at the time the authorization is exercised.

The term of the respective Derivatives may not exceed 18 months. Furthermore, the term of the Derivatives must be chosen in such a way that the acquisition of shares in the Company using Derivatives does not take place after June 13, 2026.

It must be ensured in the terms and conditions of the Derivatives that the Derivatives are fulfilled only with shares that were previously acquired on the stock exchange in compliance with the principle of equal treatment, whereby the purchase price per share paid for the acquisition on the stock exchange (not including ancillary acquisition costs) must be within the pricing corridor applicable to the acquisition of shares by the Company via the stock exchange pursuant to the authorization to acquire treasury shares (resolution of the General Meeting of June 14, 2021).

The authorization to acquire treasury shares by means of Derivatives contains concrete specifications regarding the purchase price agreed in this context depending on the stock exchange price of the shares of the Company.

If treasury shares are acquired by using Derivatives in accordance with the provisions set out above, the shareholders shall have no right to conclude such derivative contracts with the Company. Shareholders have a right to tender their shares to the Company only to the extent that the Company is obligated vis-à-vis the respective shareholders to take delivery of such shares under the derivative contracts. Any further right to tender is excluded.

For the use of treasury shares acquired using Derivatives, the aforementioned rules for the use of treasury shares acquired on the basis of the authorization set out by the General Meeting on June 14, 2021, apply accordingly.

#### **(5.) Other Provisions**

Other provisions were recognized primarily for personnel costs and outstanding fees for auditing and consulting services.

#### **(6.) Share-Based Payments**

Expenses of EUR 12.5 million were recognized for the share-based payment commitments of ABOUT YOU as of the reporting date. The key share-based compensation commitments are divided into the following nine programs, which are explained in detail below. All of the listed share-based compensation commitments for the Management Board, management and employees were accounted for using equity instruments in 2024. The programs follow the basic assumption that the rules of the programs apply equally to all participants.

##### **Management Board Program LTI 2021**

In addition to the non-performance-related remuneration, the Management Board members were each granted options in the same amount by way of a one-time allocation under the LTI 2021 as part of the amendment to the service contracts of the Management Board on June 4, 2021. Each member of the Management Board was allocated a total of 1,702,128 (5,106,384 in total) options according to the following formula:

$$N = 80,000,000 / 2x \text{ exercise price}$$

The LTI 2021 is an option program which, in addition to the time component in the form of continued Executive Board activity ("time vesting"), is linked to the development of key performance indicators of the Group and refers to target criteria from the area of ESG (Environmental Social Governance) ("performance vesting").

The key terms and conditions of the LTI 2021 are presented in detail below:

##### **(a) Exercise price**

The exercise price for each option corresponds to the mean value of the price range applicable to each share at the time of placement in the listing. The price range was set at EUR 21.00 to EUR 26.00 on June 7, 2021. Accordingly, the mean value is EUR 23.50 ("exercise price").

##### **(b) Vesting period – time vesting**

The options granted vest after the expiry of certain periods, provided that the Management Board member concerned remains with the Company at the expiry of the time limit ("time vesting"):

- 12% of options at the end of February 28, 2022
- 14% of options at the end of February 28, 2023
- 16% of options at the end of February 29, 2024
- 18% of options at the end of February 28, 2025
- 20% of options at the end of February 28, 2026
- 20% of options at the end of February 28, 2027

Depending on the vesting dates presented above, the options are divided into two tranches, which are subject to different terms and conditions under the “performance vesting” described below. Options that vest on or before February 28, 2025 (inclusive) (a total of 3,063,830 options) belong to Tranche 1 (“Tranche 1 options”). Options that vest at the end of February 28, 2026, and February 28, 2027 (in total 2,042,554 options) belong to Tranche 2 (“Tranche 2 options”).

(c) Vesting period – performance vesting

In addition to the time component, a prerequisite for the vesting of the options is that certain predefined performance targets are also achieved within certain periods (“Performance Vesting”). These Performance Vesting targets were set by the Supervisory Board prior to the private placement and consist of the average annual growth of Group revenue (“revenue CAGR”), the development of the adjusted EBITDA (“adjusted EBITDA”) of the Group and various ESG parameters. The Performance Vestings are included with different weightings in both Tranche 1 and Tranche 2, with “Revenue CAGR” taken into account at 60%, “Adjusted EBITDA” at 30% and the ESG parameters at 10% in the respective tranche. The degree of target achievement is determined on the basis of the medium-term target values set by the Supervisory Board prior to the private placement (“Current Medium-Term Performance Targets”) and the future medium-term target values to be resolved by the Supervisory Board at the end of FY 2022/2023 (“Future Medium-Term Performance Targets”), whereby the higher value according to Current and Future Medium-Term Performance Targets is always decisive for the key performance indicator of revenue CAGR set out in the LTI 2021. If the respective Performance Vesting Targets are achieved by less than 85%, the options concerned will be forfeited without compensation. If the respective target is met by 85%, 20% of the options are forfeited. If it is met by 100%, no option is forfeited. In the range between 85% and 100%, the proportion of options that expire decreases linearly. For the options attributable to ESG criteria, a differentiation is only made between the target being met and not being met: If it is achieved, no option expires. If it is not achieved, all options allocated to this Performance Vesting Target expire. Tranche 1 options can be exercised for the first time after June 30, 2025, and tranche 2 options for the first time after June 30, 2027. Options that have not been exercised by June 30, 2029 (inclusive) expire without compensation. Options may only be exercised within certain exercise windows of two weeks specified in more detail in the LTI terms and conditions, which are in each case after the publication of the (preliminary) financial figures for a financial year, half-year or quarter. Exercise is not possible within certain closed periods defined in the LTI 2021 (so-called black-out periods). The exercise of options vested according to the aforementioned conditions is only permitted if the Company's share price (weighted average price per share in XETRA trading within a period of three months prior to the relevant date) reaches 200% of the exercise price, i.e. EUR 47.00, no later than February 28, 2027 and additionally either (i) at the beginning of the respective exercise window or (ii) on at least three trading days on the Frankfurt Stock Exchange within a previous exercise window (“exercise threshold”).

(d) Settlement of Options

Upon exercise of the options, the respective Management Board member shall be delivered by the Company from the Conditional Capital a number of shares corresponding to the settlement value of the exercised options. The settlement value of the exercised options corresponds to the amount by which the share price exceeds the exercise price upon exercise, but is limited to 200% of the exercise price (i.e. EUR 47.00 per option - “cap”).

Instead of delivering shares from the Conditional Capital, the Company may make a cash payment to the respective Management Board member in the amount of the settlement value per option (less payroll taxes and any other statutory levies to be withheld by the Company) (cash settlement) or service its obligation to deliver shares with existing treasury shares.

## Programs for Managers and Employees

In addition to the management programs from FY 2021/2022 and FY 2022/2023 (as further described below), ABOUT YOU in FY 2023/2024 implemented the STI RSUP 2023 plan, effective October 1, 2023. All historical and new programs are explained below. A distinction is made between ongoing, one-time granted and completed programs. Within these sections the programs are arranged chronologically by program launch.

## Continuous Programs

### RSUP & SOP 2021 ff.

Effective FY 2021/2022, ABOUT YOU implemented the Restricted Stock Unit Plan 2021 (RSUP 2021) and Stock Option Plan (SOP 2021) management programs, effective October 1, 2021. The programs may be issued on a rolling basis, with two tranches per fiscal year and grant dates of April 1 and October 1 of each fiscal year. The RSUP & SOP management programs follow the VESOP 2017 – 2021 program, which is discussed in the "Completed Programs" section.

The RSUP 2021 is aimed at ABOUT YOU executives and selected top performers within the organization, while the SOP 2021 is primarily aimed at senior members of the management team in the 1st and 2nd levels below the Management Board, who can divide the grant value of their annual share-based payments at the time of issue between restricted stock units (RSUs) and virtual stock options (SOs) according to the following distributions:

- Option 1: 100% SOP, 0% RSUP
- Option 2: 75% SOP, 25% RSUP
- Option 3: 50% SOP, 50% RSUP
- Option 4: 25% SOP, 75% RSUP
- Option 5: 0% SOP, 100% RSUP

### RSUP 2021 ff.

The RSUP 2021 entitles executives and selected top performers within the organization to receive a compensation component with a long-term incentive effect. Under the program, a total of 504,161 RSUs were granted on April 1, 2023 and a total of 1,282,806 RSUs on October 1, 2023. The calculated issue prices of the RSUs at the grant dates were determined according to the volume-weighted average closing prices (commercially rounded to two decimal places) of the ABOUT YOU Holding SE share in XETRA trading during the last 90 trading days prior to the grant dates and amounted to EUR 5.84 for the issue on April 1, 2023, and EUR 5.77 on October 1, 2023. All eligible employees\* will be notified of an individual euro amount as the grant amount. The number of RSUs is determined by dividing the grant value by the respective issue price. The RSUs granted are subject to a vesting period of three years from the grant date. Within the three-year vesting period, at the end of each year, one-third of the RSUs granted will vest. The total of all payouts of a tranche is limited to 350% of the grant value. The vested RSUs are serviced in cash. Alternatively, the Management Board of ABOUT YOU may decide to settle in real ABOUT YOU shares. Payment is made with the payroll for the month following the announcement of the first financial report (for a quarter, half-year or financial year) after the end of the respective vesting period.

### SOP 2021 ff.

The SOP 2021 entitles employees of the management team in the 1st and 2nd levels below the Management Board to receive a compensation component with a long-term incentive effect. Under the program, no virtual SOs were granted at April 1, 2023 and a total of 299,163 virtual SOs at October 1, 2023. The determined exercise price of the virtual SOs depending on the grant date was determined according to the volume-weighted average closing price (commercially rounded to two decimal places) of the share of ABOUT YOU Holding SE in XETRA trading during the last 90 trading days prior to the grant date and amounted to

EUR 5.77 for the issue on October 1, 2023. All eligible employees will be notified of an individual euro amount as grant amount. To convert the virtual SOs granted into a number of virtual stock options, the grant value attributable to the SOP is first converted into a number of RSUs by dividing it by the exercise price. The number of RSUs thus determined is then multiplied by an exchange factor to determine the number of virtual stock options granted. The exchange factor is determined and is based on the fair value of a virtual stock option and the fair value of an RSU. The exchange ratio may vary from tranche to tranche, even within a year if several grants are made in a year, depending on the determination of the option price at the respective reporting date. The fair value of the virtual stock option was determined using Monte Carlo simulation, individual parameters for the calculation of the fair value can be found in the consolidated table "Valuation of newly granted options". The virtual SOs granted are subject to a vesting period of three years from the grant date. Within the three-year vesting period, at the end of each year, one-third of the virtual SOs granted will vest. The virtual stock options can be exercised for the first time after four years from the grant date. For the shares vesting at the first vesting date, the vesting period is three years, for the shares vesting at the second vesting date, the vesting period is two years. For the shares that vest on the third vesting date, the waiting period is one year. The total of all payments of a tranche is limited to 350% of the grant value. The SOP is serviced in cash. Alternatively, the Management Board of ABOUT YOU may decide to settle in real ABOUT YOU shares. Subject to any insider trading rules and any lock-up periods, all earned virtual SOs can only be exercised after the expiry of the respective waiting period and before the expiry of the relevant end date, of a maximum of four years after the expiry of the respective waiting period and only within four weeks in each case, starting on the third working day after the announcement of the financial report for the respective quarter or financial year.

#### **LTIP 2022 ff.**

Starting with FY 2022/2023, ABOUT YOU implemented the LTIP 2022 management program. In addition to the annual share-based compensation benefits for executives at ABOUT YOU defined in more detail below, a management long-term incentive program was made available to selected members of the management team in the 1st and 2nd levels below the Management Board. Under the program, a total of 3,884,468 virtual stock options (SOs) were granted on April 1, 2023 and a total of 9,878,707 virtual SOs were granted on October 1, 2023). This program represents a performance-related compensation component which in its terms basically follows a similar logic to the LTIP 2021 management program, but differs here in two key respects:

(a) Exercise price

The exercise price for each virtual option corresponds to the volume-weighted average closing price (rounded to two decimal places) of the ABOUT YOU Holding SE share in XETRA trading during the last 30 trading days before the grant date. Accordingly, the exercise price on April 1, 2023 was EUR 5.02 while the exercise price on October 1, 2023 was EUR 5.77. The exercise of the virtual options is only permitted if the Company's share price (weighted average price per share in XETRA trading within a period of three months prior to the relevant date) reaches 200% of the exercise price at the beginning of the respective exercise window or (ii) on at least three trading days on the Frankfurt Stock Exchange within a previous exercise window, but no later than on the last day of the vesting period of the tranche 2 options ("exercise threshold"). However, the maximum value of the virtual options is limited to 300% of the exercise price ("cap").

(b) Vesting period – time vesting

The virtual options granted are allocated after the expiry of certain periods. The vesting period begins on April 1 and October 1 of the respective calendar year. The vesting period ends no later than the end of the last day of a 72-month vesting period from the grant date:

- 12% of the virtual options are allocated at the end of the last day of a 12-month vesting period from the grant date
- 14% of the virtual options are allocated at the end of the last day of a 24-month vesting period from the grant date
- 16% of the virtual options are allocated at the end of the last day of a 36-month vesting period from the grant date
- 18% of the virtual options are allocated at the end of the last day of a 48-month vesting period from the grant date
- 20% of the virtual options are allocated at the end of the last day of a 60-month vesting period from the grant date
- 20% of the virtual options are allocated at the end of the last day of a 72-month vesting period from the grant date

Virtual options with a vesting date prior to the expiry of 48 months from the grant date belong to tranche 1 ("tranche 1 – options"), virtual options with a vesting date after 60 or 72 months from the grant date belong to tranche 2 ("tranche 2 – options"). Tranche 1 – options can be exercised after a vesting period of 52 months, Tranche 2 – options can be exercised after a vesting period of 76 months. The VSOP 2022 will be serviced in cash. Alternatively, the Management Board of ABOUT YOU may decide to settle in real ABOUT YOU shares.

### **RSUP 2023**

Effective FY 2023/2024, ABOUT YOU implemented the Restricted Stock Unit Plan (RSUP 2023) with as a short-term incentive effect and the first tranche granted on October 1, 2023. Under the program, a total of 180,938 RSUs were granted on October 1, 2023. The programs may be issued on a rolling basis, with two tranches per fiscal year and grant dates on April 1 and October 1 of each year. The RSUP 2023 is divided into different sub-programs aimed to incentivize different stakeholder groups.

The calculated issue price of the RSUs at the grant date was determined according to the volume-weighted average closing prices (commercially rounded to two decimal places) of the ABOUT YOU Holding SE share in XETRA trading during the last 90 trading days prior to the grant dates and amounted to EUR 5.77 on October 1, 2023. The number of RSUs is determined by dividing the total grant value by the respective issue price. The RSUs granted are subject to a monthly vesting scheme over the course of one year from the grant date. Within the one-year vesting period, at the end of each month, one-twelfth of the RSUs granted have vested. Half of the granted RSUs are issued and settled after 6 months while the other half is settled after 12 months. The RSUs are serviced in cash. Alternatively, the Management Board of ABOUT YOU may decide to settle in real ABOUT YOU shares. Payment is made with the payroll for the month following the announcement of the first financial report (for a quarter, half-year or financial year) after the end of the respective vesting period.

### **STI RSUP 2023**

In the first place the RSUP 2023 aimed at ABOUT YOU executives within the organization, to cover performance-related salary increases. The RSUP 2023 entitles executives and selected employees within the organization to receive a compensation component with a short-term incentive effect. Under the STI RSUP 2023, 153,127 RSUs were granted on October 1, 2023.

### **Employee Share Matching Program (ESMP)**

Under the Employee Share Matching Program (ESMP), all permanent employees had the choice to convert part of your gross annual fix salary in Restricted Stock Units (RSUs) under the STI RSUP 2023 rules. As a reward, ABOUT YOU subsidized the investment value. Under the ESMP, 27,811 RSUs were granted on October 1, 2023.

## Unique Programs

### LTIP 2021

As of FY 2021/2022, ABOUT YOU implemented the one-time management program LTIP 2021. In addition to the annual share-based compensation benefits for executives at ABOUT YOU defined in the previous section, a management LTIP was granted to selected members of the management team in the 1st and 2nd levels below the Management Board. This program represents a performance-based remuneration component, which in its terms and conditions with regard to (a) exercise price, (b) time vesting, (c) performance vesting and (d) settlement of options was set up entirely analogously to the performance-based remuneration system of the Management Board "Management Board Program – LTI 2021". Under the "Management LTIP 2021", no further options were granted in FY 2023, while 508,881 options were forfeited. Options that vest on or before February 28, 2025 (inclusive) (a total of 1,607,241 options) belong to Tranche 1 ("Tranche 1 options"). Options vesting at the end of February 28, 2026 and February 28, 2027 (in total 1,071,494 options) belong to Tranche 2 ("Tranche 2 options"). The LTIP 2021 will be serviced in cash. Alternatively, the Management Board of ABOUT YOU may decide to settle in real ABOUT YOU shares.

### LTI RSUP 2022

Starting in FY 2022/2023, ABOUT YOU implemented the one-time management program LTI RSUP 2022 for selected members of the management team in the 1st and 2nd levels below the Management Board. Under the program, a total of 141,189 restricted stock units (RSUs) were allocated as of October 1, 2022. The determined issue prices of the RSUs at the grant dates were calculated according to the volume-weighted average closing prices (commercially rounded to two decimal places) of the ABOUT YOU Holding SE share in XETRA trading during the last 30 trading days prior to the grant dates and amounted to EUR 6.00 for the issue on October 1, 2022. All eligible employees will be notified of an individual euro amount as the grant amount. The number of RSUs is determined by dividing the grant value by the respective issue price. The RSUs granted are subject to a non-linear vesting period of six years from the grant date:

- 12% of the RSUs granted have vested as of September 30, 2023
- 14% of the RSUs granted have vested as of September 30, 2024
- 16% of the RSUs granted have vested as of September 30, 2025
- 18% of the RSUs granted have vested as of September 30, 2026
- 20% of the RSUs granted have vested as of September 30, 2027
- 20% of the RSUs granted have vested as of September 30, 2027

The sum of all payouts of a tranche is limited to 350% of the grant value. The earned RSUs are serviced in cash. Alternatively, the Management Board of ABOUT YOU may decide to settle in real ABOUT YOU shares. The payout is made with the payroll for the month following the announcement of the first financial report (for a quarter, half-year or financial year) after the end of the respective vesting period.

## Completed Programs

### VESOP 2017-2021

Starting in FY 2017/2018, ABOUT YOU granted virtual shares to executives and selected top performers\* on an annual basis.

Due to the completion of the listing of ABOUT YOU on June 16, 2021, individual bonuses of the employees were converted into virtual shares of ABOUT YOU. Under the program, a total of 2,033,871 virtual shares were granted.

As of FY 2022/2023, ABOUT YOU implemented a complementary program, the RSUP 2022. Under RSUP 2022, additional RSUs are granted to beneficiaries upon exercise of virtual stock options of the VESOP 2017 – 2021. During the FY 2023/2024 a total of 424,153 RSUs were

granted under the program. The RSUs granted have been settled following the four predefined exercise windows in terms of time during which ABOUT YOU grants participants the opportunity to exercise virtual shares. Thus, 234,038 restricted stock units were distributed on Jun. 8, 2023, 40,106 RSUs on Aug. 14, 2023, followed by 64,367 RSUs on Nov. 8, 2023, and 85,642 RSUs on Feb. 13, 2024. The RSUs granted are not subject to further vesting.

### STI RSUP 2022

In FY 2022/2023, ABOUT YOU implemented the one-time management program STI RSUP 2022 for managers at ABOUT YOU and selected top performers. As part of the program, a total of 526,811 restricted stock units (RSUs) were allocated on 1 October 2022. The issue price of the RSUs on the grant date was determined according to the volume-weighted average closing price (commercially rounded to two decimal places) of ABOUT YOU Holding SE shares in XETRA trading during the last 30 trading days prior to the grant date and amounted to EUR 6.00 for the issue on October 1, 2022. All eligible employees will be notified of an individual euro amount as the grant amount. The number of RSUs is determined by dividing the grant value by the respective issue price. The RSUs granted are subject to a vesting period of one year from the grant date. The total of all payouts of a tranche is limited to 350% of the grant value. The vested RSUs are issued in real ABOUT YOU shares. Alternatively, the Management Board of ABOUT YOU may decide to pay out in cash. Payment is made with the payroll for the month following the announcement of the first financial report (for a quarter, half-year or financial year) after the end of the respective vesting period.

### EFSP 2021

In FY 2021/2022, ABOUT YOU implemented the one-time Employee Free Share Plan, which is aimed at all employees below Management Board level who have been employed by ABOUT YOU for more than six months as of the grant date of December 1, 2021. As part of this program, 31,703 restricted stock units (RSUs) were granted by ABOUT YOU on the grant date of 1 December 2021. The RSUs were granted once and voluntarily on December 1, 2021, with no entitlement to future grants of RSUs or other remuneration. All eligible employees will be notified of an individual euro amount as the grant amount, which depends on the length of employment at ABOUT YOU at the time of grant. Employees who have been employed by ABOUT YOU for less than or exactly six months at the grant date will not receive RSUs. Employees who have been employed by ABOUT YOU for more than six but less than 18 months at the grant date will receive a grant value of EUR 500. Employees who have been employed by ABOUT YOU for at least 18 but less than 30 months at the grant date will receive a grant value of EUR 1,000. Employees who have been employed by ABOUT YOU for more than 30 months at the grant date will receive a grant value of EUR 1,500. For employees who have been employed by ABOUT YOU for at least 30 months at the grant date, the Management Board of ABOUT YOU may, at its discretion, determine a grant value of more than EUR 1,500. The calculated issue price of RSUs granted was determined according to the volume-weighted average closing price (commercially rounded to two decimal places) of the ABOUT YOU Holding SE share in XETRA trading during the last 90 trading days prior to the grant date and amounted to EUR 21.74 for the issue on December 1, 2021. The number of RSUs is determined by dividing the grant value by the respective issue price. The RSUs granted are subject to a vesting period of two years from the grant date. Within the two-year vesting period, half of the RSUs granted vest at the end of each year. Accordingly, 50% of the allocated RSUs vested at the first vesting date after the end of the first year on December 1, 2022 and the remaining 50% on December 1, 2023 and were issued in shares. At the end of the second year on December 1, 2023, the remaining 50% of the RSUs granted will have vested. Payment is made with the payroll for the month following the respective vesting date. The vested RSUs were issued in genuine ABOUT YOU shares.



Development of Outstanding Virtual Options

	LTI 2021		LTIP 2021		LTI SOP 2021	
	Quantity	Weighted average exercise price (in EUR)	Quantity	Weighted average exercise price (in EUR)	Quantity	Weighted average exercise price (in EUR)
<b>Outstanding as of 2/28/2023</b>	<b>5,106,384</b>	<b>23.50</b>	<b>3,187,616</b>	<b>23.5</b>	<b>556,247</b>	<b>18.40</b>
Granted in the reporting period (April 2023)	0	0.00	0	0.00	0	-
Granted in the reporting period (October 2023)	0	0.00	0	0.00	299,163	5.70
Forfeited in the reporting period	0	0.00	508,881	23.5	139,478	18.40
Exercised in the reporting period	0	0.00	0	0.00	0	-
<b>Outstanding at 3/1/2024</b>	<b>5,106,384</b>	<b>0.00</b>	<b>2,678,735</b>	<b>23.5</b>	<b>715,932</b>	<b>13.10</b>

	LTIP 2022	
	Quantity	Weighted average exercise price (in EUR)
<b>Outstanding as of 2/28/2023</b>	<b>1,216,687</b>	<b>6.00</b>
Granted in the reporting period (April 2023)	3,884,468	5.02
Granted in the reporting period (October 2023)	9,878,707	5.77
Forfeited in the reporting period	6,083,343	6.00
<b>Outstanding at 3/1/2024</b>	<b>0</b>	<b>0.00</b>

### Allocation of expenses for share-based payment

in EUR million	FY 2023/2024	FY 2022/2023
Management LTI & Initial Grant	3.2	2.6
RSUs / SOPs	6.4	4.6
Other Programs	2.8	5.3
<b>Total</b>	<b>12.5</b>	<b>12.6</b>

### Valuation of Newly Granted Virtual Options

Valuation parameters	LTI SOP 2021	LTIP 2022	LTIP 2022
<b>Allocation date</b>	<b>10/01/2023</b>	<b>04/01/2023</b>	<b>10/01/2023</b>
Weighted average exercise price (in euros)	5.77	5.02	5.77
Peer group volatility (%)	62.36	60.7	57
Expected dividends (%)	0	0	0
Option term (in years, from grant date)	7.5	7.5	7.5
Maturity-equivalent risk-free interest rate (%)	2.73	2.25	2.71
Weighted average fair value of the option (in EUR)	1.72	1.31	1.43

### (7.) Payables

Of the liabilities reported in the balance sheet, EUR 1.8 million (28.02.2023: EUR 2.4 million) were due within one year as at 29.02.2024. The other liabilities are due in more than one year.

Liabilities to affiliated companies included trade payables of EUR 0.5 million as at the reporting date (previous year: EUR 1.4 million).

As at the reporting date, other liabilities included EUR 0.2 million (previous year: EUR 0.3 million) in tax liabilities.

### (8.) Deferred Taxes

The net deferred taxes with excess liabilities in the amount of EUR 1.5 million (previous year: EUR 1.5 million) are based on a different valuation of the investment in ABOUT YOU Verwaltungs SE under commercial and tax law. The different valuations are related to a contribution transaction in FY 2019/2020 and the associated carrying amount application for tax accounting purposes in the reporting year. In accordance with Section 8b KStG, deferred tax liabilities were recognized on 5% of the difference.

The deferred tax assets of EUR 2.6 million included in the balance as at the reporting date result from the partial recognition of deferred tax assets from corporate income tax loss carryforwards of EUR 57.0 million and trade tax loss carryforwards of EUR 56.0 million, taking into account minimum taxation. The percentage limit to be taken into account under minimum taxation for offsetting loss carryforwards of more than EUR 1 million is generally 60%. For the years 2024 to 2027 inclusive, the percentage up to which corporate income tax loss carryforwards in excess of EUR 1 million can be offset has been temporarily set at 70%. The tax rate used to recognize deferred taxes was 32.3%.

The balances changed as follows in the financial year:

Type	Balance (in EUR million) 02/28/2023	Balance (in EUR million) 02/29/2024	Delta (EUR) 2023/2024
Deferred tax assets	2.6	2.6	0.0
Deferred tax liabilities	4.1	4.1	0.0
Balance (surplus of liabilities)	1.5	1.5	0.0

### (9.) Revenue

Revenue includes income from the recharging of expenses for central functions to the subsidiaries.

### (10.) Personnel expenses

Personnel expenses include EUR 12.5 million (2022/2023: EUR 12.4 million) in expenses from share-based remuneration, see section 3.3 (6).

### (11.) Other interest and similar income

Interest and similar income includes EUR 3.2 million (2022/2023: EUR 5.5 million) in income from affiliated companies.

### (12.) Write-downs on financial assets

The write-downs on financial assets result from an impairment of the shares in ABOUT YOU Verwaltungs SE. To test the carrying amount of the investment for impairment, an enterprise value was calculated on the basis of the discounted cash flow method after taking into account net financial debt (equity value) and compared with the carrying amount of the investment. As the equity value was lower than the carrying amount of the investment, an impairment loss was recognized.

## 3.4 Other Disclosures

### 3.4.1 Employees

The average number of employees during the financial year was converted to full-time employees:

Type	FY 2023/2024	FY 2022/2023
Permanent employees	186	77
Working students and temporary staff	8	2

### 3.4.2 Management Board

The Company's Management Board is made up of the following members:

- Tarek Müller, Chief Marketing Officer, Hamburg
- Hannes Wiese, Chief Operating Officer, Hamburg
- Sebastian Betz, Chief Technical Officer, Hamburg

The total remuneration of ABOUT YOU's Management Board members amounted to EUR 0.8 million in FY 2022/2023 (FY 2022/2023: EUR 0.8 million). Of the total remuneration, EUR 0.8 million is due in the short term.

### 3.4.3 Supervisory Board

The Company's Supervisory Board is made up of the following members:

- Sebastian Klauke (Chairman of the Supervisory Board), Managing Director of Otto (GmbH & Co. KG)
- Niels Jacobsen (Deputy Chairman of the Supervisory Board), CEO of William Demant Invest A/S
- Petra Scharner-Wolff, Group Board Member for Finance, Controlling and Human Resources at Otto (GmbH & Co. KG)
- Christina Johansson, Group CFO and member of the Executive Committee of dormakaba International Holding AG
- Christian Leybold, Co-Founder and Managing Partner at e.ventures Managementgesellschaft mbH
- André Schwämmlein, Co-Founder and CEO of Flix SE

The remuneration owed to the Supervisory Board members for FY 2023/2024 amounts to EUR 0.6 million (FY 2022/2023: EUR 0.6 million) and is due and payable after the end of the reporting period in accordance with the currently valid remuneration regulations for the Supervisory Board pursuant to Article 15 of the Articles of Association.

#### **3.4.4 Auditor's Fees**

The total auditor's fee is shown in the Consolidated Financial Statements of ABOUT YOU Holding SE, so that it is not disclosed.

#### **3.4.5 Affiliation with the Group**

The Consolidated Financial Statements of ABOUT YOU Holding SE cover the period from March 1, 2023 to February 29, 2024 and represent the consolidated financial statements for the smallest group of companies to which ABOUT YOU Holding SE belongs.

Otto Aktiengesellschaft für Beteiligungen, Hamburg, as the ultimate parent company of ABOUT YOU, prepares Consolidated Financial Statements for the largest group of group companies, and Otto (GmbH & Co KG), Hamburg, as the immediate parent company of ABOUT YOU, prepares Consolidated Financial Statements for the smallest group of group companies. The Consolidated Financial Statements are published in the company register.

#### **3.4.6 Allocation of Earnings**

The Management Board will propose to the Annual General Meeting that the reported net loss be carried forward to new account.

#### **3.4.7 Declaration on the Corporate Governance Code**

The declaration on the German Corporate Governance Code pursuant to Section 161 AktG was issued in May 2023 and made available to the shareholders of ABOUT YOU Holding SE. It can be viewed at <https://ir.aboutyou.de/websites/aboutyou/German/7000/governance-.html>.

#### **3.4.8 Voting Rights Notifications**

Pursuant to Section 160 (1) No. 8 of the German Stock Corporation Act (AktG), information must be provided on the existence of shareholdings of which ABOUT YOU Holding SE has been notified in accordance with Section 33 (1) or (2) of the German Securities Trading Act (WpHG).

The following table shows the shareholdings in ABOUT YOU that are subject to reporting requirements as per the reporting date and of which the Group has been notified. The information relates in each case to the notifications made to ABOUT YOU in the reporting year by a party subject to reporting requirements.

All publications on notifications of shareholdings in the reporting year can be found on the Company's Investor Relations website under News (Voting Rights).

### Notifiable Shareholdings

Notifying party	Shareholder names	Date of reaching, exceeding or falling below	Reporting threshold	Notification obligations and attributions in accordance with WpHG	Shareholdings in %	Number of voting rights
Otto (GmbH & Co KG), Hamburg; GFH Gesellschaft für Handelsbeteiligungen m.b.H., Hamburg; Aktieselskabet af 12.6.2018, Aarhus, Danmark	Prof. Dr. Michael Otto	4/3/2023	> 50%	§ 33 & § 34	64,74	186.153.487
Otto (GmbH & Co KG), Hamburg; GFH Gesellschaft für Handelsbeteiligungen m.b.H., Hamburg; Aktieselskabet af 12.6.2018, Aarhus, Danmark	Prof. Dr. Michael Otto	4/11/2023	> 50%	§ 33 & § 34	64,74	186.153.487

It should be noted that the information on the percentage shareholding and voting rights may be outdated in the meantime. Up to the date of preparation of the consolidated financial statements, no notifications were received that would change the ratios shown in the table.

### 3.4.9 Subsequent Events

No events of particular significance that could have a key financial impact on these Consolidated Financial Statements occurred after the reporting date.

### 3.5 Assurance of the Legal Representatives

To the best of our knowledge, and in accordance with the applicable reporting principles, the Consolidated Financial Statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group, and the combined management report includes a fair review of the development and performance of the business and the position of the ABOUT YOU Group, together with a description of the key opportunities and risks associated with the expected development of the ABOUT YOU Group.

Hamburg, May 2, 2024

Tarek Müller

Hannes Wiese

Sebastian Betz

## 4. GLOSSARY

### 1P

Part of hybrid business model; own inventory, including third-party brands, Own Labels, and Celebrity Brands

### 3P

Part of hybrid business model; third-party inventory of brand partners, used in the context of ABOUT YOU's drop shipping and FbAY models

### ABOUT YOU Commerce

ABOUT YOU's Commerce business; includes fashion sales to consumers via the website and app and comprises the two segments of ABOUT YOU DACH and ABOUT YOU RoE

### ABOUT YOU DACH

ABOUT YOU DACH; reportable segment comprising ABOUT YOU's home region of Germany, Austria, and Switzerland

### ABOUT YOU ROE

ABOUT YOU Rest of Europe; reportable segment comprising ABOUT YOU's sales regions outside of DACH in Europe, includes all key markets in Continental Europe

### Active Customers

Customers who have made at least one purchase through ABOUT YOU's websites and apps within the last twelve months

### Adjusted EBITA

EBITDA adjusted for (i) equity-settled share-based compensation expenses, (ii) restructuring costs, and (iii) one-time effects

### AOF

Average order frequency; total number of orders divided by total number of active customers

### AOV

Average order value; value of all merchandise sold to customers in the Commerce business, incl. VAT after cancellations and returns, divided by the number of orders within the last twelve months

### APM

Alternative performance measures; alternative performance indicators without recognition according to IFRS

### CAGR

Compound annual growth rate; indicates the mean rate of growth for each year of the relevant period

**CAPEX**

Capital expenditures; payments for investments in intangible assets, property, plant, and equipment, acquisition of company shares, payments, and repayments for loans as well as interest expenses

**CEE**

Central and Eastern Europe

**D2C**

Direct-to-consumer; sales made directly to end customers rather than retailers or wholesalers

**DC**

Distribution center

**EBIT**

Earnings before interest and taxes

**EBITDA**

Earnings before interest, taxes, depreciation, and amortization

**EBITDA Margin**

Ratio of EBITDA to revenue

**Employees (as of Reporting Date)**

Permanent employees expressed as full-time equivalents (as of the reporting date)

**Enabling**

360° services for third-party brands, which contain e-commerce operations and marketing growth services, part of segment TME

**EPS**

Earnings per share

**ESG**

Environmental, Social, Governance; criteria and framework conditions for the consideration of environmental, sustainability and social issues within corporate management

**FbAY**

Fulfillment by ABOUT YOU

**Free Cash Flow**

Cash flows from operating activities plus cash flows from investing activities (except for investments in time deposits and restricted cash)

**FY**

Financial year

**Gen Y&Z**

Generations Y&Z; Generation Y refers to people born between 1984 and 1996 and Generation Z is generally defined as those born between 1997 and 2012

### **GHG Emissions**

Greenhouse gas emissions

### **GMV**

Gross merchandise volume; the value of all merchandise sold on ABOUT YOU, incl. VAT and after cancellations and returns

### **LTM**

Last twelve months

### **Media**

Brand and advertising solutions, which include different online and offline advertising formats for brand partners, part of segment TME

### **Minimum Viable Product**

Launch version of a product with a basic set of features to gain customers with minimal effort while learning about their needs

### **Mobile Sessions**

Sessions (in %) via a mobile device, e.g., a smartphone, within the last twelve months, divided by the total of sessions in the given period

### **Net Working Capital**

Inventories plus receivables (includes trade receivables and other current assets) minus current liabilities (includes trade payables, other payables, and provisions for returns)

### **QoQ**

Quarter-over-quarter; this quarter compared to last quarter

### **SaaS**

Software-as-a-service

### **SEU**

Southern Europe; Spain, France, Italy, Greece, and Portugal

### **TECH**

E-commerce software solutions from SCAYLE, which are offered to third parties, part of the ABOUT YOU Group segment TME

### **TME**

Tech, Media, and Enabling; ABOUT YOU's B2B segment with the revenue streams of Tech, Media, and Enabling

### **Total Number of Orders**

Number of orders within the last twelve months

### **Total Reach**

Total views of posts, reels, and stories on Instagram, video views on TikTok, and views of Facebook posts



### User Sessions

All sessions done across all countries, excl. sessions without interaction

### USP

Unique selling proposition; a feature or perceived benefit of a product or service which sets it apart from the rest of competing brands in the market

### YoY

Year-on-year; this year's quarter compared to the previous year's quarter