Annual Financial Statements as of 28 February 2022 and Combined Management Report

ABOUT YOU Holding SE
Hamburg

until 15 September 2021:
ABOUT YOU Holding AG

- CONVENIENCE TRANSLATION –

1. Combined Management Report

This combined management report includes both the Group management report as well as the management report of ABOUT YOU Holding SE (until 15 September 2021: ABOUT YOU Holding AG). It reports on the business performance and situation and expected development of the ABOUT YOU Group and ABOUT YOU Holding SE (also referred to as "Company" or "ABOUT YOU").

The comments on ABOUT YOU Holding SE are included in a separate section of the economic report with information pursuant to the German Commercial Code [HGB]. Applying Section 315e of the German Commercial Code (HGB), the consolidated financial statements were prepared in accordance with the International Financial Reporting Standards (IFRS), as adopted by the European Union. With the exception of the HGB information in the "Supplementary information on ABOUT YOU Holding GmbH" section, all financial figures in this combined management report – including the comparative figures for the prior year – are shown in accordance with IFRS. German Accounting Standard 20 (GAS 20) "Group management report" was applied. The "Significant accounting policies" section in the notes to the consolidated financial statements include additional information on the underlying accounting provisions.

1.1 Background to the Group

1.1.1 Business Model

The ABOUT YOU Group has developed into one of Europe's fastest-growing online fashion platforms of scale and a leading online fashion player among Gen Y&Z with over 30 million active monthly users. The Company digitises the classic shopping stroll by creating an inspiring and personalised shopping experience on the smartphone. The target group includes women and men between the ages of 18 and 40, who can find a range of more than 500,000 items[1] from over 3,500 brands[2] on aboutyou.com and in the ABOUT YOU mobile app, including the private labels "ABOUT YOU" and "EDITED". ABOUT YOU is currently present in 26 European markets. In addition to the Commerce business, the Company has opened its infrastructure allowing third parties to leverage ABOUT YOU's proprietary technology platform through its TME solutions.

ABOUT YOU's influencer-led discovery model, which aims to inspire customers who are not looking to purchase any specific item or brand, allows for a unique and personalised online shopping experience making the online shop the preferred destination for a young, fashion-conscious customer base. Whilst the online penetration of the fashion market stands at 30% as of 2021[3], ABOUT YOU believes that the online fashion market will continue to exhibit strong growth, driven primarily by the continued rise of smartphone and social media usage. Digital native Gen Y&Z, who tend to be more inspired by influencers than by traditional advertising and who often make impulse purchases, will contribute to a lasting shift from offline to online. Given ABOUT YOU's innovative offering and digital proposition aimed in particular at Gen Y&Z, the Company is ideally positioned to benefit from the accelerating online shift in the European fashion market.

[1] The data is voluntary and therefore unaudited.
[2] Per FY 2021/2022, brands with revenue >0 EUR based on data from Germany, excl. second love items - The data is voluntary and therefore unaudited.
[3] [Euromonitor (2022) – International Retailing, retail value RSP, current prices, fixed 2021 exchange rate

To meet the constantly changing demand for fashion products, ABOUT YOU's Commerce business operates through a hybrid business model consisting of 1P and 3P. 1P inventory is owned by ABOUT YOU while 3P inventory is owned by partners. Both 1P and 3P inventory are seamlessly integrated into the ABOUT YOU shopping proposition. This allows for an attractive value proposition for both customers and brands. To ensure fast delivery times and negotiate favourable prices with suppliers, ABOUT YOU holds the most in-demand items from 3rd party brands in its own inventory. As a significant part of 1P, ABOUT YOU has launched exclusive COOPs in close cooperation with influencers, celebrities, and brands, as well as established the two private labels “ABOUT YOU” and “EDITED”. Through the 3P model, the Company allows third-party fashion brands to market their products through its online shop in two different operating models, namely Drop-shipping, where the fulfillment is done by the partner, as well as “Fulfillment by ABOUT YOU”, where the fulfillment is done by ABOUT YOU. With 3P, ABOUT YOU can offer its customers a large selection of relevant fashion items with full pricing control, while its partners benefit from the ability to engage with a young, digital native, and social media-driven audience.

To derive the full value from its expertise with respect to e-commerce technology and marketing, ABOUT YOU established its TME segment in 2018. The segment encompasses B2B e-commerce software solutions (Tech), different advertising formats for brands (Media) as well as 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 to support other companies in scaling their D2C business, ABOUT YOU launched its new B2B brand SCAYLE ("SCAYLE – Your Commerce Engine"), the Commerce Engine that consists of the three components: Commerce Technology, Online Marketing, and Commerce Operations. SCAYLE Commerce Technology offers the e-commerce software powering ABOUT YOU's SaaS product. Providing the technological backbone for building an international D2C business, brands and retailers get access to the full range of ABOUT YOU's Commerce infrastructure in one flexible solution as an enterprise cloud licence product. SCAYLE Online Marketing comprises the know-how of data-driven marketing and the knowledge to efficiently run international online marketing campaigns. Lastly, SCAYLE Commerce Operations offers a pan-European logistics network with global shipping options, a white-label customer service in more than 20 languages, and it is able to handle the management of external marketplaces.

As of 28 February 2022, ABOUT YOU had 1,172 permanent full-time employees.

1.1.2 Group Structure

Governance and Control

The management of the ABOUT YOU Group is carried out by ABOUT YOU Holding SE as the parent company, which bundles all management functions. Group revenue is generated mainly by ABOUT YOU SE & Co. KG and Adference GmbH, which are fully controlled by ABOUT YOU Holding SE, either directly or indirectly.

Management of ABOUT YOU Holding SE is composed of three members: Tarek Müller (Co-CEO, co-founder), Hannes Wiese (Co-CEO, co-founder) and Sebastian Betz (Co-CEO, co-founder); they have joint responsibility for the strategy and operational management of the Group.

The Supervisory Board consists of six members who appoint and advise the Executive Board and supervise its management. It is directly involved in all decisions of fundamental importance to the Group. In particular, the supervisory board reviews the annual financial statements and management report and provides a report to the annual shareholders' meeting about the audit of the financial statements.

Group Segments

In accordance with the internal steering of the Group, the segment reporting is based on the Group's business segments.

The ABOUT YOU DACH segment remains the segment with the highest revenues in the current financial year. The DACH segment includes the ABOUT YOU online shops in Germany, Austria, and Switzerland. In addition to the DACH segment, there is the ABOUT YOU RoE segment. This segment includes the ABOUT YOU online shops in the remaining European countries. The fastest-growing segment, TME, essentially includes three service businesses: the SaaS solution SCAYLE Commerce Technology (Tech), Brand and Advertising Solutions (Media) and 360° services along the company'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[4]

ABOUT YOU's values are to be fast, stay hungry, and execute with passion. Through hard work based on these values, the Company further strives for its vision to outgrow the market and become the global #1 fashion platform.

The three pillars which form the foundation of ABOUT YOU's success and the Company's mission are depicted in the illustration "Vision and Mission":

[Graphic]: Vision and Mission

[4] The contents of this chapter or section are voluntary and therefore unaudited.

Corporate Strategy

ABOUT YOU pursues a clear strategy to implement its vision based on five cornerstones.

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

Within the European fashion market, online penetration has risen in recent years from 19% in 2019 to 30% in 2021[5], suggesting significant potential for further growth. Online shopping is especially prevalent among younger customers, who currently represent 41% of European spending.

ABOUT YOU's offering is fully mobile and geared towards the younger generation of consumers. Due to an increase in online shopping and media consumption by Gen Y&Z and the professionalisation of the influencer ecosystem, discovery shopping is on the rise given the increasing importance of social media over traditional window shopping.[6] With ABOUT YOU's inspirational and influencer-led discovery proposition and a leading online offering, the Company is well positioned to capture a significant share of the European fashion market and become the number one fashion platform globally.

Expansion into Additional Markets

With ABOUT YOU's platform built for scale and geographic expansion, the Company continuously assesses opportunities to expand into new geographic markets. For the implementation of these expansion plans, ABOUT YOU draws on its agile and efficient go-to-market playbook, which enables quick and low-cost new market rollouts. ABOUT YOU's adaptable and data-driven soft launch phase allows for collecting and analysing cohort data, LTV, and CAC, exploring future potential, and building up a local influencer network before making a ramp-up decision. To capture a market, ABOUT YOU launches large-scale social media and marketing campaigns, so-called Big Bang campaigns, to generate initial brand awareness. In the next stage, ABOUT YOU drives conversion in a heavy customer acquisition phase to scale the market. In the mid-term, the market is expected to hit break-even and remain profitable. This approach has proven to be extremely successful and is a significant lever to become a key player in additional markets.

Expand the Offering of Private Labels and Exclusive Products and Add New Product Categories

To distinguish itself from competitors, ABOUT YOU has complemented its range of third-party fashion items with its private labels as well as exclusive cooperations, which enable the Company to create fashion propositions tailored to the core customer groups. In addition, the strong social media footprint and expertise with influencers facilitates the identification of trends. Offering such products ultimately results in increased customer loyalty and attracts new customers.

Due to the trust and credibility achieved through this fashion offering, ABOUT YOU has positioned itself well to expand its current assortment and add entirely new product categories. The Company has expanded its product range upwards to the more premium fashion segment and it has introduced third-party beauty products and home decoration and textiles to its online offering. These expansions are valuable as they appeal to a broader range of customers.

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[5] [Euromonitor (2022) – International Retailing, retail value RSP, current prices, fixed 2021 exchange rate]

[6] Market study conducted by Ipsos on behalf of ABOUT YOU

Scaling and Expanding the TME Business

ABOUT YOU monetises its proprietary tech infrastructure, markets its website inventory, and productises its value chain through its TME segment. The aim is to reinforce and expand the B2B business line in the e-commerce infrastructure market and build a solid and loyal corporate customer base.

To further grow TME, ABOUT YOU will continue to strengthen its sales team, leverage its access to decision makers at more than 3,500 brands[7], increase revenues per client, develop new products, and expand its existing product range. Additionally, the Company aims to up- and cross-sell its solutions to new and existing clients whilst creating synergy effects through a greater interaction within its Tech, Media, and Enabling sub-segment.

ABOUT YOU's newly introduced B2B brand SCAYLE, which renders services to external clients independent of ABOUT YOU's Commerce ecosystem, is expected to be a significant contributor to this end according to the Management Board's assessment.

Continue to Improve Adjusted EBITDA Margin to Achieve Profitability[8]

ABOUT YOU's target is to achieve profitability based on the adjusted EBITDA margin at Group level by FY 2023/2024. The Company plans to reach this target by improving its gross margin whilst reducing its fixed costs as well as its costs for marketing (in each case as a percentage of revenues).

For gross margin improvements, ABOUT YOU plans to grow its share of private labels, which typically sell at higher margins than third-party brands and also to benefit from TME scaling effects by increasing revenue from a growing number of B2B customers adding incremental high-margin revenue streams. Marketing costs are expected to be reduced as a result of a continued shift to recurring customers and technology optimisation. With ABOUT YOU's RoE segment moving towards maturity, CAC and customer retention costs will decline. Without the investments into SEU and the Nordics in FY 2021/2022, ABOUT YOU would have already reached a positive adjusted EBITDA. This consequently means that the break-even goal for FY 2023/2024 is largely a function of reducing the investments into new regions as planned.

1.1.4 Management System

ABOUT YOU's key performance indicators are revenue and adjusted EBITDA.

Adjusted EBITDA is not a financial indicator recognised by IFRS. ABOUT YOU believes that adjusting EBITDA makes it possible to compare performance on a consistent basis excluding extraordinary items. Adjusted EBITDA is defined as EBITDA excluding expenses for equity-settled share-based compensation, restructuring costs, and non-operating one-off items. 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 2021/2022 the capitalised own development costs amounted to EUR 23.8 million (2020/2021: EUR 15.4 million). The amortization of capitalized development costs amounted to EUR 9.9 million in 2021/2022 (2020/2021: EUR 6.5 million). The rise in development costs reflects the increasing further development of the company's

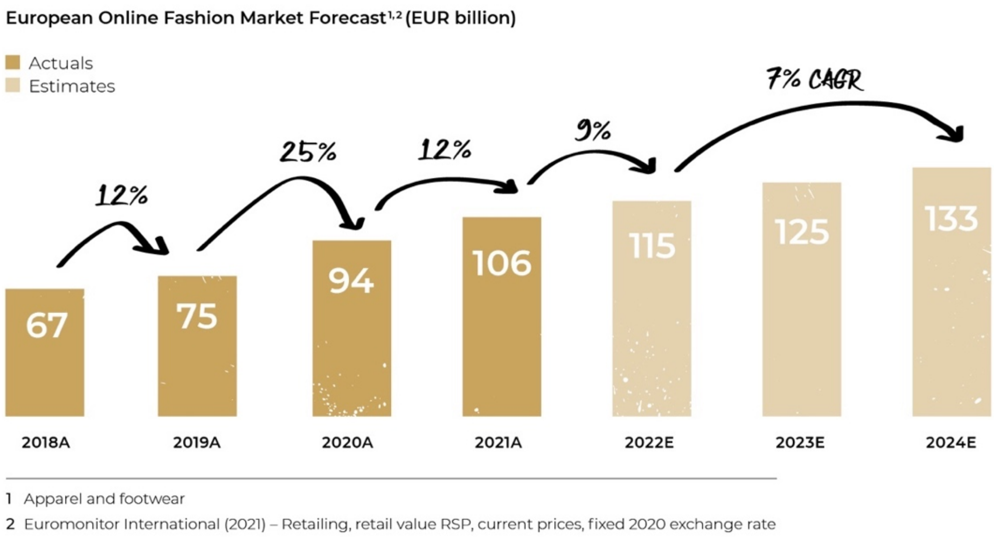
[7] Per FY 2021/2022, brands with revenue >0 EUR based on data from Germany, excl. second love items - The data is voluntary and therefore unaudited.
[8] The contents of this chapter or section are voluntary and therefore unaudited.

own technological infrastructure to be able to meet the increased demands on operating processes and systems as a result of the strong growth and extension of provided B2B-services. In 2021/2022, there were only immaterial research costs.

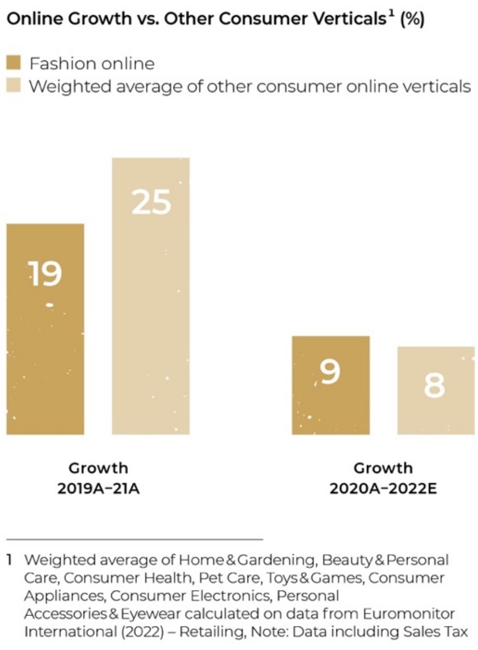
1.2 Report on Economic Position

1.2.1 Macroeconomic and Sector-Specific Environment

[Graph:] European Online Fashion Market Forecast



[Graph:] Online Growth vs. Other Consumer Verticals



Throughout financial year 2021/2022, there has been a general recovery of the global economic condition, with GDP growth reaching 5.6% by the end of 2021, and with countries coping better than expected and maintaining supportive monetary and fiscal policies.[9]

The initial positive economic momentum created by the easing of the Covid-19 restrictions has smoothed out during 2021/2022, meanwhile countries have continued to experience supply bottlenecks, rising input costs, and the continued effects of the pandemic.[10] These factors have resulted in longer-lasting inflation pressures remaining a risk and a source of uncertainty to date. This situation has had a visible impact on food and energy costs, as well as on durable goods whose prices have risen due to bottlenecks in the sectors' supply chain.[11]

While Covid-19 deaths had decreased as of early October, there was a turnaround in late November with the outbreak of the Omicron variant.[12.] An effective global health strategy remains a key focus to maintain the situation under control.

Globally, there have been strong signs of recovery for the fashion industry which had been dramatically hit by the Covid-19 restrictions, seeing a fall in value of –19% in 2020, with faster than expected growth of 12% in 2021.[13] In Europe, fashion experienced a similar development, expanding by 10% in 2021 to a market size value of around EUR 357 billion.[14]

As Covid-19-related restrictions were loosened in 2021, e-commerce growth has globally slowed down compared to prior year, with a portion of customers returning to shopping in physical stores. Nevertheless, online sales have continued to take over market share from department stores and physical retailers, a trend that can be observed globally. By the end of 2021, e-commerce fashion sales accounted for about 30% of total fashion sales in value terms worldwide, from less than 20% in 2019.[15] In Europe, e-commerce sales grew by 12% in 2021, now amounting to around EUR 106 billion, compared to around EUR 94 billion in 2020.[16]

The largest market in Europe and ABOUT YOU's largest market, Germany, saw similar trends both for the general fashion sector and the e-commerce segment. In 2021, the fashion sector had a strong growth of 8% amounting to retail sales of around EUR 59 billion, trending back to pre-Covid-19 levels of EUR 68 billion.[17] Following the strong growth of the German e-commerce segment of 13% in 2020, the market size continues expanding with slower momentum but starting from a higher level, growing at 4% to EUR 21 billion in 2021.[18]

The growth of the e-commerce fashion sector both in Europe and globally has been largely driven by the Millennials and Gen Z population, making up over 50% of the global population in 2021.[19] The new generation of customers is pushing the growth of the e-commerce sector and has a very different view on how it wants to interact with fashion compared to previous generations. As explained in the Euromonitor study of Millennials and Gen Z, customer engagement does not finish with one point of contact, but customers expect brands to provide value before, during, and after the purchase. In financial year 2021/2022, technology became a critical investment for brands and online retailers to remain significant. Similarly,

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[9] OECD Economic Outlook (2021) – Volume 2021, Issue 2, December
[10] OECD Economic Outlook (2021) – Volume 2021, Issue 2, December
[11] OECD Economic Outlook (2021) – Volume 2021, Issue 2, December
[12] IMF World Economic Outlook (2022) – Update, January
[13] Euromonitor (2022) – Apparel and Footwear 2022 Edition
[14] Euromonitor (2022) – Europe Apparel and Footwear
[15] Euromonitor (2022) – Apparel and Footwear 2022 Edition
[16] Euromonitor (2022) – Europe Retailing, retail value RSP, current prices, fixed 2021 exchange rate
[17] Euromonitor (2022) – Germany Apparel and Footwear
[18] Euromonitor (2022) – Germany Retailing, retail value RSP, current prices, fixed 2021 exchange rate
[19] Euromonitor (2021) – Megatrends: Shopping Reinvented and Generation Z, October

it is even more important to create a distinction between buying (considered as convenience-orientated and often tech-enabled) and shopping (focusing on social and experiential interactions).[20]

1.2.2 Business Development

ABOUT YOU successfully closed its first financial year 2021/2022 as a listed company, continued a strong growth path, and improved its customer metrics. The Group reported an increase in revenue of 48.5% YoY to EUR 1,731.6 million (2020/2021: EUR 1,166.5 million). Adjusted EBITDA came in at EUR -66.9 million for the period from 1 March 2021 to 28 February 2022 (2020/2021: EUR -35.5 million), equivalent to an adjusted EBITDA margin of -3.9% (2020/2021: -3.0%).

The results achieved in the financial year 2021/2022 are in line with the guidance provided in the previous financial year. Group reported revenue is on the upper end of the guided range of 40-50% growth YoY. The positive revenue development is supported by DACH beating the expected growth of >20%, reaching 27% in 2021/2022, and the further expansion in the RoE segment, growing at 65.6% in 2021/2022, slightly below the initial >70% guidance. The TME segment has significantly exceeded expectation of ~50% growth, reaching 100.4% YoY growth.

Regarding Group adjusted EBITDA for the 2021/2022 reporting year, it was expected that the Group will report adjusted (negative) EBITDA in absolute terms on a similar scale to that realized in 2019/2020 (EUR -69.9 million). As stated in the financial year 2020/2021 forecast, margin potential from the DACH and TME segments in the financial year 2021/2022 has been reinvested in growth projects - particularly in the RoE segment -, so that the expected positive developments in adjusted EBITDA in the DACH and TME segments could only partially compensate for the absolute investments in the RoE segment. With the Actual adjusted EBITDA for 2021/2022 at EUR -66.9 million, it can be concluded that the resulting adjusted EBITDA losses were slightly smaller than expected. This is largely due to operating leverage and efficiency gains.

In June 2021, ABOUT YOU celebrated its successful listing on the Frankfurt Stock Exchange. Through the private placement, the Group raised proceeds of EUR 637.3 million. In line with previous communication, most of the proceeds are being invested to scale Commerce operations internationally, accelerate the roll-out of the SaaS business in its TME segment, and develop tech infrastructure and distribution centres.

The Commerce business has continued to be the largest part of the Group, including the operations in DACH and RoE. Over the past twelve months, the Company increased its number of active customers to 11.4 million (2020/2021: 8.4 million) with an average order frequency of 2.9 (2020/2021: 2.7) and an average order value of EUR 57.8 (2020/2021: EUR 57.1).[21] ABOUT YOU's strategic investments drove the positive development of customer metrics in financial year 2021/2022, led by successfully executed international expansions and viral campaign schemes. Results have been further enhanced by the continuous ameliorations of the customers' inspirational discovery-led shopping journey, including improved personalised sorting, as well as new drops and live shopping features.

In financial year 2021/2022, the strong growth of the promising TME business continued. Driven by investments in the SaaS solution, the segment also benefited from the supportive

[20] Euromonitor (2021) – Megatrends: Shopping Reinvented and Generation Z, October

[21] The content of this sentence is voluntary and therefore unaudited.

environment of eased Covid-19 restrictions, resulting in strong growth in Media and Enabling revenues. In preparation of a large-scale B2B branding and sales campaign in 2022, ABOUT YOU introduced the unified SCAYLE brand early November 2021. Supported by a growing sales team, the independent organisational unit gained prominence through strategic partnerships, providing significant further growth potential. In Q3 2021/2022, the Group released the upgraded SCAYLE 2.0 engine, bringing, amongst others, features for improved internationalisation processes and an add-on store for external integrations.

ABOUT YOU looks back at 2021/2022 by celebrating the initiatives which created the ideal set-up to benefit from future growth. The accelerated international expansion to both Southern Europe and the Nordics continued to show strong momentum following the campaigning period. The results were further proof of the ABOUT YOU expansion model, characterised by its agile and efficient go-to-market playbook. The planned footprint expansion went hand in hand with the structured growth of the Group's warehouse facilities, starting with the inauguration of the Slovakian distribution centre hub, already almost doubling cumulative capacity vs. 2020. Two more distribution centre openings are planned for 2022 and 2023, located in Poland and France, effectively responding to the growing demand in those regions.

As previously announced at listing, the Group inaugurated the first phase of its global internationalisation project in the second half of FY 2021/2022 by setting-up the ABOUT YOU Global Shipping Platform. The platform structure to-date is aimed at generating cohort data (e.g., CAC and LTV) for the discovery of market potential and eventually making informed investment decisions. As of the end of FY 2021/2022, the project status remained early stage while the data generation processes are returning constructive and positive results. To date, no specific actions have been taken towards local investments outside of Europe.

In the last year, there have been repercussions of Covid-19 reaching the fashion sector through severe global supply chain disruptions. At ABOUT YOU, this challenge was a confirmation of the robustness of the business model under a stress scenario. Already in Q2 2021/2022, the Group was prepared to meet the A/W21 peak demand with a vast total item count of 511 thousand and a delivery ratio in line with previous year levels of 84%. Further, supply challenges have been addressed by actively managing demand enabled by the discovery model, the 1P/3P hybrid model, as well as precautionary measures for 2022, like preponing inventory deliveries for the spring/summer 2022 season.

With regards to the "Planet, People, and Progress" pillars, ABOUT YOU acknowledged its responsibility and took essential measures to progress on the Company's ambitious ESG goals. Financial year 2021/2022 marked the first year of carbon-neutral e-commerce operations for the Company.[22] Throughout this year, ABOUT YOU increased the revenue share of more sustainable assortments in the online shop to over 20% and committedly worked on circularity initiatives to extend the life cycle of fashion products.[23]

[22] The content of this sentence is voluntary and therefore unaudited.
[23] The content of this sentence is voluntary and therefore unaudited.

1.3 Group Results of Operation

The Group's most important key performance indicators are revenue and adjusted EBITDA. Adjusted EBITDA is not a financial indicator recognised by IFRS. ABOUT YOU believes that adjusting EBITDA enables to compare performance on a consistent basis excluding extraordinary items. Adjusted EBITDA is defined as EBITDA, not including expenses for equity-settled share-based compensation, restructuring costs, and non-operating one-off items. The adjusted EBITDA margin is calculated as the ratio of adjusted EBITDA to revenue.

To render individual cost items more manageable and to increase comparability with competitors, the Company uses additional performance indicators, referred to as alternative performance measures (APM). ABOUT YOU works with the four cost APM: cost of sales (in conjunction with gross profit), fulfillment costs, marketing costs, and administrative expenses as well as their respective ratios to sales revenue.

These APM break down the Company's costs from the point of view of whether and where these costs incur to generate revenue. This approach enables costs with high variable components to be better distinguished from costs with high fixed cost components. The Company's results of operations can hence be managed with greater accuracy during the strong growth phase.

The ABOUT YOU Group has reported revenue growth of 48.5% in comparison to last year's financial year. Active customers increased by 34.8% to 11.4 million within the last twelve months. Within the same period, Average Order Frequency (AOF) reached 2.9 (up 5.2% YoY) and Average Order Value (AOV) rose to EUR 57.8 (up 1.2% YoY).[24] Due to heavy investments in market launches for ABOUT YOU's international expansion plans, the adjusted EBITDA margin decreased from -3.0% in 2020/2021 to -3.9% in 2021/2022.

Income Statement based on APM

in EUR million	**2021/2022**	**as % of revenue**	2020/2021	as % of revenue
Revenue	**1,731.6**	**100%**	**1,166.5**	**100%**
Growth rate	48.5%	-	56.9%	-
Costs of sales	1,028.0	59.4%	693.3	59.4%
Gross profit	**703.7**	**40.6%**	**473.1**	**40.6%**
Fulfillment costs	347.4	20.1%	233.7	20.0%
Marketing costs	328.5	19.0%	190.3	16.3%
Administrative expenses	94.7	5.5%	84.6	7.3%
Adjusted EBITDA	**(66.9)**	**(3.9)%**	**(35.5)**	**(3.0)%**

1.3.1 Revenue Development

In 2021/2022, revenue amounted to EUR 1,731.6 million (2020/2021: EUR 1,166.5 million), equating to a 48.5% increase over the previous year.

The positive revenue development is to be seen in light of a strongly growing market for the ABOUT YOU Commerce business. Especially in the first half 2021/2022, eased restrictions let

[24] The content of this sentence is voluntary and therefore unaudited.

consumers return to pre-Covid-19 lifestyles across Europe, creating positive demand trends for going-out fashion categories. The second half of 2021/2022 was characterised by increased demand volatility across ABOUT YOU's markets. This was the result of tightened restrictions especially in the DACH and CEE regions, as a response to a rising number of Covid-19 cases. In the last quarter of financial year 2021/2022, trading was further moderately impacted by supply chain constraints as well as the escalation of the Russia/Ukraine conflict.

2021/2022 revenue development was strong in the relatively immature Southern European and Nordic regions. The large-scale market launch campaigns in Spain Italy, Greece, Portugal, and France reinforced the positive revenue trend. Although a slight Black Friday fatigue occurred with consumers, the campaign led to a significant sales ramp-up at the end of November 2021. The so-called WOOHOO campaign – a viral, social media-led campaign framework involving users in the campaign creation – launched in several countries including Austria, Germany, Croatia, Slovakia, Slovenia, and Switzerland. These campaigns generated strong brand and awareness effects, but also contributed to sales growth by offering incentives to buy.

Overall, in combination with optimised marketing steering in the Commerce business, active customers increased in the last twelve months from 8.4 million as of 28 February 2021 to 11.4 million as of 28 February 2022. This corresponds to a YoY increase of 34.8%. It was primarily achieved through the acquisition of new customers in less matured markets of the RoE segment. Reduced customer churn also had a positive impact.

The average number of orders per active customer also went up by 5.2% to 2.9 (2020/2021: 2.7). The improvement in order frequency was achieved by an extended assortment, an enhanced customer experience, as well as a higher brand awareness, supported by age structure effects of the customer cohorts according to which the order frequency and the order volume of the cohorts increases with the years. As a result, total last twelve months orders also grew by 41.9% YoY in the current financial year to 32.9 million orders (2020/2021: 23.2 million). The average order value was positively impacted by the persistent but ever-declining effects of the Covid-19 pandemic and a lower rate of returns. The average order value increased by 1.2% from EUR 57.1 to EUR 57.8 compared to last year. The average GMV per customer rose from EUR 156.8 to EUR 167.1 within the last twelve months.[25]

In addition to the positive dynamics in the Commerce business, a further increase in B2B revenue is evidenced by the strong revenue performance in the TME segment with revenue up 100.4% YoY. This growth is primarily attributable to an enlarged B2B product range, structurally increased revenue by existing customers, and the acquisition of new B2B customers. The strategic brand positioning of the B2B business is to sharpen through the rebranding to SCAYLE carried out in the third quarter of 2021/2022.

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. The cost of sales mainly includes the cost of goods sold, expenses for inbound logistics, write-downs on inventories and other costs in connection with sales. The cost of goods sold is equal to the expenses for goods sold less discounts, rebates and bonuses granted by suppliers. Expenses for inbound logistics include all expenses incurred before the inventories are stored in the fulfillment centres and consist mainly of customs and incoming goods transport expenses

[25] The content of this paragraph is voluntary and therefore unaudited.

(including the associated personnel expenses). Write-downs of inventories reflect write-downs of inventories to the net realizable value to account for risks from reduced demand or quality of the goods. Other cost of sales mainly includes IT costs for B2B services as well as the associated personnel expenses. Other cost of sales also cover personnel, IT and infrastructure expenses in connection with the procurement of inventories. The cost of services performed are reduced by the estimated cost of goods sold expected to be returned by customers. The gross profit margin is calculated as the ratio of gross profit to revenue. The cost of sales ratio is calculated as the ratio of cost of sales to revenue.

In 2021/2022, cost of sales rose to EUR 1,028.0 million (2020/2021: EUR 693.3 million) and gross profit came in at EUR 703.7 million (2020/2021: EUR 473.1 million). As a result, the gross profit margin remains stable at 40.6% (2020/2021: 40.6%). On the one hand the gross profit margin was negatively impacted by the large-scale market entry campaigns in Southern Europe, which were supported by marketing campaigns combined with price reductions to attract new customers, in comparison to the same period last year. Viral campaign schemes in the DACH core markets, which were carried out in the second half of 2021/2022, further adversely affected gross margin levels on a one-time basis. On the other hand the gross profit margin profits from the increased share of high-margin B2B sales in the TME segment and the Own Labels in the Commerce business. In addition, economies of scale resulted from condition agreements with suppliers and operational optimisations.

Definition and Development of Fulfillment Costs

Fulfillment costs mainly consist of expenses for outbound and return logistics, expenses for payment transactions and service costs. Outbound logistics include expenses for warehousing, packaging, pick and pack and delivery costs as well as the personnel and IT infrastructure expenses associated with these processes. Expenses for return logistics mainly comprise expenses for inbound logistics for returns and costs for the return centres. Expenses for payment transactions include all expenses in connection with the payment process, including expenses for external payment providers, banking fees for transactions and the associated personnel and IT infrastructure costs. Service costs concern the expenses for call centres and service-related IT and personnel costs (B2C and B2B). Fulfillment costs thus cover the distribution expenses with the exception of marketing costs. The fulfillment costs ratio is calculated as the ratio of fulfillment costs to revenue.

Fulfillment costs of EUR 347.4 million incurred in 2021/2022 (2020/2021: EUR 233.7 million). In 2021/2022, the cost-to-revenue ratio of fulfillment costs increased slightly to 20.1% (2020/2021: 20.0%) compared to the same period last year. However, it continues to benefit from an improved return rate, partly due to effects of the Covid-19 pandemic, as well as strong growth in RoE countries with structurally lower return rates. The Covid-19-pandemic so far has been characterised by customers returning ordered goods less frequently. Another positive effect was the slight increase in the share of B2B sales with low logistics costs. Improved cost efficiency was further achieved due to increased utilisation of distribution and return centres. These positive effects were however offset by ramp-up costs for the new distribution centre in Slovakia in the second half of 2021/2022, and the increased network complexity arising from that.

Definition and Development of Marketing Costs

Marketing costs largely consist of external expenses for online and offline advertising, cooperation and production costs as well as the personnel and IT infrastructure expenses associated with these processes. The online advertising expenses mainly relate to social media channels, CRM, search engine advertising and affiliate marketing. Offline advertising primarily includes cost from TV, radio and billboard campaigns as well as offline shows and events. Cooperation costs concern various costs that arise from partnerships with third parties such as influencers or brands. Production costs include expenses for editorial content, video productions, product and model photography. The marketing costs ratio is calculated as the ratio of marketing costs to revenue.

Marketing costs increased in the financial year by EUR 138.2 million to EUR 328.5 million, (2020/2021: EUR 190.3 million). This equates to a cost-to-revenue ratio of 19.0% (2020/2021: 16.3%) for the past financial year. The higher marketing-to-revenue ratio is mainly due to the large-scale market launch campaigns in Southern Europe in the 2021/2022 financial year. While these campaigns can be considered very successful based on the number of new customers acquired and the awareness metrics generated, they adversely affected the 2021/2022 marketing costs on an isolated basis. This development was also driven by growth campaigns in existing markets such as the Czech Republic in the first half of 2021/2022. Moreover, adjusted marketing steering in the ABOUT YOU DACH segment on the back of improved customer lifetime values contributed to the development of marketing costs in the third quarter. As a result of higher margin prospects due to the improved customer lifetime values, increased marketing investments focused on continued growth were made possible.

Definition and Development of Administrative Expenses

Administrative expenses mainly consist of personnel expenses, office infrastructure and legal and advisory fees. Administrative expenses arise from departments working across the entire Company such as HR and Recruiting, Finance, Business Intelligence and Legal as well as departments with in-house functions (such as facility, IT security, infrastructure or office management). This also includes cost centres with strategic, planning, management or control functions as well as other operating expenses and other operating income that are not related to the aforementioned cost items. The administrative expenses ratio is calculated as the ratio of administrative expenses to revenue.

Administrative expenses slightly rose to EUR 94.7 million in total, up from EUR 84.6 million in the previous year. The cost-to-revenue ratio decreased from 7.3% in the previous year to 5.5% in the financial year of the listing. This was achieved through economies of scale and ongoing cost discipline throughout the Group.

Development and Reconciliation of Adjusted EBITDA

In the current financial year, adjusted EBITDA amounted to EUR -66.9 million (2020/2021: EUR -35.5 million), corresponding to an adjusted EBITDA margin of -3.9% (2020/2021: -3.0%).

Adjusted EBITDA development in 2021/2022 is characterised on the one hand by strong revenue growth and the improved cost-to-revenue ratio of administrative costs. On the other hand, this development is contrasted by an increased marketing cost-to-revenue ratio. The increase in the marketing cost ratio can be considered as event-driven, as it primarily results from market launch and viral campaign schemes, with higher marketing efficiencies to be expected subsequently. Hence, the development of adjusted EBITDA must be seen in light of these one-off effects. The lasting improvement in administrative costs could not compensate for the higher marketing costs, which is why the adjusted EBITDA margin is slightly lower than in the previous year.

In 2021/2022, a total of EUR 28.1 million was adjusted (2020/2021: EUR 8.5 million). The adjustments include EUR 13.2 million resulting from non-operating one-off effects, including from the listing, and EUR 14.8 million from expenses for equity-settled share-based payments. These costs are not included in the calculation of adjusted EBITDA.

Adjustments

in EUR million	2021/2022	2020/2021
Adjusted EBITDA	**(66.9)**	**(35.5)**
Equity-settled share-based compensation	14.8	8.4
One-time effects	13.2	0.2
EBITDA	**(95.0)**	**(44.0)**

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

2021/2022	NoE/ APM	Cost of Sales	Fulfillment costs	Marketing costs	Admin. Expenses	Adjusted EBITDA
Revenue	**1,731.6**	**1,028.0**	**347.4**	**328.5**	**94.7**	**(66.9)**
Cost of materials	1,023.3	1,023.3	0.0	0.0	0.0	-
Personnel expenses	71.2	7.7	8.0	26.8	28.7	-
Other operating expenses	730.9	3.4	344.5	312.4	70.6	-
Other operating income	(3.1)	0.0	(2.8)	0.0	(0.3)	-
Own work capitalised	(23.8)	(6.4)	(2.2)	(10.7)	(4.4)	-
Adjusted EBITDA	**(66.9)**	**-**	**-**	**-**	**-**	**-**

2020/2021	NoE/ APM	Cost of Sales	Fulfillment costs	Marketing costs	Admin. Expenses	Adjusted EBITDA
Revenue	**1,166.5**	**693.3**	**233.7**	**190.3**	**84.6**	**(35.5)**
Cost of materials	691.5	691.5	0.0	0.0	0.0	-
Personnel expenses	51.4	5.1	5.7	18.3	22.4	-
Other operating expenses	477.7	1.5	232.0	176.2	68.0	-
Other operating income	(3.2)	0.0	(1.1)	0.0	(2.2)	-
Own work capitalised	(15.4)	(4.7)	(3.0)	(4.1)	(3.6)	-
Adjusted EBITDA	**(35.5)**	**-**	**-**	**-**	**-**	**-**

1.3.3 Segment Results of Operation

The following sections contain additional explanations of the segment reporting. These are disclosures from the internal reporting, in which both the inter-segment transactions are included, and the realisation of revenues is carried out according to the internal management. Please refer to the segment reporting for further information (see section 2.7.6).

ABOUT YOU DACH

DACH revenue grew by 27.3% to EUR 839.9 million in 2021/2022 (2020/2021: 660.0). The positive sales development in the DACH segment is partly due to the loosened Covid-19-related restrictions in H1 2021/2022. This led to a more occasions for fashion shopping. Growth was further stimulated by the adjusted marketing steering on the back of strong customer lifetime value developments.

The segment achieved an adjusted EBITDA of EUR 55.5 million in 2021/2022 (2020/2021: EUR 36.8 million), equating to an adjusted EBITDA margin of 6.6% (2020/2021: 5.6%). The improved adjusted EBITDA margin is partly resulting from an improved fulfillment cost-to-revenue ratio in DACH, which is due to the optimized processes and enhanced efficiency in logistics capacities. Furthermore, an improvement of the cost-to-revenue ratio of the administrative expenses in DACH is attributable to both fixed cost degression and economies of scale. These effects lead to an improvement of the margin while showing continuous strong overall-development in DACH.

ABOUT YOU Rest of Europe or RoE

In the current financial year, revenue rose to EUR 767.7 million (2020/2021: EUR 463.5 million). Revenue grew by 65.6% in 2021/2022 compared with last year's financial year. Revenue growth in 2021/2022 was positively affected by the strong development of existing RoE markets as well as the large-scale market entry campaigns in the new Southern Europe markets. As expected, the market entry campaigns had a negative impact on adjusted EBITDA. Hence, the margin slightly decreased in 2021/2022 compared to the same period last year: This resulted in an adjusted EBITDA of EUR -145.1 million for 2021/2022 (2020/2021: EUR -83.3 million), equivalent to an adjusted EBITDA margin of -18.9% (2020/2021: -18.0%).

Tech, Media, Enabling or TME

In the 2021/2022 financial year, 167.4 million of the revenue is attributable to the TME segment (2020/2021: EUR 83.5 million) which represents a growth of 100.4%. The positive development is mainly due to the enlargement of the B2B product range, higher revenue with existing customers, and the acquisition of new customers.

Adjusted EBITDA for 2021/2022 amounted to EUR 29.0 million (2020/2021: EUR 10.1 million), corresponding to an adjusted EBITDA margin in this segment of 17.3% (2020/2021: 12.0%). The strong margin increase is the result of the significant growth in high gross margin B2B revenues, which scale against a cost base with a high share in fixed costs. These scale effects were able to overcompensate extraordinary costs relating to the SCAYLE rebranding executed in 2021/2022.

1.3.4 Cash Flows

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

Condensed Statement of Cash Flows From 1 March 2021 to 28 February 2022		
in EUR million	**28/2/2022**	28/2/2021
Cash flow from operating activities	**(110.1)**	**(6.4)**
Cash flow from investing activities	**(45.8)**	**(18.9)**
Cash flow from financing activities	**544.2**	**70.9**
Cash and cash equivalents at beginning of period	107.9	62.4
Net change in cash and cash equivalents	388.3	45.6
Cash and cash equivalents at end of period	**496.2**	**107.9**

In 2021/2022, ABOUT YOU generated cash flow from operating activities of EUR -110.1 million (2020/2021: EUR -6.4 million). The development of these expenses is particularly due to the negative EBITDA in the amount of EUR -95.0 million (2020/2021: EUR -44.0 million), which includes costs related to the listing. Further, a disproportionate increase in inventories compared to the previous year can be observed. On the one hand, this effect relates to relatively low inventory levels at the end of 2020/2021 as a result of the pandemic. And on the other hand brought forward deliveries of goods in early 2022 increased inventory levels at the end of 2021/2022, which was necessary as a precautionary measure against anticipated shortages due to global supply chain disruptions. These effects could not be fully compensated for by the other components of net working capital. Additionally, effects from the utilisation of reverse factoring transactions are included here, which are considered to be part of the regular business cycle of the Group and whose fundamental character remains operational.

Cash flow from investing activities is mainly driven by capex. During the Period, cash flow from investing activities amounted to EUR -45.8 million (2020/2021: EUR -18.9 million). The increase refers first and foremost to acquisitions of intangible assets and property, plant, and equipment in the amount of EUR 28.1 million (2020/2021: EUR 16.9 million). Payments for loans and corresponding interest amounted to EUR 13.9 million (2020/2021: EUR 0.1 million). The increase is primarily attributable to working capital loans for holdings in influencer brands and incubators. EUR 3.8 million were cashed out for the acquisition of company shares (2020/2021: EUR 1.9 million). The resulting free cash flow was EUR -155.9 million (2020/2021: EUR -25.4 million).

Cash flow from financing activities amounted to EUR 544.2 million (2020/2021: EUR 70.9 million) and included the capital contributions from the listing less related costs of EUR 637.3 million and the full repayment of shareholder loans in the amount of EUR 75.0 million. In accordance with IFRS 16, cash flow from financing activities included EUR 12.1 million for the repayment of leases excluding interest (2020/2021: EUR 3.9 million) and interest payments related to lease liabilities amounting to EUR 0.3 million (2020/2021: EUR 0.2 million).

ABOUT YOU held cash and cash equivalents of EUR 496.2 million as of 28 February 2022 (28 February 2021: EUR 107.9 million). ABOUT YOU was able to meet its payment obligations for the present financial year at all times.

1.3.5 Financial Position

The Company's financial position is presented in the condensed balance sheet below:

Condensed Balance Sheet as of 28 February 2022

Assets

in EUR million	**28/2/2022**	28/2/2021
Non-current assets	130.8	48.3
Current assets	1,053.5	408.9
Total assets	**1,184.3**	**457.2**

Equity and Liabilities

in EUR million	**28/2/2022**	28/2/2021
Equity	583.5	55.4
Non-current liabilities	53.0	87.6
Current liabilities	547.8	314.1
Total equity and liabilities	**1,184.3**	**457.2**

Non-current assets are mostly composed of intangible assets, right-of-use assets in accordance with IFRS 16, as well as property, plant, and equipment, and financial assets. The increase of EUR 82.5 million in non-current assets is mainly due to the capitalisation of right-of-use assets from the new Slovakian warehouse contract. While the site is operated by a third-party provider, capitalisation is still required under IFRS 16 as the site is exclusively used by and operated for ABOUT YOU. Right-of-use assets increased by EUR 47.4 million, primarily due to this factor. Intangible assets are up EUR 14.7 million compared to the previous year, which is mainly a result of investments in self-developed software. In addition, an overall rise in other non-current financial assets can be identified, which is primarily attributable to working capital loans for holdings in influencer brands that led to an increase of EUR 14.4 million.

Current assets consisted of inventories of merchandise, trade receivables and other receivables, other assets, as well as cash and cash equivalents. The increase of EUR 644.6 million compared to 28 February 2021 resulted, on the one hand, from the rise in cash and cash equivalents by EUR 388.3 million, explained by the listing inflows, and on the other hand, from the increase in inventories by EUR 188.7 million. The inventory development results from two main drivers. On the one hand the inventory stock in 2020/2021 was on a relatively low level due to pandemic effects. One the other hand ABOUT YOU, brought forward deliveries of goods in early 2022 as a precautionary measure against anticipated shortages due to global supply chain disruptions. Trade receivables and other receivables have increased, particularly due to higher receivables from the B2B business. This is in line with the overall development of B2B revenue. The increase in other non-financial assets by EUR 48,4 million is mainly due to the increase in VAT receivables as of the reporting date, prepaid expenses for cloud services that have not yet been utilised and increased supplier royalties.

Equity increased as of 28 February 2022 by EUR 528.1 million compared with 28 February 2021. The increase is mainly attributable to the listing in Q2 2021/2022. An opposite effect resulted from the negative result for the period.

As of 28 February 2022, non-current liabilities are primarily composed of liabilities from leases amounting to EUR 47.9 million which increased by EUR 40.3 million compared to the previous year. As a result of the capitalisation of lease-like costs for the new warehouse in Slovakia, an opposite increase in liabilities from leases is to be recognised as a liability. In contrast, non-current liabilities to related parties decreased by EUR 76.7 million compared to 28 February 2021, mainly due to the full repayment of shareholder loans in Q2 2021/2022.

Current liabilities mostly consist of trade payables and other financial as well as non-financial liabilities. The increase of the current liabilities of EUR 233.6 million compared to 28 February 2021 is largely attributable to a raise in trade payables of EUR 138.0 million due to the business growth as well as the integration of contractual partners for the optimisation of supply chain financing (EUR 87.1 million). Other non-financial liabilities mainly consist of VAT liabilities and have increased by EUR 33.6 million due to the increased business volume. The increase in other financial liabilities is due to the use of reverse factoring services in the amount of EUR 49.3 million.

Net working capital as of 28 February 2022, amounted to EUR 9.5 million (28 February 2021: EUR -13.2 million). Compared to the prior financial year, the change in net working capital amounts to EUR 22.7 million whereas net current assets excluding cash and cash equivalents amount to EUR 557.3 million (28 February 2021: EUR 301.0 million). This was driven by the larger increase in current assets, especially a disproportionately high increase of inventories, opposed to the rise of current liabilities in 2021/2022 to EUR 547.8 million (28 February 2021: EUR 314.1 million).

1.3.6 Employees

As of 28 February 2022, expressed as full-time equivalents, ABOUT YOU Group employed 1,172 permanent employees. It corresponds to an increase of 317 permanent employees compared to 28 February 2021 (855 permanent full-time employees).

1.3.7 Report on Relationships with Related Parties

The Management Board of ABOUT YOU Holding SE has submitted to the Supervisory Board the report for the financial year 2021/2022 required by Section 312 of the German Stock Corporation Act (AktG) and has issued the following final statement:

Pursuant to Section 312 (3) German Stock Corporation Act (AktG) we declare that, in the legal transactions and other measures in fiscal year 2021 outlined in the report on relationships with companies, based on the circumstances which we were aware of at the point in time when the legal transactions were entered into, or the measures were taken or refrained from, the company received adequate consideration in each legal transaction and did not suffer any disadvantage by taking or refraining from taking the measures.

1.4 Non-Financial Report[26]

This report represents the summarised non-financial reporting for the ABOUT YOU Holding SE and all the Group's consolidated entities responding to Section 289b (1) and (3) in conjunction with Section 315b (1) and (3) German Commercial Code (HGB). All information and data are reported at Group level.

Section 2.1.1 provides information on the ABOUT YOU business model.

While ABOUT YOU's ESG Report 2021/2022 (publication on 31 May 2022) references selected GRI Standards, it was decided to not reference a framework in the non-financial reporting 2021/2022. ABOUT YOU values the comprehensiveness of the GRI framework and utilises both materiality dimensions (significant economic, environmental, and social impacts; influence on the assessments and decisions of stakeholders) in the assessment. However, a third dimension (impact on the financial position) was included to be compliant with CSR-RUG as well. As a result, ABOUT YOU believes to have a precise and fair representation of non-financial material topics for the Company.

Material Topics

The materiality assessment, on which this report is based, was conducted between November 2020 and February 2021 and has been reiterated in February 2022. While ABOUT YOU reassesses all material topics annually, the entire materiality assessment including the involvement of all stakeholders is updated every two years.

To assess material topics, the Company has developed a three-step approach:

1. Gather a list of 70+ topics from ESG reporting frameworks, cross-industry and e-commerce fashion best practices, multi-stakeholder initiatives roundtables, direct exchanges with external stakeholders, and desk research.
2. Consolidate the list of topics in clusters to facilitate prioritisation and ensure exhaustiveness in the scope of ABOUT YOU's initiatives.
3. Prioritise according to impact on Planet and People, impact on stakeholders, and impact on the financial position by combining input from three-dimensional prioritisation via
    a. Management Board
    b. ESG experts
    c. Customer surveys
    d. Corporate risk assessment
    e. ESG risk assessment.

In 2021/2022 nine out of 15 assessed clusters have been classified as material. The table below displays how they cover the aspects of CSR-RUG and where they are covered in this report.

[26] The content of the non-financial statement is not part of the audit.

[Table:] Aspects of Section 289c HGB and Material Topics

Aspect of Section 289c HGB	Material Topics	Covered in
Environmental matters	- Climate change - Energy consumption	- Planet: "Reducing ABOUT YOU's GHG emissions"
Human rights	- Human rights along ABOUT YOU's value chain	- People: "Ensuring compliance with ethical standards"
Employee matters	- Diversity and inclusion - Employee happiness, health, and well-being	- People: "Working at ABOUT YOU"
Social matters	- ABOUT YOU assessed the clusters "Voluntary work" and "Community impact", but did not identify them as material	
Anti-corruption	- Governance and Responsibility - Data Privacy and Security	- Corporate Governance - Progress: "Data Privacy & Security"
ABOUT YOU specific	- Circularity - More sustainable product offering	- Planet: "Circularity" - Planet: "Transition towards more sustainable products"

Corporate Governance

ABOUT YOU believes that a value-oriented culture fosters a sense of community, provides orientation for new colleagues, guidance in moments of uncertainty, and sets the tone for interactions with each other, the environment, and society. The Company values and the norms of behaviour form the basis of three documents which are regularly shared within ABOUT YOU or with third parties: the Business Code of Conduct, the Code of Ethics, and the Culture Booklet.

Further details on Corporate Governance can be found in section 1.4.1.

1.4.1 ESG Strategy & Governance

Strategy

ABOUT YOU harnesses its materiality assessment to continuously shape the overarching ESG strategy "Planet, People, and Progress". ESG aspects are integrated into the core of business processes, such as risk assessment and strategic business planning. ABOUT YOU's goal is to become one of the most sustainable options for its customers while providing a digitised, inspirational, and personalised shopping stroll. The Company feels reaffirmed in this position not only by customer feedback via purchasing decisions but also from the ongoing interactions with peers, business partners, employees, and multi-stakeholders' initiatives. "Planet, People, and Progress" is the framework that resembles how ABOUT YOU understands and manages its corporate responsibility towards the top targets in each pillar:

Planet:

- Reach science-based targets and reduce scope 1 and 2 GHG emissions by 80% by 2025 from a 2019 base year
- Increase the share of more sustainable assortment in the core assortment[27] to 20% by 2023 and generate 25% of revenue with this assortment

People:

- Continue to sharpen ethical standards and only work with business partners who are compliant
- Private labels value chain: Reach 100% transparency on tier 2 suppliers by 2023
- Employees: Define balanced representation as a 40/60/* corridor, with the aim for male and female representation in managerial positions to reach between 40% – 60%. The * included in the defined corridor refers to non-binary genders

Progress:

- Continue to steer all ESG initiatives with a dedicated governance structure and direct management involvement
- Keep up adherence to the applicable data security standards and educate the workforce on possible threats

Governance

Within ABOUT YOU, a decentralised governance structure has been set up to allocate sustainability experts to the teams having a stake in the material clusters regarding ESG topics. This organisation ensures direct interaction between the sustainability experts and the business unit leads. Once a month a meeting including the sustainability experts, business unit leads, and Co-CEO Hannes Wiese takes place to discuss progress. These meetings cover relevant internal and external KPIs, ongoing measures, new initiatives, and management decisions on ESG topics. While the sustainability experts and business unit leads steer the initiatives and measures, Corporate Sustainability & Strategy Teams steer the ESG governance by leading the monthly routine and monitoring the KPIs.

The following business units and teams are involved in the monthly ESG routine:

- Buying and Procurement (third party brands)
- Private Labels
- Logistics
- Circularity
- Human Resources
- Corporate Sustainability and Strategy

Within the last calendar year, achievements included adjustment of the internal governance structure, increased allocation of resources and sharpened KPI and targets. The corporate sustainability and strategy cover the analysis of emerging issues, guidance for business units, overarching structure, as well as consistency in efforts and reporting. Business units are

[27] Excluding home, living, accessories, beauty

responsible for the execution of identified measures, creation and updates of policy documents, allocation of resources, and working towards defined targets.

ESG Risk Management

Besides the dedicated operative ESG governance, environmental, social, and governance issues are also part of the risk assessment. On the one hand, the first ESG risk assessment was conducted covering the entire value chain from the design and raw material stage to end-of-use. The assessment ensures identification of all potential risks stemming from third parties which might impose risks on the value chain. Salient risks from the ESG risk assessment have been integrated into the corporate risk process and the materiality assessment.

The semi-annual corporate risk assessment identifies, assesses, and monitors business risks relating to ABOUT YOU and the development of the business. In the course of the semi-annual risk loops, risk leads identify and assess risks and opportunities and define measures to handle them. As part of the assessment, the risks with an environmental, social or governance impact are also analysed. Any risk that falls into one or more of these three categories is tagged accordingly and further analysed for its impact on the material topics. As a result, one net risk has been identified as a “highest risk” with a “very high” net impact on one of the material topics. This risk concerns data leakage.

1.4.2 Planet

Reducing GHG Emissions

The fashion industry’s Greenhouse Gas (GHG) emissions are significant and make up 2–7%[28,29] of global emissions depending on the research approach and pre-defined boundaries. To assess the impact of ABOUT YOU’s business, GHG emissions related to the Company's e-commerce business model and products have been analysed since the base year of 2019.

To manage and reduce GHG emissions, a four-step approach was developed and expanded on:

1. Continuously measure impact and gradually improve analysis
2. Set targets, reduce impact, and coordinate improvements with partners
3. Compensate for all GHG emissions that cannot be reduced directly
4. Share progress and learnings

The 2021/2022 analysis shows that a major share of GHG emissions is related to the manufacturing of products from third party brand partners of ABOUT YOU. A secondary share can be attributed to products, which the Private Label Teams sourced from tier 1 suppliers. A third share is related to the transport, warehousing, and packaging of the e-commerce operations with direct business partners. Because of the asset-light e-commerce retailer business model, the Company runs a limited number of own locations leading to low related GHG emissions.

Compared to 2020/2021, the reporting was expanded to the full scope of emissions in accordance with guidance from the Greenhouse Gas Protocol Corporate Value Chain (scope

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[28] World Resources Institute and Apparel Impact Institute (2021) – Roadmap to Net Zero, November
[29] McKinsey & Company (2020) – Fashion on Climate

3) Accounting and Reporting Standard to provide more transparency on total GHG emissions. Additional (market-based) primary data was included for accuracy, thus improving model accuracy. With regards to heating and transportation, this leads to a reduction in GHG emissions as the last calculation was more conservative.

In 2021/2022, ABOUT YOU has set science-based targets approved by the Science Based Targets initiative (SBTi)[30]. The targets have been incorporated into business processes, making it possible to provide a status update on progress towards these targets:

1. ABOUT YOU commits to reduce absolute scope 1 and 2 GHG emissions 80% by 2025 from a 2019 base year.

In 2021/2022, scope 1 and 2 GHG emissions have been reduced 44% from a 2019 base year. Target status: On track.

2. ABOUT YOU commits to increase annual sourcing of renewable electricity from 40% in 2019 to 100% by 2025.

In 2021/2022, 98% renewable electricity was sourced compared to 28% in the 2019 base year. Target status: On track.

3. ABOUT YOU commits to reduce scope 3 GHG emissions from private label products by 35% per unit of value added by 2025 from a 2019 base year.

In 2021/2022, scope 3 GHG emissions from private label products[31] have been reduced by 27% per unit of value added from a 2019 base year. Target status: On track.

4. ABOUT YOU commits that 90% of suppliers by emissions (covering purchased goods and services, and transportation and distribution), will have science-based targets by 2025.

In 2021/2022, the share of partners by emissions covering purchased goods and services, and transportation and distribution was increased to 48%, an increase by 30 percentage points from 18% in ABOUT YOU's base year. Target status: On track. Here, some uncertainty persists since ABOUT YOU depends on partners being required to set science-based targets. Initiatives are being put in place to align on an industry-wide approach and increase engagement efforts, including assessing maturity levels towards setting science-based targets, one-to-one engagements, and providing dedicated training.

Due to ABOUT YOU's strong business growth, total GHG emissions have increased to 381,744 metric tonnes of carbon dioxide equivalent (t CO_2e) in 2021/2022, up by 45% from the last reporting period. Scope 1 & 2 emissions (direct emissions, own operations) have reduced to 207 t CO_2e from 371 t CO_2e in the previous year.

Scope 3 emissions (indirect emissions outside of the organisation) are split in three focus areas to emphasise different challenges addressed:

1. E-commerce[32],[33]

Scope 3 e-commerce emissions have increased to 45,440 t CO_2e from 40,077 t CO_2e in the previous year, an increase of 13%, which is significantly below business growth. GHG emission

[30] Science Based Targets (n.d.)
[31] Production and inbound transport
[32] E-commerce purchased goods and services include packaging, call centers, water consumption, data center usage, and marketing materials.
[33] Our e-commerce downstream transportation & distribution includes outbound & returns transports, warehousing, consumables & packaging of warehouses.

intensity has reduced to 1.19 t CO_2e per order compared to 1.63 t CO_2e in the previous year, a decrease of 27%. This is primarily driven by operational improvements such as more efficient transportation, renewable electricity procurement in warehouses, and reducing transport distances by setting up a new warehouse.

2. ABOUT YOU Private Label Products

GHG emissions have increased to 29,451 t CO_2e from 14,266 t CO_2e in the previous year, an increase of 106%. The calculation includes the use phase GHG emissions, which were not included in the previous year. Excluding the use phase, the increase is below business segment growth, resembling the progress made towards a transition to more sustainable materials.

3. Third Party Brand Products

GHG emissions have grown to 306,847 t CO_2e from 209,673 t CO_2e in the previous year, an increase of 46%. The calculation includes the use phase GHG emissions, which were not included in the previous year. Excluding use phase, the increase is 29%, which is below business growth. Reaching the highest sales levels to date for products meeting more sustainable criteria was possible through the engagement with brand partners on setting science-based targets through a coordinated outreach and direct one-to-one exchanges. The overall impact has been further reduced through the sale of second-hand products that eliminate the environmental impact of manufacturing and disposal.

[Table:] Corporate Greenhouse Gas Emissions

Corporate Greenhouse Gas Emissions ABOUT YOU - by Scope	**2020**	**2021**	**2021**
	(t CO_2e)	(t CO_2e)	Act. growth YoY
Scope 1 - direct emissions (gas / heating, refrigerants)	61	51	(16.4)%
Scope 2 - indirect emissions (power, district heat)	310	157	(49.5)%
Scope 3 - indirect emissions outside of organisation	263,645	381,536	44.7%
Total (Scope 1, 2, 3)	**264,016**	**381,744**	**44.6%**
E-commerce operations and private label products compensation*	10,892	58,184	
Net carbon emissions	253,124	323,560	27.8%

* E-commerce operations compensation since October 2020 and private label products compensation since July 2021 through offsetting in tangible, certified climate protection programmes

In 2021/2022, the compensation of e-commerce GHG emissions that could not be reduced continued through offsetting in tangible, certified climate protection programmes.[34] In the financial year 2021/2022, CO_2 neutrality was achieved in e-commerce operations through

[34] Climate Partner (2021) – Climate ID Tracking 14439-2009-1001

compensation for corporate and customer activities. From the third quarter of the calendar year 2021 onwards, private label products have been included in the compensation scheme, making ABOUT YOU a CO_2 neutral e-commerce company with CO_2 neutral private label products through compensation.

Energy

Heating and electricity at ABOUT YOU locations are the main drivers of energy consumption. Non-renewable energy consumption has a significant impact on the Company's scope 1 and 2 GHG emissions. Even if the energy consumption is low due to the asset-light business model, energy consumption in general has been identified as material since it has a major impact on emissions outside the organisation. Decarbonising scope 1 and 2 GHG emissions of every value chain contributor helps decarbonise ABOUT YOU's products and services.

In 2021/2022, the total square meters of the Group's locations have grown, thus, increasing the total electricity and heating energy consumption due to company growth. The Company operates one single company car.

[Table:] Energy Consumption

Energy Consumption	2020	2021
	(kWh)	(kWh)
Electricity (total)	622,617	863,621
Electricity from renewable sources	267,407	847,977
Renewable share	43%	98%
Heating	839,904	1,302,457
Heating from renewable sources	0	183,491
Renewable share	0%	14%
Car fleet	28,398	20,020
Total	**1,490,919**	**2,186,098**
Total renewable	267,407	1,031,468
Total renewable share	18%	47%

In 2021/2022, ABOUT YOU increased its renewable electricity supply to 98% from 43% in 2020 making progress towards the 100% target in 2025. Concerning the heating supply, the Company increased primary data quality and can account for a higher share of renewable heating supply of 14% up from 0% last year. In total, it has been possible to increase the share of renewable energy supply to 47% from 18% in 2020.

Transition Towards More Sustainable Products

ABOUT YOU is aware that its customers are becoming increasingly ethically minded, demanding transparency and more sustainable products. More than three in five consumers state that they factor in the environmental impacts of their actions when making buying decisions.[35] ABOUT YOU recognises its responsibility to reduce the environmental impact of the products it sells together with its brand partners.

The aim is to be as straightforward as possible on products by sharing the level of transparency with customers and increasing this level over time. Through this process, customers are enabled to make informed purchasing decisions as products are highlighted based on environmental and social criteria. This is only possible when the responsible teams can ascertain a lower environmental impact or lower social and labour risk compared to a conventional product.

The approach to reach this goal is:

1. Increase transparency on more sustainable products in the shop by labelling according to more sustainable product criteria.

2. Increase visibility of more sustainable products by providing filters and categories.

3. Continuously review the more sustainable product criteria.

4. Increase the share of more sustainable products and brands that positively amplify the Company portfolio. A transition towards more sustainable sales is in progress through the seamless integration of these products on the platform.

In 2021/2022, the label for more sustainable assortment was changed from “sustainable” to “more sustainable”. This reflects the understanding of sustainability being a process rather than a state. It highlights that compared to similar conventional products, the labelled products are a more sustainable choice and not entirely sustainable.

The more sustainable assortment is continuously increasing. ABOUT YOU simultaneously offers more transparent product-based information to customers to engage them in sustainability and enable more sustainable choices. These efforts are visible in the growing percentage of the more sustainable assortment.

[Table:] Share of More Sustainable Products in Core Assortment

Share of More Sustainable Products in Core Assortment[36] (in %)			
	2020	2021	Target
Assortment share	8%	13%	20% by 2023
Net revenue share	19%	22%	25% by 2023

The number of more sustainable products on the platform has increased significantly. ABOUT YOU has scaled the share of more sustainable assortment while growing the overall

[35] McKinsey & Company (2020) - Consumer sentiment on sustainability in fashion, 17 July
[36] Excluding home, living, accessories, beauty

assortment compared to the previous year, showing that the Company is on track to reach its previously stated target of 20% by 2023. The respective net revenue share is higher than the assortment share. The metric was added to show the positive sale results from more sustainable products and to encourage more brand partners to bring more sustainable products to the platform.

In 2021/2022, the criteria for more sustainable products were reviewed and updated:

- Linen is no longer a criterion, but organic linen was added.
- Criteria have been reclustered in the shop to offer a more comprehensive overview.
- A dedicated logic for labelling more sustainable shoes was developed to better accommodate their composition of upper, lining, insole, and outer sole.
- Relevant criteria for the assortment have been added, including eco-friendly materials and manufacturing technologies, more environmentally friendly manufacturing processes, and certificates.

Please refer to the ESG Report 2021/2022 (publication date 31 May 2022) for an in-depth view of the criteria catalogue.

Private labels accounted for ~7% of net sales in 2021/2022. The private label portfolio consists of EDITED the label, ABOUT YOU the label, as well as several exclusive capsule collections, including the drops with the fashion icon Kendall Jenner. Within the private labels business unit, ABOUT YOU is responsible for the design, development, and sales of fashion products in various categories, the main ones being textiles, shoes, and accessories.

As a multi-brand Group sourcing from factories and bringing products to the market, ABOUT YOU is aware of the significant opportunity to lower the environmental impact of operations and of the influence it can have on transforming the material composition of products towards more sustainable materials. Out of the overall third party brand product criteria, the Company selects a subset of material-based product criteria that have less impact on the environment in terms of GHG emissions, water consumption, chemicals, and water pollution compared to conventional products. These criteria serve as the basis for monitoring the share of more sustainable private label products. The table below displays the current progress per defined private label material target. Compared to the previous year, notable improvements have been achieved across all material shares, indicating that the Company is on track to reach its 2025 targets.

[Table:] Share of Ordered Private Label Products containing more sustainable materials

Share of Ordered Private Label Products containing more sustainable Materials (in % of total Products)	2020	2021	Target 2025
Organic or recycled cotton	29%	54%	100%
Recycled polyester products	3%	22%	100%
More sustainable viscose products	11%	36%	100%
More sustainable leather (LWG, chrome free)	32%	42%	100%
More sustainable wool (RWS)		0%	100%
More sustainable mohair (RMS)		0%	100%

Circularity

The goal of circularity initiatives is to extend the life of fashion products by deviating from waste, reusing, and repurposing. Products in a linear model end as waste and their materials are not reused in most cases. Adding to the challenge, in recent years the lifespan of fashion products has been decreasing in line with product utilization.[37] This trend increases the total environmental impact since more products must be made, each having an environmental impact. The Company uses this trend as an opportunity to extend the lives of products by developing circular business models. The idea of a circular business model is based on the principle of reusing products or components in a circle, generating revenue without increasing the environmental footprint.

Establishing the “Second Love'' category by integrating quality-checked second-hand products, seamlessly and visibly, into the shopping experience of ABOUT YOU customers has been the first step to bring unused products back into the fashion circle. Second-hand shopping is simplified for customers through smooth checkout-processes and by maintaining the usual offering of accessible customer service, free shipping, and returns.

In 2021/2022, 400,000 unique Second Love products have been available to customers at any time, varying in their styles and price levels. ABOUT YOU is in the process of onboarding new partners and increasing assortment to become one of the major European retailers of quality-checked second-hand fashion. Official targets have been set to scale assortment to 1 million unique second-hand products by 2025.

A resale model is in the process of being rolled out, starting in Germany, as a major circular fashion initiative to enable customers to actively participate in circularity by reselling the unused products in their wardrobes. One barrier that customers face when bringing unused products back into the circle on existing resale platforms, is that customers need to enter product details, provide photos, and must manage pricing and shipping. ABOUT YOU aims

[37] Ellen MacArthur Foundation (2017) - A New Textiles Economy

to break these barriers and offer a viable resale option via its platform. Customers are provided with the opportunity to order resale shipping bags with their regular orders, which arrive with labels and instructions. After receiving the product, ABOUT YOU handles sorting, quality checks, pictures, and prices. The received products are then offered for resale on the platform.

At the 2021 ABOUT YOU Pangea Festival, the previously acclaimed ABOUT YOU Vintage Wardrobe opened its door once again to the festival participants. Visitors had the chance to rent unique vintage products for the duration of the event and participate in workshops on responsible clothing care and consumption. Even at an event – under Covid-19 restrictions – the interest in these initiatives shown by the visitors demonstrates the rising curiosity for circularity in fashion.

Upcycling maximises the use of resources by repurposing old or left-over fabrics and products to create new products. In 2021/2022, ABOUT YOU launched their upcycling brand ABOUT YOU REBIRTH STUDIOS. The vision of ABOUT YOU REBIRTH STUDIOS is to build a scalable solution to offer affordable, but fashionable upcycled apparel, accessible to a wide customer base. The upcycling pieces are integrated with the platform's regular assortment for a seamless experience, exploring regular and circular fashion side-by-side.

1.4.3 People

In fashion supply chains, garment workers are exposed to the highest social and labour risks. To understand the challenge and derive a management approach, ABOUT YOU first conducted an ESG risk assessment as part of the due diligence framework. It can be concluded that social and labour risks are interconnected, and potential management approaches are related or overlapping.

On the opportunity side, ABOUT YOU recognises that people are what makes the company thrive every day and acknowledges responsibility towards them. This includes both the people that work directly for the Company and the ones contributing into its value chain as an employee of one of the direct or indirect suppliers. The responsibility beyond the boundaries of the organisation is one of the emerging topics of the updated materiality assessment. Therefore, the overarching ESG strategy "Planet, People, and Progress" was adjusted to realign compliance with ethical standards as a People topic.

Ensuring Compliance with Ethical Standards

ABOUT YOU wishes for customers to know that all products have been produced ethically and under fair working conditions. Ethical business is based on a value chain where labour is safe, empowered, financially secure, and environmental standards are met. Dedicated measures have been derived across the organisation for direct business partners, in the value chain, and for the workforce.

To manage and mitigate social and labour risk internally, at direct business partners and in the value chain, the Company has set up a due diligence framework built on best practices and guidance for the industry. The due diligence framework consists of policies, ESG risk assessment, dedicated measures, and effectiveness monitoring at least concerning annual reporting and the whistleblowing channels. The framework will continue to be shaped as the Company progresses.

Regarding policies, the Business Code of Conduct[38] is the anchor of responsible corporate governance setting out minimum requirements for all business partners. In the Code of Ethics[39], ABOUT YOU has defined core values that facilitate ethical behaviour and integrity of all employees (how we do business, how we treat one another and how we handle our information). Please refer to the "Corporate Governance" Section for a more detailed picture of the documents.

In 2021/2022, ABOUT YOU conducted the first ESG risk assessment. Complementing the corporate risk assessment, the ESG risk assessment focuses on environmental as well as social and labour risks in the value chain to identify the most salient risks per segment. The Company has been assessing risks covering the whole value chain from design and raw materials to end-of-use. Out of a total of 16 social and labour risk factors, nine salient social and labour risks have been identified. As a result of high-level data availability, a very clear picture of salient social and labour risks in product manufacturing (tier 1) is available.

As a result, the Company concludes that there is a need to shift focus towards the supply chain, especially tier 1, since salient risks have been identified there.[40] Consequently, concrete preventive measures have been derived and are reported on per business unit. The Company also commits to sharing annual updates on the progress made.

ABOUT YOU engages with third party brand partners via a sustainability self-assessment questionnaire for brands and retailers called the "Brand and Retail Module (BRM)" that also encourages third party verification on self-reported data. As a result, 51% of brand partners have shared their BRM self-assessment data and over 34% have shared their externally verified BRM data.

Part of the ABOUT YOU products are directly sourced from tier 1 suppliers via the private label team. Social and labour risk management processes and procedures are put in place as the Company works closely with factories to implement industry best practices. Transparency is the foundation for managing any social and labour risk. In 2021/2022, ABOUT YOU mapped the tier 1 supply chain supported by amfori BSCI and set up a supplier database. 100% of tier 1 suppliers have been published on Open Apparel Registry (OAR)[41], supporting the OAR's mission to improve human rights and environmental conditions. The data is to be updated regularly. Building on that, a pilot project has been kickstarted to encourage tier 1 suppliers to report on their tier 2 suppliers. 67% of tier 2 suppliers provided feedback by revenue share with the respective tier 1 suppliers. A small share of tier 2 suppliers has also been published and efforts will continue to increase transparency within the next year.

Another pillar of the social and labour risk management is the audit scheme. Covering 100% of tier 1 suppliers, the audit scheme is based on a risk assessment by factory location. The private labels follow the amfori BSCI risk country classification[42] to define if tier 1 suppliers are in risk countries. The risk assessment is updated regularly to accommodate for changing circumstances and complimented by regular on-site visits of suppliers and manufacturing locations by the Private Label Buying Team.

ABOUT YOU works with direct business partners that run the e-commerce operations. First and foremost, these are transportation and warehousing providers, which are engaged in

[38] ABOUT YOU (2021) – Business Code of Conduct
[39] ABOUT YOU (2021) - Business Code of Ethics
[40] ESG risk assessment is based on available primary data and therefore not exhaustive. ABOUT YOU does not have full transparency on its value chain scopes 2–4 yet.
[41] Open Apparel Registry (2022)
[42] Amfori (2021) – Countries' Risk Classification

combatting potential social and labour risks. In transportation, partners receive a questionnaire focused on management approaches through a selected set of questions. The questions include, but are not limited to, implementation of social and labour standards, standards at their business partners, labour violations, responsibility programmes and action plans, and labour law compliance. In warehousing, ABOUT YOU has long-lasting business relationships with warehouse and return warehouse providers. Teams visit the facilities regularly and have been engaging with the partners on potential social and labour risks. In 2021/2022, ABOUT YOU has incorporated social and labour criteria in the due diligence processes when nominating business partners for warehousing operations and renewing contracts. The Business Code of Conduct is part of a dedicated discussion and has been signed by business partners.

Accessibility to the whistleblowing tool has been improved by creating a corporate website[43] and thus, making the grievance mechanism more accessible. To further increase accessibility, local languages have been added based on the locations of the private labels, logistics, and customer service direct business partners.

Working at ABOUT YOU

ABOUT YOU welcomed more than 550 new hires in financial year 2021/2022. As of 28 February 2022, the company counted 1,497 employees from 80 nationalities with an average age of 28 and an overall gender distribution of ~33% male, ~67% female and < 1% diverse colleagues between 18 – 59 years across its locations in Germany and Austria.

Employee Happiness, Health, and Well-Being

Having the right talent is key in order to achieve ambitious growth plans. ABOUT YOU is committed to creating an exceptional and inclusive environment in order to attract talents from all over the world.

To understand how the Company is living up to its ambitions, employees are regularly requested to provide feedback. One of the key metrics is Peakon's Net Promoter Score (eNPS): Employees rate a series of questions on a scale of 1 (lowest satisfaction) to 10 (highest satisfaction) on overall satisfaction, mental health, well-being and currently also on satisfaction with the employer's reaction and measures to Covid-19. The average eNPS score for the past twelve months is 32 and above a consumer-retailing benchmark of 23.

Key drivers for employee satisfaction are:

- Peer relationships: Assessing an open, inclusive, and supportive working environment among colleagues with an engagement score of 8.6 (0.4 above consumer-retailing average) and an eNPS of 63 (26 above consumer-retailing average).
- Growth: Personal and professional growth and individual career development with an engagement score of 7.7 (0.3 above consumer-retailing average) and an eNPS of 31 (20 above consumer-retailing average).

In 2021/2022, a further focus has been placed on looking after physical health, mental health and well-being, and on complying with governmental policies concerning workplace safety. Throughout this financial year, several initiatives have been launched to support the well-being of employees, especially reacting to arising challenges caused by Covid-19. A dedicated Health Day was inaugurated to raise awareness among employees for mental and physical

[43] ABOUT YOU (n.d) - Whistleblowing

health through lectures and workshops, followed up by regular live training sessions. Additionally, employees are now offered an increasing number of virtual sports activities, including yoga and meditation sessions several times per week. To support employees with help in case of an acute crisis, an employee assistance programme is made accessible to all employees and their immediate relatives, providing support around (mental) health concerns, legal issues, etc.

The company continuously monitors sick days and their corresponding reasons in collaboration with its health insurance partner "Techniker Krankenkasse" and defines common measures for improvement.

Diversity, Equality, and Inclusion

ABOUT YOU believes that to be successful, it is necessary to create a working environment for everyone to live up to their full potential by welcoming all genders, nationalities, and ethnicities, thus increasing fairness and equal opportunities.

In diversity, equality, and inclusion (DE&I), the Company measures how it is living up to this ambition through employee feedback. A dedicated DE&I module is integrated in the monthly engagement survey, covering diversity attributes, where employees can provide information on gender identity, sexual orientation, ethnicity, or socioeconomic status, among other things. The scores can be analysed in an aggregated form and allow for the evaluation of the DE&I efforts from various perspectives (employee personas). ABOUT YOU very much appreciates the openness of its employees to fill in those highly sensitive data, and the trust they place in the Company helps to continuously improve DE&I initiatives. Considering the twelve-month average from FY 2021/2022, the eNPS for DE&I asking employees if "People of all backgrounds are treated fairly at ABOUT YOU" shows a value of 66, which is significantly above average considering the overall consumer-retailing[44] benchmark of 47.

ABOUT YOU is committed to the principle of equal pay for equal work as payment should never be influenced by any factor other than qualifications, performance, and potential. To ensure that employees receive equal pay, company-wide salary bands are in place, determining salary based on role, job-related experience, tenure, and performance. These criteria are used to determine entry salary once an employee is hired and are part of the annual performance review process. Salary bands are reviewed and benchmarked on an annual basis using third party benchmark data from different industries and company sizes.

Another integral part of DE&I is the representation of women in leadership positions. A balanced representation is defined as a 40/60/* corridor, aiming for female and male representation in managerial positions to reach between 40% to 60%. The * included in the defined corridor refers to non-binary genders. As of 28 February 2022, 49% of leadership positions are held by female colleagues. For a detailed report on the target of female representation on the Supervisory Board, the Management Board and on Management Levels below the Management Board please refer to section 1.4.4 of this report.

Progress

In order to assume responsibility as a positive corporate citizen of society, ABOUT YOU has established governance mechanisms ensuring compliance with applicable laws as well as self-set standards and targets. The materiality assessment reflects these initiatives by ranking "governance & responsibility" as well as "data privacy & cybersecurity" as material clusters.

[44] Industry Benchmark changed from Technology to Consumer-Retailing due to stronger accuracy with ABOUT YOU business model of Peakon benchmarking group

While corporate governance as well as dedicated ESG governance have been explained in the respective sections, this section focuses on efforts to ensure the privacy and security of the data ABOUT YOU works with.

Data Privacy and Security

Customer data and cybersecurity are under scrutiny across all industries. This applies even more to purely digital business models where the customers' trust in the conscious handling of their data sets the foundation for buying decisions. The company appreciates the trust customers place in ABOUT YOU. Consequently, the Company adheres to the highest data and security standards.

The IT Security Team oversees data privacy and security. The team constantly assesses the most recent development of data protection and cybersecurity standards, reporting directly to co-founder and Co-CEO for Tech & Product Sebastian Betz.

The team's overall objective is to ensure compliance with applicable laws and regulations as well as with (self-developed) voluntary commitments. The Company follows best practices from the General Data Protection Regulation (GDPR), the Teleservices Data Protection Act (TDDSG) and further applicable laws in specific countries. An Information Security Management System (ISMS) is in place and best practices from ISO 27001 and CIS18 are being complied with. Furthermore, the main infrastructure vendors such as AWS, GCP. and Azure hold an ISO 27001 and SOC 1/2 certification.

All new vendors are checked on compliance with applicable legislation and against internal compliance, legal, and security requirements. These include security and privacy-related certifications, encryption standards, incident response processes, regular penetration testing, and identity and access management within the application and/or service.

All new employees are required to complete an extensive security and privacy training as part of the onboarding process, which covers the following example topics: password management, online scams and phishing attacks, handling of confidential and internal data, including personal data, and physical threats relating to information security. Additionally, an annual mandatory refresher training is in place.

Every public-facing web application of ABOUT YOU is protected by a web application firewall (WAF) and the Information Security Team reacts to any alerts coming from it. The cloud-hosted infrastructure of ABOUT YOU is monitored by an AI-based intrusion detection system, which detects malicious/suspicious activity and informs the Information Security Team via different channels. With regards to incident response, the Information Security Team has predefined playbooks for incidents that occurred in the past and a general incident response process is outlined. ABOUT YOU has implemented a data breach emergency and notification process to ensure compliance with the notification duties under GDPR and to ensure best reaction times to minimise impacts for the data subjects.

The cybersecurity programme is ultimately completed by internal and external security audits as well as vulnerability testing. While the internal audit is an ongoing process administered by the Application Security Team covering all software products, the external audit is applicable for any critical software component or infrastructure.

1.4.4 EU Taxonomy Statement

The European Union aims to become climate neutral by 2050 as the central target of the European Green Deal announced in 2019. One major instrument to achieve this target has been identified in the steering of investment activities. Directing financial resources towards sustainable projects contributes to the required transformation processes in economies, businesses, and societies.

In order to provide a common classification of sustainable investments, the EU Taxonomy has been introduced as a common classification defining environmentally sustainable economic activities.

From financial year 2021 onwards, companies in the non-financial reporting scope of EU Directive 2013/34 are also obliged to report following the EU Taxonomy (Regulation (EU) 2020/852). Article 8 of the regulation states that non-financial reporting shall include information on how and to what extent a company's economic activities qualify as environmentally sustainable. In particular, Article 8 requires disclosure relating to (i) turnover derived from services or products as well as (ii) capital expenditure, and (iii) operating expenditure related to assets or processes associated with economic activities that qualify as environmentally sustainable. In the first reporting period, environmentally sustainable activities are determined by the first two environmental objectives listed in Article 9 of the regulation: (a) climate change mitigation and (b) climate change adaptation.

ABOUT YOU implements the new reporting requirement following a three-step approach:

- Assess all economic activities that have the potential to contribute to climate change mitigation and climate change adaptation listed in Annex I and II of the Taxonomy Climate Delegated Act for their applicability to the ABOUT YOU business model.
- Derive the denominator of the reported KPI by extracting the value of all economic activities relating to the same position in the financial statements as the environmentally sustainable activities.
- Derive the numerator of the KPI by identifying the environmentally sustainable activities.

In the first step, ABOUT YOU identified the leasing of assets, such as warehouses and office buildings, as environmentally sustainable as per 7.7 in Annex I of the Delegated Act contributing to the environmental objective of climate change mitigation. These investment activities require disclosure following the definition of the capital expenditure definition of the EU Taxonomy. Beyond that, ABOUT YOU did not identify other material investments, turnover, or operating expenditure relevant in the context of the EU Taxonomy.

Subsequently, the following positions were extracted from the Company's financial statements to form the denominator of the reported KPI for FY 2021/2022:

- Additions to intangible and right-of-use assets: EUR 85.9 million
- Additions to property, plant, and equipment: EUR 3.4 million

The sum of the listed positions matches the values provided in section 3.6.7 "Notes to the Consolidated Statement of Comprehensive Income, Financial Positions, and Cash Flows" under "Intangible Assets" and "Property, Plant, and Equipment".

To derive the numerator, the additions to right-of-use assets were selected amounting to EUR 56.2 million (excl. EUR 5.1 million for short-term leases). This sum matches with the value provided in section 3.6.8 “Notes to the Consolidated Statement of Financial Position” under “Right-of-use Assets and Lease Liabilities”.

The environmentally sustainable activities represent 62.8% of all additions to intangible assets incl. right-of-use assets and property, plant and, equipment as listed above.

Moving forward, ABOUT YOU will expand the reporting following the EU Taxonomy as the Delegated Act has not fully come into effect yet. The reporting approach for 2021/2022 meets the requirements set by the EU Taxonomy. With the remaining environmental objectives coming into effect in 2022, ABOUT YOU expects an increased share of its business activities to fall in the scope of environmentally sustainable economic activities.

1.5 Risk and Opportunity Report

ABOUT YOU is actively managing its exposure to economic, industry, financial, and Company-specific risks and opportunities. The following section introduces ABOUT YOU's risk and opportunity management system (RMS) and provides an overview of its material risks and opportunities.

1.5.1 Risk and Opportunity Management System

Together with the Compliance Management System (CMS) and Internal Control System (ICS), the RMS forms an integral part of ABOUT YOU's Corporate Governance system. The implementation and integration of all three systems form the basis of an effective corporate governance. The RMS defines the overall control objectives and carries out the risk assessment in all business areas.

ABOUT YOU has implemented its RMS based on the Committee of Sponsoring Organisations of the Treadway Commission Enterprise Risk Management (COSO ERM) standards.

Objectives of the Risk and Opportunity Management System

The objectives of the RMS are to promote active risk awareness, to create transparency about risks and opportunities, and to be able to recognise and manage risks through a periodic and systematic process that allows appropriate risk measures to be taken.

The objectives of the RMS include:

- Foster awareness: Creating an active risk and opportunity culture and raising awareness of risks among employees;
- Create transparency: Identifying risks and opportunities at an early stage to enable effective countermeasures at each organisational level in the organisation;
- Take proactive action: Handling risks in a structured manner including the documentation, reporting, assessment, managing, and monitoring of risks and mitigation measures;
- Adhere to regulations: Meeting statutory and legal obligations including mandatory reporting of risks to the Management Board and Supervisory Board's Audit Committee in a standardised process;
- Serve as guideline: The results of the RMS can serve as a guideline to make informed business decisions.

ABOUT YOU uses this structured approach to address regulatory requirements such as the auditing standards 340/981 of the German Institute of Public Auditors (IDW).

Risk and Opportunity Identification

Risks and opportunities are identified and monitored on an ongoing basis to ensure transparency over ad-hoc risks. In addition, overarching risks are recorded centrally, while function-specific risks are identified, measured, and documented on a decentralised basis in a semi-annual risk process. A structured, overarching assessment is then conducted by the Risk Team.

Risk Assessment

Risks are assessed in terms of their probability of occurrence and potential financial and qualitative impact within a time span of 12 months over three scenarios (pessimistic scenario, realistic scenario, optimistic scenario). Every risk is tied to risk measures (bear the risk, minimise the risk, avoid the risk) that are in turn assessed in terms of their impact on the aforementioned factors. The risk assessment results in a gross risk, which describes the risk before applying measures, and a net risk, which includes the impact of the risk measures taken. This assessment is done on an individual basis and risks are then divided into three levels based on their probability of occurrence and impact: low risk, moderate risk, top risk. In addition, the identified risks are aggregated in accordance with the COSO ERM Standards and classified according to 19 company-specific risk clusters.

Based on the scale, top risks are risks with at least a high net financial impact and at least a moderate net probability of occurrence. These risks are monitored and addressed closely, and each is met with measures to minimise their net impact.

The results of the net risk assessments are aggregated in the two following ways. Both aggregations are part of the bi-annual risk process:

- Simulation of overall expected risk impact based on net financial impact (cash impact level) and net probability of occurrence of all single risks. A Monte-Carlo-Simulation is applied using the estimated probability of occurrence, three financial impact scenarios (best, realistic, worst) and the mitigation effects of the risk mitigation measures on both dimensions. Said measures are reviewed and submitted by the risk leads during the risk look process;
- Combination of single risk's financial impact and probability to derive a risk rating (top/moderate/low). The illustration "ABOUT YOU's Net Risk Inventory" provides an overview of all combinations and resulting risk ratings. The COSO categories are applied to show the number of risks by rating each category.

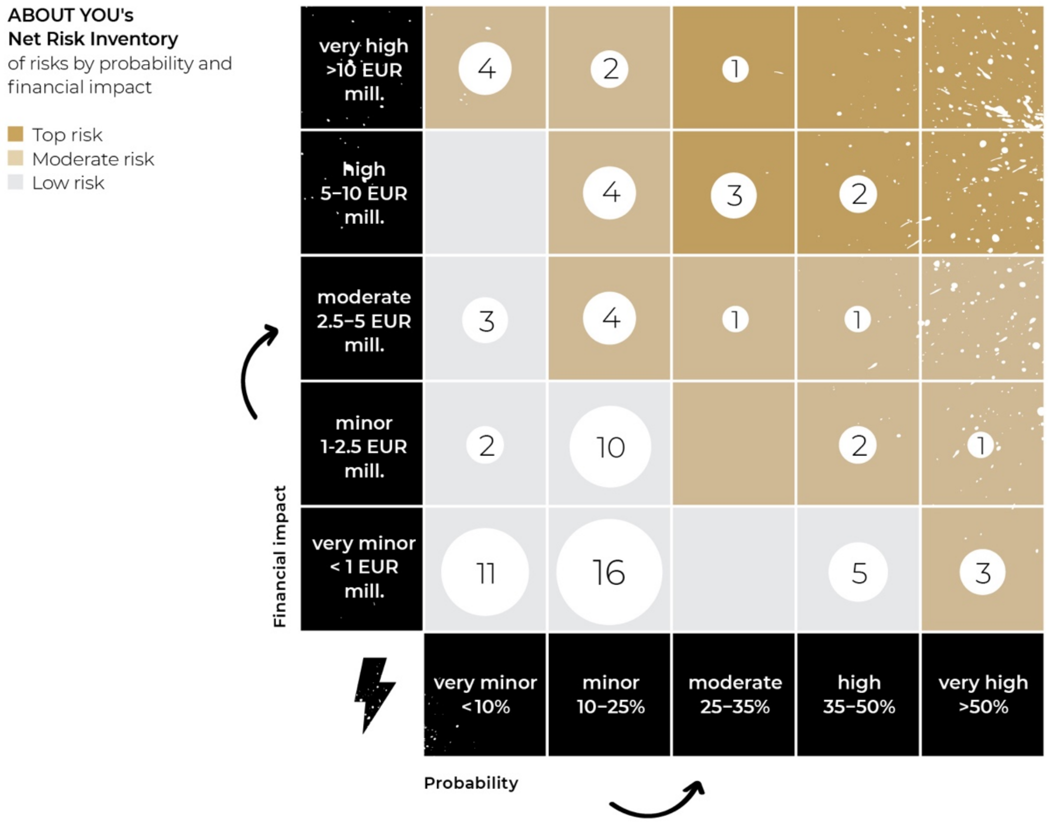
ABOUT YOU is evaluating its risk bearing capacity based on the overall (financial) development of the company twice a year. The Company defines its risk bearing capacity as the average liquidity (cash and cash equivalents and marketable debt securities and similar investments) over the next 12 months. The risk bearing capacity is calculated in the process of each risk loop. ABOUT YOU applies the liquidity approach in order to calculate the risk bearing capacity according to IDW PS 340.

Advancing ABOUT YOU's business also implies accepting and managing certain risks. Risk appetite is defined as the acceptance of a risk level to reach ABOUT YOU's targets and create value added. The determination of our risk bearing capacity sets the upper boundary for the risk appetite.

The risk tolerance resembles the boundaries within which ABOUT YOU is willing to operate given its risk appetite. The Management Board has defined risk tolerances for each function's operations. The adequate level of risk taking is individually cascaded through the organization led by the functions' managers. Overall, the risk appetite is operationalized through both formalized instruments (e.g., individual performance targets for managers; Code of Ethics) and informal exchanges with management (e.g., during the monthly Stand Up meetings with the Management Board).

As part of this year's risk review, all risks have further been reviewed and classified in terms of environmental, social, and governance (ESG) aspects. ESG risks underlie additional rigorous monitoring by the ESG system including monthly reviews with the Management Board.

[Graphic]: ABOUT YOU’s Net Risk Inventory



Risk and Opportunity Management System Improvements, Control, and Communication

The adequacy and effectiveness of the RMS are monitored through process-integrated and process-independent controls.

Process-independent controls comprise a comprehensive RMS process review which takes place every other year and is led by the Risk Team to implement. The process includes the identification of improvement areas and subsequent adaptations after a review by the Management Board. Further, an independent RMS review is included in ABOUT YOU’s audit plan. Process-integrated controls include a periodic internal quality assurance process to continuously improve the RMS. The risk reporting is conducted twice a year resulting in a comprehensive risk report including an updated risk inventory and a risk presentation with the risk matrix.

Each risk report is reviewed and confirmed by the Management Board. The process for risk reporting is triggered by the Risk Team which is responsible for creating the report and for initiating the review with the Management Board. Once reviewed by the Management Board, each risk report is shared with the Audit Committee and the Supervisory Board to facilitate the control of the overall risk strategy. The Supervisory Board and the Audit Committee have direct access to the Risk Team and may apply additional review actions at any time.

Accounting-related internal control system

In accordance with Section 315 (4) of the German Commercial Code (HGB), ABOUT YOU has implemented an accounting-related internal control system. The objective of the internal control system is to ensure the correctness, completeness and reliability of internal and external accounting in accordance with IFRS and the German Commercial Code (HGB), resulting from Sections 76 (1), 93 (1) and 107 (3) sentence 2 of the German Stock Corporation Act (AktG). The key to this is the identification, assessment and management of all risks that could have a significant impact on the orderly content and fair presentation of the consolidated balance sheet, the consolidated income statement and other comprehensive income, the consolidated cash flow statement, the consolidated statement of changes in equity, the notes to the consolidated financial statements and the combined management report. The accounting-related internal control system includes preventive, investigative, monitoring and error correction measures to ensure the accuracy of the accounting and external financial reporting.

The processes, the risks relevant to external financial reporting and the controls to mitigate these risks are analysed and documented continuously. Relevant controls, including description and type of control, the risk to be addressed, control frequency as well as executing and monitoring responsible parties are defined in a cross-process risk control matrix. The accounting-related internal control system is reviewed and developed continuously by those responsible in the finance department and by the internal audit department to ensure its appropriateness and effectiveness.

1.5.2 Illustration of Risks

ABOUT YOU has updated and identified risks across the Company resulting in a current total of 75 risks that could impact the business within the next 12 months (see illustration "Overview Risk Clusters"). Overall, no single risk or risk clusters have been identified that could potentially threaten the Company as a going concern.

[Graphic]: Overview Risk Clusters

Overview Risk Clusters

Risk dimension and -subcategory (COSO)	Total risks	Top risks	Moderate risks	Low risks
A) Strategic	**19**	**2**	**9**	**8**
1. AY company strategy	3		1	2
2. Competition	1	1		
3. Sustainability	2		2	
4. Markets/expansion	7		1	6
5. Brand/reputation	6	1	5	
B) Operations	**38**	**3**	**8**	**27**
6. Suppliers	6		3	3
7. Logistics	13	3	3	7
8. Sales	5			5
9. CRM	6			6
10. IT operations	3		1	2
11. HR	3		1	2
12. Pricing	1			1
13. Project management	1			1
C) Reporting/finance	**6**		**1**	**5**
14. Treasury	3			3
15. Controlling	3		1	2
16. Taxes	0			
D) Compliance /legal	**12**	**1**	**4**	**7**
17. Legal	5		1	4
18. Compliance	6		3	3
19. Data privacy & security	1	1		

Key changes to the Company’s FY2020/2021 risk and opportunity assessment result from macroeconomic developments such as the Russia-Ukraine conflict, inflation dynamics, and ongoing challenges in global supply chains. Furthermore, changing regulatory requirements such as new ESG legislations and amendments to existing reporting standards required an update on risk assessments.

Newly added company-specific risk events are a natural result of the regional expansion strategy of ABOUT YOU. This encompasses risks from increasing competition in newly launched and existing markets as well as increasing complexities given ABOUT YOU’s business operations in 26 markets and the Global Shipping Platform.

Further details with regard to the main risk dimensions including the six top risks are presented below:

Strategic Risks

Macroeconomic developments such as geopolitical unrest in Eastern Europe and increasing competitive dynamics in existing and new markets shape the risk profile of the strategic risks.

The Russia-Ukraine conflict might bear a risk potential for the Company's operations in neighbouring markets such as the Baltics, Romania, or Poland in case unrest extends beyond the conflict's current scope within Ukraine. However, even without a geographic expansion, the conflict may have a detrimental impact on consumer sentiment in CEE countries, thereby adversely affecting ABOUT YOU's business performance. Effects may stem from both the consumer side (e.g., lower levels of demand due to overall decreasing discretionary spend, in particular for fashion; lower event-led demand; higher inflation as a result of the conflict) and the Company side (e.g., toned down marketing activities). At the time of the publication of this report, ABOUT YOU has observed business impacts of varying levels across its CEE markets. Still, the decreasing customer sentiment in CEE countries due to their proximity to the Russia-Ukraine conflict remains a top risk. Hence, a number of mitigation measures such as active sentiment tracking through brand KPI surveys, adaptation of marketing campaigns, real-time performance tracking and steering are applied to enable short-term adjustments in the steering effort.

A second top risk results from the lifting of Covid-19 restrictions and opening of economies which might lead to increasing competition of online and offline retail. This trend is observed both in markets in which ABOUT YOU has been a leading player, such as Eastern European markets, and in newly launched markets with advanced competitive landscapes, such as Southern European markets. A range of measures creating transparency over the competitive situation on dimensions such as assortment, pricing, and brand KPI benchmarking are in place to ensure flexible adjustments to secure ABOUT YOU's positioning through on and offsite campaigns, pricing adjustments, and CRM measures.

Further, ABOUT YOU expects consumer price inflation in its markets to rise to the highest level in years, among others driven by increasing energy prices as a direct result of the Russia-Ukraine conflict. This might negatively affect overall consumer spend on fashion.

Operations Risks

Supply chain disruptions are a key topic in operations risks. Global shortages in production facilities and long-haul and last-mile logistic services have posed risk potentials during the Covid-19 peaks. Some uncertainty remains as restrictions are lifted both in ABOUT YOU's markets and supplier countries.

During the height of the pandemic, ABOUT YOU has shown that its operational model can flexibly adjust to unforeseen turmoil of both macroeconomic developments like global supply chain disruptions and Company-specific challenges such as short-term implementation of pandemic measures. Although many restrictions have been lifted, pandemic-related interruptions to processes at warehouses remain a top risk.

ABOUT YOU has identified two additional top risks within the operations dimension: first, the Company's strong growth trajectory requires flexible adjustments to warehouse capacities. If not addressed effectively, delivery times or product availability might be at risk. As ABOUT YOU has been growing at extraordinarily high rates in the past while upholding a great customer experience, the company is confident that its continued warehouse improvement efforts in existing as well as the planning of new warehouse capacity are effectively mitigating this risk.

Another operational top risk originates from ABOUT YOU's aspired growth: as much as capacities need adjustments, intra-network processes need to flexibly adjust to the increasing complexity of serving over 100 markets globally. Already today, smart assortment allocation programmes avoid unnecessary inter-warehouse processes while continuous improvement processes ensure operational excellence in existing data and product exchanges.

Reporting and Finance Risks

Macroeconomic developments might also bear risk potential in terms of reporting and finance risks. At the same rate as ABOUT YOU's supplier network is growing globally, the business impact of international markets with non-EURO currencies is increasing. Thereby, risks from volatility in exchange rates might increase if not effectively mitigated through hedging. Macroeconomic volatility may further impact the accuracy of financial planning cycles. Specific financial risks are further detailed in section 3.7.1 "Market Risks". At ABOUT YOU, an accounting related internal control system is in place that includes preventive, detective, monitoring, and error handling measures to ensure the correctness of the bookkeeping and the external financial reporting.

Compliance and Legal Risks

Main drivers of compliance and legal risks are changing regulatory requirements and ABOUT YOU's exposure to cybercrime and reliance on large amounts of data.

The last top risk stems from the loss of confidential data which could result in litigation and reduced customer satisfaction. This could be triggered by internal (e.g., system errors, malicious behaviour) or external factors (e.g., DDos attacks). Data loss represents a complex risk with numerous endpoints that bear a data leakage potential. Therefore, ABOUT YOU applies a comprehensive IT security programme targeting potential data leakage risks. Among others, the programme includes trainings for ABOUT YOU staff (e.g., security awareness trainings, phishing trainings) and security audits with external service providers.

1.5.3 Illustration of Opportunities

Opportunities associated with the future development for ABOUT YOU exist in respect of future scaling of the business model at various levels and are addressed along the key dimensions of ABOUT YOU's growth strategy. The opportunities are presented in descending order of potential impact for ABOT YOU:

Market Penetration, Scaling, and Potential Global Growth Pockets

Both macroeconomic developments resulting in a growing online fashion market and company-specific opportunities stemming from its current geographic footprint may provide future tailwinds.

The accelerated channel shift due to Covid-19 has served as a catalyst to expand the addressable market. While Covid-19 induced regulations have been loosened in some of ABOUT YOU's segments, the shift towards online shopping continues to advance. There are expectations of market share portions moving towards online specialists which will increase competitive opportunities versus competitors that have a weaker online focus.

At a Group level, ABOUT YOU's recent market launches, such as in South European markets, may put the Company in an elevated position to exploit additional pockets of growth. Although still in its infancy, ABOUT YOU's Global Shipping Platform may provide opportunities to thoroughly test and subsequently tap market potential outside of Europe in the most attractive markets.

Improving Breadth and Depth of Brand Partnerships

ABOUT YOU's relationships with brands and other partners constitute the core of its business success. Similarly, ABOUT YOU has become an established player for global fashion brands aiming to effectively cater to their core target groups. Looking ahead, ABOUT YOU may benefit from further extending its brand portfolio to both sizeable mass market players and focus niche players to achieve even higher market penetration. Additionally, the company will deepen existing partnerships leveraging its platform model and expertise as a trusted retailer to jointly advance brands' and ABOUT YOU's success story. Levers include improving access to exclusive product ranges, improved conditions, and higher revenue in ABOUT YOU's media division.

Profitability Improvements through ABOUT YOU's Enhanced Tech Platform

ABOUT YOU will proceed with its ongoing efforts to continuously improve customer features of its tech product, the ABOUT YOU tech platform. These improvements aim to both improve customer experience and to thereby increase profitability. Examples include ongoing improvements within ABOUT YOU's size finder thereby fostering customer satisfaction and reducing the level of returns. Furthermore, constant improvements in sorting and style recommendations foster ABOUT YOU's discovery proposition while optimising the Company's margin profile.

Planet, People, and Progress

ABOUT YOU's responsibility strategy, including the pillars "Planet, People, and Progress", remains a top strategic priority. ABOUT YOU has always defined its mission to empower people to express themselves through fashion. To not be afraid to stand up for diversity. To be confident, tolerant and open-minded while at the same time improving its impact on Planet, People, and Progress pillars.

ABOUT YOU aims to take a clear stance and believes that doing the right thing will uncover pockets for further positive impact and growth in the future. ABOUT YOU is a front runner in the development of circular business models: its used clothing offering, ABOUT YOU Second Love, went live already in late summer 2020 and has been featuring one of Europe's largest second-hand assortments ever since. Additional models like ABOUT YOU REBIRTH STUDIOS with its upcycling business model and ABOUT YOU Vintage Wardrobe are examples of promising and impactful circular endeavours.

TME Scaling

In addition to the commerce segment, ABOUT YOU continues to see opportunities in further scaling its TME segment. ABOUT YOU is addressing the need of B2B clients in the online market and is growing its client base with a professional and highly customisable offering. To further expand its B2B business and to support other companies in scaling their D2C business, ABOUT YOU launched its new B2B brand SCAYLE to even better address existing and potential B2B clients.

1.6 Outlook

1.6.1 Future Overall Economic and Industry-Specific Situation

All forecasts and expectations include a significant level of uncertainty given the difficulty in predicting the developments of global events including the war between Russia and Ukraine, as well as the developments of the Covid-19 pandemic.

The escalation of geopolitical tensions between Russia and Ukraine have led to a decrease in the expected global growth forecasts and increased inflationary pressures since February 2022.[45] The recent increases in energy and food prices could lead to a decrease in consumer confidence and spending, which in turn could slow down the expected increased consumer demand. Furthermore, the current situation creates additional friction in an already disrupted supply chain. The resulting effect will be dependent on the duration, intensity, and outcome of the conflicts. To date, the model simulations suggest a sizable downgrade of forecasts if the conflict will persist, with European economics being hit the hardest.[46] In the Euro Area, previously stated forecasts can expect a decrease in GDP by -1.4% and an increase of inflation by 2.0% in the first full year since the start of the conflict.[47]

Prior to the war, global forecast for 2022 included positive GDP growth at 4.5% and inflation was projected to decrease to 3.5%.[48] Inflation levels remain dependent also on a gradual decrease in supply-demand imbalances and monetary policy adjustments around the world.[49] Significant uncertainty remains on the projections given the possibility of new Covid-19 variant outbreaks and global economic repercussions from worsening Chinese real estate and commodity problems.[50] Financial market expectations also play a role, potentially leading to repricing in case of higher than predicted supply pressures and energy cost increases.[51]

According to the Euromonitor forecasts, recovery of the global fashion sector is taking place faster than expected with a CAGR 2021 to 2026 of 3%, pre-Covid-19 levels should be reached already in 2022, initially not expected before 2025.[52] In Europe, the fashion sector is expected to achieve the market size of EUR 385 billion in 2022, maintaining a growth of 8%, a growth rate which is significantly higher than pre-Covid-19 levels.[53] In Germany, growth is expected to accelerate to 10%, two percentage points higher than previous year, leading to a market size of c. EUR 65 billion in 2022.[54] With consideration of the current geopolitical situation in Europe, forecasts for the fashion sector are exposed to a degree of uncertainty given the possible negative effect of incremental supply chain disruptions and inflationary pressures.

The pandemic brought to surface the particular vulnerabilities of the fashion sector's complex supply chain which have been successfully managed accordingly. In the future, global fashion players are expected to consider new ways to secure their assortments, including internalising cargo services and more localised manufacturing locations.[55] In the

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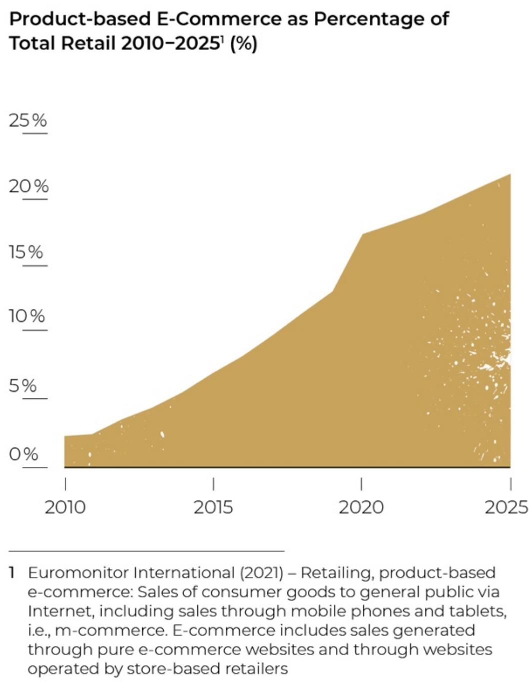
[45] OECD Economic Outlook (2022) – Interim Report, March
[46] OECD Economic Outlook (2022) – Interim Report, March
[47] OECD Economic Outlook (2022) – Interim Report, March
[48] OECD Economic Outlook (2021) – Volume 2, December
[49] IMF World Economic Outlook (2022) – Update, January
[50] OECD Economic Outlook (2021) – Volume 2, December
[51] OECD Economic Outlook (2021) – Volume 2, December
[52] Euromonitor (2022) – Apparel and Footwear 2022 Edition
[53] Euromonitor (2022) – Europe Apparel and Footwear
[54] Euromonitor (2022) – Germany Apparel and Footwear
[55] Euromonitor (2022) – Apparel and Footwear: Beyond the Pandemic, February

next six months, 20% of fashion professionals interviewed by Euromonitor plan to move manufacturing to locations closer to their sales markets.[56]

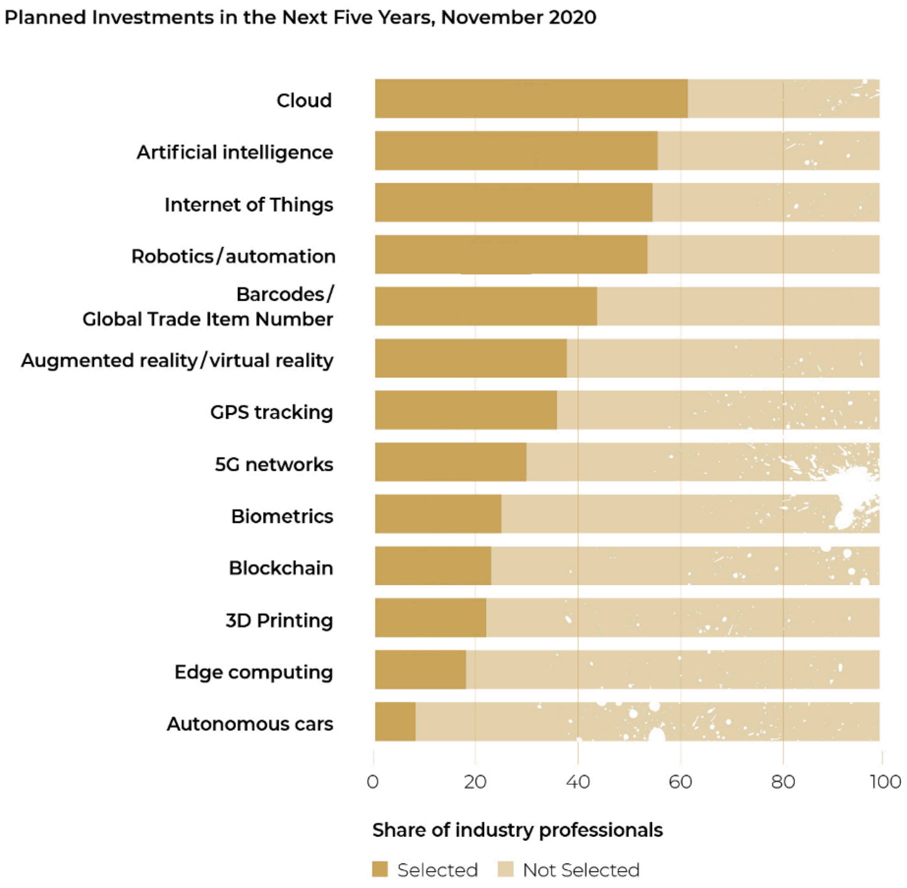
[Graphic]: Product-based E-Commerce as Percentage of Total Retail 2010–2025 (%)



Increased online penetration, boosted by the pandemic and driven by a shift in customer habits, is expected to continue being a primary driver of sales growth for the fashion e-commerce sector globally. To support the long-term change in shopping behaviour, fashion brands and retailers no longer see technology as nice-to-have but rather as a necessity to succeed in the competitive sector. According to Euromonitor's survey Voice of the Industry, 50% of professionals in fashion agree that Covid-19 has accelerated their digital transformation plans.[57] The leading technologies chosen for focus investments in the next five years included: cloud, artificial intelligence, and the Internet of Things.[58] Looking ahead, the global fashion e-commerce sector is expected to attain a CAGR of 8% over the period 2021 to 2026.[59] Market size is expected to grow by 9% in Europe in 2022 as market dynamics normalise, equivalent to c. EUR 115 billion.[60] The German fashion e-commerce sector continues to grow above pre-Covid levels, up 8% in 2022 and reaching a market size of c. 23 billion.[61]

[56] Euromonitor (2022) – Apparel and Footwear: Beyond the Pandemic, February
[57] Euromonitor (2021) – Voice of the Industry: Retailing, December
[58] Euromonitor (2022) – World Market for Apparel and Footwear, July
[59] Euromonitor (2022) – World Retailing, retail value RSP, current prices, fixed 2021 exchange rate
[60] Euromonitor (2022) – Europe Retailing, retail value RSP, current prices, fixed 2021 exchange rate
[61] Euromonitor (2022) – Germany Retailing, retail value RSP, current prices, fixed 2021 exchange rate

[Graphic]: Planned Investments in the Next Five Years, November 2020[62]

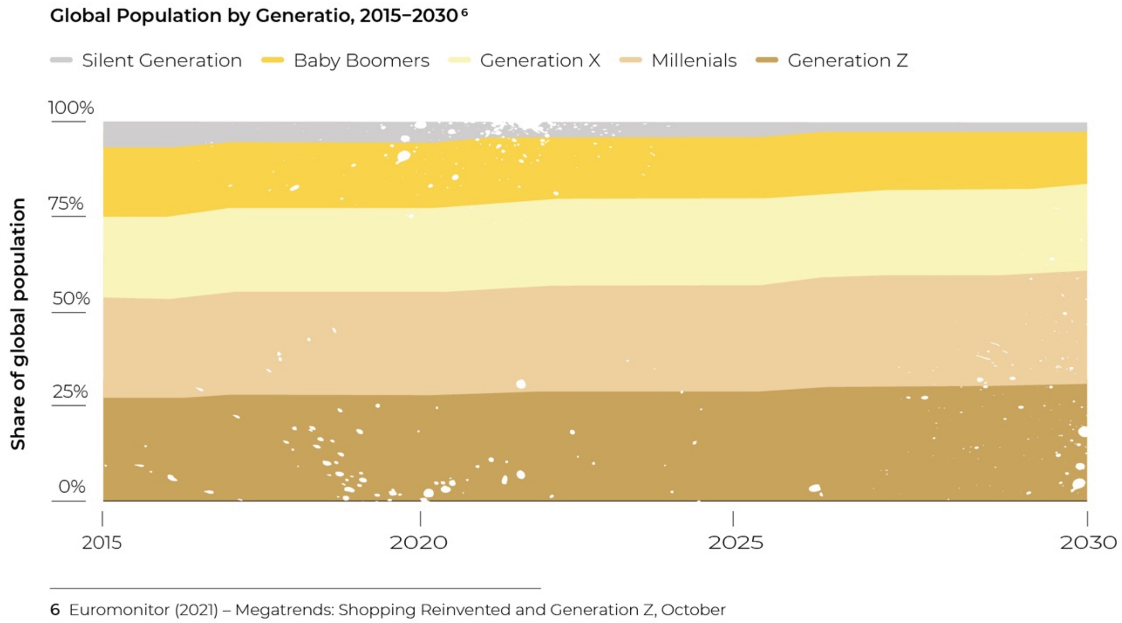


Source: Euromonitor international's Voice of the Industry: Digital survey November 2020 Q: Based on your observations, which of the following technologies, if any, does our company plan on investing in over the next five years? N=453

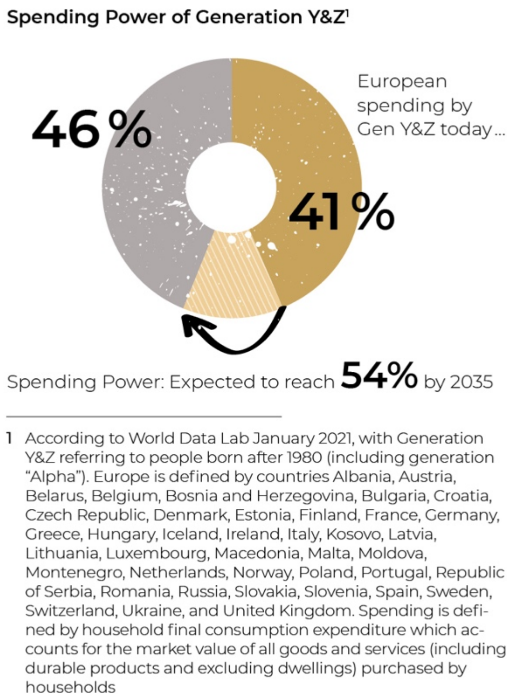
Whilst ABOUT YOU observes the growing importance of the Gen Z population, Euromonitor predicts that the young consumers will represent the biggest portion of the population in 2022.[63] Together with Gen Y, these cohorts will drive global economic growth and consumption over the next decade as average gross income rebounds post-Covid-19.[64] In order to keep up with these new generations, brands and retailers are expected to go the extra mile to create a fluid shopping experience across sales and communication channels to capture the cohorts' revenue streams. To grasp the attention of Gen Y&Z, brands and retailers will be expected to engage with customers through inspirational content across all touchpoints.[65] As a pioneer of the discovery model, characterised by personalisation and an influencer-driven approach, ABOUT YOU is strongly positioned to cater for the Gen Y&Z customer needs and unlock future potential of the next decade.

[62] Euromonitor (2020) – Voice of the Industry: Digitale Umfrage, November
[63] Euromonitor (2021) – Megatrends: Shopping Reinvented and Generation Z, October
[64] Euromonitor (2021) – Megatrends: Shopping Reinvented and Generation Z, October
[65] Euromonitor (2021) – Megatrends: Shopping Reinvented and Generation Z, October

[Graphic]: Global Population by Generation, 2015–2030[66]

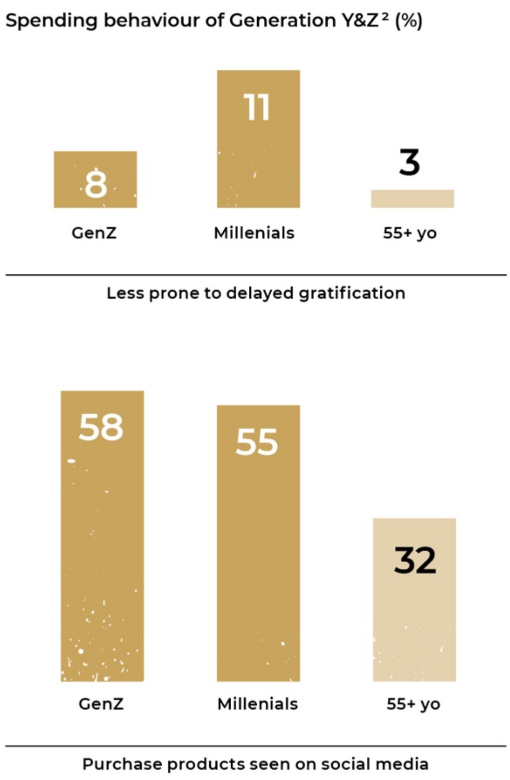


[Graphic]: Spending Power of Gen Y&Z



[66] Euromonitor (2021) – Megatrends: Shopping Reinvented and Generation Z, October

[Graphic]: Spending Behaviour of Gen Y&Z (%)



2 According to 5WPR consumer survey 2021

1.6.2 Guidance

ABOUT YOU intends to continue growing sustainably in the future. To this end, the Company focuses on four key growth levers:

1. Improving the customer experience by enhancing the core product

2. Scaling the ABOUT YOU shops in existing markets and developing new markets

3. Expanding the range in new and existing categories

4. Scaling the B2B products particularly in the SaaS division

For the financial year 2022/2023, ABOUT YOU expects to achieve guided Group revenue in absolute terms significantly above to that realised in 2021/2022.

In the 2022/2023 reporting year, it is expected that the Group will report a negative adjusted EBITDA in absolute terms. However, it is expected that these losses on adjusted EBITDA level will be moderately smaller than those realised in 2021/2022. In view of the expected positive revenue development, the adjusted EBITDA margin for the Group as a whole is also expected to improve moderately in the 2022/2023 financial year.

Segments are expected to continue to show different maturity profiles, which also translate into distinct growth and profitability patterns:

- DACH is expected to show moderate revenue growth in the financial year 2022/2023. Given the relatively high base, however, a deceleration in revenue growth rates is expected compared to 2021/2022. In terms of profitability, a slight improvement in the adjusted EBITDA margin is expected compared to financial year 2021/2022, hence also a moderate improvement of the adjusted EBITDA in absolute terms is expected.
- RoE is expected to continue to grow strongly in terms of revenues, however with a deceleration in revenue growth rates compared to financial year 2021/2022. The segment remains in investment stage, particularly in the recently launched Southern European and Nordic markets, and the adjusted EBITDA loss is hence expected to moderately increase in absolute terms in 2022/2023. Adjusted EBITDA margin is however expected to moderately improve compared to financial year 2021/2022, given the dynamic revenue development.
- TME is expected to realise another significant increase in revenues, but revenue growth rates are expected to decline in comparison to the strong financial year 2021/2022. Adjusted EBITDA margin is expected to moderately improve from an already high base, hence also the adjusted EBITDA in absolute terms is expected to increase significantly.

1.6.3 Group Corporate Governance Statement

The corporate governance statement pursuant to section 315d in conjunction with section 289f para. § Section 289f (1) sentence 2 HGB is available on the website.

1.6.4 Overall Assessment by the Management Board

In summary, net assets, financial position, and results of operations show that the Group continued to be in an improved economic position with significant business growth at the time of preparing the consolidated management report for the 2021/2022 financial year. ABOUT YOU showed significant growth and made important long-term investments to unlock future potential. The Group remained profitable in the DACH segment and became profitable with regard to adjusted EBITDA in all B2B revenue streams – Tech, Media, and Enabling – in FY 2021/2022. In financial year 2022/2023, ABOUT YOU expects to continue a positive business performance.

The assumptions on the economic development of the market and the industry are based on assessments that are considered realistic in line with currently available information at the time these consolidated management reports were prepared. The statements are, by nature, subject to a series of risks and uncertainties. The actual results may therefore deviate from these forecasts should one of these or other uncertainties arise or the assumptions on which the statements are made prove to be inaccurate.

1.7 Supplementary Management Report to the Separate Financial Statements of ABOUT YOU Holding SE

Business Activity

The ABOUT YOU Holding SE performs the function of the holding company within the Group. Main function of ABOUT YOU Holding SE is the management and valuation of financial assets, which reflects the operating business of the Group and is determined by the key performance indicators of the Group at large. The key performance indicator of ABOUT YOU Holding SE thus is the result from financial investments, including potential effects from depreciation and amortization of financial assets, reflecting the valuation of financial assets.

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

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

The annual financial statements of ABOUT YOU Holding SE are compiled in accordance with the German Commercial Code (HGB). The consolidated financial statements are compiled in accordance with the International Financial Reporting Standards (IFRS), as applicable in the EU. The use of different accounting standards results in differing accounting and valuation methods. The major differences concern shareholders' equity and deferred taxes.

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

Assets, liabilities, financial position, and financial performance according to HGB developed as follows in financial year 2021/ 2022:

Balance Sheet of ABOUT YOU Holding SE Pursuant to HGB as of 28 February 2022

Assets

in EUR million	**28/2/2022**	28/2/2021
Non-current assets	**1,164.5**	**874.6**
Financial assets	1,164.5	874.6
Current assets	**342.7**	**4.7**
Receivables from related parties	1.0	0.0
Other non-financial assets	0.5	0.0
Cash balances with credit institutes	341.2	4.7
Total assets	**1,507.2**	**879.2**

Equity & Liabilities

in EUR million	**28/2/2022**	28/2/2021
Equity	**1,482.9**	**874.3**
Subscribed capital	186.2	4.3
Treasury Shares	(15.8)	0.0
Share premium	926.2	435.2
Retained profit / deficit	434.9	0.0
Balance sheet loss	(43.1)	434.9
Provisions	**15.1**	**1.4**
Other provisions	15.1	1.4
Current provisions and liabilities	**2.2**	**0.0**
Trade payables	0.1	0.0
Trade payables from related parties	2.1	0.0
Other liabilities	0.0	0.0
Deferred tax liabilities	**1.5**	**3.5**
Total equity and liabilities	**1,507.2**	**879.2**

Income Statement of ABOUT YOU Holding SE Pursuant to HGB from 1 March 2021 to 28 February 2022

in EUR million	**2021/2022**	2020/2021
Revenues	0.9	0.0
Other operating income	1.4	0.0
Personnel expenses	(16.8)	0.0
Other operating expenses	(29.5)	(1.8)
Earnings before interest and taxes (EBIT)	**(43.8)**	**(1.8)**
Net interest income/ loss	(1.0)	(0.0)
Earnings before taxes (EBIT)	**(45.1)**	**(1.8)**
Income taxes	2.0	(3.5)
Profit / (loss) for the period	**(43.1)**	**(5.3)**
Retained loss carried forward	434.9	(0.0)
Reversal of retained profit / deficit	0.0	440.2
Allocation to retained profit / deficit	(434.9)	0.0
Retained profit / deficit	**(43.1)**	**434.9**

The increase in financial assets by EUR 289.9 million corresponds mainly to capital increases by EUR 290.0 million undertaken in the Group's subsidiaries. Cash and cash equivalents of EUR 336.5 million increased as a result of the cash received from the public offering. Due to an increase in share capital from company funds and the capital increase in the course of the Company's public offering, subscribed capital increased by EUR 181.9 million to EUR 186.2 million. The placement prices realized in the course of the Company's public offering, which exceeded the nominal amount of the shares issued, resulted in an inflow of EUR 628.5 million in additional paid-in capital, which was counterbalanced by an outflow of EUR 153.3 million as a result of the increase in share capital. Furthermore, an increase in the capital reserve of EUR 15.8 million resulted from the acquisition of treasury shares. These are simultaneously deducted negatively from equity. The increase of EUR 13.7 million in other provisions is mainly driven by the inclusion of performance-related compensation components. The income statement features a steep rise by EUR 27.8 million in other operating expenses. These mainly consist of expenses for the listing and other consulting costs. Personnel expenses contain EUR 14.8 million in expenses from the inclusion of performance-related compensation components.

Guidance for ABOUT YOU Holding SE

ABOUT YOU Holding SE was able to meet the forecast of the prior year with regard to the further development of the net assets, financial position and results of operations as well as the maintained intrinsic value of the financial assets. ABOUT YOU Holding SE's planning for the financial year 2022/2023 continues to assume steady further development of assets, financial and earnings position. Due to the expected positive development of the subsidiaries, financial assets are not expected to be changed in value.

1.8 Disclosures required by Takeover Law pursuant to Sections 289a (1), 315a (1) German Commercial Code (HGB) and Explanatory Report

The disclosures required under Sections 289a (1), 315a (1) German Commercial Code (HGB) are presented and described below. Please refer to section 3.6.7 (19.) of the notes to the consolidated financial statements with regard to the disclosures pursuant to section 315a sentence 1 HGB.

Composition of the Registered Share Capital

The registered share capital of ABOUT YOU as of 28 February 2022, 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 shareholders' share in the profits of ABOUT YOU. The rights and obligations of the shareholders are based on the provisions of the German Stock Corporation Act (AktG), especially on Sections 12, 53a et seq., 118 et seq. and 186 German Stock Corporation Act (AktG).

Restrictions Relating to Voting Rights and the Transfer of Shares

At the end of the financial year, ABOUT YOU held 15,758,072 treasury shares. Pursuant to Section 71b German Stock Corporation Act (AktG), the Company is not entitled to any rights attaching to these treasury shares. In general, the voting right of such shares is excluded by law pursuant to Section 136 German Stock Corporation Act (AktG).

In addition, according to the Management Board’s knowledge, the following agreements that can be considered restrictions within the meaning of Sections 289a (1) no. 2, 315a (1) no. 2 of the German Commercial Code (HGB) were in force on 28 February 2022:

Voting Pool Agreement between OTTO and GFH Gesellschaft für Handelsbeteiligungen m.b.H.

On 23 March 2021, the shareholders OTTO and GFH Gesellschaft für Handelsbeteiligungen m.b.H. (hereinafter referred to as “GFH”) entered into a pool agreement to coordinate the exercise of voting rights from all the shares held by them (“Pool Agreement”). According to the voting rights notifications of the aforementioned shareholders dated 16 June 2021, they hold a total of 82,578,728 shares of ABOUT YOU (corresponding to 44.36% of the share capital and the voting rights). The Pool Agreement covers all shares with voting rights in ABOUT YOU currently held by any party or dependent company within the meaning of Section 17 German Stock Corporation Act (AktG) as well as those acquired in the future as a result of exercising subscription rights, regardless of how they are acquired, as well as all shares with voting rights held by a third party on behalf of a party to the Pool Agreement on the basis of trust agreements or similar arrangements. In the Pool Agreement, OTTO and GFH have undertaken to exercise the voting rights from their holdings of shares in ABOUT YOU uniformly in accordance with the agreement between them. This includes all ABOUT YOU shares currently and in the future held by the aforementioned shareholders and the companies dependent on each of them within the meaning of Section 17 German Stock Corporation Act (AktG), as well as such 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 shares sold by GFH as part of the Greenshoe Option up to an amount of EUR 50 million (applying a price per share based on the lower of the mid-point of the price range in the private placement or the placement price) or 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 22/26 February 2021 (as amended on 29 March 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 favour 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. This right exists as long as OTTO controls, including through affiliates or pooling agreements, at least 40% of the share capital of ABOUT YOU (excluding 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. 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 authorisations, the Shareholders' Agreement provides that OTTO and Heartland will vote in favour of the renewal of existing authorisations, e.g., authorised capital as well as the authorisation to issue convertible/option bonds and the underlying conditional capital. Any utilisation of authorised capital excluding the subscription 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

As part of the private placement of the Company's shares in the period until the end of 5 March 2022, the shareholders OTTO and GFH have undertaken not to directly or indirectly sell or otherwise dispose of shares held by them at the time the underwriting agreement in the context of the private placement is concluded or to offer them for purchase to third parties without the prior written consent of the underwriters ("lock-up"). The lock-up does not apply to (i) any transfer of shares to companies affiliated with the respective shareholder or to other shareholders who already held shares in the Company at the time of the private placement or (ii) any disposal for the purpose of pledging or granting any other security interest over the Company's shares in connection with any margin loan facility, (iii) any disposal for the purpose of transferring any of the Company's shares to or for the benefit of a margin loan lender in connection with a margin loan or (iv) any transfer of the Company's shares to one or more reputable third-party investors, provided that any proposed transferee of such Company's shares pursuant to (iii) or (iv) above has agreed, for the remainder of the lock-up period, to be bound by the same lock-up restrictions as the relevant shareholder.

Furthermore, the shares held by the members of the Management Board of ABOUT YOU (indirectly via their respective investment vehicles, i.e., Tarek Müller Beteiligungsgesellschaft mbH, Sebastian Betz Beteiligungsgesellschaft mbH and Hannes Wiese Beteiligungsgesellschaft mbH), which are neither vesting shares within the meaning of the re-vesting agreement (as defined and described below) nor shares sold in the private placement, are subject to a staggered lock-up obligation to the Company, according to which 50% of these shares may not be transferred or otherwise disposed of for one year and the other 50% for two years after the private placement (calculated from 16 June 2021).

Re-Vesting Scheme

Furthermore, in connection with the Company's private placement, the Company and each Management Board member and their respective investment vehicles entered into a re-vesting agreement on 4 June 2021, pursuant to which a portion of the Company's shares held by the respective investment vehicles of the Management Board members (i.e. Tarek Müller Beteiligungsgesellschaft mbH, Sebastian Betz Beteiligungsgesellschaft mbH and Hannes Wiese Beteiligungsgesellschaft mbH) 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 15 April 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”). There are good and bad leaver events. In the case of a good leaver event, the shares that have vested pursuant to the Time Vesting 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 environmental and social factors (ESG). 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 on the Company's website under the Corporate Governance section here.

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.

Trade Bans (Closed Periods)

Furthermore, in connection with Article 19 (11) Regulation (EU) No 596/2014 (Market Abuse Regulation) 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 in (temporal) connection with the publication of quarterly, half-yearly and year-end financial figures.

Shareholdings in the Capital Exceeding 10% of the Voting Rights

As of 28 February 2022, Michael Otto Stiftung and Dr Michael Otto, Anders Holch Povlsen and Benjamin Otto indirectly held 64.36% of the Company's shares.

The above information is based on 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 available on the corporate website here.

Shareholders with Special Voting Rights; Voting Control over Employee Shares

The Company has not issued any shares with special rights pursuant to Section 315a (1) no. 4 and Section 289a (1) no. 4 German Commercial Code (HGB). Employees do not hold shares in the capital within the meaning of Section 315a (1) no. 5 and Section 289a (1) no. 5 German Commercial Code (HGB).

Statutory Provisions and Provisions of the Articles of Association on the Appointment and Dismissal of Members of the Management Board and the Amendment of the Articles of Association

The Supervisory Board appoints the members of the Management Board on the basis of Article 9 (1), Article 39 (2) and Article 46 SE Regulation and Sections 84, 85 German Stock Corporation Act (AktG) for a maximum term of five 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 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 are decided by the Annual General Meeting. Pursuant to Article 59 (1) SE-Regulation and Section 179 (2) 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 of ABOUT YOU are otherwise governed by Sections 179, 181, 133, 119 (1) no. 6 German Stock Corporation Act (AktG). 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. German Stock Corporation Act (AktG) in case of capital increases, Sections 222 et seq. German Stock Corporation Act (AktG) in case of capital reductions and Section 262 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 authorised to adopt amendments to the Articles of Association that only affect their wording.

Powers of the Management Board to Issue or Repurchase Shares

Authorised Capital 2021

Pursuant to Article 4 (4) of the Articles of Association of ABOUT YOU, the Management Board is authorised, with the consent of the Supervisory Board, to increase the Company's share capital on one or more occasions until 30 May 2026 by a total of up to EUR 78,791,000 by issuing new bearer shares with no-par value against cash and/or non-cash contributions (Authorised Capital 2021). The shareholders shall generally be granted the statutory pre-emptive rights to the new shares. The pre-emptive rights can also be granted by way of indirect pre-emptive rights within the meaning of Section 186 (5) Sentence 1 German Stock Corporation Act (AktG).

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

- 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 subscription right is excluded does not exceed 10% of the share capital,
- to issue shares against contributions in kind, in particular 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 programmes 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 authorisations to exclude subscription rights explained above may also be combined.

The Management Board is authorised, with the consent of the Supervisory Board, to determine the further content of the shareholder rights and the terms and conditions of the stock issuance. Further details on the Authorised Capital 2021 can be found in Article 4 (4) of the Articles of Association of ABOUT YOU.

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 subscription 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 subscription rights exercise their subscription rights to shares in the Company, and the Company neither grants treasury shares nor cash payments to fulfil the subscription rights. Granting and fulfilling subscription 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 31 May 2021, the General Meeting authorised 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 30 May 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 authorised, 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 authorisation 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 a syndicate of banks 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 authorised, 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 authorisation 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 authorisation 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 authorisation becomes effective nor at the time it is exercised. Company shares that are issued or sold by the Company during the term of this authorisation with exclusion of pre-emptive rights pursuant to Section 186 (3) Sentence 4 of the German Stock Corporation Act (AktG) or by applying it accordingly count towards this limit. Furthermore, Company shares that are issued now or in the future for the purpose of servicing conversion or option rights or conversion or option obligations attached to convertible and/or option bonds or convertible profit participation rights also count towards this limit if the Bonds or profit participation rights carrying a respective conversion or option right or a conversion or option obligation are issued during the term of this authorisation on the basis of a different authorisation that excludes the shareholders' pre-emptive rights on the basis of Section 186 (3) Sentence 4 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 recognised principles of financial mathematics.

The authorisations to exclude subscription rights explained above may also be combined.

This authorisation 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 30 May 2026 based on the authorisation granted by resolution of the General Meeting of ABOUT YOU Holding AG (the legal predecessor of the Company) on 31 May 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 authorisation resolution. The Management Board is authorised, 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 14 June 2021, the General Meeting authorised the Company under agenda item 2 pursuant to Section 71 (1) No. 8 of the German Stock Corporation Act (AktG) to acquire treasury shares on or before 13 June 2026 in an amount of up to 10% of the share capital of the Company at the time the authorisation is granted or – if such amount is lower – at the time of the authorisation is exercised. The amount of treasury shares acquired on the basis of this authorisation together with other treasury shares in possession of the Company or attributed to the Company pursuant to Sections 71a et seq. 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 programmes or entities owned by such participants in connection with the settlement of such programmes 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 authorisation 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 authorised 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 authorisation 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 authorisation becomes effective and at the time this authorisation 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 authorisation with the exclusion of pre-emptive rights by applying Section 186 (3) Sentence 4 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 authorisation on the basis of a different authorisation by exclusion of pre-emptive rights by applying Section 186 (3) Sentence 4 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 programmes 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 authorised, 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) German Stock Corporation Act (AktG).

All the above authorisations 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 authorisation 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 on the basis of the authorisations granted by resolution of the General Meeting of 31 May 2021 under agenda item 5 and 6 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 14 June 2021 on agenda item 3, the Company is also authorised 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 authorised 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 authorisation 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 authorisation 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 authorisation is granted or – if such amount is lower – at the time the authorisation 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 13 June 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 authorisation to acquire treasury shares (resolution of the General Meeting of 14 June 2021 under agenda item 2).

The authorisation 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.

The provisions regarding the use of treasury shares acquired on the basis of the authorisations described above shall apply *mutatis mutandis* to the use of treasury shares acquired by using Derivatives.

Material Agreements that Come into Force Following a Change of Control due to a Takeover Bid

The Company has concluded no significant agreements that would into force after a change of control or that provide for special termination rights for this purpose.

Compensation Agreements Concluded with Members of the Management Board or with Employees in the Event of a Takeover Bid

There are no commitments to members of the Management Board and employees of the Company for (additional) benefits in the event of a change of control. The service contracts of the Management Board members contain neither a special right of termination nor entitlements to severance payments in the event of a change of control.

ABOUT YOU Holding SE, Hamburg

(Until 15 September 2021: ABOUT YOU Holding AG; until 10 March 2021: ABOUT YOU Holding GmbH)

Balance Sheet as of 28 February 2022

Assets

in EUR	**28/2/2022**		28/2/2021	
A. Fixed assets				
I. Financial assets				
Shares in affiliated companies		1,164,510,766.81		874,550,766.81
B. Current assets				
I. Receivables and other assets				
1. Receivables from affiliated companies	993,983.99		0.00	
2. Other assets	488,329.29	1,482,313.28	0.00	0.00
II. Bank balances		341,178,415.18		4,675,005.44
		342,660,728.46		4,675,005.44
		1,507,171,495.27		**879,225,772.25**

Equity and liabilities

in EUR	**28/2/2022**		28/2/2021	
A. Equity				
I. Subscribed capital	186,153,487.00		4,276,503.00	
Treasury shares	-15,758,072.00	170,395,415.00	0.00	4,276,503.00
II. Capital reserve		926,185,230.81		435,161,275.81
III. Retained earnings		391,805.954.76		434,892,880.32
		1,488,386,600.57		874,330,659.13
B. Provisions				
Other provisions		15,122,900.39		1,389,757.03
C. Liabilities				
1. Trade payables		80,493.43		437.50
2. Liabilities to affiliated companies		2,059,403.20		0.00
3. Other liabilities		15,402.98		0.00
		2,155,299.61		473.50
D. Passive deferred taxes		1,506,694.70		3,504,882.59
		1,507,171,495.27		**879,225,772.25**

ABOUT YOU Holding SE, Hamburg

(Until 15 September 2021: ABOUT YOU Holding AG; until 10 March 2021: ABOUT YOU Holding GmbH)

Statement of profit and loss for the period from 1 March 2021 to 28 February 2022

in EUR	**2021/2022**		2020/2021	
1. Revenue		948,778.50		0.00
2. Other income		1,393,297.77		17,572.72
3. Personnel expenses				
a) Wages and salaries	-16,647,320.83		0.00	
b) Social security costs	-202,231.75	-16,849,552.58	0.00	0.00
4. Other operating expenses		-29,540,552.62		-1,776,590.50
5. Other interest and similar income		287,671.24		0.00
6. Interest and similar expenses		-1,324,630.76		-15,247.40
7. Income taxes		1,998,062.89		-3,504,882.59
8. Earnings after tax		**-43,086,925.56**		**-5,279,147.77**
9. Net loss		**-43,086,925.56**		**-5,279,147.77**
10. Retained earnings (PY: Retained deficit)		434,892,880.32		-40,777.91
11. Reversal of retained earnings		0.00		440,212,806.00
12. Retained earnings		**391,805,954.76**		**434,892,880.32**

ABOUT YOU Holding SE, Hamburg
(Until 15 September 2021: ABOUT YOU Holding AG; until 10 March 2021: ABOUT YOU Holding GmbH)

Notes for the Financial Year 2021/2022

1. General Information

ABOUT YOU Holding SE (until 15 September 2021: ABOUT YOU Holding AG; until 10 March 2021: ABOUT YOU Holding GmbH), with its registered office in Hamburg, is entered in the Commercial Register at the Hamburg District Court under the number HRB 170972.

ABOUT YOU Group with ABOUT YOU Holding SE as the ultimate parent company performed a group listing in the past financial year and had its first day of trading on the Frankfurt Stock Exchange on 16 June 2021. The company subsequently became part of the SDAX®, the MSCI Global Small Cap Index, and the FTSE Global Small Cap Index.

ABOUT YOU Holding GmbH, which existed as of the previous year's reporting date of 28 February 2021, was transformed into ABOUT YOU Holding AG effective as of 10 March 2021, and into ABOUT YOU Holding SE effective as of 15 September 2021 in the financial year.

2. Accounting and Valuation Principles

Due to its capital market alignment, ABOUT YOU Holding SE is a large corporation within the meaning of Section 267 (3) Sentence 2 of the German Commercial Code (HGB). The annual financial statements have been prepared in accordance with the legal requirements for large corporations.

The income statement has been prepared in accordance with the nature of expense method.

The listing performed in the financial year led to deviations from the consistency of presentation required by Section 265 (1) HGB. Explanations of the individual items that are not comparable with the previous year can be found in section "3. Notes to the Balance Sheet and Income Statement".

The invasion of Russian armed forces into sovereign Ukraine on 24 February 2022 is an event that has to be taken into account in the annual financial statements as of 28 February 2022. Insights into the possible consequences for the company after the balance sheet date and up to the date of preparation were consequently taken into account in the accounting and valuation in the annual financial statements.

No effects on the valuations of the assets and liabilities as of 28 February 2022 were apparent in this respect.

The economic and cyclical effects cannot be estimated at the moment, especially given the uncertain development of the conflict.

The following accounting and valuation methods continued to be used for the preparation of the annual financial statements.

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 stated at nominal value less appropriate allowances.

Valuation of Bank Balances

Bank balances are stated at nominal value.

Valuation of Other Provisions

Other provisions are recognised for uncertain liabilities in the amount required to settle the obligation, based on prudent business judgement.

Valuation of Liabilities

Liabilities are measured at the amount required to settle the obligation.

Deferred Taxes

Deferred taxes are recognised for temporary differences between the carrying amounts of assets and liabilities in the financial statements and their tax bases that are expected to reverse in future, as far as this is permitted by Section 274 HGB. No use is made of the existing recognition option for deferred tax assets.

3. Notes to the Balance Sheet and Income Statement

(1.) Fixed Assets

Fixed assets developed as follows:

Changes in fixed assets as of 28 February 2022

in EUR	Financial Assets
Costs	
1/3/2021	**874,550,766.81**
Additions	290,040,000.00
Disposals	80,000.00
28/2/2022	**1,164,510,766.81**
Amortisations, depreciation and write-downs	
1/3/2021	**0.00**
Amortisations & depreciation during the financial year	0.00
Disposals	0.00
28/2/2022	**0.00**
Carrying amounts	
1/3/2021	**874,550,766.81**
28/2/2022	**1,164,510,766.81**

(2.) Financial Assets

Shares in affiliated companies included in financial assets break down as follows of 28 February 2022:

Company name/registered office	Share of capital in %	Equity as of 28/2/2022 in EUR	Profit of last financial year 2021/2022 in EUR
ABOUT YOU Verwaltungs SE, Hamburg (formerly: ABOUT YOU Verwaltungs GmbH)	100	369,761,063.14	288,772.29

ABOUT YOU Holding SE also indirectly held shares in the following companies as of the reporting date 28 February 2022:

Company name/registered office	Share of capital in %	Equity as of 28/2/2022 in EUR	Profit / (loss) of last financial year 2021/2022 in EUR
Adference GmbH, Lüneburg	100	1.5	0
ABOUT YOU SE & Co. KG, Hamburg	100	169.6	-106.8
ABOUT YOU Beteiligungs GmbH, Hamburg	100	0	0
The HAUS Apparel GmbH, Berlin	49	0	0
LeGer GmbH, Hamburg	40	n/a	n/a
Soko München GmbH, Munich	36	n/a	n/a
Supreme GmbH, Rostock	23	0.1	0
Why Not Enterprises GmbH, Berlin	43	n/a	n/a
6PM GmbH, Frankfurt am Main	20	0	0.8

(3.) Receivables and Other Assets

All receivables reported in the balance sheet had a remaining term of less than one year as of 28 February 2022.

(4.) Equity

The placement prices realised in the course of the Company's public offering, which exceeded the nominal amount of the shares issued, resulted in an inflow of EUR 628.5 million in additional paid-in capital, which was counterbalanced by an outflow of EUR 153.3 million as a result of the increase in share capital. Furthermore, an increase in the capital reserve of EUR 15.8 million resulted from the acquisition of treasury shares.

The profit carried forward as part of retained earnings amounts to EUR 434,892,880.32 as of the reporting date (previous year: loss carried forward in the amount of EUR 40,777.91).

Number of Shares

The ABOUT YOU Holding SE has issued 186,153,487 ordinary no-par value bearer shares (no par value shares) as at the reporting date of the consolidated financial statements. Each share is equivalent to EUR 1.00 of the subscribed capital and confers the right to cast one vote at the Company's Annual General Meeting.

ABOUT YOU Holding SE had two separate classes of shares (A and B shares) outstanding until shortly before the private placement as part of the listing. The B shares were eliminated in the course of a three-step process prior to the private placement.

The company's share capital was first increased from the company's funds without issuing new shares, resulting in an increase in the notional amount of the company's share capital attributable to the existing shares.

The second step involved all B shares being converted into A shares and, at the same time as the conversion, the existing shareholders transferred to the company a certain number of shares in the company, calculated in advance on the basis of contractual agreements, and this without compensation. The majority of the transferred shares were subsequently redeemed by the company, resulting in a reduction in the total number of shares and a corresponding increase in the notional amount of the company's issued share capital. 15,758,072 shares were retained as treasury shares.

Thirdly and finally, the company carried out a share split without changing the company's share capital, resulting in a notional share in the company's issued share capital of EUR 1.00 per share.

On 14 June 2021, immediately after the price for the private placement was set, compensatory measures in the form of share transfers were undertaken between the members of the Management Board on the one hand and the other pre-private placement shareholders on the other. A total of 1,726,725 shares were transferred from the members of the Management Board to the other pre-private placement shareholders.

Treasury Shares

As part of the conversion of the B shares into A shares described above, 15,758,072 shares with a nominal value of EUR 15,758,072 were retained as treasury shares and recognised in the opposite direction as an increase in additional paid-in capital. No rights accrue to ABOUT YOU Holding SE from this as per Section 71b of the German Stock Corporation Act (AktG).

Powers of the Management Board to Issue or Repurchase Shares

Authorised Capital 2021

Pursuant to Article 4 (4) of the Articles of Association of ABOUT YOU, the Management Board is authorised, with the consent of the Supervisory Board, to increase the Company's share capital on one or more occasions until 30 May 2026 by a total of up to EUR 78,791,000.00 by issuing new bearer shares with no-par value against cash and / or non-cash contributions (Authorised Capital 2021). The shareholders shall generally be granted the statutory pre-emptive rights to the new shares. The pre-emptive rights can also be granted by way of indirect pre-emptive rights within the meaning of Section 186 (5) Sentence 1 German Stock Corporation Act (AktG).

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

- 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 subscription right is excluded does not exceed 10% of the share capital,
- to issue shares against contributions in kind, in particular 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 programmes 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 authorisations to exclude subscription rights explained above may also be combined.

The Management Board is authorised, with the consent of the Supervisory Board, to determine the further content of the shareholder rights and the terms and conditions of the stock issuance. Further details on the Authorised Capital 2021 can be found in Article 4 (4) of the Articles of Association of ABOUT YOU.

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 3,310,500.00 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 subscription 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 subscription rights exercise their subscription rights to shares in the Company, and the Company neither grants treasury shares nor cash payments to fulfil the subscription rights. Granting and fulfilling subscription 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 31 May 2021, the General Meeting authorised 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 30 May 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 authorised, 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 authorisation 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 a syndicate of banks with the obligation to offer them to the shareholders for subscription. If any 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 authorised, 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 authorisation 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 authorisation 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 authorisation becomes effective nor at the time it is exercised. Company shares that are issued or sold by the Company during the term of this authorisation with exclusion of pre-emptive rights pursuant to Section 186 (3) Sentence 4 of the German Stock Corporation Act (AktG) or by applying it accordingly count towards this limit. Furthermore, Company shares that are issued now or in the future for the purpose of servicing conversion or option rights or conversion or option obligations attached to convertible and / or option bonds or convertible profit participation rights also count towards this limit if the Bonds or profit participation rights carrying a respective conversion or option right or a conversion or option obligation are issued during the term of this authorisation on the basis of a different authorisation that excludes the shareholders' pre-emptive rights on the basis of Section 186 (3) Sentence 4 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 recognised principles of financial mathematics.

The authorisations to exclude subscription rights explained above may also be combined.

This authorisation creates conditional capital of up to EUR 75,480,000 pursuant to Article 4 (6) of the Articles of Association of ABOUT YOU Holding SE 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 30 May 2026 based on the authorisation granted by resolution of the General Meeting on 31 May 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 authorisation resolution. The Management Board is authorised, 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 14 June 2021, the General Meeting authorised the Company under agenda item 2 pursuant to Section 71 (1) No. 8 of the German Stock Corporation Act (AktG) to acquire treasury shares on or before 13 June 2026 in an amount of up to 10% of the share capital of the Company at the time the authorisation is granted or – if such amount is lower – at the time of the authorisation is exercised. The amount of treasury shares acquired on the basis of this authorisation together with other treasury shares in possession of the Company or attributed to the Company pursuant to Sections 71a et seq. 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 programmes or entities owned by such participants in connection with the settlement of such programmes 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 authorisation 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 authorised 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 authorisation 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 authorisation becomes effective and at the time this authorisation 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 authorisation with the exclusion of pre-emptive rights by applying Section 186 (3) Sentence 4 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 authorisation on the basis of a different authorisation by exclusion of pre-emptive rights by applying Section 186 (3) Sentence 4 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 fulfilment of the conversion or option obligations; or

- in the context of participation programmes 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 authorised, 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) German Stock Corporation Act (AktG).

All the above authorisations 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 authorisation 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 on the basis of the authorisations granted by resolution of the General Meeting of 31 May 2021 under agenda item 5 and 6 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 14 June 2021 on agenda item 3, the Company is also authorised 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 authorised 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);
- 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 authorisation 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 authorisation 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 authorisation is granted or – if such amount is lower – at the time the authorisation is exercised.

The term of the respective Derivatives must 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 13 June 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 authorisation to acquire treasury shares (resolution of the General Meeting of 14 June 2021 under agenda item 2).

The authorisation 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.

The provisions regarding the use of treasury shares acquired on the basis of the authorisations described above shall apply mutatis mutandis to the use of treasury shares acquired by using Derivatives.

(5.) Other Provisions

Other provisions were mostly recognised for personnel expenses and outstanding fees for auditing and consulting services.

Provisions for personnel costs include EUR 14.8 million (previous year: EUR 0.0 million) of provisions for share-based payment commitments of the Company to the Management Board, management and employees, of which an amount of EUR 7.5 million (previous year: EUR 0.0 million) relates to VESOP, as explained in more detail below, EUR 3.6 million (previous year: EUR 0.0 million) relates to LTI, as explained in more detail below, EUR 2.3 million (previous year: EUR 0.0 million) relates to LTIP, as explained in more detail below, EUR 1.3 million (previous year: EUR 0.0 million) relates to RSUP & SOP, as explained in more detail below, and EUR 0.1 million (previous year: EUR 0.0 million) relates to the EFSP, as explained in more detail below.

These are presented as other provisions since settlement of these share-based payments conveys the right to choose between exercise in cash or shares. The share-based payment awards that are material to the financial statements are divided into the following five programmes, which are explained in detail below. The programmes follow the basic assumption that their rules apply equally to all participants. Market-related conditions were included in the determination of fair values for the estimation methods used. However, service and non-market conditions were included in the estimate of the number of instruments likely to vest. The estimates also consider the probability of a termination or a bad leaver forfeiting the entitlement or all unvested shares.

The method used to determine the fair value for LTI, LTIP, RSUP & SOP, and VESOP is based on a valuation model using a Monte Carlo simulation of the ABOUT YOU share price. Furthermore, an exercise behaviour based on option profit potential was assumed. The estimate for the EFSP programme is based on the grant values as explained in more detail in the section “EFSP 2021”. They were determined on the basis of the length of service of the employees benefiting from this programme.

(6.) Share-based Payments

Management Board Programme LTI 2021

In addition to the aforementioned non-performance related remuneration, the Management Board members were each allocated options in the same amount as a one-time allocation under the LTI 2021 as part of the revision of the Management Board service agreements on 4 June 2021. Each member of the Management Board was allocated a total of 1,702,128 options (in total 5,106,384 for all three members of the Management Board), based on the following formula:

N = 80,000,000 / 2x Exercise Price

The LTI 2021 is an option programme which, in addition to the time component in the form of continued Management Board activity (“Time Vesting”), is significantly linked to the development of important performance indicators of ABOUT YOU and also refers to target criteria from the area of ESG (Environmental Social Governance) (“Performance Vesting”).

The main terms and conditions of the LTI 2021 are detailed below:

(a) Exercise Price

The exercise price for each option corresponds to the mid-point of the price range for the offer price per share for the placement of shares in connection with the private placement. The price range was set at EUR 21.00 to EUR 26.00 on 7 June 2021. Accordingly, the exercise price is EUR 23.50.

(b) Time Vesting

The options granted to the individual Management Board member vest after the expiry of certain periods, provided that the Management Board member concerned remains with the company at the expiry of the respective vesting date:

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

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

(c) Performance Vesting

In addition to the time component, a prerequisite for the vesting of the Options is that certain predefined performance targets are achieved within certain time periods ("Performance Vesting"). These performance targets were determined by the Supervisory Board prior to the private placement and consist of the average annual growth of Group sales ("Sales CAGR"), the development of the adjusted EBITDA ("Adjusted EBITDA") of ABOUT YOU and various ESG parameters. The performance targets are included with different weightings in both Tranche 1 and Tranche 2, with "Sales CAGR" being considered at 60%, "Adjusted EBITDA" at 30% and the ESG parameters at 10% in the respective tranche. The achievement ratio of the targets is determined based on the medium-term target values ("Current Mid-Term Performance Targets") stipulated by the Supervisory Board prior to the private placement and the future medium-term target values ("Future Mid-Term Performance Targets") to be adopted by the Supervisory Board at the end of the 2022/2023 financial year, whereby with regard to the Sales CAGR the higher value according to the current and future mid-term performance targets is always decisive for the key figure of the Sales CAGR defined in the LTI 2021. If less than 85% of the respective performance targets are met, the options concerned forfeit without compensation. If the respective target is met by 85%, 20% of the options forfeit without compensation. If it is met by 100%, all options shall be deemed performance vested. In the range between 85% and 100%, the proportion of options that forfeit without compensation decreases linearly. For the options attributable to ESG criteria, a differentiation is only made between the achievement and non-achievement of the target: If it is achieved, all allocable options shall be deemed vested. If it is not achieved, all options allocated to this performance target forfeit without compensation. Tranche 1 options can be exercised for the first time after the end of 30 June 2025, Tranche 2 options for the first time after the end of 30 June 2027. Options that have not been exercised by 30 June 2029 (inclusive) forfeit without compensation. The exercise of the options is only possible within certain exercise windows of two weeks, as defined in more detail in the LTI terms, each commencing after the publication of the (preliminary) business figures for a financial year, half-year or quarter. Options may not be exercised within certain black-out periods defined in the LTI 2021. The exercise of the options vested according to the aforementioned conditions is subject to the achievement of a share price hurdle (weighted average price per share in XETRA trading within a period of three months prior to the relevant date) of 200% of the exercise price ("Share Price Hurdle"), i.e. EUR 47.00, no later than 28 February 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.

(d) Settlement of Options

Upon exercise of the options, a number of shares corresponding to the settlement value of the exercised Options shall be delivered by the Company to the respective member of the Management Board from the conditional capital. 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 member of the Management Board in the amount of the settlement value per option (less wage taxes and any other statutory levies to be withheld by the Company) or fulfil its obligation to deliver shares from existing treasury shares.

Programmes for Leadership and Employees

LTIP 2021

With FY 2021/2022 ABOUT YOU implemented the LTIP 2021 management programme. In addition to the annual share-based compensation for leads and selected high-performers at ABOUT YOU, as defined in more detail below, a management LTIP was granted to selected members of the leadership team in the 1st and 2nd level below the Management Board. This programme represents a performance-based compensation component, which in its terms and conditions regarding (a) exercise price, (b) time vesting, (c) performance vesting and (d) settlement of options was set up completely identical to the performance-based remuneration system of the Management Board, the “Management Board Programme - LTI 2021”. In total, a further 3,234,043 options were granted under the “Management LTIP 2021”. Options that vest on or before 28 February 2025 (inclusive) (1,940,426 Options in total) belong to Tranche 1 (“Tranche 1 Options”). Options that vest at the end of 28 February 2026 and 28 February 2027 (1,293,617 Options in total) belong to Tranche 2 (“Tranche 2 Options”).

RSUP & SOP 2021

With the FY 2021/2022 ABOUT YOU implemented the management programmes “Restricted Stock Unit Plan (RSUP)” and “Stock Option Plan (SOP)” being effective as of 1 October 2021. The management programmes “RSUP” & “SOP” follow upon the programme VESOP 2017 – 2021, that is described in detail in the section VESOP 2017 - 2021 below. The RSUP is targeted to ABOUT YOU leadership and selected high-performers within the organisation. The SOP is primarily targeted to the ABOUT YOU leadership team in the 1st and 2nd level below the Management Board, who are able to split their annual share-based compensation 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

Restricted Stock Unit Plan (RSUP) 2021

The Restricted Stock Unit Plan ("RSUP") is intended to enable leadership and selected high-performers of ABOUT YOU to participate in the sustainable and long-term growth of the company. A total of 235,070 restricted stock units ("RSUs") were allocated under the program as of 1 October 2021. All eligible employees receive an individual grant amount in EUR. The resulting number of RSUs granted is determined by dividing the share of the grant value issued under the RSUP by the volume-weighted average closing price (commercially rounded to two decimal places) of the ABOUT YOU Holding SE share in XETRA trading (or a comparable successor system) during the last 90 trading days prior to the grant date. The share price has been set to EUR 22.71 for the tranche of 1 October 2021. The granted RSUs are subject to a vesting over three years starting at the grant date. Within the three-year vesting period, a part of the granted RSUs vest at the end of each year. The vesting scheme follows a non-linear vesting approach. Accordingly, at the end of the first year, 15% of the granted RSUs are vested, at the end of the second year 25% of the granted RSUs are vested and at the end of the third year, the remaining 60% of the granted RSUs are vested. The sum of all payments of one tranche is limited to 350% of the grant value. The value of the vested RSUs will be settled in real ABOUT YOU shares. Alternatively, the Management Board of ABOUT YOU may decide to settle the payment in cash. The payment will be 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 date.

Stock Option Plan (SOP) 2021

The SOP is intended to enable selected leadership in the 1st and 2nd level below the Management Board of ABOUT YOU to participate in the sustainable and long-term growth of the company. A total of 179,316 virtual SOs were allocated under the programme as of 1 October 2021. The calculated exercise price of the SOs in relation to 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 30 trading days prior to the grant date and amounted to EUR 22.71 for the issue on 1 October 2021. All eligible employees receive an individual grant amount in EUR. In order to convert the grant amount into a number of virtual SOs, the proportion of the grant value allocated to the SOP will first be converted into a number of RSUs by dividing it by the exercise price. The determined number of RSUs is then multiplied by an exchange factor to determine the number of granted virtual SOs. The exchange factor is determined and based on the fair value of a virtual SOs and the fair value of an RSU. The exchange ratio may vary from tranche to tranche, even within a year if there are multiple grants in a year, depending on the determination of the option price at the respective reporting date. The fair value of the virtual SO was determined according to the Monte Carlo simulation, individual parameters for the calculation of the fair value can be found in the consolidated table "Reconciliation of outstanding share options". The granted virtual SOs are subject to a vesting over three years starting at the grant date. Within the three-year vesting period, a part of the granted SOs vest at the end of each year. The vesting scheme follows a non-linear vesting approach. Accordingly, at the end of the first year, 15% of the granted RSUs are vested, at the end of the second year 25% of the granted RSUs are vested and at the end of the third year, the remaining ~60% of the granted RSUs are vested. The virtual SOs may be exercised for the first time after a period of four years following the grant date. For the virtual SOs vesting at the first vesting date, the waiting period following the vesting is three years, for the virtual SOs vesting at the second vesting date, the waiting period is two years, for the virtual SOs vesting at the third vesting date, the waiting period is one year. The sum of all payments of one tranche is limited to 350% of the grant value. Subject to any insider trading rules and any vesting periods, all vested virtual SOs may only be exercised after the expiry of the relevant vesting period and before the expiry of the relevant end date, of a maximum of four years after the expiry of the relevant vesting period and only within four weeks in each case commencing on the third business day after the announcement of the financial report for the relevant quarter or financial year.

VESOP 2017-2021

With the FY 2017 / 2018 ABOUT YOU implemented the leadership program VESOP 2017-2021 granting virtual shares to ABOUT YOU leadership and selected high-performers within the organization on an annual basis. The virtual shares entitle the holder to receive a bonus depending on whether there is a listing or a private sale in which the buyer directly or indirectly holds more than 75% of the voting shares in the company. The valuation of the virtual shares in each tranche was based on the current enterprise value at the respective grant date. Due to the completion of the private placement of ABOUT YOU on 16 June 2021, such a bonus event occurred where the entire individual bonuses of the employees were converted into virtual shares of ABOUT YOU. Shortly before the event, a modification of the contract has been conducted. It was additionally stipulated in this that the allocated virtual shares would vest for all participating employees upon completion of the going public and would subsequently be subject to a vesting period of 12 months. With the completion of the ABOUT YOU private placement on 16 June 2021, a total of 2,033,871 virtual shares were granted. For the determination of the virtual shares of ABOUT YOU, the gross entitlement of the respective employee was first determined on the basis of the respective accumulated bonuses in accordance with the provisions of the VESOP agreement. However, in deviation from the provisions of the initial VESOP agreement, transaction costs arising from the private placement are not deducted when calculating the enterprise value. No significant effects resulted from this modification. The number of virtual shares is determined by dividing the gross entitlement of the participating employee by the placement price. The Placing Price means the final price per share of ABOUT YOU achieved in the course of the private placement, which was based on the enterprise value of the private placement and amounted to EUR 23.00 for the issue on 16 June 2021.

EFSP 2021

With the FY 2021/2022 ABOUT YOU implemented the employee programme Employee Free Share Plan, which is aimed at all employees below the Management Board level who have been employed by ABOUT YOU for more than six months as of the grant date of 1 December 2021. Under this plan, 31,703 ABOUT YOU restricted stock units (RSUs) were granted at the grant date of 1 December 2021. The RSUs were granted on a one-time basis and voluntarily on 1 December 2021, with no entitlement to future grants of RSUs or other compensation. Under the EFSP, all eligible employees are being granted an individual EUR amount as a grant amount, which is dependent on the length of employment with ABOUT YOU at the time of grant. Employees who have been employed by ABOUT YOU for less than or exactly six months at the time of grant will not receive RSUs. Employees who have been employed by ABOUT YOU for more than six but less than 18 months at grant date shall 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 grant date shall receive a grant value of EUR 1,000. Employees who have been employed by ABOUT YOU for more than 30 months at grant date shall receive a grant value of EUR 1,500. For employees who have been employed by ABOUT YOU for at least 30 months at grant date, the Management Board of ABOUT YOU may, at its sole discretion, determine a grant value of more than EUR 1,500. The resulting number of RSUs granted is determined by dividing the share of the grant value issued under the EFSP by the volume-weighted average closing price (commercially rounded to two decimal places) of the ABOUT

YOU Holding SE share in XETRA trading (or a comparable successor system) during the last 90 trading days prior to the grant date. The share price has been set to EUR 21.74 for the tranche of 1 December 2021. The RSUs granted are subject to a vesting over two years starting at the grant date. Within the two-year vesting period, half of the RSUs granted vest at the end of each year. Accordingly, at the end of the first year on 1 December 2022, 50% of the granted RSUs, and at the end of the second year on 1 December 2023, the remaining 50% of the granted RSUs are vested. The payment will be 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 date. The value of the vested RSUs will be settled in real ABOUT YOU shares. Alternatively, the Management Board of ABOUT YOU may decide to settle the payment in cash.

Development of Outstanding Options

	LTI 2021		**LTIP 2021**		**SOP 2021**	
	Number	Weighted average exercise price (in EUR)	Number	Weighted average exercise price (in EUR)	Number	Weighted average exercise price (in EUR)
Outstanding at 28 February 2021	0	-	0	-	0	-
Granted during the year	5,106,384	23.5	3,234,043	23.5	179,316	22.71
Forfeited during the year	0	-	-	-	0	-
Exercised during the year	0	-	-	-	0	-
Outstanding at 1 March 2022	5,106,384	23.5	3,234,043	23.5	179,316	22.71

Valuation of Newly Granted Options

Input parameters	**LTI 2021**	**LTIP 2021**	**SOP 2021**
Weighted-average exercise price (in EUR)	23.50	23.50	22.71
Expected volatility (%)	40.3	40.3	50.0
Expected dividends (%)	0.0	0.0	0.0
Expected life (in years)	7.25	7.25	7.5
Risk-free interest rate (%)	(0.26)	(0.26)	(0.5)
Fair value (in EUR)	4.38	4.38	8.22

(7.) Liabilities

As in the previous year, all liabilities have a remaining term of less than one year.

(8.) Deferred Taxes

The net deferred taxes with a liability surplus of EUR 1.5 million (previous year: EUR 3.5 million) are based on a different valuation of the investment in ABOUT YOU Verwaltungs SE (formerly: ABOUT YOU Verwaltungs GmbH) in accordance with commercial and tax law. The different valuations refer to a contribution transaction in financial year 2019/2020 and the associated book value application for tax balance sheet purposes in the reporting year. Deferred tax liabilities were recognised on 5% of the difference in accordance with Section 8b of the German Corporation Act (KStG). The deferred tax assets included in the balance at the reporting date in the amount of EUR 2.6 million resulted from partial recognition of deferred tax assets from corporate income tax loss carryforwards in the amount of EUR 46.9 million and trade tax loss carryforwards in the amount of EUR 46.6 million. This takes into account the minimum taxation. The tax rate applied for the formation of deferred taxes was 32.3%.

The balances changed as follows in the financial year:

Type	Balance (EUR) 28/2/2021	Balance (EUR) 28/2/2022	Change (EUR) 2021/2022
Deferred tax assets	584,604.18	2,582,792.07	1,998,187.89
Deferred tax liabilities	4,089,486.77	4,089,486.77	0.00
Balance (liability surplus)	3,504,882.59	1,506,694.70	1,998,187.89

(9.) Revenues

Revenues include income from the recharging of expenses for central functions to the subsidiaries.

(10.) Other Operating Income

Other operating income includes income relating to other periods from the reversal of provisions in the amount of EUR 1,305 thousand (previous year: EUR 18 thousand). This is the unused portion of the provisions for expenses from the listing.

(11.) Personnel Expenses

In the financial year 2021/2022, the company will recognise personnel expenses for the first time, as the employment contracts with newly hired employees of the ABOUT YOU Group were concluded by ABOUT YOU Holding SE as of the fourth quarter of the financial year. The contractual partner for employment contracts with members of the Management Board and, in some cases, with existing employees was also changed to ABOUT YOU Holding SE.

Personnel expenses contain EUR 14.8 million in expenses of exceptional magnitude and significance arising from the Company’s share-based payment commitments to the Management Board, management, and employees. See the explanations in section “3. Notes to the Balance Sheet” under “Other Provisions”.

(12.) Other Operating Expenses

Other operating expenses include EUR 11.0 million in expenses from transaction and consulting costs in connection with the Company's listing, which were incurred once in financial year 2021/22 as a result of the Company's listing. These are expenses of exceptional magnitude and significance at the same time.

(13.) Interest and Similar Income

Interest and similar income includes EUR 288 thousand (previous year: EUR 0 thousand) of income from affiliated companies.

4. Other Disclosures

4.1 Employees

The average number of employees during the financial year was:

Type	2021/2022	2020/2021
Full-time employees	18	0
Temporary staff and placement students	1	0

4.2 Management Board

The Management Board of the Company has 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 the Management Board amounted to EUR 4.6 million in the financial year, of which EUR 3.6 million was attributable to share-based payments (see section "3. Notes to the Balance Sheet" under "Other Provisions").

4.3 Supervisory Board

The Supervisory Board of the Company has the following members:

- Sebastian Klauke (Chairperson of the Supervisory Board), Member of the Management Board at Otto Group
- Niels Jacobsen (Deputy Chairperson of the Supervisory Board), CEO at William Demant Invest A/S
- Petra Scharner-Wolff, Member of the Management Board at Otto Group
- Christina Johansson, CFO at Bilfinger SE and Member of the Board of Directors and Chairperson of the Audit Committee of Emmi AG
- Christian Leybold, Managing Partner at e.ventures Managementgesellschaft mbH
- André Schwämmlein, CEO at Flixmobility GmbH
- The total remuneration of the Supervisory Board amounted to EUR 0.5 million in the financial year.

4.4 Total Fee of the Auditor

The total fee charged by the auditor can be seen in the consolidated financial statements of ABOUT YOU Holding SE. Other assurance services, tax advisory services, and other services were provided by the auditor in the financial year in addition to the audit of the financial statements. Other assurance services mainly result from the issuance of a comfort letter in connection with the listing, the audit of the accounting-related internal control system and the performance of reviews of the interim financial reporting.

Tax advisory services mainly consist of ongoing VAT advice as well as advice in connection with tax compliance. The engagement of tax advisory services by the auditor was terminated effective 28 February 2022.

The other services mainly result from quality maintenance services for the internal control system in the context of the listing, general legal advice, support in complying with reporting obligations under the Foreign Trade and Payments Ordinance (Außenwirtschaftsverordnung), and basic legal training.

4.5 Group Affiliation

The consolidated financial statements of ABOUT YOU Holding SE cover the period from 1 March 2021 to 28 February 2022. They represent the consolidated financial statements for the smallest group of companies to which ABOUT YOU Holding SE is affiliated.

Otto Aktiengesellschaft für Beteiligungen, Hamburg, as the ultimate parent company of ABOUT YOU Holding SE, 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 Holding SE, prepares consolidated financial statements for the smallest group of Group companies. The consolidated financial statements are published in the Federal Gazette [Bundesanzeiger].

4.6 Appropriation of Earnings

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

4.7 Declaration on the Corporate Governance Code

The Declaration of Conformity of the Management Board and the Supervisory Board of August 2021 pursuant to Section 161 of the German Stock Corporation Act (AktG) can be found on the ABOUT YOU website www.aboutyou.de, under “Governance” in the Investor Relations segment.

4.8 Voting Right Notifications

Pursuant to Section 160 (1) No. 8 of the German Stock Corporation Act (AktG), disclosures must be made about the existence of shareholdings that have been reported to ABOUT YOU Holding SE pursuant to Section 33 (1) or (2) of the German Securities Trading Act (WpHG).

The following table shows the shareholdings in ABOUT YOU Holding SE subject to disclosure requirements at the reporting date, of which the Group has been notified. The information relates in all cases to the most recent notification of a notifying party to ABOUT YOU Holding SE.

All publications on notifications of shareholdings in the reporting year can be found on the Company's website (https://ir.aboutyou.de/websites/about-you/German/3200/voting-rights.html).

Shareholdings Subject to Reporting Requirements

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, Denmark	Prof. Dr. Michael Otto, Anders Holch Povlsen & Benjamin Otto	15/6/2021	> 50%	§ 34	64.36	119,815,192
Tarek Müller Beteiligungs GmbH, Hamburg	Tarek Müller	15/6/2021	> 3%	§ 34	3.62	6,745,914

Please note that the information on the percentage of shares and voting rights may be outdated at the time of publication. There were no notifications up to the time of preparation of the consolidated financial statements that would change the circumstances shown in the table.

4.9 Subsequent Events

No events of major significance that could have a material financial impact on these financial statements have occurred after the balance sheet date.

5. Assurance of the Legal Representatives

To the best of our knowledge, and in accordance with the applicable financial reporting principles, the consolidated financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Group, and the combined management report includes a true and fair review of the development and performance of the business and the position of the ABOUT YOU Group and the ABOUT YOU Holding SE, together with a description of the principal opportunities and risks associated with the expected future development of the ABOUT YOU Group or the ABOUT YOU Holding SE.

Hamburg, 20 April 2022

Tarek Müller   Hannes Wiese   Sebastian Betz