



# ABOUT YOU<sup>®</sup>

## #AYINMOTION

REMUNERATION REPORT FY 2021/2022

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This remuneration report describes the remuneration granted and owed individually to the current and former members of the Management Board and Supervisory Board of ABOUT YOU Holding SE (the “Company”) in the financial year 2021/2022 (1 March 2021 to 28 February 2022) and presents the structure and amount of the individual components of the Management Board and Supervisory Board remuneration on an individualised basis as well as promised benefits. It complies with the requirements of Section 162 German Stock Corporation Act (AktG) and is based on the recommendations of the German Corporate Governance Code (“GCGC”), insofar as these do not require the existence of a remuneration system within the meaning of Section 87a and 120a German Stock Corporation Act (AktG), as described below. This remuneration report will be presented to the Annual General Meeting.

## **1. REMUNERATION OF THE MEMBERS OF THE MANAGEMENT BOARD**

### **1.1 SYSTEM FOR THE REMUNERATION OF THE MEMBERS OF THE MANAGEMENT BOARD**

In accordance with the applicable transitional provisions pursuant to Section 26j (1) Sentence 1 Introductory Act to the German Stock Corporation Act (EGAktG), the Company shall, upon admission of its shares to the Frankfurt Stock Exchange on 16 June 2021, for the first time in 2022 submit a remuneration system for the members of the Management Board to the Annual General Meeting for approval pursuant to Section 120a (1) Sentence 1 German Stock Corporation Act (AktG). In due time before this Annual General Meeting, the

Supervisory Board will resolve on a system for the remuneration of the members of the Management Board that complies with the requirements of Section 87a German Stock Corporation Act (AktG) and submit it to the Annual General Meeting for approval.

Accordingly, in the reporting period ending on 28 February 2022, there was not yet a system in place for the remuneration of Management Board members based on the specific requirements of Sections 87a and 120a German Stock Corporation Act (AktG). For this reason, the disclosures pursuant to Section 162 German Stock Corporation Act (AktG), which require the existence of such a remuneration system, are not yet included in this remuneration report.

### **1.2 OVERVIEW OF THE REMUNERATION OF THE MANAGEMENT BOARD**

The remuneration model currently applicable to the Management Board and its individual components were determined in the run-up to the IPO on the basis of extensive consultations by the Supervisory Board, which also took into account the Company-specific recommendations of the mandated remuneration consultants.

All three members of the Management Board (Sebastian Betz, Tarek Müller and Hannes Wiese) were already managing directors of ABOUT YOU Holding GmbH (as the legal predecessor of ABOUT YOU Holding AG, itself being the legal predecessor of the Company) before their appointment to the Management Board and worked for the Company on the

basis of managing director service agreements. The current remuneration model for all Management Board members is based on Management Board service agreements dated 4 June 2021, by virtue of which the previously existing managing director service agreements were replaced with retroactive effect as of the end of 15 April 2021. The remuneration of the Management Board members is composed of non-performance-related and performance-related elements, i.e. base remuneration, fringe benefits and variable remuneration in the form of a one-time allocation of stock options (hereinafter “Options”) based on the Long-Term Incentive Plan 2021 (“LTIP 2021”). The terms of the Management Board service agreements are identical for all Management Board members.

For the period from 1 March 2021 to the end of 15 April 2021, during which the former managing directors’ service agreements were still in force, the members of the Management Board each received base remuneration totalling EUR 33,750.00 gross and fringe benefits of EUR 752.70 each.

### **1.3 NON-PERFORMANCE-RELATED REMUNERATION COMPONENTS (“FIXED REMUNERATION”)**

#### **(a) Base remuneration**

The base remuneration of the Management Board members for the period since 16 April 2021 amounts to EUR 22,500.00 gross per month for each member of the Management Board (i.e., EUR 270,000.00 gross per year, whereby the base salary for April 2021 was only paid pro rata temporis).

**(b) Contributions to pension, health and long-term care insurance, as well as other fringe benefits**

The Company bears half of the respective contributions of a statutory pension, private health and/or long-term care insurance of the individual Management Board member up to the applicable maximum amount of the employer's contributions to the statutory pension, health and/or long-term care insurance, but no more than half of the total contribution to be paid by the Management Board member in each case.

The members of the Management Board receive a monthly compensation payment of EUR 485.00 gross each instead of a company car.

The expenses of the Company for the sum of the compensation payment for company cars, the additional payment for pension, health and/or long-term care insurance) are limited to a total of EUR 80,000.00 per year for each member of the Management Board.

**(c) Other insurances**

The Company has taken out a D&O insurance policy for members of executive bodies (i.e., the members of the Management Board and Supervisory Board), as well as the authorised signatories of the Company at the expense of the Company. The insurance conditions of the D&O insurance include a deductible for the members of the Management Board that complies with the legal requirements.

**1.4 PERFORMANCE-RELATED REMUNERATION COMPONENTS ("VARIABLE REMUNERATION")**

In addition to the aforementioned non-performance-related remuneration, the Supervisory Board may grant non-recurring bonus payments to a member of the Management Board for special performance or special commitment at its sole discretion – also in connection with the termination of the employment relationship. No use was made of this regulation in the financial year 2021/2022.

Further, the Management Board members were each allocated Options in the same amount by way of a one-time allocation under the LTIP 2021 as part of the revision of the Management Board service agreements on 4 June 2021. The allocation was subject to the condition precedent of the determination of the Exercise Price (as further defined below), which occurred on 7 June 2021. Each member of the Management Board was allocated a total of 1,702,128 Options, based on the following formula:

$$N = 80,000,000 / 2 \times \text{Exercise Price}$$

If the number N of Options calculated in this way is not an integer, it shall be rounded up to the next integer.

The LTIP 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 the ABOUT YOU Group and also refers to target criteria from the area of ESG (Environmental Social Governance) ("Performance Vesting"). This creates a long-term, performance-based incentive structure for the members of the Management Board that is strongly aligned with the interests of shareholders and other stakeholders in the sustainable successful development of the ABOUT YOU Group and rewards sustainable corporate governance.

The main terms and conditions of the LTIP 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 ("Exercise Price").

**(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 until the expiry of the respective vesting date:



- 12% of the Options (or 204,256 Options) at the end of 28 February 2022
- 14% of the Options (or 238,298 Options) at the end of 28 February 2023
- 16% of the Options (or 272,341 Options) at the end of 29 February 2024
- 18% of the Options (or 306,384 Options) at the end of 28 February 2025
- 20% of the Options (or 340,426 Options) at the end of 28 February 2026
- 20% of the Options (or 340,423 Options) at the end of 28 February 2027

If the number of Options vesting at any of the first five vesting dates is not an integer, it shall be rounded up to the next integer with the number of the Options vesting at the last vesting date being reduced accordingly.

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) (i.e., a total of 1,021,279 Options) belong to Tranche 1 ("Tranche 1 Options"). Options that vest at the end of 28 February 2026 and 28 February 2027 (i.e., 680,849 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 the ABOUT YOU Group and various ESG parameters. 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 financial year 2022/2023, 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 LTIP 2021.

The Current Mid-Term Performance Targets and the Future Mid-Term Performance Targets were determined by the Supervisory Board solely for the purpose of assessing the Management Board's target achievement under the LTIP 2021. Any current or future business plan targets or forecasts communicated by the Management Board are to be distinguished from and independent of these values.

The Current Mid-Term Performance Targets assume a Sales CAGR of (rounded) 37% and a cumulated Adjusted EBITDA of EUR 131 million (in each case based on the total period relevant for the Tranche 1 Options, starting with the financial year 2021/2022 and ending with the end of the financial year 2024/2025).

For the period beginning with the financial years 2025/2026 and ending with expiry of the financial year 2026/2027, which is decisive for the Tranche 2 Options, the Current Mid-Term Performance Targets assume a Sales CAGR of (rounded) 21% and a cumulated Adjusted EBITDA of EUR 844 million.

<sup>1</sup> Subject to more specific increases in target values due to material acquisitions as defined in the LTIP 2021.

<sup>2</sup> Accumulated Adjusted EBITDA, where "EBITDA" corresponds to consolidated earnings before interest, taxes, depreciation, and amortisation and "Adjusted EBITDA" corresponds to EBITDA excluding equity-settled share-based compensation expenses, restructuring costs and non-operating one-off items.

<sup>3</sup> Prior to any potential adjustments for equity-settled share-based payments, expenses and material acquisitions as defined in the LTIP 2021.

<sup>4</sup> The Responsibility Report 2021 of ABOUT YOU Holding SE is available at [https://corporate.aboutyou.de/app/uploads/2021/03/ABOUTYOU\\_Responsibility\\_Report.pdf](https://corporate.aboutyou.de/app/uploads/2021/03/ABOUTYOU_Responsibility_Report.pdf).

<sup>5</sup> I.e., ECO-FRIENDLY MATERIALS, ECO-FRIENDLY PRODUCTION and FRIENDLY & SOCIAL. In the event of future adjustments to the requirements for the aforementioned sustainability seals or the definition of the term "sustainable fashion", the Supervisory Board will discuss any adjustment to the ESG target criteria with the Management Board in good faith.

The performance targets are defined and weighted as follows:

#### Tranche 1

Weighting in %	Key figure	Explanation
60	Sales CAGR	The four-year Sales CAGR, i.e., comparison between the consolidated turnover in the financial year 2024/2025 according to the Current Mid-Term Performance Targets or Future Mid-Term Performance Targets (whichever is higher) as the final value and the consolidated turnover in the financial year 2020/2021 as the initial value. <sup>1</sup>
30	Adjusted EBITDA <sup>2</sup>	The cumulated Adjusted EBITDA <sup>3</sup> for the financial year 2021/2022 through the financial year 2024/2025 according to the Current Mid-Term Performance Targets or – if the terminal value for the performance target Sales CAGR is based on the Future Mid-Term Performance Targets – the cumulated Adjusted EBITDA for the financial year 2021/2022 and the financial year 2022/2023 according to the Current Mid-Term Performance Targets plus the cumulated Adjusted EBITDA for the financial years 2023/2024 and 2024/2025 according to the Future Mid-Term Performance Targets.
2.5	ESG I	Reduction of the total annual direct and indirect greenhouse gas emissions of the ABOUT YOU Group within the organisation (as defined in the Responsibility Report 2021 <sup>4</sup> ), by 80% in the calendar year 2025 compared to the corresponding baseline 2019 according to the Responsibility Report 2021.
2.5	ESG II	Reduction of the annual indirect greenhouse gas emissions of the ABOUT YOU Group from own-label products (as defined in the Responsibility Report 2021) in the calendar year 2025 by at least 35% per Euro value added compared to the corresponding baseline 2019 according to the Responsibility Report 2021.
2.5	ESG III	Increase of the "sustainable fashion share" to at least 25% in Q4 2024/25. The term "sustainable fashion share" refers to the share of fashion products in the core range of the ABOUT YOU Group that bear at least one of the three sustainability seals described in the Responsibility Report 2021. <sup>5</sup>
2.5	ESG IV	Balanced staffing of management positions with women and men in a ratio of between 40% and 60% by 31 December 2025. Management positions include all management levels (Management Board and below the Management Board) within the ABOUT YOU Group.

#### Tranche 2

Weighting in %	Key figure	Explanation
60	Sales CAGR	The two-year Sales CAGR as determined by comparing the consolidated sales for the financial year 2026/2027 as the terminal value to the consolidated sales in the financial year 2024/2025 as the initial value in accordance with both the Current Mid-Term Performance Targets and Future Mid-Term Performance Targets (whichever is higher). <sup>1</sup>
30	Adjusted EBITDA <sup>2</sup>	The cumulated Adjusted EBITDA <sup>3</sup> in the financial years 2025/2026 and 2026/2027 according to the Current Mid-Term Performance Targets or – if the comparative value for the performance target Sales CAGR is based on the Future Mid-Term Performance Targets – the cumulated Adjusted EBITDA in the financial years 2025/2026 and 2026/2027 according to the Future Mid-Term Performance Targets.
2.5 each	ESG I to IV	ESG criteria relevant for Tranche 2 Options will be determined by the Supervisory Board at its due discretion and after consultation with the Management Board within the first four months of the financial year 2024/25 on the basis of the then applicable ESG strategy of the Company.

The aforementioned performance targets apply in each case (only) to a proportion of the Options of the respective tranche measured according to their weighting (e.g., Sales CAGR for 60% of the Tranche 1 Options, i.e. 612,767 Options).

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.

#### (d) Waiting period, exercise window

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 LTIP 2021, 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 LTIP 2021.

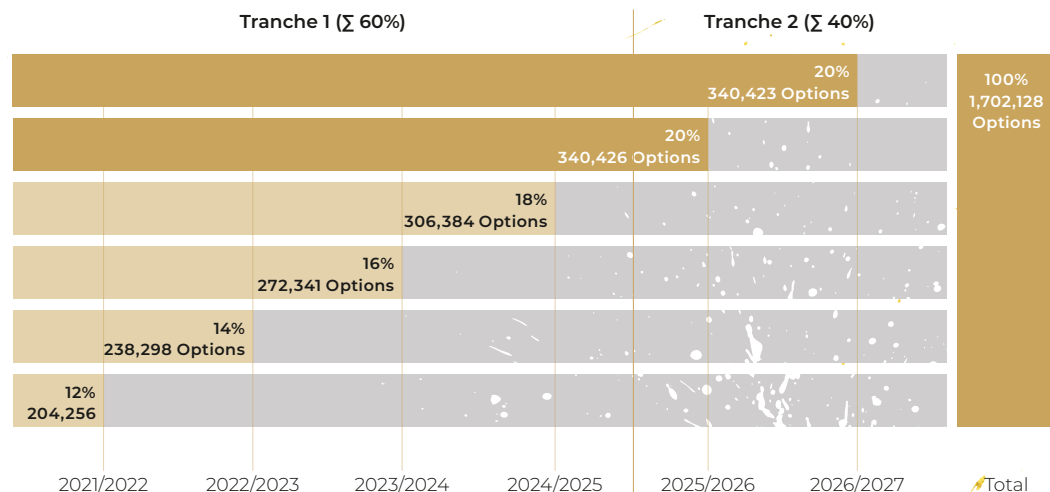
#### (e) LTIP 2021 at a glance:

The following table shows the development over time of the different vesting periods, subdivided according to the Tranches 1 and 2 already issued in the reporting period, as well as the Performance Targets applicable to each of them.

#### Time Vesting & Performance Targets

(Figures per Management Board member in units or %)

Non-linear Time Vesting over 6 years until the end of the financial year 2026/2027

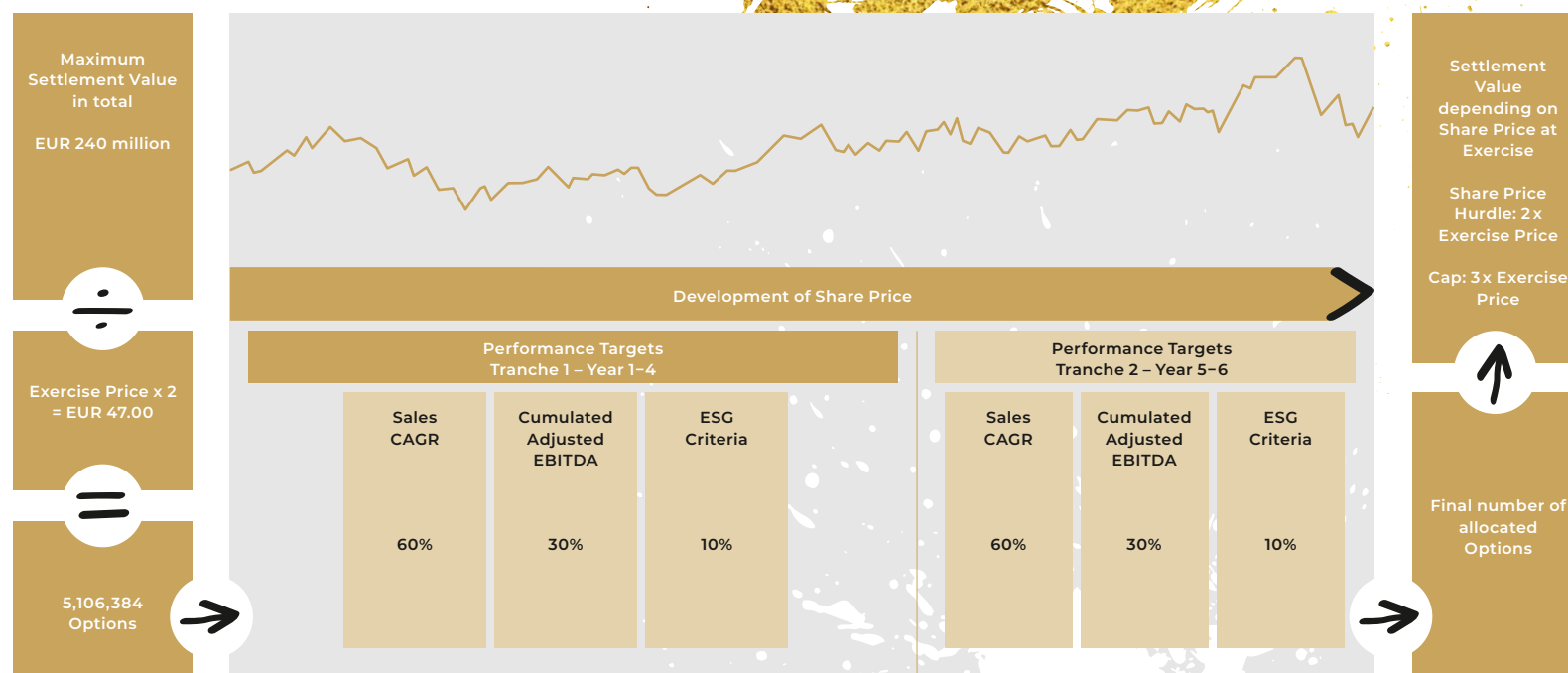


- 60%: Sales CAGR in the period from FY 2020/21 to FY 2024/25 (each inclusive) pursuant to Current/Future Mid-Term Performance Targets
- 30%: Cumulated Adjusted EBITDA in the period from FY 2020/21 to FY 2024/25 (each inclusive) pursuant to Current/Future Mid-Term Performance Targets.
- 10%: ESG criteria

- 60%: Sales CAGR in the period FY 2025/26 to FY 2026/27 (each inclusive) pursuant to Current/Future Mid-Term Performance Targets
- 30%: Cumulative Adjusted EBITDA in the period FY 2025/26 to FY 2026/27 (each inclusive) pursuant to Current/Future Mid-Term Performance Targets.
- 10%: ESG criteria

The following table shows the maximum total settlement value of EUR 240 million (assuming full achievement of all Performance Targets in Tranche 1 and Tranche 2) as the initial value for the 5,106,384 Options granted to the members of the Management Board in total (1,702,128 options per Management Board member), the Performance Targets attributable to the respective tranche and their weighting, as well as the consideration of the Cap (as defined below).

**Performance Vesting**  
(Figures in EUR or units or %)





**(f) Share price hurdle**

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.

**(g) Settlement of Options**

Upon exercise of the Options, a number of shares corresponding to the settlement value of the exercised Options based on the share price at exercise shall be delivered by the Company to the respective member of the Management Board from the Conditional Capital 2021/I. The settlement value of the exercised Options shall correspond to the amount by which the share price exceeds the Exercise Price upon exercise. 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").

Wage taxes and any other statutory levies triggered by the exercise and/or settlement shall be paid by the Management Board member to the Company, in order to be forwarded by the Company for the account of the respective member of the Management Board to the competent tax and/or social security authorities. In the event of the delivery of new shares from the Conditional Capital 2021/I, the

number of shares issued shall be increased by the amount attributable to the minimum issue amount per share pursuant to Section 9 (1) German Stock Corporation Act (AktG); in turn the member of the Management Board shall pay to the Company an amount equaling the product of the number of settled shares and the minimum issue amount.

Instead of delivering shares from the Contingent Capital 2021/I, 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.

**(h) Leaver regulations**

If either (i) the office as a member of the Management Board ends and the respective Management Board member is relieved of his or her active duties, or (ii) the service agreement of the respective Management Board member ends (in each case without immediate reappointment as a member of the Management Board or without immediate extension or renewal of the service agreement), such termination is referred to as a "Leaver Event", which is divided into "Good Leaver" and "Bad Leaver" cases depending on the underlying reason for termination.

Three different scenarios are defined as Bad Leaver cases:

- Resignation from the office of the Management Board or termination of the Management Board service agreement by the respective member of the Management

Board without good cause pursuant to Section 626 German Civil Code (BGB).

- Termination of the Management Board service agreement or dismissal as a member of the Management Board by the Company either for good cause pursuant to Section 626 German Civil Code (BGB) or due to breach of material obligations under the Management Board service agreement (except in cases of disability to work or death); the revocation as a member of the Management Board due to a vote of no-confidence by the general meeting within the meaning of Section 84 (3) German Stock Corporation Act (AktG) as such (i.e. without the addition of further reasons for the revocation) does not qualify as a Bad Leaver case.
- Violation of a post-contractual non-compete clause vis-à-vis the Company by the member of the Management Board.

Every leaver case that does not qualify as a Bad Leaver case is considered a Good Leaver case.

As a Good Leaver, the respective member of the Management Board retains all Options that have already time-vested at the time of the Leaver Event in accordance with the further conditions of the LTIP 2021. In a Bad Leaver case, all Options that have not yet been exercised at the time of the Leaver Event forfeit without compensation.

**(i) Adaptation mechanisms**

Should extraordinary circumstances (e.g., situations in which the (potential) proceeds of a member of the Management Board are

<sup>1</sup> The overachievement of Performance Targets does not influence the maximum number of Options attributable to the respective Performance Target.

caused by extraordinary external events and cannot be reasonably justified by the Company's business performance) arise, the Supervisory Board is entitled, at its discretion, to adjust the settlement value of the Options in order to adequately limit or eliminate the effects of the extraordinary circumstances.

Should the number of shares in the Company increase without the payment of further contributions (e.g., through a share split or a capital increase from the Company's reserves) or decrease without distributions to the Company's shareholders (e.g., in cases of a reverse share split), the number of Options, the Exercise Price, the Cap and the Share Price Hurdle will be adjusted proportionally. The Supervisory Board may also make subsequent adjustments to the LTIP 2021 conditions in the event of certain capital and structural measures in order to prevent such measures from leading to inappropriate increases or decreases in the value of the Options.

#### (j) Performance Claw Back

If any financial statements underlying the determination of the achievement of performance targets under the Performance Vesting are subsequently found to be incorrect and are corrected by the Company in such a way that the number of vested Options would have been lower, the Supervisory Board may, at its discretion, retrospectively correct the effect of the originally incorrect determination of the number of vested Options. No use was made of this regulation in the reporting period.

The Management Board service agreements or the terms and conditions of the LTIP 2021 do not provide for any other possibilities to reclaim variable remuneration components within the meaning of Section 162 (1) Sentence 2 No. 4 German Stock Corporation Act (AktG).

#### (k) Further conditions

All taxes, social security contributions and other statutory levies of the Management Board members in connection with their participation in the LTIP 2021 shall be borne by them.

#### (l) Examples calculation

In case of the complete fulfilment of the Time Vesting and all performance targets of the Performance Vesting combined with a development of the share price leading to the achievement of the Cap, the maximum value of the equivalent in shares to which each individual member of the Management Board is theoretically entitled on the basis of the LTIP 2021 upon exercise of the Options corresponds to an amount of EUR 80 million (gross).

Below are various examples of calculations for the amount of consideration in the event of only partial achievement of various of the aforementioned parameters:

#### Settlement Scenario 1 – average development (Figures in units resp. in EUR)

	Tranche 1		Tranche 2	
	Achievement Ratio (in %)	Performance Vesting (# Options)	Achievement Ratio (in %)	Performance Vesting (# Options)
Sales CAGR	91%	539,235	88%	343,148
Adjusted EBIDTA	95%	285,948	103%	204,255 <sup>1</sup>
ESG Criteria	75%	76,596	100%	68,085
<b>Subtotal (# Options)</b>		<b>901,779</b>		<b>615,488</b>
Share Price at Exercise	47.00		53.00	
Settlement Value per Option	23.50		29.50	
<b>Settlement Value Tranche in EUR</b>		<b>21,191,807</b>		<b>18,156,896</b>
<b>Total Settlement Value in EUR</b>				<b>39,348,703</b>

- 1 If at least 85% of a performance target is not achieved, the corresponding Options forfeit without compensation.
- 2 If the Share Price Hurdle is not reached, the Options due hereon forfeit without compensation.
- 3 The overachievement of Performance Targets does not influence the maximum number of Options attributable to the respective Performance Target.

**Settlement Scenario 2 – below-average development (Figures in units resp. in EUR)**

	Tranche 1		Tranche 2	
	Achievement Ratio (in %)	Performance Vesting (# Options)	Achievement Ratio (in %)	Performance Vesting (# Options)
Sales CAGR	87%	506,574	98%	397,602
Adjusted EBITDA	92%	273,693	83%	0 <sup>1</sup>
ESG Criteria	50%	51,064	50%	34,043
<b>Subtotal (# Options)</b>		<b>831,331</b>		<b>431,645</b>
Share Price at Exercise	37.00		55.00	
Settlement Value per Option	0.00 <sup>2</sup>		31.50	
<b>Settlement Value Tranche in EUR</b>		<b>0</b>		<b>13,596,818</b>
<b>Total Settlement Value in EUR</b>				<b>13,596,818</b>

**Settlement Scenario 3 – above-average development (Figures in units resp. in EUR)**

	Tranche 1		Tranche 2	
	Achievement Ratio (in %)	Performance Vesting (# Options)	Achievement Ratio (in %)	Performance Vesting (# Options)
Sales CAGR	110%	612,767 <sup>3</sup>	115%	408,509
Adjusted EBITDA	98%	298,204	102%	204,255 <sup>3</sup>
ESG Criteria	100%	102,128	75%	51,064
<b>Subtotal (# Options)</b>		<b>1,013,099</b>		<b>663,828</b>
Share Price at Exercise	63.00		70.00	
Settlement Value per Option	39.50		46.50	
<b>Settlement Value Tranche in EUR</b>		<b>40,017,411</b>		<b>30,868,002</b>
<b>Total Settlement Value in EUR</b>				<b>70,885,413</b>

**1.5 PROMOTING THE LONG-TERM DEVELOPMENT  
AND APPLICATION OF THE PERFORMANCE  
CRITERIA**

The applicable remuneration structure for the members of the Management Board is geared towards the long-term development of the ABOUT YOU Group through the strong weighting of variable remuneration in accordance with the requirements German Stock Corporation Act (AktG) and the recommendations of the GCGC. The structure of the LTIP 2021 promotes the Company's strategic objectives as well as sustainable and profitable growth. By linking it to the performance indicators of Sales CAGR and cumulated Adjusted EBITDA, setting a Share Price Hurdle and including ESG parameters, the LTIP 2021 ensures that the variable Management Board remuneration is measured on the basis of a comprehensive assessment of the overall development of the ABOUT YOU Group, taking into account the interests of the shareholders and other stakeholders of the Company.

Linking variable Management Board remuneration to Sales CAGR underlines the long-term growth targets of the ABOUT YOU Group as one of Europe's fastest growing digital fashion platforms. The additional link to the cumulated Adjusted EBITDA as an earnings indicator also creates an incentive for long-term profitable growth. Furthermore, the strategic goal of advancing an environmentally friendly, integrative and sustainable business model, which is essential for the ABOUT YOU Group, is integrated into the Management

Board compensation through the relevance of ESG parameters. Since the variable remuneration is also based on the share price development, an incentive is created in the interest of the shareholders for a sustainable development of the Company in line with the capital market interests.

Overall, the remuneration model is deliberately based on a very performance-related risk-reward profile in the sense of a “pay for performance” approach, which links the amount of variable Management Board remuneration to the achievement of very ambitious performance indicators, set by the Supervisory Board. The Current Mid-Term Performance Targets, which are relevant for the performance indicators revenue growth (Sales CAGR) and EBITDA development, assume revenue growth of around 410% over six years and an increase from a negative Adjusted EBITDA in 2020/2021 to a positive Adjusted EBITDA in the financial year 2026/2027 of EUR 477 million and thus an exceptionally good business development, which would justify a correspondingly high remuneration. Against this background, the remuneration model offers each member of the Management Board the opportunity to receive significant variable remuneration over a period of six years, provided that the performance and share price targets are all achieved. If, on the other hand, none of the performance indicators specified in the LTIP 2021 is achieved by at least 85% or the share price does not reach the Share Price Hurdle (i.e., a share price of EUR 47.00), each Management Board member will only receive the fixed salary (which is below the market average).

The LTIP 2021 thus rewards the Management Board’s proven ability to anticipate and respond in a timely manner to disruptive developments, industry trends and customer preferences in the highly competitive online fashion market, especially in light of the ever-increasing importance of sustainability, diversity and social responsibility in the fashion industry. The Cap ensures the appropriateness of the Management Board’s remuneration even in the event of an extraordinary business development without unduly limiting the incentive effect of the Options.

Overall, the essential focus of the remuneration on the long-term incentive programme leads to the alignment of the interests of the members of the Management Board with those of the shareholders and other stakeholders in the sustainable successful development of the ABOUT YOU Group.

Performance criteria were not yet applicable according to the functioning of the LTIP 2021.

#### **1.6 FURTHER INFORMATION PURSUANT TO SECTION 162 (2) NOS. 1 TO 4 GERMAN STOCK CORPORATION ACT (AKTG)**

No Management Board member has been promised or granted benefits by a third party with regard to his activity as a member of the Management Board.

In the event of premature termination of the Management Board member’s service agreement as a result of the dismissal of the Management Board member for good cause (Section 84 (3) German Stock Corporation Act (AktG)), the respective Management Board member shall receive a severance payment corresponding to an amount equal to the base remuneration payable pro-rata temporis for a period of 24 months, but not exceeding the remaining term of the Management Board service agreement. In the event of termination of the Management Board service agreement by the Company for good cause pursuant to Section 626 German Civil Code (BGB), the Management Board member shall not receive any severance payment. Each Management Board member has agreed to a contractual and post-contractual non-competition clause for a period of two years after termination or expiration of the Management Board service agreement. For the duration of the post-contractual non-competition clause, the respective Management Board member shall receive Allowance corresponding per month to half of the contractual monthly base remuneration last received by the Management Board member (“Allowance”). Any severance payments, as well as amounts pursuant to §74c German Commercial Code (HGB), are to be credited against the Allowance.

There are no former Management Board members to whom benefits could have been promised or granted.



<sup>1</sup> Number of Options vested under the LTIP 2021 during the reporting period (Time Vesting). After the expiry of Tranche 1, the achievement of the targets is assessed on the basis of the Current or Future Mid-Term Performance Targets. If less than 85% of the respective Performance Targets are achieved, the affected Options forfeit without compensation.

<sup>2</sup> Grant Date Fair Value of EUR 4,377,389 per Option according to IFRS 2 for 1,702,128 Options granted per member of the Management Board.

<sup>3</sup> For the period between 1 March 2021 and 15 April 2021 the values relate to the remuneration paid under the managing director service agreements with ABOUT YOU Holding GmbH. The amount of fixed remuneration has remained unchanged.

<sup>4</sup> For the period between 1 March 2021 and 15 April 2021 the values relate to the fringe benefits paid under the managing director service agreements with ABOUT YOU Holding GmbH. The amount of fringe benefits has remained unchanged.

### 1.7 DEVELOPMENT OF THE LTIP 2021 IN THE FINANCIAL YEAR 2021/2022

The following table shows the development of the balance of options granted to the members of the Management Board under the LTIP 2021 in the reporting period.

#### Development of Options under the LTIP 2021 in the financial year 2021/2022

Figures in units	Allocated in the financial year	Time Vesting <sup>1</sup>	Exercised	Forfeited	Balance at the end of the financial year
Tarek Müller	1,702,128	204,256	–	–	1,702,128
Sebastian Betz	1,702,128	204,256	–	–	1,702,128
Hannes Wiese	1,702,128	204,256	–	–	1,702,128
<b>Total</b>	<b>5,106,384</b>	<b>612,768</b>	<b>–</b>	<b>–</b>	<b>5,106,384</b>

### 1.8 REMUNERATION GRANTED AND OWED IN THE FINANCIAL YEAR 2021/2022

The following table shows the remuneration granted and owed to the members of the Management Board in the financial year 2021/2022 within the meaning of Section 162 (1) Sentence 1 German Stock Corporation Act (AktG). The Company understands “remuneration granted” to be interpreted as remuneration that actually accrues to the member of the Management Board within the reporting period, and “remuneration owed” to mean remuneration with regard to which an obligation of the Company was established in the reporting period that is due but has not yet been fulfilled.

#### Remuneration granted and owed pursuant to Section 162 German Stock Corporation Act (AktG) (Amounts in EUR million or in % of the total remuneration)

		Fixed remuneration			Variable remuneration (LTIP 2021) <sup>2</sup>	Total remuneration
		Base remuneration <sup>3</sup>	Fringe benefits <sup>4</sup>	Subtotal		
Tarek Müller	in kEUR	270	6	276	7,450.9	7,726.9
	in %	3.5	0.1	3.6	96.4	100
Sebastian Betz	in kEUR	270	6	276	7,450.9	7,726.9
	in %	3.5	0.1	3.6	96.4	100
Hannes Wiese	in kEUR	270	6	276	7,450.9	7,726.9
	in %	3.5	0.1	3.6	96.4	100

Since the variable remuneration is awarded in the form of stock options, in accordance with the explanatory memorandum to the German Act Implementing the EU Directive 2017/828 of the European Parliament and of the Council ("ARUG II"), not only the Options due but not yet fulfilled are displayed in the table, but all the Options that have been granted in total, as a legal fulfilment obligation was established for these during the reporting period, and these are thus to be regarded as "granted".

The options are valued using the Grant Date Fair Value in accordance with IFRS 2.

In the reporting period, the remuneration shown was in accordance with the provisions of the Management Board service contracts. An absolute maximum remuneration is not provided for in the current Management Board service contracts; the maximum amounts for fringe benefits of EUR 80,000.00 were not exceeded.

Information on the achievement of the Cap described in the LTIP 2021 can and will only be reported once the Options have been exercised.

## **2. REMUNERATION OF THE MEMBERS OF THE SUPERVISORY BOARD**

### **2.1 SYSTEM FOR THE REMUNERATION OF THE MEMBERS OF THE SUPERVISORY BOARD**

In accordance with the remarks on the remuneration system for the members of the Management Board, the Company will pursuant to Section 113 (3) Sentence 1 German Stock Corporation Act (AktG) submit the remuneration system for the members of the Supervisory Board to the Annual General Meeting for approval for the first time in 2022. A draft resolution on the remuneration of the members of the Supervisory Board that meets the requirements of Sections 113 (3) Sentence 3, 87a (1) Sentence 2 German Stock Corporation Act (AktG) will be submitted to the shareholders of the Company for approval in due time before this Annual General Meeting. This will essentially be aimed at confirming the regulations on Supervisory Board compensation contained in Section 15 of the Company's Articles of Association.

Accordingly, in the reporting period ending on 28 February 2022, despite the existence of compensation regulations in the Articles of Association, formally considered, there was not yet a system in place for the remuneration of Supervisory Board members based on the specific requirements of Sections 113 (3) Sentence 3, 87a (1) Sentence 2 German Stock Corporation Act (AktG). For this reason, also with regard to the remuneration of the Supervisory Board the disclosures pursuant to Section 162 German Stock Corporation Act (AktG), which require the existence of such a remuneration system, are not yet included in this remuneration report.

### **2.2 OVERVIEW OF SUPERVISORY BOARD REMUNERATION**

The currently valid remuneration regulation for the Supervisory Board is contained in Section 15 of the Articles of Association.

The members of the Supervisory Board each receive a base annual remuneration of EUR 70,000.00. The base remuneration for the Chairman of the Supervisory Board is EUR 140,000.00 and for the Deputy Chairman of the Supervisory Board EUR 100,000.00. Any additional remuneration for membership or chairmanship of a committee is to be offset against this increased remuneration for the Chairman and Deputy Chairman of the Supervisory Board.

For membership of a committee of the Supervisory Board, the members concerned shall also each receive an additional fixed annual remuneration of EUR 10,000.00. The Chairman of a committee of the Supervisory Board shall receive a fixed annual remuneration of EUR 15,000.00 (i.e., a total of EUR 25,000.00) in addition to the remuneration payable under the preceding sentence; for the Chairman of the Audit Committee, this additional fixed remuneration shall be EUR 40,000.00 (i.e., the total additional remuneration for committee work shall in this case be EUR 50,000.00). A variable remuneration for the members of the Supervisory Board is not provided for and is not opportune from the Company's point of view in the light of the Supervisory Board's control function.

<sup>1</sup> Proportionate remuneration (including additional fixed remuneration for membership in a committee) for the period from 14 June 2021 to 28 February 2022.

<sup>2</sup> Chairperson of the Supervisory Board, Chairperson of the Presidential and Nomination Committee, member of the Audit Committee

<sup>3</sup> Deputy Chairperson of the Supervisory Board, member of the Audit Committee, member of the Presidential and Nomination Committee

<sup>4</sup> Member of the Audit Committee

<sup>5</sup> Chairperson of the Audit Committee

<sup>6</sup> Member of the Presidential and Nomination Committee

In addition to the fixed remuneration pursuant to the preceding paragraphs, the Company shall reimburse the members of the Supervisory Board for any expenses reasonably incurred by them in the exercise of their Supervisory Board mandate as well as for any value added tax payable on their fixed remuneration and expenses.

The Company has taken out a pecuniary damage liability insurance policy for members of the executive bodies (so-called D&O insurance) at the expense of the Company. The insurance conditions of the D&O insurance do not include a deductible for the members of the Supervisory Board.

Regulations on Supervisory Board remuneration have been included in the Company's Articles of Association since 14 June 2021 (until the change of legal form to an SE in the Articles of Association of ABOUT YOU Holding AG). Prior versions of the Articles of Association applicable until 14 June 2021 did not provide for Supervisory Board remuneration, so that the members of the Supervisory Board until 14 June 2021 could only claim reimbursement of their expenses.

## 2.3 REMUNERATION GRANTED AND OWED IN THE FINANCIAL YEAR 2021/2022

Pursuant to Section 15 (3) of the Articles of Association, the remuneration of the Supervisory Board is payable "after the end of the respective financial year". According to the understanding of the term (as set out in Section 1.8 above), the fixed remuneration of the Supervisory Board did not accrue to its

members in the reporting period, nor was it due in the reporting period (as it was not due before the end of the financial year).

The reporting pursuant to Section 162 (1) Sentence 1 German Stock Corporation Act (AktG) for the reporting period therefore does not include any amounts for basic or additional remuneration. For transparency reasons, the remuneration earned but not yet due and thus not owed is presented additionally.

The remuneration of the individual members of the Supervisory Board for the financial year 2021/2022 in accordance with Section 162 (1) Sentence 1 German Stock Corporation Act (AktG) is shown below:

### Remuneration granted and owed pursuant to Section 162 German Stock Corporation Act (AktG) (Amounts in kEUR or in % of the total remuneration)

			Fixed remuneration		Total remuneration	Earned remuneration <sup>1</sup>
			Base remuneration	Additional remuneration for committee work		
Time on the Supervisory Board						
Sebastian Klauke <sup>2</sup>	Since 11 March 2021	in kEUR	0	0	0	105
		in %	–	–	–	100
Niels Jacobsen <sup>3</sup>	Since 11 March 2021	in kEUR	0	0	0	75
		in %	–	–	–	100
Petra Scharner-Wolff <sup>4</sup>	Since 11 March 2021	in kEUR	0	0	0	58.3
		in %	–	–	–	100
Christina Johansson <sup>5</sup>	Since 8 June 2021	in kEUR	0	0	0	90
		in %	–	–	–	100
Christian Leybold <sup>6</sup>	Since 8 June 2021	in kEUR	0	0	0	60
		in %	–	–	–	100
André Schwämmlein	Since 8 June 2021	in kEUR	0	0	0	52.5
		in %	–	–	–	100

No benefits were promised, granted or owed to former members of the Supervisory Board.

## 3. COMPARATIVE PRESENTATION: INFORMATION ON THE DEVELOPMENT OF MANAGEMENT BOARD AND SUPERVISORY BOARD REMUNERATION IN RELATION TO THE REMUNERATION OF THE REST OF THE WORKFORCE AND THE COMPANY'S EARNINGS DEVELOPMENT

Pursuant to Section 162 (1) Sentence 2 no. 2 German Stock Corporation Act (AktG), the following overview presents the development of the compensation granted and owed to current and former members of the

<sup>1</sup> The presentation of the Management Board remuneration includes the full grant value of the Options at Grant Date Fair Value according to IFRS 2 with respect to 1,702,128 options granted per Management Board member.

<sup>2</sup> Previously managing director at ABOUT YOU Holding GmbH.

<sup>3</sup> For the earned remuneration of the members of the Supervisory Board, see Section 2.3 of this remuneration report.

<sup>4</sup> Average gross annual salary (excluding employer's social security contributions) of all permanent employees of ABOUT YOU Holding SE and ABOUT YOU SE & Co. KG on a full-time equivalent basis. Variable remuneration components that have not yet accrued are not considered.

Management Board and Supervisory Board as well as the average remuneration of the employees of the ABOUT YOU Group in comparison with the development of the Group's earnings.

In accordance with the applicable transitional regulations pursuant to Section 26j (2) Sentence 2 Introductory Act to the German Stock Corporation Act (EGAktG), the key figures for the reporting period regarding the employee remuneration are presented in comparison to those of the financial year 2020/2021. The presentation will be further expanded in the coming

reporting years and will be made for the first time in the remuneration report for the financial year 2025/2026 over the full five-year period pursuant to Section 162 (1) Sentence 2 No. 2 German Stock Corporation Act (AktG).

For the average employee remuneration, the remuneration of employees of ABOUT YOU Holding SE and ABOUT YOU SE & Co. KG is considered in relation to the number of employees on a full-time equivalent basis (FTE). For the development of the average employee remuneration, the regular fixed remuneration in the financial year is taken into account

in each case. Variable remuneration components granted to the employees are not taken into account as they did not accrue in the reporting period.

The earnings development is presented on the basis of the Company's annual result according to the German Commercial Code (HGB), as well as the financial key figures Adjusted EBITDA, and basic resp. diluted earnings per share of the ABOUT YOU Group each in accordance with IFRS.

	Time on Management Board/ Supervisory Board	2021/2022 in kEUR	2020/2021 in kEUR	Change in %
<b>Members of the Management Board<sup>1</sup></b>				
Tarek Müller	Since 11 March 2021 <sup>2</sup>	7,726.9	276	2,699.6
Sebastian Betz	Since 11 March 2021 <sup>2</sup>	7,726.9	276	2,699.6
Hannes Wiese	Since 11 March 2021 <sup>2</sup>	7,726.9	276	2,699.6
<b>Members of the Supervisory Board<sup>3</sup></b>				
Sebastian Klauke	Since 11 March 2021	0	–	–
Niels Jacobsen	Since 11 March 2021	0	–	–
Petra Scharner-Wolff	Since 11 March 2021	0	–	–
Christina Johansson	Since 8 June 2021	0	–	–
Christian Leybold	Since 8 June 2021	0	–	–
André Schwämmlein	Since 8 June 2021	0	–	–
<b>Employees</b>				
Average <sup>4</sup> (in kEUR)		53.3	52.1	2.3
<b>Earnings development</b>				
Annual result of ABOUT YOU Holding SE according to HGB (in EUR million)		(43.1)	(5.3)	713.2
Adjusted EBITDA of ABOUT YOU Group (in EUR million)		(66.9)	(35.5)	88.5
Basic earnings per share ABOUT YOU Group (in EUR)		(0.77)	(0.42)	83.3
Diluted earnings per share ABOUT YOU Group (in EUR)		(0.77)	(0.42)	83.3



## IMPRINT

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Sebastian Betz, Tarek Müller, Hannes Wiese

### **Chairperson of the Supervisory Board:**

Sebastian Klauke

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# ABOUT YOU<sup>®</sup>

The background of the entire page is a dark, almost black, abstract composition. It features billowing, smoke-like clouds in a dark charcoal or navy blue color. Overlaid on this are numerous golden-yellow splatters and streaks of varying sizes and shapes, creating a dynamic and energetic visual effect. The splatters are most prominent in the center and right side of the image.

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