



General Annual Meeting of home24 SE on 19 June 2019

Report of the management board on the partial utilization of the Authorized Capital 2018 to cover the Greenshoe Option in connection with the IPO

With the commencement of trading on June 15, 2018, the company completed an initial public offering with the admission of its shares to trading on the regulated market (*regulierter Markt*) of the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*) with simultaneous admission to the sub-segment of the regulated market with additional post-admission obligations (Prime Standard) (the "IPO").

In connection with the IPO, the company entered into an underwriting agreement with Rocket Internet SE as lending shareholder and the underwriters participating in the IPO on June 1, 2018 (amended on July 10, 2018) and a pricing agreement on June 13, 2018. Pursuant to the underwriting agreement (as amended) and the pricing agreement, the company had granted an irrevocable option to purchase up to 978,261 additional new shares (the "**Greenshoe Option**") to Joh. Berenberg, Gossler & Co. KG, Hamburg ("**Berenberg**"), who acted as stabilization manager in connection with the IPO. The Greenshoe Option served to enable Berenberg to meet its redelivery obligations, which Berenberg had *vis-à-vis* Rocket Internet SE due to the securities loan agreed upon in the underwriting agreement and the pricing agreement, with new shares in the company. With the amendment agreement to the underwriting agreement dated July 10, 2018, Berenberg assigned and transferred, respectively, its rights and obligations with respect to the Greenshoe Capital Increase to Rocket Internet SE.

On July 10, 2018, Berenberg exercised the Greenshoe Option for the full amount of 978,261 shares. Against this background, the management board, in its meeting on July 10, 2018, resolved to implement a capital increase from the Authorized Capital 2018 to create 978,261 new shares to cover the Greenshoe Option. The supervisory board approved this resolution on July 10, 2018. The capital increase by EUR 978,261.00 through the issuance of 978,261 new shares of the company to Rocket Internet SE was registered in the commercial register on July 2, 2018. In connection with this capital increase, the share capital of the company was increased from EUR 24,998,496.00 by EUR 978,261.00 to EUR 25,976,757.00 (the "**Greenshoe Capital Increase**").

The Greenshoe Capital Increase was carried out in accordance with the legal and statutory requirements.

Pursuant to Section 4 para. 7 of the articles of association of the company, the management board was authorized to increase the company's share capital, with the consent of the supervisory board, once or several times, by up to EUR 8,504,065.00 in aggregate until May 17, 2023 through the issuance of up to 8,504,065 new bearer shares with no par value against contributions in cash or in kind ("**Authorized Capital 2018**").

Under the Authorized Capital 2018, shareholders' subscription rights were, *inter alia*, excluded for one or more capital increases if the Authorized Capital 2018 was utilized to cover an option agreed with the underwriters in the course of an initial public offering of the company to acquire additional new shares (greenshoe option), if the underwriters were to borrow existing shares from existing shareholders as part of over-allotments of shares, if any, but would not repurchase a

corresponding number of shares through stabilization measures in order to repay such securities loans. It was provided that the issue price must correspond to the placement price (less banking commissions) of the shares in the initial public offering.

The granting of the Greenshoe Option and the resulting Greenshoe Capital Increase served to enable temporary measure in connection with the IPO to stabilize the share price of the company immediately following the IPO. The implementation of stabilization measures serves the interests of issuers such as the company in limiting price fluctuations following an initial public offering, which are regularly attributable not to the economic situation of the issuer, but to the investment behavior of investors. By consuming the Greenshoe Capital Increase, the company fulfilled corresponding contractual obligations from the underwriting agreement entered into between the company and the underwriters. The new shares were used to fulfill the existing securities loan to Rocket Internet SE, which was required for the implementation of the stabilization measures. The issue price of the new shares in connection with the Greenshoe Capital Increase of EUR 23.00 per share corresponded to the placement price in connection with the IPO (minus an underwriters' commission of EUR 0.69 per share).

Based on the aforementioned considerations, the exclusion of Subscription Rights in connection with the Greenshoe Capital Increase in accordance with the provisions of the Authorized Capital 2018 was materially justified as a whole.

Berlin, May 2019

home24 SE

– The Management Board –