WESTWING

Annual Financial Statements and Combined Management Report for the Fiscal Year from 1 January 2023 to 31 December 2023

Confirmation of the auditor

Westwing Group SE
Berlin

Westwing Group SE, Berlin

Balance Sheet as at 31 December 2023

Assets	31 Dec. 2023 EURk	31 Dec. 2022 incl. Tekcor 1. V V UG EURk	31 Dec. 2022 EURk
A. Intangible assets			
I. Intangible assets			
1. Self-generated industrial property rights and similar rights and assets	19,163	23,098	23,098
2. Purchased concessions, industrial property rights and similar rights and assets as well as licences to such rights and assets	85	128	128
	19,248	23,226	23,226
II. Tangible fixed assets			
Other equipment, operating and office equipment	1,968	3,148	3,148
	1,968	3,148	3,148
III. Long-term financial assets			
1. Shares in affiliated companies	12,980	37,160	15,435
2. Loans to affiliated companies	85,688	99,093	131,954
	98,668	136,252	147,390
	119,883	162,626	173,763
B. Current assets			
I. Receivables and other assets			
1. Trade receivables	147	6	6
2. Receivables from affiliated companies	36,556	33,362	22,782
3. Other assets	10,443	649	649
	47,146	34,018	23,437
II. Cash and cash equivalents	3,080	38,873	38,556
	50,226	72,891	61,993
C. Prepaid expenses	1,343	2,108	2,108
	171,453	237,625	237,864

Equity and Liabilities	31 Dec. 2023 EURk	31 Dec. 2022 incl. Tekcor 1. V V UG EURk	31 Dec. 2022 EURk
A. Equity			
I. Share Capital	20,904	20,904	20,904
Treasury shares	-801	-382	-382
Issued capital	20,103	20,522	20,522
thereof conditional capital EURk 2,000 (2022: EURk 5,000)			
II. Capital reserves	345,113	348,383	348,383
III. Accumulated losses	-217,547	-156,491	-156,251
	147,669	212,414	212,654
B. Provisions			
1. Tax provisions	265	272	271
2. Other provisions	11,562	10,510	10,510
	11,826	10,782	10,781
C. Liabilities			
1. Liabilities to credit institutions	0	3,992	3,992
2. Trade payables	3,853	1,822	1,822
3. Liabilities to affiliated companies	4,606	4,641	4,641
4. Other liabilities	3,421	3,876	3,876
thereof taxes EURk 3,321 (2022: EURk 3,517)			
thereof social security EURk 19 (2022: EURk 298)			
	11,880	14,332	14,332
D. Deferred income	77	97	97
	171,453	237,625	237,864

Westwing Group SE, Berlin Annex 2

Statement of profit or loss for the period from 1 January to 31 December 2023

	2023 EURk	2022 incl. Tekcor 1. V V UG EURk	2022 EURk
1. Revenue	86,226	70,018	70,018
2. Own work capitalized	3,718	9,640	9,640
3. Other operating income	673	261	261
thereof currency translation gains EURk 0 (2022: EURk 47)			
Gross profit	90,617	79,919	79,919
4. Cost of materials			
a) Cost of purchased services	-35,250	-32,247	-32,247
5. Personnel expenses	-28,566	-34,135	-34,135
a) Saleries and wages	-24,647	-29,128	-29,128
b) Social security and pension expenses	-3,919	-5,007	-5,007
6. Depreciation, amortization, and write-downs			
a) Intangible fixed assets and property, plant and equipment	-7,885	-7,256	-7,256
7. Other operating expenses	-73,226	-35,996	-35,267
thereof currency translation losses EURk 155 (2022: EURk 102)			
	-54,310	-29,715	-28,986
8. Income from loans held as financial assets	2,611	4,422	3,932
thereof from affiliated companies EURk 2,611 (2022 EURk 3,849)			
9. Interest and similar income	993	0	0
thereof from affiliated companies EURk 0 (2022: EURk 0)			
10. Write-downs on long-term financial assets	-79,356	0	0
11. Write-ups of long-term financial assets	68,420	0	0
12. Income (expenses) from profit transfer (loss transfer)	682	-630	-630
13. Interest and similar expenses	-122	-311	-311
thereof in affiliated companies EURk 0 (2022: EURk 0)			
Interest and financial result	-6,772	3,481	2,991
14. Taxes on income	-215	-259	-258
15. Result after tax	-61,296	-26,493	-26,253
16. Loss for the year	-61,296	-26,493	-26,253
17. Loss carried forward	-156,251	-129,998	-129,998
18. Accumulated losses	-217,547	-156,491	-156,251

Westwing Group SE, Berlin

Notes for the fiscal year from 1 January 2023 to 31 December 2023

I. General Information

The Westwing Group SE (“Company”) is a corporation founded in Germany with its registered office in Berlin, Germany (registered at Berlin District Court, under HRB 239114 B).

The Westwing Group SE is a listed stock corporation under the SE Implementation Act, and its registered ordinary shares are listed on the Frankfurt Stock Exchange (Prime Standard).

These financial statements have been prepared in accordance with sections 242 et seq. and sections 264 et seq. of the German Commercial Code (Handelsgesetzbuch – HGB) and in accordance with the relevant provisions of the German Stock Corporation Act (Aktiengesetz – AktG), applying the going concern principle. The Company is a large corporation as defined in section 267 (3) sentence 2 HGB in conjunction with section 264 d HGB. The structure of the balance sheet and the statement of profit or loss complies with sections 266, 275 HGB and sections 150 et seq. AktG.

The statement of profit or loss has been prepared using the nature of expense method, as in the previous year.

Amounts are in thousands of euros (EURk) unless otherwise stated.

The accounting and valuation methods applied are basically the same as those applied in the previous year.

II. Significant changes under company law in the financial year

Merger of Tekcor 1 V V UG into Westwing Group SE

By merger agreement dated 28 August 2023, Westwing Group SE resolved to merge Tekcor 1. V V UG (limited liability), whose sole shareholder is Westwing Group SE, with Westwing Group SE as of 1 January 2023. The merger was entered in the commercial register on 10 November 2023.

With the merger, assets totalling EURk 32,622 were transferred to the Company. At the same time, liabilities previously owed to Westwing Group SE in the amount of EURk 32,861 were cancelled. A merger loss of EURk 648 was recognised.

Merger of Westwing Netherlands Holding UG into Westwing GmbH

By merger agreement dated 22 August 2023, Westwing Netherlands Holding UG was merged with Westwing GmbH, whose sole shareholder is also Westwing Group SE, with effect from 1 January 2023. The merger was entered in the commercial register on 28 August 2023.

With the merger, assets totalling EURk 29,691 were transferred to Westwing GmbH. At the same time, liabilities to Westwing Group SE totalling EURk 29,906 were transferred to Westwing GmbH. Merger loss of EURk 230 was recognised. The loans of Westwing Group SE to Netherlands Holding UG, which had been impaired in the past, were written back in full in the amount of EURk 27,683.

III. Accounting and valuation methods

The following accounting and valuation methods, which have essentially remained unchanged, have been applied in the preparation of the annual financial statements:

Purchased and internally generated **intangible assets** are recognised at acquisition or production cost and, if subject to wear and tear, are amortised over their useful life using the straight-line method over 3 to 8 years. Impairment losses are recognised if events or changes in market conditions indicate that the carrying amount of intangible assets may not be fully recoverable.

The use of the accounting option to capitalise internally generated intangible assets in accordance with section 248 (2) sentence 1 HGB relates to the capitalisation of internal costs incurred in the development of software. There is a distribution restriction on the amount of the net carrying amount at the respective balance sheet date.

The capitalised development costs are amortised over 3 to 8 years after the software has been put into operation and are subject to extraordinary depreciation if necessary.

Expenses for maintenance, ongoing non-significant improvements and software maintenance are recognised as expenses as they are incurred.

Interest on borrowings for the acquisition of intangible assets is not recognised as part of production costs.

Property, plant and equipment is recognised at acquisition or production cost and, where depreciable, is reduced by scheduled depreciation. Depreciation is recognised using the straight-line method over the useful life of the asset. Acquisition and production costs include incidental costs directly attributable to the acquisition. Subsequent acquisition or production costs are only recognised as part of the acquisition or production costs of the asset or - if relevant - as a separate asset if it is probable that future economic benefits will flow to the company and the costs of the asset can be reliably determined.

Expenses for maintenance and servicing are recognised as expenses as soon as they are incurred.

Property, plant and equipment are depreciated over their estimated useful lives.

The expected useful lives of property, plant and equipment are as follows:

Office furniture and equipment 2 - 14 years

The acquisition or production costs of **low-value assets** with a net individual value of up to EUR 800.00 are fully depreciated or recognised as an expense in the year of acquisition; their immediate disposal was assumed.

Interest on borrowings for the acquisition of property, plant and equipment is not recognised as part of the cost of production.

In the case of **financial assets**, shares are recognised at cost and loans are recognised at the lower of nominal value or fair value. The lower fair value is determined using a DCF method, whereby corresponding planning figures for the individual national companies are derived from the Westwing Group's business plan. In the event of permanent impairment, an impairment loss is recognised.

Receivables and other assets are recognised at the lower of nominal value or fair value on the balance sheet date.

Cash on hand and **bank balances** are recognised at their nominal value.

Expenses prior to the balance sheet date are recognised as **prepaid expenses** if they represent expenses for a certain period after the balance sheet date.

For the calculation of **deferred taxes** due to temporary or quasi-permanent differences between the carrying amounts of assets, liabilities and prepaid expenses and deferred income under commercial law and their tax carrying amounts, these are measured at the company-specific tax rates at the time the differences are eliminated and the amounts of the resulting tax burden and relief are not discounted. Deferred tax assets and liabilities are offset. Deferred tax surpluses are not capitalised in accordance with the existing recognition option. Significant deferred tax assets result from the tax loss carryforward.

Subscribed capital is stated at nominal value. Any amounts paid in excess of the nominal amount or paid in voluntarily are recognised in the capital reserve.

Treasury shares are shares that have been repurchased by Westwing, reducing the number of shares outstanding on the open market.

Treasury shares are openly deducted from the subscribed capital item. The difference between the calculated value (nominal amount) and the acquisition cost of treasury shares is offset against freely available capital reserves.

Other provisions include all recognisable risks and uncertain obligations, taking into account expected future price and cost increases, and were recognised at the settlement amount required according to prudent business judgement. Provisions with a remaining term of less than one year are not discounted for reasons of materiality.

As remuneration for work performed, some employees receive share-based payment with or without cash settlement. The costs arising from cash-settled transactions with the company's employees are initially measured at fair value at the grant date using an option pricing model with the share price as the key parameter. The fair value is recognised in profit or loss over the period up to the date on which the options can first be exercised and a corresponding provision is recognised. Westwing also takes into account an estimated forfeiture rate during the vesting period when calculating share-based payment expenses.

On the other hand, share-based payments issued in the form of stock options and settled with treasury shares or shares from authorised capital are not recognised in the balance sheet. They are only recognised in the accounts if the company has undertaken to settle share options in cash.

The provision for cash-settled share-based payments is remeasured at each reporting date using the same option pricing model. Changes in the fair value to be applied are recognised in personnel expenses or in other operating income.

Trade payables, liabilities to affiliated companies and **other liabilities** are recognised at their settlement amount.

Income prior to the balance sheet date is recognised on the liabilities side as **deferred income** if it represents income for a certain period after the balance sheet date.

All foreseeable risks and losses arising up to the balance sheet date have been recognised, even if they only became known between the balance sheet date and the preparation of the annual financial statements.

Profits have only been taken into account if they were realised by the balance sheet date. Expenses and income for the financial year have been recognised regardless of the date of payment.

Transactions in foreign currencies are translated at the average spot exchange rate on the balance sheet date; unrealised exchange rate gains are only recognised if they are of a short-term nature and therefore sufficiently certain.

IV. Balance Sheet Disclosures

Intangible assets

The Company's intangible assets consist of acquired and internally generated software.

The additions to internally generated intangible assets amounting to EURk 3,842 (31 December 2022: EURk 10,206) mainly result from the development of proprietary software for warehouse and logistics applications, consumer apps, websites, payment methods, and new features in the area of stability, speed, and security of the web portals. The development projects are divided into sub-projects characterised by the developments of new functions.

The disposals amounting to EURk 1,258 (31 December 2022: EURk 0) relate to assets still under development in the previous year, the further development of which was discontinued due to a change in strategy in the technology sector. As these assets have not yet been reclassified from assets under development to internally generated assets, there was no impairment, but rather a reversal of the capitalisation of the corresponding costs.

Internally generated intangible assets include assets under development of EURk 1,103 (31 December 2022: EURk 3,051).

The total amount of research and development costs for the financial year was EURk 14,278 (2022: EURk 17,371).

The valuation of internally generated assets is analysed for impairment every financial year. There was no need for impairment in the 2023 financial year.

In the previous year, Westwing decided to discontinue some of the capitalised projects. As a result, an impairment loss totalling EURk 721 was recognised on the carrying amounts of these internally generated assets.

Property, plant and equipment

The Company's property, plant and equipment consists primarily of office furniture and equipment.

Shares in and loans to affiliated companies

Loans exclusively comprise loans to affiliated companies, which bear interest at rates of between 0.1% and 6.2% p.a. and can be called in at short notice, provided they are not subordinated. As the loans granted are of a longer-term nature and have no fixed terms, they are recognised under loans in non-current assets.

The shares and loans were tested for impairment. Various issues arose in the financial year, which are described in the details on the development of shares and loans.

In the 2023 financial year, the Company reported a decrease in shares in affiliated companies totalling EURk 2,455. This is made up of the following circumstances:

- Due to the merger with a subsidiary, the carrying amount of the investment in this company increased by EURk 21,724. At the same time this induced existing shares totalling EURk 408 to be disposed. The new carrying amount of the investment was fully written down.
- Due to the centralisation of functions and warehouses in Spain and Italy, the existing shares were written down by EURk 2,043.

In the 2023 financial year, the Company recorded a decrease in loans and interest to affiliated companies of EURk 46,266 (2022: decrease of EURk 3,494). This is made up of the following items:

- Repayments of EURk 50,494 were offset by the issue of new loans totalling EURk 13,373.
- Due to the capital increase in a subsidiary, a write-up of EURk 40,737 was recognised on loans impaired in previous years.
- Due to a merger of two subsidiaries, a write-up of EURk 27,683 was recognised on loans impaired in previous years.
- Due to the merger with a subsidiary, the Company recognised new loans of EURk 8,050 and disposals of existing loans of EURk 30,031.
- Due to the centralisation of functions and warehouses in Spain and Italy, existing loans were written down in the amount of EURk 55,584.

Receivables and other assets

Receivables are recognised at nominal value. Receivables from affiliated companies mainly relate to receivables from service charges due within 14 days (EURk 24,622; 31 December 2022: EURk 15,102) and licence receivables (EURk 11,934; 31 December 2022: EURk 7,680). The increase as at 31 December 2023 to EURk 36,556 (31 December 2022: EURk 22,782) is mainly due to higher recharges to subsidiaries as a result of increased demand for central services, which is attributable to the Group's new marketing structure and the website integration ("OneWestwing").

Other assets amounting to EURk 10,443 (31 December 2022: EURk 649) mainly include a fixed-term deposit of EURk 10,000 with a notice period of three months. The rental deposits amount to EURk 27 (31 December 2022: EURk 512). This decrease is mainly due to the repayment of guarantees in connection with rental properties.

As in the previous year, all receivables and other assets have a remaining term of up to one year, with the exception of the remaining rental deposits.

Equity

As at 31 December 2023, the subscribed capital amounted to EURk 20,904 (31 December 2022: EURk 20,904). The share capital is divided into 20,903,968 no-par value shares, of which the company holds 801,321 treasury shares (31 December 2022: 382,230) with a nominal value of EUR 1.00 per share.

Treasury shares have no voting rights. By holding these shares, the company has no entitlement to receive assets in the event of liquidation of the company or to exercise subscription rights as a shareholder.

The capital reserves contain the amounts paid in over and above the nominal capital.

The following is an overview of the development of subscribed capital:

	Number of Shares	**Treasury Shares**
As at 1 January 2022	**20,903,968**	**326,475**
Purchase of treasury shares	-	55,755
As at 31 December 2022 / 1 January 2023	**20,903,968**	**382,230**
Purchase of treasury shares	-	420,741
Settlement of share options	-	-1,650
As at 31 December, 2023	**20,903,968**	**801,321**

The total number of no-par value shares with voting rights issued as of 31 December 2023 was 20,102,647 shares (31 December 2022: 20,521,738 shares) with a par value of EUR 1.00 per share. Each share grants the holder one vote at the Annual General Meeting of Westwing Group SE. The nominal value of all ordinary shares is fully paid up.

On 25 April 2023, the Management Board of Westwing Group SE resolved, with the approval of the Supervisory Board, to implement a share buyback programme with a maximum volume of up to 600,000 shares at a maximum total purchase price of up to EURm 3. The buyback via Xetra trading on the Frankfurt Stock Exchange began on 26 April 2023 and was completed on 31 October 2023. A total of 198,333 shares were acquired during this period in exchange for a payment of EURk 1,673.

On 24 November 2023, the Management Board of Westwing Group SE resolved, with the approval of the Supervisory Board, to carry out a further share buyback programme with a maximum volume of up to 600,000 shares at a maximum total purchase price of up to EURm 3. The buyback via Xetra trading on the Frankfurt Stock Exchange began on 27 November 2023 and is to be completed by 30 April 2024. By 31 December 2023, 46,070 shares had been acquired in exchange for a payment of EURk 408.

On 24 November 2022, the Management Board of Westwing Group SE resolved, with the approval of the Supervisory Board, to implement a share buyback programme with a maximum volume of up to 600,000 shares at a maximum total purchase price of up to EURm 3. The buyback via Xetra trading on the Frankfurt Stock Exchange began on 28 November 2022 and was completed on 31 March 2023. By 31 December 2022, a total of 55,755 shares had been bought back for EURk 493. By 31 March 2023, a further 176,338 shares were acquired in exchange for a payment of EURk 1,609.

A total of 1,650 share options were exercised in the 2023 financial year (2022: none), which were settled with treasury shares. The average exercise price was EUR 0.01, which led to cash receipts of EURk 0 (2022: EURk 0). The difference between the exercise price and the nominal amount was offset against the capital reserve and led to a reduction in the capital reserve of EURk 6 in the 2023 financial year.

Treasury shares accounted for 3.8% of the share capital as at 31 December 2023 (31 December 2022: 1.8%). Of this, 2.0% is attributable to treasury shares acquired in the 2023 financial year. The market value as at the reporting date was EURk 7,084 (31 December 2022: EURk 3,669).

In addition, 3,900 share options were exercised, which were settled for a payment of EURk 26. As the amount was attributable to the company's own employees, it was recognised in full under personnel expenses.

An overview of all additions and disposals of treasury shares is presented in an annex to these notes.

The capital reserves amounted to EURk 345,113 as at 31 December 2023 (31 December 2022: EURk 348,383). The decrease is due to the acquisition of treasury shares, whose value exceeding the nominal amount is deducted from the capital reserves.

The residual carrying amount of internally generated intangible assets (EURk 19,163; 31 December 2022: EURk 23,098) is classified as restricted from distribution in accordance with Section 268 (8) HGB.

The accumulated deficit of EURk 217,547 (31 December 2022: EURk 156,251) results from the net loss for the past financial year and the carryforward from the previous financial year.

Authorised Capital as of December 31, 2023

Authorised Capital 2022/ I

The Management Board was authorised by the Annual General Meeting on 18 May 2022 – which also rescinded Authorised Capital 2018/V – with the Supervisory Board's approval, to increase the Company's share capital by up to EUR 2,090,396.00 in the period up to 17 May 2027 (inclusive) by issuing up to 2,090,396 new no-par value bearer shares against cash and/or non-cash contributions on one or more occasions ("Authorised Capital 2022/I"). Shareholders' pre-emptive subscription rights have been disapplied. The details of Authorised Capital 2022/I are set out in Article 4(3) of the Company's Articles of Association.

Authorised Capital

At the start of financial year 2023, Article 4(4) of Westwing Group SE's Articles of Association set out the rules governing Authorised Capital 2018/VI. The authorisation granted there to the Management Board expired on 20 September 2023. Westwing Group SE's Authorised Capital 2018/VI was replaced following a resolution by the Annual General Meeting on 16 May 2023 and a related change to the Articles of Association by a new Authorised Capital 2023/I, since its objective had partly been frustrated and the authorisation period had expired.

Under the new arrangement, the Management Board has been authorised, with the Supervisory Board's approval, to increase the Company's share capital by up to EUR 4,000,000.00 in the period up to 15 May 2028 (inclusive) by issuing up to 4,000,000 new no-par value bearer shares against cash and/ or non-cash contributions on one or more occasions (“Authorised Capital 2023/I”). Shareholders have pre-emptive subscription rights in principle. However, these rights can be disapplied in certain circumstances and within prescribed limits, with the Supervisory Board’s approval. The new shares may also be issued to one or more credit institutions or other companies named in article 5 of the SE Verordnung (SE VO — SE Regulation) in conjunction with section 186(5) sentence 1 of the AktG on condition that they offer them directly to shareholders (indirect subscription right), or may also be granted in part by way of a direct subscription right (e.g. to shareholders who are entitled to subscribe for them and who have previously entered into a binding subscription agreement), or otherwise by way of an indirect sub- scription right pursuant to article 5 of the SE VO in conjunction with section 186(5) sentence 1 of the AktG.

The details of Authorised Capital 2023/I are set out in Article 4(4) of the Articles of Association.

Conditional Capital

The General Meeting on 21 September 2018 authorised the Management Board, with the Supervisory Board’s approval, to issue, in the period from 21 September 2018 to 20 September 2023, convertible bonds, bonds with warrants, profit participation rights and/or participating bonds, or a combination of these instruments (“bonds”) carrying rights to subscribe for shares of the Company in a total nominal amount of up to EUR 100,000,000.00. Consequently, the Company’s share capital had been conditionally increased by up to EUR 5,000,000.00 at the beginning of financial year 2023 (“Conditional Capital 2018”). This authorisation was not utilised.

The resolution of the Company’s Annual General Meeting on 16 May 2023 and an associated amendment to the Articles of Association created a new authorisation to issue bonds with warrants/convertible bonds, profit participation rights and/or participating bonds, or a combination of these instruments, along with an option to disapply pre-emptive subscription rights. Consequently, the Company’s share capital has been conditionally increased by up to EUR 2,000,000.00 by issuing up to 2,000,000 no-par value bearer shares (Conditional Capital 2023).

The Management Board is authorised, with the Supervisory Board’s approval, to issue, in the period up to 15 May 2028 (inclusive), bearer or registered bonds with warrants/convertible bonds, profit participation rights and/or participating bonds, or combinations of these instruments (hereinafter collectively referred to as “bonds”) with a total nominal amount of up to EUR 50,000,000.00 on one or more occasions, and to grant the creditors (hereinafter referred to as the “holders”) of the bonds in question, which shall bear equal rights among themselves, options or conversion rights to new bearer shares of the Company with a notional interest in the share capital of up to a total of EUR 2,000,000.00, as set out in greater detail in the terms and conditions of the bonds. The authorisation to issue bonds has not been utilised to date. The details of this Conditional Capital are set out in Article 4(5) of the Company's Articles of Association.

Other provisions

Other provisions amounting to EURk 11,562 (31 December 2022: EURk 10,510) mainly include the provision for cash-settled share-based payments (EURk 4,808; 31 December 2022: EURk 5,164), provisions for outstanding invoices (EURk 1,872; 31 December 2022: EURk 2,073), provisions for personnel (EURk 1,868; 31 December 2022: EURk 1,860), provisions for marketing (EURk 1,414; 31 December 2022: EURk 429), provisions for rent-free periods (EURk 369; 31 December 2022: EURk 515), provisions for restoration obligations (EURk 326; 31 December 2022: EURk 285) and provisions for litigation (EURk 899; 31 December 2022: EURk 200).

Cash-settled share-based payment

In the second half of 2019 and the first half of 2020, a cash-settled share-based payment programme was set up for the Management Board and certain senior management positions. The options became fully vested on 31 December 2022 and can be exercised four years after being granted. Expenses of EURk 131 (2022: EURk 140) were recognised for this programme in the 2023 financial year. In 2023, 200,500 options were exercised against cash for this programme. As at 31 December 2023, 683,125 options were outstanding (31 December 2022: 883,625).

In 2022, a new share-based payment programme was launched for a broader group of employees, which is to be settled in cash. The amount of the payment depends on the Company's share price. The term of the ECP 2022 is limited to three years, beginning on 1 July 2022, with the last performance period ending on 30 June 2025. Shorter service periods may occur. In the financial year, 1,839 options from this programme were exercised in return for a payment of EURk 13. The provision for this amounted to EURk 689 as at 31 December 2023 (31.12.2022: EURk 182). In addition, the provision for share-based payment includes expenses for the reimbursement of the tax difference in relation to shares issued for dilution protection in the amount of EUR 12k (31 December 2022: EURk 12). In 2022, EURk 231 was paid out to beneficiaries in this context.

As at 31 December 2023, the cumulative value of the provision for share-based payment totalled EURk 4,808 (31 December 2022: EURk 5,164).

Liabilities

The liabilities shown in the balance sheet can be categorised as follows:

	31 Dec. 2023 EURk	31 Dec. 2022 EURk
Liabilities to credit institutions	-	3,992
Trade payables	3,853	1,822
Liabilities to affiliated companies from trade payables	4,606	4,641
Other liabilities		
- thereof from taxes	3,321	3,517
- thereof from social security	19	298
- Other	82	61
Total	**11,880**	**14,332**

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

Liabilities decreased from EURk 14,332 in 2022 to EURk 11,880 in 2023. This development is mainly due to liabilities from trade financing, which were recognised under liabilities to credit institutions in the previous year and were repaid in 2023. In the previous year, they related to the assignment of trade payables to financing partners arranged by a service provider. These took over the payment to the trading partner and Westwing reimbursed this payment with a delay of two months. The decrease in liabilities was partially offset by higher trade payables.

As in the previous year, the liabilities to affiliated companies result from trade payables.

Westwing Group SE had a guarantee facility of EURk 3,700 as at 31 December 2023 (31 December 2022: EURk 0).

Deferred income

Deferred income in the amount of EURk 77 (31 December 2022: EURk 97) includes a building cost subsidy received for office space, which is released pro rata over the term of the lease.

V. Statement of Profit or Loss Disclosures

Revenues

The Company's revenue of EURk 86,226 (2022: EURk 70,018) results from intercompany settlements from services in the amount of EURk 86,049 (2022: EURk 69,113) and other revenue amounting to EURk 177 (2022: EURk 905). The increase in revenue is primarily due to higher recharges from licences and higher marketing expenses, which is attributable to the Group's new marketing structure and the website integration ("OneWestwing").

EURk 83,031 of revenue from intercompany charges is attributable to Germany (2022: EURk 61,788) and EURk 3,018 to other countries (2022: EURk 7,326). EURk 1,822 of the international sales from intercompany charges are attributable to Western Europe (2022: EURk 5,067) and EURk 1,195 to Eastern Europe (2022: EURk 2,259).

Own work capitalised

Own work capitalised includes capitalised personnel expenses for the creation of internally generated intangible assets in the amount of EURk 3,718 (2022: EURk 9,640).

Other operating income

Other operating income in the amount of EURk 673 (2022: EURk 261) mainly relates to maternity protection allowances of EURk 238 (2022: EURk 114) and income from the reversal of provisions of EURk 198 (2022: EURk 112).

Cost of purchased services

Purchased services totalling EURk 35,250 (2022: EURk 32,247) were procured from third parties and are largely recharged within the Group. They mainly relate to central marketing and IT services.

Personnel data

During the year, the Company had an average of 316 employees excluding the Management Board (2021: 405), broken down as follows:

	2023	**2022**
Administration / IT	194	247
Marketing/ Fulfilment	122	158
Total	**316**	**405**

Personnel expenses amounted to EURk 28,566 (2022: EURk 34,135). Of this amount, EURk 833 (2022: EURk 1,097) relates to severance payments. Personnel expenses also include expenses for share-based payment totalling EURk 761 (2022: EURk 185). Of this amount, EURk 630 relates to the ECP 2022 and EURk 131 to the share-based payment programme with cash settlement from 2019. In the previous year, there was an offsetting effect from a correction that led to income of EURk 590, of which EURk 359 was attributable to employees of Westwing Group SE.

Personnel expenses can be broken down as follows:

	2023 EURk	**2022** EURk
Wages and salaries	23,886	29,301
Social security	3,919	5,007
Expenses (income) for share-based payments	761	-174
Total	**28,566**	**34,135**

Other operating expenses

Other operating expenses amounted to EURk 73,226 (2022: EURk 35,267). This increase is primarily due to the capital increase (preservation expense) at a subsidiary in the amount of EURk 44,167. This payment (preservation expense) resulted in a write-up of the loan. We refer to the comments under "Shares in and loans to affiliated companies". In addition, costs incurred as part of the headquarters function are primarily included. These include rental expenses, costs passed on to employees of other Group companies, consulting costs, expenses for the IT infrastructure and expenses from share-based payments attributable to Group employees not employed by Westwing Group SE. In addition, expenses relating to other periods of EURk 1,547 are recognised here (2022: EURk 384).

Financial result

The income from loans held as financial assets in the amount of EURk 2,611 (2022: EURk 3,932) mainly results from loans to affiliated companies. Other interest and similar income in the amount of EURk 993 (2022: EURk 0) primarily relates to interest income from fixed-term deposits. Write-downs on financial assets amounted to EURk 79,356 (2022: EURk 0). Income from the write-ups of financial assets amounted to EURk 68,420. For further details on write-downs and write-ups, please refer to the notes on shares in and loans to affiliated companies. Interest and similar expenses totalling EURk 122 (2022: EURk 311) relate in full to third parties.

VI. Other

Other financial obligations

There are financial obligations (gross) as follows:

Remaining terms	up to 1 year	1 to 5 years	over 5 years	Total
	EURk	EURk	EURk	EURk
Rental agreements	-3,798	-9,618	-	-13,416
Leasing agreements	-57	-6	-	-63
Service agreements	-87	-179	-	-87
	-3,942	**-9,624**	**-**	**-13,566**

The utilisation of some of the property, plant and equipment used by Westwing is based on rental and operating lease agreements. This helps to reduce the capital commitment and leaves the investment risk with the counterparty.

Contingent liabilities

The Company has the following contingent liabilities:

	31.12.2023	31.12.2022
	EURk	EURk
Guarantees and warranties	950	690
	950	**690**

Due to the holding and financing function of the Company within the Group, contingent liabilities have only been entered into for subsidiaries in order to develop business operations. The risk of utilisation from the individual contingent liabilities is low as the subsidiaries are performing well. In addition, Westwing Group SE has issued letters of comfort to its subsidiary Westwing GmbH and the other direct, non-operating subsidiaries to guarantee the obligations arising until 31 December 2025. The risk of this contingent liability being utilised is also considered to be low, as the future development of Westwing GmbH is expected to be positive.

List of shareholdings of Westwing Group SE pursuant to Section 285 No. 11, 11a and No. 11b of the German Commercial Code (HGB)

Company	Registered Office	Equity in EURk resp. converted at the closing rate 2023[1]	Shares in Capital in %	Annual Result 2023 in EURk[1]
Westwing GmbH	Munich	-31,441	100.00%	-4,873
Westwing Commercial GmbH	Berlin	-77	100.00%	-67
Westwing Delivery Service GmbH	Munich	22	100.00%	6
Westwing Bitterfeld Logistics GmbH	Munich	25	100.00%	0
Westwing Spain Holding UG	Berlin	-1,097	100.00%	32
Westwing France Holding UG	Berlin	121	100,00%	-44,352
Westwing Italy Holding UG	Berlin	-1,289	100.00%	-28
Brillant 1256. GmbH & Co. Dritte Verwaltungs KG	Berlin	-16,491	88.80%	-20
Brillant 1256. GmbH	Berlin	-2,055	100.00%	4
Bambino 66. V V UG	Berlin	-4,871	94.20%	-3
Bambino 68. V V UG	Berlin	-3,255	87.24%	-17
VRB GmbH & Co. B-157 KG	Berlin	-2,415	77.30%	-6
VRB GmbH & Co. B-160 KG	Berlin	-745	97.50%	-7

Company	Registered Office	Equity in EURk resp. converted at the closing rate 2023[1]	Shares in Capital in %	Annual Result 2023 in EURk[1]
WW E-Services Iberia S.L.[2]	Barcelona	21	100,00%	-2,441
WW E-Services Italy S.r.I.[2]	Milan	-1,344	100,00%	-1,283
WW E-Services France SAS[2]	Paris	-19,558	100,00%	1,031
Westwing Home & Living Poland Sp. z o.o.	Warsaw	3,083	100,00%	15
WW E-Services The Netherlands B.V.[2]	Amsterdam	-14,973	100,00%	-338
wLabels Hong Kong Ltd.[2]	Hongkong	695	100,00%	111
wLabels China Co., Ltd.[2]	Dongguan	-28	100,00%	-34

1 The values correspond to the annual financial statements after any profit transfer, in the case of subsidiaries in accordance with IFRS consolidated financial statements.
2 indirect.

The Company prepares the consolidated financial statements for the smallest and largest group of consolidated companies. The consolidated financial statements are published in the company register.

Disclosures pursuant to Section 160 (1) No. 8 AktG

The shareholder structure of Westwing Group SE is based on the voting rights as last notified by the shareholders and as published by the shareholders in relation to the current share capital of the company as at 31 December 2023. It should be noted that the number of voting rights last reported may have changed within the respective thresholds without any obligation to notify the company. The percentages shown in the table below refer to the share capital of Westwing Group SE as at 31 December 2023.

Shareholder	Share in Subscribed Capital
Zerena GmbH (Rocket Internet SE)	29%
Amiral Gestion	10%
The Capital Group Companies	8%
Duke University (Blackwell Partners LLC - Series A)	6%
Bram Cornelisse (Farringdon Netherlands BV)	5%
Tengelmann Ventures	5%
UBS AG	5%
Inflection Point Investments LLP	4%
Allianz Global Investors	3%
Janus Henderson Group PLC	3%
David Hathaway (Far View Capital Management)	3%
Aymeric Chaumet (Swensen LTD)	3%
Westwing Group SE	3%
Public float/Other	13%
Total	**100%**

Public float/other refers to the shareholdings in Westwing Group SE of less than 3%.

Events after the balance sheet date

The following events occurred after the end of the 2023 financial year that will have an impact on Westwing's future financial performance, financial position and cash flows.

On 16 January 2024, the Company - in the context of a general restructuring aimed at optimising the business - announced that it will centralise large parts of the business functions currently located in Italy and Spain. Going forward, customers in these countries will mostly be served from our Munich and Warsaw offices in terms of Westwing's offering, and from the logistics hub in Poland regarding deliveries. As a consequence, Westwing is materially reducing its local workforce and will close its local office and warehouse in Italy as well as the warehouse in Spain. The restructuring measures will take place in the coming months.

Auditor's fee

The disclosures on the auditor's fee are part of the consolidated financial statements of Westwing Group SE, which the Company prepares for the largest and smallest group of companies. The consolidated financial statements are published in the company register. The other assurance services relate to auditing activities in connection with the non-financial statement (limited assurance) and auditing activities in connection with the remuneration report.

Declaration of compliance with the German Corporate Governance Code

In December 2023, the Supervisory Board and Management Board issued a declaration of compliance for Westwing Group SE in accordance with section 161 of the German Stock Corporation Act (AktG) for financial year 2023. This has been published on the Investor Relations section of Westwing Group SE's website (https://ir.westwing.com/download/companies/westwing/CorporateGovernance/Compliance_Declaration_Westwing_Group_SE_2023_ENG.pdf).

Management Board

The members of the Management Board acting during the year were Dr Andreas Hoerning (Chief Executive Officer), Sebastian Säuberlich (Chief Financial Officer until 31 March 2023) and Sebastian Westrich (Chief Financial Officer since 1 August 2023).

The total remuneration granted to the Management Board in the 2023 financial year amounted to EURk 835 (2022: EURk 680). No virtual option rights were granted in 2023.

In 2023, expenses of EURk 63 (2022: EURk 240) were recognised for former board members and an expense of EURk 244 (2022: income of EURk 55) was recognised as part of the measurement of the cash-settled share-based payment.

The individualised disclosure of the remuneration of the members of the Management Board is made in the remuneration report.

Supervisory Board

The total remuneration granted to the Supervisory Board in the 2023 financial year amounted to EURk 226. The remuneration of the members of the Supervisory Board is regulated in Section 15 of the Articles of Association of Westwing Group SE. The members of the

Supervisory Board receive a fixed basic remuneration of EURk 25 for each financial year of the company, with the Chairman of the Supervisory Board receiving a fixed basic remuneration of EURk 40 and the Deputy Chairman of EURk 30. The Chairman of the Audit Committee receives a further EURk 20 and the other members of the Audit Committee EURk 10. The Chairman of the Remuneration Committee receives a further EURk 15 and each other member of the Remuneration Committee EURk 7.5. For their work on the Nomination Committee, the Chairman receives a further EURk 5 and each other member EURk 3.

The remuneration is due after the end of the respective financial year. Supervisory Board members who are only in office for part of the financial year receive corresponding pro rata remuneration.

In addition to the fixed remuneration, Westwing reimburses the members of the Supervisory Board for their reasonable expenses incurred in the performance of their duties as well as the value added tax incurred on their remuneration and expenses.

Furthermore, the members of the Supervisory Board are covered by D&O liability insurance, which provides protection against financial losses. The premiums for this insurance policy are paid by the company.

In accordance with Section 10 (1) of the Articles of Association, the Supervisory Board is made up of five members. It is not subject to co-determination by employees, meaning that all members of the Supervisory Board are elected by the Annual General Meeting as shareholder representatives.

The Supervisory Board had three committees in the 2023 financial year: The Audit Committee, the Remuneration Committee and the Nomination Committee.

During the financial year, the Supervisory Board consisted of the following members:

Name	Remunerated functions
Christoph Barchewitz, CEO Global Fashion Group S.A.	Chairman of the Supervisory Board Chairman of the Nomination Committee Member of the Remuneration Committee
Dr Antonella Mei-Pochtler, Self-employed entrepreneur at Pochtler Management GmbH Senior Advisor Boston Consulting Group	Deputy Chairwoman of the Supervisory Board Chairwoman of the Remuneration Committee Member of the Nomination Committee
Michael Hoffmann, Independent management consultant	Member of the Supervisory Board Chairman of the Audit Committee Member of the Remuneration Committee
Mareike Wächter, Independent management consultant	Member of the Supervisory Board Member of the Audit Committee Member of the Nomination Committee
Susanne Samwer, Finance Director for HZG Additive Manufacturing Tech Fund	Member of the Supervisory Board Member of the Audit Committee

Two members of the Supervisory Board of Westwing Group SE are also members of the supervisory boards and controlling bodies of the following companies:

Dr Antonella Mei-Pochtler

- Member of the Supervisory Board, member of the Remuneration Committee, member of the Strategy Committee and member of the Sustainability Committee of Publicis Groupe S.A. (listed company)
- Member of the Supervisory Board and member of the Audit Committee and the Executive and Nomination Committee of ProSiebenSat.1 Media SE
- Member of the Supervisory Board and member of the Committee for Innovation and for Social and Environmental Sustainability and member of the Committee for Related Party Transactions of Assicurazioni Generali S.p.A. (listed company)
- Member of the Supervisory Board of Plenitude SpA, Milan, Italy (non-listed company)
- Member of the Administrative Board of TUM Venture Labs of UnternehmerTUM (non-listed company)
- Member of the Advisory Board of Pochtler Industrieholding GmbH, Vienna, Austria (non-listed company)

Michael Hoffmann

- Member of the Supervisory Board and Chairman of the Audit Committee of Telefónica Deutschland Holding AG (listed company)
- Member of the Management Board of the non-profit association Die Tafel e.V.

Responsibility statement by the Management Board

To the best of our knowledge, and in accordance with the applicable reporting principles, the financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company, and the combined management report includes a fair review of the development and performance of the business and the position of the group and the company, together with a description of the principal opportunities and risks associated with the expected development of the Group and the Company.

Munich, 27 March 2024

Dr Andreas Hoerning Management Board Westwing Group SE	Sebastian Westrich Management Board Westwing Group SE

Westwing Group SE, Berlin
Development of fixed assets 2023

	Acquisition and production costs						Accumulated depreciation and amortisation					Carrying amounts	
	01 Jan. 2023 EURk	Merger 01 Jan. 2023 EURk	Incl. Merger 01 Jan. 2023 EURk	Additions EURk	Disposals EURk	31 Dec. 2023 EURk	01 Jan. 2023 EURk	Additions EURk	Disposals EURk	Write-ups EURk	31 Dec. 2023 EURk	31 Dec. 2023 EURk	31 Dec. 2022 EURk
I. Intangible assets													
1. Self-generated industrial property rights and similar rights and assets	37,594	0	0	3,842	./. 1,258	40,179	./. 14,497	./. 6,519	0	0	./. 21,016	19,163	23,098
2. Purchased concessions, industrial property rights and similar rights and assets as well as licences to such rights and assets	677	0	0	1	0	678	./. 549	./. 44	0	0	./. 593	85	128
3. Goodwill	4,338	0	0	0	0	4,338	./. 4,338	0	0	0	./. 4,338	0	0
	42,609	0	0	3,843	./. 1,258	45,194	./. 19,384	./. 6,563	0	0	./. 25,946	19,248	23,226
II. Tangible fixed assets													
Other equipment, operating and office equipment	9,238	0	0	143	./. 713	8,669	./. 6,090	./. 1,322	711	0	./. 6,701	1,968	3,148
	9,238	0	0	143	./. 713	8,669	./. 6,090	./. 1,322	711	0	./. 6,701	1,968	3,148
III. Long-term financial assets													
1. Shares in affiliated companies	16,071	21,316	37,387	0	0	37,387	./. 635	./. 23,772	0	0	./. 24,407	12,980	15,435
2. Loans to affiliated companies	220,524	./. 21,981	198,543	13,373	./. 50,494	161,422	./. 88,570	./. 55,584	0	68,420	./. 75,735	85,688	131,954
	236,595	./. 665	235,930	13,373	./. 50,494	198,809	./. 89,205	./. 79,356	0	68,420	./. 100,142	98,668	147,390
Total	**288,442**	**./. 665**	**235,930**	**17,360**	**./. 52,465**	**252,673**	**./. 114,679**	**./. 87,241**	**711**	**68,420**	**./. 132,789**	**119,883**	**173,763**

Westwing Group SE, Berlin
Development of treasury shares

Balance sheet date	Date of acquisition or disposal	Price per share in EUR	Treasury shares	Cause of the movement
31.12.2017			**-191**	
			-28,650	share split
			5,850	exercise share options
31.12.2018			**-22,800**	
	07.03.2019	0.02	22,800	exercise share options
	09.04.2019	14.85	-10,050	acquisition of treasury shares
	09.05.2019	14.85	-8,850	acquisition of treasury shares
	13.05.2019	0.01	18,900	exercise share options
	14.08.2019	4.40	-2,600	share buy-back
	15.08.2019	4.10	-658	share buy-back
	16.08.2019	3.94	-2,442	share buy-back
	19.08.2019	3.90	-3,000	share buy-back
	20.08.2019	3.66	-3,500	share buy-back
	21.08.2019	3.24	-3,500	share buy-back
	22.08.2019	2.71	-6,500	share buy-back
	23.08.2019	2.75	-11,000	share buy-back
	26.08.2019	3.07	-5,000	share buy-back
	27.08.2019	3.46	-15,000	share buy-back
	28.08.2019	3.71	-11,542	share buy-back
	29.08.2019	3.57	-18,000	share buy-back
	30.08.2019	3.42	-13,693	share buy-back
	02.09.2019	3.21	-18,013	share buy-back
	03.09.2019	3.28	-12,507	share buy-back
	04.09.2019	3.21	-22,000	share buy-back
	05.09.2019	3.09	-25,000	share buy-back

	06.09.2019	3.00	-25,880	share buy-back
	09.09.2019	2.91	-28,500	share buy-back
	10.09.2019	2.96	-29,000	share buy-back
	11.09.2019	2.88	-19,939	share buy-back
	12.09.2019	2.88	-24,513	share buy-back
	13.09.2019	2.92	-19,923	share buy-back
	16.09.2019	2.77	-11,078	share buy-back
	17.09.2019	2.61	-35,500	share buy-back
	18.09.2019	2.62	-35,500	share buy-back
	19.09.2019	2.64	-3,000	share buy-back
	20.09.2019	2.57	-3,000	share buy-back
	23.09.2019	2.58	-3,000	share buy-back
	24.09.2019	2.61	-3,000	share buy-back
	25.09.2019	2.49	-3,000	share buy-back
	26.09.2019	2.20	-3,000	share buy-back
	27.09.2019	2.00	-3,000	share buy-back
	30.09.2019	2.15	-3,000	share buy-back
	01.10.2019	2.25	-3,000	share buy-back
	02.10.2019	2.33	-3,000	share buy-back
	04.10.2019	2.25	-3,000	share buy-back
	07.10.2019	2.31	-3,000	share buy-back
	08.10.2019	2.62	-22,500	share buy-back
	09.10.2019	2.98	-13,000	share buy-back
	10.10.2019	3.08	-13,684	share buy-back
	11.10.2019	3.27	-37,816	share buy-back
	14.10.2019	3.42	-20,000	share buy-back

	15.10.2019	3.60	-10,000	share buy-back
	16.10.2019	3.63	-14,236	share buy-back
	17.10.2019	3.88	-34,600	share buy-back
	18.10.2019	4.17	-34,353	share buy-back
	21.10.2019	4.48	-21,383	share buy-back
	22.10.2019	4.62	-27,617	share buy-back
	23.10.2019	4.82	-15,850	share buy-back
	24.10.2019	4.78	-35,866	share buy-back
	25.10.2019	4.88	-22,100	share buy-back
	28.10.2019	4.75	-11,818	share buy-back
	29.10.2019	4.62	-14,730	share buy-back
	30.10.2019	4.39	-10,659	share buy-back
	27.11.2019	1.71	16,350	exercise share options
	27.11.2019	1.71	3,450	exercise share options
	27.11.2019	0.01	1,650	exercise share options
	27.11.2019	0.01	9,600	exercise share options
	27.11.2019	0.01	600	exercise share options
	27.11.2019	0.01	2,850	exercise share options
	27.11.2019	1.23	18,900	exercise share options
	27.11.2019	0.01	2,100	exercise share options
	27.11.2019	0.01	1,050	exercise share options
31.12.2019			**-743,450**	
	21.04.2020	1.71	2,550	exercise share options
	30.04.2020	0.01	3,300	exercise share options
	04.06.2020	0.01	300	exercise share options
	30.07.2020	0.01	5,250	exercise share options

	01.09.2020	1.23	3,600	exercise share options
	02.09.2020	0.01	3,450	exercise share options
	02.09.2020	1.23	2,850	exercise share options
	02.09.2020	4.47	16,200	exercise share options
	02.09.2020	4.47	1,350	exercise share options
	02.09.2020	4.47	1,500	exercise share options
	17.09.2020	0.01	2,550	exercise share options
	24.09.2020	0.01	5,850	exercise share options
	01.10.2020	1.23	10,500	exercise share options
	01.10.2020	1.23	3,600	exercise share options
	05.10.2020	0.01	24,000	exercise share options
	05.10.2020	0.01	5,400	exercise share options
	17.11.2020	0.01	85,200	exercise share options
	03.12.2020	0.01	1,650	exercise share options
	03.12.2020	0.01	300	exercise share options
	03.12.2020	0.01	15,000	exercise share options
	03.12.2020	0.01	1,950	exercise share options
	03.12.2020	1.71	1,200	exercise share options
	03.12.2020	1.71	750	exercise share options
	03.12.2020	4.47	900	exercise share options
	03.12.2020	9.17	1,200	exercise share options
	03.12.2020	19.30	1,800	exercise share options
31.12.2020			**-541,250**	
	17.03.2021	0.01	3,000	exercise share options
	04.05.2021	0.01	1,200	exercise share options
	04.05.2021	0.01	1,350	exercise share options

	04.05.2021	0.01	4,650	exercise share options
	04.05.2021	0.01	2,700	exercise share options
	04.05.2021	0.01	1,800	exercise share options
	04.05.2021	0.01	4,800	exercise share options
	04.05.2021	0.01	2,550	exercise share options
	04.05.2021	0.01	4,650	exercise share options
	04.05.2021	0.01	14,200	exercise share options
	04.05.2021	0.01	800	exercise share options
	04.05.2021	0.01	1,050	exercise share options
	04.05.2021	0.01	2,550	exercise share options
	04.05.2021	0.01	1,500	exercise share options
	04.05.2021	1.23	4,500	exercise share options
	04.05.2021	1.23	40,000	exercise share options
	04.05.2021	1.71	1,125	exercise share options
	04.05.2021	4.47	150	exercise share options
	04.05.2021	7.66	4,350	exercise share options
	04.05.2021	12.20	750	exercise share options
	04.05.2021	19.30	1,350	exercise share options
	04.05.2021	19.30	900	exercise share options
	11.05.2021	0.01	1,800	exercise share options
	11.05.2021	9.06	2,700	exercise share options
	12.05.2021	9.06	2,100	exercise share options
	18.05.2021	0.01	10,000	exercise share options
	18.05.2021	12.16	1,200	exercise share options
	18.05.2021	29.01	150	exercise share options
	19.05.2021	0.01	150	exercise share options

	19.05.2021	0.01	24,000	exercise share options
	19.05.2021	19.30	300	exercise share options
	20.05.2021	4.47	450	exercise share options
	20.05.2021	9.17	2,700	exercise share options
	27.05.2021	0.01	11,250	exercise share options
	27.05.2021	0.01	5,550	exercise share options
	02.06.2021	0.01	1,500	exercise share options
	02.06.2021	0.01	12,450	exercise share options
	02.06.2021	0.01	600	exercise share options
	02.06.2021	0.01	600	exercise share options
	09.06.2021	0.01	4,650	exercise share options
	09.06.2021	4.47	600	exercise share options
	09.06.2021	19.30	900	exercise share options
	09.06.2021	29.01	1,650	exercise share options
	15.06.2021	0.01	6,900	exercise share options
	15.06.2021	6.67	5,850	exercise share options
	07.07.2021	0.01	2,850	exercise share options
	07.07.2021	0.01	3,000	exercise share options
	12.07.2021	1.71	1,050	exercise share options
	20.07.2021	0.01	4,650	exercise share options
	20.07.2021	19.30	750	exercise share options
	06.09.2021	0.01	750	exercise share options
	14.09.2021	4.47	2,100	exercise share options
	30.09.2021	0.01	1,650	exercise share options
31.12.2021			**-326,475**	
	28.11.2022	8.84	-4,454	share buy-back

	29.11.2022	8.63	-4,602	share buy-back
	30.11.2022	8.34	-2,060	share buy-back
	01.12.2022	8.66	-1,901	share buy-back
	02.12.2022	8.90	-1,112	share buy-back
	05.12.2022	9.38	-2,902	share buy-back
	06.12.2022	8.89	-3,422	share buy-back
	07.12.2022	8.71	-3,549	share buy-back
	08.12.2022	8.57	-2,737	share buy-back
	09.12.2022	8.46	-1,512	share buy-back
	12.12.2022	8.85	-388	share buy-back
	13.12.2022	9.42	-1,186	share buy-back
	14.12.2022	9.22	-985	share buy-back
	15.12.2022	9.14	-2,243	share buy-back
	16.12.2022	8.92	-5,040	share buy-back
	19.12.2022	8.55	-3,163	share buy-back
	20.12.2022	8.67	-2,396	share buy-back
	21.12.2022	8.83	-2,856	share buy-back
	22.12.2022	8.85	-1,801	share buy-back
	23.12.2022	8.90	-1,556	share buy-back
	27.12.2022	8.85	-1,967	share buy-back
	28.12.2022	9.05	-1,027	share buy-back
	29.12.2022	9.26	-1,044	share buy-back
	30.12.2022	9.66	-1,852	share buy-back
31.12.2022			**-382,230**	
	02.01.2023	9.99	-1,466	share buy-back
	03.01.2023	9.94	-3,276	share buy-back

	04.01.2023	10.20	-613	share buy-back
	05.01.2023	10.48	-967	share buy-back
	06.01.2023	10.60	-925	share buy-back
	09.01.2023	10.94	-2,469	share buy-back
	10.01.2023	10.30	-2,097	share buy-back
	11.01.2023	10.12	-5,200	share buy-back
	12.01.2023	9.93	-5,000	share buy-back
	13.01.2023	10.20	-1,546	share buy-back
	16.01.2023	10.30	-2,595	share buy-back
	17.01.2023	10.97	-2,372	share buy-back
	18.01.2023	10.02	-4,778	share buy-back
	19.01.2023	9.97	-3,300	share buy-back
	20.01.2023	10.20	-1,232	share buy-back
	23.01.2023	10.45	-434	share buy-back
	24.01.2023	9.91	-2,990	share buy-back
	24.01.2023	0.01	1,650	exercise share options
	25.01.2023	9.91	-3,359	share buy-back
	26.01.2023	9.90	-2,254	share buy-back
	27.01.2023	9.98	-490	share buy-back
	30.01.2023	9.84	-1,359	share buy-back
	31.01.2023	9.93	-5,077	share buy-back
	01.02.2023	9.89	-1,699	share buy-back
	02.02.2023	10.14	-2,947	share buy-back
	03.02.2023	10.09	-1,039	share buy-back
	06.02.2023	10.23	-1,830	share buy-back
	07.02.2023	10.03	-1,872	share buy-back

	08.02.2023	9.98	-319	share buy-back
	09.02.2023	10.13	-2,446	share buy-back
	10.02.2023	10.06	-3,038	share buy-back
	13.02.2023	10.11	-1,632	share buy-back
	14.02.2023	10.02	-330	share buy-back
	15.02.2023	9.95	-3,400	share buy-back
	16.02.2023	9.74	-2,965	share buy-back
	17.02.2023	9.09	-3,180	share buy-back
	20.02.2023	8.64	-3,210	share buy-back
	21.02.2023	8.29	-3,390	share buy-back
	22.02.2023	8.48	-3,450	share buy-back
	23.02.2023	8.20	-3,620	share buy-back
	24.02.2023	8.11	-3,600	share buy-back
	27.02.2023	8.57	-3,660	share buy-back
	28.02.2023	8.40	-3,720	share buy-back
	01.03.2023	8.16	-3,630	share buy-back
	02.03.2023	8.31	-375	share buy-back
	03.03.2023	8.29	-3,430	share buy-back
	06.03.2023	8.76	-1,997	share buy-back
	07.03.2023	8.69	-3,500	share buy-back
	08.03.2023	8.82	-3,230	share buy-back
	09.03.2023	8.54	-3,760	share buy-back
	10.03.2023	8.62	-3,860	share buy-back
	13.03.2023	8.36	-3,990	share buy-back
	14.03.2023	8.50	-2,624	share buy-back
	15.03.2023	8.34	-3,617	share buy-back

	16.03.2023	8.66	-3,812	share buy-back
	17.03.2023	8.27	-4,100	share buy-back
	20.03.2023	8.40	-130	share buy-back
	21.03.2023	8.32	-3,870	share buy-back
	22.03.2023	8.18	-3,735	share buy-back
	23.03.2023	8.28	-2,451	share buy-back
	24.03.2023	7.94	-3,240	share buy-back
	27.03.2023	7.89	-2,889	share buy-back
	28.03.2023	7.76	-3,135	share buy-back
	29.03.2023	7.77	-2,887	share buy-back
	30.03.2023	7.69	-3,370	share buy-back
	31.03.2023	7.59	-3,560	share buy-back
	26.04.2023	7.05	-3,302	share buy-back
	27.04.2023	6.99	-3,982	share buy-back
	28.04.2023	7.05	-498	share buy-back
	02.05.2023	7.16	-4,509	share buy-back
	03.05.2023	7.02	-5,296	share buy-back
	04.05.2023	7.08	-3,182	share buy-back
	05.05.2023	7.33	-34	share buy-back
	08.05.2023	7.62	-4,930	share buy-back
	09.05.2023	7.77	-1,694	share buy-back
	10.05.2023	7.56	-1,811	share buy-back
	11.05.2023	8.32	-3,247	share buy-back
	12.05.2023	8.30	-4,765	share buy-back
	17.05.2023	8.43	-3,533	share buy-back
	18.05.2023	8.40	-3,000	share buy-back

	19.05.2023	8.54	-4,121	share buy-back
	22.05.2023	8.45	-4,300	share buy-back
	23.05.2023	8.46	-4,630	share buy-back
	24.05.2023	8.45	-3,585	share buy-back
	25.05.2023	8.45	-3,700	share buy-back
	26.05.2023	8.45	-3,620	share buy-back
	29.05.2023	8.55	-2,000	share buy-back
	30.05.2023	8.46	-3,900	share buy-back
	31.05.2023	8.60	-3,800	share buy-back
	01.06.2023	9.22	-1,950	share buy-back
	02.06.2023	9.20	-2,370	share buy-back
	05.06.2023	9.20	-1,797	share buy-back
	06.06.2023	9.20	0	share buy-back
	07.06.2023	9.19	-1,345	share buy-back
	08.06.2023	9.20	-251	share buy-back
	09.06.2023	9.17	-343	share buy-back
	12.06.2023	9.20	-2,516	share buy-back
	13.06.2023	9.15	-2,404	share buy-back
	14.06.2023	9.30	-1,498	share buy-back
	15.06.2023	9.30	-1,877	share buy-back
	16.06.2023	9.23	-2,637	share buy-back
	19.06.2023	9.13	-170	share buy-back
	20.06.2023	9.11	-1,934	share buy-back
	21.06.2023	8.65	-2,800	share buy-back
	22.06.2023	8.92	-1,800	share buy-back
	23.06.2023	8.77	-2,096	share buy-back

	26.06.2023	8.36	-2,500	share buy-back
	27.06.2023	8.82	-1,335	share buy-back
	28.06.2023	8.59	-2,600	share buy-back
	29.06.2023	8.60	-1,512	share buy-back
	30.06.2023	8.61	-1,525	share buy-back
	03.07.2023	8.98	-738	share buy-back
	04.07.2023	8.98	-1,186	share buy-back
	05.07.2023	8.80	-1,723	share buy-back
	06.07.2023	7.86	-2,300	share buy-back
	07.07.2023	8.06	-884	share buy-back
	10.07.2023	8.33	-831	share buy-back
	11.07.2023	8.45	-204	share buy-back
	12.07.2023	8.50	-1,236	share buy-back
	13.07.2023	8.60	-1,395	share buy-back
	14.07.2023	8.49	-730	share buy-back
	17.07.2023	8.45	-527	share buy-back
	18.07.2023	8.37	-1,070	share buy-back
	19.07.2023	8.44	-1,276	share buy-back
	20.07.2023	8.25	-526	share buy-back
	21.07.2023	8.42	-409	share buy-back
	24.07.2023	8.24	-1,450	share buy-back
	25.07.2023	8.06	-1,300	share buy-back
	26.07.2023	8.25	-1,197	share buy-back
	27.07.2023	8.06	-790	share buy-back
	28.07.2023	8.09	-911	share buy-back
	31.07.2023	8.00	-640	share buy-back

	01.08.2023	8.13	-1,000	share buy-back
	02.08.2023	8.32	-1,100	share buy-back
	03.08.2023	8.35	-888	share buy-back
	04.08.2023	8.58	-1,200	share buy-back
	07.08.2023	8.50	-1,400	share buy-back
	08.08.2023	8.71	-1,400	share buy-back
	09.08.2023	8.33	-1,306	share buy-back
	10.08.2023	8.85	-1,550	share buy-back
	11.08.2023	9.50	-29	share buy-back
	14.08.2023	9.51	-325	share buy-back
	15.08.2023	9.27	-1,095	share buy-back
	16.08.2023	9.53	-1,647	share buy-back
	17.08.2023	9.51	0	share buy-back
	18.08.2023	10.12	-1,082	share buy-back
	21.08.2023	9.63	-967	share buy-back
	22.08.2023	9.81	-2,150	share buy-back
	23.08.2023	9.48	-2,100	share buy-back
	24.08.2023	9.27	-472	share buy-back
	25.08.2023	9.59	-1,133	share buy-back
	28.08.2023	9.43	-1,579	share buy-back
	29.08.2023	9.50	-1,004	share buy-back
	30.08.2023	9.48	-2,100	share buy-back
	31.08.2023	9.74	-1,694	share buy-back
	01.09.2023	9.52	-1,678	share buy-back
	04.09.2023	9.65	-962	share buy-back
	05.09.2023	9.53	-1,900	share buy-back

	06.09.2023	9.38	0	share buy-back
	07.09.2023	9.26	-150	share buy-back
	08.09.2023	9.24	0	share buy-back
	11.09.2023	9.31	-329	share buy-back
	12.09.2023	9.35	-23	share buy-back
	13.09.2023	9.49	-827	share buy-back
	14.09.2023	9.20	-1,110	share buy-back
	15.09.2023	9.00	-677	share buy-back
	18.09.2023	9.01	-556	share buy-back
	19.09.2023	9.00	-370	share buy-back
	20.09.2023	8.91	-622	share buy-back
	21.09.2023	8.84	-1,000	share buy-back
	22.09.2023	9.19	-594	share buy-back
	25.09.2023	9.11	-539	share buy-back
	26.09.2023	9.08	-1,300	share buy-back
	27.09.2023	9.00	-1,280	share buy-back
	28.09.2023	9.03	-1,270	share buy-back
	29.09.2023	9.00	-1,200	share buy-back
	02.10.2023	8.75	-408	share buy-back
	03.10.2023	8.56	-1,340	share buy-back
	04.10.2023	8.01	-1,150	share buy-back
	05.10.2023	7.79	-1,250	share buy-back
	06.10.2023	7.82	-1,350	share buy-back
	09.10.2023	7.79	-98	share buy-back
	10.10.2023	7.75	-891	share buy-back
	11.10.2023	7.59	-1,227	share buy-back

	12.10.2023	7.67	-700	share buy-back
	13.10.2023	7.77	-1,400	share buy-back
	16.10.2023	7.44	-1,400	share buy-back
	17.10.2023	7.45	-201	share buy-back
	18.10.2023	7.16	-1,400	share buy-back
	19.10.2023	7.42	-515	share buy-back
	20.10.2023	7.18	-1,200	share buy-back
	23.10.2023	7.20	-15	share buy-back
	24.10.2023	7.18	-12	share buy-back
	25.10.2023	7.18	-146	share buy-back
	26.10.2023	7.18	-1,000	share buy-back
	27.10.2023	7.18	-1,200	share buy-back
	30.10.2023	7.18	-750	share buy-back
	31.10.2023	7.18	-1,050	share buy-back
	27.11.2023	8.64	-1,880	share buy-back
	28.11.2023	8.90	-1,890	share buy-back
	29.11.2023	8.99	-1,850	share buy-back
	30.11.2023	8.71	-2,060	share buy-back
	01.12.2023	8.94	-2,110	share buy-back
	04.12.2023	8.99	-2,770	share buy-back
	05.12.2023	8.98	-3,000	share buy-back
	06.12.2023	9.00	-2,200	share buy-back
	07.12.2023	8.87	-2,122	share buy-back
	08.12.2023	8.91	-2,550	share buy-back
	11.12.2023	8.88	-2,700	share buy-back
	12.12.2023	8.84	-2,314	share buy-back

	13.12.2023	8.87	-2,031	share buy-back
	14.12.2023	8.57	-2,675	share buy-back
	15.12.2023	8.65	-1,368	share buy-back
	18.12.2023	8.70	-1,685	share buy-back
	19.12.2023	8.71	-2,900	share buy-back
	20.12.2023	8.97	-394	share buy-back
	21.12.2023	8.96	-999	share buy-back
	22.12.2023	8.71	-3,016	share buy-back
	27.12.2023	8.61	-1,764	share buy-back
	28.12.2023	8.69	-1,523	share buy-back
	29.12.2023	8.84	-269	share buy-back
31.12.2023			**-801,321**	

02

COMBINED MANAGEMENT REPORT

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1. FUNDAMENTAL INFORMATION ABOUT THE GROUP

The Westwing Group – the parent company of which is Westwing Group SE and which is referred to in the following as "Westwing", the "Company" or the "Group" for short – operates an inspirational premium Home & Living e-commerce brand in Europe.

Westwing was founded in 2011 and offers customers products in a variety of different Home & Living categories such as textiles, furniture, lighting, kitchen accessories and decoration. Its assortment comprises private label products sold under its own brand, "Westwing Collection", plus third-party premium brands.

1.1 Business Activities

Westwing is a European premium Home & Living e-commerce brand that aims to inspire its customers with the slogan "Live Beautiful". The Company intends to be the one-stop destination for Home & Living, with a curated range of products in its "Westwing Collection" private label business, premium third-party brands, as well as frequently updated, compelling content offerings and daily shopping themes. Ever since Westwing was founded, our strategy has been to inspire our customers with a daily interior magazine allowing them to discover and instantly shop their favourite Home & Living pieces. We offer our customers categories such as textiles, furniture, lighting, kitchen accessories and decoration, addressing all their Home & Living needs.

Our online shop is our primary sales channel. We are offering a permanent selection of items from our Westwing Collection and other premium brand partners. The shop's wide-ranging assortment across categories, styles and brands caters to most aspects of living.

In addition, we offer Club sales, where we combine inspiration and shopping in daily themes that are announced every morning with a newsletter. The brands and products we select align with our ambition to stand out, while the way we present our offering enhances our brand identity. We continuously adapt to new trends, partnering with relevant brands and offering compelling prices so as to retain existing customers and attract new ones.

The Westwing Collection is our exclusive product brand. It stands as evidence of our commitment to elevated design standards, producing premium products that combine design, quality as well as sustainability.

Our selection of third-party brands offers a wide range of choices. Our portfolio of brand partners is a successful blend of leading interior brands and emerging niche providers. Timeless design classics can be found beside the latest trendsetting products.

Westwing targets a highly attractive market that is worth approximately EUR 130bn[1] in the geographies in which we operate. Our business model is fuelled by our high customer loyalty, with 80% of orders coming from repeat customers. Our business activities follow our Company's mission: "Live Beautiful".

In 2023, our gross merchandise volume (GMV, see also section 1.3 of this Combined Management Report) amounted to EUR 481m. Of this figure, 40% was attributable to furniture, 16% to textiles and rugs, 10% to kitchen and dining, 10% to lighting and 24% to other products. The share of GMV accounted for by our Westwing Collection increased to 47% in both 2023 as a whole (2022: 41%) and the fourth quarter (Q4 2022: 44%). Our strategic goal is to grow this figure to 50%+ of GMV.

1 Euromonitor (30 May 2022).

1.2 Structure of the Group

The Group is headed by our holding company, Westwing Group SE, a European stock corporation entered in the commercial register of the District Court in Berlin under the number HRB 239114 B. The Company is headquartered at Moosacher Strasse 88, 80809 Munich, Germany. Westwing is listed on Frankfurt Stock Exchange's regulated market (Prime Standard).

A total of 21 companies were included in the Westwing Group's consolidated financial statements as at 31 December 2023, of which nine were non-operating. The most important affiliate in terms of revenue is Germany-based Westwing GmbH, which also accounts for part of our international business.

1.3 Performance Measurement System

Westwing manages its operating business via two segments: DACH and International. The key performance indicators used in management are revenue, revenue growth, Adjusted EBITDA and the Adjusted EBITDA margin. The DACH segment comprises Germany, Switzerland and Austria. The International segment consists of Spain, Italy, France, Poland, the Czech Republic, the Slovak Republic, Belgium and the Netherlands.

We define EBITDA as total earnings before interest and taxes (EBIT) plus depreciation, amortisation and impairments. Adjusted EBITDA is calculated by modifying this figure to take account of share-based payment expenses and one-time restructuring costs. This provides a performance metric for the Company's operating business. The Adjusted EBITDA margin is defined as Adjusted EBITDA expressed as a percentage of revenue.

In 2023, Westwing adjusted its EBITDA for part of the restructuring expenses arising from its technology strategy change. The plan to outsource software development for front-end and back-end solutions led to the reversal of capitalised costs of EUR 3.9m. Equally, severance payments of EUR 0.2m resulting from the restructuring were eliminated. These adjustments are in line with those made in past years; Westwing has always made adjustments for major restructuring programs.

We also reversed the reclassification of the cost of goods sold and fulfilment expenses resulting from the initial capitalisation of inbound costs to inventory as at 31 December 2021 in our Adjusted Statement of Profit or Loss, since management follows the former approach when analysing expense lines. This has no impact on the Adjusted EBITDA.

In 2022, Westwing also adjusted its EBITDA for one-time restructuring severance payments of EUR 5.7m, since the Company's cost base did not reflect the challenging market environment.

Other financial and non-financial performance indicators that are reported to corporate management in addition to our key performance indicators (revenue, revenue growth, Adjusted EBITDA and the Adjusted EBITDA margin) include the following:

- GMV (gross merchandise volume): This is defined as the order value (excluding VAT) of all valid orders for the relevant period excluding failed and cancelled orders and less projected cancellations, which are estimated based on historical patterns. Returns are included, however.

- Westwing Collection share: The share of total GMV accounted for by our Westwing Collection, expressed as a percentage.

- Number of orders: This is defined as the total number of valid orders placed during the 12 months before the period-end, and is not adjusted for returns.

- Average basket size: The GMV for the relevant period divided by the total number of orders for the same period.

- Active Customers: Customers who have placed at least one valid order during the 12 months before the period-end, not adjusted for returns.

- Average orders per Active Customer in the preceding 12 months: This is the total number of orders placed in the 12 months before the period-end, divided by the number of Active Customers as at the period-end.

- Average GMV per Active Customer in the preceding 12 months: GMV in the 12 months before the period-end divided by the number of Active Customers as at the period-end.

- Mobile visit share: The proportion of site visits made via mobile devices, expressed as a percentage of total site visits.

- Contribution margin: Total gross profit less adjusted fulfilment expenses, expressed as a percentage of revenue.

- Free cash flow: The sum of cash flow from operations and cash flow from investments.

1.4 Research and Development

Ever since it was founded, Westwing has invested in developing and enhancing its software to support its growing internal and external business requirements. The Company has an in-house technology team that provides all countries with centralised support for maintaining this software architecture. In November 2023, Westwing's Management Board decided to launch a transformation project for 2024 that will move Westwing from its proprietary e-commerce technology platform to a software-as-a-service (SaaS) platform. The migration covers all platform functions that do not offer the potential for clear market differentiation. This will make Westwing more flexible and even more efficient, and also improve the customer experience. By outsourcing parts of its front-end and back-end software to SaaS providers, Westwing will be able to act more dynamically while also generating significant cost savings. This strategy change led in 2023 to reversals of own work capitalised of EUR 3.9m for software that will be replaced, and to a EUR 0.5m increase in amortisation due to the shortened useful lives of the remaining related software systems.

The technology team consisted of 169 employees as at the 2023 year-end (31 December 2022: 229 employees).

Development costs are capitalised in accordance with IAS 38 and the HGB. The net carrying amount of intangible assets resulting from the capitalisation of internally developed software decreased by EUR 3.9m to EUR 19.2m in the 2023 financial year. In line with the decision described above, capitalised development costs accounted for roughly 12% of total technology costs in 2023 (2022: 26%). Amortisation of capitalised development costs amounted to EUR 6.5m during the same period (2022: EUR 5.0m), while impairment expenses totalled EUR 0.0m (2022: EUR 0.7m).

2. REPORT ON ECONOMIC POSITION

2.1 Macroeconomic and Sector-specific Environment

Westwing operates in the Home & Living e-commerce market in 11 European countries. The Group's revenue and profitability depend on conditions in these markets and the potential they offer. Relevant factors include macroeconomic developments, general conditions in the Home & Living market and the prospects for e-commerce (including mobile channels).

In 2023, the global economic situation remained unstable and challenging, and was affected by several disruptive factors. At a geopolitical level, the ongoing war between Russia and Ukraine and the escalating situation in the Middle East impacted the global market. In addition, the aftermath of the COVID-19 pandemic and the ongoing cost-of-living crises induced by the highest inflation rates the world has seen in decades posed persistent challenges for the consumer confidence. At the same time, the introduction of a more restrictive monetary policy, which was required to bring down the high inflation rates, depressed economic growth across many sectors.

Global consumer price inflation slowed somewhat compared to the previous year, although it remained at a high 6.8% (2022: 8.7%). Consumer prices in advanced economies increased by a moderate 4.6% (2022: 7.3%).[2]

Global GDP growth in 2023 is expected to have slowed further to an overall rate of 3.1%, below even last year's weakened growth (2022: 3.5%). GDP growth in the eurozone is expected to have undershot this average, at only 0.5% in 2023 (2022: 3.4%). For Germany, Westwing's biggest market, the International Monetary Fund (IMF) predicted a recession with growth of – 0.3% in 2023 (2022: 1.8%).[3] Significant weakness in interest rate-sensitive sectors and slower trade partner demand were the main reasons for this below-average performance.[4]

The macroeconomic factors described above led to a challenging 2023 for the overall Home & Living market, and for its online segment. Consumer sentiment remained weak especially due to high inflation rates and resulting insecurity. Additionally, since nearly all COVID-19 restrictions were lifted in 2023, online retail markets had to face competition again as consumers resumed their pre-COVID offline shopping. Gross e-commerce product sales in Germany, our biggest market, fell 11.8% to EUR 80bn, after EUR 90bn in 2022.[5]

OVERALL ASSESSMENT OF THE ECONOMIC ENVIRONMENT

Westwing anticipated the macroeconomic development much better in 2023 than in 2022. The war in Ukraine and the difficult situation in the Middle East, coupled with persistently high energy and consumer prices, led to continued weak consumer sentiment for Home & Living. This was what we had expected, and the Company closed the year in line with our revenue forecast and above expectations for our Adjusted EBITDA.

Moreover, we see huge potential and significant growth opportunities for the future, since the Home & Living e-commerce market is still in its infancy. We expect that online shopping will remain attractive and that it will overcome the current challenging market environment in the medium term at least. Westwing's decade-plus of experience in e-commerce puts us in an excellent position to navigate through these demanding times. We are confident and optimistic about overcoming all current challenges and continuing our success story in the years ahead.

2 International Monetary Fund: World Economic Outlook Database January 2024; p.6.
3 International Monetary Fund: World Economic Outlook Database January 2024; p.6.
4 International Monetary Fund: World Economic Outlook Database October 2023; p.14.
5 https://bevh.org/detail/umsaetze-im-e-commerce-erreichen-talsohle.

2.2 Course of Business [6]

In 2023, our business was impacted by persistently poor consumer sentiment regarding Home & Living, and by macroeconomic uncertainties. We had anticipated and planned for this. We closed the year with revenue that was on par with the previous year at EUR 429m (2022: EUR 431m), and an Adjusted EBITDA margin of 4.1% (2022: −1.0%). We have seen an improvement in margin development over the course of the year, as a result of which we raised our original forecast for adjusted EBITDA in November 2023.

We closed the year in the upper half of our original capital market guidance for revenue and at the upper end of our revised Adjusted EBITDA range.

Date	Revenue	Revenue growth	Adjusted EBITDA	Adjusted EBITDA margin
30 March 2023 (original guidance)	EUR 390m – EUR 440m	– 9% to +2%	EUR 4m – EUR 13m	1% to 2%
9 November 2023 (revised guidance)	EUR 390m – EUR 440m	– 9% to +2%	EUR 13m –EUR 19m	3% to 4%
FY 2023 result	EUR 428.6m	– 0.5%	EUR 17.8m	4.1%

The DACH segment generated revenue of EUR 236.5m (– 2.4% year on year) and Adjusted EBITDA of EUR 16.1m (2022: EUR 7.9m), while revenue in our International segment was EUR 192.1m (+2.0% year on year) and Adjusted EBITDA amounted to EUR 2.1m (2022: EUR −11.2m). Please see the segment results for further details.

The following key factors affected the Company's course of business in 2023:

Continuing Difficult Global Economic Situation

The ongoing war in Ukraine and the escalating situation in the Middle East affected the global economy. Inflation rates decreased but prices remained high. This led to consistently poor consumer sentiment regarding Home & Living, which was caused among other things by reduced purchasing power. Despite this, we were able to keep our revenues stable while improving our margins.

Implementation of OneWestwing

Westwing is fully on track to integrate its Shop and Club sales under a single domain. OneCart and OneCheckout went live for DACH customers in 2023, and additional countries will follow in 2024. We are convinced that this will create a better and more intuitive customer experience and hence lead to higher conversion rates and a higher GMV, plus increased traffic for the Westwing Collection. This will ultimately drive growth and profitability.

6 All statements and figures relating to our quarterly performance are unaudited.

Expansion of the Westwing Collection
Our internally designed products enable us to present a comprehensive assortment on our website that matches both our premium brand and our customers' tastes, and to distinguish ourselves from the competition.

Westwing expanded its Westwing Collection in 2023, with the share of Group GMV accounted for by this product offering reaching an all-time high of 47%. In addition, we significantly increased the proportion of sustainable products in our Westwing Collection portfolio (48% as at the end of 2023). Our team remains dedicated to developing new products, and we have ambitious plans to significantly expand our assortment in 2024.

Refreshed Corporate Identity and Brand Strategy
Westwing continued to invest in its brand and introduced a revised corporate identity in 2023. We celebrated our first brand relaunch since the Company was founded 12 years ago by introducing our "Live Beautiful" brand awareness campaign, emphasising our positioning as a premium brand. The campaign focuses on our competitive market positioning as "The Beautiful Living Company" and our products' value proposition, and addresses our customers as "Design Lovers".

Laying the Foundations for the Post-crisis Years
Westwing is using the current period of weak market performance to prepare for future profitable growth. As described in section 1.4 above, we have decided to switch from our proprietary e-commerce technology platform to a SaaS platform. This transformation project will lead to one-off cash costs, including investments, in the mid to high single-digit EUR millions. In addition, it has led to non-cash reversals of capitalised development costs for internally generated intangible assets that are still under development but that will now be replaced. These amounted to EUR 3.9m and were accompanied by a EUR 0.5m increase in amortisation due to the shortened useful lives of the remaining internally developed software. The one-off expenses are expected to have been fully offset by savings within one year of the full implementation expected for 2025.

In addition, Westwing decided to further improve its cost efficiency and reduce complexity by continuing to centralise specific business functions. Measures include consolidating all warehouses at its main logistics hub in Poznan, Poland, as well as centralising parts of its Spanish and Italian sales, general and administrative functions at its headquarters in Munich and its shared service centre in Warsaw.

Maintaining and Improving Customer Loyalty
The initiatives above helped to keep customer loyalty high in 2023, with 80% of orders coming from repeat customers (2022: 82%). We were also able to increase our share of wallet (measured in terms of the GMV per Active Customer for the preceding 12 months) from EUR 364 in 2022 to EUR 377 in 2023.

2.2.1 FINANCIAL PERFORMANCE

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

The condensed Consolidated Statement of Profit or Loss (IFRSs) before adjustments is as follows:

EURm	2023	In % of revenue	2022	In % of revenue	Change in EURm	Change in %
Revenue	**428.6**	**100.0**	**430.8**	**100.0**	**–2.2**	**–0.5**
Cost of sales	–215.7	–50.3	–228.1	–52.9	12.4	–5.4
Gross profit	**212.9**	**49.7**	**202.7**	**47.1**	**10.2**	**5.0**
Fulfilment expenses	–90.3	–21.1	–94.2	–21.9	3.9	–4.1
Marketing expenses	–45.6	–10.6	–40.6	–9.4	–5.0	12.2
General and administrative expenses	–85.2	–19.9	–92.9	–21.6	7.7	–8.3
Other operating expenses	–6.2	–1.4	–5.2	–1.2	–1.0	20.0
Other operating income	5.9	1.4	2.6	0.6	3.3	125.1
Operating profit/loss	**–8.4**	**–2.0**	**–27.4**	**–6.4**	**19.0**	**–69.4**

The following table shows the reconciliation from operating profit/loss to Adjusted EBITDA:

EURm	2023	2022
Operating profit/loss	**–8.4**	**–27.4**
Share-based payment expenses/(income)	2.3	–0.6
Restructuring expenses	4.1	5.7
Depreciation, amortisation and impairments	19.8	18.1
Adjusted EBITDA	**17.8**	**–4.2**
Adjusted EBITDA margin	4.1%	–1.0%

The Adjusted Consolidated Statement of Profit or Loss shown in the following table, which we use to comment on operating developments in the individual items, does not include share-based payment expenses or other major restructuring expenses.

In 2023, Westwing adjusted its EBITDA for restructuring expenses arising from its technology strategy change. The planned outsourcing of software development for front-end and back-end solutions led to the reversal of capitalised costs of EUR 3.9m and related restructuring severance payments of EUR 0.2m.

In 2022, Westwing adjusted its EBITDA for restructuring severance payments of EUR 5.7m, since the Company's cost base did not reflect the challenging market environment. The Adjusted EBITDA margin is defined as Adjusted EBITDA expressed as a percentage of revenue.

ADJUSTED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

EURm	2023	In % of revenue	2022	In % of revenue	Change in EURm	Change in %
Revenue	**428.6**	**100.0**	**430.8**	**100.0**	**– 2.2**	**– 0.5**
Cost of sales*	– 211.4	– 49.3	– 223.8	– 51.9	12.3	– 5.5
Gross profit	**217.2**	**50.7**	**207.1**	**48.1**	**10.1**	**4.9**
Fulfilment expenses*	– 94.5	– 22.1	– 98.0	– 22.7	3.4	– 3.5
Contribution margin*	**122.7**	**28.6**	**109.1**	**25.3**	**13.6**	**12.4**
Marketing expenses	– 45.3	– 10.6	– 39.2	– 9.1	– 6.1	15.5
General and administrative expenses*	– 80.3	– 18.7	– 89.7	– 20.8	9.4	– 10.4
Other operating expenses*	– 4.9	– 1.1	– 5.2	– 1.2	0.2	– 4.4
Other operating income	5.9	1.4	2.6	0.6	3.3	125.1
Depreciation, amortisation and impairments	19.8	4.6	18.1	4.2	1.7	9.3
Adjusted EBITDA	**17.8**	**4.1**	**– 4.2**	**– 1.0**	**22.0**	**–**

* The following adjustments were made in these line items:

EURm	Expense item	2023	2022
Share-based payment expenses/(income)	Fulfilment expenses	0.0	0.0
	Marketing expenses	0.2	0.0
	General and administrative expenses	2.0	– 0.6
Restructuring expenses	Fulfilment expenses	–	0.5
	Marketing expenses	–	1.3
	General and administrative expenses	2.9	3.8
	Other expenses	1.3	–
Capitalisation of inbound costs	Cost of sales	4.3	4.3
	Fulfilment expenses	– 4.3	– 4.3
Total		**6.4**	**5.1**

Revenue for the financial year can be broken down as follows:

EURm	2023	In % of revenue	2022	In % of revenue
Revenue from the sale of products	419.7	97.9	423.0	98.2
Service revenue	1.1	0.3	1.0	0.2
Other revenue	7.8	1.8	6.9	1.6
Total	**428.6**	**100.0**	**430.8**	**100.0**

Changes in the other performance indicators that are not significant performance indicators were as follows in the reporting period:

OTHER PERFORMANCE INDICATORS

	2023	2022	Change
Westwing Collection share (in % of GMV)	47%	41%	6pp
GMV (in EURm)	481	481	+ 0%
Number of orders (in thousands)	2,851	3,128	– 9%
Average basket size (in EUR)	169	154	+ 10%
Active Customers (in thousands)	1,275	1,320	– 3%
Average orders per Active Customer in the preceding 12 months	2.2	2.4	– 6%
Average GMV per Active Customer in the preceding 12 months (in EUR)	377	364	+ 4%
Mobile visit share	80%	80%	0pp

BUSINESS PERFORMANCE [7]

Westwing's revenue in 2023 amounted to EUR 428.6m, nearly on the same level as in 2022 (EUR 430.8m). We coped with the difficult market environment and weak Home & Living consumer sentiment by further improving our product offering, both in terms of our own Westwing Collection and by acquiring attractive premium brand partners. We also improved our user experience by merging our Shop and Club sales businesses around a single website and app, and by improving brand perception and awareness.

The share of revenue accounted for by the Westwing Collection grew by 6 percentage points, from 41% of GMV in 2022 to 47% of GMV in 2023. The figure for the fourth quarter of 2023 was also 47% (Q4 2022: 44%).

Westwing's gross profit increased to 50.7%; the figure for 2022 was 48.1%. This encouraging trend was largely due to the higher share accounted for by the Westwing Collection and to improved margin control.

Fulfilment expenses[8] as a percentage of revenue were down slightly year on year to 22.1% (2022: 22.7%). In absolute terms, they amounted to EUR 94.5m (2022: EUR 98.0m). This improvement is mainly attributable to better utilisation of warehouse space and a further increase in efficiency.

Marketing expenses as a percentage of revenue amounted to 10.6%, an increase of 1.5 percentage points compared to the previous year (2022: 9.1%). Expressed in absolute terms, they rose by a significant EUR 6.1m to EUR 45.3m (2022: EUR 39.2m). The higher expenses primarily resulted from investments in the refreshed corporate identity that we recently unveiled and in brand awareness. In 2023, Westwing celebrated the first brand relaunch since it was founded 12 years ago.

General and administrative expenses as a percentage of revenue fell from 20.8% in 2022 to 18.7% in 2023. This development is primarily driven by the cost savings initiated in the second half of 2022. In absolute terms, general and administrative expenses decreased by EUR 9.4m to EUR 80.3m (2022: EUR 89.7m).

Adjusted EBITDA improved significantly from EUR – 4.2m in 2022 to EUR 17.8m in 2023, a year-on-year rise of EUR 22.0m. The Adjusted EBITDA margin climbed 5.1 percentage points, from –1.0% to 4.1%.

7 Figures are presented on an adjusted basis; see the Adjusted Statement of Profit or Loss tables above for details.
8 Fulfilment expenses include shipping costs.

Depreciation and amortisation rose by EUR 1.7m to EUR 19.8m. This was primarily due to higher depreciation of right-of-use assets, as well as to the shortened useful lives of certain internally generated intangible assets following the technology strategy change.

The net financial result increased by EUR 2.2m compared to 2022 and amounted to EUR – 0.7m (2022: EUR – 2.9m). The main driver was higher interest income on deposits of EUR 1.1m and currency effects that nearly completely offset each other at EUR 0.1m, whereas these had been negative in 2022 at EUR – 0.9m.

At EUR 3.3m, income tax expenses were higher than in the previous year (2022: EUR 2.1m). This was mainly due to the valuation adjustment of deferred tax assets on loss carryforwards in the amount of EUR 3.6m.

The loss after tax in the 2023 financial year was EUR –12.4m, a year-on-year improvement of EUR 20.0m (2022: EUR – 32.4m).

GMV was stable compared to 2022 at EUR 481.1m (2022: EUR 480.9m). This was mainly due to two contrary effects: while the number of orders decreased from 3.1m in 2022 to 2.9m in 2023, the average basket size increased from EUR 154 to EUR 169.

The mobile visit share was 80% in 2023, the same level as in the previous year (2022: 80%).

SEGMENT RESULTS

The Group's revenue can be broken down by segment as follows:

EURm	2023	In % of revenue	2022	In % of revenue	Change in EURm	Change in %
DACH	236.5	55.2	242.4	56.3	– 5.9	– 2.4
International	192.1	44.8	188.4	43.7	3.7	2.0
Total	**428.6**	**100.0**	**430.8**	**100.0**	**– 2.2**	**– 0.5**

Adjusted EBITDA for the segments was as follows:

EURm	2023	Margin	2022	Margin	Change in EURm
DACH	16.1	6.8 %	7.9	3.3%	8.2
International	2.1	1.1 %	– 11.2	– 5.9%	13.3
HQ/reconciliation	– 0.4	–	– 1.0	–	0.6
Total	**17.8**	**4.1 %**	**– 4.2**	**– 1.0%**	**22.0**

Our DACH segment contributed EUR 236.5m to revenue, a decline of 2.4% compared to 2022. Revenue in our International segment increased by 2.0% to EUR 192.1m. The DACH segment achieved an Adjusted EBITDA of EUR 16.1m (2022: EUR 7.9m) and an Adjusted EBITDA margin of 6.8% (2022: 3.3%). Adjusted EBITDA in the International segment was EUR 2.1m (2022: EUR –11.2m), corresponding to an Adjusted EBITDA margin of 1.1% (2022: – 5.9%).

2.2.2 CHANGES IN FINANCIAL POSITION

CONDENSED STATEMENT OF CASH FLOWS

EURm	2023	2022	Change in EURm
Cash flows from operating activities	33.3	– 7.5	40.8
Cash flows from investing activities	– 3.8	– 11.4	7.6
Cash flows from financing activities	– 23.9	– 2.7	– 21.2
Net change in cash and cash equivalents	**5.7**	**– 21.5**	**27.2**
Effect of exchange rate fluctuations on cash held	– 0.1	0.1	– 0.3
Cash and cash equivalents as at January 1	76.0	97.4	– 21.4
Cash and equivalents as at December 31	**81.5**	**76.0**	**5.5**

Westwing generated cash flows from operating activities of EUR 33.3m in 2023 (2022: EUR –7.5m), mainly as a result of its narrowed operating loss and changes in net working capital. Cash and cash equivalents increased by EUR 5.5m compared to 31 December 2022. Net working capital – defined as inventories plus prepayments, current trade receivables and other financial assets less trade payables, accruals, supplier finance arrangements and contract liabilities – decreased year on year and amounted to EUR – 8.0m in 2023 (2022: EUR 2.5m).

Cash flows from investing activities amounted to EUR – 3.8m in 2023 (2022: EUR –11.4m). This reduction is primarily due to lower investments in intangible assets, and especially in internally developed software, which amounted to EUR 3.9m in 2023 (2022: EUR 10.2m). Lower purchases of property, plant and equipment totalling EUR 1.5m (2022: EUR 3.7m) also played a role. In addition, Westwing received interest income of EUR 1.1m.

Free cash flow for full-year 2023 improved strongly due to the changes in cash flows from operating activities and cash flows from investing activities described above, and amounted to EUR 29.5m (2022: EUR –18.8m).

Cash flows from financing activities were EUR – 23.9m (2022: EUR – 2.7m). This decrease is basically due to the repayment of supplier finance arrangements of EUR 7.8m and the purchase of treasury shares of EUR 3.7m. In addition, there was a one-time lease incentive payment of EUR 1.5m in 2022.

Westwing had credit lines of up to EUR 20.0m in 2023, plus a further EUR 13.0m for supplier finance arrangements.

Principles and Objectives of Financial Management

Westwing's financial management activities focus on managing cash and working capital, and on maintaining liquidity. The nature and volume of cash transactions are aligned with our operating business. Westwing only has term deposits such as highly liquid short-term investments with original maturities of three months or less. Rolling 12-month cash flow planning is used to determine liquidity requirements.

The Company maintains cash reserves to cover additional investments in growth and to support its ongoing business. Westwing consistently ensured that enough liquid funds were available to fund operations and was always able to meet its payment obligations.

Details on financial risk management can be found in the notes to the consolidated financial statements (Note 22).

2.2.3 FINANCIAL POSITION

CONDENSED STATEMENT OF FINANCIAL POSITION

EURm	2023	2023 in % of total	2022	2022 in % of total	Change in EURm	Change in %
Total assets	**203.4**	**100.0**	**228.3**	**100.0**	**-24.9**	**-10.9**
Non-current assets	67.0	32.9	82.3	36.1	-15.3	-18.6
Current assets	136.4	67.1	146.0	63.9	-9.6	-6.6
Total equity and liabilities	**203.4**	**100.0**	**228.3**	**100.0**	**-24.9**	**-10.9**
Equity	75.0	36.9	90.1	39.4	-15.1	-16.8
Non-current liabilities	36.7	18.1	45.6	20.0	-8.8	-19.4
Current liabilities	91.7	45.1	92.7	40.6	-1.0	-1.1

Non-current assets mainly consist of property, plant and equipment, and intangible assets. Property, plant and equipment decreased from EUR 53.2m as at the end of 2022 to EUR 44.6m as at the end of 2023. Intangible assets, which are primarily attributable to the capitalisation of software development expenses, dropped by EUR 3.9m, partly as a result of the technology strategy change. Capitalised software development expenses were only EUR 3.8m in 2023, compared to amortisation of EUR 6.5m.

Current assets amounted to EUR 136,4m as at 31 December 2023 (31 December 2022: EUR 146.0m). Cash and cash equivalents increased to EUR 81.5m (31 December 2022: EUR 76.0m); this was due to positive cash flows from operating activities, which were not completely offset by cash flows from investing and financing activities. Inventories declined to EUR 28.1m (31 December 2022: EUR 45.2m), reflecting a decrease in inventory levels. Trade and other current financial receivables declined slightly by EUR 0.5m to EUR 12.1m (31 December 2022: EUR 12.6m); this item included expected credit losses of EUR 4.0m (31 December 2022: EUR 3.0m).

The Company's equity decreased to EUR 75.0m as at 31 December 2023, compared to EUR 90.1m as at the end of 2022. This change was mainly caused by the net loss for the year of EUR 12.4m and the EUR 3.7m increase in treasury shares, which are deducted from equity.

Non-current liabilities fell by EUR 8.8m to EUR 36.7m (31 December 2022: EUR 45.6m). This was primarily caused by a EUR 9.5m drop in non-current lease liabilities, part of which were reclassified to current liabilities.

As at 31 December 2023, the Group had credit lines of EUR 10.0m at UniCredit Bank AG (31 December 2022: EUR 10.0m) that are valid until further notice, with EUR 3.7m of this amount being used as bank guarantee facility. It also had credit lines of EUR 10.0m at Norddeutsche Landesbank, which are valid until December 31, 2024. In addition, EUR 13.0m is available for supplier finance arrangements.

Current liabilities decreased by EUR 1.0m year on year to EUR 91.7m (31 December 2022: EUR 92.7m). Trade payables and accruals increased from EUR 34.1m at the end of 2022 to EUR 35.9m as at 31 December 2023, while lease liabilities were up EUR 1.5m to EUR 11.2m (31 December 2022: EUR 9.7m). This was partly offset by the absence of supplier finance arrangements, which had amounted to EUR 7.8m as at 31 December 2022.

Overall Assessment of the Group's Economic Position
Westwing performed in line with forecasts in 2023 and returned to profitability in terms of Adjusted EBITDA. The overall macroeconomic situation, and especially the ongoing war in Ukraine and the current confrontations in the Middle East, led to continuing high energy and consumer prices and persistently weak Home & Living consumer sentiment. Despite this, we succeeded in maintaining revenues at the prior-year level, returning to growth in the second half of 2023 and increasing our margins. At the same time, our cost-saving measures, which we launched in 2022, took full effect. Unit economics are strong and the share of revenue accounted for by our Westwing Collection performed extremely positively. Given this positive performance, we increased our forecast for Adjusted EBITDA in November 2023 and ended up improving our Adjusted EBITDA by EUR 22.0m year on year. We are therefore confident that we will be able to enhance our economic position further, especially once the market environment improves.

3. EMPLOYEES

Westwing Group employed 1,614 full time equivalents (FTEs) as at the end of December 2023, a decrease on the 1,729 FTEs recorded as at the end of 2022.

In December 2023, most staff were employed by the Munich-based legal entities Westwing Group SE (294 FTEs) and Westwing GmbH (281 FTEs), and by the Group's Polish entity (720 FTEs). This last company also operates Westwing's shared service centre and shared warehouses.

Westwing's employees are highly international. As at the end of 2023, the Company employed people with more than 71 different nationalities. Likewise, Westwing sees gender diversity as an important factor: 60% of the Company's employees are female.

4. NON-FINANCIAL STATEMENT

This Non-financial Group Statement (referred to in the following as the "Non-financial Statement") covers the Westwing Group's operations and was prepared in accordance with section 315b and 315c in conjunction with sections 289c to 289e of the German Commercial Code (Handelsgesetzbuch – HGB). The Non-financial Statement presents our sustainability focus areas, describes our management approach, lists our performance indicators and highlights specific initiatives undertaken during the reporting period. The identification and analysis of the material aspects described in this statement was based on the Global Reporting Initiative (GRI) Standards (GRI Universal Standards 2021) and on section 289c(3) of the HGB. We did not fully apply any one reporting framework, since we do not consider such a blanket approach to be fit for purpose.

The Non-financial Statement contains the disclosures required under Article 8 of Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment and amending Regulation (EU) 2019/2088 (referred to in the following as the "EU Taxonomy Regulation"), and the Delegated Acts adopted under it.

At Westwing, we focus on building and maintaining long-lasting relationships with customers, inspiring them with a curated selection of products in our various online and offline sales channels, and combining these with beautiful content. Our main sales channels, Shop and Club Sales, offer products from the Westwing Collection, our exclusive brand that is known for its quality and design. We also provide a selection of products from over 5,000 brand partners. More detailed information on our business model can be found in section 1 of the Combined Management Report ("Fundamental Information About the Group").

At Westwing, we believe that we can improve our overall sustainability performance by focusing on our products, suppliers and employees. This approach will also underpin our continued sustainable growth. Our strategy describes how we intend to reach our sustainability ambitions.

Sustainability Strategy 2030

Our Sustainability Strategy 2030 is based on our belief that our customers can choose to live both beautifully and sustainably.

It aims to address environmental, social and governance (ESG) challenges that are important to our customers, employees, suppliers, investors and other stakeholders. It focuses on four key areas: 1) products and packaging, 2) customers, 3) people and planet, and 4) supplier engagement, as expressed in the following four principles:

1. Make our Westwing Collection more sustainable – using product and packaging materials that have the best possible environmental, social and ethical profile.

2. Enable our customers to make more sustainable choices – offering more sustainable products that can be seamlessly integrated into beautiful, sustainable homes.

3. Create the best workplace – continuing to provide exceptional working spaces that are safe, healthy, inclusive and environmentally friendly.

4. Ensure our suppliers act on sustainability – partnering with them to develop and improve their environmental and social performance.

Defining What is Important: Our Material Topics

We performed a materiality assessment in 2021 after consulting extensively with various internal and external stakeholder groups. This led to us identifying six topics on which our corporate activities have an impact and which are also relevant for understanding Westwing's business performance, financial results and position. We also defined our overall goals and targets in relation to these impact areas. Our Management Board and the other members of the Sustainability Steering Committee confirmed that these topics remained complete and correct in terms of both their business relevance and their impact for 2023.

Matters required by the HGB	Topic	Goals	Targets
Environmental matters	Climate and energy	• Avoid, reduce and offset our greenhouse gas emissions	• Source 100% of overall energy[9] used from renewable sources by 2027 • Achieve science-based emissions reduction targets • Compensate remaining emissions[10] from own operations (after reduction initiatives) through credible carbon removal and avoidance projects
Environmental matters	Packaging	• Reduce amount of packaging • Reduce use of virgin materials • Reduce use of materials that are harmful to the environment • Reduce packaging going to landfill	• Reduce the amount of packaging[11] used by Westwing • Reduce foam material (Westwing's own packaging) • Eliminate single-use plastics and increase the use of recycled plastics (Westwing's own packaging) • Eliminate Styrofoam packaging by 2028 (Westwing Collection products) • Make more than 90% of Westwing's own packaging recyclable or compostable by 2028 • Reuse, recover or recycle more than 90% of packaging waste generated at our own sites by 2027
Environmental matters	Materials sourcing	• Increase the proportion of sustainable materials used in our products • Eliminate hazardous materials and avoid the use of toxic chemicals	• Use more than 90% certified[12] sustainable wood in our Westwing Collection products by 2026 • Use more than 90% certified[13] organic, recycled and/or responsibly sourced cotton in our Westwing Collection products by 2026 • Use more than 90% responsibly[14] sourced animal by-products[15] in our Westwing Collection products by 2026 • Increase the share of recycled content in the plastics used in our Westwing Collection products • Eliminate hazardous materials and avoid the use of toxic chemicals in our Westwing Collection products

9 Energy includes electricity, heating and cooling for our offices and warehouses, and fuel for our vehicle fleet trucks.

10 Emissions from own operations include a) direct emissions (Scope 1) generated within Westwing from heating, combustion of fuels by our own vehicles, and fugitive emissions from air conditioning, b) indirect emissions (Scope 2) from purchased electricity, steam, heating and cooling for own use, and c) indirect emissions from the following Scope 3 categories: business travel, employee commuting, and fuel- and energy-related activities.

11 Inbound for Westwing Collection products, outbound (excluding drop-shipping) in our warehouses.

12 Certifications include FSC® and PEFC.

13 Certifications include GOTS, MADE IN GREEN by OEKO-TEX and OCS.

14 Certifications include Leather Working Group, Natural Leather IVN, Global Traceable Down Standard, Responsible Down Standard and Downpass.

15 Animal by-products refer to leather, down and fur.

Matters required by the HGB	Topic	Goals	Targets
Social matters – human rights	Supplier impacts	• Enhance our suppliers' social and environmental performance • Brand partners to be aligned with our sustainability standards	• 100% of Westwing Collection suppliers to be evaluated regularly by 2025 • 50% of Westwing Collection suppliers by purchase order volumes to have established environmental and social management systems[16] by 2028 • Brand partners to be aligned with our sustainability standards by 2027
Employee matters – human rights	Fair working conditions	• Operate to the highest standards of health and safety, and job satisfaction	• 50% of Westwing Collection suppliers to establish programmes to measure and improve working conditions by 2028 • Maintain Westwing employee satis-faction rate above 80% • Avoid accidents in our warehouses
Social matters	Responsible marketing and communications	• Provide transparent, credible infor-mation on the sustainability qualities of our products, and help our custom-ers make more sustainable choices	• A significant[17] share of our products to be labelled as sustainable • 50% of our Westwing Collection products to be labelled as sustainable by 2027 • A significant[18] share of Westwing's communications to be dedicated to promoting sustainability

In addition to these topics, we identified that the area of integrity, legal compliance and data protection (matters required by HGB: anti-corruption and bribery matters) needs to be included in the Non-financial Statement, based on its relevance for our business and its impact.

We shall report under the Corporate Sustainability Reporting Directive (CSRD) from financial year 2024 onwards. We performed a double materiality analysis of sustainability matters related to our business over the past year so as to be able to comply with these requirements. The results of this assessment will serve as the basis of preparation for our Sustainability Statement next year.

Sustainability Governance

Our Management Board, advised and overseen by the Supervisory Board, is ultimately responsible for our Sustainability Strategy 2030. In addition, we have set up a Sustainability Steering Committee that is composed of the executives from main business areas and is chaired by the Chief Executive Officer. The Committee's main tasks are to review progress towards our strategic initiatives and to provide guidance on our long-term targets and ambitions. Westwing is also currently in the process of defining how the long-term ESG incentive targets in its Management Board contracts will be determined and measured in future.

16 Environmental and social management systems (e.g. ISO 14000 and SA8000).
17 We may consider quantifying these targets as we update our strategy in the future.
18 Same as above.

Our Director of Corporate Sustainability develops and drives the strategy across our business, setting targets, measuring progress and reporting on milestones achieved. She leads a core team that works directly with designated individuals ("sustainability champions") in all areas of the business. This Corporate Sustainability team devises goals and processes, monitors performance and aims to ensure that Westwing complies with all relevant environmental, social and ethical requirements. It works with key managers across the business to identify and implement road maps and monitor performance, with the goal of ensuring that we are setting and meeting relevant targets. It also supports key executives in their engagement and communication with external stakeholders, and especially with customers, suppliers and investors. The Director of Corporate Sustainability reports directly to the Chief Financial Officer.

The dedicated Sustainability team at our Shop (Permanent Assortment) and Westwing Collection business is led by the Director of Quality and Sustainability there. This team aims to ensure the sustainability of our products, inbound packaging, supply chain operations and materials sourcing – factors that are vital to our strategy – and to guarantee compliance with the relevant regulations and material/product sustainability guidelines.

Our Governance, Risk Management and Compliance (GRC) function monitors risks across the business. Its risk management process identifies financial and non-financial risks and takes reputational, social and environmental risks into account. As part of this process, we also assess if any potential, material negative impacts must be included in this Non-financial Statement. We did not identify any unaddressed risks for 2023 resulting from our operations, business activities and business relationships that could very likely have a significant negative impact on material non-financial aspects.

CLIMATE AND ENERGY

Management Approach

The carbon emissions that we generate in our operations, products and supply chain are of material importance to the business, our employees, customers and investors, since they potentially contribute to climate change and environmental degradation.

At Westwing, our efforts to address carbon emissions start with the annual calculation of our carbon footprint performed using the Greenhouse Gas Protocol methodology. The Corporate Sustainability team collects and reviews the underlying data and information from Westwing's departments and then calculates the Company's footprint with the assistance of an external partner.

The Corporate Sustainability team, working in alignment with the Management Board, is in charge of setting emissions reduction targets, in close communication and cooperation with other relevant departments. The team also coordinates carbon offsetting in agreement with the Management Board; this is then implemented by external partners. Our strategic focus is on monitoring our carbon footprint so as to ensure adequate action is taken to progress against our targets.

Key Achievements in 2023

Targets

In 2023, our company achieved a significant milestone by establishing science-based targets for reducing carbon emissions. These targets are aligned with the climate science recommendations outlined in the 2015 Paris Agreement and were officially validated by the Science Based Targets initiative (SBTi). This acknowledgment underscores Westwing's dedication to promoting sustainable practices and driving positive change within the industry.

Our Scope 1 and 2 emissions reduction targets include a 75% reduction in Scope 1 and 2 greenhouse gas (GHG) emissions by 2030 (starting from Westwing's 2022 baseline). Both direct emissions from our own operations (Scope 1) and indirect emissions from purchased energy sources (Scope 2) are covered. We shall achieve our targets by implementing a suite of measures, including adopting alternative energy sources and enhancing the energy efficiency of Westwing's warehouses and vehicle fleet.

We also set a supplier engagement target, committing ourselves to ensuring that 80% of all our suppliers, measured in terms of our spend on purchased goods and services, and upstream transport and distribution providers will have set their own science-based targets by 2027. We shall develop a concrete supplier engagement strategy with a view to enabling our suppliers to set emissions reduction targets, including through training and capacity-building activities.

Renewable electricity[19] accounted for 34% of our total electricity use and for 9% of our total energy use in financial year 2023.

Emissions data

Scope	Emissions covered (before carbon offsets)[20]	2023	2022	2021
Scope 1 (in tCO_2e)	Direct emissions from heating, the combustion of fuels by our own vehicles, and fugitive emissions from air conditioning	1,560	2,776	2,249
Scope 2 (in t CO_2e)	Indirect emissions from purchased electricity and district heating	Market-based:[21] 1,393 Location-based: 1,356	Market-based: 2,397 Location-based: 2,780	Market-based: 1,732 Location-based: 2,001
Scope 3 (in t CO_2e)[22]	Indirect emissions from business travel,[23] employee commuting and fuel- and energy-related activities not included in Scope 1 and Scope 2	3,163	5,788	4,548

Our own operations include Westwing's direct emissions that are linked to electricity and heat generation, its vehicle fleet and fugitive gases, plus indirect emissions caused by purchased energy, business trips and employee travel. Other indirect emissions linked to the production of raw materials and intermediate products, external logistics, and the use and disposal of products, or to other processes are not taken into account here. Our initial focus was on calculating emissions for the activities over which we have a greater degree of control and for which data is readily available. We plan to disclose full Scope 3 emissions next year.

A key focus in 2023 was on improving the data used to calculate Scope 3 emissions. This included streamlining data collection and increasing the use of primary data where possible.

19 Renewable electricity refers to electricity purchased through contractual instruments such as energy attribute certificates (e.g. renewable electricity certificates, guarantees of origin), direct contracts (e.g. power purchase agreements), supplier-specific emission rates and electricity generated on site by solar panels.

20 The calculations were based on the guidelines set out in the Greenhouse Gas Protocol Corporate Accounting and Reporting Standard (GHG Protocol). Emission factors were taken from the recent current versions of scientifically recognised databases such as ecoinvent and DEFRA. Our corporate carbon footprint calculates all emissions as CO_2 equivalents (CO_2e). This means that all relevant greenhouse gases, as stated in the IPCC Assessment Report, were taken into account in the calculations. These include carbon dioxide (CO_2), methane (CH_4), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), sulphur hexafluoride (SF_6) and nitrogen trifluoride (NF_3).
CO_2 emissions were calculated using the Company's consumption data. Wherever possible, primary data for the reporting period was used. Assumptions were made in those cases in which information was not readily available. For example, prior-year data on facilities' floor areas (measured in m^2) were used where heating, air conditioning or electricity data was not available to estimate Scope 1 or Scope 2 emissions. For employee commuting, generic assumptions were made as to the means of transport used by employees (% share of cars, public transport, etc.) and the average distance travelled. For business air travel, we assumed average distances for short-haul and long-haul trips, and in the case of rail travel we differentiated between inner-city and domestic/continental travel and then used average distances for each category.

21 Electricity-related emissions were calculated using the market-based method. Specific emission factors were supplied by our energy providers, where available, and residual mix emission factors for the country of operation were used where they were not. In those cases in which residual mix emission factors were also not available, location-based emission factors were used, in accordance with GHG Protocol Scope 2 Guidance.

22 Excluding emissions from purchased goods and services, capital goods, upstream transport and distribution, waste generated in operations, upstream leased assets, downstream transport and distribution, processing of sold products, use of sold products, end-of-life treatment of sold products, downstream leased assets, franchises and investments.

23 Business travel includes air, rail and road travel.

We calculated the carbon footprint of five of our bestselling products in the Westwing Collection for the first time in 2023 using the Greenhouse Gas Protocol Product Life Cycle Accounting and Reporting Standard (GHG Protocol) and a "cradle-to-customer plus waste" boundary approach.

We quantified greenhouse gas emissions at every stage of production – from raw materials and logistics through packaging down to end-of-life disposal – so as to discover which parts of the process accounted for the largest share of emissions. These assessments will inform our efforts to reduce our carbon footprint in the future.

We demonstrated our ongoing commitment to addressing climate change by submitting our first public response to the CDP[24] this year, receiving a score of C.

Emissions reduction

We continued our efforts to reduce our operating emissions this year. Key results include switching to 100% renewable electricity in our Milan and Barcelona offices, with our overall target being to reach 100% renewable energy[25] for our warehouses, offices and vehicle fleet by 2027.

We conducted an energy audit of all our Company's warehouses in Poland and implemented a range of projects aimed at improving energy efficiency and contributing to the reduction in our Scope 1 and 2 emissions. For example, we optimised our operating hours, monitored and stabilised warehouse temperatures, and capped radiator thermostats in our office. We also switched off lighting in empty aisles, installed modern aerators and added more seals at loading docks to prevent cold wind entering from the outside.

We are encountering challenges in achieving certain energy usage objectives because we do not have direct management control over all of our facilities. Additionally, replacing existing energy systems and electricity contracts by renewable alternatives is proving to be technically complex and contingent on market conditions. We are actively collaborating with the landlords and building owners concerned to explore potential solutions such as the feasibility of geothermal energy and expanding our solar photovoltaic (PV) installations.

The reduction in our Scope 1 and 2 emissions is a result of the energy efficiency projects described above, the fact that we did not refill any air conditioning refrigerants during the reporting period, and the consolidation of our operations (insourcing of certain warehouses). In addition, as a large proportion of our employees at our warehouse in Poland use a company-organised bus service for their daily commute, the combination of this initiative and a reduction in headcount across the Group contributed to decreased emissions from commuting as part of our scope 3 emissions. In 2023, we continued to invest in credible carbon projects for the 2022 emissions shown in the table above. We are currently finalising the portfolio selection for our 2023 emissions.

Outlook for 2024

In 2024, we intend to formulate our Climate Transition Plan, which will present a detailed road map for achieving our science-based targets. The plan will encompass a number of strategies designed to reduce emissions, including an increased focus on transitioning to renewable electricity and enhancing overall energy efficiency.

We will actively collaborate with our Westwing Collection suppliers and third-party brands to encourage them to establish their own science-based targets. In an initial step, we will train the teams that interact with our suppliers and then engage in outreach and capacity-building activities, targeting key and strategic suppliers as a priority.

24 A not-for-profit charity whose global carbon disclosure system allows reporting entities to manage their environmental impacts.
25 Energy includes electricity, heating, cooling and fuel for vehicle fleet trucks.

We are also aiming to scrutinise our use of materials such as cotton, wood, wool and leather, along with associated emissions stemming from changes in land use and land management practices. This evaluation will serve as the basis for assessing the need to establish science-based Forest, Land, and Agriculture (FLAG) targets, which involve land-based emissions reductions and removals.

PACKAGING

Management Approach

At Westwing, we care about how our products are packaged, since we want them to be delivered safely to our customers while having the smallest possible impact on the environment. We recognise our responsibility to constantly investigate sustainable packaging options for our products, and focus on two main areas. These are, on the one hand, the packaging used by our warehousing and logistics operations to protect products for delivery to our customers (known as "outbound packaging") and, on the other, the packaging developed for our own products by our Westwing Collection suppliers (known as "inbound packaging").

Our commitment includes plans to eliminate foams, to replace virgin plastics with recycled plastics or paper, to continue increasing the amount of recycled, recyclable or compostable paper used, and to reduce our use of packaging materials overall. These targets are set out in our Packaging Guidelines.

These guidelines have been developed in alignment with our corporate goals, with European regulations on packaging waste and extended producer responsibility, and with relevant European and national quality and safety standards. Among other things, they cover preferred materials, restricted substances, closure methods, safety warnings, drop tests, labelling, polymer use and third-party certifications such as those awarded by the Forest Stewardship Council (FSC®).

Inbound Packaging: Inbound packaging is the packaging used for Westwing Collection products. The Director of Product Quality and Sustainability and their team are responsible for this. They oversee the development of packaging solutions by our suppliers, provide guidance as necessary and take full responsibility for the design, quality, sustainability and overall procurement of suitable solutions. The final stage of all product development is when packaging is developed at the supplier. At this point, the packaging details are added to our product specification tracking and checked for adherence to the packaging guidelines.

Outbound Packaging: Outbound packaging is the packaging used by our warehousing and logistics operations for product protection, storage, and shipping. The Director of Quality and Customer Experience and their team are responsible for outbound packaging. They plan and supervise the way products are packaged for our end customers, focusing in particular on packaging procurement and reduction, subject to cost and utility. Additionally, the team manages how products are packaged and stored in the warehouse. Support for sustainability issues is currently provided by the Corporate Sustainability team.

Key Achievements in 2023

Inbound Packaging: In 2023, we largely completed our packaging transformation, setting specific packaging requirements for all Westwing Collection suppliers. We updated our packaging guidelines, with all suppliers now being required to avoid Styrofoam, prioritise recycled material and use the minimum amount of packaging possible. We also tightened our guidelines to confirm our commitment to switching to more sustainable alternatives for even the smallest packaging items (e.g. fitting bags and tape). Finally, we continued working together with our suppliers to identify new packaging solutions that have been optimised for sustainability, product protection, availability and cost.

Internally, we set up a packaging database to standardise data collection processes and to ensure we comply with upcoming legislative changes such as the EU's Extended Producer Responsibility policy and French packaging labelling requirements (the Triman logo).

The key remaining challenge in making our packaging more sustainable is the availability of reasonably priced packaging solutions that deliver on the important aspects of quality, safety and product sustainability.

Packaging metric	31.12.2023	31.12.2022
Share of Westwing Collection order volume for which recycled and recyclable[26] packaging material has been negotiated (in terms of the total purchase order volume, in %)	100	94
Share of Westwing Collection order volume that no longer contains Styrofoam (in %)[27]	100	85

In 2023, we reached our goal of negotiating 100% sustainable packaging for our inbound packaging, an important milestone in the implementation of our Sustainability Strategy. We also eliminated Styrofoam entirely from our Westwing Collection orders. We achieved these outcomes by introducing updated packaging guidelines in the first half of 2023 for all Westwing Collection suppliers, accompanied by training calls with suppliers. We also established a nominated supplier list, comprising those packaging suppliers that are capable of offering recycled and recyclable[28] packaging materials to our suppliers at pre-negotiated prices.

Outbound Packaging: We built a comprehensive packaging database in 2023 that is available to all internal teams, in order to standardise packaging data collection.

We also continued to introduce more recycled and reused packaging in our warehouses. Key initiatives include:

a. Reducing the volume of stretch foil used on pallets by moving towards strapping with plastic straps made from 100% recycled content;

b. Switching cushioning for packages from virgin plastic to 100% recycled plastic;

c. Switching some of our virgin plastic stretch foil to stretch foil consisting of 60% recycled plastic;

d. Replacing some cushioning foams with shredded cardboard packaging waste and recycled paper;

26 In accordance with our packaging guidelines.
27 Based on the total order volume, which originally included Styrofoam packaging.
28 In accordance with our packaging guidelines.

Category	Packaging metric[29]	Scope	2023	2022
Recycled plastics	Share of plastics containing > 60% recycled materials (in %)[30]	Outbound packaging used in warehouses and for product protection, storage and shipping	43	2
Foam reduction	Share of total plastic material accounted for by foam (in %)[31]	Outbound packaging used in warehouses and for product protection, storage and shipping	0.5	3
Recyclable/biodegradable/compostable packaging	Share of total packaging material accounted for by recyclables (in %)[32]	Outbound packaging used in warehouses and for protection, storage and shipping. Excluding wood.	100	95
Packaging waste reused, recovered and/or recycled[33]	Share of total warehouse waste accounted for by reused, recovered and/or recycled packaging (in %)	Packaging waste in our own warehouses	96	58

100% of our outbound packaging material[34] is now recyclable, meaning we have exceeded the 90% target set in our sustainability strategy. We also reached our target for reused, recovered and/or recycled packaging waste in our warehouses, with 96% of our packaging currently being transferred to disposal service providers for recovery and/or recycling (target: 90% in 2028).

Outlook for 2024

Inbound Packaging: We are planning to continue to implement the" new normal" requirements for our Westwing Collection products, so that both existing and new packaging is sourced in line with our revised guidelines. In addition, we plan to focus on completely eliminating single-use plastics from our packaging.

Outbound Packaging: In 2024, Westwing will endeavour to actively improve the sustainability of its packaging. Efforts will include replacing virgin paper cushioning with recycled paper, eliminating foam and reducing other single-use plastics (straps, string bags, UID labels and plastic tapes), and cutting stretch foil usage by at least 25% by switching to lighter materials and potentially new machinery as well. Ongoing measures involve transitioning to lighter materials and increasing strapped pallets so as to achieve a 50% reduction in plastics usage per pallet. Future plans include discussions on loose loading during transport and exploring new storage types such as cages in the warehouse.

MATERIALS SOURCING

Management Approach

Our Sustainability Strategy contains commitments to using long-lasting materials from sustainable sources and to being as resource-efficient as possible throughout our supply chain. We have set ourselves ambitious targets in this area, including ensuring the use of more than 90% certified sustainable wood

29 The following KPIs that were reported for 2022 were omitted in our reporting this year: weight of packaging used per package shipped; weight of packaging used per item shipped; weight of packaging used per cubic metre of product shipped (in kg). These interim KPIs were only used in 2022 to monitor the quantity of packaging consumed relative to the volume shipped, and are not related to any of our packaging targets.

30 This KPI does not include the following: all single-use plastics (as defined by Westwing) and all plastic foams. Single-use plastics include tapes, cable ties, fitting bags smaller than A4 in size, plastic stickers, truck seals, plastic straps and silica bags (with non-woven outer bags). This KPI is included in the Management Board's compensation scheme. The KPI value is calculated based on material consumption data for December 2023.

31 Foam includes spongy plastics (e.g. corners/fleece) but does not include single-use plastics. The KPI value provided is as at the end of Q4 2023.

32 Not including all single-use plastics (as defined by Westwing) and all foams. Recyclable plastics refer to LDPE (low density polyethylene), HDPE (high density polyethylene), PP (polypropylene), PE (polyethylene) and PET (polyethylene terephthalate); recyclable paper refers to all paper that is not covered in wax, foil or plastic. The KPI value provided is as at the end of Q4 2023.

33 Packaging waste was shipped to disposal service providers for reuse, recovery and/or recycling. The KPI value refers to total consumption in 2023.

34 Dropshipping is not included.

and more than 90% certified organic, recycled and/or responsibly sourced cotton for Westwing Collection products by 2026. The dedicated Sustainability team that forms part of our Westwing Collection business is responsible for materials sourcing.

Our Westwing Collection's Design, Product and Buying teams follow a comprehensive set of guidelines that aim to help them select the most sustainable materials and products for Westwing's portfolio:

- The Sustainable Material Grading (SMG) Guidelines classify materials (fibres, wood, etc.) based on their environmental footprint.

- The Sustainability Labelling (SL) Guidelines set out a list of product and material certificates, along with attributes that are considered sustainable and that are eligible for labelling as WE CARE[35] on our websites.

- The Restricted Substance List (RSL) Guidelines include all relevant rules and regulations on materials safety, and in particular the EU's REACH regulation on the use of hazardous substances. The guidelines are designed to achieve our goals of eliminating hazardous materials and avoiding the use of toxic chemicals.

Our participation in global initiatives and our certification to global standards for responsibly sourcing materials and products help us achieve our targets. Our membership of the Better Cotton Initiative enables us to support responsible cotton production, while certification to the Global Organic Textile Standard (GOTS) allows us to source organic textile products manufactured to strict environmental and social criteria throughout the supply chain. We source Forest Stewardship Council® (FSC)-certified products to support sustainable forestry practices and are also certified to the Global Recycled Standard (GRS). In addition, we are committed to complying with applicable laws and regulations. For example, Westwing takes into account European Union Timber Regulation (EUTR), which aims to counter illegal logging and the associated trade in timber and timber products.

The remaining challenge in this field relates to the effort required for full certification of our main materials, which necessitates training, ongoing engagement and negotiation with suppliers, plus tracking of documentation and proof of claims for every order.

Key Achievements in 2023

We continued our focus on sustainable cotton during the reporting period, increasing the share of certified products in development that are part of the Better Cotton Initiative.

We also became a member of GoodWeave – a whole-product standard for rugs offering assurance that a product is produced without child, forced or bonded labour – in 2023.

Equally, we were audited and became a certified brand for the Responsible Wool Standard (RWS)[36] in 2023.

We revised our WE CARE labelling criteria list to include EU Flax™[37], the Responsible Wool Standard (RWS), the Sustainable Leather Foundation[38] and the Leather Working Group[39] as acceptable certifications from our suppliers.

35 Please see the "Responsible Marketing and Communications" section for detailed information.
36 A global voluntary standard that addresses the welfare of sheep and of the land they graze on.
37 This discloses the origin of the fibre and ensures traceability of materials throughout the value chain.
38 A global standard working to ensure environmental, social and governance responsibility throughout the leather value chain.
39 A set of four global standards covering different operations within the leather production chain, including leather manufacturers.

Materials	Scope	31.12.2023	31.12.2022	31.12.2021
Share of certified, sustainable wood (in %)[40]	Westwing Collection	74	60	8
Share of certified organic, recycled and/or responsibly sourced sustainable cotton (in %)[41]	Westwing Collection	68	31	7
Share of responsibly sourced animal by-products (in %)[42]	Westwing Collection	17	33	39

In 2023, we increased the share of certified wood in our products thanks to FSC certification of all our suppliers. The share of certified cotton also rose, as we increased the share of Better Cotton Initiative certified cotton in 2023 as already mentioned. The decrease in our share of responsibly sourced animal by-products is explained by the fact that we have been selling off old stocks of non-sustainable wool products. We expect our share to increase again in the future as we have certified almost 90% of our wool suppliers.

In line with our strategic commitments, we have also begun to widen our scope to explore the use of recycled plastic in our furniture and lighting collections. This broader approach reflects our dedication to continually improving our practices and responsibly incorporating materials in our offerings. We are also aiming to reduce foam materials and/or encourage our suppliers to use certified foam material such as CertiPUR[43] certified foams.

Beyond individual materials, we are working to achieve certifications that apply to finished products. For example, one of our sofa ranges is in the process of becoming Blue Angel[44] certified and we are looking at similar certifications for additional sofa ranges and dining tables.

We continued to explore sustainable alternatives and innovative solutions in the materials industry in 2023. We are searching for sustainable alternatives for materials (e.g. metal) and developed our first two capsule collections aimed at reducing our environmental footprint and introducing elements of circular design to our product portfolio:

- A 3D-printed pendant lamp. In collaboration with a German manufacturer we are using here up to 88% recycled content to print the lampshade depending on colour variant.

- A furniture range for which we are using a variety of sustainable materials. Its design was developed in line with circularity principles: it is screw-free, does not have any metal components and only uses wooden connectors.

40 Includes certification by the FSC® and the Programme for the Endorsement of Forest Certification (PEFC).®

41 Includes certification by the Global Organic Textile Standard (GOTS), the Better Cotton Initiative, the Organic Cotton Standard, Fairtrade Cotton, the Global Recycled Standard (GRS), the Recycled Claim Standard (RCS) and organic cotton products.

42 Includes certification by the Leather Working Group, Natural Leather IVN, the Global Traceable Down Standard, the Responsible Down Standard, Downpass, the Sustainable Leather Foundation, GRS recycled feathers/down, the Responsible Wool Standard, The Good Cashmere Standard®, the ZQ Merino Label, GRS-certified wool, Caregora wool, recycled leather and recycled downs/feathers.

43 CertiPUR is a voluntary testing, analysis and certification programme for the environmental, health and safety properties of polyurethane foam used in bedding and upholstered furniture applications.

44 The Blue Angel is the German federal government’s ecolabel, which is awarded to environmentally friendly products and services.

Outlook for 2024

We are planning to intensify our sustainability efforts in 2024. This will include expanding our online WE CARE presence and enforcing certification of wooden components. We will also focus on achieving a higher share of certification for cotton and animal by-product materials. Textile and rug suppliers will be required to maintain continuous certification, with a strategy for full product certification where material certification is not feasible. Efforts are underway to increase the use of recycled plastic in furniture and textiles, with new sustainable products, including recycled chair families, under development. Automation will improve certification upkeep: for example, AI-based tools will check supplier invoices for the required sustainability certifications. We are also planning to launch two innovative capsule collections that prioritise sustainability. Equally, we will continue to regularly review and update our sustainable labelling criteria.

SUPPLIER IMPACT

Management Approach

Our suppliers are either manufacturers making products on our behalf (Westwing Collection suppliers) or brands whose products we sell (third-party suppliers). Both categories play a crucial role in enabling us to provide our customers with products that are desirable, durable and sustainable.

Westwing Collection Suppliers: A particular focus of our sustainability efforts is on companies manufacturing products on our behalf, since we can directly specify materials and operational standards in these cases. This work is overseen by our Director of Product Quality and Sustainability. Our Westwing Collection suppliers are bound by our Private Label Supplier Code of Conduct (updated in 2023), which reflects the requirements of the Conventions of the International Labour Organization (ILO), the United Nations Global Compact, the UN Universal Declaration of Human Rights, the UN Guiding Principles on Business and Human Rights, and the OECD Guidelines for Multinational Enterprises. Key themes covered include working conditions, environmental performance, and the prevention of modern slavery and child labour.

Transparency is vital in supplier engagement and in our internal due diligence processes. Social audits are one of the most widely recognised ways of understanding and assessing social standards at Westwing Collection supplier sites. Independent third-party auditors physically visit production workshops, dormitories, canteens and similar facilities to assess health and safety standards and overall working conditions. Regular social audits are mandatory for our non-EU Westwing Collection suppliers. Suppliers have to submit all audit reports, including corrective action plans, to Westwing, which individually assesses them and documents them internally.

We have established clear zero tolerance thresholds in this area and have developed routines for dealing with exceptional cases. If a zero tolerance issue is discovered during an onboarding audit (i.e. prior to initiating the business relationship), the supplier will not be onboarded unless the issue is resolved. If such an issue occurs during a reaudit of an existing supplier, we will work together with them to ensure immediate remediation. If the supplier does not cooperate, the business relationship will be put on hold until the results are satisfactory, or will ultimately be terminated.

Westwing currently accepts the following world-leading certification programmes and initiatives from its Westwing Collection suppliers:

- for social matters: amfori BSCI (Business Social Compliance Initiative), SMETA (Sedex Members Ethical Trade Audit) and the SA8000 Standard (only applicable for India due to quality concerns in other countries);

- for environmental matters: ISO 14001; we will be also examining whether to accept certifications such as HIGG, BEPI and the ICS ENV Module in 2024.

These programmes enable Westwing to understand conditions on the ground, monitor supplier performance and evaluate adherence to our values and upcoming regulatory standards. Additionally, they serve as the basis for promoting open and direct dialogue with our suppliers.

We assess the environmental and social performance of both EU and non-EU suppliers. Non-EU suppliers face closer scrutiny due to a perceived higher risk of human rights and working standards violations. EU suppliers, which are required to comply with following EU regulations and regularly visited by our teams, provide greater confidence in their social and environmental practices. Nonetheless, to align with strategic goals and enhance transparency in European factories, we have also introduced assessments for our EU suppliers.

Third-party Suppliers: Our Business Partner Code of Conduct (updated in 2023) applies to our third-party suppliers and covers similar topics as our Private Label Code of Conduct.

Our Codes of Conduct entitle us to perform unannounced audits and to require subcontractors to adhere to the same standards. The Brand Buying team oversees the process of having third-party suppliers sign our Code of Conduct.

KEY ACHIEVEMENTS IN 2023

Westwing Collection Suppliers: We continued our systematic annual reviews of social audit results for our non-EU Westwing Collection suppliers in 2023. By the end of the year, 100%[45] of our non-EU suppliers were covered by third-party social audit schemes. Our team reviews every new and renewed social audit report and follows up on any outstanding zero tolerance or severe issues so as to create a remediation plan. Buyers are involved in the remediation process to provide support and put pressure on factories, and the progress made with remediation is reviewed every month. Supporting documents and pictures are required to ensure progress.

In 2023, we expanded the scope of our engagement with our suppliers and also started conducting supplier environmental assessments. Internal environmental assessments were conducted at 25 of our non-EU supplier factories in China and India, corresponding to 47% of our non-EU suppliers by purchase order volume. Our assessments checked suppliers' permits and documents, environmental management systems, energy and water use, wastewater, air emissions, waste, chemical management and noise emissions.

This year, we also started auditing our EU suppliers, which account for a large share of our orders. We developed an internal social and environmental audit protocol to learn more about our suppliers' maturity levels and to prepare for upcoming legislation (and for the EU's Corporate Sustainability Due Diligence Directive (CSDDD) in particular). We audited 67% of our EU suppliers by purchase order volume on social aspects and 72% on environmental aspects.

We also continued to track whether our suppliers (EU and non-EU) have environmental and social management systems in place. A total of 11% of our Westwing Collection suppliers by purchase order volume are currently covered by valid environmental management systems (ISO 14001), while 3% are covered by valid social management systems.

We are aiming to intensify our efforts in this area in line with our target that 50% of our Westwing Collection suppliers by purchase order volume should have established environmental and social management systems by 2028. For example, this year we surveyed four of our strategic suppliers to evaluate the effectiveness of their social management systems and helped those that did not already have one in place to set one up. Our survey design was based on the SA8000 standard and focused on assessing whether our suppliers' management systems complied with the SA8000 requirements. For example, this requires suppliers to have a Social Performance Team (SPT), a social management policy statement, a grievance mechanism and a risk assessment process.

45 One factory social audit was conducted in January 2024.

We also joined amfori in 2023 so as to be able to better assist our suppliers in their efforts to increase their social and environmental performance. amfori is a leading global business association that helps improve environmental, social and governance performance within global supply chains. We are now starting to use amfori training materials in our interactions with suppliers.

Preparing suppliers for audits represents a significant part of our supplier engagement effort. Our suppliers lack familiarity with international environmental standards and the audit process. Our goal is to equip suppliers for upcoming requirements such as the CSDDD, ensuring robust adherence to sustainability standards throughout our supply chain.

Third-party Suppliers: Our goal is to have all brand partners aligned with our sustainability standards by 2027. In line with this, all existing third-party suppliers in our Shop operations have signed our Business Partner Code of Conduct and all new third-party suppliers in this area are required to sign it as well. We are currently working actively with third-party suppliers in our Club operations to ensure they sign our Business Partner Code of Conduct. All in all, 11% of the total number of campaign-specific third-party Club suppliers had signed the Code of Conduct at the end of 2023. Starting this year, we aim to ensure that all our third-party suppliers comply with the EU's Extended Producer Responsibility policy and the Swiss Timber Regulation (HHV – Holzhandelverordnung).

Outlook for 2024
Westwing Collection Suppliers: In 2024, we will focus on establishing environmental and social management systems, redefining accepted systems and promoting capacity building in our strategic supply base. The Supply Chain Compliance team will expand its environmental audits of non-EU suppliers and increase its social and environmental audit coverage of EU suppliers.

We will also launch a standardised training approach for our key and strategic suppliers, a step that is in keeping with amfori's overarching mission to drive positive, lasting transformation in the realm of corporate sustainability.

We are also planning to introduce amfori's "Speak for change" grievance mechanism for 16 of our suppliers in India, Vietnam and Turkey in 2024. This will be a step forward in addressing social and human rights issues at our supplier factories and a tool for increasing transparency along our value chain.

Third-party Suppliers: We will continue to work on ensuring all existing and new third-party suppliers sign our Business Partner Code of Conduct.

FAIR WORKING CONDITIONS

Management Approach
Our Sustainability Strategy emphasizes the need for fair working conditions for our employees and those of our Westwing Collection suppliers. This commitment encompasses providing a healthy and safe working environment, ensuring both physical and mental well-being, and offering training and career development opportunities. This year, we developed a human rights policy which references international standards. This policy addresses the rights of employees in our operations, workers in the upstream value chain (i.e. our suppliers' workers) and customer rights. Key commitments set out in the policy include human rights due diligence; the prohibition of child labour, forced labour and human trafficking; non-discrimination; and customer and data privacy.

The fact that we have signed up to the United Nations Global Compact (UNGC) further underscores our commitment to a more sustainable future and to fair working conditions, especially since four UNGC principles are devoted to labour issues. This year we successfully submitted our Communication on Progress to UNGC, showcasing our efforts and commitments along our value chain in areas such as human rights, labour practices and anti-corruption.

Westwing Employees: Ways in which we communicate with our own employees include regular all-hands meetings, ongoing interaction with corporate leaders and our Office Vibe survey, which replaced our previous Pulse Check tool in 2023. Our internal Westwing Code of Conduct sets the tone and direction for employee welfare and behaviour in relation to corruption, competition, conflicts of interest, reporting and relationships with suppliers and business partners, among other things. It also incorporates relevant international standards, and EU and national labour, health and safety, and welfare regulations. Our WestwingFlex policy sets out our hybrid working model, which combines in-office work with working from home and remote work.

Ensuring our employees' mental and physical well-being is an integral part of our Sustainability Strategy and a key way of ensuring fair working conditions in our own operations. This is why we engage with a number of well-being service providers across our various locations. Ensuring safe working practices goes without saying for us. Our Sustainability Strategy has set a target of zero accidents in our warehouses, and we regularly conduct health and safety initiatives and measures there. We are currently developing internally consistent quantitative tracking of work-related safety metrics so as to measure our progress against our target going forward. We are also planning to align the methodology for these metrics with the European Sustainability Reporting Standards requirements.

A sense of social responsibility and commitment is a core part of our Company's DNA. We want to give back to the communities in which we operate and to create lasting value there. Corporate volunteering is an important pillar of our corporate citizenship activities, and an efficient and meaningful way for individuals to make a difference. We also believe that it enhances employee satisfaction. Our Corporate Citizenship Commitment, which sets out our focus areas, principles and key activities, underscores our commitment in this area.

Our Chief People Officer is part of the Executive team and is responsible for our people strategy, with the assistance of the People & Culture (P&C) teams in our regional offices and warehouse operations.

Westwing Collection Suppliers: Evaluating working conditions programmes at our Westwing Collection suppliers is a key objective for this part of our Sustainability Strategy (for our general approach to, and the roles and responsibilities involved in, managing overall supplier impact, please see the "Supplier Impact" section.)

Key Achievements in 2023

Westwing Employees: We worked to expand the MyCareer programme to our offices in Poland following its successful launch at our Munich headquarters in 2022. This programme offers guidance on career and succession planning, performance management, compensation and benefits, and training.

We also piloted our new Key Talent programme, which aims to recognise, develop and retain talent, in 2023. This year-long initiative offers mentorship from executives and quarterly networking events, plus a development budget. We also set up a learning and development team to empower and grow our employees.

Equally, we rolled out Personio, our new human resources personnel software, this year. The new system is designed to bring our global teams closer together, enhance our ability to collect data, and monitor and report on vital social indicators such as team diversity.

We also continued to offer a range of well-being programmes throughout the Company that were designed to uphold our employees' mental and physical health. For example, our annual Health Week aimed at promoting healthy habits and positive lifestyles, while we also supported World Mental Health Day.

We developed a social standard for a number of our distribution centres in Poland in 2023 to define our minimum commitments to our workers. The new standard covers our expectations regarding recruitment, working hours, occupational health and safety, remuneration, working conditions and employee benefits, among other things.

We also continued to offer insight sessions and workshops to our employees in the reporting period with the goal of enhancing their skills and engagement. All in all, 22 internal insight sessions were held over the year. Topics ranged from project management, personal development plans and women in leadership to strategic plans for key Westwing business activities.

Our Westwing Academy, which is located at our European Logistics Centre in Poland, is a comprehensive programme focused on avoiding accidents, promoting leadership skills and giving practical tips for handling materials. This year, we developed a number of workshops on leadership skills for our shopfloor leaders, covering themes such as building a positive feedback culture and being assertive.

A total of 143 team members took part in our Social Impact Day during the reporting period, supporting 14 projects with around 640 hours of volunteering while a further 31 employees used their individual volunteering days to contribute to the local community. Volunteering activities included giving IT training to underprivileged pupils, visiting a youth group addressing diversity topics, distributing food at a food bank, collecting waste and volunteering at residential care homes.

We replaced our employee Pulse Checks with Officevibe in 2023. Officevibe is our people-first team experience platform; it ensures that our employees are able to share feedback, as well as to show appreciation to their teammates. It is also another step towards a 360° performance review system, since it allows different types of feedback to be analysed and reported. The average results for 2023 reveal high overall satisfaction with working at Westwing, with 87% of all team members rating Westwing either strongly favourably, favourably or neutral.[46] This means that we again achieved our goal of maintaining the satisfaction rate at above 80%. Team cohesion and remote working options were mentioned positively in the survey, while career development was highlighted as an area for improvement.

Westwing Collection Suppliers:
We continued evaluating the approaches to addressing working conditions taken by our Westwing Collection suppliers by assessing the existence of programmes, measures and management systems targeting fair and safe work practices. Systematic tracking of quantitative statements on the existence of programmes addressing working conditions will be introduced in the coming years, in line with the priorities set out in our internal sustainability road map.

Please see the “Supplier Impact” section for information on the challenges facing us in our supply chain.

Outlook for 2024
Westwing Employees: We plan to continue development of our MyCareer programme. We want to empower leaders to monitor and manage performance in their teams, and to help them manage change and grow new businesses. Finally, we are planning to increase our focus on internal talent management and hence to give team members better opportunities to grow internally. In particular, we have increased our learning and development budget for 2024 so as to provide more projects and initiatives for our employees.

Westwing Collection Suppliers: Please see the “Supplier Impact” section for 2024 plans.

RESPONSIBLE MARKETING AND COMMUNICATIONS

Management Approach
We aim to provide all stakeholders with transparent, credible information on our sustainability performance, both at the corporate level and with respect to our products. We also aim to use our various communications channels to inspire customers to make more sustainable choices.

46 The 2023 results cannot be compared with the 2022 results due to changes in the calculation methodology (where neutral answers were not included previously) and the switch of reporting software from Pulse Check to Office Vibe.

Our Marketing, Communications, Public Relations and Investor Relations departments all communicate on sustainability topics. This work is coordinated by the department heads at corporate headquarters, with the support of the Corporate Sustainability team. The latter is responsible for handling all disclosures required for the annual report and for publication of an annual standalone sustainability report.

Westwing's Responsible Marketing and Communications Policy guides our approach across our marketing, sales, promotion and communications activities, and applies in all of the countries in which we operate. Its main goals are to ensure compliance with all relevant legislation, plus transparent, ethical and honest communication that is respectful to all. The policy provides guidelines on transparency and honesty, child protection, diversity and inclusion, social media interaction, consumer data privacy, compliance and communications.

Our Brand and Product Labelling Approach

In 2023, we renamed our "Sustainable" label to the WE CARE label in both our Shop and our Club, reflecting market concerns around the labelling of products with sustainability features. The label is accompanied by an individual explanation for each product, enhancing transparency for our customers. A sustainability filter helps customers select products with the WE CARE label. This change in labelling aims to improve transparency, ensure consistency and prevent greenwashing.

Our Sustainability Labelling Guidelines, which include more than 50 independent certification schemes (EU Ecolabel, Blue Angel, etc.) and a number of sustainability attributes (e.g. recycled or organic content) are used as the basis for deciding whether a product can be awarded the WE CARE label. Our suppliers provide us with information on the materials used in their products and on the certificates available at either the product or the material level, with the focus being on the main material components. In the case of certificates, further information such as the licence number and certifying body may be supplied. Information provided by suppliers is validated by performing random checks and by asking for proof of claims such as transaction certificates or Better Cotton Claim Unit transfers in the case of BSCI, and is assessed against our guidelines. Products are labelled as WE CARE when their material attributes or the certificates available for them match those included in our Sustainability Labelling Guidelines.

Other successes in the past year were the publication of our second standalone Sustainability Report in March 2023, the relaunch of the sustainability section of our corporate homepage and the publication of multiple news articles relating to sustainability on our website and on social media. A Sustainable Communication Strategy was also developed this year which puts a focus on sustainability in our external communications with customers and business partners.

Responding to Investors' Information Needs

Our Investor Relations team hosts regular earnings calls and discussions with investors. These provide an opportunity to address key business developments and ESG data, including updates to our Sustainability Strategy and plans for improvement. Market scrutiny of ESG performance has grown significantly in recent years. Our Corporate Sustainability team works closely together with our Investor Relations team to address information needs for our key ratings and to identify potential for further improvement.

Key Achievements in 2023

One of the main goals of our Sustainability Strategy is to help customers include sustainability in their purchasing decisions by appropriately labelling our sustainable offering online. At the end of 2023, 48% of Westwing Collection portfolio products had been identified as WE CARE, while over 5% of our third-party Shop products were also labelled as such. Labelling of third-party products largely depends on suppliers' ability and willingness to provide and substantiate any sustainability claims, and obtaining the necessary information involves a challenging amount of effort for Westwing.

We consider ESG ratings to be a valuable vehicle for tracking and communicating our ESG efforts and progress. In 2023, we carefully prioritised the ESG ratings we actively participate in. We will reevaluate our approach annually in light of our stakeholders' information needs. Our latest scores and rankings are C- in the ISS ESG Corporate Rating (putting us in the top three decile rank, i.e. the top 30% of our industry) for 2021, AAA (on a scale of AAA–CCC) in the MSCI ESG Ratings assessment (no change compared to 2022) and 37 (out of 100) in the 2023 S&P Global Corporate Sustainability Assessment (putting us in the 92nd percentile in the RTS Retailing industry category) – an improvement compared to 2022 (29 points, 85th percentile) Westwing considers that the results reflect its efforts in improving its environmental, social, and governance performance. Westwing plans to use these results, as along with peer benchmarking and other resources, to guide further improvements.

Outlook for 2024
We are aiming to implement our Sustainable Communications Strategy in 2024 and to gradually transition to more proactive communication on sustainability matters with our stakeholders. We will leverage our marketing expertise and communication channels to showcase a variety of sustainable choices for our customers. We will focus our efforts on ensuring that all our communications are credible, consistent and trustworthy, reflecting the reputational risks associated with sustainability marketing, and heightened regulatory scrutiny, consumer awareness and demands for transparency.

In addition, we plan to continue engaging with rating agencies and identifying relevant improvement opportunities in 2024.

INTEGRITY AND LEGAL COMPLIANCE

Management Approach
Westwing and its management attach great importance to doing business with integrity and in line with all applicable laws and regulations, plus our Company guidelines and policies. Our employees' integrity and responsible behaviour are the basis for Westwing's good business reputation.

The Legal department, in collaboration with Westwing's management, promotes legal compliance throughout the organisation. It engages with all team area leads to foster a culture of compliance. A digital policy management tool and mandatory training courses have been implemented to support this initiative, facilitating employee training and results monitoring. Face-to-face training supplements the digital tool as needed.

Clear guidance is provided to employees in day-to-day business operations in the form of concrete project interactions, handouts and guidelines. The Legal department collaborates closely with other teams such as GRC, P&C, IT Security and Sustainability to continually enhance compliance with all relevant regulations. The VP Legal is a member of the Policy SteerCo, which assesses new policy business needs, reviews content and oversees training.

All new policies or relevant updates are subject to approval by Westwing Group SE's Management Board. Reporting directly to the CFO, the VP Legal also updates the Supervisory Board's Audit Committee as needed on the status of compliance training and the legal compliance road map.

In addition, compliance risks are an integral part of the Group-wide risk management system and are systematically identified and evaluated every year by the GRC team, working together with the relevant risk owners.

Westwing has a zero tolerance approach to bribery and corruption.

The Company´s whistle-blower channel[47] can be used by employees and external stakeholders to report potential violations of laws and policies and/or unethical behaviour, as well as to raise issues relating to a variety of sustainability matters.

Data Protection and Information Security

Westwing and its management consider ensuring the protection and security of personal data to be crucial. As an e-commerce-based Home & Living business, Westwing receives and handles a large amount of data, something that requires both a high level of diligence and technical and organisational risk mitigation measures.

Data protection has become a key issue in recent years in the wake of the European Union's General Data Protection Regulation (GDPR), and is a top priority for the Legal Compliance and IT Security teams. In addition to our in-house functions, we have appointed an external data protection officer who helps ensure that we operate in accordance with all relevant data protection laws.

Our Legal and IT Security teams work together with the business teams to define data protection and IT security rules and procedures. Among other things, these aim to ensure that all personal data handled by Westwing is secure and protected in line with all applicable data protection laws. Measures taken include implementing the technical and organisational measures set out in Article 32 of the GDPR so as to achieve the required level of data security and data protection compliance. In addition, employees are regularly made aware of the risks that could arise from the improper handling of personal data, and of the fact that personal data must always be processed in the most risk-averse manner possible and in accordance with the GDPR. A set of guidelines and policies have been implemented to help ensure data protection compliance.

Westwing's information security management system (ISMS) goes beyond these guidelines and policies to cover all aspects of the information technology in use, including our IT systems and associated facilities and processes. The ISMS sets out the rules to be followed by all users of Westwing's IT resources. These include how to handle both security incidents and personal, business, internal or sensitive data, and are aimed at ensuring the security of Westwing's network. Compliance with our ISMS is a requirement for accessing and sharing information within Westwing. Our Policy Manager tool is used to provide obligatory IT security training to Westwing employees and was rolled out to Westwing's European countries in 2023. In addition, mandatory IT security training is given in face-to-face or virtual formats when onboarding new employees. We also have procedures in place to investigate all cases of IT policy violations and/or data breaches, and for disciplinary action if necessary.

IT security and cybersecurity topics are regularly discussed at Management Board level, as well as within the Supervisory Board and its Audit Committee. This was particularly relevant in 2023 when the technical shift to a SaaS provider was analysed.

Anti-corruption

The Company has a comprehensive Anti-corruption Policy. This applies to all Westwing employees and any third parties engaging with the business. Digital anti-corruption compliance training is obligatory for all Westwing staff, including management. The policy outlines acceptable and unacceptable behaviour so as to facilitate compliance with the relevant laws. It also provides clear guidance to managers and employees on how to avoid improper payments, gifts, invitations and inducements of any kind. Employees requiring support can consult their supervisor and the Legal team. In the case of a potential corruption incident, the Compliance team analyses the facts, provides advice and arranges for follow-up actions. The Management Board and/or the Supervisory Board are informed where necessary.

47 https://whistleblowersoftware.com/secure/9462f523-87d8-4c63-a532-8fa73df64efe/new

Westwing also expects a zero tolerance approach to bribery and corruption from its suppliers. In line with this, it has included anti-corruption in the Westwing Private Label Supplier Code of Conduct and the Business Partner Code of Conduct, which is directed at third parties with which Westwing does business.

We did not become aware of any cases of corruption and bribery at Westwing in 2023.

We did not make any political contributions during the reporting period.

Key Achievements in 2023

Westwing rolled out its digital Policy Manager tool in 2023, which is currently managed by the P&C teams in the various countries in collaboration with Westwing's Legal department. Several new policies and guidelines were also introduced at headquarters, including a Human Rights Policy and a Secrecy Policy. Existing policies – encompassing mandatory training courses and guidelines such as the Code of Conduct and the Health and Safety and Anti-corruption policies – can be accessed via the digital policy manager. These policies were updated as needed; for example, the Travel policy was revised, a sanctions clause was included in the Codes of Conduct and the IT training documentation was reworked to reflect the new technical standards and considerations relating to the use of AI. Employees can access the latest versions of these policies on Westwing's intranet and via the digital Policy Manager.

The tool also facilitates digital monitoring of training rates, with the results being reported to team leads and Board members. In addition to formal policies, a number of compliance processes such as materials on non-disclosure agreements and powers of attorney (including the 4 eyes principle) were shared on Westwing's intranet for easy accessibility. A Compliance Manual was launched and face-to-face compliance training sessions covering topics such as customer, civil and antitrust law, and intellectual property rights were conducted by the Legal team. A dedicated session was also organised for blue-collar workers at Westwing's delivery service.

A number of compliance awareness measures were implemented in the course of 2023, including measures aimed at senior leadership and all-hands sessions, and office screen/workplace posts. In addition, internal Artificial Intelligence (AI) Usage Guidelines were introduced with the objective of establishing secure and ethical AI practices in the workplace. These require Westwing employees to use AI systems responsibly and to avoid actions that could harm others, violate privacy, or facilitate illegal or malicious activities. Among other provisions, the guidelines strictly prohibit general uploading of personal or confidential data to AI tools.

An information security road map outlining improvement measures for the period up to 2024 was also developed, along with a series of new IT security guidelines and policies. Westwing complies with the ISO 27000 framework, which serves as a guiding principle for its information security activities.

Outlook for 2024

Our aim in 2024 is to further enhance our compliance awareness using a Company-wide "Compliance Campaign", which will include a Compliance Week and other interactions with Westwing´s employees. The objective is to raise further awareness of the policies and of the importance of ethical behaviour. Westwing will also continue improving its compliance (risk) management systems, reviewing policies and tracking upcoming regulations appropriately. We are also planning to continue our work on new standards and processes. Focus areas will include ensuring compliant tech transformation as Westwing moves to its new SaaS platform and implementing the requirements of the CSRD.

EU TAXONOMY REGULATION

In accordance with Article 8 of the EU's Taxonomy Regulation, this Non-financial Statement includes information on how Company activities that are considered eligible and aligned qualify as environmentally sustainable under that regulation.

Our Activities

Climate Change Objectives

In 2022, Westwing performed a detailed review of the climate change-related economic activities listed in the Taxonomy Regulation and supplementary legislation, and mapped potential sustainable business activities to its business model. After screening for macrosector applicability in relation to the two environmental objectives of climate change mitigation and climate change adaptation, the Corporate Sustainability department reviewed all Taxonomy activities for their potential applicability to Westwing. Longlisted activities were investigated further and their eligibility discussed with multiple Executive team members and senior Westwing employees. As a result, two climate change mitigation[48] activities were identified as relevant for reporting:

- Activity 7.7 Acquisition and ownership of buildings (in relation to CapEx)
- Activity 8.1 Data processing, hosting and related activities (in relation to OpEx)

In 2023, the Corporate Sustainability team, in collaboration with the Finance team, conducted a reassessment of the shortlisted climate change-related economic activities, including the activities that were newly introduced by the amended Delegated Act on climate change mitigation and adaptation[49]. Following a thorough assessment and discussions involving the Chief Financial Officer, the same two activities, 7.7 (in relation to CapEx) and 8.1 (in relation to OpEx), are defined as relevant for eligibility[50]. In relation to turnover no activities were identified as taxonomy-eligible.

In 2023, leasing of assets such as office buildings and warehouses (7.7. Acquisition and ownership of buildings) accounted for EUR 3.3m, or 38% of total capital expenditure (2022: EUR 5m or 24%). Our expenses on cloud services (Activity 8.1 Data processing, hosting and related activities) accounted for EUR 1.8m, or 1.3% of operational expenditure (2022: EUR 2.5m or 5.7%).

It was not possible to claim Taxonomy alignment for the two activities due to our current inability to comply with all substantial contribution, does not significantly harm and minimum safeguards criteria. The Corporate Sustainability team will continue to explore the possibility of claiming alignment at a future point in time.

Environmental Objectives

In 2023, economic activities including technical screening criteria for the four other environmental objectives (the sustainable use and protection of water and marine resources, transition to a circular economy, pollution prevention and control, and protection and restoration of biodiversity and ecosystems) were released in the form of the Environmental Delegated Act supplementing the EU Taxonomy Regulation. Westwing's Corporate Sustainability team conducted a comprehensive screening of all activities linked to these objectives and mapped them to the Company's business activities. Following discussions with the relevant departments and senior leaders, including the Chief Financial Officer, no activities were defined as being eligible for Westwing. The Corporate Sustainability team will continue to explore the possibility of claiming eligibility and alignment of activities within environmental objectives at a future point in time.

48 As outlined in Commission Delegated Regulation (EU) 2021/2139.

49 Amendments to Annexes I and II to Delegated Regulation (EU) 2021/2139 (27 June 2023).

50 For Westwing these activities are not eligible as climate change adaptation activities are not considered enabling under climate change adaptation objective, thus, no turnover, CapEx and OpEx can be associated with these activities as eligible.

PROPORTION OF TURNOVER FROM PRODUCTS OR SERVICES ASSOCIATED WITH TAXONOMY-ALIGNED ECONOMIC ACTIVITIES – DISCLOSURE COVERING YEAR 2023

Financial year 2023		Year 2023		Substantial contribution criteria					
Economic activities (1)	Code (2)	Turnover, year 2023 (3)	Proportion of turnover, year 2023 (4)	Climate change mitigation (5)	Climate change adaption (6)	Water (7)	Pollution (8)	Circular economy (9)	Biodiversity (10)
		EURm	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL
A. Taxonomy-eligible activities									
A.1. Environmentally sustainable activities (taxonomy-aligned)		0	0%	0%	0%	0%	0%	0%	0%
Turnover of environmentally sustainable activities (taxonomy-aligned) (A.1)		0	0%	0%	0%	0%	0%	0%	0%
Of which enabling			0%	0%	0%	0%	0%	0%	0%
Of which transitional			0%	0%					
A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)									
				EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL
Turnover of taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		0	0%	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL
A. Turnover of taxonomy eligible activities (A.1 + A.2)		0	0%	0%	0%	0%	0%	0%	0%
B. Taxonomy-non-eligible activities									
Turnover of taxonomy non-eligible activities		428.6	100%						
Total		428.6	100%						

DNSH criteria ("Does not significantly harm")									
Climate change mitigation (11)	Climate change adaption (12)	Water (13)	Pollution (14)	Circular economy (15)	Biodiversity (16)	Minimum safeguards (17)	Proportion of Taxonomy aligned (A.1) or eligible (A2) turnover, year 2022 (18)	Category enabling activity (19)	Category transitional activity (20)
Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
N/A	N/A	N/A	N/A	N/A	N/A	N/A	0%		
N	N	N	N	N	N	N	0%		
N	N	N	N	N	N	N	0%		
N	N	N	N	N	N	N	0%		
							0%		
							0%		

PROPORTION OF CAPEX FROM PRODUCTS OR SERVICES ASSOCIATED WITH TAXONOMY-ALIGNED ECONOMIC ACTIVITIES – DISCLOSURE COVERING YEAR 2023

Financial year 2023	Year 2023			Substantial contribution criteria					
Economic activities (1)	Code (2)	CapEx, year 2023 (3)	Proportion of CapEx, year 2023 (4)	Climate change mitigation (5)	Climate change adaption (6)	Water (7)	Pollution (8)	Circular economy (9)	Biodiversity (10)
		EURm	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL
A. Taxonomy-eligible activities									
A.1. Environmentally sustainable activities (Taxonomy-aligned)		0	0%	0%	0%	0%	0%	0%	0%
CapEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		0	0%	0%	0%	0%	0%	0%	N
Of which Enabling			0%	0%	0%	0%	0%	0%	N
Of which Transitional			0%	0%					
A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)									
				EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL
Acquisition and ownership of buildings	7.7	3.3	38%	EL	N/EL	N/EL	N/EL	N/EL	N/EL
CapEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		3.3	38%	38%	0%	0%	0%	0%	0%
A. CapEx of Taxonomy eligible activities (A.1 + A.2)		3.3	38%	38%	0%	0%	0%	0%	0%
B. Taxonomy-non-eligible activities									
CapEx of Taxonomy-non-eligible activities		5.4	62%						
Total		8.7	100%						

DNSH criteria ("Does not significantly harm")									
Climate change mitigation (11)	Climate change adaption (12)	Water (13)	Pollution (14)	Circular economy (15)	Biodiversity (16)	Minimum safeguards (17)	Proportion of Taxonomy aligned (A.1) or eligible (A2) CapEx, year 2022 (18)	Category enabling activity (19)	Category transitional activity (20)
Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
N/A	N/A	N/A	N/A	N/A	N/A	N/A	0%		
N	N	N	N	N	N	N	0%		
N	N	N	N	N	N	N	0%		
N	N	N	N	N	N	N	0%		
							24%		
							24%		
							24%		

PROPORTION OF OPEX FROM PRODUCTS OR SERVICES ASSOCIATED WITH TAXONOMY-ALIGNED ECONOMIC ACTIVITIES – DISCLOSURE COVERING YEAR 2023

Financial year 2023	Year 2023			Substantial contribution criteria					
Economic activities (1)	Code (2)	OpEx, year 2023 (3)	Proportion of OpEx, year 2023 (4)	Climate change mitigation (5)	Climate change adaption (6)	Water (7)	Pollution (8)	Circular economy (9)	Biodiversity (10)
		EURm	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL
A. Taxonomy-eligible activities									
A.1. Environmentally sustainable activities (Taxonomy-aligned)		0	0%	0%	0%	0%	0%	0%	0%
OpEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		0	0%	0%	0%	0%	0%	0%	0%
Of which Enabling			0%	0%	0%	0%	0%	0%	0%
Of which Transitional			0%	0%					
A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)									
				EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL
Data processing, hosting and related activities	8.1	1.8	1.3%	EL	N/EL	N/EL	N/EL	N/EL	N/EL
OpEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		1.8	1.3%	1.3%	0%	0%	0%	0%	0%
A. OpEx of Taxonomy eligible activities (A.1 + A.2)		1.8	1.3%	1.3%	0%	0%	0%	0%	0%
B. Taxonomy-non-eligible activities									
OpEx of Taxonomy-non-eligible activities		136.2	98.7%						
Total		138.0	100%						

DNSH criteria ("Does not significantly harm") Climate change mitigation (11)	Climate change adaption (12)	Water (13)	Pollution (14)	Circular economy (15)	Biodiversity (16)	Minimum safeguards (17)	Proportion of Taxonomy aligned (A.1) or eligible (A2) OpEx, year 2022 (18)	Category enabling activity (19)	Category transitional activity (20)
Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
N/A	N/A	N/A	N/A	N/A	N/A	N/A	0%		
N	N	N	N	N	N	N	0%		
N	N	N	N	N	N	N	0%		
N	N	N	N	N	N	N	0%		
							5.7%		
							5.7%		
							5.7%		

NUCLEAR AND FOSSIL GAS RELATED ACTIVITIES

Row	Nuclear energy related activities	
1.	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	No
2.	The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	No
3.	The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	No
	Fossil gas related activities	
4.	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	No
5.	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	No
6.	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	No

Our KPIs

The calculation methodology for the KPIs reported in this section did not change compared to the previous year. All KPIs are calculated at Group level.

We will closely track and evaluate future developments to the Taxonomy Regulation going forward, and will adapt our reporting as necessary. In the meantime, we will continue to concentrate on delivering on our Sustainability Strategy and on implementing sustainability-centred initiatives and activities, as outlined in this Non-financial Statement.

Accounting Policies

The KPIs are determined in accordance with Annex I of the Article 8 Delegated Act. The Taxonomy-eligible and Taxonomy-aligned KPIs are determined in accordance with the legal requirements as follows:

The proportion of our total turnover accounted for by Taxonomy-eligible and Taxonomy-aligned economic activities has been calculated as the share of net turnover derived from products and services associated with Taxonomy-eligible and Taxonomy-aligned economic activities (numerator) divided by the net turnover (denominator). The denominator of the turnover KPI is based on our consolidated net revenue in accordance with IAS 1.82(a). Please see section 2.5. of the Notes to the Consolidated Financial Statements for further details on the accounting policies used with our consolidated net revenue. As explained above, we did not identify any Taxonomy-eligible or Taxonomy-aligned activities for the numerator. Our consolidated net revenue can be reconciled to our consolidated financial statements; see the Consolidated Statement of Profit or Loss.

Our CapEx KPI is defined as our Taxonomy-eligible and Taxonomy-aligned CapEx divided by our total CapEx. Total CapEx comprises additions to tangible and intangible fixed assets including right-of-use assets during the financial year before depreciation, amortisation and any remeasurements (including those resulting from revaluations and impairments), but excluding changes in fair value. Our total CapEx can be reconciled to our consolidated financial statements; see Notes 12 and 13 in the Notes to the Consolidated Financial Statements.

Our OpEx KPI is defined according to subsection 1.1.3.1 of Annex I of Delegated Regulation (EU) 2021/2178 as our Taxonomy-eligible and Taxonomy-aligned OpEx divided by our total operating expenses. Operating expenses consist of direct non-capitalised costs relating to research and development, short-term leases, maintenance and repairs.

Our corporate accounting policies ensure the avoidance of double-counting by clearly allocating the amounts of Taxonomy aligned turnover, CapEx and OpEx in the numerator of the relevant KPIs.

5. REPORT ON POST-BALANCE SHEET DATE EVENTS

The following events occurring after the end of the 2023 financial year will have an impact on Westwing's future financial performance, financial position, and cash flows.

On 16 January 2024, the Company internally announced that it will centralise large parts of the business functions currently located in Italy and Spain. Going forward, customers in these countries will mostly be served from our Munich and Warsaw offices in terms of Westwing's offering, and from the logistics hub in Poland regarding deliveries. Westwing will close its warehouses in Italy and Spain and review its local office setup. The restructuring measures will take place in the coming months.

6. REPORT ON OPPORTUNITIES AND RISKS

Westwing's philosophy is to generate profitable growth and create shareholder value while managing risks and opportunities in a due and proper manner. It considers risk management to be an integral part of the process of creating transparency about risks and opportunities, and hence of improving decision-making processes. The Company promotes a risk-conscious corporate culture in all its departments. We carefully weigh the risks and opportunities associated with our decisions and business activities from a well-informed perspective. This includes consciously accepting calculated risks that match the Company's risk appetite and mitigating those that do not.

6.1 Risk Management System

Westwing Group SE's Management Board has overall responsibility for the appropriateness and effectiveness of the risk management system. Risk management is an integral part of how the management achieves the Company's strategic objectives and contributes to long-term business growth.

The Management Board has appointed a risk management officer, who reports directly to it and is responsible for Westwing's Governance, Risk and Compliance (GRC) function. This combines risk management, compliance, the internal control environment, coordination of internal audit activities and training on GRC processes.

The risk owners are the employees in the Company's operating and corporate functions. Their key responsibility with respect to GRC is to continuously report operational risks in their areas to their supervisors.

Westwing performs full risk assessments twice a year. Workshops are held with the operating and corporate functions at the year-end to gather information on existing and potential risks that have been identified both locally and globally. This information is then analysed to determine whether the risks identified still exist and whether they have been correctly assessed. Risk documentation is continuously updated and summarised.

A consolidated risk report is presented to the Management Board twice a year. The Management Board regularly informs the Supervisory Board of Westwing's current risk situation.

6.2 Internal Control System for Financial Reporting

Westwing implemented internal financial reporting controls in previous years as part of its internal control system.

These controls consist of preventive and detective measures in the accounting and operating functions that ensure a consistent process for preparing the financial statements and managing operational risks. Mechanisms include identifying and defining processes and risks, introducing layers of approval and the principle of the segregation of duties.

6.3 Risk Methodology

Westwing has a detailed risk manual that ensures a transparent risk identification and assessment process. The manual is reviewed and updated on a regular basis by Westwing's GRC function.

Risks that Westwing identifies are quantified based on their likelihood of occurrence and potential impact. Likelihood is assessed for a time horizon of one year as from the assessment date. All risks in the risk report are presented on a net basis (i.e. after all mitigation measures have been taken into account).

The likelihood of occurrence refers to the statistical or estimated probability of a risk occurring during the time horizon under review, and is stated as a percentage. The evaluation range for likelihoods is shown in the table below:

Likelihood	Assessment
Very high	(75% – 99%)
High	(50% – 74.9%)
Medium	(25% – 49.9%)
Low	(5% – 24.9%)
Very low	(1% – 4.9%)

Westwing uses qualitative and quantitative assessments to evaluate the impact of the identified risks. Quantitative assessments are used in those cases in which risks can be easily estimated. Quantitative impacts are measured using revenue, Adjusted EBIT or cash flow as a reference, depending on the nature of the risk. A qualitative assessment is performed in some cases in which no quantitative assessment is possible – for example because reputational risk or shareholder trust is involved.

	Quantitative assessment (preferred)	
Score	Financial impact	
Very high	> EUR 10.0m	A **severely damaging negative** effect on the Company's business activities, financial position, profitability or cash flows
High	> EUR 5.0m	A **substantial negative** effect on the Company's business activities, financial position, profitability or cash flows
Medium	> EUR 2.0m	A **certain negative** effect on the Company's business activities, financial position, profitability or cash flows
Low	> EUR 0.5m	A **limited negative** effect on the Company's business activities, financial position, profitability or cash flows
Very low	> EUR 0.2m	An **insignificant negative** effect on the Company's business activities, financial position, profitability or cash flows

All risks are evaluated before and after applying mitigation measures, i.e. gross and net. In addition, an aggregated risk assessment is performed to evaluate the combined impact of the full risk register for the most important risks.

The final risk rating is determined as a combination of the estimated likelihood and the impact, and ranges from "low" to "extreme". All identified risks are classified and visualised using the following risk matrix:

Likelihood	Very low (1% – 4.9%)	Low (5% – 24.9%)	Medium (25% – 49.9%)	High (50% – 74.9%)	Very high (75% – 99%)
Impact					
Very high (> EUR 10m)	MODERATE	HIGH	HIGH	VERY HIGH	EXTREME
High (> EUR 5m)	LOW	MODERATE	HIGH	VERY HIGH	VERY HIGH
Medium (> EUR 2m)	LOW	MODERATE	MODERATE	HIGH	HIGH
Low (> EUR 0.5m)	LOW	LOW	MODERATE	MODERATE	HIGH
Very low (> EUR 0.2m)	LOW	LOW	LOW	LOW	MODERATE

This risk matrix facilitates the comparison of relative risk priorities and enhances transparency on Westwing's total risk exposure. In addition, the risk categories – which range from "low" to "extreme" – are used to determine the detailed risk information that needs to be provided to the Management Board and the Supervisory Board. Any risks that could impact the Company's ability to continue as a going concern are reported immediately they are identified.

Westwing has defined the following risk categories within the Company:

- strategic risks
- financial risks
- capital market risks
- operational risks
- IT risks
- regulatory and compliance risks

6.4 Significant Characteristics of the Internal Control and Risk Management System[51]

Our Internal Control System (ICS) and Risk Management System (RMS) cover the management of risks and opportunities relating to the achievement of business goals, the correctness and reliability of internal and external accounting, and compliance with the laws and regulations relevant to Westwing Group. Sustainability aspects are also covered and are updated continuously on the basis of the regulatory requirements.

Our ICS and RMS are based on the globally accepted COSO framework (Committee of Sponsoring Organizations of the Treadway Commission). This framework defines the elements of a control system and sets the standard for assessing the adequacy and effectiveness of the ICS and RMS.

Overall responsibility for our ICS and RMS lies with the Management Board. The central GRC team coordinates and integrates the ICS and RMS processes and supports the Management Board in designing and maintaining adequate and effective processes for implementing, monitoring and reporting on ICS and RMS activities. Additional information on the risk management system is provided in section 6.1.

51 The disclosures in this section are not part of the management report and were not included in PWC's audit.

The Management Board evaluates the adequacy and effectiveness of the ICS and RMS at the end of each financial year. This evaluation is based primarily on the Annual GRC report, which is submitted to the Management Board by the Director Group Accounting & GRC, and on the regular meetings of the GRC function with the management during the year. The GRC report summarises the key elements of the Westwing Group's ICS and RMS and the activities undertaken to review its adequacy and effectiveness during the year, and reports any critical control weaknesses identified during these activities. The report also comes to an overall conclusion about the adequacy and effectiveness of the ICS and RMS. Based on this, the Management Board has no indication that the ICS or RMS were not adequate or effective as at 31 December 2023.

Nevertheless, there are inherent limitations to the effectiveness of any risk management and control system. No system – even if it is deemed to be adequate and effective – can guarantee that all risks will be identified in advance or that process violations or misstatements will be prevented or detected under all circumstances.

The Audit Committee established by Westwing Group SE's Supervisory Board is also involved in our control system. It oversees the GRC function and the effectiveness of the ICS, the RMS and the Internal Audit function. The Audit Committee is provided with the information contained in the Annual GRC report, ensuring that it is informed of the effectiveness of the ICS and RMS.

6.5 Risk Report

There was no significant structural change year on year in our assessment of the likelihood of occurrence and/or potential financial impact of the risks and opportunities listed above. Equally, the updated estimate did not result in any fundamental change to the risk situation. However, our risk assessment identified shifts in the key risks the Company is facing as a result of internal and external developments.

Based on the current assessment, no risks were identified that could threaten the Westwing Group's status as a going concern. The report below summarises and presents the key risks for Westwing, based on the most recent risk management assessments performed. All risks are presented on a net basis, i.e. after all mitigation measures have been applied. No risks are currently assessed as "extreme". This assessment applies to both the DACH and the International segments.

6.5.1 STRATEGIC RISKS

External Political Influences (2023: Very High; 2022: High)

The escalation of global uncertainty initially stemmed from the war between Russia and Ukraine in 2022. As an international company with its main warehouses located in Poland and several suppliers in Eastern Europe, Westwing is exposed to risk should the conflict spread to other Eastern European countries.

2023 also saw other noteworthy political tensions throughout the world, including those caused by the conflicts in the Middle East since October 2023. General global political instability affects all Westwing stakeholders. As many of Westwing's sourcing operations are based in Asia, additional confrontations in the Red Sea or a conflict between China and Taiwan could disrupt our supply chains and potentially affect the Company's revenue.

The management team and the GRC team monitor the current political situation in the world and the countries affected, and how this impacts the Group's business activity. This enables them to react quickly and take appropriate strategic decisions if needed.

Weaker Consumer Sentiment in Home & Living (2023: High; 2022: High)

2023 again saw weak overall consumer sentiment that negatively influenced consumer spending on Home & Living. Our current outlook for 2024 is also extremely cautious. Many factors are impacting consumer sentiment, including the decline in purchasing power, negative economic trends such as a drop in GDP growth, and shifts in customer behaviour regarding other goods or services such as travel.

The Management Board adresses this risk by continuously monitoring and evaluating the triggers influencing consumer sentiment and its possible impact on the Home & Living market. We implemented significant cost reductions in our general and administrative expenses and capital expenditure over the past period to reflect the weak environment. At the same time, we increased our marketing spend on brand awareness campaigns so as to improve our top line. We also refreshed our corporate identity for the first time since Westwing was founded 12 years ago.

Acquisition of Brands for Club Sales (2023: High; 2022: High)
Our Club sales rely on a constantly changing brand line-up. The current market situation has made it more difficult to acquire new brands in this area. Over the past years, we have experienced partial brand losses for a number of reasons, including stronger brand positioning with a focus on the brands' own e-commerce platforms. Additionally, Westwing's premiumisation strategy means we have higher requirements for third-party brands. This poses a risk to future GMV growth, since it could make our product range insufficiently varied, diverse and attractive for daily themes.

To mitigate this risk, management increased its involvement in supplier acquisition over recent periods. We have systematically improved and strengthened our brand buying teams, which focus on brand and product acquisition.

6.5.2 IT RISKS

Errors and Delays in Executing Technology Changes (2023: High; 2022: Moderate)
In 2023, the Management Board decided to migrate from our proprietary e-commerce platform to a largely SaaS-based solution. This will shorten development times and lower our general and administrative expenses from 2025 onwards. This project represents a fundamental change as against our current technology set-up. Errors or delays during the execution process could result in financial losses if the project were not finalised in time.

Westwing has an experienced technology team that has developed a detailed transformation plan with the support of experienced external experts, and has introduced effective project governance. The roll-out has been planned in such a way that countries or regions will go live sequentially. This reduces the potential impact of errors, which would most likely only impact business in one country. In addition, the DACH region, as our most important segment, shall migrate to the new platform after other countries have been migrated successfully.

Cybersecurity and IT Infrastructure Threats (2023: High; 2022: High)
We have invested considerable funds and internal resources in building and updating our IT platform and our IT infrastructure in recent years. However, we assess cybersecurity risk as high, primarily due to a significantly increased level of cybercrime around the globe. This has reached historically high levels with many indicators showing that the problem is getting even worse.

Threats such as unauthorised logical access (whether internal or external) could disrupt vital internal tools or customer-facing applications.

Westwing's skilled technology team includes IT security experts, allowing us to constantly monitor, develop and improve our internal IT infrastructure. No limiting events occurred in 2023. Westwing will maintain and enhance its security standards to preserve a safe IT environment throughout the Group in 2024.

6.6 High Impact, Low Probability Risks

Warehouse Incidents

As part of the centralisation of large parts of our Italian and Spanish operations in 2024, warehouse operations in both countries will be relocated to Westwing's main logistics hub in Poznan, Poland. Westwing will also close its warehouse in Warsaw, Poland. This leads to cluster risk, since all Group inventory will be stored at a single location. Consequences are the greater potential impact of material inventory loss and financial loss in the case of fire or other warehouse incidents causing downtime to warehouse operations.

Westwing is mitigating this risk by investing significantly to improve safety measures at our warehouse and improving our current processes. In addition, we are using drop shipments, i.e. shipping from suppliers directly to customers.

6.7 Changes in the Risk Situation

Overall, Westwing slightly decreased its risk exposure in 2023 by extending its mitigation measures and enhancing existing processes within the Group.

The following table provides an overview of the changes in key risks compared to the previous year, i.e. risks that were assessed as higher in the 2022 Annual Report than in 2023, or vice versa. Reductions in risk are mainly due to the results of the marketing strategy change last year and the implementation of additional effective mitigation measures. Increases relate to the internal strategic decision to switch to a new e-commerce strategy with a new SaaS platform.

Risk	2023	2022
OPERATIONAL RISKS		
Errors and delays in execution of technology change	High	Moderate
STRATEGIC RISKS		
External political influences	Very High	High
Execution of our new marketing strategy	Low	High
Increased competition and margin pressure	Moderate	High

Overall Risk Assessment by the Management Board

Management is satisfied that no going-concern risks existed for the Company in 2023. At present, it does not see any individual risks or bundles of risks that threaten the Company's continued existence as a going concern in 2024. Management believes that it has taken all necessary precautions to address existing risks and reduce their possible impact.

6.8 Report on Opportunities

While Westwing faces a number of risks, the Company also has a number of opportunities with great potential for the future. Opportunities are defined as positive deviations from planning and offer Westwing the prospect of both growth and increased profitability. We are constantly on the lookout for new business opportunities and new ways of improving customer satisfaction. A summary of the most significant opportunities identified by the Company is given below. The list was extended in 2023 to include the use of artificial intelligence (AI).

Brand Awareness and New Customer Segments

Management sees Westwing's strong premium brand, brand perception and brand awareness as key factors in its long-term success. Retailer brands are very important in Home & Living, unlike in other industries such as fashion where the customer focus is primarily on supplier brands. Westwing presents itself as a premium brand that values quality, style and inspiration, and that conveys confidence, trust and personality to its customers. This is achieved by organic marketing such as a strong social media presence, by focusing on high-quality content creation and by carefully selected marketing initiatives.

We unveiled a new corporate identity and launched a brand awareness campaign in the second half of 2023. We are confident that Westwing's strong position as a Home & Living brand, combined with enhanced brand awareness, can help us reach new customer segments that will drive the Company's growth.

Country Expansion and New Sales Channels
Westwing is preparing to expand into a new country by launching its Shop business in Portugal in 2024. This is the Company's first country expansion for several years and has the potential to add additional revenue. The experiences and lessons learned from this new business might also lead to additional country launches, further driving Westwing's growth.

In 2022, Westwing opened its first permanent Store at one of Hamburg's top addresses, the famous Jungfernstieg boulevard. Visitors can discover furniture, home accessories, decoration trends and everything else they need to make their homes more beautiful. A team of experts is available to advise them on site. Our plans to expand into more cities in 2024 offer opportunities for growth, brand awareness and customer satisfaction.

In addition, Westwing continuously searches for growth potential in other sales channels such as business-to-business, and builds partnerships with other retailers.

Westwing Collection
In recent years, Westwing substantially expanded its Westwing Collection, with the share of our product offering reaching an all-time high of 47% of Group GMV in 2023. These internally designed products enable us to present a curated and well-rounded assortment on our website that perfectly matches both our premium brand and our customers' tastes. Together with the higher margins that it offers, the Westwing Collection also serves as a competitive advantage. We are planning to substantially expand our Westwing Collection once again in 2024.

Improved Negotiating Position with Suppliers
Weaker consumer sentiment means many factories around the world are facing lower customer order volumes for 2024. This puts Westwing in a better negotiating position with the suppliers for our rapidly growing Westwing Collection. In addition, our buying team can decrease our costs of goods sold as we grow our sales volume, especially for our Westwing Collection products.

Use of Artificial Intelligence (AI) and Automation
The integration of AI is changing a number of industries. For example, AI-driven tools can generate high-quality visuals and texts in the areas of graphic design, content creation and product management. This can lead to cost savings and operational efficiencies, as fewer employees are required.

At Westwing, we are constantly reviewing our processes and actively seeking opportunities for automation. This can enhance our efficiency, speed up operations and reduce our costs.

7. OUTLOOK

7.1 Future Macroeconomic and Sector-specific Environment

The global economy continued to face some tough challenges in 2023 and the outlook for 2024 does not imply a rapid recovery. Geopolitical crises such as the ongoing war in Ukraine and the escalating situation in the Middle East will very probably continue to destabilise the global economy. Additionally, the economic recovery following the COVID-19 pandemic is progressing more slowly than initially anticipated. Based on current assumptions, a full recovery in global output to its pre-pandemic trend is not expected in the medium term.[52]

On the positive side, the inflation rates that the world has seen in the last two years – the highest in a decade – are expected to slow in 2024. Equally, the currently extremely tight monetary policies imposed by central banks over the world are likely to become less restrictive in 2024, offering some relief. However, it could take at least until 2025 before inflation returns to target in most economies.[53]

According to the IMF, global consumer price inflation is expected to ease to 5.8% in 2024. However, advanced economies are predicted to see moderate inflation of 2.6%.[54]

Global GDP growth in 2024 is predicted to stagnate and remain at the 2023 level of 3.1%. Advanced economies in particular will suffer, with overall GDP growth expected to be only 1.5% in 2024. The impact in Germany, Westwing's largest market, will be especially severe, with the IMF forecasting annual GDP growth of only 0.5% for 2024.[55]

7.2 Future Development of the Westwing Group

Our business development forecast for the coming year is based on the assumptions described in the Report on the Company's Economic Position, the Risk Report and the Report on Opportunities. We do not expect to see any material changes in the Westwing Group's business activities apart from the restructuring relating to the centralisation of our business functions and warehouses, and the strategy change regarding the Company's front-end and back-end software solutions.

Our outlook takes into consideration the low visibility of consumer behaviour, the economic environment and ongoing developments in the war in Ukraine and the confrontations in the Middle East. We are convinced that our business is developing in the right direction in structural terms.

For 2024, we are focusing on selected growth initiatives, expanding the categories offered by our Westwing Collection and driving forward sustainability in all our processes and offerings. At the same time, we will implement the technology strategy change and the restructuring in Italy and Spain as efficiently and smoothly as possible without impacting our revenue.

We are forecasting total revenue for 2024 of between EUR 415m and EUR 445m, with growth of – 3% to + 4% and an Adjusted EBITDA between EUR 14m and EUR 24m. The Adjusted EBITDA margin will be in the range of 3% to 5%. While we expect both segments to see similar revenue trends, we are assuming that the DACH segment will achieve a slightly more positive Adjusted EBITDA margin.

52 International Monetary Fund: World Economic Outlook Database October 2023; p.18.
53 International Monetary Fund: World Economic Outlook Database October 2023; p.17.
54 International Monetary Fund: World Economic Outlook Database January 2024; p.6.
55 International Monetary Fund: World Economic Outlook Database January 2024; p.6.

This forecast has been made at a time of persistently high uncertainty regarding consumer sentiment, inflation and geopolitical developments. It assumes that there will be no further deterioration compared to what has already been seen over the rest of 2024.

8. SUPPLEMENTARY MANAGEMENT REPORT FOR WESTWING GROUP SE (IN ACCORDANCE WITH THE HGB)

Westwing Group SE's annual financial statements were prepared in accordance with the provisions of the German Commercial Code (Handelsgesetzbuch – HGB). Westwing Group SE is the parent company of the Westwing Group and also acts as the holding company for the Group's various operating entities. It does not generate revenue with third parties itself; rather, its income comes from the provision of internal Group services that are reported as revenue. Key performance indicators for Westwing Group SE are revenue and the operating result, which is defined as earnings before financial result, depreciation, amortisation and taxes.

8.1 Westwing Group SE's Financial Performance

EURm	2023	2022
Revenue	**86.2**	**70.0**
Own work capitalised	3.7	9.6
Other operating income	0.7	0.3
Gross profit	**90.6**	**79.9**
Cost of materials	−35.3	−32.2
Personnel expenses	−28.6	−34.1
Depreciation, amortisation and write-downs of tangible fixed assets and intangible assets	−7.9	−7.3
Other operating expenses	−73.2	−35.3
Operating result	**−54.3**	**−29.0**
Income from loans held as financial assets	2.6	3.9
Interest and similar income	1.0	0.0
Write-downs on long-term financial assets	−79.4	0.0
Write-ups of long-term financial assets	68.4	0.0
Income (expenses) from profit transfer (loss transfer)	0.7	−0.6
Interest and similar expenses	−0.1	−0.3
Financial result	**−6.8**	**3.0**
Taxes on income	−0.2	−0.3
Result after tax	**−61.3**	**−26.3**

Revenue at Westwing Group SE increased from EUR 70.0m in 2022 to EUR 86.2m in 2023, a year-on-year revenue growth rate of 23.1%. This was mainly due to the Group's more effective marketing structure in 2023 and to its website integration ("OneWestwing"). This resulted in more services being provided by Westwing Group SE to affiliates than in the previous year.

Own work capitalised decreased by 61.4% to EUR 3.7m (2022: EUR 9.6m) as a result of the Company's cost savings and the associated new technology set-up. Other operating income increased to EUR 0.7m in 2023 (2022: EUR 0.3m).

Personnel expenses declined by EUR 5.6m, primarily because of the smaller number of employees. Share-based payment expenses increased to EUR 0.8m (2022: EUR 0.2m) due to the extension of the 2022 equity compensation package (ECP 2022), which also applied for a whole year for the first time.

The cost of materials, which comprises the cost of purchased services only, was EUR 35.3m (2022: EUR 32.2m). This year on year increase was driven by a higher marketing spend that became necessary due to the change in the Group's marketing strategy, including its recently unveiled refreshed corporate identity.

The increase in other operating expenses is due to the capital increase at a subsidiary amounting to EUR 44.2m. A write-up on loans was recognised in nearly the same amount for this matter, meaning that the amount was not taken into account when determining the operating result used for management purposes.

All in all, an adjusted operating loss of EUR −2.3m before financial result, depreciation, amortisation and taxes was incurred in 2023 (2022: EUR −21.7m).

The financial result of EUR −6.8m (2022: EUR 3.0m) is primarily impacted by impairments on loans to and shares in affiliates of EUR 79.4m, thereof EUR 57.6m relate to impairment losses that became necessary due to the centralisation of business functions formerly located in Italy and Spain. These were partly offset by a write-up of loans to affiliates of EUR 68.4m. In addition, the financial result includes income from loans held as financial assets of EUR 2.6m (2022: EUR 3.9m), interest and similar income of EUR 1.0m (2022: EUR 0.0m) and interest and similar expenses of EUR 0.1m (2022: EUR 0.3m). Interest and similar income primarily consist of interest income from fixed deposits of EUR 1.0m.

8.2 Changes in Westwing Group SE's Financial Position

Westwing Group SE had cash and cash equivalents of EUR 3.1m as at 31 December 2023 (31 December 2022: EUR 38.6m). This does not include a fixed-term deposit with a notice period of three months in the amount of EUR 10.0m.

The changes in the cash and cash equivalents item were as follows:

In 2023, the Company financed operations at its subsidiaries by extending loans of EUR 10.8m (2022: EUR 37.1m). These loans are deemed to be long-term from an economic perspective but are short-term for legal purposes. In addition, a capital increase of EUR 44.2m was implemented at one of the subholdings.

Loan receivables from affiliates and interest amounting to EUR 50.5m were paid in 2023 (2022: EUR 41.5m).

Investments in tangible and intangible assets amounted to EUR 4.0m in the 2023 financial year (2022: EUR 11.2m).

Repayments of supplier finance arrangements resulted in a cash outflow of EUR 4.0m, while releases of rental deposits led to a cash inflow of EUR 0.5m. Interest income from fixed deposits resulted in a cash inflow of EUR 1.0m.

Cash outflows of EUR 3.7m related to the purchase of treasury shares.

Investments in a fixed-term deposit with a notice period of three months totalled EUR 10.0m.

Westwing Group SE ensured that sufficient liquid funds were available at all times to conduct business activities at the Company and the Group. Westwing Group SE has issued a letter of comfort to its subsidiary Westwing GmbH and all other direct affiliates, in which it assumes liability for obligations arising up to 31 December 2025. Westwing Group SE has always met its payment obligations.

8.3 Net Assets of Westwing Group SE

EURm	31 Dec. 2023	31 Dec.2022
Assets		
Non-current assets		
Intangible assets	19.2	23.2
Tangible fixed assets	2.0	3.1
Long-term financial assets	98.7	147.4
Total non-current assets	**119.9**	**173.8**
Current assets		
Receivables and other assets	47.1	23.4
Cash and cash equivalents	3.1	38.6
Total current assets	**50.2**	**62.0**
Prepaid expenses	1.3	2.1
Total assets	**171.5**	**237.9**
Equity and liabilities		
Equity		
Share capital	20.9	20.9
Treasury shares	– 0.8	– 0.4
Issued capital	**20.1**	**20.5**
Capital reserves	345.1	348.4
Accumulated losses	– 217.5	–156.3
Total equity	**147.7**	**212.7**
Liabilities		
Provisions	11.8	10.8
Trade payables and other liabilities	11.9	14.3
Deferred income	0.1	0.1
Total equity and liabilities	**171.5**	**237.9**

Total assets as at 31 December 2023 amounted to EUR 171.5m, a decrease of EUR 66.4m compared to the previous year (31 December 2022: EUR 237.9m). This change was mainly driven by lower long-term financial assets and a decrease in cash and cash equivalents, which were partly offset by increased receivables and other assets.

Intangible assets consisted of both purchased and internally developed software in financial year 2023. The net carrying amount decreased by EUR 4.0m to EUR 19.2m (31 December 2022: EUR 23.2m). This was due to the fact that the capitalisation of software development expenses of EUR 3.8m was more than offset by amortisation of EUR 6.5m and disposals of EUR 1.3m. Tangible fixed assets decreased to EUR 2.0m (31 December 2022: EUR 3.1m), mainly because of depreciation.

Investments in subsidiaries decreased and amounted to EUR 13.0m in 2023 (31 December 2022: EUR 15.4m). This reduction was in particular due to the EUR 2.0m write-down of shares following the decision to centralise business functions and warehouse sin Spain and Italy.

Loans extended to subsidiaries reported under long-term financial assets decreased by EUR 46.3m to EUR 85.7m (31 December 2022: EUR 132.0m). This was due firstly to repayments of loan and interest receivables totalling EUR 50.5m, which were partly offset by new loans and interest receivables to affiliates of EUR 13.4m. In addition, the merger of Westwing Group SE with a subsidiary resulted in the elimination of loans totalling EUR 30.0m and the addition of new loans amounting to EUR 8.1m. Furthermore, the centralisation of business functions and warehouses in Spain and Italy required loan impairments totalling EUR 55.6m. This was offset by a reversal of impairment losses on loans totalling EUR 27.7m due to the merger of two subsidiaries and a reversal of impairment losses on loans due to the capital increase in a subsidiary amounting to EUR 40.7m.

Current assets amounted to EUR 50.2m as at the end of 2023 (31 December 2022: EUR 62.0m). Receivables from affiliated companies included in trade and other receivables increased to EUR 36.6m (31 December 2022: EUR 22.8m). Cash and cash equivalents were EUR 35.5m lower than in the previous year, at EUR 3.1m (31 December 2022: EUR 38.6m). This was also due to the capital increase at one of the subholdings and investments in a fixed-term deposit with a notice period of three months.

The Company's equity as at the balance sheet date fell by EUR 65.0m in 2023, from EUR 212.7m in December 2022 to EUR 147.7m in December 2023. This was mainly driven by the loss after tax.

The equity ratio decreased slightly from 89.4% as at 31 December 2022 to 86.1% as at 31 December 2023.

Provisions increased from EUR 10.8m in December 2022 to EUR 11.8m in December 2023, with the primary cause being higher marketing provisions.

Liabilities decreased from EUR 14.3m as at the end of 2022 to EUR 11.9m as at 31 December 2023. This was mainly due to the absence of liabilities from supplier finance arrangements (31 December 2022: EUR 4.0m), which was partially offset by an increase of EUR 2.0m in trade payables.

8.4 Westwing Group SE Employees

Westwing Group SE employed 322 people including interns, temporary staff and management personnel as at the end of December 2023 (2022: 356). A total of 192 people worked in administration/IT and 130 in marketing. Westwing Group SE's Technology department currently develops the Company's own software applications in almost all cases.

A total of 59.9% of Westwing Group SE's employees were female as at the end of 2023, nearly on a par with the figure for the Group as a whole.

Please see the Corporate Governance Statement for information on the percentage of, and targets for, the proportion of women on the Management Board and the Supervisory Board, and for the Company's diversity disclosures.

8.5 Risks and Opportunities Facing Westwing Group SE

The risks and opportunities facing Westwing Group SE are largely the same as for the Group as a whole. For further information, please refer to the Report on Opportunities and Risks in section 6 of this Combined Management Report. Additional risks exist in relation to the potential need to write down loans to affiliates, or to provide them with liquidity, depending on their business performance.

8.6 Outlook for Westwing Group SE

The economic forecast and expectations for Westwing Group SE's operating business are substantially the same as for the Westwing Group. Please see section 7 of this Combined Management Report for further details.

Westwing Group SE is expecting a significantly lower level of revenue in financial year 2024 compared to the previous year. This reflects the expected reduction in business volumes at the operating subsidiaries for which operations are to be centralised. This in line with Westwing Group SE's role as the holding company for the Westwing Group that provides services for its affiliates. Adjusted earnings before financial result, depreciation, amortisation and taxes are forecast to improve moderately compared to financial year 2023, as efficiency will increase when the holding services are provided to fewer entities.

Westwing Group SE's 2023 revenue increased by 23.1% to EUR 86.2m. This is above expectations, which were for similar revenue to the previous year. The increase is attributable to additional services that the Company provided to its affiliates following the changes in the Group's marketing structure that took effect in 2023 as a result of its website integration ("OneWestwing"). As a result, adjusted earnings before financial result, depreciation, amortisation and taxes increased significantly, rising from EUR −21.7m in 2022 to EUR −2.3m in 2023. This development was reinforced by the cost savings initiated by the Group in the second half of 2022. Consequently, we exceeded our guidance for the year 2023, which was for a moderate improvement only.

Overall, 2023 was another challenging year overall for Westwing Group SE. Nevertheless, we are convinced that Westwing has the necessary operational and financial resources to achieve its ambitious targets in the medium and long term.

9. OTHER DISCLOSURES

9.1 Corporate Governance Statement

The Corporate Governance Statement pursuant to section 289f and section 315d of the German Commercial Code (Handelsgesetzbuch – HGB), including the Compliance Declaration pursuant to section 161 of the German Stock Corporation Act (Aktiengesetz – AktG), has been made publicly available on the Investor Relations/Corporate Governance section of the Company's website. Past corporate governance statements and compliance declarations can also be found there. The current Corporate Governance Statement including the current Compliance Declaration has also been published in this annual report.

9.2 Disclosures Required under Takeover Law

The Management Board of Westwing Group SE (the "Company") has prepared the following explanatory report on the disclosures pursuant to sections 289a and 315a of the HGB that is required by section 176(1) sentence 1 of the AktG:

COMPOSITION OF SUBSCRIBED CAPITAL (SECTION 289A SENTENCE 1 NO. 1 AND SECTION 315A SENTENCE 1 NO. 1 OF THE HGB)

The share capital was unchanged as at 31 December 2023, at EUR 20,903,968.00. It is composed of 20,903,968 no-par value bearer shares with a notional interest in the share capital of EUR 1.00 per share. The share capital is fully paid up. All shares carry the same rights and duties. Each no-par value share entitles the holder to one vote. The right of shareholders to receive share certificates is excluded under Article 5(2) of the Company's Articles of Association.

RESTRICTIONS ON VOTING RIGHTS OR THE TRANSFER OF SHARES (SECTION 289A SENTENCE 1 NO. 2 AND SECTION 315A SENTENCE 1 NO. 1 OF THE HGB):

The Company held 801,321 treasury shares as at 31 December 2023. Pursuant to section 71b of the AktG, the Company is not entitled to any rights in respect of its treasury shares.

Otherwise, no basic restrictions on voting rights exist. Westwing Group SE is not aware of any agreements restricting voting rights or the transferability of shares. In addition to the statutory provisions governing insider dealing and the prohibition on trading set out in the Market Abuse Regulation, the Company provides information on “silent periods” – the 30 days before the publication of the financial results for each quarter – and recommends refraining from trading during these periods. The Company has produced an internal capital markets compliance policy.

DIRECT AND INDIRECT SHAREHOLDINGS EXCEEDING 10% OF THE VOTING RIGHTS (SECTION 289A SENTENCE 1 NO. 3 AND SECTION 315A SENTENCE 1 NO. 3 OF THE HGB):

According to the information made available to the Company, the following interests in the Company’s share capital exceeded the threshold of 10% of the voting rights as at 31 December 2023:

- Zerena GmbH, Grünwald, to which the share in the voting rights held by Rocket Internet SE, Berlin (28.9% of the share capital) is attributed pursuant to section 34 of the German Securities Trading Act (Wertpapierhandelsgesetz – WpHG).

SHARES WITH SPECIAL RIGHTS CONVEYING POWERS OF CONTROL (SECTION 289A SENTENCE 1 NO. 4 AND SECTION 315A SENTENCE 1 NO. 4 OF THE HGB):

There are no shares with special rights, and in particular no special rights conveying powers of control.

CONTROL OF VOTING RIGHTS IF EMPLOYEES ARE SHAREHOLDERS (SECTION 289A SENTENCE 1 NO. 5 AND SECTION 315A SENTENCE 1 OF THE HGB):

Like other shareholders, employees who hold interests in the Company’s share capital exercise their voting rights directly themselves, in line with the statutory provisions and the Articles of Association.

STATUTORY REQUIREMENTS AND PROVISIONS OF THE ARTICLES OF ASSOCIATION GOVERNING THE APPOINTMENT AND REMOVAL OF MEMBERS OF THE MANAGEMENT BOARD AND CHANGES TO THE ARTICLES OF ASSOCIATION (SECTION 289A SENTENCE 1 NO. 6 AND SECTION 315A SENTENCE 1 NO. 6 OF THE HGB):

In accordance with Article 7 of the Articles of Association and section 84 of the AktG, the Supervisory Board determines the number of members of the Management Board and is responsible for appointing and dismissing them. The Supervisory Board can appoint a chairman and a deputy chairman. Appointments are made for a maximum term of five years. Members may be reappointed or their terms of office prolonged for a maximum of five years in each case. Appointments may be revoked for good cause as set out in section 84(4) of the AktG. Otherwise, the statutory provisions shall apply (sections 84 and 85 of the AktG).

As required by section 179(1) of the AktG, all amendments to the Articles of Association require a resolution by the General Meeting. Article 20(2) of the Articles of Association states that, where no other majority is prescribed by law, amendments to the Article of Associations require a majority of two-thirds of the votes cast or, if at least half of the share capital is represented, a simple majority of the votes cast.

The Supervisory Board is authorised by section 179(1) sentence 2 of the AktG in conjunction with sections 4(3), (4) and (5) of the Articles of Association to amend the Articles of Association appropriately in the case of amendments made following the utilisation of Authorised Capital 2022/I or of Authorised Capital 2023/I, after expiration of the authorisation period, after the exercise of Conditional Capital 2023 or after expiration of all option and conversion deadlines.

POWERS OF THE MANAGEMENT BOARD, IN PARTICULAR CONCERNING THE ABILITY TO ISSUE OR BUY BACK SHARES (SECTION 289A SENTENCE 1 NO. 7 AND SECTION 315A SENTENCE 1 NO. 7 OF THE HGB):

AUTHORISATION TO ACQUIRE TREASURY SHARES

The Company's Annual General Meeting on 5 August 2021 authorised the Management Board, with the Supervisory Board's approval, to acquire treasury shares amounting to up to a total of 10% of the Company's share capital at the time of the resolution or – should this amount be lower – of the Company's share capital in existence at the time the authorisation is exercised. The authorisation expires at the end of 4 August 2026 and acquisitions shall comply with the principle of equal treatment (section 53a of the AktG). At no point may the shares acquired on the basis of this authorisation, together with any other treasury shares that the Company has already acquired and continues to hold, or that are attributable to it pursuant to sections 71a f. of the AktG, exceed 10% of the Company's share capital.

The authorisation may be exercised once or several times, in whole or in part, in pursuit of one or more purposes by the Company, as well as by Group companies or by third parties for the account of the Company or the Group companies concerned. The authorisation may not be exercised for the purpose of trading in treasury shares. For further details, please see agenda item 9 of the invitation to the Company's Annual General Meeting on 5 August 2021; this is also available from the Investor Relations/ Annual General Meeting section of the corporate website.

This authorisation was utilised as follows in financial year 2023:

Based on the authorisation above, Westwing Group SE's Management Board resolved on 24 November 2022, with the Supervisory Board's approval, to implement a share buy-back program with a maximum volume of 600,000 of the Company's shares at a total price (not including ancillary costs) of up to EUR 3.0m ("2022 Share Buyback Program"). The buyback of the shares in XETRA trading on the Frankfurt Stock Exchange started on 28 November 2022. The 2022 Share Buyback Program ended on 31 March 2023, the expiration date. The Company held 326,475 treasury shares (approximately 1.56% of its share capital) at the start of the 2022 Share Buyback Program and a total of 232,093 of the shares in the Company were acquired in the course of it. This corresponds to a notional interest in the Company's registered share capital of roughly 1.11%.

Furthermore, based on the authorisation above, Westwing Group SE's Management Board resolved on 24 April 2023, with the Supervisory Board's approval, to implement a share buy-back program with a maximum volume of 600,000 of the Company's shares at a total price (not including ancillary costs) of up to EUR 3.0m ("2023/I Share Buyback Program"). The buyback via XETRA trading on the Frankfurt Stock Exchange started on 26 April 2023 and ended at the end of 31 October 2023. The Company held 556,918 treasury shares (approximately 2.66% of the registered share capital) at the start of the 2023/I Share Buyback Program. The Share Buyback Program ended on 31 October 2023, the expiration date. A total of 198,333 of the shares in the Company were acquired in the course of the 2023/I Share Buyback Program. This corresponds to a notional interest in the Company's registered share capital of roughly 0.95%.

Furthermore, based on the authorisation above, Westwing Group SE's Management Board resolved on 22 November 2023, with the Supervisory Board's approval, to implement an additional share buy-back program with a maximum volume of 600,000 of the Company's shares at a total price (not including ancillary costs) of up to EUR 3.0m ("2023/II Share Buyback Program"). The buyback via XETRA trading on the Frankfurt Stock Exchange started on 27 November 2023 and will end at the end of 30 April 2024. The Company held 755,251 treasury shares (approximately 3.61% of the registered share capital) at the start of the 2023/II Share Buyback Program. A total of 46,070 shares in the Company were acquired under the 2023/II Share Buyback Program in the period up to 31 December 2023, inclusive.

Additional details of the 2022, 2023/I and 2023/II Share Buyback Programs, including weekly transaction reports, can be found in the Investor Relations/Share/Share Buy-back 2022, 2023/I and 2023/II sections of the corporate website.

The Company sold and transferred 1,650 treasury shares to a former employee in the period from 1 January 2023 to 31 December 2023.

AUTHORISATION TO ACQUIRE TREASURY SHARES USING EQUITY DERIVATIVES

In addition, the Management Board was authorised by the General Meeting on 5 August 2021 to acquire, with the Supervisory Board's approval, treasury shares amounting to up to a total of 5% of the share capital in existence at the time of the resolution in the period up to 4 August 2026 using derivatives (put or call options or a combination of the two). Any shares acquired in this way must also be counted towards the 10% limit on the authorisation to acquire treasury shares. For further details, please see agenda item 10 of the invitation to the Company's Annual General Meeting on 5 August 2021; this is also available from the Investor Relations/Annual General Meeting section of the corporate website.

This authorisation was not utilised in fiscal 2023.

EXERCISE OF PURCHASE RIGHTS RELATING TO THE PURCHASE OF TREASURY SHARES

The Management Board was also authorised by the Company's Extraordinary General Meeting on 21 September 2018 to exercise, with the Supervisory Board's approval and in the period up to 20 September 2023, the rights to purchase treasury shares under existing agreements – and especially angel agreements – which were entered into between the Company or its subsidiaries and the Company's or its subsidiaries' current and/or former employees, members of governing bodies, (former) advisers and/or supporters (or their respective investment vehicles), and to acquire treasury shares up to a total of 10% of the Company's share capital at the time of the resolution or – should this amount be lower – of the Company's share capital at the time of the exercise of the authorisation. The treasury shares acquired and held by the Company must be credited against this 10% limit.

This authorisation was not utilised in fiscal 2023.

AUTHORISED CAPITAL AS AT 31 DECEMBER 2023:

AUTHORISED CAPITAL 2022/I

The Management Board was authorised by the Annual General Meeting on 18 May 2022 – which also rescinded Authorised Capital 2018/V – with the Supervisory Board's approval, to increase the Company's share capital by up to EUR 2,090,396.00 in the period up to 17 May 2027 (inclusive) by issuing up to 2,090,396 new no-par value bearer shares against cash and/or non-cash contributions on one or more occasions ("Authorised Capital 2022/I"). Shareholders' pre-emptive subscription rights have been disapplied. The details of Authorised Capital 2022/I are set out in Article 4(3) of the Company's Articles of Association.

AUTHORISED CAPITAL

At the start of financial year 2023, Article 4(4) of Westwing Group SE's Articles of Association set out the rules governing Authorised Capital 2018/VI. The authorisation granted there to the Management Board expired on 20 September 2023. Westwing Group SE's Authorised Capital 2018/VI was replaced following a resolution by the Annual General Meeting on 16 May 2023 and a related change to the Articles of Association by a new Authorised Capital 2023/I, since its objective had partly been frustrated and the authorisation period had expired.

Under the new arrangement, the Management Board has been authorised, with the Supervisory Board's approval, to increase the Company's share capital by up to EUR 4,000,000.00 in the period up to 15 May 2028 (inclusive) by issuing up to 4,000,000 new no-par value bearer shares against cash and/or non-cash contributions on one or more occasions ("Authorised Capital 2023/I"). Shareholders have pre-emptive subscription rights in principle. However, these rights can be disapplied in certain circumstances and within prescribed limits, with the Supervisory Board's approval. The new shares may also be issued to one or more credit institutions or other companies named in article 5 of the SE Verordnung (SE VO — SE Regulation) in conjunction with section 186(5) sentence 1 of the AktG on condition that they offer them directly to shareholders (indirect subscription right), or may also be granted in part by way of a direct subscription right (e.g. to shareholders who are entitled to subscribe for them and who have previously entered into a binding subscription agreement), or otherwise by way of an indirect subscription right pursuant to article 5 of the SE VO in conjunction with section 186(5) sentence 1 of the AktG.

The details of Authorised Capital 2023/I are set out in Article 4(4) of the Articles of Association.

CONDITIONAL CAPITAL

The General Meeting on 21 September 2018 authorised the Management Board, with the Supervisory Board's approval, to issue, in the period from 21 September 2018 to 20 September 2023, convertible bonds, bonds with warrants, profit participation rights and/or participating bonds, or a combination of these instruments ("bonds") carrying rights to subscribe for shares of the Company in a total nominal amount of up to EUR 100,000,000.00. Consequently, the Company's share capital had been conditionally increased by up to EUR 5,000,000.00 at the beginning of financial year 2023 ("Conditional Capital 2018"). This authorisation was not utilised.

The resolution of the Company's Annual General Meeting on 16 May 2023 and an associated amendment to the Articles of Association created a new authorisation to issue bonds with warrants/convertible bonds, profit participation rights and/or participating bonds, or a combination of these instruments, along with an option to disapply pre-emptive subscription rights. Consequently, the Company's share capital has been conditionally increased by up to EUR 2,000,000.00 by issuing up to 2,000,000 no-par value bearer shares (Conditional Capital 2023).

The Management Board is authorised, with the Supervisory Board's approval, to issue, in the period up to 15 May 2028 (inclusive), bearer or registered bonds with warrants/convertible bonds, profit participation rights and/or participating bonds, or combinations of these instruments (hereinafter collectively referred to as "bonds") with a total nominal amount of up to EUR 50,000,000.00 on one or more occasions, and to grant the creditors (hereinafter referred to as the "holders") of the bonds in question, which shall bear equal rights among themselves, options or conversion rights to new bearer shares of the Company with a notional interest in the share capital of up to a total of EUR 2,000,000.00, as set out in greater detail in the terms and conditions of the bonds. The authorisation to issue bonds has not been utilised to date. The details of this Conditional Capital are set out in Article 4(5) of the Company's Articles of Association.

MATERIAL AGREEMENTS BY THE COMPANY THAT TAKE EFFECT IN THE EVENT OF A CHANGE OF CONTROL FOLLOWING A TAKEOVER BID, TOGETHER WITH THE RESULTING EFFECTS (SECTION 289A SENTENCE 1 NO. 8 AND SECTION 315A SENTENCE 1 NO. 8 OF THE HGB):

A EUR 10m global credit facility entered into in September 2022 between Westwing Group SE and Norddeutsche Landesbank grants Norddeutsche Landesbank a right to terminate the facility if a single shareholder acquires a majority of the voting rights and/or an interest of at least 50% in the share capital.

In addition, the Management Board contracts of service contain change of control clauses (see below for further details).

COMPENSATION AGREEMENTS ENTERED INTO BETWEEN THE COMPANY AND THE MEMBERS OF THE MANAGEMENT BOARD OR EMPLOYEES IN CASE OF A TAKEOVER BID (SECTION 289A SENTENCE 1 NO. 9 AND SECTION 315A SENTENCE 1 NO. 9 OF THE HGB):

The Management Board contracts of service agreed between Westwing Group SE on the one hand and CEO Dr Andreas Hoerning and CFO Sebastian Westrich respectively on the other grant the two men the right to terminate their contracts of service in writing within two months of a change of control occurring, giving three months' notice to the end of a calendar month ("special termination right"), and to resign their positions in line with this. Should the special termination right be exercised, the amount of any severance payment shall be limited to a maximum of two fixed annual salaries, but no more than the remuneration for the remaining term of office (severance payment cap).

Munich, 27 March 2024

Dr Andreas Hoerning
Chief Executive Officer
Westwing Group SE

Sebastian Westrich
Chief Financial Officer
Westwing Group SE

INDEPENDENT AUDITOR'S REPORT

To Westwing Group SE, Berlin

REPORT ON THE AUDIT OF THE ANNUAL FINANCIAL STATEMENTS AND OF THE MANAGEMENT REPORT

Audit Opinions

We have audited the annual financial statements of Westwing Group SE, Berlin, which comprise the balance sheet as at December 31, 2023, and the statement of profit and loss for the financial year from January 1 to December 31, 2023, and notes to the financial statements, including the presentation of the recognition and measurement policies. In addition, we have audited the management report of Westwing Group SE, which is combined with the group management report, for the financial year from January 1 to December 31, 2023. In accordance with the German legal requirements, we have not audited the content of those parts of the management report listed in the "Other Information" section of our auditor's report.

In our opinion, on the basis of the knowledge obtained in the audit,

- the accompanying annual financial statements comply, in all material respects, with the requirements of German commercial law and give a true and fair view of the assets, liabilities and financial position of the Company as at December 31, 2023 and of its financial performance for the financial year from January 1 to December 31, 2023 in compliance with German Legally Required Accounting Principles and

- the accompanying management report as a whole provides an appropriate view of the Company's position. In all material respects, this management report is consistent with the annual financial statements, complies with German legal requirements and appropriately presents the opportunities and risks of future development. Our audit opinion on the management report does not cover the content of those parts of the management report listed in the „Other Information" section of our auditor's report.

Pursuant to § [Article] 322 Abs. [paragraph] 3 Satz [sentence] 1 HGB [Handelsgesetzbuch: German Commercial Code], we declare that our audit has not led to any reservations relating to the legal compliance of the annual financial statements and of the management report.

Basis for the Audit Opinions

We conducted our audit of the annual financial statements and of the management report in accordance with § 317 HGB and the EU Audit Regulation (No. 537/2014, referred to subsequently as "EU Audit Regulation") in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW). Our responsibilities under those requirements and principles are further described in the "Auditor's Responsibilities for the Audit of the Annual Financial Statements and of the Management Report" section of our auditor's report. We are independent of the Company in accordance with the requirements of European law and German commercial and professional law, and we have fulfilled our other German professional responsibilities in accordance with these requirements. In addition, in accordance with Article 10 (2) point (f) of the EU Audit Regulation, we declare that we have not provided non-audit services prohibited under Article 5 (1) of the EU Audit Regulation. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions on the annual financial statements and on the management report.

Key Audit Matters in the Audit of the Annual Financial Statements

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the annual financial statements for the financial year from January 1 to December 31, 2023. These matters were addressed in the context of our audit of the annual financial statements as a whole, and in forming our audit opinion thereon; we do not provide a separate audit opinion on these matters.

In our view, the matters of most significance in our audit were as follows:

❶ Measurement of shares in affiliated companies as well as loans to and receivables from affiliated companies

❷ Recognition and measurement of internally generated intangible assets for software solutions

Our presentation of these key audit matters has been structured in each case as follows:

① Matter and issue

② Audit approach and findings

③ Reference to further information

Hereinafter we present the key audit matters:

❶ **Measurement of shares in affiliated companies as well as loans to and receivables from affiliated companies**

① In the annual financial statements of Westwing Group SE as at December 31, 2023, shares in affiliated companies amounting to EUR 13.0 million (8% of total assets) are reported under the "Financial assets" balance sheet item. In addition, loans to affiliated companies amounting to EUR 85.7 million (50% of total assets) and receivables from those affiliated companies amounting to EUR 36.6 million (21% of total assets) are reported. Shares in affiliated companies, loans to affiliated companies and receivables from affiliated companies are measured in accordance with German commercial law at the lower of cost and fair value. The fair values are calculated as the present value of the expected future cash flows according to the planning projections prepared by the executive directors using discounted cash flow models. Expectations relating to future market developments and assumptions about the development of macroeconomic factors are also taken into account. The discount rate used is the individually determined cost of capital for the relevant affiliated company. On the basis of the values determined and supplementary documentation, no write-downs were required in the financial year.

The outcome of this valuation is dependent to a large extent on the estimates made by the executive directors of the future cash flows, and on the respective discount rates and rates of growth used. The valuation is therefore subject to material uncertainties. Against this background and due to the highly complex nature of the valuation and its material significance for the Company's assets, liabilities and financial performance, this matter was of particular significance in the context of our audit.

② As part of our audit, we assessed the methodology used by the Company for the purposes of the valuation of shares in affiliated companies as well as loans to and receivables from affiliated companies, among other things. In particular, we assessed whether the fair values had been appropriately determined using discounted cash flow models in compliance with the relevant measurement standards. We based our assessment, among other things, on the executive directors' detailed explanations regarding the key value drivers underlying the expected cash flows. In the knowledge that even relatively small changes in the discount rate applied can have a material impact on the value of the entity calculated in this way, we focused our testing in particular on the parameters used to determine the discount rate applied, and assessed the calculation model. Finally, we evaluated whether the values calculated in this way were properly compared against the carrying amount, in order to determine any write-downs or reversals of write-downs. In our view, taking into consideration the information available, the valuation parameters and underlying assumptions used by the executive directors are appropriate overall for the purpose of appropriately measuring the shares in affiliated companies as well as loans to and receivables from affiliated companies.

③ The Company's disclosures on the measurement of shares in affiliated companies, loans to and receivables from those affiliated companies are contained in the sections "III: Accounting policies: Financial assets and receivables", "IV: Notes to the balance sheet: Shares in and loans to affiliated companies" and "Receivables and other assets" of the notes to the financial statements.

❷ Recognition and measurement of internally generated intangible assets for software solutions

① In the annual financial statements of Westwing Group SE as at December 31, 2023, internally generated intangible fixed assets for internally developed software solutions amounting to EUR 19.2 million (11% of total assets) are reported under the balance sheet item "Internally generated industrial property rights and similar rights and assets". The internally generated intangible assets relate to software solutions for the purposes of the websites, apps and warehouse management system of Westwing Group SE. For the capitalization of an internally generated intangible fixed asset it is essential that the intended intangible asset is highly probable and that the development costs can be reliably attributed to the intangible asset to be capitalized. The capitalization of development costs for an internally generated intangible fixed asset already completed requires that the asset be expanded or materially improved, which means substantially enhanced. The amortization of internally generated assets is based on the assumptions made by the executive directors regarding the expected useful lives. Furthermore, disposals are recognized if specific expectations regarding the feasibility of developments projects are not met. The capitalization and measurement of the development costs incurred for these software solutions are based to a large extent on estimates and assumptions made by the Company’s executive directors, which mainly relate to the technical and economic feasibility of the development project and the distinction between substantial enhancement and the maintenance of existing software solutions.

Due to the large number of projects for the development of software solutions and the fact that the recognition and measurement of this material item in terms of amount are based to a large extent on estimates and assumptions made by the Company's executive directors, this matter was of particular significance in the context of our audit.

② As part of our audit procedures relating to the recognition and measurement of development costs incurred for software solutions, we first examined the processes and controls implemented by the executive directors for the capitalization of development costs for internally generated software solutions on the basis of the documentation provided to us, using individual development projects. In addition, we evaluated, among other things, the recognition of intangible assets and the method used for the accounting treatment and measurement of the development costs incurred in accordance with the requirements of German commercial law. In doing so, we also inspected the corresponding project records to assess the respective stage of project completion. Furthermore, we performed an analytical review of the list of all capitalized projects for the development of software solutions and the capitalization of associated development costs, and examined the methodology employed by the Company. In addition, on the basis of samples of the development projects for software solutions initially capitalized in the financial year, we examined the eligibility of development costs for capitalization, the existence of substantial enhancements to existing software solutions compared with existing software solutions as well as the assumptions made by the executive directors with respect to determining useful lives and the point at which to commence amortization. We also verified and assessed the ability to capitalize the development costs incurred based on documents of individual activities. For the estimates of useful lives, we also obtained an overview of all software development projects for software solutions and discussed with the executive directors which estimates and considerations were used for the deposited values. Furthermore, we compared – on a sample basis – the amounts of the development costs capitalized for material development projects with the personnel costs incurred, and reconciled these with the underlying timesheets, also on a sample basis. In order to detect indications for derecognition of development projects, we interviewed the executive directors and the responsible employees and analyzed the age structure of the development projects as well as the project-specific progress reports.

Based on our audit procedures, we were able to satisfy ourselves that the estimates and assumptions made by the executive directors are substantiated and sufficiently documented.

③ The Company's disclosures on the recognition and measurement of internally developed intangible assets for software solutions are contained in sections "III. Accounting policies", "IV. Notes to the balance sheet: Intangible assets" and "V. Notes to the income statement: Other own work capitalized" of the notes to the financial statements.

Other Information

The executive directors are responsible for the other information. The other information comprises the following non-audited parts of the management report:

- the non-financial group statement to comply with §§ 315b to 315c HGB included in section "4. Non-Financial Statement" of the management report
- the subsection "6.4. Significant Characteristics of the Internal Control and Risk Management System" in section „REPORT ON OPPORTUNITIES AND RISKS“ of the management report

The other information comprises further the statement on corporate governance pursuant to § 289f HGB and § 315d HGB.

Our audit opinions on the annual financial statements and on the management report do not cover the other information, and consequently we do not express an audit opinion or any other form of assurance conclusion thereon.

In connection with our audit, our responsibility is to read the other information mentioned above and, in so doing, to consider whether the other information

- is materially inconsistent with the annual financial statements, with the management report disclosures audited in terms of content or with our knowledge obtained in the audit, or

- otherwise appears to be materially misstated.

Responsibilities of the Executive Directors and the Supervisory Board for the Annual Financial Statements and the Management Report

The executive directors are responsible for the preparation of the annual financial statements that comply, in all material respects, with the requirements of German commercial law, and that the annual financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Company in compliance with German Legally Required Accounting Principles. In addition, the executive directors are responsible for such internal control as they, in accordance with German Legally Required Accounting Principles, have determined necessary to enable the preparation of annual financial statements that are free from material misstatement, whether due to fraud (i.e., fraudulent financial reporting and misappropriation of assets) or error.

In preparing the annual financial statements, the executive directors are responsible for assessing the Company's ability to continue as a going concern. They also have the responsibility for disclosing, as applicable, matters related to going concern. In addition, they are responsible for financial reporting based on the going concern basis of accounting, provided no actual or legal circumstances conflict therewith.

Furthermore, the executive directors are responsible for the preparation of the management report that as a whole provides an appropriate view of the Company's position and is, in all material respects, consistent with the annual financial statements, complies with German legal requirements, and appropriately presents the opportunities and risks of future development. In addition, the executive directors are responsible for such arrangements and measures (systems) as they have considered necessary to enable the preparation of a management report that is in accordance with the applicable German legal requirements, and to be able to provide sufficient appropriate evidence for the assertions in the management report.

The supervisory board is responsible for overseeing the Company's financial reporting process for the preparation of the annual financial statements and of the management report.

Auditor's Responsibilities for the Audit of the Annual Financial Statements and of the Management Report

Our objectives are to obtain reasonable assurance about whether the annual financial statements as a whole are free from material misstatement, whether due to fraud or error, and whether the management report as a whole provides an appropriate view of the Company's position and, in all material respects, is consistent with the annual financial statements and the knowledge obtained in the audit, complies with the German legal requirements and appropriately presents the opportunities and risks of future development, as well as to issue an auditor's report that includes our audit opinions on the annual financial statements and on the management report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with § 317 HGB and the EU Audit Regulation and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer (IDW) will always detect a material misstatement. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual financial statements and this management report.

We exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the annual financial statements and of the management report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our audit opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.

- Obtain an understanding of internal control relevant to the audit of the annual financial statements and of arrangements and measures (systems) relevant to the audit of the management report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an audit opinion on the effectiveness of these systems of the Company.

- Evaluate the appropriateness of accounting policies used by the executive directors and the reasonableness of estimates made by the executive directors and related disclosures.

- Conclude on the appropriateness of the executive directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the annual financial statements and in the management report or, if such disclosures are inadequate, to modify our respective audit opinions. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to be able to continue as a going concern.

- Evaluate the overall presentation, structure and content of the annual financial statements, including the disclosures, and whether the annual financial statements present the underlying transactions and events in a manner that the annual financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Company in compliance with German Legally Required Accounting Principles.

- Evaluate the consistency of the management report with the annual financial statements, its conformity with German law, and the view of the Company's position it provides.
- Perform audit procedures on the prospective information presented by the executive directors in the management report. On the basis of sufficient appropriate audit evidence we evaluate, in particular, the significant assumptions used by the executive directors as a basis for the prospective information, and evaluate the proper derivation of the prospective information from these assumptions. We do not express a separate audit opinion on the prospective information and on the assumptions used as a basis. There is a substantial unavoidable risk that future events will differ materially from the prospective information.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with the relevant independence requirements, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the annual financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter.

OTHER LEGAL AND REGULATORY REQUIREMENTS

Report on the Assurance on the Electronic Rendering of the Annual Financial Statements and the Management Report Prepared for Publication Purposes in Accordance with § 317 Abs. 3a HGB

Assurance Opinion

We have performed assurance work in accordance with § 317 Abs. 3a HGB to obtain reasonable assurance as to whether the rendering of the annual financial statements and the management report (hereinafter the "ESEF documents") contained in the electronic file Westwing_AG_JA+LB_ESEF-2023-12-31.zip and prepared for publication purposes complies in all material respects with the requirements of § 328 Abs. 1 HGB for the electronic reporting format ("ESEF format"). In accordance with German legal requirements, this assurance work extends only to the conversion of the information contained in the annual financial statements and the management report into the ESEF format and therefore relates neither to the information contained within these renderings nor to any other information contained in the electronic file identified above.

In our opinion, the rendering of the annual financial statements and the management report contained in the electronic file identified above and prepared for publication purposes complies in all material respects with the requirements of § 328 Abs. 1 HGB for the electronic reporting format. Beyond this assurance opinion and our audit opinion on the accompanying annual financial statements and the accompanying management report for the financial year from January 1 to December 31, 2023 contained in the “Report on the Audit of the Annual Financial Statements and on the Management Report” above, we do not express any assurance opinion on the information contained within these renderings or on the other information contained in the electronic file identified above.

Basis for the Assurance Opinion

We conducted our assurance work on the rendering of the annual financial statements and the management report contained in the electronic file identified above in accordance with § 317 Abs. 3a HGB and the IDW Assurance Standard: Assurance Work on the Electronic Rendering, of Financial Statements and Management Reports, Prepared for Publication Purposes in Accordance with § 317 Abs. 3a HGB (IDW AsS 410 (06.2022)) and the International Standard on Assurance Engagements 3000 (Revised). Our responsibility in accordance therewith is further described in the “Auditor’s Responsibilities for the Assurance Work on the ESEF Documents” section. Our audit firm applies the IDW Standard on Quality Management: Requirements for Quality Management in the Audit Firm (IDW QMS 1 (09.2022)).

Responsibilities of the Executive Directors and the Supervisory Board for the ESEF Documents

The executive directors of the Company are responsible for the preparation of the ESEF documents including the electronic rendering of the annual financial statements and the management report in accordance with § 328 Abs. 1 Satz 4 Nr. [number] 1 HGB.

In addition, the executive directors of the Company are responsible for such internal control as they have considered necessary to enable the preparation of ESEF documents that are free from material non-compliance with the requirements of § 328 Abs. 1 HGB for the electronic reporting format, whether due to fraud or error.

The supervisory board is responsible for overseeing the process for preparing the ESEF documents as part of the financial reporting process.

Auditor's Responsibilities for the Assurance Work on the ESEF Documents

Our objective is to obtain reasonable assurance about whether the ESEF documents are free from material non-compliance with the requirements of § 328 Abs. 1 HGB, whether due to fraud or error. We exercise professional judgment and maintain professional skepticism throughout the assurance work. We also:

- Identify and assess the risks of material non-compliance with the requirements of § 328 Abs. 1 HGB, whether due to fraud or error, design and perform assurance procedures responsive to those risks, and obtain assurance evidence that is sufficient and appropriate to provide a basis for our assurance opinion.

- Obtain an understanding of internal control relevant to the assurance work on the ESEF documents in order to design assurance procedures that are appropriate in the circumstances, but not for the purpose of expressing an assurance opinion on the effectiveness of these controls.

- Evaluate the technical validity of the ESEF documents, i.e., whether the electronic file containing the ESEF documents meets the requirements of the Delegated Regulation (EU) 2019/815 in the version in force at the date of the annual financial statements on the technical specification for this electronic file.

- Evaluate whether the ESEF documents provide an XHTML rendering with content equivalent to the audited annual financial statements and to the audited management report.

Further Information pursuant to Article 10 of the EU Audit Regulation

We were elected as auditor by the annual general meeting on May 16, 2023. We were engaged by the supervisory board on November 6, 2023. We have been the auditor of the Westwing Group SE, Berlin, without interruption since the financial year 2021.

We declare that the audit opinions expressed in this auditor's report are consistent with the additional report to the audit committee pursuant to Article 11 of the EU Audit Regulation (long-form audit report).

REFERENCE TO AN OTHER MATTER– USE OF THE AUDITOR'S REPORT

Our auditor's report must always be read together with the audited annual financial statements and the audited management report as well as the assured ESEF documents. The annual financial statements and the management report converted to the ESEF format – including the versions to be filed in the company register – are merely electronic renderings of the audited annual financial statements and the audited management report and do not take their place. In particular, the "Report on the Assurance on the Electronic Rendering of the Annual Financial Statements and the Management Report Prepared for Publication Purposes in Accordance with § 317 Abs. 3a HGB" and our assurance opinion contained therein are to be used solely together with the assured ESEF documents made available in electronic form.

GERMAN PUBLIC AUDITOR RESPONSIBLE FOR THE ENGAGEMENT

The German Public Auditor responsible for the engagement is Michael Popp.

Munich, March 27, 2024

PricewaterhouseCoopers GmbH
Wirtschaftsprüfungsgesellschaft

Dietmar Eglauer Wirtschaftsprüfer (German Public Auditor)	Michael Popp Wirtschaftsprüfer (German Public Auditor)