

WESTWING

HALF-YEAR REPORT

2021



WESTWING AT A GLANCE

Q2 2021 HIGHLIGHTS

- Revenue at EUR 131.7m with 18.6% growth
- Contribution margin at 29.0% (Q2 2020: 28.7%)
- Adjusted EBITDA margin of 8.1% (Q2 2020: 13.2%) – decrease driven by growth investments into technology, Westwing Collection and marketing
- Strong cash balance of EUR 122.1m as of June 30, 2021

KEY FIGURES (UNAUDITED)

	H1 2021	H1 2020	Change	Q2 2021	Q2 2020	Change
Results of operations						
Revenue (in EUR m)	270.1	178.6	51.2%	131.7	111.1	18.6%
Adjusted EBITDA (in EUR m)	30.3	13.5	16.8	10.7	14.7	-4.0
Adjusted EBITDA margin (in % of revenue)	11.2%	7.6%	3.7pp	8.1%	13.2%	-5.1pp
Financial position						
Free cash flow (in EUR m)	20.5	16.3	4.2	6.8	22.7	-15.9
Cash and cash equivalents (in EUR m, as of reporting date)	122.1	86.2	35.9			
Other performance indicators						
Westwing Collection share (in %)	32%	23%	9pp	32%	22%	10pp
GMV (in EUR m)	302	214	41.3%	139	128	7.9%
Number of orders (in k)	2,290	1,727	32.6%	1,022	1,051	-2.8%
Average basket size (in EUR)	132	124	6.6%	135	122	11.0%
Active customers (in k)	1,730	1,178	46.9%			
Average orders per active customer in the preceding 12 months	2.7	2.6	2.2%			
Average GMV per active customer in the preceding 12 months (in EUR)	341	325	4.9%			
Mobile visit share (in %)	79%	78%	1pp	80%	79%	1pp
Other						
Full-time equivalent employees (as of reporting date)	1,853	1,382	34.1%			

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REPORT ON ECONOMIC POSITION

1.1 FINANCIAL PERFORMANCE OF THE GROUP¹

The condensed income statement for the second quarter of 2021 shows revenue of EUR 131.7m with a growth of 18.6% compared to the same quarter of the previous year (Q2 2020: EUR 111.1m). GMV grew at 7.9% year-over-year. While the number of orders slightly decreased by 2.8% to 1.0m (Q2 2020: 1.1m), the average basket size increased by 11.0% to EUR 135 (Q2 2020: EUR 122). The number of active customers who made at least one order in the last twelve months was up by 46.9% to 1.7m (Q2 2020: 1.2m). Customer loyalty remained very strong with 81% of orders coming from repeat customers.

Both segments showed good revenue growth in the second quarter 2021. The DACH segment grew by 25.0% and the International segment grew by 11.1% compared to the second quarter of 2020.

Corresponding to the lower growth in revenue, driven by investments into technology, Westwing Collection and marketing, the Adjusted EBITDA margin decreased by 5.1 percentage points to 8.1% in the second quarter of 2021 (Q2 2020: 13.2%).

Unchanged to the previous quarters most of our employees in administrative functions worked from home and all warehouse workers and photo studio employees followed strict health procedures due to COVID-19 during the second quarter of 2021. In June 2021, Westwing started to offer vaccination of its employees at all sites.

Meanwhile accustomed to the situation, we continued to run our business and operations smoothly, despite some disruptions in the global supply chains, especially from China and India. Because of increasing demand and limited supply for shipments from Asia, we also see container rates surging. While we can pass on most of the cost increases to our product prices, we still expect a negative short-term impact on our contribution margins. We continue to constantly monitor the situation in order to react fast to challenges caused by COVID-19.

Overall, we continue to see strong results and we continue to focus on profitable growth going forward.

¹ Figures in this section are presented on an adjusted basis, i.e. excluding (i) share-based compensation (in Fulfilment expenses, Marketing expenses as well as in General and administrative expenses) and (ii) expenses for a tax claim provision against a divested entity regarding previous years and (iii) income/expenses for the restructuring of the French business. We calculate "Adjusted EBITDA" by adjusting EBITDA for these items.

CONDENSED FIRST HALF 2021 CONSOLIDATED INCOME STATEMENT ON ADJUSTED BASIS² (UNAUDITED)

EUR m	H1 2021	In % of revenue	H1 2020	In % of revenue
Revenue	270.1	100.0%	178.6	100.0%
Cost of sales	-134.8	-49.9%	-93.1	-52.1%
Gross profit	135.3	50.1%	85.5	47.9%
Fulfilment expenses	-53.8	-19.9%	-37.3	-20.9%
Contribution profit	81.5	30.2%	48.2	27.0%
Marketing expenses	-22.8	-8.5%	-12.4	-6.9%
General and administrative expenses	-35.0	-13.0%	-27.1	-15.2%
Other operating expenses	-0.9	-0.3%	-1.3	-0.7%
Other operating income	1.6	0.6%	1.0	0.6%
Depreciation, amortization and impairments	6.0	2.2%	5.0	2.8%
Adjusted EBITDA	30.3	11.2%	13.5	7.6%

CONDENSED SECOND QUARTER 2021 CONSOLIDATED INCOME STATEMENT ON ADJUSTED BASIS² (UNAUDITED)

EUR m	Q2 2021	In % of revenue	Q2 2020	In % of revenue
Revenue	131.7	100.0%	111.1	100.0%
Cost of sales	-66.5	-50.5%	-57.1	-51.4%
Gross profit	65.2	49.5%	54.0	48.6%
Fulfilment expenses	-27.0	-20.5%	-22.1	-19.9%
Contribution profit	38.2	29.0%	31.8	28.7%
Marketing expenses	-12.6	-9.6%	-5.9	-5.4%
General and administrative expenses	-18.5	-14.0%	-13.7	-12.3%
Other operating expenses	-0.6	-0.5%	-0.6	-0.6%
Other operating income	1.2	0.9%	0.5	0.5%
Depreciation, amortization and impairments	3.0	2.3%	2.6	2.3%
Adjusted EBITDA	10.7	8.1%	14.7	13.2%

Revenue

Our revenue increased by 18.6% from EUR 111.1m in the previous-year period to EUR 131.7m in the second quarter of 2021.

In the first half of 2021, revenue amounted to EUR 270.1m, an increase by EUR 91.5m or 51.2% compared to the same period of the previous year (H1 2020: EUR 178.6m).

² Figures are presented on an adjusted basis, i.e. excluding (i) share-based compensation (in Fulfilment expenses, Marketing expenses as well as in General and administrative expenses) and (ii) expenses for a tax claim provision against a divested entity regarding previous years and (iii) income/expenses for the restructuring of the French business. We calculate "Adjusted EBITDA" by adjusting EBITDA for these items.

Contribution Margin

Our gross margin increased slightly from 48.6% in the second quarter of the previous year to 49.5% in the second quarter of 2021. With 20.5% our fulfilment cost ratio remained around the previous year's level (Q2 2020: 19.9%).

As a result, our contribution margin only slightly changed from 28.7% in the previous-year period to 29.0% in the second quarter of 2021. For the first six months of 2021, the contribution margin was 30.2%, while it amounted to 27.0% in the first half of 2020.

Compared to the second quarter of 2020 our Westwing Collection share improved by 10 percentage points to 32%, caused by an expanded product portfolio with a higher share of furniture and overall better availability.

Marketing Expenses

Based on our approach to invest into the current market momentum, marketing expenses increased to EUR 12.6m (9.6% of revenue) in the second quarter of 2021 compared to EUR 5.9m or 5.4% of revenue in the previous-year period.

In the first half of 2021 marketing expenses amounted to EUR 22.8m or 8.5% of revenue, while they were at EUR 12.4m or 6.9% of revenue in the same period 2020.

General and Administrative Expenses

In percent of revenue, general and administrative expenses were slightly up by 1.7 percentage points to 14.0% in the second quarter of 2021 compared to the same period of the previous year (Q2 2020: 12.3% of revenue). This development is primarily driven by higher investments into personnel. In absolute terms, general and administrative expenses increased by EUR 4.8m to EUR 18.5m in the second quarter of 2021 (Q2 2020: EUR 13.7m). Westwing will continue to invest into long-term growth, especially into technology and our Westwing Collection team to expand the Westwing Collection into more product categories with higher-margin products.

In the first half of 2021 general and administration expenses were EUR 35.0m (H1 2020: EUR 27.1m), corresponding to 13.0% of revenue (H1 2020: 15.2%).

Adjusted EBITDA

The Group's Adjusted EBITDA decreased by EUR 4.0m to EUR 10.7m compared to the previous-year period (Q2 2020: EUR 14.7m) given our increased investments in technology, Westwing Collection and marketing as discussed above. Our Adjusted EBITDA margin decreased by 5.1 percentage points accordingly, from 13.2% in the second quarter of 2020 to 8.1% in the same period of 2021.

Next to share-based compensation expenses, Westwing adjusted its EBITDA for a non-operating tax claim for previous years from a divested entity amounting to EUR 1.0m in the second quarter of 2021. Due to its non-recurring nature, related expenses are excluded from our Adjusted EBITDA.

Adjusted EBITDA for the first six months of the year increased to EUR 30.3m (H1 2020: EUR 13.5m) which corresponds to an Adjusted EBITDA margin of 11.2% (H1 2020: 7.6%).

1.2 SEGMENT INFORMATION

The Group's segments are DACH (Germany, Austria and Switzerland) and International (other European markets). The condensed segment results for the second quarter of 2021 show good growth in revenue in both segments of Westwing. Both segments also had a positive Adjusted EBITDA in the second quarter of 2021.

CONSOLIDATED SEGMENT RESULTS (UNAUDITED)

EUR m	H1 2021	H1 2020	Change	Q2 2021	Q2 2020	Change
Revenue						
DACH	153.8	97.4	57.9%	74.7	59.8	25.0%
International	116.4	81.3	43.2%	57.0	51.3	11.1%
Adjusted EBITDA						
DACH	25.8	12.1	13.7	10.0	11.2	-1.1
International	4.8	1.7	3.0	0.8	3.8	-3.0
Headquarter/reconciliation	-0.2	-0.3	0.1	-0.1	-0.2	0.1
Adjusted EBITDA margin						
DACH	16.8%	12.4%	4.4pp	13.4%	18.7%	-5.2pp
International	4.1%	2.1%	2.0pp	1.4%	7.3%	-5.9pp

Segment Revenue

Our DACH segment continued to show strong revenue growth of 25.0% year-over-year in the second quarter of 2021. Our International segment showed growth of 11.1% year-over-year for the second quarter of 2021.

Segment Adjusted EBITDA

The Adjusted EBITDA margin in the DACH segment amounted to 13.4% (Q2 2020: 18.7%). In the International segment our Adjusted EBITDA margin was 1.4% (Q2 2020: 7.3%).

1.3 FINANCIAL POSITION

CASH FLOWS (UNAUDITED)

EUR m	H1 2021	H1 2020	Change	Q2 2021	Q2 2020	Change
Cash flows from operating activities	25.1	20.0	5.1	9.3	24.5	-15.2
Cash flows from investing activities	-4.6	-3.7	-0.9	-2.5	-1.8	-0.6
Cash flows from financing activities	-3.5	-3.2	-0.3	-1.6	-1.6	0.0
Net increase in cash and cash equivalents	17.0	13.2	3.9	5.2	21.0	-15.8
Effect of exchange rate fluctuations on cash held	0.1	-0.2	0.3	0.5	-0.1	0.5
Cash and cash equivalents at the beginning of the period	104.9	73.2	31.7	116.4	65.2	51.2
Cash and cash equivalents as of June 30	122.1	86.2	35.9	122.1	86.2	35.9
Free cash flow	20.5	16.3	4.2	6.8	22.7	-15.9

Cash flows from operating activities amounted to EUR 25.1m in the first six months of 2021 compared to EUR 20.0m for the same period in 2020. This development was mainly driven by our improved operating result in the first half of 2021.

Cash flows from investing activities decreased from EUR – 3.7m in the first half of 2020 to EUR – 4.6m for the same period in 2021. The development was basically caused by higher investments into property plant and equipment.

Cash flows from financing activities slightly reduced by EUR 0.3m to EUR – 3.5m. The higher cash outflow resulted from higher payments for lease liabilities partially offset from the cash received by the execution of equity-settled options.

Our cash balance was very strong and increased in the first half of 2021 by EUR 17.2m to EUR 122.1m (December 31, 2020: EUR 104.9m). We continued to be very cash-efficient by maintaining slightly negative working capital and a low capex ratio (capex ratio of 1.7% for the first half of 2021).

CONDENSED STATEMENT OF FINANCIAL POSITION (UNAUDITED)

	June 30, 2021		December 31, 2020	
	EUR m	In % of Total	EUR m	In % of Total
Total assets	256.2	100.0%	229.0	100.0%
Non-current assets	58.9	23.0%	60.0	26.2%
Current assets	197.3	77.0%	169.0	73.8%
Total liabilities + equity	256.2	100.0%	229.0	100.0%
Equity	125.8	49.1%	108.7	47.5%
Non-current liabilities	29.1	11.4%	27.8	12.2%
Current liabilities	101.3	39.5%	92.5	40.4%

On June 30, 2021, total assets amounted to EUR 256.2m (December 31, 2020: EUR 229.0m).

Non-current assets hardly changed compared to year-end 2020. The slight decrease was mainly due to lower property, plant and equipment, partially offset by an increase in intangibles assets. On the contrary, current assets were up strongly by EUR 28.3m, primarily resulting from an increase in cash and cash equivalents by EUR 17.2m to EUR 122.1m (December 31, 2020: EUR 104.9m) as well as higher inventories which were up by EUR 10.7m to EUR 41.0m (December 31, 2020: EUR 30.2m).

Equity increased from EUR 108.7m as of December 31, 2020, to EUR 125.8m as of June 30, 2021, mostly due to the profit of the period and an increase of capital reserves.

Non-current liabilities were almost flat with a slight change by EUR 1.2m to EUR 29.1m (December 31, 2020: EUR 27.8m). A decrease in lease liabilities was compensated by higher liabilities from cash-settled share-based compensation.

Current liabilities were up by EUR 8.8m to EUR 101.3m, primarily resulting from an increase in trade payables and accruals by EUR 10.2m, partially offset by EUR 4.0m lower refund liabilities.

1.4 RISK AND OPPORTUNITY REPORT

Taking into account the respective probability of occurrence and the potential impact of the risks described in the 2020 annual report, we identified no risks that might threaten Westwing Group as a going concern.

As already anticipated and described in our annual report 2020, the COVID-19 pandemic brought severe impact on the supply chain. We already had considered this risk to be high and were proved by corresponding events in the first half of 2021, when the Yantian port in China was closed for days due to COVID-19 infections, and we saw much higher container freight rates as well as increasing raw material prices, which also affected Westwing. We did not reveal additional risks from these events, besides that expected risks partially materialized, but we needed to increase the impact and probability of the risks concerned. Based on the increasing demand for our centrally stocked Westwing Collection products we reassessed our warehouse strategy and found that the risks regarding the dependency on our main warehouse have increased. Therefore, we have changed our risk assessment here from moderate to high.

However, even if some countries ease restrictions and the pandemic seems to contain, the extent to which COVID-19 will continue to be relevant for the remainder of the year or even 2022 depends decisively on whether further infection waves occur, the improvement of vaccination acceptance and how quickly the economic recovery takes place. Westwing continues to closely monitor the COVID-19 pandemic as part of our risk early warning system.

1.5 OUTLOOK

Westwing had a strong start into 2021 with an increase in revenue of 51.2 % in the first half of 2021 compared to the same period in 2020. However, the second quarter was – as we had expected due to the baseline – already lower in relative revenue growth and Adjusted EBITDA profitability compared to the strong first quarter of 2021. The relative lower top-line growth will continue in the third and fourth quarter given higher baselines. With regards to profitability, our planned growth investments, currently high container shipping rates as well as seasonality effects in the third quarter will negatively impact the profitability levels for the remainder of the year.

We confirm our previously provided guidance for the full year 2021 and expect revenue between EUR 510m and EUR 550m, an Adjusted EBITDA in a range of EUR 42m to EUR 55m, at a corresponding Adjusted EBITDA margin of 8–10 %.

1.6 EVENTS AFTER THE BALANCE-SHEET DATE

There were no significant events after the balance-sheet date that would have a material impact on Westwing's results of operations, net assets or financial position.

Munich, August 12, 2021

Stefan Smalla
Chief Executive Officer

Sebastian Säuberlich
Chief Financial Officer

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CONSOLIDATED FINANCIAL STATEMENTS AND SELECTED NOTES

for the Period Ended June 30, 2021 (Unaudited)

2.1 CONSOLIDATED INCOME STATEMENT

EUR m	H1 2021	H1 2020	Q2 2021	Q2 2020
Revenue	270.1	178.6	131.7	111.1
Cost of sales	-134.8	-93.1	-66.5	-57.1
Gross profit	135.3	85.5	65.2	54.0
Fulfilment expenses	-53.8	-37.2	-27.0	-22.1
Marketing expenses	-22.9	-12.4	-12.6	-6.0
General and administrative expenses	-41.3	-31.0	-22.1	-16.0
Other operating expenses	-1.9	-1.3	-1.6	-0.6
Other operating income	1.6	1.0	1.2	0.5
Operating result	17.0	4.7	3.1	9.8
Finance costs	-0.7	-0.7	-0.3	-0.4
Finance income	0.1	0.0	0.1	0.0
Other financial result	0.1	-0.2	0.4	-0.0
Financial result	-0.5	-0.9	0.3	-0.4
Result before income tax	16.4	3.8	3.4	9.4
Income tax expense	-3.5	-1.2	-1.6	-1.1
Result for the period	12.9	2.5	1.8	8.3
Result attributable to:				
Owners of the Company	12.9	2.5	1.8	8.3
Non-controlling interests	-0.0	-0.0	-0.0	-0.0
Undiluted average number of shares in circulation	20,398,711	19,999,522	20,464,604	20,001,686
Diluted average number of shares in circulation	21,654,406	19,999,522	21,720,300	20,001,686
Undiluted earnings per share (in EUR) attributable to the owners of the Company	0.63	0.13	0.09	0.41
Diluted earnings per share (in EUR) attributable to the owners of the Company	0.60	0.13	0.08	0.41

2.2 CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD JANUARY 1 TO JUNE 30, 2021 AND 2020

EUR m	H1 2021	H1 2020
Result for the period	12.9	2.5
Other comprehensive income:		
Items that subsequently will be reclassified to the income statement:		
Exchange translation differences of foreign operations	-0.0	0.1
Other comprehensive income for the period, net of tax	-0.0	0.1
Attributable to:		
Owners of the Company	-0.0	0.1
Non-controlling interests	-	-
Total comprehensive result for the period	12.9	2.6
Attributable to:		
Owners of the Company	12.9	2.6
Non-controlling interests	0.0	-0.0
Total comprehensive result for the period	12.9	2.6

2.3 RECONCILIATION OF ADJUSTED EBITDA

EUR m	H1 2021	H1 2020	Q2 2021	Q2 2020
Operating Result	17.0	4.7	3.1	9.8
Adjustments				
Share-based compensation expenses	6.3	4.2	3.6	2.5
Provision tax claim discontinued operations	1.0	-	1.0	-
Expenses/(income) for the restructuring of the French business	-0.0	-0.3	-	-0.1
Depreciation, amortization, and impairments	6.0	5.0	3.0	2.6
Adjusted EBITDA	30.3	13.5	10.7	14.7

2.4 CONSOLIDATED STATEMENT OF FINANCIAL POSITION

EUR m	June 30, 2021	December 31, 2020
Assets		
Non-current assets		
Property, plant and equipment	32.8	34.5
Intangible assets	15.4	14.1
Trade and other receivables	3.2	4.0
Deferred tax asset	7.4	7.4
Total non-current assets	58.9	60.0
Current assets		
Inventories	41.0	30.2
Prepayments on inventories	14.1	7.8
Trade and other receivables	13.2	17.4
Other assets	7.0	8.7
Cash and cash equivalents	122.1	104.9
Total current assets	197.3	169.0
Total assets	256.2	229.0
Equity and liabilities		
Equity/(deficit)		
Share capital	20.9	20.8
Capital reserves	365.0	357.8
Treasury shares	-1.2	-1.9
Other reserves	43.3	47.1
Retained earnings	-299.7	-312.7
Other comprehensive income (OCI) reserve	0.4	0.4
Equity attributable to the owners of the Company	128.7	111.5
Non-controlling interests	-2.9	-2.8
Total equity	125.8	108.7
Non-current liabilities		
Lease liabilities	21.1	23.0
Other financial liabilities	6.9	3.7
Provisions	1.1	1.1
Total non-current liabilities	29.1	27.8
Current liabilities		
Lease liabilities	5.9	5.9
Trade payables and accruals	51.9	41.7
Contract liabilities	19.4	17.8
Refund liabilities	5.7	9.8
Other financial liabilities	0.0	0.8
Other non-financial liabilities	11.2	9.2
Tax liabilities	4.6	5.4
Provisions	2.6	2.0
Total current liabilities	101.3	92.5
Total liabilities	130.4	120.3
Total equity and liabilities	256.2	229.0

2.5 CONSOLIDATED STATEMENT OF CASH FLOWS

EUR m	H1 2021	H1 2020	Q2 2021	Q2 2020
Result before income tax	16.4	3.8	3.4	9.4
Adjustments				
Depreciation and impairment of property, plant and equipment	4.3	3.5	2.1	1.8
Amortization and impairment of intangible assets	1.7	1.4	0.9	0.7
Loss on disposal of property, plant and equipment	-0.0	-0.0	-0.0	0.0
Share-based compensation expenses	6.3	4.2	3.6	2.5
Fair value loss on financial liabilities	0.1	0.0	-	0.0
Finance income	-0.1	-0.0	-0.1	-0.0
Finance costs	0.6	0.7	0.3	0.3
Foreign currency effects	-0.1	0.2	-0.4	0.0
Other non-cash related adjustments	2.8	-0.1	1.6	-0.2
Changes in provisions	-3.1	-0.5	-0.7	2.6
Cash effective operating profit/(loss) before changes in working capital	28.9	13.2	10.5	17.2
Adjustments for changes in working capital:				
Changes in trade and other receivables and prepayments	6.6	-3.3	5.4	-2.1
Changes in inventories	-19.6	-6.4	-9.5	-1.7
Changes in trade and other payables	13.6	16.6	4.5	11.2
Cash flows from operations	29.5	20.2	11.0	24.6
Tax paid	-4.4	-0.2	-1.7	-0.0
Net cash flows from operating activities	25.1	20.0	9.3	24.5
Investing Activities:				
Proceeds from sale of property, plant and equipment	0.0	0.0	0.0	-0.0
Purchase of property, plant and equipment	-1.4	-0.9	-0.8	-0.5
Purchase of intangible assets	-3.1	-2.8	-1.5	-1.3
Security deposits received/(paid)	-0.2	0.0	-0.2	0.0
Net cash flows from investing activities	-4.6	-3.7	-2.5	-1.8
Financing activities:				
Interest and other finance charges paid	-0.7	-0.7	-0.4	-0.3
Payments of lease liabilities	-3.0	-2.5	-1.5	-1.3
Sale of equity instruments	0.3	0.0	0.3	0.0
Net cash flows from financing activities	-3.5	-3.2	-1.6	-1.6
Net change in cash and cash equivalents	17.0	13.2	5.2	21.0
Effect of exchange rate fluctuations on cash held	0.1	-0.2	0.5	-0.1
Cash and cash equivalents at the beginning of the period	104.9	73.2	116.4	65.2
Cash and cash equivalents as of June 30	122.1	86.2	122.1	86.2

2.6 CONSOLIDATED STATEMENT OF CHANGES OF EQUITY

EUR m	Attributable to the owners of the Company						Total	Non-controlling interests	Total equity
	Share capital	Share premium	Treasury shares	Other reserves ¹	Retained earnings ¹	Other comprehensive income (OCI) reserve			
As of January 1, 2020	20.7	351.1	-2.6	50.0	-342.5	0.3	77.2	-2.8	74.4
Result for the period	-	-	-	-	2.5	-	2.5	-0.0	2.5
Other comprehensive income	-	-	-	0.0	-	0.1	0.1	-	0.1
Total comprehensive income	-	-	-	0.0	2.5	0.1	2.6	-0.0	2.6
Share-based compensation expenses	-	0.1	0.0	3.1	0.0	-	3.2	-	3.2
As of June 30, 2020	20.7	351.3	-2.5	53.1	-339.9	0.4	83.0	-2.8	80.2
As of January 1, 2021	20.8	357.8	-1.9	47.1	-312.7	0.4	111.5	-2.8	108.7
Result for the period	-	-	-	-	12.9	-	12.9	-0.0	12.9
Other comprehensive income	-	-	-	-	0.0	0.0	0.0	-	0.0
Total comprehensive income	-	-	-	-	12.9	0.0	12.9	0.0	12.9
Issue of share capital	0.1	0.7	-	-	-	-	0.8	-	0.8
Issue of treasury shares	-	6.5	0.7	-6.9	0.0	-	0.3	-	0.3
Share-based compensation expenses	-	-	-	3.1	-	-	3.1	-	3.1
As of June 30, 2021	20.9	365.0	-1.2	43.3	-299.7	0.4	128.7	-2.9	125.8

¹ Opening balance 2020 restated according to IAS 8 (we refer to note 2.3 in the Annual Report 2020)

2.7 SELECTED EXPLANATORY NOTES

2.7.1 Information on the Company and the Group

The Westwing Group AG (referred to as the “Company” or “Westwing”) and its subsidiaries (together referred to as the “Group”) are one of the leading eCommerce companies in the European home & living sector.

The Company was incorporated in 2011 and is registered at Berlin District Court, Germany, under the number HRB 199007 B. The Company is headquartered in Moosacher Str. 88, 80809 Munich, Germany. As of June 30, 2021, the Group operated in 11 countries (Germany, Austria, Switzerland, Italy, Spain, the Netherlands, France, Poland, Belgium, Czech Republic and Slovak Republic) and consisted of 26 legal companies, all of which are consolidated in this half-year report.

2.7.2 Principles for preparation of the financial statements

These condensed consolidated interim financial statements for the period from January 1, 2021, to June 30, 2021, were prepared in accordance with IAS 34, Interim Financial Reporting and using the IFRS as adopted by the EU and are unaudited. Accordingly, these condensed consolidated interim financial statements do not include all the information and notes which are necessary for consolidated financial statements in accordance with IFRS and should be read in conjunction with the Group’s consolidated financial statements as of and for the year ended December 31, 2020.

While preparing the condensed consolidated interim financial statements for interim reporting purposes in accordance with IAS 34, the management is required to make assessments, estimates and assumptions which affect the application of accounting principles in the Group and the recognition of assets, liabilities, income and expenses. Actual amounts may deviate from these estimates.

The accounting policies and recognition and measurement methods applied in the consolidated financial statements as of December 31, 2020, have been applied without change.

The consolidated interim financial statements have been prepared in millions of euros (EUR m). The values in the consolidated interim financial statements have been rounded according to commercial principles. Therefore, the sum of a table may not exactly be the same as the addition of the individual numbers and differences may arise when individual amounts or percentages are added up.

2.7.3 Segment data

The operating segment information for the reporting period which ended on June 30, 2021 (all amounts are in EUR m unless stated otherwise):

H1 2021	DACH	International	HQ/ Reconciliation	Group
Result before Income Tax	17.1	3.2	-3.9	16.4
Finance costs	0.6	0.2	-	0.7
Finance income	-0.1	-0.0	-	-0.1
Other financial result	-0.2	0.1	-	-0.1
Operating Result	17.4	3.5	-3.9	17.0
Depreciation and amortization	1.0	1.3	3.7	6.0
Share-based compensation	6.3	-	-	6.3
Costs for centralization of the French business	-	-0.0	-	-0.0
Provision tax claim	1.0	-	-	1.0
Adjusted EBITDA	25.8	4.8	-0.2	30.3
Adjusted EBITDA margin	16.8%	4.1%	0.0%	11.2%
Revenue	153.8	116.4	-	270.1
Cash and cash equivalents	64.7	15.4	41.9	122.1

The operating segment information for the reporting period which ended on June 30, 2020 (all amounts are in EUR m unless stated otherwise):

H1 2020	DACH	International	HQ/ Reconciliation	Group
Result before Income Tax	6.5	0.6	-3.3	3.8
Finance costs	0.5	0.2	-	0.7
Finance income	-0.0	-	-	-0.0
Other financial result	0.0	0.2	-	0.2
Operating Result	7.1	0.9	-3.3	4.7
Depreciation and amortization	0.8	1.1	3.0	5.0
Share-based compensation	4.2	-	-	4.2
Costs for centralization of the French business	-	-0.3	-	-0.3
Adjusted EBITDA	12.1	1.7	-0.3	13.5
Adjusted EBITDA margin	12.4%	2.1%	0.0%	7.6%
Revenue	97.4	81.3	-	178.6
Cash and cash equivalents	14.4	8.2	50.6	73.2

Group entities with their registered office in Germany attained revenue to the amount of EUR 195.4m (H1 2020: EUR 115.2m) and reported long-term assets (not including financial instruments) on the balance sheet amounting to EUR 52.1m (June 30, 2020: EUR 40.1m).

2.7.4 Analysis of revenue

Revenue from contracts with customers for the first six month of 2021 comprised of the following:

EUR m	H1 2021	H1 2020
Revenue from the sale of products	267.1	176.7
Other revenue	3.0	1.9
Total	270.1	178.6

2.7.5 Balances and Transaction with Related Parties

Please refer to the consolidated financial statements as of December 31, 2020, for related party disclosures.

2.7.6 Corporate Governance

The declaration of compliance with the recommendations of the German Corporate Governance Code issued by the Supervisory Board and the Management Board for Westwing Group AG for fiscal year 2020 in accordance with Section 161 AktG (“Aktiengesetz”: German Stock Corporation Act) was published in March 2021. It is permanently available in the Investor Relations section on Westwing Group AG’s website at https://ir.westwing.com/download/companies/westwing/CorporateGovernance/WW_2020_Corporate_Governance_ENG_170321_MQ20210322.pdf.

2.7.7 Events after the Balance Sheet Date

There were no significant events after the balance sheet date that would have a significant impact on Westwing’s future results of operations, financial position and net assets.

Munich, August 12, 2021

Stefan Smalla
Chief Executive Officer

Sebastian Säuberlich
Chief Financial Officer

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RESPONSIBILITY STATEMENT BY THE MANAGEMENT BOARD

To the best of our knowledge, and in accordance with the applicable reporting principles, the consolidated interim financial statements give a true and fair view of the financial position, cash flows and profit or loss of the Group, and the Group interim management report includes a fair review of the development and performance of the business and the position of the Group, together with a description of the opportunities and risks associated with the expected development of the Group.

Munich, August 12, 2021

Stefan Smalla
Chief Executive Officer

Sebastian Säuberlich
Chief Financial Officer

FINANCIAL CALENDAR

NOVEMBER 11, 2021

Publication of third quarter results 2021

IMPRINT

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DISCLAIMER

Certain statements in this communication may constitute forward looking statements. These statements are based on assumptions that are believed to be reasonable at the time they are made and are subject to significant risks and uncertainties. You should not rely on these forward-looking statements as predictions of future events and we undertake no obligation to update or revise these statements. Our actual results may differ materially and adversely from any forward-looking statements discussed on this call due to a number of factors, including without limitation, risks from macroeconomic developments, external fraud, inefficient processes at fulfillment centers, inaccurate personnel and capacity forecasts for fulfillment centers, hazardous material/conditions in production with regard to Private Labels, lack of innovation capabilities, inadequate data security, lack of market knowledge, risk of strike and changes in competition levels.