ABOUT YOU

PUSHING FORWARD

ANNUAL REPORT
FY 2022/2023

+10.0%
YoY Group revenue growth
(FY 2021/2022: +48.5%)

16.1%
Tech, Media, and Enabling adjusted EBITDA margin
(FY 2021/2022: 17.3%)

3.1x
Average order frequency LTM (FY 2021/2022: 2.9x)

+17.3%
YoY Rest of Europe revenue growth
(FY 2021/2022: +65.6%)

12.7 MILLION
active customers LTM (2021/2022: 11.4 million)

+19.7%
number of orders LTM (FY 2021/2022: +41.9%)

EUR 1,904.6 MILLION
Group revenue (FY 2021/2022: EUR 1,731.6 million)

ABOUT YOU AT A GLANCE[1]

1 Note: For definitions of the key performance indicators please refer to the glossary. In the following annual report, rounding differences may occur in percentages and figures.

	2022/2023	2021/2022
User sessions per month (LTM in million)	133.1	135.7
Mobile sessions (LTM in % of user sessions)	87.1	85.4
Active customers (LTM in million)	12.7	11.4
Number of orders (LTM in million)	39.4	32.9
Average order frequency (LTM)	3.1	2.9
Average order value (LTM in EUR incl. VAT)	54.8	57.8
Average GMV per customer (LTM in EUR incl. VAT)	169.6	167.1
Group results of operations		
Revenue (in EUR million)	1,904.6	1,731.6
Gross margin (as % of revenue)	37.8	40.6
EBITDA (in EUR million)	(151.6)	(95.0)
EBITDA (as % of revenue)	(8.0)	(5.5)
Adjusted EBITDA (in EUR million)	(137.0)	(66.9)
Adjusted EBITDA (as % of revenue)	(7.2)	(3.9)
Group net assets and financial position		
Equity ratio (as % of total assets)	31.4	49.3
Cash flow from operating activities (in EUR million)	(206.5)	(110.1)
Cash flow from investing activities (in EUR million)	(54.5)	(45.8)
Cash flow from financing activities (in EUR million)	(30.4)	544.2
Free cash flow (in EUR million)	(261.0)	(155.9)
Cash and cash equivalents (in EUR million)	204.9	496.2
Net working capital (in EUR million)	40.7	9.5
CAPEX (capital expenditure) (in EUR million)	(54.5)	(45.8)
Other key figures		
Employees (as of the reporting date)	1,283	1,172
Undiluted earnings per share (in EUR)	(1.34)	(0.77)
Diluted earnings per share (in EUR)	(1.34)	(0.77)

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1.1 LETTER FROM THE CO-CEOs

DEAR SHAREHOLDERS,

FY 2022/2023 was a challenging financial year. With high growth expectations and investments, we faced a difficult market environment. However, we made significant operational and strategic progress to deliver solid growth in revenue, customer, and order metrics and set the foundation to break-even in FY 2023/2024. With enthusiasm, we have been working to seize the market environment as an opportunity for continued progress at ABOUT YOU. This commitment is also reflected in our motto for this Annual Report: **ABOUT YOU pushing forward.** We are unstoppable and convinced to be one of the businesses that will emerge even stronger from the crisis.

In FY 2022/2023, the challenging macroeconomic environment continually presented the e-commerce sector with new challenges. Affected by the ongoing war in Ukraine, higher-than-anticipated inflationary pressure, and a tightening of monetary policy measures, the sector was confronted with dampened consumer sentiment and high inventory levels

"LOOKING BACK AT FY 2022/2023, WE ARE PROUD OF THE RESILIENCE AND ADAPTABILITY DEMONSTRATED BY OUR BUSINESS MODEL."

following the economic and pandemic tailwinds of the previous years. The market conditions not only brought European online retail to a standstill in the 2022 calendar year, but led to a decline in revenues.

But for us, standing still was never an option. As one of the fastest growing online fashion stores in Europe, ABOUT YOU has been in constant progress since its founding in 2014. Even our mission is based on change, namely the shift from offline to online retail. We digitize the traditional shopping stroll and inspire the young Gen Y&Z with a personalized shopping experience of more than 600,000 items from around 3,800 brands to express themselves individually through fashion.

Looking back at FY 2022/2023, we are proud of the resilience and adaptability demonstrated by our business model. With a 10% YoY growth in revenue, we were able to set a record revenue of over EUR 1.9 billion and, thus, were in line with our updated full-year guidance. Through strategic investments in our recently entered Southern European and Nordic markets, we further strengthened our brand awareness and increased our active customer base by 11.8% to 12.7 million in the last twelve months. We are thrilled that our ABOUT YOU Commerce business is now active in all key markets in Continental Europe and in total provides global shipping options to around 100 countries.

Furthermore, our B2B business delivers substantial growth. With SCAYLE, our independent business division, we offer brands and retailers a modular enterprise cloud licensing product to scale their direct-to-consumer business. The efficiency gains from SCAYLE are highly relevant to enterprise customers in these times, as indicated by our sales teams for DACH, Benelux, Scandinavia, and the UK. We see our collaboration with the new customers, which we won in FY 2022/2023 and which include leading brands such as Deichmann, s.Oliver, Fielmann, and FC Bayern, as a great achievement.

Viewing the current situation as an opportunity to improve our profitability, we introduced comprehensive efficiency measures for ABOUT YOU in Q2 2022/2023. It was our top priority to implement plans to optimize our inventories, logistics, marketing, and personnel planning as rapidly as possible in the second half of the financial year, to make gradual progress in the cost structures for administration and marketing as well as an optimized inventory situation. For example, one of the measures was to introduce shipping costs below a minimum order value with the intention to reduce loss-making orders due to low order values. Now that many of the measures have been implemented in FY 2022/2023, the positive effects of these will become visible in our margin in FY 2023/2024.

Adjusted EBITDA is our key performance indicator to measure ABOUT YOU's profitability. It amounted to EUR −137.0 million for the Group (2021/2022: EUR −66.9 million) with a margin of −7.2%, which was in line with the updated guidance, but significantly below our own ambition. Given the macroeconomic environment, we responded comprehensively to the challenges in FY 2022/2023 and introduced efficiency measures that we would otherwise most likely not have implemented at this speed.

Against this backdrop, we remain committed to our target to reach adjusted EBITDA break-even in FY 2023/2024. An ambition that we have consistently communicated since the listing in June 2021 and which we intend to achieve, even with the volatile and tougher-than-expected market conditions. The path to profitability is ambitious yet the priorities for achieving it are clearly defined in our action plan. We are focused on increasing the gross margin whilst reducing the fulfillment, marketing, and administrative cost-to-revenue ratios.

– To increase the gross margin, we align the orders placed to the current demand of our customers. This should also lead to lower discount levels. In addition, we have adjusted the commissions for our marketplace partners.

- We expanded the logistics network from one to three distribution centers over the past 18 months. In the ramp-up phase, the new distribution centers required several months to establish their processes, enhance their efficiency, and integrate into the existing logistics network regarding the distribution of goods. Besides high inventory levels, this led to increased fulfillment costs in FY 2022/2023, albeit these should decrease again relative to revenue. Furthermore, the introduction of shipping costs below a minimum order value contributes to a reduction of loss-making orders.

- Marketing costs represent the greatest efficiency lever through the reduction of large-scale campaigns and events. Since we do not plan to enter any major markets, there is no need for larger campaigns to increase brand awareness in new markets. Moreover, the positive effect of the intensified focus on the profitability of new customers should also become visible in FY 2023/2024.

- Finally, the administrative cost-to-revenue ratio benefits from economies of scale and efficiency gains, as well as from the slowdown in new hires in non-tech functions.

All of this is only possible because of our around 1,500 employees. They form a team that has met the FY 2022/2023 challenges with high agility and eagerness. Together with our partners, they work with tremendous talent and relentless dedication on the success of ABOUT YOU and truly live our culture of diversity, tolerance, and acceptance every day.

Also, we would like to thank you, our shareholders, for your continued loyalty and trust in our second year on the Frankfurt Stock Exchange. Despite the macroeconomic developments, we are confident that our largest opportunities are still ahead of us. Thank you for joining us on our journey to become the global #1 fashion platform.

Hamburg on May 10, 2023

T. Müller H. Wiese S. Betz

TAREK MÜLLER **HANNES WIESE** **SEBASTIAN BETZ**

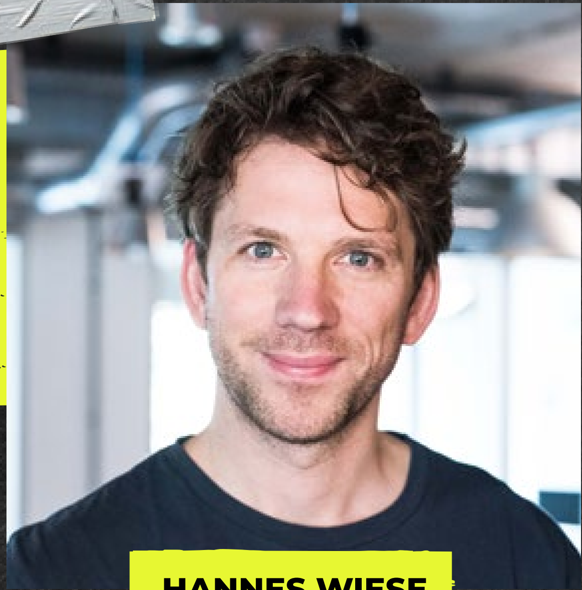
Management Board of ABOUT YOU

"AGAINST THIS BACKDROP, WE REMAIN COMMITTED TO OUR TARGET TO REACH ADJUSTED EBITDA BREAK-EVEN IN FY 2023/2024."

TAREK MÜLLER

CO-FOUNDER AND CO-CEO, MARKETING AND BRAND

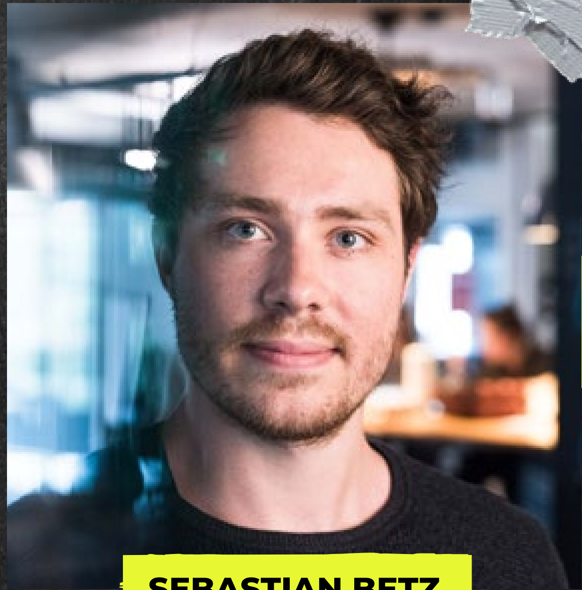
Tarek Müller has been developing digital business models for online retail for more than 15 years. Having started his first business activities on the internet at the age of 13, he registered his first online stores at 15. He has built numerous e-commerce models in different industries and, from 2007 onwards, also advised clients with his digital agencies on the conception and implementation of new business models. This included the Otto Group, which made him one of the Co-Founders of ABOUT YOU and Co-CEO for Marketing and Brand in 2014.



HANNES WIESE

CO-FOUNDER AND CO-CEO, OPERATIONS AND FINANCE

With a degree in Business Management, Hannes Wiese first joined the strategy consultancy Roland Berger Strategy Consultants, where he worked as a senior consultant. In 2011, he moved to the corporate side of the Otto Group as a senior project manager and, within less than two years, he became the head of the Group's strategy department. From 2013, he was involved in the project to develop the e-commerce business model that became ABOUT YOU. As Co-Founder and Co-CEO, he is responsible for Operations and Finance since early 2014.



SEBASTIAN BETZ

CO-FOUNDER AND CO-CEO, TECH AND PRODUCT

Sebastian Betz has been an expert for complex web applications and strategically advanced software projects since he learned to code at the age of 14. When he was 16 years old, he started his first company for software development and strategy. Having completed projects for national and international corporate clients, he became a multiple founder of technology and software-as-a-service businesses. In 2014, he co-founded ABOUT YOU and is responsible for Tech and Product as Co-CEO since then.

1.2 GROUP

Since its foundation in May 2014, ABOUT YOU – consisting of ABOUT YOU Holding SE ("ABOUT YOU" or "Company") and its fully consolidated subsidiaries (together with ABOUT YOU referred to as "Group") – has become one of the fastest-growing online fashion stores in Europe in recent years. The Group aims to digitize the classic shopping stroll for the young and fashion-conscious Gen Y&Z and creates a particularly inspiring and personalized shopping experience on the smartphone by combining fashion and technology. With the unique concept of discovery shopping, ABOUT YOU supports customers in expressing themselves individually through fashion. For this purpose, ABOUT YOU offers creative content and exclusive collections based on its network of influencers and its own products. More than 45 million active users per month can discover more than 600,000 items from around 3,800 brands[1] via the aboutyou.com website and the award-winning app. The hybrid model of own inventory ("1P") and brand partners' Inventory ("3P") not only increases customer satisfaction with competitive delivery times but also increases the product range by providing access to an extended assortment in the 3P model.

Starting from the core markets Germany, Austria, and Switzerland, the international expansion of the Group accelerated. Currently, ABOUT YOU is active in all key markets in Continental Europe and in total ships to around 100 countries worldwide with the help of ABOUT YOU Global Shipping.

ABOUT YOU benefits from its own tech infrastructure and, as part of its B2B business, provides customers from the lifestyle sector and other industries with a Software-as-a-service ("SaaS") solution under the SCAYLE brand.

SEGMENTS

ABOUT YOU DACH

The Group's home region is Germany. Together with the countries Austria and Switzerland, it constitutes the reportable core market segment ABOUT YOU DACH within the Commerce business. Headquartered in Hamburg, the online fashion store was launched in the DACH region in May 2014 and has since then recorded strong revenue growth there. In addition, the segment has been profitable at an adjusted EBITDA level since FY 2019/2020.

ABOUT YOU REST OF EUROPE

The Group reports its Commerce business outside its home region separately in the ABOUT YOU Rest of Europe segment ("RoE"). ABOUT YOU has achieved great success regarding the internationalization of its business in Europe and is already active in all key markets in Continental Europe with its scalable online fashion store.

1 Brands with revenue above EUR 0 based on data from Germany for FY 2022/2023, excl. Second Love

After market entries in Belgium and the Netherlands ("BeNe") in FY 2017/2018, ABOUT YOU expanded into eleven markets in Central and Eastern Europe ("CEE") starting in FY 2018/2019, where ABOUT YOU has become one of the most recognized brands in the 16 to 49 age group in less than three years.[1] Since FY 2020/2021, ABOUT YOU accelerated its international expansion into Southern Europe ("SEU") and the Nordic countries. To explore growth and investment opportunities through a test-and-learn approach, ABOUT YOU Global Shipping went online in December 2021 at aboutyou.com in English and Spanish with a selected assortment. With the help of this service, the Group ships to around 100 countries worldwide in total.

As of FY 2023/2024, ABOUT YOU is not planning any further expansion into new markets but is focusing on scaling and increasing the profitability of its existing markets.

TECH, MEDIA, ENABLING

To optimally leverage its own competencies in the areas of e-commerce technology and marketing, ABOUT YOU has established a B2B business, which is presented in the reportable Tech, Media and Enabling ("TME") segment and operates its business under the SCAYLE brand. As one element of the segment, the Group's proprietary SaaS solution helps brands and retailers grow efficiently and quickly by taking advantage of the Group's diverse innovations ("Tech"). In addition, ABOUT YOU offers brand or advertising formats ("Media") and 360° services along the e-commerce value chain ("Enabling"). Since its establishment in FY 2018/2019, the TME segment has shown above-average growth and a particularly high profitability profile compared to the Commerce business.

At the beginning of November 2021, ABOUT YOU launched the independent SCAYLE brand, which offers Commerce technology for external business customers in the TME segment and includes related business services in the area of digital marketing and commerce operations. The SCAYLE Commerce Engine provides brand owners and retailers with the components to scale their digital D2C business. More than 100 online stores of leading brands in all key markets in Continental Europe are now operated with SCAYLE.

In this manner, TME is divided into two parts: On the one hand, it comprises the part related to the Commerce business, where the services provided are an integral part of the ecosystem of ABOUT YOU and its online fashion store. On the other hand, it comprises the SCAYLE business unit, in which services are provided to external business customers independently of the company's own ecosystem.

The TME Segment

TME revenues by stream and brand (LTM, illustrative)

1 Based on supported brand awareness of online fashion stores, market research by ABOUT YOU (May 2022 to December 2022) with quantilope in CZ, SK, HR, BG, HU, RO, SI, sample: 16- to 49-year-olds, all genders, n=800 in each country (n = 5600 total), question: "Sometimes we do not remember everything. You now see the names of some online stores where you can buy clothes. For each of them, please indicate if you know it, even if it is just the name."

SPOTLIGHT: PUSHING FORWARD ON COOPS

ABOUT YOU strongly believes in the co-creation and scalability of COOPs – exclusive brands and (limited) exclusive capsule collections.

By developing forward thinking designs with exceptional artists, ABOUT YOU and its partners are jointly able to create lasting love brands for a diverse audience.

Whilst the use of mostly in-house capacities for design, buying, and marketing leads to higher margins, ABOUT YOU is also able to reach a potential new customer base which can be converted to loyal customers.

This approach makes ABOUT YOU the front runner in the field of COOPs and thus creates a compelling USP.

Left: Bella Hadid x ABOUT YOU

Right (from left to right): Sinned x ABOUT YOU, Hoermanseder x ABOUT YOU

FAST TRACK FOR CO-CREATING EXCLUSIVE BRANDS

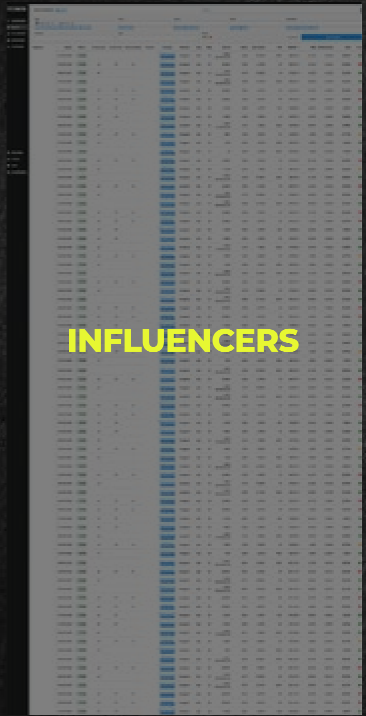
ABOUT YOU's **proprietary data** serves as a foundation for the efficient co-creation of **exclusive capsule collections,** which last two seasons on average.

Whilst capsules initially are a mid-term collaboration, they have the **potential to become an exclusive brand.**

Exclusive brands are scaled per season by including never **out of stock products.** Following a long-term strategy, the **path to carve-out** is an option.

> 20,000

influencers in database



Proprietary data on real reach, performance, audience etc.

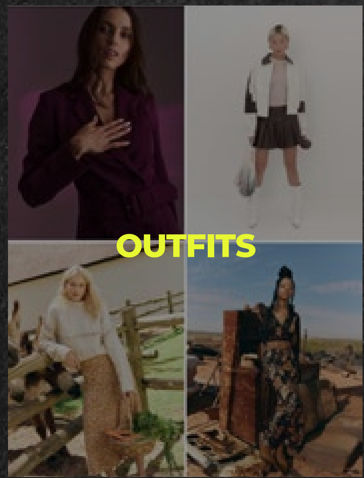
> 1,000

influencer collaborations per month

Influencers presenting their favorite ABOUT YOU picks to their community

> 150

exclusive outfits per month



Purchasable exclusive outfits from influencers

61

influencer capsules collections in FY 2022/2023

Limited exclusive collabora-tions with products only available on ABOUT YOU

9

exclusive brands with collections in FY 2022/2023

Exclusive brands following a long-term collaboration strategy

INVOLVED FROM THE BEGINNING

FROM PAPER …

The entire development of the COOPs, the **strategy, messaging,** and the **direction of the creation** happens completely in coordination with the artist and the ABOUT YOU creative & design team in Hamburg/Berlin.

… TO THE ARTIST'S FAVORITE PIECES

In order to realize the artist's vision of a collection in the best possible way, ABOUT YOU provides a **designer who fits their style.**

IT'S ABOUT THEIR COLLECTION AND OUR SUCCESS

The seasonal collection process includes two meetings with the ABOUT YOU design team in Berlin or at the Hamburg office to develop the collection and **fine-tune the quality and fit.**

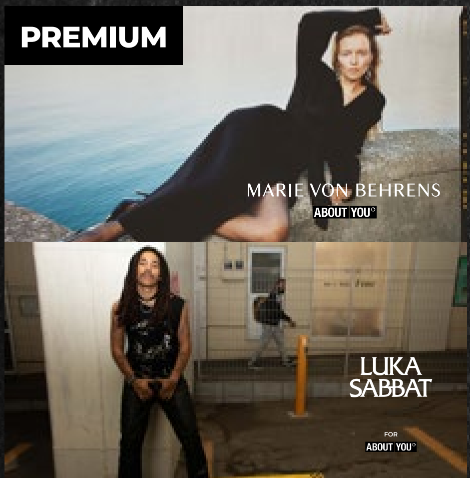
360° IN-HOUSE KNOW HOW

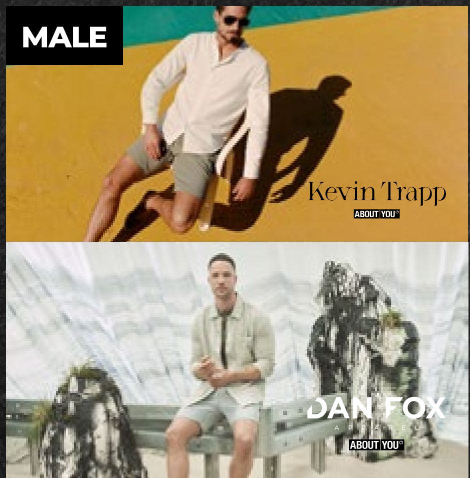
Together with a **strong team** and experienced contacts for brand, design, social media, event and much more, all marketing activities are planned and implemented **in-house from the idea to production.**

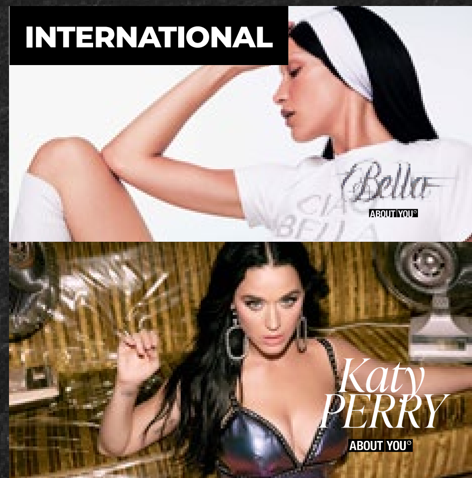
RÆRE by
Lorena Rae

CREATING WHAT'S RELEVANT

With its **COOPs,** ABOUT YOU inspires its **customers** to express themselves according to their **diverse interests** and **styles.**







FROM COLLABORATION TO BRAND – THE SUCCESS STORY OF LeGer BY LENA GERCKE

LeGer by
Lena Gercke

STRONG BUSINESS CASE

Since the launch of the collaboration in 2017, **LeGer by Lena Gercke** has become one of ABOUT YOU's top-selling brands and has established itself as **Germany's biggest personal fashion brand[1] to date.**

The identity of the brand is thereby a reflection of Lena Gercke, a German model, television host, and entrepreneur with an Instagram following of more than 3 million users[2]. LeGer creates trend-oriented clothing for women and men standing in life and also offers items in premium quality.

TOP 10
brand in the ABOUT YOU store by revenue[3] in FY 2022/2023

> 100%
Five-year revenue CAGR since FY 2018/2019

10
fashion drops in FY 2022/2023

> 30
full-time employees

1 In terms of number of items and revenue
2 As of February 28, 2023
3 Corresponds to gross revenue

SEBASTIAN KLAUKE

Chairman of the Supervisory Board

1.3 REPORT OF THE SUPERVISORY BOARD

"HOWEVER, THE MANAGEMENT BOARD OF ABOUT YOU RECOGNIZED THE MACROECONOMIC DEVELOPMENTS AND THEIR IMPACT ON THE BUSINESS DEVELOPMENT AT AN EARLY STAGE AND STARTED INTENSIFYING THE MEASURES ALREADY PLANNED TO INCREASE PROFITABILITY."

DEAR SHAREHOLDERS,

Before I report in detail on the work of the Supervisory Board and its committees in the past financial year, I would like to begin by emphasizing the wide range of topics that concerned us in the past year. FY 2022/2023 was dominated by the war in Ukraine, higher than expected inflation in the USA and Europe, a tightening of monetary policy measures and pandemic-related restrictions in China. The negative impact of these events was particularly visible in consumer sentiment, which reached historic lows in the past financial year and has improved only slowly since then.

However, the Management Board of ABOUT YOU recognized the macroeconomic developments and their impact on the business development at an early stage and started intensifying the measures already planned to increase profitability. Initial successes were already visible in the second half of FY 2022/2023 and should intensify further in the next financial year. Key measures in this context include a reduction in inventories, an improvement in the fulfillment cost ratio, lower marketing expenses, in particular to increase brand awareness, and positive scaling effects in administrative expenses.

As Supervisory Board, we are monitoring the successive implementation of the measures very closely and provide comprehensive support. Progress is regularly reported by the Management Board and discussed at meetings of the Supervisory Board and its committees.

COOPERATION BETWEEN THE SUPERVISORY BOARD AND THE MANAGEMENT BOARD

At the first Annual General Meeting after the Listing, all Supervisory Board members were confirmed in office by the Annual General Meeting on August 23, 2022. There were no changes to the Management Board.

In the past financial year, the Supervisory Board monitored the Company's affairs and regularly advised the Management Board on the management of the Company. In the process, we were always able to convince ourselves that the Management Board's work was lawful, appropriate, and proper. The Management Board fulfilled its duties to inform the Supervisory Board regularly, promptly, and comprehensively in both written and verbal form. In doing so, the Management Board provided information on all strategy, planning, business development, risk situation, risk development, compliance, and sustainability topics that were relevant for ABOUT YOU and the Group. The information also included deviations from the business operations from business planning. The Supervisory Board always had sufficient opportunity to deal in detail with the reports of the Management Board and the proposed resolutions and to contribute its own suggestions.

The Supervisory Board members were also available to the Management Board in an advisory capacity outside the regular Supervisory Board meetings. As Chairman of the Supervisory Board in particular, I had regular close exchanges with the Management Board to share information and thoughts on current company developments. My colleague and Chairperson of the Audit Committee, Christina Johansson, also had regular discussions with the Management Board, in particular with the Co-CEO Operations & Finance, to discuss accounting and financial statement-related developments at the Company, including the risk management system ("RMS"), the internal control system ("ICS"), and the compliance management system ("CMS"). The Supervisory Board discussed and gave its approval to the corresponding individual business decisions where this was required by law, the Articles of Association, or the Rules of Procedure for the Management Board.

MEETINGS OF THE SUPERVISORY BOARD AND ITS COMMITTEES

The Supervisory Board and Management Board worked together intensively in FY 2022/2023. At times, the Supervisory Board also held discussions without the participation of the Management Board and in isolated cases external advisers were present at the meetings as experts. The Supervisory Board held a total of six meetings and passed one resolution outside a meeting. The Audit Committee held a total of six meetings and passed two resolutions outside a meeting. The Presidential and Nominating Committee held three meetings.

The meetings of the Supervisory Board and its committees are regularly held in person; in certain individual cases, meetings are held by video conference. In FY 2022/2023, only two meetings of the Audit Committee and one meeting of the Supervisory Board were held by video conference.

In the past financial year, there were no conflicts of interest involving members of the Management Board or Supervisory Board that would have had to be disclosed without delay to the Supervisory Board.

INDIVIDUALIZED DISCLOSURE OF SUPERVISORY BOARD MEMBERS' ATTENDANCE AT MEETINGS

In FY 2022/2023, the Supervisory Board members attended all plenary meetings of the full Supervisory Board and its committees to which they belong and – with one exception – voted on all resolutions adopted outside meetings. The participation of the members of the Supervisory Board in the meetings of the Supervisory Board and the committees is disclosed below in individualized form:

Supervisory Board of ABOUT YOU

Member	Supervisory Board	Audit Committee	Presidential and Nominating Committee	Participation rate in %
Sebastian Klauke	5/5	6/6	3/3	100
Niels Jacobsen	5/5	6/6	3/3	100
Petra Scharner-Wolff	5/5	6/6	–	100
Christina Johansson	5/5	6/6	–	100
Christian Leybold	5/5	–	3/3	100
André Schwämmlein	5/5	–	–	100

MEETINGS OF THE SUPERVISORY BOARD

The range of topics dealt with by the Supervisory Board included the current business situation and earnings developments, as well as the annual and consolidated financial statements as of February 28, 2023. Under the Audit Committee's recommendation and following discussion with the auditors KPMG AG Wirtschaftsprüfungsgesellschaft ("KPMG"), the Supervisory Board approved the annual and consolidated financial statements and the combined management report for FY 2022/2023, thereby adopting the annual financial statements.

Furthermore, the Supervisory Board followed the recommendation proposed by the Audit Committee following completion of the statutory selection process for auditors and will propose to the Annual General Meeting on June 23, 2023 that BDO AG Wirtschaftsprüfungsgesellschaft ("BDO") be appointed as the new auditor of the annual financial statements and consolidated financial statements and for any potential review of interim financial reports for FY 2024/2025.

Other topics included the first-time constitution of the remuneration system for the Management Board and Supervisory Board, changes in legislation affecting the holding of virtual Annual General Meetings, and the reform of the German Corporate Governance Code (GCGC). In addition, the Supervisory Board dealt with the expansion and M&A strategy, the risk situation and development, and the business and strategic plan of the various segments of the Group. There was an intensive exchange of views on the budget and a multi-year planning between the Supervisory Board and the Management Board.

In FY 2022/2023, the Supervisory Board resolved on the submission and publication of the Declaration of Compliance pursuant to §161 of the German Stock Corporation Act (AktG) after examining the recommendations and suggestions of the GCGC. The current Declaration of Conformity, issued in July 2022, refers to the GCGC as amended on April 28, 2022 and is available on the Investor Relations website under Governance. Further information on this and on corporate governance in general can be found in the Corporate Governance Statement.

REPORT AND THE WORK OF THE COMMITTEES

The Supervisory Board has formed two committees from among its members, the Audit Committee, and the Presidential and Nominating Committee. The primary task of both committees is to prepare decisions and issues for the full Supervisory Board meetings. To the extent permitted by law, individual decision-making powers have been transferred by the Supervisory Board to the committees. The powers and working methods of the committees are set out in the Rules of Procedure of the Supervisory Board, which are available on the Investor Relations website under Governance. The Chairperson of the committees reports on the work of the committees to the Supervisory Board in detail and on a regular basis at the meetings.

The Audit Committee held a total of six meetings in FY 2022/2023 and passed two resolutions outside a meeting. In addition to the Co-CEO Operations & Finance and following the election of KPMG as the auditor at the Annual General Meeting 2022 and their subsequent appointment by the Audit Committee, KPMG's representatives also attended the Audit Committee's balance sheet meeting. The auditors have declared to the Audit Committee that there are no circumstances giving cause to suspect their partiality. The Audit Committee obtained the required declaration of independence from the auditors and concluded a fee agreement with them. Furthermore, a survey on the audit quality of KPMG was conducted within the involved departments; the results as well as the additional services provided by KPMG were discussed in the Audit Committee and subsequently together with KPMG.

The Chairperson of the Audit Committee, Christina Johansson, also maintained a regular exchange of information with the auditors between meetings.

The committee's work focused, among other things, on the audit of the Annual Financial Statement and Consolidated Financial Statements 2022/2023 together with the Combined Management Report, including the separate Non-Financial Group Report, which is part of the ESG Report. In addition, the interim reports at the end of the half-year and the respective quarter were discussed by the Audit Committee. Regarding the Half-Year Report 2022/2023, the auditors' review report was discussed in detail before the aforementioned results were approved by the Audit Committee. Furthermore, the Audit Committee approved individual, permitted non-audit services by KPMG for ABOUT YOU and for the Otto Group. Furthermore, following the initiation and evaluation of the public invitation to tender for the audit of the financial statements starting with FY 2024/2025, the Audit Committee proposed to the Supervisory Board two alternative auditing firms as new auditors and expressed a preference for BDO. The Supervisory Board followed the recommendation for BDO and will propose them as auditors for election at the Annual General Meeting 2023 and for any review of interim financial reports for FY 2024/2025.

The Audit Committee dealt with the monitoring of the accounting process as well as topics relating to the effectiveness and appropriateness of the ICS and its further development. Furthermore, the RMS and internal auditing were subject of the committee meetings. The Management Board also reported in detail to the Audit Committee on significant litigation and the CMS. The Audit Committee also prepared Supervisory Board decisions on the above-mentioned topics and performed its other statutory duties and those set out in the Rules of Procedure of the Supervisory Board in the reporting year. In addition, the Audit Committee consulted with the auditors in advance on the focus of the audit for the reporting period.

The Presidential and Nomination Committee held three meetings in the reporting year and dealt primarily with preparations for the Supervisory Board elections to be confirmed at the Annual General Meeting 2022, preparations for the remuneration system for the Management Board and Supervisory Board, and changes to the variable compensation structure for Group employees.

TRAINING AND PROFESSIONAL DEVELOPMENT

ABOUT YOU supports the members of the Supervisory Board organizationally by assuming the costs of fulfilling their duties on training and further professional development measures, which are generally carried out on their own responsibility. Additionally, the Management Board regularly includes in the meetings company-related topics to deepen knowledge of ABOUT YOU's business operations, and the Corporate Office of ABOUT YOU participates in topic-specific information and training measures and informs the Supervisory Board about current developments.

AUDIT OF THE ANNUAL FINANCIAL STATEMENTS AND CONSOLIDATED FINANCIAL STATEMENTS, SEPARATE NON-FINANCIAL GROUP REPORT, COMPENSATION REPORT, DEPENDENCY REPORT, AND REMUNERATION REPORT

For FY 2022/2023 ended on February 28, 2023, KPMG audited the annual financial statements, the consolidated financial statements, and the combined management report of the Company and the Group, which were prepared by the Management Board in accordance with the provisions of the German Commercial Code (HGB). The auditors issued unqualified audit opinions in each case.

The Audit Committee discussed the annual financial statements, including the dependency report and the audit reports together with the Co-CEO Operations & Finance and the auditor on May 8, 2023, after the Audit Committee and KPMG had the opportunity to discuss KPMG's audit report without Management Board participation. In addition, the full Supervisory Board discussed it in detail at its balance sheet meeting on May 8, 2023. Another subject of discussion was the separate non-financial Group report for the ABOUT YOU Group pursuant to

§§315b and 315c in conjunction with §§289c to 289e of the German Commercial Code ("HGB"), together with the EU Taxonomy Statement FY 2022/2023 which was subjected to a limited assurance audit by Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft ("EY"). The required documents together with the auditors' reports were distributed to all members of the Audit Committee and the Supervisory Board in good time before these meetings, giving them sufficient opportunity to examine them. The auditors reported on the main findings of their audit and were available to the Audit Committee and Supervisory Board to provide additional information. Based on its own examination of the annual financial statements, the consolidated financial statements, and the combined management report of ABOUT YOU and the Group, and on the basis of the report and recommendation of the Audit Committee, the Supervisory Board concurred with the results of the audit by the auditor. No objections were raised. For FY 2022/2023, the Supervisory Board approved the annual financial statements and the consolidated financial statements, as well as the combined management report of the Company and the Group. On the basis of its own examination, the report of the Audit Committee on its preparatory examination and its recommendation and the examination of the non-financial Group report, and the limited assurance report of EY thereon, the Supervisory Board finds that the non-financial Group report is proper and appropriate and has been prepared in accordance with §§315b and 315c in conjunction with §§289c to 289e HGB.

In FY 2022/2023, ABOUT YOU was a dependent company of Otto (GmbH & Co KG) ("Otto") within the meaning of Section 312 of the German Stock Corporation Act (AktG). For this reason, the Management Board prepared a report on relationships with affiliated companies and submitted it to the auditor and the Supervisory Board for review. Based on the audit, which was completed without objections, the auditor issued the following audit opinion:

"Based on our statutory audit and assessment, we confirm that the factual information in the report is correct."

The dependent company report and the related audit report were submitted to all members of the Supervisory Board in good time and were explained in detail in the presence of the auditors at the meeting on May 8, 2023. The auditors reported on the main findings of their audit. Following the final results of its examinations, the Supervisory Board concurred with the auditors' findings and raised no objections to the declaration by the Management Board at the end of the dependent company report, which is also included in the combined management report.

The compensation report was audited separately by KPMG. In addition to the formal audit required by law in accordance with §162 (1) and (2) of the German Stock Corporation Act (AktG), the compensation report was also audited on a substantive basis. Based on the findings of the audit, KPMG confirms that the compensation report, including the related disclosures, complies in all material respects with the accounting provisions of section 162 of the German Stock Corporation Act (AktG).

The Supervisory Board would like to thank the Management Board and all employees of the Group for their great personal commitment and outstanding achievements in the past year.

May 10, 2023

For the Supervisory Board

SEBASTIAN KLAUKE
Chairman of the Supervisory Board

SUPERVISORY BOARD OF ABOUT YOU

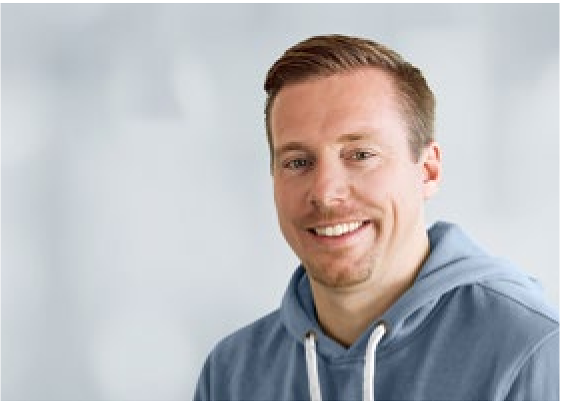
SEBASTIAN KLAUKE

NIELS JACOBSEN

PETRA SCHARNER-WOLFF

CHRISTINA JOHANSSON

CHRISTIAN LEYBOLD



ANDRÉ SCHWÄMMLEIN

1.4 ABOUT YOU SHARE: FY 2022/2023 IN REVIEW

1.4.1 CAPITAL MARKETS AND SHARE PRICE DEVELOPMENT

The stock market performance in the first half of FY 2022/2023 was dominated by the war in Ukraine, higher-than-expected inflation in the USA and Europe, and a tightening of monetary policy measures. In the second half of the financial year, the stock markets recovered against the backdrop of lower inflation rates and the prospects of an end to interest rate hikes.

These developments also had a significant impact on the ABOUT YOU share. At the beginning of the financial year, the share price reached a high of EUR 13.92 on April 5, 2022, primarily driven by the publication of strong preliminary Q4 and full-year results for FY 2021/2022. In subsequent months, the share price declined due to the war in Ukraine and a deterioration in macroeconomic factors, which also had an increasingly negative effect on consumer sentiment. These developments impacted the revenue and earnings development stronger and for longer than could have been expected at the time the full-year guidance was prepared in May. On September 13, 2022, the Management Board of ABOUT YOU subsequently lowered its guidance for FY 2022/2023. As a result, the ABOUT YOU share reached a low of EUR 4.83 on September 29, 2022. By the end of FY 2022/2023, the ABOUT YOU share had recovered slightly due to falling inflation rates and an improvement in consumer sentiment, ending the financial year at EUR 5.31.

The ABOUT YOU Share (as of February 28, 2023)[1]

Number of shares outstanding	Shares	172,433,629
Number of shares issued	Shares	186,153,487
Price high (FY 2022/2023)	EUR	13.92
Price low (FY 2022/2023)	EUR	4.83
Market capitalization	EUR million	988.5
Average daily trading volume per day	Shares	184,597
Average daily trading volume per day	EUR million	1.4
Listing venue	Prime Standard of the Frankfurt Stock Exchange	
ISIN	DE000A3CNK42	
Ticker symbol	YOU	
WKN	A3CNK4	

Share Price Performance of ABOUT YOU vs SDAX® (Date: February 28, 2023)

1 Bloomberg, prices and volumes based on XETRA for FY 2022/2023 as of February 28, 2023

1.4.2 SHAREHOLDER STRUCTURE

ABOUT YOU's largest shareholders are the strategic investors Otto, Aktieselskabet af 12.6.2018, and GFH (Gesellschaft für Handelsbeteiligungen m.b.H.), who cumulatively hold 63.5% of the share capital in ABOUT YOU under a pooling agreement.

The Group's Co-founders and Co-CEOs Tarek Müller, Sebastian Betz, and Hannes Wiese hold a cumulative stake of 7.3% in ABOUT YOU. Thereof, 3.65% are attributed to the free float, while the remaining 3.65% are subject to a lock-up period until June 16, 2023, which do not count as free float until the expiry of this period. Furthermore, ABOUT YOU holds treasury shares amounting to 7.4% of the share capital.

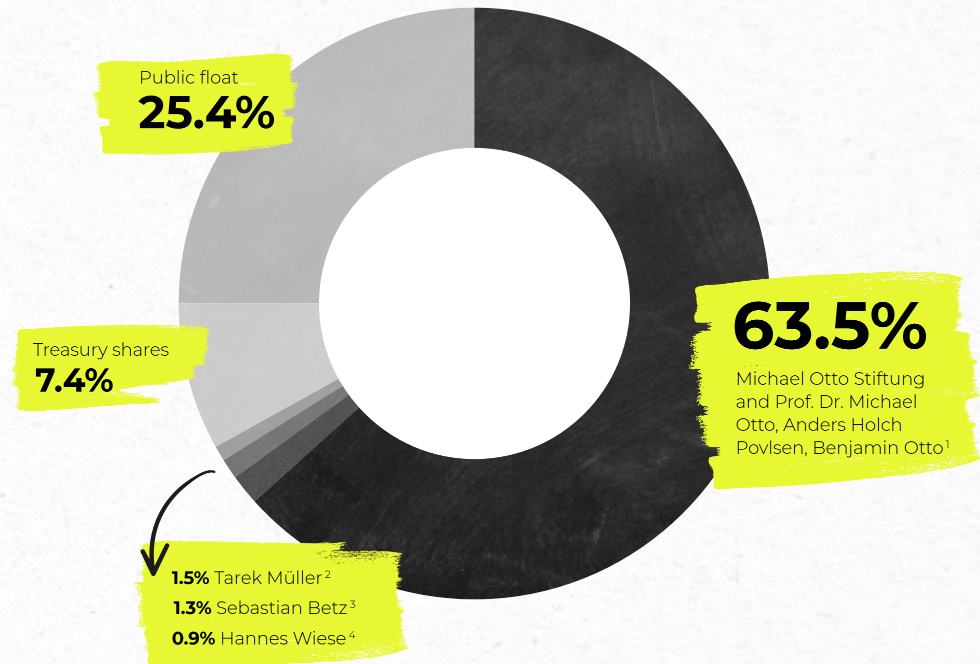
The proportion of ABOUT YOU shares in free float is therefore 25.4% of the share capital as of February 28, 2023.

An overview of the voting rights notifications can be found on the Investor Relations website

1.4.3 RESEARCH COVERAGE

As of February 28, 2023, the ABOUT YOU share was covered by eleven analysts. During the reporting period, the coverage was picked up by two additional analysts from Barclays and Exane BNP Paribas.

Shareholder Structure in Percent as of February 28, 2023



ABOUT YOU Research Coverage (as of February 28, 2023)

Broker	Analyst
AlsterResearch	Alexander Zienkowicz
Baader Bank	Volker Bosse
Barclays	Emily Johnson
BNP Paribas	Nicolas Katsapas
Deutsche Bank	Nizla Naizer
Goldman Sachs	Richard Edwards
Jefferies	Henrik Paganetty
J.P. Morgan Cazenove	Georgina Johanan
Numis	Simon Bowler
Societe Generale	Anne Critchlow
UBS	Sreedhar Mahamkali

1 Michael Otto Stiftung and Prof. Dr. Michael Otto – Otto (GmbH & Co KG); Aktieselskabet af 12.6.2018. – Anders Holch Povlsen; GFH Gesellschaft für Handelsbeteiligungen m.b.H. – Benjamin Otto
2 Formerly Tarek Müller Beteiligungsgesellschaft mBH and now operating under the name Ohana Group Hamburg GmbH since February 15, 2023. Total ownership amounts to 3.0% (1.5% counted in public float and 1.5% subject to lock-up until June 16, 2023)
3 Sebastian Betz Beteiligungsgesellschaft mbH - Total ownership amounts to 2.6% (1.3% counted in public float and 1.3% subject to lock-up until June 16, 2023)
4 Hannes Wiese Beteiligungsgesellschaft mbH - Total ownership amounts to 1.7% (0.85% counted in public float and 0.85% subject to lock-up until June 16, 2023)

1.4.4 ESG REPORTING

ABOUT YOU informs its stakeholders comprehensively about its ESG strategy and the progress made in the financial year in an ESG Report, which also includes the separate Non-Financial Group Report pursuant to sections 289b, 315b et seq. HGB. On May 17, 2023, the ESG Report 2022/2023 will be published on the ABOUT YOU website. The report includes, among other things, the Group's key ESG information in the PLANET, PEOPLE, and PROGRESS chapters, the ESG corporate ratings, and the result of the limited assurance review of the separate Non-Financial Group Report, which Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft was commissioned to perform. The report references the sustainability reporting standards of the Global Reporting Initiative ("GRI") to align the reporting with international reporting standards. ABOUT YOU's ESG Report 2022/2023 is also published on the Deutsche Börse ESG Visibility Hub.

1.4.5 ANNUAL GENERAL MEETING

ABOUT YOU's first Annual General Meeting took place virtually without the physical presence of the shareholders and their proxies at the Altonaer Kaispeicher in Hamburg on August 23, 2022. A total of 81.73% of the voting share capital was represented at the Annual General Meeting. The resolutions proposed by the Management Board and Supervisory Board of ABOUT YOU were all passed with the required majority of shareholders.

1.4.6 CLOSE DIALOGUE WITH THE CAPITAL MARKETS

ABOUT YOU is committed to consistent, proactive, and transparent capital market communication to provide investors and analysts with comprehensive information about its development. The exchange between the Management Board and capital market participants takes place primarily in the context of roadshows or by participating in national and international conferences. Podcasts and social media are also important tools for introducing retail investors to ABOUT YOU as an investment.

In the reporting period, the Management Board and the Investor Relations team participated in more than 150 meetings with capital market participants as well as in 14 conferences and fireside chats. During the same period, nine non-deal roadshow days were held following the announcement of ABOUT YOU's financial results. Furthermore, the Investor Relations team held four conference calls, each to discuss the financial figures following the respective releases, which were broadcast live online. Recordings are available on the Investor Relations website.

Left image: Sebastian Klauke (Chairman of the Supervisory Board)

Right Image: Hannes Wiese (Co-Founder and Co-CEO), Tarek Müller (Co-Founder and Co-CEO), Sebastian Betz (Co-Founder and Co-CEO) at the Annual General Meeting 2022

2 COMBINED MANAGEMENT REPORT

2. COMBINED MANAGEMENT REPORT

This Combined Management Report comprises both the Group Management Report and the Management Report of ABOUT YOU Holding SE. It reports on the business operations as well as the current situation and expected development of ABOUT YOU Holding SE ("ABOUT YOU" or "Company") and its fully consolidated subsidiaries (together with ABOUT YOU referred to as "Group").

The comments on ABOUT YOU are included in a separate section of the economic report with disclosures according to the German Commercial Code (HGB). The Consolidated Financial Statements of the Company have been prepared in accordance with Section 315e of the HGB in compliance with the International Financial Reporting Standards (IFRS) as applicable in the European Union. With the exception of the HGB disclosures in the chapter "Supplementary Management Report to the Separate Financial Statements of ABOUT YOU Holding SE", all key financial figures contained in this Combined Management Report, including the comparative figures for the previous financial year, have been prepared in accordance with IFRS. The German Accounting Standard 20 (GAS 20) "Combined Management Report" has been applied. In the chapter "Accounting Policies" of the notes to the Consolidated Financial Statement, additional disclosures are made on the underlying accounting principles.

2.1 BACKGROUND TO THE GROUP

2.1.1 BUSINESS MODEL

ABOUT YOU has become one of Europe's fastest-growing online fashion stores of scale and is a leading e-commerce player for the Gen Y&Z with over 45 million monthly active users.[1] By digitizing the offline shopping stroll, ABOUT YOU creates an inspiring and personalized shopping experience on the smartphone. The target group includes women and men between the ages of 18 and 40, who can find an assortment of more than 600,000 items[2] from around 3,800 brands[3] on aboutyou.com and in the ABOUT YOU app, including the own brands "ABOUT YOU" and "EDITED". ABOUT YOU is represented in all key markets in Continental Europe and in total ships to around 100 countries worldwide with the help of ABOUT YOU Global Shipping. In addition to the Commerce business, the Group has licensed its infrastructure, enabling enterprise customers in the lifestyle sector and other industries to leverage ABOUT YOU's proprietary technology through its SCAYLE brand with its software-as-a-service ("SaaS") solution.

With influencer-driven discovery shopping, ABOUT YOU aims to inspire customers who are not looking to purchase any specific item or brand, enabling an exclusive and personalized online shopping experience that makes ABOUT YOU one of the preferred online fashion stores for young and fashion-conscious customers. With an online fashion market penetration of around 30% in 2022[4], ABOUT YOU expects continued strong growth in the online fashion market, mainly due to the continued rise in the use of smartphones and social media. The so-called Gen Y&Z "digital natives" who tend to be inspired by influencers rather than traditional advertising and often make impulse purchases[5], will continue to contribute to a sustained shift from offline to online offerings. With its innovative and digital offering, aimed in particular at the Gen Y&Z, ABOUT YOU is ideally positioned to benefit from the ongoing shift of the fashion market from offline to online retail.

To meet the ever-changing demand for fashion items, ABOUT YOU's Commerce business operates with a hybrid business model consisting of 1P and 3P. 1P refers to ABOUT YOU's own inventory, while 3P refers to partners' inventory. Both 1P and 3P are seamlessly integrated into ABOUT YOU's shopping offering. This enables an attractive value proposition for both customers and brands. ABOUT YOU stocks the most in-demand items from third-party brands in its own warehouses to ensure fast delivery times and to negotiate attractive prices. As a key component of 1P, the Group has established its own brands

1 The data is voluntary and therefore unaudited.
2 The data is voluntary and therefore unaudited.
3 Brands with revenue > EUR 0 based on data from Germany in FY 2022/2023, excl. second love items – The data is voluntary and therefore unaudited.
4 Euromonitor (2022) – International Retailing, retail price, current prices, fixed exchange rate 2022
5 According to the 5WPR Consumer Survey 2022

"ABOUT YOU" and "EDITED", among others, and regularly launches exclusive collaborations, so-called COOPs, in close cooperation with influencers, celebrities, and brands. With the 3P model, ABOUT YOU enables brand partners to market their products via its online fashion store in two different operating models: Drop-Shipping, where the partner is responsible for its fulfillment, and "Fulfillment by ABOUT YOU" ("FbAY"), where ABOUT YOU manages the fulfillment. With 3P, ABOUT YOU can offer its customers a wide selection of relevant fashion items with full price control, while the partners benefit from the opportunity to target a young, digital, and social media-driven audience.

To fully leverage its expertise in e-commerce technology and marketing, ABOUT YOU established its Tech, Media, and Enabling ("TME") segment in 2018. It comprises B2B e-commerce software solutions ("Tech"), various advertising formats for brands ("Media"), and 360° services along the e-commerce value chain for third-party brands, including e-commerce operations and marketing growth services ("Enabling"). To further expand its B2B business and help other companies grow their D2C business, ABOUT YOU launched the B2B brand SCAYLE ("SCAYLE Commerce Engine"). The SCAYLE Commerce Engine is based on a modern and flexible headless infrastructure with an API-first approach and, as a modular ("composable") SaaS product, enables flexible expansion of a digital business featuring various application areas such as advanced B2C commerce, internationalization, omnichannel, and marketplace. As a technical backbone for the development of an international D2C business, brands and retailers gain access to the entire Commerce infrastructure of ABOUT YOU in a flexible solution as an enterprise cloud license product. The SCAYLE Business Services extend the technology offering with strategic and operational know-how. They include data-driven digital marketing in the areas of consulting, analytics and attribution, influencer marketing, as well as commerce operations with a pan-European logistics network and global shipping options.

As of February 28, 2023, ABOUT YOU had 1,282 permanent full-time employees ("FTE").

2.1.2 GROUP STRUCTURE

Management and Control

The Group is controlled by ABOUT YOU as the parent company, in which all management functions are bundled. The Group's revenue is mainly generated by ABOUT YOU SE & Co. KG, which is directly or indirectly fully controlled by ABOUT YOU.

ABOUT YOU's Management Board consists of the three members: Tarek Müller (Co-Founder and Co-CEO), Hannes Wiese (Co-Founder and Co-CEO), and Sebastian Betz (Co-Founder and Co-CEO) who are jointly responsible for the strategy and operational management of the Group.

The Supervisory Board consists of six members who appoint and advise the Management Board and monitor its management activities. It is directly involved in all decisions of major importance to the Company. In particular, the Supervisory Board reviews the Annual Financial Statements and the Combined Management Report and reports on the results of its examination in the Supervisory Board's report to the Annual General Meeting.

Group Segments

In line with the Group's internal steering, the segment reporting is structured according to the Group's business segments.

The ABOUT YOU DACH segment remains the segment with the highest revenue in the current financial year. The DACH segment includes the ABOUT YOU online stores in Germany, Austria, and Switzerland. In addition to the DACH segment, there is also the ABOUT YOU Rest of Europe ("RoE") segment. This segment includes the ABOUT YOU online stores in the other European countries. The TME segment essentially comprises three service businesses: the SaaS solution SCAYLE Commerce Technology (Tech), brand and advertising solutions (Media), and 360° services along ABOUT YOU's e-commerce value chain as well as other revenue-generating services and business areas (Enabling).

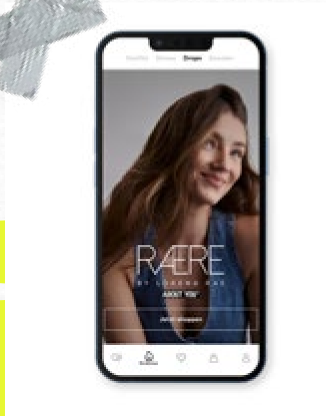
2.1.3 VISION, MISSION, AND CORPORATE STRATEGY

Vision and Mission[1]

ABOUT YOU's values are to be fast, stay hungry, and execute with passion. Based on these values, the Group is continuously working to realize its vision of outgrowing the market and becoming the global #1 fashion platform.

The three pillars that form the foundation for ABOUT YOU's success and shape the Group's mission are shown in the illustration "Vision and Mission":

Vision: Become the global #1 fashion platform



Digitalizing the traditional shopping stroll for Gen Y&Z

Increasing incremental revenues for fashion brands

Providing the technology to help partners grow their own e-commerce business

Corporate Strategy

To realize its vision, ABOUT YOU pursues a clear strategy based on five strategic priorities.

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

For FY 2022/2023, the online fashion market recorded a significant decline compared to previous years. According to the German E-Commerce Association (bevh), online fashion revenue in Germany dropped by 13.7% in 2022.[2] This downward trend is primarily due to the uncertainty among the population caused by the outbreak of the war in Ukraine and the increased cost of living. Nevertheless, as customers' satisfaction with e-commerce is at an all-time high, bevh is forecasting a rapid recovery with above-average growth rates as soon as consumer sentiment improves again.[3] According to the Management Board's assessment, the current downturn has no material impact on the overall long-term rising growth trend in the online fashion market that was anticipated prior to Covid-19 starting in FY 2019/2020. In fact, the current trend is in line with the long-term growth trajectory that would have occurred had Covid-19 not broken out. Overall, this points to a significant potential for further growth, particularly among younger customers: According to Eurostat, the highest proportion of internet users ordering fashion online in 2022 was in the 16 to 24 age group, closely followed by the 25 to 54 age group.[4]

1 The contents of this chapter or section are voluntary and therefore unaudited.
2 bevh (January 2023) Umsätze im E-Commerce mit Waren und Dienstleistungen erneut über 100 Mrd. EUR [Revenue in e-commerce with goods and services over EUR 100 billion]
3 bevh (January 2023) Umsätze im E-Commerce mit Waren und Dienstleistungen erneut über 100 Mrd. EUR [Revenue in e-commerce with goods and services over EUR 100 billion]
4 Eurostat (March 2023) E-commerce statistics for individuals

The ABOUT YOU offering is mobile and geared towards the younger generation of customers. Given the increase in online shopping and media consumption by the Gen Y&Z as well as the professionalization of the influencer ecosystem, discovery shopping is becoming increasingly important compared to traditional window shopping.[1] Thanks to the inspirational and the influencer-driven shopping experience, as well as the highly scalable B2B e-commerce software solutions, the Management Board is convinced that ABOUT YOU is ideally positioned to capture a significant share of the European fashion market and to become the global #1 fashion platform in the long run.

Scaling and Profitability of Existing Markets
As ABOUT YOU's online fashion store was designed to scale and expand geographically, the Group has regularly explored opportunities to expand into new markets. To implement these expansion plans, ABOUT YOU utilized its agile and efficient go-to-market playbook, which enables fast and cost-effective roll-outs into new markets. As such, the Group expanded its reach outside the DACH region to Belgium and the Netherlands ("BeNe") in FY 2017/2018, followed by Central and Eastern Europe ("CEE") in FY 2018/2019, and Southern Europe ("SEU") as well as the Nordics in FY 2020/2021. To explore further growth and investment opportunities, ABOUT YOU Global Shipping went online in December 2021 at aboutyou.com in English and Spanish with a selected range of products. Today, the Group can ship to a total of around 100 countries worldwide with the help of this service.

Due to its strong presence in all key markets in Continental Europe, ABOUT YOU is not planning any further expansion into new markets in FY 2023/2024 but will rather focus on the further development of its existing markets, in line with the go-to-market playbook. This initially entails the scaling phase, i.e., a strong build-up phase of the customer base and high growth. This is followed by the profitability phase, i.e., the medium- to long-term goal of break-even after market entry and continuing to grow profitably.

Expand the Offering of Own Labels and Exclusive Products and Add New Product Categories
To differentiate itself from its competitors, ABOUT YOU has expanded its range of third-party fashion items with Own Labels as well as exclusive COOPs. This allows ABOUT YOU to create a fashion offering tailored to its core customer groups. In addition, its strong presence on social media and experience with influencers makes it easier to identify trends. Offering such exclusive products leads to increased customer loyalty and attracts new customers.

According to the Management Board, ABOUT YOU has earned trust and credibility with this fashion offering and is thus well-positioned to expand the existing range with new product categories. In this manner, the online offering was expanded to include the categories of bodywear and men's jewelry, as well as additional childrenswear items in FY 2022/2023. This is a further step towards addressing a broader customer base.

Scale and Expand the TME Business
ABOUT YOU monetizes its proprietary technological infrastructure, markets its website inventory, and offers its value chain through the TME segment as a SaaS product. The aim is to strengthen and expand the B2B business line in the e-commerce infrastructure market and build a solid and loyal corporate customer base.

To further drive TME's growth, ABOUT YOU plans to grow its sales team, to develop new products, and to expand the existing product range. Additionally, the Group aims to up- and cross-sell its solutions to new and existing customers to increase revenue per customer. At the same time, ABOUT YOU intends to create synergy effects through greater interaction within the Tech, Media, and Enabling subsegments.

The B2B brand SCAYLE, which provides services to external enterprise customers independently of the ABOUT YOU Commerce

1 Market study conducted by Ipsos on behalf of ABOUT YOU

ecosystem, is expected to remain a key contributor to this end. For SCAYLE's successful positioning and to push the acquisition of new customers outside the DACH region, local sales teams for Benelux, Scandinavia and the United Kingdom were established in FY 2022/2023. In addition, ABOUT YOU is in the process of spinning off SCAYLE's business operations into a separate entity. Based on the license and service agreements concluded with enterprise customers, including renowned new customers, SCAYLE acquired a total revenue volume of around EUR 100 million over the contract period in 2022.[1]

Continue to Improve Adjusted EBITDA Margin to Achieve Profitability

The Management Board plans to achieve adjusted EBITDA break-even at Group level by the end of FY 2023/2024. ABOUT YOU aims to achieve this goal by increasing gross margin while reducing marketing, fulfillment, and administrative costs relative to revenue.

To increase gross margin, ABOUT YOU is currently optimizing its inventory levels by aligning upcoming inventory orders to current demand from customers. This is also expected to lead to a lower discount intensity, as the inventory level should be more in line with demand.

Marketing costs represent the largest efficiency lever by scaling back large-scale events and branding campaigns. In addition, there will be no major new market entries in FY 2023/2024, thereby removing the need for larger marketing campaigns to increase brand awareness in new markets. Furthermore, the positive effect of the intensified focus on the profitability of new customers should become visible in performance marketing measures in the next financial year.

Finally, administrative costs are expected to benefit from positive economies of scale and efficiency gains, as well as from the slowdown in new hires for non-technical functions.

2.1.4 MANAGEMENT SYSTEM

The Group's key performance indicators are revenue and adjusted EBITDA.

Adjusted EBITDA is not a recognized financial indicator under IFRS. The Management Board of ABOUT YOU believes that the adjustments to EBITDA allow the performance to be compared on a consistent basis excluding special items. Adjusted EBITDA is defined as EBITDA excluding share-based payment expenses, restructuring costs, and non-operating one-time effects. Non-operating one-time effects are defined as key non-recurring expenses or income that do not result from the Group's core activities. The adjusted EBITDA margin is calculated as the ratio of adjusted EBITDA to revenue.

2.1.5 RESEARCH AND DEVELOPMENT

It is characteristic for ABOUT YOU as an e-commerce and technology company to invest in its own technological infrastructure. Capitalized own development costs amounted to EUR 36.4 million in FY 2022/2023 (2021/2022: EUR 23.8 million). Depreciation of capitalized development costs amounted to EUR 18.2 million in FY 2022/2023 (2021/2022: EUR 9.9 million). The rise in development costs illustrates the increasing further development of the company's own technological infrastructure to meet the increased demands on operating processes and systems due to growth and the expansion of the B2B services offered. Research costs were insignificant in FY 2022/2023.

1 Planned revenue of customers within the contract period were multiplied by SCAYLE's respective license fee. The about EUR 100 million are technology revenue only and do not include revenue from affiliated companies or shareholders.

2.2 REPORT ON ECONOMIC POSITION

2.2.1 MACROECONOMIC AND SECTOR-SPECIFIC ENVIRONMENT

During FY 2022/2023, the overall economic situation was impacted by the war in Ukraine, global measures to combat inflation, a tightening of monetary policy measures, and the development of the Covid-19 pandemic. Against this backdrop, the International Monetary Fund (IMF) estimates that the global economy grew by only 3.4% overall in 2022 (2021: 6.2%).[1] Compared with the last estimate in October 2022, the growth expectation was revised upward by 0.2 percentage points. This was due to unexpectedly high resilience in numerous economies supported by stronger-than-forecast private consumption and higher-than-expected fiscal policy measures. In the euro zone, the IMF estimates that the economy grew by 3.5% in 2022 (2021: 5.3%). In contrast with the last estimate in October 2022, growth expectations were revised upward by 0.2 percentage points supported by lower-than-expected energy prices and additional fiscal policy measures to support purchasing power.

Even though global economic growth developed slightly better than expected towards the end of 2022, growth rates were significantly lower than in 2021. A deterioration in macroeconomic factors, high inflation rates, and rising key interest rates have led to a decline in consumer sentiment, adversely impacting growth in the online fashion market. In addition, as the Covid-19 pandemic has eased, demand between the online fashion market and brick-and-mortar retail has returned to the long-term trend line. These effects were particularly visible in the online apparel segment in Germany. According to bevh estimates, this fell by 13.7% in 2022 compared with the prior year (2021: 16.8%).[2]

2.2.2 BUSINESS DEVELOPMENT

Despite the challenging market environment, ABOUT YOU closed its FY 2022/2023 with solid growth and improved customer metrics, in line with adjusted expectations. The Group recorded a 10.0% YoY increase in revenue to EUR 1,904.6 million (2021/2022: EUR 1,731.6 million). Adjusted EBITDA from March 1, 2022, to February 28, 2023, was EUR −137.0 million (2021/2022: EUR −66.9 million), corresponding to an adjusted EBITDA margin of −7.2% (2021/2022: −3.9%). Both revenue and adjusted EBITDA are thus in line with the adjusted guidance in September 2022 and concretized in January 2023.

ABOUT YOU's FY 2022/2023 started in a difficult market environment. The war in Ukraine caused a decline in demand, especially in the CEE countries. In the Group's core DACH markets, Covid-19 restrictions were maintained until the end of April 2022, limiting buying opportunities for ABOUT YOU's core going-out fashion categories. Rising inflation and increasing consumer uncertainty also contributed to a challenging market environment. At the start of Q2 2022/2023, macroeconomic indicators continued to deteriorate, and consumer sentiment continued to decline. The resulting increase in inventories in the fashion industry led to a highly competitive market environment and elevated discounting levels in the online fashion market.

The multiple external factors in H1 2022/2023 also led to increased volatility in revenue for the Group. For example, at the beginning of the financial year, i.e., in the early phase of the war in Ukraine, low growth rates were recorded. Towards the middle of H1 2022/2023, growth recovered and increased to a healthy level, but then weakened again towards the end of H1 2022/2023 as consumer uncertainty increased. Overall, in H1 2022/2023 revenue growth was slightly below expectations at 14.3%, with revenue growth still at 19.4% in Q1 2022/2023 but slowing to 8.9% in Q2 2022/2023.

In Q3 2022/2023, the difficult macroeconomic environment continued to weigh on revenue development and caused increased volatility compared to the prior-year's quarter. For example, inflation in the euro zone reached new highs and consumer sentiment also fell to historic lows. The resulting increase in inventories in the fashion industry continued to create a discount-intensive online fashion market environment, and consumer behavior also saw a greater focus on the purchase of

1 IMF (January 2023) World Economic Outlook

2 bevh (January 2023) Umsätze im E-Commerce mit Waren und Dienstleistungen erneut über 100 Mrd. EUR [Revenue in e-commerce with goods and services over EUR 100 billion]

discounted items. These developments led the Group to reduce its revenue guidance on September 13, 2022. Thus, declining consumer sentiment and the deterioration in macroeconomic factors impacted the revenue and earnings performance stronger and longer than could have been anticipated at the time the full-year guidance was published in May 2022. Overall, revenue growth in Q3 2022/2023 was 8.3% and thus did not to accelerate, contrary to expectations at the beginning of the financial year. Despite implementing a wide range of measures to adjust the Group's cost structure to the market environment, earnings were still negatively affected by the rapidly deteriorating market environment. Additionally, inflationary dynamics added to the difficulties in achieving economies of scale, particularly in the logistics area.

On January 10, 2023, the publication of the Q3 results confirmed the revenue and earnings guidance at the lower end of the range communicated in September. Consequently, the Group had assumed a slowdown in revenue growth in Q4 2022/2023 compared to Q3 2022/2023, which was confirmed. As a result, revenue growth in Q4 2022/2023 was 3.4%. The slowdown was caused by a continued discount-intensive market environment in the online fashion market, persistently weak consumer sentiment, lower marketing expenses, and revenue deferral and one-time effects.

	Original guidance FY 2022/2023	Adjusted guidance FY 2022/2023	Concretized guidance FY 2022/2023	Results FY 2022/2023
Revenue growth	+25 to +35%	+10 to +20%	Lower end of adjusted guidance	+10%
Adjusted EBITDA	−70 to −50 million EUR	−140 to −120 million EUR	Lower end of −140 to −120 million EUR	−137 million EUR
Adjusted EBITDA margin	-3.2% to -2.1%	−7.3% to −5.8%	−7.3% to −5.8%	−7,2%
Capital expenditure	60 to 80 million EUR	60 to 80 million EUR	60 to 80 million EUR	55 million EUR
Net working capital	Neutral	Neutral	Neutral	Neutral (41 million EUR)

2.3 GROUP RESULTS OF OPERATION

To improve the controllability of individual cost items and to increase comparability with competitors, ABOUT YOU works with additional performance indicators known as Alternative Performance Measures ("APMs"). Four cost APMs are decisive for ABOUT YOU: costs of sales (in connection with gross profit), fulfillment costs, marketing costs, and administrative costs, and their respective ratios to revenue.

These APMs break down the Group's costs in such a way that it becomes visible whether and where these costs were incurred for revenue generation. This makes it easier to distinguish costs with variable portions from costs with higher fixed cost portions. The Group's results of operations can hence be managed with greater accuracy during the strong growth phase.

2.3.1 REVENUE DEVELOPMENT

In FY 2022/2023, Group revenue increased by 10.0% YoY to EUR 1,904.6 million (2021/2022: EUR 1,731.6 million).

The change in customer behavior is also reflected in transactional data. The average basket size (LTM) has decreased by 5.2% YoY from EUR 57.8 to EUR 54.8 compared to February 28, 2022. Besides an elevated discount level, this is also driven by a slightly higher return rate in contrast with the previous year. The average order frequency per active customers increased by 7.1% YoY to 3.1 (2021/2022 LTM: 2.9). The order frequency rose as a result of the product assortment expansion, an improvement in customer experience, the increase in brand awareness, and age structure effects of customer cohorts. Consequently, orders also increased by 19.7% YoY to 39.4 million orders (2021/2022: 32.9 million). The improvement in order frequency more than compensated for the LTM decrease in basket sizes in the customers' spendings. As a result, the average GMV per customer in FY 2022/2023 (LTM) grew by 1.5% YoY from EUR 167.1 to EUR 169.6.[1]

In a difficult market environment, the number of LTM active customers (LTM in million) rose from 11.4 million as of February 28, 2022, to 12.7 million as of February 28, 2023, representing an increase of 11.8% YoY. The grow was achieved through successful marketing campaigns and events to increase brand awareness as well as media-driven sales campaigns.[1]

1 The content of this sentence is voluntary and therefore unaudited.

Income Statement based on APM

in EUR million	2022/2023	as % of revenue	2021/2022	as % of revenue
Revenue	**1,904.6**	**100.0%**	**1,731.6**	**100.0%**
Growth rate	10.0%	–	48.5%	–
Costs of sales	1,184.0	62.2%	1,028.0	59.4%
Gross profit	**720.6**	**37.8%**	**703.7**	**40.6%**
Fulfillment costs	466.2	24.5%	347.4	20.1%
Marketing costs	302.7	15.9%	328.5	19.0%
Administrative costs	88.7	4.7%	94.7	5.5%
Adjusted EBITDA	**(137.0)**	**(7.2)%**	**(66.9)**	**(3.9)%**

2.3.2 ALTERNATIVE PERFORMANCE MEASURES (APM)

Definition and Development of Gross Profit

Gross profit is defined as the difference between revenue and costs of sales. Cost of sales mainly comprise the cost of goods sold, expenses for inbound logistics, write-downs of inventories, and other costs relating to revenue. Cost of sales represents the cost of goods sold less rebates, discounts, and bonuses granted by suppliers. Inbound logistics expenses include all expenses incurred before inventories are stored in the fulfillment centers and consist mainly of customs and inbound transportation expenses (including related personnel expenses). Inventory write-downs reflect write-downs of inventories to net realizable value to account for risks arising from reduced demand or quality of goods. Other costs of sales mainly comprise IT costs for B2B services and related personnel expenses. Other costs of sales also include personnel, IT, and infrastructure expenses in connection with the procurement of inventories. Cost of sales is reduced by the estimated amount of the expense of goods sold that is expected to be returned by customers. Gross margin is calculated as the ratio of gross profit to revenue.

In FY 2022/2023, cost of sales amounted to EUR 1,184.0 million (2021/2022: EUR 1,028.0 million) and gross profit of EUR 720.6 million (2021/2022: EUR 703.7 million) was generated in the last financial year. The disproportionate increase in the cost of sales led to a decline in the gross margin. It declined by 280 basis points YoY to 37.8% in FY 2022/2023 (2021/2022: 40.6%). Increased inventories in the fashion industry, for example, led to a discount-intensive market environment and weighed significantly on the gross margin. Furthermore, customers also demanded discounted items particularly frequently, which had an additional negative impact on the gross margin. The increased share of high-margin B2B revenue in the TME segment and Own Labels in the Commerce business only partially compensated for these adverse effects.

Definition and Development of Fulfillment Costs

Fulfillment costs mainly consist of expenses for outbound and returns logistics, distribution infrastructure expenses, payment transaction expenses, and service costs. Outbound logistics include expenses for warehousing, packaging, pick and pack, delivery costs, as well as the personnel and IT infrastructure expenses associated with these processes. Return logistics expenses consist primarily of inbound logistics expenses for returns and the costs of return centers. Payment transaction expenses are all expenses related to the payment process, including expenses for external payment providers, bank charges for transactions, and the associated personnel and IT infrastructure. Service costs are the expenses for call centers as well as service-related IT and personnel costs (B2C as well as B2B). Fulfillment costs thus include selling expenses except for marketing costs. The ratio of fulfillment costs is calculated as the ratio of fulfillment costs to revenue.

In FY 2022/2023, fulfillment costs increased by 34.2% to EUR 466.2 million (2021/2022: EUR 347.4 million). The fulfillment cost-to-revenue ratio increased by 440 basis points YoY to 24.5% (2021/2022: 20.1%). The increase is due to several factors. First, as expected, ABOUT YOU is seeing the return rate moving back toward pre-Covid levels, resulting in a slight YoY decline in net basket sizes. Second, logistics costs have come under pressure from inflationary dynamics (e.g., higher fuel costs, higher packaging costs, and wage increases), making it more difficult to realize economies of scale. Third, the expansion of the European distribution network creates one-time costs and operational complexity. Fourth, the relatively low revenue growth in FY 2022/2023 results in a higher fixed cost ratio. Finally, elevated inventory levels resulting from the revenue development led to a temporary increase in warehousing and processing costs. The increase in the fulfillment cost-to-revenue ratio in FY 2022/2023 is therefore a mix of temporary effects, which are expected to decrease in FY 2023/2024, and structural effects, which are expected to persist over a longer time horizon.

Definition and Development of Marketing Costs

Marketing costs mainly comprise external expenses for online and offline advertising, cooperation and production costs, and the personnel and IT infrastructure expenses associated with these processes. Online marketing costs relate mainly to social media channels, CRM, search engine advertising, and affiliate marketing. Offline marketing mainly comprises costs from TV, radio, and billboard campaigns, as well as offline shows and events. Cooperation costs refer to various costs incurred through cooperations with external parties such as influencers or brands. Production costs include expenses for editorial content, video productions, product, and model photography. The marketing cost-to-revenue ratio is calculated as the ratio of marketing costs to revenue.

Marketing costs decreased by 7.9% to EUR 302.7 million in the last financial year (2021/2022: EUR 328.5 million). This represents a 310-basis point reduction in the cost-to-revenue ratio for FY 2022/2023 to 15.9% (2021/2022: 19.0%). The first half of FY 2022/2023 was characterized by continued high campaign activity in newer markets in Northern and Southern Europe as well as marketing events such as the ABOUT YOU Awards in Milan and the Big Bang campaign in Norway. However, in the second half of FY 2022/2023, marketing costs decreased significantly. On the one hand, this was due to a base effect, as large-scale market entry campaigns were carried out in Italy, Greece, Portugal, and France in the prior-year period. On the other hand, a reduction in the return-on-investment targets for new customers in the steering of marketing channels and thus a stronger focus on short-term efficiency in marketing measures in response to a volatile and discount-intensive market environment also led to a reduction in marketing costs.

Definition and Development of Administrative Expenses

Administrative costs are composed primarily of personnel expenses, office infrastructure, and legal and consulting costs. Administrative costs originate from departments operating across the Group (such as Human Resources and Recruiting, Finance, Business Intelligence, and Legal) as well as from departments with internal functions (such as Facility, IT Security, Infrastructure, or Office Management). Furthermore, cost centers with strategy, planning, management, or control functions as well as other operating expenses and other operating income not related to the cost lines are subsumed here. The administrative cost-to-revenue ratio is calculated as the ratio of administrative expenses to revenue.

Administrative expenses decreased overall by 6.3% to EUR 88.7 million in FY 2022/2023 (2021/2022: EUR 94.7 million) despite a generally high level of inflation compared to the previous year. Accordingly, the cost-to-revenue ratio was reduced by 80 basis points to 4.7% (2021/2022: 5.5%). The improved cost-to-revenue ratio is attributable to positive scaling effects and operational efficiency measures.

Development and Reconciliation of Adjusted EBITDA

In the past financial year, adjusted EBITDA amounted to EUR –137.0 million (2021/2022: EUR –66.9 million). This corresponds to an adjusted EBITDA margin of –7.2% (2021/2022: –3.9%). The adjusted EBITDA margin is calculated as the ratio of adjusted EBITDA to revenue.

The adjusted EBITDA development in FY 2022/2023 is characterized, on the one hand, by revenue growth and the improvement in the marketing cost-to-revenue ratio. On the other hand, this development is offset by a lower gross margin as a result of the increase in the cost of sales and an increased fulfillment cost-to-revenue ratio. The increase in the fulfillment cost ratio in FY 2022/2023 is a mix of temporary effects, which are expected to decrease in 2023/2024, and structural effects, which are estimated to persist over a longer time horizon. In developing adjusted EBITDA, these temporary one-time effects and the current macroeconomic environment must be considered. FY 2022/2023 was a year of high growth expectations for the Group and accompanying commitments to strategic marketing campaigns as well as inventory and infrastructure expansion. These expectations faced a difficult and volatile market environment. Despite implementing a wide range of measures to adjust the Group's cost structure to the market environment, ABOUT YOU's earnings were still negatively affected by the rapidly deteriorating market environment.

A total of EUR 14.6 million has been adjusted for FY 2022/2023 (2021/2022: EUR 28.1 million). Of this amount, EUR 2.1 million stems from non-operating one-time effects incurred in connection with the change in the corporate structure of SCAYLE and the Payments unit, and EUR 12.4 million from expenses for share-based payments. These costs were eliminated in the calculation of adjusted EBITDA.

Adjustments

in EUR million	2022/2023	2021/2022
Adjusted EBITDA	**(137.0)**	**(66.9)**
Equity-settled share-based compensation	(12.4)	(14.8)
Non-operating one-time effects	(2.1)	(13.2)
EBITDA	**(151.6)**	**(95.0)**

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

	2022/2023					
in EUR million	NoE/ APM	Cost of sales	Fulfillment costs	Marketing costs	Admin. expenses	Adjusted EBITDA
Revenue	**1,904.6**	**(1,184.0)**	**(466.2)**	**(302.7)**	**(88.7)**	**(137.0)**
Cost of sales	(1,178.4)	(1,178.4)	–	–	–	–
Personnel expenses	(94.0)	(12.4)	(9.2)	(37.8)	(34.6)	–
Other operating expenses	(820.9)	(5.2)	(480.6)	(272.5)	(62.7)	–
Other operating income	15.3	–	14.5	–	0.8	–
Own work capitalized[1]	36.4	12.0	9.0	7.6	7.8	–
Adjusted EBITDA	**(137.0)**	**–**	**–**	**–**	**–**	**–**

	2021/2022					
in EUR million	NoE/ APM	Cost of sales	Fulfillment costs	Marketing costs	Admin. expenses	Adjusted EBITDA
Revenue	**1,731.6**	**(1,028.0)**	**(347.4)**	**(328.5)**	**(94.7)**	**(66.9)**
Cost of sales	(1,023.3)	(1,023.3)	–	–	–	–
Personnel expenses	(71.2)	(7.7)	(8.0)	(26.8)	(28.7)	–
Other operating expenses	(730.9)	(3.4)	(344.5)	(312.4)	(70.6)	–
Other operating income	3.1	–	2.8	–	0.3	–
Own work capitalized[1]	23.8	6.4	2.2	10.7	4.4	–
Own work capitalized	**(66.9)**	**–**	**–**	**–**	**–**	**–**

1 Own work capitalized includes internal personnel costs and all other cost items eligible for capitalization.

2.3.3 SEGMENT RESULTS OF OPERATION

The following sections provide additional explanations on segment reporting. These are disclosures from the internal reporting, which include both the intersegment transactions and the revenue recognition used for internal management purposes. Further information on segment reporting can be found in the Notes to the Consolidated Financial Statements (See **section 3.7.6**).

ABOUT YOU DACH

The ABOUT YOU DACH segment revenue grew by 9.1% to EUR 916.3 million in FY 2022/2023 (2021/2022: EUR 839.9 million). The continuing Covid-19 restrictions at the beginning of the financial year as well as declining consumer sentiment and a deterioration of macroeconomic factors in the further course of the financial year, had a negative impact on revenue momentum. Within the region, revenue development was twofold. In Austria and Switzerland, ABOUT YOU continued to grow strongly. The German market, on the other hand, proved to be more difficult and reported slower growth, due to negative consumer sentiment and high inflation dynamics.

The segment achieved an adjusted EBITDA of EUR 13.5 million in FY 2022/2023 (2021/2022: EUR 55.5 million), representing a decline in the adjusted EBITDA margin of 510 basis points to 1.5% (2021/2022: 6.6%). The adjusted EBITDA margin decreased YoY but remained positive despite a difficult macroeconomic environment. The decline resulted from a higher fulfillment cost-to-revenue ratio, which was mainly impacted by cost increases as well as an increased returns ratio. The cost increases are mainly attributable to the current high level of inflation and to increasing complexity in connection with the expansion of the logistics network. In addition, elevated discount levels weighed on margin performance, particularly in H2 2022/2023.

ABOUT YOU Rest of Europe or RoE

Revenue in the Rest of Europe segment increased by 17.3% to EUR 900.4 million in FY 2022/2023 (2021/2022: EUR 767.7 million).

The positive revenue development and the increase in brand awareness in the RoE segment were supported by large-scale media and marketing campaigns, particularly at the beginning of the financial year. Thus, the Northern European markets developed particularly positively and benefited from rising brand awareness, while the Southern European markets suffered from declining consumer sentiment. Revenue development in the CEE countries was positive despite the ongoing war in Ukraine, weak consumer sentiment due to high inflation rates and a highly competitive market environment.

The segment reported adjusted EBITDA of −168.7 million in FY 2022/2023 (2021/2022: −145.1 million). This corresponds to an improvement in the adjusted EBITDA margin of 20 basis points to −18.7% (2021/2022: −18.9%). Drivers for the RoE segment losses are elevated discount levels, increased costs related to the logistics network expansion, and investments for new customer acquisition and brand building in the newer markets in Southern and Northern Europe at the beginning of FY 2022/2023. However, the scope of large-scale market entry campaigns was lower than in the same period last year, slightly counteracting the overall high cost and investment pressure in the RoE segment. In general, FY 2022/2023 was characterized by high growth expectations and investments, particularly for the RoE segment, which faced an extremely difficult market environment. The measures implemented to adjust the business to the lower-than-anticipated level of demand did have an effect. However, in the short term, they were only partially successful in offsetting the significant impact on earnings caused by growth Investments and lower demand.

Tech, Media, Enabling or TME

In FY 2022/2023, revenue in the TME segment increased by 16.5% to EUR 195.1 million (2021/2022: EUR 167.4 million). This increase is due, among other things, to the successful brand positioning of SCAYLE, the expansion of SCAYLE revenue, and the onboarding of new customers. Nevertheless, the development of revenue with existing B2B customers is declining. Many of ABOUT YOU's B2B customers are seeing declining online revenue due to the difficult market environment and were faced with a strong comparison base from the previous year. This negatively impacted the growth momentum of the TME segment, as a significant portion of TME revenue is directly tied to B2B customers' online revenue. Further, a slightly declining spending willingness can be observed on the part of B2B customers in the Media segment, while fulfillment services are being used significantly more.

Adjusted EBITDA in FY 2022/2023 amounted to EUR 31.4 million (2021/2022: EUR 29.0 million). This corresponds to a decrease in the adjusted EBITDA margin of 120 basis points to 16.1% (2021/2022: 17.3%). On the one hand, the margin decline can be explained by the muted growth momentum of high-margin SaaS/licensing revenue, which is linked to B2B customer revenue. On the other hand, high investments were made in internationalization and market access, particularly in the SCAYLE context. In addition, many large and complex implementation projects were underway, which will only be converted into high-margin SaaS/license revenue in the medium term. Until then, these projects will be billed on a time and materials basis, with corresponding implications for the short-term margin structure.

2.3.4 CASH FLOWS

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

Condensed Statement of Cash Flows of the Group from March 1, 2022, to February 28, 2023

in EUR million	28/2/2023	28/2/2022
Cash flow from operating activities	(206.5)	(110.1)
Cash flow from investing activities	(54.5)	(45.8)
Cash flow from financing activities	(30.4)	544.2
Cash and cash equivalents at beginning of period	496.2	107.9
Net change in cash and cash equivalents	(291.4)	388.3
Cash and cash equivalents at end of period	**204.9**	**496.2**

In the past financial year, ABOUT YOU generated a cash flow from operating activities of EUR −206.5 million (2021/2022: EUR −110.1 million). The development is due on the one hand to the higher negative EBITDA of EUR −151.6 million (2021/2022: EUR −95.0 million) and on the other hand to a higher commitment of funds in Net Working Capital, which is due in particular to the disproportionate increase in Inventories compared to the Revenue Development compared to the same period of the previous year. The development of inventories was driven by higher growth expectations, which were met by a difficult market environment. In addition, the introduction of the European network of distribution centers led to an expansion of decentralized storage capacities and thus contributed to an increased level of inventories.

Cash flow from investing activities amounted to EUR −54.5 million in the reporting year (2021/2022: EUR −45.8 million). The cash outflows are primarily attributable to investments in internally developed software and loans to investments. Cash outflows for investments in intangible assets and property, plant and equipment amounted to EUR 38.2 million in FY 2022/2023 (2021/2022: EUR 28.1 million). Disbursements for loans and related interest income – which key include working capital loans for influencer brands and incubators – amounted to EUR 16.2 million in FY 2022/2023 (2021/2022: EUR 13.9 million).

Free cash flow (cash flow from operating activities plus cash flow from investing activities) consequently amounted to EUR −261.0 million in FY 2022/2023 (2021/2022: EUR −155.9 million).

Cash flow from financing activities amounted to EUR −30.4 million in FY 2022/2023 (2021/2022: EUR 544.2 million) and includes EUR 26.6 million in lease payments excluding interest (2021/2022: EUR 12.1 million) and interest payments in connection with Lease liabilities of EUR 3.6 million (2021/2022: EUR 0.3 million). Lease liabilities mainly result from the establishment and expansion of distribution centers towards a European distribution network. The positive cash flow in the previous year included capital contributions from the listing less related costs.

As of February 28, 2023, ABOUT YOU had cash and cash equivalents of EUR 204.9 million (February 28, 2022: EUR 496.2 million). ABOUT YOU was able to always meet its payment obligations during the current financial year.

2.3.5 FINANCIAL POSITION

Condensed Balance Sheet

The Group's net assets are presented in the condensed balance sheet below:

Condensed Balance Sheet of the Group as of February 28, 2023

Assets

in EUR million	**28/2/2023**	28/2/2022
Non-current assets	300.9	130.8
Current assets	880.5	1,053.5
Balance sheet total	**1,181.4**	**1,184.3**

Equity and liabilities

in EUR million	**28/2/2023**	28/2/2022
Equity	366.6	583.5
Non-current liabilities	179.9	53.0
Current liabilities	634.9	547.8
Balance sheet total	**1,181.4**	**1,184.3**

Non-current assets include intangible assets, right-of-use assets in accordance with IFRS 16, property, plant and equipment, and financial assets. The increase of EUR 18.2 million in intangible assets is mainly attributable to investments in internally developed software. Right-of-use assets increased by EUR 141.9 million compared with February 28, 2022. The key reasons for this are the renewed contract for the distribution center in Altenkunstadt (effective with Q1 2022/2023) and the first-time capitalization of the right-of-use assets for the new distribution centers in Poland (effective with Q2 2022/2023) and France (effective with Q3 2022/2023), which expand ABOUT YOU's distribution network in Europe by two additional locations in addition to the existing locations in Germany (Altenkunstadt) and Slovakia. The agreements grant ABOUT YOU the exclusive right-of-use under long-term contractual models. In addition, there was an increase of EUR 8.9 million in other non-current financial assets, primarily from loans and working capital credits for companies included using the equity method and for investments in influencer brands.

Current assets are mainly composed of inventories of merchandise, trade receivables and other receivables, other assets, and cash and cash equivalents. The decrease in current assets compared to February 28, 2022, is mainly due to the EUR 291.4 million decrease in cash and cash equivalents explained in more detail in **section 2.3.4**. This was offset by the increase in Inventories of EUR 166.5 million compared with February 28, 2022. The development of inventories mainly resulted from higher growth expectations, which were met with a difficult market environment. In addition, the roll-out of the European network of distribution centers has led to an expansion of decentralized storage capacities, contributing to an increased inventory level compared to February 28, 2022. In addition, the third-party FbAY inventory from the 3P business model recognized at the Group increased sharply YoY due to growth from this business model.

Trade receivables and other receivables showed a decrease of EUR 35.2 million compared to February 28, 2022. This is due on the one hand to the development of demand caused by macroeconomic factors and on the other hand to the result of continuous optimization measures in factoring and receivables management, which effectively reduced payment terms.

Other non-financial assets decreased by EUR 13.3 million compared with February 28, 2022, and continue to largely comprise the claim for return of goods expected to be returned (February 28, 2023: EUR 40.6 million; February 28, 2022: EUR 39.6 million). This corresponds to the amount of the acquisition costs of the delivered goods for which a return is expected, considering the costs incurred for the processing of the returns and the losses incurred upon disposal. In addition, receivables from other taxes in the amount of EUR 7.0 million (February 28, 2022: EUR 24.9 million) are recognized, which mainly stem from sales tax receivables. Other components of this item relate to accruals for future expenses (February 28, 2023: EUR 11.0 million; February 28, 2022: EUR 5.8 million), as well as supplier bonus claims (February 28, 2023: EUR 9.6 million; February 28, 2022: EUR 6.9 million).

Equity decreased by EUR 216.9 million as of February 28, 2023 compared to February 28, 2022. The decrease in equity is key to the negative result for the period in the amount of EUR 229.0 million. The capital reserve increased by EUR 12.5 million, mainly due to expenses for share-based payments.

As of February 28, 2023, non-current liabilities mainly include lease liabilities of EUR 172.9 million, which increased by EUR 125.0 million compared to February 28, 2022. While capitalizing the right-of-use from the renewed contract for the distribution center in Altenkunstadt, the new distribution center in Poland and the new distribution center in France, an offsetting increase in liabilities from leases must be recognized on a discounted basis.

Current liabilities are mainly composed of Trade payables and other liabilities. The increase in current liabilities compared to February 28, 2022, is mainly due to an increase in trade payables of EUR 58.9 million, which is mainly due to the development of inventories.

Current leases include the current portion of lease liabilities in accordance with IFRS 16, which amounted to EUR 45.2 million as of February 28, 2023 (February 28, 2022: EUR 12.1 million). In line with the development of right-of-use and non-current Lease liabilities, the increase is mainly due to the renewed or new contracts of the distribution centers in Germany and Poland.

A stable development can be observed in other non-financial liabilities, which decreased only slightly by EUR 4.9 million. This item includes both the provision for returns and liabilities from the use of reverse factoring agreements.

Other non-financial liabilities mainly comprise VAT liabilities and are at the level of the previous year.

Net Working Capital
The calculation of net working capital is shown in the following table:

	in EUR million	28/2/2023	28/2/2022
(+)	**Current assets excl. Cash and cash equivalents**	**675.7**	**557.3**
	Inventories	554.9	388.4
	Trade receivables and other receivables	40.7	75.9
	Other financial assets	0.0	0.0
	Other non-financial assets	80.1	93.0
(–)	**Current liabilities**	**634.9**	**547.8**
	Trade payables	406.6	347.7
	Lease liabilities	45.2	12.1
	Other financial liabilities	103.1	108.0
	Other non-financial liabilities	78.2	79.6
	Other provisions	1.7	0.4
=	**Net Working Capital**	**40.7**	**9.5**

Net working capital as of February 28, 2023 amounts to EUR 40.7 million (February 28, 2022: EUR 9.5 million). The development of Net Working Capital mainly results from a relatively high inventory level as of February 28, 2023. Drivers for the inventory development were higher growth expectations, which met with a difficult market environment. These effects were not offset by the other components of Net Working Capital.

Inventories are at a high level as of February 28, 2023, primarily due to the restrained Revenue Development. Macroeconomic factors had a negative impact on demand and inventories ordered in advance could not be adjusted in the short term. In addition, the introduction of the European network of distribution centers led to an expansion of decentralized warehouse capacities and thus contributed to an increased inventory level. Third-party FbAY inventory from the 3P model also increased sharply compared to February 28, 2022, due to growth from this business model.

Trade receivables and other receivables decreased. On the one hand, this is due to the demand trend caused by macroeconomic factors. On the other hand, this development is the result of continuous optimization measures in factoring and receivables management, which enabled payment terms to be reduced.

The increase in current liabilities compared to February 28, 2022, mainly stems from an increase in trade payables of EUR 58.9 million, which is mainly due to inventory development.

The increase in lease liabilities is mainly due to the renewed or new contracts of the distribution centers in Germany, Poland, and France. Other financial liabilities and other non-financial liabilities are at the level of the previous year.

2.3.6 EMPLOYEES

As of February 28, 2023, the Group had 1,282 full-time employees. This represents an increase of 110 permanent employees compared with February 28, 2022 (1,172 permanent employees).

2.3.7 REPORT ON RELATIONSHIPS WITH RELATED PARTIES

ABOUT YOU's Management Board submitted the Dependency Report required by Section 312 of the German Stock Corporation Act (AktG) for FY 2022/2023 to the Supervisory Board and issued the following final declaration:

Pursuant to Section 312 (3) of the German Stock Corporation Act (AktG), we declare that the Company received appropriate consideration for each legal transactions listed in the report on relations with affiliated companies in FY 2022/2023, based on the circumstances known to ABOUT YOU at the time the legal transactions were carried out.

2.4 NON-FINANCIAL GROUP REPORT

The ESG Report for FY 2022/2023 will be published on May 17, 2023. It is available on the ABOUT YOU website under About Us. The legally required separate non-financial statement of ABOUT YOU pursuant to Sections 315b, 315c in conjunction with Sections 289c to 289e of the German Commercial Code (HGB) is integrated into this ESG Report.

2.5 RISK AND OPPORTUNITY REPORT

The Group actively manages its exposure to economic, industry, financial and company-specific risks and opportunities. The following section describes ABOUT YOU's risk management system ("RMS") and provides an overview of the Group's key material risks and opportunities.

2.5.1 RISK AND OPPORTUNITY MANAGEMENT SYSTEM

Together with the Compliance Management System ("CMS") and the Internal Control System ("ICS"), the RMS is an integral part of the Corporate Governance System of ABOUT YOU and the Group. The implementation and integration of the three systems form the basis of an effective corporate governance. The RMS defines the overall control objectives and prepares the risk assessment for all business areas.

ABOUT YOU has established its RMS in accordance based on the Committee of Sponsoring Organizations of the Treadway Commission Enterprise Risk Management ("COSO ERM") criteria.

Objectives of the Risk and Opportunity Management System

The objectives of the RMS are to promote active risk awareness, create transparency about risks and opportunities, and enable risks to be identified and managed through a regular and systematic process that allows appropriate risk measures to be taken.

RMS objectives include:

- Foster awareness: Developing an active risk and opportunity culture and raising employee awareness of risks;
- Create transparency: Early identification of risks and opportunities to enable effective countermeasures at every organizational level in the Group;
- Take proactive actions: Structured handling of risks, including documentation, reporting, assessment, control and monitoring of risks, and measures to mitigate risks;
- Adhere to regulations: Compliance with statutory and legal requirements, including the required reporting of risks to the Management Board and the Audit Committee of the Supervisory Board as part of a standardized procedure;
- Serve as a guideline: The results of the RMS can serve as a guideline for informed business decisions.

ABOUT YOU uses this structured approach to meet regulatory requirements such as the Auditing Standards ("PS") 340 and 981 of the Institute of Public Auditors in Germany ("IDW").

Risks and Opportunities Identification

Risks and opportunities are continuously identified and monitored to ensure transparency about ad hoc risks. In addition, overarching risks are recorded centrally, while function-specific risks are identified, measured, and documented on a decentralized basis as part of a semi-annual risk process. The risk management team then conducts a structured and overarching risk assessment.

Risk Assessment

Risks are assessed in terms of the probability of their occurrence and the potential financial and qualitative impact within a time horizon of twelve months using three scenarios (pessimistic scenario, realistic scenario, optimistic scenario). Each risk is associated with risk measures (bear risk, minimize risk, avoid risk), each of which is also assessed in terms of its impact on the aforementioned factors. The evaluation of the risks results in a risk-specific gross risk, which describes the risks before the measures are applied, and a net risk, which includes the effects of the risk measures taken. This assessment is made on an individual basis; risks are then classified into three levels according to their probability of occurrence and potential impact: low risk, moderate risk, top risk. In addition, the identified risks are summarized in accordance with the COSO-ERM standards and classified into 19 company-specific risk groups.

Measured on this scale, the top risks are those with at least a high net financial impact and at least a moderate net probability of occurrence. These risks are closely monitored, addressed, and measures are taken in each case to minimize the net effect of these risks.

The results of the net risk assessment are systematized in two different ways as follows. The two systematizations are carried out as part of the half-yearly risk process:

- Simulation of the overall expected impact of the risk based on the net financial impact (cash impact level) and the net probability of occurrence of all individual risks. A Monte Carlo simulation considers the estimated probability of occurrence, three financial impact scenarios (optimistic, realistic, and pessimistic scenario) and the mitigation effects of the risk mitigation measures on both dimensions. The corresponding measures are reviewed and submitted by the risk leads as part of the risk assessment process.
- Linking the financial impact of the individual risks with the probability of occurrence to derive a risk rating (top, moderate, low risk). The illustration "ABOUT YOU Net Risk Inventory" provides an overview of all combinations and the resulting risk ratings. The COSO categories are applied to show the number of risks by classification for each category.

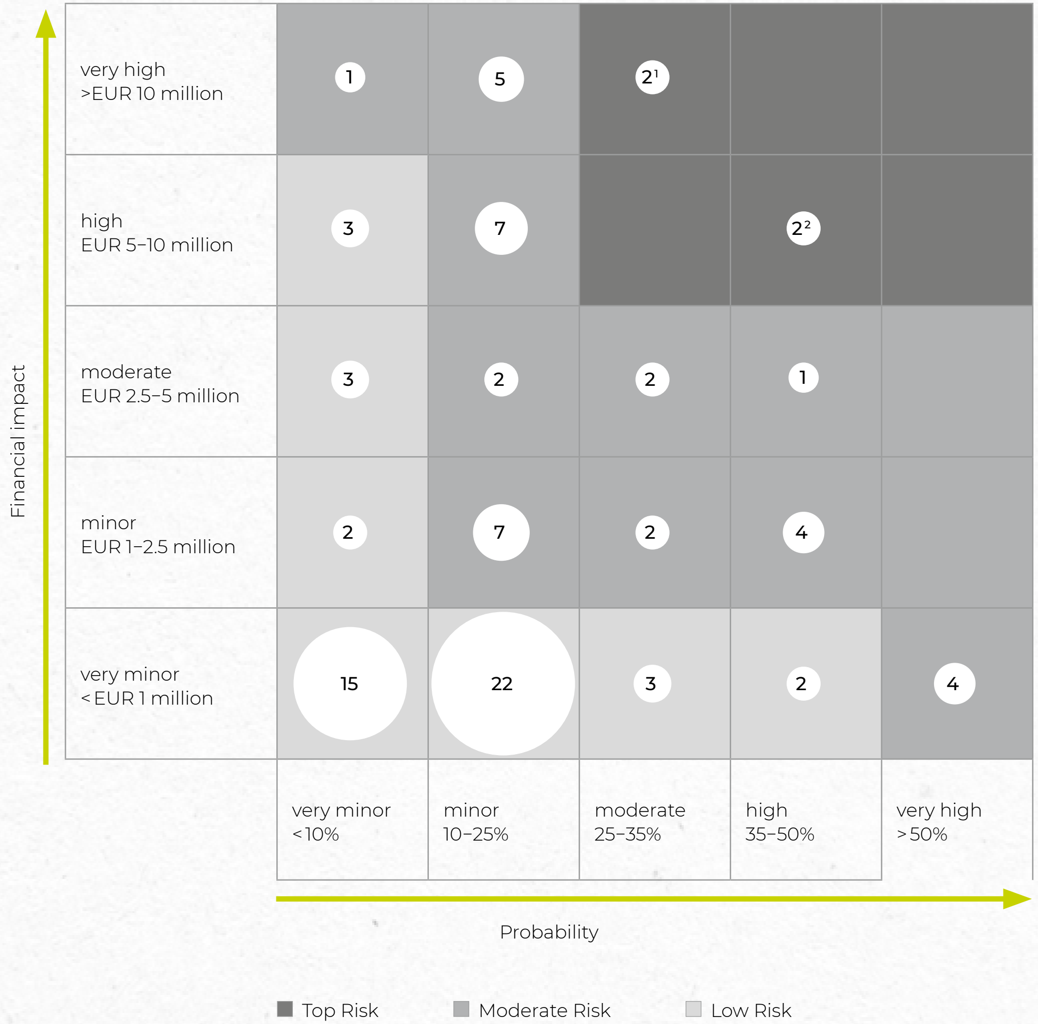
ABOUT YOU assesses its risk-bearing capacity based on its overall (financial) development twice a year. The Group defines its risk-bearing capacity as the average liquidity (cash and cash equivalents and marketable debt securities and similar investments) over the next twelve months. Risk-bearing capacity is calculated as part of each risk loop. ABOUT YOU applies the liquidity approach to calculate its risk-bearing capacity in accordance with IDW PS 340.

The further development of the Group's business also involves the acceptance and management of certain risks. Risk appetite is defined as the acceptance of a certain level of risk in order to achieve the Group's objectives and create value added. The determination of risk-bearing capacity sets the upper boundaries for risk appetite.

The risk tolerance resembles the boundaries within which ABOUT YOU is willing to operate given its risk appetite. The Management Board has set risk tolerances for the individual functional areas. The appropriate level of risk tolerance is graded individually by the organization, led by the managers of the functions. Overall, risk appetite is implemented through formalized tools (e.g., individual performance targets for managers; Code of Ethics) and informal exchanges with management (e.g., during monthly stand-up meetings with the Management Board).

As part of this year's risk review, all risks were reviewed again and classified according to environmental, social and governance (ESG) aspects. ESG risks are subject to additional strict monitoring by the ESG system, which also includes monthly reviews by the Management Board.

ABOUT YOU Net Risk Inventory



1 Top Risks: Overstock, Data leakage

2 Top Risks: Buying price increase, Insufficient warehouse capacities

Risk and Opportunity Management System Improvements, Control, and Communication

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

Process-independent controls include a full review of the RMS processes, which takes place every two years and is conducted by the risk management team. The process includes the identification of areas for improvement and subsequent adjustments following a review by the Management Board. In addition, an independent RMS review is included in ABOUT YOU's audit plan. Process-integrated controls include a regular internal quality assurance process for continuous improvement of the RMS. Risk reporting takes place twice a year and results in a comprehensive risk report with an updated risk inventory and a risk presentation with a risk matrix.

Each risk report is reviewed and confirmed by the Management Board. The risk reporting process is initiated by the risk management team. The risk management team is responsible for preparing the report and initiating its review by the Management Board. After review by the Management Board, each report is submitted to the Audit Committee and the Supervisory Board to ensure oversight of the overall risk strategy. The Supervisory Board and the Audit Committee have direct access to the risk management team and can carry out further review measures at any time if necessary.

Internal Control System Structure[1]

In addition of the company-wide RMS, ABOUT YOU has an accounting-related ICS in accordance with Section 315 (4) of the German Commercial Code (HGB), which is discussed in more detail in the following section.

The ICS was expanded to include the non-accounting aspects of ESG and IT security, along with COSO. With the ICS, ABOUT YOU pursues the goal of identifying, assessing, and controlling operational risks within the Group that could have a key influence on the appropriateness of the content and presentation of the consolidated financial statements, management reporting and the annual report. The ICS comprises various control measures based on a methodical process.

The risks relevant for reporting as well as the controls to reduce these risks are analyzed and documented. Cross-process risk control matrices have been implemented in the Group for this purpose, which include features such as description and type of control, control frequency, and parties responsible for executing and monitoring. The implemented control mechanisms are characterized by cross-functional processes within the Group.

ABOUT YOU's ICS is continuously updated and adapted to changing processes. The effectiveness of the controls is evaluated on a regular basis. The Management Board reports to the Audit Committee on the ICS at least twice in the financial year.

Based on the results of the various ICS, RMS and CMS audits, assessments and reports cited above, the Management Board is not aware of any reasons which might speak against an appropriateness or effectiveness.

Accounting-related Internal Control System

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

Risks relevant to external financial reporting and the controls used to mitigate these risks are analyzed and documented on an ongoing basis. A cross-process risk control matrix defines relevant controls, including the description and type of control of the risk to be mitigated, the frequency of controls, and the persons responsible for implementing and monitoring them. The appropriateness and effectiveness of the accounting-related ICS is regularly and continuously reviewed and further developed by those responsible in the finance department.

1 The content of this paragraph is voluntary and therefore unaudited.

2.5.2 ILLUSTRATION OF RISKS

ABOUT YOU has updated and identified the risks throughout the Group. This resulted in a total of 90 risks that could impact the Group within the next twelve months (see table "Overview of Risk Clusters"). No individual risks or risk groups were identified that could jeopardize the continued existence of the Group.

Overview Risk Clusters

Risk dimension and subcategory (COSO)	Total risks	Top risks	Moderate risks	Low risks
A) Strategic	**15**		**9**	**6**
1. ABOUT YOU company strategy	2		1	1
2. Competition	1			1
3. Sustainability	2		1	1
4. Markets/expansion	5		2	3
5. Brand/reputation	5		5	
B) Operations	**56**	**3**	**16**	**37**
6. Suppliers	5		2	3
7. Logistics	20	1	7	12
8. Sales	12		4	8
9. CRM	6		1	5
10. IT operations	5		1	4
11. HR	3		1	2
12. Pricing	4	2		2
13. Project management	1			1
C) Reporting/finance	**8**			**8**
14. Treasury	5			5
15. Controlling	3			3
16. Taxes	0			
D) Compliance/legal	**11**	**1**	**3**	**7**
17. Legal	5		1	4
18. Compliance	5		2	3
19. Data privacy & security	1	1		

The key changes in the Group's risk and opportunity assessment result from macroeconomic developments such as the war in Ukraine, high inflation, low consumer sentiment, and the global energy crisis. In addition, ongoing challenges in global supply chains, industry-wide high inventory levels, as well as changing regulatory requirements, such as new ESG legislation and changes to existing reporting standards, result in a need to update risk assessments. Also, due to the ongoing expansion of ABOUT YOU and the increasing complexity given the Group's operations in all key markets in Continental Europe, new company-specific risks have been identified.

Further details regarding the main risk dimensions, including the four top risks, are provided below:

Strategic Risks

The risk profile of the strategic risks is characterized by many macroeconomic developments. The war in Ukraine is at the center of the risk evaluation, together with the resulting global influences, such as the high inflation rate. Additionally, the Group's strategic risk profile is also confronted with increasing competitive dynamics in existing and new markets.

The war in Ukraine offers risk potential for the Group's business in neighboring markets such as the Baltic States, Romania, and Poland. The conflict has a particularly negative impact on the consumer climate in the CEE region and thus on the business development of ABOUT YOU. The effects can come from both the consumer side (e.g., lower demand due to an overall decline in spending, especially on fashion; lower event demand; higher inflation as a result of the conflict) and the business side (e.g., weakened marketing activities). ABOUT YOU has consciously factored the risk into its business planning. Compared to the previous financial year, the risk position has thus been reduced, so that it no longer represents a top risk. However, the Group continues to take several measures to further reduce the risk, such as actively monitoring the consumer climate through brand KPI surveys or adjusting marketing campaigns.

Operational Risks

Operational risks are mainly characterized by macroeconomic influences. The central drivers are the continuing prevailing inflation and the resulting conservative consumer behavior. Both factors harbor risk potential for the operating activities of ABOUT YOU. Purchasing and logistics are particularly affected by this in terms of risk assessment. The continuing disruptions in global supply chains also harbor a certain degree of uncertainty for the Group. In terms of operating risks, the Group sees three risks which, based on their probability and impact, fall under the top risks.

Due to the ongoing inflation, there is a subdued consumer climate and at the same time an increase in purchase prices. For ABOUT YOU, the risk lies in the possibility of not being able to compensate for the higher costs in the procurement of goods. ABOUT YOU mitigates this risk by continuously adapting and optimizing its pricing mechanisms and strategy.

Due to conservative consumer behavior, there is a risk in the industry and therefore also for ABOUT YOU in the development of inventories towards unpredictably high levels. Inventories that do not match current customer demand in a negative sense entail a liquidity risk for the Group. To effectively reduce this cost risk, ABOUT YOU undertakes, among other things, adjustments in the procurement and planning of new goods.

Stagnating demand and the dynamic market environment also require the Group to make flexible adjustments to its storage capacities. If these adjustments are not made effectively, there is a risk of jeopardizing compliance with delivery times or the availability of products. As the Group has been exposed to growth-related disruptions regarding its warehouse capacities in the past but has always been able to offer a positive customer experience, it expects that this risk will be effectively mitigated by its continuous efforts to improve the warehouse network.

Risks from Reporting and Finance

The volatile macroeconomic situation contains a risk potential regarding reporting and finance. As ABOUT YOU's supplier network grows globally, the influence of international markets outside the Eurozone on the business also increases. This can increase the risks associated with the volatility of exchange rates, unless they are effectively mitigated by hedging transactions. Specific financial risks are discussed in more detail in the **section 3.7.1** "Financial Risk Management".

Risks relating to Compliance and the Regulatory Environment

Key compliance and regulatory risks are driven by changing legal requirements, ABOUT YOU's vulnerability to cybercrime, and the Group's reliance on big data.

A top risk from the "Compliance and regulatory environment" area arises from the possible loss of confidential data, which may lead to legal disputes or impairment of customer satisfaction, among other things. This can be triggered by internal (including system errors) or external factors (including Ddos attacks). For this reason, ABOUT YOU has implemented a comprehensive IT security program designed to mitigate the potential risks associated with data breaches. The program consists, among other things, of security audits with external service providers as well as training for ABOUT YOU employees (including security awareness training and phishing training).

2.5.3 ILLUSTRATION OF OPPORTUNITIES

Opportunities in connection with ABOUT YOU's future development arise from the scaling of the business model on various levels as well as the (cost) optimization of business processes, which strengthens ABOUT YOU as a Group. The opportunities are addressed along the dimensions of the ABOUT YOU growth strategy and are independent from the way risks are classified. The opportunities are presented in descending order of their potential impact on ABOUT YOU.

Market Penetration, Economies of Scale and Potential Global Growth Areas

Positive dynamics may arise in the future in connection with both macroeconomic developments leading to a growing online fashion market and company-specific opportunities resulting from ABOUT YOU's current geographic presence.

Even after the shift from offline to online, which was significantly accelerated by the Covid-19 pandemic, the fundamental trend of shifting in favor of the online channel remains. Macroeconomic conditions – particularly in conjunction with the past years under the Covid-19 pandemic – are increasing cost pressure throughout the industry, especially for brick-and-mortar retailers. In this situation, market shakeouts may occur and with the resulting shift in market share, the shift to online may be further substantiated.

Favored by the reduced marketing expenses generally observed in the market, the defense of strong ABOUT YOU market positions in the various countries becomes potentially more favorable for the Group. An additional field of opportunity exists for the Group due to the changing standards in the industry for, among other things, delivery fees. For ABOUT YOU there is both an opportunity with the introduction of its own fees and a further opportunity to differentiate itself from the competition through no fees or lower fees compared to the competition and consequently a higher attractiveness for customers.

At Group level, the new markets recently entered by ABOUT YOU, for example in the Nordic countries, offer further opportunities for growth. The Group is benefiting from the investments made in recent years. ABOUT YOU Global Shipping is still in its early stages, but already offers the opportunity to reach markets outside Continental Europe.

Expansion of the Logistics Network and Deepening of Brand Partnerships

At the core of ABOUT YOU's business success are its relationships with specific brands and partners. In the same way, the Group has become an established partner for global fashion brands and strives to efficiently address the core target groups of these brands. In the future, ABOUT YOU will be able to benefit from the expansion of its brand portfolio to include major mass mainstream brands, as well as focused niche brands, and thus achieve higher market penetration. With the expansion of its own logistics network, ABOUT YOU is setting the right course to enable this. The resulting capacities create both the opportunity to further develop the product range and potential for further growing activities in the FbAY model. In addition, the Group is deepening its existing cooperations and its expertise as a reliable online fashion store in order to jointly continue the success stories of the brands and ABOUT YOU alike. The levers for success here are higher revenue in the ABOUT YOU Media business, improved terms and conditions, as well as improved access to exclusive products.

Customer Activation and Retention thanks to ABOUT YOU's advanced Technology Platform

ABOUT YOU continues to strive for continuous improvement of the customer-friendliness of its technology platform and a consequently more and more exciting shopping experience, e.g., with new discovery offers. As a result, ABOUT YOU expects higher customer activation and frequency, and a further strengthening of customer loyalty. New innovative marketing approaches are an example of how ABOUT YOU can create both an experience for customers and profitability effects of the Group.

Planet, People, and Progress

At the core of ABOUT YOU's responsible corporate governance are the pillars of "Planet, People, and Progress" and thus another high strategic priority of the Group. From the very beginning, ABOUT YOU's goal has been to give people the opportunity to express themselves individually through fashion. ABOUT YOU strives to champion diversity while approaching others with confidence, tolerance and openness. At the same time, the Group's priority is to constantly and sustainably improve its impact on „Planet, People, and Progress."

A clear attitude is important to ABOUT YOU, as doing the right thing creates new opportunities for further positive effects and future growth. ABOUT YOU is one of the pioneers in the development of circular merchandise models: The used clothing offering ABOUT YOU Second Love was launched back in 2020 and has since offered one of the largest second-hand ranges in Europe. ABOUT YOU sees the opportunity to further expand its growth course in the Second Love segment through new partnerships or its own resale model.

TME Scaling

In addition to the Commerce segment, ABOUT YOU sees additional opportunities in the further expansion of its TME segment. The Group specifically serves the needs of B2B customers and expands its customer base with a professional and highly customizable offering. With its B2B brand SCAYLE, ABOUT YOU aims to further expand its B2B business and support other companies in expanding their D2C business activities. SCAYLE has been able to continue its customer growth in the recent past, winning customers such as the Deichmann Group and Fielmann. In particular, the acquisition of new customers for the fashion brands of the s.Oliver Group, the online fashion retailer DefShop, as well as the soccer club FC Bayern Munich show the establishment of the SCAYLE brand also within the lifestyle segment as a trustworthy partner for the expansion of D2C business activities. In the future, ABOUT YOU will continue to have the opportunity to internationalize its TME segment, especially with regard to the SCAYLE brand. The planned market launch of the payment service provider SCAYLE Payment additionally offers ABOUT YOU the opportunity to further diversify its B2B service offering for the SCAYLE brand.

2.6 CORPORATE GOVERNANCE STATEMENT[1]

Since its founding, ABOUT YOU's goal has been to empower people to find and express themselves through fashion, standing up for diversity, tolerance, and self-confidence. This goal also shapes the corporate culture of ABOUT YOU, which is based on diversity, tolerance, and self-confidence. Accordingly, the Management Board and Supervisory Board are jointly committed to responsible and sustainable corporate governance and jointly issue the following corporate governance statement pursuant to Art. 9 (1) lit. C) iii) SE Regulation in conjunction with Sections 289f, 315d of the German Commercial Code (HGB)[2] which is part of the Combined Management Report.

2.6.1 DECLARATION OF COMPLIANCE

In July 2022, the Management Board and Supervisory Board issued the following Declaration of Compliance pursuant to Section 161 of the German Stock Corporation Act (AktG), which is also available on the Investor Relations website under Governance:

Pursuant to Section 161 (1) sentence 1 of the German Stock Corporation Act (AktG), the Management Board and Supervisory Board of ABOUT YOU Holding SE, with its registered office in Hamburg ("ABOUT YOU"), must declare annually that the recommendations of the "Government Commission on the German Corporate Governance Code" published by the Federal Ministry of Justice in the official section of the Federal Gazette have been and are being complied with, or which recommendations have not been or are not being applied and why not.

The last Declaration of Compliance by the Management Board and Supervisory Board of ABOUT YOU was made in August 2021. Since that date, ABOUT YOU has complied with all recommendations of the "Government Commission on the German Corporate Governance Code" as amended on December 16, 2019 ("GCGC 2020") published in the official section of the Federal Gazette on March 20, 2020, except for the declared deviations.

On April 28, 2022, the "Government Commission on the German Corporate Governance Code" presented a new version of the Code, which was published in the official section of the Federal Gazette on June 27, 2022 ("GCGC 2022"). The Management Board and Supervisory Board of ABOUT YOU declare that

1 The content of this paragraph is voluntary and therefore unaudited.

2 In the following, the relevant reference provisions of Council Regulation (EC) No. 2157/2001 of October 8, 2001 on the Statute for a European Company (SE)(SE Regulation), the SE Implementation Act(SE Implementation Act)(SEAG) as well as the SE Participation Act (SE-Beteiligungsgesetz) (SEBG) are omitted insofar as they do not result in key deviations from the AktG.

ABOUT YOU has complied with the recommendations of the GCGC 2022 and will continue to comply with them in the future.

2.6.2 CORPORATE GOVERNANCE

The starting point for ABOUT YOU's Corporate Governance are the Statutory Provisions, the Articles of Association, the Rules of Procedure of the Management Board and Supervisory Board, the recommendations of the German Corporate Governance Code (GCGC), and internal company guidelines. For ABOUT YOU, responsible and transparent corporate governance is a key prerequisite for corporate management and for sustainably increasing the Company's value. Furthermore, ABOUT YOU's sustainability initiatives are an integral part of the company's management in order to continuously balance economic and ecological goals. Further information on ABOUT YOU's sustainability initiatives and sustainability strategy can be found in the ESG Report 2022/2023, which also contains the separate Non-Financial Group Report and disclosures in accordance with the EU Taxonomy Regulation and will be available on ABOUT YOU's website from May 17, 2023.

Furthermore, the RMS and the ICS are additional components through which ABOUT YOU actively manages and controls its exposure to economic and industry-specific risks. The RMS promotes active risk awareness and transparency regarding risks and makes it possible to identify them at an early stage through a regular and systematic process and to take appropriate (risk) measures. ABOUT YOU has an accounting-related ICS in accordance with Section 315 (4) of the German Commercial Code (HGB). In FY 2022/2023, the ICS was expanded to include the non-accounting-related aspects of ESG and IT security, along the COSO. With the ICS, ABOUT YOU pursues the goal of identifying, assessing, and managing operational risks that can have a key influence on the appropriateness of the content and presentation of the consolidated financial statements, management reporting and the annual report. The RMS and ICS are dynamic systems that are continuously adapted to the business model, the nature and handling of business transactions or responsibilities, and are subject to ongoing development. Further information on the RMS and ICS can be found in the Risk and Opportunity Report in **section 2.5.1**.

The ABOUT YOU Business Code of Ethics and Business Code of Conduct are also available on the Investor Relations website under Governance.

The Business Code of Ethics describes the way ABOUT YOU works as a company and addresses self-imposed ethical standards to all ABOUT YOU employees. The Business Code of Ethics forms the basis for all internal company guidelines and represents the basis for the actions of all ABOUT YOU employees. In terms of content, the Business Code of Ethics states that all employees are required to comply with the relevant legal provisions as well as with ABOUT YOU's internal corporate guidelines, which are based on ABOUT YOU's core values and contain topics relating to the integrity of the way in which business relationships are conducted, the mutual treatment of employees, the treatment of third-party information and data, and responsible conduct. These core values are substantiated thematically with measures to combat corruption, standards for compliance with data protection regulations for the protection of personal data, and compliance with insider trading regulations.

The Business Code of Conduct defines – based on the amfori BSCI Code of Conduct – minimum standards for business partners who produce and/or supply goods or services on behalf of ABOUT YOU and must be recognized by the business partners. The aim of the Business Code of Conduct is to promote an ethical and ecological value chain in which employees can work safely, are financially secure and comply with certain environmental standards. In addition, ABOUT YOU screens against existing sanctions lists and the compliance database for certain groups of business partners and/or in cases where there are indications of potential compliance risks. In addition to adhering of the Business Code of Conduct, ABOUT YOU's business partners are expected to comply with applicable national and international regulations in order to reduce compliance risks.

Furthermore, ABOUT YOU has implemented a CMS based on the auditing standard IDW PS 980. The aim of the CMS is to monitor, control and document compliance with legal provisions, internal company guidelines and standards of ethical business management. Components of the CMS are a policy management system, a whistleblower system through which employees, business partners and third parties can actively participate openly or anonymously through various channels to report concerns and/or compliance violations (including any investigations), business partner screenings and compliance-related training.

ABOUT YOU has also created the so-called Culture Booklet, an internal document that explains why ABOUT YOU was founded and what its mission is. In addition, this booklet outlines all relevant aspects of the Company's culture. It is given to all employees as part of the onboarding package. Employees must also confirm that they have read and understood the Business Code of Conduct and the Business Code of Ethics. ABOUT YOU also plans establish its own internal audit department in the medium term. Currently, an external service provider was mandated with the tasks of internal auditing and, in a coordinated auditing plan, audits business processes, including IT solutions according to its own risk assessment and makes recommendations for improving the effectiveness and efficiency of controls.

2.6.3 COMPOSITION AND FUNCTIONING OF THE MANAGEMENT BOARD AND SUPERVISORY BOARD

ABOUT YOU has the legal form of a European Company (Societas Europaea, SE) with a dualistic management system, consisting of a Management Board, which manages the company on its own responsibility, and a Supervisory Board, which supervises the management. Both bodies work closely together for the benefit of ABOUT YOU.

Composition and Working Methods of the Management Board

The Management Board of ABOUT YOU consists of three members. The Management Board members are Hannes Wiese, Tarek Müller, and Sebastian Betz, who jointly manage the company as Co-CEOs under their own responsibility. The current appointment of the Management Board members runs until April 15, 2025. By June 1, 2026, the Supervisory Board has also set a target that the proportion of women on the Management Board should be at least ¼ and that the Management Board should include at least one woman. There is currently no plan to change the composition of the Management Board, so the target to be met by June 1, 2026, was not implemented in the past financial year.

The actions of the Management Board are guided by the interests of the company and the sustainable growth of ABOUT YOU. This also includes the development of business policy and corporate strategy and ensuring their implementation in day-to-day business, applying the diligence of a prudent and conscientious business manager.

In developing the corporate strategy and growth planning, the Management Board works together with the Supervisory Board in a spirit of trust for Company's benefit. The cooperation and responsibilities of the Management Board members have been defined by the Supervisory Board in the Rules of Procedure. These stipulate that the Management Board members are jointly responsible for the management of the Company, irrespective of the allocation of responsibilities, and that they work together as colleagues and keep each other informed on an ongoing basis of important transactions and developments in their areas of responsibility. The departmental responsibilities of the Management Board members are governed by the schedule of responsibilities adopted by the Supervisory Board in connection with the Rules of Procedure. Sebastian Betz is responsible for Tech & Product, Tarek Müller for Marketing & Brand, and Hannes Wiese for Operations & Finance.

The Management Board informs the Supervisory Board regularly, promptly, and comprehensively about all business developments, especially regarding corporate strategy, corporate planning, the risk situation, risk, and opportunity management, as well as compliance and ICS.

In addition, the Management Board maintains regular contact with the Supervisory Board's Chairman and the Audit Committee's Chairwoman between Supervisory Board and Committee meetings and informs them about the course of business, the situation of the company and discusses strategy, planning, and business development as well as RMS. The Management Board is responsible for informing the Supervisory Board's Chairman and the Audit Committee's Chairwoman of any events or business matters that may significantly affect the evaluation of ABOUT YOU's current situation, its development, and the overall management of the company.

As a rule, only people who are not older than 67 years at the end of their term of office should be appointed as Management Board members; exceptions in justified individual cases are possible. In accordance with Recommendation B.2 DCGK, the Supervisory Board shall cooperate with the Management Board with regard to the composition of the Management Board to ensure long-term succession planning. The Management Board regularly reports to the Supervisory Board on succession planning and ensures that the upper management levels are filled with employees who are suitable for a Management Board position and can be developed accordingly.

There were no Management Board committees in the reporting period. However, the Management Board has set up an Ad-hoc committee to deal with issues relating to the publication of information relevant to the financial markets. The permanent members of this committee are Management Board member Hannes Wiese and one representative each from Investor Relations, Legal & Compliance, Corporate Office and Finance. The Ad-hoc Committee supports the Management Board in an advisory capacity in complying with the ad-hoc disclosure requirements pursuant to Art. 17 of Regulation (EU) 596/2014 (Market Abuse Regulation – MAR).

Further information on the Management Board members and the Remuneration Report are available on the Investor Relations website under Governance.

Composition and Working Methods of the Supervisory Board

The Supervisory Board regularly advises and monitors the Management Board's management of the Company. It works closely and in a spirit of trust with the Management Board for the good of the company and is involved at an early stage in decisions of fundamental importance. ABOUT YOU's Supervisory Board consists of six members, all of whom are shareholder representatives. Supervisory Board members are Sebastian Klauke (Chairman of the Supervisory Board), Niels Jacobsen[1] (Deputy Chairman of the Supervisory Board), Christina Johansson[2] (Chairwoman of the Audit Committee), Petra Scharner-Wolff, Christian Leybold[3] and André Schwämmlein[4]. The regular term of office of the Supervisory Board members runs until the end of the Annual General Meeting in 2026. There are currently no plans to change the composition of the Supervisory Board. Until June 1, 2026, the Supervisory Board also has the target that the proportion of women should be at least 1/3 and that the Supervisory Board should therefore include at least two women. At present, this target has been met.

The Supervisory Board's members are selected in a way that ensures that, collectively, they possess the required knowledge, skills, and professional experience to fulfill the duties of the board for a capital market-oriented, internationally active company that operates online stores for fashion products and other goods, as well as other e-commerce activities. Based on the Group's business operations and recommendations of the GCGC, the Supervisory Board believes that the following experience and knowledge are key: (i) management of an internationally active company, (ii) trading in fashion products as well as e-commerce, (iii) in key markets in which the Group operates, (iv) in the areas of financial and capital markets, (v) in accounting and financial reporting, (vi) in controlling, risk management and internal auditing, (vii) in the area of governance and compliance, (viii) sustainability in the area of trading in fashion products and e-commerce[5]. Overall, the Supervisory Board strives to ensure that ABOUT YOU's specific needs are considered and that the Management Board is advised and monitored in a competent and qualified manner. Each Supervisory Board member has the professional experience and skills to properly perform their duties. In addition, all members of the Supervisory Board are familiar with the sector in which ABOUT YOU operates. Furthermore, each member ensures that they have sufficient time to perform their duties. In the composition of the Supervisory Board, the latter also ensures that, in accordance with the competence profile, different professional and international experience is taken into account and that the gender target figures and the general requirements for individual Supervisory Board members are achieved. Further details are available in the Supervisory Board's competency profile and in its Rules of Procedure via the Investor Relations website under Governance.

1 Independent member of the Supervisory Board
2 Independent member of the Supervisory Board
3 Independent member of the Supervisory Board
4 Independent member of the Supervisory Board
5 The Supervisory Board has already implemented this requirement with the entry into force of the new version of the GCGC in July 2022 and will include this in its competence profile, which is available on the Investor Relations website under the Governance section, in the short term.

According to Recommendation C.7 DCGK, more than half of the shareholder representatives on the Supervisory Board should be independent of the Company and the Management Board; all Supervisory Board members of ABOUT YOU meet this requirement. According to Recommendation C.9 DCGK, if the Company has a controlling shareholder, in the case of a Supervisory Board with six or fewer members, it should have at least one member who is independent of the controlling shareholder. In accordance with this recommendation, four Supervisory Board representatives of ABOUT YOU are independent of the controlling shareholder, Otto (GmbH & Co. KG).

In accordance with Recommendation C.1 DCGK, the following qualification matrix in shows the competence profile and provides information on what the Supervisory Board considers to be an appropriate number of independent shareholder representatives and the names of these members.

Qualification matrix of the Supervisory Board

Name	Nationality	Function	Competence profile								
			Management	Industry knowledge	Market knowledge	Financial and capital markets	Accounting/ Invoicing laying	Controlling, RMS, and internal audit	Governance/ Compliance	Sustainability	Independence
Sebastian Klauke	German	Managing Director at Otto (GmbH & Co. KG)	✓	✓	✓	✓				✓	
Niels Jacobsen	Danish	CEO at William Demant Invest A/S	✓		✓	✓	✓			✓	✓
Petra Scharner-Wolff	German	Business Managing Director at Otto (GmbH & Co. KG)	✓	✓	✓	✓	✓	✓	✓	✓	
Christina Johansson	Swiss/ Swedish	CFO at Dormakaba Holding AG	✓			✓	✓	✓	✓	✓	✓
Christian Leybold	German	Managing Partner at Headline	✓	✓	✓	✓					✓
André Schwämmlein	German	Founder and CEO at Flix SE	✓		✓	✓				✓	✓

Furthermore, Recommendation C.12 DCGK states that members of the Supervisory Board shall not exercise any executive or advisory functions for key competitors, nor shall they have any personal relationship with a key competitor. All members of the Supervisory Board meet this requirement.

In accordance with Recommendation E.1 DCGK and the provisions of the Rules of Procedure of the Supervisory Board, conflicts of interest must be disclosed without delay to the Chairman of the Supervisory Board or, in the case of the Chairman of the Supervisory Board, to the Deputy Chairman of the Supervisory Board. Permanent and key conflicts of interest shall lead to termination of the mandate. No conflicts of interest had to be disclosed in the past financial year.

In accordance with Recommendation C.2 DCGK, the Supervisory Board has set itself an age limit in the Rules of Procedure according to which, as a rule, only persons who are not older than 70 at the beginning of their term of office should be proposed for election as Supervisory Board members; justified exceptions are permitted in individual cases. All members of the Supervisory Board comply with the age limit.

In accordance with Recommendation D.12 GCGC, the Supervisory Board also assesses the effectiveness of the performance of its duties and those of the committees on an annual basis. In the past financial year, the Supervisory Board and its committees discussed their activities with a focus on the tasks assigned to them, the delegation of tasks and preparatory work for committee activities, and the frequency of meetings and quality of information provided by the Management Board. The skills and competencies of each member of the Supervisory Board and its committees were also evaluated with respect to ABOUT YOU's business requirements. No significant objections were identified.

The Supervisory Board has formed two standing committees from among its members: an Audit Committee and a Presidential and Nomination Committee. The Audit Committee consists of Christina Johansson (Audit Committee Chair), Sebastian Klauke (Supervisory Board Chair), Niels Jacobsen (Supervisory Board Vice Chair). and Petra Scharner-Wolff. Under Art. 100 par. 5 AktG, at least one Supervisory Board member must have expertise in accounting and at least one other Supervisory Board member must have expertise in auditing. With Christina Johansson and Petra Scharner-Wolff, the Audit Committee has at least two members having the expertise in both of the aforementioned areas and therefore fulfilling the D.3 GCGC recommendation. The Audit Committee is responsible for reviewing and monitoring the accounting process, the effectiveness of the ICS, the RMS, internal auditing, the CMS, and the audit of the financial statements. In addition, the Audit Committee prepares the resolutions of the Supervisory Board in connection with the (intra-year) financial reporting and the non-financial reports, and the proposal for the election of the auditor for the Annual General Meeting, including the selection and independence of the auditor and the implementation of a required selection procedure in accordance with the EU Regulation on Statutory Auditors.

The Presidential and Nomination Committee consists of Sebastian Klauke (Chairman of the Presidential and Nomination Committee), Niels Jacobsen (Vice Chairman of the Supervisory Board) and Christian Leybold. The Presidential and Nomination Committee main tasks are to nominate suitable candidates for the Supervisory Board and to prepare the Supervisory Board's proposals to the Annual General Meeting on the election of Supervisory Board members, the selection, appointment, dismissal and remuneration of the Management Board members, and the conclusion, amendment or termination of their service contracts.

The Supervisory Board report in **section 1.3** provides further details on the activities of both committees and the Supervisory Board for FY 2022/2023. In addition, the curricula vitae of the Supervisory Board members, the Rules of Procedure of the Supervisory Board, its competency profile and the remuneration report are available on the Investor Relations website under Governance.

2.6.4 TARGET OF WOMEN REPRESENTATION ON THE SUPERVISORY BOARD, THE MANAGEMENT BOARD, AND ON MANAGEMENT LEVELS BELOW THE MANAGEMENT BOARD ACCORDING TO SECTIONS 76 (4), 111 (5) AKTG

ABOUT YOU believes that diversity in all respects and across all organizational levels is the key to success. ABOUT YOU generally strives for a balanced gender representation. The focus rely on the composition of the Supervisory Board, the Management Board, and the three levels below the Management Board. In accordance with Section 111 (5) of the German Stock Corporation Act (AktG), the Supervisory Board has set targets for the proportion of women on the Supervisory Board and Management Board; details are provided in **section 2.6.3**.

In addition, the Management Board has set targets for the three levels below the Management Board beyond the requirements of Section 76 (4) of the German Stock Corporation Act (AktG). For the first three levels below the Management Board, ABOUT YOU has defined the target of achieving a balanced gender representation of 40/60/* by June 1, 2026, where women and men are represented within a range of 40–60%. With the *, ABOUT YOU explicitly recognizes and includes non-binary gender identities. At the end of FY 2022/2023, the proportion of women in the management levels is 51.1%. In the three levels below the Management Board, this figure is between 37.7% and 60.7%:

- First level below Management Board: 37.7%.
- Second level below the Management Board: 53.7%.
- Third level below Management Board: 60.7%.

Further details of what ABOUT YOU is doing to meet gender balance within the Group can be found in the ESG Report 2022/2023, which also includes the separate Non-Financial Group Report and EU taxonomy disclosures and will be available on ABOUT YOU's website from May 17, 2023.

2.6.5 REMUNERATION REPORT AND REMUNERATION SYSTEM

The Remuneration Report for FY 2022/2023 and the Auditor's Report on the audit in accordance with section 162 of the German Stock Corporation Act (AktG) have been published separately and will be available on the Investor Relations website under Governance from May 11, 2023. The Remuneration Report 2022/2023 will be submitted to the Annual General Meeting 2023 for approval.

The Remuneration System for Members of the Management Board and Supervisory Board drawn up by the Supervisory Board on the recommendation of the Presidential and Nomination Committee was approved by the Annual General Meeting on August 23, 2022, and is available on the Investor Relations website under Governance.

2.7 OUTLOOK

All forecasts and expectations are subject to a significant degree of uncertainty, as it is difficult to predict the development of macroeconomic events, including the war in Ukraine, the implementation of monetary policy measures, as well as the further level of inflation and the impact on consumer sentiment. During FY 2023/2024, ABOUT YOU will therefore continuously monitor developments in economic and industry conditions to respond quickly and comprehensively to potential changes.

2.7.1 FUTURE OVERALL ECONOMIC AND INDUSTRY-SPECIFIC SITUATION

Based on the weakening macroeconomic environment in 2022, the IMF expects global economic growth to slow further to 2.9% in 2023 (2022: 3.4%).[1] The IMF assumes that the increase in key interest rates to combat inflation and the war in Ukraine will continue to weigh on the economic development. A more pronounced economic slowdown is expected for major economies in Europe, with the probability of a recession having increased in these countries.

1 IMF (Januar 2023) World Economic Outlook

For the euro zone, the IMF expects economic growth to slow to 0.7% (2022: 3.5%). The estimate reflects the impact of rapid interest rate hikes by the European Central Bank and declining real incomes. In addition, the impact of the war in Ukraine is also expected to continue to weigh on the economic development through high energy prices and low consumer sentiment.

The global apparel industry is likely to continue to suffer from the effects of geopolitical and macroeconomic uncertainties as well as high inflation and weak consumer sentiment in 2023. Accordingly, Business of Fashion and the consultancy McKinsey & Company expect growth in the global apparel market (excluding the luxury segment) to develop in a range of −2% to +3%.[1] Against the backdrop of persistently high inflation and energy costs, the apparel market in Europe is expected to develop weaker and only within a range of −4% to +1%.

1 Business of Fashion and McKinsey & Company, The State of Fashion 2023

2.7.2 GUIDANCE

ABOUT YOU aims to achieve sustained revenue growth and to reach adjusted EBITDA break-even in FY 2023/2024. The Management Board pursues this goal by increasing the gross margin while reducing marketing costs as well as fulfillment and administrative cost-to-revenue ratios.

For FY 2023/2024, ABOUT YOU expects moderate YoY revenue growth, to significantly improve its adjusted EBITDA, and to reach break-even. In view of the expected positive revenue development and the improvement in adjusted EBITDA, the Group's adjusted EBITDA margin is also expected to improve significantly in FY 2023/2024.

The segments are expected to remain at different levels of maturity, which will also be reflected in different growth and profitability patterns.

- In DACH, revenue is expected to grow slightly in FY 2022/2024, leading to a slowdown in revenue growth rates compared to 2022/2023. In this context, ABOUT YOU should grow stronger in the DACH segment than the apparel market in Europe as a whole and benefit from the sustained shift from offline to online offerings. In terms of profitability, the adjusted EBITDA margin is expected to improve slightly compared to FY 2022/2023, hence a slight improvement in adjusted EBITDA in absolute terms is expected.
- RoE is expected to show moderate revenue growth, although this should be lower than the growth rate in 2022/2023 due to a higher basis for comparison. The segment is still in the scaling phase, particularly in the recently launched markets in Southern Europe and the Nordics. Consequently, the segment will not yet be profitable at adjusted EBITDA level in FY 2023/2024. The adjusted EBITDA loss in absolute terms in FY 2023/2024 is expected to be significantly lower compared to FY 2022/2023. As a result, the adjusted EBITDA margin is expected to improve significantly compared to FY 2022/2023.
- TME revenue is expected to continue to increase moderately, but revenue growth rates are forecast to decline slightly compared to FY 2022/2023. The adjusted EBITDA margin is expected to improve moderately from the already high baseline, which is why adjusted EBITDA is also anticipated to increase moderately in absolute terms compared to FY 2022/2023.

2.8 SUPPLEMENTARY MANAGEMENT REPORT TO THE SEPARATE FINANCIAL STATEMENTS OF ABOUT YOU HOLDING SE

Business Activity

ABOUT YOU assumes the function of the holding company within the Group. The key function of ABOUT YOU is the holding and management of financial assets, which reflects the operating business of the Group and is determined by the key performance indicators of the Group as a whole. Therefore, ABOUT YOU's key performance indicator's is the income from investments, including possible effects from write-downs on financial assets, which reflects the valuation of financial assets.

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

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

The annual financial statements of ABOUT YOU are prepared in accordance with the German Commercial Code (HGB). The Consolidated Financial Statements are prepared in accordance with IFRS, as applicable in the EU. The application of different accounting standards results in differences in the accounting and valuation methods to be applied. The differences mainly relate to deferred taxes.

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

The net assets, financial position, and results of operations of ABOUT YOU Holding SE developed as follows in FY 2022/2023 in accordance with the German Commercial Code (HGB):

Balance sheet of ABOUT YOU Holding SE according to HGB as of February 28, 2023

Assets

in EUR million	**28/2/2023**	28/02/2022
A. Fixed assets	**1,164.5**	**1,164.5**
I. Financial assets	1,164.5	1,164.5
Shares in affiliated companies	1,164.5	1,164.5
B. Current assets	**353.9**	**342.7**
I. Receivables and other assets	338.5	1.5
1. Receivables from related parties	337.9	1.0
2. Other assets	0.6	0.5
II. Cash balances with credit institutions	15.4	341.2
Balance sheet total	**1,518.4**	**1,507.2**

Equity and liabilities

in EUR million	**28/2/2023**	2021/2022
A. Equity	**1,514.2**	**1,488.4**
I. Subscribed capital	186.2	186.2
Own shares	(13.7)	(15.8)
II. Capital reserve	951.4	926.2
III. Retained earnings	434.9	434.9
Other retained earnings	434.9	434.9
IV. Accumulated loss	(44.6)	(43.1)
B. Provisions	**0.3**	**15.1**
Other provisions	0.3	15.1
C. Liabilities	**2.4**	**2.2**
1. Trade accounts payable	0.7	0.1
2. Liabilities to affiliated companies	1.4	2.1
3. Other liabilities	0.3	0.0
D. Deferred tax liabilities	**1.5**	**1.5**
Balance sheet total	**1,518.4**	**1,507.2**

Income Statement of ABOUT YOU Holding SE in accordance with the German Commercial Code (HGB) from March 1, 2022, to February 28, 2023

in EUR million	2022/2023	2021/2022
1. Revenue	17.7	0.9
2. Other operating income	0.1	1.4
3. Cost of materials	(0.1)	0.0
Expenses for purchased services	(0.1)	0.0
4. Personnel expenses	(18.9)	(16.8)
a) Wages and salaries	(18.0)	(16.6)
b) Social security contributions	(0.9)	(0.2)
5. Other operating expenses	(5.6)	(29.5)
6. Interest and similar income	5.5	0.3
7. Interest and similar expenses	(0.2)	(1.3)
8. Taxes on income and earnings	0.0	2.0
9. Earnings after taxes	**(1.5)**	**(43.1)**
10. Net loss for the period	**(1.5)**	**(43.1)**
11. Loss carried forward (previous year: profit carried forward)	(43.1)	434.9
12. Transfer to revenue reserves	0.0	(434.9)
13. Accumulated loss	**(44.6)**	**(43.1)**

Financial assets are unchanged YoY. Bank balances decreased by EUR 325.8 million due to the issue of loans to affiliated companies. In the opposite direction, receivables from affiliated companies increased accordingly by EUR 335.9 million.

Equity increased by YoY 24.8 million. The key reason for this is the expense for share-based remuneration, which was presented in other provisions in the previous year and reclassified to additional paid-in capital as of February 28, 2023. In the previous year, other provisions were recognized because it was not clear at the balance sheet date whether these share-based payments would be settled by the granting of shares. As the first-time settlement of the share-based remuneration in the financial year was carried out by means of treasury shares, the remaining provision of EUR 14.1 million has been reclassified accordingly to additional paid-in capital. In the opposite direction, other provisions decreased by EUR 14.8 million.

The income statement shows a sharp increase in revenue of EUR 16.7 million, which resulted from the transfer of personnel expenses within the Group. In addition to the first-time charging of share-based remuneration in the financial year, this is due to the transfer of administrative departments from ABOUT YOU SE & Co. KG to ABOUT YOU Holding SE within the Group.

Personnel expenses included EUR 12.4 million in expenses from share-based remuneration (2021/2022: EUR 14.8 million).

Other operating expenses decreased by EUR 23.9 million compared with the previous year, primarily due to the costs of the listing included in the previous year.

Net interest income improved by EUR 5.3 million due to the loans issued to affiliated companies and the resulting interest income.

Guidance for ABOUT YOU

ABOUT YOU was able to essentially fulfill the previous year's guidance with regard of the constant further development of the net assets, financial position, and results of operations as well as the recoverability of the financial assets. ABOUT YOU's planning for FY 2023/2024 continues to assume a constant further development of the net assets, financial position, and results of operations. Due to the planned positive developments of the subsidiaries, the financial assets are not expected to be subject to any impairment, which should also not change the investment result.

2.9 DISCLOSURES REQUIRED BY TAKE-OVER LAW PURSUANT TO SECTIONS 289A (1), 315A (1) GERMAN COMMERCIAL CODE (HGB) AND EXPLANATORY REPORT

The disclosures required under Section 289a sentence 1 and Section 315a sentence 1 of the German Commercial Code (HGB) are presented and explained below:

2.9.1 COMPOSITION OF THE REGISTERED SHARE CAPITAL

The registered share capital of ABOUT YOU as of February 28, 2023, amounts to EUR 186,153,487 and is divided into 186,153,487 bearer shares with no-par value. Each Company share has an arithmetical share in the share capital of EUR 1.00. All shares carry the same rights and obligations. Each share grants one vote at the Annual General Meeting and is decisive for the shareholder's share in the Company's profits. The rights and obligations of shareholders are set out in detail in the provision' of the German Stock Corporation Act (AktG), in particular Sections 12, 53a et seq., 118 et seq. and 186 of the German Stock Corporation Act (AktG).

2.9.2 RESTRICTIONS ON VOTING RIGHTS AND TRANSFER OF SHARES

At the end of the financial year, the Company held 13,719,858 treasury shares (previous year: 15,758,072) from which no rights (in particular no voting rights) derive pursuant to Section 71b of the German Stock Corporation Act (AktG). Compared to February 28, 2022, the number of treasury shares has been reduced by such a number that es equal to the number of exercised virtual stock options amounting to 2,038,214 no-par value shares as part of share-based payments.

In general, the voting rights of the shares concerned are excluded by law in cases covered by Section 136 of the German Stock Corporation Act (AktG).

In addition, to the knowledge of the Management Board, the following agreements exist or existed as of February 28, 2023, which may be considered restrictions within the meaning of Sections 289a sentence 1 no. 2, 315a sentence 1 no. 2 HGB:

Voting Pool Agreement between Otto and GFH

The shareholders Otto and GFH Gesellschaft für Handelsbeteiligungen m.b.H. ("GFH") are parties to a pool agreement dated March 23, 2021 ("Pool Agreement"). In the Pool Agreement, Otto and GFH have undertaken to exercise the voting rights from the shares they hold in ABOUT YOU uniformly in accordance with the agreement between them. The Pool Agreement covers all shares with voting rights in ABOUT YOU currently and in the future held by the aforementioned shareholders and the companies dependent on them in each case within the meaning of Section 17 of the German Stock Corporation Act (AktG), as well as those shares currently or in the future held by third parties on the basis of trust agreements or similar arrangements for the aforementioned shareholders.

Pursuant to the Pool Agreement, before transferring or entering an obligation to transfer any shares covered by the Pool Agreement to a third party not being a party to the Pool Agreement, GFH must offer the relevant shares to Otto. This right of first refusal does not apply to sales via the stock exchange or as part of a block trade in an amount of up to EUR 25 million and up to 0.4% of the issued shares of ABOUT YOU.

Shareholders' Agreement between Otto and Heartland A/S

Pursuant to a shareholders' agreement between the shareholder Otto and Heartland A/S (the parent company of the shareholder Aktieselskabet af 12.6.2018 – "Heartland") dated February 22/26, 2021 (as amended on March 29, 2021) ("Shareholders' Agreement"), the aforementioned shareholders have, inter alia undertaken to exercise their voting rights (including voting rights held by third parties who have pooled their interests with one of the parties to the Shareholders' Agreement) in favor of the intended governance structure of ABOUT YOU as set out below and, of other certain matters set forth in the Shareholders' Agreement. A general pooling of voting rights has not been agreed between Otto and Heartland.

The Shareholders' Agreement stipulates that ABOUT YOU shall have a Supervisory Board with six members, all of whom shall be elected by the Annual General Meeting. According to the Shareholders' Agreement, Otto has the right to nominate and demand the dismissal of up to three members of the Supervisory Board, no more than two of whom may be executives or employees of Otto.[1] This right exists as long as Otto controls, including through affiliates or pooling agreements, at least 40% of ABOUT YOU's share capital (excluding treasury shares held by ABOUT YOU). For Heartland, the Shareholders' Agreement

1 Currently, Sebastian Klauke and Petra Scharner-Wolff have each been nominated by Otto. In addition to their Supervisory Board activities at ABOUT YOU, they have an executive function at Otto (GmbH & Co KG). They are considered dependent within the meaning of the GCGC. In addition, Otto has nominated Christian Leybold as a member of the Supervisory Board, who is, however, independent of ABOUT YOU, the Management Board, and the controlling shareholder Otto within the meaning of the GCGC.

provides for the right to nominate and request the dismissal of one member of the Supervisory Board.[1] The remaining two other members of the Supervisory Board shall be independent and shall be determined by mutual agreement between the parties to the Shareholders' Agreement. Otto may also request the dismissal of one of the independent members at any time, unless after this dismissal the Supervisory Board would no longer include any independent member. The parties to the Shareholders' Agreement would welcome (i) a member nominated by Otto to be elected chairperson of the Supervisory Board, (ii) the member nominated by Heartland to be elected deputy chairperson of the Supervisory Board and (iii) one of each of the members nominated by the contracting parties to become a member of the Audit Committee and the Presidential and Nomination Committee.

The parties to the Shareholders' Agreement also aim to ensure that the chairperson of the Supervisory Board (but not the deputy chairperson) has a casting vote in the event of a tie and that an amendment to the rules of procedure of the Supervisory Board requires a unanimous decision by the Supervisory Board. In addition, qualified majority requirements required by law and stipulated in the Articles of Association of ABOUT YOU may not be reduced.

With respect to capital authorizations, the Shareholders' Agreement provides that Otto and Heartland will vote in favor of the renewal of existing authorizations, e.g., authorized capital as well as the authorization to issue convertible/option bonds and the underlying conditional capital. Any utilization of authorized capital excluding the pre-emptive rights of the remaining shareholders against contribution in kind by a shareholder holding more than 25% of the share capital of ABOUT YOU (excluding treasury shares held by ABOUT YOU) shall require the approval of 75% within the Supervisory Board, i.e., five out of six members.

Lock-up Obligations in Connection with the Private Placement

As part of the private placement of the Company's shares, the shareholders Otto and GFH have undertaken not to directly or indirectly sell or otherwise dispose of shares held by them at the time of the conclusion of the underwriting agreement or to offer them for purchase to third parties without the prior written consent of the underwriters ("lock-up"). The Lock-up expired at the end of March 5, 2022.

The shares held by the members of the Management Board (indirectly via their respective investment vehicles, i.e. Ohana Group Hamburg GmbH[2], Sebastian Betz Beteiligungsgesellschaft mbH, and Hannes Wiese Beteiligungsgesellschaft mbH), which are neither vesting shares (as defined and described below) nor shares sold in the course of the private placement, are subject to a staggered lock-up obligation towards the Company, according to which 50% of these shares could not be transferred or otherwise disposed of for one year after the private place (i.e., calculated from June 16, 2021). This part of the lock-up expired at the end of June 15, 2022. The other 50% of the shares may not be transferred or otherwise disposed of for two years after the private placement (i.e., calculated from June 16, 2021).

Re-Vesting Scheme/Further Lock-up for Investment Vehicles of Management Board Members

In connection with the private placement, ABOUT YOU and each Management Board member and their respective investment vehicles entered into a re-vesting agreement on June 4, 2021, pursuant to which a portion of the Company's shares held by the respective investment vehicles of the Management Board members (i.e. Ohana Group Hamburg GmbH, Sebastian Betz Beteiligungsgesellschaft mbH, and Hannes Wiese Beteiligungsgesellschaft mbH) at the time of the private placement are subject to a re-vesting scheme ("Re-Vesting Agreement"). This means that the shares covered by the Re-Vesting Agreement grant full shareholder rights, but the Company may request a transfer of these shares to the Company free of charge via a call option ("Call Option") if a leaver event occurs or the performance targets defined under the Long-Term Incentive Plan 2021 are not achieved. The number of shares subject to this Call Option decreases at the end of each financial quarter until the vesting period expires in full at the end of April 15, 2025, provided that the Management Board member concerned has not left the Company (leaver event) prior to the end of the respective quarter ("Time Vesting"). A distinction is made between good leavers and bad leaver events. In the case of a good leaver event, the shares

1 Currently, Niels Jacobsen has been nominated by Heartland. He is independent of ABOUT YOU, the Management Board, and the controlling shareholder Otto – as well as of Heartland – within the meaning of the GCGC.

2 Previously: Tarek Müller Beteiligungsgesellschaft mbH

that have vested pursuant to the Time Vesting arrangement are no longer subject to the Company's Call Option (subject to the Performance Vesting described below). In case of a bad leaver event, all shares that were covered by the Call Option at the time of the conclusion of the Re-Vesting Agreement are subject to the Call Option, irrespective of Time Vesting.

In addition to Time Vesting, the vesting of a portion of the shares subject to the Call Option is conditional upon the achievement of predefined performance targets within certain time periods ("Performance Vesting"). These performance targets consist of the average annual growth (CAGR) of sales, the development of the adjusted EBITDA of ABOUT YOU and various sustainability-related ("ESG") criteria. The definition of the leaver event, the differentiation between bad leavers and good leavers and the performance targets for Performance Vesting largely correspond to the regulations of the Long-Term Incentive Plan 2021 (LTIP 2021). Further details can be found in the Compensation Report on the Investor Relations website under Governance.

The shares held by the investment vehicles of the Management Board members that are subject to the Call Option may not be sold or otherwise disposed of by them (lock-up). Pursuant to the Re-Vesting Agreement, any Company shares held by the respective investment vehicles of the Management Board members at the time of the private placement that are neither covered by the Call Option (as explained above) nor were sold in the private placement are also subject to a staggered lock-up obligation vis-à-vis the Company as described above.

Trading Bans (Closed Periods)

Furthermore, in accordance with Article 19 (11) Regulation (EU) No 596/2014 (Market Abuse Regulation – MAR) and on the basis of internal guidelines and Company agreements, members of executive bodies and employees are subject to certain trading prohibitions when buying and selling ABOUT YOU shares within closed periods that commence 30 days prior to the publication of quarterly, half-yearly and full-year financial results and end with the corresponding publication of the financial results.

2.9.3 SHAREHOLDINGS IN THE CAPITAL EXCEEDING 10% OF THE VOTING RIGHTS

As of February 28, 2023, Michael Otto Stiftung and Dr Michael Otto, Anders Holch Povlsen, and Benjamin Otto indirectly held 64.74% of the shares in ABOUT YOU.

This information is based on the notifications pursuant to Sections 33 et seq. German Securities Trading Act (WpHG), which ABOUT YOU has received and published. Voting rights notifications published by ABOUT YOU are made available in the Notes and on the Investor Relations website under News – Voting Rights Notifications.

2.9.4 STATUTORY PROVISIONS AND PROVISIONS OF THE ARTICLES OF ASSOCIATION ON THE APPOINTMENT AND DISMISSAL OF MEMBERS OF THE MANAGEMENT BOARD AND ON AMENDMENTS TO THE ARTICLES OF ASSOCIATION

The Supervisory Board appoints the members of the Management Board based on Article 9 (1), Article 39 (2) and Article 46 SE Regulation and Sections 84, 85 of the German Stock Corporation Act (AktG) and Article 7 (2) of the Articles of Association for a maximum term of six years. Reappointments are permissible. The Supervisory Board is entitled to revoke the appointment of a Management Board member for good cause. According to Article 7 (1) of the Articles of Association, the Management Board consists of one or more persons. The number of Management Board members is determined by the Supervisory Board.

Amendments to the Articles of Association must be resolved by the Annual General Meeting. Pursuant to Article 59 (1) SE-Regulation and Section 179 (2) of the German Stock Corporation Act (AktG), resolutions on amendments to the Articles of Association require a majority of at least three quarters of the votes cast and the share capital represented at the Annual General Meeting adopting the resolution. Amendments to the Articles of Association are otherwise governed by Sections 179, 181, 133, 119 (1) no. 5 of the German Stock Corporation Act (AktG). In addition, there are numerous other provisions of the German Stock Corporation Act (AktG) that might apply to, modify or overrule provisions in the Articles of Association, e.g., Sections 182 et seq. of the German Stock Corporation Act (AktG) in case of capital increases, Sections 222 et seq. of the German Stock Corporation Act (AktG) in case of capital reductions and Section 262 of the German Stock Corporation Act (AktG) in case of the dissolution of the Company.

Pursuant to Article 12 of the Articles of Association, the Supervisory Board is authorized to adopt amendments to the Articles of Association that only affect their wording.

2.9.5 POWERS OF THE MANAGEMENT BOARD TO ISSUE OR REPURCHASE SHARES

Authorized Capital 2021

Pursuant to Article 4 (4) of the Articles of Association, the Management Board is authorized, with the consent of the Supervisory Board, to increase the share capital of the Company on one or more occasions on or before May 30, 2026 (inclusive) by a total of up to EUR 78,791,000 by issuing new no-par value bearer shares against cash contributions and/or contributions in kind ("Authorized Capital 2021"). Shareholders are generally entitled to the statutory pre-emptive right to the new shares. The new shares may also be taken up by banks designated by the Management Board or by equivalent companies pursuant to Section 186 (5) sentence 1 of the German Stock Corporation Act (AktG) with the obligation to offer them to the shareholders for subscription.

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

- to avoid fractional amounts resulting from the subscription ratio,
- to offer shares to holders of conversion or option rights attached to convertible and/or option bonds to the extent to which they are entitled to such shares after conversion or exercise of the option,
- if, in the case of a capital increase against cash, the issue price is not significantly lower than the stock exchange price and the total pro rata amount attributable to the new shares for which the pre-emptive right is excluded does not exceed 10% of the share capital,
- to issue shares against contributions in kind, for the purpose of acquiring companies, parts of companies or participations in companies, in the context of mergers and/or for the purpose of acquiring other assets (including rights and receivables), or
- to issue shares against cash and/or in-kind contributions within the scope of participation programs and/or within the scope of share-based remuneration, provided that the total pro rata amount attributable to the new shares for which the pre-emptive right is excluded does not exceed 10% of the share capital.

The authorizations to exclude pre-emptive rights explained above may also be combined.

The Management Board is authorized, with the consent of the Supervisory Board, to determine the further content of the share rights and the conditions of the share issue. Further details on Authorized Capital 2021 can be found in Article 4 (4) of the Articles of Association.

Conditional Capital 2021/I

The share capital of the Company is conditionally increased pursuant to Article 4 (5) of the Articles of Association of ABOUT YOU by up to EUR 3,310,500 by the issuance of in total up to 3,310,500 new bearer shares with no-par value (Conditional Capital 2021/I). The Conditional Capital 2021/I serves exclusively the purpose of servicing pre-emptive rights of the members of the Management Board granted until July 31, 2021 (inclusive) under the Long-Term Incentive Plan 2021 in accordance with the resolution of the General Meeting on May 31, 2021. The conditional capital increase will be implemented only to the extent that the holders of the granted pre-emptive rights exercise their pre-emptive rights to shares in the Company, and the Company neither grants treasury shares nor cash payments to fulfil the pre-emptive rights. Granting and fulfilling pre-emptive rights vis-à-vis the members of the Management Board of the Company is the exclusive responsibility of the Supervisory Board.

Powers to Issue Convertible Bonds or Bonds with Warrants/Conditional Capital 2021/II

By resolution of May 31, 2021, the General Meeting authorized the Management Board, subject to the consent of the Supervisory Board, to issue bearer and/or registered convertible and/or option bonds with a limited or unlimited term (hereinafter together the "Bonds") in the total nominal amount of up to EUR 2.2 billion on one or several occasions on or before May 30, 2026, and to grant to the holders or creditors of such Bonds, respectively, conversion or option rights for subscribing to up to a total of 75,480,000 new no-par value bearer shares representing up to

EUR 75,480,000 of the Company's registered share capital.

The Bonds may also be issued by a domestic or foreign company in which ABOUT YOU directly or indirectly holds a majority of the votes and capital. In this case, the Management Board is authorized, subject to the consent of the Supervisory Board, to assume the guarantee for these Bonds on behalf of ABOUT YOU and to grant to the holders or creditors of such Bonds, respectively, conversion or option rights for shares in the Company as well as to make further declarations and take further actions as are required for a successful issuance.

The aforementioned authorization contains concrete specifications regarding the option or conversion price in each case. The option or conversion price may be adjusted in a value-preserving manner in the event of economic dilution or in the event of changes in capital or other extraordinary measures or events that may lead to a change in the economic value of the Bonds (e.g., dividend payments, acquisition of control by a third party), even beyond the cases provided for by law. Furthermore, the terms and conditions of the Bonds may provide that the exchange ratio and/or the option or conversion price are variable and that the option or conversion price is determined within a range to be specified depending on the development of the share price during the term.

Whenever Bonds are issued, the shareholders are generally entitled to the statutory pre-emptive rights. The statutory pre-emptive rights may be granted to the shareholders in such a way that the Bonds are underwritten by a bank or by equivalent companies within the meaning of Section 186 (5) sentence 1 of the German Stock Corporation Act (AktG) with the obligation to offer them to the shareholders for subscription. If Bonds are issued by a company in which ABOUT YOU directly or indirectly holds a majority of the votes and capital, ABOUT YOU must ensure that the statutory pre-emptive rights are granted to the shareholders of the company in accordance with the above.

However, the Management Board is authorized, subject to the consent of the Supervisory Board, to exclude the shareholders' statutory pre-emptive rights in whole or in part as specified in the authorization resolution. In simplified terms, this is possible in the following constellations:

- by applying Section 186 (3) sentence 4 of the German Stock Corporation Act (AktG) accordingly, provided that the Bonds are issued against consideration in cash and the Management Board comes, after due assessment, to the conclusion that the issue price is not significantly below the theoretical market value of the Bonds with conversion or option right or conversion obligation as determined in accordance with generally accepted financial calculation methods. However, this authorization to exclude pre-emptive rights only applies to Bonds with conversion and/or option rights or conversion obligations with respect to shares, the total proportionate amount of which does not exceed 10% of the registered share capital, neither at the time this authorization becomes effective nor – if lower – at the time it is exercised. This 10% threshold shall include the pro-rate amount of the share capital (i) attributable to Company shares issued or sold during the term of this authorization with exclusion of pre-emptive rights in direct or analogous application of Section 186 (3) sentence 4 of the German Stock Corporation Act (AktG), and (ii) attributable to Company shares issued or still to be issued for the purpose of servicing conversion or option rights or conversion obligations or option obligations or convertible profit participation rights which (on the basis of other authorizations) were in turn issued during the term of the authorization with the exclusion of pre-emptive rights in analogous application of Section 186 (3) sentence 4 of the German Stock Corporation Act (AktG),
- to exclude fractional amounts from the shareholders' pre-emptive rights,
- to the extent necessary to grant to the holders or creditors of conversion or option rights attached to convertible and/or option bonds and/or convertible profit participation rights previously issued by the Company or a company in which it holds a majority interest, or, in case of an own conversion right of the Company, to holders or creditors obligated thereby, pre-emptive rights to the extent they would be entitled to after exercising the conversion or option rights or after fulfilling a conversion or option obligation, or
- insofar as Bonds are issued against contributions in kind, in particular for the purpose

of acquiring companies, parts of companies or participations in companies, within the scope of mergers and/or for the purpose of acquiring other assets (including rights and receivables) and the Management Board, after due examination, has come to the conclusion that the value of the contributions in kind is in reasonable proportion to the theoretical market value of the Bonds as determined in accordance with recognized principles of financial mathematics.

The authorizations to exclude pre-emptive rights explained above may also be combined.

This authorization creates conditional capital of up to EUR 75,480,000 pursuant to Article 4 (6) of the Articles of Association through the issuance of up to 75,480,000 new no-par value bearer shares (Conditional Capital 2021/II). The Conditional Capital 2021/II serves the purpose of granting shares to holders or creditors of convertible bonds as well as to holders of option rights attached to option bonds that are issued on or before May 30, 2026, based on the authorization granted by resolution of the General Meeting of ABOUT YOU Holding AG (the legal predecessor of the Company) on May 31, 2021, by the Company or a national or foreign subsidiary in which the Company either directly or indirectly holds a majority in terms of voting rights and capital. The conditional capital increase is only implemented to the extent that the conversion or option rights attached to the aforementioned bonds are de facto exercised or conversion obligations attached to such bonds are fulfilled and to the extent that no other forms of fulfilment are used for this purpose. The new shares are issued at the conversion price or option price that is determined in accordance with the authorization resolution. The Management Board is authorized, with the consent of the Supervisory Board, to determine the further details of the implementation of the conditional capital increase.

Powers to Acquire Treasury Shares

By resolution of June 14, 2021, the General Meeting authorized the Company pursuant to Section 71 (1) no. 8 of the German Stock Corporation Act (AktG) to acquire treasury shares on or before June 13, 2026, in an amount of up to 10% of the share capital of the Company at the time the authorization is granted or – if such amount is lower – at the time of the authorization is exercised. The amount of treasury shares acquired on the basis of this authorization together with other treasury shares in possession of the Company or attributed to the Company pursuant to Sections 71a et seq. of the German Stock Corporation Act (AktG) may not exceed at any time an amount of 10% of the respective share capital.

The acquisition may, at the discretion of the Management Board, be effected (i) via the stock exchange, (ii) by means of a public tender offer addressed to all shareholders, (iii) by means of a public solicitation to submit offers for sale, (iv) via participants in share-based incentive or remuneration programs or entities owned by such participants in connection with the settlement of such programs and/or (v) via the holders of (former) preference shares in the Company in connection with, or subsequent to, a cancellation of profit or liquidation preferences of preference shares and their conversion into ordinary shares. The authorization contains specifications regarding the purchase price and the procedure in the event of an oversubscription of a public purchase offer.

Subject to the consent of the Supervisory Board, the Management Board is authorized to use treasury shares of the Company in particular:

– to sell treasury shares for cash other than via the stock exchange or by an offer directed to all shareholders, provided that the selling price per share is not materially below the market trading price of the Company's shares. This authorization is limited to the sale of shares to which a total pro rata amount of no more than 10% of the share capital is attributable at the time this authorization becomes effective and at the time this authorization is exercised. This 10% limit shall include the proportional value of the share capital (i) attributable to shares of the Company that are issued or sold during the term of the authorization with the exclusion of pre-emptive rights by applying Section 186 (3) sentence 4 of the German Stock Corporation Act (AktG) directly or accordingly, and (ii) attributable to shares of the Company that are or still can be issued for the purpose of servicing conversion or option rights or fulfilling conversion or option obligations attached to convertible or option bonds or convertible profit participation rights to the extent that the bonds or profit participation rights are issued during the term of this authorization on the basis of a different authorization by exclusion of pre-emptive rights by applying Section 186 (3) sentence 4 of the German Stock Corporation Act (AktG) accordingly;

- for the sale or other transfer of shares in the Company via the stock exchange or by means of an offer to all shareholders, insofar as this is effected against consideration in kind, in particular in the case of the acquisition of companies, parts of companies or participations in companies, in the case of mergers or in the case of the acquisition of other assets (including rights and receivables);

- for the purpose of fulfilling option and/or conversion rights or obligations attached to convertible and/or option bonds and/or convertible profit participation rights which are granted by the Company or by entities dependent on the Company or entities in which the Company holds a majority interest;

- to the extent that it is necessary in order to grant to holders or creditors of option and/or conversion rights attached to convertible and/or option bonds and/or convertible profit participation rights, which are granted by the Company or by entities dependent on the Company or entities in which the Company holds a majority interest, or, in case of an own conversion right of the Company, to holders or creditors obligated thereby, pre-emptive rights to shares to the extent that such holders or creditors would be entitled to after the exercise of the conversion or option rights or after the fulfillment of the conversion or option obligations; or

- in the context of participation programs and/or in the context of share-based remuneration (also at reduced prices and/or without separate remuneration). Insofar as treasury shares are to be granted to members of the Management Board of the Company, the Supervisory Board of the Company shall decide on the allocation.

The Management Board is also authorized, with the consent of the Supervisory Board, to redeem treasury shares in whole or in part without a further resolution by the Annual General Meeting. The redemption shall be effected by way of a simplified procedure without a capital reduction or in such a way that the share capital remains unchanged, thereby increasing the notional portion of the share capital associated with the remaining shares pursuant to Section 8 (3) of the German Stock Corporation Act (AktG).

All the above authorizations may be exercised in whole or in part, on one or more occasions, by the Company or by companies in which the Company holds a majority interest; furthermore, the authorization may also be exercised for the account of the Company or for the account of third parties acting on behalf of dependent companies or companies in which the Company holds a majority interest.

The provisions on the use of treasury shares under exclusion of pre-emptive rights as well as on the redemption of treasury shares also apply to treasury shares that are acquired based on the authorizations granted by resolution of the General Meeting of May 31, 2021, pursuant to Section 71 (1) no. 8 of the German Stock Corporation Act (AktG) to acquire treasury shares or to acquire treasury shares using derivatives.

Pursuant to the resolution of the General Meeting of June 14, 2021, the Company is also authorized to acquire treasury shares, other than by the means described above, using derivatives in accordance with Section 71 (1) no. 8 of the German Stock Corporation Act (AktG).

For this purpose, the Company is authorized to:

- sell options that obligate the Company to purchase shares in the Company upon exercise of the option (put options);

- purchase options giving the Company the right to acquire shares in the Company upon exercise of the option (call options); and

- enter into forward purchase agreements (Terminkaufverträge) with respect to shares of the Company which have a period of more than two stock exchange trading days between the conclusion of the respective purchase agreement and the settlement with the acquired shares (forward purchases)

Treasury shares may be acquired using put options, call options, forward purchases (together "Derivatives") and/or a combination of these Derivatives. The use of Derivatives to acquire treasury shares requires the consent of the Supervisory Board.

The authorization may be exercised in whole or in part, on one or several occasions, by the Company or by companies controlled or majority-owned by the Company; furthermore, the authorization may also be exercised by third parties acting for the account of the Company or for the account of companies controlled or majority-owned by the Company.

Share acquisitions using Derivatives are limited in total to shares amounting to a maximum of 5% of the Company's share capital existing at the time the authorization is granted or – if such an amount is lower – at the time the authorization is exercised.

The term of the respective Derivatives may not exceed 18 months. Furthermore, the term of the Derivatives must be chosen in such a way that the acquisition of shares in the Company using Derivatives does not take place after June 13, 2026.

It must be ensured in the terms and conditions of the Derivatives that the Derivatives are fulfilled only with shares that were previously acquired on the stock exchange in compliance with the principle of equal treatment, whereby the purchase price per share paid for the acquisition on the stock exchange (not including ancillary acquisition costs) must be within the pricing corridor applicable to the acquisition of shares by the Company via the stock exchange pursuant to the authorization to acquire treasury shares (resolution of the General Meeting of June 14, 2021).

The authorization to acquire treasury shares by means of Derivatives contains concrete specifications regarding the purchase price agreed in this context depending on the stock exchange price of the shares of the Company.

If treasury shares are acquired by using Derivatives in accordance with the provisions set out above, the shareholders shall have no right to conclude such derivative contracts with the Company. Shareholders have a right to tender their shares to the Company only to the extent that the Company is obligated vis-à-vis the respective shareholders to take delivery of such shares under the derivative contracts. Any further right to tender is excluded.

For the use of treasury shares acquired using Derivatives, the aforementioned rules for the use of treasury shares acquired on the basis of the authorization set out by the General Meeting on June 14, 2021, apply accordingly.

Hamburg, May 5, 2023

T. Müller H. Wiese S. Betz

TAREK MÜLLER HANNES WIESE SEBASTIAN BETZ

3 CONSOLIDATED FINANCIAL STATEMENTS

3.1 CONSOLIDATED INCOME STATEMENT

in EUR million	Note	2022/2023	2021/2022
Revenue	(1.)	1,904.6	1,731.6
Cost of materials	(2.)	(1,178.4)	(1,023.3)
Personnel expenses	(3.)	(106.7)	(86.0)
Other operating expenses	(4.)	(822.8)	(744.1)
Other operating income	(5.)	15.3	3.1
Own work capitalized		36.4	23.8
Earnings before interest, taxes, depreciation, and amortization (EBITDA)		**(151.6)**	**(95.0)**
Depreciation	(6.)	(61.6)	(25.0)
Earnings before interest and taxes (EBIT)		**(213.2)**	**(119.9)**
Result from investments accounted for using the equity method	(7.), (13.)	(8.8)	0.0
Net Interest result	(7.)	(2.5)	(4.0)
Other financial result	(7.)	(2.7)	1.3
Earnings before taxes (EBT)		**(227.2)**	**(122.6)**
Income taxes	(8.)	(1.9)	(1.8)
Profit/(loss) for the period		**(229.0)**	**(124.4)**
Earnings per share (EPS) – undiluted [in EUR]	(9.)	(1.34)	(0.77)
Earnings per share (EPS) – diluted [in EUR]	(9.)	(1.34)	(0.77)

3.2 CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

in EUR million	**2022/2023**	2021/2022
Profit/(loss) for the period	(229.0)	(124.4)
Cash flow hedges	(0.4)	0.0
of which effective portion of changes in fair value	(0.4)	0.0
Total comprehensive income	**(229.4)**	**(124.4)**

3.3 CONSOLIDATED BALANCE SHEET

Assets

in EUR million	Note	28/2/2023	28/2/2022
Non-current assets		**300.9**	**130.8**
Intangible assets	(10.)	65.4	47.3
Right-of-use assets	(11.)	199.6	57.6
Property, plant, and equipment	(12.)	6.9	5.8
Other non-current financial assets	(13.), (14.)	29.0	20.1
Current assets		**880.5**	**1,053.5**
Inventories	(15.)	554.9	388.4
Trade receivables and other receivables	(16.)	40.7	75.9
Other financial assets	(17.)	0.0	0.0
Other non-financial assets	(17.)	80.1	93.0
Cash and cash equivalents	(18.)	204.9	496.2
Balance sheet total		**1,181.4**	**1,184.3**

Equity and liabilities

in EUR million	Note	28/2/2023	28/2/2022
Equity	**(19.), (20.), (21.)**	**366.6**	**583.5**
Subscribed capital		186.2	186.2
Capital reserve		946.1	933.6
Accumulated deficit		(765.3)	(536.2)
Hedging reserve		(0.4)	0.0
Non-current liabilities	**(24.)**	**179.9**	**53.0**
Lease liabilities	(21.)	172.9	47.9
Deferred tax liabilities	(8.)	7.0	5.2
Current liabilities	**(24.), (25.)**	**634.9**	**547.8**
Trade payables	(22.)	406.6	347.7
Lease liabilities	(11.)	45.2	12.1
Other financial liabilities	(23.)	103.1	108.0
Other non-financial liabilities	(23.)	78.2	79.6
Other provisions	(25.)	1.7	0.4
Balance sheet total		**1,181.4**	**1,184.3**

3.4 CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Consolidated statement of changes in equity from March 1, 2022, to February 28, 2023

in EUR million	Note	Subscribed capital	Share premium	Retained deficit	Hedging reserve	Total equity
As of 1/3/2022		**186.2**	**933.6**	**(536.2)**	**0.0**	**583.5**
Result for the period		0.0	0.0	(229.0)	0.0	(229.0)
Cash flow hedges	(26.)	0.0	0.0	0.0	(0.4)	(0.4)
Total comprehensive income		0.0	0.0	(229.0)	(0.4)	(229.4)
Share-based payments	(20.)	0.0	12.4	0.0	0.0	12.4
Proceeds from additions to equity	(19.)	0.0	0.1	0.0	0.0	0.1
Change of the Scope of consolidation	(19.)	0.0	0.0	0.0	0.0	0.0
As of 28/2/2023		**186.2**	**946.1**	**(765.3)**	**(0.4)**	**366.6**

Consolidated statement of changes in equity from March 1, 2021, to February 28, 2022

in EUR million	Note	Subscribed capital	Share premium	Retained deficit	Hedging reserve	Total equity
As of 1/3/2021		**4.3**	**463.0**	**(411.8)**	**0.0**	**55.4**
Result for the period/total comprehensive income		0.0	0.0	(124.4)	0.0	(124.4)
Shareholders' contributions	(19.)	0.0	0.3	0.0	0.0	0.3
Change in the scope of consolidation	(19.)	0.0	0.0	0.0	0.0	0.0
Net proceeds from the listing	(19.)	181.9	455.5	0.0	0.0	637.3
Share-based payments	(20.)	0.0	14.8	0.0	0.0	14.8
As of 28/2/2022		**186.2**	**933.6**	**(536.2)**	**0.0**	**583.5**

3.5 CONSOLIDATED STATEMENT OF CASH FLOWS

	in EUR million	Note	2022/2023	2021/2022
	Result for the period		(229.0)	(124.4)
+	Depreciation	(6.)	61.6	25.0
+	Taxes on income and earnings	(8.)	1.9	1.8
+	Interest result	(7.)	2.5	4.0
–	Taxes paid	(8.)	(0.0)	(0.0)
–/+	Increase/decrease in Inventories	(15.)	(166.5)	(188.7)
–/+	Increase/decrease in trade receivables and other receivables	(16.)	35.2	(19.3)
+/–	Increase/decrease in Trade payables	(23.)	58.9	138.0
+/–	Increase/decrease in other assets/liabilities	(17.), (24.)	8.0	38.4
+	Non-cash expenses	(20.), (21.)	20.9	15.2
=	**Cash flow from operating activities**	**(27.)**	**(206.5)**	**(110.1)**
–	Cash outflows for investments in intangible assets and property, plant, and equipment	(12.)	(38.2)	(28.1)
–	Payments for the acquisition of shares in companies	(13.)	(0.2)	(3.8)
+/–	Payments/repayments for loans and interest income	(7.)	(16.2)	(13.9)
=	**Cash flow from investing activities**	**(27.)**	**(54.5)**	**(45.8)**
=	**Free cash flow**	**(27.)**	**(261.0)**	**(155.9)**
+	Proceeds from additions to equity	(19.), (20.), (21.)	0.1	637.3
+/–	Proceeds/payments from shareholder loans		0.0	(75.0)
+/–	Payments from leases	(11.)	(26.6)	(12.1)
–	Interest paid	(7.)	(3.8)	(6.1)
=	**Cash flow from financing activities**	**(27.)**	**(30.4)**	**544.2**
+	Cash and cash equivalents at beginning of period	(18.)	496.2	107.9
+/–	Net change in cash and cash equivalents	(18.)	(291.4)	388.3
=	**Cash and cash equivalents at end of period**	**(18.)**	**204.9**	**496.2**

3.6 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

3.6.1 GENERAL INFORMATION

ABOUT YOU Holding SE is a publicly listed European corporation with its registered office in Hamburg, Germany ("ABOUT YOU" or the "Company") and is the parent company of its fully consolidated subsidiaries (together with ABOUT YOU referred to as the "Group" or the "Group"). The Group is a fashion e-commerce and technology group operating largely in Europe.

ABOUT YOU is the ultimate parent company of the Group. In addition to the parent company, the Group comprises five other subsidiaries that are included in the Consolidated Financial Statements.

The Consolidated Financial Statements of ABOUT YOU cover the period from March 1, 2022, to February 28, 2023, and represent the consolidated financial statements for the smallest group of companies to which ABOUT YOU belongs.

Otto Aktiengesellschaft für Beteiligungen, Hamburg, as the ultimate parent company of ABOUT YOU, prepares Consolidated Financial Statements for the largest group of Group companies, and Otto (GmbH & Co KG), Hamburg, as the immediate parent company of ABOUT YOU, prepares Consolidated Financial Statements for the smallest group of Group companies. The Consolidated Financial Statements are published in the Federal Gazette.

PRINCIPLES FOR PREPARING THE REPORT

The Consolidated Financial Statements of ABOUT YOU as of February 28, 2023, have been prepared in accordance with the provisions of Regulation (EC) No. 1606/2002 of the European Parliament and of the Council of July 19, 2002, in conjunction with Section 315e (1) of the German Commercial Code (HGB) in accordance with IFRS as adopted and published by the International Accounting Standards Board (IASB) and as applicable in the European Union. In addition, the supplementary provisions of German commercial law applicable pursuant to Section 315e (1) HGB have been considered.

The Consolidated Financial Statements consider all IFRSs adopted at the reporting date and whose application is mandatory in the European Union. The requirements of IFRS have been met in full and result in a true and fair view of the net assets, financial position, and results of operations of the Group. In addition, the regulations of the German Securities Trading Act (WpHG) have been observed.

The Consolidated Financial Statements are generally prepared based on assets and liabilities measured at amortized cost. Exceptions to this rule are certain financial instruments, which are measured at fair value. Certain income statement and balance sheet items have been combined to improve the clarity of presentation. These items are explained in the notes to the consolidated financial statements. The income statement has been prepared using the nature of expense method.

The Consolidated Financial Statements have been prepared on a going concern basis, which assumes that the Group will be able to meet its existing liabilities and future obligations.

IMPACT OF SEASONALITY ON OPERATIONS IN CONSOLIDATED FINANCIAL STATEMENT

The revenue of ABOUT YOU are subject to seasonal effects and can therefore fluctuate within the financial year. Compared to the fall and winter months, the spring and summer months are characterized by a lower level of sales, as spring and summer fashion products are usually lower priced. In contrast, the fall and winter months are characterized by a higher level of sales due to higher-priced fall and winter fashion as well as the Black Friday sale and Christmas promotions.

DECLARATION OF COMPLIANCE WITH THE GERMAN CORPORATE GOVERNANCE CODE

The declaration on the German Corporate Governance Code pursuant to Section 161 of the German Stock Corporation Act (AktG) was issued in July 2022 and made available to the shareholders of ABOUT YOU Holding SE. It can be viewed on the Investor Relations website under Governance.

The amended standards to be applied for the first time in FY 2022/2023 have no key impact on the presentation of the financial position and performance of ABOUT YOU or on the disclosures in the financial statements.

In addition, no standards or amended standards for which early application is permitted were applied in the financial year.

STANDARDS AND AMENDMENTS TO STANDARDS TO BE APPLIED FOR THE FIRST TIME AS OF FY 2023/2024

The following accounting standards and amendments had already been adopted by the IASB at the time the financial statements were approved for publication. However, their application is not yet mandatory and ABOUT YOU has not yet applied them.

3.6.2 NEW ACCOUNTING STANDARDS

NEWLY ISSUED ACCOUNTING STANDARDS OF THE IASB

The Consolidated Financial Statements consider all IFRSs adopted as of the balance sheet date and whose application is mandatory in the European Union.

The following regulations are binding for ABOUT YOU as of March 1, 2022:

- Amendment to IAS 16 "Property, Plant and Equipment"
- Amendment to IAS 37 "Provisions, Contingent Liabilities and Contingent Assets"
- Amendment to IFRS 3 "Business Combinations"
- Amendment to IFRS 16 "Leases"
- Annual Improvements to IFRSs 2018–2020

Standard/ Interpretation	Content	First time use for ABOUT YOU	Impact
Changes to IFRS 17 (incl. changes in effective date)	Insurance contracts First-time application of IFRS 17 and IFRS 9 Comparative information	1/3/2023	No key effects on the financial position, net assets, and results of operations
Changes to IFRS 10 and IAS 28	Sale or contribution of assets between an investor and an associate or joint venture	still open	No key effects on the financial position, net assets, and results of operations
Changes to IAS 1 (incl. deferral of the effective date)	Classification of debt as current or non-current	1/3/2023	No key effects on the financial position, net assets, and results of operations
Changes to IAS 1 and IFRS Practice Statement 2	Disclosure of accounting methods	1/3/2023	No key effects on the financial position, net assets, and results of operations
Changes to IAS 8	Definition of accounting-related estimates	1/3/2023	No key effects on the financial position, net assets, and results of operations
Changes to IAS 12	Deferred taxes relating to assets and liabilities from a single transaction	1/3/2023	No key effects on the financial position, net assets, and results of operations

REGULATIONS PUBLISHED BUT NOT YET RECOGNIZED BY THE EUROPEAN UNION

Standard/ Interpretation	Content	Date of publication	Expected first time use for ABOUT YOU	Impact
Amendments to IAS 1	Non-current liabilities with covenants	31/10/2022	1/3/2024	No key effects on the financial position, net assets, and results of operations
Amendments to IFRS 16	Lease liability under a sale and leaseback agreement	22/9/2022	1/3/2024	No key effects on the financial position, net assets, and results of operations

3.6.3 BASIS OF CONSOLIDATION

FUNCTIONAL AND PRESENTATION CURRENCY

The Consolidated Financial Statements have been prepared in euros, the functional currency of ABOUT YOU and its subsidiaries, and the presentation currency of the Group. Transactions conducted in a currency other than the functional currency are translated into the functional currency at the transaction rate. Foreign currency effects from the translation of transactions are reported in the other financial result.

Unless otherwise indicated, the amounts in the Consolidated Financial Statements are stated in millions of euros (EUR million). Due to rounding, it is possible that individual figures may not add up precisely to the totals given. The percentages presented also refer to the exact values. It is therefore possible that these cannot be calculated from the values presented.

ACQUISITION TRANSACTIONS IN THE FINANCIAL YEAR

In the current financial year, the ABOUT YOU Group acquired the following business shares.

Company	Seat, country	Date of acquisition	Shareholding Group reporting date
Guido Maria Kretschmer Ajour GmbH	Hamburg, Germany	22/2/2023	19.90%

The following table provides an overview of the composition of the ABOUT YOU Group's consolidated group:

	28/2/2023	28/2/2022
Fully consolidated companies		
thereof in Germany	6	5
thereof abroad	0	0
Companies included using the equity method		
thereof in Germany	2	0
thereof abroad	0	0
Total	**8**	**5**

LeGer GmbH, which was key from a Group perspective for the first time in FY 2022/2023, and the newly acquired Guido Maria Kretschmer Ajour GmbH were included in the Consolidated Financial Statements for the first time as joint ventures using the equity method.

In the case of Guido Maria Kretschmer Ajour GmbH, the classification as a joint venture is due to veto rights held by the ABOUT YOU Group in relevant business activities, which is why the Company is included using the equity method. The other associated companies, which are immaterial to the Group in their entirety, mainly comprise investments in companies in the areas of production, trade, and distribution of textiles.

3.6.4 ACCOUNTING POLICIES

INTANGIBLE ASSETS

Internally generated intangible assets are recognized at the cost incurred in the development phase after the date on which technological and commercial feasibility has been established until completion. Capitalized production costs comprise the direct costs attributable to the development phase.

Gains or losses on the disposal of intangible assets are recognized in other operating income or expenses. Acquired intangible assets are recognized at cost.

Expenses incurred during the development phase for internally generated intangible assets are capitalized at the time they are incurred if they meet the recognition criteria set out in IAS 38 'Intangible Assets'. Development costs for internally generated intangible assets are capitalized from the date on which the criteria set out in IAS 38 'Intangible Assets' are first met. For all internally generated intangible assets still in the development phase, an impairment test is performed annually and upon a triggering event. All internally generated and acquired intangible assets are amortized from the date of use on a straight-line basis over their useful economic lives as follows:

in years	Useful life
Software	3–5
Licenses	3–5

PROPERTY, PLANT, AND EQUIPMENT

Property, plant, and equipment are capitalized at cost and depreciated on a straight-line basis over their expected useful lives. Changes in residual values or useful lives occurring during the use of the assets are considered in the measurement of depreciation amounts. Gains or losses on the disposal of property, plant and equipment are recognized in Other operating income or expenses.

Depreciation is charged on a uniform basis throughout the Group over the following useful lives:

in years	Useful life
Leasehold improvements	1–4
Technical annexes and machinery	4–30
Operating and office equipment	5–19

IMPAIRMENT LOSSES ON INTANGIBLE ASSETS, PROPERTY, PLANT, AND EQUIPMENT AND RIGHT-OF-USE ASSETS

All intangible assets, property, plant and equipment and right-of-use assets are tested for impairment if there are indications that the intangible asset may be impaired.

In the impairment test in accordance with IAS 36, the carrying amount of the asset must be compared with the corresponding recoverable amount. An asset is impaired if its recoverable amount is less than its carrying amount. The asset must generally be written down to this amount through profit or loss. Otherwise, the carrying amount is to be retained. The recoverable amount is the higher of an asset's fair value (in accordance with IFRS 13) less costs to sell and its value in use.

The annual review of goodwill did not give rise to any impairment.

Intangible assets under development are reviewed for impairment whenever events or changes in circumstances indicate that the recoverable amount may not be recoverable, but at least annually. The annual review of internally generated intangible assets that were still in the development phase as of February 28, 2023, identified an impairment requirement of EUR 2.8 million. Please also refer to **section 3.6.7 (6.)**.

INVENTORIES

Inventories at the balance sheet date are measured at the lower of cost and net realizable value. Net realizable value is the estimated selling price less the estimated costs necessary to make the sale. If the net realizable value is lower than the amortized cost, the asset is written down accordingly and recognized as a cost of materials. In addition to impairments derived from the sales market, write-downs may be recognized for qualitative reasons or reduced usability. Excluded from the lowest value test are recently purchased goods and articles that are categorized as "never out of stock" due to their turnover rate. Due to the run-up in the delivery of seasonal goods, recently purchased items are excluded from the lowest value test for 2 months. In the case of goods categorized as "never out of stock", it is assumed with sufficient certainty that there is ongoing demand from customers and that sales prices can always be achieved that are higher than the respective purchase prices.

FINANCIAL INSTRUMENTS

Financial instruments are contracts that give rise to a financial asset of one party and a financial liability or equity instrument of another party. Financial instruments are generally recognized on the trade date.

IFRS 9 contains rules on the classification and measurement of financial instruments, including a model for calculating expected credit losses to determine impairment on financial assets and hedge accounting rules. The standard also includes rules on the recognition and derecognition of financial instruments.

The approach to classifying and measuring financial assets under IFRS 9 reflects the business model ("held-to-collect", "held-to-collect-and-sell", "other") under which the assets are held. Similarly, the nature of their cash flows ("solely payments of principal and interest"; so-called SPPI criterion) is decisive for classification. Any reclassifications are made at the end of the reporting period. There were no reclassifications in the current financial year.

Derivative financial instruments (e.g., currency forwards or swaps) are recognized at fair value. Recognized mathematical methods are used to determine the fair values of derivatives. These are based on the market data available at the respective calculation date or reporting date. All derivative financial instruments are used for hedging purposes (hedge accounting) at the balance sheet date.

FINANCIAL ASSETS

The initial recognition of a financial asset is based on its classification into one of the three categories of IFRS 9:

- "at amortized cost (AC)"
- "fair value through profit or loss (FVPL)".
- "fair value through other comprehensive income (FVOCI)".

Subsequent measurement of financial assets is either at amortized cost using the effective interest method or at fair value through profit or loss or at fair value through other comprehensive income.

Financial assets are measured at amortized cost if they are held as part of a business model whose objective is to hold financial assets to collect the contractual cash flows and if the contractual terms of the financial asset give rise to cash flows at specified times that are solely payments of principal and interest on the principal outstanding. Trade receivables, other receivables, other financial assets and cash and cash equivalents are allocated to this measurement category.

All financial assets that do not meet the above criteria or for which an alternative accounting option is exercised upon initial recognition are measured either at fair value through profit or loss or at fair value through other comprehensive income. Equity instruments are generally recognized at fair value.

The fair values of financial instruments are generally determined based on the market information available at the balance sheet date and are to be allocated to one of the three hierarchy levels of fair values in accordance with IFRS 13:

Level 1: quoted prices (unadjusted) in active markets available to the Group for identical assets or liabilities;

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices);

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Reclassifications between the different hierarchy levels are recognized at the end of the reporting period in which the change occurred. There were no transfers between levels in the current financial year.

The financial instruments in the category "measured at fair value through profit or loss" also include unlisted investments for which there are no quoted market prices in an active market. As there is not enough current information to determine the fair value and the companies are still in the start-up phase, the acquisition costs for the acquired shares derived from the purchase prices represent the best possible estimate of the fair value. There are currently no plans to sell the investments (Level 3).

Derivative financial instruments (e.g., currency forwards or swaps) are recognized at fair value. Recognized mathematical methods are used to determine the fair values of the financial instruments. The Group classifies derivatives that are not designated as hedging instruments and for which hedge accounting under IFRS 9 is not applied as held for trading. Changes in the fair values of derivative financial instruments are recognized either in profit or loss for the period or, in the case of hedging relationships, in other comprehensive income.

Since FY 2022/2023, ABOUT YOU has applied the requirements of IFRS 9 in cash flow hedge accounting. The hedging strategy aims to neutralize the variability from currency fluctuations for expected revenue in foreign currency. By applying cash flow hedge accounting, ABOUT YOU aims to reduce earnings volatility in the individual reporting periods.

If derivative financial instruments are used to hedge the cash flow risk from exchange rate risks and an effective hedging relationship exists in accordance with the criteria of IFRS 9, the changes in value of the effective portion are recognized in other comprehensive income (CFH reserve). Only the spot component of the forward exchange contracts used to hedge fluctuations in cash flows is regularly designated. The changes in the fair value of the forward component are recognized as hedging costs in a separate component of other comprehensive income (CoH reserve). The potential ineffective portion of the gain or loss on the hedging instrument is recognized in profit or loss.

Receivables from private end customers resulting from deferred payments are sold at fair value in return for payment of a fee as part of factoring agreements. In this case, the payment service providers assume the entire credit risk, while the return risk remains with ABOUT YOU. The receivables sold to the payment service providers are reported as other receivables. Other receivables from payment service providers are derecognized after receipt of payment from the payment service provider for the accounting period, provided that there is no reversal as a result of a return. Receivables from B2B revenue are currently not part of factoring agreements and therefore continue to be reported as trade receivables.

IMPAIRMENT OF FINANCIAL ASSETS

The calculation of impairment losses on financial assets is based on an expected credit loss model in accordance with IFRS 9. This requires judgments to be made regarding the extent to which expected credit losses are affected by changes in economic factors. Measurement using the lifetime credit loss concept must always be applied to trade receivables and when the credit risk of a financial asset at the reporting date has increased significantly since initial recognition. The financial assets included in the general impairment model (cash and cash equivalents and other financial assets) are assumed to be subject to an impairment loss. The financial assets (cash and cash equivalents and other financial assets) included in the general impairment model are assumed to be subject to a significant increase in credit risk if they are more than 30 days past due. If a key credit risk is to be assumed, a creditworthiness-related impairment loss is recognized, taking into account forward-looking macroeconomic factors that are continuously monitored within the Group.

For trade receivables – including trade receivables from related companies – ABOUT YOU uses the simplified model for mapping the risk provision, according to which the amount of the value adjustment is measured from the initial recognition of the receivable on the basis of the credit losses expected over the term. Other receivables for which there is no significant concentration of default risk are not considered here. The expected credit loss (ECL) is calculated for trade receivables on the basis of their overdue amounts, which are assigned to corresponding maturity bands. The allowance for doubtful accounts is calculated for this purpose on the basis of a so-called "roll rate". This method can be used as a mathematical means to determine the probabilities of default in the respective maturity bands. The allowance rates applied in this model are generally based on historical default rates and also include guidance based on future macroeconomic and political conditions or individual risk assessments.

Empirical evidence confirms that a collection levy as a last resort only occurs for receivables that are at least 90 days overdue. Nevertheless, not every receivable that is 90 days overdue is automatically submitted for collection (e.g., in the case of deferrals granted). However, in the absence of any other information, a financial asset is written down on an individual basis if there are indications at the reporting date that the borrower is unlikely to meet its obligations in full or the financial asset is transferred to a collection agency. A default is generally deemed to have occurred if there is no longer any realistic expectation that the cash flows will be collected. In such cases, the receivables concerned are written off in full.

Impairment losses on receivables and other financial assets are recognized in an allowance account.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise non-significant cash in hand and bank balances. They are recognized at nominal value.

PROVISIONS

Provisions consider all legal and constructive obligations of the Group to third parties arising from past events that exist at the reporting date, where settlement is probable, and the amount can be measured reliably.

Provisions are measured at the expected settlement amount, taking into account all identifiable risks. This represents the best estimate of the expenditure required to settle the present obligation at the balance sheet date.

LIABILITIES FOR REFUNDS FROM EXPECTED RETURNS

Customers are granted the right by ABOUT YOU to return ordered goods free of charge up to 100 days after receipt. In this context, the liabilities from refunds (goods returns) represent the risk for the return of items in accordance with the contract. Liabilities from refunds are recognized at the time of sale of the underlying products. At the same time, a claim for return of the expected returns is capitalized under other assets in the amount of the cost of the goods less the handling costs of the expected returns and the losses incurred upon disposal. The liability recognized at the balance sheet date relates primarily to merchandise revenue generated in February for which returns are expected after the balance sheet date. This liability is recognized in the balance sheet under other financial liabilities.

FINANCIAL LIABILITIES

Financial liabilities are initially recognized at fair value, taking into account premiums, discounts and transaction costs.

Financial liabilities are subsequently measured at amortized cost using the effective interest method.

LEASES – GROUP AS LESSEE

At the inception of a lease, ABOUT YOU recognizes a right-of-use asset and a lease liability for all leases. Generally, leases where the underlying asset is short-term or of low value are exempted. For these leases, ABOUT YOU makes use of the exception whereby the lease payments associated with these leases are expensed on a straight-line basis over the lease term. Leases for rented event locations with a maximum term of a few weeks are recognized in accordance with IFRS 16, regardless of the value and term.

At the inception of a lease, the lease payments taken into account in measuring the lease liability primarily comprise fixed payments (net of any lease incentives received) and variable lease payments that are linked to an index or interest rate and whose initial measurement is based on the index or interest rate in effect at the commitment date. A change in the variable payments in conjunction with a change in the underlying index or interest rate results in a remeasurement of the Lease liability at the effective date of that change. If the interest rate underlying the lease cannot be readily determined, the present value of the lease payments is determined using the term- and risk-equivalent incremental borrowing rate. The lease term is based on the non-cancelable basic term of a lease. Periods with modification or termination options are taken into account if the exercise or non-exercise of such an option is sufficiently probable.

Right-of-use assets are initially recognized at the amount of the related Lease liabilities plus initial direct costs and less any lease incentives received. Abandonment and removal costs are included to the extent that they relate to the right-of-use asset. In subsequent periods, right-of-use assets are amortized on a straight-line basis over the underlying lease term of one to eight years.

Interest expenses for Lease liabilities are recognized as interest and similar expenses. They are also included in cash flows from financing activities, while payments for the redemption of Lease liabilities are presented as a separate item of cash flows from financing activities.

INCOME TAXES

Income tax expense for the period comprises current and deferred taxes. Taxes are recognized in profit or loss for the period unless they relate to items recognized directly in equity or in other comprehensive income. In this case, the corresponding taxes are also recognized in equity or in other comprehensive income.

Current income tax expense is calculated using tax rates enacted or substantively enacted at the balance sheet date in the countries where the Companies operate and generate taxable income. The amount of current income tax assets and liabilities is the best estimate of the amount of tax expected to be payable and considers uncertainties related to current income taxes, if any.

Deferred taxes are recognized to account for the future tax consequences attributable to temporary differences between the tax bases of assets and liabilities and their carrying amounts in the IFRS financial statements and to tax loss carryforwards. Deferred tax assets and liabilities are measured based on the tax laws enacted at the end of the respective financial year for the years in which the differences are expected to reverse or the tax loss carryforwards are expected to be utilized. Deferred tax assets on temporary differences and loss or interest carryforwards are only recognized if it appears sufficiently certain that they will be realized in the near future. At each balance sheet date, deferred tax assets are reviewed to determine whether reductions are required if it is no longer probable that the related tax benefit will continue to be realized, or reversals are required if the probability of future taxable profits has increased. Where deferred tax assets have not been recognized, they are reassessed at each balance sheet date and the tax asset is recognized to the extent that it is probable that future taxable profit will allow the deferred tax asset to be recovered.

The measurement of deferred taxes reflects the tax consequences that would follow from the Group's expectation of the manner in which the carrying amounts of its assets will be recovered or its liabilities settled at the reporting date.

Deferred tax assets and liabilities are offset if they relate to income taxes levied by the same taxation authority and there is a right to offset an actual tax refund claim against an actual tax liability. No distinction is made between current and non-current in the presentation of deferred tax assets and liabilities in the consolidated statement of financial position.

3.6.5 RECOGNITION OF INCOME AND EXPENSES

Revenue comprises the sale of merchandise via the online stores operated by the Group, which is divided into the 1P and 3P business models, and revenue from services in the Group's TME segment. Revenue from the sale of merchandise are point-in-time revenue. Revenue from services and other adjacent business areas are mainly recognized over time.

Revenue from the sale of merchandise comprises the amount recognized as consideration for the transfer of promised merchandise to customers. Revenue is recognized at the time the service is rendered. Thus, in accordance with IFRS 15, revenue is recognized when the performance obligation has been fulfilled by the transfer of control over the goods or the service to the customers. Invoices are issued at the time of shipment and are due within zero to 30 days, depending on the payment method selected. Of these invoices, those whose underlying goods are not yet under the control of the customers are accrued at the end of the period (see **sections 3.6.6** and **3.6.7**). The power of disposal is transferred to the customers upon handover of the transport service provider.

Within the drop shipping model ABOUT YOU acts as principal. ABOUT YOU has the power of disposal over the products before they are transferred to the customers after they have ordered them. Long-term supply contracts grant ABOUT YOU enforceable rights to delivery of the goods before they are ordered by the end customers. ABOUT YOU acts in its own name, for its own account and sets the price for resale as part of its pricing strategy. ABOUT YOU has the primary obligation to deliver the goods to the end customers; in this respect ABOUT YOU also bears a proportionate revenue risk. Based on the aforementioned criteria, ABOUT YOU reports the full sales price as revenue.

Under the FbAY business model, ABOUT YOU also concludes that control of the Inventories is transferred to ABOUT YOU at the time of storage in the logistics centers operated by the Group. Accordingly, the amounts charged to suppliers for fulfillment services are recognized as a reduction of the cost of inventories or Costs of sales. Revenue generated from the sale of goods from inventories in the logistics centers operated by the Group through the ABOUT YOU online store are recognized as revenue at the full selling price due to ABOUT YOU's principal position.

The transaction price includes variable components in the form of granted return rights and discounts. The forecast returns are determined on the basis of expectations for individual customers and countries (see explanations in **section 3.6.6**). Return obligations are reported under other liabilities.

An other asset is recognized in the amount of the acquisition cost of the goods delivered, taking into account the costs incurred for the processing of returns and a possible loss on disposal.

ABOUT YOU operates B2B services in both advertising and SaaS services. The key areas of Tech, Media, and Enabling are the SaaS area, Brand and Advertising Solutions. In the SaaS area, a right to use various components of the IT infrastructure of ABOUT YOU is granted. In the Brand and Advertising area, various advertising formats are offered for brands. In the third area (Enabling), 360° services are provided along the e-commerce value chain for third-party brands, including e-commerce operations. In the Tech, Media, and Enabling segments, revenue is recognized primarily over a specific, contractually agreed period. The customers receive the benefit of the service while it is being provided. Revenue recognition is therefore based on the performance of the service, analogously to the course of the expenses incurred as part of the service, and on contractually agreed milestones. The transaction price comprises the contractually agreed price less any discounts granted.

Operating expenses are recognized in profit or loss when the service is used or when the expenses are incurred.

The costs of advertising and promotional activities are expensed as incurred when the ABOUT YOU Group obtains control of the goods or services used in the transaction.

3.6.6 USE OF ESTIMATES AND JUDGEMENT

The preparation of the IFRS Consolidated Financial Statements requires estimates and judgments that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. The actual amounts may differ from the amounts resulting from estimates and judgments.

Key estimates and assumptions are made in particular with regard to

- the useful lives of the assets; see explanations under **sections 3.6.7 (10.)** – **3.6.7 (11.)**
- the determination of unrealized revenue; see explanations below as well as **3.6.7 (1.)**
- the valuation of share-based payments, see **section 3.6.7 (20.)**,
- the determination of the return rates for the measurement of liabilities for refunds and the claim for surrender from expected returns; see explanations below as well as **section 3.6.7 (24.)** and

monitored on an ongoing basis and recorded prospectively.

Key discretionary decisions are made in respect of

- the presentation of amounts related to the supply chain financing agreement, see **section 3.6.7 (23.)** in the statement of financial position as well as the statement of cash flows
- within the framework of inventory value adjustment, see **section 3.6.4** and **3.6.7 (15.)** and
- under the drop shipping model and in the case of merchandise revenue from goods placed in storage under the FbAY model; see explanations below

monitored on an ongoing basis and recorded prospectively.

Due to the right granted to customers by ABOUT YOU to return ordered goods up to 100 days after ordering, there is a risk in quantifying the expected returns for orders placed within the last 100 days of the financial year.

The key estimate in determining expected returns is the expected return rate. Among other things, ABOUT YOU uses customer- and country-specific empirical values with regard to the relative frequency of returns as well as the time span between the order and the return to estimate the return rate in the context of determining the liabilities from refunds. These experience values are subject to regular adjustment to actual experience values.

As of the reporting date, the Company recognizes revenue and expenses directly associated with the sales transaction that were generated prior to the reporting date, but for which the customers in all probability did not obtain control until after the reporting date. This is done on the basis of average delivery times, differentiated by order date, distribution channel and country of delivery.

In the context of the drop shipping model and for merchandise revenue from goods that are stored in the FbAY model, ABOUT YOU acts as principal, see **section 3.6.5** on revenue recognition. The assessment with regard to the principal position in the two partner models requires discretionary decisions, especially with regard to whether ABOUT YOU has control over goods from the drop shipping model before they are transferred to the customers. ABOUT YOU is primarily responsible for the fulfillment of the transaction of providing the agreed merchandise. Therefore, ABOUT YOU bears a proportionate revenue risk. Long-term supply contracts grant ABOUT YOU enforceable rights to delivery of the goods before they are ordered by the end customers. The transport to the customers is carried out by the direct shipper. ABOUT YOU also has the pricing sovereignty, which means that it alone decides on the prices for the goods. Furthermore, ABOUT YOU bears a limited inventory risk before the transfer of risk.

3.6.7 NOTES TO THE CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME, FINANCIAL POSITIONS, AND CASH FLOWS

(1.) REVENUE

Revenue is composed as follows:

in EUR million	2022/2023	2021/2022
Revenue from the sale of merchandise	1,779.2	1,600.0
Services and other related businesses	125.4	131.7
Revenue	**1,904.6**	**1,731.6**

Revenue from the sale of merchandise include all revenue generated with the ABOUT YOU online stores from the sale of merchandise. The revenue is divided between the 1P and 3P business models as follows:

in EUR million	2022/2023	2021/2022
Revenue from 1P	1,405.2	1,226.4
Revenue from 3P	374.0	373.6
Revenue	**1,779.2**	**1,600.0**

Revenue from services and other related business areas result primarily from ABOUT YOU's media services, SaaS solutions, and enabling services in the area of fulfillment and store management. The point in time revenue and revenue that is recognized over time are distributed as follows:

in EUR million	2022/2023	2021/2022
Point in time revenue	97.2	106.4
Revenue recognized over time	28.2	25.3
Revenue	**125.4**	**131.7**

(2.) COST OF MATERIALS

The Cost of materials is composed primarily of the cost of merchandise, other purchased services such as customs and transport costs, costs of packaging and shipping materials, and the effect of the write-down on Inventories.

(3.) PERSONNEL EXPENSES

Personnel expenses are composed as follows:

in EUR million	2022/2023	2021/2022
Wages and salaries	79.4	59.7
Social security	14.8	11.4
Share-based payments	12.4	14.8
Expenses for retirement benefits	0.0	0.0
Personnel expenses	**106.7**	**86.0**

The employer's share of pension insurance contributions amounted to EUR 7.0 million in 2022/2023 (2021/2022: EUR 5.6 million).

The average number of employees in the financial year can be categorized as follows:

in EUR million	2022/2023	2021/2022
Permanent employees	1,283	1,029
Temporary staff, interns, working students	209	213
Total employees	**1,492**	**1,242**

(4.) OTHER OPERATING EXPENSES

Other operating expenses break down as follows:

in EUR million	2022/2023	2021/2022
Advertising costs	220.5	270.0
Shipping costs	233.8	182.0
Storage and picking costs	202.8	126.4
Fees to payment provider	28.6	24.6
Service costs	24.9	24.1
Temporary staff expenses	23.1	12.9
Other expenses	89.2	103.9
Other operating expenses	**822.8**	**744.1**

Other expenses are mainly composed of costs for the generation of store content, IT services and all kinds of other operating expenses.

(5.) OTHER OPERATING INCOME

Other operating income amounted to EUR 15.3 million in the financial year (2021/2022: EUR 3.1 million) and consists mainly of on-charges and bonus and service level agreement with service providers. For more information on the recharges to companies accounted for using the equity method, please refer to **section 3.7.2**.

(6.) DEPRECIATION AND AMORTIZATION OF NON-CURRENT ASSETS

Depreciation is attributable to:

in EUR million	2022/2023	2021/2022
Depreciation of internally generated intangible assets	15.3	9.9
Depreciation of right-of-use assets	41.8	13.9
Depreciation of property, plant and equipment	1.7	1.1
Depreciation of other intangible assets	0.0	0.1
Impairment losses on internally generated intangible assets	2.8	0.0
Depreciation	**61.6**	**25.0**

The impairment losses on internally generated intangible assets relate to an asset that was still in the development phase and concern the DACH and RoE operating segments. A full impairment loss was recognized for the corresponding asset as it was decided within the Group to discontinue the project.

(7.) NET FINANCIAL RESULT

The financial result breaks down as follows:

in EUR million	2022/2023	2021/2022
Result from investments accounted for using the equity method	**(8.8)**	**0.0**
Interest and similar income	1.4	0.4
Interest and similar expenses	(3.9)	(4.4)
Interest result	**(2.5)**	**(4.0)**
Foreign exchange gains (+)/losses (–)	(2.7)	1.3
Other financial result	**(2.7)**	**1.3**
Financial result	**(14.0)**	**(2.7)**

Income from investments accounted for using the equity method includes the two companies Guido Maria Kretschmer Ajour GmbH, Hamburg, and LeGer GmbH, Hamburg, which were included for the first time using the equity method in FY 2022/2023. For further details, please refer to **section 3.6.7 (13.)**.

(8.) INCOME TAXES

Current income taxes paid or owed in the individual countries and deferred taxes are recognized as income taxes. Current taxes on income consist of trade tax, corporate income tax and the solidarity surcharge. As a corporation, the Group parent company ABOUT YOU Holding SE is subject to trade tax in Germany.

The tax rate is 16.5% (previous year: 16.5%). In addition, corporate income tax of 15.0% (previous year: 15.0%) and the solidarity surcharge of 5.5% (previous year: 5.5%) of the corporate income tax due is incurred. The total tax rate in the current financial year of FY 2022/2023 was 32.3% (previous year: 32.3%). Income taxes incurred abroad are immaterial. The expense for income taxes breaks down by origin as follows:

in EUR million	2022/2023	2021/2022
Current taxes	**0.0**	**0.0**
Adjustment for previous years	0.0	0.0
Deferred taxes	**(1.9)**	**(1.8)**
Deferred taxes from temporary differences	(4.0)	(4.8)
Deferred taxes from loss carryforwards	2.1	3.0
Taxes on income and earnings	**(1.9)**	**(1.8)**

The notional expense for taxes on income that would have resulted from applying the tax rate of the Group parent company ABOUT YOU Holding SE of 32.3% (previous year: 32.3%) to the IFRS consolidated earnings before taxes from continuing operations can be reconciled to taxes on income as follows:

in EUR million	2022/2023	2021/2022
Earnings before taxes (EBT)	(227.2)	(122.6)
Tax rate of ABOUT YOU Holding SE	32.3%	32.3%
Expected tax expense (–)/tax income (+)	**73.3**	**39.6**
Effect from losses of the current financial year for which no deferred tax asset was recognized	(73.4)	(40.1)
Tax increases due to non-tax-deductible expenses	(1.8)	(1.3)
Current tax expense/income for previous years	0.0	0.0
Deferred tax expense/income for previous years	0.0	0.0
Tax on income and profit	**(1.9)**	**(1.8)**

Corporate income tax and trade tax loss carryforwards can be utilized by the domestic companies without restriction up to an amount of EUR 1 million per calendar year if the tax base is positive.

Positive tax bases in excess of this can only be reduced by an existing loss carryforward up to a maximum of 60%. The deduction of interest expense for tax purposes is excluded in Germany if the interest expense exceeds EUR 3 million, the net interest expense exceeds 30% of the taxable profit before interest and depreciation, and certain exemptions do not apply (so-called interest barrier). The non-tax-deductible interest expense can be carried forward indefinitely as an interest carryforward and can be offset against positive tax interest results in future periods.

Deferred tax assets and liabilities result from temporary differences and tax loss carryforwards as follows:

	28/2/2023		28/2/2022	
in EUR million	Deferred tax assets	Deferred tax liabilities	Deferred tax assets	Deferred tax liabilities
Intangible assets, right-of-use assets and property, plant, and equipment	0.0	18.4	0.0	13.8
Receivables and other assets	0.6	0.0	0.0	0.1
Loss carryforwards	10.8	0.0	8.7	0.0
Subtotal	**11.4**	**18.4**	**8.7**	**13.9**
Balancing	(11.4)	(11.4)	(8.7)	(8.7)
Total	**0.0**	**7.0**	**0.0**	**5.2**

Deferred tax assets are recognized for tax loss carryforwards to the extent that it appears sufficiently certain that they will be realized in the near future. These tax loss carryforwards can be carried forward in full. Due to the loss history to date, only deferred tax liabilities have been recognized, taking into account the minimum taxation.

No deferred tax assets were recognized for corporate income tax and trade tax loss carryforwards of EUR 783.0 million (previous year: EUR 534.9 million) and EUR 778.0 million (previous year: EUR 531.3 million), respectively, as it is not probable that future taxable profit will be available against which the Group can utilize the tax loss carryforwards. Deferred tax assets on interest carryforwards amounting to EUR 15.0 million (previous year: EUR 10.6 million) were also not recognized. The tax loss and interest carryforwards can be used indefinitely.

The balance of deferred tax assets and liabilities changed as follows in the reporting year:

in EUR million	2022/2023	2021/2022
As of 1/3	**(5.2)**	**(3.4)**
Income (+)/expense (–) in the income statement	(1.9)	(1.8)
Deferred tax expense/ income for previous years	0.0	0.0
As of 28/2	**(7.0)**	**(5.2)**

To address concerns about the unequal distribution of profits and tax levies of large multinationals, various agreements have been reached at the global level, including an agreement by over 135 countries to introduce a global minimum tax rate of 15%. In December 2021, the OECD published a draft legal framework, followed by detailed guidelines in March 2022, to be used by individual countries that are signatories to the agreement to amend their local tax laws. In December 2022, the Pillar II draft guidelines were unanimously agreed by the EU.

As soon as the changes in tax legislation apply or will soon apply in the countries in which the Group operates, the Group may be subject to the minimum tax on its income. At the date of authorization of the Consolidated Financial Statements for issue, the tax legislation relating to the minimum tax is not, nor will it soon be, applicable in any of the countries in which the Group operates. This is not changed by the draft bill circulating at the time of preparation of the Consolidated Financial Statements from the Federal Ministry of Finance of a law for the implementation of the Directive to ensure global minimum taxation for multinational groups and large domestic groups in the Union (MinBestRL-UmsG). The Group may be subject to this obligation at the earliest from the fiscal year 2024/2025, ending on February 28, 2025.

ABOUT YOU may be subject to minimum tax as the Group has foreign income tax permanent establishments in the countries of Romania and Austria as of February 28, 2023. In Romania, the statutory tax rate is 1% as soon as revenue is below EUR 1 million. In Germany, no minimum taxation or increase in tax rates is expected to date, as the cumulative tax burden is approximately 30% and even if the corporate income tax rate (15%) were considered in isolation, the minimum tax rate would initially be met in terms of amount.

ABOUT YOU is closely monitoring the progress of the legislative process in each country in which ABOUT YOU operates. As of February 28, 2023, ABOUT YOU did not have sufficient information to determine the potential quantitative impact or it is not yet possible to determine the impact due to the obligation that is not expected to be in effect until FY 2024/2025.

(9.) EARNINGS PER SHARE

Undiluted earnings per share are calculated by dividing the net result for the period attributable to ABOUT YOU shareholders by the undiluted weighted average number of shares.

Furthermore, the average number of shares takes into account the acquisition of treasury shares in the past reporting year less stock options already exercised.

In accordance with the division of the capital stock of EUR 186.2 million into 186.2 million shares and 15.0 million shares held on average by the Group, the average number of shares outstanding for 2022/2023 was 171.1 million.

Earnings per share (EPS) – undiluted

in EUR million	2022/2023	2021/2022
Result for the period attributable to shareholders (in EUR million)	(229.0)	(124.4)
Undiluted weighted average number of shares (in millions)	171.1	162.2
Undiluted earnings per share (in EUR)	**(1.34)**	**(0.77)**

Diluted earnings per share are calculated by dividing the net result for the period attributable to ABOUT YOU shareholders by the diluted weighted average number of shares. Stock options for the Management Board are not included in the calculation of diluted earnings per share, as the performance component has not been fulfilled to date. The options include up to 78,791,000 potential new no-par value bearer shares. The inclusion of the potential ordinary shares would, assuming no change in earnings, provide protection against dilution. There are no further resolved capital increases for the future.

Earnings per share (EPS) – diluted

in EUR million	2022/2023	2021/2022
Result for the period attributable to shareholders (in EUR million)	(229.0)	(124.4)
Diluted weighted average number of shares (in millions)	171.1	162.2
Diluted earnings per share (in EUR)	**(1.34)**	**(0.77)**

(10.) INTANGIBLE ASSETS

Intangible assets break down as follows as of February 28, 2023:

in EUR million	28/2/2023	28/2/2022
Internally generated intangible assets	58.1	39.9
Acquired intangible assets	3.3	3.3
Derivative goodwill	4.1	4.1
Intangible assets	**65.4**	**47.3**

Intangible assets include EUR 18.8 million (previous year: EUR 7.0 million) of internally generated intangible assets that are still under development. Internally generated intangible assets are tested for impairment once a year during the development phase and thereafter only when a triggering event occurs.

The annual review of internally generated intangible assets that were still in the development phase as of February 28, 2023, identified an impairment loss of EUR 2.8 million. Please also refer to **section 3.6.7 (6.)**.

Internally generated intangible assets amounting to EUR 36.4 million (previous year: EUR 23.8 million) were capitalized in the financial year. These are key production costs for internally developed software. This gave rise to other own work capitalized in the same amount. Research costs were incurred only to an insignificant extent. Further information can be found in the following statement of changes in non-current assets.

As there are no legal, regulatory, contractual, competitive, economic, or other factors that would determine the useful life, the goodwill and acquired domains within the acquired intangible assets have an indefinite useful life. As of February 28, 2023, ABOUT YOU reported goodwill totaling EUR 4.1 million (previous year: EUR 4.1 million). Acquired domains exist in the amount of EUR 3.1 million (previous year: EUR 3.1 million).

The goodwill resulting from the acquisition of Adference GmbH can be allocated to the TME segment. Since ABOUT YOU does not carry goodwill in its internal reporting, the goodwill is subject to an impairment test at the level of the TME segment as a relevant cash-generating unit. On the basis of this cash-generating unit, the annual impairment test was performed at the end of the financial year. The recoverable amount was calculated using the value-in-use concept, which was derived on the basis of the financial year planning approved for 3 years.

Net cash flows from continuing use are generally determined on the basis of the medium-term planning approved by the Management Board with a forecast horizon of three years, on the basis of which a trend calculation of net cash flows for subsequent periods is made on the basis of a growth factor of 0.05%. In this context, the fiscal year planning reflects past developments and experience as well as the Management Board's best estimates with regard to future development and envisages revenue growth in the range between 15% and 30%. The growth rates are to be regarded as rather conservative on the basis of historical values. Market assumptions, such as economic trends and market growth, are included, taking into account external macroeconomic and business-specific sources.

The projected net cash flows are discounted using a risk-adjusted country-specific interest rate on an after-tax basis. Further parameters are taken from standardized industry data. The pre-tax discount rate of 12.1% (previous year: 11.2%) was calculated using the Capital Asset Pricing Model.

The annual impairment test did not result in any impairment of goodwill. In addition to the impairment test, it was tested whether possible changes in the key assumptions could lead to the carrying amount of the units exceeding their respective recoverable amounts. This was not the case as of February 28, 2023.

Development of intangible assets as of 28/2/2023

in EUR million	Activated Development lated development costs	Concessions, industrial property rights and licenses	Goodwill	Intangible assets under construction	Intangible assets
Acquisition costs					
1/3/2022	**65.8**	**6.9**	**4.1**	**7.0**	**83.7**
Additions	24.6	0.0	0.0	11.8	36.4
Transfers	7.0	0.0	0.0	(7.0)	0.0
28/2/2023	**97.4**	**6.9**	**4.1**	**11.8**	**120.1**
Depreciation					
1/3/2022	**33.0**	**3.5**	**0.0**	**0.0**	**36.4**
Scheduled depreciation for the financial year	15.3	0.1	0.0	0.0	15.4
Unscheduled depreciation of the financial year	2.8	0.0	0.0	0.0	2.8
28/2/2023	**51.1**	**3.6**	**0.0**	**0.0**	**54.7**
Carrying amounts					
1/3/2022	**32.8**	**3.3**	**4.1**	**7.0**	**47.3**
28/2/2023	**46.3**	**3.3**	**4.1**	**11.8**	**65.4**

Development of intangible assets as of 28/2/2022

in EUR million	Activated Development lated development costs	Concessions, industrial property rights and licenses	Goodwill	Intangible assets under construction	Intangible assets
Acquisition costs					
1/3/2021	**42.5**	**5.9**	**4.1**	**6.5**	**59.0**
Additions	8.0	0.9	0.0	15.8	24.7
Transfers	15.3	0.0	0.0	(15.3)	0.0
28/2/2022	**65.8**	**6.9**	**4.1**	**7.0**	**83.7**
Depreciation					
1/3/2021	**23.1**	**3.4**	**0.0**	**0.0**	**26.4**
Depreciation and amortization for the financial year	9.9	0.1	0.0	0.0	10.0
28/2/2022	**33.0**	**3.5**	**0.0**	**0.0**	**36.4**
Carrying amounts					
1/3/2021	**19.4**	**2.6**	**4.1**	**6.5**	**32.6**
28/2/2022	**32.8**	**3.3**	**4.1**	**7.0**	**47.3**

(11.) RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

The leases of ABOUT YOU relate exclusively to building rental agreements. Assets from right-of-use assets totaled EUR 199.6 million at the end of the reporting period (previous year: EUR 57.6 million). The right-of-use assets increased by EUR 141.9 million compared with February 28, 2022. The key reasons for this are the renewed contract for the distribution center in Altenkunstadt (effective with the first quarter of 2022/2023) and the first-time capitalization of the new distribution centers in Poland (effective with the second quarter of 2022/2023) and France (effective with the third quarter of 2022/2023), which expand ABOUT YOU's distribution network in Europe by two additional locations in addition to the existing locations in Germany (Altenkunstadt) and Slovakia. Depreciation and amortization of EUR 41.8 million (2021/2022: EUR 13.9 million) was recognized in the financial year. Of this amount, EUR 0.4 million (2021/2022: EUR 5.1 million) relates to short-term leases for event locations. Discount rates of between 0.2% and 3.3% were used to calculate the impairment requirement for the values in use. Lease liabilities totaled EUR 218.1 million as of February 28, 2023 (previous year: EUR 60.0 million).

Payments in connection with Lease liabilities are due as follows:

	Remaining term			
in EUR million	until 1 year	1–5 years	over 5 years	Lease liabilities
Lease liabilities as of 28/2/2022	12.1	44.9	3.0	60.0
Lease liabilities as of 28/2/2023	**45.2**	**165.9**	**7.0**	**218.1**

These leases contain renewal options and in some cases options to terminate the contract. In addition, the contracts provide for payments in connection with non-lease components (e.g. ancillary costs), for which ABOUT YOU makes a separation. There are no variable payments that depend, for example, on the development of the consumer price index. Options to extend leasing contracts range from one to three years. Exercising all of these options could lead to an additional cash outflow totaling EUR 6.1 million.

Interest expense on Lease liabilities totaled EUR 3.6 million in FY 2022/2023 (2021/2022: EUR 0.3 million) and is presented in cash flow from financing activities. Payments for the repayment of Lease liabilities totaled EUR 26.6 million (2021/2022: EUR 12.1 million) and are presented in cash flow from financing activities. Total lease payments made in the financial year amounted to EUR 30.2 million (2021/2022: EUR 12.4 million).

Development of right-of-use assets as of 28/2/2023

in EUR million	Right-of-use assets
Acquisition costs	
1/3/2022	**77.9**
Additions	183.7
Transfers	(0.0)
Disposals	10.3
28/2/2023	**251.4**
Depreciation	
1/3/2022	**20.3**
Depreciation and amortization for the financial year	41.8
Disposals	10.3
28/2/2023	**51.8**
Carrying amounts	
1/3/2022	**57.6**
28/2/2023	**199.6**

Development of right-of-use assets as of 28/2/2022

in EUR million	Right-of-use assets
Acquisition costs	
1/3/2021	**17.1**
Additions	61.2
Disposals	0.4
28/2/2022	**77.9**
Depreciation	
1/3/2021	**6.9**
Depreciation of the financial year	13.9
Disposals	0.4
28/2/2022	**20.3**
Carrying amounts	
1/3/2021	**10.3**
28/2/2022	**57.6**

(12.) PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment consisted of the following as of February 28, 2023:

in EUR million	28/2/2023	28/2/2022
Other land and buildings	0.0	0.0
Technical annexes and machinery	0.0	0.0
Other equipment, factory and office equipment	6.9	5.7
Advance payments and assets under construction	0.0	0.1
Property, plant and equipment	**6.9**	**5.8**

Development of property, plant and equipment as of 28/2/2023

in EUR million	Land, land rights and buildings, including buildings on third-party land	Technical annexes and machinery	Operating and business equipment	Advance payments and assets under con-struction	Property, plant and equipment
Acquisition costs					
1/3/2022	**0.2**	**0.0**	**9.0**	**0.1**	**9.4**
Additions	0.0	0.0	2.9	0.2	3.1
Transfers	0.0	0.0	(0.1)	(0.3)	(0.4)
Disposals	0.0	0.0	(0.1)	0.0	(0.1)
28/2/2023	**0.2**	**0.0**	**11.6**	**0.0**	**11.9**
Depreciation					
1/3/2022	**0.2**	**0.0**	**3.4**	**0.0**	**3.6**
Depreciation and amortization for the financial year	0.0	0.0	1.5	0.0	1.5
Transfers	0.0	0.0	0.0	0.0	0.0
Disposals	0.0	0.0	(0.1)	0.0	(0.1)
28/2/2023	**0.2**	**0.0**	**4.8**	**0.0**	**5.0**
Carrying amounts					
1/3/2022	**0.0**	**0.0**	**5.7**	**0.1**	**5.8**
28/2/2023	**0.0**	**0.0**	**6.9**	**0.0**	**6.9**

Development of property, plant and equipment as of 28/2/2022

in EUR million	Land, land rights and buildings, including buildings on third-party land	Technical annexes and machinery	Operating and business equipment	Advance payments and assets under construction	Property, plant and equipment
Acquisition costs					
1/3/2021	**0.2**	**0.0**	**5.8**	**0.0**	**6.1**
Additions	0.0	0.0	3.3	0.1	3.4
Disposals	0.0	0.0	0.1	0.0	0.1
28/2/2022	**0.2**	**0.0**	**9.0**	**0.1**	**9.4**
Depreciation					
1/3/2021	**0.2**	**0.0**	**2.3**	**0.0**	**2.5**
Depreciation and amortization for the financial year	0.0	0.0	1.1	0.0	1.1
Disposals	0.0	0.0	0.1	0.0	0.1
28/2/2022	**0.2**	**0.0**	**3.4**	**0.0**	**3.6**
Carrying amounts					
1/3/2021	**0.0**	**0.0**	**3.5**	**0.0**	**3.5**
28/2/2022	**0.0**	**0.0**	**5.7**	**0.1**	**5.8**

(13.) INVESTMENTS IN ASSOCIATES, JOINT VENTURES AND OTHER FINANCIAL ASSETS

As of February 28, 2023, ABOUT YOU holds investments in various companies. The company names of the companies as well as the relative amount of the shareholding by ABOUT YOU can be found in the list of shareholdings in **section 3.7.4**.

Based on the preliminary financial statements as of December 31, 2022, the joint venture LeGer GmbH, Berlin, Germany, has the following key performance indicators (based on 100%):

in EUR million	31/12/2022
Non-current assets	0.8
Current assets	18.6
Non-current liabilities	17.1
Current liabilities	18.3
Net net assets	**(16.0)**
Carrying amount of the share in the Group	**(6.4)**

in EUR million	2022
Revenue	22.9
Net loss for the year	(11.5)
Overall result	**(11.5)**
thereof Group share	(4.6)
Loss to be included in the investment result of the ABOUT YOU Group	(6.4)
of which due to the increase in net investments in accordance with IAS 28.38 losses to be recognized in FY 2022/2023	(4.6)
of which additional losses from the previous year to be taken into account due to the increase in net investments in accordance with IAS 28.38 in this financial year	(1.8)
Loss not included in the investment result of the ABOUT YOU Group	0.0

LeGer GmbH, Berlin, Germany, is included in the Consolidated Financial Statements using the equity method with a shareholding of 40.0%. It has a different reporting date of December 31. The Company operates in the textile and clothing sector. A loan issued to LeGer GmbH, Hamburg, Germany, which is reported under other non-current financial assets, was classified as equity-substituting financing for the first time in the financial year 2022/2023 in accordance with IAS 28.38. The cumulative share of earnings of LeGer GmbH was therefore deducted from the book value of the loan as part of at-equity accounting.

Based on the preliminary financial statements as of February 28, 2023, the joint venture Guido Maria Kretschmer Ajour GmbH, Hamburg, Germany, has the following key performance indicators (based on 100%):

in EUR million	**28/2/2022**
Non-current assets	0.0
Current assets	1.1
Non-current liabilities	6.0
Current liabilities	0.0
Net net assets	**(4.9)**
Carrying amount of the share in the Group	**(2.4)**

in EUR million	**2022/2023**
Revenue	0.0
Net loss for the year	(4.9)
Overall result	**(4.9)**
thereof Group share	(2.4)
Loss to be included in the investment result of the ABOUT YOU Group	(2.4)
of which due to increase in net investments according to IAS 28.38 Losses to be recognized	(2.4)
Loss not included in the investment result of the ABOUT YOU Group	0.0

Guido Maria Kretschmer Ajour GmbH, Hamburg, Germany, is included in the Consolidated Financial Statements using the equity method on the basis of company law agreements with a shareholding of 49%. The Company operates in the textile and apparel sector. A loan issued to Guido Maria Kretschmer Ajour GmbH, Hamburg, Germany, which is reported under other non-current financial assets, is equity-substituting financing in accordance with IAS 28.38, to which valuation losses must be extended in the context of at-equity accounting. The valuation losses to be applied to the loan amount to EUR 2.4 million.

The other associated companies, which are immaterial to the Group in their entirety, mainly comprise investments in companies active in the production, trading and distribution of textiles.

(14.) OTHER NON-CURRENT FINANCIAL ASSETS

There was an increase of EUR 8.9 million in other non-current financial assets, primarily from loans and working capital credits for the companies consolidated at equity and for investments in influencer brands and incubators. For more detailed explanations of the loans, please refer to **section 3.7.2**.

(15.) INVENTORIES

Inventories break down as follows:

in EUR million	**28/2/2023**	28/2/2022
Merchandise	551.9	386.3
Raw materials and supplies	3.0	2.1
Inventories	**554.9**	**388.4**

The development of inventories was driven by higher growth expectations, which were met by a difficult market environment. In addition, the introduction of the European network of distribution centers led to an expansion of decentralized storage capacities and thus contributed to an increased inventory level compared to February 28, 2022.

Inventories include allowances of EUR 34.9 million (previous year: EUR 21.7 million). Merchandise is measured at the lower of cost and net realizable value as of the reporting date. The net realizable value is the estimated selling price less the selling costs incurred until the sale. The net realizable value is assumed to be the average selling price over the last three months. The selling costs incurred are approximated on the basis of the cost-to-revenue ratio of fulfillment costs. If the reasons that led to a write-down of the merchandise have ceased to exist, a corresponding reversal of the write-down is to be recognized.

(16.) TRADE ACCOUNTS RECEIVABLE AND OTHER RECEIVABLES

Trade and other receivables break down as follows:

in EUR million	28/2/2023	28/2/2022
Trade receivables from third parties	9.1	12.2
Trade receivables from related parties and companies	16.5	11.7
Allowance for doubtful accounts	(0.2)	0.0
Other receivables	15.2	52.0
Trade receivables and other receivables	**40.7**	**75.9**

The development of trade accounts receivable is due on the one hand to the development of demand caused by macroeconomic factors and on the other hand to the result of continuous optimization measures in factoring and receivables management, which effectively reduced payment terms.

Receivables from related parties amounted to EUR 16.5 million as of February 28, 2023 (previous year: EUR 11.7 million). The receivables from related parties result entirely from trade receivables and are due within one year.

Other receivables amounting to EUR 15.2 million mainly relate to payment service providers resulting from the sale of customer receivables from purchases on account and similar payment methods, as well as payments in transit. Receivables from private end customers arising from purchases on account were sold to these payment service providers in return for payment of a fee at fair value under factoring agreements. In this case, the payment service providers assume the entire credit risk, while the return risk remains with ABOUT YOU.

In total, the Group sold receivables in the amount of EUR 877.0 million (previous year: EUR 516.7 million) to payment service providers in the financial year. The customer receivables were derecognized in this context, as the key risks and rewards, primarily the credit risk, were transferred to the payment service provider. Under the agreement, the customers settle their liabilities by paying the payment service provider directly. Other receivables are not derecognized until payment is received from the payment service provider on the individually agreed payment dates. The payments are included in cash flow from operating activities because they continue to be part of the Group's normal operating cycle and their key nature remains operational. The remaining receivables incurred in the financial year were settled with instant as well as COD payment providers.

Impairment losses on trade receivables are as follows:

in EUR million	2022/2023	2021/2022
Accumulated impairment losses as of 1/3	**0.0**	**(1.0)**
Additions	(0.2)	0.0
Consumptions	0.0	1.0
Accumulated impairment losses as of 28/2	**(0.2)**	**0.0**

The impairment losses only include specific valuation allowances.

Trade and other receivables are due within one year.

(17.) OTHER ASSETS

Other assets break down as follows:

in EUR million	28/2/2023	28/2/2022
Deposits	0.0	0.0
Derivatives in hedging relationships	0.0	0.0
Other financial assets	**0.0**	**0.0**
Receivables from other taxes	7.3	24.9
Claim for restitution from expected returns	40.6	39.6
Other miscellaneous assets	21.1	22.7
Prepaid expenses and deferred charges	11.0	5.8
Other non-financial assets	**80.1**	**93.0**
Other assets	**80.1**	**93.0**

The claim for return from expected returns corresponds to the amount of the acquisition costs of the delivered goods for which a return is expected, less the costs incurred for the processing of the return and the losses incurred in the disposal.

Receivables from other taxes mainly result from sales tax receivables.

Other assets have a maturity of up to one year.

(18.) CASH AND CASH EQUIVALENTS

Cash and cash equivalents of ABOUT YOU Holding SE comprise the categories shown in the table below:

in EUR million	**28/2/2023**	28/2/2022
Bank balances	204.5	495.7
Restricted cash	0.3	0.2
Cash	0.0	0.4
Cash and cash equivalents	**204.9**	**496.2**

(19.) EQUITY

The change in Group equity is presented in the statement of changes in equity.

Capital Reserve

Additional paid-in capital includes key contributions from shareholders, net proceeds from the listing in FY 2021/2022, and reserves from share-based payments.

Number of Shares

As of the reporting date for the Consolidated Financial Statements, ABOUT YOU had issued 186,153,487 no-par value bearer shares of common stock. Each share represents a pro rata amount of the subscribed capital of EUR 1.00 and entitles the holder to one vote at the Company's Annual General Meeting.

Treasury Shares

As of the reporting date for the Consolidated Financial Statements, ABOUT YOU held 13,719,858 treasury shares (previous year: 15,758,072) with an acquisition cost of zero, from which the Company has no rights pursuant to Section 71b of the German Stock Corporation Act (AktG). Compared with February 28, 2022, the number of treasury shares has been reduced by the number of virtual stock options exercised in the amount of 2,038,214 no-par value shares as part of share-based payments.

AUTHORITY OF THE MANAGEMENT BOARD TO ISSUE OR REPURCHASE SHARES

Authorized Capital 2021

Pursuant to Article 4 (4) of the Articles of Association, the Management Board is authorized, with the consent of the Supervisory Board, to increase the share capital of the Company on one or more occasions on or before May 30, 2026 (inclusive) by a total of up to EUR 78,791,000 by issuing new no-par value bearer shares against cash contributions and/or contributions in kind ("Authorized Capital 2021"). Shareholders are generally entitled to the statutory pre-emptive right to the new shares. The new shares may also be taken up by banks designated by the Management Board or by equivalent companies pursuant to Section 186 (5) sentence 1 of the German Stock Corporation Act (AktG) with the obligation to offer them to the shareholders for subscription.

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

- to avoid fractional amounts resulting from the subscription ratio,
- to offer shares to holders of conversion or option rights attached to convertible and/or option bonds to the extent to which they are entitled to such shares after conversion or exercise of the option,
- if, in the case of a capital increase against cash, the issue price is not significantly lower than the stock exchange price and the total pro rata amount attributable to the new shares for which the pre-emptive right is excluded does not exceed 10% of the share capital,
- to issue shares against contributions in kind, for the purpose of acquiring companies, parts of companies or participations in companies, in the context of mergers and/or for the purpose of acquiring other assets (including rights and receivables), or

- to issue shares against cash and/or in-kind contributions within the scope of participation programs and/or within the scope of share-based remuneration, provided that the total pro rata amount attributable to the new shares for which the pre-emptive right is excluded does not exceed 10% of the share capital.

The authorizations to exclude pre-emptive rights explained above may also be combined.

The Management Board is authorized, with the consent of the Supervisory Board, to determine the further content of the share rights and the conditions of the share issue. Further details on Authorized Capital 2021 can be found in Article 4 (4) of the Articles of Association.

Conditional Capital 2021/I

The share capital of the Company is conditionally increased pursuant to Article 4 (5) of the Articles of Association of ABOUT YOU by up to EUR 3,310,500 by the issuance of in total up to 3,310,500 new bearer shares with no-par value (Conditional Capital 2021/I). The Conditional Capital 2021/I serves exclusively the purpose of servicing pre-emptive rights of the members of the Management Board granted until 31 July 2021 (inclusive) under the Long-Term Incentive Plan 2021 in accordance with the resolution of the General Meeting on May 31, 2021. The conditional capital increase will be implemented only to the extent that the holders of the granted pre-emptive rights exercise their pre-emptive rights to shares in the Company, and the Company neither grants treasury shares nor cash payments to fulfil the pre-emptive rights. Granting and fulfilling pre-emptive rights vis-à-vis the members of the Management Board of the Company is the exclusive responsibility of the Supervisory Board.

POWERS TO ISSUE CONVERTIBLE BONDS OR BONDS WITH WARRANTS/CONDITIONAL CAPITAL 2021/II

By resolution of May 31, 2021, the General Meeting authorized the Management Board, subject to the consent of the Supervisory Board, to issue bearer and/or registered convertible and/or option bonds with a limited or unlimited term (hereinafter together the "Bonds") in the total nominal amount of up to EUR 2.2 billion on one or several occasions on or before May 30, 2026, and to grant to the holders or creditors of such Bonds, respectively, conversion or option rights for subscribing to up to a total of 75,480,000 new no-par value bearer shares representing up to EUR 75,480,000 of the Company's registered share capital.

The Bonds may also be issued by a domestic or foreign company in which ABOUT YOU directly or indirectly holds a majority of the votes and capital. In this case, the Management Board is authorized, subject to the consent of the Supervisory Board, to assume the guarantee for these Bonds on behalf of ABOUT YOU and to grant to the holders or creditors of such Bonds, respectively, conversion or option rights for shares in the Company as well as to make further declarations and take further actions as are required for a successful issuance.

The aforementioned authorization contains concrete specifications regarding the option or conversion price in each case. The option or conversion price may be adjusted in a value-preserving manner in the event of economic dilution or in the event of changes in capital or other extraordinary measures or events that may lead to a change in the economic value of the Bonds (e.g., dividend payments, acquisition of control by a third party), even beyond the cases provided for by law. Furthermore, the terms and conditions of the Bonds may provide that the exchange ratio and/or the option or conversion price are variable and that the option or conversion price is determined within a range to be specified depending on the development of the share price during the term.

Whenever Bonds are issued, the shareholders are generally entitled to the statutory pre-emptive rights. The statutory pre-emptive rights may be granted to the shareholders in such a way that the Bonds are underwritten by a bank or by equivalent companies within the meaning of Section 186 (5) sentence 1 of the German Stock Corporation Act (AktG) with the obligation to offer them to the shareholders for subscription. If Bonds are issued by a company in which ABOUT YOU directly or indirectly holds a majority of the votes and capital, ABOUT YOU must ensure that the statutory pre-emptive rights are granted to the shareholders of the company in accordance with the above.

However, the Management Board is authorized, subject to the consent of the Supervisory Board, to exclude the shareholders' statutory pre-emptive rights in whole or in part as specified in the authorization resolution. In simplified terms, this is possible in the following constellations:

- by applying Section 186 (3) sentence 4 of the German Stock Corporation Act (AktG) accordingly, provided that the Bonds are issued against consideration in cash and the Management Board comes, after due assessment, to the conclusion that the issue price is not significantly below the theoretical market value of the Bonds with conversion or option right or conversion obligation as determined in accordance with generally accepted financial calculation methods. However, this authorization to exclude pre-emptive rights only applies to Bonds with conversion and/or option rights or conversion obligations with respect to shares, the total proportionate amount of which does not exceed 10% of the registered share capital, neither at the time this authorization becomes effective nor – if lower – at the time it is exercised. This 10% threshold shall include the pro-rate amount of the share capital (i) attributable to Company shares issued or sold during the term of this authorization with exclusion of pre-emptive rights in direct or analogous application of Section 186 (3) sentence 4 of the German Stock Corporation Act (AktG), and (ii) attributable to Company shares issued or still to be issued for the purpose of servicing conversion or option rights or conversion obligations or option obligations or convertible profit participation rights which (on the basis of other authorizations) were in turn issued during the term of the authorization with the exclusion of pre-emptive rights in analogous application of Section 186 (3) sentence 4 of the German Stock Corporation Act (AktG),

- to exclude fractional amounts from the shareholders' pre-emptive rights,

- to the extent necessary to grant to the holders or creditors of conversion or option rights attached to convertible and/or option bonds and/or convertible profit participation rights previously issued by the Company or a company in which it holds a majority interest, or, in case of an own conversion right of the Company, to holders or creditors obligated thereby, pre-emptive rights to the extent they would be entitled to after exercising the conversion or option rights or after fulfilling a conversion or option obligation, or

- insofar as Bonds are issued against contributions in kind, in particular for the purpose of acquiring companies, parts of companies or participations in companies, within the scope of mergers and/or for the purpose of acquiring other assets (including rights and receivables) and the Management Board, after due examination, has come to the conclusion that the value of the contributions in kind is in reasonable proportion to the theoretical market value of the Bonds as determined in accordance with recognized principles of financial mathematics.

The authorizations to exclude pre-emptive rights explained above may also be combined.

This authorization creates conditional capital of up to EUR 75,480,000 pursuant to Article 4 (6) of the Articles of Association through the issuance of up to 75,480,000 new no-par value bearer shares (Conditional Capital 2021/II). The Conditional Capital 2021/II serves the purpose of granting shares to holders or creditors of convertible bonds as well as to holders of option rights attached to option bonds that are issued on or before May 30, 2026, based on the authorization granted by resolution of the General Meeting of ABOUT YOU Holding AG (the legal predecessor of the Company) on May 31, 2021, by the Company or a national or foreign subsidiary in which the Company either directly or indirectly holds a majority in terms of voting rights and capital. The conditional capital increase is only implemented to the extent that the conversion or option rights attached to the aforementioned bonds are de facto exercised or conversion obligations attached to such bonds are fulfilled and to the extent that no other forms of fulfilment are used for this purpose. The new shares are issued at the conversion price or option price that is determined in accordance with the authorization resolution. The Management Board is authorized, with the consent of the Supervisory Board, to determine the further details of the implementation of the conditional capital increase.

Powers to Acquire Treasury Shares

By resolution of June 14, 2021, the General Meeting authorized the Company pursuant to Section 71 (1) no. 8 of the German Stock

Corporation Act (AktG) to acquire treasury shares on or before June 13, 2026, in an amount of up to 10% of the share capital of the Company at the time the authorization is granted or – if such amount is lower – at the time of the authorization is exercised. The amount of treasury shares acquired on the basis of this authorization together with other treasury shares in possession of the Company or attributed to the Company pursuant to Sections 71a et seq. of the German Stock Corporation Act (AktG) may not exceed at any time an amount of 10% of the respective share capital.

The acquisition may, at the discretion of the Management Board, be effected (i) via the stock exchange, (ii) by means of a public tender offer addressed to all shareholders, (iii) by means of a public solicitation to submit offers for sale, (iv) via participants in share-based incentive or remuneration programs or entities owned by such participants in connection with the settlement of such programs and/or (v) via the holders of (former) preference shares in the Company in connection with, or subsequent to, a cancellation of profit or liquidation preferences of preference shares and their conversion into ordinary shares. The authorization contains specifications regarding the purchase price and the procedure in the event of an oversubscription of a public purchase offer.

Subject to the consent of the Supervisory Board, the Management Board is authorized to use treasury shares of the Company in particular:

- to sell treasury shares for cash other than via the stock exchange or by an offer directed to all shareholders, provided that the selling price per share is not materially below the market trading price of the Company's shares. This authorization is limited to the sale of shares to which a total pro rata amount of no more than 10% of the share capital is attributable at the time this authorization becomes effective and at the time this authorization is exercised. This 10% limit shall include the proportional value of the share capital (i) attributable to shares of the Company that are issued or sold during the term of the authorization with the exclusion of pre-emptive rights by applying Section 186 (3) sentence 4 of the German Stock Corporation Act (AktG) directly or accordingly, and (ii) attributable to shares of the Company that are or still can be issued for the purpose of servicing conversion or option rights or fulfilling conversion or option obligations attached to convertible or option bonds or convertible profit participation rights to the extent that the bonds or profit participation rights are issued during the term of this authorization on the basis of a different authorization by exclusion of pre-emptive rights by applying Section 186 (3) sentence 4 of the German Stock Corporation Act (AktG) accordingly;

- for the sale or other transfer of shares in the Company via the stock exchange or by means of an offer to all shareholders, insofar as this is effected against consideration in kind, in particular in the case of the acquisition of companies, parts of companies or participations in companies, in the case of mergers or in the case of the acquisition of other assets (including rights and receivables);

- for the purpose of fulfilling option and/or conversion rights or obligations attached to convertible and/or option bonds and/or convertible profit participation rights which are granted by the Company or by entities dependent on the Company or entities in which the Company holds a majority interest;

- to the extent that it is necessary in order to grant to holders or creditors of option and/or conversion rights attached to convertible and/or option bonds and/or convertible profit participation rights, which are granted by the Company or by entities dependent on the Company or entities in which the Company holds a majority interest, or, in case of an own conversion right of the Company, to holders or creditors obligated thereby, pre-emptive rights to shares to the extent that such holders or creditors would be entitled to after the exercise of the conversion or option rights or after the fulfillment of the conversion or option obligations; or

- in the context of participation programs and/or in the context of share-based remuneration (also at reduced prices and/or without separate remuneration). Insofar as treasury shares are to be granted to members of the Management Board of the Company, the Supervisory Board of the Company shall decide on the allocation.

The Management Board is also authorized, with the consent of the Supervisory Board, to redeem treasury shares in whole or in part without a further resolution by the Annual General Meeting. The redemption shall be effected by way of a simplified procedure without a capital reduction or in such a way that the share capital remains unchanged, thereby increasing the notional portion of the share capital associated with the remaining shares pursuant to Section 8 (3) of the German Stock Corporation Act (AktG).

All the above authorizations may be exercised in whole or in part, on one or more occasions, by the Company or by companies in which the Company holds a majority interest; furthermore, the authorization may also be exercised for the account of the Company or for the account of third parties acting on behalf of dependent companies or companies in which the Company holds a majority interest.

The provisions on the use of treasury shares under exclusion of pre-emptive rights as well as on the redemption of treasury shares also apply to treasury shares that are acquired based on the authorizations granted by resolution of the General Meeting of May 31, 2021, pursuant to Section 71 (1) no. 8 of the German Stock Corporation Act (AktG) to acquire treasury shares or to acquire treasury shares using derivatives.

Pursuant to the resolution of the General Meeting of June 14, 2021, the Company is also authorized to acquire treasury shares, other than by the means described above, using derivatives in accordance with Section 71 (1) no. 8 of the German Stock Corporation Act (AktG).

For this purpose, the Company is authorized to:

- sell options that obligate the Company to purchase shares in the Company upon exercise of the option (put options);
- purchase options giving the Company the right to acquire shares in the Company upon exercise of the option (call options); and
- enter into forward purchase agreements (Terminkaufverträge) with respect to shares of the Company which have a period of more than two stock exchange trading days between the conclusion of the respective purchase agreement and the settlement with the acquired shares (forward purchases).

Treasury shares may be acquired using put options, call options, forward purchases (together “Derivatives”) and/or a combination of these Derivatives. The use of Derivatives to acquire treasury shares requires the consent of the Supervisory Board.

The authorization may be exercised in whole or in part, on one or several occasions, by the Company or by companies controlled or majority-owned by the Company; furthermore, the authorization may also be exercised by third parties acting for the account of the Company or for the account of companies controlled or majority-owned by the Company.

Share acquisitions using Derivatives are limited in total to shares amounting to a maximum of 5% of the Company's share capital existing at the time the authorization is granted or – if such an amount is lower – at the time the authorization is exercised.

The term of the respective Derivatives may not exceed 18 months. Furthermore, the term of the Derivatives must be chosen in such a way that the acquisition of shares in the Company using Derivatives does not take place after June 13, 2026.

It must be ensured in the terms and conditions of the Derivatives that the Derivatives are fulfilled only with shares that were previously acquired on the stock exchange in compliance with the principle of equal treatment, whereby the purchase price per share paid for the acquisition on the stock exchange (not including ancillary acquisition costs) must be within the pricing corridor applicable to the acquisition of shares by the Company via the stock exchange pursuant to the authorization to acquire treasury shares (resolution of the General Meeting of June 14, 2021).

The authorization to acquire treasury shares by means of Derivatives contains concrete specifications regarding the purchase price agreed in this context depending on the stock exchange price of the shares of the Company.

If treasury shares are acquired by using Derivatives in accordance with the provisions set out above, the shareholders shall have no right to conclude such derivative contracts with the Company. Shareholders have a right to tender their shares to the Company only to the extent that the Company is obligated vis-à-vis the respective shareholders to take delivery of such shares under the derivative contracts. Any further right to tender is excluded.

For the use of treasury shares acquired using Derivatives, the aforementioned rules for the use of treasury shares acquired on the basis of the authorization set out by the General Meeting on June 14, 2021, apply accordingly.

(20.) SHARE-BASED PAYMENTS

Expenses of EUR 12.4 million (2021/2022: EUR 14.8 million) were recognized for the share-based payment commitments of ABOUT YOU as of the reporting date. The key share-based compensation commitments are divided into the following eight programs, which are explained in detail below. All of the listed share-based compensation commitments for the Management Board, management and employees were accounted for using equity instruments in 2023. The programs follow the basic assumption that the rules of the programs apply equally to all participants.

Management Board Program LTI 2021

In addition to the non-performance-related remuneration, the Management Board members were each granted options in the same amount by way of a one-time allocation under the LTI 2021 as part of the amendment to the service contracts of the Management Board on June 4, 2021. Each member of the Management Board was allocated a total of 1,702,128 (5,106,384 in total) options according to the following formula:

N = 80,000,000/2x exercise price

The LTI 2021 is an option program which, in addition to the time component in the form of continued Executive Board activity ("time vesting"), is linked to the development of key performance indicators of the Group and refers to target criteria from the area of ESG (Environmental, Social, Governance) ("performance vesting").

The key terms and conditions of the LTI 2021 are presented in detail below:

(a) Exercise price

The exercise price for each option corresponds to the mean value of the price range applicable to each share at the time of placement in the listing. The price range was set at EUR 21.00 to EUR 26.00 on June 7, 2021. Accordingly, the mean value is EUR 23.50 ("exercise price").

(b) Vesting period – time vesting

The options granted vest after the expiry of certain periods, provided that the Management Board member concerned remains with the Company at the expiry of the time limit ("time vesting"):

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

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

(c) Vesting period – performance vesting

In addition to the time component, a prerequisite for the vesting of the options is that certain predefined performance targets are also achieved within certain periods ("Performance Vesting"). These Performance Vesting targets were set by the Supervisory Board prior to the private placement and consist of the average annual growth of Group revenue ("revenue CAGR"), the development of the adjusted EBITDA ("adjusted EBITDA") of the Group and various ESG parameters. The Performance Vestings are included with different weightings in both Tranche 1 and Tranche 2, with "Revenue CAGR" taken into account at 60%, "Adjusted EBITDA" at 30% and the ESG parameters at 10% in the respective tranche. The degree of target achievement is determined on the basis of the medium-term target values set by the Supervisory Board prior to the private placement ("Current Medium-Term Performance Targets") and the future medium-term target values to be resolved by the Supervisory Board at the end of FY 2022/2023 ("Future Medium-Term Performance Targets"), whereby the higher value according to Current and Future Medium-Term Performance

Targets is always decisive for the key performance indicator of revenue CAGR set out in the LTI 2021. If the respective Performance Vesting Targets are achieved by less than 85%, the options concerned will be forfeited without compensation. If the respective target is met by 85%, 20% of the options are forfeited. If it is met by 100%, no option is forfeited. In the range between 85% and 100%, the proportion of options that expire decreases linearly. For the options attributable to ESG criteria, a differentiation is only made between the target being met and not being met: If it is achieved, no option expires. If it is not achieved, all options allocated to this Performance Vesting Target expire. Tranche 1 options can be exercised for the first time after June 30, 2025, and Tranche 2 options for the first time after June 30, 2027. Options that have not been exercised by June 30, 2029 (inclusive) expire without compensation. Options may only be exercised within certain exercise windows of two weeks specified in more detail in the LTI terms and conditions, which are in each case after the publication of the (preliminary) financial figures for a financial year, half-year or quarter. Exercise is not possible within certain closed periods defined in the LTI 2021 (so-called blackout periods). The exercise of options vested according to the aforementioned conditions is only permitted if the Company's share price (weighted average price per share in XETRA trading within a period of three months prior to the relevant date) reaches 200% of the exercise price, i.e. EUR 47.00, no later than February 28, 2027 and additionally either (i) at the beginning of the respective exercise window or (ii) on at least three trading days on the Frankfurt Stock Exchange within a previous exercise window ("exercise threshold").

(d) Settlement of Options

Upon exercise of the options, the respective Management Board member shall be delivered by the Company from the Conditional Capital a number of shares corresponding to the settlement value of the exercised options. The settlement value of the exercised options corresponds to the amount by which the share price exceeds the exercise price upon exercise, but is limited to 200% of the exercise price (i.e. EUR 47.00 per option – "cap").

Instead of delivering shares from the Conditional Capital, the Company may make a cash payment to the respective Management Board member in the amount of the settlement value per option (less payroll taxes and any other statutory levies to be withheld by the Company) (cash settlement) or service its obligation to deliver shares with existing treasury shares.

PROGRAMS FOR MANAGERS AND EMPLOYEES

In addition to the management programs from FY 2021/2022, ABOUT YOU implemented the LTIP 2022, LTI RSUP 2022, and STI RSUP 2022 programs in FY 2022/2023, effective October 1, 2022. All programs issued in FY 2022/2023 are explained below. A distinction is made between ongoing, one-time granted and completed programs. Within these sections the programs are arranged chronologically by program launch.

CONTINUOUS PROGRAMS

RSUP & SOP 2021 et seq.

Effective FY 2021/2022, ABOUT YOU implemented the Restricted Stock Unit Plan (RSUP) and Stock Option Plan (SOP) management programs, effective October 1, 2021. The programs may be issued on a rolling basis, with two tranches per fiscal year and grant dates of April 1 and October 1 of each fiscal year. The RSUP & SOP management programs follow the VESOP 2017–2021 program, which is discussed in the "Completed Programs" section.

The Restricted Stock Unit Plan (RSUP) is aimed at ABOUT YOU executives and selected top performers within the organization, while the Stock Option Plan (SOP) is primarily aimed at senior members of the management team in the 1st and 2nd levels below the Management Board, who can divide the grant value of their annual share-based payments at the time of issue between restricted stock units (RSUs) and virtual stock options (Sos) according to the following distributions:

- Option 1: 100% SOP, 0% RSUP
- Option 2: 75% SOP, 25% RSUP
- Option 3: 50% SOP, 50% RSUP
- Option 4: 25% SOP, 75% RSUP
- Option 5: 0% SOP, 100% RSUP

RSUP 2021 ff.

The RSUP 2021 entitles executives and selected top performers within the organization to receive a compensation component with a long-term incentive effect. Under the program, a total of 84,836 RSUs were granted on April 1, 2022 and a total of 829,024 RSUs on October 1, 2022. The calculated issue prices of the RSUs at the grant dates were determined according to the volume-weighted average closing prices (commercially rounded to two decimal places) of the ABOUT YOU Holding SE share in XETRA trading during the last 90 trading days prior to the grant dates and amounted to EUR 16.91 for the issue on April 1, 2022, and EUR 7.17 on October 1, 2022. All eligible employees* will be notified of an individual euro amount as the grant amount. The number of RSUs is determined by dividing the grant value by the respective issue price. The RSUs granted are subject to a vesting period of three years from the grant date. Within the three-year vesting period, a portion of the RSUs granted will vest at the end of each year. Vesting of the restricted stock units granted on April 1, 2022 will be on a non-linear schedule. Accordingly, at the end of the first year, 15% of the RSUs granted will have vested, at the end of the second year, 25% of the RSUs granted will have vested and at the end of the third year, the remaining 60% of the RSUs granted will have vested. As of the grant date of October 1, 2022, the plan terms have been amended to a straight-line vesting. Accordingly, at the end of each year, one-third of the RSUs granted have vested. The total of all payouts of a tranche is limited to 350% of the grant value. The vested RSUs are issued in true ABOUT YOU shares. Alternatively, the Management Board of ABOUT YOU may decide to pay out in cash. Payment is made with the payroll for the month following the announcement of the first financial report (for a quarter, half-year or financial year) after the end of the respective vesting period.

SOP 2021 ff.

The SOP 2021 entitles employees of the management team in the 1st and 2nd levels below the Management Board to receive a compensation component with a long-term incentive effect. Under the program, a total of 5,323 virtual stock options (Sos) were granted at April 1, 2022 and a total of 391,557 virtual Sos at October 1, 2022. The determined exercise prices of the virtual Sos depending on the grant dates were determined according to the volume-weighted average closing prices (commercially rounded to two decimal places) of the share of ABOUT YOU Holding SE in XETRA trading during the last 90 trading days prior to the grant dates and amounted to EUR 16.91 for the issue on April 1, 2022 and EUR 7.17 for the issue on October 1, 2022. All eligible employees will be notified of an individual euro amount as grant amount. To convert the virtual Sos granted into a number of virtual stock options, the grant value attributable to the SOP is first converted into a number of RSUs by dividing it by the exercise price. The number of RSUs thus determined is then multiplied by an exchange factor to determine the number of virtual stock options granted. The exchange factor is determined and is based on the fair value of a virtual stock option and the fair value of an RSU. The exchange ratio may vary from tranche to tranche, even within a year if several grants are made in a year, depending on the determination of the option price at the respective reporting date. The fair value of the stock option was determined using Monte Carlo simulation, individual parameters for the calculation of the fair value can be found in the consolidated table "Valuation of newly granted options". The virtual Sos granted are subject to a vesting period of three years from the grant date. Within the three-year vesting period, a portion of the virtual Sos granted will vest at the end of each year. Vesting of the virtual Sos granted on April 1, 2022, will be on a non-linear schedule. Accordingly, at the end of the first year, 15% of the virtual sos granted will have vested, at the end of the second year, 25% of the virtual sos granted will have vested, and at the end of the third year, the remaining 60% of the virtual sos granted will have vested. From the grant date of October 1, 2022, the plan terms have been amended to a straight-line vesting in line with the "RSUP 2021 ff.". Accordingly, one third of the RSUs granted will have vested at the end of each year. The virtual stock options can be exercised for the first time after four years from the grant date. For the shares vesting at the first vesting date, the vesting period is three years, for the shares vesting at the second vesting date, the vesting period is two years. For the shares that vest on the third vesting date, the waiting period is one year. The total of all payments of a tranche is limited to 350% of the grant value. The SOP is serviced in real ABOUT YOU shares. Alternatively, the Management Board of ABOUT YOU may decide to pay out in cash. Subject to any insider trading rules and any lock-up periods, all earned virtual Sos can only be exercised after the expiry of the respective waiting period and before the expiry of the relevant end date, of a maximum of four years after the expiry of the respective waiting period and only within four weeks in each case, starting on the third working day after the announcement of the financial report for the respective quarter or financial year.

LTIP 2022 et seq.
Starting with FY 2022/2023, ABOUT YOU implemented the LTIP 2022 management program. In addition to the annual share-based compensation benefits for executives at ABOUT YOU defined in more detail below, a management LTIP was granted to selected members of the management team in the 1st and 2nd levels below the Management Board. Under the program, a total of 12,166,687 virtual stock options (SOs) were granted as of October 1, 2022). This program represents a performance-related compensation component which in its terms basically follows a similar logic to the LTIP 2021 management program, but differs here in two key respects:

(a) Exercise price
The exercise price for each virtual option corresponds to the volume-weighted average closing price (rounded to two decimal places) of the ABOUT YOU Holding SE share in XETRA trading during the last 30 trading days before the grant date. Accordingly, the exercise price is EUR 6.00. The exercise of the virtual options is only permitted if the Company's share price (weighted average price per share in XETRA trading within a period of three months prior to the relevant date) reaches 200% of the exercise price, i.e. EUR 12.00, either (i) at the beginning of the respective exercise window or (ii) on at least three trading days on the Frankfurt Stock Exchange within a previous exercise window, but no later than on the last day of the vesting period of the tranche 2 options ("exercise threshold"). However, the maximum value of the virtual options is limited to 300% of the exercise price, i.e. EUR 18.00 per virtual option ("cap").

(b) Vesting period – time vesting
The virtual options granted are allocated after the expiry of certain periods. The vesting period begins on April 1 and October 1 of the respective calendar year. The vesting period ends no later than the end of the last day of a 72-month vesting period from the grant date:

- 12% of the virtual options are allocated at the end of the last day of a 12-month vesting period from the grant date
- 14% of the virtual options are allocated at the end of the last day of a 24-month vesting period from the grant date
- 16% of the virtual options are allocated at the end of the last day of a 36-month vesting period from the grant date
- 18% of the virtual options are allocated at the end of the last day of a 48-month vesting period from the grant date
- 20% of the virtual options are allocated at the end of the last day of a 60-month vesting period from the grant date
- 20% of the virtual options are allocated at the end of the last day of a 72-month vesting period from the grant date

Virtual options with a vesting date prior to the expiry of 48 months from the grant date belong to tranche 1 ("Tranche 1 options"), virtual options with a vesting date after 60 or 72 months from the grant date belong to tranche 2 ("Tranche 2 options"). Tranche 1 – options can be exercised after a vesting period of 52 months, Tranche 2 options can be exercised after a vesting period of 76 months. The LTIP 2022 will be serviced in real ABOUT YOU shares. Alternatively, the Management Board of ABOUT YOU may decide to pay out in cash.

UNIQUE PROGRAMS

LTIP 2021
As of FY 2021/2022, ABOUT YOU implemented the one-time management program LTIP 2021. In addition to the annual share-based compensation benefits for executives at ABOUT YOU defined in the previous section, a management LTIP was granted to selected

members of the management team in the 1st and 2nd levels below the Management Board. This program represents a performance-based remuneration component, which in its terms and conditions with regard to (a) exercise price, (b) time vesting, (c) performance vesting and (d) settlement of options was set up entirely analogously to the performance-based remuneration system of the Management Board "Management Board Program – LTI 2021". Under the "Management LTIP 2021", a further 238,669 options were granted in FY 2022/2023, while 285,096 options were forfeited. Options that vest on or before February 28, 2025 (inclusive) (a total of 1,912,570 options) belong to Tranche 1 ("Tranche 1 options"). Options vesting at the end of February 28, 2026 and February 28, 2027 (in total 1,275,046 options) belong to Tranche 2 ("Tranche 2 options"). The servicing of the 2021 LTIP will be in true ABOUT YOU shares. Alternatively, the Management Board of ABOUT YOU may decide to pay out in cash.

EFSP 2021

As of FY 2021/2022, ABOUT YOU implemented the one-time Employee Free Share Plan, which is aimed at all employees* below the Board level who have been employed as employees* of ABOUT YOU for more than six months as of the grant date of December 1, 2021. Under this program, 31,703 ABOUT YOU restricted stock units (RSUs) were granted as of the grant date of December 1, 2021. The RSUs were granted on a one-time, voluntary basis as of December 1, 2021, with no entitlement to future grants of RSUs or other remuneration. All eligible employees* will be notified of an individual euro amount as the grant amount, which is dependent on the length of employment with ABOUT YOU at the grant date. Employees who have been employed by ABOUT YOU for less than or exactly six months at the grant date will not receive RSUs. Employees who have been employed by ABOUT YOU for more than six months but less than 18 months at the grant date will receive a grant value of EUR 500. Employees who have been employed by ABOUT YOU for at least 18 months but less than 30 months at the grant date will receive a grant value of EUR 1,000. Employees who have been employed by ABOUT YOU for more than 30 months at the grant date will receive a grant value of EUR 1,500. For employees who have been employed by ABOUT YOU for at least 30 months at the grant date, the Management Board of ABOUT YOU may determine a grant value of more than EUR 1,500 at its discretion. The calculated issue price of allocated RSUs was determined according to the volume-weighted average closing price (commercially rounded to two decimal places) of the share of ABOUT YOU Holding SE in XETRA trading during the last 90 trading days prior to the grant date and amounted to EUR 21.74 for the issue on December 1, 2021. The number of RSUs is determined by dividing the grant value by the respective issue price. The RSUs granted are subject to a vesting period of two years from the grant date. Within the two-year vesting period, half of the RSUs granted vest after the end of each year. Accordingly, at the first vesting date after the end of the first year on December 1, 2022, 50% of the RSUs granted have been vested and issued in shares. At the end of the second year on December 1, 2023, the remaining 50% of the RSUs granted will have vested. Payment will be made with the payroll for the month following the respective vesting date. The vested RSUs will be issued in true ABOUT YOU shares. Alternatively, the Management Board of ABOUT YOU may, at its discretion, decide to pay out in cash.

STI RSUP 2022

Beginning with FY 2022/2023, ABOUT YOU implemented the one-time management program STI RSUP 2022 for executives at ABOUT YOU and selected top performers*. Under the program, a total of 526,811 restricted stock units (RSUs) were allocated as of October 1, 2022. The determined issue prices of the RSUs at the grant dates were calculated according to the volume-weighted average closing prices (commercially rounded to two decimal places) of the ABOUT YOU Holding SE share in XETRA trading during the last 30 trading days prior to the grant dates and amounted to EUR 6.00 for the issue on October 1, 2022. All eligible employees* will be notified of an individual euro amount as the grant amount. The number of RSUs is determined by dividing the grant value by the respective issue price. The RSUs granted are subject to vesting for one year from the grant date. The total of all payouts of a tranche is limited to 350% of the grant value. The RSUs earned are issued in true ABOUT YOU shares. Alternatively, the Management Board of ABOUT YOU may decide to pay out in cash. Payment is made with the payroll for the month following the announcement of the first financial report (for a quarter, half-year or financial year) after the end of the respective vesting period.

LTI RSUP 2022
Starting in FY 2022/2023, ABOUT YOU implemented the one-time management program LTI RSUP 2022 for selected members of the management team in the 1st and 2nd levels below the Management Board. Under the program, a total of 141,189 restricted stock units (RSUs) were allocated as of October 1, 2022. The determined issue prices of the RSUs at the grant dates were calculated according to the volume-weighted average closing prices (commercially rounded to two decimal places) of the ABOUT YOU Holding SE share in XETRA trading during the last 30 trading days prior to the grant dates and amounted to EUR 6.00 for the issue on October 1, 2022. All eligible employees will be notified of an individual euro amount as the grant amount. The number of RSUs is determined by dividing the grant value by the respective issue price. The RSUs granted are subject to a non-linear vesting period of six years from the grant date:

- 12% of the RSUs granted have vested as of September 30, 2023
- 14% of the RSUs granted have vested as of September 30, 2024
- 16% of the RSUs granted have vested as of September 30, 2025
- 18% of the RSUs granted have vested as of September 30, 2026
- 20% of the RSUs granted have vested as of September 30, 2027
- 20% of the RSUs granted have vested as of September 30, 2027

The sum of all payouts of a tranche is limited to 350% of the grant value. The earned RSUs are issued in real ABOUT YOU shares. Alternatively, the Management Board of ABOUT YOU may decide to pay out in cash. The payout is made with the payroll for the month following the announcement of the first financial report (for a quarter, half-year or financial year) after the end of the respective vesting period.

COMPLETED PROGRAMS

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

As of FY 2022/2023, ABOUT YOU implemented another RSU issuance program, RSUP 2022, under the VSOP 2017–2021. Under RSUP 2022, additional RSUs are granted to beneficiaries upon exercise of virtual stock options of the VESOP 2017–2021. A total of 803,721 RSUs were granted under the program. The RSUs granted will be settled following the three predefined exercise windows in terms of time during which ABOUT YOU grants participants the opportunity to exercise virtual shares. Thus, 237,936 restricted stock units were distributed on Aug. 14, 2022, followed by 285,938 RSUs on Nov. 07, 2022, and 279,847 RSUs on February 4, 2023. The RSUs granted are not subject to further vesting.

Development of Outstanding Virtual Options

	LTI 2021		LTIP 2021		LTI SOP 2021	
	Quantity	Weighted average exercise price (in EUR)	Quantity	Weighted average exercise price (in EUR)	Quantity	Weighted average exercise price (in EUR)
Outstanding as of 28/2/2022	**5,106,384**	**23.5**	**3,234,043**	**23.5**	**179,316**	**22.71**
Granted in the reporting period (March 2022)	0	–	238,669	23.5	0	–
Granted in the reporting period (April 2022)	0	–	0	–	391,557	16.91
Granted in the reporting period (October 2022)	0	–	0	–	5,323	7.17
Forfeited in the reporting period	0	–	285,096	23.5	19,949	22.71
Exercised in the reporting period	0	–	–	–	22.71	–
Outstanding at 1/3/2023	**5,106,384**	**23.5**	**3,187,616**	**23.5**	**556,247**	**18.48**

	LTIP 2022	
	Quantity	Weighted average exercise price (in EUR)
Outstanding as of 28/2/2022	**0**	**–**
In the reporting period granted	12,166,687	6
Forfeited in the reporting period	0	–
Exercised in the reporting period	0	–
Outstanding at 1/3/2023	**12,166,687**	**6**

Valuation of Newly Granted Virtual Options

Valuation parameters	LTI SOP 2021	LTI SOP 2021	LTIP 2022
Allocation date	**April 2022**	**October 2022**	**October 2022**
Weighted average exercise price (in euros)	16.91	7.17	6
Peer group volatility (%)	40.31	53.51	53.3
Expected dividends (%)	0.0	0.0	0.0
Option term (in years, from grant date)	7.5	7.5	8.3
Maturity-equivalent risk-free interest rate (%)	0.41	1.94	2.8
Weighted average fair value of the option (in EUR)	3.23	1.53	0.90

(21.) NON-CURRENT LIABILITIES

Non-current liabilities mainly comprise liabilities from leases in the amount of EUR 172.9 million (previous year: EUR 47.9 million).

The development of non-current liabilities is shown in the consolidated statement of changes in liabilities.

(22.) TRADE PAYABLES

Trade payables break down as follows:

in EUR million	**28/2/2023**	28/2/2022
Trade payables to third parties	276.6	206.7
Trade payables to related parties	130.0	141.0
Trade payables	**406.6**	**347.7**

Trade payables amount to EUR 406.6 million (previous year: EUR 347.7 million). Trade payables include liabilities denominated in foreign currency amounting to EUR 11.6 million (previous year: EUR 11.3 million) as of the reporting date. Further information can be found in the consolidated statement of changes in liabilities in **section 3.6.7 (24.)**.

Current liabilities to related parties and companies and shareholders consist exclusively of Trade payables, mainly for merchandise and logistics services.

As part of a Supply Chain Finance Program (SCF), ABOUT YOU offers its suppliers the option of earlier payment of their invoices via an external financing partner by selling the receivables against the Group. In this agreement, the financing partner agrees to pay invoice amounts owed by ABOUT YOU to participating suppliers and to receive compensation for this from ABOUT YOU at a later date. The purpose of this program is to enable suppliers to convert their trade receivables into liquidity and thereby improve their working capital.

ABOUT YOU has not derecognized the original liabilities subject to this agreement, as neither a legal release was obtained nor the liability was key changed by entering into the agreement. From the Group's perspective, the agreement does not extend the payment term in a key way compared to normal terms with other non-participating suppliers. The Group does not incur any additional interest on the payment of supplier liabilities to the bank. Amounts factored by suppliers are therefore included in Trade payables as the nature and function of the financial liability is the same as other Trade payables. All liabilities subject to SCF are presented as current as of February 28, 2023. Payments to the bank are included in cash flows from operating activities because they continue to be part of the Group's normal operating cycle and their key nature remains operational, representing payments for the purchase of goods and services. The bank's payments to suppliers, considered as non-cash transactions for the Group, amount to EUR 19.7 million as of February 28, 2023.

(23.) OTHER LIABILITIES

Other current liabilities break down as follows:

in EUR million	28/2/2023	28/2/2022
Liabilities for refunds from expected returns	59.6	58.5
Derivatives in hedging relationships	0.4	0.0
Other financial liabilities	43.1	49.5
Other financial liabilities	**103.1**	**108.0**
Liabilities to employees	2.3	2.3
Liabilities from other taxes	48.7	64.9
Deferred income	12.9	5.4
Other liabilities	14.3	7.0
Other non-financial liabilities	**78.2**	**79.6**
Other liabilities	**181.0**	**187.6**

Other financial liabilities include the use of reverse factoring services in the amount of EUR 43.1 million (previous year: EUR 49.3 million), which result in a derecognition of the original trade payables. Under this arrangement, a debt-discharging payment is made by the financing partner to the supplier to settle the original trade payables. The payments to the factoring service provider continue to be included in cash flows from operating activities because they remain part of the Group's normal operating cycle and their key character remains operational, i.e., payments for the purchase of goods and services.

Liabilities to employees mainly include obligations arising from outstanding vacation entitlements. Liabilities from other taxes mainly relate to sales tax liabilities from taxable sales in the rest of the Community. Deferred income mainly includes deferred revenue for goods that have already been invoiced but were not received by the customers until after the balance sheet date on the basis of past experience (see **section 3.6.6**). The deferred revenue included in deferred income as of February 28, 2022, in the amount of EUR 5.4 million was recognized in revenue in the amount of EUR 2.5 million in FY 2022/2023. As of February 28, 2023, the deferred revenue included in deferred income amounts to EUR 12.9 million.

The maturities of other liabilities are shown in the consolidated statement of changes in liabilities.

(24.) LIABILITIES SCHEDULE

Consolidated statement of changes in liabilities as of 28/2/2023

in EUR million	Remaining term: until 1 year	1–5 years	over 5 years	**Total sum**	of which secured by liens and similar rights
1. Trade payables	406.6	0.0	0.0	**406.6**	0.0
2. Lease liabilities	45.2	165.9	7.0	**218.1**	0.0
3. Other liabilities	181.4	0.0	0.0	**181.0**	0.0
thereof other financial liabilities	103.1	0.0	0.0	**103.1**	0.0
of which Other non-financial liabilities	78.2	0.0	0.0	**78.2**	0.0
thereof from taxes	48.7	0.0	0.0	**48.7**	0.0
Total	**633.2**	**165.9**	**7.0**	**806.1**	**0.0**

Consolidated statement of changes in liabilities as of 28/2/2022

in EUR million	Remaining term: until 1 year	1–5 years	over 5 years	**Total sum**	of which secured by liens and similar rights
1. Trade payables	347.7	0.0	0.0	**347.7**	0.0
2. Lease liabilities	12.1	44.9	3.0	**60.0**	0.0
3. Other liabilities	187.6	0.0	0.0	**187.6**	0.0
thereof other financial liabilities	108.0	0.0	0.0	**108.0**	0.0
of which Other non-financial liabilities	79.6	0.0	0.0	**79.6**	0.0
thereof from taxes	64.9	0.0	0.0	**64.9**	0.0
Total	**547.4**	**44.9**	**3.0**	**595.2**	**0.0**

(25.) CURRENT PROVISIONS

Provisions for the past financial year mainly include provisions for litigation costs.

Current provisions developed as follows:

in EUR million	**2022/2023**	2021/2022
Accruals as of 1/3	**0.4**	**2.5**
Feed	1.7	0.4
Consumption	(0.4)	(2.5)
Resolution	0.0	0.0
Provisions as of 28/2	**1.7**	**0.4**

(26.) FINANCIAL INSTRUMENTS

Financial liabilities and financial assets can be categorized as follows in accordance with the provisions of IFRS 9:

in EUR million	Amortized acquisition costs (AC)	Fair value through profit or loss (FVTPL)	Not assigned to any valuation category	**Carrying amount**
Assets				
Cash and cash equivalents	204.9	0.0	0.0	204.9
Trade receivables and other receivables	40.7	0.0	0.0	40.7
Derivatives in hedging relationships	0.0	0.0	0.0	0.0
Other non-current financial assets	32.0	5.8	0.0	37.8
As of 28/2/2023	**277.5**	**5.8**	**0.0**	**283.4**
Equity and liabilities				
Trade payables	406.6	0.0	0.0	406.6
Non-current Lease liabilities	0.0	0.0	172.9	172.9
Lease liabilities	0.0	0.0	45.2	45.2
Derivatives in hedging relationships	0.0	0.0	0.4	0.4
Other financial liabilities	102.7	0.0	0.0	102.7
As of 28/2/2023	**509.4**	**0.0**	**218.5**	**727.8**

in EUR million	Amortized acquisition costs (AC)	Fair value through profit or loss (FVTPL)	Not assigned to any valuation category	**Carrying amount**
Assets				
Cash and cash equivalents	496.2	0.0	0.0	496.2
Trade receivables and other receivables	75.9	0.0	0.0	75.9
Other non-current financial assets	14.4	5.7	0.0	20.1
As of 28/2/2022	**586.5**	**5.7**	**0.0**	**592.2**
Equity and liabilities				
Trade payables	347.7	0.0	0.0	347.7
Non-current Lease liabilities	0.0	0.0	47.9	47.9
Lease liabilities	0.0	0.0	12.1	12.1
Other financial liabilities	108.0	0.0	0.0	108.0
As of 28/2/2022	**455.7**	**0.0**	**60.0**	**515.7**

Loans issued to Guido Maria Kretschmer Ajour GmbH, Hamburg, Germany, and LeGer GmbH, Hamburg, Germany, which are reported under other non-current financial assets, are equity-substituting financing in accordance with IAS 28.38, on which valuation losses must be recognized under at-equity accounting. The losses from at-equity accounting deducted from the carrying amount of the loan amount to EUR 8.8 million. See also **section 3.6.7 (13.)**.

For current items, it was assumed that the carrying amount is a reasonable approximation of fair value. For this reason, no fair value has been stated in the above table in these cases. Derivatives are measured on the basis of quoted foreign exchange rates and yield curves available on the market (Level 2).

The following table shows the breakdown of net income from financial instruments for 2022/2023 and includes effects from impairment losses and from interest:

	Gains (+)/losses (–) recognized in profit or loss			
in EUR million	Interest	Value impairments	Gain (+)/loss (–) from valuation	Net result
Financial assets and liabilities at fair value through profit or loss	0.0	0.0	0.0	0.0
Financial assets measured at amortized cost	6.0	(0.2)	0.0	5.8
Financial liabilities measured at amortized cost	(4.8)	0.0	0.0	(4.8)
Total	**1.2**	**(0.2)**	**0.0**	**1.1**

The following table shows the breakdown of net income from financial instruments for 2021/2022 and includes effects from impairment losses and from interest:

	Gains (+)/losses (–) recognized in profit or loss			
in EUR million	Interest	Value impairments	Gain (+)/loss (–) from valuation	Net result
Financial assets and liabilities at fair value through profit or loss	0.0	0.0	0.0	0.0
Financial assets measured at amortized cost	0.7	0.0	0.0	0.7
Financial liabilities measured at amortized cost	(4.4)	0.0	0.0	(4.4)
Total	**(3.7)**	**0.0**	**0.0**	**(3.7)**

(27.) NOTES TO THE GROUP CASH FLOW STATEMENT

The cash flow statement shows the change in cash and cash equivalents in the Group during the reporting period as a result of cash inflows and outflows. The cash flows are shown separately according to their origin and use from operating, investing and financing activities.

The change in cash and cash equivalents from operating activities is derived indirectly from the profit or loss for the period. Cash inflows and outflows from investing and financing activities are determined directly.

Non-cash transactions relate to share-based payments EUR 12.4 million in FY 2022/2023 (see **section 3.6.7 (20.)**).

The following table shows the Reconciliation of liabilities from financing activities:

in Mio. EUR	As of 1/3/2022	Payment effective change	Payment ineffective change	**As of 28/2/2023**
Lease liabilities	60.0	(26.6)	184.7	**218.1**

3.7 OTHER DISCLOSURES

3.7.1 FINANCIAL RISK MANAGEMENT

ABOUT YOU is exposed to default risks, liquidity risks and market risks (primarily currency risks) in the course of its ordinary business activities. The aim of financial risk management is to limit the risks arising from operating activities through the use of selected hedging instruments. The management of risks is the responsibility of the Group's management. The latter is responsible for setting up and monitoring the risk management system. Guidelines for identifying and analyzing Group risks have been introduced for this purpose. Specific financial risks are dealt with in more detail in the management report in **section 2.5** "Risk and opportunity report".

DEFAULT RISKS

Default risk is defined as the risk of non-payment by customers or contractual partners. Any payment defaults lead to impairment losses on assets, financial assets or receivables.

A financial asset is considered to be in default if the customers are not expected to meet their obligations in full. Credit checks are carried out to reduce the default risk, the maximum amount of which corresponds to the carrying amounts recognized for the respective financial assets.

For identifiable default risks, particularly in the case of trade receivables, appropriate valuation allowances are recognized based on the applicable concept of expected credit losses in accordance with IFRS 9. There is no significant concentration of default risk for other receivables within the framework of invoice purchase and similar payment methods, as ABOUT YOU transfers all default risks to its factoring partners.

Cash and cash equivalents are also subject to the impairment requirements of IFRS 9, but the impairment loss is immaterial.

ABOUT YOU does not consider itself to be exposed to any key credit risk with respect to a single contracting party. The concentration of credit risk is limited due to the broad and heterogeneous customer base.

LIQUIDITY RISKS

Liquidity risk refers to the risk that sufficient cash may not be available to meet the Company's financial obligations. The risk may result from insufficient availability of funds at the required locations, inaccurate liquidity forecasts, or a biased investment strategy for the Company's cash reserves.

ABOUT YOU manages liquidity risk by regularly reviewing liquidity requirements using an integrated platform for short-, medium- and long-term guidance on funding needs.

Financing management ensures that liquidity is maintained at all times. In addition, it ensures that sufficient liquid funds are always available for the operating business and for investments. Minimizing financing costs is a key secondary condition for efficient financing management. The basic principle is to refinance open positions with matching maturities. The necessary basic data are determined on a rolling basis by means of monthly liquidity planning with a planning horizon of twelve months and daily planning with a horizon of at least four weeks. Both plans are subject to regular variance analyses. There is no concentration of risk in relation to the liquidity risks described.

ABOUT YOU uses reverse factoring agreements to enable efficient payment processing of supplier invoices. Although the agreement does not extend payment terms in a key way compared to normal terms with other non-participating suppliers, it helps to better predict cash outflows.

ABOUT YOU is not exposed to any key liquidity risk.

The following tables show the contractually agreed (undiscounted) interest and principal payments of the non-derivative financial liabilities.

Planned figures for future new liabilities have not been taken into account. Financial liabilities repayable at any time are always assigned to the earliest possible date.

As of February 28, 2023, there was the following contractually fixed cash outflow from financial liabilities:

	Remaining term			
in EUR million	until 1 year	1–5 years	over 5 years	**Total**
Trade payables	406.6	0.0	0.0	**406.6**
Lease liabilities	49.6	183.2	8.3	**241.1**
Derivatives in hedging relationships	0.4	0.0	0.0	**0.4**
Other financial liabilities	103.1	0.0	0.0	**103.1**

As of February 28, 2022, there was the following contractually fixed cash outflow from financial liabilities:

	Remaining term			
in EUR million	until 1 year	1–5 years	over 5 years	**Total**
Trade payables	347.7	0.0	0.0	**347.7**
Lease liabilities	14.3	43.5	3.2	**60.9**
Other financial liabilities	108.0	0.0	0.0	**108.0**

MARKET RISKS

Market risk is the risk that changes in market prices for e.g. exchange rates or reference interest rates will affect the Group's earnings or the value of its financial assets. The aim of market risk management is to manage and control market risk within defined parameters while optimizing returns.

Market risks within the meaning of the categories of IFRS 7 are limited in the ABOUT YOU Group mainly to currency risks. Interest rate risks are of secondary importance in the ABOUT YOU Group. The Group generally uses forward exchange contracts to manage currency risks. In general, the ABOUT YOU Group aims to hedge market risks in order to minimize volatilities in profit or loss.

Currency risks arise from incoming payments in foreign currencies from customer business and from payment obligations to suppliers that are to be settled in a foreign currency. The latter largely arise from the purchase of goods in US dollars or pounds sterling and the subsequent sale of goods in the respective currencies of the sales regions.

Market risks from open currency positions are assessed using adequate risk measurement methods. If necessary, further risk reduction is achieved primarily through the use of forward exchange contracts. Derivative financial instruments are recognized at the time of acquisition and measured at fair value on subsequent reporting dates. Changes in the value of derivative financial instruments are generally recognized in profit or loss for the year as of the balance sheet date.

The open foreign currency risk at the end of the financial year consisted of EUR 11.6 million (previous year: EUR 11.3 million) in liabilities. Even significant changes in exchange rates would therefore only have a minor impact on the financial position, net assets and results of operations of the ABOUT YOU Group.

CAPITAL MANAGEMENT

The objectives of the Group's capital management are to ensure short-term solvency and to secure the capital base for the continued financing of the growth project and the long-term increase in the value of the company. This ensures that all Group companies can operate under the going concern assumption.

Capital management and its targets and definition are based on key figures determined on the basis of the IFRS Consolidated Financial Statements. ABOUT YOU defines the equity ratio as the ratio of equity to total assets and the net working capital ratio as the sum of Inventories and Trade receivables and other receivables and Financial receivables from affiliated companies and related parties and Other assets less Trade payables and similar liabilities. The equity ratio at the reporting date was 31.4% (previous year: 49.3%). Net working capital amounted to EUR 40.7 million as of the reporting date (previous year: EUR 9.5 million).

The calculation of net working capital is shown in the following table:

	in EUR million	28/2/2023	28/2/2022
(+)	**Current assets excl. Cash and cash equivalents**	**675.7**	**557.3**
	Inventories	554.9	388.4
	Trade receivables and other receivables	40.7	75.9
	Other financial assets	0.0	0.0
	Other non-financial assets	80.1	93.0
(–)	**Current liabilities**	**634.9**	**547.8**
	Trade payables	406.6	347.7
	Lease liabilities	45.2	12.1
	Other financial liabilities	103.1	108.0
	Other non-financial liabilities	78.2	79.6
	Other provisions	1.7	0.4
=	**Net Working Capital**	**40.7**	**9.5**

The year-on-year development of Net Working Capital in the amount of EUR +31.2 million mainly results from a relatively high level of Inventories as of February 28, 2023. Inventories are at a high level due to the current subdued Revenue Development as well as various operational factors. These effects were not offset by the other components of Net Working Capital.

HEDGE ACCOUNTING

Derivative financial instruments are recognized at the time of acquisition and measured at fair value at subsequent reporting dates. Changes in the value of derivative financial instruments are generally recognized in the income statement at the balance sheet date. If derivative financial instruments are used to hedge the cash flow risk arising from exchange rate risks and an effective hedging relationship exists in accordance with the criteria of IFRS 9, the changes in value of the effective portion are recognized in other comprehensive income. The amounts accumulated in equity are reclassified to the financial result in the same periods in which the respective hedged items affect profit or loss. The current hedging relationships are far below the exposure. The changes in the hedging reserve are shown in the statement of changes in equity and the statement of comprehensive income. The undesignated or ineffective portion of the hedging instruments is recognized in profit or loss in the financial result. The effectiveness of the hedging relationship or the economic relationship between the hedging instrument and the hedged item is determined by matching the key terms of the contracts. In this respect, the Group performs a qualitative assessment. Ineffectiveness, which is calculated using the hypothetical derivative method, can potentially arise if the timing of planned future transactions changes compared to the original assumption or if the default risk of the parties to the forward exchange contract changes. The amount used to determine ineffectiveness is the spot value from the hedged item and hedging instrument at the balance sheet date.

This is presented in the hedging reserve (CFH reserve). The effects of foreign currency related hedging instruments on the Group's net assets, financial position and results of operations are presented below:

		Remaining term			
	Nominal amount in TEUR	until 1 year	1–5 years	over 5 years	Average hedge rate/ price in EUR
Currency risk RON	**7.0**	7.0	0.0	0.0	5.0
Currency risk CZK	**10.4**	10.4	0.0	0.0	24.0
Currency risk HUF	**7.0**	7.0	0.0	0.0	395.4
Currency risk CHF	**3.2**	3.2	0.0	0.0	1.0

in EUR million	**2022/2023**
Nominal amount	**0.0**
Carrying amount of hedging instruments	
Assets	0.0
Equity and liabilities	0.4
Change in fair value	
Change in value of hedging transactions shown in hedging reserve (CFH reserve)	(1.3)
Change in value of hedging transactions shown in cost-of-hedging reserve (CoH reserve)	(0.3)
Hedging ineffectiveness shown in the income statement	0.0
Reclassification	
Amount reclassified from hedging reserve to income statement	1.0
Amount reclassified from cost of hedging reserve to income statement	0.2

in EUR million	Reserve for hedging (CFH reserve)	Reserve for hedging costs (CoH reserve)
As of 1/3/2022	**0.0**	**0.0**
Change in fair value	(1.3)	(0.3)
Amount reclassified to profit or loss	1.0	0.2
As of 28/2/2023	**(0.3)**	**(0.1)**

Hedging instruments with a positive fair value are reported in the balance sheet items "Financial assets (non-current)" or "Other non-financial assets (current). Hedging instruments with a negative fair value are reported in the balance sheet items "Other financial liabilities (current)".

3.7.2 DISCLOSURE ON RELATED PARTIES

Related parties as defined by IAS 24 for ABOUT YOU are those persons and companies that control ABOUT YOU or exercise a significant influence over it, or are controlled or significantly influenced by ABOUT YOU. In FY 2022/2023, the Company was a company controlled by Otto (GmbH & Co KG) and its directly and indirectly controlling shareholders (namely, according to the voting rights notification of February 27, 2023: Verwaltungsgesellschaft Otto mbH, Otto Aktiengesellschaft für Beteiligungen, Kommanditgesellschaft Delta Beteiligungsgesellschaft m.b.H. & Co, Delta Beteiligung (Handel) G.m.b.H., Kommanditgesellschaft ATLAS Vermögensverwaltungsgesellschaft & Co, Michael Otto Stiftung, Prof Dr Michael Otto – collectively “Otto”) as a dependent company within the meaning of Section 17 (1) AktG.

Accordingly, the members of the Otto family, the Michael Otto Foundation, the companies controlled or significantly influenced by this family and the Foundation, the members of the Executive Board of Otto (GmbH & Co KG) as well as the subsidiaries and associated and joint ventures of the Otto Group are defined as related parties, as Otto (GmbH & Co KG) classifies ABOUT YOU Holding SE as a subsidiary to be consolidated in accordance with IFRS 10.

In addition, the associated companies of the Management Board members Tarek Müller, Sebastian Betz and Hannes Wiese, through which the Management Board members each indirectly hold shares in ABOUT YOU, as well as the Management Board members are to be classified as related parties.

Furthermore, the subsidiaries, associates and joint ventures of Bestseller A/S are defined as related parties.

In the reporting period, ABOUT YOU conducted transactions with related parties in the ordinary course of business. The transactions were concluded in compliance with the arm's length principle.

The total remuneration of the Management Board members of ABOUT YOU amounted to EUR 0.8 million in the financial year (FY 2021/2022: EUR 4.6 million). Of the total remuneration, EUR 0.8 million is due in the short term. Two companies related to a Management Board member were contracted in FY 2022/2023 for ABOUT YOU employee events and for the production of textile articles. For these services, these companies received consideration in the amount of EUR 0.1 million (2021/2022: EUR 0.1 million).

The remuneration owed to the Supervisory Board members for FY 2022/2023 amounts to EUR 0.6 million and is due and thus payable after the end of the reporting period in accordance with the currently valid remuneration arrangements for the Supervisory Board under Article 15 of the Articles of Association.

ABOUT YOU purchased goods in the amount of EUR 36.0 million (2021/2022: EUR 46.2 million) from the controlling shareholder, mainly goods for resale. In addition, services worth EUR 15.8 million (2021/2022: EUR 27.4 million) were purchased from the controlling shareholder. The purchased services mainly relate to logistics services.

Revenue of EUR 15.4 million (2021/2022: EUR 15.2 million) were generated with the controlling shareholder, resulting primarily from the use of ABOUT YOU Commerce Engine (Tech), related implementation services and other enabling services provided by the company.

As of the reporting date, current receivables from the controlling shareholder amounted to EUR 5.2 million (previous year: EUR 2.1 million). At the same time, there are current liabilities of EUR 42.9 million (previous year: EUR 59.4 million).

ABOUT YOU purchased goods in the amount of EUR 19.9 million (2021/2022: EUR 31.9 million) from companies related to the controlling shareholder. The goods are mainly goods purchased for resale.

In addition, services worth EUR 206.3 million (2021/2022: EUR 137.9 million) were purchased from the latter. The services purchased mainly comprise logistics and services.

Further, revenue of EUR 9.1 million (2021/2022: EUR 10.7 million) and other income of EUR 0.1 million (2021/2022: EUR 0.1 million) were generated with companies related to the controlling shareholder. The revenue result from the use of ABOUT YOU's media services, from SCAYLE and from individual enabling services in the area of fulfillment and store management. Other income results primarily from SLA agreements with logistics service providers.

Current receivables from companies related to the controlling shareholder amount to EUR 1.0 million (previous year: EUR 1.0 million). At the same time, there are current liabilities of EUR 13.6 million (previous year: EUR 34.2 million).

Furthermore, ABOUT YOU purchased goods in the amount of EUR 205.0 million (2021/2022: EUR 185.1 million) from companies related to a minority shareholder. The goods in this case are also essentially goods purchased for resale.

In addition, services worth EUR 45.5 million (2021/2022: EUR 22.9 million) were purchased from them. The services purchased mainly comprise logistics and services.

Revenue of EUR 5.1 million (2021/2022: EUR 16.3 million) and other income of EUR 0.0 million (2021/2022: EUR 0.1 million) were also generated with these companies. The revenue in this case also result from the use of the media services of ABOUT YOU, from SCAYLE and from individual enabling services in the area of fulfillment and store management.

There are current receivables of EUR 2.2 million (previous year: EUR 5.7 million) from these companies, which are related to a minority shareholder. At the same time, there are current liabilities of EUR 48.6 million (previous year: EUR 43.7 million).

Furthermore, ABOUT YOU purchased goods in the amount of EUR 22.9 million (2021/2022: EUR 12.1 million) from joint ventures. The goods are mainly goods purchased for resale.

In addition, services worth EUR 0.5 million (2021/2022: EUR 0.3 million) were purchased from them. The services purchased mainly comprise logistics and services.

Revenue of EUR 3.7 million (2021/2022: EUR 19.1 million) and other income of EUR 5.2 million (2021/2022: EUR 0.0 million) were also generated with these joint ventures. The revenue result from individual enabling services in the fulfillment area. The other income results primarily from the recharging of start-up costs for the establishment of the company and the brand.

Current receivables from joint ventures amount to EUR 7.8 million (previous year: EUR 2.8 million). At the same time, there are current liabilities of EUR 9.0 million (previous year: EUR 3.6 million). In addition, there are loan receivables of EUR 23.3 million as of the reporting date (previous year: EUR 12.9 million). These consist of working capital loans and long-term loans. The terms of the loans and working capital credits are between 4 and 6 years and bear an interest rate of 5%. The loans are generally repayable on maturity but must be repaid early if positive balance sheet results are achieved. The working capital loans are fully repayable on maturity.

ABOUT YOU purchased goods in the amount of EUR 3.6 million (2021/2022: EUR 0.0 million) from other related parties. The goods are mainly goods purchased for resale.

In addition, services worth EUR 1.2 million (2021/2022: EUR 0.0 million) were purchased from them. The services procured mainly comprise services.

Furthermore, revenue of EUR 0.7 million (2021/2022: EUR 0.5 million) and other income of EUR 0.1 million (2021/2022: EUR 0.0 million) were generated with other related parties. The revenue result from the use of the media services of ABOUT YOU, from SCAYLE and from individual enabling services in the area of fulfillment and store management.

1 Disclosure of equity and earnings as of February 28, 2023, in accordance with the German Commercial Code (HGB)
2 Disclosure of equity according to EAV and the result as of December 31, 2022, in accordance with the German Commercial Code; Adference GmbH has a different financial year (January 1 to December 31)
3 Disclosure of shareholders' equity and net income as of December 31, 2022, (the Company reports a net loss not covered by shareholders' equity) in accordance with HGB; LeGer GmbH has a different financial year (January 1 to December 31)
4 Disclosure of equity and profit/loss as of February 28, 2023 (the Company has a deficit not covered by equity) in accordance with the German Commercial Code (HGB)
5 Disclosure of equity and earnings as of December 31, 2021, in accordance with HGB
6 Disclosure of equity and profit/loss as of February 28, 2022 (the Company has a net loss not covered by equity) in accordance with the German Commercial Code (HGB)
7 If no annual financial statements are available yet due to new formation "n/a"

Current receivables from other related parties amount to EUR 0.4 million (previous year: EUR 0.0 million). At the same time, there are current liabilities to other related parties in the amount of EUR 0.5 million (previous year: EUR 0.1 million). In addition, there are loan receivables from other related parties of EUR 8.6 million as of the reporting date (previous year: EUR 2.3 million).

3.7.3 AUDITOR'S FEES

The total fee of the auditor Group is composed as follows:

in EUR million	**28/2/2023**	28/2/2022
Fee for auditing financial statements	0.3	0.3
Fee for other assurance service	0.1	0.5
Fee for tax advisory services	0.0	2.7
Fee for other services	0.0	0.5
Auditor's fees	**0.4**	**4.0**

Other assurance services result primarily from the voluntary substantive review of the remuneration report and the performance of reviews of interim financial reporting.

3.7.4 LIST OF SUBSIDIARIES

The following is a list of the Group's shareholdings as of February 28, 2023:

	Seat, country	Group shareholding Balance sheet date	Equity of the last financial year in EUR million	Result of the last financial year in EUR million
Fully consolidated companies				
ABOUT YOU Verwaltungs SE[1]	Hamburg, Germany	100%	366.7	(3.0)
Adference GmbH[2]	Lüneburg, Germany	100%	1.5	0.0
ABOUT YOU SE & Co. KG[1]	Hamburg, Germany	100%	86.8	(256.0)
ABOUT YOU Beteiligungs GmbH[1]	Hamburg, Germany	100%	0.5	0.0
HH22-H385 Vorrats GmbH[1]	Hamburg, Germany	100%	0.3	(0.0)
Companies included using the equity method				
LeGer GmbH[3]	Hamburg, Germany	40%	0.0	(11.5)
Guido Maria Kretschmer Ajour GmbH[4]	Hamburg, Germany	20%	0.0	(4.9)
Companies/shareholdings not included				
The HAUS Apparel GmbH[5]	Berlin, Germany	49%	0.2	(0.5)
Soko München GmbH[5]	Munich, Germany	36%	0.2	(0.4)
Supreme GmbH[5]	Rostock, Germany	23%	0.6	(0.6)
Why Not Enterprises GmbH[6]	Berlin, Germany	43%	0.0	(0.2)
6PM GmbH[5]	Frankfurt am Main, Germany	20%	3.0	0.0
ABOUT YOU Zweite Beteiligungs GmbH[7]	Hamburg, Germany	100%	n/a	n/a

3.7.5 DISCLOSURE EXEMPTIONS

ABOUT YOU Verwaltungs SE, ABOUT YOU SE & Co. KG, ABOUT YOU Beteiligungs GmbH, HH22-H385 Vorrats GmbH and Adference GmbH make use of the exemption options pursuant to Section 264 (3) HGB and Section 264 b HGB regarding the obligation to disclose the annual financial statements and to prepare notes to the financial statements and the management report and – if relevant – to have them audited.

3.7.6 SEGMENT REPORTING

BASICS

Segment reporting is carried out in accordance with the provisions of IFRS 8 using the management approach. Accordingly, segment reporting is based on internal reporting to the respective chief operating decision-makers – in this case the ABOUT YOU Management Board. In addition, it contains the information presented to these decision-makers as part of regular reporting and used by them to allocate resources to the individual areas of the Group.

In accordance with the Group's internal management, segment reporting is structured according to the Group's business areas.

BUSINESS SEGMENTS

The following business areas exist in the Group:

- ABOUT YOU DACH: The DACH segment includes the ABOUT YOU online stores in Germany, Austria, and Switzerland.

- ABOUT YOU RoE (Rest of Europe): The RoE segment includes the ABOUT YOU online stores in Belgium, the Netherlands, Luxembourg, Poland, the Czech Republic, Slovakia, Hungary, Romania, Estonia, Latvia, Lithuania, Slovenia, Croatia, Bulgaria, France, Spain, Italy, Denmark, Sweden, Finland, Ireland, Greece, Cyprus, Portugal, Norway, as well as other countries and regions within the Global Shipping Platform.

- TME (Tech, Media, Enabling): The TME segment comprises three core service businesses: Commerce Engine (Tech), Brand and Advertising Solutions (Media), and 360° services along the company's e-commerce value chain, as well as other revenue-generating services and business areas (Enabling).

SEGMENT INFORMATION

In principle, the segment data is determined based on the accounting and valuation methods applied in the Consolidated Financial Statements. However, the revenue of the ABOUT YOU online stores are not accrued in the segment data when the service is rendered, but according to the time of the order. This is important in the internal reporting and management of ABOUT YOU DACH and RoE in order to clearly record the effectiveness of the various marketing and assortment measures on customer ordering behavior in the stores. Likewise, returns are calculated back to the corresponding order time. This is also important for internal management in order to record the effectiveness of measures on a net level (after returns) with time accuracy.

The Management Board measures segment performance by revenue deferred at the date of appointment and adjusted EBITDA (as % of revenue) derived at the date of appointment.

The earnings figures presented represent the respective earnings contribution of the segments.

The revenue calculated mainly comprise revenue from the online stores and the service businesses. Of the revenue generated by the online stores and the service businesses in the current financial year, Germany accounted for 46.2%, and thus the largest share.

Adjusted EBITDA corresponds to EBITDA less expenses for share-based payments, restructuring costs and non-operating One-time effects.

A total of EUR 14.6 million has been adjusted for 2022/2023 (2021/2022: EUR 28.1 million). EUR 2.1 million of this relates to non-operating one-time effects and EUR 12.4 million to expenses for share-based payments. These costs were eliminated in the calculation of adjusted EBITDA.

Segment revenue and reconciliation are shown in the table below:

in EUR million	2022/2023	2021/2022
ABOUT YOU DACH	916.3	839.9
Growth rate	9.1%	27.3%
ABOUT YOU RoE	900.4	767.7
Growth rate	17.3%	65.6%
TME	195.1	167.4
Growth rate	16.5%	100.4%
Reconciliation	(107.1)	(43.4)
Revenue	**1,904.6**	**1,731.6**
Growth rate	10.0%	48.5%

The adjusted EBITDA of the segments as well as reconciliation and adjustments are shown in the following table:

in EUR million	2022/2023	2021/2022
ABOUT YOU DACH	13.5	55.5
Margin	1.5%	6.6%
ABOUT YOU RoE	(168.7)	(145.1)
Margin	(18.7)%	(18.9)%
TME	31.4	29.0
Margin	16.1%	17.3%
Reconciliation	(13.2)	(6.3)
Adjusted EBITDA	**(137.0)**	**(66.9)**
Margin	(7.2)%	(3.9)%
Adjustments	14.6	28.1
EBITDA	**(151.6)**	**(95.0)**
Margin	(8.0)%	(5.5)%

The figures at segment level show that all three segments continue to show growth. However, the segments differ in terms of their maturity and profitability structure. The two already profitable segments (ABOUT YOU DACH and TME) cross-finance growth in the international markets (RoE) from a Group perspective. In total, revenue of EUR 958.0 million were generated in Germany at segment level (EUR 766.0 million ABOUT YOU stores and EUR 192.0 million TME). Non-current assets are mainly located in Germany, Slovakia, France and Poland.

Reconciliation

Since in the segment figures for ABOUT YOU DACH and RoE the accrual of revenue is made at the time of the order and not at the time of performance, a reconciliation of the segment figures to the IFRS consolidated figures is made. In accordance with IFRS 8, both the revenue and results generated with external business partners and the intersegment transactions Group are also reported to the responsible corporate body for each segment. Intersegment transactions relate to the exchange of goods and services between segments.

The Reconciliation of the segment values to the IFRS consolidated values is explained on the one hand by the fact that revenue are presented at the time of the order and not only at the time of performance. For FY 2022/2023, this resulted in a variance of EUR −21.2 million (2021/2022: EUR 0.4 million).

Furthermore, inter-segment revenue are included, which relate to the exchange of goods and services between the segments of ABOUT YOU. They amounted to EUR 86.0 million in the past financial year (2021/2022: EUR 43.7 million). External revenue of the individual segments in 2022/2023 amounted to EUR 904.7 million in the segment ABOUT YOU DACH (2021/2022: EUR 827.3 million), EUR 895.2 million in the segment ABOUT YOU RoE (2021/2022: EUR 758.3 million) and EUR 125.9 million in the segment TME (EUR 145.7 million). The slight decline in external revenue in the TME segment can be explained on the one hand by a difficult market environment and consequently reduced spending propensity among B2B customers. Furthermore, existing trade-like enabling business models were converted to service models, resulting in lower revenue, while earnings remained unchanged. The market environment also led to declining revenue in SCAYLE's existing customer business, as SaaS revenue are linked to the online revenue development of B2B customers.

The revenue of the ABOUT YOU DACH and RoE segments include intersegment transactions of EUR 16.8 million (2021/2022: EUR 22.0 million), which resulted primarily from the provision of advertising sales space in the ABOUT YOU online stores for the TME segment.

Revenue from the TME segment include intersegment transactions of EUR 69.2 million (2021/2022: EUR 21.7 million). The increase in intersegment transactions is attributable to the growth in FbAY revenue. The revenue from logistics services for this purpose is reported as revenue in the Enabling segment. At Group level, however, these revenue are not reported as revenue but as a reduction in the cost of goods purchased. Accordingly, the revenue are to be reported as intersegment transactions in the segment reporting. In 2022/2023, these FbAY logistics revenue accounted for significantly more than half of the TME segment's intersegment transactions. By contrast, other intersegment transactions from primarily content productions by the Media unit for ABOUT YOU DACH and RoE and the internal use of SCAYLE increased only moderately.

3.7.7 SUBSEQUENT EVENTS

No events of particular significance that could have a key financial impact on these Consolidated Financial Statements occurred after the balance sheet date.

3.7.8 VOTING RIGHT NOTIFICATIONS

Pursuant to Section 160 (1) No. 8 of the German Stock Corporation Act (AktG), information must be provided on the existence of shareholdings of which ABOUT YOU Holding SE has been notified in accordance with Section 33 (1) or (2) of the German Securities Trading Act (WpHG).

The following table shows the shareholdings in ABOUT YOU that are subject to reporting requirements as of the balance sheet date and of which the Group has been notified. The information relates in each case to the notifications made to ABOUT YOU in the reporting year by a party subject to reporting requirements.

All publications on notifications of shareholdings in the reporting year can be found on the Company's website (Stimmrechtsmitteilungen).

Notifiable shareholdings

Notifying party	Shareholder Names	Date of reaching, exceeding or falling below	Reporting threshold	Notification obligations and attributions in accordance with WpHG	Shareholdings in %	Number of voting rights
Otto (GmbH & Co KG), Hamburg; GFH Company für Handelsbeteiligungen m.b.H., Hamburg; Aktieselskabet af 12/6/2018, Aarhus, Denmark	Prof Dr Michael Otto, Anders Holch Povlsen & Benjamin Otto	23/2/2023	> 50%	§34	64.74	119,690,059
Otto (GmbH & Co KG), Hamburg; GFH Company für Handelsbeteiligungen m.b.H., Hamburg; Aktieselskabet af 12/6/2018, Aarhus, Denmark	Prof Dr Michael Otto, Anders Holch Povlsen & Benjamin Otto	17/8/2022	> 50%	§34	63.494	118,186,279
JPMorgan Chase & Co.	n/a	6/4/2022	< 3%	§34	2.75	5,124,005
JPMorgan Chase & Co.	n/a	5/4/2022	> 3%	§34	3.17	5,893,710

It should be noted that the information on the percentage shareholding and voting rights may be outdated in the meantime. Up to the date of preparation of the Consolidated Financial Statements, no notifications were received that would change the ratios shown in the table.

3.7.9 AUTHORIZATION OF THE FINANCIAL STATEMENTS FOR ISSUE

The Consolidated Financial Statements and the Combined Management Report of ABOUT YOU are published in the Federal Gazette. The Management Board prepared the Consolidated Financial Statements and the Combined Management Report by resolution on May 5, 2023 and authorized their publication.

3.8 ASSURANCE OF THE LEGAL REPRESENTATIVES

To the best of our knowledge, and in accordance with the applicable reporting principles, the Consolidated Financial Statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group, and the combined management report includes a fair review of the development and performance of the business and the position of the ABOUT YOU Group, together with a description of the key opportunities and risks associated with the expected development of the ABOUT YOU Group.

Hamburg, May 5, 2023

T. Müller H. Wiese S. Betz

TAREK MÜLLER HANNES WIESE SEBASTIAN BETZ

4 INDEPENDENT AUDITOR'S REPORT

4. INDEPENDENT AUDITOR'S REPORT

To ABOUT YOU Holding SE, Hamburg

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS AND OF THE COMBINED MANAGEMENT REPORT

OPINIONS

We have audited the consolidated financial statements of ABOUT YOU Holding SE, Hamburg, and its subsidiaries (the Group), which comprise the consolidated balance sheet as of February 28, 2023, and the consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in equity and the consolidated statement of cash flows for the financial year from March 1, 2022, to February 28, 2023, and notes to the consolidated financial statements, including a summary of significant accounting policies. In addition, we have audited the management report for the Company and the Group (hereinafter: combined management report) of ABOUT YOU Holding SE for the financial year from March 1, 2022, to February 28, 2023.

In accordance with German legal requirements, we have not audited the content of those components of the combined management report specified 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 consolidated financial statements comply, in all material respects, with the IFRSs as adopted by the EU, and the additional requirements of German commercial law pursuant to Section 315e (1) HGB [Handelsgesetzbuch: German Commercial Code] and, in compliance with these requirements, give a true and fair view of the assets, liabilities and financial position of the Group as of February 28, 2023, and of its financial performance for the financial year from March 1, 2022, to February 28, 2023, and

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

Pursuant to Section 322 (3) sentence 1 HGB, we declare that our audit has not led to any reservations relating to the legal compliance of the consolidated financial statements and of the combined management report.

BASIS FOR THE OPINIONS

We conducted our audit of the consolidated financial statements and of the combined management report in accordance with Section 317 HGB and the EU Audit Regulation No 537/2014 (referred to subsequently as "EU Audit Regulation") and 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 Consolidated Financial Statements and of the Combined Management Report" section of our auditor's report. We are independent of the group entities 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)(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 evidence we have obtained is sufficient and appropriate to provide a basis for our opinions on the consolidated financial statements and on the combined management report.

KEY AUDIT MATTERS IN THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the financial year from March 1, 2022, to February 28, 2023. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, we do not provide a separate opinion on these matters.

Revenue recognition as a principal from the sale of merchandise via online shops under partner models

Please refer to note 3.6.4 and 3.6.6 in the notes to the consolidated financial statements for more information on the accounting policies applied and the assumptions used.

The Financial Statement Risk

ABOUT YOU Holding SE recognized revenue from the sale of merchandise via online shops of EUR 1,779.2 million in the consolidated income statement, of which EUR 374.0 million resulted from the sale of merchandise under partner models. This revenue represents approx. 20% of the Group's total revenue. The revenue from the sale of merchandise via online shops has a significant influence on the Group's earnings metrics and represents one of the Group's key performance indicators.

Part of the merchandise offered in the online shops is shipped to customers via a direct shipping model operated with partners. Furthermore, in the FbAY business model (fulfillment by ABOUT YOU), part of the merchandise offered in the online shops and coming from inventories that partners have stored in logistics centers operated by the Group is shipped by the Group to the customers. In both partner models, the Group sells the partner's merchandise in the ABOUT YOU online shops in its own name and on its own account and, acting as a principal, recognizes the full sales price as revenue.

The application of IFRS 15 when selling merchandise via the two partner models requires management to make significant judgments with regard to the assessment of the Group's actions as a principal. This particularly relates to obtaining control over the merchandise sold in the online shops and assessing the extended principal/agent indicators.

There is the risk that the contracts concluded with partners are not properly assessed with regard to the existence of a principal position. Consequently, due to the judgment required in management's assessment, there is the risk that revenue from the sale of merchandise from the partner models and the associated cost of materials arising from the purchased merchandise is overstated.

Our Audit Approach

Based on our understanding of the process, we assessed the design, establishment and effectiveness of the internal controls relating to the contract approval process with respect to the assessment of the principal position in the two partner models.

With regard to the sale of merchandise by way of partner models, using a sample basis of contracts selected based on risk, we evaluated the contract analysis performed by management, in particular with regard to whether the Group, taking into account the principal/agent indicators, as the acting intermediary, has control over the item prior to the transfer of the promised item to an end customer and whether ABOUT YOU Holding SE thus operates as a principal for the retail business with goods deliveries in the partner models.

Furthermore, we assessed whether the notes to the consolidated financial statements present and explain the scope for judgment, the selected accounting method and its effects on the amount and recognition of revenue.

Our Observations

Management's judgments regarding the assessment of the Group's position as principal in the partner models have been appropriately made. The disclosures in the notes are appropriate.

OTHER INFORMATION

The Management Board and/or the Supervisory Board are/is responsible for the other information. The other information comprises the following components of the combined management report, whose content was not audited:

- the separate combined non-financial report of the Company and the Group referred to in the combined management report, but which is not expected to be provided to us until after the date of this independent auditor's report,
- the combined corporate governance statement for the Company and Group, which is contained in Section 1.6 of the combined management report, and
- information extraneous to combined management reports and marked as unaudited.

The other information also includes the annual report, which is expected to be made available to us after the date of this independent auditor's report. The other information does not include the consolidated financial statements, the combined management report information audited for content and our auditor's report thereon.

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

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

- is materially inconsistent with the consolidated financial statements, with the combined management report information audited for content or our knowledge obtained in the audit, or
- otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF THE MANAGEMENT BOARD AND THE SUPERVISORY BOARD FOR THE CONSOLIDATED FINANCIAL STATEMENTS AND THE COMBINED MANAGEMENT REPORT

The Management Board is responsible for the preparation of consolidated financial statements that comply, in all material respects, with IFRSs as adopted by the EU and the additional requirements of German commercial law pursuant to Section 315e (1) HGB and that the consolidated financial statements, in compliance with these requirements, give a true and fair view of the assets, liabilities, financial position, and financial performance of the Group. In addition, the Management Board is responsible for such internal control as they have determined necessary to enable the preparation of consolidated 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 consolidated financial statements, the Management Board is responsible for assessing the Group'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 unless there is an intention to liquidate the Group or to cease operations, or there is no realistic alternative but to do so.

Furthermore, the Management Board is responsible for the preparation of the combined management report that, as a whole, provides an appropriate view of the Group's position and is, in all material respects, consistent with the consolidated financial statements, complies with German legal requirements, and appropriately presents the opportunities and risks of future development. In addition, the Management Board is responsible for such arrangements and measures (systems) as they have considered necessary to enable the preparation of a combined 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 combined management report.

The Supervisory Board is responsible for overseeing the Group's financial reporting process for the preparation of the consolidated financial statements and of the combined management report.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS AND OF THE COMBINED MANAGEMENT REPORT

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and whether the combined management report as a whole provides an appropriate view of the Group's position and, in all material respects, is consistent with the consolidated 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 opinions on the consolidated financial statements and on the combined management report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Section 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 consolidated financial statements and this combined 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 consolidated financial statements and of the combined 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 opinions. The risk of not detecting a material misstatement resulting from fraud is higher than the risk of not detecting a material misstatement 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 consolidated financial statements and of arrangements and measures (systems) relevant to the audit of the combined management report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of these systems.

– Evaluate the appropriateness of accounting policies used by the Management Board and the reasonableness of estimates made by the Management Board and related disclosures.

– Conclude on the appropriateness of the Management Board's 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 Group'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 consolidated financial statements and in the combined management report or, if such disclosures are inadequate, to modify our respective 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 Group to cease to be able to continue as a going concern.

– Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements present the underlying transactions and events in a manner that the consolidated financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Group in compliance with IFRSs as adopted by the EU and the additional requirements of German commercial law pursuant to Section 315e (1) HGB.

– Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express opinions on the consolidated financial statements and on the combined management report. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our opinions.

– Evaluate the consistency of the combined management report with the consolidated financial statements, its conformity with [German] law, and the view of the Group's position it provides.

– Perform audit procedures on the prospective information presented by the Management Board in the combined management report. On the basis of sufficient appropriate audit evidence we evaluate, in particular, the significant assumptions used by the Management Board 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 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, the actions taken or safeguards applied to eliminate independence threats.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated 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 CONSOLIDATED FINANCIAL STATEMENTS AND THE COMBINED MANAGEMENT REPORT PREPARED FOR PUBLICATION PURPOSES IN ACCORDANCE WITH SECTION 317 (3A) HGB

We have performed assurance work in accordance with Section 317 (3a) HGB to obtain reasonable assurance about whether the rendering of the consolidated financial statements and the combined management report "894500DKEE3GY8870322-2023-02-28-de.zip" (SHA256-Hashwert: 2bd792fa9a560ec71d0d9bf8389f7984fe1450ae953bc2c9cb3457722aef71f8) made available and prepared for publication purposes complies in all material respects with the requirements of Section 328 (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 consolidated financial statements and the combined management report into the

ESEF format and therefore relates neither to the information contained in these renderings nor to any other information contained in the file identified above.

In our opinion, the rendering of the consolidated financial statements and the combined management report contained in the electronic file made available, identified above and prepared for publication purposes complies in all material respects with the requirements of Section 328 (1) HGB for the electronic reporting format. Beyond this assurance opinion and our audit opinion on the accompanying consolidated financial statements and the accompanying combined management report for the financial year from March 1, 2022, to February 28, 2023, contained in the "Report on the Audit of the Consolidated Financial Statements and the Combined 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 file identified above.

We conducted our assurance work on the rendering of the consolidated financial statements and the combined management report contained in the file made available and identified above in accordance with Section 317 (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 Section 317 (3a) HGB (IDW AsS 410 (06.2022)). Our responsibility in accordance therewith is further described below. Our audit firm applies the IDW Standard on Quality Management 1: Requirements for Quality Management in Audit Firms (IDW QS 1).

The Company's management is responsible for the preparation of the ESEF documents including the electronic rendering of the consolidated financial statements and the combined management report in accordance with Section 328 (1) sentence 4 item 1 HGB and for the tagging of the consolidated financial statements in accordance with Section 328 (1) sentence 4 item 2 HGB.

In addition, the Company's management is responsible for such internal control that they have considered necessary to enable the preparation of ESEF documents that are free from material intentional or unintentional non-compliance with the requirements of Section 328 (1) HGB for the electronic reporting format.

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

Our objective is to obtain reasonable assurance about whether the ESEF documents are free from material intentional or unintentional non-compliance with the requirements of Section 328 (1) HGB. We exercise professional judgment and maintain professional skepticism throughout the assurance work. We also:

– Identify and assess the risks of material intentional or unintentional non-compliance with the requirements of Section 328 (1) HGB, 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 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 file made available containing the ESEF documents meets the requirements of Commission Delegated Regulation (EU) 2019/815, as amended as of the reporting date, on the technical specification for this electronic file.

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

– Evaluate whether the tagging of the ESEF documents with Inline XBRL technology (iXBRL) in accordance with the requirements of Articles 4 and 6 of Commission Delegated Regulation (EU) 2019/815, as amended as of the reporting date, enables an appropriate and complete machine-readable XBRL copy of the XHTML rendering.

FURTHER INFORMATION PURSUANT TO ARTICLE 10 OF THE EU AUDIT REGULATION

We were elected as group auditor at the Annual General Meeting on August 23, 2022. We were engaged by the Supervisory Board on October 6, 2022. We have been the group auditor of ABOUT YOU Holding SE as a publicly traded company without interruption since financial year 2021/22.

We declare that the 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).

OTHER MATTER – USE OF THE AUDITOR'S REPORT

Our auditor's report must always be read together with the audited consolidated financial statements and the audited combined management report as well as the examined ESEF documents. The consolidated financial statements and combined management report converted to the ESEF format – including the versions to be entered in the company register – are merely electronic renderings of the audited consolidated financial statements and the audited combined management report and do not take their place. In particular, the ESEF report and our assurance opinion contained therein are to be used solely together with the examined ESEF documents made available in electronic form.

INFORMATION ON THE SUPPLEMENTARY AUDIT

We issue this opinion on the consolidated financial statements and the combined management report as well as on the electronic reproduction of the consolidated financial statements and the combined management report presented to us for audit for the first time and contained in the file "894500DKEE3GY8870322-2023-02-28-de.zip" (SHA256-Hashwert: 2bd792fa9a560ec71d0d9bf8389f7984fe1450ae953bc2c9cb3457722aef71f8) made available and prepared for publication purposes based on our statutory audit completed on May 10, 2023, and our supplementary audit completed on May 11, 2023, referring to the first-time submission of the ESEF documents.

GERMAN PUBLIC AUDITOR RESPONSIBLE FOR THE ENGAGEMENT

The German Public Auditor responsible for the engagement is Haiko Schmidt.

Hamburg, May 10, 2023/ May 11, 2023

KPMG AG
Wirtschaftsprüfungsgesellschaft
[Original German version signed by:]

Haiko Schmidt
Wirtschaftsprüfer
[German Public Auditor]

Kathrin Rienecker
Wirtschaftsprüferin
[German Public Auditor]

5 FURTHER INFORMATION

5.1 GLOSSARY

1P
Part of hybrid business model; own inventory, including third-party brands, Own Labels, and COOPs

3P
Part of hybrid business model; third-party inventory of brand partners, used in the context of ABOUT YOU's drop shipping and FbAY models

ABOUT YOU COMMERCE
ABOUT YOU's Commerce business; includes fashion sales to consumers via the website and app and comprises the two segments of ABOUT YOU DACH and ABOUT YOU RoE

ABOUT YOU DACH
ABOUT YOU DACH; reportable segment comprising ABOUT YOU's home region of Germany, Austria, and Switzerland

ABOUT YOU ROE
ABOUT YOU Rest of Europe; reportable segment comprising ABOUT YOU's sales regions outside of DACH in Europe, includes all key markets in Continental Europe

ACTIVE CUSTOMERS
Customers who have made at least one purchase through ABOUT YOU's websites and apps within the last twelve months

ADJUSTED EBITDA
EBITDA adjusted for (i) equity-settled share-based compensation expenses, (ii) restructuring costs, and (iii) one-time effects

AOF
Average order frequency; total number of orders divided by total number of active customers

AOV
Average order value; value of all merchandise sold to customers in the Commerce business, incl. VAT after cancellations and returns, divided by the number of orders within the last twelve months

APM
Alternative performance measures; alternative performance indicators without recognition according to IFRS

CAGR
Compound annual growth rate; indicates the mean rate of growth for each year of the relevant period

CAPEX
Capital expenditures; payments for investments in intangible assets, property, plant, and equipment, acquisition of company shares, payments, and repayments for loans as well as interest expenses

CEE
Central and Eastern Europe

COOPS
Exclusive brands and (limited) exclusive collections in close cooperation with influencers, celebrities, and brands

D2C
Direct-to-consumer; sales made directly to end customers rather than retailers or wholesalers

DC
Distribution center

EBIT
Earnings before interest and taxes

EBITDA
Earnings before interest, taxes, depreciation, and amortization

EBITDA MARGIN
Ratio of EBITDA to revenue

EMPLOYEES (AS OF REPORTING DATE)
Permanent employees expressed as full-time equivalents (as of the balance sheet date)

ENABLING
360° services for third-party brands, which contain e-commerce operations and marketing growth services, part of segment TME

EPS
Earnings per share

FBAY
Fulfillment by ABOUT YOU

FREE CASH FLOW
Cash flows from operating activities plus cash flows from investing activities (except for investments in time deposits and restricted cash)

FY
Financial year

GEN Y&Z
Generations Y&Z; Generation Y refers to people born between 1984 and 1996 and Generation Z refers to people born in 1997 or after[1]

GHG EMISSIONS
Greenhouse gas emissions

GMV
Gross merchandise volume; the value of all merchandise sold on ABOUT YOU, incl. VAT and after cancellations and returns

LTM
Last twelve months

MEDIA
Brand and advertising solutions, which include different online and offline advertising formats for brand partners, part of segment TME

MINIMUM VIABLE PRODUCT
Launch version of a product with a basic set of features to gain customers with minimal effort while learning about their needs

MOBILE SESSIONS
Sessions (in %) via a mobile device, e.g., a smartphone, within the last twelve months, divided by the total of sessions in the given time period

NET WORKING CAPITAL
Inventories plus receivables (includes trade receivables and other current assets) minus current liabilities (includes trade payables, other payables, and provisions for returns)

QOQ
Quarter-over-quarter; this quarter compared to last quarter

SAAS
Software-as-a-service

SEU
Southern Europe; Spain, France, Italy, Greece, and Portugal

TECH
E-commerce software solutions from ABOUT YOU, which are offered to third parties, part of segment TME

TME
Tech, Media, and Enabling; ABOUT YOU's B2B segment with the revenue streams of Tech, Media, and Enabling

TOTAL NUMBER OF ORDERS
Number of orders within the last twelve months

TOTAL REACH
Total media reach refers to total views of posts, reels, and stories on Instagram, video views on TikTok, and views of Facebook posts

USER SESSIONS
All sessions done across all countries, excl. sessions without interaction

USP
Unique selling proposition; a feature or perceived benefit of a product or service which sets it apart from the rest of competing brands in the market

TECH
E-commerce software solutions from ABOUT YOU, which are offered to third parties, part of segment TME

TME
Tech, Media, and Enabling; ABOUT YOU's B2B segment with the revenue streams of Tech, Media, and Enabling

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USER SESSIONS
All sessions done across all countries, excl. sessions without interaction

USP
Unique selling proposition; a feature or perceived benefit of a product or service which sets it apart from the rest of competing brands in the market

YOY
Year-on-year; this year's quarter compared to the previous year's quarter

1 Pew Research Center (2019) – Defining generations: Where Millennials end and Generation Z begins

5.2 FINANCIAL CALENDAR

June 23, 2023	Annual General Meeting 2023
July 12, 2023	Q1 2023/2024 Quarterly Statement
October 10, 2023	H1 2023/2024 Interim Financial Report
January 11, 2024	Q3 2023/2024 Quarterly Statement
May 7, 2024	Annual Report FY 2023/2024

5.3 IMPRINT, CONTACT AND DISCLAIMER

DISCLAIMER

This report also contains forward-looking statements. These statements are based on the current view, expectations, and assumptions of the Management Board of ABOUT YOU Holding SE ("ABOUT YOU"). Such statements are subject to known and unknown risks and uncertainties that are beyond ABOUT YOU's control or accurate estimates, such as the future market environment and the economic, legal, and regulatory framework, the behavior of other market participants, the successful integration of newly acquired entities and the realization of expected synergy effects, as well as measures by public authorities.

If any of these or other uncertainties and imponderables materialize, or if the assumptions on which these statements are based prove to be incorrect, actual results could differ materially from those expressed or implied by such statements. ABOUT YOU does not warrant or assume any liability that the future development and future actual results will be consistent with the assumptions and estimates expressed in this report. ABOUT YOU does not intend or assume any obligation to update forward-looking statements to reflect events or developments after the date of this report, except as required by law.

Because of rounding, some figures in this and other reports or statements may not add up precisely to the sums indicated, and percentages presented may not precisely reflect the exact figures to which they relate.

We also publish this report in German. In the event of any discrepancies, the German version of the report shall prevail over the English translation.

IMPRINT

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