Prospectus dated October 23, 2017

Prospectus

for the public offering

of

27,000,000 newly issued ordinary bearer shares with no-par value (*Stückaktien*) from a capital increase against contribution in cash to be resolved by an extraordinary shareholders' meeting of the Issuer on or about October 24, 2017

and of

4,050,000 existing ordinary bearer shares with no-par value (*Stückaktien*) from the holdings of the Lending Shareholder in connection with a possible over-allotment

and at the same time for the

admission to trading on the regulated market segment (*regulierter Markt*) of the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*) with simultaneous admission to the sub-segment of the regulated market with additional post-admission obligations (Prime Standard) of the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*)

of

up to 27,000,000 newly issued ordinary bearer shares with no-par value (*Stückaktien*) from a capital increase against contribution in cash to be resolved by an extraordinary shareholders' meeting of the Issuer on or about October 24, 2017

and

133,128,752 existing ordinary bearer shares with no-par value (*Stückaktien*) (existing share capital), each such share with a notional value of EUR 1.00 and full dividend rights from January 1, 2017

of

HelloFresh SE

Price Range: EUR 9.00 – EUR 11.50

International Securities Identification Number (ISIN): DE000A161408
German Securities Code (*Wertpapierkennnummer, WKN*): A16140
Ticker Symbol: HFG

Joint Global Coordinators and Joint Bookrunners

Deutsche Bank **J.P. Morgan** **Morgan Stanley** **Berenberg** **BNP PARIBAS**

Co-Lead Manager

Rabobank

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I. SUMMARY OF THE PROSPECTUS

*Summaries are made up of disclosure requirements known as elements (“**Elements**”). These Elements are numbered in Sections A – E (A.1 – E.7). This summary contains all the Elements required to be included in a summary for this type of security and issuer. Because some Elements are not required to be addressed, there may be gaps in the numbering sequence of the Elements. Even though an Element may be required to be inserted in the summary because of the type of security and issuer, it is possible that no relevant information can be given regarding the Element. In such cases, the summary includes a short description of the Element with the words “not applicable”.*

A – Introduction and Warnings

A.1	**Warnings.**	This summary should be read as an introduction to this prospectus. The investor should base any decision to invest in the securities on the review of this prospectus as a whole. In case a claim relating to the information contained in this prospectus is brought before a court, the plaintiff investor might, under the national legislation of the member states of the European Economic Area, have to bear the costs of translating this prospectus before the legal proceedings are initiated. HelloFresh SE, Berlin, Germany (the “**Issuer**”, and, together with its fully consolidated subsidiaries, the “**Group**”, “**HelloFresh**” or “**we**”, “**us**”, “**our**”), together with Deutsche Bank AG, Frankfurt am Main, Germany (“**Deutsche Bank**”), J.P. Morgan Securities plc, London, United Kingdom (“**J.P. Morgan**”), Morgan Stanley & Co. International plc, London, United Kingdom (“**Morgan Stanley**”), Joh. Berenberg, Gossler & Co. KG, Hamburg, Germany (“**Berenberg**”) and BNP Paribas, Paris, France (“**BNP PARIBAS**”, and, together with Deutsche Bank, J.P. Morgan, Morgan Stanley and Berenberg, the “**Joint Global Coordinators**” or the “**Joint Bookrunners**”) and Coöperatieve Rabobank U.A., Utrecht, The Netherlands (“**Rabobank**” or the “**Co-Lead Manager**”, together with the Joint Bookrunners, the “**Underwriters**”) have assumed responsibility for the contents of this summary and its German translation pursuant to Section 5 para. 2b No. 4 of the German Securities Prospectus Act (*Wertpapierprospektgesetz*). Those persons who have assumed responsibility for the summary, including any translation thereof, or for the issuing (*von denen der Erlass ausgeht*), can be held liable but only if this summary is misleading, inaccurate or inconsistent when read together with the other parts of this prospectus or if it does not provide, when read together with the other parts of this prospectus, all necessary key information.
A.2	**Information regarding the subsequent use of the prospectus.**	Not applicable. Consent by the Issuer regarding the use of this prospectus for a subsequent resale or final placement of the Issuer’s shares by financial intermediaries has not been granted.

B – Issuer

B.1	**Legal and commercial name.**	The Issuer’s legal name is “HelloFresh SE”. The Issuer is the Group’s holding company; the Group primarily operates under the commercial name “HelloFresh”.
B.2	**Domicile, legal form, legislation under which the issuer operates, country of incorporation.**	The Issuer has its registered office at Saarbrücker Straße 37a, 10405 Berlin, Germany, and is registered with the commercial register (*Handelsregister*) of the local court (*Amtsgericht*) of Charlottenburg, Germany, under number HRB 182382 B. The Issuer is a European company (*Societas Europaea or SE*) incorporated in Germany and governed by European and German law.

B.3	**Current operations and principal business activities and principal markets in which the issuer competes.**	Operating under our brand HelloFresh, we provide fresh, healthy and personalized meal solutions to about 1.3 million Active Customers[1] (in the three months ended June 30, 2017) in nine countries. We aim to provide the households in our geographies with the opportunity to enjoy fresh, delicious, home-cooked meals with no planning, no shopping and no stress. Our key product line, our meal kits, are delivered directly to our customers' doors at a convenient time and contain nearly everything required to create inspiring meals from mainly locally sourced ingredients. Powered by our supply chain set-up and efficient fulfilment processes and supported by our innovative technology, user-friendly websites and apps, our business has grown rapidly, from 76.6 thousand Active Customers in the three months ended June 30, 2014 and 0.5 million orders in the six months ended June 30, 2014 to 1.3 million Active Customers in the three months ended June 30, 2017 and 8.9 million orders in the six months ended June 30, of 2017. We started operations in 2012 and are currently active in ten countries across three continents: the United States of America (the "**United States**", "**USA**" or the "**U.S.**"), the United Kingdom, the Netherlands, Belgium, the Commonwealth of Australia ("**Australia**"), the Federal Republic of Germany ("**Germany**"), Austria, Canada, Switzerland and, since September 2017, the Grand Duchy of Luxembourg ("**Luxembourg**"). We have contributed to the development of a new business model in the food industry, which represents the biggest area of consumer spending, and benefit from first mover advantages in many of our markets. We consider ourselves first and foremost a direct-to-consumer food company that controls the entire relationship to the end consumer. Our operations from online user experience to recipe creation, sourcing, production and logistics center around the needs and preferences of our Active Customers. Large parts of our solutions are driven by our detailed understanding of customers' needs based on insights from millions of data points and consumer panels. This customer focus has allowed us to become the only international player of scale with leading positions in seven markets. In the United States, our fastest growing market, we are a strong second (*Source:* management estimate). Our business model differs from a retail or grocery supply chain, as it rethinks the traditional food supply chain model. By starting with the consumer and working upstream with a "pull model" we eliminate the need for intermediaries such as distributors or wholesalers and nearly eliminate waste from our supply chain, which tend to be major cost items for traditional food supply chains. We work closely with our network of over 600 suppliers, many of whom are local suppliers, to ensure we can purchase the ingredients for our meal solutions on a just-in-time basis and in the quantities required, thereby avoiding food waste. We operate on a near zero-inventory basis for all perishable products, as we only order from our suppliers what we have confirmed to sell to our customers. The ingredients for our meal kits are packed in our refrigerated fulfilment centers, which we have recently expanded to support our expected future growth. From there, meal kits are delivered using insulated packaging or, in certain markets, refrigerated vehicles, which allows us to deliver the ingredients with a high level of freshness. Almost all of our deliveries are free of charge to our customers.

1 Active customers refers to the number of uniquely identified customers who received at least one box within the preceding 3 months (including first-time and trial customers, customers who received a free or discounted box and customers who ordered during the relevant period but discontinued their orders and registration with us before period end) counted from the end of the relevant quarter ("**Active Customers**").

Our core business processes are data and technology driven. Our customized suite of software tools allows us, for example, to transform weekly menus into efficient ingredient purchasing decisions and to feedback information about pricing and availability into the menu planning. Our technology automatically sets up weekly schedules for both production and delivery to our customers within their preferred delivery window and provides us with data to further improve our product and processes. Our technology platform also helps our marketing team to understand multiple customer touch points and find and retain those customers with a high customer lifetime value (i.e., profit contribution generated during the entire commercial relationship with the relevant customer) compared to customer acquisition costs. As a result, 36 months after acquisition of a customer, the customer lifetime value was on average over three times as high as the customer acquisition costs.

Our performance and financial indicators reflect our strong growth and rapid margin expansion. Accelerated by our marketing efforts and a high rate of referrals from our existing customers, the number of our Active Customers, number of orders and revenue increased significantly from 2014 to 2016, a trend which continued in the six months ended June 30, 2017.

Adjusted EBITDA (as defined in B.7) as a percentage of revenue for our Group improved from negative 17.6% in 2014 to negative 13.8% in 2016, primarily due to strong improvements of our results in the United States, which is now our biggest market, that were partially set off by cost increases related to capacity increase measures, a focus on high ingredient quality and customer base expansion initiatives through marketing. In the six months ended June 30, 2017, our Adjusted EBITDA (as defined in B.7) expressed as a percentage of revenue improved to negative 10.7%.

Our Strengths

We believe that the following strengths have driven our growth in the past and will continue to distinguish us from other competitors in the future:

- Global pioneer in a dynamic segment of the food market, which is the largest area of consumer spending
- Lifestyle brand consumers love and trust
- Proven and data-driven product innovation capabilities
- Efficient supply chain and logistics set-up
- Purpose-built technology platform and data-driven culture
- Strong financial model combining growth at scale with powerful unit economics

Our Strategy

The key elements of our strategy include:

- Increase our market penetration
- Increase product scope and cross-selling
- Deep personalization and increased choice
- Increase our geographic reach
- Improve financial metrics through scale and operating improvements

B.4a Most significant recent trends affecting the issuer and the industry in which it operates.

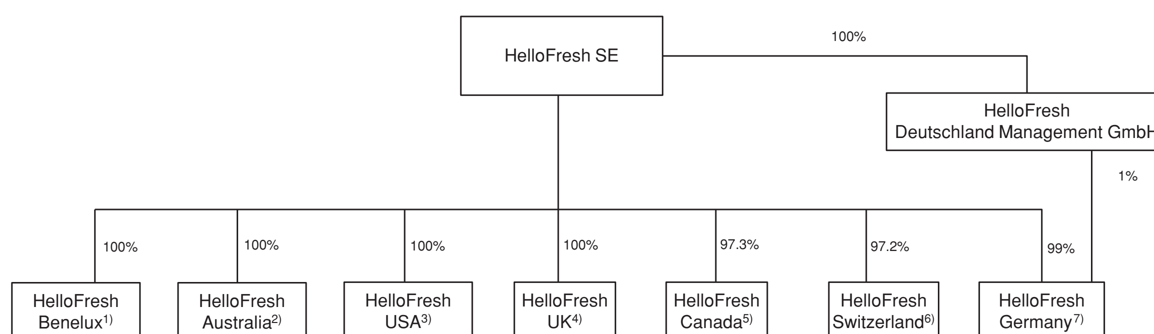
We believe that our markets are characterized by several fundamental trends in our industry:

- An increase in online and mobile engagement, meaning that potential customers are increasingly using online platforms such as our websites and apps for grocery shopping and meal preparation purposes, as shopping for groceries at conventional brick-and-mortar supermarkets and grocery stores is time-consuming, less convenient and typically characterized by an inefficient supermarket supply chain leading to loss of product freshness, substantial food waste and higher cost;
- An increase in food and nutritional awareness, causing consumers to increasingly turn away from fast food and toward healthy and balanced meals, preferably home-cooked, and placing added value on the quality and origin of the food products they purchase;
- The growing appreciation of the advantages of meal kits, which significantly reduce the time and effort usually needed for traditional meal planning. We save our customers from the tedious and lengthy process of sourcing all the ingredients required for a meal, experimenting with different flavors and cuisines as well as learning the art of cooking and thereby expand many people‘s meal choices;
- An increasing focus on avoiding food waste. Traditionally, when shopping for ingredients required by a particular recipe, people often have to buy much larger quantities than are actually required to prepare a meal, which may be uneconomical and lead to food waste, which an increasing number of people wish to reduce.

B.5 Description of the group and the issuer’s position within the group.

The Issuer is the holding company of the Group. Each of the Issuer’s significant subsidiaries is responsible for the operations within a certain country or several countries.

The following diagram provides an overview (in simplified form) of the Issuer’s significant subsidiaries as of the date of this prospectus:



1) HelloFresh Benelux B.V.
2) Grocery Delivery E-Services Australia Pty Ltd.
3) Grocery Delivery E-Services USA Inc.
4) Grocery Delivery E-Services UK Ltd.
5) HelloFresh Canada Inc.
6) HelloFresh Suisse AG.
7) HelloFresh Deutschland SE & Co. KG.

B.6 Persons who, directly or indirectly, have a (notifiable) interest in the issuer’s capital and voting rights.

The following table sets forth the ultimate and direct shareholders of the Issuer, immediately prior to the offering (consisting of 27,000,000 newly issued ordinary bearer shares with no par value (*Stückaktien*) from a capital increase against contribution in cash (the “**IPO Capital Increase**”) to be resolved by an extraordinary shareholders’ meeting of the Issuer on or about October 24, 2017 (the “**New Shares**”), and 4,050,000 existing ordinary bearer shares with no-par value (*Stückaktien*) from the holdings of

Rocket Internet SE (the "**Lending Shareholder**") in connection with a possible over-allotment (the "**Over-Allotment Shares**" and, together with the New Shares, the "**Offer Shares**"), (the "**Offering**")), which, as of the date of this prospectus, directly or indirectly, have a notifiable interest in the Issuer's capital and voting rights in the meaning of Sections 21 et seqq. of the German Securities Trading Act (*Wertpapierhandelsgesetz*), and their expected shareholding, together with the expecting shareholding of the public float, upon completion of the Offering:

		Beneficial (Indirect) Ownership of the Issuer, in %		
			upon completion of the Offering	
Ultimate Shareholder	**Direct Shareholder**	**immediately prior to the Offering**	**(no exercise of Greenshoe Option)**	**(full exercise of Greenshoe Option)**
Rocket Internet SE	Rocket Internet SE, Berlin, Germany Bambino 53. V V UG (haftungsbeschränkt), Berlin, Germany[1)]	58.71	48.81	47.61
Jeff Horing[2)]	HF Del Insight S.à r.l., Luxembourg, Luxembourg; HF Main Insight S.à r.l., Luxembourg, Luxembourg; HF Cay Insight S.à r.l., Luxembourg, Luxembourg[2)]	18.66	15.51	15.13
Phenomen Ventures LP[3)]	Almonk Investments Ltd, Tortola, British Virgin Islands; Ezill Financial Inc., Tortola, British Virgin Islands[3)]	8.84	7.35	7.17
Vorwerk & Co. KG[4)]	Vorwerk Direct Selling Ventures GmbH, Wuppertal, Germany	4.43	3.68	3.59
Qatar Investment Authority	Qatar Holding Luxembourg II S.à r.l. Luxembourg, Luxembourg	3.34	2.78	2.71
Other shareholders[5)]		5.62	4.67	4.56
Treasury shares		0.40	0.33	0.32
Public float		–	16.86	18.91
Total		**100.00**	**100.00**	**100.00**

1) Rocket Internet SE holds 52.97% of the shares in the Issuer immediately prior to the Offering. Bambino 53. V V UG (haftungsbeschränkt) holds 5.74% of the shares in the Issuer immediately prior to the Offering. Bambino 53. V V UG (haftungsbeschränkt) holds 0.12% of the shares in the Issuer as trustee for the Issuer and 5.54% of the shares in the Issuer as trustee for the investment vehicles of Dominik Richter and Thomas Griesel, who are both members of the management board of the Issuer, and for certain current and former local managers, employees and supporters of the operating businesses (or their investment vehicles). Of the shares held through Bambino 53. V V UG (haftungsbeschränkt), 3,307,547 shares are attributable to Dominik Richter's investment vehicle and 2,399,034 are attributable to Thomas Griesel's investment vehicle. In addition, among other equity-linked instruments, Dominik Richter's investment vehicle, Thomas Griesel's investment vehicle and Christian Gärtner, who also is a member of the management board, hold a total of 8,112,528 call options in the Issuer. Of Dominik Richter's investment vehicle's 3,565,696 call options, 2,402,288 call options have an exercise price of EUR 1.00 and 1,163,408 call options have an exercise price of EUR 1.15 and all of the 3,565,696 call options will vest in the event of an IPO of the Issuer's shares 24 months after such IPO. Of Thomas Griesel's investment vehicle's 4,048,432 call options, 2,885,024 call options have an exercise price of EUR 1.00 and 1,163,408 call options have an exercise price of EUR 1.15 and 3,283,744 of the call options (2,120,336 call options with an exercise price of EUR 1.00 and 1,163,408 call options with an exercise price of EUR 1.15) will vest in the event of an IPO of the Issuer's shares 24 months after such IPO. With respect to the respective exercise price, both Dominik Richter's investment vehicle and Thomas Griesel's investment vehicle hold compensation claims against the Issuer for the largest parts of the respective exercise prices of their options. Of Christian Gärtner's 498,400 call options, 356,000 call options have an exercise price of EUR 10.42 and 142,400 have an exercise price of at least EUR 27.08. If an IPO takes place before the second half of 2018, a total of 166,129 of Christian Gärtner's call options (118,667 call options with an exercise price of EUR 10.42 and 47,462 call options with an exercise price of EUR 27.08) will vest in the second half of 2019.

2) Jeff Horing is the ultimate controlling shareholder of the Issuer's direct shareholders HF Del Insight S.à r.l., HF Cay Insight S.à r.l. and HF Main Insight S.à r.l. HF Del Insight S.à r.l. is wholly owned by Insight Venture Partners (Delaware) VIII, L.P.; HF Cay Insight S.à r.l. is wholly owned by Insight Venture Partners (Cayman) VIII, L.P. and Insight Venture Partners VIII (Co-Investors), L.P.; and HF Main Insight S.à r.l. is wholly owned by Insight Venture Partners VIII, L.P. Insight Venture Partners (Delaware) VIII, L.P., Insight Venture Partners (Cayman) VIII, L.P., Insight Venture Partners VIII (Co-Investors), L.P. and Insight Venture Partners VIII, L.P. are each controlled by their joint general partner Insight Venture Associates VIII, L.P. The voting rights directly held by HF Del Insight S.à r.l., HF Cay Insight S.à r.l. and HF Main Insight S.à r.l. are further attributed to

Insight Venture Associates VIII, L.P.'s controlling general partner Insight Venture Associates VIII, Ltd, to Insight Venture Associates VIII, Ltd's controlling shareholder Insight Holdings Group LLC and to Insight Holdings Group LLC's controlling owner Jeff Horing.

3) Phenomen Ventures LP is the sole direct shareholder of both the Issuer's direct shareholders Almonk Investments Ltd. and Ezill Financial Inc. Phenomen Ventures LP is controlled by Dmitry Falkovich who is the sole owner of Phenomen Ventures Management, which is the general partner of Phenomen Ventures LP, and Albert Avdolyan who is the sole owner of Vusoll Investments Inc, which is the sole limited partner of Phenomen Ventures LP.

4) Vorwerk & Co. KG is the ultimate controlling shareholder of the Issuer's direct shareholder Vorwerk Direct Selling Ventures GmbH. Vorwerk Direct Selling Ventures GmbH is a wholly owned subsidiary of Vorwerk & Co. eins GmbH, which is a wholly owned subsidiary of Aug. Mittelsten Scheid & Söhne GmbH which is in turn wholly owned by Vorwerk & Co. KG.

5) Other shareholder refers to shareholdings with less than 3% in the Issuer before the start of trading in the Issuer's shares.

Different voting rights. Each share in the Issuer carries one vote at the Issuer's shareholders' meeting. There are no restrictions on voting rights. All shares have identical voting rights.

Direct or indirect control over the issuer and nature of such control. Rocket Internet SE owns more than 30% of the voting rights in the Issuer and is, therefore, considered to hold a controlling interest in the Issuer pursuant to the German Securities Acquisition and Takeover Act (*Wertpapiererwerbs- und Übernahmegesetz*). The voting rights of Rocket Internet SE do not differ in any respect from the rights attached to any other shares, including the Offer Shares. The limits imposed under German law, in particular the German Stock Corporation Act (*Aktiengesetz*) and the rules and regulations applicable to European companies on the ability of a controlling shareholder to unduly exercise any control have been observed by Rocket Internet SE and the Issuer. There are no special provisions in the Issuer's articles of association to ensure that such control is not abused.

B.7 Selected key historical financial information. The financial information contained in the following tables is taken or derived from the Issuer's audited consolidated financial statements as of and for the years ended December 31, 2016, December 31, 2015 as well as December 31, 2014, 2013 and 2012, the Issuer's unaudited condensed consolidated interim financial statements as of and for the six months ended June 30, 2017 and our internal reporting system. The audited consolidated financial statements have been prepared in accordance with IFRS and the unaudited condensed consolidated interim financial statements have been prepared in accordance with IFRS on interim financial reporting (IAS 34).

Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft, Stuttgart, office Berlin, Germany, has audited and issued an unqualified audit opinion with respect to our German language consolidated financial statements as of and for the years ended December 31, 2016 and December 31, 2015, respectively, as well as an unqualified independent auditor's report with respect to our English language consolidated financial statements as of and for the years ended December 31, 2014, 2013 and 2012. The aforementioned audited consolidated financial statements of the Issuer and the respective audit opinions as well as independent auditor's report thereon, and the Issuer's unaudited condensed consolidated interim financial statements as of and for the six months ended June 30, 2017 are included in this prospectus.

Where financial data in the following tables is labelled "audited", this means that it has been taken from the audited consolidated financial statements mentioned above. The label "unaudited" is used in the following tables to indicate financial data that has not been taken from the audited financial statements mentioned above but rather was taken from either our unaudited condensed consolidated interim financial statements or the Issuer's internal reporting system, or has been calculated based on figures from the sources mentioned before. Financial information presented in the text and tables below is shown in millions of euro (EUR million) and is commercially rounded to one digit after the decimal

point. Percentage changes in the text and tables are calculated based on exact (unrounded) numbers and then commercially rounded to one digit after the decimal point. As a result of rounding effects, the aggregated figures in the tables may differ from the totals shown and the aggregated percentages may not exactly equal 100%. In addition, rounded totals and subtotals in the tables may vary marginally from unrounded figures indicated elsewhere in this prospectus. Furthermore, in those tables, these rounded figures may not add up exactly to the totals contained in those tables.

Financial information presented in parentheses denotes the negative of such number presented. In respect of financial data set out in this prospectus, a dash (" – ") signifies that the relevant figure is not available, while a zero ("0.0") signifies that the relevant figure is available but has been rounded to or equals zero.

Consolidated Statement of Comprehensive Income Data

	For the year ended December 31,			For the six months ended June 30,	
	2014	2015	2016	2016	2017
	(audited) (in EUR million)			(unaudited) (in EUR million)	
Revenue	69.6	305.0	597.0	291.5	435.4
Cost of goods sold	(31.1)	(146.1)	(257.3)	(127.0)	(180.5)
Gross profit	**38.5**	**158.9**	**339.6**	**164.5**	**254.9**
Fulfilment expenses	(23.1)	(121.7)	(238.4)	(117.6)	(162.8)
Marketing expenses	(22.4)	(120.5)	(157.4)	(80.5)	(123.1)
General and administrative expenses	(7.5)	(30.8)	(30.7)	(14.8)	(20.5)
Other operating income	0.5	0.2	0.9	0.2	1.0
Other operating expenses	(1.7)	(1.6)	(4.5)	(2.7)	(2.4)
Operating loss[1)]	**(15.8)**	**(115.5)**	**(90.5)**	**(50.9)**	**(52.9)**
Finance income	0.0	0.1	1.5	0.5	0.6
Finance expense	(0.0)	(1.4)	(5.2)	(2.5)	(4.9)
Loss before income tax benefit (expense)	**(15.8)**	**(116.8)**	**(94.1)**	**(52.9)**	**(57.1)**
Income tax benefit (expense)	0.4	(0.0)	0.3	–	0.4
Loss for the year/period	**(15.4)**	**(116.8)**	**(93.9)**	**(52.9)**	**(56.7)**
thereof attributable to:					
Owners of the company	(14.6)	(113.8)	(93.8)	(52.9)	(56.6)
Non-controlling interests	(0.8)	(3.0)	(0.1)	(0.0)	(0.1)

1) Operating loss is also referred to as earnings before interest and taxes ("**EBIT**") in the segment reporting of the consolidated financial statements of the Issuer.

Consolidated Statement of Financial Position Data

	As of December 31,			As of June 30,
	2014	2015	2016	2017
	(audited, unless otherwise indicated) (in EUR million)			(unaudited) (in EUR million)
Assets				
Total non-current assets	**1.1**	**21.1**	**60.4**	**60.6**
thereof				
Property, plant and equipment	0.7	5.8	38.3	37.4
Other financial assets[1]	–	9.2	13.9	13.4
Total current assets	**26.9**	**137.5**	**91.3**	**143.6**
thereof				
Inventories	1.4	5.6	10.1	9.4
Trade receivables	2.7	11.5	9.3	8.8
Other non-financial assets[2]	2.0	9.4	12.6	10.2
Cash and cash equivalents	19.8	109.2	57.5	112.8
Total assets	**28.1**	**158.6**	**151.7**	**204.2**
Equity and Liabilities				
Equity				
Share capital	0.1	125.0	127.0	133.1
Treasury shares	–	(10.0)	(10.0)	(10.0)
Capital reserves	38.9	93.9	113.4	192.9
Other reserves	5.8	21.8	27.1	34.6
Accumulated losses	(28.6)	(142.4)	(236.2)	(292.8)
Other comprehensive loss	(0.5)	(0.7)	(0.7)	(1.4)
Equity attributable to the Company's shareholders	**15.6**	**87.6**	**20.6**	**56.4**
Non-controlling interests	(1.0)	–	(0.0)	(0.1)
Total equity	**14.6**	**87.6**	**20.6**	**56.2**
Total non-current liabilities	**0.3**	**10.2**	**62.0**	**65.6**
thereof				
Interest bearing loans and borrowings[3]	–	–	46.4	54.0
Total current liabilities	**13.2**	**60.8**	**69.2**	**82.4**
thereof				
Trade payables[4]	11.2	45.5	43.1	54.5
Other non-financial liabilities[5]	1.6	12.5	19.2	21.8
Total equity and liabilities	**28.1**	**158.6**	**151.7**	**204.2**

1) Includes restricted cash balances in non-current other financial assets of EUR 13.1 million as of June 30, 2017, EUR 13.9 million as of December 31, 2016 and EUR 8.8 million as of December 31, 2015 and in current other financial assets of EUR 0.5 million as of December 31, 2016 and EUR 0.2 million as of December 31, 2015, respectively. Restricted cash balances are mainly comprised of cash deposits and collateral for letters of credit with respect to lease agreements.

2) Including value-added tax ("**VAT**") receivables of EUR 6.2 million as of June 30, 2017, EUR 6.8 million as of December 31, 2016, EUR 6.5 million as of December 31, 2015 and EUR 1.4 million as of December 31, 2014.

3) Labelled as long-term debt in the audited consolidated financial statements as of and for the year ended December 31, 2016.

4) Labelled as trade and other payables in the audited consolidated financial statements as of and for the years ended December 31, 2014, 2013 and 2012.

5) Current other non-financial liabilities include income tax liabilities of EUR 0.0 million as of December 31, 2014 and EUR 0.0 million as of December 31, 2015, which were shown separately in the Issuer's audited consolidated financial statements as of and for the years ended December 31, 2014 and December 31, 2015. Therefore, the amounts of current other non-financial liabilities as of December 31, 2014 and December 31, 2015 are unaudited.

Selected Consolidated Statement of Cash Flows Data

	For the year ended December 31,			For the six months ended June 30,	
	2014	2015	2016	2016	2017
	(audited) (in EUR million)			(unaudited) (in EUR million)	
Net cash used in operating activities	(8.4)	(65.9)	(76.1)	(25.1)	(29.3)
Net cash used in investing activities	(0.7)	(17.3)	(42.6)	(16.0)	(7.0)
Net cash from financing activities	24.9	174.1	67.5	65.8	92.9
Cash and cash equivalents at the end of the year/period	19.8	109.2	57.5	132.6	112.8

Other Consolidated Financial Information

Our management considers the following additional performance measures in steering our operations:

- EBITDA (Earnings Before Interest, Taxes, Depreciation and Amortization, "**EBITDA**") is operating loss (EBIT) before depreciation and amortization;
- adjusted EBITDA (Adjusted Earnings Before Interest, Taxes, Depreciation and Amortization, "**Adjusted EBITDA**") is calculated by adjusting EBITDA for special items and, on the segment level, holding fees; special items consist of share-based compensation expense and other special items of a non-recurring nature, which include, among other items, expenses related to legal advice and other services incurred in connection with equity financing rounds (capital increases), debt financings and preparation for the Issuer's initial public offering;
- contribution margin ("**Contribution Margin**") is calculated as revenue less cost of goods sold net of share-based compensation expense included in cost of goods sold and fulfilment expenses net of share-based compensation expense included in fulfilment expenses;
- net working capital is inventories plus trade receivables, plus VAT receivables less trade (and other) payables, less VAT payables less deferred revenue;
- capital expenditure is defined as cash used for purchase of property, plant and equipment, software development expenditure and purchase of software licenses;
- free cash flow is the sum of net cash used in operating activities and net cash used in investing activities.

EBITDA, Adjusted EBITDA, Contribution Margin, net working capital, capital expenditure and free cash flow are not recognized financial measures under IFRS ("**Alternative Performance Measures**"). We believe that the Alternative Performance Measures are useful in evaluating our operating performance and the cash flows generated by our business. Specifically, we use

- EBITDA as an indicator for evaluating our operating performance as it eliminates certain non-cash expenses that are not reflective of the underlying business performance;
- Adjusted EBITDA as an indicator for evaluating our operating performance as it does not include additional items that we believe are not reflective of the underlying business performance, i.e., share-based compensation expense and certain special items that are of a non-recurring nature and, on the segment level, holding fees;
- Contribution Margin as an indicator for evaluating our operating performance as it shows expenses directly linked to our meal kits, net of related share-based compensation expense, which we believe is not reflective of the underlying business performance;
- Net working capital as an indicator of cash provided to us through our operational set-up;
- Capital expenditure as an indicator for the cash used in our operations for investment purposes; and
- Free cash flow as an indicator of the cash flows generated by our business.

However, the Alternative Performance Measures are not recognized as measures under IFRS and should not be considered as substitutes for figures on results before taxes, net earnings, cash flow from/used in operating activities or other income statement or cash flow data, as determined in accordance with IFRS, or as measures of profitability or liquidity. The Alternative Performance Measures do not necessarily indicate whether cash flow will be sufficient or available for our cash requirements, nor whether any such measure is indicative of our historical operating results. The Alternative Performance Measures are not meant to be indicative of future results. Because not all companies calculate these measures and figures in the same way, our presentation of the Alternative Performance Measures is not necessarily comparable with similarly titled measures used by other companies.

The following table presents a reconciliation of EBITDA and Adjusted EBITDA to loss before income tax benefit (expense) for the periods indicated:

	For the year ended December 31,			For the six months ended June 30,	
	2014	**2015**	**2016**	**2016**	**2017**
	(audited, unless otherwise indicated) (in EUR million, unless otherwise indicated)			(unaudited) (in EUR million, unless otherwise indicated)	
Loss before income tax benefit (expense)	**(15.8)**	**(116.8)**	**(94.1)**	**(52.9)**	**(57.1)**
Finance income	(0.0)	(0.1)	(1.5)	(0.5)	(0.6)
Finance expense	0.0	1.4	5.2	2.5	4.9
Operating loss (EBIT)	**(15.8)**	**(115.5)**	**(90.5)**	**(50.9)**	**(52.9)**
Depreciation and amortization	0.2	0.6	4.3	1.8	3.8
EBITDA	**(15.6)**	**(114.9)**	**(86.2)**	**(49.2)**	**(49.1)**
EBITDA in % of revenue[1) 2)]	*(22.4)*	*(37.7)*	*(14.4)*	*(16.9)*	*(11.3)*
Special items and holding fees[3)]	3.3	28.6	3.6	3.4	2.5
Adjusted EBITDA	**(12.2)**	**(86.2)**	**(82.6)**	**(45.7)**	**(46.5)**
Adjusted EBITDA in % of revenue[1) 2)]	*(17.6)*	*(28.3)*	*(13.8)*	*(15.7)*	*(10.7)*

1) Unaudited.

2) Revenue was EUR 69.6 million in 2014, EUR 305.0 million in 2015, EUR 597.0 million in 2016, EUR 291.5 million in the six months ended June 30, 2016 and EUR 435.4 million in the six months ended June 30, 2017.

3) Special items and holding fees consists of the following items:

	For the year ended December 31,			For the six months ended June 30,	
	2014	**2015**	**2016**	**2016**	**2017**
	(audited, unless otherwise indicated) (in EUR million)			(unaudited) (in EUR million)	
Share-based compensation expense[*)]	(3.3)	(24.6)	(2.0)	(2.6)	(1.8)
Other special items[**)]	–	(4.0)	(1.6)	(0.8)	(0.7)
Special items and holding fees[***)]	**(3.3)**	**(28.6)**	**(3.6)**	**(3.4)**	**(2.5)**

*) Also referred to as share-based payment expense in the Issuer's audited consolidated financial statements as of and for the years ended December 31, 2016, 2015 and 2014.

**) Unaudited. Other special items are non-recurring and include, among other items, expenses related to legal advice and other services incurred in connection with equity financing rounds (capital increases), debt financings and preparation for the Issuer's initial public offering.

***) Holding fees are only relevant on the segment level. On the Group level, there are no holding fees recorded as these are eliminated within consolidation.

The following table presents a reconciliation of the Contribution Margin to revenue for the periods indicated:

	For the year ended December 31,			For the six months ended June 30,	
	2014	2015	2016	2016	2017
	(audited, unless otherwise indicated) (in EUR million, unless otherwise indicated)			(unaudited) (in EUR million, unless otherwise indicated)	
Revenue	69.6	305.0	597.0	291.5	435.4
Cost of goods sold	(31.1)	(146.1)	(257.3)	(127.0)	(180.5)
Share-based compensation expense included in cost of goods sold	0.1	0.4	0.2	0.2	0.0
Fulfilment expenses	(23.1)	(121.7)	(238.4)	(117.6)	(162.8)
Share-based compensation expense included in fulfilment expenses	0.0	1.4	0.1	(0.1)	0.3
Contribution Margin[1)]	**15.4**	**39.0**	**101.4**	**46.9**	**92.4**
Contribution Margin in % of revenue[2)]	*22.2*	*12.8*	*17.0*	*16.1*	*21.2*

1) Contribution Margin corresponds to revenue less cost of goods sold net of share-based compensation expense included in cost of goods sold and fulfilment expenses net of share-based compensation expense included in fulfilment expenses. The Contribution Margin is referred to as profit contribution or PC2 in the Issuer's unaudited condensed consolidated interim financial statements as of and for the six months ended June 30, 2017 and in the Issuer's audited consolidated financial statements as of and for the years ended December 31, 2016, 2015 and 2014.

2) Unaudited.

Segment Information

Our business is managed on the basis of the two geographical regions which form our operating and reporting segments: "International" and "USA". International comprises our operations in the United Kingdom, the Netherlands, Belgium, Australia, Germany, Austria, Canada and Switzerland. USA comprises our business in the United States. We do not divide our business into operating segments based on the type of business. In the consolidated financial statements as of and for the years ended December 31, 2014 and December 31, 2015, the segment reporting was based on the operating segments "Continental Europe" and "Rest of the World". Continental Europe comprised the operations in Germany, Austria, the Netherlands and Belgium. Rest of the World comprised the operations in the United States, United Kingdom and Australia. Due to the increased significance of our operations in the USA, we changed our reporting structure in the year ended December 31, 2016 and present our operations in the USA separately from the International business. For purposes of comparison of the segment information contained in this prospectus, the segment data for the year ended December 31, 2015 has therefore been taken or derived from the comparative segment information contained in the audited consolidated financial statements as of and for the year ended December 31, 2016 and the segment information for the year ended December 31, 2014 has been taken or derived from our internal reporting system and, therefore, is unaudited.

The following table shows the operating performance of our USA segment for the years ended December 31, 2014, December 31, 2015 and December 31, 2016 and for the six months ended June 30, 2016 and June 30, 2017:

	For the year ended December 31,			For the six months ended June 30,	
	2014	2015	2016	2016	2017
	(unaudited)	(audited, unless otherwise indicated)		(unaudited)	
	(in EUR million, unless otherwise indicated)			(in EUR million, unless otherwise indicated)	
External revenue	**10.9**	**103.8**	**286.9**	**133.0**	**263.4**
Contribution Margin[1]	**0.5**	**(6.2)**	**33.9**	**12.1**	**53.7**
Contribution Margin in % of external revenue[2]	*4.7*	*(6.0)*	*11.8*	*9.1*	*20.4*
Adjusted EBITDA	**(5.2)**	**(48.2)**	**(47.9)**	**(28.1)**	**(31.3)**
Adjusted EBITDA in % of external revenue[2]	*(47.5)*	*(46.4)*	*(16.7)*	*(21.1)*	*(11.9)*
Special items and holding fees[3]	(0.3)	(6.7)	(0.8)	(1.4)	(0.5)
EBITDA	**(5.5)**	**(54.8)**	**(48.8)**	**(29.5)**	**(31.8)**
EBITDA in % of external revenue[2]	*(50.6)*	*(52.8)*	*(17.0)*	*(22.2)*	*(12.1)*
Depreciation and amortization	(0.0)	(0.4)	(2.5)	(1.3)	(1.7)
Operating loss (EBIT)	**(5.6)**	**(55.2)**	**(51.2)**	**(30.7)**	**(33.5)**

1) Contribution Margin corresponds to external revenue less cost of goods sold net of share-based compensation expense included in cost of goods sold and fulfilment expenses net of share-based compensation expense included in fulfilment expenses. The Contribution Margin is referred to as profit contribution or PC2 in the Issuer's unaudited condensed consolidated interim financial statements as of and for the six months ended June 30, 2017 and in the Issuer's audited consolidated financial statements as of and for the years ended December 31, 2016, 2015 and 2014.

2) Unaudited.

3) Special items and holding fees consists of the following items:

	For the year ended December 31,			For the six months ended June 30,	
	2014	2015	2016	2016	2017
	(unaudited, unless otherwise indicated)			(unaudited)	
	(in EUR million)			(in EUR million)	
Share-based compensation expense*)	(0.3)	(5.1)	(0.1)	(1.0)	(0.3)
Holding fees**)	(0.1)	(1.3)	(0.7)	(0.4)	(0.2)
Other special items***)	–	(0.2)	(0.1)	–	–
Special items and holding fees ****)	**(0.3)**	**(6.7)**	**(0.8)**	**(1.4)**	**(0.5)**

*) Also referred to as share-based payment expense in the Issuer's audited consolidated financial statements as of and for the years ended December 31, 2016, 2015 and 2014.

**) Refers to surcharge in fees for holding services provided to the segments. We adjust for these fees as we believe that segment performance should not be affected by any intragroup margin.

***) Other special items are non-recurring and include, among other items, expenses related to legal advice and other services incurred in connection with equity financing rounds (capital increases), debt financings and preparation for the Issuer's initial public offering.

****) Figures for the years ended December 31, 2015 and 2016 are audited.

The following table shows the operating performance of our International segment for the years ended December 31, 2014, December 31, 2015 and December 31, 2016 and for the six months ended June 30, 2016 and June 30, 2017:

	For the year ended December 31,			For the six months ended June 30,	
	2014	2015	2016	2016	2017
	(unaudited)	(audited, unless otherwise indicated)		(unaudited)	
	(in EUR million, unless otherwise indicated)			(in EUR million, unless otherwise indicated)	
External revenue	**58.7**	**201.1**	**310.1**	**158.5**	**172.0**
Contribution Margin[1]	**14.8**	**45.0**	**69.3**	**35.3**	**40.9**
Contribution Margin in % of external revenue[2]	*25.3*	*22.4*	*22.4*	*22.3*	*23.8*
Adjusted EBITDA	**(7.3)**	**(37.6)**	**(27.5)**	**(15.9)**	**(8.1)**
Adjusted EBITDA in % of external revenue[2]	*(12.4)*	*(18.7)*	*(8.9)*	*(10.0)*	*(4.7)*
Special items and holding fees[3]	(1.3)	(7.3)	(0.4)	(0.3)	(0.0)
EBITDA	**(8.6)**	**(45.0)**	**(27.9)**	**(16.3)**	**(8.2)**
EBITDA in % of external revenue[2]	*(14.7)*	*(22.4)*	*(9.0)*	*(10.3)*	*(4.8)*
Depreciation and amortization	(0.2)	(0.2)	(1.1)	(0.3)	(1.1)
Operating loss (EBIT)	**(8.8)**	**(45.2)**	**(29.0)**	**(16.6)**	**(9.3)**

1) Contribution Margin corresponds to external revenue less cost of goods sold net of share-based compensation expense included in cost of goods sold and fulfilment expenses net of share-based compensation expense included in fulfilment expenses. The Contribution Margin is referred to as profit contribution or PC2 in the Issuer's unaudited condensed consolidated interim financial statements as of and for the six months ended June 30, 2017 and in the Issuer's audited consolidated financial statements as of and for the years ended December 31, 2016, 2015 and 2014.

2) Unaudited.

3) Special items and holding fees consists of the following items:

	For the year ended December 31,			For the six months ended June 30,	
	2014	2015	2016	2016	2017
	(unaudited, unless otherwise indicated)			(unaudited)	
	(in EUR million)			(in EUR million)	
Share-based compensation expense*)	(1.2)	(4.8)	0.8	0.2	0.4
Holding fees**)	(0.1)	(1.9)	(0.4)	(0.2)	(0.1)
Other special items***)	–	(0.6)	(0.7)	(0.3)	(0.3)
Special items and holding fees**)**	**(1.3)**	**(7.3)**	**(0.4)**	**(0.3)**	**(0.0)**

*) Also referred to as share-based payment expense in the Issuer's audited consolidated financial statements as of and for the years ended December 31, 2016, 2015 and 2014.

**) Refers to surcharge in fees for holding services provided to the segments. We adjust for these fees as we believe that segment performance should not be affected by any intragroup margin.

***) Other special items are non-recurring and include, among other items, expenses related to legal advice and other services incurred in connection with equity financing rounds (capital increases), debt financings and preparation for the Issuer's initial public offering.

****) Figures for the years ended December 31, 2015 and 2016 are audited.

Significant changes to the issuer's financial condition and operating results during and subsequent to the period covered by the historical key financial information.	The following material changes in our financial condition and operating loss occurred in the six months ended June 30, 2017 and June 30, 2016 and in 2016, 2015 and 2014:

Six Months Ended June 30, 2016 and June 30, 2017

Revenue increased by 49.4% from EUR 291.5 million in the six months ended June 30, 2016 to EUR 435.4 million in the six months ended June 30, 2017, primarily driven by strong growth in Active Customers in the USA segment, which increased from 382 thousand in the three months ended June 30, 2016 to 796 thousand in the three months ended June 30, 2017.

EBIT decreased slightly from a loss of EUR 50.9 million in the six months ended June 30, 2016 to a loss of EUR 52.9 million in the six months ended June 30, 2017. Adjusted EBITDA slightly decreased from a loss of EUR 45.7 million in the six months ended June 30, 2016 to a loss of EUR 46.5 million in the six months ended June 30, 2017. Expressed as a percentage of revenue, Adjusted EBITDA improved from negative 15.7% in the six months ended June 30, 2016 to negative 10.7% in the six months ended June 30, 2017 as we benefited from economies of scale driven by an increase in revenue by 49.4% and benefited from other operational improvements.

Years Ended December 31, 2016 and December 31, 2015

Revenue increased from EUR 305.0 million in 2015 to EUR 597.0 million in 2016 based on a strong revenue increase in both segments, particularly in our USA segment. Supported by increased marketing, the number of our Active Customers increased from 621 thousand in the three months ended December 31, 2015 to 857 thousand in the three months ended December 31, 2016, with the number of orders increasing from 6.8 million orders in 2015 to 12.4 million orders in 2016. An increase in the average order value in both segments also contributed to the increase in revenue. The average order value increased by 7.0% from EUR 45.92 in the three months ended December 31, 2015 to EUR 49.12 in the three months ended December 31, 2016. The key driver for this increase was an increasing share of orders from the USA segment, for which the average order value is higher than for our International segment.

EBIT improved from a loss of EUR 115.5 million in 2015 to a loss of EUR 90.5 million in 2016. Adjusted EBITDA improved in absolute terms slightly from a loss of EUR 86.2 million in 2015 to a loss of EUR 82.6 million in 2016, as a strong increase in gross profit was nearly offset by strong increases in fulfilment expenses related to the ramp up of our fulfilment capacity globally and marketing expenses related to efforts to scale our business and build our customer base. Expressed as a percentage of revenue, Adjusted EBITDA improved significantly from negative 28.3% in 2015 to negative 13.8% in 2016, showing the positive impact of economies of scale on our business results.

Years Ended December 31, 2015 and December 31, 2014

Revenue increased from EUR 69.6 million in 2014 to EUR 305.0 million in 2015, based on strong revenue increases in both segments. The number of orders increased from 1.7 million orders in 2014 to 6.8 million orders in 2015 and the average order value increased from EUR 41.13 per order in 2014 to EUR 44.91 per order in 2015, primarily due to geographic mix effects, as the USA segment, which has a higher average order value than our International segment, accounted for a larger portion of consolidated orders in 2015 than in 2014. The increase was also supported by positive

exchange rate effects related to an increase in the value of the U.S. dollar compared to the euro.

EBIT decreased from a loss of EUR 15.8 million in 2014 to a loss of EUR 115.5 million in 2015. Adjusted EBITDA decreased from a loss of EUR 12.2 million in 2014 to a loss of EUR 86.2 million in 2015 as a strong increase in gross profit driven by the growth of our operations was more than offset by strong increases in fulfilment expenses related to the growth of our operations, improved packaging and the ramp up of fulfilment capacity in the United States and marketing expenses to acquire new customers and build our brand. Expressed as a percentage of revenue, Adjusted EBITDA decreased from negative 17.6% in 2014 to negative 28.3% in 2015, reflecting the impact of the factors mentioned in the preceding sentence.

Recent Developments

In September 2017, we expanded our operations to Luxembourg.

Active Customers increased from 0.84 million in the three months ended September 30, 2016 to 1.28 million Active Customers in the three months ended September 30, 2017, consisting of 0.79 million Active Customers in our USA segment and 0.49 million Active Customers in our International segment. Total orders in the three months ended September 30, 2017 were 4.6 million, consisting of 2.6 million orders in our USA segment and 2.0 million orders in our International segment. In the three months ended September 30, 2017, we delivered 33.7 million meals, with our USA segment contributing 17.9 million meals and our International segment contributing 15.8 million meals.

Based on preliminary numbers, revenue in the seasonally softer three months ended September 30, 2017 amounted to EUR 217 million representing an increase of 48% when compared with the three months ended September 30, 2016. Adjusting for the impact of foreign exchange rate developments, i.e., applying a constant currency approach pursuant to which revenue denominated in a currency other than the euro for a given month and the corresponding month in the prior year is translated into euro by using the average exchange rate for the respective month in the prior year for both periods, revenue increased by 53% in the three months ended September 30, 2017 when compared with the three months ended September 30, 2016. External revenue in our USA segment increased to EUR 131 million in the three months ended September 30, 2017, a 76% increase when compared with the three months ended September 30, 2016. On a constant currency basis, the increase was 86%. External revenue in our International segment increased to EUR 86 million in the three months ended September 30, 2017, a 18% increase when compared with the three months ended September 30, 2016. On a constant currency basis, the increase was 20%. The average order rate increased slightly in the three months ended September 30, 2017 when compared with the three months ended September 30, 2016 for the Group (3.63 compared to 3.58) and each of the USA (3.33 compared to 3.21) and the International segment (4.11 compared to 3.94). Based on preliminary numbers, our Adjusted EBITDA margin in the three months ended September 30, 2017 improved slightly when compared with the six months ended June 30, 2017.

Except as described above, between June 30, 2017 and the date of this prospectus, there have been no material changes to our financial position, financial performance or cash flows, or our trading position.

B.8	**Selected key pro forma financial information.**	Not applicable. The Issuer has not prepared pro forma financial information for inclusion in this prospectus.

B.9	**Profit forecast or estimate.**	Not applicable. No profit forecast or estimate is being presented by the Issuer.
B.10	**Qualifications in the audit report on the historical financial information.**	Not applicable. The independent auditor's reports on the historical financial information included in this prospectus have been issued without qualification.
B.11	**Insufficiency of the issuer's working capital for its present requirements.**	Not applicable. The Issuer is of the opinion that the Group is in a position to meet the payment obligations that become due within at least the next twelve months.
C – Securities		
C.1	**Type and class of the securities being offered and/or admitted to trading.**	Ordinary bearer shares with no-par value (*Stückaktien*), each such share representing a notional value of EUR 1.00 and with full dividend rights from January 1, 2017.
	Security identification number.	International Securities Identification Number (ISIN): DE000A161408 German Securities Code (*Wertpapierkennnummer, WKN*): A16140 Trading Symbol: HFG
C.2	**Currency.**	Euro.
C.3	**The number of shares issued and fully paid.**	As of the date of this prospectus, the share capital of the Issuer amounts to EUR 133,128,752.00 and is divided into 133,128,752 ordinary bearer shares with no-par value (*auf den Inhaber lautende Stückaktien*) that have all been issued. The share capital has been fully paid up. Of these 133,128,752 issued shares, 692,109 shares are held (directly or indirectly) by the Issuer as treasury shares. 533,333 of the treasury shares, having a notional value of EUR 1.00 per share, were repurchased by the Issuer at a price of EUR 18.75 per share from Bambino 53. V V UG (haftungsbeschränkt), which held the shares as trustee, among others, for companies wholly owned by Dominik Richter and Thomas Griesel and for certain local managers, employees and supporters. Based on the Issuer's authorization to purchase treasury shares pursuant to Article 5 of Council Regulation (EC) No. 2157/2001 of October 8, 2001 on the Statute for a European company (*SE*) together with Section 71a et seqq. of the German Stock Corporation Act (*Aktiengesetz*) and call options granted to the Issuer in case of certain good and/or bad leaver events of certain employees or supporters of the Issuer or one of its subsidiaries, the remaining 158,776 shares were repurchased by the Issuer from former employees. Accordingly, 132,436,643 shares are outstanding as of the date of this prospectus.
	Notional value.	Each Issuer's share represents a notional share of EUR 1.00 in the Issuer's share capital.
C.4	**A description of the rights attached to the securities.**	Each share in the Issuer carries one vote at the Issuer's shareholders' meeting. There are no restrictions on voting rights and the Issuer's existing shareholders do not have different voting rights. The Issuer's shares carry full dividend rights from January 1, 2017.
C.5	**A description of any restrictions on the free transferability of the securities.**	Not applicable. The Issuer's shares are freely transferable in accordance with the legal requirements for ordinary bearer shares. There are no restrictions on the transferability of the shares in the Issuer's articles of association.

C.6	**Application for admission to trading on a regulated market and identity of regulated markets where the securities are to be traded.**	The Issuer will apply for admission of the Issuer's shares to trading on the regulated market segment (*regulierter Markt*) of the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*) and, simultaneously, to the sub-segment thereof with additional post-admission obligations (Prime Standard) on or about October 24, 2017. The listing approval for the Issuer's shares is expected to be granted on November 1, 2017. Trading in the Issuer's shares on the Frankfurt Stock Exchange is planned to commence on November 2, 2017. In the event of the issuance of additional Issuer's shares pursuant to the exercise of the Greenshoe Option (as defined below under E.3), the Company will also apply for the admission of such additional Issuer's shares to trading on the regulated market segment (*regulierter Markt*) of the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*) and, simultaneously, to the sub segment thereof with additional post-admission obligations (Prime Standard). Such admission will be applied for on the basis of the exemption from the requirement to publish a prospectus pursuant to Section 4 para. 2 no. 1 of the German Securities Prospectus Act (*Wertpapierprospektgesetz*).
C.7	**Dividend policy.**	The Issuer currently intends to retain all available funds and any future earnings to support operations and to finance the growth and development of its business and currently does not intend to pay cash dividends in the foreseeable future. Any future determination to pay dividends will be made in accordance with applicable laws, and will depend upon, among other factors, the Issuer's results of operations, financial condition, contractual restrictions and capital requirements. The Issuer's future ability to pay dividends is limited by the terms of its existing debt and may be limited by future debt or preferred securities.
D – Risks		
		An investment in the Issuer's shares is subject to a number of risks. Prospective investors should carefully consider the following risks together with all the other information contained in this prospectus prior to making any investment decision regarding the Issuer's shares. The following risks, alone or together with additional risks and uncertainties not currently known to us, or that we might currently deem immaterial, could materially adversely affect our business, financial condition and results of operations. The market price of the Issuer's shares could decline if any or all of these risks were to materialize, in which case prospective investors could lose all or part of their investment. The order in which the following risks are presented is not an indication of the likelihood of these risks actually materializing, or their likely significance or degree, or the scope of any potential harm to our business, financial condition, or results of operations that might result.
D.1	**Key risks specific to the issuer and its industry.**	**Key Risks Related to Our Business, Operations and Financial Position** • We have a limited operating history and operate based on a new business model, making it difficult to evaluate our future prospects and the risks and challenges we may encounter. • We have incurred significant operating losses since inception and there is no guarantee that we will be able to successfully grow and operate our business and achieve or sustain profitability in the future. • We may require additional capital to support business growth, and this capital might not be available on acceptable terms, or at all. • The growth of our business depends on several external factors, some of which are beyond our control, and there is no guarantee that we can

maintain our historical growth rates in existing markets or that we can successfully extend our operations to other markets.

- Future growth potentially poses various risks and challenges to our business and corporate structure and we may not be able to manage future growth efficiently.
- Any deterioration of economic conditions and the resulting effect on customer spending may harm our business and results of operations.
- Our historical operating results have been affected by seasonal fluctuations, and if our growth rate moderates or seasonal patterns become more pronounced, seasonal effects could have a material impact on our results.
- We face competition from traditional offline grocery retailers, online and offline grocery delivery service providers, other companies that address the food at home market, and potential new market entrants. In that context, also the takeover of Whole Foods by Amazon and the resulting combined expertise of e-commerce and food may pose a competitive threat to us. Also, we cannot rule out that Rocket Internet SE or some of the companies in which it holds participations may start competing against us in the future.
- We depend on our reputation and our brand and any failure to maintain, protect and enhance our reputation and brand may harm our ability to retain or expand our base of Active Customers.
- We may not be able to retain existing customers or attract new customers, in particular, if we are unable to maintain or increase demand for our meal kits or adapt our services effectively to changes in customer behavior or customer preferences.
- In order to attract new and to retain existing customers, it is important that our brands show up prominently in internet search results. Changes to internet search engines' algorithms or terms of service could cause our websites to appear less prominently in search results.
- We rely on email and other messaging services in our marketing efforts targeted at customers and daily operations, and restrictions on sending emails or messages, or delays in their delivery, could adversely affect our business.
- Dissatisfaction with our customer service could prevent us from retaining Active Customers.
- We may be the subject of anti-competitive behavior, harassment or other detrimental conduct by third parties, including malicious assessments of our business published via the Internet or media campaigns, which could harm our performance and reputation.
- There may be a decrease in demand for our meal kits and we may have to recall contaminated meal kits in the event of foodborne illness, pandemics and other health related concerns associated with food products. Our reputation could be negatively affected by any such event.
- There may be a decrease in demand for our meal kits if we fail to adequately address the environmental and social concerns of our customers.
- We rely on third parties for the supply of our ingredients. The termination of the relationships with such suppliers or any failure by such suppliers to provide products that meet our specifications or

comply with regulatory requirements could have material adverse effects on our business and our reputation.

- Changes in food costs and availability could materially adversely affect our business.
- Perishable products make up a significant portion of our meal kits and ordering errors or product supply disruptions in our just-in-time delivery concept could lead to us being unable to deliver our food boxes on time and losing Active Customers. Any mispackaging of our meal kits or mislabeling of ingredients could lead to claims from customers against us, which could also harm our reputation and business.
- We may fail to recoup the investments made into our fulfilment centers and future planned investments into automation of those facilities.
- We depend on third-party service providers for the delivery of our meal kits to our customers. Any inability or refusal of such providers to deliver our products in a safe and timely manner or any changes in their shipping terms and costs or service quality could harm our reputation and/or have a material adverse effect on our business, financial condition and results of operations.
- Any software malfunction or disruption of our IT systems could adversely affect our business operations.
- We may face online security breaches and service disruptions due to hacking, viruses, fraud and malicious attacks, which may materially and adversely affect our business and reputation.
- We depend on the continued input of our founders and other key personnel. The inability to attract new, retain or replace key management or other key employees could harm our business and future prospects.
- If we are unable to accurately assess our operating performance through certain key performance indicators, our ability to determine and implement appropriate business strategies may be impaired.
- We may not be able to establish or maintain an efficient system of internal controls over financial reporting, and our internal reporting and/or risk management procedures may not be adequate to meet the needs of our growing business.

Key Regulatory and Legal Risks

- Food safety and food-borne illness incidents or product mislabeling may materially adversely affect our business by exposing us to product liability claims, product recalls or regulatory enforcement actions, increasing our operating costs, harming our reputation and business and reducing demand for our product offerings.
- We are subject to a complex legal framework governing the food industry. Our compliance with these provisions, as they currently exist or as modified in the future, is not guaranteed and may increase our costs, limit or eliminate our ability to sell certain products, raise regulatory enforcement risks or otherwise adversely affect our business.
- Any failure to adhere to the numerous and sometimes conflicting registration, licensing and reporting requirements that govern our U.S. facilities and operations could materially adversely affect our business, financial condition and results of operations.

- Even inadvertent, non-negligent or unknowing violations of United States federal, state, or local regulatory requirements could expose us to adverse governmental action and materially adversely affect our business, financial condition and results of operations.
- If we or our partners do not comply with the specialized regulations and laws that regulate the alcoholic beverage industry in the United States, our business could be materially adversely affected.
- Government regulation of the internet and e-commerce is evolving and may change in a manner that is unfavorable to our business, and we may fail to comply with applicable regulations due to the complexity of the regulatory field.
- As we continue to expand our business globally, we may face compliance requirements from numerous, complex and sometimes conflicting legal and regulatory regimes.
- We may be unable to acquire, use or maintain domain names for our websites in our targeted markets.
- We use standardized contracts and terms and conditions, which increases the risk if any clause is held to be void.
- Our business is subject to the general tax environment in the jurisdictions in which we are conducting our business and possible future changes may adversely affect our operations. We may be required to pay additional taxes, accrued interest and penalties following tax audits of the Group.

D.3 Key risks specific to the securities.

Key Risks Related to the Issuer's Shareholder Structure, the Shares and the Offering.

- Following the Offering, the Issuer's existing shareholders will retain a significant interest in the Issuer and their interests may conflict with those of the Issuer's other shareholders.
- The shares in the Issuer have not previously been publicly traded, and there is no guarantee that an active and liquid market for the shares will develop.
- As a result of the planned listing on the regulated market and the sub-segment of the regulated market with additional post-admission obligations of the Frankfurt Stock Exchange, the Issuer will face additional administrative requirements, including the obligation to issue half-year interim financial statements.
- The share price could fluctuate significantly, and investors could lose all or part of their investment.
- Future offerings of debt or equity securities by the Issuer could adversely affect the market price of the shares, and future capitalization measures could substantially dilute the interests of the Issuer's existing shareholders.
- Future sales by the Issuer's existing shareholders or investors acquiring shares in the Offering could depress the price of the shares.

E – Offer

E.1	**The total net proceeds.**	The Issuer will receive the proceeds from the sale of the New Shares in the Offering and, if and to the extent the Greenshoe Option (as defined below under E.3) is exercised, from the exercise of the Greenshoe Option, in each case after deduction of fees and commissions. Assuming a placement of all New Shares (i.e., 27,000,000 shares) and no exercise of the Greenshoe Option (as defined below under E.3), the Issuer estimates that at the low end, mid-point and high end of the price range (the "**Price Range**") set for the Offering of the Offer Shares, gross proceeds to the Issuer would amount to approximately EUR 243.0 million, EUR 276.8 million and EUR 310.5 million, respectively, and net proceeds of approximately EUR 234.0 million, EUR 266.9 million and EUR 299.7 million, respectively. Assuming a placement of all New Shares (i.e., 27,000,000 shares) and full exercise of the Greenshoe Option (as defined below under E.3) (i.e., 4,050,000 shares), the Issuer estimates that at the low end, mid-point and high end of the Price Range, gross proceeds to the Issuer would amount to approximately EUR 279.5 million, EUR 318.3 million and EUR 357.1 million, respectively, and net proceeds of approximately EUR 269.5 million, EUR 307.2 million and EUR 345.0 million, respectively.
	Estimate of the total expenses of the offering and listing, including estimated expenses charged to the investor by the issuer.	The costs of the Issuer related to the Offering of the Offer Shares and listing of the Issuer's entire share capital (including the listing of shares issued under the Greenshoe Option (as defined below in E.3), if any) are expected to total approximately EUR 11.0 million at the mid-point of the Price Range assuming full exercise of the Greenshoe Option (as defined below in E.3) and including underwriting and placement commissions payable to the Underwriters and will be borne by the Issuer. Assuming a price of the Issuer's shares in the Offering (the "**Offer Price**") at the low end, mid-point and high end of the Price Range and that the maximum number of Offer Shares is placed (i.e., the Greenshoe Option has been fully exercised) and assuming further payment in full of the discretionary fee of up to EUR 3.6 million, EUR 4.1 million and EUR 4.6 million, at the low end, mid-point and high end of the Price Range, respectively, the commission payable to the Underwriters by the Issuer will amount to EUR 7.7 million, EUR 8.8 million and EUR 9.8 million, respectively. Based on the assumptions described in the preceding paragraph, the total expenses of the Offering and listing to be borne by the Issuer are expected to amount to EUR 10.0 million, EUR 11.0 million and EUR 12.1 million, respectively, resulting in net proceeds from the Offering of EUR 269.5 million, EUR 307.2 million and EUR 345.0 million, respectively. Investors will not be charged expenses by the Issuer or the Underwriters. Investors will have to bear customary transaction and handling fees charged by their brokers or other financial institutions through which they hold their securities.
E.2a	**Reasons for the offering.**	The Issuer intends to list its shares on the regulated market segment (*regulierter Markt*) of the Frankfurt Stock Exchange with simultaneous admission to the sub-segment of the regulated market with additional post-admission obligations (Prime Standard) to achieve better access to the capital markets. The Issuer also intends to pursue the Offering to receive the proceeds from the placement of the New Shares.

	Use of proceeds, estimated net amount of the proceeds.	The Issuer intends to use about EUR 50 million to EUR 100 million of the proceeds of the Offering to fund its continued investment into the growth of its business. In addition, the Issuer intends to invest up to about EUR 60 million of the net proceeds of the Offering into property, plant and equipment, primarily automation equipment. If the gross proceeds from the Offering to the Issuer amount to at least EUR 150 million, the Issuer also intends to use a portion of the net proceeds from the Offering of EUR 27 million to EUR 28 million (including accrued interest) to repay the amount dispersed under a shareholder loan with Rocket Internet SE, one of the major shareholders of the Issuer. The Issuer intends to use the remainder of the proceeds of the Offering to create strategic flexibility for new business lines and potential add-on M&A activities as well as for general corporate purposes. Assuming that the maximum number of New Shares (27,000,000 shares) is placed and full exercise of the Greenshoe Option (as defined below in E.3), the Issuer estimates that at the low end, mid-point and high end of the Price Range set for the Offering of the Offer Shares, gross proceeds to the Issuer would amount to approximately EUR 279.5 million, EUR 318.3 million and EUR 357.1 million, respectively, and net proceeds of approximately EUR 269.5 million, EUR 307.2 million and EUR 345.0 million, respectively.
E.3	**Offer conditions.**	This Offering relates to: • 27,000,000 New Shares; and • 4,050,000 Over-Allotment Shares. The Offering consists of initial public offerings in Germany and Luxembourg and private placements in certain jurisdictions outside Germany and Luxembourg. In the United States, the Offer Shares will be offered and sold only to qualified institutional buyers as defined in, and in reliance on, Rule 144A under the United States Securities Act of 1933, as amended (the "**Securities Act**") or pursuant to another available exemption from, or in transactions not subject to, the registration requirements of the Securities Act. Outside the United States, the Issuer's shares will be offered and sold only in offshore transactions in compliance with Regulation S under the Securities Act.
	Offer Period.	The period during which investors may submit purchase orders for the Offer Shares is expected to begin on October 24, 2017, and is expected to end on November 1, 2017 (the "**Offer Period**"). On the last day of the Offer Period, offers to purchase may be submitted (i) until 12:00 noon (Central European Summer Time) ("**CEST**") by private investors and (ii) until 14:00 (CEST) by institutional investors. Purchase orders must be denominated in full euro amounts or euro cent figures of 25, 50, or 75 cents. Multiple purchase orders are permitted.
	Price Range.	The Price Range set for the Offering within which purchase orders may be placed is EUR 9.00 to EUR 11.50 per Offer Share.
	Offer Price.	The Offer Price and the final number of Offer Shares to be placed in the Offering have not yet been fixed as of the date of this prospectus and will be set jointly by the Issuer and the Joint Bookrunners on November 1, 2017 on the basis of the purchase orders submitted by investors that have been collated in the order book prepared during a book building process. The Offer Price and the final number of Offer Shares placed in the Offering (i.e., the results of the Offering) are expected to be published on or about November 1, 2017 by means of an ad-hoc release through an electronic information dissemination system and on the Issuer's website.

Should the placement volume prove insufficient to satisfy all orders placed at the Offer Price, the Underwriters reserve the right to reject orders, or to accept them in part only.

Delivery and Payment. The delivery of the Offer Shares against payment of the Offer Price is expected to take place on November 6, 2017. The Offer Shares will be made available to the shareholders as co-ownership interests in the global share certificates representing the Issuer's shares.

Stabilization Measures, Over-Allotment and Greenshoe Option. In connection with the placement of the Offer Shares, Berenberg, acting for the account of the Underwriters, will act as the stabilization manager (the "**Stabilization Manager**") and may, as Stabilization Manager, and acting in accordance with legal requirements (Article 5 para. 4 and 5 of the Market Abuse Regulation (EU) No 596/2014 in conjunction with Articles 5 through 8 of the Commission Delegated Regulation (EU) 2016/1052), make over-allotments and take stabilization measures to support the market price of the Issuer's shares and thereby counteract any selling pressure.

The Stabilization Manager is under no obligation to take any stabilization measures. Therefore, stabilization may not necessarily occur and may cease at any time. Such measures may be taken on the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*) from the date when trading in the shares of the Issuer is commenced on the regulated market segment (*regulierter Markt*) of the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*) and must be terminated no later than 30 calendar days after this date (the "**Stabilization Period**"). Stabilization transactions aim at supporting the market price of the Issuer's shares during the Stabilization Period. These measures may result in the market price of the Issuer's shares being higher than would otherwise have been the case. Moreover, the market price may temporarily be at an unsustainable level.

Under the possible stabilization measures, investors may, in addition to the New Shares, be allocated up to 4,050,000 Over-Allotment Shares as part of the allocation of the Offer Shares ("**Over-Allotment**"). For the purpose of such a potential Over-Allotment, the Stabilization Manager, for the account of the Underwriters, will be provided with 4,050,000 existing shares from the holdings of the Lending Shareholder in the form of a securities loan. The total number of Over-Allotment Shares will not exceed 15% of the sum of the final number of placed New Shares. In connection with the Over-Allotment, the Issuer will grant the Underwriters an option to acquire up to 4,050,000 additional Issuer's shares at the Offer Price less agreed commissions (the "**Greenshoe Option**"), which would be issued by the Issuer from a capital increase, utilizing the authorized capital resolved by an extraordinary shareholders' meeting on October 11, 2017 (Authorized Capital 2017/I), for the sole purpose of enabling the Stabilization Manager to perform its redelivery obligation under the securities loan with the Lending Shareholder. The Greenshoe Option may be exercised only during the Stabilization Period.

The Stabilization Manager, for the account of the Underwriters, is entitled to exercise the Greenshoe Option to the extent Over-Allotments were initially made; the number of shares is to be reduced by the number of shares held by the Stabilization Manager as of the date on which the Greenshoe Option is exercised and that were acquired by the Stabilization Manager in the context of stabilization measures.

Within one week of the end of the Stabilization Period, the Stabilization Manager will ensure adequate public disclosure as to whether stabilization was undertaken, the date on which stabilization started and last occurred, and the Price Range within which stabilization was carried out, for each of the dates during which stabilization transactions were carried out and the

		trading venue(s) on which the stabilization transactions were carried out, where applicable. Exercise of the Greenshoe Option will be disclosed to the public promptly, together with all appropriate details, including in particular the date of exercise of the Greenshoe Option and the number and nature of securities involved in accordance with Article 8 of the Commission Delegated Regulation (EU) 2016/1052.
E.4	**Interests material to the issue/offer including conflicting interests.**	In connection with the Offering and the admission to trading of the Issuer's shares, the Underwriters have formed a contractual relationship with the Issuer. The Underwriters act for the Issuer on the Offering and coordinate the structuring and execution of the Offering. Upon successful implementation of the Offering, the Underwriters will receive a commission. As a result of these contractual relationships, the Underwriters have a financial interest in the success of the Offering. Furthermore, in connection with the Offering, each of the Underwriters and any of their respective affiliates, acting as an investor for their own account, may acquire shares in the Offering and in that capacity may retain, purchase or sell for its own account such shares or related investments and may offer or sell such shares or other investments otherwise than in connection with the Offering. In addition, certain of the Underwriters or their affiliates may enter into financing arrangements (including swaps or contracts for differences) with investors in connection with which Underwriters (or their affiliates) may from time to time acquire, hold or dispose of shares in the Issuer. The Issuer will receive the proceeds from the sale of the New Shares and, if and to the extent the Greenshoe Option is exercised, from the exercise of the Greenshoe Option (after deduction of fees and commissions) and will gain access to the equity capital markets. Some of the Underwriters or their affiliates have, and may from time to time in the future continue to have, business relations with our Group or may perform services for our Group in the ordinary course of business. For example, Deutsche Bank, an affiliate of J.P. Morgan, an affiliate of BNP PARIBAS and Rabobank, each as an original lender, entered into a EUR 60 million term loan and revolving credit facility agreement with, among others, the Issuer, consisting of a EUR 30 million term loan credit facility and a EUR 30 million revolving credit facility. Rocket Internet SE, one of our major shareholders, is a lender under a shareholder loan. If the gross proceeds from the Offering to the Issuer amount to at least EUR 150 million, the Issuer intends to use a part of the net proceeds from the Offering of EUR 27 million to EUR 28 million to repay the outstanding loan amount (including accrued interest) under the shareholder loan. Among other equity-linked instruments, Dominik Richter's investment vehicle, Thomas Griesel's investment vehicle and Christian Gärtner hold a total of 8,112,528 call options in the Issuer. Of Dominik Richter's investment vehicle's 3,565,696 call options, 2,402,288 call options have an exercise price of EUR 1.00 and 1,163,408 call options have an exercise price of EUR 1.15 and all of the 3,565,696 call options will vest in the event of an IPO of the Issuer's shares 24 months after such IPO. Of Thomas Griesel's investment vehicle's 4,048,432 call options, 2,885,024 call options have an exercise price of EUR 1.00 and 1,163,408 call options have an exercise price of EUR 1.15 and 3,283,744 of the call options (2,120,336 call options with an exercise price of EUR 1.00 and 1,163,408 call options with an exercise price of EUR 1.15) will vest in the event of an IPO of the Issuer's shares 24 months after such IPO. Of Christian Gärtner's 498,400 call options, 356,000 call options have an exercise price of EUR 10.42 and

142,400 have an exercise price of at least EUR 27.08. If an IPO takes place before the second half of 2018, a total of 166,129 of Christian Gärtner's call options (118,667 call options with an exercise price of EUR 10.42 and 47,462 call options with an exercise price of EUR 27.08) will vest in the second half of 2019. In addition 250 thousand virtual stock options under the Issuer's virtual stock option program, which were granted to Dominik Richter, will vest in the event of an IPO of the Issuer's shares. As the IPO has an impact on the vesting of the instruments mentioned above, the persons mentioned above may have an interest in executing the IPO.

With respect to 156,250 virtual stock options granted to Dominik Richter, executing an IPO of the Issuer on or before December 31, 2017 is one of four performance targets. Accordingly, Dominik Richter may have an interest in executing an IPO of the Issuer in 2017.

E.5 Name of the person or entity offering to sell the security.

The Offer Shares are being offered for sale by the Underwriters.

Lock-up agreement: the parties involved; and indication of the period of the lock-up.

In the underwriting agreement, dated October 23, 2017, among the Issuer, the Lending Shareholder and the Underwriters, the Issuer agreed with each Underwriter that, during the period commencing on October 23, 2017 and ending 180 days after the first day of trading of the Issuer's shares on the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*) (currently expected to take place on November 2, 2017), to the extent legally permissible, without the prior written consent of the Joint Global Coordinators, which may not be unreasonably withheld or delayed, the Issuer will not, and will not agree to

- announce or effect an increase of the share capital of the Issuer from authorized capital;
- propose to its general meeting an increase of the share capital; or
- announce, effect or propose the issue of securities with conversion or option rights on shares of the Issuer or economically similar transactions.

The Issuer may, however, (i) issue or sell any shares or other securities under management participation plans to current and former employees, supporters, current and former members of executive bodies, service providers and business partners of the Issuer or its subsidiaries or their respective investment vehicles and (ii) pursue any corporate actions undertaken by the Issuer for the purposes of entering into any agreement regarding or resolution upon, the entering into any joint venture or the acquisition of any companies, provided that the parties to the joint venture or acquiring entity to which such shares will be issued agree towards the Joint Global Coordinators to be bound by the same lock up undertaking as the existing shareholders. (i) and (ii) do not apply to the IPO Capital Increase and the issuance of shares under the Greenshoe Option, if any.

For the period commencing on October 23, 2017 until the date which, with regard to the existing shareholders and certain option holders, falls 180 days and with regard to the members of the Issuer's management board, falls twelve months after the first day of trading of the Issuer's shares on the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*) (currently expected to take place on November 2, 2017), the existing shareholders, certain option holders and the members of the Issuer's management board undertook in writing that they will not, without the prior written consent of the Joint Global Coordinators,

- offer, pledge, allot, distribute, sell, contract to sell, sell any option or contract to purchase, purchase any option to sell, grant any option,

right or warrant to purchase, transfer or otherwise dispose of, directly or indirectly (including, but not limited to, the issuance or sale of any securities exchangeable into shares of the Issuer), any shares of the Issuer;

- cause or approve, directly or indirectly, the announcement, execution or implementation of any increase in the share capital of the Issuer or a direct or indirect placement of shares of the Issuer;
- propose, directly or indirectly, any increase in the share capital of the Issuer to any meeting of the shareholders for resolution, or vote in favor of such a proposed increase;
- cause or approve, directly or indirectly, the announcement, execution or proposal of any issuance of financial instruments constituting options or warrants convertible into shares of the Issuer; or
- enter into or perform any transaction economically equivalent to those described in the first bullet above, in particular, the issue of options or conversion rights on shares of the Issuer;

This undertaking shall not restrict (i) any transfer of shares or securities to affiliates of the existing shareholders or to any other existing shareholders that held shares of the Issuer immediately prior to the IPO, (ii) future pledges granted to one or more of the Joint Global Coordinators or their affiliates having been agreed by the Joint Global Coordinators and (iii) any transfers of shares of the Issuer to one or more of the Joint Global Coordinators or their affiliates pursuant to enforcement of any pledge entered into in accordance with (ii), provided that the recipient of such transfer assumes, by written confirmation to the Joint Global Coordinators, the obligations of the existing shareholder hereunder for the then remaining term of this undertaking. In addition, after the end of the Stabilization Period certain current and former managers and senior officers and supporters may sell shares who (i) incurred tax liabilities due to the corporate restructurings in 2015 or (ii) who will incur tax liabilities within the lock-up period due to the corporate restructurings in 2015 or due to an exercise of their respective call options or due to the IPO itself in order to make due payments on any such tax claims, but with regard to (i) and (ii) only insofar, as the sale of the shares is necessary to pay the incurred tax liability. Further, one existing shareholder holding 42,720 shares may sell his shares after the end of the Stabilization Period.

E.6 Amount and percentage of immediate dilution resulting from the offering.

According to the condensed consolidated interim statement of financial position, as of June 30, 2017, the net asset value of the Issuer amounted to EUR 56.4 million. The net asset value as of June 30, 2017 corresponds to total assets of EUR 204.2 million less total non-current liabilities of EUR 65.6 million and total current liabilities of EUR 82.4 million plus non-controlling interests of EUR 0.1 million. The net asset value per share (equity attributable to the Company's shareholders per share), which corresponds to the net asset value divided by the number of outstanding Issuer's shares immediately prior to the Offering, would amount to EUR 0.43 per Issuer's share based on 132,436,643 outstanding Issuer's shares immediately prior to the Offering.

The dilutive effect of the Offering is illustrated in the table below demonstrating the amount by which the Offer Price at the mid-point of the Price Range exceeds the net asset value per share attributable to shareholders after completion of the Offering assuming the below-described steps of the Offering had taken place on June 30, 2017. In this respect, the net book value attributable to shareholders as of June 30, 2017 is adjusted for the effects of the Offering, assuming (i) the execution of the IPO Capital Increase in the maximum number of offered New Shares and

exercise of the Greenshoe Option in full and (ii) an increase in the net book value attributable to shareholders at the mid-point of the Price Range by EUR 307.2 million. The assumed increase is based on the expected net proceeds not considering any tax effects. The adjusted net book value attributable to shareholders is expressed as a per share figure, assuming 163,486,643 outstanding shares of the Issuer upon completion of the Offering (this per share figure being referred to as the "**Post-IPO Equity attributable to Shareholders per Share**").

	As of June 30, 2017
Offer Price per share (in EUR; based on the mid-point of the Price Range)	10.25
Total gross proceeds to the Issuer at the mid-point of the Price Range, assuming placement of all New Shares and exercise of the Greenshoe Option in full (in EUR million)	318.3
Estimated total costs of the Offering to be borne by the Issuer (including underwriting and placement commissions payable to the Underwriters and assuming further payment in full of the discretionary fee) at the mid-point of the Price Range, assuming placement of all New Shares and exercise of the Greenshoe Option in full (in EUR million)	11.0
Total net proceeds to the Issuer at the mid-point of the Price Range, assuming placement of all New Shares and exercise of the Greenshoe Option in full (in EUR million)	307.2
Post-IPO Equity attributable to Shareholders per Share (in EUR)	2.22
Amount by which the Offer Price per share exceeds the Post-IPO Equity attributable to Shareholders per Share (immediate dilution to the new shareholders of the Issuer per share) (in EUR)	8.03
Percentage by which the Offer Price per share exceeds the Post-IPO Equity attributable to Shareholders per Share (in %)	360.84
Equity attributable to shareholders per share as of June 30, 2017 (assuming 132,436,643 outstanding shares of the Issuer immediately prior to the Offering) (in EUR)	0.43
Amount by which the Post-IPO Equity attributable to shareholders per share exceeds the net book value per share immediately prior to the Offering (immediate accretion to the existing shareholders of the Issuer per share) (in EUR)	1.80
Percentage by which the Post-IPO Equity attributable to shareholders per share exceeds the net book value per share immediately prior to the Offering (in %)	422.28

Each of the New Shares and any shares issued under the Greenshoe Option will have the same voting rights as the Issuer's existing shares.

Upon completion of the Offering (assuming exercise of the Greenshoe Option in full), the aggregate voting rights held by the Issuer's existing shareholders (including the Lending Shareholder) would amount to 81.01% of the voting rights related to the outstanding shares.

E.7	**Estimated expenses charged to the investor by the issuer.**	Not applicable. Investors will not be charged expenses by the Issuer or the Underwriters.

II. ZUSAMMENFASSUNG DES PROSPEKTS

*Zusammenfassungen bestehen aus geforderten Angaben, die als Punkte („**Punkte**") bezeichnet sind. Diese Punkte sind in den Abschnitten A – E (A.1 – E.7) fortlaufend nummeriert. Diese Zusammenfassung enthält alle Punkte, die für die vorliegende Art von Wertpapier und Emittent in eine Zusammenfassung aufzunehmen sind. Da einige Punkte nicht behandelt werden müssen, können in der Nummerierungsreihenfolge Lücken auftreten. Selbst wenn ein Punkt wegen der Art des Wertpapiers und des Emittenten in die Zusammenfassung aufgenommen werden muss, ist es möglich, dass in Bezug auf diesen Punkt keine relevanten Informationen gegeben werden können. In solchen Fällen enthält die Zusammenfassung eine kurze Beschreibung des Punkts mit dem Hinweis „Entfällt".*

A – Einleitung und Warnhinweise

A.1	**Warnhinweise.**	Diese Zusammenfassung sollte als Einleitung zu diesem Prospekt verstanden werden. Der Anleger sollte jede Entscheidung zur Anlage in die Wertpapiere auf die Prüfung des gesamten Prospekts stützen. Für den Fall, dass vor einem Gericht Ansprüche auf Grund der in diesem Prospekt enthaltenen Informationen geltend gemacht werden, könnte der als Kläger auftretende Anleger in Anwendung der einzelstaatlichen Rechtsvorschriften der Mitgliedstaaten des Europäischen Wirtschaftsraums die Kosten für die Übersetzung des Prospekts vor Prozessbeginn zu tragen haben. Die HelloFresh SE, Berlin, Deutschland (die „**Emittentin**" und gemeinsam mit ihren voll konsolidierten Tochtergesellschaften, der „**Konzern**", „**HelloFresh**" oder „**wir**", „**uns**", „**unsere**") zusammen mit der Deutschen Bank AG, Frankfurt am Main, Deutschland („**Deutsche Bank**"), J.P. Morgan Securities plc, London, Vereinigtes Königreich („**J.P. Morgan**"), Morgan Stanley & Co. International plc, London, Vereinigtes Königreich („**Morgan Stanley**"), Joh. Berenberg, Gossler & Co. KG, Hamburg, Deutschland („**Berenberg**") und BNP Paribas, Paris, Frankreich („**BNP PARIBAS**", und zusammen mit Deutsche Bank, J.P. Morgan, Morgan Stanley und Berenberg, die „**Joint Global Coordinators**" oder die „**Joint Bookrunners**") und Coöperatieve Rabobank U.A., Utrecht, Niederlande („**Rabobank**" oder der „**Co-Lead Manager**", zusammen mit den Joint Bookrunners die „**Konsortialbanken**"), haben nach § 5 Abs. 2b Nr. 4 des Wertpapierprospektgesetzes die Verantwortung für den Inhalt dieser Zusammenfassung und ihrer deutschen Übersetzung übernommen. Diejenigen Personen, die die Verantwortung für die Zusammenfassung einschließlich etwaiger Übersetzungen hiervon übernommen haben oder von denen der Erlass ausgeht, können haftbar gemacht werden, jedoch nur für den Fall, dass diese Zusammenfassung irreführend, unrichtig oder widersprüchlich ist, wenn sie zusammen mit den anderen Teilen dieses Prospekts gelesen wird, oder sie, wenn sie zusammen mit den anderen Teilen dieses Prospekts gelesen wird, nicht alle erforderlichen Schlüsselinformationen vermittelt.
A.2	**Angabe über spätere Verwendung des Prospekts.**	Entfällt. Eine Zustimmung der Emittentin zur Verwendung dieses Prospekts für eine spätere Weiterveräußerung oder endgültige Platzierung der Aktien der Emittentin durch Finanzintermediäre wurde nicht erteilt.

B – Emittentin

B.1	**Juristische und kommerzielle Bezeichnung.**	Die juristische Bezeichnung der Emittentin ist „HelloFresh SE". Die Emittentin ist die Holding-Gesellschaft des Konzerns; der Konzern betreibt seine Geschäfte hauptsächlich unter der kommerziellen Bezeichnung „HelloFresh".

B.2	**Sitz und Rechtsform der Emittentin, anwendbares Recht, Land der Gründung.**	Die Emittentin hat ihren satzungsmäßigen Sitz in der Saarbrücker Straße 37a, 10405 Berlin, Deutschland, und ist im Handelsregister des Amtsgerichts Charlottenburg, Deutschland, unter HRB 182382 B eingetragen. Die Emittentin ist eine Europäische Gesellschaft (*Societas Europaea oder SE*), die in Deutschland gegründet wurde und europäischem und deutschem Recht unterliegt.
B.3	**Derzeitige Geschäfts- und Haupttätigkeit sowie Hauptmärkte, auf denen die Emittentin vertreten ist.**	Unter unserer Marke HelloFresh bieten wir rund 1,3 Million Aktiven Kunden[2] (in dem zum 30. Juni 2017 endenden Dreimonatszeitraum) in neun Ländern frische, gesunde und nach persönlichen Wünschen zusammengestellte Mahlzeitenlösungen an. Wir möchten den Haushalten in den Regionen, in denen wir tätig sind, die Möglichkeit bieten, frische, köstliche, hausgemachte Mahlzeiten ohne Planung, ohne Einkaufen und ohne Stress genießen zu können. Unsere wichtigste Produktlinie, unsere Mahlzeitensets, werden direkt zu einer beliebigen Uhrzeit zu unseren Kunden an die Haustür geliefert und enthalten fast alles, was zur Zubereitung von inspirierenden Mahlzeiten aus überwiegend regional bezogenen Zutaten erforderlich ist. Angetrieben durch die Organisation unserer Zulieferkette sowie effizienten Abwicklungsprozessen und unterstützt durch unsere innovative Technologie, nutzerfreundlichen Internetseiten und Applikationen, ist unserer Unternehmen von 76,6 Tausend Aktiven Kunden in dem zum 30. Juni 2014 endenden Dreimonatszeitraum und 0,5 Mio. Bestellungen in dem zum 30. Juni 2014 endenden Sechsmonatszeitraum auf 1,3 Mio. Aktive Kunden in dem zum 30. Juni 2017 endenden Dreimonatszeitraum und 8,9 Mio. Bestellungen in dem zum 30. Juni 2017 endenden Sechsmonatszeitraum schnell gewachsen. Wir haben unsere Geschäftstätigkeit im Jahr 2012 aufgenommen und sind derzeit in zehn Ländern auf drei Kontinenten vertreten: den Vereinigten Staaten von Amerika (die „**Vereinigten Staaten**", „**USA**" oder „**U.S.**"), dem Vereinigten Königreich, den Niederlanden, Belgien, dem Australischen Commonwealth („**Australien**"), der Bundesrepublik Deutschland („**Deutschland**"), Österreich, Kanada, der Schweiz und, seit September 2017, dem Großherzogtum Luxemburg („**Luxemburg**"). Wir haben zur Entwicklung eines neuen Geschäftsmodells in der Lebensmittelindustrie beigetragen, auf die der größte Anteil der Konsumausgaben entfällt, und profitieren von Erstanbietervorteilen in vielen unserer Märkte. Wir betrachten uns zuallererst als ein auf den Kunden ausgerichtetes Lebensmittelunternehmen, das die gesamte Beziehung zum Endkunden kontrolliert. Unsere Geschäftstätigkeiten, von der Online-Kundenerfahrung bis hin zur Rezeptkreation, Zutatenbeschaffung, Produktion und Logistik, drehen sich um die Bedürfnisse und Vorlieben unserer Aktiven Kunden. Große Teile unserer Lösungen sind von unserem genauen Verständnis der Bedürfnisse der Kunden geprägt, das auf Einsichten aus Millionen von Daten und Verbraucherforen basiert. Diese Ausrichtung auf unsere Kunden hat es uns ermöglicht, zum einzigen international bedeutsamen Akteur mit führenden Positionen in sieben Märkten zu werden. In den Vereinigten Staaten, unserem am schnellsten wachsenden Markt, liegen wir auf einem starken zweiten Platz (Quelle: Einschätzung des Managements).

2 Aktive Kunden bezieht sich auf die Anzahl der eindeutig identifizierten Kunden, die in den letzten 3 Monaten, zurückgerechnet vom Ende des jeweiligen Quartals, mindestens eine Box erhalten haben (einschließlich Erst- und Probekunden, Kunden, die eine Gratisbox oder eine Box zu vergünstigten Konditionen erhalten haben und Kunden, die während des relevanten Zeitraums bestellten, ihre Bestellungen und Registrierung bei uns aber vor Periodenende beendeten) („**Aktive Kunden**").

Unser Geschäftsmodell unterscheidet sich von einer Einzelhandels- bzw. Lebensmittelhandelszulieferkette, da es die herkömmliche Lebensmittelzulieferkette neu durchdenkt. Indem beim Kunden angesetzt und nach oben hin mit einem Modell gearbeitet wird, bei dem der Kunde aktiv auf uns und unser Produktangebot zukommt (*pull model*), wird der Bedarf für Vermittler, wie z.B. Vertriebspartner oder Großhändler, eliminiert und Abfälle in unserer Zulieferkette nahezu eliminiert, die für herkömmliche Lebensmittelzulieferketten oft wesentliche Kostenpositionen darstellen. Wir arbeiten eng mit unserem Netzwerk aus über 600 Zulieferern, von denen viele lokale Zulieferer sind, zusammen, um zu gewährleisten, dass wir die Zutaten für unsere Mahlzeitenlösungen bedarfsentsprechend (*just-in-time*) und in den benötigten Mengen beziehen können, wodurch Lebensmittelabfälle vermieden werden. Wir operieren mit einem Inventar an verderblichen Produkten, das fast an Null grenzt, da wir von unseren Zulieferern nur das beziehen, was zum Verkauf an unsere Kunden bestätigt ist. Die Zutaten für unsere Mahlzeitensets werden in unseren gekühlten Lieferzentren verpackt, die wir vor kurzem erweitert haben, um unser erwartetes Wachstum zu unterstützen. Von dort aus liefern wir die Mahlzeitensets mittels isolierter Verpackungsbehältnisse oder, in bestimmten Märkten, mittels gekühlter Lieferfahrzeuge aus, was die Lieferung der Zutaten mit einem hohen Niveau an Frische ermöglicht. Für fast alle unsere Lieferungen fallen für unsere Kunden keine zusätzlichen Lieferkosten an.

Unsere Kerngeschäftsprozesse sind daten- und technologiegetrieben. Unsere individuell angepassten Softwarelösungen erlauben es uns zum Beispiel, wöchentlich wechselnde Menüs in effiziente Zutatenkaufentscheidungen umzuwandeln und Informationen zur Preisgestaltung und Verfügbarkeit in die Menüplanung einzubeziehen. Unsere Technologie erstellt automatisch wöchentliche Pläne sowohl für die Produktion als auch für die Belieferung unserer Kunden innerhalb ihres bevorzugten Lieferzeitfensters und stellt uns Daten zur weiteren Verbesserung unserer Produkte und Prozesse zur Verfügung. Unsere Technologieplattform hilft auch unserem Marketingteam, zahlreiche Berührungspunkte mit unseren Kunden zu verstehen und diejenigen Kunden zu identifizieren, die einen hohen Kundenlebenszeitwert (d.h., der Gewinnbeitrag, der von dem jeweiligen Kunden über die Gesamtdauer der Kundenbeziehung generiert wird) im Vergleich zu den jeweiligen Kundengewinnungskosten aufweisen, und diese zu halten. Im Ergebnis war der Kundenlebenszeitwert nach 36 Monaten im Durchschnitt mehr als dreimal so hoch wie die Kundengewinnungskosten.

Unsere Leistungs- und Finanzkennzahlen spiegeln unser starkes Wachstum und unsere rapide Margensteigerung wider. Angetrieben durch unsere Marketingaktivitäten und eine hohe Anzahl an Weiterempfehlungen von unseren bestehenden Kunden, nahmen die Anzahl der Aktiven Kunden, die Anzahl an Bestellungen und die Umsatzerlöse von 2014 auf 2016 signifikant zu, ein Trend, der sich in dem zum 30. Juni 2017 endenden Sechsmonatszeitraum fortgesetzt hat.

Das Bereinigte EBITDA (wie in B.7 definiert) als Prozentsatz der Umsatzerlöse für unseren Konzern verbesserte sich von minus 17,6% im Jahr 2014 auf minus 13,8% im Jahr 2016, hauptsächlich aufgrund erheblicher Ergebnisverbesserungen in den Vereinigten Staaten, die nun unser größter Markt sind. Die Ergebnisverbesserungen wurden teilweise durch Kostensteigerungen in Verbindung mit Maßnahmen zur Kapazitätserweiterung, der Konzentration auf eine hohe Qualität der Zutaten sowie Initiativen zum Ausbau des Kundenstamms durch Marketingmaßnahmen aufgewogen. In dem zum 30. Juni 2017 endenden Sechsmonatszeitraum verbesserte sich unser Bereinigtes EBITDA (wie in B.7 definiert) gemessen als Prozentsatz der Umsatzerlöse auf minus 10,7%.

Unsere Stärken

Wir glauben, dass die folgenden Stärken unser Wachstum in der Vergangenheit beschleunigt haben und uns in der Zukunft helfen werden, uns von unseren Mitbewerbern abzusetzen:

- Weltweit agierender Pionier in einem dynamischen Segment des Lebensmittelmarktes, welcher den größten Bereich an Konsumausgaben ausmacht
- Lifestyle-Marke, die Kunden lieben und der sie vertrauen
- Bewährte und datenbasierte Produktinnovationsfähigkeiten
- Effiziente Zulieferkette und Logistikorganisation
- Spezialgefertigte Technologieplattform und datengetriebene Unternehmenskultur
- Starkes Finanzierungsmodel, das bedeutsames Wachstum mit attraktiven Stückkosten kombiniert.

Unsere Strategie

Unsere Geschäftsstrategie beinhaltet folgende wesentliche Elemente:

- Ausbau unserer Marktdurchdringung
- Erweiterung der Produktvielfalt und des Querverkaufs (*cross-selling*)
- Tiefgehende Personalisierung und vergrößerte Produktauswahl
- Ausbau unserer geographischen Reichweite
- Verbesserung unserer Finanzkennzahlen durch Größe und operative Verbesserungen

B.4a Wichtigste jüngste Trends, die sich auf die Emittentin und die Branche, in der sie tätig ist, auswirken.

Wir meinen, dass unsere Märkte durch mehrere wesentliche Trends in unserer Branche charakterisiert werden:

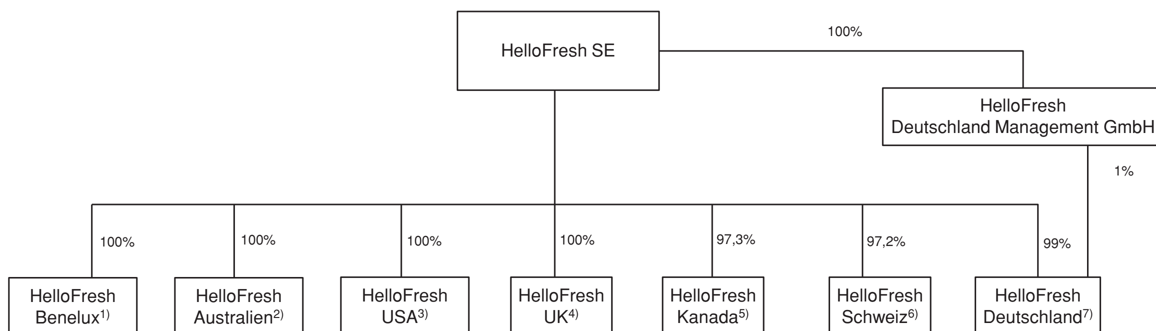
- Ein Anstieg der Nutzung von Onlinediensten und mobilen Diensten, was bedeutet, dass potentielle Kunden vermehrt Onlineplattformen wie unsere Webseiten und Apps für den Einkauf von Lebensmitteln und die Zubereitung von Mahlzeiten benutzen, da der Einkauf von Lebensmitteln bei herkömmlichen stationären Supermärkten und Lebensmittelgeschäften zeitraubend und weniger bequem ist und typischerweise durch eine ineffiziente Zulieferkette der Supermärkte geprägt wird, die zu einem Verlust an Produktfrische, signifikanten Lebensmittelabfällen und höheren Kosten führt;
- Eine Zunahme des Ernährungsbewusstseins, die Kunden dazu bewegt, sich zunehmend von Fast Food abzuwenden und sich gesunden und ausbalancierten Mahlzeiten, vorzugsweise zu Hause zubereitet, zuzuwenden und dabei vermehrt Wert auf die Qualität und Herkunft der Lebensmittelprodukte, die sie einkaufen, zu legen;
- Die wachsende Wertschätzung der Vorteile von Mahlzeitensets, die die sonst für die Planung von Mahlzeiten erforderliche Zeit und Mühe erheblich reduzieren. Wir bewahren unsere Kunden vor dem mühseligen und langwierigen Prozess der Beschaffung aller Zutaten für eine Mahlzeit, des Experimentierens mit verschiedenen Aromen und Küchen sowie des Erlernens der Kunst des Kochens und erweitern dadurch die Auswahl an Mahlzeiten für viele Menschen;

- Ein zunehmender Fokus auf die Vermeidung von Lebensmittelabfällen. Üblicherweise müssen Menschen oftmals, wenn sie Zutaten für ein bestimmtes Rezept einkaufen, viel größere Mengen an Lebensmittel kaufen, als für die Zubereitung der Mahlzeit tatsächlich erforderlich sind, was unwirtschaftlich sein kann und zu Lebensmittelabfällen führt, die eine steigende Anzahl an Menschen verringern möchte.

B.5 Beschreibung des Konzerns und der Stellung der Emittentin innerhalb dieses Konzerns.

Die Emittentin ist die Holding-Gesellschaft des Konzerns. Jede der wesentlichen Tochtergesellschaften der Emittentin ist für die Geschäftstätigkeiten innerhalb eines bestimmten Landes oder mehrerer Länder verantwortlich.

In dem folgenden Schaubild ist eine Übersicht (in vereinfachter Form) der wesentlichen Tochtergesellschaften der Emittentin zum Datum dieses Prospektes dargestellt:



1) HelloFresh Benelux B.V.

2) Grocery Delivery E-Services Australia Pty Ltd.

3) Grocery Delivery E-Services USA Inc.

4) Grocery Delivery E-Services UK Ltd.

5) HelloFresh Canada Inc.

6) HelloFresh Suisse AG.

7) HelloFresh Deutschland SE & Co. KG.

B.6 Personen, die eine (meldepflichtige) direkte oder indirekte Beteiligung am Eigenkapital der Emittentin und den Stimmrechten halten.

Die nachfolgende Tabelle enthält die mittelbaren und unmittelbaren Aktionäre der Emittentin unmittelbar vor dem Angebot (bestehend aus 27.000.000 neu ausgegebenen, auf den Inhaber lautenden Stammaktien ohne Nennbetrag (*Stückaktien*) aus einer Barkapitalerhöhung (die „**IPO Kapitalerhöhung**"), die voraussichtlich am 24. Oktober 2017 durch eine außerordentliche Hauptversammlung der Emittentin beschlossen wird (die „**Neuen Aktien**") und 4.050.000 bestehenden auf den Inhaber lautenden Stammaktien ohne Nennbetrag (*Stückaktien*) aus dem Bestand von Rocket Internet SE (der „**Verleihende Aktionär**") in Zusammenhang mit einer möglichen Mehrzuteilung (die „**Mehrzuteilungsaktien**" und, zusammen mit den Neuen Aktien, die „**Angebotsaktien**") (das „**Angebot**")), die, zum Datum dieses Prospektes, unmittelbar oder mittelbar, eine meldepflichtige Beteiligung am Grundkapital und den Stimmrechten der Emittentin im Sinne der §§ 21 ff. Wertpapierhandelsgesetz halten sowie ihr erwarteter Anteilsbesitz mit dem voraussichtlichen Streubesitz nach Durchführung des Angebots:

Mittelbarer Aktionär	Unmittelbarer Aktionär	Wirtschaftliches (indirektes) Eigentum an der Emittentin in %		
			Bestand unmittelbar nach Durchführung des Angebots	
		unmittelbar vor dem Angebot	(keine Ausübung der Greenshoe-Option)	(vollständige Ausübung der Greenshoe-Option)
Rocket Internet SE	Rocket Internet SE, Berlin, Deutschland Bambino 53. V V UG (haftungsbeschränkt), Berlin, Deutschland [1]	58,71	48,81	47,61
Jeff Horing [2]	HF Del Insight S.à r.l., Luxemburg, Luxemburg; HF Main Insight S.à r.l., Luxemburg, Luxemburg; HF Cay Insight S.à r.l., Luxemburg, Luxemburg [2]	18,66	15,51	15,13
Phenomen Ventures LP [3]	Almonk Investments Ltd, Tortola, Britische Jungferninseln; Ezill Financial Inc., Tortola, Britische Jungferninseln [3]	8,84	7,35	7,17
Vorwerk & Co. KG [4]	Vorwerk Direct Selling Ventures GmbH, Wuppertal, Deutschland	4,43	3,68	3,59
Qatar Investment Authority	Qatar Holding Luxembourg II S.à r.l. Luxemburg, Luxemburg	3,34	2,78	2,71
Sonstige Aktionäre [5]		5,62	4,67	4,56
Eigene Aktien		0,40	0,33	0,32
Streubesitz		–	16,86	18,91
Total		**100,00**	**100,00**	**100,00**

1) Rocket Internet SE hält 52,97% der Aktien an der Emittentin unmittelbar vor dem Angebot. Bambino 53. V V UG (haftungsbeschränkt) hält 5,74% der Aktien an der Emittentin unmittelbar vor dem Angebot. Bambino 53. V V UG (haftungsbeschränkt) hält 0,12% der Aktien an der Emittentin als Treuhänder für die Emittentin und 5,54% der Aktien an der Emittentin als Treuhänder, für die Investitionsvehikel von Dominik Richter und Thomas Griesel, die beide Mitglieder des Vorstands der Emittentin sind, sowie für bestimmte derzeitige und ehemalige lokale Manager, Angestellte und Unterstützer der operativen Einheiten (oder ihre Investitionsvehikel). Von den durch Bambino 53. V V UG (haftungsbeschränkt) gehaltenen Aktien, werden 3.307.547 Aktien dem Investitionsvehikel von Dominik Richter und 2.399.034 dem Investitionsvehikel von Thomas Griesel zugerechnet. Zusätzlich halten die Investitionsvehikel von Dominik Richter, Thomas Griesel und Christian Gärtner, der auch ein Mitglied des Vorstands der Emittentin ist, neben anderen eigenkapitalgebundenen Instrumenten, insgesamt 8.112.528 Call-Optionen an der Emittentin. Von den 3.565.696 Call-Optionen des Investitionsvehikels von Dominik Richter, haben 2.402.288 Call-Optionen einen Ausübungspreis von EUR 1,00 und 1.163.408 Call-Optionen haben einen Ausübungspreis von EUR 1,15 und sämtliche 3.565.696 Call-Optionen wachsen im Fall eines IPO der Aktien der Emittentin 24 Monate nach einem solchen IPO an (*vesting*). Von den 4.048.432 Call-Optionen des Investitionsvehikels von Thomas Griesel, haben 2.885.024 Call-Optionen einen Ausübungspreis von EUR 1,00 und 1.163.408 Call-Optionen haben einen Ausübungspreis von EUR 1,15 und 3.283.744 der Call-Optionen (2.120.336 Call-Optionen mit einem Ausübungspreis von EUR 1,00 und 1.163.408 Call-Optionen mit einem Ausübungspreis EUR 1,15) wachsen im Fall eines IPO der Aktien der Emittentin 24 Monate nach einem solchen IPO an. Hinsichtlich des jeweiligen Ausübungspreises haben das Investitionsvehikel von Dominik Richter und das Investitionsvehikel von Thomas Griesel beide Ausgleichsansprüche gegen die Emittentin für den Großteil der jeweiligen Ausübungspreise ihrer Optionen. Von den 498.400 Call-Optionen von Christian Gärtner, haben 356.000 Call-Optionen einen Ausübungspreis von EUR 10,42 und 142.400 Call-Optionen haben einen Ausübungspreis von mindestens EUR 27,08. Wenn ein IPO vor dem zweiten Halbjahr 2018 erfolgt, wachsen insgeamt 166.129 von Christian Gärtners Call-Optionen (118.667 Call-Optionen mit einem Ausübungspreis von EUR 10,42 und 47.462 Call-Optionen mit einem Ausübungspreis von EUR 27,08) im zweiten Halbjahr 2019 an.

2) Jeff Horing ist der mittelbar kontrollierende Gesellschafter der direkten Aktionäre der Emittentin HF Del Insight S.à r.l., HF Cay Insight S.à r.l. und HF Main Insight S.a r.l. HF Del Insight S.à r.l. ist ein hundertprozentiges Tochterunternehmen von Insight Venture Partners (Delaware) VIII, L.P.; HF Cay Insight S.à r.l. ist ein hundertprozentiges Tochterunternehmen von Insight Venture Partners (Cayman) VIII, L.P. und Insight Venture Partners VIII (Co-Investors), L.P.; und HF Main Insight S.à r.l. ist ein hundertprozentiges Tochterunternehmen von Insight Venture Partners VIII, L.P. Insight Venture Partners (Delaware) VIII, L.P., Insight Venture Partners (Cayman) VIII, L.P., Insight Venture Partners VIII (Co-Investors), L.P. und Insight Venture Partners VIII, L.P. werden jeweils von ihrem gemeinsamen persönlich haftenden Gesellschafter/ Komplementär, Insight Venture Associates VIII, L.P., kontrolliert. Die direkt von HF Del Insight S.à r.l., HF Cay Insight S.à r.l. und HF Main Insight S.à r.l. gehaltenen Stimmrechte werden weiter dem kontrollierenden persönlich haftenden Gesellschafter/ Komplementär der Insight Venture Associates VIII, L.P., der Insight Venture Associates VIII, Ltd, zugerechnet, dem kontrollierenden Gesellschafter der Insight Venture Associates VIII, Ltd, der Insight Holdings Group LLC, und dem kontrollierenden Eigentümer der Insight Holdings Group LLC, Jeff Horing, zugerechnet.

3) Phenomen Ventures LP ist der alleinige direkte Gesellschafter der beiden direkten Aktionäre der Emittentin, Almonk Investments Ltd. und Ezill Financial Inc. Phenomen Ventures LP wird sowohl von Dmitry Falkovich, der der Alleingesellschafter von Phenomen Ventures Management, dem Komplementär der Phenomen Ventures LP, ist, als auch von Albert Avdolyan, der der Alleingesellschafter von Vusoll Investments Inc, dem einzigen Kommanditisten der Phenomen Ventures LP, ist, kontrolliert.

4) Vorwerk & Co. KG ist der mittelbar kontrollierende Gesellschafter des direkten Aktionärs der Emittentin Vorwerk Direct Selling Ventures GmbH. Vorwerk Direct Selling Ventures GmbH ist ein hundertprozentiges Tochterunternehmen von Vorwerk & Co. eins GmbH, die ein hundertprozentiges Tochterunternehmen der Aug. Mittelsten Scheid & Söhne GmbH ist, die wiederum ein hundertprozentiges Tochterunternehmen der Vorwerk & Co. KG ist.

5) "Sonstige Aktionäre" bezeichnet Aktionäre mit einem Bestand von weniger als 3% der Anteile an der Emittentin vor dem Beginn des Handels mit den Aktien der Emittentin.

	Unterschiedliche Stimmrechte.	Jede Aktie der Emittentin berechtigt zu einer Stimme in der Hauptversammlung der Emittentin. Es bestehen keine Stimmrechtsbeschränkungen. Alle Aktien haben identische Stimmrechte.
	Unmittelbare oder mittelbare Beherrschung der Emittentin und Art der Beherrschung.	Rocket Internet SE hält mehr als 30% der Stimmrechte an der Emittentin und übt daher gemäß dem deutschen Wertpapiererwerbs- und Übernahmegesetz (WpÜG) einen beherrschenden Einfluss auf die Emittentin aus. Die Stimmrechte von Rocket Internet SE unterscheiden sich in keiner Weise von den mit anderen Aktien verbundenen Rechten, inklusive der Angebotsaktien. Die durch deutsches Recht, insbesondere das Aktiengesetz, vorgesehenen Beschränkungen und die auf Europäische Gesellschaften anwendbaren Regeln und Bestimmungen hinsichtlich der Möglichkeit eines beherrschenden Aktionärs, ungebührend beherrschenden Einfluss auszuüben, sind von Rocket Internet SE und der Emittentin eingehalten worden. Die Satzung der Emittentin enthält keine speziellen Vorschriften, die sicherstellen, dass solch ein Einfluss nicht missbraucht wird.
B.7	**Ausgewählte wesentliche historische Finanzinformationen.**	Die in den nachfolgenden Tabellen enthaltenen Finanzinformationen wurden den geprüften Konzernabschlüssen der Emittentin für die zum 31. Dezember 2016, 31. Dezember 2015 und zum 31. Dezember 2014, 2013 und 2012 endenden Jahre, dem ungeprüften verkürzten Konzernzwischenabschluss der Emittentin für den zum 30. Juni 2017 endenden Sechsmonatszeitraum und unserem internen Berichtswesen entnommen oder aus diesen hergeleitet. Die geprüften Konzernabschlüsse wurden in Übereinstimmung mit IFRS erstellt und der ungeprüfte verkürzte Konzernzwischenabschluss wurde gemäß den IFRS für Zwischenberichterstattung (IAS 34) erstellt. Die Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft, Stuttgart, Niederlassung Berlin, hat unsere in deutscher Sprache erstellten Konzernabschlüsse für die zum 31. Dezember 2016 und zum 31. Dezember 2015 endenden Jahre jeweils geprüft und darauf einen uneingeschränkten Bestätigungsvermerk erteilt sowie einen uneingeschränkten Bestätigungsvermerk des unabhängigen Abschlussprüfers auf unseren in englischer Sprache erstellten Konzernabschluss für die zum 31. Dezember 2014, 2013 und 2012 endenden Jahre erteilt. Die vorhergenannten geprüften Konzernabschlüsse der Emittentin und die jeweiligen Bestätigungsvermerke sowie der Bestätigungsvermerk des unabhängigen Abschlussprüfers, und der ungeprüfte verkürzte Konzernzwischenabschluss der Emittentin für den zum 30. Juni 2017 endenden Sechsmonatszeitraum sind in diesem Prospekt enthalten. Die Kennzeichnung von Finanzdaten in den folgenden Tabellen mit „geprüft" bedeutet, dass diese den oben aufgeführten geprüften Konzernabschlüssen entnommen wurden. Mit der Kennzeichnung „ungeprüft" werden in den folgenden Tabellen Finanzdaten bezeichnet, die nicht den oben erwähnten geprüften Abschlüssen entnommen wurden, sondern vielmehr entweder unserem ungeprüften verkürzten Konzernzwischenabschluss oder dem internen Berichtswesen der Emittentin entnommen wurden oder auf Grundlage von Zahlen aus den

vorhergenannten Quellen berechnet wurden. Die im nachfolgendem Text und untenstehenden Tabellen aufgeführten Finanzinformationen werden in Mio. Euro (EUR Mio.) dargestellt und auf eine Dezimalstelle hinter dem Komma kaufmännisch gerundet. Prozentuale Veränderungen im Text und in den Tabellen werden auf Grundlage der genauen (nicht gerundeten) Zahlen berechnet und anschließend auf eine Nachkommastelle kaufmännisch gerundet. Auf Grund von Rundungseffekten kann die Addition von Zahlen in den Tabellen von den angegebenen Summen in den Tabellen abweichen und die Prozentsätze lassen sich möglicherweise nicht genau auf 100% addieren. Zudem können die gerundeten Summen und Zwischensummen in den Tabellen leicht von den nicht gerundeten Zahlen, die an anderer Stelle in diesem Prospekt ausgewiesen sind, abweichen. Weiterhin ergibt die Addition dieser gerundeten Zahlen in den Tabellen möglicherweise nicht genau die in den Tabellen aufgeführte Summe.

Bei in Klammern gesetzten Finanzinformationen in der Darstellung von Zahlen handelt es sich um negative Zahlen. In Bezug auf den Ausweis von Finanzinformationen in diesem Prospekt bedeutet ein Bindestrich („–"), dass die jeweilige Zahl nicht verfügbar ist, und eine Null („0,0") bedeutet, dass die jeweilige Zahl zwar verfügbar ist, aber auf Null gerundet wurde oder gleich Null ist.

Daten aus der Konzern-Gesamtergebnisrechnung

	Für das zum 31. Dezember endende Geschäftsjahr			Für den zum 30. Juni endenden Sechsmonatszeitraum	
	2014	**2015**	**2016**	**2016**	**2017**
	(geprüft) (in EUR Mio.)			(ungeprüft) (in EUR Mio.)	
Umsatzerlöse	69,6	305,0	597,0	291,5	435,4
Umsatzkosten	(31,1)	(146,1)	(257,3)	(127,0)	(180,5)
Bruttoergebnis vom Umsatz	**38,5**	**158,9**	**339,6**	**164,5**	**254,9**
Vertriebskosten	(23,1)	(121,7)	(238,4)	(117,6)	(162,8)
Marketingkosten	(22,4)	(120,5)	(157,4)	(80,5)	(123,1)
Allgemeine Verwaltungskosten	(7,5)	(30,8)	(30,7)	(14,8)	(20,5)
Sonstige betriebliche Erträge	0,5	0,2	0,9	0,2	1,0
Sonstige betriebliche Aufwendungen	(1,7)	(1,6)	(4,5)	(2,7)	(2,4)
Betriebsverlust[1)]	**(15,8)**	**(115,5)**	**(90,5)**	**(50,9)**	**(52,9)**
Finanzerträge	0,0	0,1	1,5	0,5	0,6
Finanzaufwendungen	(0,0)	(1,4)	(5,2)	(2,5)	(4,9)
Ergebnis vor Ertragssteuern	**(15,8)**	**(116,8)**	**(94,1)**	**(52,9)**	**(57,1)**
Erträge (Aufwendungen) aus Ertragssteuern	0,4	(0,0)	0,3	–	0,4
Periodenergebnis	**(15,4)**	**(116,8)**	**(93,9)**	**(52,9)**	**(56,7)**
Davon entfallen auf:					
Anteilseigner der Muttergesellschaft	(14,6)	(113,8)	(93,8)	(52,9)	(56,6)
Nicht beherrschende Anteile	(0,8)	(3,0)	(0,1)	(0,0)	(0,1)

1) Betriebsverlust wird in der Segmentberichterstattung der Konzernabschlüsse der Emittentin auch als Ergebnis vor Zinsen und Steuern („**EBIT**") bezeichnet.

Daten aus der Konzernbilanz

	Zum 31. Dezember			Zum 30. Juni
	2014	2015	2016	2017
	(geprüft, wenn nicht anderweitig ausgewiesen) (in EUR Mio.)			(ungeprüft) (in EUR Mio.)
Aktiva				
Summe langfristige Vermögenswerte	**1,1**	**21,1**	**60,4**	**60,6**
davon				
Sachanlagen	0,7	5,8	38,3	37,4
Sonstige finanzielle Vermögenswerte[1)]	–	9,2	13,9	13,4
Summe Umlaufvermögen	**26,9**	**137,5**	**91,3**	**143,6**
davon				
Vorräte	1,4	5,6	10,1	9,4
Forderungen aus Lieferungen und Leistungen	2,7	11,5	9,3	8,8
Sonstige nicht finanzielle Vermögenswerte[2)]	2,0	9,4	12,6	10,2
Zahlungsmittel und Zahlungsmitteläquivalente	19,8	109,2	57,5	112,8
Bilanzsumme	**28,1**	**158,6**	**151,7**	**204,2**
Eigenkapital und Schulden				
Eigenkapital				
Gezeichnetes Kapital	0,1	125,0	127,0	133,1
Eigene Aktien	–	(10,0)	(10,0)	(10,0)
Kapitalrücklage	38,9	93,9	113,4	192,9
Sonstige Rücklagen	5,8	21,8	27,1	34,6
Bilanzverlust	(28,6)	(142,4)	(236,2)	(292,8)
Sonstiges Ergebnis	(0,5)	(0,7)	(0,7)	(1,4)
Auf die Anteilseigner der Muttergesellschaft entfallendes Eigenkapital	**15,6**	**87,6**	**20,6**	**56,4**
Nicht beherrschende Anteile	(1,0)	–	(0,0)	(0,1)
Summe Eigenkapital	**14,6**	**87,6**	**20,6**	**56,2**
Summe langfristige Schulden	**0,3**	**10,2**	**62,0**	**65,6**
davon				
Verzinsliche Darlehen und Kredite[3)]	–	–	46,4	54,0
Summe kurzfristige Schulden	**13,2**	**60,8**	**69,2**	**82,4**
davon				
Verbindlichkeiten aus Lieferungen und Leistungen[4)]	11,2	45,5	43,1	54,5
Sonstige nicht finanzielle Verbindlichkeiten[5)]	1,6	12,5	19,2	21,8
Bilanzsumme	**28,1**	**158,6**	**151,7**	**204,2**

1) Beinhaltet jeweils gebundene Zahlungsmittel in den langfristigen sonstigen finanziellen Vermögenswerten von EUR 13,1 Mio. zum 30. Juni 2017, EUR 13,9 Mio. zum 31. Dezember 2016 und EUR 8,8 Mio. zum 31. Dezember 2015 und in den kurzfristigen sonstigen finanziellen Vermögenswerten von EUR 0,5 Mio. zum 31. Dezember 2016 und EUR 0,2 Mio. zum 31. Dezember 2015. Gebundene Zahlungsmittel umfassen hauptsächlich Bareinlagen und Sicherheiten für Kautionen im Zusammenhang mit Mietverträgen.

2) Einschließlich Umsatzsteuerforderungen in Höhe von EUR 6,2 Mio. zum 30. Juni 2017, EUR 6,8 Mio. zum 31. Dezember 2016, EUR 6,5 Mio. zum 31. Dezember 2015 und EUR 1,4 Mio. zum 31. Dezember 2014.

3) In dem geprüften Konzernabschluss der Emittentin für das zum 31. Dezember 2016 endende Jahr als langfristige Finanzverbindlichkeiten bezeichnet.

4) In dem geprüften Konzernabschluss für die zum 31. Dezember 2014, 2013 und 2012 endenden Jahre als Verbindlichkeiten aus Lieferungen und Leistungen und sonstige Verbindlichkeiten bezeichnet.

5) Kurzfristige sonstige nicht finanzielle Verbindlichkeiten beinhalten Ertragssteuerverbindlichkeiten von EUR 0,0 Mio. zum 31. Dezember 2014 und EUR 0,0 Mio. zum 31. Dezember 2015, die in den geprüften Konzernabschlüssen der Emittentin für die zum 31. Dezember 2014 und 2015 endenden Jahre jeweils getrennt ausgewiesen waren. Daher sind die Beträge der kurzfristigen sonstigen nicht finanziellen Verbindlichkeiten zum 31. Dezember 2014 und 31. Dezember 2015 ungeprüft.

Ausgewählte Daten aus der Konzern-Kapitalflussrechnung

	Für das zum 31. Dezember endende Geschäftsjahr			Für den zum 30. Juni endenden Sechsmonatszeitraum	
	2014	2015	2016	2016	2017
	(geprüft) (in EUR Mio.)			(ungeprüft) (in EUR Mio.)	
Netto-Mittelabfluss aus der betrieblichen Tätigkeit	(8,4)	(65,9)	(76,1)	(25,1)	(29,3)
Netto-Mittelabfluss aus der Investitionstätigkeit	(0,7)	(17,3)	(42,6)	(16,0)	(7,0)
Netto-Mittelzufluss aus der Finanzierungstätigkeit	24,9	174,1	67,5	65,8	92,9
Zahlungsmittel und Zahlungsmitteläquivalente zum Geschäftsjahresende	19,8	109,2	57,5	132,6	112,8

Sonstige Konzern-Finanzinformationen

Unsere Geschäftsleitung berücksichtigt die folgenden zusätzlichen Leistungskennzahlen bei der Steuerung unserer Geschäftstätigkeit:

- EBITDA (Ergebnis vor Zinsen, Steuern, Abschreibungen „**EBITDA**") ist der Betriebsverlust (EBIT) vor Abschreibungen;
- Das Bereinigte EBITDA (bereinigtes Ergebnis vor Zinsen, Steuern und Abschreibungen „**Bereinigtes EBITDA**") wird durch die Bereinigung des EBITDA um Sonderposten und, auf Segmentebene, Holdingkosten berechnet; Sonderposten bestehen aus Aufwendungen für anteilsbasierte Vergütungen und sonstigen Sonderposten nicht wiederkehrender Natur, die, unter anderem, Aufwendungen bezogen auf Rechtsberatung und sonstige Dienstleistungen in Zusammenhang mit Eigenkapitalfinanzierungsrunden (Kapitalerhöhungen), Fremdkapitalfinanzierungen und die Vorbereitung des Börsengangs der Emittentin beinhalten;
- Die Bruttogewinn-Marge („**Bruttogewinn-Marge**") wird berechnet als Umsatzerlöse abzüglich Umsatzkosten ohne in den Umsatzkosten enthaltene Aufwendungen für anteilsbasierte Vergütungen und abzüglich Vertriebskosten ohne in den Vertriebskosten enthaltene Aufwendungen für anteilsbasierte Vergütungen;
- Das Nettoumlaufvermögen ergibt sich aus Vorräten zuzüglich Forderungen aus Lieferungen und Leistungen zuzüglich Umsatzsteuerforderungen abzüglich Verbindlichkeiten aus Lieferung und Leistungen (und sonstiger Verbindlichkeiten) abzüglich Umsatzsteuerverbindlichkeiten und abzüglich Umsatzabgrenzungen;
- Investitionsausgaben sind definiert als Mittelabflüsse für den Erwerb von Sachanlagen, Softwareentwicklungskosten und den Erwerb von Softwarelizenzen;
- Der freie Kapitalfluss ergibt sich als Summe aus dem Netto-Mittelabfluss aus der Betriebstätigkeit und dem Netto-Mittelabfluss aus der Investitionstätigkeit.

Bei dem EBITDA, dem Bereinigten EBITDA, der Bruttogewinn-Marge, dem Nettoumlaufvermögen, den Investitionsausgaben und dem freien Kapitalfluss handelt es sich nicht um nach den IFRS anerkannten Messgrößen („**Alternative Leistungskennzahlen**"). Wir glauben, dass die Alternativen Leistungskennzahlen für die Bewertung unserer operativen Leistung und den aus unserer Geschäftstätigkeit erwirtschafteten Kapitalflüssen nützlich sind. Konkret verwenden wir

- das EBITDA als Kennzahl, um unsere operative Leistung zu bewerten, da es nicht zahlungswirksame Aufwendungen eliminiert, die unsere zugrundeliegende Geschäftsentwicklung nicht widerspiegeln;
- das Bereinigte EBITDA als Kennzahl, um unsere operative Leistung zu bewerten, da es keine zusätzlichen Elemente berücksichtigt, die, wie wir glauben, unsere zugrundeliegende Geschäftsentwicklung nicht widerspiegeln, d. h. Aufwendungen für anteilsbasierte Vergütung und bestimmte Sonderposten nicht wiederkehrender Natur und, auf Segmentebene, Holdingkosten;
- die Bruttogewinn-Marge als Kennzahl, um unsere operative Leistung zu bewerten, da sie direkt mit unseren Mahlzeitensets verbundene Aufwendungen abzüglich damit verbundener Aufwendungen für anteilsbasierte Vergütung darstellt, die, wie wir glauben, für unsere zugrundeliegende Geschäftsentwicklung nicht relevant sind;

- das Nettoumlaufvermögen als Kennzahl für Zahlungsmittel, die uns durch unsere betriebliche Organisation zur Verfügung gestellt werden;
- die Investitionsausgaben als Kennzahl für die im Rahmen unserer Geschäftstätigkeit für Investitionszwecke genutzten Zahlungsmittel; und
- den freien Kapitalfluss als Kennzahl für die durch unsere Geschäftstätigkeit generierten Kapitalflüsse.

Die Alternativen Leistungskennzahlen stellen jedoch keine nach den IFRS anerkannten Messgrößen dar und sollten nicht als Ersatz für Zahlen für das Ergebnis vor Ertragsteuern, Nettoerlösen, dem Netto-Mittelabfluss/-zufluss aus der betrieblichen Tätigkeit, oder anderen Daten aus der Gewinn- und Verlustrechnung oder der Kapitalflussrechnung, die in Übereinstimmung mit den IFRS ermittelt werden, oder als Kennzahlen für Profitabilität oder Liquidität angesehen werden. Die Alternativen Leistungskennzahlen geben weder notwendigerweise an, ob der Kapitalfluss ausreichend ist oder für unseren Zahlungsmittelbedarf zu Verfügung steht, noch spiegelt eine solche Maßeinheit unsere vergangenen Geschäftsergebnisse wider. Auch sind die Alternativen Leistungskennzahlen nicht dazu bestimmt, zukünftige Ergebnisse zu indizieren. Da nicht alle Unternehmen diese Messgrößen und Zahlen in derselben Art und Weise berechnen, ist unsere Darstellung der Alternativen Leistungskennzahlen nicht zwingend mit ähnlich genannten Messgrößen, die von anderen Unternehmen genutzt werden, vergleichbar.

Die nachfolgende Tabelle stellt eine Überleitung zwischen EBITDA und Bereinigtem EBITDA zu dem Ergebnis vor Ertragssteuern für die angegebenen Zeiträume dar:

	Für das zum 31. Dezember endende Geschäftsjahr			Für den zum 30. Juni endenden Sechsmonatszeitraum	
	2014	2015	2016	2016	2017
	(geprüft, wenn nicht anderweitig ausgewiesen) (in EUR Mio., wenn nicht anderweitig ausgewiesen)			(ungeprüft) (in EUR Mio., wenn nicht anderweitig ausgewiesen)	
Ergebnis vor Ertragssteuern	**(15,8)**	**(116,8)**	**(94,1)**	**(52,9)**	**(57,1)**
Finanzerträge	(0,0)	(0,1)	(1,5)	(0,5)	(0,6)
Finanzaufwendungen	0,0	1,4	5,2	2,5	4,9
Betriebsverlust (EBIT)	**(15,8)**	**(115,5)**	**(90,5)**	**(50,9)**	**(52,9)**
Abschreibungen	0,2	0,6	4,3	1,8	3,8
EBITDA	**(15,6)**	**(114,9)**	**(86,2)**	**(49,2)**	**(49,1)**
EBITDA in % der Umsatzerlöse[1) 2)]	*(22,4)*	*(37,7)*	*(14,4)*	*(16,9)*	*(11,3)*
Sonderposten und Holdingkosten[3)]	3,3	28,6	3,6	3,4	2,5
Bereinigtes EBITDA	**(12,2)**	**(86,2)**	**(82,6)**	**(45,7)**	**(46,5)**
Bereinigtes EBITDA in % der Umsatzerlöse[1) 2)]	*(17,6)*	*(28,3)*	*(13,8)*	*(15,7)*	*(10,7)*

1) Ungeprüft.

2) Die Umsatzerlöse betrugen EUR 69,6 Mio. in 2014, EUR 305,0 Mio. in 2015, EUR 597,0 Mio. in 2016, EUR 291,5 Mio. in dem zum 30. Juni 2016 endenden Sechsmonatszeitraum und EUR 435,4 Mio. in dem zum 30. Juni 2017 endenden Sechsmonatszeitraum.

3) Sonderposten und Holdingkosten beinhalten die folgenden Bestandteile:

	Für das zum 31. Dezember endende Geschäftsjahr			Für den zum 30. Juni endenden Sechsmonatszeitraum	
	2014	2015	2016	2016	2017
	(geprüft, wenn nicht anderweitig ausgewiesen) (in EUR Mio.)			(ungeprüft) (in EUR Mio.)	
Aufwendungen für anteilsbasierte Vergütung*)	(3,3)	(24,6)	(2,0)	(2,6)	(1,8)
Sonstige Sonderposten**)	–	(4,0)	(1,6)	(0,8)	(0,7)
Sonderposten und Holdingkosten*)**	**(3,3)**	**(28,6)**	**(3,6)**	**(3,4)**	**(2,5)**

*) Die geprüften deutschsprachigen Konzernabschlüsse der Emittentin für die zum 31. Dezember 2016, 2015 und 2014 endenden Jahre verwenden dieselben Begrifflichkeiten.

**) Ungeprüft. Sonstige Sonderposten sind nicht wiederkehrender Natur und beinhalten unter anderem Aufwendungen bezogen auf Rechtsberatung und sonstige Dienstleistungen in Zusammenhang mit Eigenkapitalfinanzierungsrunden (Kapitalerhöhungen), Fremdkapitalfinanzierungen und der Vorbereitung des Börsengangs der Emittentin.

***) Holdingkosten sind nur auf der Segmentebene relevant. Auf der Konzernebene werden keine Holdingkosten erfasst, da diese im Rahmen der Konsolidierung eliminiert werden.

Die folgende Tabelle stellt eine Überleitung zwischen der Bruttogewinn-Marge und den Umsatzerlösen für die angegebenen Zeiträume dar:

	Für das zum 31. Dezember endende Geschäftsjahr			Für den zum 30. Juni endenden Sechsmonatszeitraum	
	2014	2015	2016	2016	2017
	(geprüft, wenn nicht anderweitig ausgewiesen) (in EUR Mio., wenn nicht anderweitig ausgewiesen)			(ungeprüft) (in EUR Mio., wenn nicht anderweitig ausgewiesen)	
Umsatzerlöse	69,6	305,0	597,0	291,5	435,4
Umsatzkosten	(31,1)	(146,1)	(257,3)	(127,0)	(180,5)
In den Umsatzkosten enthaltene Aufwendungen für anteilsbasierte Vergütung	0,1	0,4	0,2	0,2	0,0
Vertriebskosten	(23,1)	(121,7)	(238,4)	(117,6)	(162,8)
In den Vertriebskosten enthaltene Aufwendungen für anteilsbasierte Vergütung	0,0	1,4	0,1	(0,1)	0,3
Bruttogewinn-Marge[1)]	**15,4**	**39,0**	**101,4**	**46,9**	**92,4**
Bruttogewinn-Marge in % der Umsatzerlöse[2)]	*22,2*	*12,8*	*17,0*	*16,1*	*21,2*

1) Bruttogewinn-Marge ergibt sich aus den Umsatzerlösen abzüglich Umsatzkosten ohne in den Umsatzkosten enthaltene Aufwendungen für anteilsbasierte Vergütungen und abzüglich Vertriebskosten ohne in den Vertriebskosten enthaltene Aufwendungen für anteilsbasierte Vergütungen. In dem ungeprüften verkürzten Konzernzwischenabschluss der Emittentin für den zum 30. Juni 2017 endenden Sechsmonatszeitraum und in den geprüften Konzernabschlüssen der Emittentin für die zum 31. Dezember 2016, 2015 und 2014 endenden Jahre wird die Bruttogewinn-Marge als Ergebnisbeitrag oder PC2 bezeichnet.

2) Ungeprüft.

Segmentinformationen

Unser Unternehmen wird auf Grundlage von zwei geographischen Regionen, die unsere Geschäfts- und Berichtssegmente bilden, geführt: „International" und „USA". Das Segment International umfasst unsere operativen Tätigkeiten in dem Vereinigten Königreich, den Niederlanden, Belgien, Australien, Deutschland, Österreich, Kanada und der Schweiz. Das Segment USA umfasst unser Geschäft in den Vereinigten Staaten. Wir unterteilen unser Unternehmen nicht in Geschäftssegmente aufgrund der Natur der ausgeübten Geschäftstätigkeit. In den Konzernabschlüssen für die zum 31. Dezember 2014 und zum 31. Dezember 2015 endenden Jahre basierte die Segmentberichterstattung auf den Geschäftssegmenten

„Kontinentaleuropa“ und „Rest der Welt“. Das Segment Kontinentaleuropa umfasste die operativen Tätigkeiten in Deutschland, Österreich, den Niederlanden und Belgien. Das Segment Rest der Welt umfasste die operativen Tätigkeiten in den Vereinigten Staaten, dem Vereinigten Königreich und Australien. Aufgrund der gestiegenen Bedeutung unserer operativen Tätigkeiten in den USA haben wir unsere Berichtsstruktur in dem zum 31. Dezember 2016 endenden Jahr geändert und stellen unsere operativen Tätigkeiten in den USA separat von dem internationalen Geschäft dar. Für Vergleichszwecke der in diesem Prospekt enthaltenen Segmentinformationen wurden die Segmentdaten für das zum 31. Dezember 2015 endende Jahr den vergleichenden Segmentinformationen, die in dem geprüften Konzernabschluss für das zum 31. Dezember 2016 endende Jahr enthalten sind, entnommen oder daraus abgeleitet, und die Segmentinformationen für das zum 31. Dezember 2014 endende Jahr wurden unserem internen Berichtsystem entnommen oder daraus abgeleitet und sind daher ungeprüft.

In der nachfolgenden Tabelle ist die operative Leistung unseres USA-Segments für die zum 31. Dezember 2014, 31. Dezember 2015 und 31. Dezember 2016 endenden Geschäftsjahre und die zum 30. Juni 2016 und 30. Juni 2017 endenden Sechsmonatszeiträume dargestellt:

	Für das zum 31. Dezember endende Geschäftsjahr			Für den zum 30. Juni endenden Sechsmonatszeitraum	
	2014	**2015**	**2016**	**2016**	**2017**
	(ungeprüft)	(geprüft, wenn nicht anderweitig ausgewiesen)		(ungeprüft)	
	(in EUR Mio., wenn nicht anderweitig ausgewiesen)			(in EUR Mio., wenn nicht anderweitig ausgewiesen)	
Externe Umsatzerlöse	**10,9**	**103,8**	**286,9**	**133,0**	**263,4**
Bruttogewinn-Marge[1]	**0,5**	**(6,2)**	**33,9**	**12,1**	**53,7**
Bruttogewinn-Marge in % der externen Umsatzerlöse[2]	*4,7*	*(6,0)*	*11,8*	*9,1*	*20,4*
Bereinigtes EBITDA	**(5,2)**	**(48,2)**	**(47,9)**	**(28,1)**	**(31,3)**
Bereinigtes EBITDA in % der externen Umsatzerlöse[2]	*(47,5)*	*(46,4)*	*(16,7)*	*(21,1)*	*(11,9)*
Sonderposten und Holdingkosten[3]	(0,3)	(6,7)	(0,8)	(1,4)	(0,5)
EBITDA	**(5,5)**	**(54,8)**	**(48,8)**	**(29,5)**	**(31,8)**
EBITDA in % der externen Umsatzerlöse[2]	*(50,6)*	*(52,8)*	*(17,0)*	*(22,2)*	*(12,1)*
Abschreibungen	(0,0)	(0,4)	(2,5)	(1,3)	(1,7)
Betriebsverlust (EBIT)	**(5,6)**	**(55,2)**	**(51,2)**	**(30,7)**	**(33,5)**

1) Die Bruttogewinn-Marge entspricht den externen Umsatzerlösen abzüglich Umsatzkosten ohne in den Umsatzkosten enthaltene Aufwendungen für anteilsbasierte Vergütungen und abzüglich Vertriebskosten ohne in den Vertriebskosten enthaltene Aufwendungen für anteilsbasierte Vergütungen. In dem ungeprüften verkürzten Konzernzwischenabschluss der Emittentin für den zum 30. Juni 2017 endenden Sechsmonatszeitraum und in den geprüften Konzernabschlüssen der Emittentin für die zum 31. Dezember 2016, 2015 und 2014 endenden Jahre wird die Bruttogewinn-Marge als Ergebnisbeitrag oder PC2 bezeichnet.

2) Ungeprüft.

3) Sonderposten und Holdingkosten bestehend aus folgenden Bestandteilen:

	Für das zum 31. Dezember endende Geschäftsjahr			Für den zum 30. Juni endenden Sechsmonatszeitraum	
	2014	**2015**	**2016**	**2016**	**2017**
	(ungeprüft, wenn nicht anderweitig ausgewiesen)			(ungeprüft)	
	(in EUR Mio.)			(in EUR Mio.)	
Aufwendungen für anteilsbasierte Vergütung*)	(0,3)	(5,1)	(0,1)	(1,0)	(0,3)
Holdingkosten**)	(0,1)	(1,3)	(0,7)	(0,4)	(0,2)
Sonstige Sonderposten***)	–	(0,2)	(0,1)	–	–
Sonderposten und Holdingkosten**)**	**(0,3)**	**(6,7)**	**(0,8)**	**(1,4)**	**(0,5)**

*) Die geprüften deutschsprachigen Konzernabschlüsse der Emittentin für die zum 31. Dezember 2016, 2015 und 2014 endenden Jahre verwenden dieselben Begrifflichkeiten.

**) Bezieht sich auf Kostenaufschläge für von der Holding an die Segmente erbrachte Dienstleistungen. Wir bereinigen diese Kosten, da wir glauben, dass Segmentergebnisse nicht durch konzerninterne Margen beeinflusst werden sollten.

***) Sonstige Sonderposten sind nicht wiederkehrender Natur und beinhalten unter anderem Aufwendungen bezogen auf Rechtsberatung und sonstige Dienstleistungen in Zusammenhang mit Eigenkapitalfinanzierungsrunden (Kapitalerhöhungen), Fremdkapitalfinanzierungen und der Vorbereitung des Börsengangs der Emittentin.

****) Zahlen für das zum 31. Dezember 2015 und 2016 endende Jahr sind geprüft.

Die nachfolgende Tabelle enthält eine Darstellung der operativen Ergebnisse unseres Segmentes International in den zum 31. Dezember 2014, 31. Dezember 2015 und 31. Dezember 2016 endenden Geschäftsjahren und für die zum 30. Juni 2016 und 30. Juni 2017 endenden Sechsmonatszeiträume:

	Für das zum 31. Dezember endende Geschäftsjahr			**Für den zum 30. Juni endenden Sechsmonatszeitraum**	
	2014	**2015**	**2016**	**2016**	**2017**
	(ungeprüft)	**(geprüft, wenn nicht anderweitig ausgewiesen)**		**(ungeprüft)**	
	(in EUR Mio., wenn nicht anderweitig ausgewiesen)			**(in EUR Mio., wenn nicht anderweitig ausgewiesen)**	
Externe Umsatzerlöse	**58,7**	**201,1**	**310,1**	**158,5**	**172,0**
Bruttogewinn-Marge[1]	**14,8**	**45,0**	**69,3**	**35,3**	**40,9**
Bruttogewinn-Marge in % der externen Umsatzerlöse[2]	*25,3*	*22,4*	*22,4*	*22,3*	*23,8*
Bereinigtes EBITDA	**(7,3)**	**(37,6)**	**(27,5)**	**(15,9)**	**(8,1)**
Bereinigtes EBITDA in % der externen Umsatzerlöse[2]	*(12,4)*	*(18,7)*	*(8,9)*	*(10,0)*	*(4,7)*
Sonderposten und Holdingkosten[3]	(1,3)	(7,3)	(0,4)	(0,3)	(0,0)
EBITDA	**(8,6)**	**(45,0)**	**(27,9)**	**(16,3)**	**(8,2)**
EBITDA in % der externen Umsatzerlöse[2]	*(14,7)*	*(22,4)*	*(9,0)*	*(10,3)*	*(4,8)*
Abschreibungen	(0,2)	(0,2)	(1,1)	(0,3)	(1,1)
Betriebsverlust (EBIT)	**(8,8)**	**(45,2)**	**(29,0)**	**(16,6)**	**(9,3)**

1) Die Bruttogewinn-Marge entspricht den externen Umsatzerlösen abzüglich Umsatzkosten ohne in den Umsatzkosten enthaltene Aufwendungen für anteilsbasierte Vergütungen und abzüglich Vertriebskosten ohne in den Vertriebskosten enthaltene Aufwendungen für anteilsbasierte Vergütungen. In dem ungeprüften verkürzten Konzernzwischenabschluss der Emittentin für den zum 30. Juni 2017 endenden Sechsmonatszeitraum und in den geprüften Konzernabschlüssen der Emittentin für die zum 31. Dezember 2016, 2015 und 2014 endenden Jahre wird die Bruttogewinn-Marge als Ergebnisbeitrag oder PC2 bezeichnet.

2) Ungeprüft.

3) Sonderposten und Holdingkosten bestehen aus folgenden Bestandteilen:

	Für das zum 31. Dezember endende Geschäftsjahr			**Für den zum 30. Juni endenden Sechsmonatszeitraum**	
	2014	**2015**	**2016**	**2016**	**2017**
	(ungeprüft, wenn nicht anderweitig ausgewiesen)			**(ungeprüft)**	
	(in EUR Mio.)			**(in EUR Mio.)**	
Aufwendungen für anteilsbasierte Vergütung*)	(1,2)	(4,8)	0,8	0,2	0,4
Holdingkosten**)	(0,1)	(1,9)	(0,4)	(0,2)	(0,1)
Sonstige Sonderposten***)	–	(0,6)	(0,7)	(0,3)	(0,3)
Sonderposten und Holdingkosten***)**	**(1,3)**	**(7,3)**	**(0,4)**	**(0,3)**	**(0,0)**

*) Die geprüften deutschsprachigen Konzernabschlüsse der Emittentin für die zum 31. Dezember 2016, 2015 und 2014 endenden Jahre verwenden dieselben Begrifflichkeiten.

**) Bezieht sich auf Kostenaufschläge für von der Holding an die Segmente erbrachte Dienstleistungen. Wir bereinigen diese Kosten, da wir glauben, dass Segmentergebnisse nicht durch konzerninterne Margen beeinflusst werden sollten.

***) Sonstige Sonderposten sind nicht wiederkehrend und beinhalten unter anderem Aufwendungen bezogen auf Rechtsberatung und sonstige Dienstleistungen in Zusammenhang mit Eigenkapitalfinanzierungsrunden (Kapitalerhöhungen), Fremdkapitalfinanzierungen und der Vorbereitung des Börsengangs der Emittentin.

****) Zahlen für das zum 31. Dezember 2015 und 2016 endende Jahr sind geprüft.

Wesentliche Änderungen der Finanzlage und des Betriebsergebnisses der Emittentin in oder nach dem von den wesentlichen historischen Finanzinformationen abgedeckten Zeitraum.	Die folgenden wesentlichen Änderungen unserer Finanzlage und unseres Betriebsverlusts traten in den zum 30. Juni 2017 und zum 30. Juni 2016 endenden Sechsmonatszeiträumen sowie in den Jahren 2016, 2015 und 2014 auf: **Sechsmonatszeiträume endend zum 30. Juni 2016 und 30. Juni 2017** Die Umsatzerlöse sind um 49,4% von EUR 291,5 Mio. im zum 30. Juni 2016 endenden Sechsmonatszeitraum auf EUR 435,4 Mio. im zum 30. Juni 2017 endenden Sechsmonatszeitraum gestiegen, hauptsächlich aufgrund eines starken Anstiegs der Aktiven Kunden in dem Segment USA, deren Anzahl von 382 Tausend in dem zum 30. Juni 2016 endenden Dreimonatszeitraum auf 796 Tausend in dem zum 30. Juni 2017 endenden Dreimonatszeitraum angestiegen ist. Unser EBIT hat sich von einem Verlust von EUR 50,9 Mio. in dem zum 30. Juni 2016 endenden Sechsmonatszeitraum auf einen Verlust von EUR 52,9 Mio. in dem zum 30. Juni 2017 endenden Sechsmonatszeitraums geringfügig verschlechtert. Das bereinigte EBITDA ist von einem Verlust von EUR 45,7 Mio. in dem zum 30. Juni 2016 endenden Sechsmonatszeitraum auf einen Verlust von EUR 46,5 Mio. in dem zum 30. Juni 2017 endenden Sechsmonatszeitraum leicht zurückgegangen. Ausgedrückt als Prozentsatz der Umsatzerlöse, hat sich das Bereinigte EBITDA von minus 15,7% in dem zum 30. Juni 2016 endenden Sechsmonatszeitraum auf minus 10,7% in dem zum 30. Juni 2017 endenden Sechsmonatszeitraum verbessert, da wir von Skaleneffekten, die von einem Anstieg der Umsatzerlöse von 49,4% angetrieben wurden, und anderen operativen Verbesserungen profitiert haben. **Geschäftsjahre endend zum 31. Dezember 2016 und 31. Dezember 2015** Unsere Umsatzerlöse stiegen von EUR 305,0 Mio. im Jahr 2015 auf EUR 597,0 Mio. im Jahr 2016 basierend auf einem starken Anstieg der Umsatzerlöse in beiden Segmenten, insbesondere in unserem USA Segment. Unterstützt durch gesteigertes Marketing, stieg die Anzahl unserer Aktiven Kunden von 621 Tausend in dem zum 31. Dezember 2015 endenden Dreimonatszeitraum auf 857 Tausend in dem zum 31. Dezember 2016 endenden Dreimonatszeitraum, wobei die Anzahl an Bestellungen von 6,8 Mio. in 2015 auf 12,4 Mio. Bestellungen in 2016 anstieg. Ein Anstieg des durchschnittlichen Bestellwerts in beiden Segmenten trug ebenso zu einem Anstieg der Umsatzerlöse bei. Der durchschnittliche Bestellwert stieg um 7,0% von EUR 45,92 in dem zum 31. Dezember 2015 endenden Dreimonatszeitraum auf EUR 49,12 in dem zum 31. Dezember 2016 endenden Dreimonatszeitraum. Der Hauptgrund für diesen Anstieg war ein wachsender Anteil an Bestellungen in unserem Segment USA, für das der durchschnittliche Bestellwert höher ist, als für unser Segment International. Das EBIT verbesserte sich von einem Verlust von EUR 115,5 Mio. in 2015 auf einen Verlust von EUR 90,5 Mio. in 2016. Das bereinigte EBITDA in absoluten Zahlen verbesserte sich leicht von einem Verlust von EUR 86,2 Mio. in 2015 auf einen Verlust von EUR 82,6 Mio. in 2016, da ein starker Anstieg des Bruttoergebnisses vom Umsatz durch einen starken Anstieg der Vertriebskosten, bezogen auf den Ausbau unserer globalen Lieferkapazitäten und auf Marketingkosten hinsichtlich unserer Bemühungen, unsere Geschäftstätigkeit und unsere Kundenbasis auszuweiten, nahezu ausgeglichen wurde. Ausgedrückt als Prozentsatz der Umsatzerlöse, verbesserte sich das Bereinigte EBITDA signifikant von minus 28,3% in 2015 auf minus 13,8% in 2016, was den positiven Einfluss von Skaleneffekten auf unser Geschäftsergebnis verdeutlicht.

Geschäftsjahre endend zum 31. Dezember 2015 und 31. Dezember 2014

Die Umsatzerlöse stiegen von EUR 69,6 Mio. im Jahr 2014 auf EUR 305,0 Mio. im Jahr 2015, was auf einen starken Anstieg der Umsatzerlöse in beiden Segmenten zurückzuführen war. Die Anzahl der Bestellungen stieg von 1,7 Mio. Bestellungen in 2014 auf 6,8 Mio. Bestellungen in 2015 und der durchschnittliche Wert der Bestellungen stieg von EUR 41,13 je Bestellung in 2014 auf EUR 44,91 je Bestellung in 2015, hauptsächlich aufgrund von geographischen Mixeffekten, da das Segment USA, das einen höheren durchschnittlichen Bestellungswert aufweist als unser Segment International, einen größeren Anteil an konsolidierten Bestellungen in 2015 ausmachte als in 2014. Der Anstieg war zudem durch positive Wechselkurseffekte in Bezug auf den Anstieg des Werts des US-Dollar im Vergleich zum Euro begünstigt.

Das EBIT verringerte sich von einem Verlust von EUR 15,8 Mio. in 2014 auf einen Verlust von EUR 115,5 Mio. in 2015. Das bereinigte EBITDA verschlechterte sich von einem Verlust von EUR 12,2 Mio. in 2014 auf einen Verlust von EUR 86,2 Mio. in 2015, da ein vom Wachstum unserer Geschäftstätigkeit angetriebener starker Anstieg des Bruttoergebnisses vom Umsatz durch einen starken Anstieg der Vertriebskosten in Zusammenhang mit dem Wachstum unserer Geschäftstätigkeit, der Verbesserung der Verpackungen und dem Ausbau unserer Lieferkapazitäten in den USA und der Marketingkosten, um neue Kunden zu gewinnen und unsere Marke zu entwickeln, mehr als ausgeglichen wurde. Ausgedrückt als Prozentsatz der Umsatzerlöse, hat sich das Bereinigte EBITDA von minus 17,6% in 2014 auf minus 28,3% in 2015 verschlechtert, was die Auswirkungen der im vorherigen Satz erwähnten Faktoren verdeutlicht.

Jüngste Entwicklungen

Im September 2017 dehnten wir unsere Geschäftstätigkeit auf Luxemburg aus.

Die Anzahl der Aktiven Kunden stieg von 0,84 Millionen für den zum 30. September 2016 endenden Dreimonatszeitraum auf 1,28 Millionen Aktive Kunden für den zum 30. September 2017 endenden Dreimonatszeitraum, bestehend aus 0,79 Millionen Aktiven Kunden in unserem Segment USA und 0,49 Millionen Aktiven Kunden in unserem Segment International. Die Gesamtzahl an Bestellungen in dem zum 30. September 2017 endenden Dreimonatszeitraum betrug 4,6 Millionen, bestehend aus 2,6 Millionen Bestellungen in unserem Segment USA und 2,0 Millionen Bestellungen in unserem Segment International. In dem zum 30. September 2017 endenden Dreimonatszeitraum haben wir 33,7 Millionen Mahlzeiten geliefert, wobei unser Segment USA hierzu 17,9 Millionen Mahlzeiten und unser Segment International 15,8 Millionen Mahlzeiten beigetragen hat.

Basierend auf vorläufigen Zahlen betrugen die Umsatzerlöse in dem saisonal bedingt schwächeren zum 30. September 2017 endenden Dreimonatszeitraum EUR 217 Millionen, was im Vergleich zu dem zum 30. September 2016 endenden Dreimonatszeitraum einen Anstieg um 48% darstellt. Bereinigt um den Einfluss von Wechselkursentwicklungen, d.h., dass ein Ansatz auf Basis konstanter Wechselkurse angewendet wird, nach dem die Umsatzerlöse für einen bestimmten Monat und den entsprechenden Monat im vorherigen Jahr, die in einer anderen Währung als Euro angegeben sind, in Euro umgerechnet werden, indem der durchschnittliche Wechselkurs für den jeweiligen Monat des vorherigen Jahres für beide Zeiträume benutzt wird, stiegen die Umsatzerlöse in dem

		zum 30. September 2017 endenden Dreimonatszeitraum um 53% im Vergleich zu dem zum 30. September 2016 endenden Dreimonatszeitraum. Die externen Umsatzerlöse für unser Segment USA stiegen in dem zum 30. September 2017 endenden Dreimonatszeitraum auf EUR 131 Millionen, was im Vergleich zu dem zum 30. September 2016 endenden Dreimonatszeitraum einen Anstieg um 76% darstellt. Auf einer Basis konstanter Wechselkurse bedeutet das einen Anstieg um 86%. Die externen Umsatzerlöse für unser Segment International stiegen in dem zum 30. September 2017 endenden Dreimonatszeitraum auf EUR 86 Millionen, was im Vergleich zu dem zum 30. September 2016 endenden Dreimonatszeitraum einen Anstieg um 18% darstellt. Auf einer Basis konstanter Wechselkurse bedeutet das einen Anstieg um 20%. Im Vergleich zu dem zum 30. September 2016 endenden Dreimonatszeitraum, stieg die durchschnittliche Bestellrate für den Konzern in dem zum 30. September 2017 endenden Dreimonatszeitraum leicht an (3,63 im Vergleich zu 3,58), ebenso wie für das Segment USA (3,33 im Vergleich zu 3,21) und das Segment International (4,11 im Vergleich zu 3,94). Im Vergleich zu dem zum 30. Juni 2017 endenden Sechsmonatszeitraum, verbesserte sich unsere Bereinigte EBITDA-Marge basierend auf vorläufigen Zahlen in dem zum 30. September 2017 endenden Dreimonatszeitraum leicht. Abgesehen von den obigen Ausführungen, gab es zwischen dem 30. Juni 2017 und dem Datum dieses Prospekts keine wesentlichen Änderungen unserer Finanzlage, finanziellen Leistungsfähigkeit oder Kapitalflüsse bzw. unserer Handelsposition.
B.8	**Ausgewählte wesentliche Pro-forma-Finanzinformationen.**	Entfällt. Die Emittentin hat keine in diesen Prospekt einzubeziehenden Pro-forma-Finanzinformationen erstellt.
B.9	**Gewinnprognosen oder -schätzungen.**	Entfällt. Die Emittentin hat keine Gewinnprognose oder -schätzung abgegeben.
B.10	**Beschränkungen im Bestätigungsvermerk zu den historischen Finanzinformationen.**	Entfällt. Die in diesem Prospekt enthaltenen historischen Finanzinformationen wurden mit uneingeschränkten Bestätigungsvermerken versehen.
B.11	**Geschäftskapital der Emittentin zur Erfüllung bestehender Anforderungen nicht ausreichend.**	Entfällt. Die Emittentin ist der Ansicht, dass der Konzern sämtliche Zahlungsverpflichtungen erfüllen kann, die mindestens in den nächsten zwölf Monaten fällig werden.
C – Wertpapiere		
C.1	**Art und Gattung der angebotenen und zum Handel zuzulassenden Wertpapiere.**	Auf den Inhaber lautende Stammaktien ohne Nennbetrag (*Stückaktien*), jeweils mit einem anteiligen Betrag des Grundkapitals von EUR 1,00 und mit voller Dividendenberechtigung ab dem 1. Januar 2017.
	Wertpapierkennung.	International Securities Identification Number (ISIN): DE000A161408 Wertpapierkennnummer (WKN): A16140 Börsenkürzel: HFG
C.2	**Währung.**	Euro.
C.3	**Zahl der ausgegebenen und voll eingezahlten Aktien.**	Zum Datum dieses Prospekts beträgt das Grundkapital der Emittentin EUR 133.128.752,00 und ist eingeteilt in 133.128.752 auf den Inhaber lautende Stammaktien ohne Nennbetrag (*Stückaktien*), die alle ausgegeben wurden. Das Grundkapital ist vollständig eingezahlt.

		Von diesen 133.128.752 ausgegebenen Aktien werden 692.109 Aktien (direkt oder indirekt) von der Emittentin als eigene Aktien gehalten. 533,333 der von der Emittentin gehaltenen eigenen Aktien mit einem anteiligen Betrag des Grundkapitals der Emittentin von EUR 1,00 pro Aktie wurden von der Emittentin zu einem Preis von EUR 18,75 pro Aktie von Bambino 53. V V UG (haftungsbeschränkt), die die Aktien als Treuhänder, für, unter anderem, Gesellschaften, die im vollständigen Besitz von Dominik Richter und Thomas Griesel sind, sowie bestimmte regionale Manager, Angestellte und Unterstützer gehalten hat, zurückerworben. Die übrigen 158,776 Aktien wurden von der Emittentin von ehemaligen Angestellten auf Basis der Ermächtigung zum Erwerb eigener Aktien nach Artikel 5 der Verordnung (EG) Nr. 2157/2001 des Rates vom 8. Oktober 2001 über das Statut der Europäischen Gesellschaft (SE) in Verbindung mit § 71a ff. AktG und auf Basis von der Emittentin im Fall des Ausscheidens von bestimmten Angestellten oder Unterstützern der Emittentin oder einer ihrer Tochtergesellschaften im Guten und/oder Bösen (*certain good and/or bad leaver events*) gewährten Call Optionen zurückerworben. Dementsprechend beträgt die Anzahl der umlaufenden Aktien zum Datum dieses Prospektes 132.436.643 Aktien.
	Nennwert.	Jede Aktie der Emittentin repräsentiert einen anteiligen Betrag des Grundkapitals der Emittentin von EUR 1,00.
C.4	**Mit den Wertpapieren verbundene Rechte.**	Jede Aktie der Emittentin berechtigt zu einer Stimme in der Hauptversammlung der Emittentin. Es bestehen keine Stimmrechtsbeschränkungen und die bestehenden Aktionäre der Emittentin haben keine unterschiedlichen Stimmrechte. Die Aktien der Emittentin sind ab dem 1. Januar 2017 vollständig dividendenberechtigt.
C.5	**Beschreibung aller etwaigen Beschränkungen für die freie Übertragbarkeit der Wertpapiere.**	Entfällt. Die Aktien der Emittentin sind in Übereinstimmung mit den gesetzlichen Bestimmungen für auf den Inhaber lautende Stammaktien frei übertragbar. Die Satzung der Emittentin schränkt die freie Übertragbarkeit der Aktien nicht ein.
C.6	**Antrag auf Zulassung der Wertpapiere zum Handel an einem geregelten Markt und Nennung aller geregelten Märkte, an denen die Wertpapiere gehandelt werden sollen.**	Die Emittentin wird die Zulassung der Aktien der Emittentin zum regulierten Markt mit gleichzeitiger Zulassung zum Teilbereich des regulierten Marktes mit weiteren Zulassungsfolgepflichten (*Prime Standard*) an der Frankfurter Wertpapierbörse am oder um den 24. Oktober 2017 beantragen. Der Zulassungsbeschluss für die Aktien der Emittentin wird voraussichtlich am 1. November 2017 erteilt. Der Handel mit den Aktien der Emittentin an der Frankfurter Wertpapierbörse wird voraussichtlich am 2. November 2017 beginnen.
		Falls im Rahmen der Ausübung der Greenshoe-Option (wie unten in E.3 definiert) zusätzliche Aktien der Emittentin ausgegeben werden, wird die Emittentin auch die Zulassung dieser zusätzlichen Aktien der Emittentin zum regulierten Markt der Frankfurter Wertpapierbörse mit gleichzeitiger Zulassung zum Teilbereich des regulierten Marktes mit weiteren Zulassungsfolgepflichten (*Prime Standard*) an der Frankfurter Wertpapierbörse beantragen. Die Zulassung wird auf der Grundlage einer Ausnahme von der Pflicht zur Veröffentlichung eines Prospekts gemäß § 4 Abs. 2 Nr. 1 Wertpapierprospektgesetz beantragt.
C.7	**Dividendenpolitik.**	Die Emittentin beabsichtigt derzeit, alle verfügbaren Mittel und zukünftigen Gewinne zur Unterstützung ihrer Geschäftstätigkeit und zur Finanzierung des Wachstums und der Entwicklung ihres Geschäfts einzubehalten und beabsichtigt derzeit nicht, in absehbarer Zukunft Bardividenden auszuschütten. Jeder zukünftige Beschluss zur Ausschüttung von Dividenden wird in Übereinstimmung mit geltendem

Recht gefasst werden und wird unter anderem vom Geschäftsergebnis, der Finanzlage, vertraglichen Beschränkungen und dem Kapitalbedarf der Emittentin abhängen. Die zukünftige Fähigkeit der Emittentin, Dividenden zu zahlen, ist durch die Bedingungen ihrer bestehenden Schulden beschränkt und kann durch zukünftige Schuld- oder Vorzugstitel beschränkt sein.

D – Risiken

Der Erwerb von Aktien der Emittentin ist mit verschiedenen Risiken verbunden. Potenzielle Investoren sollten vor der Entscheidung über eine Investition in Aktien der Emittentin die nachfolgend beschriebenen Risiken sowie alle sonstigen in diesem Prospekt enthaltenen Informationen sorgfältig prüfen. Die folgenden Risiken könnten allein oder zusammen mit weiteren Risiken und Unwägbarkeiten, die uns derzeit nicht bekannt sind oder die wir derzeit als unwesentlich erachten, unsere Geschäfts-, Finanz- und Ertragslage erheblich beeinträchtigen. Der Marktpreis der Aktien der Emittentin könnte sinken, wenn sich einzelne oder aller dieser Risiken verwirklichen sollten; in diesem Fall könnten die Anleger ihre Investition ganz oder teilweise verlieren.

Die Reihenfolge, in der die Risikofaktoren dargestellt sind, stellt weder eine Aussage über die Eintrittswahrscheinlichkeit noch über die Bedeutung und Höhe der Risiken oder das Ausmaß der sich daraus möglicherweise ergebenden Beeinträchtigung unserer Geschäfts-, Finanz- oder Ertragslage dar.

D.1 Schlüsselrisiken, die der Emittentin und ihrer Branche eigen sind.

Schlüsselrisiken im Zusammenhang mit unserer Geschäftstätigkeit, Ertragslage und finanziellen Lage

- Wir haben eine kurze Betriebshistorie und operieren auf Grundlage eines neuartigen Geschäftsmodells, was die Beurteilung unserer Zukunftsaussichten und der Risiken und Herausforderungen, denen wir begegnen können, erschwert.
- Wir haben seit der Gründung erhebliche operative Verluste erlitten und es gibt keine Garantie, dass wir künftig in der Lage sein werden, unser Geschäft erfolgreich zu vergrößern und zu betreiben sowie Profitabilität zu erreichen oder zu erhalten.
- Wir könnten weiteres Kapital benötigen, um das Wachstum unserer Geschäftstätigkeit zu fördern und dieses Kapital könnte entweder nicht zu angemessenen Bedingungen oder gar nicht verfügbar sein.
- Das Wachstum unseres Unternehmens hängt von mehreren externen Faktoren ab, von denen einige außerhalb unseres Einflussbereichs liegen, und es gibt keine Garantie, dass wir unsere bisherigen Wachstumsraten in bestehenden Märkten aufrechterhalten oder dass wir unsere Geschäftstätigkeit erfolgreich auf andere Märkte ausweiten können.
- Zukünftiges Wachstum setzt unser Unternehmen und unsere Unternehmensstruktur verschiedenen Risiken und Herausforderungen aus und wir könnten nicht in der Lage sein, zukünftiges Wachstum effizient zu bewältigen.
- Jede Verschlechterung der wirtschaftlichen Bedingungen und der sich daraus ergebenden Auswirkungen auf die Ausgaben unserer Kunden kann unserer Geschäftstätigkeit und unserer Ertragslage schaden.
- Unsere historischen Geschäftsergebnisse sind von saisonalen Schwankungen beeinflusst und wenn sich unsere Wachstumsrate

abschwächt oder sich saisonale Muster stärker auswirken, könnten saisonale Effekte einen wesentlichen Einfluss auf unser Ergebnis haben.

- Wir stehen im Wettbewerb mit traditionellen nicht-internetbasierten Lebensmitteleinzelhändlern, internetbasierten und nicht-internetbasierten Anbietern von Lebensmittel-Lieferdiensten, anderen Unternehmen, die den Markt für „Essen zu Hause" adressieren, und potentiellen neuen Marktteilnehmern. In diesem Zusammenhang kann auch die Übernahme von Whole Foods durch Amazon und die daraus resultierende kombinierte Expertise für E-Commerce und Lebensmittel eine wettbewerbliche Bedrohung für uns darstellen. Darüber hinaus können wir nicht ausschließen, dass die Rocket Internet SE oder Gesellschaften, an denen sie Anteile hält, in der Zukunft mit uns in Wettbewerb treten könnten.
- Wir sind von unserem Ruf und unserer Marke abhängig und ein Unvermögen, unseren Ruf oder unsere Marke zu pflegen, zu schützen oder zu verbessern, könnte unsere Fähigkeit, unseren Stamm an Aktiven Kunden zu bewahren oder auszubauen, beeinträchtigen.
- Wir könnten nicht in der Lage sein, unsere bestehenden Kunden zu bewahren oder neue Kunden anzuziehen, insbesondere wenn es uns nicht gelingt, die Nachfrage nach unseren Mahlzeitensets aufrechtzuerhalten oder zu steigern oder unsere Dienstleistungen erfolgreich an Veränderungen im Kundenverhalten oder der Präferenzen unserer Kunden anzupassen.
- Um neue Kunden zu gewinnen und bestehende Kunden zu bewahren, ist es wichtig, dass unsere Marken bei Internetsucherergebnissen an vorderster Stelle ausgewiesen werden. Änderungen der Algorithmen von Internetsuchmaschinen oder deren Nutzungsbedingungen könnten dazu führen, dass unsere Internetseiten bei Suchergebnissen weniger herausstechen.
- Wir verlassen uns bei unseren auf Kunden und den laufenden Geschäftsbetrieb abzielenden Marketingbemühen auf E-Mail und andere Kommunikationsdienste und Einschränkungen in Bezug auf den Versand von E-Mails oder Nachrichten, oder Verzögerungen bei ihrer Zustellungen können sich auf unsere Geschäftstätigkeit nachteilig auswirken.
- Unzufriedenheit mit unserem Kundenservice könnte dazu führen, dass wir unsere Aktiven Kunden nicht halten können.
- Wir könnten wettbewerbswidrigem Verhalten, Schikanen oder anderem nachteiligem Verhalten Dritter ausgesetzt sein, einschließlich böswilliger Bewertungen unseres Unternehmens im Internet oder Medienkampagnen, was unserer Leistung und unserem Ruf schaden könnte.
- Es könnte zu einem Rückgang bei der Nachfrage nach unseren Mahlzeitensets und einem Rückruf von betroffenen Mahlzeitensets aufgrund von Lebensmittelvergiftungen, Pandemien oder sonstigen gesundheitlichen Bedenken im Zusammenhang mit Lebensmitteln kommen. Unser Ruf würde durch solche Vorkommnisse negativ beeinflusst werden.
- Die Nachfrage nach unseren Mahlzeitensets könnte sinken, wenn wir es nicht schaffen, den Umweltbedenken und sozialen Anliegen unserer Kunden hinreichend zu begegnen.

- Wir verlassen uns für den Bezug unserer Zutaten auf Dritte. Die Kündigung der Beziehungen zu diesen Zulieferern und ein Versagen dieser Zulieferer, Produkte zu liefern, die unseren Anforderungen oder regulatorischen Vorgaben entsprechen, könnte erhebliche nachteilige Auswirkungen auf unser Geschäft und unseren Ruf haben.
- Änderungen von Lebensmittelpreisen und deren Verfügbarkeit könnten unsere Geschäftstätigkeit nachteilig beeinflussen.
- Verderbliche Waren machen einen wesentlichen Anteil unserer Mahlzeitensets aus und Bestellfehler oder Störungen in der Warenversorgung bei unserem Just-in-time-Lieferkonzept könnten dazu führen, dass wir unsere Mahlzeitensets nicht rechtzeitig ausliefern können und wir Aktive Kunden verlieren. Außerdem könnten das Verpacken und Versenden falscher Zutaten oder Fehlbeschriftungen von Lebensmitteln Klagen unserer Aktiven Kunden zur Folge haben, die unserem Ruf und unserer Geschäftstätigkeit schaden könnten.
- Wir könnten nicht in der Lage sein, unsere Investitionen, welche wir in unsere Lieferzentren gemacht haben, sowie zukünftig geplante Investitionen in die Automatisierung dieser Lieferzentren zurückzuverdienen.
- Wir sind hinsichtlich der Lieferung von unseren Mahlzeitensets an unsere Kunden von Drittunternehmen abhängig. Falls diese Dienstleister nicht in der Lage oder gewillt sind, unsere Produkte sicher und pünktlich zu liefern sowie jede Änderung ihrer Versandbedingungen oder ihrer Kosten bzw. ihrer Servicequalität kann unseren Ruf schädigen und/oder sich nachteilig auf unser Unternehmen, unsere Finanzlage oder Ertragslage auswirken.
- Jede Softwarefehlfunktion oder Störung unserer IT-Systeme könnte sich nachteilig auf unsere Geschäftstätigkeit auswirken.
- Wir könnten Sicherheitsrisiken und Unterbrechungen unseres Online-Angebots aufgrund von Hackerangriffen, Viren, Betrug oder anderen böswilligen Angriffen ausgesetzt sein, welche erhebliche nachteilige Auswirkungen auf unsere Geschäftstätigkeit und unseren Ruf haben könnten.
- Wir sind von dem kontinuierlichen Einsatz unserer Gründer und anderem Personal in Schlüsselpositionen abhängig. Die Unfähigkeit, neue Angestellte für Schlüsselpositionen des Managements oder andere Schlüsselpositionen zu gewinnen bzw. diese zu halten oder zu ersetzen, könnte nachteilige Auswirkungen auf unser Geschäft und unsere Zukunftsperspektiven haben.
- Wenn es uns nicht gelingt, unsere betriebliche Leistung durch bestimmte Leistungskennzahlen korrekt zu beurteilen, könnte unsere Fähigkeit, angemessene Geschäftsstrategien festzulegen und umzusetzen, beeinträchtigt werden.
- Wir könnten nicht in der Lage sein, ein effizientes internes Kontrollsystem für unsere Finanzberichterstattung einzurichten und beizubehalten, und unsere interne Berichterstattung und/oder Risikomanagementverfahren könnten unzureichend sein, um die Anforderungen unseres wachsenden Geschäfts zu erfüllen.

Regulatorische und rechtliche Schlüsselrisiken

- Zwischenfälle in Bezug auf Lebensmittelsicherheit und durch Lebensmittel verursachte Krankheiten oder die fehlerhafte Kennzeichnung von Produkten könnten sich nachteilig auf unsere Geschäftstätigkeit auswirken, indem wir Produkthaftungsklagen, Produktrückrufen oder behördlichen Vollstreckungsmaßnahmen ausgesetzt werden, die unsere Betriebskosten erhöhen, unserem Ruf und unserer Geschäftstätigkeit schaden und die Nachfrage nach den von uns angebotenen Produkten verringern könnten.
- Wir unterliegen komplexen rechtlichen Rahmenbedingungen für die Lebensmittelindustrie. Die Einhaltung dieser Vorschriften, in ihrer jetzigen oder modifizierten zukünftigen Fassung, ist nicht gewährleistet und könnte unsere Kosten erhöhen, den Verkauf bestimmter Produkte beschränken oder ausschließen, zu Risiken aufgrund der Durchsetzung von Vorschriften führen oder sich anderweitig nachteilig auf unser Unternehmen auswirken.
- Jedes Misslingen die zahlreichen und manchmal widersprüchlichen Registrierungs-, Lizenzierungs- und Berichtspflichten, welchen unsere US-Einrichtungen und Betriebe unterliegen, zu befolgen, könnte sich dies nachteilig auf unsere Geschäfts-, Ertrags- und Finanzlage auswirken.
- Selbst unbeabsichtigte, unverschuldete oder unwissentliche Verstöße gegen US-Bundesrecht, bundesstaatliches oder lokales Recht könnten uns nachteiligen behördlichen Maßnahmen aussetzen und sich erheblich nachteilig auf unsere Geschäfts-, Ertrags- und Finanzlage auswirken.
- Sollten wir oder unsere Partner die spezifischen Gesetze und Vorschriften, welche die Industrie für alkoholische Getränke in den USA regulieren, nicht befolgen, könnte unsere Geschäftstätigkeit erheblich beeinträchtigt werden.
- Die staatliche Regulierung des Internets sowie des elektronischen Handels entwickelt sich derzeit immer weiter und könnte sich in einer für unser Unternehmen nachteiligen Weise ändern, und es könnte uns, aufgrund der Komplexität des Regulierungsbereiches, misslingen, diese Vorschriften einzuhalten.
- Da wir unsere Geschäftstätigkeit weiter global ausweiten, könnten wir Compliance-Anforderungen aus zahlreichen, komplexen und manchmal kollidierenden rechtlichen Regimen unterliegen.
- Wir könnten nicht in der Lage sein, für unsere Internetseiten in unseren Zielmärkten die entsprechenden Domainnamen zu erwerben, zu nutzen oder zu behalten.
- Wir verwenden standardisierte Verträge und allgemeine Geschäftsbedingungen, die das Risiko erhöhen, wenn eine einzelne Klausel für unwirksam erklärt wird.
- Unsere Geschäftstätigkeit unterliegt den steuerlichen Rahmenbedingungen in den Jurisdiktionen, in welchen wir unsere Geschäftstätigkeit ausüben, und mögliche zukünftige Änderungen könnten unsere operative Tätigkeit beeinträchtigen. Wir könnten in Folge von Betriebsprüfungen des Konzerns zur Zahlung zusätzlicher Steuern, aufgelaufenen Zinsen und Strafen gezwungen sein.

D.3	**Schlüsselrisiken, die den Wertpapieren eigen sind.**	**Schlüsselrisiken im Zusammenhang mit der Gesellschaftsstruktur der Emittentin, den Aktien und dem Angebot.** • Nach dem Angebot werden die bestehenden Aktionäre der Emittentin weiterhin eine wesentliche Beteiligung an der Emittentin halten und ihre Interessen könnten den Interessen der anderen Aktionäre der Emittentin widersprechen. • Die Aktien der Emittentin sind bisher nicht an der Börse gehandelt worden, und es ist nicht gewährleistet, dass sich ein aktiver und liquider Markt für die Aktien entwickeln wird. • Als Folge der geplanten Börsennotierung am regulierten Markt der Frankfurter Wertpapierbörse im Teilsegment mit weiteren Zulassungsfolgepflichten ergeben sich für die Emittentin zusätzliche administrative Anforderungen, einschließlich der Pflicht, Halbjahreszwischenabschlüsse zu erstellen. • Der Preis der Aktien könnte erheblich schwanken, und Investoren könnten ihre Anlage ganz oder teilweise verlieren. • Zukünftige Angebote von Schuld- oder Eigenkapitalinstrumenten durch die Emittentin könnten den Marktpreis der Aktien nachteilig beeinträchtigen, und zukünftige Kapitalisierungsmaßnahmen könnten die Anteile der bestehenden Aktionäre der Emittentin erheblich verwässern. • Zukünftige Verkäufe durch bestehende Aktionäre der Emittentin oder von Investoren, die Aktien in diesem Angebot erwerben, könnten den Preis der Aktien drücken.
E – Angebot		
E.1	**Gesamtnettoerlöse.**	Die Emittentin erhält den Erlös, der sich aus dem Verkauf der Neuen Aktien im Rahmen des Angebots und, wenn und soweit die Greenshoe-Option (wie unten in E.3 definiert) ausgeübt wird, aus der Ausübung der Greenshoe-Option, jeweils nach Abzug von Gebühren und Provisionen ergibt. Unter der Annahme, dass sämtliche Neuen Aktien (d.h. 27.000.000 Aktien) platziert werden und die Greenshoe-Option (wie unten unter E.3 definiert) nicht ausgeübt wird, rechnet die Emittentin zum Mindest-, Mittel- und Höchstwert der für das Angebot der Angebotsaktien festgelegten Preisspanne (die „**Preisspanne**“) mit Bruttoerlösen für die Emittentin in Höhe von jeweils ungefähr EUR 243,0 Mio., EUR 276,8 Mio. und EUR 310,5 Mio. und Nettoerlösen von jeweils ungefähr EUR 234,0 Mio., EUR 266,9 Mio. und EUR 299,7 Mio. Unter der Annahme, dass sämtliche Neuen Aktien (d.h. 27.000.000 Aktien) platziert werden und die Greenshoe-Option (wie unten in E.3 definiert) vollumfänglich ausgeübt wird (d.h. 4.050.000 Aktien), rechnet die Emittentin damit, dass zum Mindest-, Mittel- und Höchstwert der Preisspanne die Bruttoerlöse für die Emittentin jeweils ungefähr EUR 279,5 Mio., EUR 318,3 Mio. und EUR 357,1 Mio. und die Nettoerlöse jeweils ungefähr EUR 269,5 Mio., EUR 307,2 Mio. und EUR 345,0 Mio. betragen werden.
	Geschätzte Gesamtkosten des Angebots und der Börsennotierung, einschließlich der	Die der Emittentin durch das Angebot der Angebotsaktien und der Börsennotierung sämtlicher Aktien der Emittentin (einschließlich der Börsennotierung von allenfalls unter der Greenshoe-Option (wie unten in E.3 definiert) ausgegebenen Aktien) entstehenden Kosten werden sich voraussichtlich auf insgesamt EUR 11,0 Mio. zum Mittelwert der

	geschätzten Kosten, die dem Anleger von der Emittentin in Rechnung gestellt werden.	Preisspanne unter der Annahme einer vollständigen Ausübung der Greenshoe-Option (wie in E.3 definiert) und inklusive Konsortial- und Platzierungsprovisionen, die an die Konsortialbanken gezahlt werden, belaufen und von der Emittentin getragen werden. Unter der Annahme eines Angebotspreises für die Aktien, die dem Angebot unterliegen (der „**Angebotspreis**") zum Mindest-, Mittel-, und Höchstwert der Preisspanne und der Platzierung der maximalen Anzahl der Angebotsaktien (d.h. vollständiger Ausübung der Greenshoe-Option) sowie unter der Annahme der vollständigen Zahlung der Ermessensgebühr von jeweils bis zu EUR 3,6 Mio., EUR 4,1 Mio. und EUR 4,6 Mio. zum Mindest-, Mittel- und Höchstwert der Preisspanne wird sich die von der Emittentin an die Konsortialbanken zu zahlende Provision auf jeweils EUR 7,7 Mio., EUR 8,8 Mio. und EUR 9,8 Mio. belaufen. Basierend auf den Annahmen in dem vorhergehenden Absatz belaufen sich die Gesamtkosten für das Angebot und die Börsennotierung, die von der Emittentin getragen werden, auf EUR 10,0 Mio., EUR 11,0 Mio. und EUR 12,1 Mio., woraus sich Nettoemissionserlöse von EUR 269,5 Mio., EUR 307,2 Mio. und EUR 345,0 Mio. ergeben. Anlegern werden von der Emittentin oder den Konsortialbanken keine Kosten in Rechnung gestellt. Investoren werden die üblichen Transaktions- und Abwicklungskosten tragen müssen, die ihnen ihre depotführenden Broker oder Finanzinstitute in Rechnung stellen.
E.2a	**Gründe für das Angebot.**	Die Emittentin beabsichtigt die Zulassung ihrer Aktien zum regulierten Markt der Frankfurter Wertpapierbörse mit gleichzeitiger Zulassung zum Teilbereich des regulierten Marktes mit weiteren Zulassungsfolgepflichten (*Prime Standard*), um einen besseren Zugang zum Kapitalmarkt zu erreichen. Die Emittentin beabsichtigt mit dem Angebot außerdem, die Erlöse aus der Platzierung der Neuen Aktien zu erhalten.
	Zweckbestimmung der Erlöse, geschätzte Nettoerlöse.	Die Emittentin beabsichtigt, ungefähr EUR 50 Mio. bis EUR 100 Mio. der Erlöse aus dem Angebot für weitere Investitionen in das Wachstum ihres Unternehmens zu verwenden. Zusätzlich beabsichtigt die Emittentin bis zu ungefähr EUR 60 Mio. der Nettoerlöse aus dem Angebot in Sachanlagen, hauptsächlich Automatisierungstechnik, zu investieren. Falls die der Emittentin zustehenden Bruttoerlöse aus dem Angebot mindestens EUR 150 Mio. betragen, beabsichtigt die Emittentin außerdem, einen Anteil der Nettoerlöse aus dem Angebot in Höhe von EUR 27 Mio. bis EUR 28 Mio. (einschließlich der entstandenen Zinsen) für die teilweise Rückzahlung des unter einem Gesellschafterdarlehen mit Rocket Internet SE, einer der Hauptaktionäre der Emittentin, ausgezahlten Betrages zu verwenden. Die Emittentin beabsichtigt, den Restbetrag der Erlöse aus dem Angebot für die Schaffung strategischer Flexibilität für neue Geschäftsfelder und mögliche ergänzende Akquisitionen sowie für allgemeine Unternehmenszwecke zu nutzen. Unter der Annahme, dass die maximale Anzahl an Neuen Aktien (27.000.000 Aktien) platziert und die Greenshoe-Option (wie unten in E.3 definiert) vollumfänglich ausgeübt wird, rechnet die Emittentin damit, dass zum Mindest-, Mittel- und Höchstwert der für das Angebot bestimmten Preisspanne der Angebotsaktien, die Bruttoerlöse der Emittentin jeweils ungefähr EUR 279,5 Mio., EUR 318,3 Mio. und EUR 357,1 Mio. und die Nettoerlöse jeweils ungefähr EUR 269,5 Mio., EUR 307,2 Mio. und EUR 345,0 Mio. betragen werden.
E.3	**Angebotskonditionen.**	Dieses Angebot bezieht sich auf: • 27.000.000 Neue Aktien; und

- 4.050.000 Mehrzuteilungsaktien.

Das Angebot besteht aus öffentlichen Angeboten in Deutschland und in Luxemburg sowie Privatplatzierungen in bestimmten Rechtsordnungen außerhalb Deutschlands und Luxemburgs. In den Vereinigten Staaten werden die Angebotsaktien nur qualifizierten institutionellen Anlegern gemäß Rule 144A nach dem U.S. Securities Act von 1933 in der derzeit gültigen Fassung (der „**Securities Act**") oder gemäß einer anderen anwendbaren Ausnahme von den Registrierungsanforderungen des Securities Act, bzw. in Transaktionen, die diesen Registrierungsanforderungen nicht unterfallen, angeboten und verkauft. Außerhalb der Vereinigten Staaten werden die Aktien der Emittentin nur im Rahmen von Offshore-Geschäften in Übereinstimmung mit der Regulation S nach dem Securities Act angeboten und verkauft.

Angebotszeitraum. Der Zeitraum, in dem Anleger ihre Kaufangebote für die Angebotsaktien abgeben können, beginnt voraussichtlich am 24. Oktober 2017 und endet voraussichtlich am 1. November 2017 (der „**Angebotszeitraum**"). Am letzten Tag des Angebotszeitraums können Kaufangebote (i) von Privatanlegern bis 12:00 Uhr (Mitteleuropäische Sommerzeit) („**MESZ**") und (ii) von institutionellen Anlegern bis 14:00 Uhr MESZ abgegeben werden. Kaufangebote müssen in vollen Eurobeträgen oder Eurocentbeträgen von 25, 50 oder 75 Eurocent abgegeben werden. Mehrfache Kaufangebote sind zulässig.

Preisspanne. Die Preisspanne für das Angebot, innerhalb derer Kaufangebote abgegeben werden dürfen, liegt bei EUR 9,00 bis EUR 11,50 je Angebotsaktie.

Angebotspreis. Der Angebotspreis und die endgültige Anzahl an Angebotsaktien, die im Rahmen des Angebots platziert werden sollen, stehen zum Datum dieses Prospekts noch nicht fest; sie werden gemeinsam von der Emittentin und den Joint Bookrunners am 1. November 2017 auf der Grundlage der von Investoren abgegebenen Angebote, die während des Bookbuilding-Prozesses in dem erstellten Orderbuch zusammengetragen wurden, festgelegt. Der Angebotspreis und die endgültige Anzahl der im Rahmen des Angebots platzierten Angebotsaktien (d.h. die Ergebnisse des Angebots) werden voraussichtlich am 1. November 2017 mittels einer Ad-hoc-Mitteilung durch ein elektronisches Informationsverbreitungssystem und auf der Internetseite der Emittentin veröffentlicht.

Sollte sich das Platzierungsvolumen als unzureichend erweisen, um alle zum Angebotspreis platzierten Angebote zu bedienen, behalten sich die Konsortialbanken das Recht vor, Angebote zurückzuweisen oder nur teilweise anzunehmen.

Lieferung und Abrechnung. Die Angebotsaktien werden voraussichtlich am 6. November 2017 gegen Zahlung des Angebotspreises geliefert. Die Angebotsaktien werden den Aktionären als Miteigentumsanteile an den Globalurkunden, welche die Aktien der Emittentin vertreten, zur Verfügung gestellt.

Stabilisierungsmaßnahmen, Mehrzuteilung und Greenshoe-Option. Im Zusammenhang mit der Platzierung der Angebotsaktien handelt Berenberg als Stabilisierungsmanager für Rechnung der Konsortialbanken (der „**Stabilisierungsmanager**") und kann als solcher und in Übereinstimmung mit den rechtlichen Bestimmungen (Artikel 5 Abs. 4 und 5 der Marktmissbrauchsverordnung (EU) Nr. 596/2014 in Verbindung mit Artikel 5 bis 8 der delegierten Verordnung der Kommission (EU) 2016/1052) Mehrzuteilungen vornehmen und Stabilisierungsmaßnahmen ergreifen, um den Marktpreis der Aktien der Emittentin zu stützen und dadurch einem etwaigen Verkaufsdruck entgegenzuwirken.

		Der Stabilisierungsmanager ist nicht zu Stabilisierungsmaßnahmen verpflichtet. Daher werden Stabilisierungsmaßnahmen nicht notwendigerweise ergriffen und können jeder Zeit beendet werden. Solche Maßnahmen können im Börsenhandel der Frankfurter Wertpapierbörse ab dem Zeitpunkt der Aufnahme des Börsenhandels der Aktien der Emittentin am regulierten Markt der Frankfurter Wertpapierbörse vorgenommen werden und müssen spätestens 30 Kalendertag nach diesem Zeitpunkt beendet sein (der „**Stabilisierungszeitraum**“). Stabilisierungstransaktionen zielen auf die Stützung des Börsenkurses der Aktien der Emittentin während des Stabilisierungszeitraums ab. Diese Maßnahmen können dazu führen, dass der Börsenkurs der Aktien der Emittentin höher ist als es ohne solche Maßnahmen der Fall gewesen wäre. Des Weiteren kann sich vorübergehend ein Börsenkurs auf einem Niveau ergeben, das nicht von Dauer ist. Mit Blick auf mögliche Stabilisierungsmaßnahmen können Anlegern zusätzlich zu den Neuen Aktien bis zu 4.050.000 Mehrzuteilungsaktien als Teil der Zuteilung der Angebotsaktien zugeteilt werden („**Mehrzuteilung**“). Zum Zwecke einer solchen möglichen Mehrzuteilung werden dem Stabilisierungsmanager für Rechnung der Konsortialbanken 4.050.000 bestehende Aktien aus dem Aktienbesitz des Verleihenden Aktionärs in Form eines Wertpapierdarlehens zur Verfügung gestellt. Die Gesamtzahl der Mehrzuteilungsaktien wird dabei 15% der Summe aus der finalen Anzahl der platzierten Neuen Aktien nicht übersteigen. Zudem wird die Emittentin im Zusammenhang mit der Mehrzuteilung den Konsortialbanken eine Option zum Erwerb von bis zu 4.050.000 zusätzlichen Aktien der Emittentin zum Angebotspreis abzüglich der vereinbarten Provisionen einräumen (die „**Greenshoe-Option**“); diese würden ausschließlich zur Erfüllung der Rücklieferungsverpflichtung gemäß dem Wertpapierdarlehen zwischen dem Stabilisierungsmanager und dem Verleihenden Aktionär von der Emittentin aus einer Kapitalerhöhung, unter Verwendung des durch Beschluss der außerordentlichen Hauptversammlung vom 11. Oktober 2017 beschlossenen genehmigten Kapitals (Genehmigtes Kapital 2017/I), ausgegeben. Die Greenshoe-Option darf nur während des Stabilisierungszeitraums ausgeübt werden. Der Stabilisierungsmanager ist berechtigt, die Greenshoe-Option im Umfang der ursprünglichen Mehrzuteilung auf Rechnung der Konsortialbanken auszuüben; die Anzahl an Aktien ist um die Anzahl der Aktien zu vermindern, die von dem Stabilisierungsmanager am Tag der Ausübung der Greenshoe-Option gehalten werden und die vom Stabilisierungsmanager im Zusammenhang mit Stabilisierungsmaßnahmen erworben wurden. Innerhalb einer Woche nach Ablauf des Stabilisierungszeitraums wird der Stabilisierungsmanager eine öffentliche Bekanntmachung darüber, ob Stabilisierungsmaßnahmen vorgenommen wurden, wann mit Stabilisierungsmaßnahmen begonnen wurde und wann diese zuletzt vorgenommen wurden, und die Preisspanne, innerhalb derer die Stabilisierungsmaßnahmen durchgeführt wurden, in Bezug auf jeden Zeitpunkt und Handelsplatz, an dem Stabilisierungsmaßnahmen vorgenommen wurden, in angemessener Form sicherstellen. Die Ausübung der Greenshoe-Option wird mit allen angemessenen Details, insbesondere dem Datum der Ausübung der Greenshoe-Option sowie der Anzahl und der Gattung der betroffenen Wertpapiere, gemäß Artikel 8 der delegierten Verordnung der Kommission (EU) 2016/1052 unverzüglich öffentlich bekanntgegeben werden.
E.4	**Wesentliche Interessen an der Emission/dem**	In Zusammenhang mit dem Angebot und der Zulassung der Aktien der Emittentin zum Handel sind die Konsortialbanken vertragliche

Angebot, einschließlich Interessenkonflikten.	Beziehungen mit der Emittentin eingegangen. Die Konsortialbanken handeln bei dem Angebot für die Emittentin und koordinieren die Strukturierung und die Durchführung des Angebots. Nach erfolgreicher Durchführung des Angebots erhalten die Konsortialbanken eine Provision. Aufgrund dieser vertraglichen Beziehung besteht seitens der Konsortialbanken ein finanzielles Interesse an einem erfolgreichen Angebot. Im Zusammenhang mit dem Angebot kann zudem jede Konsortialbank und jede ihrer jeweiligen Tochtergesellschaften als Anlegerin auf eigene Rechnung Aktien aus dem Angebot erwerben und in dieser Eigenschaft diese Aktien und damit verbundene Finanzanlagen auf eigene Rechnung erwerben, behalten oder veräußern und diese Aktien oder sonstige Finanzanlagen außerhalb des Angebots anbieten oder verkaufen. Zusätzlich können bestimmte Konsortialbanken und ihre Tochtergesellschaften mit Investoren Finanzierungsvereinbarungen (einschließlich Tausch- und Differenzgeschäfte) eingehen, aufgrund derer die Konsortialbanken (und ihre Tochtergesellschaften) von Zeit zu Zeit Aktien der Emittentin erwerben, behalten oder über diese verfügen können. Die Emittentin wird die Erlöse aus dem Angebot der Neuen Aktien und, wenn und soweit die Greenshoe-Option ausgeübt wird, aus der Ausübung der Greenshoe-Option (abzüglich von Gebühren und Provisionen) und Zugang zu den Eigenkapitalmärkten erhalten. Einige der Konsortialbanken bzw. mit ihnen verbundene Unternehmen unterhalten Geschäftsbeziehungen zu unserem Konzern, und könnten dies auch künftig weiterhin gelegentlich tun oder Dienstleistungen zugunsten unseres Konzerns im Rahmen ihres gewöhnlichen Geschäftsverlaufs erbringen. Deutsche Bank, ein mit J.P. Morgan verbundenes Unternehmen, ein mit BNP PARIBAS verbundenes Unternehmen und Rabobank zum Beispiel haben jeweils als Darlehensgeber mit, unter anderem, der Emittentin eine Darlehensvereinbarung von EUR 60 Mio. abgeschlossen, die aus einem langfristigen Darlehen von EUR 30 Mio. und einer revolvierenden Kreditfazilität von EUR 30 Mio. besteht. Rocket Internet SE, einer unserer Hauptaktionäre, ist Darlehensgeber eines Gesellschafterdarlehens. Falls die der Emittentin zustehenden Bruttoerlöse aus dem Angebot mindestens EUR 150 Mio. betragen, beabsichtigt die Emittentin, einen Teil der Nettoerlöse aus dem Angebot von EUR 27 Mio. bis EUR 28 Mio. für die Rückzahlung des ausstehenden Darlehensbetrages (einschließlich der entstandenen Zinsen) unter diesem Gesellschafterdarlehen zu verwenden. Neben anderen eigenkapitalgebundenen Instrumenten halten das Investitionsvehikel von Dominik Richter, das Investitionsvehikel von Thomas Griesel und Christian Gärtner insgesamt 8.112.528 Call-Optionen an der Emittentin. 2.402.288 der insgesamt 3.565.696 Call-Optionen von Dominik Richters Investitionsvehikel haben einen Ausübungspreis von EUR 1,00 und weitere 1.163.408 Call-Optionen haben einen Ausübungspreis von EUR 1,15. Sämtliche der 3.565.696 Call-Optionen wachsen Dominik Richter im Falle eines IPO der Aktien der Emittentin 24 Monate nach einem solchen IPO an (*vesting*). 2.885.024 Call-Optionen der insgesamt 4.048.432 Call-Optionen von Thomas Griesels Investitionsvehikel haben einen Ausübungspreis von EUR 1,00 und weitere 1.163.408 Call-Optionen haben einen Ausübungspreis von EUR 1,15. 3.283.744 der Call-Optionen (2.120.336 Call-Optionen mit einem Ausübungspreis von EUR 1,00 und 1.163.408 Call-Optionen mit einen Ausübungspreis von EUR 1,15) werden Thomas Griesel im Falle eines IPO der Aktien der Emittentin 24 Monate nach einem solchen IPO

		anwachsen. 356.000 der insgesamt 498.400 Call-Optionen von Christian Gärtner haben einen Ausübungspreis von EUR 10,42 und 142.400 Call-Optionen haben einen Ausübungspreis von EUR 27,08. Wenn ein IPO vor dem zweiten Halbjahr 2018 erfolgt, wachsen insgeamt 166.129 von Christian Gärtners Call-Optionen (118.667 Call-Optionen mit einem Ausübungspreis von EUR 10,42 and 47.462 Call-Optionen mit einem Ausübungspreis von EUR 27,08) im zweiten Halbjahr 2019 an. Außerdem werden 250 Tausend virtuelle Aktien-Optionen aus dem virtuellen Aktienoptionsprogramm der Emittentin, die an Dominik Richter zugeteilt wurden, diesem im Falle eines IPO der Aktien der Emittentin anwachsen. Da der IPO einen Einfluss auf die Anwachsung der oben genannten Instrumente hat, können die oben genannten Personen ein Interesse an der Durchführung des IPO haben. In Bezug auf 156.250 virtuelle Aktien-Optionen, die Dominik Richter zugeteilt wurden, stellt die Durchführung eines IPO der Emittentin am oder vor dem 31. Dezember 2017 eines von vier Erfolgszielen dar. Dementsprechend kann Dominik Richter ein Interesse an der Durchführung eines IPO der Emittentin in 2017 haben.
E.5	**Name der Person/des Unternehmens, die/das das Wertpapier zum Verkauf anbietet.**	Die Angebotsaktien werden von den Konsortialbanken zum Verkauf angeboten.
	Lock-up-Vereinbarung: Die beteiligten Parteien und die Lock-up-Frist.	In dem Konsortialvertrag vom 23. Oktober 2017 zwischen der Emittentin, dem Verleihenden Aktionär und den Konsortialbanken, hat sich die Emittentin gegenüber jeder der Konsortialbanken verpflichtet, soweit rechtlich zulässig, ohne die vorherige schriftliche Zustimmung der Joint Global Coordinators, welche nicht unbillig verweigert oder verzögert werden darf, innerhalb eines Zeitraums beginnend am 23. Oktober 2017 und endend 180 Tage nach dem ersten Handelstag der Aktien der Emittentin an der Frankfurter Wertpapierbörse (derzeit für den 2. November 2017 erwartet), keine • Erhöhung des Grundkapitals der Emittentin aus genehmigten Kapital anzukündigen oder zu bewirken; • Erhöhung des Grundkapitals gegenüber der Hauptversammlung vorzuschlagen; bzw. • Ausgabe von Wertpapieren mit Wandel- oder Optionsrechten auf Aktien der Emittentin oder Handlungen mit einem vergleichbaren wirtschaftlichen Effekt anzukündigen, zu bewirken oder vorzuschlagen. Die Emittentin kann aber (i) Aktien oder andere Wertpapiere an gegenwärtige oder ehemalige Angestellte, Unterstützer, gegenwärtige oder ehemalige Mitglieder von Leitungsorganen, Dienstanbieter und Geschäftspartner der Emittentin oder ihrer Tochtergesellschaften oder ihre jeweiligen Investmentvehikel unter Managementbeteiligungsplänen ausgeben oder verkaufen und (ii) jede unternehmerische Maßnahme vornehmen, die von der Emittentin zum Zweck des Abschlusses eines Vertrags hinsichtlich bzw. zum Zweck der Beschlussfassung hinsichtlich des Eingehens einer gemeinsamen Unternehmung (*joint venture*) oder des Erwerbs einer Gesellschaft vorgenommen wird, vorausgesetzt, dass die an der gemeinsamen Unternehmung beteiligten Personen bzw. die bei dem Erwerb der Gesellschaft beteiligten Personen, denen Aktien ausgehändigt werden, den Joint Global Coordinators gegenüber zustimmen, an dieselbe Lock-up-Vereinbarung wie die bestehenden Aktionäre gebunden zu sein. (i) und (ii) sind auf die IPO Kapitalerhöhung und die allenfalls erfolgende Ausgabe von Aktien unter der Greenshoe-Option nicht anwendbar.

Für den Zeitraum, der am 23. Oktober 2017 beginnt bis zu dem Datum, das, hinsichtlich der bestehenden Aktionäre sowie bestimmter Optionsinhaber 180 Tage bzw., für die Mitglieder des Vorstands der Emittentin zwölf Monate nach dem ersten Handelstag der Aktien der Emittentin an der Frankfurter Wertpapierbörse (derzeit für den 2. November 2017 erwartet) endet, haben sich die bestehenden Aktionäre, bestimmte Optionsinhaber sowie die Mitglieder des Vorstands der Emittentin verpflichtet, dass sie nicht ohne vorherige schriftliche Zustimmung der Joint Global Coordinators,

- Aktien der Emittentin anbieten, verpfänden, zuteilen, verteilen, verkaufen, sich zum Verkauf von Aktien der Emittentin verpflichten, eine Option auf Aktien der Emittentin verkaufen oder sich zum Kauf von Aktien vertraglich verpflichten, eine Option zum Verkauf von Aktien erwerben, eine Option oder ein Recht bzw. Bezugsrecht zum Erwerb von Aktien gewähren, Aktien übertragen oder anderweitig (direkt oder indirekt) über Aktien der Emittentin verfügen werden (inklusive, aber nicht beschränkt hierauf, die Ausgabe oder der Verkauf von Wertpapieren, die in Aktien der Emittentin umgetauscht werden können);
- die Bekanntmachung, Durchführung oder Umsetzung einer Kapitalerhöhung des Grundkapitals der Emittentin oder eine direkte oder indirekte Platzierung von Aktien der Emittentin direkt oder indirekt veranlassen oder bestätigen werden;
- eine Kapitalerhöhung des Grundkapitals der Emittentin, direkt oder indirekt, einer Hauptversammlung der Emittentin zur Abstimmung vorschlagen oder zugunsten einer solchen vorgeschlagenen Kapitalerhöhung abstimmen werden;
- eine Bekanntmachung, Durchführung oder einen Vorschlag zur Ausgabe von Finanzinstrumenten, die Optionsrechte oder wandelbare Bezugsrechte auf Aktien der Emittentin begründen, direkt oder indirekt veranlassen oder bestätigen werden; oder
- eine Transaktion eingehen oder vornehmen werden, die wirtschaftlich den Transaktionen, die im ersten Gliederungspunkt beschrieben sind, entsprechen, insbesondere die Ausgabe von Optionen oder Wandelrechten auf Aktien der Emittentin.

Diese Vereinbarung beschränkt nicht (i) die Übertragung von Aktien oder Wertpapieren an mit bestehenden Aktionären verbundene Unternehmen oder an bestehende Aktionäre, die unmittelbar vor dem IPO Aktien an der Emittentin gehalten haben, (ii) zukünftige Verpfändungen, die zugunsten eines oder mehrerer der Joint Global Coordinators oder an mit ihnen verbundene Unternehmen (mit Zustimmung der Joint Global Coordinators) gewährt wurden und (iii) eine Übertragung von Aktien an der Emittentin an einen oder mehrere der Joint Global Coordinators oder an mit ihnen verbundene Unternehmen im Rahmen der Zwangsvollstreckung aus einer Verpfändung, die in Übereinstimmung mit (ii) gewährt wurde, vorausgesetzt, dass der Begünstigte einer solchen Übertragung die Verpflichtungen des bestehenden Aktionärs aus dieser Vereinbarung durch schriftliche Bestätigung gegenüber den Joint Global Coordinators übernimmt. Zusätzlich können nach Ablauf des Stabilisierungszeitraums bestimmte gegenwärtige und ehemalige Manager und führende Angestellte sowie Unterstützer, die (i) im Zusammenhang mit den gesellschaftsrechtlichen Restrukturierungen in 2015 Steuerbelastungen erlitten haben oder (ii) die aufgrund der gesellschaftsrechtlichen Restrukturierungen in 2015, oder aufgrund der Ausübung ihrer jeweiligen Call-Optionen oder aufgrund des IPO selbst Steuerbelastungen innerhalb der Lock-up-Frist erleiden, Aktien veräußern,

		um fällige Zahlungen auf solche Steuerbelastungen zu leisten, aber hinsichtlich (i) und (ii) nur insoweit, als die Veräußerung der Aktien notwendig ist, um die erlittenen Steuerlasten zu begleichen. Außerdem darf ein bestehender Aktionär, der 42.720 Aktien hält, diese nach Ablauf des Stabilisierungszeitraums veräußern.
E.6	**Betrag und Prozentsatz der aus dem Angebot resultierenden unmittelbaren Verwässerung.**	Laut der verkürzten Konzern-Zwischenbilanz zum 30. Juni 2017 betrug der Nettobuchwert der Emittentin EUR 56,4 Mio. Der Nettobuchwert zum 30. Juni 2017 entspricht der Bilanzsumme Aktiva von EUR 204,2 Mio. abzüglich der Summe langfristige Schulden von EUR 65,6 Mio. und der Summe kurzfristige Schulden von EUR 82,4 Mio. zuzüglich nicht beherrschende Anteile von EUR 0,1 Mio. Der Nettobuchwert je Aktie (auf die Anteilseigner der Muttergesellschaft entfallendes Eigenkapital je Aktie), der dem Wert des Nettobuchwerts geteilt durch die Anzahl der ausstehenden Aktien der Emittentin unmittelbar vor dem Angebot entspricht, würde EUR 0,43 je Aktie der Emittentin basierend auf 132.436.643 unmittelbar vor dem Angebot ausstehenden Aktien der Emittentin betragen. Die verwässernde Wirkung des Angebots ist in der untenstehenden Tabelle dargestellt, die den Betrag veranschaulicht, um den der Angebotspreis zum Mittelwert der Preisspanne den auf die Aktionäre entfallenden Nettobuchwert je Aktie nach Abschluss des Angebots übersteigt, angenommen die unten beschriebenen Schritte des Angebots wären am 30. Juni 2017 vorgenommen worden. In dieser Hinsicht wurde der auf die Aktionäre am 30. Juni 2017 entfallende Nettobuchwert um die Auswirkungen aus dem Angebot unter der Annahme angepasst, dass (i) die IPO Kapitalerhöhung zur Höchstzahl der angebotenen Neuen Aktien durchgeführt und die Greenshoe-Option vollumfänglich ausgeübt wird und (ii) sich der auf die Aktionäre entfallende Nettobuchwert zum Mittelwert der Preisspanne um EUR 307,2 Mio. erhöht. Die angenommene Erhöhung beruht auf dem erwarteten Nettoerlös ohne Berücksichtigung von Steuereffekten. Der bereinigte, auf die Aktionäre entfallende, Nettobuchwert ist als eine Kennzahl je Aktie unter der Annahme von 163.486.643 ausstehenden Aktien der Emittentin nach Abschluss des Angebots dargestellt (diese Kennzahl je Aktie wird als „**auf die Aktionäre entfallendes Eigenkapital je Aktie nach dem Angebot**“ bezeichnet).

	Zum 30. Juni 2017
Angebotspreis je Aktie (in EUR; basierend auf dem Mittelwert der Preisspanne)	10,25
Gesamter Bruttoerlös der Emittentin zum Mittelwert der Preisspanne unter der Annahme der Platzierung sämtlicher Neuer Aktien und vollumfänglicher Ausübung der Greenshoe-Option (in EUR Mio.)	318,3
Auf die Emittentin entfallende geschätzte Gesamtkosten des Angebots (einschließlich an die Konsortialbanken zu zahlender Banken- und Platzierungsprovisionen und unter der Annahme vollständiger Zahlung der Ermessensgebühr) zum Mittelwert der Preisspanne unter der Annahme der Platzierung sämtlicher Neuer Aktien und vollumfänglicher Ausübung der Greenshoe-Option (in EUR Mio.)	11,0
Gesamter Nettoerlös der Emittentin zum Mittelwert der Preisspanne unter der Annahme der Platzierung sämtlicher Neuer Aktien und vollumfänglicher Ausübung der Greenshoe-Option (in EUR Mio.)	307,2
Auf die Aktionäre entfallendes Eigenkapital je Aktie nach dem Angebot (in EUR)	2,22
Betrag, um den der Angebotspreis je Aktie das auf die Aktionäre entfallende Eigenkapital je Aktie nach dem Angebot übersteigt (unmittelbare Verwässerung für die neuen Aktionäre der Emittentin je Aktie) (in EUR)	8,03

	Zum 30. Juni 2017
Prozentsatz, um den der Angebotspreis je Aktie das auf die Aktionäre entfallende Eigenkapital je Aktie nach dem Angebot übersteigt (in %)	360,84
Den Aktionären je Aktie zurechenbares Eigenkapital zum 30. Juni 2017 (unter der Annahme 132.436.643 außenstehender Aktien der Emittentin unmittelbar vor dem Angebot) (in EUR)	0,43
Betrag, um den das auf die Aktionäre entfallende Eigenkapital je Aktie nach dem Angebot den Nettobuchwert je Aktie unmittelbar vor dem Angebot übersteigt (unmittelbarer Wertzuwachs der Aktionäre der Emittentin je Aktie) (in EUR)	1,80
Prozentsatz, um den das auf die Aktionäre entfallende Eigenkapital je Aktie nach dem Angebot den Nettobuchwert je Aktie unmittelbar vor dem Angebot übersteigt (in %)	422,28

Jede Neue Aktie sowie allenfalls unter der Greenshoe-Option ausgegebene Aktien sind mit denselben Stimmrechten wie die Bestehenden Aktien der Emittentin ausgestattet. Nach Abschluss des Angebots (unter der Annahme der vollständigen Ausübung der Greenshoe-Option) würde sich die Gesamtzahl der von den bestehenden Aktionären der Emittentin (einschließlich dem Verleihenden Aktionär) gehaltenen Stimmrechte auf 81,01% der Stimmrechte der ausstehenden Aktien belaufen.

E.7	**Schätzung der Ausgaben, die dem Anleger von der Emittentin in Rechnung gestellt werden.**	Entfällt. Anlegern werden von der Emittentin oder den Konsortialbanken keine Kosten in Rechnung gestellt.

1. RISK FACTORS

*An investment in the shares of HelloFresh SE (the "**Issuer**" and, together with our fully consolidated subsidiaries, the "**Group**", "**HelloFresh**" or "**we**", "**us**", "**our**"), is subject to risks. In addition to the other information contained in this prospectus, investors should carefully consider the following risks when deciding whether to invest in the Issuer's shares. The market price of the Issuer's shares could decline if any of these risks were to materialize, in which case investors could lose some or all of their investment. The following risks, alone or together with additional risks and uncertainties not currently known to us, or that we might currently deem immaterial, could have a material adverse effect on the business, financial condition, cash flows and results of operations of the Issuer and its subsidiaries.*

The order in which the risks are presented is not an indication of the likelihood of the risks actually materializing, or the significance or degree of the risks or the scope of any potential harm to the Issuer's or its subsidiaries' business, net assets, financial condition, cash flows or results of operations. The risks mentioned herein may materialize individually or cumulatively.

The risk factors are based on assumptions that could turn out to be incorrect. We believe that the risks and uncertainties described below are the material risks and uncertainties concerning our business. Other risks, facts or circumstances not presently known to us, or that we currently deem to be immaterial could, individually or cumulatively, prove to be important and could have a material adverse effect on the Issuer's or its subsidiaries' business, results of operations, financial condition and prospects. The value of the Issuer's shares could decline as a result of the occurrence of any such risks, facts or circumstances or as a result of the events or circumstances described in these risk factors, and investors could lose part or all of their investment.

1.1 Risks Related to Our Business, Operations and Financial Position

1.1.1 We have a limited operating history and operate based on a new business model, making it difficult to evaluate our future prospects and the risks and challenges we may encounter.

We launched our meal kit service in the Federal Republic of Germany ("**Germany**") in early 2012, later expanding our business to the United States of America (the "**United States**" or the "**U.S.**"), the United Kingdom, the Netherlands, Belgium, Commonwealth of Australia ("**Australia**"), Austria, Canada, and Switzerland. The business model we operate is relatively new, making it difficult for us to assess the risks and challenges it presents. As a result, we are subject to the risks and uncertainties experienced by early-stage companies in evolving markets. In particular, we may not be able to accurately forecast our revenues and adequately plan our operating expenses due to a lack of reliable historic data. Limited visibility may make it more challenging for us to attract new customers and retain existing customers than for an established business, which, at the same time, may negatively affect our ability to grow the value of our brand and reputation, and vice versa. We have to constantly improve and expand our product offerings to increase the attractiveness of our business and have to adapt to evolving trends in the ways consumers purchase, prepare and consume food, as well as in how consumers interact with technology. We are dependent on maintaining the existing relationships with our suppliers and securing relationships with new suppliers in order to ensure a supply of quality ingredients for our product offerings, but also have to scale and adapt our supply chain, production, operations and expenses to streamline our cost base and respond to customer demand and seasonal trends. In order to drive the growth of our business, we are required or may decide to make significant investments, which may not pay off. We cannot be certain of continued growth in demand or even of the sustainability of current demand levels. In addition, we may simply not be able to manage the expansion and growth of our operations and personnel.

The cumulative effects of these risks or our inability to manage any of the single risks associated with our operations could result, for example, in large fluctuations and unpredictability of our operating results and potentially impairing our ability to meet industry, financial analyst or investor expectations. We may not be sufficiently experienced to address all the risks in our business.

The materialization of any of the risks described above could have a material adverse effect on our business, financial condition, cash flows, reputation and results of operations.

1.1.2 We have incurred significant operating losses since inception and there is no guarantee that we will be able to successfully grow and operate our business and achieve or sustain profitability in the future.

While we have grown significantly in terms of revenue and other key performance indicators in the past, our operations have never been profitable on a consolidated basis. The Group incurred a loss for the year of EUR 93.9 million in 2016 and a loss for the period of EUR 56.7 million in the six months ended June 30, 2017 and there is no assurance that our Group will ever become profitable.

Our net losses are primarily attributable to the costs associated with expanding our business, including marketing expenses. We remain reliant on marketing to promote our brand and win new customers. Despite high referral rates from existing customers, we need to continue to incur significant marketing expense for the foreseeable future to sustain growth, which is not assured.

In order to sustain continued growth, we have made and will continue to make significant investments into our business, as has happened recently with respect to the expansion and enhancement of our procurement and fulfilment capabilities. For example, in 2015 and 2016, we invested in the range and quality of our products to enhance customer experience and in large infrastructure projects (opening new fulfilment centers in the United States and insourcing fulfilment functions in Europe) to increase capacity and improve operating efficiency over time. These investments initially led to a significant decline in margins, due in particular, to higher lease and personnel expense, which we believe will be offset in the future as we scale the business, assuming we are successful in doing so. While growth rates in the U.S. business continue to show traction, our business outside the United States, particularly in Europe, has grown more moderate in recent periods, and there can be no assurance that continued growth will allow us to achieve the economies of scale required to become profitable.

Similar initiatives are underway or planned for the future that will continue to put pressure on margins at least during the respective implementation phases. We plan to expand the product portfolio to increase personalization, address new customer segments, improve sourcing of ingredients, optimize packaging and increase automation in our fulfilment centers and may even reach out to new areas of business. Each of such initiatives, if successful, has the potential to enhance our financial results, but as with similar initiatives in the past, will require significant upfront investment. Moreover, these initiatives may, at least temporarily, put further pressure on margins. This pressure may be more pronounced than anticipated, if these initiatives prove more expensive than we currently expect. The implementation of such initiatives implies the risk that these initiatives may not be successful, may provide a lower benefit than anticipated or no benefit at all and that the investments made may not pay off or that, even if ultimately successful, we will encounter unexpected difficulties implementing them, such as temporarily lower service levels or production interruptions that could adversely affect our business in the execution phase.

Even if we are able to grow the business and benefit from economies of scale, there is still no assurance that we achieve profitability over time. Many of the factors driving our cost base are beyond our control and we may not be able to recover increased costs through raising the prices charged to our customers.

The materialization of any of the risks described above could have a material adverse effect on our business, financial condition, cash flows, reputation and results of operations.

1.1.3 We may require additional capital to support business growth, and this capital might not be available on acceptable terms, or at all.

While we are of the opinion that the Group is in a position to meet the payment obligations that will become due within at least twelve months from the date of this prospectus, in the medium to long term, we will likely require additional capital, particularly due to the planned further growth and expansion of our Group, which may lead to a substantial increase in our indebtedness. Although our operational day-to-day activities are partly financed by our negative working capital, overall we have a negative free cash flow and require periodic injections of capital in order to continue running our business. In the six months ended June 30, 2017, net cash used in operating activities amounted to EUR 29.3 million. As of June 30, 2017, we held cash and cash equivalents of EUR 112.8 million. Financial liabilities in the amount of EUR 54 million as of June 30, 2017 result from a term loan, which will become due in 2019, and a shareholder loan, which may become due upon an initial public offering with gross proceeds to the Issuer of at least EUR 150 million.

General economic disruptions and downturns as well as any deterioration in the performance, prospects or perceived value of our business, may have a material adverse effect on the Issuer's share price and

valuation. This may lead to impairments of our assets and challenge our ability to raise capital when needed. Any liquidity concerns we encounter may require us to curtail or abandon our growth strategy. In addition, the agreements for external financing we may have to enter into may provide for collateral to be granted by us in favor of the lender subjecting us to strict contractual terms on the use and disposal of the collateral. Such contractual restrictions on our assets and covenants included in the relevant financing agreements may negatively affect our operations and ability to freely engage with third parties. A breach of the relevant covenants underlying such external financing agreements or a breach of other contractual obligations contained in such external financing agreements may trigger immediate prepayment obligations or may force us to engage in renegotiations of relevant contractual terms. For example, the term loan and facilities agreement we entered into on May 29, 2017 contains provisions of collateral to be provided and a number of covenants, such as a negative pledge, financial covenants relating to the financial condition of the Issuer and the Group, restrictions on substantial changes to the general nature of our business, the breach of which would require us to an early repayment of the loan and/or may have adverse consequences and may entail additional liabilities.

If we need capital but are unable to raise it on economically acceptable conditions or at all, we may be forced to limit operations, which, in turn, may negatively affect our reputation and finances. There is no guarantee that we will be able to obtain additional financing at favorable terms, or at all, in order to satisfy our need for capital. If we need capital and are unable to raise it, we may be required to take additional steps, such as borrowing money on unfavorable terms in order to raise capital, which could limit our growth and may negatively affect our market shares. We may also be forced to scale back operations or even cease to exist as a going concern. In addition, we may not have the same access to equity and debt capital as our competitors, and general economic disruptions and downturns may negatively affect our ability to raise capital when needed. We may also fail to accurately project our capital needs and may not have sufficient capital to continue to run our business in the medium to long term.

The materialization of any of the risks described above could have a material adverse effect on our business, financial condition, cash flows, reputation and results of operations and if we are unable to receive the capital needed to secure liquidity we may cease to exist as a going concern.

1.1.4 The growth of our business depends on several external factors, some of which are beyond our control, and there is no guarantee that we can maintain our historical growth rates in existing markets or that we can successfully extend our operations to other markets.

Since we launched our operations in early 2012, we have experienced significant revenue growth. There can be no assurance that our growth will be sustainable and that we will continue to experience significant growth or any growth at all in the future. We anticipate that our relative growth rate will decline over time as we achieve higher market penetration rates. Our revenue in 2015 increased by 338.0% compared to 2014 while our revenue in 2016 increased by only 95.8% compared to 2015. Slowing growth rates mean that our business performance will become increasingly dependent on our ability to, among other things, use our operating leverage, increase our fulfilment efficiencies and decrease marketing costs in relation to our revenue.

The growth of our business and revenue is dependent on our ability to continue growing our business in existing geographic markets by retaining existing customers and adding new customers, which we may not be able to continue to do at historic rates and acquisition costs. There is no guarantee that we will be able to increase or maintain the number of active customers or the average value of our orders. In order to grow, we need a favorable economic environment and a continuing trend around healthy eating. Potential customers need to be open to the products and services we offer, and accept our value proposition. The openness to our products and services may vary across cultures and countries. In order to maintain our quality standards with respect to freshness and product characteristics of our ingredients, we may have to slow down our growth or we might be unable to successfully enter a market, if we are unable to source the right products, find suitable suppliers or build an adequate delivery infrastructure. As we scale our business, we face the risk that our suppliers may not be able to grow at the same pace. Accordingly, we may have to select and onboard new suppliers to meet growing demand, which we may find more difficult than initially expected or be unable to do. Our expansion into new markets may place us in unfamiliar competitive environments or may require investing significant resources, and there is no assurance that returns on such investments will be achieved at all. We may be unsuccessful in retaining our current customers and the costs of customer retention may increase for various reasons, which could negatively affect our revenue. We may also grow more slowly than we expect or than we grew in the past, if we fail to

accurately assess the tastes and preferences of our customers or if our recipe assortment does not contain enough variety, which may make our offerings less appealing to new customers. For example, in 2013 we ceased our operations in France, a market we entered into in 2012, due to, among other reasons, funding constraints and high logistics costs. The company that ran our operations in France became insolvent and has been liquidated. In the future, we may cease our operations in additional markets in which we are currently active.

Further, the majority of our business comes from orders placed via our websites or apps. While we believe that the internet penetration in our current markets is already very high, we see additional potential from an expected increase in mobile internet penetration rates and an expected increase in the propensity of potential customers to engage into transaction via their mobile devices. However, there is no assurance that potential customers adapt to the use of mobile devices for ordering food items. If customers do not accept mobile devices as a channel for ordering food items, our investments into the development of mobile offerings will not yield the expected return.

The materialization of any of the risks described above could have a material adverse effect on our business, financial condition, cash flows, reputation and results of operations.

1.1.5 Future growth potentially poses various risks and challenges to our business and corporate structure and we may not be able to manage future growth efficiently.

Future growth will continue to pose various challenges to us, such as finding and/or retaining suitable personnel possessing a broad range of skills and expertise (e.g. qualified IT personnel). The pool of available talent is limited and attracting it requires the offering of competitive compensation packages. Our existing teams may not be adequately staffed to handle an increase in the workload and we may not be able to hire a sufficient amount of new employees or hire them quickly enough. In addition, our work force management may prove insufficient for our existing business and growth plans. The increase of our workforce and operations may force us to enter into works agreements or adhere to collective labor agreements, which could require us to provide our workforce with higher salaries and other benefits, thereby ultimately increasing our costs.

The anticipated growth and expansion of our business will place significant demands on our management and operations teams and require significant additional resources to meet our needs, which may not be available in a cost-effective manner or at all. We are also required to manage relationships with various suppliers and other third parties assisting our operations and expend time and effort to integrate new suppliers into our fulfilment operations. While we currently have significant spare capacity, if our business develops as expected, we may be required to expand and improve our fulfilment center infrastructure in the medium to long term. The expansion of our business could exceed the capacities of the third parties on which we rely in the course of our daily operations and who provide various services and assistance to us and if such third parties were unable to keep up with our growth levels, our operations could be negatively affected.

Continued growth requires us to simultaneously expand and improve our operational, IT, financial, accounting, compliance and management controls, and enhance our reporting systems and procedures, which may not always be possible or prove lengthy or costly, particularly in combination with limited resources, local legislation and our desire to find tax efficient structures. Our internal corporate organization may be immature and may lack recommended structures such as a clear segregation of duties between management personnel. We have established signing limits on a global scale with respect to our internal banking systems but rules on the authorization of payments may differ depending on the relevant jurisdiction and we cannot preclude that certain key personnel may be in the position to effect the transfer of large sums in excess of such signing limits. There may be no structured scheme of delegation of labor in place, which clearly assigns responsibilities to staff and to senior management. In addition, our current regulatory compliance framework may be insufficient for the size of operations.

We may not be able to scale and adapt our existing technology and network infrastructure to match our growth. In addition, we may incur losses or fail to identify or enter into new markets or new segments successfully. Any failure by us to successfully expand our operations, facilities and staff may have an adverse effect on our brand, business, results of operations or growth of our key performance indicators. A decrease in our earnings may lead to a loss of key accounts and significant partners of our business may decide to terminate their relationships with us if their expectations are not satisfied. We may not be able to find replacements in due time or at all.

The materialization of any of the risks described above could have a material adverse effect on our business, financial condition, cash flows, reputation and results of operations.

1.1.6 Any deterioration of economic conditions and the resulting effect on customer spending may harm our business and results of operations.

Our performance depends on global and regional economic conditions and their impact on levels of customer spending. Customer spending on discretionary items such as online-ordered quality food boxes is likely to decline during periods of economic uncertainty, recessionary periods and other periods in which our customers' disposable income is adversely affected. Economic uncertainty may stem from a number of factors, including the United Kingdom's initiated exit procedure from the European Union, the recent rise of populist parties and candidates, terrorist activities in Europe as well as around the globe and political tensions, in particular concerning the Korean peninsula, Southeast Asia or the Middle East. Some of the European economies in which we operate were until recently in a recession. These countries could experience further recessions, and countries with stable or growing economies, such as Germany, could experience downturns in the future. A decline in customer spending and purchasing power could lead to customers ordering less or ceasing to order from our mobile app or website. In addition, small businesses that do not have substantial resources, including a significant number of our suppliers, tend to be more adversely affected by poor economic conditions than large businesses. If some of our suppliers were to cease their operations, our own business and revenues could be negatively affected.

The materialization of any of the risks described above could have a material adverse effect on our business, financial condition, cash flows, reputation and results of operations.

1.1.7 Our historical operating results have been affected by seasonal fluctuations, and if our growth rate moderates or seasonal patterns become more pronounced, seasonal effects could have a material impact on our results.

Our business is seasonal in nature, which affects the levels at which customers engage with our products and may lead to fluctuations in the development of our revenue and our expenses from quarter to quarter. In particular, the first quarter of each year will generally present our strongest quarter in terms of customer engagement. During the summer months and the end of year holidays, when people are vacationing or often have less predictable routines, we typically see lower than average orders. Our marketing strategies take into account such fluctuations, for example, by re-allocating marketing spending from Europe to Australia, but may still be more costly in the months with lower customer engagement. These seasonal trends affect our cash requirements and will continue to affect our quarterly results. The effect of seasonal fluctuations may be more intense in case of a moderate growth rate of our business or if seasonal spending of customers becomes more pronounced.

The materialization of any of the risks described above could have a material adverse effect on our business, financial condition, cash flows, reputation and results of operations.

1.1.8 We face competition from traditional offline grocery retailers, online and offline grocery delivery service providers, other companies that address the food at home market, and potential new market entrants. In that context, also the takeover of Whole Foods by Amazon and the resulting combined expertise of e-commerce and food may pose a competitive threat to us. Also, we cannot rule out that Rocket Internet SE or some of the companies in which it holds participations may start competing against us in the future.

We operate in a very competitive environment. Customers have many choices when it comes to what and where to eat, including offerings from direct competitors, traditional offline grocery retailers, online and offline grocery delivery service providers, going to a local restaurant, picking up pre-prepared meals or having prepared food delivered to their homes. Market participants in all of these areas are potential competitors.

We face competition from a number of direct competitors that serve the cooking-at-home sub-segment of the food market, by offering the delivery of food boxes. We face competition from a number of companies in our geographic markets. For example, in the United States, we face competition from Blue Apron Holdings, Inc. ("Blue Apron"), that went public at the end of June 2017, and DineInFresh, Inc. ("Plated"), which has recently been acquired by Albertsons, an American grocery company. We face significant competition from a number of direct competitors in our Australian market, including Marley Spoon, Aussie Farmers Direct, FivePointFour, Tastebox, My Food Bag, a New Zealand meal kit company, which entered the Australian market in late July 2017, and several other new local start-ups. In the United Kingdom, we face significant competition from several competitors, including Gousto, Abel & Cole and Riverford. Internationally we compete with "Marley Spoon", which has operations in Australia, Austria,

Belgium, Germany, the Netherlands and the United States. Moreover, new competitors may emerge, or similar businesses that are currently established in other countries may choose to enter, or expand into, the countries in which we operate or to start offering the delivery of food boxes online. Some of these competitors and new entrants may have brands that are or become more widely recognized by customers than our brand, which would help them in attracting new customers and could lead our existing customers switching to them. Some of these competitors and new entrants may also have substantially greater financial, marketing, technical or other resources than we do and may show aggressive and sometimes irrational competitive behavior. Our competitors may also merge or form strategic partnerships, which could adversely affect our competitive position. In addition, as more and more companies offer their products and services online, we also face competition from online groceries, such as Rewe, Tesco or Walmart, which has recently decided to cooperate with Google in order to strengthen the marketing of its products online and offer voice shopping via Google Assistant. Further, Amazon's takeover of Whole Foods, a supermarket food retailer that primarily operates in the United States, could likely result in Amazon being in a position to combine its food and logistics expertise and its online capabilities and knowledge of customer behavior with the food-related expertise of Whole Foods. Also considering the market and pricing power of Amazon, this could lead to significant additional competition in the meal kit market, especially in the geographic markets where Whole Foods is currently active (i.e., USA, Canada and the United Kingdom). Amazon has recently filed an application for the registration of a meal-kit-service-related trademark, has shortly afterwards begun to deliver meal kits to selected customers in the United States and may expand this offering in the near future. Walmart and Google also started a partnership, allowing customers to access Walmart's assortment through Google Express. In addition, some online supermarkets have partnered with recipe sites, such as Instacart and Allrecipe. Competition has a significant influence on our revenue and operating margins. Competitive pressures from one or more of our existing direct or indirect competitors, the entrance of new competitors and our inability to maintain and enhance the availability and user-friendliness of our apps and websites to adapt effectively and quickly to a changing competitive landscape could negatively affect demand for services offered by us as well as our earnings and our ability to source other revenue streams and ultimately our operating margin.

Furthermore, we cannot rule out that our largest shareholder, Rocket Internet SE, or some of the companies in which Rocket Internet SE holds participations, such as the Delivery Hero group, may start competing against us in the future. Marley Spoon, in which Rocket Internet SE holds a stake, is already one of our direct competitors. Furthermore, Rocket Internet SE may decide to provide significant capital and support to companies that may compete with us, which may enable them to undercut our prices and make more significant investments in their growth strategy than we do.

New and yet unknown competitors may decide to enter our markets, which could lead to a significant increase in competition.

The materialization of any of the risks described above could have a material adverse effect on our business, financial condition, cash flows, reputation and results of operations.

1.1.9 We depend on our reputation and our brand and any failure to maintain, protect and enhance our reputation and brand may harm our ability to retain or expand our base of active customers.

Our reputation and the recognition of the HelloFresh brand are of central importance to our growth and success. E-commerce markets typically favor the market participants with the strongest brands. While it may be possible for less established brands to operate profitably, the best-performing and best-known market participant typically captures a very large share of the market. Many factors, some of which are beyond our control, are important to maintaining and enhancing our brand. These factors include our ability to:

- build and maintain a reputation for ourselves of delivering only high-quality, fresh, healthy and well-balanced ingredients;
- maintain and improve the popularity, attractiveness, diversity, quality and value of our products and services;
- maintain and improve the efficiency, reliability and quality of our fulfilment services;
- maintain and improve customers' satisfaction with our after-sales services;
- increase brand awareness through marketing and brand promotion activities in our target markets; and

- preserve our reputation and goodwill in the event of any negative publicity regarding customer service, internet security, payment and escrow services, product quality, price or authenticity, or other issues affecting the Issuer or other businesses in the same industry.

The recognition and reputation of our brand among (potential) customers are critical factors for the growth and success of our business, affect our marketing spending and customer acquisition costs and are critical to maintaining our competitiveness in our markets. Any negative impact on the reputation of our brands may negatively affect our results. Any failure or misconduct by us or our suppliers, such as food contamination, the violation of food hygiene or food-labelling regulations, offering poor customer service quality, late deliveries or systemic problems in the food industry could negatively affect the delivery and cooking experience of our customers and significantly damage our reputation and brand and result in a loss of customer confidence. Also see, "*1.1.15 There may be a decrease in demand for our meal kits and we may have to recall contaminated meal kits in the event of foodborne illness, pandemics and other health-related concerns associated with food products. Our reputation could be negatively affected by any such event.*" We may sometimes engage in marketing tactics deemed overambitious in order to drive growth, which may be perceived negatively by the public, trigger administrative measures and damage our reputation. For example, in 2016 we were faced with negative publicity concerning our marketing practices in the Netherlands. The press coverage and a regulatory investigation review led to a decrease in our number of active customers in the Netherlands. The risk of reputational damage due to human error or misconduct may increase if we grow and expand our business, as the quality of customer care processes or service quality may suffer.

We have devoted and will continue to devote significant time and resources to marketing and customer relations to build a positive brand recognition for our business. Nevertheless, there is no guarantee that these marketing efforts and other promotional activities achieve expected results and lead to the enhancement of our brand. Unfavorable publicity, particularly relating to the freshness and quality of our ingredients, the violation of food hygiene and food labelling requirements, could damage our reputation, diminish the value of our brand and undermine the trust and credibility we have established. This can have a negative impact on our ability to attract new customers or retain existing customers and enter new markets. We rely heavily on social media such as Facebook and Twitter for brand promotion and marketing, and any negative publicity, negative customer feedback or other reputational damage may be accelerated through social media due to its immediacy and accessibility as a means of communication.

The materialization of any of the risks described above could have a material adverse effect on our business, financial condition, cash flows, reputation and results of operations.

1.1.10 We may not be able to retain existing customers or attract new customers, in particular, if we are unable to maintain or increase demand for our meal kits or adapt our services effectively to changes in customer behavior or customer preferences.

Our revenue in any period is essentially a function of our ability to attract and retain customers as well as the frequency and size of the orders placed by those customers. While an increase in the average order rate or the average order value could potentially offset losses of customers, any inability by us to attract and retain new customers or to continue to derive revenue from our existing customers, in each case consistent with our historical performance, could materially adversely affect our business, financial condition and operating results. In particular, there can be no assurance that our customer retention profile will develop in line with our revenue retention profile. This may mean that we may not be able to increase or even maintain the revenue we generate from our customers. The absolute number of our customers may decrease in the same period. We therefore focus on monitoring our ability to generate revenue from customers acquired in previous periods. Acquiring additional long-term active customers is particularly important for us. If our customer retention is lower than expected our cash needs may increase. In order to acquire additional customers, we have incurred considerable marketing expenses in the past and we will have to continue doing so going forward. However, there can be no assurance that the revenue from the customers we acquire will ultimately exceed the cost of acquisition or that we will be able to maintain historical revenue generation rates exhibited by our existing customer cohorts in the future. A substantial portion of the new customers we acquire typically are from referrals by our existing customers due to the novelty and trendiness of our offering. Our ability to attract new customers would suffer significantly should the customer referrals decline in the future due to, for example, bad publicity or the dissatisfaction of our existing customers with our current offering. For example, negative publicity concerning our marketing practices in the Netherlands in early 2016 resulted in a decrease in our number of active

customers in the Netherlands. If we are unable to increase demand for our food boxes in line with our expectations or if demand decreases compared to current levels, our results of operations and revenue would be materially adversely affected to such an extent that our business may fail.

Furthermore, our marketing measures include loyalty programs, discounts and, for customers above a certain loyalty status, the ability to gift free first boxes to up to three friends. Customers who receive boxes based on such measures are counted towards our active customer base. There is, however, no guarantee that such customers can be retained as repeat customers going forward and continue to order boxes. In addition, we may fail to properly track vouchers provided to potential customers, allowing them to purchase multiple meal-kits at a discount. Further, there is no guarantee that existing customers will not reduce their spending on our products, for example by suspending or even terminating their registration with us quicker than expected or observed in historical retention rates, which may result in a lower than expected customer lifetime value. The expected customer lifetime value may also be negatively affected as a result of shifts in customer behavior and preferences or due to changes in the offerings of our current and future competitors. Our success depends in part on our ability to anticipate the tastes, eating habits and lifestyle preferences of our customers and to offer products that appeal to customers' tastes and preferences and are more attractive than the products of our competitors. Customers' tastes and preferences may change from time to time and can be affected by a number of different factors beyond our control, such as an increase in prices of produce, dietary trends, dietary concerns regarding certain items like calories or gluten as well as food safety concerns. Our personalization efforts may fail, for example due to insufficient progress in automating our fulfilment operations, and we may not create recipes that fit the taste preferences of our active customers while our competitors may react more efficiently and effectively to these changes than us. As a result, our growth could slow, stop or even reverse course. Since orders for our service are placed online, our growth will also depend on the growth of the internet as a platform for online customer transactions.

The materialization of any of the risks described above could have a material adverse effect on our business, financial condition, cash flows and results of operations.

1.1.11 In order to attract new and to retain existing customers, it is important that our brands show up prominently in internet search results. Changes to internet search engines' algorithms or terms of service could cause our websites to appear less prominently in search results.

A significant number of customers access our websites by clicking on a link contained in search engines' organic search results. Transactions affected by these customers result in higher EBITDA margins as there are lower associated direct customer acquisition costs. Search engines do not accept payments to rank websites in their organic search results and instead rely on algorithms to determine which websites are included in the results of a search query.

We endeavor to enhance the relevance of HelloFresh's websites to common customer search queries and thereby improve the rankings of our websites in organic search results, a process known as "search engine optimization" (or "**SEO**"). Search engines frequently modify their algorithms and ranking criteria to prevent their organic search results from being manipulated, which could impair these SEO activities. These algorithms and ranking criteria may be confidential or proprietary information, and we may not have complete information on the methods used to rank our websites. If we are unable to quickly recognize and adapt our techniques to such modifications in search engine algorithms or if the effectiveness of our SEO activities is affected for any other reason, we may need to increase our spending on other forms of marketing or may potentially suffer a significant decrease in traffic to our websites. Search engines may also prohibit the use of any software, process or service which sends automated queries to determine the ranking of a website or webpage (an important tool in developing successful SEO techniques), or the use of particular methods deemed by the search engine to be manipulative or deceptive. A violation of a search engine's terms of services may result in a website's exclusion from that search engine's organic search results. If a search engine were to modify its terms of service or interpret existing or modified terms of service in a manner such that our SEO practices were deemed to violate such terms, our websites could be excluded from the search engine's organic search results. Such exclusion could significantly reduce our ability to direct higher margin customer traffic to our websites, thereby increasing customer acquisition costs, and materially adversely affect our business.

The materialization of any of the risks described above could have a material adverse effect on our business, financial condition, cash flows, reputation and results of operations.

1.1.12 We rely on email and other messaging services in our marketing efforts targeted at customers and daily operations, and restrictions on sending emails or messages, or delays in their delivery, could adversely affect our business.

We depend upon email and other messaging services to promote our sites and products and communicate with our customers. We circulate emails and alerts to inform customers of our food boxes and our offering. To us, email is therefore a tool for customer recruitment, customer reactivation, and order frequency management. If we are unable to deliver emails or other messages to our customers, if such messages are delayed, or if customers do not receive such emails or decline to open them, our revenues and reputation could be adversely affected. Changes in how webmail apps organize and prioritize emails could reduce the number of customers opening our emails. For example, Google Inc.'s Gmail service provides a feature that organizes incoming emails into categories (for example, primary, social and promotions). Such categorization or similar inbox organizational features could result in our messages being shown as "spam" or lower priority to our customers, which could reduce the likelihood of customers opening or responding positively to them. Actions by third parties to block, impose restrictions on or charge for the delivery of emails or other messages, as well as legal or regulatory changes limiting our right to send such messages or imposing additional requirements on us in connection with them, could impair our ability to communicate with our customers using emails or other messages. An error or malfunction within our email and messaging services could result in customers who do not or no longer want to receive messages from us, being sent messages. Also, our process to obtain consent from visitors to our website to receive newsletters and advertisements from us and/or to use their data may be insufficient or invalid. In addition, we may receive warning letters from individuals or companies alleging the unauthorized sending of advertisements. Our use of email and other messaging services could result in legal claims against us, which could increase our expenses and potentially expose us to liability.

We also rely on social networking and messaging services to communicate with our customers. Changes to the terms and conditions of these services could limit our promotional capabilities, and there could be a decline in the use of such social networking services by customers and potential customers. These services may change their algorithms or application programming interfaces without notice or explanation to us, which may reduce our visibility to potential and existing customers. In addition, we rely on third party service providers to deliver emails, and delays or errors in the delivery of such emails or other messaging could occur and are largely beyond our control.

The materialization of any of the risks described above could have a material adverse effect on our business, financial condition, cash flows, reputation and results of operations.

1.1.13 Dissatisfaction with our customer service could prevent us from retaining active customers.

A satisfied, loyal and active customer base is crucial to our continued growth. Our customer service must perform well, ensuring customer complaints are dealt with in a timely manner and to each customer's satisfaction. Other than in the Netherlands and parts of the United Kingdom, where we offer our own delivery services, we do not have the direct face-to-face interaction with customers which is provided in offline retail. Accordingly, the way we directly interact with customers is through our customer service team, which is paramount to maintaining customer relationships. We respond to customer requests and inquiries by email, through our hotlines and social media. Any actual or perceived failure or unsatisfactory response by our customer service team could negatively affect customer satisfaction and loyalty. We rely on third parties for certain telephone and software services related to our customer service operations, and any disruption in the services of these third parties may adversely affect our own customer service levels. Complaints on popular blogs or customer complaint websites are also out of our control and could have substantial negative impact on our reputation.

The materialization of any of the risks described above could have a material adverse effect on our business, financial condition, cash flows, reputation and results of operations.

1.1.14 We may be the subject of anti-competitive behavior, harassment or other detrimental conduct by third parties, including malicious assessments of our business published via the Internet or media campaigns, which could harm our performance and reputation.

We may be the target of anti-competitive behavior, harassment, cyber-attacks or other detrimental conduct by third parties and may be required to spend significant time and incur substantial costs to address such

third-party conduct. Allegations against us may be posted in internet chat rooms or on blogs or websites by anyone, whether or not related to us, and on an anonymous basis. Customers value readily available information concerning internet companies and their offerings and often act on such information without further investigation or authentication and without regard to its accuracy. The availability of information on social media platforms and devices is virtually immediate, as is its impact. Social media platforms and devices immediately publish the content their customers and participants post, often without filters or checks on the accuracy of the content posted. Information posted may be inaccurate and adverse to us, and it may harm our financial performance, prospects or business. The harm may be immediate and spread rapidly without affording them an opportunity for redress or correction. Our reputation may be negatively affected as a result of the public dissemination of anonymous allegations or demeaning statements about our business, even if these allegations or statements are unfounded. Our business may become the subject of negative media coverage and public attention due to various reasons such as the accidental dissemination of unsolicited emails or the alleged lack of customer information on our websites and apps regarding the right to terminate one's registration with us as well as our sales strategy. Such negative publicity may develop strong dynamics and may negatively affect our operations in affected markets. In addition, third parties may communicate complaints, anonymous or otherwise, to regulatory agencies and we may be subject to government or regulatory investigation as a result of such third-party conduct. There is no assurance that we will be able to conclusively refute each of the allegations within a reasonable period of time, or at all.

The materialization of any of the risks described above could have a material adverse effect on our business, financial condition, cash flows, reputation and results of operations.

1.1.15 There may be a decrease in demand for our meal kits and we may have to recall contaminated meal kits in the event of foodborne illness, pandemics and other health-related concerns associated with food products. Our reputation could be negatively affected by any such event.

We cannot guarantee that our supply chain and food safety controls and training will be fully effective in preventing all food safety issues associated with our food boxes, including any occurrences of foodborne illnesses such as salmonella, E. coli and hepatitis A. New illnesses resistant to our current precautionary measures may develop in the future, or diseases with long incubation periods could arise, which could give rise to claims or allegations on a retroactive basis. In addition, in certain markets, we rely on third parties for the delivery of our food boxes, making it difficult to monitor food safety compliance. Any failure by these third parties to deliver the food boxes on time or to provide adequate temperature conditioning during transport may increase the likelihood of contamination before final delivery of the food box to the customer. Furthermore, since our meal kits contain fresh produce, including meat, fish and dairy products, our business is particularly prone to products spoiling "*1.1.19 Perishable products make up a significant portion of our meal kits and ordering errors or product supply disruptions in our just-in-time delivery concept could lead to us being unable to deliver our food boxes on time and losing active customers. Any mispackaging of our meal kits or mislabeling of ingredients could lead to claims from customers against us, which could also harm our reputation and business.*" and any failure by our customers to properly store and thoroughly cook our products before consumption could result in foodborne illness even if the ingredients were in good condition at the time of delivery to the relevant customer. In case of a contamination or alleged contamination of any ingredient contained in our meal kits, we may have to perform a product recall. In the United States, for example, we already had to perform two minor product recalls. One or more product recalls, instances of foodborne illness caused, or perceived to be caused, by products in our food boxes and associated with our brand could negatively affect our reputation and our operations on a global scale if highly publicized on national and international media outlets or through social media. This risk exists even if it were later determined that the illness was wrongly attributed to us. The occurrence of such an incident, or negative publicity or public speculation about such an incident, could negatively impact demand for our food boxes.

In recent years there have been outbreaks of a number of diseases that have had the potential to spread rapidly over very large geographic areas and/or other health-related concerns which have been, or have been perceived to be, associated with food products (for example, bovine spongiform encephalopathy (BSE), foot-and-mouth disease, avian flu, swine flu and salmonella). Any outbreak of one or more of these diseases and/or other widespread health-related food concerns could increase costs for our Group in sourcing alternative suppliers and/or have an adverse impact on customer preferences and spending, and our response to such a crisis may be perceived as improper or too slow. A widespread outbreak of any such

disease or concerns in the regions in which we operate or elsewhere could have an adverse effect on our suppliers and customers and on the economy in general.

The materialization of any of the risks described above could have a material adverse effect on our business, financial condition, cash flows, reputation and results of operations.

1.1.16 There may be a decrease in demand for our meal kits if we fail to adequately address the environmental and social concerns of our customers.

Environmental and social concerns and green initiatives may adversely affect the demand for our products. We strive to conduct our business in an ethical, socially responsible and environmentally sustainable manner. For example, we package our ingredients using recyclable, nontoxic and biodegradable materials. However, we cannot avoid any trash with respect to packaging and there can be no assurance that our efforts to be socially responsible and to minimize our environmental impact will meet the expectations of potential or existing customers. If the public perceives our packaging materials to be wasteful or less environmentally friendly than that of our competitors or other providers of fresh food, including those providers offering food at home and out-of-home, we may lose market share to our competitors or potential new entrants.

Additionally, there is a growing focus among some customers to buy local food products in an attempt to reduce the carbon footprint associated with transporting food products from longer distances. If the public perceives our ingredients to be imported from other countries or transported from remote processing locations or growing regions, the demand for our products may be negatively affected.

The materialization of any of the risks described above could have a material adverse effect on our business, financial condition, cash flows, reputation and results of operations.

1.1.17 We rely on third parties for the supply of our ingredients. The termination of the relationships with such suppliers or any failure by such suppliers to provide products that meet our specifications or comply with regulatory requirements could have material adverse effects on our business and our reputation.

We do not grow or produce any of the fresh foods or spices or any of the other supplies we need for our food boxes nor do we produce wine. We are therefore heavily dependent on our suppliers for ingredients. In the past, we typically worked with wholesalers. Over the last two years, we constantly increased direct relationships with producers, which are typically smaller and require more lead time and coordination than wholesalers. We currently depend on a limited number of suppliers for some of our key ingredients, who simultaneously meet our quality standards as well as volume requirements and engage in certain growing, raising or farming standards that we believe are superior to conventional practices and deliver products that meet our quality, food safety and production demands. If these suppliers in our network were to terminate their relationships with us, cease operations during an order cycle (either temporarily or permanently) face financial distress or other kinds of business disruption, or if our relationship with suppliers in our network deteriorates, we may not be able to provide customers with as wide a choice of food boxes as before and our business operations may be negatively affected. We have order cycles of approximately eight to ten weeks. If a supplier goes out of business in the last four weeks ahead of delivering a large quantity of ingredients, we have only a very short period to source these ingredients. It can take a significant amount of time and resources to identify and replace certain suppliers, including suppliers that grow specialty or unique products for us. If we are unable to find a replacement, particularly for less common fresh foods or herbs, we might not be able to provide our customers with the exact ingredients for their food boxes. This risk is more pronounced in markets where we have fewer suppliers and where it might be more difficult to build up new supplier relationships. In some of our markets there may be only a limited number of supplies available for key food lines such as meat, fish, fruit and vegetables resulting in a dependency on such key suppliers. With respect to our wine offering, we merely act as agents between our customers and our partners, giving us less control over the consumer experience. If we are unsuccessful in choosing or finding trustworthy and reliable suppliers or replacements, if we fail to negotiate satisfactory pricing terms with them and, if we ineffectively manage these relationships, our business and results of operations could be harmed.

We may not have an adequate procurement policy in place to guarantee sufficient due diligence checks and "value for money" tests in the course of onboarding new suppliers. If our third-party suppliers fail to comply with the relevant regulatory requirements or to meet our specifications for quality, we could be required to take costly corrective action and our reputation could suffer. Third-party suppliers may not

maintain adequate controls with respect to product specifications and quality. Such suppliers may be unable to produce products on a timely basis or in a manner consistent with regulatory requirements. Our efforts to monitor the performance of our suppliers may be insufficient. We may also be unable to maintain adequate quality controls at our fulfilment centers where we repackage the ingredients. In addition, we may be unable to pack and deliver our food boxes on a timely basis and in a manner consistent with regulatory requirements.

The materialization of any of the risks described above could have a material adverse effect on our business, financial condition, cash flows, reputation and results of operations.

1.1.18 Changes in food costs and availability could materially adversely affect our business.

The success of our business depends in part on our ability to anticipate and react to changes in food and supply costs and availability. We are susceptible to increases in food costs as a result of factors beyond our control, such as general economic conditions, market changes, increased competition, the risk of inflation, seasonal fluctuations, shortages or interruptions, weather conditions, climate changes, global demand, food safety concerns, infectious diseases, changes in the regulatory environment or product recalls. In particular, we source most of our produce locally and are therefore exposed to price increases due, for example, to adverse weather conditions affecting the availability of fresh fruit and vegetables in a given market, as occurred recently in Western Europe. Similarly, delivery costs, which depend primarily on the cost of fuel, may be volatile. Any increase in the prices of the ingredients critical to our offering or scarcity of such ingredients may adversely affect our operating results and we may be forced to temporarily suspend including such ingredients in our offering. Should our procurement and fulfilment costs increase for reasons beyond our control, we may have to accept lower margins or increase prices.

The materialization of any of the risks described above could have a material adverse effect on our business, financial condition, cash flows, reputation and results of operations.

1.1.19 Perishable products make up a significant portion of our meal kits and ordering errors or product supply disruptions in our just-in-time delivery concept could lead to us being unable to deliver our food boxes on time and losing active customers. Any mispackaging of our meal kits or mislabeling of ingredients could lead to claims from customers against us, which could also harm our reputation and business.

Perishable products account for a significant portion of the ingredients in our meal kits. We rely on various suppliers and vendors to provide and deliver our products on a continuous basis. We pursue a just-in-time ordering concept in order to reduce inventory and maintain freshness. A carefully planned and clocked ordering process is key in order to make our just-in-time concept successful, particularly as we allow for orders to be cancelled up to one week ahead. If we do not accurately anticipate the time it will take to obtain new products or if we miscalculate the amount of products we need for our food boxes, our order levels will not be appropriate. If we are unable to pack and ship outbound inventory in a timely manner, perishable products may go bad and we could incur substantial financial losses. If these products are still delivered to our customers, our customers face enhanced risks of contracting foodborne illnesses, which could damage our reputation, ability to retain our customers, lead to lawsuits and may result in significant damage payments.

In addition, in case of a disruption of our or our suppliers' supply chain in the event of extended power outages, problems with the temperature conditioning systems in our or our third-party's delivery trucks, natural disasters or other catastrophic occurrences, we could suffer significant perishable product losses. Should suppliers not be able to deliver the requested fresh products to us, after we have placed an order with them, our business would face major disruptions that are reinforced due to our just-in-time delivery concept since we might not be able to find replacement products in time to fulfill our orders.

Furthermore, if we were to mispack our recipe boxes, as has happened in the past, e.g. if we were to include meat-containing ingredients in our vegetarian boxes, or, if we expand our offering to contain gluten-free, kosher or other individualized boxes and these boxes contain ingredients they must not contain or if we were to mislabel any ingredients our recipe boxes contain, the health of our customers could suffer, as has happened in the past in individual cases, and our reputation could suffer, our customers would lose trust in the quality of our products and we might even be subject to legal claims by our customers. In both cases of mispackaging and/or mislabeling, customers could suffer from allergic reactions or other damages to their health which could severely damage our reputation and could result in legal liabilities and thus also our results of operations.

The materialization of any of the risks described above could have a material adverse effect on our business, financial condition, cash flows, reputation and results of operations.

1.1.20 We may fail to smoothly insource the operation of our fulfilment centers and move to new sites.

The adequate operation, management and expansion of fulfilment centers and other logistics centers is key to our business and growth. Before 2015, most of the fulfilment centers used for our operations were operated by third-party providers. In 2015, we started to insource the operations of our fulfilment centers. In 2017, we have insourced the operation of our fulfilment center in Australia. In Canada, we are in the process of opening a fulfilment center. In the Netherlands the picking and packing is still operated by a third party provider. In the middle of 2018 we expect to move to a larger fulfilment center in the Netherlands, the operation of which will either be insourced then or continue to be operated by our third party provider. The insourcing of our fulfilment centers may require significant investments to make the fulfilment centers fit our requirements and there can be no assurance that the insourcing process will run smoothly and that the start of our own new fulfilment centers will not be delayed, disrupted or even impossible. In the transition and ramp-up of our insourced operations, we face the risk of temporarily lower service levels, higher error rates and production interruptions.

The materialization of any of the risks described above could have a material adverse effect on our business, financial condition, cash flows, reputation and results of operations.

1.1.21 We may fail to recoup the investments made into our fulfilment centers and future planned investments into automation of those facilities.

As of the date of this prospectus, we operate nearly all of our fulfilment centers ourselves. In connection with setting up our own fulfilment centers, we made significant investments into their capacity. The installed capacity has been determined based on the headroom needed if our growth materializes as planned. The insourcing of the operation of our fulfilment centers led to a higher headcount of employees directly employed by us, increased our fixed cost base and provides less flexibility to adjust operating costs in case we are not able to deliver on our growth plans. If our growth does not materialize, we will be faced with significant surplus capacity that results in high fixed costs and may require us to write-off parts of the investments we made into our fulfilment centers.

We have limited experience in managing fulfilment centers. If we are unable to manage our fulfilment centers and other logistics centers successfully and efficiently, it could result in increased costs or other harm to our business. For example, we have implemented certain improvements of our packaging process in the first quarter of 2017, which included the use of corrugated liner packaging in the U.S. and Canada and the introduction of a smaller size, more compact box size in the second and third quarter of 2017 as well as the insourcing of the printing of our labels, in order to reduce our packaging costs. However, there is no assurance that these improvements will yield the expected effects. In addition, we are expanding the use of automated production equipment and processes in our fulfilment centers and we may be unable to procure and implement automated production equipment and processes on a timely basis, and they may not operate as intended or achieve anticipated cost efficiencies. Our fulfilment operations will become increasingly complex and challenging and any difficulties we experience in automating our fulfilment processes could impair our ability to reduce costs and could materially adversely affect our business, financial condition and operating results. We may fail to recoup past or future planned investments into automation of our facilities. Furthermore, our fulfilment centers may suffer prolonged power or equipment failures, temperature conditioning failures, failures in their IT systems or networks or damage from fires, floods, acts of terrorism, vandalism or sabotage or other unforeseen events. Damage resulting from any of these events may take considerable time to repair. Improper management of our fulfilment centers may result in inadequate preparation for outages, strikes or improper resource allocation. The direct effect of the events described above and a prolonged period before rectification could have an adverse effect on our financial condition and future prospects. Moreover, the complete destruction of any of the fulfilment centers through a single catastrophic event would have an adverse impact on the operation of our business and our financial condition and prospects for a significant period of time.

In addition, there is also a risk that our fulfilment capacities will prove insufficient to accomplish our continued growth. It is not certain whether we will be able to locate suitable facilities on commercially acceptable terms in accordance with any future expansion plans, nor can there be any assurance that we will be able to recruit qualified managerial and operational personnel to support such expansion plans. In such cases, we could experience problems fulfilling orders in a timely manner or our customers could experience delays in receiving their food boxes, which could harm our reputation and our relationship with our customers. We may also need to increase our capital expenditure more than anticipated.

The materialization of any of the risks described above could have a material adverse effect on our business, financial condition, cash flows, reputation and results of operations.

1.1.22 We depend on third-party service providers for the delivery of our meal kits to our customers. Any inability or refusal of such providers to deliver our products in a safe and timely manner or any changes in their shipping terms and costs or service quality could harm our reputation and/or have a material adverse effect on our business, financial condition and results of operations.

Although we have selectively expanded our own delivery infrastructure, we currently are still dependent and most likely will continue to be dependent on the delivery of our meal kits by third-party delivery providers. In some of our markets, it may be difficult to replace the logistics provider with whom we cooperate due to a lack of alternative offerings at a comparable price and/or service quality. Changes in shipping terms and costs, for example due to higher fuel costs, or the inability or refusal of third-party service providers to deliver our products in a safe and timely manner could harm our reputation and have an adverse effect on our business and ability to retain customers. Because perishable products account for a significant portion of the ingredients in our food boxes, we are vulnerable to the risk of our food products perishing during transportation due to temperature conditioning failures or other operational difficulties our third-party delivery providers may encounter. Furthermore, any deterioration in the financial condition of any third-party service provider could have an adverse impact on the quality of our delivery processes and distribution costs.

In addition, we are almost entirely reliant on deliveries by road: from suppliers to our fulfilment centers, from the fulfilment centers to customers. Bad weather, particularly snow, congested roads in urban areas, traffic jams and/or road works have in the past and could also in the future render timely deliveries difficult or even impossible. Also, any changes in logistics or transportation law, including the number of hours drivers can work for or road weight limits, may lead to an increase in prices charged by our third-party providers and we may not be able to pass on such price increases to our customers.

The materialization of any of the risks described above could have a material adverse effect on our business, financial condition, cash flows, reputation and results of operations.

1.1.23 We have to enter into long-term commitments with respect to the expansion of our own delivery service, which we may not be able to recoup. The cost of our delivery service operations may increase due to stricter working hour regulations.

In connection with the acquisition of Cool Delivery B.V. in 2015, a logistics company located in the Netherlands and focused on refrigerated logistics, we entered into certain long-term commitments with respect to our delivery fleet by increasing the number of trucks leased by us as well as finding and training potential drivers. While we believe that these commitments positively impact customer satisfaction and retention, there can be no assurance that we will be able to recoup these commitments. There is also no guarantee that we will be able to generate a sufficient amount of orders to maintain high rates of utilization of our drivers, which is key in order for our delivery service to provide an upside to our business compared to using third-party delivery providers. In addition, operating our own last mile delivery service means that our fix cost base increases and includes operational risks, such as potential accidents caused by our drivers, which will negatively affect our results if our business does not grow as expected.

Our own delivery service would be affected by any tightening of regulations governing the number of hours that drivers can work on a single day and consecutive days, and as a result, we may not have enough drivers available to work during periods of very high demand or adverse weather conditions, or they may be available only at higher costs. Regulations also govern the weight limits of the loads each truck can take. In addition, some jurisdictions impose taxes or tolls on businesses that provide vehicle-related services within the boundaries of a metropolitan area. Such regulations may affect the operational efficiency and costs of our own delivery infrastructure and any changes to these regulations may have a negative effect on our financial prospects.

The materialization of any of the risks described above could have a material adverse effect on our business, financial condition, cash flows, reputation and results of operations.

1.1.24 Any software malfunction or disruption of our IT systems could adversely affect our business operations.

As an internet-based business, we rely on complex software and telecommunication systems to run our websites and apps. Any software malfunction could disrupt the smooth running of our operations. Although we analyze our systems on a regular basis we may not be able to correctly assess how prone to errors or viruses our systems are and we might not have the know-how to fix any malfunctions. We might

then have to pay third parties to either fix the problems or we would have to license similar software available on the market. All these options could put a substantial financial burden on us.

There is no assurance that our IT systems will not fail. Some malfunctions and downtimes have occurred in the past. Insufficient security practices, such as inadequate policies to enforce password complexity, the saving of username and password combinations on local web browsers, the use of default credentials or their reuse coupled with the use of cloud services, the use of unauthorized IT tools, which are not compliant with IT security standards (i.e. Dropbox, GoogleDrive, etc.) the use of unprotected software, inadequate physical protection against unauthorized access and manipulation may result in vulnerability of our IT systems. The roll-out of new IT systems in our Group may be delayed or fail, resulting in insufficient scale to support the potential growth of our business. Our incident management, aiming at identifying operation problems, such as failures in IT programs, may be inadequate. Any failure of, disruptions to or cyber-attacks targeted at our IT systems may lead to significant downtimes of our websites and apps, may adversely affect our performance and may lead to a loss of revenue. Should algorithms suffer from a programing failure or should our IT systems be subject to a disruption, this may leave us unable to deliver orders on time and may result in misallocations of orders, make our websites and apps unavailable for our customers and may ultimately negatively affect our performance and reputation.

The materialization of any of the risks described above could have a material adverse effect on our business, financial condition, cash flows, reputation and results of operations.

1.1.25 We rely on technology and data to forecast demand and to manage our supply chain. Any failure of this technology could materially adversely affect our operations.

We allow customers to choose between different recipes until about a week before the scheduled delivery of the relevant box. Providing our customers with this flexibility introduces uncertainty into our ordering processes, as we have order cycles of approximately eight to ten weeks. The choice provided to our customers makes it more difficult for us to estimate the quantities of ingredients needed in a given week and, accordingly, to lock-in prices and quantities with our suppliers, which may lead to higher procurement costs. We therefore rely on our technology and data to forecast demand and predict our customers' orders, determine the amounts of ingredients and other supply to purchase, and to optimize our logistics for delivery and transport of our supply to our fulfilment centers and of our product offerings to customers. If this technology fails or produces inaccurate results (e.g. if the data we collect from customers is insufficient or incorrect, if we over- or underestimate future demand) we could experience increased food waste or shortages in key ingredients, the operational efficiency of our supply chain may suffer (including as a result of excess or shortage of fulfilment center capacity) or our customers may experience delays or failures in the delivery of our product offerings, for example by missing ingredients. Moreover, forecasts and predictions based on historical data, regardless of any historical patterns or the quality of the underlying data, are inherently uncertain, and unforeseen changes in consumer tastes or external events could result in material inaccuracy of our forecasts and predictions, which could result in disruptions in our business and our incurrence of significant costs and waste. Furthermore, any interruptions or delays in our ability to use or access our technology could lead to interruptions or delays in our supply chain.

The materialization of any of the risks described above could have a material adverse effect on our business, financial condition, cash flows, reputation and results of operations.

1.1.26 Any failure to operate, maintain, integrate, scale and upgrade our network and mobile infrastructure and our other technology, or to adopt and apply technological advances, may materially and adversely affect our business and reputation.

It is critical to our success that potential customers within our geographic markets are able to access our mobile apps and websites at all times. It may become increasingly difficult to maintain and improve the availability of our platform, especially during peak usage times and as products become more complex and customer traffic increases. If our mobile apps or websites are unavailable when customers attempt to access them or they do not load as quickly as customers expect, customers may seek other services, and may not return to them as often or at all in the future. This would harm our ability to attract customers and decrease the frequency with which they use our mobile apps or websites. We have previously experienced service disruptions, and in the future, we may experience further service disruptions, outages, or other performance problems due to a variety of factors, including infrastructure changes, human or software errors or capacity constraints due to an overwhelming number of users accessing our platform

simultaneously. We currently expect to continue to make significant investments to maintain and improve the availability of our mobile apps and websites and to enable rapid releases of new features and products. To the extent that we do not effectively address capacity constraints, respond adequately to service disruptions, upgrade our systems as needed or continually develop our technology and network architecture to accommodate actual and anticipated changes in technology, our business and results of operations would be harmed.

Furthermore, since the mobile world and internet are characterized by rapid technological development and new advances in technology can increase competitive pressure, our success depends on our ability to continuously improve our current mobile apps and technological platform and sustain their interoperability with popular operating systems. Any failure to adopt and apply new technological advances in a timely manner, to integrate mobile apps into mobile devices or problems with providers of mobile operating systems or download stores could decrease the attractiveness of our mobile apps and our websites and thus limit our growth or even lead to declining revenue. Any changes in popular operating systems, such as iOS or Android, that degrade the functionality of our sites or give preferential treatment to competing sites, could adversely affect our mobile offering.

The materialization of any of the risks described above could have a material adverse effect on our business, financial condition, cash flows, reputation and results of operations.

1.1.27 Our international operations and expansion into new geographic markets expose us to risks due to unfamiliar markets and legal systems that we might misunderstand or misinterpret. Some countries may also restrict or limit the ability of foreign companies to conduct business in their country.

The diversity and breadth of our operations expose us to a variety of local economic, political and social conditions in our countries of operation. We may also expand our operations into new geographic markets (either by opening up new subsidiaries or by acquiring companies), some of which may be emerging and less stable markets, where increasing risks associated with potential hyperinflationary conditions, civil unrest, regulations restricting or limiting foreign ownership and political instability may exist. In entering new markets, we may incur losses or otherwise fail to enter additional markets successfully for various reasons.

Our expansion into new markets may place us in unfamiliar competitive environments and involve various risks, including the need to invest significant resources and the possibility that returns on such investments will not be achieved for several years or at all. In some of our future markets we may have to operate in opaque or unfamiliar legal systems, which may contain conflicting regulatory requirements and are often subject to arbitrary enforcement by authorities. As we continue to grow, these challenges may intensify, and there is no guarantee that we can manage them effectively or at all.

If we seek to expand into additional countries, we may be faced with regulations that restrict or limit the ability of foreign companies to conduct business in the relevant country. We may find it more difficult to acquire the licenses and other approvals that we need to operate in these markets. We may also not be accustomed to how business is conducted in these markets, may misinterpret or misunderstand local rules, regulations or customs and we may face fines or court judgments that are significantly more severe than would be expected in our home jurisdiction of Germany. In some cases, we may be treated unfairly or differently than other predominantly local businesses and may be subject to arbitrary or harmful enforcement actions by authorities, such as delays in granting of and higher costs of obtaining of licenses, revocations of licenses or other difficulties, with little or no means of recourse. We may also face specific risks as a foreign-owned company doing business in certain local markets, which often have regulations in place designed to restrict or limit the ability of foreign companies to conduct business.

The materialization of any of the risks described above could have a material adverse effect on our business, financial condition, cash flows, reputation and results of operations.

1.1.28 The security measures to secure and protect our IT operations may prove insufficient and we do not maintain a business continuity plan, which exposes us to operational and accident risks, which may not be covered by our insurance.

Our platforms are, like online platforms in general, vulnerable to computer viruses, break-ins, phishing attacks, attempts of server overloading with "distributed-denial-of-service" attacks, misappropriation of data through website scraping or other attacks or similar disruptions due to unauthorized use of our

computer systems. In addition, we use third parties to host our required server capacity and rely on the stability of their service. We rely on several measures to secure and protect our IT operations, such as timely backups, infrastructure and application provisioning automation, monitoring and alerting, but we cannot guarantee that the occurrence of any of the foregoing will not lead to interruptions, delays or website shutdowns, potentially causing lost business, temporary inaccessibility of critical data, or account details, including personal data, being stolen or released.

In addition, the impact of general threats and risks to our business, such as accidents, epidemics, natural disasters, war, terrorism, power failures or vandalism may cause significant disruptions of our business, personal injuries, damage to third-party property or the environment. Accidents or other incidents that occur at our fulfilment centers or involve our personnel or operations could result in claims for damages against us and could damage our reputation. We do not currently maintain a comprehensive business continuity plan to address such disruptions and we may not be able to adequately continue our business or become operational again within a reasonable period of time in the case of such an occurrence. Recovery of our IT systems may be additionally hampered where we have outsourced the operation of IT and data storage to third parties. In addition, although we insure ourselves against such losses to a level and at a cost we deem appropriate, our insurance policies are subject to exclusions and limitations, and we cannot guarantee that all material events of damage or loss will be fully or adequately covered by an applicable insurance policy. As a result, the amount of any costs, including fines or damages that we might incur in such circumstances, could substantially exceed any insurance we have to cover such losses. In addition, our insurance providers could become insolvent. Further, in some instances, we may decide not to take out insurance coverage with respect to a specific risk.

The materialization of any of the risks described above could have a material adverse effect on our business, financial condition, cash flows, reputation and results of operations.

1.1.29 We are subject to risks relating to the receipt and processing of online payments.

Customers who order through our mobile apps or our websites may choose from a range of payment methods, including, among others, credit cards, PayPal, direct debit, and invoice. Due to the variety and complexity of payment methods we offer, we face the risk of operational failures in our checkout process which could adversely affect the number of visitors to our mobile apps or websites who actually decide to purchase our products. For certain payment methods, including credit and debit cards, we pay bank and intermediary fees. These fees may increase over time and raise our operating costs and lower our margin. We rely on third parties to provide these payment processing services in relation to credit and debit card payments, and if these companies become unwilling or unable to provide these services or increase the costs of providing such services, our operations may be disrupted or become unreliable and our operating costs, including payment processing fees, could increase.

Furthermore, we are subject to payment card association operating rules, certification requirements, payment card industry data security standards, regulations concerning payment service providers and rules governing electronic funds transfers. Rules, requirements, standards or regulations with regard to providing payment services could change or be reinterpreted to make them more difficult or impossible to comply with, which could result in us becoming subject to fines or higher transaction fees and in extreme cases losing our ability to accept credit card payments from customers, process electronic funds transfers or facilitate other types of online payments. Moreover, if we offer new payment options to our customers, we may become subject to additional regulations and compliance requirements.

We face potential risks relating to customer claims if purchases or payments are not properly authorized or are transmitted in error, the risk that customers have insufficient funds and the risk of fraud. Any failure to avoid or limit losses from fraudulent transactions could negatively affect our operations and result in increased legal expenses and fees. High levels of payment card fraud could result in us having to comply with additional requirements or pay higher payment processing fees or fines. Furthermore, permitting further online payment options may increase the risk of fraud. In addition, our invoice and billing IT systems may malfunction due to new product implementations, data errors, faulty changes in the invoicing code or other IT configuration issues, which may also impair our ability to create correct invoices, avoid the recording of duplicate invoices or payments and collect payments in time or at all.

The materialization of any of the risks described above could have a material adverse effect on our business, financial condition, cash flows, reputation and results of operations.

1.1.30 We have entered into various service agreements with third parties and if these third parties do not perform adequately or terminate their relationships with us, our costs may increase, our business could be interrupted and our results of operations could be harmed.

Our success depends upon our relationships with third parties, which provide various services relevant for our business to us, such as picking, packaging, delivery, software, programming and payment processing or data host services. We rely on third-party payment processors and encryption and authentication technology licensed from third parties that is designed to effect secure transmission of personal information provided by our customers. We also rely on third-party data center hosts and network carriers to provide a reliable network backbone with the speed, data capacity, security and hardware necessary for reliable internet access and services and secure back-up of data. If the relevant third parties would terminate their relationships with us or refuse to renew their agreements with us on commercially reasonable terms, or simply do not perform adequately we may have difficulty finding an alternate provider on similar terms and in an acceptable timeframe, our costs may increase, our business could be interrupted and/or our results of operations could be harmed.

The materialization of any of the risks described above could have a material adverse effect on our business, financial condition, cash flows, reputation and results of operations.

1.1.31 We may face online security breaches and service disruptions due to hacking, viruses, fraud and malicious attacks, which may materially and adversely affect our business and reputation.

We operate websites, networks, apps and other data systems through which we collect, maintain, transmit and store information about our customers, suppliers and others, including credit card information and personal information, supplier details as well as other confidential and proprietary information through our mobile apps, websites, networks and other data systems. We also employ third-party service providers that store, process and transmit proprietary, personal and confidential information on our behalf. Furthermore, we rely on encryption and authentication technology licensed from third parties in an effort to securely transmit confidential and sensitive information, including credit card details.

Although we take steps to protect the security, integrity and confidentiality of the information we collect, store or transmit, we cannot preclude the risk of third parties breaking into our systems. We and our service providers might not have the resources or technical sophistication to anticipate or continue to prevent all types of attacks and techniques used to obtain unauthorized access to our systems. Our IT security systems may prove to be insufficient. Therefore, we cannot guarantee that inadvertent or unauthorized use or disclosure will not occur, or that third parties will not gain unauthorized access to our IT systems or confidential information despite our efforts. Advances in computer capabilities, new technological discoveries or other developments could increase the frequency or likelihood of security breaches. In addition, security breaches can also occur as a result of non-technical issues, including intentional or inadvertent breaches by our employees or by persons with whom we have commercial relationships. For example, some of our customers have received emails containing malicious or fraudulent content that were purportedly sent by officers or employees of our Group. Security breaches may also result where our internal security practices are inadequate or where we have an inadequate IT architecture to prevent or limit the effects of external attacks. Our access management regarding our data systems may prove insufficient, resulting in, for example, misuse, unauthorized access to sensitive data and systems or manual inputs into systems leading to inaccurate data. The established procedure for amending supplier details in our data systems may prove to be inadequate resulting in unauthorized persons having access rights and being able to amend relevant supplier data, which implies the risk of unauthorized and fraudulent supply requests. In addition, we do not have adequate procedures in place to ensure that employees leaving us will be denied access to our IT systems in a timely manner. A leakage of customer or supplier data caused by hacking attacks, inadequate data protection or a former employee could lead to a misuse of data, e.g. in the form of unsolicited emails or other communications based on spam lists fed with such data. Inefficient management of administrator and user accounts may increase the risk of fraud, disclosure and malfunctions. In addition, any such occurrence could violate applicable privacy, data security and other laws, and cause significant legal and financial risks, adverse publicity and a loss of confidence in our security measures.

We may also need to devote significant resources to protect against security breaches or to address problems caused by breaches, diverting resources from the growth and expansion of our business. Since these techniques change frequently and often are not recognized until launched against a target, we may

also not have the technical sophistication to provide adequate protection, at all. Therefore, we cannot guarantee that inadvertent or unauthorized use or disclosure will not occur, or that third parties will not gain unauthorized access to this information despite our efforts. Any such breach or unauthorized access could violate applicable privacy, data security or other laws and result in significant legal and financial exposure, a loss of confidence in the security of the products and services offered by us, regulatory action against us by public authorities and may damage our reputation, including the reputation of the companies not directly affected by the security breach.

The materialization of any of the risks described above could have a material adverse effect on our business, financial condition, cash flows, reputation and results of operations.

1.1.32 We may be unable to successfully integrate, or achieve the expected benefits from, past or future acquisitions.

Since our inception, we have only completed one relatively small acquisition. In July 2015, we have acquired Cool Delivery B.V., a logistics partner in the Netherlands that operated our delivery in that market. We may in the future selectively analyze and ultimately execute more actively acquisitions of existing companies. However, there can be no assurance that we will find suitable acquisition targets at reasonable prices or at all.

To the extent we are successful in making acquisitions, we may have to spend substantial amounts of cash or shares, incur debt, assume loss-making divisions and incur other types of expenses. In particular, future acquisitions could result in increased indebtedness and significant commitment of management resources and in a dilution of our shareholders if the acquisition is structured fully or partially as a share for share deal. We might not achieve the cost savings, synergies or other benefits that we hope to achieve from acquisitions.

We cannot guarantee that the integration of any future acquisitions will yield benefits to us that are sufficient to justify the expenses we will incur in completing such acquisitions. We may not be in a position to carry out substantive due diligence and any failure by us to identify, or to correctly assess, all of the problems, liabilities or other shortcomings or challenges of an acquired company or technology, including issues related to intellectual property, data protection, regulatory compliance, accounting practices or employee or customer issues could harm our business, and we could incur extraordinary or currently unexpected legal, regulatory, contractual, labor or other costs as a consequence of acquisitions. In particular, we cannot guarantee that the companies we may acquire hold all the necessary licenses and registrations for their operations.

The materialization of any of the risks described above could have a material adverse effect on our business, financial condition, cash flows, reputation and results of operations.

1.1.33 We depend on the continued input of our founders and other key personnel. The inability to attract new, retain or replace key management or other key employees could harm our business and future prospects.

We are a founder-led business and depend heavily on the continued input of our Chief Executive Officer, Dominik Richter, and our Chief Executive Officer International, Thomas Griesel. We also depend upon the continued services and performance of our other officers and other key personnel, in particular the other members of our management board and the managing directors of our local operating entities. The unexpected departure or loss of any of them could have a material adverse effect on our business, financial condition and results of operations, and there can be no assurance that we will be able to attract or retain suitable replacements for such personnel in a timely manner or at all. We may also incur significant additional costs in recruiting and retaining suitable replacements. In addition, from time to time, there may be changes in our management team that may be disruptive to our business.

Our success and growth strategy also depends on our ability to expand our organization by attracting and hiring high-quality employees. Identifying, attracting, recruiting, training, integrating, managing and motivating talented individuals will require significant time, expense, and attention. Competition for talent is intense, particularly in technology-driven industries such as ours. Our ability to recruit talented employees may be adversely affected by changes in current immigration laws that would make it more difficult to attract talent from outside the European Union or with regards to our U.S. subsidiary from outside of the United States. Due to the fast pace of our operations, we may, in certain cases, have hired employees that did not or do not have the necessary qualifications or satisfy other requirements, such as the possession of up-to-date work permits from the first day of their activities or have not gone through a

proper selection or approval process. Also, if our senior management team fails to work together effectively and to execute our plans and strategies, then our business and our results of operations could be harmed.

A meaningful portion of our employees have a short employment history with us and we may experience significant employee fluctuation which may challenge our ability to effectively integrate and align our workforce with our strategic goals. We may not be able to retain the services of any of our employees or other members of senior management in the future due to, for example, salaries which are below market average or very short bilateral termination periods with respect to their employment contracts. All of our subsidiaries have a short operating history, and if they grow and achieve better operating results in the future, salary expectations of key employees could rise, which would make personnel retention more difficult. The unexpected departure or loss of any of our key personnel could have a material adverse effect on our business, financial condition and our results of operations, in particular if such key personnel is hired by our competitors. There can be no assurance that we will be able to attract or retain suitable replacements for such personnel in a timely manner or at all. In addition, we do not maintain or have only recently implemented succession plans with respect to the identification of and continuity for critical positions in several of our local companies, including management and certain IT positions. Any material loss of knowledge caused by a loss of key employees may negatively affect our business, especially if our founders or if the other members of our management board leave us. This could imply a significant loss of human resources, which we may not compensate.

The materialization of any of the risks described above could have a material adverse effect on our business, financial condition, cash flows, reputation and results of operations.

1.1.34 Our management team has limited experience managing a public company, which may negatively affect its ability to manage the day-to-day business and the transition into a public company.

The Issuer's management team has limited experience managing a publicly traded company, interacting with public company investors and complying with the increasingly complex laws pertaining to public companies, covering areas such as reporting obligations, public disclosure, corporate governance and accounting standards. These new obligations will require substantial attention from the Issuer's senior management and could divert their attention away from the day-to-day management of the Issuer's business. Also, there is no assurance that the management team will be able to provide for a smooth and efficient transition to being a public company and compliance with and satisfaction of all obligations and regulations applicable to the Issuer as a public corporation. Compliance with rules and regulations applicable to public corporations will increase the legal and financial compliance costs of the Issuer and may make some activities more difficult and time-consuming. As a result, the Issuer's management's attention may be diverted from other business concerns, and the Issuer may be required to hire additional employees or engage outside consultants to comply with these requirements, which would increase its expenses. The total amount of expenses associated with the transition into being a public company may be underestimated and higher than originally anticipated.

The materialization of any of the risks described above could have a material adverse effect on our business, financial condition, cash flows, reputation and results of operations.

1.1.35 If we are unable to accurately assess our operating performance through certain key performance indicators, our ability to determine and implement appropriate business strategies may be impaired.

We assess our operating performance using a set of key performance indicators, which include the number of active customers (i.e., the number of uniquely identified customers who received at least one box within the preceding 3 months (including first-time and trial customers, customers who received a free or discounted box and customers who ordered during the relevant period but discontinued their orders and registration with us before period end) counted from the end of the relevant quarter) as well as meals delivered. Capturing accurate data is subject to various limitations, also given the limited operating history of the Issuer, and there is no assurance that our data collection technologies and tools are always accurate. Such data are also not subject to a statutory audit. Furthermore, because financial reporting frameworks lack standardized definitions for key performance indicators, the key performance indicators we use may not be comparable to those of our competitors or even between our own reporting segments. There is no guarantee that the information we have collected thus far is accurate or reliable. As a result, the key performance indicators that we use may not reflect our actual operating or financial performance and are

not reliable indicators of our current or future revenue. Potential investors in this offering should therefore not rely on these indicators as a basis for their investment in the Issuer's shares.

The management of our business and the development of our growth strategy depend on accurate measurement of the numbers of and trends in our key performance indicators, such as active customers and orders delivered. If our measurements of these key metrics are incomplete or inaccurate, our business and strategic decisions may be suboptimal or wrong. Furthermore, if a significant understatement or overstatement of our key performance indicators were to occur, the market might perceive us to have inadequate systems and lose confidence in the accuracy and reliability of the information we report.

The materialization of any of the risks described above could have a material adverse effect on our business, financial condition, cash flows, reputation and results of operations.

1.1.36 We may not be able to establish or maintain an efficient system of internal controls over financial reporting, and our internal reporting and/or risk management procedures may not be adequate to meet the needs of our growing business.

According to German corporate law, the management of a European company (*Societas Europaea*) is responsible for immediately establishing and maintaining adequate internal controls over financial reporting. The Issuer is in the process of conforming its system of internal controls as well as its internal reporting and risk management procedures to the requirements for a publicly listed company, but may be unable to implement adequate internal controls and/or internal reporting or risk management procedures in a timely manner or at all. Consequently, we may be unable to detect and react to risks arising in the course of our business. In addition, any failure to establish or maintain an effective system of internal controls over financial reporting could limit our ability to report our financial results accurately and in a timely manner or to detect and prevent fraud.

Further, the Issuer and its affiliated companies conducted various restructuring measures (e.g. changes of legal forms, mergers, spin-offs) and capital measures in the past. These corporate restructuring and capital measures increased the complexity of our financial reporting and were subject to various legal requirements. There is a risk that not all legal requirements in every respect have been observed when performing these corporate restructuring and capital measures, which could have severe legal consequences (including legal invalidity of individual or multiple measures).

The materialization of any of the risks described above could have a material adverse effect on our business, financial condition, cash flows, reputation and results of operations.

1.1.37 Changes in foreign exchange rates could have material adverse effects on our financial result.

The majority of our revenue and expenses is denominated in currencies other than euro, i.e., the United States dollar, the British pound and the Australian dollar and, to a lesser extent, the Canadian dollar and the Swiss franc. Our local operations generally seek to match the expenses incurred and revenue generated in the respective currency, and thus the foreign currency risks we face that could be material to our results at the Group level are primarily translational, not transactional. Adverse translation effects may materially impact our revenues reported in euro. Translation effects are caused by the translation of financial results of our consolidated subsidiaries prepared in the respective local currencies into euro, our reporting currency, in the course of preparing the Group's consolidated financial statements. Translation effects imply the risk, that, although the operations of a subsidiary may develop favorably, the contribution of the relevant subsidiary to the Group's financial position may decrease due to a decrease in the value of the local currency compared to the euro. Thus, a weakening of the U.S. dollar, British pound, Australian dollar, the Canadian dollar or the Swiss franc, could reduce the euro-denominated amount of sales generated in such currencies. For example, the U.S. dollar has recently weakened against the euro, which will negatively impact reported revenue for our segment USA.

Furthermore, currency fluctuations can also have an impact on our financial position and cash flows. For example, cash balances held by us are translated using the exchange rate as of the relevant balance sheet date and, accordingly, will be impacted by exchange rate fluctuations. Also, the value of dividends companies in our Group might upstream to the Issuer in the future, if any, would be dependent on foreign exchange rates, if the dividend-paying company pays its dividend in a currency other than the euro.

Currency fluctuations can also have a significant impact on the Issuer's ability to recoup its investments in the operations of its subsidiaries outside the eurozone. Currently, the Issuer's funding sources are

predominantly denominated in euro, and any funds invested in the operations of its subsidiaries outside the eurozone must first be converted into the respective local currency. A long-term strengthening of the euro relative to other currencies could reduce the euro-denominated return on investments made when the euro was weaker. A long-term strengthening of the euro could also reduce the euro-denominated amount of any dividends paid to the Issuer by its subsidiaries outside the eurozone.

The materialization of any of the risks described above could have a material adverse effect on our business, financial condition, cash flows, reputation and results of operations.

1.2 Regulatory and Legal Risks

1.2.1 Food safety and food-borne illness incidents or product mislabeling may materially adversely affect our business by exposing us to product liability claims, product recalls or regulatory enforcement actions, increasing our operating costs, harming our reputation and business and reducing demand for our product offerings.

The sale of food or other products for human consumption involves inherent legal and other risks, and there is increasing governmental scrutiny and public awareness regarding food safety. Unexpected side effects, illness, injury or death related to allergens, food-borne illness or other food safety incidents (including food tampering or contamination) caused by products we sell, or involving suppliers that supply us with ingredients and other products, could result in the discontinuance of sales of these products or our relationships with such suppliers, or otherwise result in increased operating costs or harm to our reputation. Additionally, we may incur liability for mislabeling products, even if the mislabeled information was provided by the product supplier. Furthermore, the actual or perceived sale of contaminated food or other products to our customers, or the shipment of adulterated products, even if inadvertent, could result in criminal or civil liability. Such incidents could also expose us to product liability, negligence or other lawsuits, including consumer class action lawsuits. Any claims brought against us may exceed or be outside the scope of our existing or future insurance policy coverage or limits. Any judgment against us that is in excess of our policy limits or not covered by our policies or not subject to insurance would have to be paid from our cash reserves, which would reduce our capital resources. The settlement or outcome of any lawsuit or claim could have an adverse effect on our financial condition and future prospects.

The occurrence of food-borne illnesses or other food safety incidents could also adversely affect the price and availability of affected ingredients, resulting in higher costs, disruptions in supply and a reduction in our sales. Additionally, if one of the ingredients in a food box is believed to raise health concerns, we may have to engage in a recall of the affected food boxes. In the United States, any instances of food contamination, whether or not caused by our products, could subject us or our suppliers to a food recall pursuant to the Food Safety Modernization Act of the United States Food and Drug Administration ("**FDA**"), and comparable state laws. Even if an event causing a recall of food boxes proves to be unfounded or if a product liability claim against us is unsuccessful or is not fully pursued, food recalls could result in significant losses due to their costs, the destruction of product inventory, lost sales due to the unavailability of the product for a period of time and potential loss of existing customers and a potential negative impact on our ability to attract new customers due to negative consumer experiences or as a result of an adverse impact on our brand and reputation.

In the United States, food companies have been subject to targeted, large-scale tampering as well as to opportunistic, individual product tampering, and we could be a target for product tampering. Forms of tampering could include the introduction of foreign material, chemical contaminants and pathological organisms into consumer products as well as product substitution. In the near future, new regulations by the United States FDA will require companies like us to analyze, prepare and implement mitigation strategies specifically targeting tampering designed to inflict widespread public health harm. If we do not adequately address the possibility, or any actual instance, of product tampering, we could face possible seizure or recall of our products and the imposition of civil or criminal sanctions.

The materialization of any of the risks described above could have a material adverse effect on our business, financial condition, cash flows, reputation and results of operations.

1.2.2 *We are subject to a complex legal framework governing the food industry. Our compliance with these provisions, as they currently exist or as modified in the future, is not guaranteed and may increase our costs, limit or eliminate our ability to sell certain products, raise regulatory enforcement risks or otherwise adversely affect our business.*

We operate under a business model that is relatively new to the food industry, in which we rapidly source, process, store and package meal ingredients—including fresh fruits and vegetables, poultry, beef and seafood, each of which may be subject to a unique regulatory regime—and ship them directly to consumers in the course of e-commerce transactions. As a retailer of food products and a seller of many of our own-label products, we are subject to numerous health and safety laws and regulations which vary across jurisdictions. Applicable statutes and regulations governing food products include rules for labeling the content of specific types of food, the nutritional value of that food and its serving size, as well as rules that protect against contamination of products by food-borne pathogens. For example, Regulation No. 1169/2011/EU on the provision of food information to consumers, effective December 1, 2014, provides that "food business operators" must provide certain information about sourcing and about allergens on non-pre-packed foods. These rules and regulations provide for, among other things, labelling requirements with regard to the name of the food, the list of ingredients and particularly those causing allergies or intolerances, the net quantity of the food or the last consumption date. Compliance with these rules and regulations requires that we and our suppliers are aware of the ingredients and allergen content of our food boxes and violations of the food labelling regulations may lead to significant fines.

In the United States, our food processing facilities, products, and procedures are subject to inspection and review by the U.S. Department of Agriculture ("**USDA**"), the FDA and various other state and local health and agricultural agencies. The FDA has established detailed and complex requirements, which may also be supplemented by guidance from governmental agencies, for how our products may be labeled and advertised. Generally speaking, these requirements divide information into mandatory information that we must present to consumers and voluntary information that we may present to consumers. Packaging, labeling, disclosure and advertising regulations may describe what mandatory information must be provided to consumers, where and how that information is to be displayed physically on our materials or elsewhere, the terms, words or phrases in which it must be disclosed, and the penalties for non-compliance. Additionally, any voluntary information we provide our customers, whether on our packages, websites, in print, in radio, on television or in package inserts, may be subject to FDA regulation, Federal Trade Commission ("**FTC**") regulation, USDA regulation, state and local regulation, or any combination of the foregoing. These statements may be subject to specific requirements, subjective regulatory evaluation, or both. FDA, FTC, USDA and state- and local-level regulations and guidance can be confusing and subject to conflicting interpretations. Guidelines, standards and market practice for, and consumers' understandings of, certain types of voluntary statements, such as those characterizing the nutritional and other attributes of food products, continue to evolve rapidly, and regulators may attempt to impose civil or criminal penalties against us if they disagree with our approach to using voluntary statements.

The last U.S. presidential election and corresponding changes in senior federal government officials and policy priorities have created increased uncertainty regarding U.S. regulations and compliance. Certain recently promulgated FDA regulations, such as the requirements regarding food defense, are not yet in effect, and it is unclear how the FDA may interpret and enforce many other recent regulations, presenting considerable future uncertainty. For example, the federal regulatory scheme governing food products establishes guideposts and objectives for complying with legal requirements rather than providing clear direction on when particular standards apply or how they must be met. For example, new FDA regulations referred to as Hazard Analysis and Risk-Based Preventive Controls for Human Food require that we evaluate food safety hazards inherent to our specific products and operations. We must then implement "preventive controls" in cases where we determine that qualified food safety personnel would recommend that we do so. Determining what constitutes a food safety hazard, or what a qualified food safety expert might recommend to prevent such a hazard, requires evaluating a variety of situational factors. This analysis is necessarily subjective, and a government regulator may find our analysis or conclusions inadequate. Similarly, the standard of "good manufacturing practice" to which we are held in our food production operations relies on a hypothesis regarding what individuals and organizations qualified in food manufacturing and food safety would find to be appropriate practices in the context of our operations. Our business model, and the scale and nature of our operations, have relatively few meaningful comparisons among traditional food companies. Government regulators may disagree with our analyses and decisions regarding the good manufacturing practices appropriate for our operations. Additionally, decisions made or processes adopted by us in producing our meals are subject to after-the-fact review by government

authorities, sometimes years after the fact. Similarly, governmental agencies and personnel within those agencies may alter, clarify or even reverse previous interpretations of compliance requirements and the circumstances under which they will institute formal enforcement activity. Due to the large degree of discretion afforded regulators, it is not always possible to accurately predict regulators' responses to actual or alleged food-production deficiencies. We may be vulnerable to civil or criminal enforcement action by government regulators if they disagree with our analyses, conclusions, actions or practices.

Other laws and regulations govern the content and ingredients of our boxes, including produce and organic produce; the advertising, sale, packaging, labeling, and distribution of our products as well as the recycling of packaging materials; and the quality, health, and safety of our products as well as the health and safety of our employees. Many jurisdictions provide that food producers adhere to good manufacturing or production practices (the definitions of which may vary by jurisdiction) with respect to processing food. The handling of raw food items such as meat and produce is subject to particularly strict regulations. For example, the food safety practices and procedures in the U.S. meat processing industry have recently been subject to more intense scrutiny and oversight by the USDA, and future outbreaks of diseases among cattle, poultry or pigs could lead to further governmental regulation of our business or of our suppliers. Our fulfilment centers are also subject to various laws and regulations relating to workplace safety and workplace health. Additionally, we are subject to rules on organic products, which facilitate the marketing of organically produced food and provide assurance to our customers that such products meet consistent, uniform standards. We are subject to regulation and inspection by various regulatory bodies across numerous jurisdictions, including regulators and supervisors of food safety, agriculture, occupational safety and environmental protection. Any inquiry or investigation from a food regulatory authority could have a negative impact on our reputation.

Compliance with health and safety laws and regulations may require us to incur significant expenditures and may also place a significant burden on some of our suppliers, which may cause a disruption in some of our product offerings. Violation by our management, employees or suppliers of such laws and regulations could subject us to fines, penalties and other potentially material sanctions, including injunctions against future shipment and sale of products, seizure and confiscation of products, restitution and disgorgement of profits, operating restrictions and criminal prosecution. Safeguards to discourage violations of applicable laws by our management and employees may prove less effective than anticipated, and there can be no assurance that our management and employees will not violate, or have not violated, legal or regulatory provisions. Also, there can be no assurance that our employees, agents or authorized persons, in connection with the negotiations of agreements, licenses, permits, regulatory approvals or inspections, have not accepted, granted or promised advantages or will not accept, grant or promise such advantages or have not engaged, currently engage or will not engage in unfair business practices. The rapid growth of our operations and the limited experience of our management teams may further impair our ability to detect such violations.

In addition, modification of existing laws or regulations, or the introduction of new legislative or regulatory initiatives may lead to increased compliance costs or delay the availability of a number of items and may also affect the market for such products. For example, a number of new or revised laws and regulations have been adopted in recent years in Europe and in the United States, such as those relating to genetically modified foods, which could result in additional compliance costs and the increased use of civil remedies to enforce such laws and regulations. Our business model leaves us particularly susceptible to changes in and reinterpretations of compliance policies and regulations, and some of our competitors may interpret the applicability of the same or similar laws and regulations to their businesses differently than we interpret them. Additionally, increased enforcement by government agencies could result in an increase in such costs and remedies, as well as the payment of fines or penalties imposed by such agencies. We cannot predict the nature of future laws, regulations, interpretations or applications, or determine what effect either additional government regulations or administrative orders, when and if promulgated, or disparate federal, state and local regulatory schemes would have on our business in the future. While we are currently not aware of any material breach by us of these laws, rules and regulations, we cannot rule out that we may not have been in full compliance with these provisions in the past.

In recent years, the United States FDA has increased enforcement of its regulations with respect to nutritional, health and other claims related to food products, and we may be vulnerable to civil or criminal enforcement action by government regulators if they disagree with our analyses, conclusions, actions or practices. Additionally, plaintiffs have commenced legal actions against a number of companies that market food products positioned as "natural" or "healthy," asserting false, misleading and deceptive advertising and labeling claims, including claims related to such food being "all natural" or that they lack

any genetically modified ingredients. Should we become subject to similar claims or actions, consumers may avoid purchasing products from us or seek alternatives, even if the basis for the claim is unfounded, and the cost of defending against any such claims could be significant.

There is no guarantee that we will be able to comply with all of the numerous laws and regulations applicable to our business. In case of non-compliance with laws and regulations we might have to temporarily or permanently stop our operations and business.

The materialization of any of the risks described above could have a material adverse effect on our business, financial condition, cash flows, reputation and results of operations.

1.2.3 Any failure to adhere to the numerous and sometimes conflicting registration, licensing and reporting requirements that govern our U.S. facilities and operations could materially adversely affect our business, financial condition and results of operations.

In the United States, our fulfilment centers must be registered with the federal government, and depending on their location, are also subject to the authority of state and local governments. Disparate registration and licensing requirements can lead to legal uncertainty and unpredictable governmental actions. If we misapply or misidentify licensing or registration requirements, fail to maintain our registrations or licenses or otherwise violate applicable requirements, our products may be subject to seizure or recall and our operations subject to injunction. Additionally, we are required to report to the FDA's reportable food registry in the event we determine a product may present a serious danger to consumers. The reporting requirement may be triggered by a subjective assessment of incomplete and changing facts. Should we fail to identify and report in a timely fashion a potentially reportable event which, subsequently, is determined to have been reportable, government authorities may institute civil or criminal enforcement actions against us.

The materialization of any of the risks described above could have a material adverse effect on our business, financial condition, cash flows, reputation and results of operations.

1.2.4 Even inadvertent, non-negligent or unknowing violations of United States federal, state, or local regulatory requirements could expose us to adverse governmental action and materially adversely affect our business, financial condition and results of operations.

In the United States, the Federal Food, Drug, and Cosmetic Act ("**FDCA**"), which governs the shipment of foods in interstate commerce, generally does not distinguish between intentional and unknowing, non-negligent violations of the law's requirements. Most U.S. state and local laws operate similarly. Consequently, almost any deviation from subjective or objective requirements of the FDCA or state or local law leaves us vulnerable to a variety of civil and criminal penalties.

As a rapidly growing company we often deploy new equipment, update our facilities or occupy new facilities. These activities require us to adjust our operations and regulatory compliance systems to meet continuously changing conditions. Although we have adopted and implemented systems to prevent the production of unsafe or mislabeled products, any failure of those systems to prevent or anticipate an instance or category of deficiency could result in significant business interruption and financial losses to us. The occurrence of events that are difficult to prevent completely, such as the introduction of pathogenic organisms from the outside environment into our facilities, also may result in the failure of our products to meet legal standards. Under these conditions we could be exposed to civil and criminal regulatory action.

Our third-party vendors and suppliers are also subject to numerous health and safety laws and regulations across jurisdictions. In some instances we may be responsible or held liable for the activities and compliance of our third-party vendors and suppliers, despite limited visibility into their operations. For example, the California Transparency in Supply Chains Act of 2010 requires us to audit our suppliers with respect to certain risks related to slavery and human trafficking and to mitigate any such risks in our operations, and any failure to disclose issues or other non-compliance could subject us to action by the California Attorney General. Although we monitor and carefully select our third-party vendors and suppliers, they may fail to adhere to regulatory standards, or our quality standards or labor and employment practices, and we may fail to identify deficiencies or violations on a timely basis or at all. Failure to comply with all applicable laws and regulations could subject us or our suppliers to civil remedies, including fines, injunctions, product recalls or seizures and criminal sanctions.

The materialization of any of the risks described above could have a material adverse effect on our business, financial condition, cash flows, reputation and results of operations.

1.2.5 If we or our partners do not comply with the specialized regulations and laws that regulate the alcoholic beverage industry in the United States, our business could be materially adversely affected.

The United States alcoholic beverage industry is highly regulated at both the federal and state levels. Regulated areas include production, importation, product labeling, taxes, marketing, pricing, delivery, ownership restrictions, prohibitions on sales to minors, and relationships among alcoholic beverage producers, wholesalers and retailers. We cannot guarantee that we or our partners will always be in full compliance with all applicable regulations or laws, that we or our partners will be able to comply with any future regulations and laws, that we will not incur material costs or liabilities in connection with compliance with applicable regulatory and legal requirements, or that such regulations and laws will not materially adversely affect our wine business.

State and federal alcoholic beverage regulatory agencies in the United States issue licenses required to produce, sell and ship wine. We do not hold state or federal licenses, as we only act as agents with respect to our wine offering. Our partners have state and federal licenses, and must remain in compliance with state and federal laws in order to keep our licenses in good standing. Compliance failures can result in fines, license suspension or license revocation. In some cases, compliance failures can also result in cease and desist orders, injunctive proceedings or other criminal or civil penalties. If the licenses of our partners do not remain in good standing, our wine business could be materially adversely affected.

Furthermore, our U.S. wine business relies substantially on state laws that authorize the shipping of wine by out-of-state producers directly to in-state consumers. Those laws are relatively new in many states, and it is common for the laws to be modified. Adverse changes to laws allowing a producer to ship wine to consumers across state lines could materially adversely affect our wine business.

The materialization of any of the risks described above could have a material adverse effect on our business, financial condition, cash flows, reputation and results of operations.

1.2.6 Higher labor costs due to statutory and regulatory change, as well as unionization activities on the part of our employees or a reclassification of our contractual partners, could materially adversely affect our business, financial conditions and results of operations.

Various federal and state labor laws govern our relationships with our employees and affect operating costs. These laws include employee classifications as exempt or non-exempt, minimum wage requirements, unemployment tax rates, workers' compensation rates, overtime, family leave, workplace health and safety standards, payroll taxes, citizenship requirements and other wage and benefit requirements for employees classified as non-exempt. As our employees are paid at rates set above, but related to, the applicable minimum wage, further increases in the minimum wage or other additional government regulations in this area could increase our labor costs.

Additionally, although none of our employees is currently covered under a collective bargaining agreement, our employees may elect to be represented by labor unions in the future. If a significant number of our employees were to become unionized the collective bargaining agreement terms may deviate significantly from our current compensation and benefits structure. In addition, a labor dispute involving some or all of our employees may harm our reputation, disrupt our operations and reduce our revenue, and the resolution of labor disputes may increase our costs. We have entered and will continue to enter into contractual agreements with third parties in the context of our operations. Such third parties are typically classified as independent contractors, but such classification may not be clear in all of our markets. Due to a number of reasons, such as changes in labor law, regulations or case law in other markets, such third parties might have to be treated as regular employees of us, potentially requiring us to pay them a certain minimum wage and subjecting us to wage tax burdens as well as liability for social security contributions, including potentially with retroactive effect, leading to a significant increase of our operating expenses.

The materialization of any of the risks described above could have a material adverse effect on our business, financial condition, cash flows, reputation and results of operations.

1.2.7 Government regulation of the internet and e-commerce is evolving and may change in a manner that is unfavorable to our business, and we may fail to comply with applicable regulations due to the complexity of the regulatory field.

Government regulation and legal uncertainties may place administrative and financial burdens on our business. We are subject to a number of regulations and laws that apply generally to businesses, as well as regulations and laws specifically governing the internet and e-commerce and the marketing, sale and delivery of goods and services over the internet. These laws and regulations cover taxation, tariffs, privacy and data protection, data security, anti-bribery, pricing, content, copyrights, trademarks, distribution, mobile and other communications, advertising practices, electronic contracts, sales procedures, automatic subscription renewals, credit card processing procedures, consumer protections, the provision of online payment services, unencumbered internet access to our services, the design and operation of websites, and the characteristics and quality of goods and services that are offered online. Furthermore, as the internet continues to revolutionize commercial relationships on a global scale, and as the use of the internet and mobile devices in everyday life becomes more prevalent, these laws and regulations continue to evolve. Existing and future regulations and laws relating to the internet may impede the growth and availability of the internet and online services, inhibit our ability to grow our business, or adversely affect our business by increasing costs and administrative burdens.

In addition, privacy-related regulation of the internet could interfere with our collection and use of personal information as part of our business operations. In the United States, a variety of federal and state laws and regulations govern the collection, use, retention, sharing, transfer and security of customer data. The European Union recently enacted the General Data Protection Regulation (Regulation 2016/679/EU of the European Parliament and of the Council of April 27, 2016, the "**General Data Protection Regulation**") which will come into effect in May 2018 and imposes new and stricter conditions and limitations on the processing, use and transmission of personal data. Further, other data protection related laws impose additional restrictions on our operations. For example, subject to certain exceptions, email advertisements may only be sent to addressees who have given their explicit prior consent. Similarly, the use of cookies is regulated by the Directive on Privacy and Electronic Communications, which provides for an opt-in regime requiring the informed consent of the app or website user. In the course of our marketing efforts via emails we rely on email distribution-tools, which automatically filter out individuals who have not given their consent to email advertisements. However, we cannot guarantee that individuals who have not given their consent do not receive advertisement emails due to malfunctions and errors in our systems or human misconduct, which could lead to governmental investigations and/or sanctions. A number of other European Union directives and national laws impose additional duties and responsibilities on online retailers. For example, online retailers must comply with extensive and formalized information requirements, providing current and potential customers detailed and accurate information, including information regarding price and payment details, the company's return policy and the customer's right to withdraw from a contract.

We must comply with all privacy-related regulations in the European Union as well as in other countries where we may do business. Additionally, we may choose to comply with, or may be required to comply with, self-regulatory obligations or other industry standards with respect to our collection, use, retention, sharing or security of customer data. Although we strive to comply with all applicable laws, regulations, self-regulatory requirements, policies and legal obligations relating to privacy, data usage, and data protection, it is possible that these laws, regulations and other obligations may be interpreted and applied in a manner that is inconsistent from one jurisdiction to another and which may conflict with other rules or requirements or our practices. We cannot guarantee that our practices have complied, comply, or will comply fully with all such laws, regulations, requirements and obligations. For example, we may have saved data that we should not have saved pursuant to applicable data protection laws. We are constantly in the process of enhancing our data protection standards and procedures, but this process may take longer and require more resources than originally planned. Any noncompliance by us with the applicable regulations could lead to fines and other sanctions. For example, the General Data Protection Regulation provides that violations of data protection rules can be fined, depending on the circumstances, by up to the higher of EUR 20 million and 4% of the annual global turnover of the infringing person. More generally, as e-commerce continues to evolve, increasing regulation and enforcement efforts by numerous government agencies and the prospects for private litigation claims related to our data collection, privacy policies or other e-commerce practices become more likely.

We have posted our privacy policy which describes our practice related to the collection, use and disclosure of customer data on our website and in our mobile application. Any failure, or perceived failure, by us to comply with our posted privacy policy or with any laws, regulations, self-regulatory requirements, industry standards, or other legal obligations could result in claims, proceedings or actions against us by governmental entities, customers or others, or other liabilities, or could result in a loss of customers.

Our Group is already subject to a complex set of numerous laws and regulations relating to e-commerce, data security and data protection. We cannot rule out that we have not been in full compliance with these provisions in the past due to the complexity and pace of change of applicable regulations or for other reasons. We may have infringed these existing regulatory frameworks and cannot rule out that any personal data is misused by us or third parties. In addition, the growth and development of the e-commerce market may prompt calls for more stringent consumer protection laws, both in the European Union and abroad.

The continued growth and development of the market for e-commerce may lead to more stringent consumer protection laws, which may impose additional burdens on us. Changes in privacy-related laws, regulations, self-regulatory obligations and other legal obligations, or changes in industry standards or consumer sentiment could raise compliance costs or other costs of doing business, increase liability risks and require us to change our business practices, including changing, limiting or ceasing altogether the collection, use, sharing, or transfer of data relating to customers.

The materialization of any of the risks described above could have a material adverse effect on our business, financial condition, cash flows, reputation and results of operations.

1.2.8 As we continue to expand our business globally, we may face compliance requirements from numerous, complex and sometimes conflicting legal and regulatory regimes.

As of the date of this prospectus, we deliver orders to customers located in the United States, the United Kingdom, the Netherlands, Belgium, Australia, Germany, Austria, Canada and Switzerland. As a result, we incur, and expect to continue to incur, substantial costs and expenditures and to commit a significant amount of management's time and resources to comply with increasingly complex and restrictive laws and regulations. If we expand our operations to target customers in even more countries, the number of laws and regulatory regimes to which we are subject will further increase, potentially resulting in insecurities due to rapidly changing laws, conflicting interpretation of laws, administrative bypassing of legal frameworks and lack of market precedents to rely on.

Laws which are applicable to our international business in such a scenario include food safety and health, packaging and labelling, local employment, privacy, data security, telecommunications, online content, intellectual property protection, corporate, tax, finance, money laundering, online payment, anti-corruption and international sanctions laws. These various laws and regulations are often evolving and sometimes conflict with each other. Furthermore, operating in foreign jurisdictions entails an inherent risk of misinterpreting and wrongly implementing foreign laws and regulations. While we are not aware of any material breach by us of applicable laws and regulations, there can be no assurance that we have been in full compliance with these laws and regulations in the past or will be able to continue complying with all such laws and regulations going forward. Allegations that we did not comply with applicable laws and regulations, even if unfounded, may negatively impact our reputation.

If we expand into jurisdictions where we are not already present, compliance will become more complex and expensive, and the risk of noncompliance will increase. As the application of foreign direct investment laws and regulations, license rules and similar rules and regulations is often unclear, they are subject to multiple interpretations, particularly by different courts, regulators and other players in the legal community, which may differ from the interpretations we choose. The risk of noncompliance may also arise from the rapid, highly standardized process by which we identify and enter a target market and from the pressures to scale our local operations up to a market leadership position before our competitors do so. In order to allow for swift execution, we sometimes have to make executive decisions in which taking a risk may have to be weighed against the advantages of moving forward quickly. While we seek to clear any remaining risks as quickly as possible, we may not have enough time to analyze each legal risk in detail. Furthermore, our international operations typically require governmental licenses and approvals in the relevant markets, such as registration certificates for entities, tax identification numbers, licenses under applicable food safety and quality frameworks, etc. at various degrees of complexity and cost and the authorities in the countries where we operate may require new and additional licenses, permits and approvals from us. There is no assurance that any required licenses, permits and approvals can be

obtained, and if so, in a timely or cost-effective manner. In addition, authorities may revoke existing licenses, and we may not be made aware of or be able to appeal any such revocations in a timely manner, if at all.

The materialization of any of the risks described above could have a material adverse effect on our business, financial condition, cash flows, reputation and results of operations.

1.2.9 The organizational set up of our compliance system may not have been sufficient to detect violations.

During our limited operating history, we have grown our business rapidly by focusing primarily on growth and expansion rather than the development of internal compliance guidelines, manuals and procedures and our compliance and control environment may not be adequately sophisticated to ensure compliance with all relevant laws and regulations. Accordingly, as a consequence of our fast-moving and entrepreneurial culture, it is conceivable that actions were taken that were not in compliance with applicable corporate governance, antitrust or other laws and regulations or that actions that should have been taken to comply with such legal and regulatory requirements were not taken in a timely manner or at all. Our existing compliance structures may be insufficient to address the changing regulatory environment and changing expectations from government regulators regarding our business model. This may result in gaps in compliance coverage or the omission of necessary new compliance activity. We may have to take future action to make our compliance organization more comprehensive, which will likely require some investments and attention of management. There can, however, be no assurance that our efforts will prove successful. Any past or future violations of applicable laws and regulations may have a material adverse effect on our reputation, assets, financial condition, cash flows and results of operations.

The materialization of any of the risks described above could have a material adverse effect on our business, financial condition, cash flows, reputation and results of operations.

1.2.10 We may not be able to adequately protect our intellectual property rights, and failing to do so could materially adversely affect our business, financial condition, and results of operations.

We regard our customer data, copyrights, design rights, trademarks, trade secrets, proprietary technology and similar intellectual property as critical to our success. In addition, we have developed, and we anticipate that we will continue to develop, a substantial number of programs, processes and other know-how on a proprietary basis that are of key importance to the successful functioning of our business. We may not be able to obtain effective intellectual property protection covering all relevant aspects and/or every country in which we are active or in which such protection is relevant, and we cannot be sure that the law might not change in a way that would affect the nature or extent of our intellectual property ownership and/or the rights granted under such intellectual property. Similarly, we cannot be certain that others will not independently develop or otherwise acquire equivalent or superior technology or intellectual property rights. We cannot be sure that our intellectual property portfolio will not be infringed, violated or otherwise challenged by third parties, or that we will be successful in enforcing, defending or combatting any such infringements, violations, or challenges. Furthermore, our efforts to protect our intellectual property could require the expenditure of significant financial, managerial and operational resources.

We rely on trademark, copyright and trade secret protection and other intellectual property protections under applicable law to protect our proprietary rights. However, we cannot guarantee that our common law, applied-for, or registered rights are valid and/or enforceable, and provide us with adequate protection (in particular that our core business activities are protected by our trademarks or other intellectual property rights) that our trademark registrations and applications or use of our trademarks will not be challenged by known or unknown third parties, or that any pending trademark applications will issue or provide us with any competitive advantage. The same applies to other intellectual property and/or the use of proprietary data, technology etc. Additionally, we may be unable to prevent third parties from infringing upon, misappropriating or otherwise violating our intellectual property rights and other proprietary rights. For example, the nature of internet business results in our intellectual property and other property rights being exposed in considerable detail to our competitors. Regulations governing, among others, domain names, use on the internet and social media may not, or not adequately, protect our trademarks and other proprietary rights that may be displayed on or in conjunction with our website and other marketing media, and we may be unable to prevent third parties from acquiring or retaining domain names that are similar to, infringe upon, or diminish the value of our trademarks and other proprietary rights.

We also rely on confidentiality, supplier, license, and other agreements with our employees, suppliers and others. There is no guarantee that these third parties will comply with these agreements and refrain from misappropriating our proprietary rights.

Despite our efforts to protect our proprietary rights, unauthorized parties may attempt to obtain and use information that we regard as proprietary. We may initiate claims, administrative proceedings or litigation against others for infringement, misappropriation or violation of our intellectual property rights or proprietary rights or to establish the validity of such rights. Any legal dispute especially any litigation, whether or not it is resolved in our favor, could result in significant expense and divert the efforts of our technical and management personnel. Failure to adequately protect our intellectual property could lead to a loss of portions of our intellectual property or a loss. Additionally, our efforts to enforce our intellectual property rights may be met with defenses, counterclaims, and countersuits attacking the validity and enforceability of our intellectual property rights. These steps may be inadequate to protect our intellectual property, and it may be possible for unauthorized third parties to use information that we regard as proprietary to create product offerings that compete with ours. Furthermore, failure to adequately protect our intellectual property could lead to a loss of active customers to competitors with a corresponding loss in revenue and may render us unprofitable or unable to effectively compete in the market.

The materialization of any of the risks described above could have a material adverse effect on our business, financial condition, cash flows, reputation and results of operations.

1.2.11 We may be accused of infringing the intellectual property rights of third parties. Any such accusations could harm our reputation and materially adversely affect our business, financial condition, and results of operations.

Third parties may claim that we infringe or violate their trademarks, patents, copyrights, design rights, domain names, publicity rights or other proprietary rights as well as use unfair business practices. Such claims, regardless of their merit, could result in litigation or other proceedings that could harm our reputation, require us to expend significant financial resources and attention by our management and other personnel that otherwise would be focused on our business operations, require us to pay damages to third parties or result in injunctions against us that would prevent us from using material intellectual property rights. We may need to obtain licenses from third parties who allege that we have infringed or violated their rights, but such licenses may not be available on terms acceptable to us or at all. Similarly, we may not be able to obtain or use on terms that are favorable to us, or at all, licenses or other rights with respect to intellectual property that we do not own. If we cannot obtain a necessary third-party license, we may be forced to change our name and/or logo, goals, operations or strategies or develop alternative intellectual property as well as recall goods and pay damages.

It is possible that we could become subject to infringement actions based upon certain content that we already license from third parties. Additionally, to the extent we rely on open source software, we may face claims from third parties that claim ownership of the open source software or derivative works that were developed using such software, or otherwise seek to enforce the terms of the applicable open source license. Similar claims might also be asserted regarding our in-house software. These risks have been amplified by the increase in intellectual property claims in the United States by third parties whose sole or primary business is to assert such claims. While this trend originated in the United States it is not limited anymore to that territory.

As our business continues to expand, we are likely to be subject to intellectual property claims against us with increasing frequency, scope and magnitude and we cannot guarantee that we will not become liable for damages or other claims. We may also be obligated to indemnify affiliates or other partners who are accused of violating third parties' intellectual property rights by virtue of those affiliates or partners' agreements with us, and this could increase our costs in defending such claims and our damages. Furthermore, such affiliates and partners may discontinue their relationship with us either as a result of injunctions or otherwise.

Finally, if intellectual property claims were asserted against us, we may be required to provide detailed business information, including business secrets, to the claimants. Any such claim can also result in significant expense and divert the attention of our technical and management personnel from other matters.

The materialization of any of the risks described above could have a material adverse effect on our business, financial condition, cash flows, reputation and results of operations.

1.2.12 We may be unable to acquire, use or maintain domain names for our websites in our targeted markets.

We are the registrants of word and figurative trademarks as well as internet domains in many of the jurisdictions in which we operate and a number of other jurisdictions. Domain names are generally regulated by internet regulatory bodies and are subject to trademark laws and other related laws of each jurisdiction. If we do not have or cannot obtain or maintain on reasonable terms the ability to use our registered trademarks or other trademarks that we may need in the future in a particular country, or to use or register our domain name or new domain names that we may require, we could be forced either to incur significant additional expenses to market our platforms and products within that country, including the development of a new brand and the creation of new promotional materials and packaging, or to choose not to operate in that country.

Furthermore, the regulations governing domain names and laws protecting trademarks and similar proprietary rights could change in ways that block or interfere with our ability to use relevant domains or our current brand. In addition, we may not be able to prevent third parties from registering, using or retaining domain names that interfere with our customer communications or infringe or otherwise decrease the value of our trademarks, domain names and other proprietary rights. Regulatory bodies may establish additional generic or country-code top-level domains or may allow modifications of the requirements for registering, holding or using domain names. As a result, we may not be able to register, use or maintain our domain names in all of the countries in which we currently conduct business or intend to conduct business in the future.

The materialization of any of the risks described above could have a material adverse effect on our business, financial condition, cash flows, reputation and results of operations.

1.2.13 We may be subject to litigation or other proceedings that could disrupt and harm our business.

We may become involved from time to time in private actions, investigations and various other legal proceedings by customers, customer agencies, suppliers, competitors, employees, government agencies or others that stem from the nature of the online food delivery business, including potential claims related to food offerings, delivery and quality. We have been faced with allegations by (former) employees or supporters that they were promised shares or options in the Issuer or its affiliates or that they did not receive an appropriate amount of real or virtual stock options or shares in the course of the reorganization measures implemented in 2015. Third parties may seek to assert legal claims against us in connection with personal injuries related to food poisoning, packaging defects (e.g. unlabeled allergens, spilling, etc.) or tampering or accidents caused by our own delivery drivers. Investigations by health authorities as well as labor law related issues or public law related issues (food law, environmental law), e.g. in connection with delivery drivers, salary levels as well as untimely or insufficient payments for employee social security or land or food contamination, may also lead to legal claims against us. If we violate any applicable law or regulation, governmental authorities may take legal action against us or the members of our respective governing bodies or employees. The results of any such litigation, investigations and other legal proceedings are inherently unpredictable. Any negative press coverage could negatively impact our reputation or the confidence that investors have in us. Any claims against us, whether meritorious or not, could be time-consuming, result in costly litigation, damage our reputation, require significant amounts of management time and divert significant resources. If any of these legal proceedings were to be determined adversely to us, or if we were to enter into a settlement arrangement, we could be exposed to monetary damages or face limits on our ability to operate our business, which could have a material adverse effect on our business, financial condition and results of operations. Any unfavorable ruling may result in damage claims by third parties or other adverse legal consequences, including criminal and civil sanctions, injunctions against future conduct, profit disgorgements, occupational and employment bans, the loss of business licenses or permits or other restrictions. In addition to monetary and non-monetary sanctions, monitors could be appointed to review future business practices in order to ensure compliance with applicable laws, and we may otherwise be required to modify our business practices and our compliance program.

The materialization of any of the risks described above could have a material adverse effect on our business, financial condition, cash flows, reputation and results of operations.

1.2.14 We use standardized contracts and terms and conditions, which increases the risk if any clause is held to be void.

We maintain legal relationships with a large number of suppliers and customers. In this context, we also use standardized documents, standard-form contracts and standardized terms and conditions. If such documents, contracts or terms and conditions are found to contain provisions which are interpreted in a manner disadvantageous to us, or if clauses in such documents or contracts are declared invalid and thus displaced by statutory provisions which are unfavorable to us, a large number of standardized documents, contracts or terms and conditions could be affected. Additionally, standardized terms have to comply with the statutory laws on general terms and conditions in the different jurisdictions in which we operate, which means that in many jurisdictions they are subject to rigid fairness control by the courts regarding their content and the way they, or legal concepts described therein, are presented to the other contractual party by the person using them. In the European Union, the standard is even stricter if they are used vis-à-vis customers. As a general rule, standardized terms are invalid if they are not transparent, clearly worded, or if they are unbalanced or discriminate against the other party inappropriately. Due to the frequent changes to the legal framework, particularly with regard to court decisions relating to general terms and conditions, it is impossible to be fully protected against risks from the use of such standardized contractual terms. Even if documents, contracts and terms and conditions are prepared with legal advice, it is impossible for us to avoid problems of this nature from the outset or in the future, as the changes may continue to occur in the legal framework, particularly due to court decisions. This makes it impossible for us to avoid the ensuing legal disadvantages.

The materialization of any of the risks described above could have a material adverse effect on our business, financial condition, cash flows, reputation and results of operations.

1.2.15 Our business is subject to the general tax environment in the jurisdictions in which we are conducting our business and possible future changes may adversely affect our operations. We may be required to pay additional taxes, accrued interest and penalties following tax audits of the Group.

Our business is subject to various general tax environments of the jurisdictions in which we are conducting our business. Our ability to use tax loss carry-forwards and other favorable tax provisions depends on the national tax legislation of the countries where we are subject to taxation. Changes in tax legislation, administrative practice or case law could have adverse tax consequences for us. In addition, amendments to applicable laws, orders and regulations may be issued or altered with retroactive effect within certain limits. Further, divergent interpretations of tax laws by the tax authorities or the tax courts are possible. These interpretations could change at any time with adverse effects in relation to our tax burden. Court decisions are often overruled by the tax authorities or tax courts and might lead to a higher tax burden as well as increased legal and tax advisory costs for us.

We currently collect sales taxes under state or local laws in a number of jurisdictions in the United States, including states where we do not have a physical presence based on, for example, relationships with local marketing affiliates or the surpassing of sales thresholds into such states. An increasing number of other states where we currently do not collect sales taxes have considered or adopted laws or administrative practices that attempt to impose obligations on remote sellers and online marketplaces to collect taxes on their behalf. Additionally, the United States Congress is considering various approaches to legislation that would require companies engaged in e-commerce to collect sales taxes on internet revenue on a federal level. A successful assertion by one or more states requiring us to collect taxes where we do not do so or new legislation from the United States Congress requiring the collection of sales taxes on internet revenue could result in substantial tax liabilities, including for past sales as well as penalties and interest.

In addition, we have not been the subject of a tax audit. It cannot be excluded that the taxes actually assessed in a tax audit exceed the taxes already paid by us, which could result in us having to make significant additional tax payments. Further, tax authorities could revise original tax assessments, for example, by refusing to recognize our entitlement to recover invoiced value-added taxes. In 2015, we were granted a tax credit in the United States. This tax credit is limited to a maximum amount of USD 37 million. In early 2017, we sold this tax credit to a third party. If we fail to fulfill the conditions under which this tax credit was granted, we could be obliged to pay additional taxes or may be faced with damage claims by the third party, which bought the tax credit from us. Moreover, some of our companies have historically been late in filing their tax declarations and some continue to be late in filing their tax declarations, and thus not all Group companies have received tax assessments for recent years. Any tax assessments that

deviate from our expectations could lead to an increase in the tax obligations of the Issuer and/or any of the Group companies and, additionally, could give rise to interest payable on the additional amount of taxes as well as late filing penalties.

Due to the global nature of the internet, it is possible that various jurisdictions might attempt to impose additional or new regulation on our business or levy additional sales, income or other taxes relating to our activities. Tax authorities in various jurisdictions are currently reviewing the appropriate treatment of companies engaged in e-commerce. New or revised tax regulations may subject us or our customers to additional sales, income and other taxes. We cannot predict the effect of current attempts to impose sales, income or other taxes on e-commerce. New or revised taxes and, in particular, sales taxes, value-added taxes and similar taxes would likely increase the cost of doing business online and decrease the attractiveness of selling products over the internet. New taxes could also create significant increases in internal costs necessary to capture data and collect and remit taxes.

The materialization of any of the risks described above could have a material adverse effect on our business, financial condition, cash flows, reputation and results of operations.

1.3 Risks Related to the Issuer's Shareholder Structure, the Shares and the Offering

1.3.1 Following the offering, the Issuer's existing shareholders will retain a significant interest in the Issuer and their interests may conflict with those of the Issuer's other shareholders.

Following the successful completion of this offering, the Issuer's existing shareholders will continue to own approximately 81.01% of the outstanding share capital of the Issuer (assuming full placement of all new shares and full exercise of the greenshoe option granted in the course of this offering). As a result, the existing shareholders will effectively have control over all decisions made at general shareholders' meetings of the Issuer. The interests of the Issuer's existing shareholders may be different from the Issuer's interests or those of other shareholders. The remaining stake of the Issuer's existing shareholders may have the effect of making certain transactions more difficult or impossible without the support of the Issuer's existing shareholders, and may have the effect of delaying, postponing or preventing certain major corporate actions, including a change of control in the Issuer, and could thus prevent mergers, consolidations, acquisitions or other forms of combination that might be advantageous for investors.

The realization of any of the Issuer's existing shareholders' interests that are in conflict with those of the other shareholders may have a material adverse effect on our business, financial condition, cash flows, reputation and results of operations.

1.3.2 The Issuer does not expect to pay any dividends in the foreseeable future.

The Issuer has not yet paid any dividends to its shareholders and does not currently intend to pay dividends for the foreseeable future. Under German corporate law, a company may only pay dividends if it has unappropriated retained earnings in its unconsolidated financial statements prepared in accordance with the German generally accepted accounting principles of the German Commercial Code (*Handelsgesetzbuch (HGB)*). Certain reserves must be established by law and have to be deducted when calculating the distributable profit. The Issuer's ability to pay dividends therefore depends upon, among other things, its results of operations, financing and investment requirements, as well as the availability of distributable profit. In addition, the Issuer's current financing arrangements contain, and the Issuer's future financing arrangements may contain, covenants which impose restrictions on its business and on its ability to pay dividends under certain circumstances. Any of these factors, individually or in combination, could restrict the Issuer's ability to pay dividends.

1.3.3 The shares in the Issuer have not previously been publicly traded, and there is no guarantee that an active and liquid market for the shares will develop.

Prior to this offering, there has been no public trading market for the shares of the Issuer. The offer price (i.e., the price of the Issuer's shares in the offering (the "**Offer Price**")) is being determined by way of a bookbuilding process. There is no guarantee that this Offer Price will correspond to the price at which the Issuer's shares will be traded on the stock exchange after this offering and that the Offer Price accurately reflects the value of our Group. In the course of past financing rounds we received investments for shares in our company based on individual valuations of specific investors of our business at that time. Such

individual valuations of the investors were not confirmed by an independent third-party expert such as an accounting firm or an investment bank and reflects their personal view and the specific circumstances under which these investments in the Issuer were made. These valuations may have exceeded the valuation at which other parties would have been willing to invest into the Issuer and potential investors in this offering should therefore not place undue reliance on these valuations.

There is no guarantee that following the listing, active trading in our shares will develop or be maintained. The failure to develop or maintain active trading may affect the liquidity of our shares and there can be no assurance that the market price of our shares will not decline below the Offer Price. Consequently, investors may not be in a position to sell their shares in the Issuer quickly or at or above the Offer Price.

1.3.4 As a result of the planned listing on the regulated market and the sub-segment of the regulated market with additional post-admission obligations of the Frankfurt Stock Exchange, the Issuer will face additional administrative requirements, including the obligation to issue half-year interim financial statements.

Following the planned listing of the Issuer's shares on the regulated market and the sub-segment of the regulated market with additional post-admission obligations of the Frankfurt Stock Exchange, the Issuer will for the first time be subject to the legal requirements of German companies listed on a public stock exchange. These requirements include public disclosures of financial results and information, such as ad hoc notices. While the Issuer has experience in preparing reporting packages to be included in Rocket Internet SE's consolidated financial statements in a timely manner, the preparation of financial statements or financial information in line with capital market requirements and expectations and compliance with regulatory requirements may result in significant additional expenditures and/or expose the Issuer to legal, regulatory or civil costs or penalties. Furthermore, the preparation, convening and conduct of general shareholders' meetings and the Issuer's regular communications with shareholders and potential investors will entail substantially greater expenses. The Issuer's management team, which has not managed a public company before, will need to devote time to these additional requirements that it could otherwise devote to other aspects of managing the Issuer's operations.

Any inability to manage the additional demands placed on the Issuer in the process of becoming or being a company with publicly traded shares, as well as any costs resulting therefrom, could have a material adverse effect on our business, financial condition, cash flows, results of operations.

1.3.5 The share price could fluctuate significantly, and investors could lose all or part of their investment.

Following this offering, the Issuer's share price will be affected primarily by the supply and demand for the Issuer's shares and could fluctuate significantly in response to numerous factors, many of which are beyond the Issuer's control, including, but not limited to, fluctuations in actual or projected results of operations, changes in projected earnings or failure to meet securities analysts' earnings expectations, the absence of analyst coverage on the Issuer or its subsidiaries, changes in trading volumes in the Issuer's shares, changes in macroeconomic conditions, the activities of competitors and suppliers, changes in the market valuations of similar companies, changes in investor and analyst perception in us or the industry in which we operate, changes in the statutory framework in which we operate and other factors, and can therefore be subject to substantial fluctuations. In addition, general market conditions and fluctuations of share prices and trading volumes generally could lead to pricing pressures on the Issuer's shares, even though there may not be a reason for this based on the business performance or earnings outlook of us. Further, investors in the secondary market may view our organizational structure more critically than investors in the IPO, which could depress the price of the Issuer's shares. In particular, public perception of us as internet, e-commerce or technology companies could result in the Issuer's share price moving in line with the prices of other shares in similar companies, which have traditionally tended to be more volatile than the share prices of companies operating in other industries.

If the Issuer's share price or the trading volume in the Issuer's shares decline as a result of the realization of any or all of these events, investors could lose part or all of their investment in the Issuer's shares.

1.3.6 Future offerings of debt or equity securities by the Issuer could adversely affect the market price of the shares, and future capitalization measures could substantially dilute the interests of the Issuer's existing shareholders.

We may require additional capital in the future to finance our business operations and growth. The Issuer may seek to raise capital through offerings of debt securities (potentially including convertible debt securities) or additional equity securities. An issuance of additional equity securities or securities containing a right to convert into equity, such as convertible debentures and option debentures, could potentially reduce the market price of the Issuer's shares and would dilute the economic and voting rights of the Issuer's existing shareholders if made without granting subscription rights to the Issuer's existing shareholders. Because the timing and nature of any future offering would depend on market conditions at the time of such an offering, the Issuer cannot predict or estimate the amount, timing or nature of future offerings. In addition, the acquisition of other companies or investments in companies in exchange for newly issued shares of the Issuer, as well as the exercise of stock options by the Issuer's employees in the context of the existing and possible future stock option programs or the issuance of the Issuer's shares to employees in the context of possible future employee stock participation programs, could lead to a dilution of the economic and voting rights of the Issuer's existing shareholders. The Issuer's shareholders thus bear the risk that such future offerings could reduce the market price of the Issuer's shares and/or dilute their holdings of the shares.

1.3.7 Future sales by the Issuer's existing shareholders or investors acquiring shares in the offering could depress the price of the shares.

Sales of a substantial number of the Issuer's shares in the public market following the successful completion of this offering, or the perception that such sales might occur, could depress the market price of the Issuer's shares and could impair the Issuer's ability to raise capital through the sale of additional equity securities. If, for example, the Issuer's existing shareholders or one or more other shareholders of the Issuer effect a sale or sales of a substantial number of the Issuer's shares in the stock market, or if the market believes that such sales might take place, the market price of the Issuer's shares could decline.

1.3.8 The Issuer may invest or spend the proceeds of this offering in ways with which shareholders may not agree or in ways which may not yield a return or enhance the price of the shares.

The Issuer may decide to use the net proceeds the Issuer receives from the offering differently from his intention as of the date of this prospectus. The Issuer's management will have considerable discretion in the application of the net proceeds, and shareholders will not have the opportunity, as part of their investment decision, to assess whether the proceeds are being used appropriately. At the low end, mid-point and high end of the price range (the "**Price Range**") of EUR 9.00 to EUR 11.50 and assuming that the maximum number of new shares of the Issuer (27,000,000 shares) is placed and the Greenshoe Option is exercised in full (4,050,000 shares), the Issuer will, at the low end, mid-point and high end of the Price Range, receive net proceeds of approximately EUR 269.5 million, EUR 307.2 million and EUR 345.0 million, respectively.

Any failure to use the net proceeds from this offering effectively could have a material adverse effect on our business, financial condition, cash flows, reputation and results of operations.

1.3.9 An investment in the Issuer's shares by an investor whose principal currency is not the euro may be affected by exchange rate fluctuations.

The Issuer's shares are, and any dividends to be paid in respect of them will be, denominated in euros.

An investment in the Issuer's shares by an investor whose principal currency is not the euro exposes the investor to foreign currency exchange rate risk. Any depreciation of the euro in relation to an investor's principal currency will reduce the value of the investment in the Issuer's shares or any dividends in relation to such currency.

2. GENERAL INFORMATION

2.1 Responsibility Statement

HelloFresh SE (the "**Issuer**", and, together with its fully consolidated subsidiaries, the "**Group**", "**HelloFresh**" or "**we**", "**us**", "**our**") with its registered office at Saarbrücker Straße 37a, 10405 Berlin, Germany, a European company (*Societas Europaea*) registered with the commercial register (*Handelsregister*) of the local court (*Amtsgericht*) of Charlottenburg, Germany (the "**Commercial Register**"), under the number HRB 182382 B, together with Deutsche Bank AG, Frankfurt am Main, Germany ("**Deutsche Bank**"), J.P. Morgan Securities plc, London, United Kingdom ("**J.P. Morgan**") and Morgan Stanley & Co. International plc, London, United Kingdom ("**Morgan Stanley**"), Joh. Berenberg, Gossler & Co. KG, Hamburg, Germany ("**Berenberg**") and BNP Paribas, Paris, France ("**BNP PARIBAS**", and, together with Deutsche Bank, J.P. Morgan, Morgan Stanley and Berenberg, the "**Joint Global Coordinators**" or the "**Joint Bookrunners**") and Coöperatieve Rabobank U.A., Utrecht, The Netherlands ("**Rabobank**" or the "**Co-Lead Manager**", together with the Joint Bookrunners, the "**Underwriters**") have assumed responsibility for the contents of this prospectus pursuant to Section 5 para. 4 of the German Securities Prospectus Act (*Wertpapierprospektgesetz*), and declare that the information contained in this prospectus is, to the best of their knowledge, correct and contains no material omissions.

If any claims are asserted before a court of law based on the information contained in this prospectus, the investor appearing as plaintiff may have to bear the costs of translating this prospectus prior to the commencement of the court proceedings pursuant to the national legislation of the member states of the European Economic Area (the "**EEA**").

The information in this prospectus will not be updated subsequent to the date hereof except for any significant new event or significant error or inaccuracy relating to the information contained in this prospectus that may affect an assessment of the securities and occurs or comes to light following the approval of this prospectus but before the completion of the public offering or admission of the securities to trading, whichever is later. These updates must be disclosed in a prospectus supplement in accordance with Section 16 para. 1 sentence 1 of the German Securities Prospectus Act (*Wertpapierprospektgesetz*).

2.2 Purpose of this Prospectus

This prospectus relates to the offering of 31,050,000 ordinary bearer shares of the Issuer with no-par value (*Stückaktien*), each such share representing a notional value of EUR 1.00 and with full dividend rights from January 1, 2017, (the "**Offering**") consisting of:

- 27,000,000 newly issued ordinary bearer shares with no-par value (*Stückaktien*) from a capital increase against contribution in cash (the "**IPO Capital Increase**") to be resolved by an extraordinary shareholders' meeting of the Issuer on or about October 24, 2017 (the "**New Shares**"); and
- 4,050,000 existing ordinary bearer shares with no-par value (*Stückaktien*) from the holdings of Rocket Internet SE (the "**Lending Shareholder**") in connection with a possible over-allotment (the "**Over-Allotment Shares**", and together with the New Shares, the "**Offer Shares**").

This prospectus also relates to the admission to trading on the regulated market segment (*regulierter Markt*) of the Frankfurt Stock Exchange (Prime Standard) of:

- 133,128,752 ordinary bearer shares with no-par value (*Stückaktien*) (the Issuer's entire share capital prior to the IPO Capital Increase; and
- up to 27,000,000 newly issued ordinary bearer shares with no-par value (*Stückaktien*) as per the above-mentioned IPO Capital Increase.

The Offering consists of initial public offerings in the Federal Republic of Germany ("**Germany**") and the Grand Duchy of Luxembourg ("**Luxembourg**") and private placements in certain jurisdictions outside Germany and Luxembourg. In the United States of America (the "**United States**", "**U.S.**" or "**USA**") the Offer Shares will be offered and sold only to qualified institutional buyers ("**Qualified Institutional Buyers**" or "**QIBs**") as defined in, and in reliance on, Rule 144A ("**Rule 144A**") under the United States Securities Act of 1933, as amended (the "**Securities Act**") or in transactions not subject to, the registration requirements of the Securities Act. Outside the United States, the Offer Shares will be offered and sold only in offshore transactions in compliance with Regulation S under the Securities Act ("**Regulation S**").

This prospectus has been approved solely by the German Federal Financial Supervisory Authority (*Bundesanstalt für Finanzdienstleistungsaufsicht*) ("**BaFin**"). BaFin has approved this prospectus after having performed an assessment of the coherence and comprehensibility of the information contained in this prospectus.

2.3 Forward-looking Statements

This prospectus contains forward-looking statements. A forward-looking statement is any statement that does not relate to historical facts or events or to facts or events as of the date of this prospectus. This applies, in particular, to statements in this prospectus containing information on our future earnings capacity, plans and expectations regarding our business growth and profitability, and the general economic conditions to which we are exposed. Statements made using words such as "intends", "plans", "predicts", "projects", "forecasts", "targets", or "expects" may be an indication of forward-looking statements.

The forward-looking statements in this prospectus are subject to risks and uncertainties, as they relate to future events, and are based on estimates and assessments made to the best of the Issuer's present knowledge. These forward-looking statements are based on assumptions, uncertainties and other factors, the occurrence or non-occurrence of which could cause the Issuer's actual results, including the financial condition and profitability of our Group, to differ materially from or fail to meet the expectations expressed or implied in the forward-looking statements. These expressions can be found in several sections in this prospectus, particularly in the sections entitled "*1. Risk Factors*", "*11. Business Description"* and "*23. Recent Developments and Outlook*", and wherever information is contained in this prospectus regarding our intentions, beliefs, or current expectations relating to its future financial condition and results of operations, plans, liquidity, business outlook, growth, strategy and profitability, investments and capital expenditure requirements, expectations as to future growth in demand for our products and services as well as the economic and regulatory environment to which we are subject.

In light of these uncertainties and assumptions, it is also possible that the future events mentioned in this prospectus will not occur. In addition, the forward-looking estimates and forecasts reproduced in this prospectus from third-party reports could prove to be inaccurate (for more information on the third-party sources used in this prospectus, see "*2.4 Sources of Market Data*". Actual results, performance or events may differ materially from those in such statements due to, among other reasons:

- changes in general economic conditions in the markets in which we operate, including changes in the unemployment rate, the level of consumer prices, wage levels etc.;
- the further development of the European (including Switzerland), North American and Australian online food markets, in particular the levels of acceptance of internet retailing;
- user behavior on mobile devices and our ability to attract mobile internet traffic and convert such traffic into orders for our fresh food and other food- and kitchen-related products;
- changes in user tastes and/or preferences;
- our ability to offer our customers an inspirational and attractive online purchasing experience;
- our ability to manage growth;
- demographic changes, in particular with respect to Europe (including Switzerland), North America and the Commonwealth of Australia ("**Australia**");
- changes affecting interest rate levels;
- changes in the competitive environment and in the competition level;
- changes affecting currency exchange rates;
- our ability to maintain food safety;
- the stability of our global supply chain and our ability to manage the timely and efficient delivery of supplies globally;
- the occurrence of accidents, natural disasters, fire, environmental damage or systemic delivery failures;
- inability to attract and retain qualified personnel;

- political changes; and
- changes in laws and regulations.

Moreover, it should be noted that all forward looking statements only speak as of the date of this prospectus and that neither the Issuer nor any of the Underwriters assumes any obligation, except as required by law, to update any forward-looking statement or to conform any such statement to actual events or developments.

See "*1. Risk Factors*" for a further description of some of the factors that could influence the Issuer's forward-looking statements.

2.4 Sources of Market Data

To the extent not otherwise indicated, the information contained in this prospectus on the market environment, market developments, growth rates, market trends and competition in the markets in which the Group operates are based on the Issuer's and the Underwriters' assessments.

The following sources were used in the preparation of this prospectus:

- European Central Bank, Euro foreign exchange reference rates, based on a regular daily concertation procedure between central banks across Europe, October 20, 2017 ("**European Central Bank**");
- Euromonitor International Ltd., Economies and Consumers; data as of 2016 ("**Euromonitor International, Economies and Consumers**");
- Euromonitor International Ltd., Apparel and Footwear, 2017 edition ("**Euromonitor International, Apparel and Footwear**");
- Euromonitor International Ltd., Consumer Foodservice 2017 edition ("**Euromonitor International; Consumer Foodservice 2017 edition**");
- Euromonitor International Ltd., Retailing 2017 edition ("**Euromonitor International; Retailing 2017 edition**");
- PiperJaffray; Healthy Living & Consumables, Another Grocery Store Headwind? Sizing Up The Meal Kit Market, June 13, 2016 ("**PiperJaffray**").

It should be noted in particular that reference has been made in this prospectus to information concerning markets and market trends, which was obtained from the above-mentioned sources. The Issuer has accurately reproduced such information and, as far as it is aware and able to ascertain from information published by such third parties, no facts have been omitted that would render the reproduced information inaccurate or misleading. Nevertheless, prospective investors are advised to consider this data with caution. For example, market studies are often based on information or assumptions that may be inaccurate or inappropriate, and their methodology is inherently predictive and speculative. Research by Euromonitor International Limited should not be considered as the opinion of Euromonitor International Limited as to the value of any security or advisability of investing in the Company.

Irrespective of the assumption of responsibility for the content of this prospectus by the Issuer and the Underwriters (see "*2.1 Responsibility Statement*"), neither the Issuer nor the Underwriters have independently verified the figures, market data or other information on which third parties have based their studies. Accordingly, the Issuer and the Underwriters make no representation or warranty as to the accuracy of any such information from third-party studies included in this prospectus. Prospective investors should note that the Issuer's own estimates and statements of opinion and belief are not always based on studies of third parties.

2.5 Documents Available for Inspection

For the period during which this prospectus is valid, the following documents will be available for inspection during regular business hours at the Issuer's offices at Saarbrücker Straße 37a, 10405 Berlin, Germany (tel. +49 (0)30-208 48 31 60):

- the Issuer's current articles of association (the "**Articles of Association**");

- the Issuer's unaudited condensed consolidated interim financial statements prepared in accordance with the International Financial Reporting Standards as issued by the International Accounting Standards Board and as adopted by the European Union ("**IFRS**") on interim financial reporting (IAS 34) as of and for the six months ended June 30, 2017;
- the Issuer's audited consolidated financial statements prepared in accordance with IFRS as of and for the year ended December 31, 2016;
- the Issuer's (prior to changes in its legal form and name: HelloFresh AG) audited consolidated financial statements prepared in accordance with IFRS as of and for the year ended December 31, 2015;
- the Issuer's (prior to changes in its legal form and name: HelloFresh GmbH) audited consolidated financial statements prepared in accordance with IFRS as of and for the years ended December 31, 2014, 2013 and 2012; and
- the Issuer's audited unconsolidated financial statements prepared in accordance with the German generally accepted accounting principles of the German Commercial Code (*Handelsgesetzbuch*) as of and for the year ended December 31, 2016.

The unconsolidated financial statements referred to above are also published in the German Federal Gazette (*Bundesanzeiger*).

The Issuer's future consolidated financial statements will be available from the Issuer on its website and from the paying agent designated in this prospectus (see "*14.9 Announcements, Paying Agent*").

2.6 Presentation of Figures

Where financial data in this prospectus is labelled "audited", this means that it has been taken from the audited financial statements mentioned above in "*2.5 Documents Available for Inspection*". The label "unaudited" is used in this prospectus to indicate financial data that has not been taken from the audited financial statements mentioned above in "*2.5 Documents Available for Inspection*" but was taken either from the Issuer's unaudited condensed consolidated interim financial statements mentioned above in "*2.5 Documents Available for Inspection*" or the Issuer's internal reporting system, or is based on calculations of figures from the sources mentioned before. Financial information presented in the text and the tables in this prospectus is shown in millions of euro (EUR million) and is commercially rounded to one digit after the decimal point. Percentage changes in the text and tables are calculated based on exact (unrounded) numbers and then commercially rounded to one digit after the decimal point. As a result of rounding effects, the aggregated figures in the tables may differ from the totals shown and the aggregated percentages may not exactly equal 100%. In addition, rounded totals and subtotals in the tables may vary marginally from unrounded figures indicated elsewhere in this prospectus. Furthermore, the rounded figures in tables in this prospectus may not add up exactly to the totals contained in those tables.

Financial information presented in parentheses denotes the negative of such number presented. A dash ("–") means that the relevant figure is not available, while a zero ("0.0") means that the relevant figure has been rounded to or equals zero.

Our business is managed on the basis of the two geographical regions which form our operating and reporting segments: "International" and "USA". International comprises our operations in the United Kingdom, the Netherlands, Belgium, Australia, Germany, Austria, Canada, and Switzerland. USA comprises our business in the United States. We do not divide our business into operating segments based on the type of business. In the consolidated financial statements as of and for the years ended December 31, 2014, 2013 and 2012 and December 31, 2015, the segment reporting was based on the operating segments "Continental Europe" and "Rest of the World". Continental Europe comprised the operations in Germany, Austria, the Netherlands and Belgium. Rest of the World comprised the operations in the United States, United Kingdom and Australia. For purposes of comparison of the segment information contained in this prospectus, the segment data for the year ended December 31, 2015 has therefore been taken or derived from the comparative segment information contained in the audited consolidated financial statements as of and for the year ended December 31, 2016. The segment information for the year ended December 31, 2014 has been taken or derived from our internal reporting system and, therefore, is unaudited.

In the audited consolidated financial statements of the Issuer as of and for the year ended December 31, 2016, the Issuer in particular changed the classification of certain working capital related items in the consolidated statement of cash flows in order to enhance the presentation. The changes in classification led to corresponding retrospective changes in the presentation of the comparative financial information for the year ended December 31, 2015. Therefore, financial information related to the cash flow from operating activities presented in tables in this prospectus for the year ended December 31, 2014 is not entirely comparable to such financial information for the years ended December 31, 2015 and December 31, 2016 and for the six months ended June 30, 2016 and 2017. For purposes of the discussion of cash flow related financial information for the years ended December 31, 2015 and December 31, 2016 figures are taken or derived from the audited consolidated financial statements of the Issuer as of and for the year ended December 31, 2016 and for the discussion of cash flow related financial information for the years ended December 31, 2014 and December 31, 2015 figures are taken or derived from the audited consolidated financial statements of the Issuer as of and for the year ended December 31, 2015.

2.7 Enforcement of Civil Liabilities

The Issuer is a European company (*Societas Europaea* (SE)) governed by European and German law and a substantial portion of its assets are located outside the United States. In addition, most of the members of the management board (*Vorstand*) (the "**Management Board**") and the supervisory board (*Aufsichtsrat*) (the "**Supervisory Board**") are non-residents of the United States and all or most of their assets are located outside the United States. As a result, it may not be possible for investors to effect service of process within the United States upon the Issuer or such persons or to enforce against them or the Issuer judgments of courts of the United States, whether or not predicated upon the civil liability provisions of the federal securities laws of the United States or other laws of the United States or any state thereof. The United States and Germany do not currently have a treaty providing for reciprocal recognition and enforcement of judgments in civil and commercial matters. Therefore, a final judgment for payment of money rendered by a federal or state court in the United States based on civil liability, whether or not predicated solely upon United States federal securities laws, may not be enforceable, either in whole or in part, in Germany. However, if the party in whose favor such final judgment is rendered brings a new suit in a competent court in Germany, such party may submit to the German court the final judgment rendered in the United States. Under such circumstances, a judgment by a federal or state court of the United States against the Issuer or such persons will be regarded by a German court only as evidence of the outcome of the dispute to which such judgment relates, and a German court may choose to re-hear the dispute. In addition, awards of punitive damages in actions brought in the United States or elsewhere may be unenforceable in Germany.

2.8 Presentation of Financial Information

2.8.1 Application of International Financial Reporting Standards (IFRS) and the German Commercial Code (Handelsgesetzbuch)

The Issuer prepared its consolidated financial statements as of and for the years ended December 31, 2016, December 31, 2015 as well as December 31, 2014, 2013 and 2012 in accordance with IFRS. The Issuer's unconsolidated financial statements as of and for the year ended December 31, 2016 were prepared in accordance with the German Commercial Code (*Handelsgesetzbuch*). The German language consolidated financial statements as of and for the years ended December 31, 2016 and December 31, 2015 and the German language unconsolidated financial statements as of and for the year ended December 31, 2016 as well as the English language consolidated financial statements as of and for the years ended December 31, 2014, 2013 and 2012 were audited by Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft, Stuttgart, office Berlin, Germany, as stated in their German language audit opinions (*Bestätigungsvermerke*) as well as their English language independent auditor's report thereon, respectively. The Issuer's unaudited condensed consolidated interim financial statements as of and for the six months ended June 30, 2017 have been prepared in accordance with IFRS on interim financial reporting (IAS 34).

This prospectus also contains certain unaudited quarterly financial information of the Issuer for the period between the three months ended March 31, 2015 and the three months ended June 30, 2017. The Issuer presents this quarterly financial information because it believes that it is of value to investors as it enables a better evaluation of the Issuer's quarterly development during the respective period.

2.8.2 Non-IFRS Financial Measures

This prospectus contains non-IFRS financial measures and ratios, including EBITDA, Adjusted EBITDA, Contribution Margin, net working capital, capital expenditure and free cash flow (each as defined in "*9.4 Other Consolidated Financial Information*") that are not required by, or presented in accordance with, IFRS. These are alternative performance measures as defined in the guidelines issued by the European Securities and Markets Authority (ESMA) on October 5, 2015 on alternative performance measures (the "**ESMA Guidelines**"). We present non-IFRS financial measures because they are used by management in monitoring our business and because we believe that they and similar measures are frequently used by securities analysts, investors and other interested parties in evaluating companies in our industry and we believe they may contribute to a fuller understanding of our business and brand in a way that takes into account our segments USA and International. Specifically, we use

- EBITDA as an indicator for evaluating our operating performance as it eliminates certain non-cash expenses that are not reflective of the underlying business performance;
- Adjusted EBITDA as an indicator for evaluating our operating performance as it does not include additional items that we believe are not reflective of the underlying business performance, i.e., share-based compensation expense and certain special items that are of a non-recurring nature and, on the segment level, holding fees;
- Contribution Margin as an indicator for evaluating our operating performance as it shows expenses directly linked to our meal kits, net of related share-based compensation expense, which we believe is not reflective of the underlying business performance;
- net working capital as an indicator of cash provided to us through our operational set-up;
- capital expenditure as an indicator for the cash used in our operations for investment purposes; and
- free cash flow as an indicator of the cash flows generated by our business.

The definitions of the non-IFRS financial measures may not be comparable to other similarly titled measures of other companies and have limitations as analytical tools and should not be considered in isolation or as a substitute for analysis of our operating results as reported under IFRS. Non-IFRS measures and ratios such as EBITDA, Adjusted EBITDA, Contribution Margin, net working capital, capital expenditure and free cash flow are not measurements of our performance or liquidity under IFRS and should not be considered as alternatives to results for the period or any other performance measures derived in accordance with IFRS or any other generally accepted accounting principles or as alternatives to cash flow from operating, investing or financing activities. We believe that the presentation of the alternative performance measures included in this prospectus complies with the ESMA Guidelines. For further information on the reasons for using specific alternative performance measures and definitions, see "*9.4 Other Consolidated Financial Information*".

In addition to the financial information presented herein prepared under IFRS and the alternative performance measures as defined in the ESMA Guidelines, we also present in this prospectus certain unaudited operating and non-financial measures such as the number of active customers or number of orders for our Group and our segments USA and International (for further information, see "*9.6 Additional Quarterly Information*").

2.8.3 Presentation of Currency and Exchange Rates

The amounts set forth in this prospectus in "**EUR**" refer to the single currency of the participating member states in the third stage of the Economic and Monetary Union (EMU) pursuant to the Treaty on the Functioning of the European Union ("**EU**"). The amounts in "**USD**" refer to the legal currency of the United States. The amounts in "**AUD**" refer to the legal currency of Australia. The amounts in "**GBP**" refer to the legal currency of Great Britain. The amounts in "**CHF**" refer to the legal currency of Switzerland. The amounts in "**CAD**" refer to the legal currency of Canada. Fluctuations in the exchange rate between the EUR and the other currencies will affect the amounts received by owners of the shares in such other currencies upon conversion of dividends, if any, paid in euro on the shares.

The functional currency of the Issuer is the EUR and we present our financial statements in EUR.

The table below shows the AUD exchange reference rates against the EUR as announced by the European Central Bank. The averages set forth in the table below have been computed using the Euro foreign exchange reference rate on the last business day of each month during the years indicated.

Year ended December 31,	Period End	Average	High	Low
2012	1.2712	1.2447	1.2977	1.1639
2013	1.5423	1.3936	1.5520	1.2234
2014	1.4829	1.4723	1.5715	1.3826
2015	1.4897	1.4837	1.6147	1.3752
2016	1.4596	1.4852	1.6083	1.4109

Source: European Central Bank.

The following table shows the Euro foreign exchange reference rates for AUD per Euro for the previous six months:

Month	Period End	Average	High	Low
April 2017	1.4629	1.4241	1.4629	1.4012
May 2017	1.5054	1.4878	1.5054	1.4518
June 2017	1.4851	1.4861	1.5182	1.4674
July 2017	1.4713	1.4772	1.5008	1.4510
August 2017	1.5016	1.4919	1.5111	1.4756
September 2017	1.5075	1.4946	1.5075	1.4847
October 2017 (through October 20, 2017)	1.5055	1.5064	1.5186	1.4986

Source: European Central Bank.

The table below shows the GBP exchange reference rates against the EUR as announced by the European Central Bank. The averages set forth in the table below have been computed using the Euro foreign exchange reference rate on the last business day of each month during the years indicated.

Year ended December 31,	Period End	Average	High	Low
2012	0.8161	0.8119	0.8482	0.7784
2013	0.8337	0.8501	0.8789	0.8108
2014	0.7789	0.8031	0.8383	0.7773
2015	0.7340	0.7242	0.7842	0.6963
2016	0.8562	0.8227	0.9049	0.7324

Source: European Central Bank.

The following table shows the Euro foreign exchange reference rates for GBP per Euro for the previous six months:

Month	Period End	Average	High	Low
April 2017	0.8447	0.8482	0.8562	0.8343
May 2017	0.8737	0.8555	0.8737	0.8399
June 2017	0.8793	0.8772	0.8855	0.8676
July 2017	0.8942	0.8862	0.8961	0.8771
August 2017	0.9197	0.9112	0.9297	0.8943
September 2017	0.8818	0.8947	0.9208	0.8757
October 2017 (through October 20, 2017)	0.8962	0.8923	0.9024	0.8842

Source: European Central Bank.

The table below shows the USD exchange reference rates against the EUR as announced by the European Central Bank. The averages set forth in the table below have been computed using the Euro foreign exchange reference rate on the last business day of each month during the years indicated.

Year ended December 31,	Period End	Average	High	Low
2012	1.3194	1.2929	1.3454	1.2089
2013	1.3791	1.3308	1.3814	1.2768
2014	1.2141	1.3211	1.3953	1.2141
2015	1.0887	1.1046	1.2043	1.0552
2016	1.0541	1.1030	1.1569	1.0364

Source: European Central Bank.

The following table shows the Euro foreign exchange reference rates for USD per Euro for the previous six months:

Month	Period End	Average	High	Low
April 2017	1.0930	1.0723	1.0930	1.0578
May 2017	1.1221	1.1058	1.1243	1.0860
June 2017	1.1412	1.1229	1.1413	1.1147
July 2017	1.1727	1.1511	1.1729	1.1329
August 2017	1.1825	1.1807	1.2048	1.1697
September 2017	1.1806	1.1915	1.2060	1.1741
October 2017 (through October 20, 2017)	1.1818	1.1782	1.1856	1.1707

Source: European Central Bank.

The table below shows the CAD exchange reference rates against the EUR as announced by the European Central Bank. The averages set forth in the table below have been computed using the Euro foreign exchange reference rate on the last business day of each month during the years indicated.

Year ended December 31,	Period End	Average	High	Low
2012	1.3137	1.2906	1.3432	1.2139
2013	1.4671	1.3771	1.4764	1.2871
2014	1.4063	1.4636	1.5545	1.3961
2015	1.5116	1.4250	1.5242	1.3085
2016	1.4188	1.4589	1.5965	1.3896

Source: European Central Bank.

The following table shows the Euro foreign exchange reference rates for CAD per Euro for the previous six months:

Month	Period End	Average	High	Low
April 2017	1.4914	1.4408	1.4914	1.4069
May 2017	1.5108	1.5041	1.5183	1.4905
June 2017	1.4785	1.4941	1.5175	1.4766
July 2017	1.4625	1.4641	1.4808	1.4487
August 2017	1.4970	1.4889	1.5037	1.4737
September 2017	1.4687	1.4639	1.4830	1.4477
October 2017 (through October 20, 2017)	1.4765	1.4735	1.4800	1.4655

Source: European Central Bank.

The table below shows the CHF exchange reference rates against the EUR as announced by the European Central Bank. The averages set forth in the table below have been computed using the Euro foreign exchange reference rate on the last business day of each month during the years indicated.

Year ended December 31,	Period End	Average	High	Low
2012	1.2072	1.2044	1.2196	1.2008
2013	1.2276	1.2291	1.2599	1.2087
2014	1.2024	1.2127	1.2383	1.2009
2015	1.0835	1.0646	1.2022	0.9816
2016	1.0739	1.0909	1.1169	1.0687

Source: European Central Bank.

The following table shows the Euro foreign exchange reference rates for CHF per Euro for the previous six months:

Month	Period End	Average	High	Low
April 2017	1.0831	1.0727	1.0835	1.0673
May 2017	1.0896	1.0904	1.0963	1.0812
June 2017	1.093	1.0874	1.0935	1.0843
July 2017	1.1359	1.1059	1.1359	1.0943
August 2017	1.1446	1.1398	1.1501	1.1287
September 2017	1.1457	1.1470	1.1588	1.1399
October 2017 (through October 20, 2017)	1.1597	1.1506	1.1597	1.1399

Source: European Central Bank.

3. THE OFFERING

3.1 Subject Matter of the Offering

This prospectus relates to the Offering of 31,050,000 ordinary bearer shares of the Issuer with no-par value (*Stückaktien*), each such share representing a notional value of EUR 1.00 and with full dividend rights from January 1, 2017, consisting of:

- 27,000,000 New Shares; and
- 4,050,000 Over-Allotment Shares.

The Lending Shareholder will make up to 4,050,000 Over-Allotment Shares available to Berenberg as stabilization manager (the "**Stabilization Manager**"), acting for the account of the Underwriters, in the form of a securities loan to cover potential over-allotments (the "**Over-Allotment**").

In connection with the Over-Allotment, the Issuer will grant the Underwriters an option, exercisable for 30 calendar days following the date on which the shares commence trading on the regulated market segment (*regulierter Markt*) of the Frankfurt Stock Exchange, to acquire up to 4,050,000 additional Issuer's shares at the price of the Issuer's shares in the Offering (the "**Offer Price**") less the agreed commissions (the "**Greenshoe Option**"), which would be issued by the Issuer from a capital increase, utilizing the authorized capital resolved by an extraordinary shareholders' meeting on October 11, 2017 (the "**Authorized Capital 2017/I**"), for the sole purpose of enabling the Stabilization Manager to perform its redelivery obligation under the securities loan with the Lending Shareholder. For more information on the Authorized Capital 2017/I, please see "*15.1.3.1 Authorized Capital 2017/I*".

The Offering consists of initial public offerings in Germany and Luxembourg and private placements in certain jurisdictions outside Germany and Luxembourg. In the United States, the Issuer's shares will be offered and sold only to QIBs as defined in, and in reliance on, Rule 144A or pursuant to another available exemption from, or in transactions not subject to, the registration requirements of the Securities Act. Outside the United States, the Issuer's shares will be offered and sold only in offshore transactions in compliance with Regulation S.

The IPO Capital Increase to issue the New Shares, which is expected to be resolved by an extraordinary shareholders' meeting on October 24, 2017, and is expected to be registered with the Commercial Register of the local court (*Amtsgericht*) of Charlottenburg on November 1, 2017, would result in a capital increase of the Issuer's share capital of up to EUR 27,000,000.00. The share capital of the Issuer represented by the Offer Shares that are the subject of the Offering including potential over-allotments will total EUR 31,050,000.00. Thus, approximately 19.47% of the Issuer's outstanding share capital (after effectuation of the issuance of all New Shares and assuming that the Greenshoe Option is not exercised) will be offered (approximately 16.93% without the Over-Allotment Shares).

Immediately prior to the Offering, all of the Issuer's outstanding share capital (132,436,643 shares) was held by our existing shareholders (see "*13. Shareholder Information*"). 692,109 shares were held (directly or indirectly) by the Issuer as treasury shares. Following completion of the Offering and assuming full placement of the Offer Shares and full exercise of the Greenshoe Option, our existing shareholders will continue to hold approximately 81.01% of the Issuer's outstanding share capital. The Issuer will receive the proceeds of the Offering resulting from the sale of the New Shares and, if and to the extent the Greenshoe Option is exercised, from the exercise of the Greenshoe Option, in each case after deduction of fees and commissions.

The Underwriters are acting in the following capacities: Deutsche Bank, Morgan Stanley, J.P. Morgan, Berenberg and BNP PARIBAS are acting as the Joint Global Coordinators and Joint Bookrunners and Rabobank is acting as Co-Lead Manager.

3.2 Price Range, Offer Period, Offer Price and Allotment

The price range set for the Offering (the "**Price Range**") within which purchase orders may be placed is EUR 9.00 to EUR 11.50 per Offer Share.

The period during which investors may submit purchase orders for the Offer Shares is expected to begin on October 24, 2017, and is expected to end on November 1, 2017 (the "**Offer Period**"). On the last day of the

Offer Period, offers to purchase may be submitted (i) until 12:00 noon (Central European Summer Time) ("**CEST**") by private investors and (ii) until 14:00 (CEST) by institutional investors.

Subject to the publication of a supplement to this prospectus, if required, the Issuer and the Joint Bookrunners reserve the right to decrease the total number of Offer Shares, to increase or decrease the upper limit and/or the lower limit of the Price Range and/or to extend or shorten the Offer Period.

Reductions in the number of Offer Shares, changes to the Price Range or the extension or shortening of the Offer Period will not invalidate any offers to purchase that have already been submitted. If such change requires the publication of a supplement to this prospectus, investors who submitted purchase orders before the supplement is published shall have the right, under the German Securities Prospectus Act, to withdraw these offers to purchase within two business days of the publication of the supplement. Instead of withdrawing the offers to purchase placed prior to the publication of the supplement, investors may change their orders or place new limited or unlimited offers to purchase within two business days of the publication of the supplement.

Any changes to the terms of the Offering will be published by means of electronic media (such as Reuters or Bloomberg) and, if required by the Market Abuse Regulation (EU) No 596/2014 or the German Securities Prospectus Act, as an ad hoc release via an electronic information dissemination system, on the Issuer's website and as a supplement to this prospectus. In such case, investors who have submitted offers to purchase will not be notified individually. Under certain conditions, the Joint Bookrunners, on behalf of the Underwriters, may terminate the underwriting agreement, dated October 23, 2017, among the Issuer, the Lending Shareholder and the Underwriters (the "**Underwriting Agreement**"), even after commencement of trading (*Aufnahme des Handels*) of the Issuer's shares on the regulated market segment (*regulierter Markt*) of the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*). If the Underwriting Agreement is terminated, the Offering will not take place, in which case any allotments already made to investors will be invalidated and investors will have no claim for delivery. Claims with respect to subscription fees already paid and costs incurred by an investor in connection with the subscription will be governed solely by the legal relationship between the investor and the financial intermediary to which the investor submitted its purchase order. Investors who engage in short-selling bear the risk of being unable to satisfy their delivery obligations. See "*18.4 Termination/Indemnification*".

The Offer Price and the final number of Offer Shares placed in the Offering will be set jointly by the Issuer and the Joint Bookrunners. The price will be set on the basis of the purchase orders submitted by investors during the Offer Period that have been collated in the order book prepared during a book building process. These orders will be evaluated according to the prices offered and the investment horizons of the respective investors. This method of setting the number of shares that will be placed at the Offer Price is, in principle, aimed at maximizing proceeds. Consideration will also be given to whether the Offer Price and the number of shares to be placed allow for the reasonable expectation that the share price will demonstrate steady performance in the secondary market given the demand for the Issuer's shares as reflected in the order book. Attention will be paid not only to the prices offered by investors and the number of investors wanting shares at a particular price, but also to the composition of the group of shareholders in the Issuer that would result at a given price, and expected investor behavior. The Issuer will not specifically charge any expenses and taxes related to the Offering to investors.

The placement price and the final number of Offer Shares placed in the Offering (i.e., the result of the Offering) are expected to be set on November 1, 2017. After the Offer Price has been set, the Offer Shares will be allotted to investors on the basis of the offers to purchase then available. The Offer Price and the final number of Offer Shares (that is, the result of the Offering) are expected to be published on or about November 1, 2017 by means of an ad hoc release on an electronic information dissemination system and on the Issuer's website. Investors who have placed orders to purchase Offer Shares with one of the Underwriters can obtain information from that Underwriter about the Offer Price and the number of Offer Shares allotted to them on the business day following the setting of the Offer Price. As commencement of trading (*Aufnahme des Handels*) of the Issuer's shares on the regulated market segment (*regulierter Markt*) of the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*) is expected to take place on the first business day following the setting of the Offer Price, investors may not have obtained information about the number of Offer Shares allotted to them at the time of commencement of trading. Book-entry delivery of the allotted Offer Shares against payment of the Offer Price is expected to take place two business days after commencement of stock exchange trading. Should the placement volume prove insufficient to satisfy all orders placed at the placement price, the Underwriters reserve the right to reject orders, or to accept them in part only.

3.3 Expected Timetable for the Offering

The following is the expected timetable for the Offering, which may be extended or shortened:

October 23, 2017	Approval of this prospectus by the BaFin
	Publication of the approved prospectus on the Issuer's website (www.hellofreshgroup.com)
	Notification of the approved prospectus to the Luxembourg Commission for the Supervision of the Financial Sector (*Commission de Surveillance du Secteur Financier*)
October 24, 2017	Commencement of the Offer Period
	Application for admission of the Issuer's shares to trading on the regulated market segment (*regulierter Markt*) of the Frankfurt Stock Exchange (Prime Standard)
November 1, 2017	Close of the Offer Period
	Determination of the Offer Price and final number of shares allocated
	Publication of the results of the Offering in the form of an ad-hoc release on an electronic information dissemination system and on the Issuer's website (www.hellofreshgroup.com)
	Registration of the consummation of the capital increase with the Commercial Register and creation of the New Shares to be delivered on the date of the settlement (November 6, 2017)
	Admission decision to be issued by the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*)
November 2, 2017	Commencement of trading in the Issuer's shares on the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*)
November 6, 2017	Book-entry delivery of the Offer Shares against payment of the Offer Price (settlement and closing)

The prospectus will be published on the Issuer's website at www.hellofreshgroup.com (section: Investor Relations). Printed copies of this prospectus and any supplements thereto are available at the Issuer's office at HelloFresh SE, Saarbrücker Straße 37a, 10405 Berlin, Germany (tel. +49 (0)30-208 48 31 60).

Information on the Issuer's website (www.hellofreshgroup.com) and information accessible via the Issuer's website is neither part of nor incorporated by reference into this prospectus.

3.4 Information on the Shares

3.4.1 Current and Future Share Capital; Form of the Shares

As of the date of this prospectus, the share capital of the Issuer amounts to EUR 133,128,752.00 and is divided into 133,128,752 ordinary bearer shares with no-par value (*auf den Inhaber lautende Stückaktien (Stammaktien)*) that have all been issued. The share capital has been fully paid up.

Of these 133,128,752 issued shares, 692,109 shares are held by the Issuer as treasury shares. 533,333 of the treasury shares, having a notional value of EUR 1.00 per share, were repurchased by the Issuer at a price of EUR 18.75 per share from Bambino 53. V V UG (haftungsbeschränkt) ("**Bambino 53.**"), which held the shares as trustee for, among others, companies wholly owned by Dominik Richter and Thomas Griesel and for certain local managers, employees and supporters. Also see, "*15.1.2 Development of the Share Capital*". Based on the Issuer's authorization to purchase treasury shares pursuant to Article 5 of the Council Regulation (EC) No. 2157/2001 of October 8, 2001 on the Statute for a European company (*SE*) ("**SE Regulation**") together with Sections 71a et seqq. of the German Stock Corporation Act (*Aktiengesetz*) and call options granted to the Issuer in case of certain good and/or bad leaver events of certain employees of the Issuer or one of its subsidiaries, the remaining 158,776 shares were repurchased by the Issuer from

former employees (also see, "*15.1.6 Authorization to Purchase and Sell Treasury Shares*"). Accordingly, 132,436,643 shares are outstanding as of the date of this prospectus.

In connection with and for the purpose of the Offering, it is expected that the Issuer will issue up to 27,000,000 New Shares pursuant to the IPO Capital Increase. Upon registration of the consummation of the IPO Capital Increase the Issuer's outstanding share capital will amount to up to EUR 159,436,643.00 and be divided into up to 159,436,643 ordinary bearer shares with no-par value (*Stückaktien*).

Assuming full exercise of the Greenshoe Option, the Issuer will issue up to an additional 4,050,000 ordinary bearer shares with no par value (*Stückaktien*) from the Authorized Capital 2017/I. In such event, the Issuer's outstanding share capital will amount to up to EUR 163,486,643.00 and be divided into up to 163,486,643 ordinary bearer shares with no-par value (*Stückaktien*).

3.4.2 Certification of the Shares

As of the date of this prospectus, all of the Issuer's shares are ordinary bearer shares (*Inhaberaktien*) with no-par value (*Stückaktien*). The Issuer's shares will be represented by global share certificates ("**Global Share Certificates**"), which will be deposited with Clearstream Banking Aktiengesellschaft, Mergenthalerallee 61, 65760 Eschborn, Germany ("**Clearstream Banking AG**").

Section 5 para. 2 of the Articles of Association excludes, to the extent legally permissible and not required by the rules and procedures of a stock exchange on which the Issuer's shares are admitted for trading, the right of the shareholders to receive share certificates. The Issuer is entitled to issue share certificates representing individual shares (individual share certificates) or several shares (global share certificates). The shareholders shall have no claim to the issuance of dividend or renewal coupons. Section 5 para. 3 of the Articles of Association provides that form and content of share certificates as well as dividend and renewal coupons, if any, are determined by the Management Board with the approval of the Supervisory Board. The same applies with regard to bonds and interest coupons.

3.4.3 Voting Rights

Each share in the Issuer carries one vote at the Issuer's shareholders' meeting. There are no restrictions on voting rights and the Issuer's existing shareholders do not have different voting rights.

3.4.4 Dividend and Liquidation Rights

The Offer Shares carry full dividend rights from January 1, 2017. In the event of the Issuer's liquidation, any proceeds will be distributed to the holders of the Issuer's shares in proportion to their interest in the Issuer's share capital.

3.4.5 Delivery and Settlement

The delivery of the Offer Shares against payment of the Offer Price is expected to take place on November 6, 2017. The Offer Shares will be made available to the shareholders as co-ownership interests in the Global Share Certificates.

At the shareholder's option, the Offer Shares purchased in the Offering will be credited either to a securities deposit account maintained by a German bank with Clearstream Banking AG or to a securities account of a participant in Euroclear Bank S.A./N.V., 1, Boulevard du Roi Albert II, 1210 Brussels, Belgium ("**Euroclear**"), as the operator of the Euroclear system, or to Clearstream Banking S.A., 42, Avenue John F. Kennedy, L-1855 Luxembourg-Kirchberg, Luxembourg.

3.4.6 ISIN/WKN/Ticker Symbol

International Securities Identification Number (ISIN)	DE000A161408
German Securities Code (*Wertpapierkennnummer*, WKN)	A16140
Trading Symbol	HFG

3.5 Transferability of the Shares; Lock-up

The Issuer's shares are freely transferable in accordance with the legal requirements for ordinary bearer shares. Except for the restrictions set forth in "*3.9 Lock-up Agreement, Limitations on Disposal*" and "*18.5 Selling Restrictions*", there are no prohibitions on disposals or restrictions with respect to the transferability of the Issuer's shares.

3.6 Information on Our Existing Shareholders

It is expected that our existing shareholders will continue to hold approximately 81.01% of the Issuer's outstanding share capital upon completion of the Offering (assuming full exercise of the Greenshoe Option). For further details on the ownership structure of the Issuer, see "*13. Shareholder Information*".

3.7 Allotment Criteria

The allotment of Offer Shares to private investors and institutional investors will be decided by the Issuer after consultation with the Joint Bookrunners. The decision ultimately rests with the Issuer. Allotments will be made on the basis of the quality of the individual investors, such as the expected investment horizon and expected trading behavior of the investor, and individual orders and other important allotment criteria to be determined by the Issuer after consultation with the Joint Bookrunners.

3.8 Stabilization Measures, Over-Allotments and Greenshoe Option

In connection with the placement of the Offer Shares, Berenberg, acting for the account of the Underwriters, will act as the Stabilization Manager and may, as Stabilization Manager, and acting in accordance with legal requirements (Article 5 para. 4 and 5 of the Market Abuse Regulation (EU) No 596/2014 in conjunction with Articles 5 through 8 of the Commission Delegated Regulation (EU) 2016/1052), make over-allotments and take stabilization measures to support the market price of the Issuer's shares and thereby counteract any selling pressure.

The Stabilization Manager is under no obligation to take any stabilization measures. Therefore, stabilization may not necessarily occur and may cease at any time. Such measures may be taken on the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*) from the date when trading in the shares of the Issuer is commenced on the regulated market segment (*regulierter Markt*) of the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*) and must be terminated no later than 30 calendar days after this date (the "**Stabilization Period**").

Stabilization transactions aim at supporting the market price of the Issuer's shares during the Stabilization Period. These measures may result in the market price of the Issuer's shares being higher than would otherwise have been the case. Moreover, the market price may temporarily be at an unsustainable level.

Under the possible stabilization measures, investors may, in addition to the New Shares, be allocated up to 4,050,000 Over-Allotment Shares as part of the allocation of the Offer Shares. For the purpose of such a potential Over-Allotment, the Stabilization Manager, for the account of the Underwriters, will be provided with 4,050,000 existing shares from the holdings of the Lending Shareholder in the form of a securities loan. The total number of Over-Allotment Shares will not exceed 15% of the sum of the final number of placed New Shares. The Issuer will grant the Underwriters the Greenshoe Option, i.e., an option to acquire up to 4,050,000 additional Issuer's shares at the Offer Price less agreed fees and commissions, for the sole purpose of enabling the Stabilization Manager to perform its redelivery obligation under the securities loan with the Lending Shareholder. The Greenshoe Option may be exercised only during the Stabilization Period.

The Stabilization Manager, for the account of the Underwriters, is entitled to exercise the Greenshoe Option to the extent Over-Allotments were initially made; the number of shares is to be reduced by the number of shares held by the Stabilization Manager as of the date on which the Greenshoe Option is exercised and that were acquired by the Stabilization Manager in the context of stabilization measures.

Within one week of the end of the Stabilization Period, the Stabilization Manager will ensure adequate public disclosure as to whether stabilization was undertaken, the date on which stabilization started and last occurred, and the Price Range within which stabilization was carried out, for each of the dates during

which stabilization transactions were carried out and the trading venue(s) on which the stabilization transactions were carried out, where applicable.

Exercise of the Greenshoe Option will be disclosed to the public promptly, together with all appropriate details, including in particular the date of exercise of the Greenshoe Option and the number and nature of securities involved in accordance with Article 8 of the Commission Delegated Regulation (EU) 2016/1052.

3.9 Lock-up Agreement, Limitations on Disposal

In the Underwriting Agreement, the Issuer agreed with each Underwriter that, during the period commencing on October 23, 2017 and ending 180 days after the first day of trading of the Issuer's shares on the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*) (currently expected to take place on November 2, 2017), to the extent legally permissible, without the prior written consent of the Joint Global Coordinators, which may not be unreasonably withheld or delayed, the Issuer will not, and will not agree to:

- announce or effect an increase of the share capital of the Issuer from authorized capital;
- propose to its general meeting an increase of the share capital; or
- announce, effect or propose the issue of securities with conversion or option rights on shares of the Issuer or economically similar transactions.

The Issuer may, however, (i) issue or sell any shares or other securities under management participation plans to current and former employees, supporters, current and former members of executive bodies, service providers and business partners of the Issuer or its subsidiaries or their respective investment vehicles and (ii) pursue any corporate actions undertaken by the Issuer for the purposes of entering into any agreement regarding or resolution upon, the entering into any joint venture or the acquisition of any companies, provided that the parties to the joint venture or acquiring entity to which such shares will be issued agree towards the Joint Global Coordinators to be bound by the same lock-up undertaking as the existing shareholders. (i) and (ii) do not apply to the IPO Capital Increase and the issuance of shares under the Greenshoe Option, if any.

For the period commencing on October 23, 2017 until the date which, with regard to the existing shareholders and certain option holders, falls 180 days and with regard to the members of the Issuer's Management Board, falls twelve months after the first day of trading of the Issuer's shares on the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*) (currently expected to take place on November 2, 2017), the existing shareholders, certain option holders and the members of the Issuer's Management Board undertook in writing that they will not, without the prior written consent of the Joint Global Coordinators,

- offer, pledge, allot, distribute, sell, contract to sell, sell any option or contract to purchase, purchase any option to sell, grant any option, right or warrant to purchase, transfer or otherwise dispose of, directly or indirectly (including, but not limited to, the issuance or sale of any securities exchangeable into shares of the Issuer), any shares of the Issuer;
- cause or approve, directly or indirectly, the announcement, execution or implementation of any increase in the share capital of the Issuer or a direct or indirect placement of shares of the Issuer;
- propose, directly or indirectly, any increase in the share capital of the Issuer to any meeting of the shareholders for resolution, or vote in favor of such a proposed increase;
- cause or approve, directly or indirectly, the announcement, execution or proposal of any issuance of financial instruments constituting options or warrants convertible into shares of the Issuer; or
- enter into or perform any transaction economically equivalent to those described in the first bullet above, in particular, the issue of options or conversion rights on shares of the Issuer;

This undertaking shall not restrict (i) any transfer of shares or securities to affiliates of the existing shareholders or to any other existing shareholders that held shares of the Issuer immediately prior to the IPO, (ii) future pledges granted to one or more of the Joint Global Coordinators or their affiliates having been agreed by the Joint Global Coordinators and (iii) any transfers of shares of the Issuer to one or more of the Joint Global Coordinators or their affiliates pursuant to enforcement of any pledge entered into in accordance with (ii), provided that the recipient of such transfer assumes, by written confirmation to the Joint Global Coordinators, the obligations of the existing shareholder hereunder for the then remaining

term of this undertaking. In addition, after the end of the Stabilization Period certain current and former managers and senior officers and supporters may sell shares who (i) incurred tax liabilities due to the corporate restructurings in 2015 or (ii) who will incur tax liabilities within the lock-up period due to the corporate restructurings in 2015 or due to an exercise of their respective call options or due to the IPO itself in order to make due payments on any such tax claims, but with regard to (i) and (ii) only insofar, as the sale of the shares is necessary to pay the incurred tax liability. Further, one existing shareholder holding 42,720 shares may sell his shares after the end of the Stabilization Period.

3.10 Admission to the Frankfurt Stock Exchange and Commencement of Trading

The Issuer will apply for admission of the Issuer's shares to trading on the regulated market segment (*regulierter Markt*) of the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*) and, simultaneously, to the sub-segment thereof with additional post-admission obligations (Prime Standard) on or about October 24, 2017. The listing approval for the Issuer's shares is expected to be granted on November 1, 2017. Trading in the Issuer's shares on the Frankfurt Stock Exchange is planned to commence on November 2, 2017.

In the event of the issuance of additional Issuer's shares pursuant to the exercise of the Greenshoe Option, the Company will also apply for the admission of such additional Issuer's shares to trading on the regulated market segment (*regulierter Markt*) of the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*) and, simultaneously, to the sub segment thereof with additional post-admission obligations (Prime Standard). Such admission will be applied for on the basis of the exemption from the requirement to publish a prospectus pursuant to Section 4 para. 2 no. 1 of the German Securities Prospectus Act (*Wertpapierprospektgesetz*).

3.11 Designated Sponsor

Deutsche Bank has been mandated as designated sponsor of the Issuer's shares traded on the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*). Pursuant to the designated sponsor agreement between the designated sponsor and the Issuer, the designated sponsor will, among other things, place limited buy and sell orders for the Issuer's shares in the electronic trading system of the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*) during regular trading hours. This is intended to achieve greater liquidity in the market for the Issuer's shares.

3.12 Interests of Parties Participating in the Offering

The Underwriters act for the Issuer on the Offering and coordinate the structuring and execution of the Offering. Upon successful implementation of the Offering, the Underwriters will receive a commission. As a result of these contractual relationships, the Underwriters have a financial interest in the success of the Offering.

Furthermore, in connection with the Offering, each of the Underwriters and any of their respective affiliates, acting as an investor for their own account, may acquire shares in the Offering and in that capacity may retain, purchase or sell for its own account such shares or related investments and may offer or sell such shares or other investments otherwise than in connection with the Offering. In addition, certain of the Underwriters or their affiliates may enter into financing arrangements (including swaps or contracts for differences) with investors in connection with which Underwriters (or their affiliates) may from time to time acquire, hold or dispose of shares in the Issuer.

Some of the Underwriters or their affiliates have, and may from time to time in the future continue to have, business relations with our Group or may perform services for our Group in the ordinary course of business. For example, Deutsche Bank, an affiliate of J.P. Morgan, an affiliate of BNP PARIBAS and Rabobank, each as an original lender, entered into a EUR 60 million term loan and revolving credit facility agreement with, among others, the Issuer, consisting of a EUR 30 million term loan credit facility and a EUR 30 million revolving credit facility. For further information, see "*11.16.1 Term Loan Facility*".

Rocket Internet SE, one of our major shareholders, is a lender under a shareholder loan. If the gross proceeds from the Offering to the Issuer amount to at least EUR 150 million, the Issuer intends to use a part of the net proceeds from the Offering of EUR 27 million to EUR 28 million to repay the outstanding loan amount (including accrued interest) under the shareholder loan. For further information, see "*11.16.2 Shareholder Loan*".

The Issuer will receive the proceeds from the sale of the New Shares and, if and to the extent the Greenshoe Option is exercised, from the exercise of the Greenshoe Option (after deduction of fees and commissions) and will gain access to the equity capital markets.

Among other equity-linked instruments, Dominik Richter's investment vehicle, Thomas Griesel's investment vehicle and Christian Gärtner hold a total of 8,112,528 call options in the Issuer. Of Dominik Richter's investment vehicle's 3,565,696 call options, 2,402,288 call options have an exercise price of EUR 1.00 and 1,163,408 call options have an exercise price of EUR 1.15 and all of the 3,565,696 call options will vest in the event of an IPO of the Issuer's shares 24 months after such IPO. Of Thomas Griesel's investment vehicle's 4,048,432 call options, 2,885,024 call options have an exercise price of EUR 1.00 and 1,163,408 call options have an exercise price of EUR 1.15 and 3,283,744 of the call options (2,120,336 call options with an exercise price of EUR 1.00 and 1,163,408 call options with an exercise price of EUR 1.15) will vest in the event of an IPO of the Issuer's shares 24 months after such IPO. Of Christian Gärtner's 498,400 call options, 356,000 call options have an exercise price of EUR 10.42 and 142,400 have an exercise price of at least EUR 27.08. If an IPO takes place before the second half of 2018, a total of 166,129 of Christian Gärtner's call options (118,667 call options with an exercise price of EUR 10.42 and 47,462 call options with an exercise price of EUR 27.08) will vest in the second half of 2019. In addition 250 thousand virtual stock options under the Issuer's virtual stock option program, which were granted to Dominik Richter, will vest in the event of an IPO of the Issuer's shares. Also see "*16.7.5 Virtual Stock Option Program 2016*". As the IPO has an impact on the vesting of the instruments mentioned above, the persons mentioned above may have an interest in executing the IPO.

With respect to 156,250 virtual stock options granted to Dominik Richter, executing an IPO of the Issuer on or before December 31, 2017, is one of four performance targets. Accordingly, Dominik Richter may have an interest in executing an IPO of the Issuer in 2017.

Other than the interests described above, there are no material interests, in particular no material conflicts of interest, with respect to the Offering.

4. PROCEEDS OF THE OFFERING AND COSTS OF THE OFFERING AND LISTING

The Issuer will receive the proceeds of the Offering resulting from the sale of the New Shares and, if and to the extent the Greenshoe Option is exercised, from the exercise of the Greenshoe Option, in each case after deduction of fees and comissions.

Assuming a placement of all New Shares (i.e., 27,000,000 shares) and no exercise of the Greenshoe Option, the Issuer estimates that at the low end, mid-point and high end of the Price Range set for the Offering of the Offer Shares, gross proceeds to the Issuer would amount to approximately EUR 243.0 million, EUR 276.8 million and EUR 310.5 million, respectively, and net proceeds of approximately EUR 234.0 million, EUR 266.9 million and EUR 299.7 million, respectively.

Assuming a placement of all New Shares (i.e., 27,000,000 shares) and full exercise of the Greenshoe Option (i.e., 4,050,000 shares), the Issuer estimates that at the low end, mid-point and high end of the Price Range, gross proceeds to the Issuer would amount to approximately EUR 279.5 million, EUR 318.3 million and EUR 357.1 million, respectively, and net proceeds of approximately EUR 269.5 million, EUR 307.2 million and EUR 345.0 million, respectively.

The costs of the Issuer related to the Offering of the Offer Shares and listing of the Issuer's entire share capital (including the listing of shares issued under the Greenshoe Option, if any) are expected to total approximately EUR 11.0 million at the mid-point of the Price Range (assuming full exercise of the Greenshoe Option and including underwriting and placement commissions payable to the Underwriters) and will be borne by the Issuer.

Assuming an Offer Price at the low end, mid-point and high end of the Price Range and that the maximum number of Offer Shares is placed (i.e., the Greenshoe Option has been fully exercised) and assuming further payment in full of the discretionary fee of up to EUR 3.6 million, EUR 4.1 million and EUR 4.6 million, at the low end, mid-point and high end of the Price Range, respectively; the commission payable to the Underwriters by the Issuer will amount to EUR 7.7 million, EUR 8.8 million and EUR 9.8 million, respectively.

Based on the assumptions described in the preceding paragraph, the total expenses of the Offering and listing to be borne by the Issuer are expected to amount to EUR 10.0 million, EUR 11.0 million and EUR 12.1 million, respectively, resulting in net proceeds from the Offering of EUR 269.5 million, EUR 307.2 million and EUR 345.0 million, respectively.

Investors will not be charged expenses by the Issuer or the Underwriters. Investors will have to bear customary transaction and handling fees charged by their brokers or other financial institutions through which they hold their securities.

5. REASONS FOR THE OFFERING AND LISTING AND USE OF PROCEEDS

The Issuer intends to list its shares on the regulated market segment (*regulierter Markt*) of the Frankfurt Stock Exchange (Prime Standard) to achieve access to the capital markets. The Issuer also intends to pursue the Offering to receive the proceeds from the placement of the New Shares to finance the growth and development of its business.

The Issuer intends to use about EUR 50 million to EUR 100 million of the proceeds of the Offering to fund its continued investment into the growth of its business. In addition, the Issuer intends to invest up to about EUR 60 million of the net proceeds of the Offering into property, plant and equipment, primarily automation equipment. If the gross proceeds from the Offering to the Issuer amount to at least EUR 150 million, the Issuer also intends to use a portion of the net proceeds from the Offering of EUR 27 million to EUR 28 million (including accrued interest) to repay the amount dispersed under a shareholder loan with Rocket Internet SE, one of the major shareholders of the Issuer (for further information on the shareholder loan, see "*11.16.2 Shareholder Loan*"). The Issuer intends to use the remainder of the proceeds of the Offering to create strategic flexibility for new business lines and potential add-on M&A activities as well as for general corporate purposes.

6. DIVIDEND POLICY; RESULTS AND DIVIDENDS PER SHARE; USE OF PROFITS

6.1 General Provisions Relating to Profit Allocation and Dividend Payments

The shareholders' share of the Issuer's profits is determined based on their respective interests in the Issuer's share capital. For a European company (*SE*) with a two-tier management and control system under European and German law, the distribution of dividends for a given fiscal year and the amount and payment date thereof, are resolved by the shareholders' meeting (*Hauptversammlung*) of the subsequent fiscal year either upon a joint proposal by the Management Board and the Supervisory Board or upon the Management Board's or the Supervisory Board's proposal. The shareholders' meeting must be held within the first six months of each fiscal year.

Dividends may only be distributed from the distributable profit (*Bilanzgewinn*) of the Issuer. The distributable profit is calculated based on the Issuer's unconsolidated financial statements prepared in accordance with the requirements of the German generally accepted accounting principles of the German Commercial Code (*Handelsgesetzbuch*). Accounting principles set forth in the German Commercial Code (*Handelsgesetzbuch*) differ from IFRS in material respects.

When determining the distributable profit, net income or loss for the year (*Jahresüberschuss/-fehlbetrag*) must be reduced by profit/loss carry-forwards (*Gewinn-/Verlustvorträge*) from the prior fiscal year and releases of or allocations to reserves. Certain reserves are required to be set up by law, and amounts mandatorily allocated to these reserves in the given fiscal year must be deducted when calculating the distributable profit.

The Management Board must prepare unconsolidated financial statements (balance sheet, income statement and notes to the unconsolidated financial statements) and a management report for the previous fiscal year by the statutory deadline and present these to the Supervisory Board and the auditors immediately after preparation. At the same time, the Management Board must present to the Supervisory Board a proposal for the allocation of the Issuer's distributable profits pursuant to Article 61 of the SE Regulation together with Section 170 para. 2 of the German Stock Corporation Act (*Aktiengesetz*). According to Article 61 of the SE Regulation together with Section 171 of the German Stock Corporation Act (*Aktiengesetz*), the Supervisory Board must review the unconsolidated financial statements, the Management Board's management report and the proposal for the allocation of the distributable profit and report to the shareholders' meeting in writing on the results.

The shareholders' meeting's resolution on the allocation of the distributable profits requires a majority of votes cast to be passed. Pursuant to Section 22 para. 4 of the Articles of Association, the shareholders' meeting may also resolve that the dividends be distributed partially or entirely in kind. For example, dividends may be distributed as treasury shares if held by the Issuer at the time. Dividends resolved by the shareholders' meeting are due and payable immediately after the relevant shareholders' meeting, unless provided otherwise in the dividend resolution, in compliance with the rules of the respective clearing system. Any dividends not claimed within the past three years become time-barred. Once the statute of limitations applies, the dividend payment claim passes to the Issuer. Since all of the Issuer's dividend entitlements will be evidenced by the Global Share Certificates deposited with Clearstream Banking AG, Clearstream Banking AG will be able to transfer the dividends to the shareholders' custodian banks for crediting to their accounts. German custodian banks are under the same obligation to distribute the funds to their customers. Shareholders using a custodian bank located outside Germany must inquire at their respective bank regarding the terms and conditions applicable in their case. Notifications of any distribution of dividends resolved upon are published in the German Federal Gazette (*Bundesanzeiger*) immediately after the shareholders' meeting. To the extent dividends can be distributed by the Issuer in accordance with the German Commercial Code (*Handelsgesetzbuch*) and corresponding decisions are taken, there are no restrictions on shareholder rights to receive dividends. Generally, withholding tax (*Kapitalertragsteuer*) is withheld from dividends paid. For more information on the taxation of dividends, see "*20.1.1 Withholding Taxes*".

6.2 Dividend Policy and Earnings per Share

We currently intend to retain all available funds and any future earnings to support operations and to finance the growth and development of our business and currently do not intend to pay dividends in the foreseeable future, in fact, the terms of the term loan facilities agreement and our shareholder loan generally prohibit us to make dividend payments for the duration of the facilities agreement; see "*11.16.1*

Term Loan Facility" and "*11.16.2 Shareholder Loan*". Any future determination to pay dividends will be made in accordance with applicable laws, and will depend upon, among other factors, our results of operations, financial condition, contractual restrictions and capital requirements. Our future ability to pay dividends is limited by the terms of our existing debt and may be limited by future debt or preferred securities.

The following table shows the total and per share amount of comprehensive loss attributable to the Issuer, as shown in the Issuer's audited consolidated financial statements prepared in accordance with IFRS as of and for the years ended December 31, 2014, December 31, 2015 and December 31, 2016. The per share figures are calculated assuming that 132,436,643 shares—the number of shares issued and outstanding as of the date of this prospectus but prior to the issuance of the New Shares—were issued and outstanding during the entire relevant year.

	Per share	**Total**
	(unaudited) (in EUR)	**(audited) (in EUR million)**
Comprehensive loss attributable to the owners of the Issuer		
for the year ended December 31, 2014	(0.11)	(15.2)
for the year ended December 31, 2015	(0.86)	(114.0)
for the year ended December 31, 2016	(0.71)	(93.8)

No distributions of profits or reserves were made to the Issuer's shareholders in any of the years ended December 31, 2014, December 31, 2015 and December 31, 2016 or in 2017 (up to the date of this prospectus).

7. CAPITALIZATION AND INDEBTEDNESS; STATEMENT ON WORKING CAPITAL

The following tables set forth the Group's actual capitalization and indebtedness (i) as of July 31, 2017, (ii) the adjustments for the Offering (no exercise of the Greenshoe Option), (iii) as adjusted to reflect the Offering (no exercise of the Greenshoe Option), (iv) the adjustments for the exercise of the Greenshoe Option in full and (v) as adjusted to reflect the Offering and the exercise of the Greenshoe Option in full. The adjustments in (ii) through (v) are based on the assumption that the Offering had taken place on July 31, 2017 and not considering any tax effects or effects caused by share-based compensation expense.

Investors should read these tables in conjunction with "*9. Selected Consolidated Financial Information*", "*10. Management's Discussion and Analysis of Financial Condition and Results of Operations*", and the unaudited condensed consolidated interim financial statements as of and for the six months ended June 30, 2017, including the notes thereto, which are included in this prospectus, beginning on page F-3.

7.1 Capitalization

	Actual as of July 31, 2017 (i)	Adjustments for the Offering (no exercise of the Greenshoe Option) (ii)[1]	As adjusted to reflect the Offering (no exercise of the Greenshoe Option) (iii)[1]	Adjustments for the exercise of the Greenshoe Option in full (iv)[2]	As adjusted to reflect the Offering[1] and the exercise of the Greenshoe Option in full (v)[2]
	Prior to implementation of the Offering	Upon completion of the Offering			
			(unaudited) (in EUR million)		
Total current debt[3]	**70.3**	**–**	**70.3**	**–**	**70.3**
Guaranteed	–	–	–	–	–
Secured	–	–	–	–	–
Unguaranteed/ unsecured	70.3	–	70.3	–	70.3
Total non-current debt (excluding current portion of long-term debt)[4]	**65.6**	**–**	**65.6**	**–**	**65.6**
Guaranteed	–	–	–	–	–
Secured[5]	29.0	–	29.0	–	29.0
Unguaranteed/ unsecured	36.6	–	36.6	–	36.6
Shareholders' equity[6]	**50.8**	**266.9**	**317.7**	**40.4**	**358.0**
Share capital[7]	123.1	27.0[8]	150.1	4.1[9]	154.2
Legal reserve[10]	192.9	239.9[11]	432.8	36.3[12]	469.1
Other reserves[13]	(265.2)	–	(265.2)	–	(265.2)
Total[14]	**186.7**	**266.9**	**453.6**	**40.4**	**493.9**

1) Assuming a placement of all New Shares at the mid-point of the Price Range and no exercise of the Greenshoe Option, the gross proceeds to the Issuer would amount to EUR 276.8 million and the net proceeds after deducting the total costs of the Offering to be borne by the Issuer at the mid-point of the price range of EUR 9.9 million would amount to EUR 266.9 million.

2) Assuming exercise of the Greenshoe Option in full at the mid-point of the Price Range, the gross proceeds to the Issuer from such exercise of the Greenshoe Option would amount to EUR 41.5 million and the net proceeds after deducting the costs related to the Greenshoe Option to be borne by the Issuer at the mid-point of the Price Range of EUR 1.1 million would amount to EUR 40.4 million.

3) Referred to as total current liabilities in the unaudited condensed consolidated interim financial statements as of and for the six months ended June 30, 2017.

4) Referred to as total non-current liabilities in the unaudited condensed consolidated interim financial statements as of and for the six months ended June 30, 2017.

5) Assets secured relate to pledged bank accounts, intra-group receivables, shares and intellectual property.

6) Referred to as equity attributable to the Company's shareholders in the unaudited condensed consolidated interim financial statements as of and for the six months ended June 30, 2017.

7) Corresponds to share capital of EUR 133.1 million less treasury shares of EUR 10.0 million.

8) Resulting from the issuance of 27,000,000 New Shares, each with a notional share of EUR 1.00 in the Issuer's share capital.

9) Resulting from the issuance of 4,050,000 shares pursuant to the Greenshoe Option, each with a notional share of EUR 1.00 in the Issuer's share capital.

10) Referred to as capital reserves in the unaudited condensed consolidated interim financial statements as of and for the six months ended June 30, 2017.

11) Resulting from assumed net proceeds of EUR 266.9 million as described in more detail in footnote 1) less the increase in share capital of EUR 27.0 million as described in more detail in footnote 8) under the assumption that the total costs of the Offering to be borne by the Issuer are recorded in capital reserves.

12) Resulting from assumed net proceeds of EUR 40.4 million as described in more detail in footnote 2) less the increase in share capital of EUR 4.1 million as described in more detail in footnote 9) under the assumption that the total costs of the Offering to be borne by the Issuer are recorded in capital reserves.

13) Sum of other reserves, accumulated losses and other comprehensive loss, each as referred to in the unaudited condensed consolidated interim financial statements as of and for the six months ended June 30, 2017.

14) Sum of total current debt, total non-current debt and shareholders' equity.

7.2 Indebtedness

	Actual as of July 31, 2017 (i)	Adjustments for the Offering (no exercise of the Greenshoe Option) (ii)[1]	As adjusted to reflect the Offering (no exercise of the Greenshoe Option) (iii)[1]	Adjustments for the exercise of the Greenshoe Option in full (iv)[2]	As adjusted to reflect the Offering[1] and the exercise of the Greenshoe Option in full (iv)[2]
	Prior to implementation of the Offering	Upon completion of the Offering			
			(unaudited) (in EUR million)		
A. Cash[3]	100.3	266.9	367.2	40.4	407.5
B. Cash equivalents	–	–	–	–	–
C. Trading securities	–	–	–	–	–
D. Liquidity (A) + (B) + (C)	**100.3**	**266.9**	**367.2**	**40.4**	**407.5**
E. Current financial receivable[4]	**5.4**	**–**	**5.4**	**–**	**5.4**
F. Current bank debt	–	–	–	–	–
G. Current portion of non-current debt	–	–	–	–	–
H. Other current financial debt[5]	2.2	–	2.2	–	2.2
I. Current financial debt (F) + (G) + (H)	**2.2**	**–**	**2.2**	**–**	**2.2**
J. Net current financial indebtedness (I) − (E) − (D)	**(103.5)**	**(266.9)**	**(370.4)**	**(40.4)**	**(410.7)**
K. Non-current bank loans	29.0	–	29.0	–	29.0
L. Bonds Issued	–	–	–	–	–
M. Other non-current loans	25.0	–	25.0	–	25.0
N. Non-current financial indebtedness (K) + (L) + (M)	**54.0**	**–**	**54.0**	**–**	**54.0**
O. Net financial indebtedness (J) + (N)	**(49.5)**	**(266.9)**	**(316.4)**	**(40.4)**	**(356.7)**

1) Assuming a placement of all New Shares at the mid-point of the Price Range and no exercise of the Greenshoe Option, the gross proceeds to the Issuer would amount to EUR 276.8 million and the net proceeds after deducting the total costs of the Offering to be borne by the Issuer of EUR 9.9 million at the mid-point of the price range would amount to EUR 266.9 million.

2) Assuming exercise of the Greenshoe Option in full at the mid-point of the Price Range, the gross proceeds to the Issuer from such exercise of the Greenshoe Option would amount to EUR 41.5 million and the net proceeds after deducting the costs related to the Greenshoe Option to be borne by the Issuer at the mid-point of the Price Range of EUR 1.1 million would amount to EUR 40.4 million.

3) Referred to as cash and cash equivalents in the unaudited condensed consolidated interim financial statements as of and for the six months ended June 30, 2017.

4) Referred to as trade receivables in the unaudited condensed consolidated interim financial statements as of and for the six months ended June 30, 2017.

5) Referred to as current other financial liabilities in the unaudited condensed consolidated interim financial statements as of and for the six months ended June 30, 2017.

As of July 31, 2017, we had no indirect and contingent indebtedness. As of the date of this prospectus, future minimum lease payments under non-cancellable operating leases amount to EUR 21.0 million per

year primarily for warehouses in the United States and delivery vehicles in the Netherlands, Belgium and the United Kingdom.

7.3 Statement on Working Capital

The Issuer is of the opinion that the Group is in a position to meet the payment obligations that become due within at least the next twelve months from the date of this prospectus.

8. DILUTION

According to the condensed consolidated interim statement of financial position as of June 30, 2017, the net asset value of the Issuer amounted to EUR 56.4 million. The net asset value as of June 30, 2017 corresponds to total assets of EUR 204.2 million less total non-current liabilities of EUR 65.6 million and total current liabilities of EUR 82.4 million plus non-controlling interests of EUR 0.1 million. The net asset value per share (equity attributable to the Company's shareholders per share), which corresponds to the net asset value divided by the number of outstanding Issuer's shares immediately prior to the Offering, would amount to EUR 0.43 per Issuer's share based on 132,436,643 outstanding Issuer's shares immediately prior to the Offering.

The dilutive effect of the Offering is illustrated in the table below demonstrating the amount by which the Offer Price at the mid-point of the Price Range exceeds the net asset value per share attributable to shareholders after completion of the Offering assuming the below-described steps of the Offering had taken place on June 30, 2017. In this respect, the net book value attributable to shareholders as of June 30, 2017 is adjusted for the effects of the Offering, assuming (i) the execution of the IPO Capital Increase in the maximum number of offered New Shares and exercise of the Greenshoe Option in full and (ii) an increase in the net book value attributable to shareholders at the mid-point of the Price Range by EUR 307.2 million. The assumed increase is based on the expected net proceeds not considering any tax effects. The adjusted net book value attributable to shareholders is expressed as a per share figure, assuming 163,486,643 outstanding shares of the Issuer upon completion of the Offering (this per share figure being referred to as the "**Post-IPO Equity attributable to Shareholders per Share**").

	As of June 30, 2017
Offer Price per share (in EUR; based on the mid-point of the Price Range)	10.25
Total gross proceeds to the Issuer at the mid-point of the Price Range, assuming placement of all New Shares and exercise of the Greenshoe Option in full (in EUR million)	318.3
Estimated total costs of the Offering to be borne by the Issuer (including underwriting and placement commissions payable to the Underwriters and assuming further payment in full of the discretionary fee) at the mid-point of the Price Range, assuming placement of all New Shares and exercise of the Greenshoe Option in full (in EUR million)	11.0
Total net proceeds to the Issuer at the mid-point of the Price Range, assuming placement of all New Shares and exercise of the Greenshoe Option in full (in EUR million)	307.2
Post-IPO Equity attributable to Shareholders per Share (in EUR)	2.22
Amount by which the Offer Price per share exceeds the Post-IPO Equity attributable to Shareholders per Share (immediate dilution to the new shareholders of the Issuer per share) (in EUR)	8.03
Percentage by which the Offer Price per share exceeds the Post-IPO Equity attributable to Shareholders per Share (in %)	360.84
Equity attributable to shareholders per share as of June 30, 2017 (assuming 132,436,643 outstanding shares of the Issuer immediately prior to the Offering) (in EUR)	0.43
Amount by which the Post-IPO Equity attributable to shareholders per share exceeds the net book value per share immediately prior to the Offering (immediate accretion to the existing shareholders of the Issuer per share) (in EUR)	1.80
Percentage by which the Post-IPO Equity attributable to shareholders per share exceeds the net book value per share immediately prior to the Offering (in %)	422.28

Each of the New Shares and any shares issued under the Greenshoe Option will have the same voting rights as the Issuer's existing shares.

Prior to the Offering, the Issuer's existing shareholders (including the Lending Shareholder) held 100.00% of the voting rights of the outstanding shares. Upon completion of the Offering (including exercise of the Greenshoe Option in full), the aggregate voting rights held by the Issuer's existing shareholders (including the Lending Shareholder) would amount to 81.01% of the voting rights related to the outstanding shares.

Prior to the Offering, the Lending Shareholder held directly and indirectly via Bambino 53. 58.90% of the voting rights of the outstanding shares. Upon completion of the Offering (including exercise of the Greenshoe Option in full), the aggregate voting rights held by the Lending Shareholder directly and indirectly via Bambino 53. would amount to 47.71% of the voting rights of the outstanding shares.

9. SELECTED CONSOLIDATED FINANCIAL INFORMATION

The financial information contained in the following tables is taken or derived from the Issuer's audited consolidated financial statements as of and for the years ended December 31, 2016, December 31, 2015 as well as December 31, 2014, 2013 and 2012 and the Issuer's unaudited condensed consolidated interim financial statements as of and for the six months ended June 30, 2017 and our internal reporting system. The audited consolidated financial statements have been prepared in accordance with IFRS and the unaudited condensed consolidated interim financial statements have been prepared in accordance with IFRS on interim financial reporting (IAS 34).

Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft, Stuttgart, office Berlin, Germany, has audited and issued an unqualified audit opinion with respect to our German language consolidated financial statements as of and for the years ended December 31, 2016 and December 31, 2015, respectively, as well as an unqualified independent auditor's report with respect to our English language consolidated financial statements as of and for the years ended December 31, 2014, 2013 and 2012. The aforementioned audited consolidated financial statements of the Issuer and the respective audit opinions as well as independent auditor's report thereon, and the Issuer's unaudited condensed consolidated interim financial statements as of and for the six months ended June 30, 2017 are included in this prospectus.

In the audited consolidated financial statements of the Issuer as of and for the year ended December 31, 2016, the Issuer in particular changed the classification of certain working capital related items in the consolidated statement of cash flows in order to enhance the presentation. The changes in classification led to corresponding retrospective changes in the comparative financial information for the year ended December 31, 2015. The following cash flow related financial information for the year ended December 31, 2015 is therefore taken or derived from the adjusted comparative financial information as shown in the audited consolidated financial statements of the Issuer as of and for the year ended December 31, 2016.

Where financial data in the following tables is labelled "audited", this means that it has been taken from the audited consolidated financial statements mentioned above. The label "unaudited" is used in the following tables to indicate financial data that has not been taken from the audited financial statements mentioned above but rather was taken from either our unaudited condensed consolidated interim financial statements or the Issuer's internal reporting system, or has been calculated based on figures from the sources mentioned before. Financial information presented in the text and tables below is shown in millions of euro (EUR million) and is commercially rounded to one digit after the decimal point. Percentage changes in the text and tables are calculated based on exact (unrounded) numbers and then commercially rounded to one digit after the decimal point. As a result of rounding effects, the aggregated figures in the tables may differ from the totals shown and the aggregated percentages may not exactly equal 100%. In addition, rounded totals and subtotals in the tables may vary marginally from unrounded figures indicated elsewhere in this prospectus. Furthermore, in those tables, these rounded figures may not add up exactly to the totals contained in those tables.

Financial information presented in parentheses denotes the negative of such number presented. In respect of financial data set out in this prospectus, a dash ("–") signifies that the relevant figure is not available, while a zero ("0.0") signifies that the relevant figure is available but has been rounded to or equals zero.

The following selected financial information should be read together with the section "10. Management's Discussion and Analysis of Financial Condition and Results of Operations", the consolidated financial statements including the related notes contained in this prospectus and additional financial information contained elsewhere in this prospectus. Our historical results are not necessarily indicative of the results that should be expected in the future, and our interim results are not necessarily indicative of the results that should be expected for the full year or any other period.

9.1 Consolidated Statement of Comprehensive Income Data

	For the year ended December 31,			For the six months ended June 30,	
	2014	2015	2016	2016	2017
	(audited) (in EUR million)			(unaudited) (in EUR million)	
Revenue	69.6	305.0	597.0	291.5	435.4
Cost of goods sold	(31.1)	(146.1)	(257.3)	(127.0)	(180.5)
Gross profit	**38.5**	**158.9**	**339.6**	**164.5**	**254.9**
Fulfilment expenses	(23.1)	(121.7)	(238.4)	(117.6)	(162.8)
Marketing expenses	(22.4)	(120.5)	(157.4)	(80.5)	(123.1)
General and administrative expenses	(7.5)	(30.8)	(30.7)	(14.8)	(20.5)
Other operating income	0.5	0.2	0.9	0.2	1.0
Other operating expenses	(1.7)	(1.6)	(4.5)	(2.7)	(2.4)
Operating loss[1)]	**(15.8)**	**(115.5)**	**(90.5)**	**(50.9)**	**(52.9)**
Finance income	0.0	0.1	1.5	0.5	0.6
Finance expense	(0.0)	(1.4)	(5.2)	(2.5)	(4.9)
Loss before income tax benefit (expense)	**(15.8)**	**(116.8)**	**(94.1)**	**(52.9)**	**(57.1)**
Income tax benefit (expense)	0.4	(0.0)	0.3	–	0.4
Loss for the year/period	**(15.4)**	**(116.8)**	**(93.9)**	**(52.9)**	**(56.7)**
thereof attributable to:					
Owners of the company	(14.6)	(113.8)	(93.8)	(52.9)	(56.6)
Non-controlling interests	(0.8)	(3.0)	(0.1)	(0.0)	(0.1)

1) Operating loss is also referred to as earnings before interest and taxes ("**EBIT**") in the segment reporting of the consolidated financial statements of the Issuer.

9.2 Consolidated Statement of Financial Position Data

	As of December 31,			As of June 30,
	2014	2015	2016	2017
	(audited, unless otherwise indicated)			(unaudited)
	(in EUR million)			(in EUR million)
Assets				
Non-current assets				
Property, plant and equipment	0.7	5.8	38.3	37.4
Intangible assets	0.0	0.1	1.6	2.9
Goodwill	–	4.6	4.6	4.6
Other financial assets[1)]	–	9.2	13.9	13.4
Other non-financial assets[2)]	–	1.0	1.3	1.1
Deferred income tax assets	0.4	0.4	0.7	1.1
Total non-current assets	**1.1**	**21.1**	**60.4**	**60.6**
Current assets				
Inventories	1.4	5.6	10.1	9.4
Trade receivables	2.7	11.5	9.3	8.8
Other financial assets[1)]	1.1	1.7	1.8	2.5
Other non-financial assets[3)]	2.0	9.4	12.6	10.2
Cash and cash equivalents	19.8	109.2	57.5	112.8
Total current assets	**26.9**	**137.5**	**91.3**	**143.6**
Total assets	**28.1**	**158.6**	**151.7**	**204.2**
Equity and Liabilities				
Equity				
Share capital	0.1	125.0	127.0	133.1
Treasury shares	–	(10.0)	(10.0)	(10.0)
Capital reserves	38.9	93.9	113.4	192.9
Other reserves	5.8	21.8	27.1	34.6
Accumulated losses	(28.6)	(142.4)	(236.2)	(292.8)
Other comprehensive loss	(0.5)	(0.7)	(0.7)	(1.4)
Equity attributable to the Company's shareholders	**15.6**	**87.6**	**20.6**	**56.4**
Non-controlling interests	(1.0)	–	(0.0)	(0.1)
Total equity	**14.6**	**87.6**	**20.6**	**56.2**
Non-current liabilities				
Share-based payment liabilities	0.3	9.0	5.6	–
Other financial liabilities	–	–	–	0.2
Interest bearing loans and borrowings[4)]	–	–	46.4	54.0
Other non-financial liabilities	–	1.2	9.9	11.4
Total non-current liabilities	**0.3**	**10.2**	**62.0**	**65.6**
Current liabilities				
Trade payables[5)]	11.2	45.5	43.1	54.5
Other financial liabilities	0.1	0.2	2.3	1.9
Provisions	0.2	2.5	4.4	4.2
Other non-financial liabilities[6)]	1.6	12.5	19.2	21.8
Total current liabilities	**13.2**	**60.8**	**69.2**	**82.4**
Total equity and liabilities	**28.1**	**158.6**	**151.7**	**204.2**

1) Includes restricted cash balances in non-current other financial assets of EUR 13.1 million as of June 30, 2017, EUR 13.9 million as of December 31, 2016 and EUR 8.8 million as of December 31, 2015 and in current other financial assets of EUR 0.5 million as of December 31, 2016 and EUR 0.2 million as of December 31, 2015, respectively. Restricted cash balances are mainly comprised of cash deposits and collateral for letters of credit with respect to lease agreements.

2) Including prepayments on lease agreements of motor vehicles of EUR 0.8 million as of June 30, 2017, EUR 1.0 million as of December 31, 2016 and EUR 1.0 million as of December 31, 2015 as well as capitalized initial direct costs of operating leases of EUR 0.3 million as of June 30, 2017 and EUR 0.3 million as of December 31, 2016. As of December 31, 2015, there were no capitalized initial direct costs of operating leases.

3) Including value-added tax ("**VAT**") receivables of EUR 6.2 million as of June 30, 2017, EUR 6.8 million as of December 31, 2016, EUR 6.5 million as of December 31, 2015 and EUR 1.4 million as of December 31, 2014.

4) Labelled as long-term debt in the audited consolidated financial statements as of and for the year ended December 31, 2016.

5) Labelled as trade and other payables in the audited consolidated financial statements as of and for the years ended December 31, 2014, 2013 and 2012.

6) Current other non-financial liabilities include income tax liabilities of EUR 0.0 million as of December 31, 2014 and EUR 0.0 million as of December 31, 2015, which were shown separately in the Issuer's audited consolidated financial statements as of and for the years ended December 31, 2014 and December 31, 2015. Therefore, the amounts of current other non-financial liabilities as of December 31, 2014 and December 31, 2015 are unaudited.

9.3 Consolidated Statement of Cash Flows

	For the year ended December 31,			For the six months ended June 30,	
	2014	2015[1]	2016	2016	2017
	(audited) (in EUR million)			(unaudited) (in EUR million)	
Cash flow used in operating activities					
Loss for the year/period	(15.4)	(116.8)	(93.9)	(52.9)	(56.7)
Adjustments for:					
Finance income	(0.0)	(0.1)	(1.5)	(0.5)	(0.6)
Finance expense	0.0	1.4	5.2	2.5	4.9
Income tax (benefit) expense	(0.4)	0.0	(0.3)	–	(0.4)
Depreciation of property, plant and equipment	0.1	0.6	3.8	1.7	3.2
Amortization of intangible assets	0.1	0.0	0.5	0.1	0.6
Loss on disposal of property, plant and equipment	–	–	0.1	–	–
Share based payment expense (equity-settled)	3.1	15.8	5.3	3.3	2.2
Other non-cash transactions	(0.8)	(0.1)	(1.0)	–	7.3
(Decrease) Increase in provisions	0.2	2.3	1.9	0.8	(0.3)
Changes in working capital related to operating activities					
Decrease (Increase) in trade receivables[2]	(4.7)	(8.0)	2.2	(1.9)	0.5
Decrease (Increase) in inventories	(1.2)	(4.2)	(4.5)	(1.3)	0.7
Increase (Decrease) in trade and other payables	9.1	31.1	(2.4)	10.6	11.4
Increase in deferred revenue	–	8.7	4.2	3.0	2.1
Decrease (Increase) in VAT receivable	–	(4.8)	(0.5)	1.1	0.5
(Increase) Decrease in other non-current and current financial assets[3]	–	(0.6)	0.3	1.1	(1.0)
(Increase) Decrease in non-current non-financial assets	–	(1.0)	(0.3)	(0.6)	0.2
(Decrease) Increase in financial liabilities, excluding accrued interest[4]	(0.0)	0.1	0.3	(0.2)	0.1
(Increase) Decrease in current non-financial assets	–	(2.3)	(2.9)	(0.2)	1.9
Increase in non-financial liabilities	1.3	3.1	11.5	9.0	2.1
(Decrease) Increase in share-based payment liabilities	0.3	8.7	(3.3)	(0.7)	(5.6)
Interest received	0.0	0.1	0.1	–	–
Interest paid	(0.0)	–	(0.8)	–	(2.3)
Net cash used in operating activities	**(8.4)**	**(65.9)**	**(76.1)**	**(25.1)**	**(29.3)**
Cash flow used in investing activities					
Acquisition of subsidiary, net of cash acquired	–	(2.7)	–	–	–
Purchase of property, plant and equipment	(0.7)	(5.6)	(35.3)	(11.5)	(5.8)
Software development expenditure	–	–	(1.9)	(0.8)	(1.8)
Purchase of software licenses[5]	(0.0)	(0.1)	(0.2)	–	–
(Transfer) Withdrawal of cash into/from restricted cash accounts and long-term deposits	–	(9.0)	(5.1)	(3.7)	0.7
Net cash used in investing activities	**(0.7)**	**(17.3)**	**(42.6)**	**(16.0)**	**(7.0)**
Cash flow from financing activities					
Proceeds from the issuance of share capital	24.9	184.1	23.1	21.4	84.0
Net proceeds from the issuance of long-term debt	–	–	44.4	44.4	28.9
Repayment of long-term debt	–	–	–	–	(20.0)
Repurchase of shares into treasury	–	(10.0)	–	–	–
Net cash from financing activities	**24.9**	**174.1**	**67.5**	**65.8**	**92.9**
Cash and cash equivalents at the beginning of the year/period	**3.8**	**19.8**	**109.2**	**109.2**	**57.5**
Effects of exchange rate and other value changes on cash and cash equivalents[6]	0.1	(1.3)	(0.6)	(1.4)	(1.3)
Cash and cash equivalents at the end of the year/period	**19.8**	**109.2**	**57.5**	**132.6**	**112.8**

1) Due to changes in presentation, figures in the calculation of net cash used in operating activities for the year ended December 31, 2015 as shown in the consolidated statement of cash flows of the consolidated financial statements as of and for the year ended December 31, 2015 deviate from the corresponding figures shown as comparative financial information in the consolidated financial statements as of and for the year ended December 31, 2016, in particular resulting from changes in the presentation of certain working capital related items. For purposes of comparison between the years 2015 and 2016 the figures are taken from the comparative financial information for the year ended December 31, 2015 as shown in the consolidated financial statements as of and for the year ended December 31, 2016.

2) Shown as (Decrease) Increase in trade receivables and other assets in the consolidated financial statements as of and for the years ended December 31, 2016 and 2014, 2013 and 2012.

3) Shown as (Increase) Decrease in other financial assets in the consolidated financial statements as of and for the year ended December 31, 2016.

4) Shown as (Decrease) Increase in financial liabilities in the consolidated financial statements as of and for the years ended December 31, 2016 and 2014, 2013 and 2012.

5) Shown as purchase of intangible assets in the consolidated financial statements as of and for the years ended December 31, 2014, 2013 and 2012.

6) Shown as effects of exchange rate changes on cash and cash equivalents in the consolidated financial statements as of and for the years ended December 31, 2014, 2013 and 2012.

9.4 Other Consolidated Financial Information

Our management considers the following additional performance measures in steering our operations:

- EBITDA (Earnings Before Interest, Taxes, Depreciation and Amortization, "**EBITDA**") is operating loss (EBIT) before depreciation and amortization;
- adjusted EBITDA (Adjusted Earnings Before Interest, Taxes, Depreciation and Amortization, "**Adjusted EBITDA**") is calculated by adjusting EBITDA for special items and, on the segment level, holding fees; special items consist of share-based compensation expense and other special items of a non-recurring nature, which include, among other items, expenses related to legal advice and other services incurred in connection with equity financing rounds (capital increases), debt financings and preparation for the Issuer's initial public offering;
- contribution margin ("**Contribution Margin**") is calculated as revenue less cost of goods sold net of share-based compensation expense included in cost of goods sold and fulfilment expenses net of share-based compensation expense included in fulfilment expenses;
- net working capital is inventories plus trade receivables, plus VAT receivables less trade (and other) payables, less VAT payables less deferred revenue;
- capital expenditure is defined as cash used for purchase of property, plant and equipment, software development expenditure and purchase of software licenses;
- free cash flow is the sum of net cash used in operating activities and net cash used in investing activities.

EBITDA, Adjusted EBITDA, Contribution Margin, net working capital, capital expenditure and free cash flow are not recognized financial measures under IFRS ("**Alternative Performance Measures**", also see "*2.8.2 Non-IFRS Financial Measures*"). We believe that the Alternative Performance Measures are useful in evaluating our operating performance and the cash flows generated by our business. Specifically, we use

- EBITDA as an indicator for evaluating our operating performance as it eliminates certain non-cash expenses that are not reflective of the underlying business performance;
- Adjusted EBITDA as an indicator for evaluating our operating performance as it does not include additional items that we believe are not reflective of the underlying business performance, i.e., share-based compensation expense and certain special items that are of a non-recurring nature and, on the segment level, holding fees;
- Contribution Margin as an indicator for evaluating our operating performance as it shows expenses directly linked to our meal kits, net of related share-based compensation expense, which we believe is not reflective of the underlying business performance;
- net working capital as an indicator of cash provided to us through our operational set-up;
- capital expenditure as an indicator for the cash used in our operations for investment purposes; and
- free cash flow as an indicator of the cash flows generated by our business.

However, the Alternative Performance Measures are not recognized as measures under IFRS and should not be considered as substitutes for figures on results before taxes, net earnings, cash flow from/used in operating activities or other income statement or cash flow data, as determined in accordance with IFRS, or as measures of profitability or liquidity. The Alternative Performance Measures do not necessarily indicate whether cash flow will be sufficient or available for our cash requirements, nor whether any such

measure is indicative of our historical operating results. The Alternative Performance Measures are not meant to be indicative of future results. Because not all companies calculate these measures and figures in the same way, our presentation of the Alternative Performance Measures is not necessarily comparable with similarly titled measures used by other companies.

The following table presents a reconciliation of EBITDA and Adjusted EBITDA to loss before income tax benefit (expense) for the periods indicated:

	For the year ended December 31,			For the six months ended June 30,	
	2014	2015	2016	2016	2017
	(audited, unless otherwise indicated) (in EUR million, unless otherwise indicated)			(unaudited) (in EUR million, unless otherwise indicated)	
Loss before income tax benefit (expense)	**(15.8)**	**(116.8)**	**(94.1)**	**(52.9)**	**(57.1)**
Finance income	(0.0)	(0.1)	(1.5)	(0.5)	(0.6)
Finance expense	0.0	1.4	5.2	2.5	4.9
Operating loss (EBIT)	**(15.8)**	**(115.5)**	**(90.5)**	**(50.9)**	**(52.9)**
Depreciation and amortization	0.2	0.6	4.3	1.8	3.8
EBITDA	**(15.6)**	**(114.9)**	**(86.2)**	**(49.2)**	**(49.1)**
EBITDA in % of revenue[1)] [2)]	*(22.4)*	*(37.7)*	*(14.4)*	*(16.9)*	*(11.3)*
Special items and holding fees[3)]	3.3	28.6	3.6	3.4	2.5
Adjusted EBITDA	**(12.2)**	**(86.2)**	**(82.6)**	**(45.7)**	**(46.5)**
Adjusted EBITDA in % of revenue[1)2)]	*(17.6)*	*(28.3)*	*(13.8)*	*(15.7)*	*(10.7)*

1) Unaudited.

2) Revenue was EUR 69.6 million in 2014, EUR 305.0 million in 2015, EUR 597.0 million in 2016, EUR 291.5 million in the six months ended June 30, 2016 and EUR 435.4 million in the six months ended June 30, 2017.

3) Special items and holding fees consists of the following items:

	For the year ended December 31,			For the six months ended June 30,	
	2014	2015	2016	2016	2017
	(audited, unless otherwise indicated) (in EUR million)			(unaudited) (in EUR million)	
Share-based compensation expense[*)]	(3.3)	(24.6)	(2.0)	(2.6)	(1.8)
Other special items[**)]	–	(4.0)	(1.6)	(0.8)	(0.7)
Special items and holding fees[***)]	**(3.3)**	**(28.6)**	**(3.6)**	**(3.4)**	**(2.5)**

*) Also referred to as share-based payment expense in the Issuer's audited consolidated financial statements as of and for the years ended December 31, 2016, 2015 and 2014.

**) Unaudited. Other special items are non-recurring and include, among other items, expenses related to legal advice and other services incurred in connection with equity financing rounds (capital increases), debt financings and preparation for the Issuer's initial public offering.

***) Holding fees are only relevant on the segment level. On the Group level, there are no holding fees recorded as these are eliminated within consolidation.

The following table presents a reconciliation of the Contribution Margin to revenue for the periods indicated:

	For the year ended December 31,			For the six months ended June 30,	
	2014	2015	2016	2016	2017
	(audited, unless otherwise indicated)			(unaudited)	
	(in EUR million, unless otherwise indicated)			(in EUR million, unless otherwise indicated)	
Revenue	69.6	305.0	597.0	291.5	435.4
Cost of goods sold	(31.1)	(146.1)	(257.3)	(127.0)	(180.5)
Share-based compensation expense included in cost of goods sold	0.1	0.4	0.2	0.2	0.0
Fulfilment expenses	(23.1)	(121.7)	(238.4)	(117.6)	(162.8)
Share-based compensation expense included in fulfilment expenses	0.0	1.4	0.1	(0.1)	0.3
Contribution Margin[1]	**15.4**	**39.0**	**101.4**	**46.9**	**92.4**
Contribution Margin in % of revenue[2]	*22.2*	*12.8*	*17.0*	*16.1*	*21.2*

1) Contribution Margin corresponds to revenue less cost of goods sold net of share-based compensation expense included in cost of goods sold and fulfilment expenses net of share-based compensation expense included in fulfilment expenses. The Contribution Margin is referred to as profit contribution or PC2 in the Issuer's unaudited condensed consolidated interim financial statements as of and for the six months ended June 30, 2017 and in the Issuer's audited consolidated financial statements as of and for the years ended December 31, 2016, 2015 and 2014.

2) Unaudited.

The following table shows the elements of net working capital as of the dates indicated. Net working capital differs from the statement on working capital contained in "*7.3 Statement on Working Capital*". The statement on working capital sets forth our opinion as to our ability to access cash and other available liquid resources in order to meet our liabilities (present requirements, i.e., 12 months from the date of this prospectus) as they fall due. In contrast, net working capital, as defined by us, only takes into account inventories, certain current receivables and payables and does not take into account cash and other available liquid resources.

	As of December 31,			As of June 30,
	2014	2015	2016	2017
	(audited, unless otherwise indicated)			(unaudited)
	(in EUR million)			(in EUR million)
Inventories	1.4	5.6	10.1	9.4
+Trade receivables	2.7	11.5	9.3	8.8
+VAT receivables	1.4	6.5	6.8	6.2
−Trade payables[1]	(11.2)	(45.5)	(43.1)	(54.5)
−Deferred revenue	(1.2)	(9.9)	(14.0)	(16.1)
−VAT payables[2]	(0.0)	(0.3)	(0.1)	(0.0)
Net working capital[2]	**(7.0)**	**(32.1)**	**(31.0)**	**(46.3)**

1) Labelled as trade and other payables in the audited consolidated financial statements as of and for the years ended December 31, 2014, 2013 and 2012.

2) Unaudited.

The following table shows the calculation of capital expenditure for the periods indicated:

	For the year ended December 31,			For the six months ended June 30,	
	2014	2015	2016	2016	2017
	(audited, unless otherwise indicated)			(unaudited)	
	(in EUR million)			(in EUR million)	
Purchase of property, plant and equipment	0.7	5.6	35.3	11.5	5.8
Software development expenditure	–	–	1.9	0.8	1.8
Purchase of software licenses[1)]	0.0	0.1	0.2	–	–
Capital expenditure[2)]	**0.7**	**5.6**	**37.4**	**12.3**	**7.6**

1) Labelled as purchase of intangible assets in the audited consolidated financial statements as of and for the years ended December 31, 2015 and 2014.

2) Unaudited.

The following table shows the elements of free cash flow for the periods indicated:

	For the year ended December 31,			For the six months ended June 30,	
	2014	2015	2016	2016	2017
	(audited, unless otherwise indicated)			(unaudited)	
	(in EUR million)			(in EUR million)	
Net cash used in operating activities	(8.4)	(65.9)	(76.1)	(25.1)	(29.3)
Net cash used in investing activities	(0.7)	(17.3)	(42.6)	(16.0)	(7.0)
Free cash flow[1)]	**(9.1)**	**(83.3)**	**(118.6)**	**(41.1)**	**(36.3)**

1) Unaudited.

9.5 Segment Information

Our business is managed on the basis of the two geographical regions which form our operating and reporting segments: "International" and "USA". International comprises our operations in the United Kingdom, the Netherlands, Belgium, Australia, Germany, Austria, Canada, and Switzerland. USA comprises our business in the United States. We do not divide our business into operating segments based on the type of business. In the consolidated financial statements as of and for the years ended December 31, 2014 and December 31, 2015, the segment reporting was based on the operating segments "Continental Europe" and "Rest of the World". Continental Europe comprised the operations in Germany, Austria, the Netherlands and Belgium. Rest of the World comprised the operations in the United States, United Kingdom and Australia. Due to the increased significance of our operations in the USA, we changed our reporting structure in the year ended December 31, 2016 and present our operations in the USA separately from the International business. For purposes of comparison of the segment information contained in this prospectus, the segment data for the year ended December 31, 2015 has therefore been taken or derived from the comparative segment information contained in the audited consolidated financial statements as of and for the year ended December 31, 2016 and the segment information for the year ended December 31, 2014 has been taken or derived from our internal reporting system and, therefore, is unaudited.

9.5.1 USA

The following table shows the operating performance of our USA segment for the years ended December 31, 2014, December 31, 2015 and December 31, 2016 and for the six months ended June 30, 2016 and June 30, 2017:

	For the year ended December 31,			For the six months ended June 30,	
	2014	2015	2016	2016	2017
	(unaudited)	(audited, unless otherwise indicated)		(unaudited)	
	(in EUR million, unless otherwise indicated)			(in EUR million, unless otherwise indicated)	
External revenue	**10.9**	**103.8**	**286.9**	**133.0**	**263.4**
Contribution Margin[1)]	**0.5**	**(6.2)**	**33.9**	**12.1**	**53.7**
Contribution Margin in % of external revenue[2)]	*4.7*	*(6.0)*	*11.8*	*9.1*	*20.4*
Adjusted EBITDA	**(5.2)**	**(48.2)**	**(47.9)**	**(28.1)**	**(31.3)**
Adjusted EBITDA in % of external revenue[2)]	*(47.5)*	*(46.4)*	*(16.7)*	*(21.1)*	*(11.9)*
Special items and holding fees[3)]	(0.3)	(6.7)	(0.8)	(1.4)	(0.5)
EBITDA	**(5.5)**	**(54.8)**	**(48.8)**	**(29.5)**	**(31.8)**
EBITDA in % of external revenue[2)]	*(50.6)*	*(52.8)*	*(17.0)*	*(22.2)*	*(12.1)*
Depreciation and amortization	(0.0)	(0.4)	(2.5)	(1.3)	(1.7)
Operating loss (EBIT)	**(5.6)**	**(55.2)**	**(51.2)**	**(30.7)**	**(33.5)**

1) Contribution Margin corresponds to external revenue less cost of goods sold net of share-based compensation expense included in cost of goods sold, and fulfilment expenses, net of share-based compensation expense included in fulfilment expenses. The Contribution Margin is referred to as profit contribution or PC2 in the Issuer's unaudited condensed consolidated interim financial statements as of and for the six months ended June 30, 2017 and in the Issuer's audited consolidated financial statements as of and for the years ended December 31, 2016, 2015 and 2014.

2) Unaudited.

3) Special items and holding fees consists of the following items:

	For the year ended December 31,			For the six months ended June 30,	
	2014	2015	2016	2016	2017
	(unaudited, unless otherwise indicated)			(unaudited)	
	(in EUR million)			(in EUR million)	
Share-based compensation expense[*)]	(0.3)	(5.1)	(0.1)	(1.0)	(0.3)
Holding fees[**)]	(0.1)	(1.3)	(0.7)	(0.4)	(0.2)
Other special items[***)]	–	(0.2)	(0.1)	–	–
Special items and holding fees[****)]	**(0.3)**	**(6.7)**	**(0.8)**	**(1.4)**	**(0.5)**

*) Also referred to as share-based payment expense in the Issuer's audited consolidated financial statements as of and for the years ended December 31, 2016, 2015 and 2014.

**) Refers to surcharge in fees for holding services provided to the segments. We adjust for these fees as we believe that segment performance should not be affected by any intragroup margin.

***) Other special items are non-recurring and include, among other items, expenses related to legal advice and other services incurred in connection with equity financing rounds (capital increases), debt financings and preparation for the Issuer's initial public offering.

****) Figures for the years ended December 31, 2015 and 2016 are audited.

9.5.2 International

The following table shows the operating performance of our International segment for the years ended December 31, 2014, December 31, 2015 and December 31, 2016 and for the six months ended June 30, 2016 and June 30, 2017:

	For the year ended December 31,			For the six months ended June 30,	
	2014	2015	2016	2016	2017
	(unaudited)	(audited, unless otherwise indicated)		(unaudited)	
	(in EUR million, unless otherwise indicated)			(in EUR million, unless otherwise indicated)	
External revenue	**58.7**	**201.1**	**310.1**	**158.5**	**172.0**
Contribution Margin[1)]	**14.8**	**45.0**	**69.3**	**35.3**	**40.9**
Contribution Margin in % of external revenue[2)]	*25.3*	*22.4*	*22.4*	*22.3*	*23.8*
Adjusted EBITDA	**(7.3)**	**(37.6)**	**(27.5)**	**(15.9)**	**(8.1)**
Adjusted EBITDA in % of external revenue[2)]	*(12.4)*	*(18.7)*	*(8.9)*	*(10.0)*	*(4.7)*
Special items and holding fees[3)]	(1.3)	(7.3)	(0.4)	(0.3)	(0.0)
EBITDA	**(8.6)**	**(45.0)**	**(27.9)**	**(16.3)**	**(8.2)**
EBITDA in % of external revenue[2)]	*(14.7)*	*(22.4)*	*(9.0)*	*(10.3)*	*(4.8)*
Depreciation and amortization	(0.2)	(0.2)	(1.1)	(0.3)	(1.1)
Operating loss (EBIT)	**(8.8)**	**(45.2)**	**(29.0)**	**(16.6)**	**(9.3)**

1) Contribution Margin corresponds to external revenue less cost of goods sold net of share-based compensation expense included in cost of goods sold and fulfilment expenses net of share-based compensation expense included in fulfilment expenses. The Contribution Margin is referred to as profit contribution or PC2 in the Issuer's unaudited condensed consolidated interim financial statements as of and for the six months ended June 30, 2017 and in the Issuer's audited consolidated financial statements as of and for the years ended December 31, 2016, 2015 and 2014.

2) Unaudited.

3) Special items and holding fees consists of the following items:

	For the year ended December 31,			For the six months ended June 30,	
	2014	2015	2016	2016	2017
	(unaudited, unless otherwise indicated)			(unaudited)	
	(in EUR million)			(in EUR million)	
Share-based compensation expense[*)]	(1.2)	(4.8)	0.8	0.2	0.4
Holding fees[**)]	(0.1)	(1.9)	(0.4)	(0.2)	(0.1)
Other special items[***)]	–	(0.6)	(0.7)	(0.3)	(0.3)
Special items and holding fees[****)]	**(1.3)**	**(7.3)**	**(0.4)**	**(0.3)**	**(0.0)**

*) Also referred to as share-based payment expense in the Issuer's audited consolidated financial statements as of and for the years ended December 31, 2016, 2015 and 2014.

**) Refers to surcharge in fees for holding services provided to the segments. We adjust for these fees as we believe that segment performance should not be affected by any intragroup margin.

***) Other special items are non-recurring and include, among other items, expenses related to legal advice and other services incurred in connection with equity financing rounds (capital increases), debt financings and preparation for the Issuer's initial public offering.

****) Figures for the years ended December 31, 2015 and 2016 are audited.

9.6 Additional Quarterly Information

The following table presents additional financial information for the Group and our segments on a quarterly basis for the periods indicated:

	As of and for the three months ended									
	March 31, 2015	June 30, 2015	September 30, 2015	December 31, 2015	March 31, 2016	June 30, 2016	September 30, 2016	December 31, 2016	March 31, 2017	June 30, 2017
	(unaudited)									
Group										
Revenue (in EUR million)	45.4	67.1	85.5	106.9	141.4	150.1	146.8	158.7	205.3	230.1
Active customers (in thousand persons)[1]	289	408	542	621	786	812	844	857	1,160	1,251
Orders (in million)	1.1	1.5	1.9	2.3	3.0	3.1	3.0	3.2	4.2	4.7
Orders per customer	3.68	3.67	3.50	3.75	3.85	3.83	3.58	3.77	3.62	3.74
Meals (in million)	7.7	10.9	13.7	17.0	22.0	22.7	22.2	23.9	30.6	33.7
Average order value (in EUR)	42.73	44.75	45.01	45.92	46.80	48.25	48.53	49.12	48.85	49.17
USA										
External revenue (in EUR million)	13.0	22.8	31.8	36.1	61.5	71.5	74.3	79.5	120.1	143.3
Active customers (in thousand persons)[1]	92	143	198	218	328	382	413	432	714	796
Orders (in million)	0.3	0.4	0.6	0.7	1.1	1.3	1.3	1.4	2.2	2.7
Orders per customer	2.81	2.99	3.00	3.02	3.34	3.36	3.21	3.22	3.14	3.40
Meals (in million)	1.7	2.8	3.9	4.3	7.5	8.9	9.2	9.7	15.4	18.3
Average order value (in EUR)	50.61	53.46	53.46	54.81	56.08	55.74	56.04	57.10	53.54	53.03
International										
External revenue (in EUR million)	32.4	44.2	53.7	70.8	79.9	78.6	72.4	79.2	85.2	86.8
Active customers (in thousand persons)[1]	197	265	344	403	458	430	431	425	446	455
Orders (in million)	0.8	1.1	1.3	1.7	1.9	1.8	1.7	1.8	2.0	2.0
Orders per customer	4.09	4.04	3.79	4.15	4.21	4.25	3.94	4.33	4.39	4.34
Meals (in million)	6.0	8.1	9.7	12.7	14.5	13.9	12.9	14.2	15.2	15.4
Average order value (in EUR)	40.20	41.28	41.16	42.42	41.51	43.00	42.67	43.12	43.48	43.93

1) Number of uniquely identified customers who received at least one box within the preceding 3 months (including first-time and trial customers, customers who received a free or discounted box and customers who ordered during the relevant period but discontinued their orders and registration with us before period end) counted from the end of the relevant quarter.

The following table presents additional financial information for the Group on a quarterly basis for the periods indicated:

	For the three months ended						
	December 31, 2015	March 31, 2016	June 30, 2016	September 30, 2016	December 31, 2016	March 31, 2017	June 30, 2017
	(unaudited) (in EUR million, unless otherwise indicated)						
Revenue	106.9	141.4	150.1	146.8	158.7	205.3	230.1
Cost of goods sold	(51.3)	(63.3)	(63.7)	(62.6)	(67.7)	(87.1)	(93.4)
Gross profit	**55.6**	**78.1**	**86.4**	**84.2**	**91.0**	**118.2**	**136.7**
Fulfilment expenses	(47.9)	(57.6)	(60.0)	(59.1)	(61.8)	(76.9)	(85.9)
Marketing expenses	(48.7)	(41.6)	(38.9)	(39.9)	(37.0)	(64.6)	(58.5)
General and administrative expenses	(12.0)	(7.5)	(7.3)	(8.2)	(7.7)	(9.3)	(11.2)
Other operating income and expenses	0.4	(1.4)	(1.2)	(0.2)	(0.9)	(0.1)	(1.3)
Operating loss (EBIT)	**(52.4)**	**(30.0)**	**(20.9)**	**(23.2)**	**(16.3)**	**(32.7)**	**(20.2)**

The following table presents a reconciliation of EBITDA and Adjusted EBITDA to operating loss for the Group on a quarterly basis for the periods indicated:

	For the three months ended						
	December 31, 2015	March 31, 2016	June 30, 2016	September 30, 2016	December 31, 2016	March 31, 2017	June 30, 2017
	(unaudited) (in EUR million, unless otherwise indicated)						
Operating loss (EBIT)	(52.4)	(30.0)	(20.9)	(23.2)	(16.3)	(32.7)	(20.2)
Depreciation and amortization	0.3	0.7	1.1	1.1	1.5	1.9	1.9
EBITDA	**(52.2)**	**(29.3)**	**(19.9)**	**(22.1)**	**(14.9)**	**(30.8)**	**(18.3)**
EBITDA in % of revenue	*(48.8)*	*(20.7)*	*(13.2)*	*(15.1)*	*(9.4)*	*(15.0)*	*(7.9)*
Share-based compensation expense	16.0	1.5	1.1	1.4	(2.0)	1.1	0.7
Other special items	1.8	0.5	0.3	0.2	0.6	0.1	0.7
Holding fees[1)]	–	–	–	–	–	–	–
Adjusted EBITDA	**(34.3)**	**(27.3)**	**(18.4)**	**(20.5)**	**(16.3)**	**(29.6)**	**(16.9)**
Adjusted EBITDA in % of revenue	*(32.1)*	*(19.3)*	*(12.3)*	*(14.0)*	*(10.3)*	*(14.4)*	*(7.4)*

1) On the Group level, there are no holding fees recorded as these are eliminated within consolidation.

The following table presents a reconciliation of the Contribution Margin and the Contribution Margin excluding fixed and overhead expenses to revenue for the Group on a quarterly basis for the periods indicated:

	For the three months ended						
	December 31, 2015	**March 31, 2016**	**June 30, 2016**	**September 30, 2016**	**December 31, 2016**	**March 31, 2017**	**June 30, 2017**
	(unaudited) (in EUR million, unless otherwise indicated)						
Revenue	106.9	141.4	150.1	146.8	158.7	205.3	230.1
Cost of goods sold	(51.3)	(63.3)	(63.7)	(62.6)	(67.7)	(87.1)	(93.4)
Share-based compensation expense included in cost of goods sold	0.2	0.1	0.0	0.1	(0.1)	0.0	0.0
Fulfilment expenses	(47.9)	(57.6)	(60.0)	(59.1)	(61.8)	(76.9)	(85.9)
Share-based compensation expense included in fulfilment expenses	0.8	(0.4)	0.3	0.4	(0.2)	0.3	0.0
Contribution Margin	**8.8**	**20.2**	**26.7**	**25.6**	**28.9**	**41.6**	**50.8**
Contribution Margin in % of revenue	*8.2*	*14.3*	*17.8*	*17.4*	*18.2*	*20.3*	*22.1*
Fixed and overhead expenses included in cost of goods sold and fulfilment expenses[1)]	5.0	8.6	9.7	10.3	11.7	14.9	15.9
Contribution Margin excluding fixed and overhead expenses	**13.8**	**28.7**	**36.5**	**35.9**	**40.6**	**56.6**	**66.7**
Contribution Margin excluding fixed and overhead expenses in % of revenue	*12.9*	*20.3*	*24.3*	*24.4*	*25.6*	*27.6*	*29.0*

1) Fixed and overhead expenses are all expenses incurred except for the following: Ingredient costs, inbound shipping freight, direct labor, packaging material costs, incidental production costs, fees for external pick & pack services, outbound shipping fees, fleet costs (incl. gas, insurances, driver wages and other direct costs), payment provider fees, recipe card printing costs.

10. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The financial information in this discussion and analysis is taken or derived from the Issuer's audited consolidated financial statements as of and for the years ended December 31, 2016, December 31, 2015 as well as December 31, 2014, 2013 and 2012, the Issuer's unaudited condensed consolidated interim financial statements as of and for the six months ended June 30, 2017 and the Issuer's audited unconsolidated financial statements as of and for the year ended December 31, 2016 as well as our internal reporting system. The audited consolidated financial statements have been prepared in accordance with IFRS and the unaudited condensed consolidated interim financial statements have been prepared in accordance with IFRS on interim financial reporting (IAS 34). The audited unconsolidated financial statements have been prepared in accordance with the German Commercial Code (Handelsgesetzbuch).

Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft, Stuttgart, office Berlin, Germany, has audited and issued an unqualified audit opinion with respect to our German language consolidated financial statements as of and for the years ended December 31, 2016 and December 31, 2015 and our German language unconsolidated financial statements as of and for the year ended December 31, 2016, respectively, as well as an unqualified independent auditor's report with respect to our English language consolidated financial statements as of and for the years ended December 31, 2014, 2013 and 2012. The aforementioned audited consolidated financial statements and unconsolidated financial statements of the Issuer and the respective audit opinions as well as independent auditor's report thereon, and the Issuer's unaudited condensed consolidated interim financial statements as of and for the six months ended June 30, 2017 are included in this prospectus.

Where financial data in the following tables is labelled "audited", this means that it has been taken from the audited financial statements mentioned above. The label "unaudited" is used in the following tables to indicate financial data that has not been taken from the audited financial statements mentioned above but rather was taken from either our unaudited condensed consolidated interim financial statements or the Issuer's internal reporting system, or has been calculated based on figures from the sources mentioned before. Financial information presented in the text and tables below is shown in millions of euro (EUR million) and is commercially rounded to one digit after the decimal point. Percentage changes in the text and tables are calculated based on exact (unrounded) numbers and then commercially rounded to one digit after the decimal point. As a result of rounding effects, the aggregated figures in the tables may differ from the totals shown and the aggregated percentages may not exactly equal 100%. In addition, rounded totals and subtotals in the tables may vary marginally from unrounded figures indicated elsewhere in this prospectus. Furthermore, in those tables, these rounded figures may not add up exactly to the totals contained in those tables.

Financial information presented in parentheses denotes the negative of such number presented. In respect of financial data set out in this prospectus, a dash ("—") signifies that the relevant figure is not available, while a zero ("0.0") signifies that the relevant figure is available but has been rounded to or equals zero.

Certain information in the discussion and analysis set forth below and elsewhere in this prospectus includes forward-looking statements that involve risks and uncertainties. Our actual results may differ materially from those discussed in these forward-looking statements. See "2. General Information" and "1. Risk Factors" for a discussion of important factors that could cause actual results to differ materially from the results described in the forward-looking statements contained in this prospectus. This discussion and analysis should also be read in conjunction with the financial statements described above, including the notes thereto, and financial information appearing in "2.8 Presentation of Financial Information" and "9. Selected Consolidated Financial Information".

Some of the measures used in this prospectus are not measurements of financial performance under IFRS, but have been prepared on the basis of IFRS amounts, and should not be considered as an alternative to cash flow from/used in operating activities as a measure of liquidity or as an alternative to recurring operating income (loss) or income (loss) for the year/period as indicators of our operating performance or any other measures of performance derived in accordance with IFRS.

10.1 Overview

Operating under our brand HelloFresh, we provide fresh, healthy and personalized meal solutions to about 1.3 million Active Customers[3] (in the three months ended June 30, 2017) in nine countries. We aim to provide the households in our geographies with the opportunity to enjoy fresh, delicious, home-cooked meals with no planning, no shopping and no stress. Our key product line, our meal kits, are delivered

directly to our customers' doors at a convenient time and contain nearly everything required to create inspiring meals from mainly locally sourced ingredients. Powered by our supply chain set-up and efficient fulfilment processes and supported by our innovative technology, user-friendly websites and apps, our business has grown rapidly, from 76.6 thousand Active Customers in the three months ended June 30, 2014 and 0.5 million orders in the six months ended June 30, 2014 to 1.3 million Active Customers in the three months ended June 30, 2017 and 8.9 million orders in the six months ended June 30, 2017.

We started operations in 2012 and are currently active in ten countries across three continents: the United States, the United Kingdom, the Netherlands, Belgium, Australia, Germany, Austria, Canada, Switzerland and, since September 2017, Luxembourg.

Our business model differs from a retail or grocery supply chain, as it rethinks the traditional food supply chain model. By starting with the consumer and working upstream with a "pull model" we eliminate the need for intermediaries such as distributors or wholesalers and nearly eliminate waste from our supply chain, which tend to be major cost items for traditional food supply chains. We work closely with our network of over 600 suppliers, many of whom are local suppliers, to ensure we can purchase the ingredients for our meal solutions on a just-in-time basis and in the quantities required, thereby avoiding food waste. We operate on a near zero-inventory basis for all perishable products, as we only order from our suppliers what we have confirmed to sell to our customers. The ingredients for our meal kits are packed in our refrigerated fulfilment centers, which we have recently expanded to support our expected future growth. From there, meal kits are delivered using insulated packaging or, in certain markets, refrigerated vehicles, which allows us to deliver the ingredients with a high level of freshness. Almost all of our deliveries are free of charge to our customers.

Our business is organized in two segments: United States and International. International comprises our operations in the United Kingdom, the Netherlands, Belgium, Australia, Germany, Austria, Canada, Switzerland and, since September 2017, Luxembourg. Our operations in Luxembourg, which commenced in September 2017, are also part of our International segment. While operations in the United States and certain of the countries in our International segment are carried out in currencies other than the euro, due to local sourcing and sales in local currencies to our customers located in these countries, our local operations are not directly exposed to exchange rate fluctuations. Currency fluctuations do, however, have an impact on our results, which we report in euros.

Our performance and financial indicators reflect our strong growth and rapid margin expansion. Accelerated by our marketing efforts and a high rate of referrals from our existing customers, the number of our Active Customers increased significantly from 172 thousand in the three months ended December 31, 2014 to 857 thousand Active Customers in the three months ended December 31, 2016, leading to a strong increase in the number of orders, from 1.7 million orders in 2014 to 12.4 million orders in 2016.

Revenue for our Group, which mainly stems from the sale of meal kits, increased in line with the number of orders from EUR 69.6 million in 2014 to EUR 597.0 million in 2016. We use Adjusted EBITDA to steer our operations. We define Adjusted EBITDA, which is not an IFRS measure, as EBITDA adjusted for share-based compensation expense and other special items of a non-recurring nature on the Group level. On the segment level, Adjusted EBITDA is further adjusted for the mark-up on intragroup charges (holding fees). Adjusted EBITDA as a percentage of revenue for our Group improved from negative 17.6% in 2014 to negative 13.8% in 2016, primarily due to strong improvements of our results in the United States, which is now our biggest market, that were partially set off by cost increases related to capacity increase measures, a focus on high ingredient quality and customer base expansion initiatives through marketing.

In the six months ended June 30, 2017, we fulfilled 8.9 million orders. Our revenue was EUR 435.4 million in the six months ended June 30, 2017, an increase of 49.4% compared to the same period in 2016. In the six months ended June 30, 2017, our Adjusted EBITDA expressed as a percentage of revenue improved to negative 10.7%.

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3 Active customers refers to the number of uniquely identified customers who received at least one box within the preceding 3 months (including first-time and trial customers, customers who received a free or discounted box and customers who ordered during the relevant period but discontinued their orders and registration with us before period end) counted from the end of the relevant quarter ("**Active Customers**").

10.2 Key Factors Affecting our Results of Operations

The key factors discussed below have contributed to the development of our results of operations and financial condition in the periods for which financial information is included in this prospectus. Our results of operation and financial condition will continue to be subject to a range of influences that in turn depend on a number of factors, including the following:

10.2.1 Number of Active Customers

Since the start of our operations in 2012, we have focused on building and growing a large and engaged customer base. We believe that the development of our customer base is affected by a number of underlying trends, including the following:

Brand recognition and reputation. Brand recognition and reputation are important factors that drive conversions, i.e., the rate at which persons interested in our products turn into paying customers. Brand recognition is mainly driven by two factors, the time for which we have been present in the relevant market and our spending on brand marketing.

Referrals. Growth in our customer base has historically been a self-reinforcing trend. More customers lead to more referrals, which in turn lead to additional new Active Customers. Typically, the longer we are active in a market, the larger our customer base and the higher the rate of referrals.

Openness to e-commerce. The openness of potential customers to purchase food via the Internet varies from country to country and from one demographic group to the other. The more open a person is to e-commerce, the more likely it is that such person will actually place an order via our website.

Price comparison. Due to our innovative supply chain set-up, we are in a position to offer fresher ingredients at very competitive pricing compared to supermarkets, positioning us to provide our customers value for money. If we compare the cost of ingredients in one of our boxes to the cost of the same ingredients in a non-discount supermarket, using the smallest unit size available, we often find that our boxes offer a better deal to customers. The difference between the price charged by supermarkets and the price of one of our boxes is typically higher in the United States than in our International segment.

Competition in the market. The more competition we face in our markets, the more difficult it is to find new customers and to retain existing ones. These negative impacts of increased competition are, to a certain extent, counter balanced by higher notoriety of our business model in markets with more competition, which means that we have to spend less to explain our offering to potential customers.

Geographic footprint. The larger our addressable market, the more potential customers. We launched our meal kit service in Germany in early 2012 and expanded thereafter into the United States, the United Kingdom, the Netherlands, Australia and Austria. In 2015, we expanded into Belgium, in the second quarter of 2016 into Switzerland and Canada and in the third quarter of 2017 into Luxembourg.

We also seek to focus on the demographic groups that we believe are attractive audiences for our products through product innovation, targeted marketing and promotion of our family plan.

During the periods under review, our Active Customers, i.e., the number of uniquely identified customers who received at least one box within the preceding 3 months (including first-time and trial customers, customers who received a free or discounted box and customers who ordered during the relevant period but discontinued their orders and registration with us before period end) counted from the end of the relevant quarter, has increased significantly, from 172 thousand Active Customers in the three months ended December 31, 2014 to 857 thousand Active Customers in the three months ended December 31, 2016. This trend has continued in 2017. We had 1.2 million Active Customers in the three months ended March 31, 2017 and 1.3 million Active Customers in the three months ended June 30, 2017. While we see a number of new customers that only want to try our service or only use it for a special occasion, a significant number of our existing customers have historically been loyal and receive our boxes several times a month.

We believe that organic growth will be a major driver of our future growth. We currently intend to increase the penetration in our markets by enlarging our customer base and expanding our product portfolio, for example, by offering premium meals. In addition, we seek to increase the retention of Active Customers by focusing on providing our customers with a broader choice of recipes and more personalized recommendations. In parallel, a broader product portfolio positions us to benefit from cross-selling

potential such as offering breakfast, wine and dessert add-ons in order to increase revenue per customer. We intend to increase our online shop operations, where we sell kitchen utensils to our customers.

10.2.2 Number of Orders, Average Order Value

Our revenue is driven by the scale of our operations and the price we effectively charge for our products, i.e., the standard price minus promotional discounts, which are primarily targeted at new customers, customer credits, refunds and VAT. Specifically, the number of orders and the average order value, which we define as revenue (after promotional discounts, customer credits, refunds and VAT) divided by number of deliveries in a given period, developed as follows:

- As our order rates, i.e., the number of deliveries in a given quarter divided by the number of Active Customers in the same quarter, have historically been stable, our number of orders tend to develop in line in with the number of Active Customers. The number of orders increased from 1.7 million orders in 2014 to 12.4 million orders in 2016, primarily due to strong growth in the United States. This trend has continued since the start of 2017, as the number of orders increased from 6.1 million orders in the six months ended June 30, 2016 to 8.9 million orders in the six months ended June 30, 2017.
- Our average order value increased from EUR 41.13 per order in 2014 to EUR 48.19 per order in 2016. The increase in average order value was primarily due to geographic mix effects related to stronger order growth in the United States and in Australia, which have higher average order values than the average order value for our Group, the rollout of our family plan in selected markets and, to some extent, to exchange rate developments. In the three months ended June 30, 2017 our average order value increased to EUR 49.17 from EUR 48.25 in the three months ended June 30, 2016, due to geographic mix effects and the introduction of products such as premium meals.

The increase in the number of orders together with the increase in average order value from 2014 to 2016 led to a significant increase in revenue, from EUR 69.6 million in 2014 to EUR 597.0 million in 2016. In the six months ended June 30, 2017, revenue increased to EUR 435.4 million, from EUR 291.5 million in the six months ended June 30, 2016. See also "*1.1.8 We face competition from traditional offline grocery retailers, online and offline grocery delivery service providers, other companies that address the food at home market, and potential new market entrants. In that context, also the takeover of Whole Foods by Amazon and the resulting combined expertise of e-commerce and food may pose a competitive threat to us. Also, we cannot rule out that Rocket Internet SE or some of the companies in which it holds participations may start competing against us* in the future."

10.2.3 Cost of Goods Sold

Cost of goods sold consists of the purchase price paid to suppliers for ingredients and inbound shipping charges. These expenses are largely variable. The two main factors influencing cost of goods sold are the quality of the ingredients we purchase and economies of scale.

During the periods under review, we emphasized increasing the quality of our ingredients even further, which initially led, together with expenses related to the onboarding of additional suppliers, to an increase in our procurement expenses. Consequently, cost of goods sold as a percentage of revenue on the Group level increased from 44.7% in 2014 to 47.9% in 2015.

Subsequently, we increasingly focused on realizing economies of scale and started to benefit from strong relationships with farmers. This direct access positions us to reduce delivery times and procurement expenses and to provide our customers with fresh ingredients that are grown according to our instructions and preferences. As a result of our efforts to realize economies of scale and further optimize our supply chain set-up, cost of goods sold measured as a percentage of revenue decreased from 47.9% in 2015 to 43.1% in 2016. The United States segment contributed more strongly to this decrease than our International segment. The strong contribution of the United States segment was due to the strong growth of this segment and the impact of our investments in product and infrastructure. Share-based compensation expense included in cost of goods sold was negligible in all periods under review.

We see potential for future procurement expense reductions by leveraging our increasing negotiating power, further increasing our direct relationships with farmers, insourcing pre-packaging operations and

continuous recipe and menu optimization based on the data we collect through our operations on an ongoing basis.

10.2.4 Fulfilment

Our fulfilment expenses relate primarily to outbound shipping expenses, expenses for picking and packing of ingredients into our meal kits and expenses for packaging material. In addition, they include amounts paid to third parties that assist us in fulfilment operations, fulfilment center and delivery car leasing expenses, expenses for product testing and recipe card printing and payment provider fees.

When we started operations in 2012, fulfilment expenses largely related to fees for third party service providers, as we neither conducted any deliveries nor operated any fulfilment centers ourselves. As our business has matured, we insourced large parts of our fulfilment activities. In the Netherlands, we purchased Cool Delivery B.V. in 2015, a company that had already operated our delivery operations in certain parts of the country before. We also built our own delivery infrastructure in and around London. Further, we started projects concerning the insourcing of fulfilment center operations in Germany and the United Kingdom in 2015, which were completed in 2016. We insourced the fulfilment center operations in Australia in 2017 and are considering insourcing our fulfilment operations in Canada. In the Netherlands the picking and packing is still operated by a third party provider. In the middle of 2018 we will move to a larger fulfilment center in the Netherlands, the operation of which will then either be insourced or continue to be operated by our third party provider.

We have also focused on expanding our capacity to create headroom for future growth. In 2015, we increased capacity by adding a new fulfilment center in Richmond, California and entered into the lease for our fulfilment center in Grand Prairie, Texas. In 2016, we completed a number of large infrastructure projects, including the ramp up of our fulfilment center in Grand Prairie, Texas, the replacement of our fulfilment center in Linden, New Jersey with a larger one in Newark, New Jersey. We also transitioned our Dutch and Belgian operations to a larger facility in Den Haag, which continues to be externally managed. As a result of our investments into the capacity of our fulfilment centers, we have significant spare capacity, which positions us to realize economies of scale through increasing fixed cost leverage as long as we continue to grow our production volume.

Fulfilment expenses as a percentage of revenue decreased substantially due to significant expense reductions for the main components of fulfilment expenses (net of share-based compensation expense):

- Shipping expenses decreased from 18.6% of revenue in the three months ended December 31, 2015 to 15.3% in the three months ended June 30, 2017 due to increased scale, which led to more negotiating power with third party providers, as well as the addition of new regional carriers;
- Expenses for pick & pack decreased from 12.0% of revenue in the three months ended December 31, 2015 to 10.8% in the three months ended June 30, 2017, driven by economies of scale and efficiency gains related to the automation and partial insourcing of fulfilment center operations, which allow for more flexibility in our product offering and cost savings as compared to externally managed fulfilment centers; and
- Expenses for packaging decreased from 9.0% of revenue in the three months ended December 31, 2015 to 7.5% in the three months ended June 30, 2017 due to improvements in packaging design and sourcing from Asia.

Together with improving unit economics for the procurement of ingredients, our Contribution Margin improved significantly. The "Contribution Margin" corresponds to revenue less cost of goods sold, net of share-based compensation expense included in cost of goods sold, and fulfilment expenses, net of share-based compensation expense included in fulfilment expenses. Our Contribution Margin has been positive since 2013. However, expressed as a percentage of (external) revenue, our Contribution Margin varies quarter-on-quarter. For example, it was 8.2% in the three months ended December 31, 2015 and 22.1% in the three months ended June 30, 2017. Our goal is to increase our Contribution Margin by 8 to 10 percentage points until 2021. Investments into additional capacity and to fuel our growth may, for a period of time, negatively affect our Contribution Margin expressed as a percentage of external revenue. For example, in our USA segment, the Contribution Margin expressed as a percentage of external revenue decreased from positive 4.7% in 2014 to negative 6.0% in 2015 due to higher procurement expenses related to the onboarding of additional suppliers and investment in high quality ingredients in connection with the ramp up of our U.S. business as well as higher fulfilment expenses due to the establishment of new

fulfilment centers. Excluding fixed and overhead expenses, our Contribution Margin as a percentage of revenue improved from 12.9% in the three months ended December 31, 2015 to 29.0% in the three months ended June 30, 2017.

We see potential to increase our Contribution Margin in the future through further improvement of our unit economics. We believe that we can lower shipping expenses per box by adding regional carriers and leveraging our scale. We expect that expenses for pick & pack per box will decrease due to better fixed cost utilization, productivity gains and increasing automation. We believe that expenses for packaging per box will decrease due to a number of initiatives, such as sourcing of materials from Asia and the insourcing of liner and pouch production. See also "*1.1.21 We may fail to recoup the investments made into our fulfilment centers and future planned investments into automation of those facilities.*"

10.2.5 Marketing

Marketing has been and will continue to be highly important for further strengthening our brand, acquiring new customers, reactivating passive customers and retaining Active Customers. We steer our marketing expenses based on the ratio of expected customer lifetime value to customer acquisition costs and on the number of new customers we want to acquire in a given period. Accordingly, our marketing expenses are predominantly discretionary expenses.

We steer our marketing activities by setting a target customer acquisition cost for the relevant period. Based on the target customer acquisition cost, we set a specific marketing budget for the relevant period, which we then allocate to the various marketing channels with a view to achieving a high number of new customers. Our marketing channels include online performance marketing channels, such as Google and Facebook, offline performance marketing channels, such as direct sales, brand-related online and offline channels, such as part of social media, TV, radio, podcasts. We also allocate a portion of our budget to our loyalty rewards program for existing customers and reactivation expenses for former customers. Each marketing channel is targeted to achieve at least one of three objectives: attract and acquire customers, establish brand awareness and drive engagement and retention. The marketing channels differ from one another in terms of cost and the mix of our marketing channels evolves as our presence in a particular market grows and as we seek to optimize the mix of marketing channels, taking into account dynamically developing market conditions. We also record customer care expenses as part of our marketing expenses.

Our marketing expenses, measured as a percentage of revenue, tend to decrease over time in the relevant market, as the share of existing customers in the revenue mix increases over time and our brand awareness increases the longer we have been operating in a specific market. Over the last 8 quarters, we have been successful in significantly scaling up our customer acquisitions without negatively impacting the cost per customer acquired. An increasing rate of referrals measured as a percentage out of all conversions also leads to lower customer acquisition costs. While we reward existing customers for referrals and provide new customers with incentives in the form of discounts or a free trial box, referrals are efficient, as the cost is directly linked to a new registration. In addition, the discounts provided to our customers who recommend us to their friends who decide to benefit from our offerings are significantly lower than the customer acquisition costs in most of our other acquisition channels, resulting in a customer lifetime value to customer acquisition cost ratio for customers acquired through referral that is significantly better than the ratio for customers acquired through other channels. The share of referrals as a percentage of activations increased from 25% in the three months ended June 30, 2015 to 48% in the three months ended June 30, 2017. Promotional discounts are primarily granted to new customers. The average discount, including credits from referrals and other, discretionary credits, amounts to about 58% for customers receiving their first box and decreases to about 4% for customers receiving their 10th box and further to about 3% for customers receiving their 20th box.

10.2.6 Cost Efficient Set-Up

In building our operations, we have focused on a cost-efficient, scalable set-up. This focus is exemplified by the development of our general and administrative expenses. These expenses are not directly associated with the production and distribution of goods. They include wages and benefits, including share-based compensation expense, of management as well as accounting, legal and IT staff, consulting expenses, audit expenses, office rent, and related utilities, insurance and other overhead expenses. Net of share-based compensation expense, our general and administrative expenses measured as a percentage of revenue decreased from 7.4% in 2014 to 4.8% in 2016.

10.2.7 Seasonality

Our operations are subject to seasonality, driven by holiday patterns and weather conditions. Orders are typically lower in weeks that contain school or bank holidays, as typically a higher percentage of our customers is away from home during these weeks than during the rest of the year. Due to weather conditions, we typically see lower customer engagement during the summer months.

Due to our strong growth, the full impact of seasonality is partially mitigated by the underlying growth trend. Comparing quarterly revenue and orders adjusted for the underlying growth, we find that customer engagement in the first quarter is typically higher than in the rest of the year.

We seek to address the impact of seasonality by offering easy changes in the delivery address and specially curated holiday meal kits. Further, we see our operations in Australia, which has different seasonal patterns than countries in the Northern hemisphere, as mitigating the influence of seasonality on our Group-wide operations.

Seasonal trends influence our marketing and operating expenses. We adapt our marketing spending to the seasonality of our business by spending less on marketing in the second and third quarter and by spending more in the winter. Concerning operating expenses, in most of our countries of operation, temperatures are typically higher in the third quarter than in the rest of the calendar year. Only a fraction of our deliveries are made in refrigerated vehicles. Accordingly, we have to spend more on insulation and cooling materials. These extra expenses typically lead to higher fulfilment expenses as a percentage of revenue in the third quarter ending September 30.

10.2.8 Investment in Talent

We believe that talented employees and supporters are a very important asset. We intend to continue to invest in hiring and retaining talent. We use stock options as one of the means to motivate and/or retain senior executives, key employees and certain supporters. Certain stock options relate to existing shares held by Bambino 53. as trustee that will be transferred to the respective stock option holder should the stock options be exercised. If the remaining stock options relating to new shares are exercised, the Issuer will issue a total of about 11.4 million new shares to the relevant option holders against payment of the strike price, which varies between EUR 1.00 and EUR 27.08 per share in the Issuer. In addition, the Issuer granted 3.1 million virtual stock options under various virtual stock option programs. For more information on these stock options and on our virtual stock option programs, please refer to "*16.7 Long-term Incentive Programs*"

Share-based compensation expense is allocated to various expense items in our consolidated statement of comprehensive income, as shown in the footnotes to the table in "*10.4 Results of Operations*". As we believe that the allocation of share-based compensation expense to these expense items is not reflective of the underlying operating performance of our business, we typically adjust our key performance indicators for share-based compensation expense, such as the Contribution Margin and Adjusted EBITDA.

10.2.9 Negative Working Capital

We focus on local sourcing and fresh produce. Our weekly business cycle allows us to operate on the basis of a just-in-time delivery set-up, resulting in very low inventories. Our inventories consist predominately of packaging material and non-perishable ingredients. For example, we had inventories of only EUR 9.4 million as of June 30, 2017. Most customers pay us on or before the day of receipt of their mealkit boxes. We typically pay our suppliers within market standard periods, i.e., generally within 2 to 4 weeks after delivery. As a result of these factors, our business has historically shown a negative working capital

that beneficially impacts our operating cash flow as long as we grow our operations. The following table shows the composition of our net working capital as of June 30, 2017:

	As of June 30, 2017
	(unaudited) (in EUR million)
Inventories	9.4
+ Trade receivables	8.8
+ VAT receivables	6.2
− Trade payables	(54.5)
− VAT payables	(0.0)
− Deferred revenue	(16.1)
Net working capital	**(46.3)**

We expect that net working capital as a percentage of quarterly revenue will remain broadly stable, subject to normal fluctuation, including due to seasonal effects.

Net working capital differs from the statement on working capital contained in "*7.3 Statement on Working Capital*". For more information, see "*9.4 Other Consolidated Financial Information*".

10.2.10 Capital Expenditure

As a result of our asset light business model, our capital expenditure has been very low historically. In 2014, we spent EUR 0.7 million for purchases of property, plant and equipment. In 2015, we invested EUR 5.6 million in the purchase of property, plant and equipment, in particular into capacity expansion in the United States. In 2016, we substantially increased our investment for the purchase of property, plant and equipment to EUR 35.3 million as a result of our investment in fulfilment centers as described above and spent EUR 2.1 million on software development and the purchase of software licenses. We are currently evaluating to invest in a higher degree of automation within the fulfilment centers, which we believe allows a more extensive and flexible product offering as well as structurally lower midterm production expenses.

10.2.11 Currency Translation Effects

We have two operating segments, USA and International. USA includes our operations in the United States. International includes our operations in Germany, the United Kingdom. the Netherlands, Belgium, Australia, Austria, Canada and Switzerland and, since September 2017, Luxembourg. The operating currency of our segment USA is the United States Dollar. While the operating currency in many countries in our International segment is the euro, our operations in the other countries in this segment are denominated in British Pounds, Australian Dollars, Canadian Dollars and Swiss Francs. In each of these countries and in the United States, nearly all of our expenses are denominated in the same currency as our revenue, providing a natural hedge to exchange rate fluctuations. However, for purposes of our consolidated financial statements, revenue generated, and expenses incurred, in currencies other than the euro have to be translated into euro on the basis of the average exchange rate in the relevant period. In addition, our net assets in these non-euro geographies are translated at period-end exchange rate into euros. Given the continuing investment into customer acquisition and expansion and further improvement of our operations, we typically keep some of our cash and cash equivalents in Australian Dollars, British Pounds, Canadian Dollars, Swiss Francs and United States Dollars as a hedge against currency effects.

10.3 Comparability

In 2016, we changed our segment reporting. Until the end of 2015, we grouped our operations in the operating segments Continental Europe and Rest of the World. In 2016, we changed our operational set-up to reflect the increased significance of the U.S. market. Since 2016, our operations in the United States form the operating segment USA and our other markets except the United States form our other operating segment International. In our consolidated financial statements as of and for the year ended December 31, 2016 and as of and for the six months ended June 30, 2017, prior period comparative figures have been restated to reflect the new segment structure, respectively. For purposes of this prospectus, the segment data for the year ended December 31, 2015 has therefore been taken or derived from the comparative segment information contained in the audited consolidated financial statements as of and for the year ended December 31, 2016; we have also prepared comparative figures for 2014 based on our current segment structure from our internal reporting system which are unaudited.

In the audited consolidated financial statements of the Issuer as of and for the year ended December 31, 2016, the Issuer also changed the classification in particular of certain working capital related items in the consolidated statement of cash flows in order to enhance the presentation. The changes in classification led to corresponding retrospective changes in the comparative financial information for the year ended December 31, 2015. Therefore, financial information related to the cash flow used in operating activities presented for the year ended December 31, 2014 is not entirely comparable to such financial information for the years ended December 31, 2015 and December 31, 2016 and for the six months ended June 30, 2016 and 2017. For purposes of comparability the discussion of cash flow related financial information for the years ended December 31, 2015 and December 31, 2016 is based on figures taken or derived from the audited consolidated financial statements of the Issuer as of and for the year ended December 31, 2016 and the discussion of cash flow related financial information for the years ended December 31, 2014 and December 31, 2015 is based on figures taken or derived from the audited consolidated financial statements of the Issuer as of and for the year ended December 31, 2015.

10.4 Results of Operations

The following table shows selected financial data taken from the Issuer's consolidated statement of comprehensive income for the years ended December 31, 2014, December 31, 2015 and December 31, 2016 and for the six months ended June 30, 2016 and June 30, 2017:

	For the year ended December 31,			For the six months ended June 30,	
	2014	**2015**	**2016**	**2016**	**2017**
		(audited) (in EUR million)		(unaudited) (in EUR million)	
Revenue	69.6	305.0	597.0	291.5	435.4
Cost of goods sold[1]	(31.1)	(146.1)	(257.3)	(127.0)	(180.5)
Gross profit	**38.5**	**158.9**	**339.6**	**164.5**	**254.9**
Fulfilment expenses[2]	(23.1)	(121.7)	(238.4)	(117.6)	(162.8)
Marketing expenses[3]	(22.4)	(120.5)	(157.4)	(80.5)	(123.1)
General and administrative expenses[4]	(7.5)	(30.8)	(30.7)	(14.8)	(20.5)
Other operating income	0.5	0.2	0.9	0.2	1.0
Other operating expenses	(1.7)	(1.6)	(4.5)	(2.7)	(2.4)
Operating loss[5]	**(15.8)**	**(115.5)**	**(90.5)**	**(50.9)**	**(52.9)**
Finance income	0.0	0.1	1.5	0.5	0.6
Finance expense	(0.0)	(1.4)	(5.2)	(2.5)	(4.9)
Loss before income tax benefit (expense)	**(15.8)**	**(116.8)**	**(94.1)**	**(52.9)**	**(57.1)**
Income tax benefit (expense)	0.4	(0.0)	0.3	–	0.4
Loss for the year/period	**(15.4)**	**(116.8)**	**(93.9)**	**(52.9)**	**(56.7)**
thereof attributable to:					
Owners of the company	(14.6)	(113.8)	(93.8)	(52.9)	(56.6)
Non-controlling interests	(0.8)	(3.0)	(0.1)	(0.0)	(0.1)

1) Cost of goods sold includes share-based compensation expense of EUR 0.1 million in 2014, EUR 0.4 million in 2015, EUR 0.2 million in 2016, EUR 0.2 million in the six months ended June 30, 2016 and EUR 0.0 million in the six months ended June 30, 2017. Share-based compensation expense is also referred to as share-based payment expense in the Issuer's audited consolidated financial statements as of and for the years ended December 31, 2016, 2015 and 2014.

2) Fulfilment expenses include share-based compensation expense of EUR 0.0 million in 2014, EUR 1.4 million in 2015, EUR 0.1 million in 2016, share-based compensation income of EUR 0.1 million in the six months ended June 30, 2016 and share-based compensation expense of EUR 0.3 million in the six months ended June 30, 2017. Share-based compensation expense is also referred to as share-based payment expense in the Issuer's audited consolidated financial statements as of and for the years ended December 31, 2016, 2015 and 2014.

3) Marketing expenses include share-based compensation expense of EUR 0.8 million in 2014 and EUR 11.7 million in 2015, share-based compensation income of EUR 0.1 million in 2016 and share-based compensation expense of EUR 1.1 million in the six months ended June 30, 2016 and EUR 0.5 million in the six months ended June 30, 2017. Share-based compensation expense is also referred to as share-based payment expense in the Issuer's audited consolidated financial statements as of and for the years ended December 31, 2016, 2015 and 2014.

4) General and administrative expenses include share-based compensation expense of EUR 2.4 million in 2014, EUR 11.1 million in 2015, EUR 1.9 million in 2016, EUR 1.5 million in the six months ended June 30, 2016 and EUR 1.0 million in the six months ended June 30, 2017. Share-based compensation expense is also referred to as share-based payment expense in the Issuer's audited consolidated financial statements as of and for the years ended December 31, 2016, 2015 and 2014.

5) Operating loss is also referred to as EBIT in the segment reporting of the consolidated financial statements of the Issuer.

10.4.1 Revenue

We generate revenue primarily from the sale of meal kits, containing recipes and the corresponding ingredients. Revenue is measured at the fair value of the consideration received or receivable, and represents amounts receivable for goods supplied, stated net of promotional discounts, customer credits, refunds and VAT. Promotional discounts are primarily granted to new customers. The average discount, including credits from referrals and other, discretionary credits, amounts to about 58% for customers receiving their first box and decreases to about 4% for customers receiving their 10th box and further to about 3% for customers receiving their 20th box. Refunds have typically been below 1% of revenue since the beginning of 2016.

We recognize revenue when the amount of revenue can be reliably measured, when it is probable that future economic benefits will flow to the relevant entity and when the risks and rewards of the inventory have passed to the customer, which is when the goods have been delivered to the customer.

The following table shows the development of the key drivers of our revenue on a quarterly basis for the periods indicated:

	As of and for the three months ended									
	Mar. 31, 2015	June 30, 2015	Sept. 30, 2015	Dec. 31, 2015	Mar. 31, 2016	June 30, 2016	Sept. 30, 2016	Dec. 31, 2016	Mar. 31, 2017	June 30, 2017
	(unaudited)									
Group										
Revenue (in EUR million)	45.4	67.1	85.5	106.9	141.4	150.1	146.8	158.7	205.3	230.1
Active customers (in thousand persons)[1]	289	408	542	621	786	812	844	857	1,160	1,251
Orders (in million)	1.1	1.5	1.9	2.3	3.0	3.1	3.0	3.2	4.2	4.7
Orders per customer	3.68	3.67	3.50	3.75	3.85	3.83	3.58	3.77	3.62	3.74
Meals (in million)	7.7	10.9	13.7	17.0	22.0	22.7	22.2	23.9	30.6	33.7
Average order value (in EUR)	42.73	44.75	45.01	45.92	46.80	48.25	48.53	49.12	48.85	49.17

1) Number of uniquely identified customers who received at least one box within the preceding 3 months (including first-time and trial customers, customers who received a free or discounted box and customers who ordered during the relevant period but discontinued their orders and registration with us before period end) counted from the end of the relevant quarter.

10.4.1.1 Comparison of the Six Months Ended June 30, 2016 and June 30, 2017

Revenue increased by 49.4% from EUR 291.5 million in the six months ended June 30, 2016 to EUR 435.4 million in the six months ended June 30, 2017, primarily driven by strong growth in Active Customers in the USA segment, which increased from 382 thousand in the three months ended June 30, 2016 to 796 thousand in the three months ended June 30, 2017.

10.4.1.2 Comparison of the Years Ended December 31, 2016 and December 31, 2015

Revenue increased from EUR 305.0 million in 2015 to EUR 597.0 million in 2016 based on a strong revenue increase in both segments, particularly in our USA segment. Supported by increased marketing, the number of our Active Customers increased from 621 thousand in the three months ended December 31, 2015 to 857 thousand in the three months ended December 31, 2016, with the number of orders increasing from 6.8 million orders in 2015 to 12.4 million orders in 2016. An increase in the average order value in both segments also contributed to the increase in revenue. The average order value increased by 7.0% from EUR 45.92 in the three months ended December 31, 2015 to EUR 49.12 in the three months ended December 31, 2016. The key driver for this increase was an increasing share of orders from the USA segment, for which the average order value is higher than for our International segment.

10.4.1.3 Comparison of the Years Ended December 31, 2015 and December 31, 2014

Revenue increased from EUR 69.6 million in 2014 to EUR 305.0 million in 2015, based on strong revenue increases in both segments. The number of orders increased from 1.7 million orders in 2014 to 6.8 million orders in 2015 and the average order value increased from EUR 41.13 per order in 2014 to EUR 44.91 per order in 2015, primarily due to geographic mix effects, as the USA segment, which has a higher average order value than our International segment, accounted for a larger portion of consolidated orders in 2015 than in 2014. The increase was also supported by positive exchange rate effects related to an increase in the value of the U.S. dollar compared to the euro.

10.4.2 Cost of Goods Sold

Cost of goods sold includes the purchase price of goods, inbound shipping charges, employee benefit expenses, including share-based compensation expense, and other attributable overhead expenses. Shipping charges to receive products from suppliers are included in inventory, and recognized as cost of goods sold upon the sale of products to customers.

10.4.2.1 Comparison of the Six Months Ended June 30, 2016 and June 30, 2017

Cost of goods sold increased from EUR 127.0 million in the six months ended June 30, 2016 to EUR 180.5 million in the six months ended June 30, 2017. As a percentage of revenue, cost of goods sold adjusted for share-based compensation expense decreased from 43.5% in the six months ended June 30, 2016 to 41.4% in the six months ended June 30, 2017 due to more favorable purchasing conditions, which positively impacted the development of cost of goods sold.

10.4.2.2 Comparison of the Years Ended December 31, 2016 and December 31, 2015

Cost of goods sold increased from EUR 146.1 million in 2015 to EUR 257.3 million in 2016. However, as a percentage of revenue, cost of goods sold decreased from 47.9% in 2015 to 43.1% in 2016.

Cost of goods sold included share-based compensation expense of EUR 0.4 million in 2015 and EUR 0.2 million in 2016. As a percentage of revenue, cost of goods sold adjusted for share-based compensation expense decreased from 47.8% in 2015 to 43.1% in 2016. This decrease was due to a focus on realizing economies of scale, professionalizing our procurement activities, extending our supplier network and leveraging more favorable supplier terms.

10.4.2.3 Comparison of the Years Ended December 31, 2015 and December 31, 2014

Cost of goods sold increased from EUR 31.1 million in 2014 to EUR 146.1 million in 2015. As a percentage of revenue, cost of goods sold increased from 44.7% in 2014 to 47.9% in 2015.

Cost of goods sold included share-based compensation expense of EUR 0.1 million in 2014 and EUR 0.4 million in 2015. As a percentage of revenue, cost of goods sold adjusted for share-based compensation expense increased from 44.6% in 2014 to 47.8% in 2015, as we focused on providing high quality ingredients to our customers in connection with the ramp up of our U.S. business and on onboarding of additional suppliers, which led to a temporary increase in expenses related to the procurement of ingredients.

10.4.3 Gross Profit

Gross profit is the difference of revenue and cost of goods sold.

10.4.3.1 Comparison of the Six Months Ended June 30, 2016 and June 30, 2017

Gross profit increased from EUR 164.5 million in the six months ended June 30, 2016 to EUR 254.9 million in the six months ended June 30, 2017 due to the growth of our operations. As a percentage of revenue, gross profit increased from 56.4% in the six months ended June 30, 2016 to 58.5% in the six months ended June 30, 2017.

10.4.3.2 Comparison of the Years Ended December 31, 2016 and December 31, 2015

Gross profit increased strongly from EUR 158.9 million in 2015 to EUR 339.6 million in 2016. As a percentage of revenue, our gross profit increased from 52.1% in 2015 to 56.9% in 2016, reflecting operational economies of scale and increased purchasing power.

Excluding share-based compensation expense from cost of goods sold, our gross profit expressed as a percentage of revenue increased from 52.2% in 2015 to 56.9% in 2016.

10.4.3.3 Comparison of the Years Ended December 31, 2015 and December 31, 2014

Gross profit increased strongly from EUR 38.5 million in 2014 to EUR 158.9 million in 2015. Expressed as a percentage of revenue, our gross profit declined from 55.3% in 2014 to 52.1% in 2015. Excluding share-based compensation expense from cost of goods sold, our gross profit expressed as a percentage of revenue decreased from 55.4% in 2014 to 52.2% in 2015, due to a focus on providing high quality ingredients to our customers in connection with the ramp up of our U.S. business.

10.4.4 Fulfilment Expenses

Fulfilment expenses represent expenses attributable to picking and packaging of ingredients into our meal kits, preparing customer orders for shipment, including packaging materials, as well as expenses for product testing and recipe card printing and payment provider fees. Fulfilment expenses also include outbound shipping expenses and amounts paid to third parties that assist us in fulfilment operations, such as the packaging of our boxes as well as employee benefit expenses, including share-based compensation expense.

10.4.4.1 Comparison of the Six Months Ended June 30, 2016 and June 30, 2017

Fulfilment expenses increased from EUR 117.6 million in the six months ended June 30, 2016 to EUR 162.8 million in the six months ended June 30, 2017. Fulfilment expenses included share-based compensation income of EUR 0.1 million in the six months ended June 30, 2016 and share-based compensation expense of EUR 0.3 million in the six months ended June 30, 2017. As a percentage of revenue fulfilment expenses excluding share-based compensation income and expense decreased from 40.4% in the six months ended June 30, 2016 to 37.3% in the six months ended June 30, 2017, despite transitioning and ramp-up expenses relating to the insourcing of our fulfilment center in Australia towards the end of the second quarter of 2017. The relative decrease in fulfilment expenses was primarily due to productivity gains and higher fixed cost leverage from increasing production volumes as well as lower shipping expenses and lower packaging expenses in relation to revenue.

10.4.4.2 Comparison of the Years Ended December 31, 2016 and December 31, 2015

Fulfilment expenses increased significantly from EUR 121.7 million in 2015 to EUR 238.4 million in 2016. As a percentage of revenue, fulfilment expenses remained stable at 39.9% in 2015 and 2016.

Fulfilment expenses included share-based compensation expense of EUR 1.4 million in 2015 and EUR 0.1 million in 2016. As a percentage of revenue, fulfilment expenses excluding share-based compensation expense, increased from 39.4% in 2015 to 39.9% in 2016, as we continued the ramp up of our fulfilment capacity globally and moved into two new fulfilment centers in the United States and a new fulfilment center in each of the United Kingdom, the Netherlands and Germany. Four of these fulfilment centers are internally operated. The capacity increase with respect to these fulfilment centers led to higher associated absolute lease, utilities and labor expenses.

10.4.4.3 Comparison of the Years Ended December 31, 2015 and December 31, 2014

Fulfilment expenses increased from EUR 23.1 million in 2014 to EUR 121.7 million in 2015. As a percentage of revenue, fulfilment expenses increased from 33.2% in 2014 to 39.9% in 2015.

Fulfilment expenses included share-based compensation expense of EUR 0.0 million in 2014 and EUR 1.4 million in 2015. As a percentage of revenue, fulfilment expenses excluding share-based

compensation expense increased from 33.2% in 2014 to 39.4% in 2015. This increase was primarily due to expenses related to improved packaging and the ramp up of fulfilment capacity in the United States.

10.4.5 Marketing Expenses

Marketing expenses represent expenses associated with the promotion of our goods and include online and offline marketing expenses, promotion of the brand through traditional media outlets, the production and distribution of gift cards, expenses related to our customer care activities and other expenses associated with our market presence, including share-based compensation expense.

10.4.5.1 Comparison of the Six Months Ended June 30, 2016 and June 30, 2017

Marketing expenses increased by 52.9% from EUR 80.5 million in the six months ended June 30, 2016 to EUR 123.1 million in the six months ended June 30, 2017 due to further spending geared towards an increase of our customer base and further investment in our brand. While the first quarter of a year generally represents our highest relative spending on marketing with marketing expenses of 31.5% of revenue in the three months ended March 31, 2017 and 29.4% in the three months ended March 31, 2016, we maintained a robust level of marketing spending with marketing expenses of 25.4% of revenue in the three months ended June 30, 2017 (three months ended June 30, 2016: 25.9%). Our marketing activities were rewarded with significant growth of Active Customers in the six months ended June 30, 2017. Overall we saw customer acquisition costs on a per customer basis remain broadly stable in the six months ended June 30, 2017 compared to the six months ended June 30, 2016.

Marketing expenses included share-based compensation expense of EUR 1.1 million in the six months ended June 30, 2016 and share-based compensation expense of EUR 0.5 million in the six months ended June 30, 2017. As a percentage of revenue, marketing expenses excluding share-based compensation expense increased slightly from 27.2% in the six months ended June 30, 2016 to 28.2% in the six months ended June 30, 2017.

10.4.5.2 Comparison of the Years Ended December 31, 2016 and December 31, 2015

Marketing expenses increased from EUR 120.5 million in 2015 to EUR 157.4 million in 2016. As a percentage of revenue, marketing expenses decreased from 39.5% in 2015 to 26.4% in 2016.

Marketing expenses included share-based compensation expense of EUR 11.7 million in 2015 and share-based compensation income of EUR 0.1 million in 2016. As a percentage of revenue, marketing expenses excluding share-based compensation income and expense decreased from 35.7% in 2015 to 26.4% in 2016 driven by more effective customer targeting, geographic focus initiatives and an increased focus on cost-efficient marketing channels.

10.4.5.3 Comparison of the Years Ended December 31, 2015 and December 31, 2014

Marketing expenses nearly quintupled from EUR 22.4 million in 2014 to EUR 120.5 million in 2015. As a percentage of revenue, however, marketing expenses increased only moderately from 32.2% in 2014 to 39.5% in 2015.

Marketing expenses included share-based compensation expense of EUR 0.8 million in 2014 and EUR 11.7 million in 2015. As a percentage of revenue, marketing expenses excluding share-based compensation expense increased from 31.0% in 2014 to 35.7% in 2015, due to increased efforts to acquire new customers and build our brand.

10.4.6 General and Administrative Expenses

General and administrative expenses are expenses not directly associated with the production and distribution of goods. They contain wages and benefits, including share-based compensation expense, of management as well as accounting, legal and IT staff, consulting expenses, audit expenses, office rent, and related utilities, insurance and other overhead expenses. Other than our IT expenses, where we continue to meaningfully scale our team and platform, general and administrative expenses typically increase at a lesser rate than revenue.

10.4.6.1 Comparison of the Six Months Ended June 30, 2016 and June 30, 2017

General and administrative expenses increased by 38.5% from EUR 14.8 million in the six months ended June 30, 2016 to EUR 20.5 million in the six months ended June 30, 2017 due to higher spending for our team and infrastructure driven by the growth of our operations.

10.4.6.2 Comparison of the Years Ended December 31, 2016 and December 31, 2015

General and administrative expenses remained nearly stable at EUR 30.8 million in 2015 and EUR 30.7 million in 2016. As a percentage of revenue, general and administrative expenses decreased from 10.1% in 2015 to 5.1% in 2016.

General and administrative expenses included share-based compensation expense of EUR 11.1 million in 2015 and EUR 1.9 million in 2016. As a percentage of revenue, general and administrative expenses excluding share-based compensation expense decreased from 6.4% in 2015 to 4.8% in 2016, showing the fixed cost degression as we scale our business and the impact of our global platform, which only needs limited adjustments even as we expand into new geographic markets.

10.4.6.3 Comparison of the Years Ended December 31, 2015 and December 31, 2014

General and administrative expenses increased from EUR 7.5 million in 2014 to EUR 30.8 million in 2015. As a percentage of revenue, general and administrative expenses decreased from 10.8% in 2014 to 10.1% in 2015.

General and administrative expenses included share-based compensation expense of EUR 2.4 million in 2014 and EUR 11.1 million in 2015. As a percentage of revenue, general and administrative expenses excluding share-based compensation expense decreased from 7.4% in 2014 to 6.4% in 2015, as we began to benefit from economies of scale.

10.4.7 Other Operating Income and Other Operating Expenses

Other operating income comprises foreign exchange gains and other items, such as income from subleased office or warehouse space. Other operating expenses comprise bad debt expenses, foreign exchange losses and other items.

10.4.7.1 Comparison of the Six Months Ended June 30, 2016 and June 30, 2017

Other operating income increased from EUR 0.2 million in the six months ended June 30, 2016 to EUR 1.0 million in the six months ended June 30, 2017. Other operating expenses improved by 11.1% from EUR 2.7 million in the six month ended June 30, 2016 to EUR 2.4 million in the six months ended June 30, 2017.

10.4.7.2 Comparison of the Years Ended December 31, 2016 and December 31, 2015

Other operating income increased from EUR 0.2 million in 2015 to EUR 0.9 million in 2016, primarily due to foreign exchange gains, while other operating expenses increased from EUR 1.6 million in 2015 to EUR 4.5 million in 2016, primarily due to an increase in bad debt expense driven by an increase in revenue and foreign exchange losses.

10.4.7.3 Comparison of the Years Ended December 31, 2015 and December 31, 2014

Other operating income decreased from EUR 0.5 million in 2014 to EUR 0.2 million in 2015, mainly due to lower foreign exchange gains. Other operating expenses also decreased from EUR 1.7 million in 2014 to EUR 1.6 million in 2015 mainly due to lower bad debt expense.

10.4.8 Operating Loss and Adjusted EBITDA

Operating loss equals gross profit less marketing, fulfilment, general and administrative expenses and other operating expenses plus other operating income.

	For the year ended December 31,			For the six months ended June 30,	
	2014	**2015**	**2016**	**2016**	**2017**
	(audited, unless otherwise indicated) (in EUR million, unless otherwise indicated)			(unaudited) (in EUR million, unless otherwise indicated)	
Loss before income tax benefit (expense)	**(15.8)**	**(116.8)**	**(94.1)**	**(52.9)**	**(57.1)**
Finance income	(0.0)	(0.1)	(1.5)	(0.5)	(0.6)
Finance expense	0.0	1.4	5.2	2.5	4.9
Operating loss (EBIT)	**(15.8)**	**(115.5)**	**(90.5)**	**(50.9)**	**(52.9)**
Depreciation and amortization	0.2	0.6	4.3	1.8	3.8
EBITDA	**(15.6)**	**(114.9)**	**(86.2)**	**(49.2)**	**(49.1)**
EBITDA in % of revenue[1)2)]	*(22.4)*	*(37.7)*	*(14.4)*	*(16.9)*	*(11.3)*
Special items and holding fees[3)]	3.3	28.6	3.6	3.4	2.5
Adjusted EBITDA	**(12.2)**	**(86.2)**	**(82.6)**	**(45.7)**	**(46.5)**
Adjusted EBITDA in % of revenue[1) 2)]	*(17.6)*	*(28.3)*	*(13.8)*	*(15.7)*	*(10.7)*

1) Unaudited.

2) Revenue was EUR 69.6 million in 2014, EUR 305.0 million in 2015, EUR 597.0 million in 2016, EUR 291.5 million in the six months ended June 30, 2016 and EUR 435.4 million in the six months ended June 30, 2017.

3) Special items and holding fees consists of the following items:

	For the year ended December 31,			For the six months ended June 30,	
	2014	**2015**	**2016**	**2016**	**2017**
	(audited, unless otherwise indicated) (in EUR million)			(unaudited) (in EUR million)	
Share-based compensation expense[*)]	(3.3)	(24.6)	(2.0)	(2.6)	(1.8)
Other special items[**)]	–	(4.0)	(1.6)	(0.8)	(0.7)
Special items and holding fees[***)]	**(3.3)**	**(28.6)**	**(3.6)**	**(3.4)**	**(2.5)**

*) Also referred to as share-based payment expense in the Issuer's audited consolidated financial statements as of and for the years ended December 31, 2016, 2015 and 2014.

**) Unaudited. Other special items are non-recurring and include, among other items, expenses related to legal advice and other services incurred in connection with equity financing rounds (capital increases), debt financings and preparation for the Issuer's initial public offering.

***) Holding fees are only relevant on the segment level. On the Group level, there are no holding fees recorded as these are eliminated within consolidation.

10.4.8.1 Comparison of the Six Months Ended June 30, 2016 and June 30, 2017

EBIT decreased slightly from a loss of EUR 50.9 million in the six months ended June 30, 2016 to a loss of EUR 52.9 million in the six months ended June 30, 2017. Adjusted EBITDA slightly decreased from a loss of EUR 45.7 million in the six months ended June 30, 2016 to a loss of EUR 46.5 million in the six months ended June 30, 2017. Expressed as a percentage of revenue, Adjusted EBITDA improved from negative 15.7% in the six months ended June 30, 2016 to negative 10.7% in the six months ended June 30, 2017 as we benefited from economies of scale driven by an increase in revenue by 49.4% and benefited from other operational improvements.

10.4.8.2 Comparison of the Years Ended December 31, 2016 and December 31, 2015

EBIT improved from a loss of EUR 115.5 million in 2015 to a loss of EUR 90.5 million in 2016. Adjusted EBITDA increased in absolute terms slightly from a loss of EUR 86.2 million in 2015 to a loss of EUR 82.6 million in 2016, as a strong increase in gross profit primarily as a result of growth of our operations was nearly offset by increases in fulfilment expenses related to the growth of our operations and the ramp up of our fulfilment capacity globally and marketing expenses related to efforts to scale our business and build our customer base. Expressed as a percentage of revenue, Adjusted EBITDA improved significantly from negative 28.3% in 2015 to negative 13.8% in 2016, showing the positive impact of economies of scale on our business results.

10.4.8.3 Comparison of the Years Ended December 31, 2015 and December 31, 2014

EBIT decreased from a loss of EUR 15.8 million in 2014 to a loss of EUR 115.5 million in 2015. Adjusted EBITDA decreased from a loss of EUR 12.2 million in 2014 to a loss of EUR 86.2 million in 2015 as a strong increase in gross profit driven by the growth of our operations was more than offset by strong increases in fulfilment expenses related to the growth of our operations, improved packaging and the ramp up of fulfilment capacity in the United States and marketing expenses to acquire new customers and build our brand. Expressed as a percentage of revenue, Adjusted EBITDA decreased from negative 17.6% in 2014 to negative 28.3% in 2015, reflecting the impact of the factors mentioned in the preceding sentence.

10.4.9 Finance Income, Finance Expense

Finance income remained nearly stable and amounted to EUR 0.5 million in the six months ended June 30, 2016 and EUR 0.6 million in the six months ended June 30, 2017. Finance expense increased from EUR 2.5 million in the six months ended June 30, 2016 to EUR 4.9 million in six months ended June 30, 2017. The finance expense in the six months ended June 30, 2017 consisted of EUR 2.7 million interest expenses and EUR 2.2 million translation losses due to a strengthening euro compared to most other currencies. For comparison, interest expenses in the six months ended June 30, 2016 were EUR 1.0 million, as both our bank financing and shareholder loan were put in place in late April 2016 and in May 2016 and therefore are only included for a fraction of the six months ended June 30, 2016.

Finance income increased from EUR 0.1 million in 2015 to EUR 1.5 million in 2016 primarily due to currency translation gains on cash and cash equivalents. Finance expense increased from EUR 1.4 million in 2015 to EUR 5.2 million in 2016, of which EUR 3.1 million related to the first time incurring of interest expense on borrowings in connection with a shareholder loan agreement with Rocket Internet SE and a term loan facility agreement with Rabobank, with the remainder relating to higher currency translation expenses on cash and cash equivalents.

Finance income and finance expense were negligible in 2014.

10.4.10 Income Tax Benefit (Expense), Loss for the Year/Period

Loss before income tax benefit (expense) equals operating loss minus finance expense plus finance income. Loss for the year/period equals loss before income tax benefit (expense) plus income tax benefit/minus income tax expense.

10.4.10.1 Comparison of the Six Months Ended June 30, 2016 and June 30, 2017

In the six months ended June 30, 2017, we recorded an income tax benefit of EUR 0.4 million. In the six months ended June 30, 2016, we incurred no income tax benefit (expense).

Loss for the period increased from a loss of EUR 52.9 million in the six months ended June 30, 2016 to a loss of EUR 56.7 million in the six months ended June 30, 2017. As a percentage of revenue, loss for the period improved from negative 18.1% in the six months ended June 30, 2016 to negative 13.0% in the six months ended June 30, 2017 due to a relative decrease in cost of goods sold, fulfilment expenses and general and administrative expenses that was only offset by a slight relative increase in marketing expenses.

10.4.10.2 Comparison of the Years Ended December 31, 2016 and December 31, 2015

Income tax benefit (expense) changed from a negligible income tax expense in 2015 to an income tax benefit of EUR 0.3 million in 2016 due to the recognition of deferred income tax assets.

Loss for the year improved from a loss of EUR 116.8 million in 2015 to a loss of EUR 93.9 million in 2016 due primarily to the strong increase in revenue and economies of scale.

10.4.10.3 Comparison of the Years Ended December 31, 2015 and December 31, 2014

Income tax benefit (expense) changed from an income tax benefit of EUR 0.4 million in 2014 to a negligible income tax expense in 2015.

Loss for the year increased from a loss of EUR 15.4 million in 2014 to a loss of EUR 116.8 million in 2015 due to volume effects related to the growth of our operations, a focus on providing high quality ingredients to our customers in connection with the ramp up of our U.S. business, higher expenses related to improved packaging and the ramp up of fulfilment capacity in the United States and increased marketing spending.

10.5 Segment Discussion

The Group comprises two operating segments: USA and International. USA comprises our business in the United States. International comprises our operations in the United Kingdom, the Netherlands, Belgium, Australia, Germany, Austria, Canada and Switzerland and, since September 2017, Luxembourg. We do not divide our business into operating segments based on the type of business.

10.5.1 USA

The following table shows the operating performance of our USA segment for the years ended December 31, 2014, December 31, 2015 and December 31, 2016 and for the six months ended June 30, 2016 and June 30, 2017:

	For the year ended December 31,			For the six months ended June 30,	
	2014	2015	2016	2016	2017
	(unaudited)	(audited, unless otherwise indicated)		(unaudited)	
	(in EUR million, unless otherwise indicated)			(in EUR million, unless otherwise indicated)	
External revenue	**10.9**	**103.8**	**286.9**	**133.0**	**263.4**
Contribution Margin[1]	**0.5**	**(6.2)**	**33.9**	**12.1**	**53.7**
Contribution Margin in % of external revenue[2]	*4.7*	*(6.0)*	*11.8*	*9.1*	*20.4*
Adjusted EBITDA	**(5.2)**	**(48.2)**	**(47.9)**	**(28.1)**	**(31.3)**
Adjusted EBITDA in % of external revenue[2]	*(47.5)*	*(46.4)*	*(16.7)*	*(21.1)*	*(11.9)*
Special items and holding fees[3]	(0.3)	(6.7)	(0.8)	(1.4)	(0.5)
EBITDA	**(5.5)**	**(54.8)**	**(48.8)**	**(29.5)**	**(31.8)**
EBITDA in % of external revenue[2]	*(50.6)*	*(52.8)*	*(17.0)*	*(22.2)*	*(12.1)*
Depreciation and amortization	(0.0)	(0.4)	(2.5)	(1.3)	(1.7)
Operating loss (EBIT)	**(5.6)**	**(55.2)**	**(51.2)**	**(30.7)**	**(33.5)**

1) Contribution Margin corresponds to external revenue less cost of goods sold net of share-based compensation expense included in cost of goods sold, and fulfilment expenses, net of share-based compensation expense included in fulfilment expenses. The Contribution Margin is referred to as profit contribution or PC2 in the Issuer's unaudited condensed consolidated interim financial statements as of and for the six months ended June 30, 2017 and in the Issuer's audited consolidated financial statements as of and for the years ended December 31, 2016, 2015 and 2014.

2) Unaudited.

3) Special items and holding fees consists of the following items:

	For the year ended December 31,			For the six months ended June 30,	
	2014	2015	2016	2016	2017
	(unaudited, unless otherwise indicated)			(unaudited)	
	(in EUR million)			(in EUR million)	
Share-based compensation expense*)	(0.3)	(5.1)	(0.1)	(1.0)	(0.3)
Holding fees**)	(0.1)	(1.3)	(0.7)	(0.4)	(0.2)
Other special items***)	–	(0.2)	(0.1)	–	–
Special items and holding fees**)**	**(0.3)**	**(6.7)**	**(0.8)**	**(1.4)**	**(0.5)**

*) Also referred to as share-based payment expense in the Issuer's audited consolidated financial statements as of and for the years ended December 31, 2016, 2015 and 2014.

**) Refers to surcharge in fees for holding services provided to the segments. We adjust for these fees as we believe that segment performance should not be affected by any intragroup margin.

***) Other special items are non-recurring and include, among other items, expenses related to legal advice and other services incurred in connection with equity financing rounds (capital increases), debt financings and preparation for the Issuer's initial public offering.

****) Figures for the years ended December 31, 2015 and 2016 are audited.

The following table shows the development of the additional financial information for our USA segment on a quarterly basis for the periods indicated:

	As of and for the three months ended									
	Mar. 31, 2015	June 30, 2015	Sept. 30, 2015	Dec. 31, 2015	Mar. 31, 2016	June 30, 2016	Sept. 30, 2016	Dec. 31, 2016	Mar. 31, 2017	June 30, 2017
	(unaudited)									
USA										
External revenue (in EUR million)	13.0	22.8	31.8	36.1	61.5	71.5	74.3	79.5	120.1	143.3
Active customers (in thousand persons)1)	92	143	198	218	328	382	413	432	714	796
Orders (in million)	0.3	0.4	0.6	0.7	1.1	1.3	1.3	1.4	2.2	2.7
Orders per customer	2.81	2.99	3.00	3.02	3.34	3.36	3.21	3.22	3.14	3.40
Meals (in million)	1.7	2.8	3.9	4.3	7.5	8.9	9.2	9.7	15.4	18.3
Average order value (in EUR)	50.61	53.46	53.46	54.81	56.08	55.74	56.04	57.10	53.54	53.03

1) Number of uniquely identified customers who received at least one box within the preceding 3 months (including first-time and trial customers, customers who received a free or discounted box and customers who ordered during the relevant period but discontinued their orders and registration with us before period end) counted from the end of the relevant quarter.

10.5.1.1 External Revenue

External revenue of our USA segment nearly doubled from EUR 133.0 million in the six months ended June 30, 2016 to EUR 263.4 million in the six months ended June 30, 2017, primarily due to continued strong growth in Active Customers and orders that was only partially offset by a decrease in average order value due to a downward adjustment of the base prices of our plans across the United States in December 2016, which was partially offset by the introduction of a premium meal option in January 2017.

In 2016, external revenue of our USA segment increased by 176.3% from EUR 103.8 million in 2015 to EUR 286.9 million in 2016, driven by growth in Active Customers and growth in orders. The growth in Active Customers and orders was driven by successful marketing campaigns and supported by the completion of our infrastructure investments in line with the ramp-up process in the United States over the course of 2015 and 2016, which included moves into new fulfilment centers in Grand Prairie (Texas) and Newark (New Jersey), in the first and fourth quarter of 2016, respectively.

In 2015, external revenue of our USA segment increased from EUR 10.9 million in 2014 to EUR 103.8 million in 2015, primarily driven by strong growth in Active Customers.

10.5.1.2 Contribution Margin

The Contribution Margin of our USA segment increased from EUR 12.1 million in the six months ended June 30, 2016 to EUR 53.7 million in the six months ended June 30, 2017. The Contribution Margin of our USA segment expressed as a percentage of external revenue improved from 9.1% in the six months ended June 30, 2016 to 20.4% in the six months ended June 30, 2017 due to economies of scale and increased negotiation leverage in procurement that positively impacted cost of goods sold and fulfilment expenses.

In 2016, the Contribution Margin of our USA segment increased significantly from negative EUR 6.2 million in 2015 to positive EUR 33.9 million with the Contribution Margin expressed as a percentage of external revenue improving from negative 6.0% in 2015 to positive 11.8% in 2016 as we focused our efforts on realizing economies of scale by professionalizing our procurement activities broadening our supplier network and leveraging more favorable supplier terms. Our new fulfilment centers, which became operational in the first and fourth quarter of 2016, as described above, contributed to the improvement by increasing capacity, control and flexibility.

In 2015, the Contribution Margin of our USA segment decreased from EUR 0.5 million in 2014 to negative EUR 6.2 million, while the Contribution Margin expressed as a percentage of external revenue decreased from positive 4.7% in 2014 to negative 6.0% in 2015. The decline in the Contribution Margin expressed as a percentage of external revenue reflects higher procurement expenses due to the onboarding of additional suppliers and investment in high quality ingredients in connection with the ramp up of our U.S. business as well as higher fulfilment expenses due to the establishment of new fulfilment centers.

10.5.1.3 EBITDA, Adjusted EBITDA

EBITDA of our USA segment increased from a loss of EUR 29.5 million in the six months ended June 30, 2016 to a loss of EUR 31.8 million in the six months ended June 30, 2017. Adjusted EBITDA developed largely in line with EBITDA. Expressed as a percentage of external revenue, Adjusted EBITDA of our USA segment improved from negative 21.1% in the six months ended June 30, 2016 to negative 11.9% in the six months ended June 30, 2017.

In 2016, EBITDA of our USA segment improved from a loss of EUR 54.8 million in 2015 to a loss of EUR 48.8 million. Adjusted EBITDA, which excludes special items and holding fees, improved from a loss of EUR 48.2 million in 2015 to a loss of EUR 47.9 million while external revenue almost doubled, resulting in the improvement of the Adjusted EBITDA as a percentage of external revenue from negative 46.4% in 2015 to negative 16.7% in 2016. In addition to reflecting the improved Contribution Margin, the Adjusted EBITDA of the USA segment benefited from a decline in marketing expenses expressed as a percentage of external revenue from 36.9% in 2015 to 25.5% in 2016. In absolute terms, marketing expenses increased from EUR 38.3 million in 2015 to EUR 73.2 million in 2016 as we actively promoted the brand and engaged new customers through a variety of marketing channels.

In 2015, EBITDA of our USA segment decreased significantly from a loss of EUR 5.5 million in 2014 to a loss of EUR 54.8 million, primarily due to the increases in procurement and fulfilment expenses described above and an increase in marketing expenses, which drove very strong growth in new customer acquisitions in 2015. Adjusted EBITDA showed a similar trend, decreasing from a loss of EUR 5.2 million in 2014 to a loss of EUR 48.2 million in 2015. As a result, the Adjusted EBITDA as a percentage of external revenue improved only slightly from negative 47.5% in 2014 to negative 46.4% in 2015.

10.5.2 International

The following table shows the operating performance of our International segment for the years ended December 31, 2014, December 31, 2015 and December 31, 2016 and for the six months ended June 30, 2016 and June 30, 2017:

	For the year ended December 31,			For the six months ended June 30,	
	2014	2015	2016	2016	2017
	(unaudited)	(audited, unless otherwise indicated)		(unaudited)	
	(in EUR million, unless otherwise indicated)			(in EUR million, unless otherwise indicated)	
External revenue	**58.7**	**201.1**	**310.1**	**158.5**	**172.0**
Contribution Margin[1)]	**14.8**	**45.0**	**69.3**	**35.3**	**40.9**
Contribution Margin in % of external revenue[2)]	*25.3*	*22.4*	*22.4*	*22.3*	*23.8*
Adjusted EBITDA	**(7.3)**	**(37.6)**	**(27.5)**	**(15.9)**	**(8.1)**
Adjusted EBITDA in % of external revenue[2)]	*(12.4)*	*(18.7)*	*(8.9)*	*(10.0)*	*(4.7)*
Special items and holding fees[3)]	(1.3)	(7.3)	(0.4)	(0.3)	(0.0)
EBITDA	**(8.6)**	**(45.0)**	**(27.9)**	**(16.3)**	**(8.2)**
EBITDA in % of external revenue[2)]	*(14.7)*	*(22.4)*	*(9.0)*	*(10.3)*	*(4.8)*
Depreciation and amortization	(0.2)	(0.2)	(1.1)	(0.3)	(1.1)
Operating loss (EBIT)	**(8.8)**	**(45.2)**	**(29.0)**	**(16.6)**	**(9.3)**

1) Contribution Margin corresponds to external revenue less cost of goods sold net of share-based compensation expense included in cost of goods sold, and fulfilment expenses, net of share-based compensation expense included in fulfilment expenses. The Contribution Margin is referred to as profit contribution or PC2 in the Issuer's unaudited condensed consolidated interim financial statements as of and for the six months ended June 30, 2017 and in the Issuer's audited consolidated financial statements as of and for the years ended December 31, 2016, 2015 and 2014.

2) Unaudited.

3) Special items and holding fees consists of the following items:

	For the year ended December 31,			For the six months ended June 30,	
	2014	2015	2016	2016	2017
	(unaudited, unless otherwise indicated)			(unaudited)	
	(in EUR million)			(in EUR million)	
Share-based compensation expense*)	(1.2)	(4.8)	0.8	0.2	0.4
Holding fees**)	(0.1)	(1.9)	(0.4)	(0.2)	(0.1)
Other special items***)	–	(0.6)	(0.7)	(0.3)	(0.3)
Special items and holding fees****)	**(1.3)**	**(7.3)**	**(0.4)**	**(0.3)**	**(0.0)**

*) Also referred to as share-based payment expense in the Issuer's audited consolidated financial statements as of and for the years ended December 31, 2016, 2015 and 2014.

**) Refers to surcharge in fees for holding services provided to the segments. We adjust for these fees as we believe that segment performance should not be affected by any intragroup margin.

***) Other special items are non-recurring and include, among other items, expenses related to legal advice and other services incurred in connection with equity financing rounds (capital increases), debt financings and preparation for the Issuer's initial public offering.

****) Figures for the years ended December 31, 2015 and 2016 are audited.

The following table shows the development of the additional financial information for our International segment on a quarterly basis for the periods indicated:

	As of and for the three months ended									
	Mar. 31, 2015	June 30, 2015	Sept. 30, 2015	Dec. 31, 2015	Mar. 31, 2016	June 30, 2016	Sept. 30, 2016	Dec. 31, 2016	Mar. 31, 2017	June 30, 2017
	(unaudited)									
International										
External revenue (in EUR million)	32.4	44.2	53.7	70.8	79.9	78.6	72.4	79.2	85.2	86.8
Active customers (in thousand persons)[1)]	197	265	344	403	458	430	431	425	446	455
Orders (in million)	0.8	1.1	1.3	1.7	1.9	1.8	1.7	1.8	2.0	2.0
Orders per customer	4.09	4.04	3.79	4.15	4.21	4.25	3.94	4.33	4.39	4.34
Meals (in million)	6.0	8.1	9.7	12.7	14.5	13.9	12.9	14.2	15.2	15.4
Average order value (in EUR)	40.20	41.28	41.16	42.42	41.51	43.00	42.67	43.12	43.48	43.93

1) Number of uniquely identified customers who received at least one box within the preceding 3 months (including first time and trial customers, customers who received a free or discounted box and customers who ordered during the relevant period but discontinued their orders and registration with us before period end) counted from the end of the relevant quarter.

10.5.2.1 External Revenue

External revenue of our International segment increased from EUR 158.5 million in the six months ended June 30, 2016 to EUR 172.0 million in the six months ended June 30, 2017, driven by growth in Active Customers and orders. An increase in average order value, due to faster growth in geographies with higher than segment average box prices, an increase in the average box size driven by the introduction and ramp up of deliveries of our family plan and a slight reduction in average discount per box driven by a higher share of existing customers, had an accelerating effect.

In 2016, external revenue of our International segment increased by 54.2% from EUR 201.1 million in 2015 to EUR 310.1 million, especially due to strong growth in Australia and the United Kingdom. The increase in external revenue was due to an increase in the number of orders and in the average order value.

In 2015, external revenue of our International segment increased from EUR 58.7 million in 2014 to EUR 201.1 million in 2015, primarily driven by strong growth in Active Customers.

10.5.2.2 Contribution Margin

The Contribution Margin of our International segment increased from EUR 35.3 million in the six months ended June 30, 2016 to EUR 40.9 million in the six months ended June 30, 2017. The Contribution Margin expressed as a percentage of external revenue of our International segment improved from 22.3% in the six months ended June 30, 2016 to 23.8% in the first six months ended June 30, 2017, due to more favorable purchasing conditions leading to costs of goods sold increasing at a lesser rate than revenue and efficiencies on the fulfilment side.

In 2016, the Contribution Margin of our International segment increased from EUR 45.0 million in 2015 to EUR 69.3 million, primarily due to the growth in Active Customers and improved procurement strategies. The Contribution Margin expressed as a percentage of external revenue of our International segment remained stable at 22.4% in 2015 and 2016.

In 2015, the Contribution Margin of our International segment improved significantly from EUR 14.8 million in 2014 to EUR 45.0 million. The Contribution Margin expressed as a percentage of external revenue declined from 25.3% in 2014 to 22.4% in 2015.

10.5.2.3 EBITDA, Adjusted EBITDA

EBITDA of our International segment improved from a loss of EUR 16.3 million in the six months ended June 30, 2016 to a loss of EUR 8.2 million in the six months ended June 30, 2017. Adjusted EBITDA, i.e., EBITDA for the International segment adjusted for special items and holding fees, improved from a

loss of EUR 15.9 million in the six months ended June 30, 2016 to a loss of EUR 8.1 million in the six months ended June 30, 2017. As a percentage of external revenue, Adjusted EBITDA of our International segment improved from negative 10.0% for the six months ended June 30, 2016 to negative 4.7% for the six months ended June 30, 2017, primarily due to more favorable purchasing conditions, which positively impacted the development of cost of goods sold, efficiencies on the fulfilment side and lower relative marketing spending.

In 2016, EBITDA of our International segment improved from a loss of EUR 45.0 million in 2015 to a loss of EUR 27.9 million, primarily due to a relative decrease in marketing expenses, which declined as a percentage of external revenue from negative 37.5% in 2015 to negative 26.7% in 2016. In absolute terms, marketing expenses in the International segment increased from EUR 75.4 million in 2015 to EUR 82.9 million in 2016. General and administrative expenses remained stable despite the growth of business. Adjusted EBITDA improved from a loss of EUR 37.6 million in 2015 to a loss of EUR 27.5 million in 2016. As a percentage of external revenue, Adjusted EBITDA improved from negative 18.7% in 2015 to negative 8.9% in 2016.

In 2015, EBITDA of our International segment decreased from a loss of EUR 8.6 million in 2014 to a loss of EUR 45.0 million, primarily due to increased marketing expenses. In absolute terms, marketing expenses increased from EUR 17.3 million in 2014 to EUR 75.4 million in 2015. Adjusted EBITDA declined from a loss of EUR 7.3 million in 2014 to a loss of EUR 37.6 million in 2015, while the Adjusted EBITDA as a percentage of revenue declined from negative 12.4% in 2014 to negative 18.7% in 2015. The decline in the Adjusted EBITDA as a percentage of revenue was largely due to an increase in marketing expenses of the International segment expressed as a percentage of external revenue from 29.4% in 2014 to 37.5% in 2015.

10.6 Assets

The following table provides an overview of our assets as of the dates shown:

	As of December 31,			As of June 30,
	2014	2015	2016	2017
	(audited) (in EUR million)			(unaudited) (in EUR million)
Assets				
Non-current assets				
Property, plant and equipment	0.7	5.8	38.3	37.4
Intangible assets	0.0	0.1	1.6	2.9
Goodwill	–	4.6	4.6	4.6
Other financial assets[1)]	–	9.2	13.9	13.4
Other non-financial assets[2)]	–	1.0	1.3	1.1
Deferred income tax assets	0.4	0.4	0.7	1.1
Total non-current assets	**1.1**	**21.1**	**60.4**	**60.6**
Current assets				
Inventories	1.4	5.6	10.1	9.4
Trade receivables	2.7	11.5	9.3	8.8
Other financial assets[1)]	1.1	1.7	1.8	2.5
Other non-financial assets[3)]	2.0	9.4	12.6	10.2
Cash and cash equivalents	19.8	109.2	57.5	112.8
Total current assets	**26.9**	**137.5**	**91.3**	**143.6**
Total assets	**28.1**	**158.6**	**151.7**	**204.2**

1) Includes restricted cash balances in non-current other financial assets of EUR 13.1 million as of June 30, 2017, EUR 13.9 million as of December 31, 2016 and EUR 8.8 million as of December 31, 2015 and in current other financial assets of EUR 0.5 million as of December 31, 2016 and EUR 0.2 million as of December 31, 2015, respectively. Restricted cash balances are mainly comprised of cash deposits and collateral for letters of credit with respect to lease agreements.

2) Including prepayments on lease agreements of motor vehicles of EUR 0.8 million as of June 30, 2017, EUR 1.0 million as of December 31, 2016 and EUR 1.0 million as of December 31, 2015 as well as capitalized

initial direct costs of operating leases of EUR 0.3 million as of June 30, 2017 and EUR 0.3 million as of December 31, 2016. As of December 31, 2015, there were no capitalized initial direct costs of operating leases.

3) Including VAT receivables of EUR 6.2 million as of June 30, 2017, EUR 6.8 million as of December 31, 2016, EUR 6.5 million as of December 31, 2015 and EUR 1.4 million as of December 31, 2014.

10.6.1 Non-Current Assets

10.6.1.1 June 30, 2017 Compared to December 31, 2016

Total non-current assets remained nearly stable at EUR 60.6 million as of June 30, 2017 as compared to EUR 60.4 million as of December 31, 2016.

10.6.1.2 December 31, 2016 Compared to December 31, 2015

In 2016, non-current assets almost tripled from EUR 21.1 million as of December 31, 2015 to EUR 60.4 million as of December 31, 2016. This increase was primarily due to an increase in property, plant and equipment, which comprises plant and machinery, furniture, fixtures and other equipment and assets under construction. The substantial increase in plant and machinery was due to the completion of sizeable infrastructure projects in 2016. In the USA, operations were moved into two new fulfilment centers in Grand Prairie (Texas) and Newark (New Jersey). In the United Kingdom, operations were moved to a new fulfilment center in Banbury and in Germany, the transition into a facility in Verden was completed. Warehousing and picking and packing operations in the United Kingdom and Germany had previously been outsourced. The internalization projects, which included meaningful investments, created significant spare capacity for substantial future growth. Goodwill amounted to EUR 4.6 million as of December 31, 2015 and as of December 31, 2016.

10.6.1.3 December 31, 2015 Compared to December 31, 2014

In 2015, non-current assets increased strongly from a low level of EUR 1.1 million as of December 31, 2014 to EUR 21.1 million as of December 31, 2015. This increase was primarily due to an increase in other financial assets, which comprise mostly restricted cash balances. These restricted cash balances relate primarily to collateral for letters of credit issued in 2015 in favor of lessors with respect to leased fulfilment centers in the United States. Goodwill increased to EUR 4.6 million as of December 31, 2015 due to the completion of the acquisition of all the shares in Cool Delivery B.V., a logistics company located in the Netherlands, which focuses on refrigerated logistics services. In addition, we recorded additions (at cost) to property, plant and equipment in an amount of EUR 5.6 million in 2015. These investments related primarily to fulfilment centers located in the United States.

10.6.2 Current Assets

10.6.2.1 June 30, 2017 Compared to December 31, 2016

Total current assets increased from EUR 91.3 million as of December 31, 2016 to EUR 143.6 million as of June 30, 2017, primarily due to an increase in cash and cash equivalents related to an equity funding round of EUR 85.7 million completed in January 2017.

10.6.2.2 December 31, 2016 Compared to December 31, 2015

In 2016, total current assets decreased from EUR 137.5 million as of December 31, 2015 to EUR 91.3 million as of December 31, 2016. This decrease resulted largely from the use of cash and cash equivalents, which declined from EUR 109.2 million as of December 31, 2015 to EUR 57.5 million as of December 31, 2016, to fund the substantial growth of our business. Other current assets increased only moderately, as the growth of our business only had a small impact on our other current assets due to our asset light business model. Trade receivables primarily comprised outstanding payments from our payment service providers; inventories related mostly to packaging material and non-perishable ingredients.

10.6.2.3 December 31, 2015 Compared to December 31, 2014

In 2015, total current assets increased significantly from EUR 26.9 million as of December 31, 2014 to EUR 137.5 million as of December 31, 2015. This increase was primarily due to an increase in cash and cash equivalents due to our equity financing round in February 2015. For more information, see "*15.1.2 Development of the Share Capital*". Other current assets increased moderately as a result of the growth of our business.

10.7 Liabilities

The following table provides an overview of our liabilities as of the dates shown:

	As of December 31,			As of June 30,
	2014	2015	2016	2017
	(audited, unless otherwise indicated) (in EUR million)			(unaudited) (in EUR million)
Liabilities				
Non-current liabilities				
Share-based payment liabilities	0.3	9.0	5.6	–
Other financial liabilities	–	–	–	0.2
Interest bearing loans and borrowings[1)]	–	–	46.4	54.0
Other non-financial liabilities	–	1.2	9.9	11.4
Total non-current liabilities	**0.3**	**10.2**	**62.0**	**65.6**
Current liabilities				
Trade payables[2)]	11.2	45.5	43.1	54.5
Other financial liabilities	0.1	0.2	2.3	1.9
Provisions	0.2	2.5	4.4	4.2
Other non-financial liabilities[3)]	1.6	12.5	19.2	21.8
Total current liabilities	**13.2**	**60.8**	**69.2**	**82.4**
Total current and non-current liabilities (unaudited)	**13.4**	**71.0**	**131.1**	**148.0**

1) Labelled as long-term debt in the Issuer's audited consolidated financial statements as of and for the year ended December 31, 2016.

2) Labelled as trade and other payables in the audited consolidated financial statements as of and for the years ended December 31, 2014, 2013 and 2012.

3) Current other non-financial liabilities include income tax liabilities of EUR 0.0 million as of December 31, 2014 and EUR 0.0 million as of December 31, 2015, which were shown separately in the Issuer's audited consolidated financial statements as of and for the years ended December 31, 2014 and December 31, 2015. Therefore, the amounts of current other non-financial liabilities as of December 31, 2014 and December 31, 2015 are unaudited.

10.7.1 June 30, 2017 Compared to December 31, 2016

Total non-current liabilities, which consist of share-based payment liabilities, other financial liabilities, interest bearing loans and borrowings and other non-financial liabilities, increased from EUR 62.0 million as of December 31, 2016 to EUR 65.6 million as of June 30, 2017, primarily due to an increase in interest bearing loans and borrowings, reflecting the net effect of a repayment of the amounts owed under a EUR 20 million term loan facility agreement with Rabobank entered into in 2016 and the draw-down of a new term loan with a nominal amount of EUR 30 million in June 2017.

Total current liabilities increased from EUR 69.2 million as of December 31, 2016 to EUR 82.4 million as of June 30, 2017, primarily due to an increase in trade payables related to the growth of our operations.

10.7.2 December 31, 2016 Compared to December 31, 2015

Total non-current liabilities increased from EUR 10.2 million as of December 31, 2015 to EUR 62.0 million as of December 31, 2016, primarily due to a EUR 50 million shareholder loan from Rocket Internet SE granted in April 2016, of which EUR 25 million were drawn as of December 31, 2016,

and a EUR 20 million term loan facility agreement with Rabobank resulting in the total long-term debt of EUR 46.4 million (including capitalized interest on the shareholder loan from Rocket Internet SE and net of capitalized transaction fees) as of December 31, 2016.

Total current liabilities increased from EUR 60.8 million as of December 31, 2015 to EUR 69.2 million as of December 31, 2016, primarily due to an increase in other non-financial liabilities driven by a higher order volume that resulted in deferred revenue increasing from EUR 9.9 million as of December 31, 2015 to EUR 14.0 million as of December 31, 2016 and an increase in accruals for employee benefits from EUR 1.7 million as of December 31, 2015 to EUR 3.8 million as of December 31, 2016. Trade payables decreased slightly from EUR 45.5 million as of December 31, 2015 to EUR 43.1 million as of December 31, 2016 as we prepaid several of our suppliers in December 2016 in anticipation of the launch of a new accounting software solution. The increase in other financial liabilities from EUR 0.2 million as of December 31, 2015 to EUR 2.3 million as of December 31, 2016 mainly related to proceeds of EUR 1.7 million received in connection with the equity financing round in December 2016, which closed in January 2017 and raised total proceeds of EUR 85.7 million.

10.7.3 December 31, 2015 Compared to December 31, 2014

Total non-current liabilities increased from EUR 0.3 million as of December 31, 2014 to EUR 10.2 million as of December 31, 2015, primarily due to an increase in share-based payment liabilities caused by a reclassification of certain share-based compensation programs from equity settled to cash settled in connection with the change in legal form of the Issuer from a limited liability company into a stock corporation in 2015.

Total current liabilities increased strongly from EUR 13.2 million as of December 31, 2014 to EUR 60.8 million as of December 31, 2015, primarily due to an increase in trade payables and other non-financial liabilities related to the increase in the size of our operations.

10.8 Equity

The following table provides an overview of our equity as of the dates shown:

	As of December 31,			As of June 30,
	2014	2015	2016	2017
	(audited) (in EUR million)			(unaudited) (in EUR million)
Equity				
Share capital	0.1	125.0	127.0	133.1
Treasury shares	–	(10.0)	(10.0)	(10.0)
Capital reserves	38.9	93.9	113.4	192.9
Other reserves	5.8	21.8	27.1	34.6
Accumulated losses	(28.6)	(142.4)	(236.2)	(292.8)
Other comprehensive loss	(0.5)	(0.7)	(0.7)	(1.4)
Equity attributable to the Company's shareholders	**15.6**	**87.6**	**20.6**	**56.4**
Non-controlling interests	(1.0)	–	(0.0)	(0.1)
Total equity	**14.6**	**87.6**	**20.6**	**56.2**

10.8.1 June 30, 2017 Compared to December 31, 2016

Equity attributable to the Company's shareholders increased from EUR 20.6 million as of December 31, 2016 to EUR 56.4 million as of June 30, 2017, primarily due to an equity funding round of EUR 85.7 million that was completed in January 2017. We received cash in the amount of EUR 1.7 million from shareholders in December 2016, which was booked as current other financial liabilities as of December 31, 2016 pending the capital increase.

10.8.2 December 31, 2016 Compared to December 31, 2015

In 2016, equity attributable to the Company's shareholders decreased from EUR 87.6 million as of December 31, 2015 to EUR 20.6 million as of December 31, 2016, primarily due to an increase in

accumulated losses, which reflected the loss for the year attributable to the owners of the Issuer, partially offset by the increases in share capital, capital reserves and other reserves. The increases in share capital and capital reserves resulted from an equity financing round in the second quarter of 2016 in the amount of EUR 21.6 million. A further equity financing round of EUR 85.7 million was signed in December 2016 but the capital increase did not take place until January 2017.

10.8.3 December 31, 2015 Compared to December 31, 2014

Equity attributable to the Company's shareholders increased strongly from EUR 15.6 million as of December 31, 2014 to EUR 87.6 million as of December 31, 2015, primarily due to an increase in share capital and capital reserves, which was only partially offset by an increase in accumulated losses. The increase in share capital and capital reserves resulted from two financing rounds. In February 2015, the Company completed a financing round of EUR 110 million from its existing shareholders, Rocket Internet SE and Insight Venture Partners. In October 2015, the Company completed a capital contribution of EUR 75 million from the U.K. based investment manager Baillie Gifford. In November 2015, the Company repurchased shares in the amount EUR 10 million from managing directors of the Company and certain subsidiaries. For more information, see "*15.1.2 Development of the Share Capital*".

10.9 Liquidity and Capitalization

10.9.1 Overview

As we had negative cash flows from operating activities in 2014, 2015, 2016 and the six months ended June 30, 2017, we have raised funding from external sources to finance the growth of our operations. Historically, our principal source of liquidity comprised equity financing rounds. Financing rounds in the periods under review include a EUR 110 million financing round from existing shareholders, Rocket Internet SE and Insight Venture Partners, in February 2015, a EUR 75 million investment from the UK based investment manager Baillie Gifford in October 2015 and a further EUR 21.6 million investment from existing shareholders in April 2016. The last major financing round in the amount of EUR 85.7 million was signed in December 2016 and closed in January 2017 led by an affiliate of the Qatar Investment Authority, with participation of other shareholders, primarily funds related to Baillie Gifford. In addition to equity financing, in April 2016 we entered into a EUR 50 million shareholder loan agreement with Rocket Internet SE, of which EUR 25 million have been drawn down as of June 30, 2017. In May 2016, we entered into a EUR 20 million term loan facility agreement with Rabobank, which was refinanced through a portion of the proceeds from a EUR 60 million loan facility agreement entered into in May 2017. This loan facility agreement consists of a EUR 30 million term loan facility and a EUR 30 million revolving loan facility. As of June 30, 2017, the EUR 30 million term loan facility had been fully drawn, the EUR 30 million revolving loan facility was undrawn.

These financing rounds resulted in cash and cash equivalents held by the Group and available undrawn bank facilities as of the date of this prospectus that allow the Issuer to be of the opinion that the Group is in a position to meet the payment obligations that become due within at least the next twelve months from the date of this prospectus. The cash raised in this offering will provide us with additional liquidity going forward.

10.9.2 Consolidated Statement of Cash Flows

	For the year ended December 31,			For the six months ended June 30,	
	2014	**2015**[1]	**2016**	**2016**	**2017**
	(audited, unless otherwise indicated)			(unaudited)	
	(in EUR million)			(in EUR million)	
Cash flow used in operating activities					
Loss for the year/period	(15.4)	(116.8)	(93.9)	(52.9)	(56.7)
Adjustments for:					
Finance income	(0.0)	(0.1)	(1.5)	(0.5)	(0.6)
Finance expense	0.0	1.4	5.2	2.5	4.9
Income tax (benefit) expense	(0.4)	0.0	(0.3)	–	(0.4)
Depreciation of property, plant and equipment	0.1	0.6	3.8	1.7	3.2
Amortization of intangible assets	0.1	0.0	0.5	0.1	0.6
Loss on disposal of property, plant and equipment	–	–	0.1	–	–
Share based payment expense (equity-settled)	3.1	15.8	5.3	3.3	2.2
Other non-cash transactions	(0.8)	(0.1)	(1.0)	–	7.3
(Decrease) Increase in provisions	0.2	2.3	1.9	0.8	(0.3)
Subtotal[2]	(13.1)	(96.8)	(79.8)	(45.0)	(39.8)
Changes in working capital related to operating activities					
Decrease (Increase) in trade receivables[3]	(4.7)	(8.0)	2.2	(1.9)	0.5
Decrease (Increase) in inventories	(1.2)	(4.2)	(4.5)	(1.3)	0.7
Increase (Decrease) in trade and other payables	9.1	31.1	(2.4)	10.6	11.4
Increase in deferred revenue	–	8.7	4.2	3.0	2.1
Decrease (Increase) in VAT receivable	–	(4.8)	(0.5)	1.1	0.5
(Increase) Decrease in other non-current and current financial assets[4]	–	(0.6)	0.3	1.1	(1.0)
(Increase) Decrease in non-current non-financial assets	–	(1.0)	(0.3)	(0.6)	0.2
(Decrease) Increase in financial liabilities, excluding accrued interest[5]	(0.0)	0.1	0.3	(0.2)	0.1
(Increase) Decrease in current non-financial assets	–	(2.3)	(2.9)	(0.2)	1.9
Increase in non-financial liabilities	1.3	3.1	11.5	9.0	2.1
(Decrease) Increase in share-based payment liabilities	0.3	8.7	(3.3)	(0.7)	(5.6)
Interest received	0.0	0.1	0.1	–	–
Interest paid	(0.0)	–	(0.8)	–	(2.3)
Net cash used in operating activities	**(8.4)**	**(65.9)**	**(76.1)**	**(25.1)**	**(29.3)**
Cash flow used in investing activities					
Acquisition of subsidiary, net of cash acquired	–	(2.7)	–	–	–
Purchase of property, plant and equipment	(0.7)	(5.6)	(35.3)	(11.5)	(5.8)
Software development expenditure	–	–	(1.9)	(0.8)	(1.8)
Purchase of software licenses[6]	(0.0)	(0.1)	(0.2)	–	–
(Transfer) Withdrawal of cash into/from restricted cash accounts and long-term deposits	–	(9.0)	(5.1)	(3.7)	0.7
Net cash used in investing activities	**(0.7)**	**(17.3)**	**(42.6)**	**(16.0)**	**(7.0)**
Cash flow from financing activities					
Proceeds from the issuance of share capital	24.9	184.1	23.1	21.4	84.0
Net proceeds from the issuance of long-term debt	–	–	44.4	44.4	28.9
Repayment of long-term debt	–	–	–	–	(20.0)
Repurchase of shares into treasury	–	(10.0)	–	–	–
Net cash from financing activities	**24.9**	**174.1**	**67.5**	**65.8**	**92.9**
Cash and cash equivalents at the beginning of the year/period	**3.8**	**19.8**	**109.2**	**109.2**	**57.5**
Effects of exchange rate and other value changes on cash and cash equivalents[7]	0.1	(1.3)	(0.6)	(1.4)	(1.3)
Cash and cash equivalents at the end of the year/period	**19.8**	**109.2**	**57.5**	**132.6**	**112.8**

1) Due to changes in presentation, figures in the calculation of net cash used in operating activities for the year ended December 31, 2015 as shown in the consolidated statement of cash flows of the consolidated financial statements as of and for the year ended December 31, 2015 deviate from the corresponding figures shown as comparative financial information in the consolidated financial statements as of and for the year ended December 31, 2016, in particular resulting from changes in the presentation of certain working capital related items. For purposes of comparison between

the years 2015 and 2016 the figures are taken from the comparative financial information for the year ended December 31, 2015 as shown in the consolidated financial statements as of and for the year ended December 31, 2016.

2) Unaudited. Subtotal of loss for the year/period adjusted for non-cash comprehensive income statement items.
3) Shown as (Decrease) Increase in trade receivables and other assets in the consolidated financial statements as of and for the years ended December 31, 2016 and 2014, 2013 and 2012.
4) Shown as (Increase) Decrease in other financial assets in the consolidated financial statements as of and for the year ended December 31, 2016.
5) Shown as (Decrease) Increase in financial liabilities in the consolidated financial statements as of and for the years ended December 31, 2016 and 2014, 2013 and 2012.
6) Shown as purchase of intangible assets in the consolidated financial statements as of and for the years ended December 31, 2014, 2013 and 2012.
7) Shown as effects of exchange rate changes on cash and cash equivalents in the consolidated financial statements as of and for the years ended December 31, 2014, 2013 and 2012.

10.9.2.1 Comparison of the Six Months Ended June 30, 2016 and June 30, 2017

10.9.2.1.1 Cash Flow used in Operating Activities

Net cash used in operating activities increased from a cash outflow of EUR 25.1 million in the six months ended June 30, 2016 to a cash outflow of EUR 29.3 million in the six months ended June 30, 2017. This change was primarily due to an increase in our cash effective loss for the period.

10.9.2.1.2 Cash Flow used in Investing Activities

Net cash used in investing activities decreased from a cash outflow of EUR 16.0 million in the six months ended June 30, 2016 to a cash outflow of EUR 7.0 million in the six months ended June 30, 2017. This decrease was primarily due to lower spending on the purchase of property, plant and equipment in the six months ended June 30, 2017 compared to the six months ended June 30, 2016. The cash used in investing activities in the six months ended June 30, 2016 included cash outflow related to our new fulfilment center in Grand Prairie (Texas), which did not recur in the six months ended June 30, 2017.

10.9.2.1.3 Cash Flow from Financing Activities

Net cash from financing activities increased from a cash inflow of EUR 65.8 million in the six months ended June 30, 2016 to a cash inflow of EUR 92.9 million in the six months ended June 30, 2017. This increase was primarily due to cash proceeds from the issuance of share capital of EUR 84.0 million from an equity funding round of EUR 85.7 million that was completed in January 2017 and the refinancing of certain loans.

10.9.2.2 Comparison of the Years Ended December 31, 2016 and December 31, 2015

10.9.2.2.1 Cash Flow used in Operating Activities

Net cash used in operating activities developed from a cash outflow of EUR 65.9 million in 2015 to a cash outflow of EUR 76.1 million in 2016. Loss for the year net of share-based payment expense (equity-settled) improved by EUR 12.4 million from a loss of EUR 101.0 million in 2015 to a loss of EUR 88.6 million in 2016. This positive development was partially offset by changes in the net working capital. While changes in working capital related to operating activities in 2015 had a positive effect of EUR 22.7 million on the cash flow used in operating activities, they had a negative effect of EUR 1.1 million in 2016, due to early payments to our suppliers at the close of 2016 in preparation to the roll-out of a new accounting software by January 1, 2017.

10.9.2.2.2 Cash Flow used in Investing Activities

Net cash used in investing activities in the year ended December 31, 2016 increased from a cash outflow of EUR 17.3 million in 2015 to a cash outflow of EUR 42.6 million in 2016 due primarily to the investments in property, plant and equipment in connection with the completion of large infrastructure projects in 2016, including, in the U.S., the new fulfilment centers in Grand Prairie (Texas) and Newark (New Jersey), in the United Kingdom, the fulfilment center in Banbury and, in Germany, the fulfilment center in Verden.

10.9.2.2.3 Cash Flow from Financing Activities

Net cash from financing activities showed a cash inflow of EUR 67.5 million in 2016 due to a financing round in the second quarter of 2016 and net proceeds from the issuance of long-term debt, compared to a cash inflow of EUR 174.1 million in 2015, due to our equity financing rounds in February and October 2015.

10.9.2.3 Comparison of the Years Ended December 31, 2015 and December 31, 2014

10.9.2.3.1 Cash Flow used in Operating Activities

Net cash used in operating activities increased from a cash outflow of EUR 8.4 million in 2014 to a cash outflow of EUR 65.9 million in 2015. This change was primarily due to an increase in loss for the year, which was partially offset by changes in working capital related to operating activities, as our negative net working capital increased substantially in 2015 reflecting the growth of the business, as discussed above.

10.9.2.3.2 Cash Flow used in Investing Activities

Net cash used in investing activities increased from a cash outflow of EUR 0.7 million in 2014 to a cash outflow of EUR 17.3 million in 2015. The net cash used in investing activities in 2015 was primarily due to investments related to our fulfilment centers and the acquisition of Cool Delivery B.V., a logistics company located in the Netherlands, which led to cash outflows in 2015 of EUR 5.6 million and EUR 2.7 million, respectively.

10.9.2.3.3 Cash Flow from Financing Activities

Net cash from financing activities increased from a cash inflow of EUR 24.9 million in 2014 to a cash inflow of EUR 174.1 million in 2015. In both periods, the inflows were due to equity financing rounds with our shareholders.

10.9.3 Capital Expenditure

Overall, we operate on the basis of an asset light model. Prior to 2016, outside the United States, our fulfilment centers were operated by third party-providers. In order to increase our operational flexibility and to reduce our operating costs, in 2015 and 2016, we began to insource the management of our fulfilment centers and leased and equipped fulfilment centers with significantly higher capacity than our former partner-managed fulfilment centers. The fit-out of a number of these new fulfilment centers with cooling equipment, conveyor belts, packing stations and other property, plant and equipment has led to increases in our capital expenditure, which is cash flow based, as described in more detail below.

10.9.3.1 Major Capital Expenditure in 2014, 2015 and 2016 and in the six months ended June 30, 2017

In the six months ended June 30, 2017 we invested EUR 5.8 million for the purchase of property, plant and equipment, mainly related to additions to a number of our fulfilment centers, including the insourcing of our fulfilment operations in Australia and an office build out in the United States, some automation trials and office equipment. In addition we spent EUR 1.8 million on software development.

In 2016, our investment for the purchase of property, plant and equipment increased substantially to EUR 35.3 million as several large infrastructure projects were completed. In the United States, operations were moved into two new fulfilment centers in Grand Prairie (Texas) and Newark (New Jersey). In the United Kingdom, operations were moved to a fulfilment center in Banbury and in Germany, operations were moved into a facility in Verden. Capital expenditure included investment for the fit-out of our fulfilment centers. We also invested EUR 2.1 million into software development and the purchase of software licenses.

In 2015, our investment for the purchase of property, plant and equipment increased to EUR 5.6 million, as we started several large infrastructure projects. We also invested EUR 0.1 million into the purchase of software licenses.

In 2014, we invested EUR 0.7 million for the purchase of property, plant and equipment in connection with the development and refurbishment of our fulfilment center in New Jersey, USA.

10.9.3.2 Capital Expenditure since June 30, 2017 and Major Ongoing Capital Expenditure

We have not made any significant capital expenditure between June 30, 2017 and the date of this prospectus.

10.9.3.3 Future Capital Expenditure and Planned Capital Expenditure for 2017 and 2018

In aggregate, and excluding any potential acquisitions, we currently expect to invest up to approximately EUR 60 million until the end of 2018, with a meaningful part of this investment dedicated to automating certain aspects of our pick & pack operations. As we are currently evaluating different potential automation solutions, the ultimate amount of capital expenditure may vary from this estimate. The investments, if actually carried out, will be financed from available cash and by using a portion of the proceeds of this offering.

While we are currently in the process of planning the investments described in the preceding paragraph, as of the date of this prospectus, our Management Board has not made material commitments on future capital expenditure.

10.10 Financial Liabilities

The table below summarizes the maturity profile of the Group's financial liabilities based on contractual undiscounted payments as of June 30, 2017:

	Less than three months	1 to 5 years	Total
	(unaudited) (in EUR million)		
Trade payables	54.5	–	54.5
Current other financial liabilities	1.9	–	1.9
Shareholder loan	–	25.0	25.0
Term loan	–	30.0	30.0
Total	**56.4**	**55.0**	**111.4**

10.11 Contingencies and Commitments

We lease facilities and equipment under long-term operating leases. Key leasing agreements mainly concern leased buildings.

Where we are the lessee, the future minimum lease payments under non-cancellable operating leases are as follows:

	As of December 31,		
	2014[1)]	2015	2016
	(audited) (in EUR million)		
Not later than 1 year	0.2	7.1	17.2
Later than 1 year and not later than 5 years	0.6	30.3	59.9
After 5 years	–	6.9	44.6
Total operating lease commitments	**0.8**	**44.2**	**121.7**

1) Due to changes in presentation taken from the comparative financial information in the Issuer's audited consolidated financial statements as of and for the year ended December 31, 2015.

In addition to the above, we have in place service agreements with suppliers to assist with picking and packaging of ingredients into meal kits. Future minimum payments for contracts specifying minimum quantities are as follows:

	As of December 31,		
	2014[1)]	2015	2016
	(audited) (in EUR million)		
Not later than 1 year	0.7	0.8	16.9
Later than 1 year and not later than 5 years	0.6	0.0	–
Total commitments	**1.4**	**0.8**	**16.9**

1) Taken from the comparative financial information in the Issuer's audited consolidated financial statements as of and for the year ended December 31, 2015.

Under our lease agreements we may be responsible for the restoration of leased premises, such as warehouse and office space. While we made provisions of EUR 0.7 million as of December 31, 2016 for such obligations, with respect to the lease agreements related to the distribution centers in Texas and New Jersey in the USA, we determined that it was not necessary to recognize a provision for restoration due to the limited extent of customization and the current and expected future levels of demand for refrigerated space, which rents at a premium as compared to regular warehouse space. To the extent we would be required to remove our equipment and restore the premises to their original state, the estimate for such costs on an undiscounted basis was EUR 3.1 million as of December 31, 2016.

With respect to the acquisition of property, plant and equipment, we had contractual commitments of EUR 5.1 million as of December 31, 2015 and EUR 0.5 million as of December 31, 2016. There were no material commitments as of December 31, 2014.

10.12 Quantitative and Qualitative Disclosure of Market and Other Risks

10.12.1 Currency Risk

Currency risk arises on financial instruments that are denominated in a currency other than the functional currency in which they are measured. We operate internationally through local operating subsidiaries. These subsidiaries predominantly execute their operating activities in their respective functional currencies. The table below demonstrates the sensitivity to a reasonably possible change in the closing exchange rate of the Euro against significant currencies as of December 31, 2016, with all other variables held constant. The sensitivities are based on financial assets and financial liabilities held at the end of the reporting period, where balances are not denominated in the functional currency of the entity.

	Change in rate	Effect on income
	(audited) (in EUR million)	
Australian Dollar	+10%	0.0
	−10%	(0.0)
British Pound	+10%	0.0
	−10%	(0.0)
Canadian Dollar	+10%	–
	−10%	–
Swiss Franc	+10%	0.0
	−10%	(0.0)
U.S. Dollar	+10%	1.0
	−10%	(1.0)

10.12.2 Credit Risk

We are exposed to credit risk, which is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. Exposure to credit risk arises as a

result of the sales of products offering various payment methods and other transactions with counterparties giving rise to financial assets. On account of the type of business, exposure to credit risk with commercial counterparties is limited because cash is usually received at the time of the sale or delivery or up to 14 days after the order. However, certain receivables have lower collectability rates and are subject to a higher level of credit risk due to the payment method used.

As of December 31, 2016, our maximum exposure to credit risk by class of assets was as follows:

	As of December 31, 2016 (in EUR million) (audited)
Trade receivables	9.3
Other financial assets (current)	1.8
Cash and cash equivalents	57.5
Other financial assets (non-current)	13.9
Total maximum exposure to credit risk	**82.5**

Credit risk related to doubtful accounts that are subject to legal action or those overdue, is monitored centrally on a regular basis. In certain countries of operation, an external collection agency is engaged to pursue outstanding amounts.

As of December 31, 2016, the composition of trade receivables by geographic location of amounts due from payment service providers ("PSP") and customers, net of any allowances for uncollectible amounts, was as follows:

	PSP	Customers	Total
		(audited) (in EUR million)	
Trade receivables			
Australia	0.1	0.5	0.5
Canada	0.1	0.0	0.1
Germany (including Austria)	0.1	0.4	0.5
Netherlands (including Belgium)	1.6	0.9	2.5
Switzerland	0.0	0.0	0.0
United Kingdom	1.1	0.5	1.6
United States of America	3.3	0.8	4.1
Total trade receivables	**6.3**	**3.0**	**9.3**

10.12.3 Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Our exposure to the risk of changes in market interest rates relates primarily to our term loan facility with a floating interest rate.

We manage our interest rate risk by having a combination of fixed and variable interest rate loans. We do not enter into any derivative financial instruments to manage our interest rate risk.

As of December 31, 2016, an increase or decrease in interest rates of 50 basis points would have had no significant impact on profit and loss.

10.12.4 Liquidity Risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. Management monitors cash balances and movements in cash on a weekly basis.

We seek to maintain a stable funding base through early customer payments, to optimize the cash flow from operations. As of December 31, 2016 our current assets of EUR 91.3 million (December 31, 2015: EUR 137.5 million) exceeded current liabilities of EUR 69.2 million (December 31, 2015: EUR 60.8 million) by an amount of EUR 22.1 million (December 31, 2015: EUR 76.7 million).

Cash from external inventors such as venture capitalists is raised to support growth. The most recent financing round was entered into on December 19, 2016 for additional funding of EUR 85.7 million from new and existing shareholders.

As of December 31, 2016, our non-current financial liabilities, which are comprised of long-term debt, based on contractual undiscounted payments, totaled EUR 46.8 million (December 31, 2015: nil). As of December 31, 2016, our current financial liabilities, consisting primarily of trade payables, amounted to EUR 45.5 million (December 31, 2015: EUR 45.7 million) and were due within 30 days for both periods.

10.13 Significant Accounting Policies and the Use of Estimates and Judgments

The preparations of our consolidated financial statements require management to make judgements, estimates and assumptions that affect the reported amounts of revenue, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amounts of assets or liabilities affected in future periods.

The following judgements made by management in the process of applying our accounting policies have the most significant impact on the amounts recognized in the consolidated financial statements:

Recognition of deferred tax assets. We have tax losses in several legal entities in different tax jurisdictions that have the potential to reduce tax payments in future years. Deferred tax assets have been recognized to the extent that their recovery is probable taking into account the projected future taxable income of the related entity.

As of December 31, 2016, deferred tax assets amounted to EUR 0.7 million (December 31, 2015: EUR 0.4 million) and were related to unused tax loss carry forwards. Deferred income tax assets are recognized for tax loss carry forwards to the extent that the realization of the related tax benefit through future taxable profits is probable or deferred tax liabilities are recognized. The deferred tax asset recognized as of December 31, 2016 relates solely to a legal entity in the Netherlands.

Share-based payments When determining the fair values of the ordinary shares of the Issuer and subsidiaries as at each award grant date, three generally accepted approaches were considered: income approach, market approach and cost approach. In addition, the Issuer has considered the guidance provided by the American Institute of Certified Public Accountants' (AICPA) Accounting and Valuation Guide, Valuation of Privately-Held-Company Equity Securities Issued as Compensation.

Management has employed the "prior sale of company stock" method, a form of the market approach, to estimate the aggregate enterprise value at the group level. The prior sale of company stock method considers any prior arm's length sales of the Issuer's equity securities. As such, the value per share was benchmarked to the external transactions of Issuer's shares and external financing rounds. Throughout 2014, 2015, and 2016 there were a number of financing rounds which resulted in shares being issued to both, existing and new investors, and as such, the pricing was considered a strong indicator of fair value. As of June 30, 2017, we refined our approach as the last financing round was older than six months and as a direct competitor went public in the six months ended June 30, 2017. Therefore, we benchmarked our valuation derived from the last financing round against the trading level of publicly quoted comparable companies. This change in estimate did not have a material impact on the operational performance of the Group.

For valuation purposes, there are different classes of equity at the group level as a result of shareholder arrangements, therefore, the hybrid method was employed to allocate value to each class of equity. This method is a hybrid between the probability-weighted expected return method and the Option Pricing Method ("**OPM**"), which estimates the probability weighted value across certain exit scenarios, and uses the OPM to estimate the remaining unknown potential exit scenarios. Considerations factored into the analysis include: the type and amount of equity instruments issued or sold, the estimated volatility, the estimated time and probability of exit scenarios, the relationship between the shareholders, the risk-free rate and the number of outstanding options.

We have applied the income approach to estimate the enterprise value of each subsidiary. The income approach is a technique by which fair value is estimated based on cash flows expected to be generated in the future. The principle behind this approach is that the value of the company is equal to its earnings potential. The future cash flows are discounted using a weighted average cost of capital that takes into

consideration the stage of development of the business and the industry and geographies in which we operate.

A discount for lack of marketability ("**DLOM**") was applied, corresponding to the time to exit under the various scenarios to reflect the increased risk arising from the inability to readily sell the shares. When applying the DLOM, the Black-Scholes option pricing model was used. Under this method, the cost of the put option, which can hedge the price change before the privately held shares can be sold, was considered as the basis to determine the DLOM.

For further information, please see F-34 et seq.

Provision for Onerous Contracts We offer certain discount vouchers and free gift cards, primarily, to attract new customers. We offer discounts that at times exceed the marginal profit for a single meal kit in order to increase the customer base for recurring orders. We recognize a provision for such losses in cases where the discount is greater than the expected marginal profit on the meal kit. The provision is estimated based on vouchers outstanding and considers expected redemption rates and actual redemptions subsequent to the balance sheet date. For further information, please see F-35.

10.14 New Accounting Pronouncements

Effective for annual periods beginning on or after January 1, 2019, the accounting treatment of lease contracts will change. Pursuant to the new standard, IFRS 16, lessees are typically required to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under the current standard IAS 17. At the commencement date of a lease, a lessee will recognize a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). Lessees will be required to separately recognize the interest expense on the lease liability and the depreciation expense on the right-of-use asset. Lessees will be also required to remeasure the lease liability upon the occurrence of certain events (e.g., a change in the lease term, a change in future lease payments resulting from a change in an index or rate used to determine those payments). The lessee will generally recognize the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset.

A lessee can choose to apply the standard using either a full retrospective or a modified retrospective approach. The standard's transition provisions permit certain reliefs. IFRS 16 is not yet endorsed by the EU. We have performed a high-level assessment of IFRS 16 and are considering early adoption, once the standard is endorsed by the EU. The application of the standard is expected to have a material impact on our consolidated statement of financial position as we currently account for all of our leases as operating leases (see F-36). Furthermore, IFRS 16 will have a meaningful impact on our income-based performance measures for our segment results, due to the lease costs being recognized as depreciation expense and interest, rather than operating lease expenses.

For information on this and other new accounting pronouncements, see F-35 et seq.

10.15 Information from the Audited Unconsolidated Financial Statements prepared in accordance with the German generally accepted accounting principles of the German Commercial Code (*Handelsgesetzbuch*) as of and for the year ended December 31, 2016

Some information from the audited unconsolidated financial statements of the Issuer prepared in accordance with the German generally accepted accounting principles of the German Commercial Code (*Handelsgesetzbuch*) as of and for the year ended December 31, 2016 is presented below. Such financial statements are included on pages F-136 et seqq. in the financial section.

In the year ended December 31, 2016, the Issuer's revenue was EUR 40.1 million, compared to revenue of EUR 20.6 million in 2015.

The Issuer's net loss for the year was EUR 6.1 million in 2016, compared to EUR 15.2 million in 2015.

The Issuer's subscribed capital increased from EUR 125.0 million as of December 31, 2015 to EUR 127.0 million as of December 31, 2016 and its capital reserves increased from EUR 88.0 million as of December 31, 2015 to EUR 107.8 million as of December 31, 2016.

11. BUSINESS DESCRIPTION

11.1 Overview

Operating under our brand HelloFresh, we provide fresh, healthy and personalized meal solutions to about 1.3 million Active Customers[4] (in the three months ended June 30, 2017) in nine countries. We aim to provide the households in our geographies with the opportunity to enjoy fresh, delicious, home-cooked meals with no planning, no shopping and no stress. Our key product line, our meal kits, are delivered directly to our customers' doors at a convenient time and contain nearly everything required to create inspiring meals from mainly locally sourced ingredients. Powered by our supply chain set-up and efficient fulfilment processes and supported by our innovative technology, user-friendly websites and apps, our business has grown rapidly, from 76.6 thousand Active Customers in the three months ended June 30, 2014 and 0.5 million orders in the six months ended June 30, 2014 to 1.3 million Active Customers in the three months ended June 30, 2017 and 8.9 million orders in the six months ended June 30, 2017.

We started operations in 2012 and are currently active in ten countries across three continents: the United States, the United Kingdom, the Netherlands, Belgium, Australia, Germany, Austria, Canada, Switzerland and, since September 2017, Luxembourg. We have contributed to the development of a new business model in the food industry, which represents the biggest area of consumer spending, and benefit from first mover advantages in many of our markets. We consider ourselves first and foremost a direct-to-consumer food company that controls the entire relationship to the end consumer. Our operations from online user experience to recipe creation, sourcing, production and logistics center around the needs and preferences of our Active Customers. Large parts of our solutions are driven by our detailed understanding of customers' needs based on insights from millions of data points and consumer panels. This customer focus has allowed us to become the only international player of scale with leading positions in seven markets. In the United States, our fastest growing market, we are a strong second (*Source:* management estimate).

Our business model differs from a retail or grocery supply chain, as it rethinks the traditional food supply chain model. By starting with the consumer and working upstream with a "pull model" we eliminate the need for intermediaries such as distributors or wholesalers and nearly eliminate waste from our supply chain, which tend to be major cost items for traditional food supply chains. We work closely with our network of over 600 suppliers, many of whom are local suppliers, to ensure we can purchase the ingredients for our meal solutions on a just-in-time basis and in the quantities required, thereby avoiding food waste. We operate on a near zero-inventory basis for all perishable products, as we only order from our suppliers what we have confirmed to sell to our customers. The ingredients for our meal kits are packed in our refrigerated fulfilment centers, which we have recently expanded to support our expected future growth. From there, meal kits are delivered using insulated packaging or, in certain markets, refrigerated vehicles, which allows us to deliver the ingredients with a high level of freshness. Almost all of our deliveries are free of charge to our customers.

Our core business processes are data and technology driven. Our customized suite of software tools allows us, for example, to transform weekly menus into efficient ingredient purchasing decisions and to feedback information about pricing and availability into the menu planning. Our technology automatically sets up weekly schedules for both production and delivery to our customers within their preferred delivery window and provides us with data to further improve our product and processes. Our technology platform also helps our marketing team to understand multiple customer touch points and find and retain those customers with a high customer lifetime value (i.e., profit contribution generated during the entire commercial relationship with the relevant customer) compared to customer acquisition costs. As a result, 36 months after acquisition of a customer, the customer lifetime value was on average over three times as high as the customer acquisition costs.

Our performance and financial indicators reflect our strong growth and rapid margin expansion. Accelerated by our marketing efforts and a high rate of referrals from our existing customers, the number of our Active Customers increased significantly from 172 thousand in the three months ended December 31, 2014 to 857 thousand Active Customers in the three months ended December 31, 2016,

4 Active customers refers to the number of uniquely identified customers who received at least one box within the preceding 3 months (including first-time and trial customers, customers who received a free or discounted box and customers who ordered during the relevant period but discontinued their orders and registration with us before period end) counted from the end of the relevant quarter ("**Active Customers**").

leading to a strong increase in the number of orders, from 1.7 million orders in 2014 to 12.4 million orders in 2016.

Revenue for our Group, which mainly stems from the sale of meal kits, increased in line with the number of orders from EUR 69.6 million in 2014 to EUR 597.0 million in 2016. We use Adjusted EBITDA to steer our operations. We define Adjusted EBITDA, which is not an IFRS measure, as EBITDA adjusted for share-based compensation expense and other special items of a non-recurring nature on the Group level. On the segment level, Adjusted EBITDA is further adjusted for the mark-up on intragroup charges (holding fees). Adjusted EBITDA as a percentage of revenue for our Group improved from negative 17.6% in 2014 to negative 13.8% in 2016, primarily due to strong improvements of our results in the United States, which is now our biggest market, that were partially set off by cost increases related to capacity increase measures, a focus on high ingredient quality and customer base expansion initiatives through marketing.

In the six months ended June 30, 2017, we fulfilled 8.9 million orders. Our revenue was EUR 435.4 million in the six months ended June 30, 2017, an increase of 49.4% compared to the same period in 2016. In the six months ended June 30, 2017, our Adjusted EBITDA expressed as a percentage of revenue improved to negative 10.7%.

11.2 Our History

Founded in Berlin in 2011 by two of our current Management Board members, Dominik Richter and Thomas Griesel, and a third founder, Jessica Nilsson, who subsequently left HelloFresh, HelloFresh was the first company to offer meal kit solutions as they are known today. Shortly after the three founders assembled the first meal kits in their kitchens, we quickly ramped up operations to offer nationwide coverage in Germany, the Netherlands and the United Kingdom, and later expanded to Austria, Australia, the United States (excluding Alaska, Hawaii and U.S. territories and possessions), Belgium, Canada, Switzerland and, most recently, Luxembourg. With operations now in ten countries across three continents, HelloFresh has, by its own estimate, grown to become the largest player globally in the meal kit market in terms of geographic coverage, revenue and number of Active Customers in the three months ended June 30, 2017.

While we have been among the very first movers in our industry, we already benefit from our history, which we believe provides us with the knowledge and experience to benefit from an enormous market opportunity.

11.3 Our Market Opportunity

Food represents the biggest area of consumer spending. According to Euromonitor, consumers spent about EUR 7.5 trillion on food in 2016 (*Source:* Euromonitor International, Economies and Consumers, food represents consumer expenditure on food and catering, value at fixed 2016 exchange rates). We have a total addressable market of 238 million households in our active markets, of which approximately 4.4 million households have tried HelloFresh resulting in a household market penetration of less than 2%. Persons in our countries of operation typically divide their spending on food across about 90 meals per month. We seek to tap into these households through referrals from our customer base consisting of 1.3 million Active Customers (in the three months ended June 30, 2017) and by further increasing brand awareness through our quantitative approach to marketing and advertising. We believe that growth in our markets will be driven by the fundamental tailwinds that are shifting consumer behavior towards a healthier and more food conscious lifestyle, a focus on convenience and a trend towards customers asking for higher quality and transparency. We believe that our markets are characterized by several fundamental trends in our industry:

- An increase in online and mobile engagement, meaning that potential customers are increasingly using online platforms such as our websites and apps for grocery shopping and meal preparation purposes, as shopping for groceries at conventional brick-and-mortar supermarkets and grocery stores is time-consuming, less convenient and typically characterized by an inefficient supermarket supply chain leading to loss of product freshness, substantial food waste and higher cost;

- An increase in food and nutritional awareness, causing consumers to increasingly turn away from fast food and toward healthy and balanced meals, preferably home-cooked, and placing added value on the quality and origin of the food products they purchase;
- The growing appreciation of the advantages of meal kits, which significantly reduce the time and effort usually needed for traditional meal planning. We save our customers from the tedious and lengthy process of sourcing all the ingredients required for a meal, experimenting with different flavors and cuisines as well as learning the art of cooking and thereby expand many people‘s meal choices;
- An increasing focus on avoiding food waste. Traditionally, when shopping for ingredients required by a particular recipe, people often have to buy much larger quantities than are actually required to prepare a meal, which may be uneconomical and lead to food waste, which an increasing number of people wish to reduce.

With our offering we are focused on weeknight dinner occasions, translating into approximately 20 meal occasions per month. Typically, our customers substitute parts of their food budget across grocery retail, restaurants and takeout platforms for their HelloFresh meals. This provides a very substantial total addressable market for our current offering, but also allows for multiple opportunities to expand into related areas over time and to focus on more meal occasions per customer per month. Recently, for example, we have branched out our offering to include breakfast options and wine choices in our meal kits and to offer cooking utensils.

We currently have operations in ten markets on three continents. As we believe that size and scale are important factors for providing a great customer experience and product offering, the fact that we are a business operating globally, comes with several advantages, for example, our global recipe database, a centralized marketing channel management, shared technology at low average costs, high purchasing power and sharing of supplier management and logistics set-ups. Further, we are experienced in rolling out our business to different countries. For example, we have a proven strategy in competitive pricing that conveys value to customers when launching new markets. Based on internal studies, in which we compared the average price of our meal kits to the total price of the same ingredients sourced in a quality supermarket and to delivery options, we believe that we provide our customers with an attractive value for money proposition.

11.4 Our Competitive Landscape

We currently have operations in ten countries. There are a number of direct and indirect competitors for meal kit solutions in each of the individual markets in which we operate.

According to our management’s estimate, we are the market leader in seven of the countries we operate in, i.e. Germany, Netherlands, United Kingdom, Belgium, Austria, Switzerland and Australia. In the United States, we are, according to our management’s estimate, the second largest meal kit delivery service behind Blue Apron Holdings Inc. However, we were growing faster than Blue Apron Holdings Inc. in terms of revenue in the six months ended June 30, 2017, quickly winning market share in the U.S. during this period. According to data available to us, our web traffic share surpassed Blue Apron Holdings Inc.’s web traffic share in September 2017. Compared to our competitors, we believe that we provide a service that is more flexible and more personalized and therefore more approachable, which is also reflected in our diverse customer base and high customer satisfaction, see “*11.8 Our Customers*”.

Internationally, we compete with a number of different providers. Among the larger ones are Gousto in the UK, Marley Spoon, which has operations in Australia, Austria, Belgium, Germany, the Netherlands and the United States. However, according to our understanding there is no single other company that, on a global scale, has a comparable market share or is close to our size.

In addition, we also indirectly compete with online and/or offline grocery stores and supermarket chains as well as with restaurants and takeout platforms.

In all of our markets, a number of supermarkets now offer online products and deliver groceries, such as Rewe, Tesco or Walmart to complement their traditional in-store offerings. Some supermarkets even operate purely online supermarkets, such as Ocado in the United Kingdom or FreshDirect in the US, but usually do not have the nationwide reach that we offer our customers. Even though only available in a few cities worldwide, Amazon Fresh is another indirect competitor of ours, competing partially for the same food budget that we do. As a result of Amazon’s takeover of Whole Foods, a supermarket food retailer

that primarily operates in the United States, Amazon and its Amazon Fresh offering are in a position to combine their food and logistics expertise and online capabilities and knowledge of customer behavior with the food-related expertise of Whole Foods. Taking into account the market and pricing power of Amazon, this could lead to significant additional competition.

Also, restaurants and restaurant delivery and takeaway platforms such as Just Eat, Delivery Hero and GrubHub compete for our actual and potential customers' food budget as customers tend to partially substitute restaurant visits and takeout meals for freshly cooked HelloFresh meals.

11.5 Our Business Model

We provide our customers with everything they need to cook meals from scratch that are carefully planned, locally sourced and delivered to our customers' doors at a convenient time.

11.5.1 A Meal Kit Plan that Fits Each of our Customers' Lifestyles

We eliminate the need for planning, shopping and stressing about meals while at the same time minimizing food waste. Our value proposition rests on five pillars: an enjoyable cooking experience, customization and personalization, providing high value for money, catering towards high convenience and a superior offering. When signing up, our customers can pick a plan depending on their dietary preferences, schedule and household size. Depending on the market, our customers can choose from among our two, three-, four- or five-meal food boxes, from among classic, veggie and family boxes. Within each plan, our customers can select from recipes that change on a weekly basis. Every week our dedicated team of chefs and dietitians curate a menu featuring new dishes that typically take thirty minutes to prepare. Depending on the market and plan, our customers can choose from up to 14 different recipes. When creating new recipes, our chefs and dietitians make sure to cover a wide and diverse range of dietary preferences such as vegetarian, low-calorie and quick and easy options.

11.5.2 Flexible Ordering Model

Although we do offer one-time trial food boxes to customers, our business generally operates on a flexible ordering model, i.e., our customers sign up to a plan, which they can customize, pause or cancel at any time. They are only required to pay for the deliveries they actually receive. Our customers are free to change all parameters of their plan, amongst others, the type of meals they want to receive, the exact recipes they want to get in any given week, the number of persons in the household, their delivery day or they may opt out of a particular delivery altogether.

11.5.3 Close Cooperation with our Growers, Focus on Seasonal Produce, Technology and Data-Driven Demand Forecasting.

We work closely with our growers and producers to make sure our customers receive fresh, seasonal and healthy ingredients in the exact quantities needed for their meals. When choosing and designing our recipes, we take into account which produce is in season, which facilitates finding sufficient supply at attractive prices and enhances the freshness of our ingredients. We use technology and data in all steps of our sourcing process from designing and choosing seasonal recipes to forecasting demand or testing the attractiveness of different menus ahead of time.

The length and breadth of our historical data collection allows us to estimate with a sufficient degree of accuracy the proportion of customers who will opt out in any given week and the distribution of recipes selected. We are therefore able to indicate estimated demand quite precisely to our suppliers through our ordering tool several weeks in advance which in turn allows us to lock-in prices and avoid over- or underordering of a particular type of food.

11.5.4 Just-in-time Delivery/Zero Inventory

We operate a just-in-time delivery model with almost zero perishables on inventory. Unlike online grocery retailers, this allows us to work with close to zero waste in our supply chain and requires manufacturing sites rather than warehousing operations in our fulfilment centers. Following the cut-off time for our customers to opt out of a meal delivery for a given week, we are able to specify exact quantities to our suppliers and the exact day and time when certain quantities will need to be delivered to our

manufacturing sites. Typically, dry goods are delivered once a week to our fulfilment centers and perishable goods on a daily basis. We then assemble and pack the individual deliveries with all the necessary ingredients. Ingredients are typically pre-portioned to match the corresponding recipes allowing us to keep our picking and packing process flexible. The food boxes are then either handed to our logistics partners for delivery or delivered by our own delivery service. Depending on the market, ingredients are either delivered in boxes layered with insulating liners and ice packs to keep perishable ingredients cool or using refrigerated vehicles. This enables us to deliver our boxes with a very high level of freshness. Almost all deliveries are free of charge to customers.

11.6 Strengths

11.6.1 Global Pioneer in a Dynamic Segment of the Food Market, which is the Largest Area of Consumer Spending

We believe that we are at the forefront of disrupting the highly fragmented and large food industry that is only at the very beginning of its online transition, in particular, by offering innovative solutions with respect to the food supply chain and by disrupting the grocery, restaurant and takeaway industries. The global food market had a size of EUR 7.5 trillion in 2016 (*Source*: Euromonitor International; Economies and Consumers, food represents consumer expenditure on food and catering, value at fixed 2016 exchange rates), and is thus much larger than other areas of household spending, however with a much lower online penetration rate of 2%, compared to, for example the EUR 1.6 trillion global fashion market with an online penetration rate of 14% (*Source*: Euromonitor International; Apparel and Footwear 2017 edition, retail value). The global food market is not only large, but also expected to grow quickly. According to Euromonitor, the global food market is forecast to reach EUR 8.8 trillion by 2021 (*Source:* Euromonitor International; Economies and Consumers, food represents consumer expenditure on food and catering, value at constant 2016 prices). The US meal kit market alone is projected to grow significantly to EUR 34 billion in 2025 (*Source*: PiperJaffray). Our management estimates that the industry category our meal kits fall into had a size of EUR 2.5 trillion in Australia, Austria, Belgium, Canada, Germany, Netherlands, Switzerland, the United Kingdom and the United States in 2016 and comprises the combined EUR 0.8 trillion restaurant market (with an online penetration of 3%) (*Source:* Euromonitor International; Consumer Foodservice 2017 edition; foodservice value at retail selling price in 2016; restaurants defined as total consumer foodservice) and the EUR 1.7 trillion grocery market (*Source*: Euromonitor International; Retailing 2017 edition; grocery defined as grocery retailers, retail value at retail selling price including sales tax, 2016) with very low online penetration.

11.6.2 Lifestyle Brand Consumers Love and Trust

We believe that we have created an international lifestyle brand that consumers love and trust. Our brand stands for delicious, fresh and inspiring meals, an approachable community and a strong focus on a fun product and cooking experience. Our consumer-brand identification is enhanced by the central role our meal kits play in the intimate space of the family home and the participatory nature of the experience they offer. We deepen our relationship with our customers through social media tutorials and our customer magazine "Fresh Times" that convey our passion for fresh and flavorful food. We increase the touch points with our consumers through the expansion of our product beyond the core meal kit offering also to fruit boxes, breakfast options, premium meals and special season boxes, and have successfully established HelloFresh branded wines and kitchen products. We expect all of this to help us at the top of people's minds when our target audience thinks about home cooking, meal solutions and how to allocate their food budget.

The strength of our brand is evidenced by a rapid increase in HelloFresh brand awareness and our high referral rate. According to a survey conducted by Research Now, our aided brand awareness in the United States increased from 10% in June 2015 to 36% in April 2017, while it increased from 30% to 51% on a weighted basis over the same period in our international operations. Analysis of our customer cohorts in the U.S. demonstrates that a high percentage of our customers recommend HelloFresh to family and friends, with the referral coefficient increasing over the last two years. In 2017, on average every 100 new customers referred an additional 40 new customers within four months, while the same number of referrals was only achieved after a period of nine months in 2016 and a period of thirteen months in 2015. Across our global operations, the share of referrals as a percentage of activations increased from 25% in the second quarter of 2015 to 48% in the second quarter of 2017. Together with our rapidly increasing brand

awareness, these referrals help us to bring more customers to our platform with limited incremental cost. As a result of our increased brand awareness and the tools we have built to make informed marketing budget allocation decisions, our customer acquisition costs decreased by 27% between the fourth quarter of 2015 and the second quarter of 2017. In the past, 36 months after acquisition of a customer, the customer lifetime value was on average over three times as high as the customer acquisition costs, resulting in very attractive expected contribution margins with the average new customer. Our results are in line or better than the customer lifetime value and/or customers acquisition cost ratios which other leading internet companies and consumer brands tend to exhibit.

11.6.3 Proven and Data-driven Product Innovation Capabilities

We are first and foremost an innovative food company. The quality of our meals and the experience we provide to our customers are the result of a data-driven product development approach. Our dataset spans more than five years of industry experience and contains a wealth of data related to food preferences, taste profiles, habits, recipe feedback, dietary requirements and demographic characteristics. Since 2012, we have designed about 14,500 recipes, using over 500 different data variables to optimize our menu planning. Our recipe design efforts are highly analytical and follow a tried and tested stage-gated process. Only after many rounds of successfully passing all consumer research panels and live testing, we consider newly developed recipes from our recipe pool from which we then create our weekly menus.

We develop and improve our recipes based on a robust, data-driven and scalable design process. We focus on including seasonal products in our recipes, allowing us to reduce our sourcing costs and offering our customers very fresh ingredients.

The weekly menu selection process itself is based on a highly quantitative algorithmic selection process. Our product development team relies on data tools to create the best curated recipe mix for a particular week, taking into account seasonality, price indices, supply availability, dietary profiles, nutritional standards and many variables.

We see multi-dimensional growth opportunities for our business, for example by expanding into new geographies, new channels, additional products and meal occasions and increasing personalization. In addition to our weekly recipe and menu development processes, our product development team has launched six new products in 2017 to date, including our wine plan, premium meals, breakfast boxes and kitchen tool shop. Also, we have experimented with retail options to increase our product outlets in the U.K. and U.S. A strong pipeline of new products exists and many more experiments are staged every other week.

11.6.4 Efficient Supply Chain and Logistics Set-up

We have built an efficient supply chain and logistics set-up based on years of experience and our in-house built technology platform. Our supply chain set-up starts with the consumer, is faster, making fresher products available to our customers and produces less waste, thus positioning us for higher margins than the supply chain set-up of traditional retailers. With an average of only 150 stock keeping units ("**SKUs**") each week, we are structurally more efficient than traditional food retailers, who may have upwards of 30 thousand SKUs, many at low volumes. Therefore, our approach to procurement is highly specialized and vastly different to traditional food retail, allowing us to focus on negotiating the best price and quality while sustaining low number of SKUs per week. As we have substantially reduced intermediaries and shortened transit times, our supply chain set-up also allows us to deliver well portioned ingredients to our customers that are fresher than food sourced through the traditional supply chain. Fresher ingredients in the appropriate quantities allow our customers to prepare more flavorful meals at a lower cost, contributing to their unique experience.

One example of our unique sourcing approach is the increasing share of products procured directly from growers. We have increased this share constantly and in the US already source over 50% of our ingredients (based on our produce spend in the second quarter of 2017) directly from growers with the goal to increase this share even further. In addition, a lot of ingredients are specifically grown for us according to our specifications by members of our supplier network that we have established over the last five years. A dominant share of our labelled ingredients contains our own HelloFresh label, contributing to the customer's brand experience and allowing us to capture the full product margin, not just a retail markup. The professionalization of our procurement teams, the increased share of direct grower relationships and our increased scale has enabled us to reduce spending on ingredients. Ingredient costs expressed as a

percentage of the average full selling price of a box decreased from about 48% in the fourth quarter of 2015 to around 41% in the second quarter of 2017 without any compromises on quality and despite an ever-growing number of meals featured on the menu.

We have recently made significant investments into our fulfilment infrastructure. From mid-2015 to mid-2017 we planned, built and successfully rolled out seven new fulfilment centers. In the United States, for example, we increased the capacity of our three fulfilment centers approximately sevenfold in order to have a strong foundation for our anticipated growth. Through optimized production line-setup, process engineering and automation we increased productivity in our new fulfilment centers by 18%, while our operations have become far more complex due to the introduction of ten times more meals.

We have also made several significant packaging improvements, which enabled us to reduce packaging expenses as a percentage of the average full selling price of a box from 9.0% in fourth quarter of 2015 to 7.5% in the second quarter of 2017. Furthermore, to ensure that the ingredients arrive at our customers' doorsteps in fresh condition, we have invested in delivery arrangements with third-party national couriers, specialist local service providers and our own delivery trucks in certain metropolitan regions.

As a result of our business set-up, our ingredients are fresher than the produce typically available in supermarkets. Based on our own analysis, our meals are price competitive both in the United States and across our international markets.

According to our own estimate, in the United States, when buying the ingredients in the smallest unit size available at a well-known retailer to cook a certain HelloFresh meal, the average grocery costs per person are 6% to 70% higher than the costs of a HelloFresh meal per person. According to our own estimate, meals comparable to those offered by HelloFresh from delivery services in the United States are 59% higher than the costs of a HelloFresh meal per person. In our European countries of operations, the price advantage is less pronounced when compared to retailers, due to the prevalence of discounters, who may not offer the same quality, but more pronounced than in the United States with respect to takeaway.

11.6.5 Purpose-built Technology Platform and Data-driven Culture

We benefit from a technology platform that powers every part of our business from meal planning, to growth, logistics, procurement, data and analytics and acquisition/customer retention. The tech solutions and products we have built over the previous five years allow our different teams to do their day-to-day operations more efficiently and are indispensable to operate a business at the scale that we do. Our global operations rest on a single, unified technology platform, making our business scalable and positioning us to execute the rollout in new geographies in an expedited manner. Our technology platform also provides an important barrier to entry for potential competitors. Our set-up allows us to quickly test new products and features and to roll them out across our entire group.

Our weekly business cycle provides us with the opportunity to collect a significant amount of data. For example, as of June 30, 2017, since inception we had collected 7 million recipe ratings from our customers. This data is created, stored, organized and used by our scalable technology platform. We track and store order information, including whether an order is placed using a desktop computer or a mobile device. We have developed technology to help us automate our procurement and fulfilment process, from receiving ingredients to stacking boxes in the right order to match the optimized route. Regarding our end-to-end control, we track every supplier and interaction with it as well as its location, and the quality and price of the ingredient delivered. Our data and analytics tools feed many different data end-points into our systems and thus help us analyze and learn more about our business partners and our customers' preferences and help us further improve our operations both on the supply side and the demand side. We use the data collected to optimize our supply chain, decrease time to delivery, aggregate customer demand and tailor menu choices.

11.6.6 Strong Financial Model Combining Growth at Scale with Powerful Unit Economics

We started shipping our product in 2012. Our product was met with great enthusiasm in the market and we have seen strong growth in the past with highly predictable consumer behavior leading to strong revenue growth from EUR 9 million in the first quarter of 2014 to EUR 230 million in the second quarter of 2017, corresponding to a 26-fold increase over 13 quarters. Also, while order rates remained relatively stable between the first quarter of 2015 and the second quarter of 2017, average order value increased by 15% from EUR 42.7 in the first quarter of 2015 to EUR 49.2 in the second quarter of 2017. Through our

operating leverage we have demonstrated our potential to achieve attractive margins. For example, parallel with the increase in revenue, our Contribution Margin (i.e., revenue less cost of goods sold, net of share-based compensation expense included in cost of goods sold, and fulfilment expenses, net of share-based compensation expense included in fulfilment expenses) expressed as a percentage of revenue improved from 8.2% in the fourth quarter of 2015 to 22.1% in the second quarter of 2017. Our operating loss was also lower than that of our largest U.S. competitor in the six months ended June 30, 2017. Our mid- to long-term goal is to achieve an Adjusted EBITDA expressed as a percentage of revenue between 12% to 15%.

We have created a cost-efficient customer acquisition model with an attractive marketing return-on-investment. Based on, among other factors, the increase in brand awareness, we have significantly lowered our customer acquisition costs. We collect and monitor historical order data and use this data to enable us to tailor our marketing efforts with a view to driving brand awareness, increasing the number of people ordering trial boxes, driving customer conversion and supporting our development of a profitable customer base. By analyzing the behavior and preferences of existing customer cohorts we have focused our efforts on acquiring customer cohorts that we believe exhibit more stable revenue generation potential. Based on customer cohort data collected since the third quarter of 2015, eight quarters after the initial acquisition of customers in a cohort (where those customers generated 100% revenue for that cohort), the customers from that cohort still generated approximately one quarter of the revenue. While our customer retention ratio during the same period has been lower and may continue to decrease in the future, this is to be expected due to our focus on revenue generation and our objective of building a more profitable customer base. We believe that customers retained from more recent cohorts are more frequently the result of successful referrals, tend to order for a longer period of time and tend to generate higher order values. We have a consistently high repeat order revenue rate that fluctuated between 91% in the first quarter of 2016 and 95% in the fourth quarter of 2016. Our relatively stable historical revenue retention profile coupled with cross-selling initiatives positions us to improve customer lifetime values and our return on marketing spending, which is consistent with our strategy to focus on our revenue retention profile rather than customer count retention.

We operate based on a negative working capital with low inventory levels, as most of our supplies are delivered on a just-in-time basis. As most of our customers pay us on or before shipment of the food box and as we only pay our suppliers within market standard periods, i.e., generally within 2 to 4 weeks after delivery, we have a negative working capital. Coupled with our asset-light approach, this leads to low capital requirements.

11.7 Strategy

Our mission is to give every household the opportunity to enjoy fresh, delicious and healthy meal without the associated hassle of having to find a recipe and shop for all the necessary ingredients. As a consumer product company, our company strategy is derived from our product strategy and the core capabilities we have built up over the last few years. We believe that our value proposition and continued product expansion and innovation as well as our continued logistics and supply chain optimization and personalization endeavors position us as the international leader for meal kits. We expect to capitalize on the expected rapid market development of our category by executing on our strategy in the same predictable and consistent manner that was characteristic of HelloFresh in the last few years.

11.7.1 Increase our Market Penetration

We believe there is significant room for growth in our business category in our current countries of operation. As of June 30, 2017, we had 1.3 million customers and only 4.4 million households have tried our service, compared to a total of 238 million households in the nine countries we operated in as of June 30, 2017, indicating significant opportunity for expansion in our countries of operation (also see "*11.3 Our Market Opportunity*"). Due to the very low online penetration in the food market where we operate, even a modest increase in online penetration would imply a substantial upside for our operations. Every 1% of additional penetration for online food products in the global food market is a multi-billion market opportunity. Within our existing customer base, we believe there is significant room for growth through increasing our product scope, leveraging cross-selling opportunities, increasing personalization and choice and the opening up of additional distribution channels. In addition, we may expand our cooperation with supermarkets that offer our meal kits on their shelves and may start cooperating with online retailers and marketplace websites.

11.7.2 Increase Product Scope and Cross-Selling

Aside from increasing market penetration, we see a great opportunity in expanding the scope of meal occasions for our target audience. Right now, we are mostly focused on weeknight dinners, but have also started experimenting with other meal occasions such as breakfast options, fruit baskets, or premium meals, and plan on extending our offering to even more meal occasions such as weekend or lunch offerings. Moreover, in May 2017, in the United States, we launched an online shop to cross-sell high quality cooking utensils and kitchenware, predominantly under our private label equipment. More pronounced seasonal offerings are planned to complement our product assortment going forward. Further, we currently plan to launch a premium ready meal line in the United States.

11.7.3 Deep Personalization and Increased Choice

From a meal selection perspective, in most of our markets we have already increased choice from initially no or very limited choice to a choice from among seven to twelve weekly changing recipes. We plan to further increase the number of recipes to choose from in the future. In addition, we are constantly learning via weekly recipe scores which type of recipes are trending well with our customers and we factor these learnings into our recipe development and subsequent menu setting process. We intend to use feedback provided by our customers to further enhance our personalization feature by developing an individual profiling algorithm per customer, based on his/ her previous choices, so that we can even better match weekly recipes to the preferences indicated by our customers. Currently, we allow our customers to indicate their basic dietary and lifestyle preferences (e.g. "express", "pork-free", "no fish"; "fit", i.e. low calories, etc.) and protein preferences, which drive the default selection of meals in their box. Going forward we will further upgrade the selection algorithm based on many more data points that we have been analyzing over the last years. Our strategic goal is to offer our customers customized menus that provide them with a personalized meal experience.

11.7.4 Increase our Geographic Reach

We believe that there are attractive opportunities to expand geographically, either through organic launches or through targeted acquisitions of existing companies. We started our operations in Germany, Austria, Australia, the Netherlands and the United Kingdom in 2012 and then expanded to the United States in 2013 and Belgium in 2015. In the second quarter of 2016, we further expanded our operations into Switzerland and Canada. Currently, we are in the process of rolling out our operations in Luxembourg. The focus of our future geographic expansion will likely continue to be on markets with a relatively high disposable income, a developed infrastructure and high internet penetration. While we closely examine the Scandinavian markets and may consider re-entering the French market, we have not made any specific preparations for an entry into any of these markets, which we would typically only do following extensive planning and due diligence.

11.7.5 Improve Financial Metrics Through Scale and Operating Improvements

Our net losses are primarily attributable to the costs associated with building our business, including marketing expenses. As we grow and expand our operations, we currently expect to benefit from substantial economies of scale. Economies of scale have a positive impact on our procurement expenses. As we can purchase greater quantities from our suppliers, we have stronger negotiating power to bring down prices and stabilize pricing over time. Increased scale also allows us to invest into direct relationships with farmers and increase our share of ingredients directly sourced from the producer. A larger customer base typically leads to more referrals, which helps us extend our lead over smaller competitors. Economies of scale also help us spread our current fixed cost base across more deliveries and meals. The fixed cost component is currently relatively high due to spare capacity in our fulfilment centers to allow for future growth. Our general and administrative costs as a percentage of revenue are also expected to benefit from substantial operational leverage.

We see significant opportunity to lower our direct costs through increasing the unit economics for food, labor, packaging and shipping. Overall, we have already achieved a significant reduction in expenses as a percentage of revenue, which as a result has allowed us to continue to significantly improve our operating margins, while maintaining a focus on growing our operations at our high rates. Our Adjusted EBITDA expressed as a percentage of revenue improved from negative 28.3% in 2015 to negative 13.8% in 2016 and

negative 10.7% for the six months ended June 30, 2017. In two of our countries we already broke even on an Adjusted EBITDA basis. We are close to reaching break even in one additional country. Our strategic goal is to continue our margin expansion and to reach Adjusted EBITDA breakeven across our Group within the next 15 months.

11.8 Our Customers

We serve a wide customer base across three continents and ten countries. 75% of our customers are aged between 25 and 54. Our customer base is highly diverse. Our products address young families who focus on convenience (aged between 18 and 54 years and living with kids), professionals who value cooking as an experience (also aged between 18 and 54 years, but not living with kids) and empty nesters who want to break out of a cooking rut (aged over 54 years). Our customer base is also very loyal as highlighted by a repeat order revenue rate of 94% in the second quarter of 2017. Repeat order revenue corresponds to total revenue in a given period less revenue from first time orders. Repeat order revenue rate is repeat order revenue divided by total revenue for the relevant period.

Due to the convenience our delivery service offers and the variety and inspiration our recipes provide, our business model caters both to metropolitan areas as well as to customers located in the country-side. Globally, 45% of our customers lived in suburban areas, 30% in urban areas and 25% in rural areas. Based on our own research, our typical customer enjoys preparing food and cooks at home at least three times per week, appreciates the convenience our service offers, cares about freshness of ingredients and healthy meals and is already an avid online shopper in categories other than food, such as fashion, electronics or books.

11.9 Our Product

11.9.1 Attractive Product Offering Tailored to Our Customers' Needs

Our attractive product offering caters to our customers' habits as they re-discover the benefits and joys of cooking at home, by providing them with our delicious and simple meals. Our value proposition centers on a superior offering, customization, creating an enjoyable cooking experience, an attractive money-for-value proposition and convenience. To improve our offering, we focus on rapidly developing and testing new recipes, perfecting our weekly menu and improving and expanding our innovative product offering to become even more relevant for our target audience and potential new audiences.

11.9.2 Data-driven Meal Design and Menu Optimization

We create value for our customers by creating meals that are simple, delicious and at the same time inspiring. The balance of these three value-adding factors leads to recipes earning high customer ratings.

Our meal design process relies on both quantitative and qualitative design principles. Our recipes are created by combining the input from our chefs' experience and their knowledge of food trends as well as customer inputs, in particular customer ratings and ingredient-based data points. We follow a stage-gated testing protocol with internal stakeholders and external consumer panels to ensure newly developed meals meet our criteria and key testing indicators.

Our weekly menu selection is also highly quantitative and allows us to combine any number of meals in such a fashion that a maximum of dietary preferences, lifestyle choices and other characteristics can be covered. Our software optimization tools allow us to collect and analyze all quantitative and qualitative recipe reviews we receive every week with respect to, for example, price, ingredients and flavor combinations of our recipes (see "*11.12 Our Technology*"). This helps us to further optimize our offering and to identify our customers' needs with respect to protein, cuisine and variety, rare ingredient and menu mix. Our menu optimization process eventually allows us to offer our customers a precisely curated mix of recipes that take into account cuisine variety, seasonality, dietary preferences, different meal occasions, cooking complexity and instruction clarity. Overall, we have collected and stored more than 7 million recipe ratings.

11.9.3 Product Innovation

The quality of our meals and product offering is the result of a structured and data-driven product development approach. Product innovation complements our recipe development and menu planning. Our core product consists of our classic meal plan and family box, our personalized meal recommendations based on our customers' indications of their basic dietary and lifestyle preferences (e.g. "express", "pork-free", "no fish"; "fit", i.e. low calories, etc.) and protein preferences, and high flexibility when it comes to ordering and delivery. We have also started experimenting with increasing our meal type coverage in certain markets, e.g. premium meals or breakfast options and by complementing our core offering with add-on products such as wine boxes, which we sell on an agency basis, and cooking utensils. In the near to medium term, we currently plan to step up personalization by allowing for ingredient or protein exclusion in specific meals as well as increasing the flexibility of our product and service offering, e.g. through faster order-to-delivery times or allowing a seamless switching of the number of meals per week. Also, we currently plan on globally rolling out the add-on products we have been experimenting with in individual markets and by providing additional product innovations.

11.10 Our Operations

Our operations are set up to disrupt the traditional fresh food supply chain. We have built a global, end-to-end and efficient supply chain that is based on global scalability, an almost zero inventory model and a sustainable supply chain benefiting both suppliers and customers. Our operational set-up is designed to meet our customers' needs. We take into account personalization by providing customers with different meal choices, a variable number of meals and different box sizes. We cater towards convenience by operating a home delivery model with customized delivery windows and low error rates. Also, we provide our customers with a high-quality service and a high degree of transparency by using sustainable sourcing and having strong direct-to-grower relationships, utilizing whole animals, making sure to use recyclable materials and eventually producing less waste. Our purpose-built technology, data and automation supports our operational set-up and increases efficiency. Our customer service provides us with valuable feedback from our customers. Our customer service is based on a multi-operator model consisting of local service centers in our U.S., Australian and some of our European countries of operation, which are supported by external operators. Our customer service provides us with valuable feedback from our customers.

11.10.1 Procurement

We follow a quality and price driven procurement strategy backed by our data platform and analytics engines. We have disrupted the traditional food supply chain, by removing several steps and intermediaries in the supply chain, resulting in faster delivery times for fresh items and allowing us to capturing the product margin across the whole value chain.

Our procurement process has been designed with a view to minimizing both risk and price. For each category we maintain relationships with a number of growers and wholesalers so that we are not reliant on any one supplier. As of June 30, 2017, we had a network of over 600 active suppliers across our 9 markets. When looking for new suppliers, we first identify the suppliers that can likely provide the necessary quality and quantity of ingredients at attractive pricing terms. Next, we conduct due diligence and a full audit of the supplier, including site visits, to make sure the supplier can meet our high quality standards. If these criteria are met, we place small orders in parallel to our main supply chain to test the supplier's capabilities. If these trial-orders are completed to our satisfaction, we add the relevant supplier to our supplier panel. We have framework contracts and agreements in place with or are in the process of rolling these out to our suppliers. Once a supplier has been added to our network, we continue to monitor it and renegotiate the terms of our agreements where appropriate. In the second quarter of 2017, over 50% of our spending on produce in the U.S. was related to direct purchases from the grower, compared to 5% in 2014. The increasing share in direct purchases from the producer has reduced our dependence on wholesalers and lowered our procurement costs. The longer we work together with a specific supplier, the more advantageous our direct relationship. We work together with our suppliers in developing unique ingredients. We share data and insights with our suppliers, allowing them to improve efficiency, lower volume volatility and further increase the quality of their products. We view our relationships with our suppliers as a symbiotic partnership. The better the quality of their products, the more authentic the flavors and the better the production planning, the higher the satisfaction of our customers. High customer

satisfaction and a compelling price position us to grow quickly and allowing our suppliers to participate in the growth of our business.

We work closely with our suppliers to minimize our inventory risk. Dry goods are typically delivered once at the beginning of each week. Perishable goods are delivered on a daily basis to position us to pack them on the day they get delivered in order to retain their freshness for when the box reaches our customer's door. Our procurement software has been developed with a view to coordinating our procurement department and our meal design teams to calculate the net order sizes, identify a range of appropriate providers and confirm that the required ingredients are available at the right price. In addition, we employ algorithms to help us forecast demand based on historical preferences and seasonal activity to improve the quantities we order (also see "*11.12.3 Tech Enabled Logistics Solutions*"). We expanded our Contribution Margin expressed as a percentage of revenue from 8.2% in the fourth quarter of 2015 to 22.1% in the second quarter of 2017, while our marginal contribution margin, i.e. eliminating fixed and general overhead costs, improved from 12.9% to 29.0% over the same time period.

11.10.2 Packing and Fulfilment

We follow a lean and cost-efficient fulfilment process geared towards low to almost zero inventory. Our eight fulfilment centers are strategically located across Germany, the Netherlands, the United Kingdom, Australia, Canada and the United States, allowing us to reach almost full logistical coverage across our active markets. Except for the Netherlands, our fulfilment centers are operated in-house.

We made significant investments into our refrigerated fulfilment infrastructure over the course of 2016 to June 30, 2017 to allow for higher production volumes, a higher degree of flexibility and operational improvements in order to position us for long-term growth. To ensure our ability to cater to a large number of customers in the US, we moved operations into one new fulfilment center in Grand Prairie, Texas, at the beginning of 2016 and replaced the existing fulfilment center in Linden, New Jersey, with a larger one in Newark, New Jersey, at the end of 2016. On the west coast, we operate a fulfilment center in Richmond, California. The main reason for those moves was to increase the capacity of our fulfilment centers. In the United Kingdom, we moved operations to a fulfilment center in Banbury, and in Germany, we transitioned into a facility in Verden which is also used for assembling our boxes to be shipped to Austria and Switzerland. In the Netherlands, the Dutch and Belgian operations were transitioned at the beginning of 2016 to a larger facility, which will also be operating the fulfilment of orders in Luxembourg. In the middle of 2018, we intend to move into a larger fulfilment center in the Netherlands and may either insource the picking and packing of our boxes then, or extend our contract with our third-party operator. In Australia, we moved our operations to a new fulfilment center at the end of the second quarter of 2017. In Canada, we are in the process of opening a fulfilment center. Based on a maximum theoretical capacity, our fulfilment centers in the United States currently use 23% of their full capacity, in the United Kingdom 16%, in the Netherlands 46%, in Germany 12% and in Australia 28%. Our technological know-how, in particular, our real-time process engineering and automation in the U.S. has helped us increase the productivity across our distribution centers significantly.

We have chosen the specific location of our fulfilment centers based on cost, and the ability to reach 99% of the population in our countries of operation (except for Australia). Our flexible production set-up allows us to pack any box type in any sequence. Our fulfilment centers currently have partially automated infrastructure in place with a view to increase the degree of automation in the future.

11.10.3 Delivery

Our logistics set-up combines process know-how, systems know-how and operations know-how. Our current logistics processes are focused on a positive customer experience and cost efficiency. As our business has expanded, we are constantly in the process of optimizing our carrier network to drive down cost and improve service quality. Our own fulfilment center management system is tailored to support our logistics processes and seamlessly integrates with our tailor-made software tools that allows for optimal order processing from production scheduling to shipment tracking.

Depending on the market, products are either packed in insulated boxes or delivered in refrigerated vehicles, with delivery times from the fulfilment centers to the customer not exceeding 48 hours and the majority of deliveries being completed within 24 hours. In many metropolitan areas, we can offer our customers one-hour delivery windows, increasing the convenience for our customers even further.

We continue to fine tune each stage of our operations, including our delivery service agreements, in order to improve our customers' experience and reduce our fulfilment costs. Our delivery service agreements involve third-party national logistics partners, local couriers and our own delivery service. Our multi-operator model is designed to help us improve our logistics efficiency. The vast majority of our delivery services is currently conducted by third-party firms. We have partnered with large, well-known delivery companies, such as DPD and UPS to benefit from their global scale and to retain favorable rates for remote delivery areas. Our smaller local couriers help us deliver our food boxes particularly in high density areas, where we can benefit from their local expertise.

In the Netherlands, Belgium and in London, we have introduced our own delivery service. We are currently planning to use our delivery service particularly for delivery to high density areas. In the Netherlands, we acquired Cool Delivery B.V. in 2015, the company that had operated our delivery operations in certain parts of the country, and now carry 100% of the volume ourselves. Also, the branding of our delivery vans with our own logo helps to draw further attention to our brand. We seek to continuously optimize our delivery network, for example by employing automated and data-driven route optimization and real-time delivery tracking. End-to-end control allows us to provide customers with tracking information, delivery notifications and flexibility, which we believe will help us to increase customer satisfaction even further.

Our technological know-how has helped us optimize our delivery system (also see "*11.12.3 Tech Enabled Logistics Solutions*"). For example, our software tools facilitate the identification of high density areas with high numbers of box drops and high recurring delivery frequencies, which would be suitable areas for us to in-source our delivery activities. It can also help us determine what fleet size would be needed to deliver to a certain delivery area and where to best establish centralized hub locations in order to minimize costs and delivery distances. Also, any data collected through our in-house delivery service helps determine the most fuel efficient delivery routes for a certain delivery zone.

11.10.4 Payments

As payment method preferences differ, we have tailored the availability of different forms of payment methods to meet specific customers' preferences. Our current payment methods are:

- credit card (Visa, MasterCard, American Express);
- PayPal;
- direct debit (*Lastschrift*);
- invoice; and
- advance payment.

The availability of these payment options can vary across countries. Other than invoicing, we offer our customers all payment options free of charge. We believe that offering the preferred payment method to a customer helps us increase customer satisfaction and significantly improves conversion (i.e., the rate of customers who complete the sign-up process in order to subscribe for our service).

11.11 Our Marketing

Our marketing activities seek to create a global lifestyle brand that consumers trust and love through a data-driven approach. A powerful brand helps us to drive down customer acquisition costs through increasing virality by facilitating word-of-mouth and increasing customer loyalty and helps us sell more products. We reach our customers through multiple channels and touchpoints, helped by the use of data and technology solutions. Understanding customer journeys and the interdependencies between customer touch points are crucial to the goal of achieving a diverse and highly profitable marketing mix. We steer our marketing activities by setting a target customer acquisition cost for the relevant period. Based on the target customer acquisition cost, we set a specific marketing budget for the relevant period, which we then allocate to the various marketing channels with a view to achieving a high number of new customers. Going forward, we currently intend to continue to strengthen our brand, to use our platform to launch new products, to derive deeper insights into our customers' preferences and to improve our return-on-investment on marketing by focusing on cost optimization.

11.11.1 Our Community

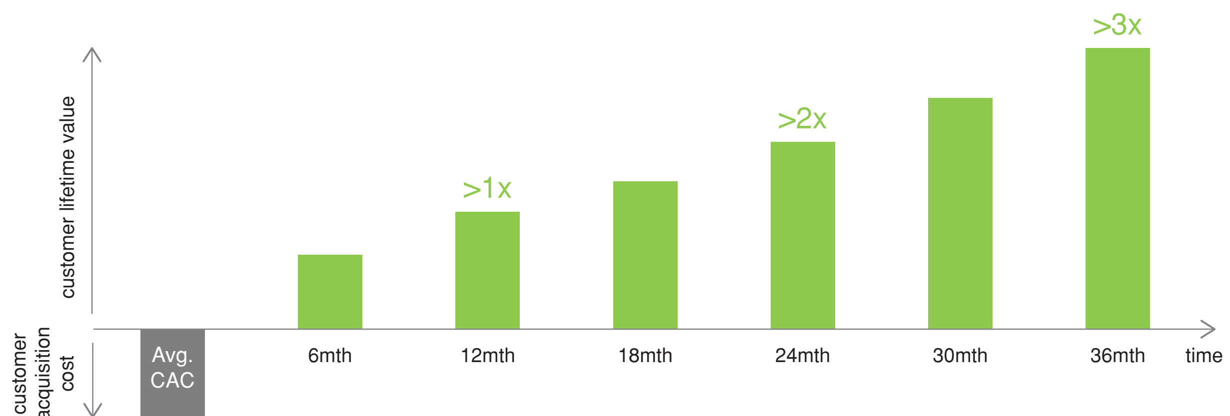
Our marketing initiatives and brand building initiatives have helped create a very engaged community for our customers which has become our most important customer acquisition tool. Based on a survey by Research Now, we had an aided brand awareness, i.e., the number of people asked about HelloFresh who recognize our brand, of up to 51% in the second quarter of 2017, in our International operations (compared to 30% in the second quarter of 2015) and of 36% in the second quarter of 2017 in our USA operations (compared to 10% in the second quarter in 2015). Making strategic investments into a wide range of brand marketing channels, including TV and print advertising, partnerships with influencers on social media, labels on our delivery vehicles, boxes and retail outlets as well as content generated by our users on blogs or YouTube, has enabled us to build a strong lifestyle brand. Since 2015, we have strongly diversified our customer acquisition mix based on quarterly spend and, in particular, increased the share of online marketing.

11.11.2 Our Active Customer Lifecycle Management Drives Customer Loyalty

We use a mix of a wide range of marketing channels to attract customers to HelloFresh. We predominantly invest our marketing budget across a variety of online channels, such as Facebook, Google and affiliate programs and offline channels, such as TV or out-of-home advertisements. In addition, we rely on word-of-mouth marketing from our referral program. Once customers have been onboarded to their respective plan, we actively engage with them to increase customer loyalty. In the second quarter of 2017, 94% of our revenue resulted from repeat orders. We keep our Active Customers engaged through newsletters, the HelloFresh magazine, different channels such as Facebook, Instagram and Twitter, which all help generate additional referrals and eventually more customers. Despite doubling the number of new customers from the fourth quarter of 2015 to the second quarter of 2017, we were able to reduce customer acquisition costs from EUR 106 to EUR 77 per customer. The share of referrals as a percentage of activations increased from 25% in the second quarter of 2015 to 48% in the second quarter of 2017. The share of reactivated customers from conversions increased from 7% in the three months ended June 30, 2015 to 19% in the three months ended June 30, 2017. Discounts that we provide to new or reactivated customers directly negatively impact revenue. The average discount, including credits from referrals and other, discretionary credits, amounts to about 58% for customers receiving their first box and decreases to about 4% for customers receiving their 10th box and further to about 3% for customers receiving their 20th box.

11.11.3 Our Data and Custom-built Technology Supports our Marketing Initiatives

Our data architecture enables our marketing teams to monitor performance in real-time and optimize marketing investment. Our marketing attribution and analytics tools are able to analyze user behavior and allow us to allocate our budget in real-time among campaigns, markets and products. For EUR 82 we invest into customer acquisition costs, we are positioned to generate over EUR 250 within the next three years; the following chart shows the ratio of cumulative customer lifetime value to customer acquisition costs as of June 30, 2017:



The average customer acquisition cost (Avg. CAC) corresponds to total marketing expenses excluding customer care and overhead expenses for the period from January 1, 2014 to June 30, 2017 divided by the

total number of new customers acquired over that period. For a customer to be included in the calculation for a particular column, the length of time that has elapsed since the customer first purchased from us must be at least as long as the time period indicated for such column.

11.12 Our Technology

Our technology platform was built to leverage big data and to support the scalability of our operations as well as to create a personalized product and to increase predictability and performance. All data and technology products we build help our teams to better tackle the challenges and opportunities in our day-to-day operations across the full HelloFresh value chain. All solutions have been developed with a view to scalability, data-drive automation and personalization and specifically tailored towards needs of our business. Given the nature of our business, there are very few components or third-party services that are available to meet the business requirements. While building our technology backbone we have consistently focused on security and reliability, through the encryption of sensitive customer data, employing secure channels for client-server communication, producing 3-tier information replicas and automated backups.

11.12.1 Tech Enabled Recipe Development and Meal Design Solutions

The most important aspect in our recipe and menu design is personalization, i.e., the creation of top-rated menus. For this we use our recipe optimization algorithm, our menu planning algorithm, our ingredient analysis tool and A/B menu testing. We have stored approximately 14,500 recipes in our database, created 4 million customer profiles and compiled 7 million recipe ratings. We believe that our data collection creates a significant competitive advantage, as it is an important asset when forecasting demand, optimizing ingredient selection and managing the supply chain. Our technology allows us to analyze this data and to cluster our customers into taste-profiles. In particular, it puts us in a position to analyze what assembly of ingredients, what combination of flavors, what textures and what spices customers in each of our countries of operation like the most. By continuously tracking and storing the feedback data our recipes have received and running that data, we are able to optimize our recipes to improve ratings by recipe theme and protein type.

11.12.2 Tech Enabled Procurement and Fulfilment Solutions

Our demand forecasting model and ordering system allow us to predict the volume of ingredients and meal choices. Our software also provides us with end-to-end control over procurement. It positions us to translate weekly menus into efficient purchasing decisions and production plans, including labor planning systems. Recipe performance data feeds directly into our forecasting of required quantities. In addition, the optimization of ordering quantities has allowed us to reduce the amount of waste we produce.

11.12.3 Tech Enabled Logistics Solutions

Our technology platform also enables us to operate on the basis of a just-in-time food manufacturing and delivery set-up, allowing us to optimize turnaround time and minimize working capital requirements. With respect to delivery, our software has enabled us to optimize our fleet management and routes. Each delivery can be tracked live using GPS coordinates, and customers can receive push notifications with updates on the delivery status.

11.12.4 Tech Enabled Customer Growth and Customer Engagement Solutions

We harness big data to derive insights into our customers and enable agile decision-making. To drive customer growth we have focused on user profiling, personalizing our product and marketing collateral, optimizing the use of different marketing channels and A/B testing. This allows real-time budget allocation, fast iteration and a very quantitative and return-on-investment-driven approach to marketing, helping us to keep customer acquisition cost down and scale to new audiences. By specifically targeting different customer groups with tailored marketing initiatives we were able to significantly increase conversion rate and created a framework that allows us to test rigorously. In addition, we promote customer loyalty through special loyalty programs to create better lock-ins.

11.13 Our Apps

Our apps serve several purposes, most importantly we see it as the prime tool for customers to engage with the brand and manage their plans in a flexible and intuitive manner. For many of our customers, our app acts as a remote control for the management of their respective plans. In addition, it becomes a key tool for their cooking activities and makes it easier for them to share their cooking experiences with the HelloFresh community. Our mobile apps help to drive engagement and viral growth through sharing on social networks and allow our customers to customize delivery options. Non-customers can explore recipes and cooking methods. This enables us to see which recipes generate the most interest on our app.

The share of traffic to our website coming from mobile devices (both iOS and Android) and the number of downloads for our apps have steadily increased since our inception. In the six months ended June 30, 2017, we recorded over 19.2 million sessions on the HelloFresh mobile website.

11.14 Employees

The following table sets forth the average number of employees (on a full time basis) for the periods indicated. We had no employees in Austria or Belgium for any of the periods presented below. There has been no material change in the number of our employees between June 30, 2017 and the date of this prospectus.

	For the year ended December 31,			For the six months ended June 30,
	2014	2015	2016	2017
Germany	51	122	273	412
Netherlands	20	32	83	100
United Kingdom	15	55	160	262
United States	20	286	720	1,140
Australia	12	30	77	110
Canada	–	–	9	19
Switzerland	–	–	9	10
Total	**118**	**525**	**1,331**	**2,053**

11.14.1 Compensation

The remuneration of our employees is determined by their employment contracts. The salary of our employees typically includes a variable remuneration component, generally in the form of options, virtual options or cash bonus payments.

11.14.2 Pensions

Other than deferred compensation, the Issuer and its subsidiaries have not entered into pension arrangements with their employees.

11.15 Intellectual Property, Trademarks, Domains and Software

11.15.1 Patents

As of the date of this prospectus, we do not hold any patents.

11.15.2 Trademarks

We have registered the word and the figurative trademark "HelloFresh" in the European Union. Additionally, we have applied for figurative trademarks of the updated "HelloFresh Lime" logo, the "Lime" logo itself and the "HelloFresh" logo in its typical font as a European Union trademark. Furthermore, we registered the word and figurative trademark "HelloFresh" as an International Trademark (Madrid System) with the World Intellectual Property Organization designating various countries such as for example Australia, United States, Japan and Switzerland, and also filed application as an International Trademark (Madrid System) with the World Intellectual Property Organization designating various countries such as for example Australia, China, Israel, South Korea, Norway, New

Zealand and the United States for the updated "HelloFresh Lime" logo, the "Lime" logo itself and the "HelloFresh" logo in its typical font. In various countries we have registrations or applications for national word and/or figurative trademarks, for example in, Belgium, Canada, Germany, Luxembourg and the Netherlands.

11.15.3 Domains

Our Group is the legal or beneficial owner of a large number of internet domains that are essential for our business. The following internet domains are considered material to our business: www.hellofresh.com, www.hellofresh.co.uk, www.hellofresh.de, www.hellofresh.com.au, www.hellofresh.ca, www.hellofresh.nl, www.hellofresh.at, www.hellofresh.ch, www.hellofresh.be and www.hellofreshgroup.com.

11.15.4 Our Software

We are the developers and owners of software for online marketing, operations, business intelligence and information technology.

11.16 Material Contracts

The following provides an overview of contracts that are material to the Issuer's business or profitability. Apart from the agreements summarized below there are no other industrial, commercial or financial contracts which are material to the Issuer's business.

11.16.1 Term Loan Facility

On May 29, 2017, the Issuer as original borrower, the Issuer along with several of its subsidiaries as original guarantors, BNP Paribas S.A., Coöperatieve Rabobank U.A., Deutsche Bank AG and JPMorgan Chase Bank, N.A. as original lenders and Coöperatieve Rabobank U.A. as agent and security agent entered into a EUR 60 million term loan and revolving loan facility agreement (the "**Facilities Agreement**"). Under the Facilities Agreement the Issuer is provided with a EUR 30 million term loan facility (the "**Facility A**") and with a EUR 30 million revolving loan facility (the "**Revolving Facility**"). An amount of EUR 20 million of the Facility A was made available for the repayment of a EUR 20 million term loan facility agreement, dated May 10, 2016, between, among others, the Issuer as original borrower and Coöperatieve Rabobank U.A. as original lender, agent and security agent. This prepayment became effective on June 1, 2017, through a partial sett-off of the funds from Facility A which were made available to the Issuer on the same date (the "**First Utilization Date**") against the amounts still outstanding at that time under the term loan credit agreement from May 10, 2016. All other amounts provided for under the Facilities Agreement may be applied towards general corporate and working capital purposes of the Group and may be used to fund the payment of fees and expenses arising under the Facilities Agreement. The Facilities Agreement terminates on the second anniversary of the date of the Facilities Agreement (May 29, 2019) (the "**Termination Date**").

Repayment. The loan drawn under Facility A shall be repaid in full on the Termination Date. Each loan drawn under the Revolving Facility shall be repaid on the last day of its interest period. All utilizations outstanding under the Revolving Facility shall be repaid in full on the Termination Date.

Interest. The interest rate per annum of each loan utilized under the Facilities Agreement is the aggregate of the applicable margin and the euro interbank offered rate (EURIBOR). The initial margin in relation to the Facility A loan is 3.50% per annum and the initial margin in relation to any loans under the Revolving Facility is 3.30% per annum, in each case provided that no event of default under the Facilities Agreement has occurred. The margin increases to 4.50% per annum in relation to the Facility A loan and to 4.30% per annum in relation to any loans under the Revolving Facility from and including the date falling 12 months after the First Utilization Date, provided that by that time no admission of any part of, permission to deal in any part of, or admission to trading of any part of the share capital of any member of the Group to or on any stock exchange or regulated or unregulated market has been granted (such grant is further referred to as the "**Flotation**") in the course of which primary gross proceeds of at least EUR 150 million were generated (the "**Qualifying Flotation**"). If a Qualifying Flotation occurs after such time, the increased margin with respect to Facility A as well as to the Revolving Facility will be reduced to the initial margin as described above as of the date of the Qualifying Flotation. The accrued interest shall

be paid on the last day of the relevant interest period the terms of which may be three months, six months or any other period agreed between the Issuer, the agent and the lenders but shall not extend beyond the Termination Date.

Guarantee and Indemnity. Certain financial obligations under the Facilities Agreement are guaranteed by the Issuer and its subsidiaries HelloFresh Deutschland SE & Co. KG, HelloFresh Deutschland Produktions SE & Co. KG, HelloFresh Benelux B.V., Cool Delivery B.V., Grocery Delivery E-Services UK Ltd., Grocery Delivery E-Services USA Inc., HelloFresh Canada Inc. and Grocery Delivery E-Services Australia Pty Limited as original guarantors. Each guarantor irrevocably and unconditionally, and jointly and severally (*gesamtschuldnerisch*) guarantees by way of an independent payment obligation (*selbstständiges Zahlungsversprechen*) to the agent, the security agent and the arrangers as well as any lender under the Facilities Agreement to pay any amount of principal, interest, costs, expenses or other amount under or in connection with the Facilities Agreement, or any ancillary agreements and documents, that has not been fully and irrevocably paid by a borrower. In addition, each guarantor irrevocably and unconditionally, and jointly and severally undertakes vis-à-the agent, the security agent and the arrangers as well as any lender under the Facilities Agreement to indemnify (*schadlos halten*) such party against any cost, loss or liability, suffered by such party if an obligation of a borrower under or in connection with the Facilities Agreement, or any ancillary agreement and document or any obligation guaranteed by it, is or becomes unenforceable, invalid or illegal.

Transaction Security. The Issuer, HelloFresh Deutschland Management GmbH, HelloFresh Deutschland SE & Co. KG and HelloFresh Benelux B.V. each granted security in connection with the Facilities Agreement consisting of pledges over shares and/or interest held in all of the original guarantors under the Facilities Agreement save for the Issuer, pledges over certain bank accounts and assignments and/or pledges over certain IP rights and intercompany receivables. Following a Qualifying Flotation (as defined above) certain securities over bank accounts and intragroup receivables shall be released.

Covenants. The Facilities Agreement also contains a number of covenants, for example, a negative pledge, financial covenants relating to the financial condition of the Issuer and the Group, restrictions on substantial changes to the general nature of our business and certain other limitations. These include restrictions on borrowers and guarantors under the Facilities Agreement with respect to certain activities amounting to additional indebtedness, a limitation on the acquisition or incorporation of a company by a borrower and/or guarantor under the Facilities Agreement, a limitation on the disposal of any asset or shares by any Group member, restrictions on a borrower and/or guarantor under the Facilities Agreement regarding the payment of dividends or other distributions on or in respect of its share capital and certain limitations on the issuance of shares by any Group member. Such limitations do not cover, amongst other permitted exceptions, the issuance of ordinary shares by the Company to any investor if they are paid for in full in cash or in kind upon issue and the payment of dividends to the Issuer or any of its direct or indirect subsidiaries. The Issuer further undertakes to ensure that the aggregate total assets and revenue of the obligors under the Facilities Agreement represent not less than 80% of the total assets and revenue of the Group.

Cancellation in Case of a Change-of Control. Upon the occurrence of a change-of-control with respect to the Issuer every lender may direct the agent to cancel its respective commitments under the Facilities Agreement. In case of such cancellation all outstanding amounts in relation to the respective commitments shall become immediately due and payable. A change-of-control includes prior to a Flotation the situation that certain investors of the Issuer on the date of the Facilities Agreement subsequently are not owning (directly or indirectly) more than 50% of the share capital, voting rights and economic interest in the Issuer. After a Flotation, a change-of-control means any person or persons acting in concert (as defined in the German Securities Acquisition and Takeover Act (*Wertpapiererwerbs- und Übernahmegesetz*)) other than certain investors of the Issuer on the date of the Facilities Agreement holding beneficially (directly or indirectly) 30% or more of the voting rights and/or issued share capital in the Issuer.

Events of Default. Upon and at any time after the occurrence of an event of default which is continuing the agent may, and shall if so directed by the majority lenders, among other things, cancel the loans under the Facilities Agreement and declare all or part of the loans, all accrued interests as well as any other outstanding amounts immediately due and payable. An event of default exists, amongst other things, if any amount payable under the Facilities Agreement or any ancillary agreement or document is not paid on the due date, in case of a breach of a financial covenant which is not remedied or if any member of the Group

stops or suspends payment of any of its debts or defaults under its other financial obligations, unless such financial indebtedness is less than EUR 3 million (cross-default).

11.16.2 Shareholder Loan

On April 20, 2016 the Issuer as borrower and Rocket Internet SE as lender entered into a shareholder loan agreement in the amount of EUR 50 million (the "**Rocket Shareholder Loan Agreement**"). The initial term of the Rocket Shareholder Loan Agreement is 36 months after the date of the Rocket Shareholder Loan Agreement and will therefore end on April 20, 2019 (the "**Initial Termination Date**"). In the context of the Issuer entering into the new Facilities Agreement the Rocket Shareholder Loan Agreement was amended by a letter agreement between Rocket Internet SE and the Issuer dated May 29, 2017 (the "**Letter Agreement**"). In the Letter Agreement the Issuer and Rocket Internet SE have agreed on certain terms for the benefit of the lenders under the Facilities Agreement ensuring that all claims and obligations under the Facilities Agreement enjoy priority and that any repayment claims under the Rocket Shareholder Loan Agreement will not become due and payable prior to full and final discharge of the Facilities Agreement, unless such repayments are permitted under the Facilities Agreement

Repayment. Any loans drawn under the Rocket Shareholder Loan Agreement shall be repaid in full in one payment on the Initial Termination Date. Subject to the approval of the Supervisory Board, the Issuer shall be entitled to request the extension of the Initial Termination Date for a period of twelve months. Such extension request can be made up to four times in total (each time subject to the same conditions). Any such extension of loans drawn under the Rocket Shareholder Loan Agreement shall not apply to the extent that the aggregate amount of cash and cash equivalents held by the Group on the last day of the calendar month preceding the extension request exceeds EUR 80 million. However, in relation to a possible first extension request under the Rocket Shareholder Loan Agreement, any conditions for such extension were waived by Rocket Internet SE in the Letter Agreement enabling the Issuer to extend the Rocket Shareholder Loan unconditionally for at least twelve months if required under the Facilities Agreement. Upon the occurrence of certain trigger events, including a flotation or another substantial equity raise in relation to the Issuer, Rocket Internet SE shall be entitled to cancel the Rocket Shareholder Loan Agreement. Upon such cancellation, any outstanding amounts, including interest, must be repaid by the Issuer within five business days. However, under the Letter Agreement, Rocket Internet SE has waived any of these cancellation rights except for the right to cancel the Rocket Shareholder Loan Agreement in the event of a Qualifying Flotation. As the Issuer is also entitled under the Rocket Shareholder Loan Agreement to make prepayments at any time without any further costs, it is the overall intention of the Issuer to repay all amounts outstanding under the Rocket Shareholder Loan Agreement out of the funds generated by the IPO of the Issuer's shares to the extent permitted under the Facilities Agreement (see also "*Subordination*" below).

Interest. The Rocket Shareholder Loan Agreement provides for an interest rate of 11% per annum in relation to any loans drawn under it provided that no event of default has occurred. Interest on outstanding loan amounts shall be payable in arrears on the last business day of each calendar year following the date of the Rocket Shareholder Loan Agreement on which banks are open for general business in Frankfurt am Main. The Issuer may by the last business day prior to such interest payment date request that accrued interest for the relevant interest period shall be capitalized instead of being paid in cash.

Covenants. Until the full repayment of any amounts outstanding under the Rocket Shareholder Loan Agreement the Issuer shall not declare or pay any dividends, or repay any of the contributions, to any of its shareholders other than repurchases of shares from current and former employees and suppliers.

Subordination All rights and claims under the Rocket Shareholder Loan Agreement are subject to a "deep subordination" (*qualifizierter Rangrücktritt*) in accordance with Sections 19 para. 2 sentence 2 and 39 para. 2 of the German Insolvency Code (*Insolvenzordnung*) to all current and future claims of other creditors of the Issuer. According to the terms of the Facilities Agreement the Issuer shall be allowed to repay outstanding sums under the Rocket Shareholder Loan Agreement in an amount of EUR 25 million plus accrued interest provided that the IPO of the Issuer's shares generates primary gross proceeds of at least EUR 150 million (Qualifying Flotation).

Amount outstanding. As of September 30, 2017 the total amount outstanding under the Rocket Shareholder Loan Agreement, including interest, is EUR 27.1 million.

11.16.3 Lease Agreements for Fulfilment Centers

We currently lease our fulfilment centers in the United States (in Grand Prairie, Texas, in Newark, New Jersey and in Richmond, California), in Verden in Germany, in Banbury in the United Kingdom, in Pemulwuy in Australia, in the Hague in the Netherlands and in Brampton in Canada through our respective regional subsidiaries. Our lease agreements have an average lease term of 82 months. The monthly rent due under the respective lease agreements, as of the date of this prospectus, was an aggregate amount of USD 478,124 in the United States, EUR 55,167 in Germany, GBP 85,021 in the United Kingdom, AUD 143,090 in Australia and EUR 55,729 in the Netherlands. The lease of our new fulfilment center in Canada will commence on December 1, 2017 and will have an average monthly rent (excluding fixturing) of approximately CAD 30 thousand.

11.16.4 Pick and Pack Agreements

Except for the Netherlands, we have insourced the picking and packing of our boxes. In the Netherlands, even though we lease the property in The Hague and any associated infrastructure, the picking and packing of our meal kits in our Dutch and Belgian operations is externally managed by Leen Menken Foodservice Logistics B.V. ("**Leen Menken**"). The respective pick and pack agreement has a term until May 2018. HelloFresh Benelux B.V., Netherlands may terminate the contract before then if an error rate above a certain threshold is observed over a period of 2 months. Unless the contract is terminated with three month notice prior to its termination, the agreement will be extended for another year. The picking and packing is operated by Leen Menken on a "cost plus" basis, i.e. we cover any costs and Leen Menken earns a management fee, determined by the success of reaching certain performance indicators, such as productivity, quality and growth and innovation. HelloFresh Benelux B.V., Netherlands, was guaranteed exclusivity under the respective agreement.

11.16.5 Amazon Web Services

Our Group entered into an agreement with Amazon Web Services, Inc., which offers server hosting and cloud services under the Amazon Web Services brand ("**AWS**"). AWS is a so called "on demand cloud computing platform" technology which gives the user the possibility to store, retrieve, query, serve and execute own content quickly and at any time. AWS uses server farms all over the globe to ensure a fluent access to their systems. AWS also offers more than 70 different IT-related services for example computing, storage, networking, database, analytics, application services, and developer tools.

11.16.6 Merchant Contract with Adyen

On December 14, 2011, the Issuer signed a merchant contract with Adyen B.V. ("**Adyen**") and Adyen Client Management Foundation regarding payment processing and ancillary services provided by Adyen (the "**Merchant Agreement**").

Under the Merchant Agreement, Adyen agreed to render certain payment services to our Group. The contract covers payment services worldwide. Such services include the processing of online payments via credit card, PayPal or debit card through Adyen, reconciliation support and use of Adyen's fraud control tooling. The Issuer agreed to pay processing fees for non-card payments where specific costs apply per type of payment method. These fees for non-card payments are contractually defined and apply for every transaction that hits the platform. In case of credit and debit card payments, Adyen charges the Issuer the interchange fees as applied by the relevant credit or debit card operator plus a surcharge. Extra charges arise if there is a chargeback request for a transaction. Management fees are charged separately, in case Adyen manages a service contract that was concluded directly between the Issuer and a payment provider. Also, extra charges arise for the use of Adyen's device fingerprinting as an additional security option. Payments are settled twice per week by Adyen.

The Merchant Agreement was signed for an indefinite period. It can be terminated by either party within two months by written notice to the other party. Both parties have the right to terminate the agreement without notice. Adyen has the right to terminate the Merchant Agreement and/or stop the processing or settlement of transactions for the Group if, among others, Adyen has reason to suspect that our services are in breach of legislation in the country where our services are offered from or to, we have materially changed the type of our service products without obtaining Adyen's prior written consent, or we are in material breach of the Merchant Agreement.

11.17 Insurance Coverage

We have concluded insurance policies on a group level, which includes all subsidiaries in Germany and abroad, for public/products recall and environmental liability, directors and officers ("**D&O**") liability, industrial legal aid and cyber liability.

With respect to the members of our Management Board and Supervisory Board our D&O insurance provides for a deductible in line with the respective provisions of the German Stock Corporation Act (Aktiengesetz) and the German Corporate Governance Code. Our D&O insurance also covers the managers of our subsidiaries in Germany and abroad as well as certain senior employees. In addition, we have taken out stand-alone insurance policies in each country mainly to fulfil local legal requirements (e.g., property damage and business interruption, automobile, workers compensation and employers liability).

Our insurance coverage, including the maximum coverage amounts and terms and conditions of the policies, are standard for our industry and appropriate. We cannot, however, guarantee that we will not incur any losses or be the subject of claims that exceed the scope of the relevant insurance coverage.

11.18 Facilities

Our corporate headquarters are located in Berlin, Germany, where we lease office space. Our offices at Saarbrücker Straße 37a, 10405 Berlin serve as the registered place of business of the Issuer. We also lease some small offices in various cities in Germany for our direct sales employees. Outside of Germany, we lease offices in several other locations, such as Amsterdam, Mornimont, London, Senningerberg, New York, Sydney, Toronto and Zurich.

We made some significant investments into our fulfilment centers in the recent past in order to operate the vast majority of our fulfilment centers by ourselves. We have insourced the operation of our fulfilment centers in Germany, the United Kingdom, Australia, Canada and our three fulfilment centers in the United States. In the Netherlands we moved to a larger facility in Den Haag at the beginning of 2016, where our fulfilment center is operated by a third-party provider. Our fulfilment centers are all situated in locations that typically allow us to deliver our food boxes to our customers' doorsteps within 24 hours (or typically within up to 48 hours with respect to some remote areas in the United States).

We currently do not own any property. The following table provides an overview of the material real property leased by our Group as of June 30, 2017:

Location	Approx. Size (in m^{2})[1]	Leased by	Primary Use
I. Offices			
Saarbrücker Straße 36a, 37, 37a, 37b 10405 Berlin, Germany	2,209	HelloFresh SE	Administration
Reuchlinstraße 10, 10553 Berlin, Germany	721	HelloFresh SE	Creative Studio
Alex-Wedding-Straße 5 und 7, 10178 Berlin, Germany	410	HelloFresh Deutschland SE & Co. KG	Administration
40 West 25th Street, 6th and 7th Floor, New York, New York, 10010, U.S.	1,400	Grocery Delivery E-Services USA Inc.	Administration
3 Gateway Center, 10th Floor, Newark, New Jersey, 07102, U.S.	1,200	Grocery Delivery E-Services USA Inc.	Administration
450 West 17th Street, Unit 1710, New York, New York, 10011, U.S.	64	Grocery Delivery E-Services USA Inc.	Administration
353 East 10th Street, Unit B1, New York, New York, 10009, U.S.	85	Grocery Delivery E-Services USA Inc.	Administration

Location	Approx. Size (in m²[2])	Leased by	Primary Use
4637 Chabot Drive, Suite 100, Pleasanton, California, 94588, U.S.	6,800	Grocery Delivery E-Services USA Inc.	Administration
321 Southwest 4th Avenue, Suite 302/303, Portland, Oregon, 97204, U.S.	120	Grocery Delivery E-Services USA Inc.	Administration
The Heron Building, 576 Olive Street, Suite 303, Eugene, Oregon, 97401, U.S.	90	Grocery Delivery E-Services USA Inc.	Administration
Melbourne Tower, 1511 Third Avenue, Suite 903, Seattle, King County, Washington, 98101, U.S.	85	Grocery Delivery E-Services USA Inc.	Administration
5-13 Queen St, Chippendale NSW 2008, Australia	840	Grocery Delivery E-Services Australia Pty Limited	Administration
15-17 Henrietta Street, Chippendale NSW 2008, Australia	400	Grocery Delivery E-Services Australia Pty Limited	Administration
Suite 1, 212 Boundary Street, Spring Hill, QLD, Australia	160	Grocery Delivery E-Services Australia Pty Limited	Administration
Level 1, Suite 2, 87-89 Regent Street, Chippendale, NSW, 2008, Australia	145	Grocery Delivery E-Services Australia Pty Limited	Administration
Level 1, 564 Swan Street, Richmond, Vic, Australia	200	Grocery Delivery E-Services Australia Pty Limited	Administration
60 Worship Street, The Fresh Farm, London EC2A 2EZ, United Kingdom	1,790	Grocery Delivery E-Services UK Limited	Administration
Spaklerweg 50-52, 1099BC Amsterdam—Ouder Amstel, Netherlands	1,300	HelloFresh Benelux B.V.	Administration
Binzstraße 23, 8045 Zurich, Switzerland	380	HelloFresh Suisse AG	Administration
5 Heienhaff, L-1736 Senningerberg, Grand Duchy of Luxembourg	50	HelloFresh Benelux B.V.	Administration
Rue isidore derèse 14, 5190 Mornimont, Belgium	4700	Cool Delivery BVBA Belgium	Administration
41 Dovercourt Road, Unit 2, Toronto Ontario, Canada, M6J 3C2[1]	160	HelloFresh Canada Inc.	Administration
110 Spadina Avenue, Suite 201, Toronto Ontario, Canada, M5V 2K4[2]	500	HelloFresh Canada Inc.	Administration
II. Fulfilment Centers			
1025 Post & Paddock Road, Suite 100, Regency Building, Grand Prairie, Texas 75050, U.S.	12,800	Grocery Delivery E-Services USA Inc.	Fulfilment center

Location	Approx. Size (in m²[1])	Leased by	Primary Use
60 Lister Avenue Newark, New Jersey, 07105, U.S.	20,500	Grocery Delivery E-Services USA Inc.	Fulfilment center
1501-1525 West Blancke St. Unit B, Linden, New Jersey, 07036, U.S.	3,300	Grocery Delivery E-Services USA Inc.	Fulfilment center
2041 Factory Road, Richmond, California 94701, U.S.	10,100	Grocery Delivery E-Services USA Inc.	Fulfilment center
Max-Planck-Straße 104, 27283 Verden, Germany	17,000	HelloFresh Deutschland Produktions SE & Co. KG	Fulfilment center
Unit 3 Chalker Way, Banbury OX16 4XD, United Kingdom	21,800	Grocery Delivery E-Services UK Limited	Fulfilment center
233-269 London Road, Staines TW18 4JU, United Kingdom	2072	Grocery Delivery E-Services UK Limited	Distribution center
Dinkel 92, 2491 CH, Den Haag, Netherlands[3]	10,340	HelloFresh Benelux B.V.	Fulfilment center
Prisma Bedrijvenpark in Bleiswijk, section A, number 127, Prismalaan West, Netherlands[4]	31,500	HelloFresh Benelux B.V.	Fulfilment center
Unit E3, 2A Basalt Road, Pemulwuy 2145, Australia	9,500	Grocery Delivery E-Services Australia Pty Limited	Fulfilment center
Unit 4, 4 Wilkinson Road, Brampton, Ontario, Canada. L6T 4M3	3,400	HelloFresh Canada Inc.	Fulfilment center

1) Lease period until September 30, 2017.

2) Lease period from October 1, 2017 to June 30, 2020.

3) Lease is scheduled to end in the mid of 2018.

4) Lease is scheduled to begin on June 1, 2018. The fulfilment center is currently under construction.

11.19 Legal Proceedings

During the ordinary course of our business activities, we are regularly involved in legal proceedings. These proceedings include routine civil, labor, and other matters, and do not have a significant impact on our business.

As of the date of this prospectus, we are not involved, and have not been involved during the past 12 months, in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which we are aware) which may have, or have had in the recent past significant effects on our financial position or profitability.

12. REGULATORY AND LEGAL ENVIRONMENT

Our business activities are subject to various regulatory requirements under EU law, the applicable national laws of the European countries in which we operate as well as Australian, Canadian, Swiss and United States law.

EU regulations (*EU-Verordnungen*) apply directly in all member states of the European Union (the "**EU Member States**"). As a result, our business is subject to these rules in all EU Member States. In contrast, EU directives (*EU-Richtlinien*), while binding EU Member States as to the result to be achieved, need to be implemented into national law. Hence, regarding those standards contained in EU directives that are applicable to our business, national implementing rules can differ slightly from one EU Member State to another. To the extent governed by EU regulations or national laws that are based on EU directives, the regulatory environment in most other EU Member States and the member states of the EEA is similar to the regulatory framework in Germany.

Our business is also subject to extensive government regulation in the United States. Federal regulators have promulgated extensive regulatory schemes to implement numerous statutes applicable to food production. State and local jurisdictions can also regulate U.S. food manufacturing facilities located within their respective jurisdictions by imposing registration, licensing, and inspection requirements in addition to those imposed by federal law. Some states and localities also enforce significant statutory schemes focused on consumer protection, which can impose additional costs and complexity on food producers.

The regulatory requirements applicable to our business activities are subject to change, as they are continuously adapted at the national, European and international level. In particular, the FDA has been implementing the FDA Food Safety Modernization Act by promulgating substantial numbers of new regulations and introducing multiple versions of non-binding, draft guidance documents suggesting new compliance measures for the food industry. If we fail to comply with any of these laws and regulations, we may be subject to civil liability, administrative orders, fines, or even criminal sanctions.

The following provides a brief overview of selected regulations that are applicable to our business operations.

12.1 Food Safety

Online food business operators have to comply with certain regulations regarding food safety when producing, processing or placing foodstuffs on the market in the EU. In general, these regulations aim to ensure that food products are safe. Therefore, food business operators have to comply with applicable duties of care throughout the entire production, processing and distribution process. On the EU level, these duties of care are specified in several regulations, such as Regulation 178/2002/EC of the European Parliament and of the Council of January 28, 2002 on general principles and requirements of food law, Regulation 852/2004/EC of the European Parliament and of the Council of April 29, 2004 on the hygiene of foodstuffs, Regulation 853/2004/EC of the European Parliament and of the Council of April 29, 2009 on specific rules for the hygiene of foodstuffs, Regulation 1169/2011/EU of the European Parliament and of the Council of October 25, 2011 on the provision of food information to consumers and Regulation 1924/2006/EU on nutrition and health claims made on foods. On the national level in Germany, these regulations are, amongst others, implemented and complemented by the Food, Commodity and Feed Act (*Lebensmittel- und Futtermittelgesetzbuch*, LFGB), the Food Hygiene Regulation (*Lebensmittelhygieneverodnung*, *LMHV*), the Infection Protection Act (*Infektionsschutzgesetz*, *IfSG*) and the Regulation on the adoption of national rules to regulation 1169/2011/EU (*Verordnung zur Anpassung nationaler Rechtsvorschriften an die Verordnung (EU) Nr. 1169/2011*). These acts and regulations establish certain registration and training obligations and are primarily aimed at the health protection of the customers that get into contact with certain products. With respect to food deliveries, these acts establish certain obligations on transportation and packaging of the food that is delivered. In addition, they grant extensive powers to the competent authorities in order to supervise the compliance of manufacturers and distributors of food products with their respective legal duties.

The duties of care that are stipulated in the aforementioned acts and regulations on food safety and the national laws impose extensive duties and responsibilities on food business operators, including, but not limited to, the following:

- Food business operators have to comply with various general duties and prohibitions for the protection of consumers' health and for the prevention of consumer deception. For example,

food business operators may not produce or place foodstuffs on the market that could harm the human health. In addition, foodstuffs may not be placed on the market or be advertised using misleading names, information or presentations.

- Food business operators are subject to regulations on the sanitary conditions of the premises, technology and organization of food processing facilities as well as the personal hygiene of their employees that aim to maintain food hygiene and to prevent foodstuffs from being contaminated. For example, business premises have to be kept clean and in a good repair and have to be equipped, amongst others, with wash basins, disinfection dispensers and, if necessary, suitable work and storage space that allow for temperature control of foodstuffs. Food business operators are required to document their food hygiene by establishing a hygiene management in accordance with HACCP (Hazard Analysis and Critical Control Point) that is commensurate to the nature and the size of the food business. Additionally, they have to establish systems or processes that allow for complete traceability of foodstuffs for all stages of the grocery chain. Furthermore, if food business operators perform food deliveries using their own delivery services, they have to comply with additional obligations on transportation and packaging of the food that is delivered. The obligations include, among others, that the transport boxes used for transporting foodstuffs must be kept clean and in good repair in order to protect foodstuffs from contamination and that, if necessary, the transport boxes must be capable of maintaining foodstuffs at appropriate temperatures and be designed to allow those temperatures to be monitored.
- Food business operators are subject to formalized information and labelling requirements. These requirements are set out in the aforementioned Regulation 1169/2011/EU, Regulation 1924/2006/EU and other regulations, as well as the German regulation on the Approval of Food Additives (*Zusatzstoff-Zulassungsverordnung*). They have to provide their (potential) customers with detailed and accurate information, amongst others, on the name of the food, the list of ingredients, in particular those causing allergies or intolerances, the quantities of nutrients and other substances contained in the food and the expiration date (i.e. the "consume by"-date). Also, certain messages or representations about food or its relation to a person's health are subject to regulation and may, for example, not be false or misleading. If the foodstuff is sold via distance selling, this information (excluding the expiration date) has to be made available to the customer prior to the conclusion of the contract and to the food delivery. In addition, they are required to assure that their employees who are handling foodstuffs are supervised and instructed and/or trained in hygiene matters and to register with the competent authorities who are granted extensive powers in order to supervise the compliance of manufacturers and distributors of food products with their respective legal duties.

We must also comply with certain regulations regarding food safety when producing, processing or placing foodstuffs on the market in the United States. Federal statutes applicable to food production include, for example, the Federal Food, Drug, and Cosmetic Act, the Federal Meat Inspection Act, the Poultry Products Inspection Act, the Perishable Agricultural Commodities Act, the Nutrition Labeling and Education Act, the Food Allergen Labeling and Consumer Protection Act, the FDA Food Safety Modernization Act, and the Federal Trade Commission Act. These evolving regulatory structures govern matters including manufacturing, formulating, labeling, advertising, packaging, storing, and implementing safety measures for our food products. Additionally, the production, sale, and shipment of wine in the United States are regulated by the federal government as well as by each state government separately. Excise tax, labeling, alcohol content, recordkeeping, promotion and marketing, and even pricing are sometimes controlled by federal and state regulations. State laws are not uniform, so businesses with a presence in multiple U.S. states must account for state-by-state rules to achieve compliance.

All food companies in the United States bear legal responsibility for any violation of applicable food regulatory law, whether that violation is negligent, non-negligent, or deliberate. Any U.S. company found to have violated food regulatory laws may have its products seized, its operations enjoined, its goods recalled from the market and destroyed, and its business exposed to significant adverse publicity. Additionally, food companies in the U.S. are subject to government inspection with or without notice at any time, with concomitant responsibility to provide access to facilities and equipment, produce extensive operational documentation, and furnish product, packaging, and labeling samples for governmental examination. Federal, state, and local

governmental agencies enjoy extensive discretion to determine whether, when and how to conduct these activities. Food companies are therefore vulnerable to unexpected business interruptions and publicity.

Non-compliance with these laws may lead to adverse legal consequences, including the imposition of significant fines or penalties for each occurrence of a breach per day.

12.2 Data Protection and Cybersecurity

The collection, processing and other use of personal data is extensively regulated by European and national legislation. At the EU level, data privacy law is primarily governed by Directive 95/46/EC of the European Parliament and of the Council of October 24, 1995 on the protection of individuals with regard to the processing of personal data and on the free movement of such data (the "**Data Protection Directive**") and - specifically with respect to electronic communication - by Directive 2002/58/EC of the European Parliament and of the Council of July 12, 2002 concerning the processing of personal data and the protection of privacy in the electronic communications sector (the "**Directive on Privacy and Electronic Communications**"), as amended by Directive 2006/24/EC and Directive 2009/136/EC. In Germany, data privacy law is mainly governed by the German Federal Data Protection Act (the "**Data Protection Act**") (*Bundesdatenschutzgesetz*). In addition, various sector-specific statutes set forth specific data privacy rules which apply to certain industries or businesses and prevail over the general rules of the Data Protection Act. E-commerce providers have to comply with the specific requirements provided in the German Telemedia Act (*Telemediengesetz*) (the "**Telemedia Act**"), which takes into consideration the peculiarities of online communication and may deviate from the general rules of the Data Protection Act. For example, the Telemedia Act on the one hand provides for additional information obligations which go beyond the general requirements of the Data Protection Act, e.g., the requirement to include a transparent and comprehensive privacy statement as well as an imprint on an app or a website. On the other hand, the Telemedia Act allows for electronic declarations of consent, while the Data Protection Act, in principle, requires the written form.

However, the EU legislature has made substantial changes to the EU data protection regime by way of adopting the Regulation 2016/679/EU of the European Parliament and of the Council of April 27, 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data (the "**General Data Protection Regulation**") which will repeal the Data Protection Directive and take precedence over current national data protection laws once it comes into effect. The General Data Protection Regulation entered into force on May 24, 2016, but it will not come into effect until May 25, 2018. Under the General Data Protection Regulation the territorial scope of EU data protection law is extended and the obligations of data processors were enhanced. The conditions for obtaining data subjects' consent to the use and processing of their personal data have become stricter and data controllers have to continue to provide transparent information to data subjects. Furthermore, the rights of data subjects have been strengthened. Their rights include, inter alia, a right to require information about their data being processed, the right to "data portability" as well as the right to restrict certain processing of their data. Further, the General Data Protection Regulation establishes a "right to be forgotten" pursuant to which data subjects may require that their data is to be deleted when there is a problem with the underlying legality of the processing or where they withdraw their consent. Under the new data protection regime, there is a substantially increased risk of fines for non-compliance on all data processing entities. Depending on the infringement, fines of up to the higher of 4% of the annual worldwide turnover or EUR 20,000,000 may be imposed. The General Data Protection Regulation also introduced restrictions on profiling. Profiling can be defined as any form of automated processing of personal data intended to evaluate certain personal aspects relating to a natural person or to analyze or predict that natural person's performance at work, economic situation, location, health, personal preferences, reliability or behavior. Additionally, it also introduced the obligation for undertakings to regularly conduct so-called privacy impact assessments, at least in cases where the data processing is likely to result in a high risk to the rights and freedoms of individuals.

In general, data privacy laws regulate, in particular, when and how personal data may be collected, for which purposes it may be processed, for how long it may be stored and to whom and how it may be transferred. The transfer of personal data to entities outside the EEA is subject to specific requirements. Further, data privacy laws require organizational measures such as installation of a data protection officer (*Datenschutzbeauftragter*), setting forth the rights of data subjects (i.e., the persons to whom the personal data relates) (e.g. information rights) and determine the sanctions for infringements. The following items

illustrate selected areas of data privacy protection which are of particular relevance in the e-commerce sector:

- Email advertising: Subject to certain exceptions, email advertisements (e.g., newsletters, product recommendations or sales announcements) may only be sent to addressees who have given their explicit prior consent. In Germany, case law demands in certain cases that consent must be obtained by way of a so called double opt-in procedure. Pursuant to such procedure, data subjects will need to give their consent twice (e.g., once by filling out an online registration form, a second time by confirming their email address after they registered). Also, data subjects must be clearly informed on the scope and consequences of their consent. A declaration of consent may, for example, not be hidden in general terms and conditions but must be clearly highlighted. Consent may be withdrawn at any time without giving a reason. As an exception from the consent requirement, personalized product recommendations may be sent to customers by email without their explicit prior consent provided, inter alia, that such recommendations only relate to goods identical or similar to those previously purchased by the respective customer and that the customer has been duly informed about his right to object to receiving such recommendations.
- Web analysis: Web analysis technologies such as cookies or tracking tools (e.g., Google Analytics and AT Internet) enable the operator of an app or a website to personalize its offers and marketing to better match the customers' interests. Even though most web analysis tools allow the anonymization or pseudonymization of collected data (i.e., by collecting only a part of the user's IP addresses) and do not allow for a subsequent allocation of respective data to individual data subjects, the use of such tools may still be subject to data privacy laws. The use of cookies is also regulated by the Directive on Privacy and Electronic Communications (2002/58/EC, as amended by Directive 2009/136/EC) which provides for an opt-in regime pursuant to which the use of cookies requires an informed consent of the app or website user. By now, Directive 2009/136/EC has been implemented in most EU Member States.
- Social plugins: Social plugins, such as Facebook's "Like" or "Share" button, help to promote an app or website through social media and to communicate with fans and followers. However, the use of social plugins may, depending on their technical design, infringe data privacy laws. Therefore, some German data protection authorities recommend the use of a two-click-solution, pursuant to which the apps user or website user must first activate the social plugins before being able to actually click on the "Like" or similar buttons. This two-click-solution shall ensure that no personal data are collected through social plugins without the consent of the data subject, whereas consent is given by activating the social plugins with the first click.

E-commerce providers must also fulfill cyber-security requirements since the Data Protection Act stipulates that entities that collect and process personal data must implement certain technical and organizational measures to keep data processed and stored safe. These measures may include, inter alia, physical security against unauthorized access and manipulation (e.g., secure storing and transportation of physical data carriers), password assignment, authorization concepts, logging of subsequent changes of data, separation of data that has been collected for different purposes, reasonable encryption as well as protection against accidental loss, destruction or damage.

In addition, the management of an e-commerce provider must ensure that appropriate compliance management measures cover the detection and control of IT-related risks. In Germany, the German Act to Increase the Security of Information Systems (*IT-Sicherheitsgesetz*, the "**IT-Security Act**") entered into force in July 2015. The IT-Security Act amended the Telemedia Act, which now provides the obligation for app and website operators to protect their infrastructure and particularly any data collected and stored against outside attacks in accordance with the current standards of technology (*Stand der Technik*). Further compliance burdens have been introduced by EU Directive 2016/1148/EU of the European Parliament and of the Council of July 6, 2016 on Security of Network and Information Systems (the "**NIS Directive**") which entered into force on August 8, 2016. The NIS Directive requires "essential service operators" within critical infrastructure sectors, such as the energy, transport or banking sector, as well as "digital service providers", e.g., online marketplaces, to carefully review existing network security mechanisms, to implement "state-of-the-art" security measures which shall ensure a level of security for their infrastructure appropriate to the risk of the respective entity as well as to establish proper notification measures to promptly notify the competent authority of any incident which has a substantial impact on the services offered in the EU. The NIS Directive has to be transposed into national law by the EU Member States until May 9, 2018.

12.3 Consumer Protection

Online retailers who offer their goods and services to consumers must comply with various consumer protection laws. Throughout the EU, consumer protection is extensively regulated on the basis of the following EU directives:

- the Council Directive 93/13/EEC of April 5, 1993 on unfair terms in consumer contracts;
- the Directive 2000/31/EC of the European Parliament and of the Council of June 8, 2000 on certain legal aspects of information society services, in particular electronic commerce, in the internal market;
- the Directive 2002/58/EC of the European Parliament and of the Council of July 12, 2002 concerning the processing of personal data and the protection of privacy in the electronic communications sector;
- the Directive 2005/29/EC of the European Parliament and of the Council of May 11, 2005 concerning unfair business-to-consumer commercial practices in the internal market; and
- the Directive 2011/83/EU of the European Parliament and of the Council of October 25, 2011 on consumer rights (the "**Directive on Consumer Rights**"), which replaced the Directive 97/7/EC of the European Parliament and of the Council of May 20, 1997 on the protection of consumers in respect of distance contracts with effect as of June 13, 2014.

The aforementioned EU directives on consumer protection and the national laws that implement or complement these directives impose extensive duties and responsibilities on online retailers, including the following:

- Online retailers must comply with extensive and formalized information requirements. For example, they have to provide their (potential) customers with detailed and accurate information, on the main characteristics of the offered goods, on price and payment details and on the statutory right to withdraw from a contract (irrespective of any more beneficial return policy that may be afforded by the online retailers, on their general terms of sale and on statutory warranties). Online retailers have to implement these requirements in the design and structure of their online-shops, in their ordering and payment processes and in their delivery systems. As legislation may change, online retailers have to adapt their shop design on an ongoing basis. For example, as a result of the Directive on Consumer Rights, online retailers have to ensure that the consumer, when placing his order, explicitly acknowledges that the order implies an obligation to pay. If placing an order entails activating a button (or a similar function), such button must be explicitly labelled "order with obligation to pay" (or similar), and it must be ensured that the consumer is made aware of certain key information relating to the purchase directly before placing his order by activating the button.
- Advertising, including promotional games, newsletters and personalized product recommendations, is heavily regulated, in particular if distributed through email and telephone. An advertisement must not be misleading, constitute an unreasonable nuisance or make use of harassment, coercion or undue influence. These criteria leave wide room for interpretation, and the assessment of courts and other competent bodies is often hard to foresee.

Failure to comply with these requirements may give rise to civil liability, administrative orders (including injunctive relief) or fines or may even result in the invalidity of the affected customer contracts.

13. SHAREHOLDER INFORMATION

13.1 Current Shareholders

The shareholders of the Issuer which, as of the date of this prospectus, directly or indirectly, have a notifiable interest in the Issuer's capital and voting rights in the meaning of Sections 21 et seqq. of the German Securities Trading Act (*Wertpapierhandelsgesetz*) (the "**Major Shareholders**"), are:

- Rocket Internet SE, registered with the Commercial Register of the local court of Charlottenburg, Germany, under no. HRB 165662 B, having its business address at Charlottenstraße 4, 10969 Berlin, Germany,
- HF Del Insight S.à r.l., registered with the commercial and companies' register of Luxembourg under no. B 187878, having its business address at 2, rue Hildegard von Bingen, L-1282, Luxembourg, Grand Duchy of Luxembourg,
- HF Main Insight S.à r.l., registered with the commercial and companies' register of Luxembourg under no. B 187885, having its business address at 2, rue Hildegard von Bingen, L-1282, Luxembourg, Grand Duchy of Luxembourg,
- HF Cay Insight S.à r.l., registered with the commercial and companies' register of Luxembourg under no. B 187879, having its business address at 2, rue Hildegard von Bingen, L-1282, Luxembourg, Grand Duchy of Luxembourg,
- Almonk Investments Ltd, registered with the Registrar of Corporate Affairs of the British Virgin Islands under no. 1771410, having its registered address at 33 Porter Road, P.O. Box 3169 PMB 103, Road Town, Tortola, British Virgin Islands,
- Ezill Financial Inc., registered with the Registrar of Corporate Affairs of the British Virgin Islands under no. 1761993, having its registered address at 33 Porter Road, P.O. Box 3169 PMB 103, Road Town, Tortola, British Virgin Islands,
- Bambino 53. V V UG (haftungsbeschränkt), registered with the Commercial Register at the local court of Charlottenburg, Germany, under no. HRB 126893 B, having its business address at Charlottenstraße 4, 10969 Berlin, Germany,
- Vorwerk Direct Selling Ventures GmbH, registered with the Commercial Register of the local court of Wuppertal, Germany, under no. HRB 8400, having its business address at Mühlenweg 17 – 37, 42270 Wuppertal, Germany, and
- Qatar Holding Luxembourg II S.à r.l., registered with the commercial and companies' register of Luxembourg under no. B 147784, having its business address at 6, Rue Eugène Ruppert, L-2453 Luxembourg, Grand Duchy of Luxembourg.

The following table sets for the ultimate and direct shareholders and voting rights of the Major Shareholders immediately prior to the Offering, and their expected shareholding, together with the expecting shareholding of the public float, upon completion of the Offering.

		Beneficial (Indirect) Ownership of the Issuer, in %		
			upon completion of the Offering	
Ultimate Shareholder	**Direct Shareholder**	**immediately prior to the Offering**	**(no exercise of Greenshoe Option)**	**(full exercise of Greenshoe Option)**
Rocket Internet SE	Rocket Internet SE, Berlin, Germany Bambino 53. V V UG (haftungsbeschränkt), Berlin, Germany[1)]	58.71	48.81	47.61
Jeff Horing[2)]	HF Del Insight S.à r.l., Luxembourg, Luxembourg; HF Main Insight S.à r.l., Luxembourg, Luxembourg; HF Cay Insight S.à r.l., Luxembourg, Luxembourg[2)]	18.66	15.51	15.13
Phenomen Ventures LP[3)]	Almonk Investments Ltd, Tortola, British Virgin Islands; Ezill Financial Inc., Tortola, British Virgin Islands[3)]	8.84	7.35	7.17
Vorwerk & Co. KG[4)]	Vorwerk Direct Selling Ventures GmbH, Wuppertal, Germany	4.43	3.68	3.59
Qatar Investment Authority	Qatar Holding Luxembourg II S.à r.l., Luxembourg, Luxembourg	3.34	2.78	2.71
Other shareholders[5)]		5.62	4.67	4.56
Treasury shares		0.40	0.33	0.32
Public float		–	16.86	18.91
Total		**100.00**	**100.00**	**100.00**

1) Rocket Internet SE holds 52.97% of the shares in the Issuer immediately prior to the Offering. Bambino 53. holds 5.74% of the shares in the Issuer immediately prior to the Offering. Bambino 53. holds 0.12% of the shares in the Issuer as trustee for the Issuer and 5.54% of the shares in the Issuer as trustee for the investment vehicles of Dominik Richter and Thomas Griesel, who are both members of the management board of the Issuer, and for certain current and former local managers, employees and supporters of the operating businesses (or their investment vehicles). Of the shares held through Bambino 53., 3,307,547 shares are attributable to Dominik Richter's investment vehicle and 2,399,034 are attributable to Thomas Griesel's investment vehicle. In addition, among other equity-linked instruments, Dominik Richter's investment vehicle, Thomas Griesel's investment vehicle and Christian Gärtner, who also is a member of the management board, hold a total of 8,112,528 call options in the Issuer. Of Dominik Richter's investment vehicle's 3,565,696 call options, 2,402,288 call options have an exercise price of EUR 1.00 and 1,163,408 call options have an exercise price of EUR 1.15 and all of the 3,565,696 call options will vest in the event of an IPO of the Issuer's shares 24 months after such IPO. Of Thomas Griesel's investment vehicle's 4,048,432 call options, 2,885,024 call options have an exercise price of EUR 1.00 and 1,163,408 call options have an exercise price of EUR 1.15 and 3,283,744 of the call options (2,120,336 call options with an exercise price of EUR 1.00 and 1,163,408 call options with an exercise price of EUR 1.15) will vest in the event of an IPO of the Issuer's shares 24 months after such IPO. With respect to the respective exercise price, both Dominik Richter's investment vehicle and Thomas Griesel's investment vehicle hold compensation claims against the Issuer for the largest parts of the respective exercise prices of their options. Of Christian Gärtner's 498,400 call options, 356,000 call options have an exercise price of EUR 10.42 and 142,400 have an exercise price of at least EUR 27.08. If an IPO takes place before the second half of 2018, a total of 166,129 of Christian Gärtner's call options (118,667 call options with an exercise price of EUR 10.42 and 47,462 call options with an exercise price of EUR 27.08) will vest in the second half of 2019.

2) Jeff Horing is the ultimate controlling shareholder of the Issuer's direct shareholders HF Del Insight S.à r.l., HF Cay Insight S.à r.l. and HF Main Insight S.à r.l. HF Del Insight S.à r.l. is wholly owned by Insight Venture

Partners (Delaware) VIII, L.P.; HF Cay Insight S.à r.l. is wholly owned by Insight Venture Partners (Cayman) VIII, L.P. and Insight Venture Partners VIII (Co-Investors), L.P.; and HF Main Insight S.à r.l. is wholly owned by Insight Venture Partners VIII, L.P. Insight Venture Partners (Delaware) VIII, L.P., Insight Venture Partners (Cayman) VIII, L.P., Insight Venture Partners VIII (Co-Investors), L.P. and Insight Venture Partners VIII, L.P. are each controlled by their joint general partner Insight Venture Associates VIII, L.P. The voting rights directly held by HF Del Insight S.à r.l., HF Cay Insight S.à r.l. and HF Main Insight S.à r.l. are further attributed to Insight Venture Associates VIII, L.P.'s controlling general partner Insight Venture Associates VIII, Ltd, to Insight Venture Associates VIII, Ltd's controlling shareholder Insight Holdings Group LLC and to Insight Holdings Group LLC's controlling owner Jeff Horing.

3) Phenomen Ventures LP is the sole direct shareholder of both the Issuer's direct shareholders Almonk Investments Ltd. and Ezill Financial Inc. Phenomen Ventures LP is controlled by Dmitry Falkovich who is the sole owner of Phenomen Ventures Management, which is the general partner of Phenomen Ventures LP, and Albert Avdolyan who is the sole owner of Vusoll Investments Inc, which is the sole limited partner of Phenomen Ventures LP.

4) Vorwerk & Co. KG is the ultimate controlling shareholder of the Issuer's direct shareholder Vorwerk Direct Selling Ventures GmbH. Vorwerk Direct Selling Ventures GmbH is a wholly owned subsidiary of Vorwerk & Co. eins GmbH, which is a wholly owned subsidiary of Aug. Mittelsten Scheid & Söhne GmbH which is in turn wholly owned by Vorwerk & Co. KG.

5) Other shareholder refers to shareholdings with less than 3% in the Issuer before the start of trading in the Issuer's shares.

Rocket Internet SE as the Lending Shareholder will provide the Stabilization Manager with up to 4,050,000 Over-Allotment Shares in the form of a securities loan. In connection with the Over-Allotment, the Issuer will grant the Underwriters the Greenshoe Option, i.e., an option to acquire up to 4,050,000 additional Issuer's shares at the Offer Price less agreed commissions, for the sole purpose of enabling the Stabilization Manager to perform its redelivery obligation under the securities loan with the Lending Shareholder.

For information regarding our employee stock option programs, see "*16.7.2 Call Options against Bambino 53*".

13.2 Controlling Interest

As of the date of this prospectus, Rocket Internet SE directly and indirectly controls more than 30% of the voting rights in the Issuer and is, therefore, considered to hold a controlling interest in the Issuer pursuant to the German Securities Acquisition and Takeover Act (*Wertpapiererwerbs- und Übernahmegesetz*). Assuming (i) a placement of all New Shares and (ii) full exercise of the Greenshoe Option, Rocket Internet SE will continue to directly and indirectlly control approximately 47.71% of the voting rights of the outstanding shares. The voting rights of Rocket Internet SE do not differ in any respect from the rights attached to any other shares, including the Offer Shares. The limits imposed under German law, in particular the German Stock Corporation Act (*Aktiengesetz*) and the rules and regulations applicable to European Companies on the ability of a controlling shareholder to unduly exercise any control have been observed by Rocket Internet SE and the Issuer. There are no special provisions in the Articles of Association to ensure that such control is not abused.

14. GENERAL INFORMATION ON THE ISSUER AND THE GROUP

14.1 Formation and Incorporation

The Issuer's legal predecessor was formed as a limited liability company (*Gesellschaft mit beschränkter Haftung*) under German law by memorandum of association dated October 4, 2011. Its legal name was "Jade 1314. GmbH" with its registered office in Berlin, Germany, registered under number HRB 137236 B with the Commercial Register (*Handelsregister*) at the local court (*Amtsgericht*) of Charlottenburg, Germany.

By decision of its shareholders dated December 6, 2012, the memorandum of association was revised and the Issuer's legal name was changed to "HelloFresh GmbH".

In August 2015, HelloFresh GmbH and its subsidiary HelloFresh Deutschland GmbH & Co. KG (now: HelloFresh Deutschland SE & Co. KG) entered into a spin off and transfer agreement (*Ausgliederungs - und Übernahmevertrag*) for the spin-off of the German and Austrian operating business of HelloFresh GmbH into HelloFresh Deutschland GmbH & Co. KG (now: HelloFresh Deutschland SE & Co. KG), which became effective with entry in the Commercial Register (Handelsregister) on August 31, 2015.

In September 2015, HelloFresh GmbH and its wholly owned subsidiary, Brillant 2132. GmbH ("**Brillant 2132.**"), entered into a merger agreement for the downstream merger of HelloFresh GmbH into Brillant 2132. For the implementation of the merger, the registered share capital of Brillant 2132. was increased to EUR 120,004,752 by issuing 119,979,752 shares each with a nominal value of EUR 1.00 to the existing shareholders of HelloFresh GmbH (pro rata to their shareholding in HelloFresh GmbH) against contribution in kind (*Sachkapitalerhöhung*), i.e., the transfer of assets with all rights and obligations of HelloFresh GmbH to Brillant 2132. (merger through acquisition – *Verschmelzung zur Aufnahme*). The merger was recorded in the Commercial Register (*Handelsregister*) on September 30, 2015. On the same day, the legal name of Brillant 2132. was changed to "HelloFresh GmbH".

In a series of transactions in October 2015, the registered share capital of the Issuer was increased by issuing a total of 1,399,792 shares each with a nominal value of EUR 1.00 to Bambino 53., which holds those and other shares for certain current and former (local) managers, employees and supporters of the Group or their respective investment vehicles. In addition, the sub-holding companies Bambino 93. V V UG (haftungsbeschränkt) & Co. Verwaltungs KG (the Australian sub-holding), HelloFresh Netherlands Holding UG (haftungsbeschränkt) (the Dutch sub-holding), Bambino 86. V V UG (haftungsbeschränkt) (the U.K. sub-holding) and Bambino 93. V V UG (haftungsbeschränkt) & Co. Erste Verwaltungs KG (the U.S. sub-holding) were merged into the Issuer.

By resolution of the shareholders' meeting of HelloFresh GmbH, held on November 1, 2015, HelloFresh GmbH changed its legal form to a stock corporation (*Aktiengesellschaft*) organized under German law and changed its legal name to "HelloFresh AG". The change in legal form and name was registered with the Commercial Register (*Handelsregister*) at the local court (*Amtsgericht*) of Charlottenburg on November 2, 2015 under number HRB 171666 B.

By resolution of the shareholders' meeting of HelloFresh AG, held on August 29, 2016, the Issuer changed its legal form from a stock corporation (*Aktiengesellschaft*) organized under German law into a European company (*Societas Europaea – SE*) organized under European and German law by way of a change of legal form (*formwechselnde Umwandlung*) and changed its legal name to "HelloFresh SE". The change in legal form and name was registered with the Commercial Register (*Handelsregister*) at the local court (*Amtsgericht*) of Charlottenburg on December 14, 2016 and became effective on the same day. As of the date of the prospectus, the Issuer, with its registered seat in Berlin, Germany, is registered with the Commercial Register (*Handelsregister*) of the local court (*Amtsgericht*) of Charlottenburg under the registration number HRB 182382 B.

As a European company the Issuer is subject to European legislations on European companies (*Societas Europaea – SE*), especially to the SE Regulation. If any matter is not covered or only partially covered by the SE Regulation, the provisions of the national law where the European company (*SE*) is registered and which apply to stock corporations are applicable to the European company (*SE*). Having its registered seat in Germany, the Issuer is governed by German law subject to the provisions of the SE Regulation. Thus, the German Stock Corporation Act (*Aktiengesetz*) as well as other provisions of law applicable to stock corporations (in particular the German Transformation Act (*Umwandlungsgesetz*), the German

Commercial Code (*Handelsgesetzbuch*), the German Securities Trading Act (*Wertpapierhandelsgesetz*) and the German Securities and Acquisition and Takeover Act (*Wertpapiererwerbs- und Übernahmegesetz*) apply alternatively. Therefore, with respect to capital measures such as capital increases and reductions, shareholders' meetings and accounting, German law applies (in particular the German Stock Corporation Act – *Aktiengesetz*).

14.2 History of the Issuer

Founded in Berlin in 2011, HelloFresh quickly expanded operations to offer nationwide coverage in Germany, the Netherlands and Belgium, the United Kingdom, and later to Austria, Australia, the United States (excluding Alaska, Hawaii and U.S. territories and possessions), Canada, Switzerland and, most recently, Luxembourg. With operations now in ten countries across three continents, HelloFresh has, by its own estimate, grown to become the largest player globally in the meal kit market in terms of geographic coverage, revenue and number of Active Customers in the three months ended June 30, 2017.

14.3 Commercial Name and Registered Office

The Issuer is a European company (Societas Europaea or SE) incorporated in Germany and governed by European and German law. The legal name of the Issuer is HelloFresh SE. It is registered with the Commercial Register (*Handelsregister*) of the local court (*Amtsgericht*) of Charlottenburg, Germany, under docket number HRB 182382 B. The Issuer is the Group's holding company; the Group primarily operates under the commercial name "HelloFresh".

The Issuer's registered office is at Saarbrücker Straße 37a, 10405 Berlin, Germany (tel. +49 (0)30-208 48 31 60).

14.4 Fiscal Year and Duration

The Issuer's fiscal year is the calendar year. The Issuer was established for an unlimited period of time.

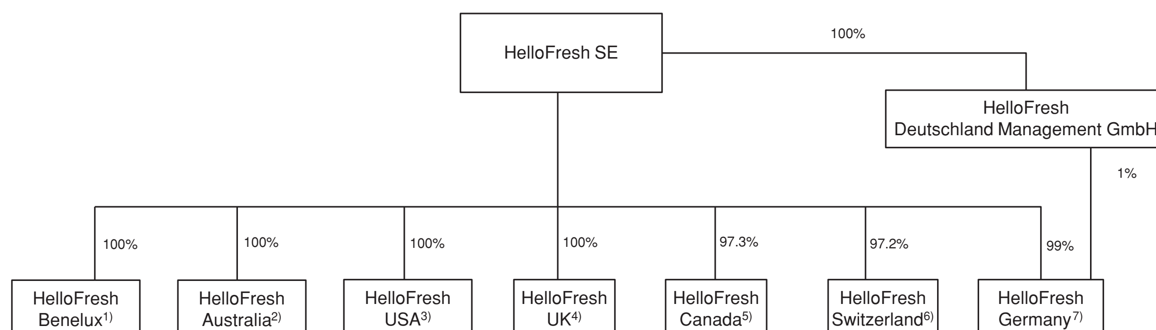
14.5 Corporate Purpose

Pursuant to Section 2 of the Articles of Association, the Issuer's corporate purpose is the development of recipes, procurement, development, production, marketing and the retailing/distribution of products in the food sector and in related non-food products, particularly through the internet and through e-commerce and the operation of on- and offline offers in relation to cooking, eating, nutrition and recipe ideas and delivery of corresponding products and the development and provision of related (digital) services and logistics services, especially the distribution of recipes together with ingredients and their home delivery. The Issuer may limit its activity to a part of the aforementioned areas. The Issuer is entitled to perform all acts and take all steps and conduct all transactions relating to the Issuer's object or which are appropriate to directly or indirectly further the attainment of the Issuer's object. It may also establish or acquire enterprises in Germany or abroad and participate in them as well as manage such enterprises or confine itself to the management of its participation. The Issuer can completely or partially have its operations, also regarding to the participations it holds, conducted by affiliated companies or transfer or outsource its operations to such affiliated companies as well as confine itself to the operation as a management holding company. The Issuer may also establish branch offices and permanent establishments in Germany and abroad.

14.6 Group Structure

The Issuer is the holding company of our Group. The Issuer's business is conducted by its various subsidiaries. Each of the Issuer's significant subsidiaries is responsible for the operations within a certain country or several countries.

The following diagram provides an overview of the direct and indirect shareholdings of the Issuer (in simplified form) in its significant subsidiaries as of the date of this prospectus:



1) HelloFresh Benelux B.V.
2) Grocery Delivery E-Services Australia Pty Ltd.
3) Grocery Delivery E-Services USA Inc.
4) Grocery Delivery E-Services UK Ltd.
5) HelloFresh Canada Inc.
6) HelloFresh Suisse AG.
7) HelloFresh Deutschland SE & Co. KG.

14.7 Significant Subsidiaries

The following table provides an overview of the Issuer's significant subsidiaries. The shareholdings reflect the Group's direct and indirect economic interest in the respective entity. This means that shares held by the respective company itself are not taken into account when computing the percentage of participation. As of December 31, 2016, no amount was outstanding under the issued capital for each of the below listed subsidiaries.

Name and address/ registered office	Issuer's share (directly and indirectly) of capital as of June 30, 2017	Issued capital as of June 30, 2017	Capital reserves as of June 30, 2017	Profit/ loss for the six months ended June 30, 2017	Payables to the Issuer as of June 30, 2017[1]	Receivables from the Issuer as of June 30, 2017
	(in %)		(in million)	(in million)	(in million)	(in million)
			(on the basis of IFRS)			
HelloFresh Deutschland SE & Co. KG, Saarbrücker Straße 37a, 10405 Berlin, Germany	100	EUR 1,110[2]	–	EUR (4.0)	EUR 35.2	EUR 0.1
HelloFresh Deutschland Management GmbH, Saarbrücker Straße 37a, 10405 Berlin, Germany	100	EUR 25,000	–	–	–	–
HelloFresh Deutschland Produktions SE & Co KG, Saarbrücker Straße 37a, 10405 Berlin, Germany	100	EUR 10	–	EUR (0.3)		
Grocery Delivery E-Services Australia Pty Limited, Level 2, 5-13 Queen Street, Chippendale, NSW 2008, Australia	100	AUD 1	–	AUD (1.8)	AUD 24.7	AUD 0.0
HelloFresh Canada Inc., Suite 1700, Park Place, 666 Burrard Street, Vancouver, British Columbia V6C 2X8, Canada	97.2	184,413[3]	–	CAD (3.0)	CAD 1.5	CAD 0.0

Name and address/ registered office	Issuer's share (directly and indirectly) of capital as of June 30, 2017	Issued capital as of June 30, 2017	Capital reserves as of June 30, 2017	Profit/ loss for the six months ended June 30, 2017	Payables to the Issuer as of June 30, 2017[1]	Receivables from the Issuer as of June 30, 2017
	(in %)		(in million)	(in million)	(in million)	(in million)
				(on the basis of IFRS)		
HelloFresh Benelux B.V., Spaklerweg 52, 1114 AE Amsterdam, Duivendrecht, Netherlands	100	EUR 18,000	–	EUR 2.2	EUR 17.5	EUR 0.0
Cool Delivery B.V., Marketing 14, 6921RE Duiven, Netherlands . . .	100	EUR 18	–	EUR 1.5	–	–
HelloFresh Suisse AG, Binzstrasse 23, 8045 Zurich, Switzerland	97.7	CHF 247,357	CHF 2.3	CHF (1.0)	CHF 0.3	–
Grocery Delivery E-Services UK Ltd., 60 Worship Street, London, EC2A 2EZ, United Kingdom	100	GBP 1	–	GBP (4.7)	GBP 39.3	GBP 0.3
Grocery Delivery E-Services USA Inc., 40 West 25th Street, 7th Floor, New York, 10010 NY, United States	100	USD 1	–	USD (36.6)	USD 168.1	USD 0.1

1) Payables contain trade payables and interest-bearing loans.

2) Capital account of limited partnership is shown as issued capital, comprising an equity interest (*Kapitalanteil*) in the amount of EUR 1,100 and a contribution to capital (*Kommanditeinlage*) in the amount of EUR 10.

3) Number of shares without par value.

14.8 Auditors

The Issuer appointed Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft, Stuttgart, office Berlin, Friedrichstraße 140, 10117 Berlin, Germany, as the auditor of (i) our German language unconsolidated financial statements prepared in accordance with the German generally accepted accounting principles of the German Commercial Code (*Handelsgesetzbuch*) as of and for the year ended December 31, 2016, and (ii) our English language consolidated financial statements prepared in accordance with IFRS as of and for the years ended December 31, 2016, December 31, 2015 as well as December 31, 2014, 2013 and 2012. Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft has issued unqualified German language audit opinions (*uneingeschränkte Bestätigungsvermerke*) on the unconsolidated financial statements as of and for the year ended December 31, 2016 and the consolidated financial statements as of and for the years ended December 31, 2016 and December 31, 2015 and has issued an English language unqualified independent auditor's report on the consolidated financial statements as of and for the years ended December 31, 2014, 2013 and 2012.

Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft is a member of the Chamber of Public Accountants (*Wirtschaftsprüferkammer*), Rauchstraße 26, 10787 Berlin, Germany.

14.9 Announcements, Paying Agent

In accordance with the Articles of Association, the announcements of the Issuer are published in the German Federal Gazette (*Bundesanzeiger*), unless otherwise required by mandatory provisions of law.

The Issuer is entitled in accordance with Section 30b para. 3 of the German Securities Trading Act (*Wertpapierhandelsgesetz*) to provide information to the shareholders by way of remote data transmission.

In accordance with the German Securities Prospectus Act (*Wertpapierprospektgesetz*), announcements in connection with the approval of this prospectus or any supplements thereto will be published in the form of publication provided for in this prospectus, in particular through publication on our website (*www.hellofreshgroup.com*). Printed copies of this prospectus and any supplements thereto are available at the Issuer's office at HelloFresh SE, Saarbrücker Straße 37a, 10405 Berlin, Germany (tel. +49 (0)30-208 48 31 60)

The paying agent is Deutsche Bank. The mailing address of the paying agent is: Mainzer Landstraße 11-17, 60329 Frankfurt am Main, Germany.

15. DESCRIPTION OF THE ISSUER'S SHARE CAPITAL AND APPLICABLE REGULATIONS

15.1 Provisions Relating to the Share Capital of the Issuer

15.1.1 Current and Future Share Capital; Shares

As of the date of this prospectus, the share capital of the Issuer amounts to EUR 133,128,752.00 and is divided into 133,128,752 ordinary bearer shares with no-par value (*Stückaktien*) that have all been issued. The issued share capital has been fully paid up. The Issuer's shares were created pursuant to German law.

Of these 133,128,752 issued shares, 692,109 shares are held (directly or indirectly) by the Issuer as treasury shares. 533,333 of the treasury shares, having a notional value of EUR 1.00 per share, were repurchased by the Issuer at a price of EUR 18.75 per share from Bambino 53., which held the shares as trustee, among others, for companies wholly owned by Dominik Richter and Thomas Griesel and for certain local managers, employees and supporters. Also see, "*15.1.2 Development of the Share Capital*". Based on the Issuer's authorization to purchase treasury shares pursuant to Article 5 of the SE Regulation together with Section 71a et seqq. of the German Stock Corporation Act (*Aktiengesetz*) and call options granted to the Issuer in case of certain good and/or bad leaver events of certain employees of the Issuer or one of its subsidiaries, the remaining 158,776 shares were repurchased by the Issuer from former employees (also see, "*15.1.6 Authorization to Purchase and Sell Treasury Shares*"). Accordingly, 132,436,643 shares are outstanding as of the date of this prospectus.

Upon registration of the consummation of the IPO Capital Increase, the Issuer's outstanding share capital will amount to up to EUR 159,436,643.00 and be divided into up to 159,436,643 ordinary bearer shares with no-par value (*Stückaktien*).

Assuming full exercise of the Greenshoe Option, the Issuer will issue an additional up to 4,050,000 ordinary bearer shares with no par value (*Stückaktien*) from the Authorized Capital 2017/I. In such event, the Issuer's outstanding share capital will amount to up to EUR 163,486,643.00 and be divided into up to 163,486,643 ordinary bearer shares with no-par value (*Stückaktien*).

15.1.2 Development of the Share Capital

The Issuer's initial legal predecessor was incorporated in the legal form of a limited liability company (*Gesellschaft mit beschränkter Haftung*) on October 4, 2011 under German law with a share capital of EUR 25,000. Its legal name was "Jade 1314. GmbH". By decision of its shareholders dated December 6, 2012, the memorandum of association was revised and its legal name was changed to "HelloFresh GmbH". Since 2011, the Group has operated under the brand HelloFresh.

The following table sets out the increases in HelloFresh GmbH's share capital against cash from the founding of the Issuer until HelloFresh GmbH's merger with its wholly owned subsidiary, Brillant 2132. (in EUR):

Date of shareholder resolution to increase share capital against cash	Nominal amount of capital increase	Resulting issued capital	Date of registration in Commercial Register
December 22, 2011	7,457	32,457	August 14, 2012
November 29, 2012	8,112	40,569	December 20, 2012
December 6, 2012	6,251	46,820	December 28, 2012
September 9, 2013	9,364	56,184	September 26, 2013
June 4/5, 2014[1)]	13,231	69,415	June 17, 2014
February 5/6, 2015[2)]	14,861	84,276	March 9, 2015

1) The shares were issued in connection with a financing round in which EUR 25.0 million were raised from investors, based on a valuation of the Issuer of EUR 131.2 million.

2) The shares were issued in connection with a financing round in which EUR 110.0 million were raised from investors, based on a valuation of the Issuer of EUR 623.8 million.

In September 2015, HelloFresh GmbH and Brillant 2132., entered into a merger agreement for the downstream merger of HelloFresh GmbH into Brillant 2132. For the implementation of the merger, the registered share capital of Brillant 2132. was increased to EUR 120,004,752 by issuing 119,979,752 shares

each with a nominal value of EUR 1.00 to the existing shareholders of HelloFresh GmbH (pro rata to their shareholding in HelloFresh GmbH) against contribution in kind (*Sachkapitalerhöhung*), i.e., the transfer of assets with all rights and obligations of HelloFresh GmbH to Brillant 2132. (merger through acquisition – *Verschmelzung zur Aufnahme*). The merger was recorded in the Commercial Register on September 30, 2015. On the same day, the legal name of Brillant 2132. was changed to "HelloFresh GmbH."

The following table sets out the increase in the Issuer's share capital since the merger described in the preceding paragraph (in EUR):

Date of shareholder or Management Board resolution to increase share capital against cash and/or contribution in kind	Nominal amount of capital increase	Resulting issued capital	Date of registration in Commercial Register
September 16/17, 2015[1]	3,600,576	123,605,328	October 12, 2015
October 13, 2015[2]	340,336	123,945,664	October 19, 2015
October 28, 2015[3]	1,059,456	125,005,120	October 29, 2015
April 21, 2016[4]	1,035,672	126,040,792	May 9, 2016
May 24, 2016[5]	909,936	126,950,728	June 9, 2016
November 8, 2016[6]	32,752	126,983,480	November 28, 2016
December 19, 2016[7]	6,096,856	133,080,336	January 13, 2017
September 21, 2017[6]	48,416	133,128,752	October 2, 2017

1) The new shares were issued in connection with a private placement to funds represented by Baillie Gifford in which EUR 75.0 million were raised, valuing the Issuer at approximately EUR 2.6 billion.

2) The new shares were issued against a contribution in kind of shares in two companies, which held shares in subsidiaries of the Issuer. The new shares were issued to Bambino 53., a holding company that holds shares in the Issuer, amongst others, for certain current and former (local) managers, employees and supporters of the Group or their respective investment vehicles.

3) The new shares were issued in connection with the implementation of an upstream merger of sub-holdings into HelloFresh GmbH.

4) The new shares were issued in connection with a financing round in which EUR 21.6 million were raised from investors, based on a valuation of the Issuer of EUR 2.6 billion.

5) The new shares were issued against a contribution in cash and in kind to fulfill call options that had been granted to DSR Ventures UG (haftungsbeschränkt), the investment vehicle to one of the Issuer's Management Board members, and BR Sodalitas UG (haftungsbeschränkt), the investment vehicle to one of the Issuer's employees.

6) The new shares were issued against a contribution in cash and in kind to fulfill call options that had been granted to BR Sodalitas UG (haftungsbeschränkt), the investment vehicle to one of the Issuer's employees.

7) The new shares were issued in connection with a financing round in which EUR 85.0 million were raised from investors, based on a valuation of the Issuer of EUR 2.0 billion.

On September 16/17, 2015, the shareholder's meeting of HelloFresh GmbH approved a resolution to increase the Issuer's share capital by EUR 3,600,576 against contribution in cash. The capital increase related to a private placement to funds represented by Baillie Gifford, valuing the Issuer at approximately EUR 2.6 billion (without taking into account the dilutive effect of outstanding stock options).

On October 13, 2015, the shareholder's meeting of HelloFresh GmbH approved a resolution to increase the Issuer's share capital by EUR 340,336 against contribution in kind. The contributions in kind related to shares in two companies, which held shares in subsidiaries of the Issuer. The new shares were issued to Bambino 53., a holding company that holds shares in the Issuer, for certain current and former (local) managers, employees and supporters of the Group or their respective investment vehicles.

On October 28, 2015 Bambino 93. V V UG (haftungsbeschränkt) & Co. Verwaltungs KG (the Australian sub-holding), HelloFresh Netherlands Holding UG (haftungsbeschränkt) (the Dutch sub-holding), Bambino 86. V V UG (haftungsbeschränkt) (the UK sub-holding) and Bambino 93. V V UG (haftungsbeschränkt) & Co. Erste Verwaltungs KG (the U.S. sub-holding) (together the "**Sub-Holdings**") and HelloFresh GmbH entered into a merger agreement for the upstream merger of the Sub-Holdings into HelloFresh GmbH. For the implementation of the merger, the registered share capital of HelloFresh GmbH was increased from EUR 123,945,664.00 by EUR 1,059,456.00 to EUR 125,005,120.00 by issuing 1,059,456 new shares each with a nominal value of EUR 1.00. All of these shares were issued to

Bambino 53., one of the former shareholders of the Sub-Holdings (pro rata to its relative shareholding in the Sub-Holdings) against contribution in kind (*Sachkapitalerhöhung*), i.e. the transfer of all assets, with all rights and obligations of the Sub-Holdings to HelloFresh GmbH (merger through acquisition – *Verschmelzung zur Aufnahme*). To the other (beneficial) shareholders of the Sub-Holdings, Bambino 93. V V UG (haftungsbeschränkt) and HelloFresh GmbH, no compensation was granted and an increase of the share capital of HelloFresh GmbH was refrained from. The merger was recorded in the Commercial Register on October 29, 2015. As a result of these upstream mergers, the former indirect subsidiaries of HelloFresh GmbH, i.e., HelloFresh Benelux B.V., Netherlands (also referred to as HelloFresh Netherlands), Grocery Delivery E-Services Australia Pty Limited, Australia (also referred to as HelloFresh Australia), Grocery Delivery E-Services USA Inc., United States (also referred to as HelloFresh USA) and Grocery Delivery E-Services UK Ltd., United Kingdom (also referred to as HelloFresh UK), became direct subsidiaries of HelloFresh GmbH. The upstream merger of the Sub-Holdings into HelloFresh GmbH (now HelloFresh SE) caused a taxable event to occur for certain local managers, employees and/or supporters of the former indirect subsidiaries who were indirect minority shareholders of the Sub-Holdings or who held option rights in the Sub-Holdings ("**Sub-Holding Minority Shareholders**"). To cover any potential tax obligations resulting from the upstream merger, HelloFresh GmbH (now HelloFresh SE) granted loans of an aggregate low to mid single digit million euro amount to four Sub-Holding Minority Shareholders. As security for these loans, HelloFresh GmbH (now HelloFresh SE) was assigned the shares and/or options by the Sub-Holding Minority Shareholders in the Issuer.

On October 28, 2015, the shareholders of HelloFresh GmbH approved a share buyback program in an amount of up to EUR 10 million. Pursuant to this resolution, prior to its transformation into an AG, HelloFresh GmbH repurchased 533,333 shares at a price of EUR 18.75 per share from Bambino 53., which held the shares in HelloFresh GmbH as trustee, among others, for companies wholly owned by Dominik Richter and Thomas Griesel and for certain local managers. Companies wholly owned by Dominik Richter and Thomas Griesel received approximately EUR 9.2 million in total. The local managers received approximately EUR 0.8 million in total. As a result of these and additional repurchases, the Issuer holds 692,109 shares as treasury shares as of the date of this prospectus.

On November 1, 2015, the shareholders' meeting approved a resolution to change the Issuer's legal form into a stock corporation (*Aktiengesellschaft*) organized under German law which was registered with the Commercial Register on November 2, 2015. The subscribed capital of the Issuer remained unchanged in the course of the change of the Issuer's legal form. The shareholders' meeting also approved a resolution to change the Issuer's legal name to "HelloFresh AG."

On August 29, 2016, the shareholders' meeting approved a resolution to change the Issuer's legal form into a European company (*SE*) organized under European and German law which was registered with the Commercial Register on December 14, 2016. The subscribed capital of the Issuer remained unchanged in the course of the change of the Issuer's legal form. The shareholders' meeting also approved a resolution to change the Issuer's legal name to "HelloFresh SE".

By resolution of the extraordinary shareholders' meeting expected to be held on or about October 24, 2017, the Issuer's share capital is expected to be increased by up to EUR 27,000,000.00 against contributions in cash. The existing shareholders of the Issuer are expected to waive their subscription rights. It is anticipated that this capital increase will be registered with the Commercial Register on or about November 1, 2017.

15.1.3 Authorized Capital

As of the date of this prospectus, the Issuer has two authorized capitals pursuant to Section 4 para. 2 and para. 3 of the Articles of Association together with Article 5 of the SE Regulation together with Section 202 of the German Stock Corporation Act (*Aktiengesetz*).

15.1.3.1 Authorized Capital 2017/I

Pursuant to Section 4 para. 2 of the Articles of Association, the Management Board is authorized to increase the registered capital of the Issuer until October 10, 2022, with the consent of the Supervisory Board once or repeatedly, by up to a total of EUR 55,121,173.00 through the issuance of up to 55,121,173 new ordinary bearer shares with no-par value (*auf den Inhaber lautende Stückaktien (Stammaktien)*) against contributions in cash and/or in kind (the "Authorized Capital 2017/I"). In principle, the shareholders are to be offered subscription rights. The new Issuer's shares may also be subscribed by one or more banks or

enterprises within the meaning of Article 5 of the SE Regulation together with Section 186 para. 5 sentence 1 German Stock Corporation Act (*Aktiengesetz*) with the obligation to offer the shares to the shareholders of the Issuer (indirect subscription right – *mittelbares Bezugsrecht*). The subscription rights of the shareholders are excluded for one or more capital increases in the context of the Authorized Capital 2017/I, (i) if the utilization of the Authorized Capital 2017/I occurs in order to offer the new Issuer's shares by way of a public offer in Germany and/or in the Grand Duchy of Luxembourg and by way of a private placement in other jurisdictions outside of Germany and the Grand Duchy of Luxembourg at an offer price to be determined by the Management Board which requires the consent of the Supervisory Board or of a committee formed by the Supervisory Board, in each case together with the listing of the Issuer's shares at a German stock exchange, and/or (ii) if the utilization of the Authorized Capital 2017/I occurs in order to fulfil an option for the acquisition of additional new shares (Greenshoe Option) agreed upon with the issuing banks in the context of an initial public offering of the Issuer if the issuing banks are provided with existing shares of existing shareholders in the course of a potential over-allotment of shares and the issuing banks do not acquire a sufficient amount of shares in the market in the course of stabilization measures in order to reduce these securities lendings; the issue price is required to correspond with the offer price of the shares of the Issuer in the IPO. It is intended that the New Shares for the Offering will be issued by way of an ordinary capital increase resolved by an extraordinary shareholders' meeting. However, if such extraordinary shareholders' meeting cannot take place, the New Shares for the Offering shall be issued out of the Authorized Capital 2017/I. If the Greenshoe Option is exercised, the Issuer will issue up to 4,050,000 ordinary bearer shares with no par value (*Stückaktien*) out of its Authorized Capital 2017/I.

Further, the Management Board is authorized to exclude the subscription rights of the shareholders with the consent of the Supervisory Board for one or more capital increases in the context of the Authorized Capital 2017/I (i) in order to exclude fractional amounts from the subscription right; (ii) in the event of a capital increase against cash contributions, provided that the issue price of the new shares is not significantly lower than the stock exchange price of the shares of the Issuer already listed and provided that the pro rata amount of the registered share capital attributable to the shares sold under the exclusion of the shareholders' subscription rights shall not exceed 10% of the registered share capital of the Issuer at the time the Authorized Capital 2017/I comes into effect or – in case such amount is lower – is exercised in accordance with Article 5 of the SE Regulation together with Section 186 para. 3 sentence 4 German Stock Corporation Act (*Aktiengesetz*); towards this threshold of 10% of the registered share capital shall also count (a) any shares that are sold during the term of the Authorized Capital 2017/I on the basis of an authorization to sell own shares according to Article 5 of the SE Regulation together with Sections 71 para. 1 no. 8 sentence 5, 186 para. 3 sentence 4 German Stock Corporation Act (*Aktiengesetz*), provided that shareholders' subscription rights are excluded; (b) any shares that are issued during the term of the Authorized Capital 2017/I to satisfy subscription, or conversion or option rights or obligations arising from convertible bonds and/or warrant bonds, profit participation rights and/or income bonds (or any combination of these instruments) (together the "**Bonds**"), provided that such Bonds are issued subject to the exclusion of the shareholders' subscription rights in analogous application of Article 5 of the SE Regulation together with Section 186 para. 3 sentence 4 German Stock Corporation Act (*Aktiengesetz*); and (c) any shares that are issued during the term of the Authorized Capital 2017/I on the basis of other capital measures, provided that such shares are issued subject to the exclusion of the shareholders' subscription rights in analogous application of Article 5 of the SE Regulation together with 186 para. 3 sentence 4 German Stock Corporation Act (*Aktiengesetz*); and (iii) to the extent necessary in order to be able to grant new shares of the Issuer to holders or creditors of Bonds that will be issued by the Issuer or its subordinated group companies upon their exercise of conversion or option rights or fulfilment of conversion or option obligations, and to the extent necessary in order to grant holders of Bonds that will be issued by the Issuer or its subordinated group companies a subscription right to new shares in the amount to which they would be entitled to as shareholders upon exercise of the option or conversion rights or fulfilment of their conversion or option obligations; and (iv) in the event of a capital increase against contributions in kind, in particular in the context of mergers or acquisition (including indirect acquisitions) of companies, businesses, parts of businesses, participations or other assets or claims for the acquisition of assets, including claims against the Issuer or any of its group companies. The Management Board is authorized to determine any further details of the capital increase and its implementation, subject to the consent of the Supervisory Board. This also includes the determination of the profit participation of the new shares, which may, in deviation of Article 9 para. 1 lit. c (ii) of the SE Regulation together with Section 60 para. 2 German Stock Corporation Act (*Aktiengesetz*), also participate in the profit of completed fiscal years. The Supervisory Board is authorized to adjust the wording of the Articles of

Association accordingly after the utilization of the Authorized Capital 2017/I or upon expiry of the period for the utilization of the Authorized Capital 2017/I.

15.1.3.2 Authorized Capital 2017/II

Pursuant to Section 4 para. 3 of the Articles of Association, the Management Board is authorized to increase the registered capital of the Issuer until October 10, 2022, with the consent of the Supervisory Board once or repeatedly, by up to a total of EUR 11,443,203.00 through the issuance of up to 11,443,203 new ordinary bearer shares with no-par value (*auf den Inhaber lautende Stückaktien (Stammaktien)*) against contributions in cash and/or in kind (the "**Authorized Capital 2017/II**"). The subscription rights of the shareholders are excluded. The Authorized Capital 2017/II serves to fulfil acquisition rights (option rights) that have been granted by the Issuer (or its legal predecessors) prior to its conversion into a stock corporation to current and/or former managing directors or members of the Management Board, employees and supporters of the Issuer and its direct and indirect subsidiaries and to service providers or business partners of the Issuer or its direct and indirect subsidiaries (or their respective investment vehicles) between January 1, 2014 and November 1, 2015. The shares which will be created from the Authorized Capital 2017/II may only be issued for this purpose. The issue amount of the new shares must be at least EUR 1.00 and may be paid in either in cash or in kind, including claims against the Issuer. The Management Board is authorized to determine any further details of the capital increase and its implementation, subject to the consent of the Supervisory Board; this also includes the determination of the profit participation of the new shares, which may, in deviation of Article 5 of the SE Regulation together with Section 60 para. 2 of the German Stock Corporation Act (*Aktiengesetz*), also participate in the profit of completed fiscal years. To the extent that a member of the Management Board is entitled under the option rights, the Supervisory Board is exclusively entitled to the determinations. The Supervisory Board is authorized to adjust the wording of the Articles of Association accordingly after the utilization of the Authorized Capital 2017/II or upon expiry of the period for the utilization of the Authorized Capital 2017/II.

15.1.4 Conditional Capital

15.1.4.1 Conditional Capital 2017/II

Pursuant to Section 4 para. 4 of the Articles of Association, the Issuer's share capital is conditionally increased by up to EUR 64,694,704.00 (the "**Conditional Capital 2017/II**") by issuing up to 64,694,704 new no-par value bearer shares (*auf den Inhaber lautende Stückaktien (Stammaktien)*). The Conditional Capital 2017/II serves the granting of shares on the exercise of conversion or option rights or the fulfilment of Bonds issued on the basis of the authorizing resolution by the shareholders' meeting of October 11, 2017. The new shares are issued on the basis of the conversion or option price to be determined in accordance with the authorizing resolution of the shareholders' meeting of October 11, 2017. The conditional capital increase will only be implemented to the extent that holders or creditors of Bonds which are issued or guaranteed by the Issuer or by a subordinated group company of the Issuer on the basis of the authorizing resolution of the general meeting of October 11, 2017, up to October 10, 2022, exercise their conversion or option right or satisfy the conversion or option obligations under such Bonds, or to the extent the Issuer grants shares in the Issuer instead of paying the amount due as well as to the extent the conversion or option rights or conversion or option obligations are not serviced by treasury shares but rather by shares from authorized capital or other consideration. The new shares participate in profits from the beginning of the financial year in which they are created and for all subsequent financial years. In deviation hereof, the Management Board can, insofar as legally permissible, and with the approval of the Supervisory Board, determine that the new shares participate in profits from the beginning of the financial year for which at the time of the exercise of the conversion or option rights, the fulfilment of the conversion or option obligations or the granting (of shares) instead of the amount due, still no resolution by the general meeting as to the appropriation of the balance sheet profit has been passed. The Management Board is authorized to determine the further details of the implementation of the conditional capital increase. The Supervisory Board is authorized to amend the Articles of Association accordingly after the respective utilization of the Conditional Capital 2017/II and upon expiry of all option or conversion periods.

15.1.4.2 Conditional Capital 2017/III

Pursuant to Section 4 para. 5 of the Articles of Association, the Issuer's share capital is conditionally increased by up to EUR 1,869,672.00 (the "**Conditional Capital 2017/III**") by issuing up to 1,869,672 new no-par value bearer shares (*auf den Inhaber lautende Stückaktien (Stammaktien)*). The conditional capital increase serves the issuance of shares to optionally serve virtual stock options granted under the virtual stock options program of the Issuer (VSOP 2016) to members of the Management Board and key personnel of the Issuer and members of the management and key personnel of companies affiliated with the Issuer, subject to the details of the authorization resolution of the general shareholders' meeting of October 11, 2017. The issue amount of the new shares must be at least EUR 1.00 and may be paid in either in cash or in kind, including claims against the Issuer. The conditional capital increase will be implemented only to the extent, that owners of virtual stock options have exercised such stock options, the Issuer decided to serve the pecuniary claims against the Issuer or companies affiliated with the Issuer resulting from virtual stock options by the delivery of shares of the Issuer instead of a cash payment, subject to the details of the authorization resolution of the general shareholders' meeting of October 11, 2017, and the Issuer decided not to serve the virtual stock options with treasury shares or shares from authorized capital. The new shares are issued on the basis of the issue amount to be determined in accordance with the authorizing resolution of the general meeting of October 11, 2017, the terms and conditions of the virtual stock options program of the Issuer (VSOP 2016) and the individual grant agreement. The new shares participate in profits from the beginning of the financial year in which they are created and for all subsequent financial years. In deviation hereof, the Management Board can, insofar as legally permissible, and with the approval of the Supervisory Board and the Supervisory Board can, in the event of the issuance of shares under the Conditional Capital 2017/III to members of the Management Board of the Issuer, determine that the new shares participate in profits from the beginning of the financial year for which at the time of the exercise of the virtual stock options or the delivery of shares instead of the amount due, still no resolution by the general shareholders' meeting as to the appropriation of the balance sheet profit has been passed. The proportion of new shares in the share capital attributable to the issued shares may not exceed 10% of the share capital of the Issuer neither at the time the Conditional Capital 2017/III comes into effect or is exercised. This 10% limit shall also include treasury shares and shares created under authorized capital, which the Issuer issues or will issue to Participants under the virtual stock options program of the Issuer (VSOP 2016) and the beneficiaries under other management or employee participation programs or virtual stock option programs. The Management Board and the Supervisory Board, in the event of the issuance of shares under the Conditional Capital 2017/III to members of the Management Board of the Issuer, are authorized to determine the further details of the implementation of the conditional capital increase. The Supervisory Board is authorized to amend the articles of association of the Issuer accordingly after the respective utilization of the Conditional Capital 2017/III and upon expiration of all exercise periods.

15.1.5 Authorization to Issue Convertible Bonds and Other Instruments

Pursuant to a resolution of the Issuer's extraordinary shareholders' meeting of October 11, 2017, the Management Board is authorized, with the approval of the Supervisory Board, to issue, once or several times, until October 10, 2022 Bonds, i.e., convertible bonds, bonds with warrants, profit participation rights, and/or income bonds (or a combination of these instruments) having an aggregate principal amount of up to EUR 2 billion and to grant the holders or creditors of Bonds option or conversion rights to shares of the Issuer with a maximum proportion of the share capital of up to EUR 64,694,704.00 in accordance with the terms and conditions of the Bonds. The authorization to issue Bonds sets out certain parameters which include the following: The Bonds may stipulate an obligatory conversion or an obligation to exercise the option upon maturity or earlier or provide for the right of the Issuer, in whole or in part, instead of paying the amounts due to deliver to the holders or creditors of Bonds shares of the Issuer. In the event of an option being exercised or of a conversion, and in the event of fulfilment of option or conversion obligations, the Issuer may at its discretion grant new shares from authorized capital, treasury shares or other consideration. The terms and conditions of the Bonds may also provide for the right of the Issuer not to grant shares, but rather to pay the equivalent value in cash or shares of another listed company. The option or conversion price for a share must be either (i) at least 80% of the volume-weighted average stock exchange price of the shares of the Issuer in the Xetra trading system (or a comparable successor system) at the Frankfurt Stock Exchange on the last ten trading days prior to the date on which the resolution on the issue of the Bonds is adopted by the Management Board, or (ii) alternatively, if the shares of the Issuer are not admitted or included to trading at a stock exchange, either (1) at least 80% of the issue amount for

each share in Issuer plus any further payments into the reserves of the issuer (per share) paid in the Issuer's last equity financing round which closed prior to the day of this decision, or (2) alternatively, at least 80% of the price per Issuer's share which is determined as the final offer price in the course of an initial public offering of the Issuer's shares, or, in the event of subscription rights being granted, (i) at least 80% of the volume-weighted average stock exchange closing price of the shares of the Issuer in the Xetra trading system (or a comparable successor system) at the Frankfurt Stock Exchange either (1) in the period during which the subscription rights are traded on the Frankfurt Stock Exchange with the exception of the two last stock exchange days of subscription rights trading, or (2) in the period from the start of the subscription period up to the final determination of the subscription price, or (ii) alternatively, if the shares of the Issuer are not admitted or included to trading at a stock exchange at this time, either (1) at least 80% of the issue amount for each share in Issuer plus any further payments into the reserves of the Issuer (per share) paid in the Issuer's last equity financing round which closed prior to the day of this decisions, or (2) alternatively, at least 80% of the price per Issuer's share which is determined as the final offer price in the course of an initial public offering of the Issuer's shares. In case of Bonds with a mandatory conversion obligation or with an obligation to exercise the option right or a put option entitling the Issuer to deliver shares, the conversion or option price may either be at least equal to the minimum price set out above or correspond to the average volume-weighted closing price of the shares of the Issuer in the Xetra trading system (or a comparable successor system) at the Frankfurt Stock Exchange on at least ten trading days immediately before or after the day of maturity, even if the average price is below the minimum price (80%). If the shares in the Issuer are not admitted or included to trading at a stock exchange on the day of maturity, the conversion or option price for a share in the Issuer can correspond to at least 80% of the issue amount for each share in the Issuer plus any further payments into the reserves of the Issuer (per share) paid in the Issuer's last equity financing round which closed prior to the day of maturity. In case of an initial public offering and an (intended) admission or inclusion of the Issuer's shares to trading at a stock exchange, the conversion or option price for a share in the Issuer can correspond to at least 80% of the price per Issuer's share which is determined as the final offer price in the course of an initial public offering of the Issuer's shares. The terms and conditions may also provide for certain anti-dilution mechanisms pursuant to which the option or conversion rights and obligations may – notwithstanding any applicable law – be adjusted to retain value, if during the term of the Bonds the financial value of the existing option or conversion rights and obligations is diluted. The terms and conditions may also provide for a cash compensation instead of granting subscription rights or changing the conversion price. The Bonds may also be issued by companies in which the Issuer has a direct or indirect majority share. In such case, the Management Board is authorized to provide for a guarantee for the repayment of the Bonds for the issuing company and to grant holders or creditors of such Bonds shares of the Issuer in order to satisfy the conversion or option obligations conceded with such Bonds.

Shareholders have, in principle, subscription rights to the Bonds. The Bonds may also be acquired by one or several banks or enterprises within the meaning of Section 186 para. 5 sentence 1 German Stock Corporation Act (*Aktiengesetz*), subject to the obligation to offer them to shareholders for subscription. The Management Board may, with the approval of the Supervisory Board, exclude subscription rights to the Bonds in certain cases and under certain conditions, including (i) if the Bonds are issued for cash payment, provided that the issue price is not significantly lower than the theoretical market price as determined in accordance with recognized actuarial calculation methods and that the Bonds carry option or conversion rights and/or option or conversion obligations to shares with a proportionate amount of the share capital which must not exceed 10% of the Issuer's share capital at the time said authorization comes to effect or – in case such amount is lower – the authorization is exercised; any shares shall count towards the threshold of 10% of the registered share capital that (a) are issued or sold during the term and up to the time of exercising of the authorization, in direct or analogous application of Section 186 para. 3 sentence 4 of the German Stock Corporation Act (*Aktiengesetz*) or (b) are issued to satisfy subscription rights or conversion obligations arising from Bonds, provided that such Bonds are issued subject to the exclusion of the shareholders' subscription rights in analogous application of Section 186 para. 3 sentence 4 German Stock Corporation Act (*Aktiengesetz*) following the date on which this authorization becomes effective; (ii) if the Bonds are issued against contributions in kind, provided that the value of the contribution in kind is proportionate to the market value of the Bonds; (iii) for fractional amounts; or (iv) if the Bonds are issued to grant holders of previous issued Bonds subscription rights to the extent they would have been entitled to as shareholders after exercising option or conversion rights or after fulfilling option or conversion obligations.

To the extent that profit participation rights or income Bonds are issued that do not carry option or conversion rights and/or option or conversion obligations, the Management Board, with the approval of

the Supervisory Board, shall be authorized to exclude subscription rights of shareholders overall if these profit participation rights or income bonds are structured in the same way as Bonds, i.e., do not constitute any membership rights in the Issuer, do not grant any participation in liquidation proceeds and the amount of interest is not calculated on the basis of the amount of the annual surplus, the profit according to the balance sheet or the dividends. In this case, the interest and the issue amount of the profit participation rights or income bonds must correspond to the actual market conditions for a comparable acquisition of funds at the time of issue.

The Management Board is authorized, with the approval of the Supervisory Board, to stipulate further particulars and terms of the Bonds in accordance with the parameters of the authorization.

15.1.6 Authorization to Purchase and Sell Treasury Shares

By resolution of the extraordinary shareholders' meeting on October 11, 2017, the Management Board is authorized, with the approval of the Supervisory Board, to purchase up to a total of 10% of its share capital existing at the time of the adoption of the resolution or, if this amount is lower, at the time the authorization is exercised, until October 10, 2022. The acquired shares, together with other treasury shares which may be in the possession of the Issuer or are attributable to it pursuant to Article 5 of the SE Regulation together with Sections 71a et seq. of the German Stock Corporation Act (*Aktiengesetz*), if any, may at no time exceed 10% of the Issuer's registered share capital. At the discretion of the Management Board, the shares can be acquired via the stock exchange, through a public offer made to all shareholders of the Issuer or a public invitation to shareholders to submit offers to sell. The authorization provides for certain thresholds by defining a minimum and maximum consideration for the acquisition of a treasury share. In case of an acquisition via the stock exchange, the consideration for a treasury share (excluding transaction costs) may not be more than 10% higher or lower than the Issuer's share price determined on the first day of the opening auction of the Xetra trading system (or of a comparable successor system) on the Frankfurt Stock Exchange. In case of a public offer or a public invitation to shareholders to submit offers to sell, the Issuer may either determine the purchase price or a purchase price range. In case a purchase price range is determined, the Issuer will set the final purchase price based on the offers to sell that have been made. The offered purchase price or the start and end values of the purchase price range per share (excluding transaction costs) may not be more than 10% higher or lower than the volume-weighted average stock exchange price of the share of the Company in the Xetra trading system (or a comparable successor system) on the Frankfurt Stock Exchange on the last five trading days before the day of publication of the Management Board's decision about the offer or acceptance of offers made by the shareholders. Adjustments may be made in case of material market price movements after the publication of an offer or the publication of a solicitation to submit offers. The treasury shares may be used for any purpose permitted by law. Apart from selling them via the stock exchange or through an offer to all shareholders, the Management Board is authorized, with the approval of the Supervisory Board, to sell the treasury shares against cash consideration under exclusion of subscription rights, provided that the selling price is not significantly lower than the market price and that the amount of treasury shares to be sold does not exceed 10% of the registered share capital at the time the disposal is resolved or, if this amount is lower, at the time the authorization is exercised. Moreover, the treasury shares can be offered and transferred against contribution in kind under exclusion of subscription rights, in particular, in the course of mergers or the acquisition of companies. Also, they may be used, under exclusion of subscription rights, in order to fulfill or secure obligations or rights to acquire shares of the Issuer, in particular under or in connection with convertible bonds and/or bonds with warrants that might be issued by the Issuer or by its subsidiaries or to grant holders of bonds subscription rights as compensation against the effects of dilution of a capital increase. They may also be offered for purchase or transferred to former or current employees of the Issuer or of its affiliates, members of the Management Board of the Issuer or of its affiliates or their respective investment vehicles, or to other holders of acquisition rights (especially under call options granted by the Issuer's predecessors) or to holders of virtual options granted or to be granted by the Issuer, its predecessors or their subsidiaries. The treasury shares can also be offered for purchase and transferred to beneficiaries under the current virtual stock option program 2016 of the Issuer, if and to the extent the Management Board decides to settle claims resulting from such virtual stock options by issuing treasury shares. To the extent members of the Management Board of the Issuer are affected, the relevant details are to be determined by the Supervisory Board. Finally, the treasury shares can also be cancelled without an additional shareholders' resolution.

The Management Board, subject to the approval by the Supervisory Board, further authorized by resolution of the extraordinary shareholders' meeting on October 11, 2017, to acquire until October 10,

2022 treasury shares under angel agreements entered into with (existing or former) employees of the Issuer or its subsidiaries in connection with their employment relationship (i) with regard to certain trust shares held by Bambino 53. for such (existing or former) employees or their respective investment vehicles (ii) with regard to certain shares that have already been transferred to such (existing or former) employees or their respective investment vehicles. This authorization may be used, in whole or in part, once or several times, by the Issuer, but also by group companies, in particular by Bambino 53., for the account of the Issuer or the group companies. Under the angel agreements the options with regard to the trust shares held by Bambino 53. can be exercised in so-called good leaver events to the extent those shares have not already vested over a 36 or 48 months vesting period, if the employment agreement of the respective employee with HelloFresh terminates, or in case of so-called bad leaver events for all trust shares. With regard to the majority of the angel agreements the option in a bad leaver event can only be exercised during the vesting period. The options with regard to the shares that have already been transferred to such employees or their trustees can only be exercised in so-called bad leaver events. Such bad leaver event is given if such employee breaches, for example, a contractual prohibition of competition agreed between him and the Issuer or a group company of HelloFresh or insolvency proceedings are commenced over such employee's assets. The purchase price to be paid upon exercise of such call option shall be the acquisition price the employee paid for these trust shares or – if lower in value – the market value. As a result of the exercise of such a call right by the Issuer or one of the group companies, Bambino 53. will hold the trust shares for the account of the Issuer. The acquired shares, together with other treasury shares which may be in the possession of the Issuer or are attributable to it pursuant to Article 5 of the SE Regulation together with Sections 71d and 71e of the German Stock Corporation Act (*Aktiengesetz*), if any, may at no time exceed 10% of the Issuer's registered share capital. The acquired shares can be used for the same purposes as those acquired under the above mentioned general authorization to purchase treasury shares. In addition, the Issuer is permitted to be entitled to security assignment of all rights and obligations resulting from certain trust agreements under which Bambino 53. holds trust shares in the Issuer for certain of HelloFresh's employees. Such security assignments are part of loan agreements under which the Issuer granted loans to such employees in connection with tax payments deriving from trust shares and options granted to the employee, and resulting from reorganization measures, in particular the upstream merger of the Sub-Holdings into HelloFresh GmbH, initiated by the Issuer. If the Issuer exercises its rights under the security assignments, the respective trust shares must be sold and the proceeds will be paid to the Issuer.

In addition, the Issuer is authorized to acquire, until October 10, 2022, treasury shares up to a total maximum of 5% of the registered share capital existing at the time of the adoption of the resolution by use of derivatives (put or call options or a combination of both). The acquired shares form part of the 10% threshold of the authorization for the acquisition and use of treasury shares. The option transactions must be entered into with a financial institution or through the stock exchange at terms close to market conditions. The shareholders are not entitled to enter into option transactions with the Issuer. The authorization provides for certain thresholds with regard to the exercise price (excluding acquisition costs and including certain other costs) which may not be more than 10% higher or lower than the volume-weighted stock exchange price of the shares of the Issuer in the Xetra trading system (or a comparable successor system) on the Frankfurt Stock Exchange during the last five exchange trading days prior to the conclusion of the respective option transaction. Shareholders have a right to tender their shares only to the extent that, by virtue of the derivative transactions, there is an obligation on the part of the Issuer to purchase the shares. Any further tender right is excluded.

15.2 General Provisions Governing a Liquidation of the Issuer

Apart from liquidation as a result of insolvency proceedings, the Issuer may be liquidated only with a vote of 75% or more of the share capital represented at the general shareholders' meeting at which such vote is taken. Pursuant to Article 63 of the SE Regulation in conjunction with the German Stock Corporation Act (*Aktiengesetz*), in the event of the Issuer's liquidation, any assets remaining after all of the Issuer's liabilities have been settled will be distributed among the shareholders in proportion to their shareholdings. The German Stock Corporation Act (*Aktiengesetz*) provides certain protections for creditors that must be observed in the event of liquidation.

15.3 General Provisions Governing a Change in the Share Capital

Under Articles 5 of the SE Regulation together with the German Stock Corporation Act (*Aktiengesetz*), a European company (*SE*) requires a resolution of the shareholders' meeting to be passed by a majority of

two thirds of the votes cast, as well as a majority of at least 75% of the share capital represented at the time the resolution is passed, to increase its share capital. However, Section 18 of the Articles of Association provides that resolutions of the shareholders' meeting, in so far as a majority of the share capital is necessary, shall be passed with a simple majority of the registered share capital represented at the voting, unless a higher majority is required by mandatory law. Shareholders can also create authorized capital. This requires a resolution passed by a majority of two thirds of the votes cast as well as a majority of at least 75% of the share capital represented when the resolution is passed, authorizing the Management Board to issue a specific quantity of shares within a period not exceeding five years. The nominal amount may not exceed half of the share capital existing at the time the authorization becomes valid (i.e. is registered with the commercial register).

In addition, shareholders can create conditional capital by a resolution passed with a majority of two thirds of the votes cast as well as a majority of at least 75% of the share capital represented at the time the resolution is passed, for the purposes of (i) issuing shares to holders of convertible bonds or other securities granting a right to subscribe for shares; (ii) issuing shares as consideration in a merger with another company; or (iii) issuing shares offered to managers and employees. The nominal amount of conditional capital may not exceed 10% of the share capital at the time the resolution is passed in cases where it is created to issue shares to managers and employees, and may not exceed 50% in all other cases. Resolutions to reduce the share capital require a majority of two thirds of the votes cast as well as a majority of at least 75% of the share capital represented at time the resolution is passed.

15.4 General Provisions Governing Subscription Rights

In principle, Article 5 of the SE Regulation in conjunction with Section 186 of the German Stock Corporation Act (*Aktiengesetz*) grants to all shareholders the right to subscribe for new shares to be issued in a capital increase. The same applies to convertible bonds, bonds with warrants, profit participation rights and participating bonds. Subscription rights are freely transferable and may be traded on German stock exchanges for a prescribed period before the deadline for subscription expires. However, shareholders do not have a right to request admission to trading for subscription rights. The general shareholders' meeting may, subject to a majority of at least 75% of the share capital represented at the vote, resolve to exclude subscription rights. Exclusion of shareholders' subscription rights also requires a report from the management board of the issuer that justifies and demonstrates that the company's interest in excluding subscription rights outweighs the interest of the shareholders being granted subscription rights. Excluding shareholders' subscription rights when new shares are issued is specifically permissible where:

- the company is increasing share capital against cash contributions;
- the amount of the capital increase does not exceed 10% of the share capital at issue; and
- the price at which the new shares are being issued is not materially lower than the stock exchange price.

15.5 Exclusion of Minority Shareholders

Under Article 5 of the SE Regulation together with Sections 327a *et seq.* of the German Stock Corporation Act (*Aktiengesetz*), which governs the so-called "squeeze-out under stock corporation law", upon the request of a shareholder holding 95% of the share capital ("**Majority Shareholder**"), the shareholders' meeting of a stock corporation may resolve to transfer the shares of minority shareholders to the Majority Shareholder against the payment of adequate compensation in cash. The amount of the cash payment that must be offered to minority shareholders has to reflect "the circumstances of the company" at the time the shareholders' meeting passes the resolution. The amount of the cash payment is based on the full value of the company, which is generally determined using the capitalized earnings method. The minority shareholders are entitled to file for a valuation proceeding (*Spruchverfahren*), in the course of which the fairness (*Angemessenheit*) of the cash payment is reviewed.

Under the German Transformation Act (*Umwandlungsgesetz*), an alternative for squeezing out minority shareholders has been introduced. A majority shareholder holding at least 90% of a stock corporation's share capital can require the shareholders' meeting to resolve that the minority shareholders must transfer their stock to the majority shareholder against the payment of adequate compensation in cash, provided that (i) the majority shareholder is a stock corporation (*Aktiengesellschaft - AG*), a partnership limited by shares (*Kommanditgesellschaft auf Aktien - KGaA*), or a European company (*SE*) having its seat in

Germany; and (ii) the squeeze-out is performed to facilitate a merger under the German Transformation Act (*Umwandlungsgesetz*) between the majority shareholder and the stock corporation. The shareholders' meeting approving the squeeze-out must take place within three months of the conclusion of the merger agreement. The procedure for the squeeze-out is essentially identical to the "squeeze-out under stock corporation law" described above, including the minority shareholders' right to have the appropriateness of the cash compensation reviewed.

Under Sections 39a and 39b of the German Securities Acquisition and Takeover Act (*Wertpapiererwerbs- und Übernahmegesetz*), in the case of a so-called "squeeze-out under takeover law", an offeror holding at least 95% of the voting share capital of a target company (as defined in the German Securities Acquisition and Takeover Act (*Wertpapiererwerbs- und Übernahmegesetz*)) after a takeover bid or mandatory offer, may, within three months of the expiry of the deadline for acceptance of the offer, petition the Regional Court (*Landgericht*) of Frankfurt am Main for a court order transferring the remaining voting shares to itself against the payment of adequate compensation. A resolution passed by the shareholders' meeting is not required. The consideration paid in connection with the takeover or mandatory bid is considered adequate if the offeror has obtained at least 90% of the share capital subject to the offer. The nature of the compensation must be the same as the consideration paid under the takeover bid or mandatory offer; a cash alternative must be offered in any event. In addition, after a takeover bid or mandatory offer, shareholders in a target company who have not accepted the offer may do so up to three months after the deadline for acceptances has expired pursuant to Section 39c of the German Securities Acquisition and Takeover Act (*Wertpapiererwerbs- und Übernahmegesetz*), provided the offeror is entitled to petition for the transfer of the outstanding voting shares in accordance with Section 39a of the German Securities Acquisition and Takeover Act (*Wertpapiererwerbs- und Übernahmegesetz*). The provisions for a squeeze-out under stock corporation law cease to apply once an offeror has petitioned for a squeeze-out under takeover law, and only apply again when these proceedings have been definitively completed.

Under Article 9 para. 1 lit. c (ii) of the SE Regulation together with Section 319 et seq. of the German Stock Corporation Act (*Aktiengesetz*), the shareholders' meeting of a stock corporation may vote for integration (*Eingliederung*) with another stock corporation that has its registered office in Germany, provided the prospective parent company holds at least 95% of the shares of the company to be integrated. The former shareholders of the integrated company are entitled to adequate compensation, which, generally, must be provided in the form of shares in the parent company. Where the compensation takes the form of shares in the parent company, it is considered appropriate if the shares are issued in the same proportion as the shares the parent company would have been issued per share in the integrated company if a merger had taken place. Fractional amounts may be paid out in cash.

15.6 Shareholder Notification Requirements; Mandatory Takeover Bids; Directors' Dealings

Once the Issuer's shares are admitted to trading on the regulated market of the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*), it will be subject to the provisions of the German Securities Trading Act (*Wertpapierhandelsgesetz*) governing disclosure requirements for significant shareholdings, the Market Abuse Regulation (EU) No. 596/2014 ("**MAR**") governing, among other things, directors' obligations to disclose transactions in the Issuer's shares, debt instruments, or related financial instruments, and the provisions of the German Securities Acquisition and Takeover Act (*Wertpapiererwerbs- und Übernahmegesetz*).

Pursuant to Section 21 para. 1 of the German Securities Trading Act (*Wertpapierhandelsgesetz*), anyone who acquires, sells or whose shareholding in any other way reaches, exceeds or falls below 3%, 5%, 10%, 15%, 20%, 25%, 30%, 50% or 75% of the total number of voting rights in the Issuer, as an issuer whose country of origin (*Herkunftsstaat*) is Germany, is required to notify the Issuer and BaFin at the same time. Notifications must be submitted without undue delay, and no later than within four trading days. The four-day notification period starts at the time the person or entity subject to the notification requirement has knowledge of or, in consideration of the circumstances, should have had knowledge of his proportion of voting rights reaching, exceeding or falling below the aforementioned thresholds. The German Securities Trading Act (*Wertpapierhandelsgesetz*) contains a conclusive presumption that the person or entity subject to the notification requirement has knowledge two trading days after such an event occurs. Moreover, a person or entity is deemed to already hold shares as of the point in time such person or entity has an unconditional and due claim of transfer related to such shares pursuant to Section 21 para. 1 b) of the German Securities Trading Act (*Wertpapierhandelsgesetz*). In the case that a threshold has been reached or crossed due to a change in the total number of voting rights, the notification period starts at the time the

person or entity subject to the notification requirement has knowledge about such change, or upon the publication of the revised total number of voting rights by the Issuer, at the latest.

In connection with these requirements, Section 22 of the German Securities Trading Act (*Wertpapierhandelsgesetz*) contains various attribution rules. For example, voting rights attached to shares held by a subsidiary are attributed to its parent company. Similarly, voting rights attached to shares held by a third party for the account of a person or entity are attributed to such person or entity. Voting rights which a person or entity is able to exercise as a proxy according to such person's or entity's discretion are also attributed to such person or entity. Further, any coordination by a person or entity with a third party on the basis of an agreement or in any other way generally results in an attribution of the full amount of voting rights held by, or attributed to, the third party as well as to such person or entity. Such acting in concert generally requires a consultation on the exercise of voting rights or other efforts designed to effect a permanent and material change in the business strategy of the Issuer. Accordingly, the exercise of voting rights does not necessarily have to be the subject of acting in concert. Coordination in individual cases, however, is not considered as acting in concert.

Similar obligations to notify the Issuer and the BaFin apply pursuant to Section 25 para. 1 of the German Securities Trading Act (*Wertpapierhandelsgesetz*) to anyone who reaches, exceeds or falls below the aforementioned thresholds, except for the 3% threshold, by directly or indirectly holding instruments either (i) giving their holder the unconditional right or discretion to acquire already issued shares of the Issuer to which voting rights are attached, or (ii) relating to such shares and having a similar economic effect, whether or not conferring a right to a physical settlement. Pursuant to Section 25 para. 2 of the German Securities Trading Act (*Wertpapierhandelsgesetz*), such instruments include, in particular, transferable securities, options, futures, swaps, forward rate agreements and contracts of difference.

In addition, anyone whose aggregate number of voting rights and instruments pursuant to Sections 21 para. 1 and 25 para. 1 of the German Securities Trading Act (*Wertpapierhandelsgesetz*) reaches, exceeds or falls below the aforementioned thresholds, except for the 3% threshold, has to notify the Issuer and the BaFin pursuant to Section 25a para. 1 of the German Securities Trading Act (*Wertpapierhandelsgesetz*).

If any of the aforementioned reporting obligations are triggered, the notifying person or entity is required to fully complete the notification form set forth as an annex to the Securities Trading and Insider List Regulation (*Wertpapierhandelsanzeige- und Insiderverzeichnisverordnung*). The notice can be submitted either in German or English, in writing or via fax. The notice must include, irrespective of the event triggering the notification, (i) the number and proportion of voting rights, (ii) the number and proportion of instruments and (iii) the aggregate number and proportion of voting rights and instruments held by or attributed to the notifying person or entity. In addition, the notice must include certain attribution details, among other things, the first name and surname of the notifying individual or the legal name, seat and state of a notifying entity, the event triggering the notification, the date on which the threshold was reached or crossed and, if voting rights or instruments are attributed.

As a domestic issuer, the Issuer must publish such notices without undue delay, but no later than three trading days of receipt, via media outlets or outlets where it can be assumed that the notice will be disseminated in the entire EU and in the non-EU Member States that are parties to the agreement on the EEA. The Issuer must also transmit the publication to the BaFin, specifying the time of publication and the media used and to the German Company Register (*Unternehmensregister*) for storage.

There are certain exceptions to the notice requirements. For example, a company is exempt from its notification obligation if its parent company, or if its parent company is itself a subsidiary, the parent's parent company, has filed a group notification pursuant to Section 24 para. 1 of the German Securities Trading Act (*Wertpapierhandelsgesetz*). Moreover, shares or instruments held by a credit institution or a credit securities services company with a registered seat in the EU or in a non-EU Member State that is a party to the agreement on the EEA are not taken into account for determining the notification obligation or proportion of voting rights held, *provided* (i) they are held in such credit institution's or credit securities services company's trading book, (ii) they amount to no more than 5% of the voting shares, do not grant the right to acquire more than 5% of the voting shares, or do not have a similar economic effect and (iii) it is ensured that the voting rights held by them are not exercised or otherwise made use of.

If a shareholder fails to file a notice or provides false information with regard to shareholdings pursuant to Sections 21 and 22 of the German Securities Trading Act (*Wertpapierhandelsgesetz*), the rights attached to shares held by or attributed to such shareholder, particularly voting and dividend rights, do not exist for the duration of the failure. This does not apply to entitlements to dividend and liquidation gains if the

notifications were not omitted willfully and have since been made. If the shareholder fails to disclose the correct proportion of voting rights held and the shareholder acted willfully or was grossly negligent, the rights attached to shares held by or attributed to such shareholder do not exist for a period of six months after such shareholder has correctly filed the necessary notification, except if the variation in the proportion of the voting rights notified in the preceding incorrect notification was less than 10% of the actual voting right proportion and no notification with respect to reaching, exceeding or falling below the aforementioned thresholds pursuant to Section 21 para. 1 of the German Securities Trading Act (*Wertpapierhandelsgesetz*) was omitted. The same rules apply to shares held by a shareholder, if such shareholder fails to file a notice or provides false information with regard to holdings in instruments or aggregate holdings in shares and instruments pursuant to Sections 25 para. 1, 25a para. 1 of the German Securities Trading Act (*Wertpapierhandelsgesetz*). In addition, a fine may be imposed for failure to comply with notification obligations.

A shareholder who reaches or exceeds the threshold of 10% of the voting rights, or a higher threshold, is obligated to notify the Issuer within 20 trading days regarding the objective being pursued through the acquisition of voting rights, as well as regarding the source of the funds used for the purchase. Changes in those objectives must also be reported within 20 trading days. The Articles of Association have not made use of the option to release shareholders from this disclosure obligation. There are no provisions in the Articles of Association governing the ownership threshold above which shareholder ownership must be disclosed. In calculating whether the 10% threshold has been reached or exceeded, the attribution rules mentioned above apply.

Furthermore, pursuant to the German Securities Acquisition and Takeover Act (*Wertpapiererwerbs- und Übernahmegesetz*), every person whose share of voting rights reaches or exceeds 30% of the voting shares of the Issuer is obligated to publish this fact on the internet and by means of an electronically operated system for disseminating financial information, unless an exemption from this obligation has been granted by the BaFin. If no exemption has been granted, this publication has to be made within seven calendar days and include the total amount of voting rights held by and attributed to such person and, subsequently, such person is further required to submit a mandatory public tender offer to all holders of shares in the Issuer. The German Securities Acquisition and Takeover Act (*Wertpapiererwerbs- und Übernahmegesetz*) contains a series of provisions intended to ensure the attribution of shareholdings to the person who actually controls the voting rights attached to the shares, comparable to the attribution rules described above for shareholdings pursuant to Section 22 of the German Securities Trading Act (*Wertpapierhandelsgesetz*). If a bidder fails to give notice of reaching or exceeding the 30% threshold or fails to submit the mandatory tender offer, the bidder is barred from exercising the rights associated with these shares, including voting rights, for the duration of the delinquency. In case of willful failure to publish the notice of acquisition of control over another company or submission of a mandatory tender offer or willful failure to subsequently send those notices in a timely fashion, the bidder is also not entitled to dividends. A fine may also be imposed in case of non-compliance with the notification obligations described above.

Persons discharging managerial responsibilities at the Issuer within the meaning of the MAR, such as the members of the Management Board and the Supervisory Board, have to notify the Issuer and the BaFin promptly and no later than three business days following transactions exceeding a total of EUR 5,000 per annum in the Issuer's shares, debt instruments, or in related financial instruments undertaken for their own account (so-called managers' transactions). This also applies to persons or entities that are closely associated with such executives within the meaning of the MAR. The Issuer shall ensure that such managers' transactions notifications are made public promptly and no later than three business days after the transaction.

16. MANAGEMENT

16.1 Overview

The Issuer's governing bodies are the Management Board (*Vorstand*), the Supervisory Board (*Aufsichtsrat*) and the shareholders' meeting (*Hauptversammlung*). The Issuer is a European company (*SE*) and has a two-tier management and control system, consisting of the Management Board and the Supervisory Board. The responsibilities and powers of these governing bodies are determined by the SE Regulation, the German Act on the SE-Implementation (*SE-Ausführungsgesetz*—"**SEAG**"), the German Stock Corporation Act (*Aktiengesetz*), the Articles of Association and the internal rules of procedure of both the Supervisory Board and the Management Board.

The Management Board is responsible for managing the Issuer in accordance with applicable European and German law, the Articles of Association and its internal rules of procedure, including the schedule of responsibilities. The Management Board represents the Issuer in dealings with third parties. The members of the Management Board are appointed by the Supervisory Board and the Supervisory Board is also entitled to remove any members of the Management Board under certain circumstances.

Simultaneous management and supervisory board membership in a European company (*SE*) is not permitted under the SE Regulation since the supervisory board's function is to supervise the management of the business by the management board. However, in exceptional cases and for an interim period a member of the supervisory board may take a vacant seat on the management board of the same European company (*SE*). During this period, such individual may not perform any duties for the supervisory board. Such stand-in arrangement is limited in time for a maximum period of one year if the European company (*SE*) is domiciled in Germany.

The Supervisory Board determines the exact number of members of the Management Board. Pursuant to the Articles of Association, the Management Board consists of one or more members. The Supervisory Board also appoints the members of the Management Board and is entitled to dismiss each of them under certain circumstances. As set out in Article 40 of the SE Regulation together with the German Stock Corporation Act (*Aktiengesetz*), the Supervisory Board advises and oversees the Management Board's administration of the Issuer, but is not itself authorized to manage the Issuer. The Articles of Association designate the types of transactions that may only be made with the approval of the Supervisory Board and allow the Supervisory Board to designate additional types of transactions that require its consent in the Rules of Procedure of the Management Board or by resolution. Matters subject to the prior consent of the Supervisory Board or of a committee of the Supervisory Board pursuant to the Articles of Association and the internal rules of procedure of the Management Board currently include, among others:

- modification of the fields of business of the Issuer and the termination of existing and commencement of new fields of business;
- adoption, amendment and rescission of the combined annual business plan for the Issuer and its group companies including the related investment, budget and financial planning;
- individual investments in fixed assets exceeding an amount of EUR 4 million in the individual case or exceeding the agreed annual investment budget by more than an amount of EUR 15 million in total;
- conclusion of credit and loan agreements and other financing agreements as borrower in excess of EUR 5 million in the individual case as well as amendments to the credit framework in excess of EUR 5 million;
- granting of loans (i) in excess of EUR 500 thousand in the individual case and EUR 1 million in the aggregate per year (excluding loans to wholly owned companies or loans granted in the ordinary course of business, e.g. to suppliers or landlords) or (ii) to employees in excess of EUR 100 thousand in the individual case excluding wage and salary advances;
- granting of collateral, pledge or transfer as security of assets of the Issuer, assumption or taking over of guarantees or similar liabilities or of sureties or personal guarantees, payment guarantees and of any and all obligations similar to personal guarantees (*bürgschaftsähnliche Verpflichtungen*), issuance of letters of comfort (*Patronatserklärungen*) as well as issuance of notes payable (*Eingehen von Wechselverbindlichkeiten*) in excess of an amount of EUR 4 million or outside the ordinary course of business, provided, however, that statutory and/or customary securities and/or

liabilities of the aforementioned kind (e.g. lessor's lien, liens in connection with commercial loan insurances, retention of title, custom and tax deposits, etc.) or securities and/or liabilities for the benefit of wholly owned companies shall always be considered as inside the ordinary course of business;

- futures transactions concerning currencies, securities and exchange traded goods and rights as well as other transactions with derivative financial instruments in excess of an amount of EUR 1 million and made outside the ordinary course of business; provided, however, that hedging transactions to limit corresponding risks shall always be in the ordinary course of business.
- acquisition or disposal of enterprises, including joint ventures, participations in enterprises or independent divisions of a business other than the acquisition of shelf companies;
- encumbrance of shares, in case these secure a claim of more than EUR 4 million, as well as liquidation of companies;
- introduction or amendment of employee incentive schemes (including existing schemes) which involve the granting of shares in the Issuer or virtual shares, or other share price related incentives;
- granting, introduction and amendment of pension commitments of any kind;
- acquisition, sale and encumbrance of real estate and similar rights or rights in real estate with a value of more than EUR 4 million;
- execution and amendment of agreements outside the ordinary course of business with definitively committed payment obligations that exceed an amount of EUR 4 million;
- institution and termination of court cases or arbitration proceedings involving an amount in controversy of more than EUR 500 thousand in the individual case;
- conclusion, amendment and termination of enterprise agreements pursuant to Sections 291 et seqq. of the German Stock Corporation Act (*Aktiengesetz*).

In addition to the aforementioned transactions and measures, the Supervisory Board may make other types of transactions and measures subject to a requirement of its consent within the rules of procedure of the Management Board or of the Supervisory Board or by a resolution of its members. The Supervisory Board may also give revocable consent in advance to a certain group of transactions in general or to individual transactions that meet certain requirements.

The Management Board is also required to obtain the prior approval of the Supervisory Board for transactions concluded by group companies of the Issuer if such transactions require approval of the Supervisory Board had they been taken by the Issuer.

Each member of the Management Board and Supervisory Board owes a duty of loyalty, duty of legality and duty of care to the Issuer. Each member of these bodies must consider a broad spectrum of interests, particularly those of the Issuer and its shareholders, employees and creditors. In addition, the Management Board must also take into consideration the shareholders' rights to equal treatment and equal access to information. If members of the Management Board or Supervisory Board breach their duties, they may be individually or jointly and severally liable with the other members of the Management Board or the Supervisory Board to the Issuer for compensatory damages, as the case may be.

Under German law, a shareholder generally has no right to proceed directly against members of the Management Board or Supervisory Board if he believes they have breached their duties to the Issuer. In general, only the Issuer has the right to enforce claims for damages against the members of the Management Board or Supervisory Board. With respect to claims against Supervisory Board members, the Issuer is represented by the Management Board, and with respect to claims against members of the Management Board, the Issuer is represented by the Supervisory Board. Under a decision of the German Federal Supreme Court (*Bundesgerichtshof*), the Supervisory Board is required to assert damages claims against the Management Board if they are likely to succeed unless significant interests of the Issuer conflict with the pursuit of such claims and outweigh the reasons for bringing such claim. If the governing body authorized to represent the Issuer decides not to pursue a claim, the Issuer's claims for damages against members of the Management Board or Supervisory Board must nevertheless be asserted if the shareholders' meeting adopts a resolution to this effect by a simple majority. The shareholders' meeting may appoint a special representative (*besonderer Vertreter*) to assert the claims. Shareholders whose shares

cumulatively make up 10% of the share capital or a pro rata share of EUR 1 million may also petition the court to appoint a special representative. In addition, the shareholders' meeting may appoint special auditors (*Sonderprüfer*) to audit transactions, particularly management transactions, by simple majority vote. If the shareholders' meeting rejects a motion to appoint a special auditor, the court must appoint a special auditor upon the petition of shareholders whose shares cumulatively constitute 1% of the share capital at the time the petition is filed or constitute a pro rata share of EUR 100 thousand if facts exist that justify the suspicion that the transaction was accompanied by dishonesty or gross violations of the law or the articles of association. If the shareholders' meeting appoints a special auditor, the court must appoint another special auditor upon the petition of shareholders whose shares cumulatively constitute 1% of the share capital at the time the petition is filed or constitute a pro rata share of EUR 100 thousand if this appears necessary due to the identity of the special auditor who was appointed.

Shareholders and shareholder associations can solicit other shareholders to file a petition, jointly or by proxy, for a special audit, for the appointment of a special representative, or to convene a shareholders' meeting or exercise voting rights in a shareholders' meeting in the shareholders' forum of the German Federal Gazette (*Bundesanzeiger*), which is also accessible via the website of the German Company Register (*Unternehmensregister*). If there are facts that justify the suspicion that the Issuer was harmed by dishonesty or a gross violation of law or the articles of association, shareholders who collectively hold 1% of the share capital or a pro rata share of EUR 100 thousand may also, under certain further conditions, seek damages from members of the Issuer's governing bodies in their own names through court proceedings seeking leave to file a claim for damages. Such claims, however, become inadmissible if the Issuer itself files a claim for damages.

The Issuer may only waive or settle claims for damages against members of the Management Board or Supervisory Board three years after such claims arose if the shareholders grant their consent at the shareholders' meeting by simple majority vote unless a minority of the shareholders whose shares cumulatively constitute 10% of the share capital objects to the minutes.

Under German law, individual shareholders and all other persons are prohibited from using their influence on the Issuer to cause a member of the Management Board or the Supervisory Board to take an action detrimental to the Issuer. A shareholder with a controlling influence may not use that influence to cause the Issuer to act contrary to its own interests unless there is a domination agreement (*Beherrschungsvertrag*) between the shareholder and the Issuer and the influence remains within the boundaries of certain mandatory provisions of law or compensation is paid for the disadvantages that arise. Any person who uses his influence on the Issuer to cause a member of the Management Board or the Supervisory Board, an authorized representative (*Prokurist*) or an authorized agent (*Handlungsbevollmächtigter*) to act to the detriment of the Issuer or its shareholders may be liable to compensate the Issuer and the affected shareholders for the resulting losses. Moreover, in this context, the members of the Management Board and Supervisory Board are jointly and severally liable if their actions or omissions amount to a violation of their duty of care.

16.2 Management Board

16.2.1 Overview

Under the Articles of Association, the Management Board consists of one or more members. The Supervisory Board determines the exact number of the members of the Management Board. The Supervisory Board appoints members of the Management Board for a maximum term of five years. Pursuant to Article 9 para. 1 lit. c (ii) of the SE Regulation together with Section 84 para. 2 of the German Stock Corporation Act (*Aktiengesetz*) the Supervisory Board may appoint a member of the Management Board as chairman of the Management Board and another member as deputy chairman.

Reappointment or extension, each for a maximum period of up to five years, is permissible. The Supervisory Board may revoke the appointment of a member of the Management Board prior to the expiration of the member's term for good cause, such as a gross breach of fiduciary duty, or if the shareholders' meeting passes a vote of no-confidence with respect to such member, unless the no-confidence vote was clearly unreasonable. The Supervisory Board is also responsible for entering into, amending and terminating service agreements with members of the Management Board and, in general, for representing the Issuer in and out of court vis-à-vis the Management Board.

If the Management Board has only two members, it has a quorum if all its members participate in the vote, and if it has three or more members, if at least half of its members take part in the voting. Members of the Management Board who abstain from voting are also considered to take part in the voting. Resolutions of the Management Board may also be adopted outside of meetings by casting the vote in writing, by telefax, by email or any other customary (including electronic) means of communication or in a combination of the aforementioned forms, including by way of circular resolution, as well as in a combination with adopting the resolution in a meeting at the request of a member of the Management Board if no other member objects to this procedure without undue delay. The Management Board shall use its best efforts to ensure that resolutions are adopted unanimously. If unanimity cannot be achieved, resolutions are passed with a simple majority of the votes cast by the participating members, unless other majorities are required by compulsory law, the Articles of Association or the internal rules of procedure of the Management Board, whereby in case of a tie vote, the vote of the chairman of the Management Board is decisive. Further details, particularly regarding composition, duties, overall responsibility, allocation of responsibility for particular functions and internal organization are governed by the rules of procedure of the Management Board which were issued by the Supervisory Board on July 18, 2017.

The Issuer is represented vis-à-vis third parties and in court proceedings by two members of the Management Board or a member of the Management Board jointly with one holder of a general commercial power of attorney (*Prokurist*), if the Management Board consists of several members. If only one member of the Management Board is appointed or if the Supervisory Board has authorized one member of the Management Board to represent the Issuer alone, such member solely represents the Issuer.

The internal rules of procedure of the Management Board require that the delegation of responsibilities to individual members of the Management Board is established on the basis of the business responsibility plan (*Geschäftsverteilungsplan*). The business responsibility plan is an annex to the rules of procedure of the Management Board and may only be amended on the basis of a unanimous resolution adopted by the Management Board with the prior consent of the Supervisory Board.

16.2.2 Members of the Management Board

The following table lists the current members of the Management Board and their respective responsibilities:

Name/Position	Age	First appointed	Appointed until	Responsibilities
Dominik S. Richter	32	2011[1)]	October 31, 2020	Chief Executive Officer
Thomas W. Griesel	31	2012[1)]	October 31, 2020	Chief Operating Officer, Chief Executive Officer International
Christian Gärtner	44	2015	October 31, 2020	Chief Financial Officer
Tobias Hartmann	44	2017	October 31, 2020	Chief Strategy Officer

1) Appointment to the board of directors of HelloFresh GmbH, the predecessor of the Issuer.

All members of the Management Board may be reached at the Issuer's registered office at Saarbrücker Straße 37a, 10405 Berlin, Germany (tel. +49 (0)30-208 48 31 60).

The following description provides summaries of the *curricula vitae* of the current members of the Management Board and indicates their principal activities outside the Group to the extent those activities are significant with respect to the Group.

16.2.2.1 Dominik Richter

Dominik Richter was born in Munich, Germany. Mr. Richter graduated from WHU - Otto Beisheim Graduate School of Management in 2009 and holds a degree in International Business. In 2010, he graduated from the London School of Economics with a Masters in Finance. Upon graduation, Mr. Richter joined Goldman Sachs, London, as an equities trader in 2010. In 2011, Mr. Richter together with Mr. Griesel, founded HelloFresh GmbH and has been Chief Executive Officer ever since.

16.2.2.2 Thomas Griesel

Thomas Griesel was born in Hilden, Germany. Mr. Griesel graduated from WHU - Otto Beisheim Graduate School of Management in 2009 and holds a degree in International Business. In 2010, he graduated from the London Business School with a Masters in Management. Upon graduation, Mr. Griesel joined OC&C Strategy Consultants. In 2011, Mr. Griesel together with Mr. Richter, founded HelloFresh GmbH and has been Chief Operating Officer ever since and is now also Chief Executive Officer of our segment International.

16.2.2.3 Christian Gärtner

Christian Gärtner was born in Kronach, Germany. Mr. Gärtner graduated from the University of St. Gallen in Switzerland in 1997 and holds a degree in Accounting and Finance. Upon graduation, Mr. Gärtner joined Deutsche Bank in Investment Banking. In 1999, he joined Goldman Sachs, where he worked across different areas of the Investment Bank, and most recently led the German Equity Capital markets practice as a Managing Director from 2009 to 2011. From 2011 until 2015, he led BofA Merrill Lynch's equity capital markets business in Germany, Austria and Switzerland. In 2015, Mr. Gärtner joined the Issuer as Chief Financial Officer.

16.2.2.4 Tobias Hartmann

Tobias Hartmann was born in Augsburg, Germany. Mr. Hartmann graduated from Clark University in Worcester, Massachusetts, United States, where he earned his degree in economics and a master of business administration degree. Mr. Hartmann started his career in management consulting where he worked for Roland Berger Strategy Consultants. Afterwards, Mr. Hartmann served as member of the executive management team at Loyalty Partner, one of the world‘s leading marketing and customer-relationship-management platform solution companies out of Europe. From March 2005 to December 2010, Mr. Hartmann served as managing director and chief operating officer of a full service e-commerce and business-process-outsourcing provider in Europe. From May 2011 to October 2015, Mr. Hartmann was engaged in various positions at eBay Enterprise, formerly a division of eBay Inc. Until June 2017, Mr. Hartmann was president of Radial Inc. (formerly known as eBay Enterprise and Innotrac), a leading provider in omni-channel commerce technology and operations solutions for brands and retailers. Mr. Hartmann joined HelloFresh as managing director and president of Grocery Delivery E-Services USA Inc. and member of the Management Board in August 2017.

16.2.2.5 Membership in Administrative, Management and Supervisory Bodies Outside the HelloFresh Group

The following overview lists all of the companies and enterprises in which the members of the Management Board currently hold seats or have held seats on administrative, management or supervisory boards, or comparable German or foreign supervisory bodies, or of which they were partners during the last five years, with the exception of the Issuer and its direct and indirect subsidiaries:

Dominik Richter

Current seats:

- DSR Ventures UG (*haftungsbeschränkt*) (managing director)
- Tripmonkey GmbH (managing director)

Past seats:

- None.

Thomas Griesel

Current seats:

- TWG Ventures GmbH (managing director).

Past seats:

- None.

Christian Gärtner **Current seats:**

- None.

Past seats:

- None.

Tobias Hartmann **Current seats:**

- DCT Industrial Trust Inc. (member of the board of directors).

Past seats:

- Radial Inc. (president).
- eBay Enterprise (vice president).
- Intershop AG (member of the management board and vice chairman).

16.2.3 Remuneration and Other Benefits of the Members of the Management Board

According to the resolution of an extraordinary shareholders' meeting of the Issuer on October 11, 2017, we do not disclose the individual compensation for each member of the Management Board in accordance with Sections 286 para. 5 sentence 1, 285 no. 9, 315a para. 1 and 2 and 314 para. 1 and 3 of the German Commercial Code (*Handelsgesetzbuch*).

Dominik Richter, Thomas Griesel, Christian Gärtner and Tobias Hartmann each have entered into a service agreement with the Issuer. In addition, Tobias Hartmann is employed as managing director and president US by Grocery Delivery E-Services USA Inc. The compensation of the members of the Management Board under the service agreements entered into with the Issuer for all four of our members of the Management Board consists of a fixed annual cash payment (the "**Fixed Remuneration**") that entitle them to an aggregate fixed annual salary of approximately EUR 1.1 million. One member of the Management Board is further entitled to a short-term incentive bonus in the total amount of approximately EUR 150 thousand per year in the event that 100% of the targets of the short-term incentive bonus have been met. If at least 80% of the targets of the short-term incentive bonus have been achieved, this member of the Management Board shall be entitled to a short-term incentive payment of approximately EUR 75 thousand per year. The aforementioned figures include salary payments under the employment contract between Tobias Hartmann and Grocery Delivery E-Services USA Inc. that are paid in USD and for which the exchange rate as of the date of the prospectus was used to calculate the respective euro amount.

In addition, all four members of the Management Board are entitled to an incentive remuneration according to the provisions of the virtual stock option program 2016 (the "**VSOP 2016**") that has been established in January 2016 and was amended from time to time (the "**Performance-related Remuneration**"). According to the VSOP 2016 the members of the Management Board that hold virtual stock options will be entitled to a cash payment if certain performance targets are met and the virtual stock options are exercised in accordance with the exercise conditions of the VSOP 2016. With respect to one of the members of the Management Board, 250 thousand of the granted and yet unvested Virtual Stock Options will vest in case of the occurrence of an IPO of the Issuer's shares. For further details on the VSOP 2016, see "*16.7.5 Virtual Stock Option Program 2016*". The allocation of the number of virtual stock options to be allotted to each Management Board member is generally subject to the discretion (*pflichtgemäßes Ermessen*) of the Supervisory Board, except with respect to one of the members of the Management Board who was already allocated, but not yet granted, 495 thousand virtual stock options. Except for a tranche of 156,250 virtual stock options granted to one of the members of the Management Board at the beginning of the year 2017 and which is not subject to any performance targets, the exercise of each virtual stock option is subject to the achievement of certain performance targets. At the end of the respective performance period, the Supervisory Board will determine whether or not and to which extent these performance targets have been achieved. Only if the performance targets are met at 100% at the end of the respective performance period, the Management Board member holding virtual stock options will be entitled to the full value of his virtual stock options. In case of extraordinary events or developments, the Supervisory Board is entitled to adjust upon receipt by the Issuer of an exercise notice in its discretion (*pflichtgemäßes Ermessen*) the payout of the Performance-related Remuneration to a member of the Management Board, in order to adequately limit (*begrenzen*) or eliminate, as the case may be, the effects of

such extraordinary events or developments. Dominik Richter, Thomas Griesel and Christian Gärtner also directly or indirectly hold shares in the Issuer and/or call options with regard to shares in the Issuer, see "*16.2.4 Shareholdings of the Members of the Management Board in the Issuer*".

Moreover, the members of the Management Board are entitled to reimbursements of all out-of-pocket expenses properly and reasonably incurred by a member of the Management Board in the course of his services. Furthermore, they are entitled to an allowance for health insurance.

During the term of their employment, any professional occupation of the members of the Management Board outside our Group requires the prior written approval of the Supervisory Board. In addition, each service agreement contains a non-competition clause pursuant to which the member of the Management Board is prohibited from working for a company that is a competitor of the Issuer. However, each member of the Management Board is allowed to invest in a competitor to the extent that his interest in such company is below 2% of the voting rights in such company and such participation does not entitle the member of the Management Board to exercise any influence on the respective company.

The terms of the service agreements between Christian Gärtner, Thomas Griesel and Dominik Richter and the Issuer started with the registration of the conversion of the Issuer into a European company (SE) and run until October 31, 2020. The term of the service agreement between Tobias Hartmann and the Issuer runs until October 31, 2020. Except for Tobias Hartmann, in the event of a revocation or resignation of the corporate appointment of a member of the Management Board, the service agreement ends automatically upon lapsing of the statutory notice periods. With respect to Tobias Hartmann, the ending of office as a Management Board member automatically ends the service agreement upon lapsing of the statutory notice periods, except in the event of the revocation of the appointment being based on the withdrawal of confidence by the general shareholders' meeting or resignation. In addition, in the case of a change of control (as defined in the VSOP 2016), each member of the Management Board has a once-off special right of termination to terminate his service agreement with three months' notice expiring at month's end and to resign from office as member of the Management Board on the termination date. In the event of the exercise of such special termination right, the member of the Management Board receives 75% of his Fixed Remuneration as a once-off gross severance which he would otherwise have received until the regular ending of his service agreement. Entitlements to the Performance-related Remuneration in case of a change of control are based on the provisions in the VSOP 2016.

The members of the Management Board are also covered by D&O insurance policies with reasonable coverage and a deductible for all of the Issuer's members of the Management Board in line with the respective provisions of the German Stock Corporation Act (*Aktiengesetz*) of 10% of the damage but not exceeding 150% of the fixed annual remuneration. The D&O insurance policies cover financial losses arising from a breach of duty on part of the members of the Management Board in the course of their duties.

Beyond these service agreements, there are no service or employment agreements between Dominik Richter, Thomas Griesel, Christian Gärtner, and Tobias Hartmann and their related parties and the Issuer or its subsidiaries.

Prior to the conversion of the Issuer into a German stock corporation (*Aktiengesellschaft*), the Company was incorporated as a limited liability company (*Gesellschaft mit beschränkter Haftung*). The two managing directors (*Geschäftsführer*) of HelloFresh GmbH received a fixed remuneration and equity participations in the form of shares held in trust for them by Bambino 53. and call options, see "*16.2.4 Shareholdings of the Members of the Management Board in the Issuer*", "*16.7.1 Trust and Angel Agreements*" and "*16.7.3 Various Call Option Arrangements*". Neither the option agreements, the Performance-related Remuneration, the former or current management nor employment contracts of the members of the Management Board provide a cap with regard to any remuneration stemming from the exercise of such options. The total salaries of the three members of the Management Board, Dominik Richter, Thomas Griesel and Christian Gärtner (key management personnel) included in employee benefit expenses in 2016 amounted to EUR 753 thousand. The total salaries paid to the three members of the Management Board/managing directors as long as the Issuer was still incorporated as a limited liability company, Dominik Richter, Thomas Griesel and Christian Gärtner (key management personnel) included in employee benefit expenses in 2015 amounted to EUR 404 thousand (Christian Gärtner having served on the Management Board only as of November 2, 2015). For the year ended December 31, 2014 Dominik Richter and Thomas Griesel, the managing directors (key management personnel) of HelloFresh GmbH, received total salaries included in employee benefit expenses of EUR 210 thousand.

16.2.4 Shareholdings of the Members of the Management Board in the Issuer

As of the date of the prospectus, Dominik Richter holds 4,070,811 shares in the Issuer representing 3.06% of the Issuer's share capital through his investment vehicle and/or Bambino 53. In addition, he holds 3,565,696 call options in the Issuer through his investment vehicle. Thereof 2,402,288 call options have an exercise price of EUR 1.00 and 1,163,408 call options have an exercise price of EUR 1.15 and all of the 3,565,696 call options will vest in the event of an IPO of the Issuer's shares 24 months after such IPO. Thomas Griesel holds 2,399,034 shares in the Issuer representing 1.80% of the Issuer's share capital through his investment vehicle and/or Bambino 53. In addition, he holds 4,048,432 call options in the Issuer through his investment vehicle. Thereof 2,885,024 call options have an exercise price of EUR 1.00 and 1,163,408 call options have an exercise price of EUR 1.15. A total of 3,283,744 call options (2,120,336 call options with an exercise price of EUR 1.00 and 1,163,408 call options with an exercise price of EUR 1.15) will vest in the event of an IPO of the Issuer's shares 24 months after such IPO. With respect to the respective exercise price, both Dominik Richter's and Thomas Griesel's investment vehicles hold compensation claims against the Issuer for the largest parts of the respective exercise prices of their options since the strike price for some of their options was changed in the past. For further information on this, see "*16.7.3 Various Call Option Arrangements*". Christian Gärtner holds 498,400 call options (thereof 356,000 call options with an exercise price of EUR 10.42 and 142,400 with an exercise price of at least EUR 27.08). If an IPO takes place before the second half of 2018, a total of 166,129 of Christian Gärtner's call options (118,667 call options with an exercise price of EUR 10.42 and 47,462 call options with an exercise price of EUR 27.08) will vest in the second half of 2019. Tobias Hartmann holds no direct or indirect shareholdings in the Issuer. For further details on the shares, stock options and virtual stock options held by the members of the Management Board, see "*16.7.1 Trust and Angel Agreements*", "*16.7.3 Various Call Options Arrangements*" and "*16.7.5 Virtual Stock Option Program 2016*".

16.3 Supervisory Board

16.3.1 Overview

In accordance with the Articles of Association and the Articles 40 para. 3 and 9 para 1 lit. c (i) of the SE Regulation together with Section 17 of the SEAG, the Supervisory Board consists of seven members. Pursuant to Article 9 para 1 lit. c (ii) of the SE Regulation together with Section 100 para. 5 of the German Stock Corporation Act (*Aktiengesetz*), the members of the Supervisory Board shall, overall, be familiar with the sector in which the company operates. For members of the Supervisory Board who are to be elected by the shareholders' meeting, the shareholders' meeting may, at the time of their election, appoint substitute members who shall replace shareholder members of the Supervisory Board leaving office before the end of their term or whose election has been successfully contested. The term of office of such substitute member shall terminate at the end of the Issuer's shareholders' meeting in which a successor is elected and at the latest at the end of the term of office of the leaving member. If the substitute member whose term of office has terminated due to the election of a successor was appointed as substitute member for several members of the Supervisory Board, its position as substitute member shall revive. Re-election of members of the Supervisory Board is possible.

The members of the Supervisory Board are elected for a period terminating at the end of the shareholders' meeting that resolves on the formal discharge of the members' acts for the first fiscal year following the commencement of their term of office, including in this calculation the fiscal year in which the term of office began. For members of the Supervisory Board who leave office before the end of their term, a successor shall be elected for the remaining term of the member who has left office unless the Issuer's shareholders' meeting specifies a different term for such successor. The same applies if a re-election becomes necessary due to a challenge of the election.

The participation of employee representatives in the Supervisory Board and the appointment procedure in this respect are determined by Directive 2001/86/EC supplementing the statute for a European company with regard to the involvement of employees ("**Directive 2001/86/EC**"), the Law on Employee Participation in a European Company (*SE-Beteiligungsgesetz*—"**SEBG**") and the co-determination agreement concluded on November 7, 2016. The Issuer is not subject to co-determination, therefore no employee representatives have been elected to the Supervisory Board. However, to secure the participation rights of HelloFresh's employees, a "European forum", currently consisting of three HelloFresh employees (but possibly to be expanded in the future), was established pursuant to the co-determination agreement. This European forum is responsible for any cross-border employee matters. The Issuer has to convene the European forum once a year and inform it and consult it about, amongst others, the business and financial situation

of the Group, the employee situation and its expected development, investments, restructurings, mergers, closing down of business units or mass dismissals. In the event of extraordinary circumstances, that would have a material impact on the employees of the Group, the Issuer must inform and consult the European forum.

The Supervisory Board members elected by the shareholders' meeting may be removed by a resolution of the shareholders' meeting if such resolution is approved by at least a simple majority of the votes cast. In addition, each member of the Supervisory Board and each substitute member may resign from office even without good cause with one month written notice issued to the Management Board and to the chairman of the Supervisory Board or, in case of a resignation by the chairman, to his/her deputy. The chairman of the Supervisory Board can resign from his/her chairmanship with written notice issued to the deputy and his/her deputy can resign from his/her deputy position with written notice issued to the chairman, in each case without good cause with one month notice. The Management Board, the chairman of the Supervisory Board, or in case of a resignation by the chairman his/her deputy, can consent to a shortening or to a waiver of the aforementioned periods. Following the shareholders' meeting, in the course of which the members of the Supervisory Board are elected by the shareholders' meeting for a new term, the Supervisory Board will elect a chairman and a deputy chairman from among its members to serve for the duration of those members' terms unless a shorter period is determined at the time of their respective election. If the chairman or his/her deputy leaves such office before the end of its term, the Supervisory Board shall conduct a new election without undue delay.

The Supervisory Board shall adopt internal rules of procedure in accordance with the law and the provisions of these Articles of Association. It can further set up committees in accordance with the law. To the extent permitted by law or by the Articles of Association, the Supervisory Board may delegate any of its duties, decision-making powers and rights to its chairman, to one of its members or to committees established from among its members. The Supervisory Board shall determine the composition, competences and procedures of the committees. The current version of the Supervisory Board's internal rules of procedure was adopted by resolution of the Supervisory Board on August 29, 2016. The Supervisory Board is entitled to resolve amendments to the Articles of Association if such amendments only relate to the wording. The Supervisory Board must hold at least two meetings in each calendar half-year. Meetings of the Supervisory Board are usually called at least seven days in advance by the chairman of the Supervisory Board, not including the day on which the invitation is sent and the day of the meeting itself. Notice of meetings may be given in writing, by telefax, by email or any other customary means of communication (including electronic communication). In urgent cases the chairman may shorten this period and may call the meeting orally or by telephone.

The Articles of Association and the internal rules of procedure for the Supervisory Board provide that resolutions of the Supervisory Board shall generally be passed in meetings. At the order of the chairman or with the consent of all Supervisory Board members, the meetings of the Supervisory Board may also be held in the form of a telephone conference or by other electronic means of communication (especially by video conference); individual members of the Supervisory Board may be connected to the meetings via telephone or by other electronic means of communication (especially by video conference); in such cases resolutions may also be passed by way of telephone conference or by other electronic means of communication (especially by video conference). Absent members of the Supervisory Board or members who do not participate in, or are not connected to, the telephone or video conference can also participate in the passing of resolutions by submitting their votes in writing through another Supervisory Board member. In addition, they may also cast their vote prior to or during the meeting or following the meeting within a reasonable period as determined by the chairman of the Supervisory Board in oral form, by telephone, by telefax, by email or any other customary means of communication (including electronic means of communication). Objections to the form of voting determined by the chairman are not permitted. Resolution may also be adopted outside of meetings in writing, orally, by telephone, by telefax or by email or any other comparable means of communication, whereas the aforementioned forms may also be combined, including by way of circular resolution, or in combination with adopting the resolution in a meeting at the order of the chairman of the Supervisory Board if preceded by reasonable notice or if all members of the Supervisory Board participate in the adoption of the resolution. Members who abstain from voting are considered to take part in the resolution. Objections to the form of voting determined by the chairman are not permitted.

The Articles of Association and the rules of procedure for the Supervisory Board provide that the Supervisory Board has a quorum if at least half of the members of which it has to consist in total take part in the voting. Absent members of the Supervisory Board or members who neither participate nor are connected via telephone or via other electronic means of communication (especially via video conference)

who cast their vote in the aforementioned ways as well as members who abstain from voting are considered to take part in the voting for purposes of the required quorum. Unless otherwise provided by mandatory law, resolutions of the Supervisory Board are passed with a simple majority of the votes cast. For purposes of passing a resolution, abstentions do not count as votes cast. If a vote in the Supervisory Board results in a tie, the vote of the chairman is decisive. In the absence of the chairman of the Supervisory Board, the deputy chairman's vote shall be decisive.

16.3.2 Members of the Supervisory Board

The table below lists the current members of the Supervisory Board.

Name	Age	Member since[1)]	Appointed until[2)]	Principal occupation
Jeffrey Lieberman *Chairperson*	43	November 1, 2015	2018	Managing director, Insight Venture Partners LLC
Oliver Samwer *Deputy Chairperson*	45	November 1, 2015	2018	Chief executive officer of Rocket Internet SE
John H. Rittenhouse	61	November 1, 2015	2018	Chairman & chief executive officer, Cavallino Capital LLC
Derek Zissman	73	November 1, 2015	2018	Chartered accountant and non-executive director
Dmitry Falkovich	45	November 1, 2015	2018	Founder of Phenomen Ventures
Ursula Radeke-Pietsch	59	November 1, 2015	2018	Global Head of Corporate Finance & Group Treasury of Siemens Gamesa Renewable Energy S.A.
Ugo Arzani	43	April 3, 2017	2018	Head of retail and consumer department, Qatar Investment Authority

1) Prior to the Issuer's change in legal form into a European company (*Societas Europaea* (SE)), the Supervisory Board membership refers to the supervisory board of HelloFresh AG.

2) The Supervisory Board members are appointed for a period terminating at the end of the annual general shareholders' meeting that resolves on the formal discharge of the members for fiscal year 2017.

The following overview lists all of the companies and enterprises in which the members of the Supervisory Board currently hold seats or have held seats on administrative, management or supervisory boards, or comparable German or foreign supervisory bodies, or of which they were partners during the last five years, with the exception of the Issuer and the subsidiaries of the Group:

Jeffrey Lieberman

Current seats:

- Elo7 Ltd. (member of the board of directors)
- Creative Market Holdings, LLC (member of the board of directors)
- Delivery Hero AG (deputy chairman of the supervisory board)
- Digital Room Holdings, Inc. (member of the board of directors)
- Hootsuite Media Inc. (member of the board of directors)
- HootSuite Media UK Limited (member of the board of directors)
- HootSuite Media HK Limited (member of the board of directors)
- HootSuite Media Singapore PTE Ltd. (member of the board of directors)
- HootSuite Holdings Inc. (member of the board of directors)
- HootSuite Media US Inc. (member of the board of directors)

- Insight Venture Partners (managing director)
- Mimecast Limited (member of the board of directors)
- Open Education Holdings Inc. (member of the board of directors)
- Qualtrics International Inc. (member of the board of directors)
- S6 Holdings, LLC (member of the board of directors)
- SkinnyCorp, Inc. (member of the board of directors)
- SkinnyCorp, LLC (member of the board of directors)
- Tongal, Inc. (member of the board of directors)
- Uber VU, Inc. (member of the board of directors)
- Uber VU Limited (member of the board of directors)
- Udemy, Inc. (member of the board of directors)

Past seats:

- Couch Commerce Inc. (member of the board of directors)
- Cvent, Inc. (member of the board of directors)
- OneCommand, Inc. (member of the board of directors)
- Dealfind.com Inc. (member of the board of directors)
- Ecova, Inc. (member of the board of directors)
- HealthcareSource HR, Inc. (member of the board of directors)
- Indiegogo, Inc. (member of the board of directors)
- Karmaloop, Inc. (member of the board of directors)
- Menupalace.com Inc. (member of the board of directors)
- Moat Inc. (member of the board of directors)
- Shutterstock, Inc. (member of the board of directors)
- Sole Society Group, Inc. (member of the board of directors)

Oliver Samwer

Current seats:

- Ace and Tate Holding B.V. (board observer)
- Affiniats GmbH (supervisory board member)
- Africa Internet Holding GmbH (member of the board of directors)
- Asia Internet Holding S.à r.l. (advisory board member)
- Atonis Holding GmbH (managing director)
- Brillant 1965. GmbH (managing director)
- Danziger Straße 104 GbR (general partner)
- Dealerdirect Global B.V. (member of the board of directors)
- Digital Services XXXV S.à r.l. (advisory board member)
- ECommerce Holding II S.à r.l. (advisory board member)
- Emerging Markets Asia eCommerce Holding GmbH (advisory board member)
- Emerging Markets Taxi Holding S.à r.l. (advisory board member)
- Erbengemeinschaft Johansen (general partner)
- Everdine Holding S.à r.l. (advisory board member)
- Fanninger Straße 13 GbR (general partner)

- Global Fashion Group S.A. (member of board of directors)
- Global Founders Capital Management GmbH (managing director)
- Global Founders Capital Verwaltungs GmbH (managing director)
- Global Online Takeaway Group S.A. (member of the supervisory board)
- Gesellschaft bürgerlichen Rechts Ackerstraße 146 (general partner)
- Gesellschaft bürgerlichen Rechts Bredowstraße 42 (general partner)
- Gesellschaft bürgerlichen Rechts Geßlerstraße 14 (general partner)
- Gesellschaft bürgerlichen Rechts Großgörschenstraße 2 (general partner)
- Gesellschaft bürgerlichen Rechts Jablonskistraße 23 (general partner)
- Gesellschaft bürgerlichen Rechts Kopenhagener Straße 66 (general partner)
- Gesellschaft bürgerlichen Rechts Rheinsberger Straße 43-45 (general partner)
- Gesellschaft bürgerlichen Rechts Samariterstraße 14 (general partner)
- Gesellschaft bürgerlichen Rechts Sonntagstraße 3 (general partner)
- Gesellschaft bürgerlichen Rechts Stubbenkammerstraße 5 (general partner)
- Gesellschaft bürgerlichen Rechts Stubbenkammerstraße 6 (general partner)
- Gesellschaft bürgerlichen Rechts Waldstraße 55a (general partner)
- Gesellschaft bürgerlichen Rechts Wilhelmshavener Str. 32 (general partner)
- Immanuelkirchstraße 10 GbR (general partner)
- International Digital Services Middle East GmbH (managing director)
- International Digital Services Middle East Holding GmbH (managing director)
- Jimdo GmbH (advisory board member)
- Kastanien Management GmbH (managing director)
- Kaymu Holding S.à r.l. (advisory board member)
- Mainzer Straße 58 GbR (general partner)
- Marley Spoon GmbH (advisory board member)
- Middle East Internet Holding S.à r.l. (advisory board member)
- MKC Brillant Services GmbH (advisory board member)
- MOAS Verwaltung GmbH (managing director)
- Namshi Holding Limited (member of the board of directors)
- Odysseus GmbH (managing director)
- pets deli Roseneck GmbH (member of the board of directors)
- PosBerS S.à r.l. (managing director)
- PosBerZ S.à r.l. (managing director)
- Primarydoor Gayrimenkul Danışmanlık Ve Paz. A.ş. (advisory board member)
- Printvenue Asia S.à r.l. (advisory board member)
- RI Capital Advisors Limited (director)

- Rocket Internet SE (chief executive officer, member of the management board)
- Spotcap Global S.à r.l. (advisory board member)
- Simon Dach Straße 19 GbR (general partner)
- Thermondo GmbH (advisory board member)
- Traveloka Holding Limited (member of the board of directors)
- Ubierring 25 Gesellschaft bürgerlichen Rechts (general partner)
- Wadi Middle East S.à r.l. (advisory board member)
- Westwing Group GmbH (member of the board of directors)
- Wöhlertstraße 18 GbR (general partner)
- Yamsafer Inc. (member of the board of directors)

Past seats:

- ACALDO Management GmbH (managing director)
- Daraz Asia S.àr.l. (advisory board member)
- Digital Services Holding XVII S.à r.l. (advisory board member)
- Digital Services XXIV S.à r.l. (member of board of directors)
- Emerging Markets Online Food Delivery Holding S.à r.l. (advisory board member)
- getAbstract AG (member of the supervisory board)
- Global Founders GmbH (managing director)
- Helpling Group Holding S.à r.l. (advisory board member)
- Juwel 201. V V UG i.L. (managing director)
- Lazada Group S.A. (member of board of directors)
- MyHammer AG (member of the supervisory board)
- MyHammer Holding AG (member of the advisory board)
- New TIN Linio II GmbH (advisory board member)
- Oliver Samwer Familienstiftung (board member)
- Ralph und Judith Dommermuth Stiftung (board member)
- SocietyOne Holdings Pty Ltd. (member of board of directors)
- TIN Jade GmbH (advisory board member)

John Rittenhouse

Current seats:

- Cavallino Capital, LLC (chairman & chief executive officer)
- VinAsset Inc. (chairman & chief executive officer)

Past seats:

- Moda Operandi, Inc. (chairman & chief executive officer)
- Sophia Search Limited (non-executive board member)

Derek Zissman

Current seats:

- Amiad Water Systems Ltd (non-executive director)
- Crossroads Partners Ltd (director)
- eMoneyHub Ltd (non-executive director (chairman))
- Signia Wealth Ltd (non-executive director)

	• The 600 Group PLC (chairman of the audit committee) **Past seats:** • Ability Inc. (chairman of the audit committee) • Barclays Wealth & Investment Management (advisory board member) • Hotel Urbano Viagens e Turismo S.A. (chairman of the audit committee) • LogicNow SA (chairman of the audit committee) • Seymour Pierce Ltd. (chairman and chairman of the audit committee) • Wesleyan Assurance Society (non-executive director)
Dmitry Falkovich	**Current seats:** • Pacemark International Resources Ltd (director) **Past seats:** • Emerging Markets Online Food Delivery Holding S.à r.l. (advisory board member) • Emerging Markets Taxi Holding S.à r.l. (advisory board member) • Helpling Group Holding S.à r.l. (advisory board member) • Moderina Ltd. (shareholders' council member) • OneTwoTrip Ltd. (director) • Phenomen Ventures Management (director)
Ursula Radeke-Pietsch	**Current seats:** • None **Past seats:** • None
Ugo Arzani	**Current seats:** • American Express Global Business Travel III B.V. (director) • Beauchamp Company No.2 Limited (director) • Harrods Group International Holdings Limited (director) • Vente Privée S.A. (director) **Past seats:** • None

The following description provides summaries of the *curricula vitae* of the current members of the Supervisory Board, and indicates their principal activities outside the Group to the extent those activities are significant with respect to the Group.

Jeffrey Lieberman was born in Passaic, New Jersey in 1974. Mr. Lieberman received dual degrees in systems engineering and economics from the University of Pennsylvania's Moore School of Engineering and Wharton School of Business, respectively, where he graduated with honors. Early in his career, Mr. Lieberman was a management consultant at the New York office of McKinsey & Co. In 1998, Mr. Lieberman joined Insight Venture Partners, where he now serves as managing director.

Oliver Samwer was born in Cologne, Germany, in 1972. Mr. Samwer holds a degree in business administration from WHU–Otto Beisheim School of Management. Upon graduation, Mr. Samwer and his two brothers founded Alando.de in 1999, which became the leading consumer-to-consumer online auction site in Germany. After the sale of Alando.de to eBay Inc., Mr. Samwer was Managing Director of eBay, responsible for Germany, Switzerland and Austria. In 2000, Mr. Samwer and his two brothers founded Jamba! AG, which was acquired by Verisign Inc. in 2004. In 2007, Mr. Samwer founded Rocket Internet SE. Since 2014, Mr. Samwer has served as Rocket Internet SE's chief executive officer, where he is

responsible for strategy development and implementation, business development, investee company leadership and investor relations.

John H. Rittenhouse was born in Queens, New York in 1956. Mr. Rittenhouse attended Rollins College (business administration, management and operations), Haslam College of Business at the University of Tennessee (Executive Masters of Business Administration) and St. Patrick's Seminary & University (theology). Mr. Rittenhouse has held senior leadership roles at Wal-Mart Stores, Inc., LVMH Moët Hennessy – Louis Vuitton, Michaels Stores, Inc. and Target Corporation and has worked as National Practice Partner at KPMG. In 2007, Mr. Rittenhouse founded Cavallino Capital, LLC, where he now serves as chairman and chief executive officer of the firm's capital, advisory and subsidiary businesses.

Derek Zissman was born in Birmingham, England in 1944. Mr. Zissman is a chartered accountant and has over 45 years' experience in the capital markets in the United Kingdom. He joined KPMG UK in 1971 and was promoted to partner within five years, a position he held for over 30 years, and was appointed vice chairman of KPMG UK in 2004. During his time at KPMG UK, Mr. Zissman was a founding Partner of KPMG UK's Corporate Finance Group and the Private Equity Group in the United Kingdom and the United States. Following his retirement in March 2008, he has held directorships at Alchemy Partners, Barclays Wealth & Investment Management and Seymour Pierce. He is a current director and member of the audit committee at a number of companies operating in the information technology, leisure transportation and engineering sectors, including The 600 Group PLC.

Dmitry Falkovich was born in Moscow, Russia in 1972. Mr. Falkovich graduated from Moscow State University in 1994 and holds a degree in mathematics. After graduation, Mr. Falkovich held various senior management positions throughout his career in Moscow, Russia. In 2012, Mr. Falkovich founded Phenomen Ventures, where he held the position of director until March 2015 and where he remains a shareholder.

Ursula Radeke-Pietsch was born in Regensburg, Germany in 1958. Ms. Radeke-Pietsch holds a degree in business administration, accounting and information technology from Ludwig-Maximilians Universität München. In 1985, Ms. Radeke-Pietsch joined Siemens, where she has continued to work until the present. Ms. Radeke-Pietsch has held various positions throughout her career at Siemens, including positions in the areas of structured finance, audit and treasury. Ms. Radeke-Pietsch served as head of global capital markets of Siemens AG, a position she held from October 2009 until May 2017. Since June 2017, Ms. Radeke-Pietsch is global head of corporate finance and group treasury at Siemens Gamesa Renewable Energy SA, Bilbao, Spain.

Ugo Arzani was born in Lecco, Italy in 1974. Mr. Arzani graduated from Universita' Bocconi in 1998 and holds a degree in business administration. After graduation, Mr. Arzani joined Banque Paribas where he worked in the securities services area in Paris and Frankfurt. In 1999, Mr. Arzani joined Bank of America Merrill Lynch where he worked in retail and consumer investment banking and was promoted across all seniority levels to managing director. Since 2013, Mr. Arzani works at Qatar Investment Authority where he holds the position of global head of retail and consumer and heads a large retail and consumer investment portfolio of global scale.

All members of the Supervisory Board can be reached at the Issuer's registered office at Saarbrücker Straße 37a, 10405 Berlin, Germany (tel. +49 (0)30-208 48 31 60).

16.3.3 Supervisory Board Committees

Under the Articles of Association, the Supervisory Board can set up committees in accordance with the law. According to the Supervisory Board's internal rules of procedure, the Supervisory Board shall form an audit committee, a remuneration committee and an executive and nomination committee from among its members. The Supervisory Board may set up further committees to which at least three members must be appointed. The Supervisory Board's decision-making authority may be delegated to these committees to the extent permitted by law. The following committees have been established by the Supervisory Board:

The audit committee (*Prüfungsausschuss*) of the Issuer ("**Audit Committee**") prepares the proceedings and resolutions of the Supervisory Board regarding the audit and, if applicable, the adoption and the approval of the annual financial statements and the approval of the consolidated financial statements and the management report for the Issuer and the Group, the proposed resolution of the Management Board regarding the appropriation of the distributable profit as well as the Supervisory Board's proposal to the Issuer's shareholders' meeting regarding the appointment of the auditor and the group auditor as well as the auditor of the half-year financial report provided that it shall be audited or reviewed by the auditor.

Instead of the Supervisory Board, the Audit Committee deals with questions regarding the financial accounting, in particular the treatment of fundamental topics, e.g. the application of new financial accounting standards as well as the review of the accounting processes, review and discussion of the half-year financial and quarterly financial reports and any comparable financial reports as well as of the auditor's review of the half-year financial report together with the Management Board prior to publication, the supervision of the efficiency of the internal risk management system, the internal control system, the internal revision system as well as questions regarding compliance, the implementation and supervision of the audit, in particular the required independence of the auditor and additional services provided by the auditors, the passing of resolutions on the audit mandate given to the auditor, in particular the possible audit assignment for the audit review or audit of the half-year financial report, the determination of the audit focal points and the auditor's compensation, as well as other issues being in direct connection with the above mentioned matters. The Audit Committee consists of three members. At least one of the members shall be independent and shall have expertise in the fields of accounting or auditing and internal control procedures. This member shall be the chairman of the Audit Committee. Neither the chairman of the Supervisory Board nor former members of the Issuer's Management Board whose appointment terminated less than two years ago should be appointed as chairman of the Audit Committee.

The current members of the Audit Committee are:

Name	Responsibilities
Derek Zissman	Chairman
Ursula Radeke-Pietsch	Member
John H. Rittenhouse	Member

Article 9 para. 1 lit. c (ii) of the SE Regulation together with section 107 para. 4 of the German Stock Corporation Act (*Aktiengesetz*) requires the Issuer to have at least one independent member of the Audit Committee with expertise in the fields of accounting or auditing within the meaning of Section 100 para. 5 of the German Stock Corporation Act (*Aktiengesetz*). Members of the Supervisory Board and the Audit Committee are considered to be independent if such members have no business or personal relations with the Issuer, its Management Board, controlling shareholders or related parties which could cause a substantial and not merely temporary conflict of interest. As concerns the Supervisory Board and its Audit Committee, Derek Zissman is considered to possess the respective expertise and independence and he is also the chairman of the Audit Committee.

The remuneration committee (*Vergütungsausschuss*) of the Issuer ("**Remuneration Committee**") shall consider all aspects of remuneration and employment terms for the Management Board, and in this regard (i) make recommendations to and prepare decisions for the Supervisory Board, as well as (ii) prepare presentations to the general meeting (as applicable), on the entering into, any amendments to, or the termination of, the service agreements of the members of the Management Board, including in respect of remuneration guidelines, incentive programs, strategy and framework. The Remuneration Committee further shall consider the remuneration and general employment terms for the second level executives and in this regard be authorized to make recommendations to the Management Board. The Remuneration Committee commissions when appropriate, its own independent review of the remuneration guidelines and the packages paid to the members of the Management Board, to ensure that the guidelines reflects good practice and that the packages remain competitive and in line with market practice. It also presents an evaluation of the Management Board's performance and make a recommendation for the employment terms and remuneration for the Management Board to the Supervisory Board and assist the Supervisory Board to supervise the system through which the company fulfils the regulations in law, and the German Corporate Governance Code concerning the announcement of information about remuneration for the Management Board and other executives. The Remuneration Committee also considers remuneration guidelines to serve as framework for all remuneration matters to be recommended to and decided by the Supervisory Board. The Remuneration Committee consists of three members, one of which is the chairman of the Supervisory Board.

The current members of the Remuneration Committee are:

Name	Responsibilities
Jeffrey Lieberman	Chairman
Oliver Samwer	Member
Dmitry Falkovich	Member

The executive and nomination committee (*Präsidial- und Nominierungsausschuss*) of the Issuer ("**Executive and Nomination Committee**") shall debate key issues and make proposals to the Supervisory Board with respect to the appointment and revocation of members of the Management Board and with regard to the conclusion, amendments and termination of their service contracts. They make recommendations to the Supervisory Board for Supervisory Board proposals to the shareholders' meeting with respect to the election of Supervisory Board members. Also, amongst other matters the Executive and Nomination Committee, subject to mandatory responsibilities of the entire Supervisory Board, resolves on most of the transactions requiring the approval of the Supervisory Board, instead of the entire Supervisory Board, and it has the capacity to give consent to transactions between the Issuer and the Management Board members. The Executive and Nomination Committee shall consist of the members of the Remuneration Committee or, in the event that there are employee representatives in the Remuneration Committee, the shareholder representatives shall form the Executive and Nomination Committee.

The current members of the Executive and Nomination Committee are:

Name	Responsibilities
Jeffrey Lieberman	Chairman
Oliver Samwer	Member
Dmitry Falkovich	Member

16.3.4 Remuneration of the Members of the Supervisory Board

The remuneration of the Supervisory Board members is regulated by a resolution of an extraordinary shareholders' meeting of the Issuer from October 11, 2017 and is comprised of fixed annual payments. The members of the Supervisory Board receive an annual fixed payment of EUR 25,000. The chairman of the Supervisory Board receives twice this amount and his/her deputy one and a half times this amount. The respective chairman of a committee of the Supervisory Board receives a fixed annual remuneration amounting to EUR 35,000. However, Jeffrey Lieberman, Dmitry Falkovich and Oliver Samwer, each representing a shareholder, waived their right to receive their fixed annual compensation. In addition to the aforementioned compensation, the Issuer shall reimburse the members of the Supervisory Board for their reasonable out-of-pocket expenses incurred in the performance of their duties as Supervisory Board members as well as the value-added tax on their compensation and out-of-pocket expenses. Members of the Supervisory Board who hold their office in the Supervisory Board or who hold the office as chairman or deputy or chairman of a committee of the Supervisory Board only during a part of the fiscal year shall receive a corresponding portion of the compensation. The remuneration of the Supervisory Board Members is payable within one month following the end of the relevant fiscal year.

Supervisory Board members are covered by a D&O insurance as described under "*11.17 Insurance Coverage*".

16.3.5 Shareholdings of the Supervisory Board Members in the Issuer

As of the date of this prospectus, 70,523,600 shares of the Issuer representing 52.97% of the Issuer's share capital are held by Rocket Internet SE (does not include 7,637,579 shares of the Issuer representing 5.74% of the Issuer's share capital held by Bambino 53.), a party related to Oliver Samwer; 24,837,736 shares of the Issuer representing 18.66% of the Issuer's share capital are held by HF Del Insight S.à r.l., HF Main Insight S.à r.l. and HF Cay Insight S.à r.l., parties related to Jeffrey Lieberman; and 11,773,632 shares of the Issuer representing 8.84% of the Issuer's share capital are held by Almonk Investments Ltd and Ezill Financial Inc., parties related to Dmitry Falkovich. Currently, none of Oliver Samwer, Jeffrey Lieberman or Dmitry Falkovich directly or indirectly holds options on Issuer's shares. Currently, no other member of the Supervisory Board directly or indirectly holds any of the Issuer's shares or options on Issuer's shares.

16.4 Certain Information Regarding the Members of the Management Board and the Supervisory Board

In the last five years, no member of the Management Board or the Supervisory Board has been convicted of fraudulent offences.

In the last five years, no member of the Management Board or the Supervisory Board has been associated with any bankruptcy or receivership acting in its capacity as a member of any administrative, management or supervisory body, except for Dominik Richter who was involved in his capacity as chairman of the management board (*president*) in the insolvency proceeding of Grocery Delivery E-Services S.A.S., which

was initiated in 2013 and led to the liquidation of this company in February 2015, Mr. Zissman in his capacity as chairman of the board (non-executive director) of Seymour Pierce Ltd, which was placed into administration in February 2013 in order to effect an orderly sale of the business, Mr. Lieberman, who was a member of the board of directors of Couch Commerce Inc. and its wholly owned subsidiaries Dealfind.com Inc. and Menupalace.com Inc., against which insolvency proceedings were filed in 2015, as well as Karmaloop, Inc. against which insolvency proceedings were filed in 2015, and Mr. Samwer in his capacity as member of the executive committee of PetsDeli Roseneck GmbH, which filed for bankruptcy under applicable law in May 2017.

In the last five years, no member of the Management Board or the Supervisory Board has been associated with any liquidation acting in its capacity as a member of any administrative, management or supervisory body, except for Dominik Richter who was involved in his capacity as chairman of the management board (*president*) in the insolvency and liquidation of Grocery Delivery E-Services S.A.S as described in more detail in the preceding paragraph and Mr. Samwer in his capacity as managing director of ACALDO Management GmbH and in his capacity as managing director of Juwel 201 VV UG (haftungsbeschränkt).

In the last five years, no official public incriminations and/or sanctions have been made by statutory or legal authorities (including designated professional bodies) against the members of the Management Board or Supervisory Board, nor have sanctions been imposed by the aforementioned authorities.

No court has ever disqualified any of the members of either board from acting as a member of the administrative, management, or supervisory body of an issuer, or from acting in the management or conduct of the affairs of any issuer for at least the previous five years.

The members of the Management Board hold, directly or indirectly, equity-linked instruments relating to the Issuer. Conflicts of interest may arise between maximizing the value of these instruments and focusing on the interests of the Issuer.

Jeffrey Lieberman, Dmitry Falkovich, Ugo Arzani and Oliver Samwer have been elected as members of the Supervisory Board based on a investment and shareholder's agreement concluded among the Issuer's existing shareholders. Jeffrey Lieberman is the managing director of Insight Venture Partners LLC, affiliates of which together hold a notifiable share in the Issuer. Oliver Samwer is the chief executive officer and a member of the management board of Rocket Internet SE. As the interests of Insight Venture Partners LLC and Rocket Internet SE and their affiliates may differ from those of the Issuer, conflicts of interest may arise.

Apart from this, there are no conflicts of interest or potential conflicts of interest between the members of the Management Board and Supervisory Board as regards the Issuer on the one side and their private interests, membership in governing bodies of companies, or other obligations on the other side.

Other than as disclosed under "*16.2.3 Remuneration and Other Benefits of the Members of the Management Board*", none of the members of the Management Board or the Supervisory Board has entered into a service agreement with a Group company that provides for benefits upon termination of employment or office.

There are no family relationships between the members of the Management Board and the Supervisory Board, either among themselves or in relation to the members of the other body.

16.5 Shareholders' Meeting

Pursuant to Article 54 para. 1 of the SE Regulation and Section 14 para. 1 of the Articles of Association, the annual shareholders' meeting is held within the first six months of each fiscal year and must be held, at the option of the body convening the Issuer's shareholders' meeting, either at the registered seat of the Issuer, at the place of a German stock exchange or in a German city with more than 100,000 inhabitants. Except where other persons are authorized to do so by law and by the Articles of Association, the shareholders' meeting shall be convened by the Management Board. Notice must be issued in the German Federal Gazette (*Bundesanzeiger*) at least 30 days before the day of the shareholders' meeting; the day of the meeting itself and the day of the receipt of the notice not being included when calculating this period.

A shareholders' meeting may be convened by the Management Board, the Supervisory Board, or may be requested by shareholders whose shares collectively make up 5% of the share capital. Shareholders or shareholder associations may solicit other shareholders to make such a request, jointly or by proxy, in the shareholders' forum of the German Federal Gazette (*Bundesanzeiger*), which is also accessible via the website of the German Company Register (*Unternehmensregister*). If, following a request made by shareholders whose Issuer's shares collectively make up 5% of the share capital, a shareholders' meeting of the Issuer is not held in due time the competent local court (*Amtsgericht*) may authorize the shareholders who have requested it or their representatives to convene a shareholders' meeting of the Issuer.

Pursuant to the Articles of Association, all shareholders who have duly submitted notification of attendance and of evidence of shareholding are entitled to participate in the shareholders' meeting and to exercise their voting rights. The registration for participation must be received by the Issuer by the end of the sixth day prior to the date of the shareholders' meeting, unless a shorter period of time was set forth in the convocation of the shareholders' meeting. When calculating this period, the day of the meeting itself and the day of the receipt of the notice shall not be included. The shareholder's registration must be in text form or by way of other electronic means as specified by the Issuer in greater detail in German or English. The evidence of the shareholding is to be submitted in the form of proof prepared by a depository institution in German or English in text form. It must refer to the start of the 21st day prior to the shareholders' meeting (record date) and be received by the Issuer at least six days prior to the shareholders' meeting, unless a shorter period of time was set forth in the convocation notice of the shareholders' meeting. When calculating such period, the day of the meeting and the day of the receipt of the notice shall not be included. Voting rights may be exercised by proxy. The granting of the proxy, its revocation and the evidence of authority to be provided to the Issuer must be in text form unless the convening notice provides for a less strict form. The Management Board is authorized to allow an audio-visual transmission of the shareholders' meeting and to provide that shareholders may cast their votes in writing or by electronic communication without attending the shareholders' meeting (absentee vote). The Management Board is further authorized to provide that shareholders may participate in the shareholders' meeting without being present in person at the place of the shareholders' meeting or being represented and may exercise all or specific shareholders' rights in total or in part by electronic communication (online participation).

The shareholders' meeting is chaired by the chairman of the Supervisory Board. The shareholders' meeting can also be chaired by any other member of the Supervisory Board or a third party who has been designated in advance by the Supervisory Board for single or multiple cases. If the chairman of the Supervisory Board does not take the chair and neither another Supervisory Board member nor a third party has been designated to chair the general meeting, the chairman of the meeting shall be elected by the shareholders' meeting which in turn shall be chaired by the shareholder with the highest number of shares present at the meeting or its representative. The chairman of the shareholders' meeting chairs the proceedings of the meeting and directs the course of the proceedings. He may, particularly in exercising rules of order, make use of assistants. He shall determine the sequence of speakers and the consideration of the items on the agenda as well as the form, the procedure and the further details of voting. The chairman may also, to the extent permitted by law, decide on the bundling of factually related items for resolution into a single voting item. He is further authorized to impose a reasonable time limit on the right to ask questions and to speak. In particular, he may establish at the beginning of or at any time during the shareholders' meeting, a limit on the time allowed to speak or ask questions or on the combined time to speak and ask questions, determine an appropriate time frame for the course of the entire shareholders' meeting, for individual items on the agenda or individual speakers; he may also, if necessary, close the list of requests to speak and order the end of the debate.

According to Articles 57 and 59 of the SE Regulation, and Section 51 of the SEAG together with the current version of the German Stock Corporation Act (*Aktiengesetz*), resolutions of fundamental importance (*grundlegende Bedeutung*) require both a majority of votes cast and a majority of at least 75% of the registered share capital represented at the vote on the resolution. Resolutions of fundamental importance include:

- approval of contracts within the meaning of Section 179a of the German Stock Corporation Act (*Aktiengesetz*) (transfer of the entire assets of the company) and management actions of special significance that require the approval of the shareholders' meeting in compliance with legal precedents;
- capital increases, including the creation of conditional or authorized capital;
- issuance of, or authorization to issue, convertible and profit-sharing certificates and other profit-sharing rights;
- exclusion of subscription rights as part of an authorization on the use of treasury stock;
- capital reductions;
- liquidation of the company;
- continuation of the liquidated company after the resolution on liquidation or expiry of the time period;

- approval to conclude, amend or terminate affiliation agreements (*Unternehmensverträge*);
- integration of a stock corporation into another stock corporation and squeeze-out of the minority shareholders; and
- action within the meaning of the German Transformation Act (*Umwandlungsgesetz*).

Pursuant to Section 18 of the Articles of Association, resolutions of the shareholders' meeting shall be passed with a simple majority of the votes cast, unless a higher majority is required by mandatory law or the Articles of Association. Amendments to the Articles of Association require a majority of two thirds of the votes cast or, if at least one half of the share capital is represented, the simple majority of the votes cast. As far as the law requires a capital majority in addition to a majority of votes for resolutions of the general meeting, a simple majority of the share capital represented at the time the resolution is passed shall be sufficient to the extent this is legally permissible.

Neither German law nor the Articles of Association limit the right of foreign shareholders or shareholders not domiciled in Germany to hold shares or exercise the voting rights associated therewith.

16.6 Corporate Governance

The German Corporate Governance Code as amended on February 7, 2017 (the "**Code**") contains recommendations and suggestions for the management and supervision of German companies listed on a stock exchange. The Code incorporates nationally and internationally recognized standards of good and responsible corporate governance. The purpose of the Code is to make the German system of corporate governance and supervision transparent for investors. The Code includes recommendations and suggestions for management and supervision with regard to shareholders and shareholders' meetings, management and supervisory boards, transparency, accounting and auditing.

There is no obligation to comply with the recommendations or suggestions of the Code. However, Article 9 para. 1 lit. c (ii) of the SE Regulation in conjunction with Section 161 of the German Stock Corporation Act (*Aktiengesetz*) requires that the management board and supervisory board of a German listed company declare by means of a so called declaration of conformity (*Entsprechenserklärung*), every year, either that the recommendations have been or will be applied, or which recommendations have not been or will not be applied and explain why the management board and the supervisory board do not/will not apply the recommendations that have not been or will not be applied. This declaration is to be made permanently accessible to shareholders. However, deviations from the suggestions contained in the Code need not be disclosed. Prior to the listing of the Issuer's shares on the Frankfurt Stock Exchange, the Issuer is not subject to the obligation to render a declaration as to compliance with the Code.

The Issuer currently complies, and following the listing of the Issuer's shares on the Frankfurt Stock Exchange intends to comply, with the recommendations of the Code except for the following:

- No. 4.1.3. sentence 3: According to the Code's recommendation, employees shall be given the opportunity to report, in a protected manner, suspected breaches of the law within the company. The Issuer has implemented various compliance measures, however, has not yet done so with this specific recommendation of the Code. The Issuer is also of the opinion that currently, there are sufficient ways of reporting breaches of the law.
- No. 4.2.3 sentence 4: Variable remuneration components generally have a multiple-year assessment basis that shall have essentially forward-looking characteristics. One of our members of the Management Board was granted virtual stock options that do not contain any performance targets as well as virtual stock options that only have six-month performance targets. The other Management Board members have been granted virtual stock options with medium term performance targets. Since we are still a young company operating in a relatively new market and whose business performance is therefore difficult to predict, a two-year assessment basis was deemed to be reasonable. After the IPO virtual stock options having a performance assessment basis of three years shall be granted.
- No. 4.2.3 sentences 7, 12, 14 and 15: The amount of remuneration for a member of a management board shall be capped with maximum levels, both as regards variable components and in the aggregate as well as for individual compensation components. Payments due to an early termination of the service agreement shall not exceed twice the annual remuneration ("**Severance Cap**") and shall be calculated on the basis of the total remuneration paid for the previous financial year and, if appropriate, shall take into account the expected total

remuneration for the current financial year. Further, benefit commitments made in connection with the early termination of a management board member's activity due to a change of control shall not exceed 150% of the Severance Cap. Neither the total, nor the variable remuneration of the members of the Management Board under their current service agreements is capped. The Issuer believes that the nature of variable remuneration components prevents this form of remuneration from being capped. The primary aim of the variable remuneration is to create shareholder value, which would be undermined if the variable part of the remuneration were capped. Also, HelloFresh has a strongly founder based Management Board and we therefore believe that the management should participate in any increase in the value of HelloFresh to the same extent as any other shareholder would do. Also, the service agreements of the members of the Management Board do not contain a Severance Cap in case of an early termination of employment. In case of a change of control, the Management Board member receives 75% of his remaining fixed remuneration, however no further Severance Cap applies. Since an early termination or a change of control may occur outside of the scope of influence of the individual member of the Management Board, the Supervisory Board does not think a cap is appropriate in the case of early termination and in case of a change of control, the Supervisory Board believes the cap of 75% is sufficient.

- No. 4.2.3 sentence 9: Subsequent amendments to the performance targets or comparison parameters shall be excluded. Given the early nature of the Issuer's business, the Supervisory Board can in its discretion adjust downwards, at a later point in time the performance targets under the VSOP 2016, if the business outlook differs meaningfully from the expectations. This provision has been included since we are yet a young company operating in a relatively new market and whose business performance is therefore difficult to predict.
- No. 4.2.5 sentence 5 and 6: The total compensation of every member of the management board shall be disclosed on an individual basis, divided into fixed and variable compensation granted and received. The model tables provided by the Code shall be used to disclose this information. In accordance with the resolution by the Issuer's shareholders' meeting held on October 11, 2017, we refrain from an individual disclosure of the aggregate compensation for each member of the Management Board. In addition, we refrain, to the extent legally permissible, from an individual disclosure of the compensation. We believe that the information provided in accordance with mandatory law is sufficient for current and future stockholders and the public. With respect to the model tables, we expect to abstain from using these tables in our compensation report to disclose such information because we believe we can display the relevant information in another suitable form in the notes or the management report.
- No. 5.4.2 sentence 4: Members of the supervisory board shall not be members of governing bodies of, or exercise advisory functions at, significant competitors of the company. Oliver Samwer is also an advisory board member of Marley Spoon GmbH.

16.7 Long-term Incentive Programs

16.7.1 Trust and Angel Agreements

Dominik Richter, Thomas Griesel and 15 officers, senior employees, supporters or former employees/officers and supporters of our subsidiaries or the Issuer (each a "**Beneficiary**") hold either directly or via their respective investment vehicles 7,379,123 shares in the Issuer through Bambino 53., acting as trustee. The internal relationship between Bambino 53. and the respective trustor is in each case governed by a trust agreement. Special obligations regarding the vesting arise from an angel agreement. All of the trust shares were subject to either a four year or three year vesting period. As of the date of the prospectus, all of the trust shares are fully vested.

16.7.2 Call Options against Bambino 53.

In addition to the call options described above, three Beneficiaries entered into call option agreements with Bambino 53., as trustee, which entitle the Beneficiaries to acquire an aggregate of 99,680 shares in the Issuer from Bambino 53. As of the date of the prospectus, Bambino 53., amongst others, holds these shares to fulfill its obligations arising under the respective call option agreements. 63,131 of these options are subject to an exit vesting in connection with an IPO of the Issuer's shares. The following table provides an

overview of the vested and unvested amount of such call options and the number of call options which will vest in connection with an IPO of the Issuer's shares:

	Originally granted Options[1]	Total Exercise Price in EUR	As of the date of the prospectus				Options which are subject to vesting in connection with an IPO[2]
			Vested Options	Unvested Options	Forfeited/expired Options[)]	Exercised Options	
	18,512.00	9.00	18,512.00	0.00	0.00	0.00	0.00
	54,112.00	500.00	0.00	54,112.00	0.00	0.00	54,112.00
	27,056.00	250.00	13,528.00	13,528.00	0.00	0.00	9,019.00
Total	**99,680.00**	**759.00**	**32,040.00**	**67,640.00**	**0.00**	**0.00**	**63,131.00**

1) The number of options originally granted has been increased to reflect the effects of certain reorganization measures and now reflect the number of options in the Issuer.

2) The call options subject to vesting in connection with an IPO, vest either immediately after the IPO or 24 months after the occurrence of an IPO (but only if the respective Beneficiary is still engaged or employed within the Group at this point in time).

16.7.3 Various Call Option Arrangements

Dominik Richter, Christian Gärtner and Thomas Griesel, or their respective investment vehicles, and 37 senior or former senior employees of HelloFresh SE or officers, senior employees or former officers or senior employees of our subsidiaries or their respective investment vehicles and certain supporters participate as of the date of this prospectus in various call option arrangements that entitle the participant to acquire a pre-defined number of shares in the Issuer. These call option arrangements were entered into by the Sub-Holdings of HelloFresh GmbH, HelloFresh GmbH (now: HelloFresh SE) and/or Bambino 53. before the upstream merger of the Sub-Holdings into HelloFresh GmbH and before its conversion into HelloFresh AG and later into HelloFresh SE. Accordingly, these call options, if exercised, entitle the participants to shares in the Issuer. In connection with reorganization measures in the course of which the share capital was increased, the number of call options had to be increased as well to avoid economical disadvantages for the participants. As for some of the participants the exercise price per call option could not be decreased in the same proportion, due to technical reasons related to the minimum issue price. The affected participants were therefore granted compensation claims against the Issuer in the amount of the suffered economical disadvantage. These claims generally become due and payable at the time of exercise of the options by the affected participant. The Issuer may, however, at its discretion, settle any compensations claims at any time prior to their due date in the form of a cash payment. The compensation claims could still amount to up to EUR 6.6 million (excluding any tax gross-ups). Generally, two thirds of the granted call option amount vests at quarterly intervals over a time period of 48 months. The remaining call option amount (one third) vests upon the later of a specified date (which falls up to 4 years after the grant date of the respective options) or the expiry of a 12 months period after the occurrence of an exit event (including an IPO). Certain call options granted to Dominik Richter and Thomas Griesel as well as another HelloFresh employee only vest 24 months after occurrence of an exit event (including an IPO). The call options must be exercised within a certain time period after the initial grant date and after the Issuer's initial public offering. In the case of, amongst others, a change of control, the Issuer is entitled to request that the relevant call option grantee exercise all call options existing at such point in time. Upon the occurrence of a bad leaver event, all call options that have not been exercised lapse. In the case of a good leaver event, all call options lapse which have not vested.

If all call options are fully vested and exercised, the Issuer will issue a total of about 11.4 million new shares to the call option holders against payment of the relevant exercise price. The following table provides an overview of the amount of vested and unvested call options which were granted by the Issuer, or by the former HelloFresh GmbH or Sub-Holdings sorted by the relevant exercise price outstanding as of the date

of the prospectus as well as an overview of the amount of all outstanding call options which will vest in connection with an IPO:

Exercise Price in EUR	Originally granted Call Options[1)]	Total Exercise Price in EUR	As of the date of the prospectus				Call Options which are subject to vesting in connection with an IPO[4)]
			Vested Call Options[2)]	Unvested Call Options[3)]	Forfeited/expired Call Options	Exercised Call Options	
1.00	8,925,632.00	8,925,632.00	3,946,437.00	4,979,195.00	32,634.00	991,104.00	4,706,321.00
1.15	2,326,816.00	2,675,838.40	0.00	2,326,816.00	0.00	0.00	2,326,816.00
5.20	793,168.00	4,124,473.60	123,176.00	669,992.00	481,312.00	0.00	103,952.00
10.42	568,176.00	5,920,393.92	169,693.00	398,483.00	107,275.00	0.00	145,723.00
12.50	149,520.00	1,869,000.00	46,280.00	103,240.00	35,304.00	0.00	33,228.00
16.67	451,408.00	7,524,971.36	32,041.00	419,367.00	301,888.00	0.00	28,479.00
20.83	35,600.00	741,548.00	10,383.00	25,217.00	0.00	0.00	11,867.00
27.08	142,400.00	3,856,192.00	47,467.00	94,933.00	0.00	0.00	47,462.00
Total	**13,392,720.00**	**35,638,049.28**	**4,375,477.00**	**9,017,243.00**	**958,413.00**	**991,104.00**	**7,403,848.00**

1) In connection with reorganization measures in the course of which the share capital was increased, the number of call options had to be increased to avoid economical disadvantages for the participants. Due to technical reasons related to the minimum issue price the exercise price per call option could not be decreased in the same proportion for some participants. The affected participants were therefore granted compensation claims against the Issuer. These claims generally become due and payable at the time of exercise of the call options. The Issuer may, however, at its discretion, settle any compensations claims at any time prior to their due date in the form of a cash payment. The compensation claims could still amount to up to EUR 6.6 million (excluding any tax gross-ups).

2) Including already exercised call options, as of the date of this prospectus.

3) Including forfeited/expired call options, as of the date of this prospectus.

4) The call options which are subject to vesting in connection with an IPO will vest upon the later of a specified date (which falls up to 4 years after the grant of the respective options) or the expiry of a 12 months period after the occurrence of an exit event (including an IPO) (but only if the respective beneficiary is still engaged or employed within the Group at this point in time).

16.7.4 Pre-Existing Virtual Stock Option Programs

Ten of the Issuer's and its subsidiaries' current and former employees or officers are still beneficiaries of various virtual stock option programs that were implemented at the level of local companies or at the level of HelloFresh GmbH (now: HelloFresh SE) before the conversion of the Issuer into a stock corporation (and later into an SE). Pursuant to the terms of these programs, the beneficiaries have the opportunity to participate in an increase of the value of their respective local entities or in case of HelloFresh GmbH (now: HelloFresh SE) of a virtual part of its business within and as part of the overall HelloFresh Group. The Issuer has the right to determine if those options are settled in cash or equity.

As of the date of the prospectus, 226,476 of the virtual stock options granted under the pre-existing virtual stock option programs are not yet forfeited and have not been exercised. Of these, 141,615 virtual stock options have vested as of the date of the prospectus. Generally, two thirds of the granted virtual stock options are subject to time-vesting and vest over quarterly intervals over a period of 48 months (including a cliff period between six months and one year). The other one third of the virtual stock options is subject to an exit vesting and vest in case of an IPO of the Issuer's shares. In case the IPO occurs before the 48 months vesting period has ended, all time-vested shares become vested. However, the proceeds with respect to any time-vested shares that would have been unvested (if the IPO hadn't occurred) only get paid out to the respective beneficiary in quarterly installments over the vesting period that would have remained (if the IPO hadn't occurred) and in case of virtual stock options that had been granted on the level of the Dutch subsidiary get paid out over one year. The cash amount to be paid out to a beneficiary per virtual option depends on the base price and the exit proceeds and in case of old virtual stock options that were given out at the level of the former German subsidiary, a specific quotient to reflect the German business. In the event of an IPO, the exit proceeds shall be equal to the subscription price or the closing price per share on the first day of trading. In the event of a good leaver event, the beneficiary is entitled to exercise the virtual stock options, in line with his vesting and after the occurrence of an exit event. In the case of a bad leaver event, all virtual options forfeit. At the mid-point of the Price Range and based on the

methodology used by the Issuer, the virtual stock options granted would entitle their holders to an aggregate payment in the range of EUR 1 million to EUR 2 million or 100 thousand shares to 200 thousand shares. To the extent that the Issuer decides to settle the virtual stock options that are subject to an exit vesting or that had already vested in cash, the payment will be made until the earlier of (i) six months after the date on which the IPO is consummated and the date which is two and a half months following the end of the year in which the IPO closed or (ii) within six months after the proceeds deriving from the IPO have been received. To the extent that the Issuer decides to settle virtual stock options in shares, the Issuer expects to use parts of its existing treasury shares for this purpose.

16.7.5 Virtual Stock Option Program 2016

In January 2016, the Management Board, with the approval of the Supervisory Board, resolved upon and established a virtual stock option program (VSOP 2016), which was amended from time to time, under which virtual stock options (each a "**Virtual Stock Option**" and together the "**Virtual Stock Options**") have already been granted.

Under the VSOP 2016, members of the Management Board and key employees of the Issuer, members of the management and key employees of affiliated companies of the Issuer (in each case directly or indirectly via their 100% owned and controlled investment vehicles) may be granted Virtual Stock Options. The VSOP 2016 entitles each holder of a Virtual Stock Option to a cash payment by the Issuer in the amount of the difference between the share price of the shares in the Issuer at the time of the exercise of a Virtual Stock Option and the previously agreed exercise price. Thus, opposed to a real stock option program, the participants do not obtain a right/option to acquire shares in the Issuer, but rather an option to receive a cash payment the amount of which depends on the development of the share price of the Issuer's shares. The Issuer has, however, the option to settle any claims in its sole discretion in shares instead of making a cash payment. In January 2016, the Management Board and the Supervisory Board resolved to grant up to 5,078,333 Virtual Stock Options to eligible persons. The Virtual Stock Options may be granted in one or more tranches until the end of the year 2020. The aggregate number of Virtual Stock Options may be allocated in such way that members of the Management Board may receive up to 45% of the total number of Virtual Stock Options, key employees of the Issuer may receive up to 14% of the total number of Virtual Stock Options, members of the management of affiliated companies may receive up to 15% of the total number of Virtual Stock Options and key employees of affiliated companies of the Issuer may receive up to 26% of the total number of Virtual Stock Options. The Management Board with respect to key employees of the Issuer and, with respect to members of the management and key employees of the affiliated companies of the Issuer and, with respect to members of the Management Board, the Supervisory Board, will determine the number of Virtual Stock Options granted to an eligible person and the other terms and conditions in accordance with the terms of the VSOP 2016 in individual grant agreements. The Virtual Stock Options are subject to (i) a four-year vesting period, (ii) a four-year waiting period and (iii) two performance targets. The Virtual Stock Options shall vest by 3/48 for each full quarter of a year following the day the grant becomes effective, subject to the condition that a period of eighteen months following the later of the day the grant becomes effective or the date of any amendment of the grant agreement (the "**Cliff Period**") has expired. In case of extraordinary circumstances the Cliff Period for a participant may be reduced or increased in the grant agreement and in an amendment thereof, respectively. With respect to one of the members of the Management Board, 250,000 granted and yet unvested Virtual Stock Options shall vest in case of the occurrence of the IPO or a change of control; if that member has already been granted more than 250,000 Virtual Stock Options not yet vested, the 250,000 unvested Virtual Stock Options with the earliest grant date shall vest. In case of certain good or bad leaver events defined in the VSOP 2016, the participant may lose all of his/her Virtual Stock Options or may only retain the ones already vested. The Virtual Stock Options can only be exercised after a waiting period of four years, after the date the Virtual Stock Options were granted, has lapsed.

The exercise of the Virtual Stock Options is subject to the fulfilment of two performance targets. The Virtual Stock Options may only be exercised if the performance targets are achieved. The performance targets for the members of the Management Board and key employees of the Issuer are composed of the increase of (i) the net revenue of the Issuer over three years and (ii) the Adjusted EBITDA of the Issuer over three years (the "**Top 1 and 2 Performance Targets**"), except for Virtual Stock Options granted in 2017 for which the performance period are two years, and each of the Top 1 and 2 Performance Targets weighing 50%. Unless the Top 1 and Top 2 Performance Targets have been contractually stipulated in their respective grant agreement, the performance targets for the members of the management and key employees of affiliated companies of the Issuer are composed of the increase of (i) the consolidated net revenue of the local controlling entity to which, or to whose subsidiary, the participant belongs, over three

years and (ii) the consolidated Adjusted EBITDA with respect to the local controlling entity to which, or to whose subsidiary, the participant belongs, over three years (the "**Top 3 and 4 Performance Targets**" and together with the Top 1 and 2 Performance Targets, the "**Performance Targets**"), except for Virtual Stock Options granted in 2017 for which the performance period will be two years and each of the Top 3 and 4 Performance Targets weighing 50%. For each of the Performance Targets a target achievement rate between 0% and 100% will be determined. The overall performance target achievement will be the sum of the weighted target achievement rates for the two respective Performance Targets. If for all of (i) and (ii) of the respective Performance Targets described above, the individual target levels are met to 100%, the overall performance target achievement is also 100%. Irrespective of the aforementioned provisions, the Supervisory Board was entitled to grant, in its discretion (*pflichtgemäßes Ermessen*), 156,250 Virtual Stock Options to a member of the Management Board that were not subject to any performance targets nor any performance period. Virtual Stock Options held, vested and not yet exercised by a participant in the VSOP 2016 entitle the participant to an annual cash bonus (the "**Dividend Bonus**") which is to be determined by the Management Board (for participants who are not members of the Management Board), and with respect to the Management Board's Dividend Bonus, the Supervisory Board. In the event that more than one Dividend Bonus is made in the course of a calendar year, the Dividend Bonus shall be the sum of the Dividend Bonus earned on account of each dividend distribution. The entitlement to the Dividend Bonus survives the termination of the participant's office and service and/or employment agreement to the extent that the participant still holds vested Virtual Stock Options not yet exercised or forfeited.

At the time of grant of the Virtual Stock Options, an exercise price for each Virtual Stock Option will be determined. The exercise price for each of the Virtual Stock Options will either (i) equal the average of the closing price of the Issuer's shares on the thirty consecutive trading days prior to the day the Virtual Stock Options were granted (the "**Exercise Price 1**"), except for grants becoming effective between the thirtieth consecutive trading day prior to the IPO and the thirtieth consecutive trading day following the IPO for which the offer price in the IPO shall be the relevant Exercise Price 1, or (ii) at least EUR 8.00 (the Exercise Price 2 and together with the Exercise Price 1, the "**Exercise Price**"), provided that, in each of (i) and (ii), in case of a U.S. citizen or U.S. resident (for tax purposes) the Exercise Price shall not be less than the relevant closing price on the day the grant becomes effective or, prior to an IPO, less than the fair market value on the day the grant becomes effective, or any other value as required by local law. Participants, who have been granted Virtual Stock Options under the VSOP 2016 prior to the first day of trading of the Issuer's shares with an exercise price above the offer price in the IPO have the right to, within six weeks from the first day of trading, elect to (i) with respect to Virtual Stock Options having a remaining cliff period of less than nine months on the first day of trading, have the exercise price reduced to the offer price in the IPO in exchange for a prolongation of the current cliff period until twelve months after the first day of trading or (ii) with respect to Virtual Stock Options having a remaining cliff period of at least nine months on the first day of trading, have the exercise price reduced to the offer price in the IPO without a prolongation of the current cliff period or (iii) with respect to any Virtual Stock Option irrespective of the remaining length of the current cliff period, have the exercise price reduced to 75% of the offer price in the IPO in exchange for a prolongation of the current cliff period until eighteen months after the first day of trading. Upon exercise of a Virtual Stock Option, the participant is entitled to receive a cash payment in the amount of the difference between the share price of the shares in the Issuer at the time of the exercise of a Virtual Stock Option and the respective exercise price (the "**VSOP Profit**"). Any VSOP Profit may be capped at a maximum amount (*Höchstbetrag*) as agreed with each participant.

After the expiry of the waiting period, all vested Virtual Stock Options, provided that the performance targets and all other exercise conditions are met, may be exercised at any time during pre-defined exercise periods which are limited to the three weeks after the publication of a quarterly financial report, a half year financial report or the annual financial statements. However, all Virtual Stock Options not exercised within six years following the end of the waiting period expire.

The Virtual Stock Options are generally non-transferrable. They can only be transferred by will or applicable laws of descent or with the prior written consent by the Management Board respectively—to the extent members of the Management Board are concerned—the Supervisory Board. Hedging any interest, risk or position in any Virtual Stock Option is not permitted.

The VSOP Profit can be adjusted in the event of certain capital and other structural measures in order to avoid unforeseen effects on the value of the Virtual Stock Options. In the event of a change of control, with respect to a participant who is not a member of the Management Board, a portion of the then-outstanding vested and unvested Virtual Stock Options which is equal to the portion of the shares or assets of the Issuer acquired in the relevant change of control event shall be cancelled (resulting in an

accelerated vesting in case of any unvested options), irrespective of whether the exercise conditions have been satisfied or not, in exchange for a payment by the Issuer of an amount equal to the excess, if any, of (i) the product of the relevant share price multiplied by the number of Virtual Stock Options cancelled over (ii) the aggregate Exercise Price for all such cancelled Virtual Stock Options, but less any applicable taxes, social contributions or other required withholdings. Remaining Virtual Stock Options not subject to such automatic cancellation of a participant who is not a member of the Management Board and any Virtual Stock Options of a member of the Management Board remain unaffected in case of a change of control.

As of the date of this prospectus, 1,925,000 Virtual Stock Options have been granted to our four members of the Management Board and may be exercised at an Exercise Price between EUR 8.00 and EUR 10.00.

- 1,250,000 Virtual Stock Options have been granted to a member of the Management Board and have a Cliff Period of twelve months and an Exercise Price of EUR 8.00. A part of 156,250 of these Virtual Stock Options was granted to this member of the Management Board without any performance targets; for another part of 156,250 Virtual Stock Options the Top 1 and Top 2 Performance Targets were substituted by performance targets based on (i) the Group's net revenues, (ii) Adjusted EBITDA of the Group, (iii) an individual entering into a service or employment agreement with a Group company responsible for the U.S. market and (iv) a certain percentage of active and paused customers of the U.S. subsidiary not accepting an offer to continue their subscription for a reduced price and a performance period which ended on June 30, 2017; for another 156,250 of these Virtual Stock Options the Top 1 and Top 2 Performance Targets were substituted by performance targets, based on (i) an IPO of the Issuer's shares prior to December 31, 2017, (ii) the Group's net revenues between July 1, 2017 and December 31, 2017, (iii) EBITDA expressed as a percentage of revenue of the Group for the period between July 1, 2017 and December 31, 2017 and (iv) the net revenues of Grocery Delivery E-Services USA Inc. for the whole fiscal year 2017. The performance targets for the remaining 781,250 Virtual Stock Options, for the period after December 31, 2017 will be determined by the Supervisory Board at a later point in time or from time to time.
- 675,000 Virtual Stock Options have been granted to the three other members of the Management Board and have a Cliff Period of twelve or eighteen months and an Exercise Price of EUR 10.00.
- Further 495,000 Virtual Stock Options have been allocated, but not yet granted to one of the members of the Management Board. They will have a Cliff Period of eighteen months and an Exercise Price of EUR 10.00. The 495,000 Virtual Stock Options shall be granted in three 165,000 tranches, to be granted in 2018, 2019 and 2020.

For further information on the remuneration of the members of the Management Board of the Issuer, see "*16.2.3 Remuneration and Other Benefits of the Members of the Management Board*".

Also, 952,809 Virtual Stock Options have been granted to 132 key employees of the Issuer, members of the management of affiliated companies of the Issuer and key employees of affiliated companies and may be exercised at an Exercise Price between EUR 12.00 and EUR 13.50.

17. CERTAIN RELATIONSHIPS AND RELATED-PARTY TRANSACTIONS

In accordance with IAS 24, transactions with persons or companies that are, inter alia, members of the same group as the Issuer or that are in control of or controlled by the Issuer must be disclosed unless they are already included as consolidated companies in the Issuer's audited consolidated financial statements. Control exists if a shareholder owns more than one half of the voting rights in the Issuer or, by virtue of an agreement, has the power to control the financial and operating policies of the Issuer's management. The disclosure requirements under IAS 24 also extend to transactions with associated companies (including joint ventures) as well as transactions with persons who have significant influence on the Issuer's financial and operating policies, including close family members and intermediate entities. This includes the members of the Management Board and Supervisory Board and close members of their families, as well as those entities over which the members of the Management Board and Supervisory Board or their close family members are able to exercise a significant influence or in which they hold a significant share of the voting rights.

Set forth below in Sections 17.1 and 17.2 is a summary of such transactions with related parties for the years ended December 31, 2016, 2015 and 2014 up to and including the date of this prospectus. Further information, including quantitative amounts, of related-party transactions are contained in the notes to the Company's audited consolidated financial statements as of and for the years ended December 31, 2016, December 31, 2015 as well as December 31, 2014, 2013 and 2012, which are all included in the Section "21. Financial Information" of this prospectus on page F-1 et seq. Business relationships between companies of our Group are not included.

17.1 Transactions with Rocket Internet SE

Effective April 20, 2016, the Issuer as borrower entered into a EUR 50 million shareholder loan agreement with Rocket Internet SE as lender, with terms equivalent to those prevailing at the time the loan was concluded. The loan facility can be drawn down as required in installments of EUR 5 million. One loan utilization request was made on April 25, 2016 in the amount of EUR 25 million. The loan shall be repaid in full in one payment on April 20, 2019 and can be prepaid without any further costs, but any repayment under the shareholder loan will not become due and payable prior to the discharge in full of all amounts owed under the Facilities Agreement, unless such repayment is permitted under the Facilities Agreement. The loan agreement allows for the extension of the repayment date under certain conditions for up to 48 months. The loan amount will become immediately due and payable upon the occurrence of certain conditions. The loan bears interest at a fixed rate of 11% per annum payable in arrears on the last business day of each calendar year following the date of the shareholder loan agreement (subject to compliance with the terms of the term loan facility dated May 29, 2017). The Issuer may request, at its sole discretion, to capitalize and add to the outstanding loan amount the interest accrued for the relevant interest period. The loan is unsecured and deeply subordinated. As of December 31, 2016, an amount of EUR 26.8 million has been included in long-term debt, which represents principal of EUR 25 million and capitalized interest in the amount of EUR 1.8 million; such interest expense has been recorded within finance expense. For further information see "*11.16.2 Shareholder Loan*".

On November 1, 2011, the Issuer and Rocket Internet SE entered into a management services agreement regarding consulting services and services with respect to the programming of internet platforms and a related individual contract regarding consulting and programming services. Under these contracts, Rocket Internet SE agreed to provide the Issuer with certain technical and programming services, for which the Issuer paid fees to Rocket Internet SE. The charges, which are included in general and administrative expenses, were EUR 515 thousand in 2016, EUR 1,683 thousand in 2015 and EUR 107 thousand in 2014 (derived from the consolidated financial statements as of and for the years ended December 31, 2016 and December 31, 2015). As of December 31, 2016, no outstanding balances were payable. As of December 31, 2015 and December 31, 2014, the outstanding balances payable were EUR 279 thousand and EUR 22 thousand, respectively (derived from the consolidated financial statements as of and for the year ended December 31, 2015).

On May 16, 2017, the Issuer as principal and Rocket Internet SE as contractor also entered into an individual contract relating to the framework agreement dated November 1, 2011, pursuant to which Rocket Internet SE provides certain services to the Issuer in the field of IT security. The parties agreed on a lump sum remuneration to be paid by the Issuer to Rocket Internet SE in the amount of EUR 17 thousand.

In addition, we sublet office space to Rocket Internet SE for which we received payments of EUR 150 thousand in 2016 and EUR 164 thousand in 2015. Neither as of December 31, 2016, nor December 31, 2015 were any amounts outstanding. In 2014, we leased office space from Rocket Internet SE. The amount, which was included in general and administrative expenses, was EUR 96 thousand in 2014. Rent was charged on actual usage of office space and there was no minimum lease term.

17.2 Transactions with other related parties

Parties are considered to be related if the parties are under common control or if one party has the ability to control the other party or can exercise significant influence or joint control over the other party in making financial and operational decisions. In considering each possible related party relationship, attention is directed to the substance of the relationship, not merely the legal form. In addition, a related party is any executive officer, director (or nominee for director), including any of their immediate family members and any entity owned or controlled by such persons.

Compensation paid to key management of the Group for their services consists of contractual salary (short-term employee benefits) and equity participation in the form of shares or options (share-based payments). Total salaries of the key management personnel included in employee benefit expenses for the year ended December 31, 2016 amounted to EUR 753 thousand (2015: EUR 404 thousand, 2014: EUR 210 thousand). Share-based compensation expense for compensation of key management personnel for the year ended December 31, 2016 amounted to EUR 1,652 thousand (2015: EUR 5,897 thousand, 2014: EUR 109 thousand).

Expenses incurred for the remuneration of the Supervisory Board in 2016 amounted to EUR 82 thousand (2015: EUR 13 thousand, no expenses were incurred for the remuneration of the Supervisory Board in 2014 since the Supervisory Board was only established after the Issuer's conversion into a stock corporation).

There were no transactions with outstanding balances for services with other related parties in 2016, 2015 or 2014.

Pursuant to four contracts dated November 1, 2015, a total of 533,333 shares were reacquired from key management and subsidiary management for a total consideration of EUR 10 million. The purchase price was set based on the share price paid during the then most recent financing round, adjusted for a lack of marketability discount.

In 2015, lines of credit were agreed with two managing directors and two employees of the Issuer's subsidiaries. The respective individuals held share-based compensation awards in sub-holdings that were merged into the Issuer in 2015. These share-based compensation awards were exchanged for respective instruments in the Issuer. This transaction had adverse effects on tax positions of these persons, resulting in tax payments on book gains ("dry income tax"). To address such adverse effects, the Issuer granted a line of credit to each individual, which is dependent on the obligation to make the payments to the relevant tax authorities. As of the date of this prospectus, only one line of credit was drawn, three lines of credit were undrawn.

Apart from the relationships stated above, the Issuer did not have any other significant business relationships with related parties.

18. UNDERWRITING

18.1 General

On October 23, 2017, the Issuer, the Lending Shareholder and the Underwriters entered into an Underwriting Agreement relating to the offer and sale of the Offer Shares in connection with the Offering.

Under the terms of the Underwriting Agreement and subject to certain conditions and only after execution of the pricing agreement, each Underwriter is obliged to acquire such number of Offer Shares as will be specified in the pricing agreement, but in any event only up to the maximum number of Offer Shares set forth below opposite the Underwriter's name:

Underwriters	Maximum Number of Offer Shares to be underwritten[1)]	Percentage of Maximum Number Offer Shares underwritten (in %)
Deutsche Bank Aktiengesellschaft, Mainzer Landstraße 11-17, 60329 Frankfurt am Main, Germany	8,538,750	27.50
J.P. Morgan Securities plc, 25 Bank Street, Canary Wharf, London E14 5HP, United Kingdom	8,538,750	27.50
Morgan Stanley & Co. International plc, 25 Cabot Square, Canary Wharf, London E14 4QA, United Kingdom	7,607,250	24.50
BNP Paribas 16 Boulevard des Italiens, 75009 Paris, France	3,570,750	11.50
Joh. Berenberg, Gossler & Co. KG, Neuer Jungfernstieg 20, 20354 Hamburg, Germany	1,552,500	5.00
Coöperatieve Rabobank U.A., Croeselaan 18, 3521 CB Utrecht, The Netherlands	1,242,000	4.00
Total	**31,050,000**	**100.0**

1) Assuming full exercise of the Greenshoe Option and issuance of all New Shares.

In connection with the Offering, each of the Underwriters and any of their respective affiliates, acting as an investor for its own account, may take up Offer Shares in the Offering and in that capacity may retain, purchase or sell for its own account such securities and any Offer Shares or related investments and may offer or sell such Offer Shares or other investments otherwise than in connection with the Offering. Accordingly, references in this prospectus to Offer Shares being offered or placed should be read as including any offering or placement of Offer Shares to any of the Underwriters or any of their respective affiliates acting in such capacity. None of the Underwriters intends to disclose the extent of any such investment or transactions otherwise than in accordance with any legal or regulatory obligation to do so. In addition, certain of the Underwriters or their affiliates may enter into financing arrangements (including swaps with investors) in connection with which such Underwriters (or their affiliates) may from time to time acquire, hold or dispose of Offer Shares.

18.2 Underwriting Agreement

In the Underwriting Agreement, the Underwriters agreed to underwrite and purchase the Offer Shares with a view to offering them to investors in this Offering. The Underwriters agreed to remit to the Issuer the Offer Price of the New Shares (less agreed commissions and expenses), at the time the Issuer's shares are delivered, which is expected to be two bank working days after admission to trading. For the purpose of a potential Over-Allotment, the Stabilization Manager, for the account of the Underwriters, will be provided with 4,050,000 Issuer's shares from the holdings of the Lending Shareholder in the form of a securities loan. The total number of Over-Allotment Shares will not exceed 15% of the number of New Shares. In connection with the Over-Allotment, the Issuer will grant the Underwriters the Greenshoe Option, i.e., an option to acquire up to 4,050,000 additional Issuer's shares at the Offer Price less agreed commissions, for the sole purpose of enabling the Stabilization Manager to perform its redelivery

obligation under the securities loan with the Lending Shareholder. The Greenshoe Option will terminate on December 7, 2017.

The obligations of the Underwriters are subject to various conditions, including, among other things, (i) the agreement of the Underwriters and the Issuer on the Offer Price and the final volume of New Shares to be purchased by the Underwriters, (ii) the absence of a material event, e.g. a reasonably likely material adverse change in or affecting the condition, business, prospects, management, consolidated financial position, shareholders' equity, or results of operations of our Group, or a suspension or material limitation in trading in securities of the Issuer or in securities generally on the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*), the London Stock Exchange or the New York Stock Exchange, (iii) receipt of customary certificates, legal opinions and auditor letters, and (iv) the introduction of the Issuer's shares to trading on the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*). The Underwriters have provided and may in the future provide services to the Issuer in the ordinary course of business and extended credit to, and have regular business dealings with the Issuer in their capacity as financial institutions. For a more detailed description of the interests of the Underwriters in the Offering, see "*3.12 Interests of Parties Participating in the Offering*".

18.3 Commission

The Underwriters will offer the Offer Shares at the Offer Price. The Issuer will pay the Underwriters an aggregate commission of 1.45% of the gross proceeds from the Offering of the New Shares (the "**Base Fee**"). The Underwriters will withhold the Base Fee from the gross proceeds of the Offering. In addition to the Base Fee, the Issuer, in its absolute and full discretion and upon its assessment of the Underwriters' performance based on certain criteria set out in the Underwriting Agreement, agree to award the Underwriters in the aggregate an additional discretionary fee of up to 1.30% of the gross proceeds from the Offering of the New Shares ("**Discretionary Performance Fee I**") plus up to 0.47% of the gross proceeds from the Offering of the New Shares ("**Discretionary Performance Fee II**"). The Discretionary Performance Fee I, if any, will be distributed among the Underwriters, and the Discretionary Performance Fee II, if any, will be distributed between Berenberg and BNP PARIBAS, at the sole discretion of the Issuer and may be split other than in proportion to their underwriting commitments. In addition, as part of the Greenshoe Option, the Issuer will pay the Underwriters an aggregate commission of 1.45% of the Offer Price for each share issued under the Greenshoe Option plus, in the Issuer's absolute and full discretion, additional aggregate performance fees of up to 1.30% and 0.47% of the Offer Price for each share issued under the Greenshoe Option. Any discretionary fee will be decided on by the Issuer within 5 business days following expiration of the Stabilization Period. The Issuer also agreed to reimburse the Underwriters for certain expenses incurred by them in connection with the Offering.

18.4 Greenshoe Option and Securities Loan

To cover a potential Over-Allotment, the Lending Shareholder will make up to 4,050,000 Over-Allotment Shares available to the Underwriters free of charge through a securities loan. In addition, the Issuer will grant the Underwriters the Greenshoe Option, i.e., an option to acquire up to 4,050,000 additional Issuer's shares at the Offer Price less agreed fees and commissions, for the sole purpose of enabling the Stabilization Manager to perform its redelivery obligation under the securities loan with the Lending Shareholder. This Greenshoe Option will terminate 30 calendar days after the first day of trading. If and to the extent the Greenshoe Option is exercised, the Issuer will issue additional new shares to the Underwriters at the Offer Price which the Underwriters will transfer to the Lending Shareholder in order to return the share loan.

18.5 Termination/Indemnification

The Underwriting Agreement provides that the Underwriters may, under certain circumstances, terminate the Underwriting Agreement, including after the Offer Shares have been allotted and listed, up to delivery and settlement. Grounds for termination include, in particular, if:

- there has been any material adverse change, or any development involving a reasonable likely prospective material adverse change, in or affecting the condition, business, prospects, management, consolidated financial position, shareholders' equity or results of operations of the Issuer or the Group;

- the Issuer or the Group has incurred any liability or obligation, direct or contingent, or entered into any material transaction not in the ordinary course of business, other than in each case as set forth or contemplated in this prospectus, the effect of which, in any such case, makes it, in the joint judgment of the Joint Global Coordinators, acting in good faith, after consultation with the Company, to the extent practicable, impracticable or inadvisable to proceed with the offering;
- a suspension in trading on the Frankfurt, London or New York stock exchanges occurs;
- a general moratorium on banking activities is imposed in Frankfurt am Main, London, or New York by the relevant authorities;
- a material disruption in commercial banking or securities settlement occurs;
- an outbreak or escalation of hostilities or the declaration of a national emergency or war which have a material adverse impact on the financial markets in the Federal Republic of Germany, the United Kingdom or the United States occurs; or
- any acts of terrorism or any other calamity or crisis or any change in financial, political or economic conditions or currency exchange rates or currency control which have a material adverse impact on the financial markets in the Federal Republic of Germany, the United Kingdom or the United States occur.

If the Underwriting Agreement is terminated, the Offering will not take place, in which case any allotments already made to investors will be invalidated and investors will have no claim for delivery. Claims with respect to subscription fees already paid and costs incurred by an investor in connection with the subscription will be governed solely by the legal relationship between the investor and the financial intermediary to which the investor submitted its purchase order. Investors who engage in short-selling bear the risk of being unable to satisfy their delivery obligations.

The Issuer agreed in the Underwriting Agreement to indemnify the Underwriters against certain liabilities that may arise in connection with the Offering, including liabilities under applicable securities laws.

18.6 Selling Restrictions

The distribution of this prospectus and the sale of the Offer Shares may be restricted by law in certain jurisdictions. Pursuant to the Underwriting Agreement, no action has been or will be taken by the Issuer or the Underwriters to permit a public offering of the Offers Shares anywhere other than Germany and Luxembourg or the possession or distribution of this document in any other jurisdiction in which action for that purpose may be required by applicable law or regulation.

The Offer Shares are not and will not be registered pursuant to the provisions of the Securities Act or with the securities regulators of the individual states of the United States. The Offer Shares may not be offered, sold, or delivered, directly or indirectly, in or into the United States except pursuant to an exemption from the registration and reporting requirements of the United States securities laws and in compliance with all other applicable United States legal regulations. In the Underwriting Agreement, the Underwriters will represent and warrant that they have not offered or sold and will refrain from offering or selling the Offer Shares in or into the United States except to persons they reasonably believe to be Qualified Institutional Buyers as defined in, and in reliance on, Rule 144A or pursuant to another available exemption from, or in transactions not subject to, the registration requirements of the Securities Act. Outside the United States except in accordance with Rule 903 of Regulation S and in compliance with other United States legal regulations, and that neither they nor any third party acting on their behalf, have undertaken or will undertake, (i) "direct selling efforts" as defined in Regulation S or (ii) "general advertising" or "general solicitation", each as defined in Regulation D under the Securities Act in relation to the Offer Shares.

The Issuer does not intend to register either the Offering or any portion of the Offering in the United States or to conduct a public offering of shares in the United States.

Accordingly, neither this document nor any advertisement or any other offering material may be distributed or published in any jurisdiction except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession this prospectus comes are required to inform themselves about and observe any such restrictions, including those set out in the preceding paragraphs. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction.

Sales in the United Kingdom are also subject to restrictions. Each of the Underwriters will represent and warrant to the Issuer that:

(i) it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity within the meaning of Section 21 of the Financial Services and Markets Act 2000 (the "**FSMA**") received by it in connection with the issue or sale of any Offer Shares in circumstances in which Section 21 para. 1 of the FSMA does not apply to the Issuer; and

(ii) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Offer Shares in, from, or otherwise involving the United Kingdom.

The Underwriters will further represent and warrant in the Underwriting Agreement that they have not and will not publicly offer the Offer Shares in any of the member states of the EEA that have implemented Directive 2003/71/EC as amended (the "**Prospectus Directive**") from the date of the implementation of the Prospectus Directive, unless (i) a prospectus for the Offer Shares has been previously published that has been approved by the competent authority in such member state or has been approved in another member state of the EEA that has implemented the Prospectus Directive, and the competent authority in the member state in which the offer takes place has been informed thereof in compliance with the Prospectus Directive; (ii) the offer is exclusively intended for so-called qualified investors within the meaning of the Prospectus Directive; or (iii) the offering takes place under other circumstances in which the publication of a prospectus by the Issuer is not required under Article 3 of the Prospectus Directive, to the extent that this exemption has been implemented in the respective member state.

19. TAXATION IN THE FEDERAL REPUBLIC OF GERMANY

The following section outlines certain key German tax principles that may be relevant with respect to the acquisition, holding or transfer of shares. It is important to note that the legal situation may change, possibly with retroactive effect. This summary is not and does not purport to be a comprehensive or exhaustive description of all German tax considerations that may be relevant to shareholders. In particular, this summary does not cover tax considerations that may be relevant to a shareholder that is a tax resident of a jurisdiction other than Germany. This presentation is based upon domestic German tax laws in effect as of the date of this prospectus and the provisions of double taxation treaties currently in force between Germany and other countries.

This section does not replace the need for individual shareholders to seek personal tax advice. It is therefore recommended that shareholders consult their own tax advisors regarding the tax implications of acquiring, holding or transferring shares and what procedures are necessary to secure the repayment of German withholding tax (Kapitalertragsteuer), if possible. Only qualified tax advisors are in the position to adequately consider the particular tax situation of individual shareholders.

19.1 Taxation of the Issuer

The Issuer's taxable income, whether distributed or retained, is generally subject to German corporate income tax at a uniform rate of 15% plus the solidarity surcharge of 5.5% thereon, resulting in a total tax rate of 15.825%.

Dividends and other shares in profits which the Issuer receives from domestic and foreign corporations are generally not subject to corporate income tax; however, 5% of this type of income are deemed to be a non-deductible business expense and are thus taxable. The same applies generally to profits earned by the Issuer from the sale of shares in another domestic or foreign corporation. Losses incurred from the sale of such shares are not deductible for tax purposes, regardless of the percentage of shares held. Different rules apply to free-floating dividends i.e., dividends earned on direct shareholdings in a distributing corporation equal to less than 10% of its share capital at the start of the respective calendar year ("**Portfolio Dividends**"). Portfolio Dividends are fully taxed at the corporate income tax rate (plus solidarity surcharge thereon). The acquisition of a shareholding of at least 10% is deemed to have occurred at the beginning of the calendar year. Capital gains arising from the disposal of shares held by the Issuer are effectively 95% tax exempt.

Participations in the share capital of other corporations which the Issuer holds through partnerships, including co-entrepreneurships (*Mitunternehmerschaften*), are attributable to the Issuer only on a pro rata basis at the ratio of the interest share of the Issuer in the assets of relevant partnership.

In addition, the Issuer is subject to trade tax with respect to its taxable trade profits from its permanent establishments in Germany.

The trade tax rate depends on the local municipalities in which the Issuer maintains its permanent establishments. For the Issuer, the trade tax burden currently amounts to 14.35% of the taxable trade profit.

For trade tax purposes, dividends received from domestic and foreign corporations and capital gains from the sale of shares in other corporations are treated in principle in the same manner as for corporate income tax purposes. However, shares in profits received from domestic and foreign corporations are effectively 95% exempt from trade tax only if, among other things, the company that is receiving the dividends has held or holds a stake of at least 15% in the share capital of the company making the distribution at the beginning or – in the case of foreign corporations – since the beginning of the assessment period. In the case of distributing companies domiciled in another member state of the European Union, a stake of 10% at the beginning of the assessment period is sufficient. Additional limitations apply with respect to shares in profits received from foreign non-EU corporations.

The provisions of the interest barrier (*Zinsschranke*) restrict the extent to which interest expenses are tax deductible. Under these rules, net interest expense (the interest expense minus the interest income in a fiscal year) is generally only deductible up to 30% of the taxable EBITDA (taxable earnings particularly adjusted for interest costs, interest income, and certain depreciation and amortization), although there are certain exceptions to this rule. The interest barrier rules do not apply in a given year (i) if the annual net interest expense is less than EUR 3 million, (ii) if the respective entity is not or only partially part of a

consolidated group, or (iii) if the respective entity is part of a consolidated group but its equity ratio is not more than 2%-points below the equity ratio of the consolidated group. For the eligibility of exemption (ii), the entity must prove that it did not pay more than 10% of the net interest expense to shareholders with a (direct or indirect) shareholding in the entity of more than 25% or to an associated person. For the eligibility of exemption (iii), the entity must prove that the entity itself and any other company of the consolidated group did not pay more than 10% of the net interest expense to shareholders with a (direct or indirect) shareholding in a group company of more than 25% or to an associated person. Interest expense that is not deductible in a given year may be carried forward to subsequent fiscal years of the Issuer (interest carryforward) and will increase the interest expense in those subsequent years. Under certain conditions, non-offsettable EBITDA can also be carried forward to subsequent years (EBITDA carryforward). For the purpose of trade tax, however, the deductibility of interest expenses is further restricted to the extent that the sum of certain trade taxable add back items exceeds EUR 100,000, since in such cases 25% of the interest expenses, to the extent they were deducted for corporate income tax purposes, are added back for purposes of the trade tax base; consequently, in these cases the deductibility is limited to 75% of the interest expenses.

Losses of the Issuer can be carried forward in subsequent years and used to fully offset taxable income for corporate income tax and trade tax purposes only up to an amount of EUR 1 million. If the taxable income for the year or taxable profit subject to trade taxation exceeds this threshold, only up to 60% of the amount exceeding the threshold may be offset by tax loss carryforwards. The remaining 40% are subject to tax (minimum taxation). The rules also provide for a tax loss carryback of an amount up to EUR 1 million to the previous year with regards to corporate income tax. Unused tax loss carryforwards can generally continue to be carried forward without time limitation.

If more than 50% of the subscribed capital or voting rights of the Issuer are transferred to an acquirer (including parties related to the acquirer) within five years directly or indirectly or a comparable acquisition occurs, all tax loss carryforwards and interest carryforwards are forfeited. A group of acquirers with aligned interests is also considered to be an acquirer for these purposes. In addition, any current year losses incurred prior to the acquisition will not be deductible. If more than 25% up to and including 50% of the subscribed capital or voting rights of the Issuer are transferred to an acquirer (including parties related to the acquirer) or a comparable acquisition occurs, a proportional amount of tax loss carryforwards, the unused current losses and interest carryforwards is forfeited. This does not apply to share transfers if (i) the purchaser directly or indirectly holds a participation of 100% in the transferring entity, (ii) the seller indirectly or directly holds a participation of 100% in the receiving entity, or (iii) the same natural or legal person or commercial partnership directly or indirectly holds a participation of 100% in the transferring and the receiving entity. Furthermore, tax loss carryforwards, unused current losses and interest carryforwards taxable in Germany will not expire to the extent that they are covered by built in gains taxable in Germany at the time of such acquisition. In accordance with legislation enacted on 23 December 2016, a new rule was introduced into the German CIT Act retroactively effective as of 1 January 2016. Based upon this legislation any share transfer that would otherwise be subject to the rules above does not result in forfeiture of tax loss carryforwards resulting from current business operations (*Geschäftsbetrieb*) of the Issuer, if the current business operations of the Issuer remained the same (i) from the time of its establishment; or (ii) during the last three business years prior to the share transfer and such business operations are maintained after the transfer. The determination of whether the business operations have been maintained is assessed on the basis of qualitative factors, such as the produced goods and services, target markets, client and supplier bases, etc. However, the tax loss carryforwards will be forfeited in any circumstance if, after the share transfer, the business operations of the Issuer became dormant or are amended, the Issuer becomes a partner in an operating partnership (*Mitunternehmerschaft*), the Issuer becomes a fiscal unity parent, or assets are transferred from the Issuer and recognized at a value lower than the fair market value. This requirement is monitored until the retained tax loss carryforwards have been fully utilized.

19.2 Taxation of Shareholders

Shareholders are taxed in particular in connection with the holding of shares (taxation of dividend income), upon the sale of shares (taxation of capital gains) and the gratuitous transfer of shares (inheritance and gift tax).

19.2.1 Taxation of Dividend Income

In the future, the Issuer may pay dividends out of a tax recognized contribution account (*steuerliches Einlagenkonto*). To the extent that the Issuer pays dividends from the tax-recognized contribution account (*steuerliches Einlagenkonto*), the dividends are not subject to withholding tax, personal income tax (including the solidarity surcharge and church tax, if any) or corporate income tax, as the case may be. However, dividends paid out of a tax-recognized contribution account lower the acquisition costs of the shares, which may result in a higher amount of taxable capital gain upon the shareholder's sale of the shares. Special rules apply to the extent that dividends from the tax-recognized contribution account exceed the then lowered acquisition costs of the shares (the details are outlined below).

19.2.2 Withholding Tax

Dividends distributed by the Issuer that are not paid out of the tax-recognized contribution account (*steuerliches Einlagenkonto*) are subject to a deduction at source (withholding tax) at a 25% rate plus a solidarity surcharge of 5.5% on the amount of withholding tax (amounting in total to a rate of 26.375%) and church tax (*Kirchensteuer*), if applicable. The basis for determining the dividend withholding tax is the dividend approved for distribution by the Issuer's general meeting.

In general, dividend withholding tax is withheld regardless of whether and, if so, to what extent the shareholder must report the dividend for tax purposes and regardless of whether the shareholder is a resident of Germany or of a foreign country.

As the Issuer's shares are admitted to be held in collective safe custody (*Sammelverwahrung*) with a central securities depository (*Wertpapiersammelbank*) pursuant to Section 5 of the German Act on Securities Accounts (*Depotgesetz*) and are entrusted to such central securities depository for collective safe custody in Germany, the Issuer is not responsible for withholding the withholding tax; rather, it is, for the account of the shareholders, the responsibility of one of the following entities in Germany authorized to collect withholding tax to do so and to remit it to the relevant tax authority: (i) a domestic bank or financial service institute, a domestic securities trading company or a domestic securities trading bank (including the domestic branches of foreign banks or financial service institutes) that holds the shares in custody or that manages them and that pays out or credits the shareholders' investment income or that pays the investment income to a foreign entity, or (ii) the central securities depository holding the collective deposit shares in custody if it pays the investment income to a foreign entity and (iii) the Issuer itself if and to the extent shares held in collective safe custody (*girosammelverwahrt*) by the central securities depository (*Wertpapiersammelbank*) are treated as stock being held separately (so-called "*abgesetzte Bestände*").

The Issuer assumes responsibility for the withholding of taxes on distributions at source, in accordance with statutory provisions. This means that the Issuer is released from liability for the violation of its legal obligation to withhold and transfer the taxes at source if it provides evidence that it has not breached its duties intentionally or grossly negligently.

Where dividends are distributed to a company resident in another member state of the EU within the meaning of Article 2 of the EC Directive 2011/96/EU of November 30, 2011, as amended (the "**Parent-Subsidiary Directive**"), the withholding of the dividend withholding tax may not be required, upon application, provided that additional requirements are met (withholding tax exemption). This also applies to dividends distributed to a permanent establishment located in another EU Member State of such a parent company or of a parent company that is tax resident in Germany if the interest in the dividend-paying subsidiary is part of the respective permanent establishment's business assets. An important prerequisite for the exemption from withholding at source under the Parent-Subsidiary Directive is that the shareholder has directly held at least 10% of the Issuer's registered share capital continuously for one year and that the German Federal Central Office of Taxation (*Bundeszentralamt für Steuern*, with its registered office in Bonn-Beuel, An der Küppe 1, 53225 Bonn, Germany) has certified to the creditor of the dividends, based upon an application filed by such creditor on the officially prescribed form, that the prerequisites for exemption have been met.

The dividend withholding tax rate for dividends paid to other shareholders without a tax residence in Germany will be reduced in accordance with the applicable double taxation treaty, if any, between Germany and the shareholder's country of residence, provided that the shares are neither held as part of the business assets of a permanent establishment or a fixed base in Germany nor as part of the business assets for which a permanent representative in Germany has been appointed. The reduction in the

dividend withholding tax is generally obtained by applying to the Federal Central Office of Taxation (*Bundeszentralamt für Steuern*, with its registered office in Bonn-Beuel, An der Küppe 1, 53225 Bonn, Germany) for a refund of the difference between the dividend withholding tax withheld, including the solidarity surcharge, and the amount of withholding tax actually owed under the applicable double taxation treaty, which is usually 5-15%. A reduced withholding tax rate (according to the applicable double taxation treaty) may be applicable, if the shareholder applied for an exemption at the Federal Central Office of Taxation (*Bundeszentralamt für Steuern*). A full exemption from the German dividend withholding tax may also be possible under the applicable double taxation treaty, if the shareholder has directly held at least 10% of the Issuer's registered share capital and if further prerequisites are met. Forms for the refund and exemption procedure may be obtained from the Federal Central Office of Taxation (*Bundeszentralamt für Steuern*, http://www.bzst.bund.de), as well as German embassies and consulates.

Corporations that are not tax residents in Germany will receive upon application a refund of two fifths of the dividend withholding tax that was withheld and remitted to the tax authorities subject to certain requirements. This applies regardless of any further reduction or exemption provided under the Parent-Subsidiary Directive or a double taxation treaty.

Foreign corporations will generally have to meet certain stringent substance criteria defined by statute in order to receive an exemption from or (partial) refund of German dividend withholding tax.

Pursuant to a special rule on the restriction of withholding tax credit, the above mentioned relief in accordance with the applicable double taxation treaty as well as the credit of withholding tax described in the section "*19.3 Taxation of Dividends of Shareholders with a Tax Residence in Germany*" for shares held as private and as business assets is subject to the following three cumulative prerequisites: (i) the shareholder must qualify as beneficial owner of the shares in the Issuer for a minimum holding period of 45 consecutive days occurring within a period of 45 days prior and 45 days after the due date of the dividends, (ii) the shareholder has to bear at least 70% of the change in value risk related to the shares in the Issuer during the minimum holding period without being directly or indirectly hedged, and (iii) the shareholder must not be required to fully or largely compensate directly or indirectly the dividends to third parties. Should one of the three prerequisites not be fulfilled, the following applies:

1. As regards the taxation of dividends of shareholders with a tax residence in Germany, three fifths of the withholding tax imposed on the dividends must not be credited against the shareholder's (corporate) income tax liability, but may, upon application, be deducted from the shareholder's tax base for the relevant assessment period. A shareholder that has received gross dividends without any deduction of withholding tax due to a tax exemption without qualifying for a full tax credit has to notify the competent local tax office accordingly and has to make a payment in the amount of the withholding tax deduction which was omitted. The special rule on the restriction of withholding tax credit does not apply to a shareholder whose overall dividend earnings within an assessment period do not exceed EUR 20,000 or that has been the beneficial owner of the shares in the Issuer for at least one uninterrupted year upon receipt of the dividends.

2. As regards the taxation of dividends of shareholders without a tax residence in Germany who applied for a full or partial refund of the withholding tax pursuant to a double taxation treaty, no refund is available. This restriction does not apply to a shareholder (i) that holds directly at least 10% of the shares in the Issuer and that is subject to (corporate) income tax in the country of its tax residence without any exemptions, (ii) or that has been the beneficial owner of the shares in the Issuer for at least one uninterrupted year upon receipt of the dividends, or (iii) if the applicable tax rate pursuant to the applicable double taxation treaty is at least 15%.

19.3 Taxation of Dividends of Shareholders with a Tax Residence in Germany

19.3.1 Individuals who hold the Shares as Private Assets

For individuals who are tax resident in Germany (generally, individuals whose domicile or usual residence is located in Germany) and who hold shares as private assets, the withholding tax of 25% plus solidarity surcharge of 5.5% thereon, resulting in a total tax rate of 26.375% (plus church tax, if any) will generally serve as a final tax. In other words, once deducted, the shareholder's income tax liability on the dividends will be settled, and he or she will no longer have to declare them on his or her annual tax return (the "**Flat Tax**").

The purpose of the Flat Tax is to provide for separate and final taxation of capital investment income earned; in other words, taxation that is irrespective of the individual's personal income tax rate. Shareholders may apply to have their capital investment income assessed in accordance with the general rules and with an individual's personal income tax rate if this would result in a lower tax burden. In this case, the base for taxation would be the gross dividend income less the savers' allowance of EUR 801 (EUR 1,602 for jointly filing individuals). Any tax and solidarity surcharge already withheld would be credited against the income tax and solidarity surcharge so determined and any overpayment refunded. Income-related expenses cannot be deducted from capital gains in either case. The only deduction that may be made is the savers' allowance of EUR 801 (EUR 1,602 for jointly filing individuals) on all private capital income. Furthermore, dividend income can only be offset by losses from capital income, except for losses generated by the disposal of shares.

If the individual owns (i) at least 1% of the shares in the Issuer and is able to exercise, by virtue of professional activity (*berufliche Tätigkeit*) for the Issuer, a significant entrepreneurial influence on the business activity of the Issuer or (ii) at least 25% of the shares, the tax authorities may approve upon application that the dividends are taxed under the partial-income method (see below "*19.3.4 Sole Proprietors (Individuals)*").

Entities required to collect withholding taxes on capital investment income are required to likewise withhold the church tax on payments to shareholders who are subject to church tax, unless the shareholder objects in writing to the Federal Central Office of Taxation (*Bundeszentralamt für Steuern*) against the sharing of his or her private information regarding his or her affiliation with a religious denomination (*Sperrvermerk*). If church tax is withheld and remitted to the tax authority as part of the withholding tax deduction, then the church tax on the dividends is also deemed to be discharged when it is deducted. The withheld church tax cannot be deducted in the tax assessment as a special expense; however, 26.375% of the church tax withheld on the dividends is deducted from the withholding tax (including the solidarity surcharge) withheld. If no church taxes are withheld along with the withholding of the withholding tax, the shareholder who owes church tax is required to report his or her dividends in his or her income tax return. The church tax on the dividends will then be imposed during the assessment.

As an exemption, dividend payments that are funded from the Issuer's tax-recognized contribution account (*steuerliches Einlagekonto*) and are paid to shareholders who are tax resident in Germany whose shares are held as private assets, do – contrary to the above – not form part of the shareholder's taxable income. If the dividend payment funded from the Issuer's tax-recognized contribution account (*steuerliches Einlagekonto*) exceeds the shareholder's acquisition costs, negative acquisition costs will arise which can result in a higher capital gain in case of the shares' disposal (cf. below). This will not apply if (i) the shareholder or, in the event of a gratuitous transfer, its legal predecessor, or, if the shares have been gratuitously transferred several times in succession, one of his legal predecessors at any point during the five years preceding the (deemed, as the case may be,) disposal directly or indirectly held at least 1% of the share capital of the Issuer (a "**Qualified Participation**") and (ii) the dividend payment funded from the Issuer's tax-recognized contribution account (*steuerliches Einlagekonto*) exceeds the acquisition costs of the shares. In such a case of a Qualified Participation, a dividend payment funded from the Issuer's tax-recognized contribution account (*steuerliches Einlagekonto*) is deemed a sale of the shares and is taxable as a capital gain if and to the extent the dividend payment funded from the Issuer's tax-recognized contribution account (*steuerliches Einlagekonto*) exceeds the acquisition costs of the shares. In this case the taxation corresponds with the description in the section "*20.5 Taxation of Capital Gains*" made with regard to shareholders maintaining a Qualified Participation.

19.3.2 Shares Held as Business Assets

The Flat Tax does not apply to dividends from shares held as business assets of shareholders who are tax resident in Germany. In this case, the taxation is based on whether the shareholder is a corporation, an individual or a partnership. The withholding tax withheld and paid to the tax authorities, including the solidarity surcharge, is credited against the income or corporate income tax and the solidarity surcharge of the shareholder and any overpayment will be refunded.

Dividend payments that are funded from the Issuer's tax-recognized contribution account (*steuerliches Einlagekonto*) and are paid to shareholders who are tax resident in Germany whose shares are held as business assets are generally fully tax-exempt in the hands of such shareholder. To the extent the dividend payments funded from the Issuer's tax-recognized contribution account (*steuerliches Einlagekonto*) exceed the acquisition costs of the shares, a taxable capital gain should occur. The taxation of such gain

corresponds with the description in the section "*20.5 Taxation of Capital Gains*" made with regard to shareholders whose shares are held as business assets (however, as regards the application of the 95% exemption in case of a corporation this is not undisputed).

19.3.3 Corporations

Dividends received by corporations tax resident in Germany are generally exempt from corporate income tax and solidarity surcharge; however 5% of the dividends are treated as a non-deductible business expenses and, as such, are subject to corporate income tax (plus the solidarity surcharge) with a total tax rate of 15.825%.

Portfolio Dividends are fully taxed at the corporate income tax rate (plus solidarity surcharge thereon). The acquisition of a shareholding of at least 10% during a calendar year is deemed to have occurred at the beginning of the respective calendar year. Participations which a shareholder holds through a commercial partnership are attributable to the shareholder only on a pro rata basis at the ratio of the interest share of the shareholder in the assets of the relevant partnership.

Business expenses actually incurred and having a direct business relationship to the dividends may be fully deducted.

The amount of any dividends (after deducting business expenses related to the dividends) is fully subject to trade tax, unless the corporation held at least 15% of the Issuer's registered share capital at the beginning of the relevant tax assessment period, entitling it to an intercorporate privilege for trade tax purposes. In the latter case, the aforementioned exemption of 95% of the dividend income applies analogously for trade tax purposes.

19.3.4 Sole Proprietors (Individuals)

If the shares are held as part of the business assets of a sole proprietor (individual) with his or her tax residence in Germany, 40% of any dividend is tax exempt (so called partial income method). Only 60% of the expenses economically related to the dividends are tax deductible. The partial income method will also apply when individuals hold the shares indirectly through a partnership (with the exception of individual investors who hold their shares through partnerships that are neither commercial partnerships nor deemed to be commercial partnerships). However, the partial-income method does not apply with respect to church tax (if applicable). If the shares are held as business assets of a domestic commercial permanent establishment, the full amount of the dividend income (after deducting business expenses that are economically related to the dividends) is also subject to trade tax, unless the taxpayer held at least 15% of the Issuer's registered share capital at the beginning of the relevant tax assessment period. In the latter case, the net dividends (after deducting directly related expenses) are exempt from trade tax. However, trade tax is generally credited – fully or in part – as a lump sum against the shareholder's personal income tax liability.

19.3.5 Partnerships

If the shareholder is a partnership, the personal income tax or corporate income tax, as the case may be, and the solidarity surcharge are levied at the level of each partner rather than at the level of the partnership. The taxation of each partner depends upon whether the partner is a corporation or an individual. If the partner is a corporation, then the dividend is generally 95% tax exempt; however, dividends from an indirect shareholding representing less than 10% of the share capital for the relevant partner are fully subject to taxation (see above, "*19.3.3 Corporations*"). If the partner is an individual and the shares are held as business assets of the partnership, only 60% of the dividend income is subject to income tax; in this case the partial-income method does not apply as regards church tax (if applicable) (see above, "*19.3.4 Sole Proprietors (Individuals)*").

Additionally, if the shares are held as business assets of a domestic permanent establishment of a commercial or deemed to be commercial partnership, the full amount of the dividend income is generally also subject to trade tax at the level of the partnership. In the case of partners who are individuals, the trade tax that the partnership pays on his or her proportion of the partnership's income is generally credited as a lump sum – fully or in part – against the individual's personal income tax liability. If the partnership held at least 15% of the Issuer's registered share capital at the beginning of the relevant tax assessment period, the dividends (after the deduction of business expenses economically related thereto)

should generally not be subject to trade tax. However, in this case, trade tax should be levied on 5% of the dividends to the extent they are attributable to the profit share of such corporate partners to whom at least 10% of the shares in the Issuer are attributable on a look-through basis, since such portion of the dividends should be deemed to be non-deductible business expenses. The remaining portion of the dividend income attributable to other than such specific corporate partners (which includes individual partners and should, according to a literal reading of the law, also include corporate partners to whom, on a look-through basis, only portfolio participations are attributable) should not be subject to trade tax.

19.3.6 Financial and Insurance Sector

Special rules apply to companies operating in the financial and insurance sector (see below, "*20.6 Special Treatment of Companies in the Financial and Insurance Sectors and Pension Funds*").

19.4 Taxation of Dividends of Shareholders without a Tax Residence in Germany

The dividends paid to shareholders (individuals and corporations) without a tax residence in Germany are taxed in Germany, provided that the shares are held as part of the business assets of a permanent establishment or a fixed base in Germany or as part of the business assets for which a permanent representative in Germany has been appointed. The withholding tax (including solidarity surcharge) withheld and remitted to the German tax authorities is credited against the respective shareholder's personal income tax or corporate income tax liability, and any overpayment will be refunded. The same applies to the solidarity surcharge. These shareholders are essentially subject to the same rules applicable to tax resident shareholders, as discussed above.

In all other cases, the withholding of the dividend withholding tax discharges any tax liability of the shareholder in Germany. A refund or exemption is granted only as discussed in the section on dividend withholding tax above (see above "*19.2.2 Withholding Tax*").

Dividend payments that are funded from the Issuer's tax-recognized contribution account (*steuerliches Einlagekonto*) are generally not taxable in Germany.

19.5 Taxation of Capital Gains

19.5.1 Taxation of Capital Gains of Shareholders with a Tax Residence in Germany

19.5.1.1 Shares Held as Private Assets

Gains on the sale of shares that are held as private assets by shareholders with a tax residence in Germany, and which were acquired after December 31, 2008, are generally taxable regardless of the length of time held. The tax rate is (generally) a uniform 25% plus the 5.5% solidarity surcharge thereon (resulting in an aggregate tax rate of 26.375%) as well as any church tax, if applicable.

The taxable capital gains are the difference between (a) the proceeds from the disposal of shares after deducting the direct sales costs and (b) the acquisition cost of the shares. Under certain conditions, prior payments from the tax-recognized contribution account (*steuerliches Einlagekonto*) may lead to reduced acquisition costs of the shares held as private assets and, as a consequence, increase the taxable sales gain. Losses on the sale of shares can only be used to offset gains made on the sale of shares during the same year or in subsequent years.

If the shares are held in custody or administered by a domestic bank or financial service institute, a domestic securities trading company or a domestic securities trading bank (including the domestic branches of foreign banks and financial service institutes), or if such entity or branch sells the shares and pays out or credits the capital gains (each a "**Domestic Paying Agent**"), said Domestic Paying Agent withholds a withholding tax of 25% plus 5.5% solidarity surcharge thereon and any church tax (if applicable) and remits this to the tax authority; in such a case, the tax on the capital gain will generally be discharged. If the shares were only held in custody or administered by the respective Domestic Paying Agent continuously after acquisition, the amount of tax withheld is generally based on the difference between the proceeds from the sale, after deducting expenses directly related to the sale, and the amount paid to acquire the shares. However, the withholding tax rate of 25% plus the 5.5% solidarity surcharge thereon and any church tax (if applicable), will be applied to 30% of the gross sales proceeds if the shares were not administered by the same custodian bank since acquisition and the original cost of the shares

cannot be verified or such verification is not admissible. In this case, the shareholder is entitled to, and in case the actual gain is higher than 30% of the gross proceeds must, verify the original costs of the shares in his or her annual tax return.

Entities required to collect withholding taxes on capital investment income are required to likewise withhold the church tax for shareholders who pay church taxes, unless the shareholder objects in writing to the Federal Central Office of Taxation (*Bundeszentralamt für Steuern*) against the sharing of his or her private information regarding his or her affiliation with a denomination (*Sperrvermerk*). If church tax is withheld and remitted to the tax authority as part of the withholding tax deduction, then the church tax on the capital gain is also deemed to be discharged when it is deducted. The withheld church tax cannot be deducted in the tax assessment as a special expense; however, 26.375% of the church tax withheld on the capital gain is deducted from the withholding tax (including the solidarity surcharge) withheld.

A shareholder may request that all his or her items of capital investment income, along with his or her other taxable income, be subject to the progressive income tax rate instead of the uniform tax rate for private capital investment income if this lowers his or her tax burden. The base for taxation would be the gross income less the savers' allowance of EUR 801 (EUR 1,602 for jointly filing individuals). The prohibition on deducting income-related costs and the restrictions on offsetting losses also apply to tax assessments based on the progressive income tax rate. Any tax already withheld would be credited against the income tax so determined and any overpayment refunded.

One exception to this rule is that a shareholder's capital gains are subject to the partial-income method and not the Flat Tax. Consequently, 60% of the proceeds from the sale of shares are subject to the individual income tax rate, if the shareholder, or his or her legal predecessor in case of acquisition without consideration, has directly or indirectly held shares equal to at least 1% of the Issuer's share capital at any time during the previous five years. 60% of the expenses economically related to the proceeds of the sale of shares are tax-deductible.

In the case of a Qualified Participation, withholding tax (including the solidarity surcharge) is also withheld by the Domestic Paying Agent. The tax withheld, however, is not treated as a final tax. Hence, the shareholder is obliged to declare the gains from the sale in his or her income tax return. The withholding tax (including solidarity surcharge) withheld and remitted to the German tax authorities is credited against the respective shareholder's personal income tax or corporate income tax liability in the tax assessment, and any overpayment will be refunded.

19.5.1.2 Shares Held as Business Assets

The Flat Tax does not apply to proceeds from the sale of shares held as business assets by shareholders tax resident in Germany. If the shares form part of a shareholder's business assets, taxation of the capital gains realized will then depend upon whether the shareholder is a corporation, sole proprietor or partnership. Dividend payments that are funded from the Issuer's tax-recognized contribution account (*steuerliches Einlagekonto*) reduce the original acquisition costs. In case of a sale of shares, a higher taxable capital gain can arise herefrom. If the dividend payments exceed the shares' book value for tax purposes, a taxable capital gain can arise.

1. **Corporations:** In general, capital gains earned on the sale of shares by corporations domiciled in Germany are exempt from corporate income tax (including the solidarity surcharge) and trade tax, irrespective of the stake represented by the shares and the length of time the shares are held; however, 5% of the capital gains are treated as a non-deductible business expense and, as such, are subject to corporate income tax (plus the solidarity surcharge thereon) and to trade tax.

2. **Sole proprietors (individuals):** If the shares were acquired after December 31, 2008 and form part of the business assets of a sole proprietor (individual) who is tax resident in Germany, 60% of the capital gains on their sale are subject to the individual's personal tax rate plus the solidarity surcharge thereon (**partial** income method). Correspondingly, only 60% of losses from such sales and 60% of expenses economically related to such sales are deductible. For church tax, if applicable, the partial income method does not apply. If the shares are held as business assets of a commercial permanent establishment located in Germany, 60% of the capital gains are also subject to trade tax. The trade tax is fully or partially credited as a lump sum against the shareholder's personal income tax liability.

3. **Commercial Partnerships:** If the shareholder is a partnership, personal income tax or corporate income tax, as the case may be, is assessed at the level of each partner rather than at the level of the

partnership. The taxation of each partner depends upon whether the respective partner is a corporation or an individual. If the partner is a corporation, the tax principles applying to capital gains which are outlined in subsection 1 apply. If the partner is an individual, the tax principles applying to capital gains that are outlined in subsection 2 apply. Upon application and provided that additional prerequisites are met, an individual who is a partner can obtain a reduction of his or her personal income tax rate for profits not withdrawn from the partnership. In addition, capital gains from the sale of shares attributable to a permanent establishment maintained in Germany by a commercial partnership, or deemed to be commercial partnership are subject to trade tax at the level of the partnership. As a general rule, only 60% of the gains in this case are subject to trade tax to the extent the partners in the partnership are individuals, while 5% are subject to trade tax to the extent the partners are corporations and shares are sold. Under the principles discussed above, losses on sales and other reductions in profit related to the shares sold are generally not deductible or only partially deductible, if the partner is a corporation. If the partner is an individual, the trade tax the partnership pays on his or her share of the partnership's income is generally credited as a lump sum – fully or in part – against his or her personal income tax liability, depending on the tax rate imposed by the local municipality and certain individual tax-relevant circumstances of the taxpayer.

Special rules apply to capital gains realized by companies active in the financial and insurance sectors, as well as pension funds (see below, "*19.6 Special Treatment of Companies in the Financial and Insurance Sectors and Pension Funds*").

If a Domestic Paying Agent is involved, the proceeds from the sale of shares held as business assets are generally subject to the same withholding tax rate as those of shareholders whose shares are held as private assets (see "*19.5.1.1 Shares Held as Private Assets*"). However, the Domestic Paying Agent may refrain from withholding the withholding tax if (i) the shareholder is a corporation, association or estate with its tax residence in Germany, or (ii) the shares form part of the shareholder's domestic business assets, and the shareholder informs the Domestic Paying Agent of this on the officially prescribed form and meets certain additional prerequisites. If the Domestic Paying Agent nevertheless withholds taxes, the withholding tax withheld and remitted (including the solidarity surcharge and church tax, if applicable) will be credited against the shareholder's income tax or corporate income tax liability (including the solidarity surcharge and church tax, if applicable) and any excess amount will be refunded.

19.5.2 Taxation of Capital Gains of Shareholders without a Tax Residence in Germany

Capital gains realized by a shareholder with no tax residence in Germany are subject to German income tax only if the selling shareholder holds a Qualified Participation or if the shares form part of the business assets of a permanent establishment in Germany or of business assets for which a permanent representative is appointed.

Most double taxation treaties provide for an exemption from German taxes and assign the right of taxation to the shareholder's country of tax residence in the former case.

19.6 Special Treatment of Companies in the Financial and Insurance Sectors and Pension Funds

Dividends paid to and capital gains realized by certain companies in the financial and insurance sector are, as an exception to the aforementioned rules, fully taxable.

This applies to dividends from as well as gains from the disposal of shares in the trading portfolio within the meaning of § 340e (3) German Commercial Code of credit institutions and financial services institutions, and shares that are, upon acquisition of the shares, allocable to the current assets of a financial enterprise within the meaning of the German Banking Act that is directly or indirectly held by a credit institution or financial services institution to more than 50%. The same applies to shares held as investments by life insurers, health insurers and pension funds. If the stake held at the beginning of the relevant assessment period is 15% or higher, subject to certain conditions, the dividends can be fully exempted from trade tax.

19.7 Inheritance and Gift Tax

The transfer of shares to another person by inheritance or gift is generally subject to German inheritance or gift tax only if:

1. the decedent, donor, heir, beneficiary or other transferee maintained his or her domicile or habitual abode in Germany, or had its place of management or registered office in Germany at the time of the transfer, or is a German citizen who has spent no more than five consecutive years (this term is extended to ten years for German expatriates with U.S. residence) prior to the transfer outside Germany without maintaining a residence in Germany (special rules apply to certain former German citizens who neither maintain their domicile nor have their habitual abode in Germany);
2. the shares were held by the decedent or donor as part of business assets for which a permanent establishment was maintained in Germany or for which a permanent representative in Germany had been appointed; or
3. the decedent or donor, either individually or collectively with related parties, held, directly or indirectly, at least 10% of the Issuer's registered share capital at the time of the inheritance or gift.

The fair value represents the tax assessment base. In general that is the stock exchange price. Dependent on the degree of relationship between decedent or donor and recipient, different tax-free allowances and tax rates apply.

The few German double taxation treaties relating to inheritance tax and gift tax currently in force usually provide that the German inheritance tax or gift tax can only be levied in the cases of (1.) above, and also with certain restrictions in case of (2.) above. Special provisions apply to certain German nationals living outside of Germany and former German nationals.

19.8 The Proposed Financial Transactions Tax

On 14 February 2013, the European Commission published a proposal (the "**Commission's Proposal**") for a Directive for a common FTT in Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia (the "**participating Member States**"). However, Estonia has since stated that it will not participate. The Commission's Proposal is currently under review, and a revised proposal is expected to be published in the course of 2017.

The Commission's Proposal has very broad scope and could, if introduced, apply to certain dealings in the shares (including secondary market transactions) in certain circumstances. The issuance and subscription of shares should, however, be exempt.

Under the Commission's Proposal the FTT could apply in certain circumstances to persons both within and outside of the participating Member States. Generally, it would apply to certain dealings in the shares where at least one party is a financial institution, and at least one party is established in a participating Member State. A financial institution may be, or be deemed to be, "established" in a participating Member State in a broad range of circumstances, including (a) by transacting with a person established in a participating Member State or (b) where the financial instrument which is subject to the dealings is issued in a participating Member State.

However, the FTT proposal remains subject to negotiation between participating Member States. It may therefore be altered prior to any implementation, the timing of which remains unclear. Additional EU Member States may decide to participate.

Prospective holders are advised to seek their own professional advice in relation to the FTT.

19.9 Other Taxes

No German transfer tax, value-added tax, stamp duty or similar taxes are assessed on the purchase, sale or other transfer of shares. Provided that certain requirements are met, an entrepreneur may, however, opt for the payment of value-added tax on transactions that are otherwise tax-exempt. Net wealth tax is currently not imposed in Germany.

20. TAXATION IN THE GRAND DUCHY OF LUXEMBOURG

The following information is of a general nature only and is based on the laws in force in Luxembourg as of the date of this prospectus. It does not purport to be a comprehensive description of all the tax considerations that might be relevant to an investment decision. It is included herein solely for preliminary information purposes. It is not intended to be, nor should it be construed to be, legal or tax advice. It is a description of the essential material Luxembourg tax consequences with respect to the listing and may not include tax considerations that arise from rules of general application or that are generally assumed to be known to shareholders. This information is based on the laws in force in Luxembourg on the date of this prospectus and is subject to any change in law that may take effect after such date. Prospective shareholders (the "**Shareholders**") should consult their professional advisors with respect to particular circumstances, the effects of state, local or foreign laws to which they may be subject, and as to their tax position. Please be aware that the residence concept used under the respective headings applies for Luxembourg income tax assessment purposes only. Any reference in the present section to a tax, duty, levy impost or other charge or withholding of a similar nature refers to Luxembourg tax law and/or concepts only. Also, please note that, generally, a reference to Luxembourg income tax encompasses corporate income tax (*impôt sur le revenu des collectivités*), municipal business tax (*impôt commercial communal*), a solidarity surcharge (*contribution au fonds pour l'emploi*) as well as personal income tax (*impôt sur le revenu*). Corporate Shareholders may further be subject to net wealth tax (*impôt sur la fortune*) as well as other duties, levies or taxes. Corporate income tax, municipal business tax, the solidarity surcharge and the net wealth tax invariably apply to most corporate taxpayers resident in Luxembourg for tax purposes. Individual taxpayers are generally subject to personal income tax and the solidarity surcharge. Under certain circumstances, where an individual taxpayer acts in the course of the management of a professional or business undertaking, municipal business tax may apply as well.

20.1 Luxembourg Taxation of the Shareholders

Taxation of income derived from shares, and capital gains realized on shares by Luxembourg residents.

20.1.1 Withholding Taxes

Dividend payments made to shareholders by a non-resident company, such as the Issuer, as well as liquidation proceeds and capital gains derived therefrom are not subject to a withholding tax in Luxembourg. Therefore, the Issuer does not assume liability for withholding taxes at the source.

20.1.2 Taxation of Dividend Income

Under certain conditions, a corresponding tax credit may be granted to the Shareholders for foreign withholding taxes against Luxembourg income tax due on these dividends, without exceeding in any case Luxembourg tax on such income.

20.1.2.1 Luxembourg Resident Shareholders

Dividends and other payments derived from the shares held by resident individual Shareholders, who act in the course of the management of either their private wealth or their professional/business activity, are subject to income tax at the ordinary progressive rates with a current top effective marginal tax rate of 42% (45.78% including the maximum 9% solidarity surcharge) depending on the annual level of income of the shareholders.

Under current Luxembourg tax laws, 50% of the gross amount of dividends received by resident individuals from the Issuer may however exempt from income tax, since the distributing Issuer is a EU company covered by Article 2 of the Parent-Subsidiary Directive. In addition, a total lump-sum of EUR 1,500 (doubled for individual taxpayers who are jointly taxable) is deductible from total investment income (dividends and interest) received during the tax year. Either actual income related expenses (e.g. bank fees) are deducted provided they are supported by documents or a lump-sum deduction of EUR 25 applies (doubled for individual taxpayers who are jointly taxable).

Dividends derived from the shares by Luxembourg resident fully taxable companies are subject to income taxes, unless the conditions of the participation exemption regime are satisfied.

Subject to the anti-abuse provisions of Art 166 (2bis) Luxembourg income tax law, the participation exemption regime provides that dividends derived from the shares may be exempt from income tax at the level of the Shareholder if cumulatively (a) the Shareholder receiving the dividends is either (i) a fully taxable Luxembourg resident company, (ii) a domestic permanent establishment of an EU resident company falling under article 2 of the Parent-Subsidiary Directive, (iii) a domestic permanent establishment of a joint-stock company limited by shares (*société de capitaux*) that is resident in a State with which Luxembourg has concluded a double tax treaty, or (iv) a domestic permanent establishment of a joint-stock company limited by shares (*société de capitaux*) or of a cooperative company which is a resident of a EEA Member State (other than a EU Member State); and at the date on which the income is made available, (b) the distributing company is a qualified subsidiary ("**Qualified Subsidiary**"), and (c) the Shareholder holds or commits to hold directly for an uninterrupted period of at least twelve months a qualified shareholding ("**Qualified Shareholding**"). A Qualified Subsidiary means (a) a Luxembourg resident fully-taxable joint-stock company limited by shares (*société de capitaux*), (b) a company covered by Article 2 of the Parent-Subsidiary Directive or (c) a non-resident joint-stock company limited by shares (*société de capitaux*) liable to a tax corresponding to Luxembourg corporate income tax at a rate of a minimum of 9.5% (as from 2017). A Qualified Shareholding means shares representing a direct participation of at least 10% in the share capital of the Qualified Subsidiary or a direct participation in the Qualified Subsidiary of an acquisition price of at least EUR 1.2 million (or an equivalent amount in another currency). Liquidation proceeds are assimilated to a received dividend and may be exempt under the same conditions. Shares held through a tax transparent entity are considered as being a direct participation proportionally to the percentage held in the net assets of the transparent entity. To the extent that expenses related to the participation in the Issuer have reduced the Shareholder's taxable profits (during the year of receipt of the dividend), the deductions from these related expenses will not be tax deductible.

If the participation exemption does not apply, dividends may benefit from the 50% exemption under the relevant conditions set out above.

Any Shareholder which is a Luxembourg resident entity governed by the law of December 17, 2010 on undertakings for collective investment, as amended, by the law of February 13, 2007 on specialized investment funds, as amended, by the law of May 11, 2007 on the family wealth management company, as amended, by the law of June 15, 2004 on venture capital vehicles, as amended, or by the law of July 23, 2016 on reserved alternative investment funds, is not subject to any Luxembourg corporation taxes in respect of dividends received from the Issuer.

20.1.2.2 Non-Resident Shareholders

Non-resident Shareholders who are non-residents of Luxembourg and who have neither a permanent establishment nor a fixed place of business or a permanent representative in Luxembourg to which the shares are attributable are not liable to any Luxembourg income tax on dividends received from the Issuer.

Subject to the provisions of double taxation treaties, dividends on the shares received by non-resident Shareholders holding the shares through a Luxembourg permanent establishment or through a Luxembourg permanent representative to which or whom the shares are attributable are subject to income tax at ordinary rates unless the conditions of the participation exemption as described above apply.

20.1.3 Taxation of Capital Gains

20.1.3.1 Luxembourg Resident Shareholders

Capital gains realized on the disposal of the shares by resident individual Shareholders, who act in the course of the management of their private wealth, are not subject to income tax, unless said capital gains qualify either as speculative gains or as gains on a substantial participation ("**Substantial Participation**"). Capital gains are deemed to be speculative and are subject to income tax at ordinary rates if the shares are disposed of within six months after their acquisition or if their disposal precedes their acquisition. A participation is deemed to be substantial where a resident individual Shareholder holds, either alone or together with his spouse or partner and/or minor children, directly or indirectly at any time within the five years preceding the disposal, more than 10% of the share capital of the Issuer. A Shareholder is also deemed to transfer a Substantial Participation if he acquired free of charge, within the five years preceding the transfer, a participation that constituted a Substantial Participation in the hands of the transferor (or

the transferors in case of successive transfers free of charge within the same five-year period). Capital gains realized on a Substantial Participation are subject to Luxembourg income tax according to the half-global rate method (i.e., the average rate applicable to the total income is calculated according to progressive income tax rates and half of the average rate is applied to the capital gains realized on a Substantial Participation) and may benefit from an allowance of up to EUR 50,000 granted for a ten-year period (doubled for individual taxpayers who are jointly taxable). A disposal may include a sale, an exchange, a contribution or any other kind of alienation of the shares. Capital gains realized on the disposal of the shares by resident individual Shareholders, who act in the course of their professional/business activity, are subject to income tax at ordinary rates.

Taxable gains are determined as being the difference between the price for which the shares have been disposed of and the lower of their cost or book value.

Capital gains realized by (a) a Luxembourg fully-taxable resident company or (b) the Luxembourg permanent establishment of a non-resident foreign company on the shares of the Issuer are subject to income tax at the maximum global rate of 27.08% (in Luxembourg-City in 2017), unless the conditions of the participation exemption regime, as described above, are satisfied except that the acquisition price must be of at least EUR 6 million for capital gain exemption purposes. Shares held through a tax transparent entity are considered as a direct participation holding proportionally to the percentage held in the assets of the transparent entity. To the extent that expenses related to the (exempt) shareholding or write-downs deducted in relation to the participation have reduced the Shareholder's taxable profits (during the year of the sale or in prior years), the exempt amount of the capital gain will be reduced by the sum of the excess expenses and capital write-downs which are in direct economic connection with the participation and were deducted over current and previous years.

Any expenses in excess of the capital gains remain fully tax deductible.

Taxable gains are determined to be the difference between the price for which the shares have been disposed of and the lower of their cost or book value.

The Shareholder which is a Luxembourg resident entity governed by the law of December 17, 2010 on undertakings for collective investment, as amended, by the law of February 13, 2007 on specialized investment funds, as amended, by the law of May 11, 2007 on the family estate management company, as amended by the law of June 15, 2004 on venture capital vehicles, as amended, or by the law of July 23, 2016 on reserved alternative investment funds, is not subject to any Luxembourg corporation taxes in respect of capital gains realized upon disposal of its shares.

20.1.3.2 Non-Resident Shareholders

Under Luxembourg tax laws currently in force (subject to the provisions of double taxation treaties), capital gains realized on the disposal of the shares by a non-resident Shareholder holding the shares through a Luxembourg permanent establishment or through a Luxembourg permanent representative to which or whom the shares are attributable are subject to income tax at ordinary rates unless the conditions of the participation exemption as described above apply. Taxable gains are determined as being the difference between the price for which the shares have been disposed of and the lower of their cost or book value.

20.1.4 Net Wealth Tax

Luxembourg resident Shareholders, as well as non-resident Shareholders who have a permanent establishment or a permanent representative in Luxembourg to which or whom the shares are attributable, are subject to Luxembourg net wealth tax on its net assets as determined for net wealth tax purposes on the net wealth tax assessment date (January 1 of each year), except if the Shareholder is (i) a resident or non-resident individual, (ii) or governed by the amended law of May 11, 2007 on family estate management companies, (iii) by the amended law of December 17, 2010 on undertakings for collective investment, (iv) by the law of February 13, 2007 on specialized investment funds, as amended, (v) is a securitization company governed by the law of March 22, 2004 on securitization, as amended, (vi) a capital company governed by the law of June 15, 2004 on venture capital vehicles, as amended, (vii) a professional pension institution governed by the amended law of July 13, 2005 or (viii) a reserved alternative investment fund vehicle governed by the law of July 23, 2016.

Please note, however, that securitization companies governed by the law of March, 22, 2004 on securitization, as amended, capital companies governed by the law of June 15, 2004 on venture capital vehicles, as amended, professional pension institutions governed by the amended law of July 13, 2005 or reserved alternative investment funds (opting to be treated as a venture capital vehicle for Luxembourg tax purposes) governed by the law of July 23, 2016 may under certain conditions, be subject to minimum net wealth tax.

Furthermore, in the case the Shareholder is (i) a Luxembourg resident fully taxable collective entity (ii) a domestic permanent establishment of an EU resident company covered by Article 2 of the Parent-Subsidiary Directive, (iii) a domestic permanent establishment of a joint-stock company limited by shares (*société de capitaux*) that is resident in a State with which Luxembourg has concluded a double tax treaty, or (iv) a domestic permanent establishment of a joint-stock company limited by shares (*société de capitaux*) or of a cooperative company which is a resident of a EEA Member State (other than a EU Member State), the shares may be exempt from net wealth tax for a given year, if the shares represent at the net wealth tax assessment date a participation of at least 10% in the share capital of the Issuer or a participation of an acquisition price of at least EUR 1.2 million. However, if the holder of the shares is a vehicle not listed under the exceptions (i) to (vi) listed above, as from January 1, 2017, it might be subject (a) to a minimum net wealth tax of EUR 4,815 if it holds assets such as fixed financial assets, receivables owed to affiliated companies, transferable securities, postal checking accounts, checks and cash, in a proportion that exceeds 90% of its total balance sheet value and if the total balance sheet value exceeds EUR 350,000 or (b) to a minimum net wealth tax between EUR 535 and EUR 32,100 based on the total amount of its assets.

20.1.5 Value-Added Tax

There is no Luxembourg value-added tax payable in respect of payments in consideration for the subscription of the shares or in respect of the payment of dividends or the transfer of the shares.

20.1.6 Other Taxes

Under current Luxembourg tax laws, no registration tax or similar tax is in principle payable by the Shareholder upon the acquisition, holding or disposal of the shares, unless recorded in a Luxembourg notarial deed or otherwise.

A fixed registration duty of EUR 75 is due upon incorporation of and any subsequent increase in capital of a Luxembourg company.

Under current Luxembourg tax law, where an individual Shareholder is a resident of Luxembourg for inheritance tax purposes at the time of his/her death, the shares are included in his or her taxable basis for inheritance tax purposes.

Gift tax may be due on a gift or donation of the shares if the gift is recorded in a Luxembourg notarial deed or otherwise registered in Luxembourg.

21 FINANCIAL INFORMATION

The following English-language consolidated financial statements of HelloFresh SE prepared in accordance with IFRS as of and for the year ended December 31, 2016 (F-16-F-54), the English-language consolidated financial statements of HelloFresh AG prepared in accordance with IFRS as of and for the year ended December 31, 2015 (F-56-F-91), and the English-language unconsolidated financial statements of HelloFresh SE prepared in accordance with the German Commercial Code (Handelsgesetzbuch) as of and for the year ended December 31, 2016 (F-126-F-137), are translations of the respective German-language audited consolidated financial statements and the respective German-language audited unconsolidated financial statements.

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Unaudited Condensed Consolidated Interim Financial Statements as of and for the six months ended June 30, 2017 (prepared in accordance with IFRS on interim financial reporting (IAS 34))

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CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION

Assets	Notes	30 June 2017	31 December 2016
		Unaudited	Audited
		In millions of EUR	
Non-current assets			
Property, plant and equipment		37.4	38.3
Intangible assets		2.9	1.6
Goodwill		4.6	4.6
Other financial assets	**6**	13.4	13.9
Other non-financial assets		1.1	1.3
Deferred income tax assets		1.1	0.7
Total non-current assets		**60.6**	**60.4**
Current assets			
Inventories		9.4	10.1
Trade receivables	**6**	8.8	9.3
Other financial assets	**6**	2.5	1.8
Other non-financial assets		10.2	12.6
Cash and cash equivalents	**5,6**	112.8	57.5
Total current assets		**143.6**	**91.3**
Total assets		**204.2**	**151.7**

Equity and Liabilities	Notes	30 June 2017	31 December 2016
Equity			
Share capital	**7**	133.1	127.0
Treasury shares		(10.0)	(10.0)
Capital reserves	**7**	192.9	113.4
Other reserves		34.6	27.1
Accumulated losses		(292.8)	(236.2)
Other comprehensive loss		(1.4)	(0.7)
Equity attributable to the Company's shareholders		**56.4**	**20.6**
Non-controlling interests		(0.1)	(0.0)
Total equity		**56.2**	**20.6**
Non-current liabilities			
Share-based payment liabilities		–	5.6
Other financial liabilities		0.2	–
Interest bearing loans and borrowings	**10**	54.0	46.4
Other non-financial liabilities		11.4	9.9
Total non-current liabilities		**65.6**	**62.0**
Current liabilities			
Other financial liabilities	**10**	1.9	2.3
Trade payables	**10**	54.5	43.1
Provisions		4.2	4.4
Other non-financial liabilities		21.8	19.2
Total current liabilities		**82.4**	**69.2**
Total equity and liabilities		**204.2**	**151.7**

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CONDENSED CONSOLIDATED INTERIM STATEMENT OF COMPREHENSIVE INCOME

	Notes	Six months ended 30 June 2017	Six months ended 30 June 2016
		Unaudited	Unaudited
		In millions of EUR	
Revenue	4	435.4	291.5
Cost of goods sold		(180.5)	(127.0)
Gross Profit		**254.9**	**164.5**
Fulfilment expenses		(162.8)	(117.6)
Marketing expenses		(123.1)	(80.5)
General and administrative expenses		(20.5)	(14.8)
Other operating income		1.0	0.2
Other operating expenses		(2.4)	(2.7)
Operating loss		**(52.9)**	**(50.9)**
Finance income		0.6	0.5
Finance expense		(4.9)	(2.5)
Loss before income tax benefit (expense)		**(57.1)**	**(52.9)**
Income tax benefit (expense)	11	0.4	–
Loss for the period		**(56.7)**	**(52.9)**
attributable to:			
Owners of the Company		(56.6)	(52.9)
Non-controlling interests		(0.1)	(0.0)
Other comprehensive (loss) income:			
Items that may be subsequently reclassified to profit and loss			
Exchange differences on translation to presentation currency		12.2	3.7
Exchange differences on net investments in foreign operations		(12.9)	(4.0)
Other comprehensive (loss) income for the period		(0.7)	(0.3)
Total comprehensive loss for the period	8	**(57.4)**	**(53.2)**
Total comprehensive loss attributable to:			
Owners of the Company		(57.3)	(53.2)
Non-controlling interests		(0.1)	(0.0)
Basic and diluted loss per share (in EUR)	12	**0.43**	**0.42**

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CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY

	Notes	Attributable to owners of the Company							Attributable to non-controlling interests	Total
		Share capital	Treasury shares	Capital reserves	Other reserves	Accumulated losses	Other comprehensive (loss) income	Total		
		In millions of EUR								
At 1 January 2017		**127.0**	**(10.0)**	**113.4**	**27.1**	**(236.2)**	**(0.7)**	**20.6**	**(0.0)**	**20.6**
Loss for the period						(56.6)		**(56.6)**	(0.1)	**(56.7)**
Currency translation							(0.7)	**(0.7)**		**(0.7)**
Total comprehensive loss for the period								**(36.7)**	**(0.1)**	**(36.8)**
Issue of share capital	**7**	6.1		79.5				**85.6**		**85.6**
Share-based payments	**9**				7.5			**7.5**		**7.5**
Balance at 30 June 2017		**133.1**	**(10.0)**	**192.9**	**34.6**	**(292.8)**	**(1.4)**	**56.4**	**(0.1)**	**56.2**

	Note	Attributable to owners of the Company							Attributable to non-controlling interests	Total
		Share capital	Treasury shares	Capital reserves	Other reserves	Accumulated losses	Other comprehensive (loss) income	Total		
		In millions of EUR								
At 1 January 2016		**125.0**	**(10.0)**	**93.9**	**21.8**	**(142.4)**	**(0.7)**	**87.6**		**87.6**
Loss for the period						(52.9)		**(52.9)**	0.0	**(52.9)**
Currency translation							(0.3)	**(0.3)**		**(0.3)**
Total comprehensive loss for the period										
Issue of share capital		2.0		19.5				**21.5**	0.0	**21.5**
Share-based payments					3.3			**3.3**		**3.3**
Balance at 30 June 2016		**127.0**	**(10.0)**	**113.4**	**25.1**	**(195.3)**	**(1.0)**	**59.2**	**0.0**	**59.2**

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CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS

	Notes	Six months ended 30 June 2017	Six months ended 30 June 2016
		Unaudited	Unaudited
		In millions of EUR	
Cash flow used in operating activities			
Loss for the period		(56.7)	(52.9)
Adjustments for:			
Finance income		(0.6)	(0.5)
Finance expense		4.9	2.5
Income tax expense		(0.4)	–
Depreciation of property, plant and equipment		3.2	1.7
Amortization of intangible assets		0.6	0.1
Share-based payment expense (equity-settled)		2.2	3.3
Other non-cash transactions		7.3	–
(Decrease) Increase in provisions		(0.3)	0.8
Changes in working capital related to operating activities			
Decrease (Increase) in trade receivables		0.5	(1.9)
Decrease (Increase) in inventories		0.7	(1.3)
Increase in trade and other payables		11.4	10.6
Increase in deferred revenue		2.1	3.0
Decrease in VAT receivables		0.5	1.1
(Increase) Decrease in other non-current and current financial assets		(1.0)	1.1
(Increase) Decrease in current non-financial assets		1.9	(0.2)
(Increase) Decrease in non-current non-financial assets		0.2	(0.6)
(Decrease) Increase in financial liabilities, excluding accrued interest		0.1	(0.2)
Increase in non-financial liabilities		2.1	9.0
Decrease in share-based payment liabilities		(5.6)	(0.7)
Interest paid		(2.3)	–
Net cash used in operating activities		**(29.3)**	**(25.1)**
Cash flow used in investing activities			
Purchase of property, plant and equipment		(5.8)	(11.5)
Software development expenditure		(1.8)	(0.8)
(Transfer) Withdrawal of cash into / from restricted cash accounts and long term deposits		0.7	(3.7)
Net cash used in investing activities		**(7.0)**	**(16.0)**
Cash flow from financing activities			
Proceeds from the issuance of share capital		84.0	21.4
Net proceeds from issuance of long-term debt		28.9	44.4
Repayment of long-term debt		(20.0)	–
Net cash from financing activities		**92.9**	**65.8**
Cash and cash equivalents at the beginning of the period		**57.5**	**109.2**
Effects of exchange rate changes and other changes on cash and cash equivalents		(1.3)	(1.4)
Cash and cash equivalents at the end of the period		**112.8**	**132.6**

HelloFresh SE
SELECTED NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

1. Description of the business

The accompanying consolidated financial statements and notes present the operations of HelloFresh SE (the "Company"), and its subsidiaries (combined the "Group" or "HelloFresh").

The Group's principal business activity is to produce and deliver fresh, pre-portioned ingredients that enable customers to prepare home-cooked meals each week using HelloFresh's recipes. The business is run as an internet platform offering customers the choice between different kinds of meals and recipes to be delivered on selected weekdays. The Group's logistics capabilities allow it to offer customers fresh, high quality ingredients. HelloFresh works closely with its large network of suppliers, to ensure the receipt of ingredients for its food boxes on a just-in-time basis, in the exact quantities required. This guarantees that ingredients are fresh and allows for a near zero-inventory basis of perishable goods whilst avoiding food waste. HelloFresh picks and packs the ingredients for its customers in refrigerated fulfilment centres and delivers using insulated packaging and, in certain markets, refrigerated vehicles. This enables the ingredients to be delivered within a 24- to 48-hour period with a very high level of freshness. Almost all deliveries are free of charge to customers.

The Company is registered in the commercial register of Charlottenburg (Berlin) under HR B 182382. The Company is domiciled in Germany and has its registered office at Saarbrücker Strasse 37a, 10405 Berlin.

The Group has additional principal places of business in the following countries:

Australia:	Grocery Delivery E-Services Australia Pty Ltd., Level 2, 5-13 Queen St, Chippendale NSW 2008
Canada:	HelloFresh Canada Inc., 41 Dovercourt Road, Unit 2, Toronto, Ontario M6J 3C2.
Netherlands:	HelloFresh Benelux B.V., H.J.E. Zuidpark - Spaklerweg 50-52, 1099 BC Amsterdam
Switzerland:	HelloFresh Suisse AG, Pfingstweidestrasse 102b, 8005 Zurich
United Kingdom:	Grocery Delivery E-Services UK Ltd., 60 Worship Street, London, EC2A 2EZ
United States of America:	Grocery Delivery E-Services USA Inc., 40 West 25th Street, 7th Floor, New York, 10010 NY

The subsidiaries mentioned above were established by the Company.

The Group also has operations in Austria and in Belgium, which are conducted through its subsidiaries in Germany and the Netherlands, respectively.

The consolidated financial statements were authorized for issue by the management board on 14 August 2017.

2. Summary of significant accounting policies

Basis of preparation

HelloFresh SE is the parent company of the HelloFresh Group. The unaudited condensed consolidated interim financial statements for the six months period ended 30 June 2017 have been prepared in accordance with IAS 34 *Interim Financial Reporting* as adopted by the European Union (EU).

The condensed consolidated interim financial statements do not include all the information and disclosures required in the annual consolidated financial statements, and should be read in conjunction with the Group's annual consolidated financial statements as of 31 December 2016.

The accounting policies adopted in the preparation of the condensed consolidated interim financial statements are consistent with those followed in the preparation of the Group's annual consolidated

financial statements for the year ended 31 December 2016 and should be read in conjunction with these. Those annual consolidated financial statements were prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board (IASB) and the interpretations of the IFRS Interpretation Committee (IFRS IC) approved by the IASB and in effect and adopted by the European Union (EU) as of 31 December 2016.

The accounting policies applied in preparing the consolidated financial statements as of 31 December 2016 are in general unchanged, except for the adoption of new standards and interpretations effective as of 1 January 2017. New standards and amendments that apply for the first time in 2017 did not have a material impact on the condensed consolidated interim financial statements of the Group. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

3. Significant accounting judgements, estimates and assumptions

The preparation of the Group's condensed consolidated interim financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amounts of assets or liabilities affected in future periods.

The significant judgements made by management in applying the Group's accounting policies were the same as those that applied to the annual consolidated financial statements for the year ended 31 December 2016, except for the following:

Share-based payments

When determining the fair values of the ordinary shares of the Company and subsidiaries for the purpose of applying IFRS 2, we deployed the "prior sale of company stock" method (derived from previous financing rounds) in the past. In this interim reporting period, we refined our approach as the last financing round was older than six months and as a direct competitor went public in this interim period. Therefore, we benchmarked our valuation derived from the last financing round against the trading level of publicly quoted comparable companies. This change in estimate did not have a material impact on the operational performance of the group.

4. Segment information

The main activity of the Group is the production and delivery of meal kits to customers in various geographical regions. The operating segments reflect the Group's management structure and the way financial information is regularly reviewed by the Chief Operating Decision Maker, which is defined as the CEO.

The Group comprises two operating segments, the USA and International. International consists of the operations in Australia, Austria, Belgium, Canada, Germany, the Netherlands, Switzerland and the United Kingdom.

The reportable operating segments are strategic business units that are managed separately. Inter-segment charges are monitored separately and are therefore distinctively presented in the tables below. The holding segment represents centralized overhead functions, where costs are recharged to the operating entities with the exception of special items and finance costs. The Group consolidation ("Conso") eliminates inter-segment transactions.

The accounting policies of the operating segments are the same as those described in the summary of significant accounting policies. The Group accounts for inter-segment sales and transfers as if the sales or transfers were to third parties, i.e. at current market prices.

The Group evaluates performance primarily on the basis of profit contribution (i.e. revenue less cost of goods sold and fulfilment expenses, excluding share-based compensation; "PC2") and EBITDA adjusted for special items and holding fees, as well as on the basis of EBITDA and EBIT. EBITDA represents the results before interest, tax, depreciation and amortization. Special items and holding fees include the surcharge for inter-company recharges, share-based compensation and non-recurring items. EBIT is measured as earnings before interest and tax.

External revenue includes income from the core activities of the Group, i.e. primarily the sale of meal kits to customers. Internal revenue results from inter-company recharges of services of the holding company to the operating entities of the Group.

	Six months ended 30 June 2017					
	USA	**Int'l**	**Total segments**	**Holding**	**Conso**	**Group**
			In millions of EUR			
Total revenue	263.4	172.1	435.5	26.6	(26.7)	435.4
Internal revenue	–	*0.1*	*0.1*	*26.6*	*(26.7)*	–
External revenue	*263.4*	*172.0*	*435.4*	–	–	*435.4*
PC2	**53.7**	**40.9**	**94.6**	**23.9**	**(26.1)**	**92.4**
Adjusted EBITDA	**(31.3)**	**(8.1)**	**(39.4)**	**(7.1)**	**–**	**(46.5)**
Special items and holding fees	(0.5)	(0.0)	(0.6)	(1.9)	–	(2.5)
EBITDA	**(31.8)**	**(8.2)**	**(40.0)**	**(9.0)**	**–**	**(49.1)**
Depreciation and amortisation	(1.7)	(1.1)	(2.8)	(1.0)	–	(3.8)
Operating loss (EBIT)	**(33.5)**	**(9.3)**	**(42.8)**	**(10.0)**	**–**	**(52.9)**
Finance income						0.6
Finance expense						(4.9)
Income tax benefit (expense)						0.4
Loss for the period						**(56.7)**

	Six months ended 30 June 2016					
	USA	**Int'l**	**Total segments**	**Holding**	**Conso**	**Group**
			In millions of EUR			
Total revenue	133.0	158.5	291.5	22.7	(22.7)	291.5
Internal revenue	–	*0.0*	*0.0*	*22.7*	*(22.7)*	–
External revenue	*133.0*	*158.5*	*291.5*	–	–	*291.5*
PC2	**12.1**	**35.3**	**47.4**	**21.8**	**(22.3)**	**46.9**
Adjusted EBITDA	**(28.1)**	**(15.9)**	**(44.0)**	**(1.7)**	**–**	**(45.7)**
Special items and holding fees	(1.4)	(0.3)	(1.7)	(1.7)	–	(3.4)
EBITDA	**(29.5)**	**(16.3)**	**(45.7)**	**(3.4)**	**–**	**(49.2)**
Depreciation and amortisation	(1.3)	(0.3)	(1.6)	(0.2)	–	(1.8)
Operating loss (EBIT)	**(30.7)**	**(16.6)**	**(47.3)**	**(3.6)**	**–**	**(50.9)**
Finance income						0.5
Finance expense						(2.5)
Income tax benefit (expense)						–
Loss for the period						**(52.9)**

Seasonality of operations

The Group's operations are subject to seasonality, driven by weather conditions and holiday patterns. We typically see lower customer engagement during the summer months. Furthermore, orders are typically lower in weeks that contain local holidays, which are either used for short-trips or traditional family meals. Due to our strong growth, the full impact of seasonality is partially mitigated by the underlying growth trend. Comparing quarterly revenue adjusted for the underlying growth, we find that customer engagement in the first quarter is typically higher than in the rest of the year. Seasonal trends also influence our marketing and operating expenses. We adapt our marketing spending to the seasonality of our business by spending less on marketing in the second and third quarter and by spending more in the winter. Concerning operating expenses, fixed cost utilization is typically lower in the summer months leading to relatively higher fulfilment expenses; in addition, in most of our countries of operation, temperatures are typically higher in the third quarter than in the rest of the calendar year. Only a fraction of our deliveries is made in refrigerated vehicles and as such, we spend more on insulation and cooling materials. These extra expenses typically lead to higher fulfilment expenses as a percentage of revenue in the three months ended September 30.

5. Cash and cash equivalents

Cash and cash equivalents are comprised as follows:

	30 June 2017	31 December 2016
	In millions of EUR	
Cash at bank and in hand	112.8	54.9
Cash equivalents	–	2.6
Cash and cash equivalents	**112.8**	**57.5**

6. Financial instruments

Management assessed that the fair values of trade receivables, other financial assets, cash and cash equivalents, trade and other payables and other financial liabilities approximate their respective carrying amounts largely due to the short-term maturities of these instruments.

	30 June 2017	31 December 2016
	In millions of EUR	
Non-current other financial assets	13.4	13.9
Trade receivables	8.8	9.3
Current other financial assets	2.5	1.8
Cash and cash equivalents	112.8	57.5
Financial instruments	**137.6**	**82.5**

The non-current other financial assets of MEUR 13.4 (31 December 2016: MEUR 13.9) comprise primarily restricted cash balances totalling MEUR 13.1 (31 December 2016: MEUR 13.9). The balances relate primarily to collateral for letters of credit and bank deposits. Restricted cash is classified as loans and receivables and presented at face value.

7. Share capital and capital reserves

	Share capital			Capital reserves	
	Number of shares (in pcs)	Nominal amount (in MEUR)	Additional capital paid in (in MEUR)	Transaction costs (in MEUR)	Total (in MEUR)
At 1 January 2017	**126,983,480**	**127.0**	**114.8**	**(1.4)**	**113.4**
Issuance of shares	6,096,856	6.1	79.6	(0.1)	79.5
At 30 June 2017	**133,080,336**	**133.1**	**194.4**	**(1.5)**	**192.9**

	Number of shares (in pcs)	Nominal amount (in MEUR)	Additional capital paid in (in MEUR)	Transaction costs (in MEUR)	Total (in MEUR)
At 1 January 2016	**125,005,120**	**125.0**	**95.2**	**(1.3)**	**93.9**
Issuance of shares	1,945,608	2.0	19.6	(0.1)	19.5
At 30 June 2016	**126,950,728**	**127.0**	**114.8**	**(1.4)**	**113.4**

On 19 December 2016, the Company entered into a new investment and shareholders' agreement for additional funding totaling MEUR 85.7 from new and existing shareholders. As at 31 December 2016, proceeds of MEUR 1.7 were received and included within financial liabilities. The remaining proceeds were received in January 2017 and the new shares were issued on 13 January 2017. Following this capital contribution, the share capital of the Company was increased by MEUR 6.1 to MEUR 133.1.

8. Other comprehensive income

Assets and liabilities of foreign operations are translated into EUR at the exchange rate prevailing at the reporting date and income and expense items are translated at average exchange rates for each reporting

period. All resulting exchange differences are recognized in other comprehensive income. During 2017 exchange rates showed strong fluctuations, in particular the USD has materially weakened against the EUR over recent months. As the US constitute our largest market and thereby comprises a significant portion of the Group's assets and liabilities, exchange rate differences recognized in other comprehensive income significantly increased. However, as most of the subsidiary's assets impacted by such foreign exchange fluctuations are funded by intercompany loans, which is considered as a net investment in a foreign operation, the overall impact is limited (MEUR 0.7)

	Six months ended	
	30 June 2017	**30 June 2016**
	In millions of EUR	
Exchange differences on translation to presentation currency	12.2	3.7
Exchange differences on net investments in foreign operations	(12.9)	(4.0)
Other comprehensive (loss) income for the period	**(0.7)**	**(0.3)**

9. Share-based payments

During the period ended 30 June 2017, the Group operated two share-based compensation schemes under which new awards can be granted, the Virtual Stock Option Program 2016 and Share Awards in Subsidiaries. Furthermore, the Group maintains legacy share-based compensation schemes under which no further awards will be granted.

Virtual Option Programs 2013-2015

Starting in 2013, eligible participants were granted virtual options in the legal predecessors of HelloFresh SE or their subsidiaries. The plans stipulate a choice for the Company between settling in cash or equity if, inter alia, a listing of the Company occurs. Following conversion of the legal form of the Company to a German stock corporation effective 2 November 2015 and recently to a European Corporation (Societas Europaea), the Company is subject to limitations on capital increases for settling of share option awards. Therefore, awards issued under these plans were reclassified as cash-settled awards as of 2 November 2015 as settlement in equity did not appear to be practicable at that time. Since then, additional finance rounds and options being exercised have reduced the impact of some of these limitations on the ability of HelloFresh SE to settle these plans in equity. Under the given circumstances, it is the Group's intention to settle these plans by utilizing the treasury shares in HelloFresh SE; awards issued under these plans were therefore reclassified to equity-settled plans as of 30 June 2017, based on the valuation determined as of that date. The income or expense resulting from applying the fair value has been recognized in the profit and loss statement with the subsequent liability arising from these plans being reclassified to other reserves within equity (MEUR 5.3). The increase in other reserves due to this reclassification is shown under the caption of other non-cash transactions in the Statement of Cash Flows.

10. Financial liabilities

The table below summarises the maturity profile of the Group's financial liabilities based on contractual undiscounted payments:

30 June 2017	Less than three months	1 to 5 years	Total
Trade payables	54.5	–	54.5
Current other financial liabilities	1.9	–	1.9
Shareholder loan	–	25.0	25.0
Term loan	–	30.0	30.0
Total	**56.4**	**55.0**	**111.4**

31 December 2016	Less than three months	1 to 5 years	Total
Trade payables	43.1	–	43.1
Current other financial liabilities	2.3	–	2.3
Shareholder loan	–	26.8	26.8
Term loan	–	20.0	20.0
Total	**45.5**	**46.8**	**92.3**

The group's current financial liabilities mainly comprise trade payables which are all payable within 30 days for both periods.

In May 2017, the Company paid capitalized interest of MEUR 1.8 on the shareholder loan that was accrued as at 31 December 2016. During 2017 interest of MEUR 1.5 was accrued on the shareholder loan.

On May 29, 2017, a loan facility agreement was signed between the Company and BNP Paribas S.A., Coöperatieve Rabobank U.A., Deutsche Bank AG and JP Morgan Chase Bank N.A., in the principal amount of MEUR 60.0, of which MEUR 30.0 was granted as an interest-bearing loan (the "Term Loan") and the remaining MEUR 30.0 as a revolving loan facility (the "Revolving Loan"). The loan facility is pledged with certain assets.

The Term Loan will become due and payable in one instalment two years from the date of signing the Agreement ("Termination Date") and is bearing interest at the rate of EURIBOR +3.5%. Interest is payable quarterly in arrears. The full principal in the amount of MEUR 30.0 was drawn down on 1 June 2017 of which MEUR 20.0 was used for full and final repayment of the Term Loan from Coöperatieve Rabobank U.A. Transactions and legal fees of MEUR 1.0 have been capitalised against the book value of the Term Loan and are being amortized utilizing the effective interest rate method.

All utilisations in connection with the Revolving Loan will become due and payable on the Termination Date and bear interest at the rate of EURIBOR +3.3%, calculated from the first utilisation. None of the MEUR 30.0 Revolving Loan has been drawn as 30 June 2017 and its full amount is freely available to the Company.

Management assessed that the fair values of its current financial liabilities approximate their respective carrying amounts largely due to the short-term maturities of these instruments. The fair value of the Term Loan approximates its carrying amount as it bears interest at a floating rate. The fair value of the loan from a shareholder, measured by discounting estimated future cash flows using market rates, is at MEUR 25.1 as of 30 June 2017, excluding accrued interest; as of 31 December 2016, the fair value was determined to equal its book value.

11. Income taxes

The Group calculates the period income tax expense using the tax rate that would be applicable on the expected total annual earnings. Where there is a history of no profits, as in most legislation, the tax rate is assumed to be nil for these countries. Only in the Netherlands, where taxable profits have been realised during the last two quarters, an expected tax rate has been determined for 2017 and a deferred tax benefit for losses expected to be utilized in subsequent periods has been recognized.

Income tax benefit (expense) recorded in profit or loss is comprised as follows:

	Six months ended	
	30 June 2017	30 June 2016
	In millions of EUR	
Current tax expense	–	–
Deferred tax benefit	0.4	–
Income tax benefit	**0.4**	**–**

12. Loss per share

Loss per share is calculated as follows:

	Six months ended	
	30 June 2017	30 June 2016
	In millions of EUR	
Loss for the period	(56.7)	(52.9)
Weighted average number of ordinary shares in issue	131.9	124.8
Basic and diluted loss per share (in EUR)	**(0.43)**	**(0.42)**

In accordance with IAS 33 *Earnings per share*, the effects of anti-dilutive potential shares have not been included when calculating diluted loss per share for the six months ended 30 June 2017 and 2016. As a result, the diluted loss per share is the same as the basic loss per share.

13. Events after the reporting period

There were no events after the reporting period that had a significant impact on the situation of the Company which require disclosure in accordance with IAS 10.

Berlin, 14 August 2017

Dominik Richter
Chief Executive Officer

Thomas Griesel
Chief Operating Officer

Christian Gaertner
Chief Financial Officer

HelloFresh SE

Audited Consolidated Financial Statements
as of and for the year ended December 31, 2016
(prepared in accordance with IFRS)

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HelloFresh SE
CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Assets	Note	31 December 2016	31 December 2015
		In thousands of EUR	
Non-current assets			
Property, plant and equipment	**7**	38,259	5,829
Intangible assets	**8**	1,639	66
Goodwill	**6**	4,608	4,608
Other financial assets	**12**	13,891	9,166
Other non-financial assets	**13**	1,336	1,002
Deferred income tax assets	**23**	704	434
Total non-current assets		**60,437**	**21,105**
Current assets			
Inventories	**9**	10,100	5,605
Trade receivables	**10,12,25**	9,313	11,493
Other financial assets	**12**	1,796	1,738
Other non-financial assets	**13**	12,619	9,423
Cash and cash equivalents	**11,12,25**	57,455	109,235
Total current assets		**91,283**	**137,494**
Total assets		**151,720**	**158,599**

Equity and Liabilities	Note	31 December 2016	31 December 2015
Equity			
Share capital	**15**	126,983	125,005
Treasury shares	**15**	(10,001)	(10,000)
Capital reserves	**15**	113,372	93,930
Other reserves		27,147	21,829
Accumulated losses		(236,198)	(142,395)
Other comprehensive loss		(694)	(731)
Equity attributable to the Company's shareholders		**20,609**	**87,638**
Non-controlling interests	**29**	(30)	–
Total equity		**20,579**	**87,638**
Non-current liabilities			
Share-based payment liabilities	**18**	5,640	8,957
Long-term debt	**25,26**	46,442	–
Other non-financial liabilities	**14**	9,894	1,196
Total non-current liabilities		**61,976**	**10,153**
Current liabilities			
Trade payables	**12,16**	43,126	45,534
Other financial liabilities	**12,16**	2,349	208
Provisions	**17**	4,449	2,503
Other non-financial liabilities	**14**	19,241	12,563
Total current liabilities		**69,165**	**60,808**
Total equity and liabilities		**151,720**	**158,599**

HelloFresh SE
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Note	Years ended 31 December 2016	2015
		In thousands of EUR	
Revenue	**5**	596,992	304,952
Cost of goods sold	**19,20**	(257,347)	(146,085)
Gross profit		**339,645**	**158,867**
Fulfilment expenses	**19,20**	(238,419)	(121,695)
Marketing expenses	**19,20**	(157,414)	(120,504)
General and administrative expenses	**19,20**	(30,716)	(30,756)
Other operating income	**21**	928	178
Other operating expenses	**21**	(4,482)	(1,596)
Operating loss		**(90,458)**	**(115,506)**
Finance income	**22**	1,494	138
Finance expense	**22**	(5,162)	(1,386)
Loss before income tax benefit (expense)		**(94,126)**	**(116,754)**
Income tax benefit (expense)	**23**	270	(3)
Loss for the year		**(93,856)**	**(116,757)**
attributable to:			
Owners of the Company		(93,803)	(113,761)
Non-controlling interests		(53)	(2,996)
Other comprehensive income:			
Items that may be subsequently reclassified to profit or loss			
Exchange differences on translation to presentation currency		(1,431)	(1,860)
Exchange differences on net investments in foreign operations		1,467	1,639
Other comprehensive income (loss) for the year		**36**	**(221)**
Total comprehensive loss for the year		**(93,820)**	**(116,978)**
Total comprehensive loss attributable to:			
Owners of the Company		(93,767)	(113,971)
Non-controlling interests		(53)	(3,007)
Basic and diluted loss per share (in EUR)	**24**	**(0.75)**	**(0.98)**

HelloFresh SE
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Note	Attributable to the owners of the Company							Attributable to non-controlling interests	Total
		Share capital	Treasury shares	Capital reserves	Other reserves	Accumulated losses	Other comprehensive (loss) income	Total		
		In thousands of EUR								
As at 1 January 2015		**69**		**38,871**	**5,835**	**(28,634)**	**(498)**	**15,643**	**(1,013)**	**14,630**
Loss for the period						(113,761)		(113,761)	(2,996)	**(116,757)**
Currency translation							(233)	(233)	12	**(221)**
Total comprehensive loss						**(113,761)**	**(233)**	**(113,994)**	**(2,984)**	**(116,978)**
Issue of share capital		3,615		180,459				184,074		**184,074**
Capital increase in course of merger	**1,15**	119,921		(119,921)				–		**–**
Capital increase to acquire non-controlling interests	**15,29**	1,400		(5,479)	159			(3,920)	3,920	**–**
Repurchase of shares			(10,000)					(10,000)		**(10,000)**
Share-based payments	**18**				15,835			15,835	77	**15,912**
Balance as at 31 December 2015		**125,005**	**(10,000)**	**93,930**	**21,829**	**(142,395)**	**(731)**	**87,638**	**–**	**87,638**
Loss for the period						(93,803)		(93,803)	(53)	**(93,856)**
Currency translation							36	36		**36**
Total comprehensive loss						**(93,803)**	**36**	**(93,767)**	**(53)**	**(93,820)**
Issue of share capital		1,978		19,442				21,420		**21,420**
Repurchase of shares			(1)					(1)		**(1)**
Share-based payments	**18,27**				5,318			5,318		**5,318**
Initial consolidation of subsidiaries								–	23	**23**
Balance as at 31 December 2016		**126,983**	**(10,001)**	**113,372**	**27,147**	**(236,198)**	**(694)**	**20,609**	**(30)**	**20,579**

HelloFresh SE
CONSOLIDATED STATEMENT OF CASH FLOWS

	Years ended 31 December	
	2016	2015
	In thousands of EUR	
Cash flow used in operating activities		
Loss for the year	(93,856)	(116,757)
Adjustments for:		
Finance income	(1,494)	(138)
Finance expense	5,162	1,386
Income tax (benefit) expense	(270)	3
Depreciation of property, plant and equipment	3,777	628
Amortization of intangible assets	529	24
Loss on disposal of property, plant and equipment	122	–
Share-based payment expense (equity-settled)	5,318	15,835
Other non-cash transactions	(1,007)	(115)
Increase in provisions	1,946	2,322
Changes in working capital related to operating activities		
Decrease (Increase) in trade receivables and other assets	2,180	(7,978)
Increase in inventories	(4,495)	(4,249)
(Increase) Decrease in trade and other payables	(2,407)	31,055
Increase in deferred revenue	4,150	8,702
Increase in VAT receivable	(534)	(4,797)
Decrease in other financial assets	335	(642)
Increase in non-current non-financial assets	(334)	(1,002)
Increase in financial liabilities	280	137
Increase in non-financial assets	(2,877)	(2,294)
Increase in non-financial liabilities	11,476	3,112
(Decrease) Increase in share-based payment liabilities	(3,316)	8,687
Interest received	70	138
Interest paid	(824)	–
Net cash used in operating activities	**(76,069)**	**(65,943)**
Cash flow used in investing activities		
Acquisition of subsidiary, net of cash acquired	–	(2,695)
Purchase of property, plant and equipment	(35,346)	(5,561)
Software development expenditure	(1,865)	–
Purchase of software licenses	(237)	(75)
Transfer of cash into restricted cash accounts and long-term deposits	(5,120)	(8,988)
Net cash used in investing activities	**(42,568)**	**(17,319)**
Cash flow from financing activities		
Proceeds from the issuance of share capital	23,072	184,074
Net proceeds from the issuance of long-term debt	44,402	–
Repurchase of shares into treasury	–	(10,000)
Net cash from financing activities	**67,474**	**174,074**
Cash and cash equivalents at the beginning of the year	**109,235**	**19,760**
Effects of exchange rate and other value changes on cash and cash equivalents	(617)	(1,337)
Cash and cash equivalents at the end of the year	**57,455**	**109,235**

HelloFresh SE
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. Description of the business

The accompanying consolidated financial statements and notes present the operations of HelloFresh SE (the "Company"), formerly HelloFresh AG, and its subsidiaries (combined the "Group" or "HelloFresh").

The Group's principal business activity is to deliver fresh, pre-portioned ingredients that enable subscribers to prepare home-cooked meals each week using HelloFresh's recipes. The business is run as an internet platform offering customers the choice between different kinds of meals and recipes to be delivered on selected weekdays. The Group's logistics capabilities allow it to offer subscribers fresh, high quality ingredients. HelloFresh works closely with its large network of suppliers, to ensure the receipt of ingredients for its food boxes on a just-in-time basis, in the exact quantities required. This guarantees ingredients are fresh and allows for a near zero-inventory basis of perishable goods, avoiding food waste. HelloFresh picks and packs the ingredients for its subscribers in refrigerated fulfilment centers and delivers using insulated packaging and, in certain markets, refrigerated vehicles. This enables the ingredients to be delivered within a 24- to 48-hour period with a very high level of freshness. Almost all deliveries are free of charge to subscribers.

The Company changed its legal form from a stock corporation under German law to a European Corporation (Societas Europaea or "SE"); effective 14 December 2016. The Company is registered in the commercial register of Charlottenburg (Berlin) under HR B 182382. The Company is domiciled in Germany and has its registered office at Saarbrücker Strasse 37a, 10405 Berlin.

HelloFresh SE is the legal successor of HelloFresh GmbH (formerly Brillant 2132. GmbH) a limited liability company under German law, which had its registered office in Berlin and which was registered with the commercial register of the local court Charlottenburg under HRB 168124 B ("HelloFresh GmbH"). HelloFresh GmbH entered into a merger agreement with Former HelloFresh (as defined below), a limited liability company under German law which had its registered office in Berlin and which was registered with the commercial register of the local court Charlottenburg under HRB 137236 B ("Former HelloFresh") under which Former HelloFresh was merged into HelloFresh GmbH by way of a merger through acquisition (Verschmelzung zur Aufnahme) (the "Merger"). As a result of the Merger (which became effective by registration with the commercial register on 30 September 2015) all rights and obligations of Former HelloFresh were transferred to HelloFresh GmbH by operation of law. The merger ratio underlying the Merger was set at 1:1,424, i.e. each shareholder in Former HelloFresh received for each share in Former HelloFresh 1,424 shares in HelloFresh GmbH. The Merger, which resulted in a new legal parent of the Group, represented an intra-group transaction. Hence, the consolidated financial statements of the new legal parent (i.e. HelloFresh GmbH) and its subsidiaries represented a continuation of the consolidated financial statements of the former legal parent (i.e. Former HelloFresh). Consequently, there has been no change in the carrying values of assets and liabilities reported in the consolidated financial statements. However, the legal merger resulted in a reclassification within equity from capital reserves to share capital. Subsequent to this merger, effective 2 November 2015, HelloFresh GmbH changed its legal form to a German stock corporation (Aktiengesellschaft, "AG"). Effective 14 December 2016, HelloFresh AG changed its legal form from a stock corporation under German law to a European

stock corporation (Societas Europaea or "SE") and was renamed HelloFresh SE. The Group has additional principal places of business in the following countries:

Australia:	Grocery Delivery E-Services Australia Pty Ltd., Level 2, 5-13 Queen St, Chippendale NSW 2008
Canada:	HelloFresh Canada Inc., Suite 1700, Park Place, 666 Burrard Street, Vancouver, British Columbia V6C 2X8
Netherlands:	HelloFresh Benelux B.V., H.J.E. Zuidpark - Spaklerweg 50-52, 1099 BC Amsterdam
Switzerland:	HelloFresh Suisse AG, Pfingstweidestrasse 102b, 8005 Zurich
United Kingdom:	Grocery Delivery E-Services UK Ltd., 60 Worship Street, London, EC2A 2EZ
United States of America:	Grocery Delivery E-Services USA Inc., 40 West 25th Street, 7th Floor, New York, 10010 NY

The subsidiaries mentioned above were established by the Company.

The Group also has operations in Austria, which are conducted through its subsidiary in Germany, and in Belgium, which are conducted through its subsidiary in the Netherlands.

The consolidated financial statements were authorized for issue by the management board on 29 March 2017.

2. Summary of significant accounting policies

Basis of preparation

HelloFresh SE is the parent company of the HelloFresh Group. The Group's consolidated financial statements are prepared in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) as adopted by the European Union (EU).

The consolidated financial statements have been prepared on a historical cost basis, except for certain financial instruments and share-based payments that have been measured at fair value. The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all periods presented.

Presentation currency

The consolidated financial statements have been prepared in Euro (EUR), which represents the functional and reporting currency of HelloFresh SE. Unless otherwise indicated, all figures in the consolidated financial statements, and related notes, are rounded to the nearest thousand (kEUR). Consequently, rounding differences may occur within the tables included in the notes to the consolidated financial statements.

Basis of Consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at 31 December 2016. Subsidiaries are entities controlled by the Company. Control is achieved when the Company is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Specifically, the Group controls an investee if and only if the Group has:

- power over the investee (i.e. existing rights that give it the current ability to control the relevant activities of the investee)
- exposure, or rights, to variable returns from its involvement with the investee, and
- the ability to use its power over the investee to affect its returns.

Generally, it is deemed that a majority of voting rights results in control.

The Group assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the statement of comprehensive income from the date the Company gains control until the date the Company ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income ("OCI") are attributed to the equity holders of the parent of the Company and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognizes the related assets (including goodwill), liabilities, non-controlling interests and other components of equity while any resultant gain or loss is recognized in profit or loss. Any investment retained is recognized at fair value.

The financial statements of the subsidiaries are prepared for the same reporting period as the parent company.

The composition of the group is described in Note 29.

Business combinations and goodwill

The acquisition method is used to account for business combinations. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured at their fair values at the acquisition date, irrespective of the extent of any non-controlling interest.

The Group measures non-controlling interest that represents present ownership interest and entitles the holder to a proportionate share of net assets in the event of liquidation on a transaction by transaction basis, at either (a) fair value, or (b) the non-controlling interest's proportionate share of the net assets of the acquiree. Non-controlling interests that are not present ownership interests are measured at fair value.

The consideration transferred for the acquiree is measured at the fair value of the assets given up, equity instruments issued and liabilities incurred or assumed, including the fair value of assets or liabilities from contingent consideration arrangements. Costs related to the acquisition such as advisory, legal, valuation and similar professional services are expensed as incurred. Transaction costs related to the acquisition and incurred for issuing equity instruments are deducted from equity; transaction costs incurred for issuing debt as part of the business combination are deducted from the carrying amount of the debt.

Goodwill is initially measured at cost by deducting the net assets of the acquiree from the aggregate of the consideration transferred for the acquiree, the amount of non-controlling interest in the acquiree and fair value of any interest in the acquiree held immediately before the acquisition date. Any negative amount ("negative goodwill, bargain purchase") is immediately recognized in profit or loss, after management re-assesses whether it identified all the assets acquired and all liabilities and contingent liabilities assumed and reviews appropriateness of their measurement.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Where goodwill has been assigned to a cash-generating unit (CGU) and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

Foreign currency translation

The financial statements of each of the Group entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The Group financial statements are presented in Euro ("EUR"), which is the Company's presentation currency.

Foreign currency transactions are translated into the functional currency as outlined below. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the income statement. Foreign exchange gains and losses are presented in the income statement within other operating income / expenses if they relate to operating activities or the finance result if they relate to financing activities.

The results and financial position of all the Group entities that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

1) assets and liabilities are translated at the closing rate at the end of each reporting period,

2) income and expense items are translated at average exchange rates for each reporting period (unless the average rate is not a reasonable approximation of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions), and

3) all resulting exchange differences are recognized in other comprehensive income.

Exchange differences arising from intra-group balances that, in substance, form part of the Company's net investment in a foreign operation, are recognized in other comprehensive income and accumulated in a separate component of equity.

Current versus non-current presentation

The Group presents assets and liabilities in the statement of financial position based on a current/non-current classification.

An asset is classified as current when it is:

- expected to be realized or intended to be sold or consumed within the normal operating cycle;
- held primarily for the purpose of trading;
- expected to be realized within twelve months after the end of the reporting period;

or

- cash or a cash equivalent; unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the end of the reporting period.

A liability is classified as current when:

- it is expected to be settled in the normal operating cycle;
- it is held primarily for the purpose of trading;
- it is due to be settled within twelve months after the end of the reporting period;

or

- there is no unconditional right to defer the settlement of the liability for at least twelve months after the end of the reporting period.

The Group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses, where required. The present value of the expected cost for the restoration of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

Costs of minor repairs and maintenance are expensed when incurred.

Gains and losses on disposal are determined by comparing proceeds with the carrying amount and are recognized in profit or loss for the year within other operating income or expenses.

Depreciation

Depreciation of property, plant and equipment is calculated using the straight-line method to allocate their cost less their residual values over the following estimated useful lives:

	Useful lives in years
Furniture, fixtures and other equipment	3-10
Plant and machinery	3-10

Office and warehouse leasehold improvements, included within Plant and Machinery, are depreciated over the shorter of their estimated useful lives or the lease term.

The assets' residual values, methods of depreciation and useful lives are reviewed and adjusted prospectively, if required, at the end of each reporting period.

Operating leases

Where an entity within the Group is a lessee in a lease which does not transfer substantially all the risks and rewards incidental to ownership from the lessor to the entity, the total lease payments are charged to profit or loss (net of any incentives received from the lessor) on a straight-line basis over the lease term. The lease term is the non-cancellable period for which the lessee has contracted to lease the asset together with any further terms for which the lessee has the option to continue to lease the asset, with or without further payment, when at the inception of the lease it is reasonably certain that the lessee will exercise the option. Initial direct costs attributable to negotiating and arranging leases are recorded within non-financial assets and amortized over the lease term.

Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses, where required. Amortization of the asset begins when development is complete and the asset is available for use. The Company's intangible assets have a definite useful live and primarily include acquired and internally developed computer software.

Software development expenditures on individual projects are recognized as an intangible asset when the Group can demonstrate:

- the technical feasibility of completing the intangible asset so that the asset will be available for use or sale;
- its intention to complete and its ability and intention to use or sell the asset;
- how the asset will generate future economic benefits;
- the availability of resources to complete the asset; and
- the ability to measure reliably the expenditure during development.

Intangible assets are amortized using the straight-line method over the following estimated useful lives:

	Useful lives in years
Internally developed software	2-3
Software and other licenses	3

Impairment of non-financial assets

The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates

the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or CGU's fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Group bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Group's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. A long-term growth rate is calculated and applied to project future cash flows after the fifth year.

Impairment losses are recognized in profit or loss in expense categories consistent with the function of the impaired asset.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognized impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in profit or loss.

Goodwill is tested for impairment annually and when circumstances indicate that the carrying value may be impaired.

Impairment is determined for goodwill by assessing the recoverable amount of each CGU (or group of CGUs) to which the goodwill relates. When the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognized. Impairment losses relating to goodwill cannot be reversed in future periods.

Cash and cash equivalents

Cash and cash equivalents include cash in hand and at banks and short-term deposits with original maturities of three months or less, for which the risk of changes in value is considered to be insignificant. Also recognized as cash equivalents are shares in money market funds and similar investments which undergo only minor value fluctuations and can be readily converted into known amounts of cash.

Classification of financial assets

The Company's financial assets are categorized as loans and receivables. Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. The Company's loans and receivables comprise trade receivables, other financial assets and cash and cash equivalents.

Trade receivables

Trade receivables are initially recognized at fair value which primarily represents the original invoice amount less any impairment loss or any allowance for uncollectible amounts. Allowance is made when there is objective evidence that the Company may not be able to collect the trade receivable. Balances are written off when recoverability is assessed as being remote. The write off is recognized in other operating expenses.

Inventories

Inventories are measured at the lower of cost and net realizable value. Cost is determined pursuant to the first-in first-out ("FIFO") method. The cost of inventory includes the purchase price and shipping and handling costs incurred to bring the inventories to their present location and condition.

Provisions

Provisions are liabilities of uncertain timing or amount. They are recognized when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized within finance expense.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation.

Classification of financial liabilities

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge as appropriate.

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade and other payables and loans and borrowings. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortization is included within the finance result.

Share capital

Ordinary shares with discretionary dividends are classified as equity. Any excess of the fair value of consideration received over the par value of the shares issued is recorded as capital reserves within equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds. Equity instruments of the company that are re-acquired (treasury shares) are recognized at cost and deducted from equity. No gain or loss is recognized in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

Share-based compensation

The Group operates equity-settled share-based compensation plans, under which Group companies receive services from directors, employees or others as consideration for equity instruments of the Company or one of its subsidiaries. Furthermore, the Group has granted virtual share options that are linked to the price of individual shares but stipulate a cash payment, unless the grantor decides to settle in equity. It is the Group's policy to settle in equity unless factual and legal restrictions do not allow for such settlement.

For equity-settled transactions, the total amount to be expensed for services received is determined by reference to the grant date fair value of the share-based payment award. At each grant date, the Company analyses whether the exercise price, if any, by a participant is in line with the estimated market price of the underlying equity instruments at the grant date. If a positive difference exists between (i) the estimated market value of the equity instruments and (ii) the exercise price; such difference would be reported as a share-based payment expense over the vesting period. For share options and virtual options granted, the grant date fair value is determined using the Black-Scholes option valuation formula.

The fair value determined at the grant date is expensed on a straight-line basis over the vesting period, based on the Group's estimate of the number of shares that will eventually vest, with a corresponding credit to equity. Estimated forfeitures are revised if the number of awards expected to vest differs from previous estimates. Differences between estimated and actual forfeitures are accounted for in the period in which they occur.

For cash-settled share-based payment awards, a liability is recognized for services acquired, measured initially at the fair value of the liability and expensed over the period until the vesting date. At the end of each reporting period until the liability is settled, and at the date of settlement, the fair value of the liability is measured, with any changes in fair value recognized in profit or loss for the year.

For awards with graded-vesting features, each instalment of the award is treated as a separate grant. This means that each instalment is separately expensed over the related vesting period. Some instalments vest only upon the occurrence of a specified exit event, including an initial public offering ("IPO") or twelve months after such an event and if the employee is still employed by the Company. These instalments are expensed over the expected time until the vesting event. Exit conditions linked with continued service are considered non-market vesting conditions; therefore the share-based payment expense would be reversed if no such event occurs by the time the awards lapse.

The Group starts recognizing compensation expense from the beginning of the service period, even when the grant date is subsequent to the service commencement date. During the period between the service commencement date and the grant date, the share-based payment expense recognized is based on the estimated grant date fair value of the award. Once the grant date has been established, the estimated fair value is revised so that the expense recognized is based on the actual grant date fair value of the equity instruments granted.

For awards changed during the period from equity-settled to cash-settled, the Company recognizes a liability based on the fair value of the cash-settled award as at that date and to the extent to which the vesting period has expired. The corresponding debit is taken to equity only to the extent that the fair value of the original equity-settled award had already been recognized within equity as at the date of the change. Any incremental fair value arising on the cash-settled award exceeding the amount that had already been recognized within equity is expensed immediately to the extent that the vesting period has expired. The remainder of any incremental value is expensed over the period from the date of the change to the end of the vesting period.

Revenue recognition

The Group generates revenue primarily from the sale of food ingredients along with corresponding recipes ("meal kits"). Revenue is measured at the fair value of the consideration received or receivable, and represents amounts receivable for goods supplied, stated net of promotional discounts, rebates, allowances for customer loyalty programs and value added taxes. Promotional discounts and rebates are primarily granted to first-time customers. Furthermore, the Group may participate in selling vouchers through external marketing providers at a discounted value. Sales of such vouchers are only included in revenue when vouchers are redeemed.

The Group operates loyalty programs in certain geographies. Where award credits are granted as part of a sales transaction, a portion of revenue equal to the fair value of the award points earned is deferred until redemption. The fair value of points awarded is determined with reference to the fair value to the customer and considers the expected redemption rates.

The Group recognizes revenue when the amount of revenue can be reliably measured; when it is probable that future economic benefits will flow to the entity; and when the risks and rewards of the inventory have passed to the customer, which is when the goods have been delivered to the customer. The Group has concluded that it is the principal in all of its revenue arrangements since it is the primary obligor in all the revenue arrangements, has pricing latitude and is also exposed to inventory and credit risks. Revenue is presented gross of fees charged from agents such as marketing portals, which are recognized as marketing expenses.

Cost of goods sold

Cost of goods sold includes the purchase price of goods, inbound shipping charges, employee benefits and other attributable overhead expenses. Shipping charges to receive products from suppliers are included in inventory, and recognized as cost of goods sold upon the sale of products to customers.

Marketing

Marketing expenses represent costs associated with the promotion of goods and include online and offline marketing expenses, promotion of the brand through traditional media outlets, the production and distribution of gift cards, photo production, costs related to customer care activities and other costs associated with HelloFresh's market presence.

Fulfilment

Fulfilment costs represent costs attributable to picking and packaging of inventories into meal kits, shipping expenses for customer orders, expenses for packaging materials, as well as payment related expenses. Fulfilment costs also include amounts paid to third parties that assist in fulfilment operations.

General and administrative expenses

General and administrative expenses are costs not directly associated with the production and distribution of goods. They include management wages and benefits, accounting staff wages and benefits, consulting expenses, office rent, insurance, utilities, and other overhead costs.

Income taxes

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date in the jurisdictions where the Group operates and generates taxable income.

Current income tax relating to items recognized directly in equity is recognized directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognized for all taxable temporary differences, except:

- when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss;
- in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax assets to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognized outside profit or loss is recognized outside profit or loss. Deferred tax items are recognized in correlation to the underlying transaction either in other comprehensive income or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability or, in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1—Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2—Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3—Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker. The Chief Operating Decision Maker, who is responsible for allocating resources and assessing performance of the operating segments, has been defined as the Chief Executive Officer ("CEO").

The business is managed on the basis of two geographical regions: United States of America ("USA") and International ("International" or "Int'l"). International comprises Australia, Austria, Belgium, Canada, Germany, the Netherlands, Switzerland and the United Kingdom ("UK").

Centralized overhead functions are separately monitored.

Segment results that are reported include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

3. Significant accounting judgements, estimates and assumptions

The preparation of the Group's consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amounts of assets or liabilities affected in future periods.

Disclosures relating to the Group's exposure to risks and uncertainties includes:

- Financial Risk Management (Note 25)
- Contingencies and Commitments (Note 28)

Judgements

The following judgements made by management in the process of applying the Group's accounting policies have the most significant impact on the amounts recognized in the consolidated financial statements:

Recognition of deferred tax assets

The Group has tax losses in several legal entities in different tax jurisdictions that have the potential to reduce tax payments in future years. Deferred tax assets have been recognized to the extent that their recovery is probable taking into account the projected future taxable income of the related entity. Please refer to the accounting policies on income taxes in Note 2 and the income tax disclosures in Note 23.

Share-based payments

When determining the fair values of the ordinary shares of the Company and subsidiaries as at each award grant date, three generally accepted approaches were considered: income approach, market approach and cost approach. In addition, the Company has considered the guidance provided by the American Institute of Certified Public Accountants' (AICPA) Accounting and Valuation Guide, Valuation of Privately-Held-Company Equity Securities Issued as Compensation.

Management has employed the "prior sale of company stock" method, a form of the market approach, to estimate the aggregate enterprise value at the group level. The prior sale of company stock method considers any prior arm's length sales of the Company's equity securities. As such, the value per share was benchmarked to the external transactions of Company's shares and external financing rounds. Throughout 2014, 2015, and 2016 there were a number of financing rounds which resulted in shares being issued to both, existing and new investors, and as such, the pricing was considered a strong indicator of fair value.

For valuation purposes, there are different classes of equity at the group level as a result of shareholder arrangements, therefore, the hybrid method was employed to allocate value to each class of equity. This method is a hybrid between the probability-weighted expected return method and the Option Pricing Method ("OPM"), which estimates the probability weighted value across certain exit scenarios, and uses the OPM to estimate the remaining unknown potential exit scenarios. Considerations factored intohe analysis include: the type and amount of equity instruments issued or sold, the estimated volatility, the estimated time and probability of exit scenarios, the relationship between the shareholders, the risk-free rate and the number of outstanding options.

The Company has applied the income approach to estimate the enterprise value of each subsidiary. The income approach is a technique by which fair value is estimated based on cash flows expected to be generated in the future. The principle behind this approach is that the value of the company is equal to its earnings potential. The future cash flows are discounted using a weighted average cost of capital that takes into consideration the stage of development of the business and the industry and geographies in which the Group operates.

A discount for lack of marketability ("DLOM") was applied, corresponding to the time to exit under the various scenarios to reflect the increased risk arising from the inability to readily sell the shares. When applying the DLOM, the Black-Scholes option pricing model was used. Under this method, the cost of the put option, which can hedge the price change before the privately held shares can be sold, was considered as the basis to determine the DLOM.

Please also refer to the accounting policies on share-based compensation in Note 2 and the share-based compensation disclosures in Note 18.

Provision for Onerous Contracts

The Group offers certain discount vouchers and free gift cards, primarily, to attract new customers. As HelloFresh's operations are based on a subscription model, to the Group offers discounts that at times exceed the marginal profit for a single meal kit in order to increase the customer base for recurring orders. The Group recognizes a provision for such losses in cases where the discount is greater than the expected marginal profit on the meal kit. The provision is estimated based on vouchers outstanding and considers expected redemption rates and actual redemptions subsequent to the balance sheet date. Please also refer to the provision disclosure in Note 17.

4. New accounting pronouncements

The Group did not apply new accounting standards in the year ended 31 December 2016 and has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

The nature and the impact of new standards, which have been issued but are not yet effective, are described below and will be applied going forward, as indicated within each standard:

IFRS 9 Financial Instruments: Classification and Measurement

In July 2014, the IASB issued the final version of IFRS 9 *Financial Instruments* that replaces IAS 39 *Financial Instruments: Recognition and Measurement* and all previous versions of IFRS 9. IFRS 9 brings together all three aspects of the accounting for the financial instruments project: classification and measurement; impairment; and hedge accounting. IFRS 9 is effective for annual periods beginning on or after 1 January 2018, with early application permitted. Except for hedge accounting, retrospective application is required, but providing comparative information is not compulsory. For hedge accounting, the requirements are generally applied prospectively, with some limited exceptions. The Group plans to adopt the new standard on the required effective date. During 2016, the Group performed a high-level impact assessment of all three aspects of IFRS 9. Considering the limited number and low complexity of financial instruments utilized, the Group expects no significant impact on its balance sheet and equity from applying IFRS 9.

IFRS 15 Revenues from Contracts with Customers

IFRS 15 was issued in May 2014 and establishes a five-step model to account for revenue arising from contracts with customers. Under IFRS 15, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The new revenue standard will supersede all current revenue recognition requirements under IFRS. Either a full retrospective application or a modified retrospective application is required for annual periods beginning on or after 1 January 2018. Early adoption is permitted. During 2016, the Group performed a preliminary assessment of IFRS 15, which is subject to changes arising from a more detailed ongoing analysis. In that context, the Group also considers the implications from an early adoption in 2017.

Overall, the Group expects no significant impact on its balance sheet and equity from applying IFRS 15. Contracts with customers, in which the sale and delivery of meal kits is generally the principal performance obligation, are not expected to be impacted by adoption of the new standard. The Group expects revenue recognition to continue to occur at the point in time when control of the asset is transferred to the customer, generally on delivery of the meal kit. Loyalty points granted as part of sales transactions will be considered a separate performance obligation, which is essentially in line with the Group's current accounting policy based on the requirements of IFRIC 13 *Customer Loyalty Programmes*.

IFRS 16 Leases

IFRS 16 was issued in January 2016 and it replaces IAS 17 *Leases*, IFRIC 4 *Determining whether an Arrangement contains a Lease*, SIC-15 *Operating Leases—Incentives* and SIC-27 *Evaluating the Substance of Transactions Involving the Legal Form of a Lease*. IFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under IAS 17. The standard includes two recognition exemptions for lessees: leases of 'low-value' assets (e.g., personal computers) and short-term leases (i.e., leases with a lease term of 12 months or less). At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset. Lessees will be also required to remeasure the lease liability upon the occurrence of certain events (e.g., a change in the lease term, a change in future lease payments resulting from a change in an index or rate used to determine those payments). The lessee will generally recognise the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset.

IFRS 16 is effective for annual periods beginning on or after 1 January 2019. Early application is permitted, but not before an entity applies IFRS 15. A lessee can choose to apply the standard using either

a full retrospective or a modified retrospective approach. The standard's transition provisions permit certain reliefs. IFRS 16 is not yet endorsed by the EU. The Group has performed a high-level assessment of IFRS 16 and is considering early adoption, once the standard is endorsed by the EU. The application of the standard is expected to have a material impact on the Group's balance sheet as it currently accounts for all of its leases as operating leases (please refer to Note 28). Furthermore, IFRS 16 will have a meaningful impact on the Group's income-based performance measures for its segment results, due to the lease costs being recognized as depreciation expense and interest, rather than operating lease expenses.

Other new or amended standards and interpretations issued, but not yet effective, are not expected to have a material impact on the Group.

5. Segment information

The main activity of the Group is the delivery of meal kits to customers in various geographical regions. The operating segments reflect the Group's management structure and the way financial information is regularly reviewed by the Chief Operating Decision Maker, which is defined as the CEO. In 2016, the reporting structure has been revised to accommodate the increasing importance of the USA operations.

The Group comprises two operating segments, the USA and International. International consists of the operations in Australia, Austria, Belgium, Canada, Germany, the Netherlands, Switzerland and the United Kingdom. In the prior year, the segment reporting was based on Continental Europe and the Rest of the World. Continental Europe comprised the operations in Germany, Austria, the Netherlands and Belgium. The Rest of the World comprised the operations in the United States, United Kingdom and Australia. Due to the increased significance of the USA operations, the Chief Operating Decision Maker has revised the internal reporting structure and focuses on the USA operations separately from the International business. Prior year comparatives within the segment reporting have been restated to reflect the new reporting structure.

The reportable operating segments are strategic business units that are managed separately. Inter-segment charges are monitored separately and are therefore distinctively presented in the tables below. The holding segment represents centralized overhead functions, where costs are recharged to the operating entities with the exception of special items and finance costs. The Group consolidation ("Conso") eliminates inter-segment transactions.

The accounting policies of the operating segments are the same as those described in the summary of significant accounting policies. The Group accounts for inter-segment sales and transfers as if the sales or transfers were to third parties, i.e. at current market prices.

The Group evaluates performance primarily on the basis of profit contribution (i.e. revenue less cost of goods sold and fulfilment expenses, excluding share-based compensation; "PC2") and EBITDA adjusted for special items, as well as on the basis of EBITDA and EBIT. EBITDA represents the results before interest, tax, depreciation and amortization. Special items and holding fees include the surcharge for inter-company recharges, share-based compensation and non-recurring items. EBIT is measured as earnings before interest and tax.

External revenue includes income from the core activities of the Group, i.e. primarily the sale of meal kits to customers. Internal revenue results from inter-company recharges of services of the holding company to the operating entities of the Group.

	2016					
	USA	Int'l	Total segments	Holding	Conso	Group
	In thousands of EUR					
Total revenue	286,885	310,215	597,100	40,048	(40,156)	596,992
Internal revenue	*–*	*108*	*108*	*40,048*	*(40,156)*	*–*
External revenue	286,885	310,107	596,992	–	–	596,992
PC2	**33,887**	**69,317**	**103,204**	**37,643**	**(39,414)**	**101,434**
Adjusted EBITDA	**(47,915)**	**(27,521)**	**(75,436)**	**(7,160)**	**–**	**(82,596)**
Special items and holding fees	(842)	(369)	(1,211)	(2,345)	–	(3,556)
EBITDA	**(48,757)**	**(27,890)**	**(76,647)**	**(9,505)**	**–**	**(86,152)**
Depreciation and amortization	(2,466)	(1,124)	(3,590)	(716)	–	(4,306)
EBIT	**(51,223)**	**(29,014)**	**(80,237)**	**(10,221)**	**–**	**(90,458)**
Finance income						1,494
Finance expense						(5,162)
Income tax benefit						270
Loss for the year						**(93,856)**

	2015					
	USA	Int'l	Total segments	Holding	Conso	Group
	In thousands of EUR					
Total revenue	103,837	201,115	304,952	28,615	(28,615)	304,952
Internal revenue	*–*	*–*	*–*	*28,615*	*(28,615)*	*–*
External revenue	*103,837*	*201,115*	*304,952*	–	–	*304,952*
PC2	**(6,185)**	**45,023**	**38,838**	**28,187**	**(28,044)**	**38,980**
Adjusted EBITDA	**(48,180)**	**(37,649)**	**(85,829)**	**(405)**	**–**	**(86,234)**
Special items and holding fees	(6,654)	(7,328)	(13,928)	(14,647)	–	(28,629)
EBITDA	**(54,834)**	**(44,977)**	**(99,811)**	**(15,052)**	**–**	**(114,863)**
Depreciation and amortization	(382)	(174)	(556)	(87)	–	(642)
EBIT	**(55,216)**	**(45,151)**	**(100,367)**	**(15,139)**	**–**	**(115,506)**
Finance income						138
Finance expense						(1,386)
Income tax benefit						(3)
Loss for the year						**(116,757)**

Special items include kEUR 2,001 (2015: kEUR 24,599) expenses for share based compensation and kEUR 1,555 (2015: kEUR 4,030) for non-recurring items.

External revenue generated within Germany amounted to kEUR 39,437 in the year ended 31 December 2016 (2015: kEUR 25,721). External revenue from all other countries amounted to kEUR 557,555 in the year ended 31 December 2016 (2015: kEUR 279,231), of which kEUR 286,885 related to the United States (2015: kEUR 103,837), which constitute our largest market by far; individual revenues for Austria, Belgium, Germany, the Netherlands and UK were below one fifth of group revenues. Revenues are attributed to individual countries based on the place of delivery.

6. Goodwill

	31 December 2016	31 December 2015
	In thousands of EUR	
At 1 January	**4,608**	**–**
Acquisition of a subsidiary	–	4,608
At 31 December	**4,608**	**4,608**

Goodwill in the amount of kEUR 4,608 was acquired in the year ended 31 December 2015 year through a business combination. The goodwill is allocated to the Netherlands (including Belgium) cash-generating unit.

Goodwill is tested annually for impairment. The calculation of the recoverable amount from the impairment test performed in the prior year was carried forward as permitted by IAS 36 Impairment of Assets under certain conditions. The assets and liabilities making up the CGU have not changed significantly since the calculation was performed. Furthermore, management deems the likelihood of the current recoverable amount determination being less than the current carrying amount of the CGU as extremely remote. The most recent recoverable amount calculation was determined based on value in use, which uses cash flow projections based on financial budgets approved by directors covering a three-year period and a pre-tax nominal discount rate of 13.1%. The cash flows beyond that three-year period were extrapolated assuming a steady 1.94% per annum growth rate, which is the projected average long-term growth rate for the industry and is equal to the expected long-term inflation rate for the Netherlands and Belgium.

Group management believes that any reasonably possible change in the key assumptions on which the recoverable amount is based would not cause the aggregate carrying amount to exceed the aggregate recoverable amount of the cash-generating unit.

7. Property, plant and equipment

Movements in the carrying amount of property, plant and equipment were as follows:

	Plant and machinery	Furniture, fixtures and other equipment	Assets under construction	Total
		In thousands of EUR		
As at 1 January 2015				
Cost	514	296	–	810
Accumulated depreciation	(22)	(80)	–	(102)
Net book value	**492**	**216**	**–**	**708**
Year ended 31 December 2015				
Opening net book value	492	216	–	708
Exchange rate differences	90	10	27	127
Acquisition of subsidiary	61	–	–	61
Additions	2,752	1,386	1,423	5,561
Depreciation charge	(371)	(257)	–	(628)
Closing net book value	**3,024**	**1,355**	**1,450**	**5,829**
As at 31 December 2015				
Cost	3,432	1,663	1,450	6,545
Accumulated depreciation	(408)	(308)	–	(716)
Net book value	**3,024**	**1,355**	**1,450**	**5,829**
Year ended 31 December 2016				
Opening net book value	3,024	1,355	1,450	5,829
Exchange differences	500	2	80	582
Reclassification	1,333	93	(1,426)	–
Additions	31,375	4,372	–	35,747
Disposals	(85)	(37)	–	(122)
Depreciation charge	(2,410)	(1,367)	–	(3,777)
Closing net book value	**33,737**	**4,418**	**104**	**38,259**
As at 31 December 2016				
Cost	36,079	5,777	104	41,960
Accumulated depreciation	(2,342)	(1,359)	–	(3,701)
Net book value	**33,737**	**4,418**	**104**	**38,259**

Included within Plant and machinery are leasehold improvements for office premises and warehouses, including cooling equipment, as well as motor vehicles. Furniture, fixtures and other equipment include moveable warehouse and office assets as well as computer hardware.

The substantial increase in plant and machinery is due to the completion of large infrastructure projects over the course of 2016. In the USA, operations were moved into two new fulfilment centers, namely in Grand Prairie (Texas) and Newark (New Jersey), operating alongside an existing fulfilment centre in Richmond (California). In the UK, operations were moved to a fulfilment centre in Banbury and in Germany, the transition into a facility in Verden was completed. Warehousing and picking and packing operations in the UK and Germany had previously been outsourced and these internalisation projects have resulted in a significant increase in capacity.

During the years ended 31 December 2016 and 2015, management has not identified any indicators of impairment of property, plant and equipment.

No borrowing costs were capitalized during the reporting periods. There were neither restrictions on retention of title nor was any property, plant and equipment pledged as security against liabilities.

As at 31 December 2016, the Company had contractual commitments for the acquisition of property, plant and equipment in the amount of kEUR 528 (2015: kEUR 5,145).

8. Intangible assets

Movements in the carrying amount of software developed and software licenses were as follows:

	Software developed	Software licenses	Total
		In thousands of EUR	
Year ended 31 December 2015			
Opening net book value	–	15	15
Additions	–	75	75
Amortization charge	–	(24)	(24)
Closing net book value	**–**	**66**	**66**
As at 31 December 2015			
Cost	–	90	90
Accumulated amortization	–	(24)	(24)
Net book value	**–**	**66**	**66**
Year ended 31 December 2016			
Opening net book value	–	66	66
Additions	1,865	237	2,102
Amortization charge	(460)	(69)	(529)
Closing net book value	**1,405**	**234**	**1,639**
As at 31 December 2016			
Cost	1,865	327	2,192
Accumulated amortization	(460)	(93)	(553)
Net book value	**1,405**	**234**	**1,639**

During the years ended 31 December 2016 and 2015, management has not identified any indicators of impairment of intangible assets.

9. Inventories

Inventories amounted to kEUR 10,100 as of 31 December 2016 (2015: kEUR 5,605). Inventories mainly comprise packaging material and ingredients as well as merchandise inventory relating to the Company's loyalty program. Due to just-in-time delivery, no reserves for obsolete inventory were required; inventories with a short shelf life ordered for the previous week's deliveries are directly written-off.

10. Trade receivables

As of 31 December 2016, trade receivables amounted to kEUR 9,313 (2015: kEUR 11,493).

As of 31 December 2016, the Group has recorded an allowance for uncollectible amounts of kEUR 723 (2015: kEUR 717). Bad debt expense for receivables written off of kEUR 3,497 was recognized within

other operating expenses in the year ended 31 December 2016 (2015: kEUR 1,519). The receivables written off mainly relate to customers where payment collection failed. The Group engages an external collection agency, in certain countries, to support the collection of these amounts. For further information reference is made to Note 25.

11. Cash and cash equivalents

Cash and cash equivalents are comprised as follows:

	31 December 2016	31 December 2015
	In thousands of EUR	
Cash at bank and in hand	54,896	72,399
Cash equivalents	2,559	36,836
Cash and cash equivalents	**57,455**	**109,235**

As of 31 December 2016 and 2015, there were no overdraft positions. Cash balances that are restricted are included within current and non-current other financial assets. For further information reference is made to Note 12.

The Group had invested a portion of the proceeds from the February 2015 financing round into highly liquid funds rated A- or better. In 2016, the Group divested the majority of these cash equivalents to fund its operating businesses. No further investments into such cash equivalents were made in 2016.

12. Financial instruments

All financial assets held by the Group are categorized as loans and receivables; please refer to the accounting policies in Note 2. All financial assets are disclosed below:

	31 December 2016	31 December 2015
	In thousands of EUR	
Other financial assets (non-current)	13,891	9,166
Trade receivables	9,313	11,493
Other financial assets (current)	1,796	1,738
Cash and cash equivalents	57,455	109,235
Total	**82,455**	**131,632**

Restricted cash balances of kEUR 13,888 (2015: kEUR 8,769) and kEUR 477 (2015: kEUR 219) are included within non-current and current other financial assets, respectively. The restricted cash balances are mainly comprised of cash deposits and collateral for letters of credit with respect to lease agreements. Restricted cash is classified as loans and receivables and presented at face value. The remaining balances of other financial assets comprise deposits to lessors, payment service providers and marketing agencies.

All financial liabilities are measured at amortized cost and are disclosed below:

	31 December 2016	31 December 2015
	In thousands of EUR	
Trade payables	43,126	45,534
Other financial liabilities (current)	2,349	208
Loan from a shareholder	26,849	–
Term loan	19,593	–
Total	**91,917**	**45,742**

Management assessed that the fair values of trade receivables, other financial assets, cash and cash equivalents, trade payables and other financial liabilities approximate their respective carrying amounts largely due to the short-term maturities of these instruments. Long term deposits and restricted cash approximate their respective carrying amounts as they bear interest at market rates. The fair value of the term loan approximates its carrying amount as it bears interest at a floating rate. The fair value of the loan from a shareholder, measured by discounting estimated future cash flows using market rates, also approximates its carrying value as at 31 December 2016.

The Company entered into a term loan facility agreement effective 10 May 2016 for a principal amount of kEUR 20,000. The term loan must be repaid in full in May 2018 and bears interest at a floating rate (EURIBOR plus 8% margin, with EURIBOR not being less than zero percent), which is reset quarterly. Interest is payable quarterly in arrears. The loan amount may become immediately payable under certain conditions such as a substantial equity raise, a public flotation or a defined exit event, such as a change of control. The term loan is secured by pledges over shares and interests in certain direct and indirect subsidiaries of the Company and intellectual property. Transaction fees of kEUR 598 have been set-off from the book value of the loan and are being amortized utilizing the effective interest method; the remaining balance as of 31 December 2016 amounted to kEUR 407.

The loan from a shareholder was entered into on 20 April 2016. For further details, reference is made to Note 27.

13. Other non-financial assets

Current other non-financial assets amounted to kEUR 12,619 as of 31 December 2016 (2015: kEUR 9,423) and related primarily to VAT receivables (2016: kEUR 6,808; 2015: kEUR 6,490) and prepaid expenses (2016: kEUR 5,596; 2015: kEUR 2,727).

Non-current non-financial assets amount to kEUR 1,336 (2015: kEUR 1,002) and relate to prepayments on lease agreements of motor vehicles of kEUR 1,003 (2015: kEUR 1,002) and capitalized initial direct costs of operating leases of kEUR 333 (2015: kEUR nil).

14. Other non-financial liabilities

Current other non-financial liabilities amounted to kEUR 19,241 as of 31 December 2016 (2015: kEUR 12,563) and related primarily to deferred revenue (2016: kEUR 14,012; 2015: kEUR 9,896) and accruals for employee benefits (2016: kEUR 3,832; 2015: kEUR 1,718).

Non-current non-financial liabilities amounted to kEUR 9,894 (2015: kEUR 1,196) and related primarily to deferred lease incentives on operating leases.

15. Share capital and capital reserves

	Share capital		Capital reserves		
	Number of shares (in pcs)	Nominal amount (in kEUR)	Additional capital paid in (in kEUR)	Transaction costs (in kEUR)	Total (in kEUR)
At 1 January 2016	**125,005,120**	**125,005**	**95,189**	**(1,259)**	**93,930**
Issue of share capital	1,978,360	1,978	19,595	(153)	19,442
At 31 December 2016	**126,983,480**	**126,983**	**114,784**	**(1,412)**	**113,372**

	Share capital		Capital reserves		
	Number of shares (in pcs)	Nominal amount (in kEUR)	Additional capital paid in (in kEUR)	Transaction costs (in kEUR)	Total (in kEUR)
At 1 January 2015	**69,415**	**69**	**39,202**	**(331)**	**38,871**
Issue of share capital (pre-merger)	14,861	15	109,987	(411)	109,576
Issue of shares in the course of merger	119,920,476	119,920	(119,921)	–	(119,921)
Issue of share capital (post-merger)	3,600,576	3,601	71,400	(517)	74,883
Capital increase to acquire non-controlling interests	1,399,792	1,400	(5,479)	–	(5,479)
At 31 December 2015	**125,005,120**	**125,005**	**95,189**	**(1,259)**	**93,930**

As at 31 December 2016, the issued registered share capital is 126,983,480 (2015: 125,005,120) shares of which 692,109 (2015: 533,333) are held as treasury shares. The management board, with the consent of the supervisory board, is authorized to increase the registered share capital until 1 November 2020 by up to 49,627,676 shares (Authorized Capital 2015/I) and by up to 12,450,032 shares (Authorized Capital 2015/II). The share capital of the company is conditionally increased by up to a further 63,020,396 shares in order to fulfil the granting of shares on the exercise of conversion or option rights or the fulfilment of conversion or

option obligations to the holder or creditor of convertible bonds, warrant bonds, profit participation rights and/or income bonds (Conditional Capital 2015). As at 31 December 2016, the total issued and authorized share capital, including the Conditional Capital, is 252,081,584 shares (2015: 250,010,240 shares).

Transaction costs associated with capital increases are netted off against the additional paid in capital within equity (i.e. capital reserves).

All issued and outstanding shares are fully paid in as of 31 December 2016 and 2015. The shares have no par value.

16. Current financial liabilities

	31 December 2016	31 December 2015
	In thousands of EUR	
Trade payables	43,126	45,534
Other financial liabilities	2,349	208
Current financial liabilities	**45,475**	**45,742**

Trade payables remained fairly stable year on year despite continued growth in the group and primarily comprise balances payable to food suppliers, carriers and partners providing warehousing, as well as packing services. Current other financial liabilities relate to accrued payroll costs, interest payable on long-term debt, credit card liabilities and proceeds of kEUR 1,652 (2015: kEUR nil) received in relation to the most recent funding round. Please refer to Note 32 for more details.

17. Provisions

Provisions of kEUR 4,449 as of 31 December 2016 (2015: kEUR 2,503) relate primarily to onerous contracts. The provision for onerous contracts results from promotional discounts given to customers through external offerings, such as marketing portals, and promotional discounts handed out by HelloFresh. These promotional discounts may result in attributable costs exceeding net selling prices on individual orders and are therefore accrued. The charge is recognized in profit or loss within cost of goods sold and fulfilment expenses. The provision for onerous contracts as at 31 December 2015 was fully utilized in 2016. Management expects the balance at 31 December 2016 to be fully utilized in 2017.

Provisions also include an amount of kEUR 672 to restore leased premises to their original condition at the end of the respective lease terms. During 2016, HelloFresh entered into lease agreements for warehouse space and installed refrigeration equipment due to refrigerated warehouse supply constraints. Although, a portion of these costs were supported by lessors through lease incentives as well as direct investments, the Group has recorded provisions where it is deemed probable that the landlord may invoke the clause in the lease agreement to remove the leasehold improvements. These costs have been capitalized as part of the cost of property, plant and equipment and are amortized over the shorter of the term of the lease or the useful life of the assets.

In determining whether a provision was required, HelloFresh considered the individual characteristics of the leasehold improvements, the likelihood that a future potential tenant could make use of the improvements as well as the local real estate markets. Please also refer to Note 28 for further information.

18. Share-based compensation

The total share-based payment expense recognized within employee benefit expenses is disclosed below.

	2016	2015
	In thousands of EUR	
Equity-settled plans	5,318	16,736
Cash-settled plans	(3,317)	7,863
Total	**2,001**	**24,599**

As of 31 December 2016, the carrying amount of the liability related to cash-settled plans is kEUR 5,640 (2015: kEUR 8,957).

Management has employed the "prior sale of company stock" method, a form of the market approach, to estimate the aggregate enterprise value at the group level. This takes into account the share price paid in prior arm's length sales of the Company's equity securities, with a deduction made for the lack of marketability of the related instruments. The fair values of the subsidiaries' shares have been estimated based on cash flows expected to be generated in the future. No dilution effect from loans granted by the Company to subsidiaries has been considered in determining the fair value per share of the subsidiaries.

Inputs into the model

	2016	2015
Value per common share (EUR)	11.81	18.95
Exercise price (EUR)	1.00-20.83	1.00-20.83
Expected volatility	44.4%	45.9%
Expected term (in years)	1.5	0.8
Expected dividend yield	Nil	Nil
Risk-free interest rate	0.00%	0.00%

Expected volatility was determined based on the historical volatility of a comparable peer group of companies, measured at the estimated grant date over a period consistent with the expected life at that date.

During the year ended 31 December 2016, the Group operated two share-based compensation schemes under which new awards can be granted, the Virtual Stock Option Program 2016 and Share Awards in Subsidiaries.

Virtual Stock Option Program 2016 (VSOP 2016)

	2016 Number of awards	2016 WAEP (EUR)	2015 Number of awards	2015 WAEP (EUR)
Number of awards outstanding at the beginning of the period	**–**	**n/a**	**–**	**n/a**
Granted during the period	380,003	17.65	–	n/a
Forfeited during the period	(43,250)	18.43	–	n/a
Number of awards outstanding at the end of the period	**336,753**	**17.55**	**–**	**n/a**

The weighted average remaining contractual life for the options outstanding as at 31 December 2016 was 9.4 years.

Of the 336,753 awards outstanding as of 31 December 2016, none (2015: nil) were exercisable.

Under this plan, which was initiated in 2016, eligible employees and members of the management board and members of the management of subsidiaries receive share appreciation rights. The settlement amount depends on the development of the share price of the shares of HelloFresh SE. The awards contain non-market performance conditions related to the achievement of revenue and adjusted EBITDA targets of HelloFresh SE or its subsidiaries in 2018. The awards also contain a market performance condition related to the share price performance of HelloFresh SE's shares compared to specified market indices over a period of three years. The awards vest over a period of four years and are exercisable after a four-year waiting period for up to six years after the lapse of the waiting period. The Company is entitled, at its sole discretion, to deliver (in full or in part) shares in the Company upon exercise of the awards, provided that the shareholders have lawfully resolved on the acquisition or divesture of treasury shares, a contingent capital or an authorized capital for such purposes. It is the Company's intention to settle these awards in equity to the extent legally permissible.

Following the latest financing round, described in Note 32, certain terms of the VSOP 2016 were amended. Revised agreements were signed with all current active participants in the program as of 28 February 2017. Following these amendments, the weighted average exercise price for awards outstanding at the end of the period was EUR 12.53.

Share Awards—subsidiaries

The table below illustrates the number of, and movements in, share-based payment awards related to shares in the Company's subsidiaries:

	2016 Number of shares	2015 Number of shares
Number of unvested awards outstanding at the beginning of the period	**–**	**–**
Granted during the period	10,408	–
Forfeited during the period	(647)	–
Number of unvested awards outstanding at the end of the period	**9,761**	**–**

The above awards have a vesting period of 48 months. The first tranche vests after 12 months, while the remaining awards vest in equal instalments on a quarterly basis over the remainder of the vesting period.

The weighted average remaining contractual life for the awards outstanding as at 31 December 2016 was 3.5 years.

In the table above, share awards are presented as granted in the period that the service commencement and expense recognition have started.

In addition to the two schemes summarised above, the Group also has awards outstanding under former share-based compensation programs. No further awards will be granted under the former programs.

These above mentioned share-based payment awards generally have a vesting period of 36 or 48 months. The first tranche vests after 6 or 12 months, while the remaining awards vest in equal instalments on a quarterly basis over the remainder of the vesting period. A number of the share awards vest at the later of 36 or 48 months and at least part of the options upon an exit event or a specific time period after an exit event.

As a result of the legal merger of HelloFresh GmbH with Brillant 2132. GmbH on 30 September 2015, described in Note 1, the share-based payment agreements in existence at the time were adjusted. Prior to the legal merger, eligible participants were granted options to acquire shares at an exercise price of EUR 1 per share. Following the legal merger, the vast majority of the existing share-based payment agreements were replaced or amended by new agreements to reflect the change in the Company's number of shares. Due to the legal requirement to pay at least the par value of the shares, this resulted in the eligible participants paying higher exercise prices for an equivalent proportionate interest in the Company. It was agreed that the Company will compensate the participants for this disadvantage on the date of exercise or at any other point in time. As this change did not result in any additional benefit for the participants, no incremental share-based payment expense was recognized.

In addition, share-based payment awards were also granted at subsidiary level by the Group's sub-holdings for country management and personnel. However, the roll-up of the Group's sub-holdings into HelloFresh GmbH (one of the Company's legal predecessors) resulted in an exchange of shares or options in the sub-holdings into shares or options in the Company. This exchange did not trigger the recognition of incremental share-based payment expenses as this exchange did not result in any additional benefit for the participants; i.e. there is no incremental fair value. Virtual options that were not exchanged will be settled by the Company as the legal successor of the sub-holdings.

Call Options

Starting in 2013, participants were granted share option awards in the legal predecessors of HelloFresh SE. The plan is wholly equity-settled. No further options will be granted under this scheme.

The table below illustrates the number and weighted average exercise prices of, and movements in, options related to shares in the Company. Share option awards are presented as granted in the period that the service commencement and expense recognition have started.

	2016 Number of options	2016 WAEP (EUR)	2015 Number of options	2015 WAEP (EUR)
Number of awards outstanding at the beginning of the period	**13,375,632**	**2.47**	**2,258**	**1**
Granted during the period (pre-merger)	–	n/a	7,311	1,704.58
Conversion of share awards as a result of merger	–	n/a	12,386,301	0.91
Granted during the period (post-merger)	–	n/a	1,018,160	10.83
Forfeited during the period	(761,840)	9.42	(38,448)	5.40
Exercised during the period	(942,688)	1.00	–	n/a
Number of awards outstanding at the end of the period	**11,671,104**	**2.13**	**13,375,632**	**2.47**

The weighted average remaining contractual life for the options outstanding as at 31 December 2016 was 5.5 years (2015: 4.8 years). The contractual life of the awards is variable and depends on the date of the Company's initial public offering.

Of the 11,671,104 share options outstanding as of 31 December 2016 (2015: 13,375,632), 3,993,687 (2015: 3,044,512) were exercisable.

Virtual Option Programs 2013-2015

Starting in 2013, eligible participants were granted virtual options in the legal predecessors of HelloFresh SE or their subsidiaries. The plans stipulate a choice for the Company between settling in cash or equity if, inter alia, a listing of the Company occurs. Following conversion of the legal form of the Company to a German stock corporation effective 2 November 2015 and recently to a European Corporation (Societas Europaea), the Company is subject to limitations on capital increases for settling of share option awards. Therefore, awards issued under these plans were reclassified as cash-settled awards as of 2 November 2015 as settlement in equity does not appear to be practicable. No further awards will be granted under these schemes.

The table below illustrates the number and weighted average exercise prices (WAEP) of, and movements in, virtual share awards. The number of options as well the weighted average exercise prices are stated in terms of shares in HelloFresh SE to make the disclosure more meaningful. All virtual options granted under this program are classified as cash-settled as at 31 December 2016 and 2015.

	2016 Number of awards	2016 WAEP (EUR)	2015 Number of awards	2015 WAEP (EUR)
Number of awards outstanding at the beginning of the period	**291,920**	**5.21**	**259,978.00**	**2.14**
Granted during the period	–	n/a	116,393.26	8.37
Forfeited during the period	(65,444)	3.25	(84,451.26)	0.11
Number of awards outstanding at the end of the period	**226,476**	**5.77**	**291,920.00**	**5.21**

Of the total awards outstanding at the end of the period, 170,465 (2015: 227,840) have no contractual maturity date. The remaining 56,011 (2015: 64,080) awards have a weighted average remaining contractual life for the awards outstanding as at 31 December 2016 of 7.8 years (2015: 8.8 years). The total intrinsic value at the end of the reporting period for vested cash settled virtual options amounted to kEUR 1,003 (2015: kEUR 1,301).

Of the 226,476 awards outstanding as of 31 December 2016 (2015: 291,920), none (2015: nil) were exercisable as awards are only exercisable after occurrence of a specified exit event, including an initial public offering.

Share Awards—HelloFresh SE

Starting in 2011, shares in the legal predecessors of HelloFresh SE or their subsidiaries were awarded directly to, inter alia, participating employees and managing directors but have been held by a trustee. The table below illustrates the number of, and movements in, share-based payment awards related to shares in the Company. Strike prices for grants issued before the legal merger described above have been considered with their contractually agreed value as per replacement agreement, i.e. the legally permitted minimum of EUR 1 per share, without consideration of a compensation claim.

	2016 Number of shares	2015 Number of shares
Number of unvested awards outstanding at the beginning of the period	**250,861**	**1,272**
Conversion of unvested share awards as a result of merger	–	542,239
Forfeited during the period	(94,696)	(8,333)
Vested during the period	(85,143)	(284,317)
Number of unvested awards outstanding at the end of the period	**71,022**	**250,861**

Due to the nature of the plan, under which shares were directly awarded to the respective employees, the weighted average exercise price ("WAEP") is nil.

The weighted average remaining vesting term for the awards outstanding as at 31 December 2016 was 3.1 years (2015: 1.1 years). For certain awards, the vesting term is variable and depends on the occurrence of an exit event (e.g. initial public offering).

In the table above, share awards are presented as granted in the period that the service commencement and expense recognition have started.

19. Depreciation, amortisation and costs of inventories included in the consolidated statement of comprehensive income

	2016	2015
	In thousands of EUR	
Included in cost of goods sold:		
Depreciation and amortization	12	35
Cost of inventories recognized as an expense	249,186	141,166
Included in marketing expenses:		
Depreciation and amortization	239	190
Included in fulfilment expenses:		
Depreciation and amortization	2,657	290
Included in general and administrative expenses:		
Depreciation and amortization	1,398	127

20. Employee benefit expenses

	2016	2015
	In thousands of EUR	
Included in cost of goods sold:		
Wages and salaries	3,132	1,398
Social security costs	502	86
Share-based payment expense	152	362
Included in marketing expenses:		
Wages and salaries	13,998	8,356
Social security costs	2,640	541
Share-based payment expense	(120)	11,693
Included in fulfilment expenses:		
Wages and salaries	20,983	8,275
Social security costs	5,665	127
Share-based payment expense	54	1,446
Included in general and administrative expenses:		
Wages and salaries	10,275	4,753
Social security costs	1,995	545
Share-based payment expense	1,915	11,098
Total employee benefit expenses	**61,191**	**48,680**

21. Other operating income and expenses

Other operating income for the year is comprised of the following:

	2016	2015
	In thousands of EUR	
Foreign exchange gains	664	46
Other income	264	132
Total	**928**	**178**

Other operating expenses for the year are comprised of the following:

	2016	2015
	In thousands of EUR	
Loss on disposal of property, plant and equipment	122	–
Bad debt expense	3,497	1,519
Foreign exchange losses	551	–
Other expenses	312	77
Total	**4,482**	**1,596**

22. Finance income and expense

Finance income for the year is comprised as follows:

	2016	2015
	In thousands of EUR	
Currency translation gains	890	–
Interest on bank balances	70	–
Other	534	138
Total	**1,494**	**138**

Finance expense for the year is comprised as follows:

	2016	2015
	In thousands of EUR	
Interest expense on borrowings	3,075	–
Currency translation expenses	1,690	1,386
Other	397	–
Total	**5,162**	**1,386**

23. Income taxes

Income tax benefit (expense) recorded in profit or loss is comprised as follows:

	2016	2015
	In thousands of EUR	
Current tax expense	–	(3)
Deferred tax benefit	270	–
Income tax benefit (expense)	**270**	**(3)**

The income tax benefit (expense) can be reconciled to the accounting loss as follows:

	2016	2015
	In thousands of EUR	
Loss before income tax	(94,126)	(116,754)
Tax calculated at domestic tax rates applicable to results in the respective jurisdictions	29,243	35,049
Expenses which are not deductible for tax purposes:		
- Share-based payments	(2,596)	(4,590)
- Other expenses	(658)	(1,750)
Unrecognized tax losses for the year	(25,718)	(28,811)
Other	–	99
Income tax benefit (expense) for the year	**270**	**(3)**
Effective tax rate	***0%***	***0%***

The weighted average applicable tax rate for the year ended 31 December 2016 was 31% (2015: 30%) which was derived from the tax rate in each tax jurisdiction weighted by the relevant pre-tax loss.

Deferred taxes

As of 31 December 2016, deferred tax assets amounted to kEUR 704 (2015: kEUR 434) and were related to unused tax loss carry forwards. Deferred income tax assets are recognized for tax loss carry forwards to the extent that the realization of the related tax benefit through future taxable profits is probable or deferred tax liabilities are recognized. The deferred tax asset recognized as of 31 December 2016 relates solely to a legal entity in the Netherlands.

The table below reconciles the net change of the DTA with the movements in deferred taxes relating to deductable temporary differences and to unused tax losses; liabilities arising from temporary differences were offset with assets from unused tax losses to the extent permissable.

	Tax losses	Provisions	Internally generated intangible assets	Unrealized FX gains	Fixed assets	Total
	In thousands of EUR					
31 December 2015	**739**	**151**	**–**	**(460)**	**4**	**434**
Debit / (credit) to income statement	1,188	54	(424)	(338)	(210)	270
As at 31 December 2016	**1,927**	**205**	**(424)**	**(798)**	**(206)**	**704**

Tax loss carry-forwards

As of 31 December 2016, the Company has unrecognized tax loss carry forwards of kEUR 223,152 (2015: kEUR 127,352).

The allowable time periods for the recovery of unrecognized tax losses are disclosed below:

	31 December 2016	31 December 2015
	In thousands of EUR	
Expiring within 9 years	(9,433)	(9,318)
Subject to minimum tax rules, expiring within 20 years	(124,805)	(69,518)
Subject to minimum tax rules, unlimited usability	(42,893)	(20,429)
Unlimited usability	(46,021)	(28,087)
Total unrecognized tax losses	**(223,152)**	**(127,352)**

In November 2016, the Company's subsidiary in the USA received approval from the New Jersey Economic Development Authority (NJEDA) for a 10-year tax benefit under the Grow New Jersey Assistance Program to relocate and expand its operations based in Newark, New Jersey. Receipt of the tax credits is dependent upon compliance with certain requirements related to capital investment as well as job creation and retention targets over a period of 15 years. These tax credits, which are limited to a maximum amount of USD 37 million, will be earned and recognized in the financial statements commencing in 2017 subject to the requirements being met and related approvals being granted by the NJEDA.

24. Loss per share

Loss per share is calculated as follows:

	2016	2015
Loss for the year (in kEUR)	(93,856)	(116,757)
Weighted average number of ordinary shares in issue (in thousands)	125,545	118,873
Basic and diluted loss per share	**(0.75)**	**(0.98)**

In accordance with IAS 33 *Earnings per share (IAS 33)*, the effects of anti-dilutive potential shares have not been included when calculating diluted loss per share for the years ended 31 December 2016 and 2015. As a result, the diluted loss per share is the same as the basic loss per share.

25. Financial risk management

The risk management function within the Company is carried out in respect of financial risks, operational risks and legal risks. Financial risk comprises market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk. The primary objectives of the financial risk management function are to establish risk limits, and ensure that exposure to risks stays within these limits. The operational and legal risk management functions are intended to ensure proper functioning of internal policies and procedures, in order to minimize operational and legal risks. Risk management is carried out by a central finance department under the control of management.

Credit Risk

The Group is exposed to credit risk, which is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. Exposure to credit risk arises as a result of the sales of products offering various payment methods and other transactions with counterparties giving rise to financial assets. On account of the type of business, exposure to credit risk with commercial counterparties is limited because cash is usually received at the time of the sale or delivery or up to 14 days after the order. However, certain receivables have lower collectability rates and are subject to a higher level of credit risk due to the payment method used.

The Company's maximum exposure to credit risk by class of assets is as follows:

	31 December 2016	31 December 2015
	In thousands of EUR	
Trade receivables	9,313	11,493
Other financial assets (current)	1,796	1,738
Cash and cash equivalents	57,455	109,235
Other financial assets (non-current)	13,891	9,166
Total maximum exposure to credit risk	**82,455**	**131,632**

The Company structures the levels of credit risk it undertakes by placing limits on the amount of risk accepted in relation to counterparties or groups of counterparties. Limits on the level of credit risk are approved regularly by management. Such risks are monitored on a revolving basis and are subject to an annual, or more frequent, review.

Credit risk related to doubtful accounts that are subject to legal action or those overdue, is monitored centrally on a regular basis. In certain countries of operation, an external collection agency is engaged to pursue outstanding amounts.

The Company utilizes different banks to address the counterparty risk on its cash balances, and restricted cash balances included within other financial assets, which are held with banks rated BBB+ or better by Standard & Poors as of the date of these financial statements.

The composition of trade receivables by geographic location of amounts due from payment service providers ("PSP") and customers, net of any allowances for uncollectible amounts, was as follows:

31 December 2016

	PSP	Customers	Total
	In thousands of EUR		
Trade receivables			
Australia	63	466	529
Canada	59	5	64
Germany (including Austria)	112	378	490
Netherlands (including Belgium)	1,603	878	2,481
Switzerland	10	7	17
United Kingdom	1,105	502	1,607
United States of America	3,346	779	4,125
Total trade receivables	**6,298**	**3,015**	**9,313**

31 December 2015

	PSP	Customers	Total
	In thousands of EUR		
Trade receivables			
Australia	35	519	554
Germany (including Austria)	11	408	419
Netherlands (including Belgium)	4,155	1,546	5,701
United Kingdom	1,120	500	1,620
United States of America	2,845	354	3,199
Total trade receivables	**8,166**	**3,327**	**11,493**

As of 31 December 2016, the balance due from payment service providers totaled kEUR 6,298 (2015: kEUR 8,166) and was predominantly due from one payment service provider. The Company has appropriate safeguards in place by actively managing its exposure to credit risk through its selection and continued monitoring of the credit rating of its payment service providers, the use of segregated accounts

and frequent transfers of funds collected on its behalf. All balances are immediately due and paid out on a regular basis every few days, as agreed with the payment service providers.

Of the total balance due from customers of kEUR 3,015 (2015: kEUR 3,327), kEUR 1,482 (2015: kEUR 1,228) are due from other businesses such as marketing portals and kEUR 1,533 (2015: kEUR 2,099) are amounts outstanding from customers which were not collected from the respective payment service providers. The latter are subject to higher credit risk and therefore monitored and, in certain cases, pursued by an external collection agency. All boxes to Customers that are shipped are immediately due for payment. Management regularly reviews these receivables and decides on write-offs on an individual basis. Furthermore, the Group is implementing process improvements to reduce the number and value of payments not being collected by payment service providers. During the year ended 31 December 2016, trade receivables of kEUR 3,491 (2015: kEUR 1,356) were written off in the ordinary course of business. As of 31 December 2016, an allowance for uncollectible amounts in the amount of kEUR 723 (2015: kEUR 717) was recognized for the outstanding trade receivables due from customers.

In the regular course of business, the Company makes deposits with various counterparties to commercial agreements. The maximum credit risk related to such deposits as of 31 December 2016 amounted to kEUR 462 (2015: kEUR 1,415) included within current other financial assets and kEUR 3,178 (2015: kEUR 394) included within non-current other financial assets in the statement of financial position.

Market Risk

The Company takes on exposure to market risks. Market risk is the risk that changes in market prices, such as the achievable selling prices for goods or the price level for food and other merchandise, will affect the Group's results of operations or the value of the financial instruments held. Market risks also arise from open positions in foreign currencies. Management sets limits on the value of risk that may be accepted, which are monitored on a regular basis. However, the use of this approach does not prevent losses outside of these limits in the event of more significant market movements.

Sensitivities to market risks included below are based on a change in a factor while holding all other factors constant. In practice this is unlikely to occur and changes in some of the factors may be correlated—for example, changes in interest rates and changes in foreign currency rates.

Currency Risk

Currency risk arises on financial instruments that are denominated in a currency other than the functional currency in which they are measured. The Company operates internationally through local operating subsidiaries. These subsidiaries predominantly execute their operating activities in their respective functional currencies. The table below demonstrates the sensitivity to a reasonably possible change in the closing exchange rate of the Euro against significant currencies, with all other variables held constant. The sensitivities are based on financial assets and financial liabilities held at the end of the reporting period, where balances are not denominated in the functional currency of the entity.

31 December 2016

	Change in rate	Effect on income
	In thousands of EUR	
Foreign currency sensitivity		
Australian Dollar	+10%	7
	−10%	(7)
British Pound	+10%	7
	−10%	(7)
Canadian Dollar	+10%	–
	−10%	(–)
Swiss Franc	+10%	22
	−10%	(22)
US Dollar	+10%	1,030
	−10%	(1,030)

31 December 2015

	Change in rate	Effect on income
	In thousands of EUR	
Foreign currency sensitivity		
Australian Dollar	+10%	230
	−10%	(230)
British Pound	+10%	799
	−10%	(799)
US Dollar	+10%	4,059
	−10%	(4,059)

Liquidity Risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. Management monitors cash balances and movements in cash on a weekly basis.

The Group seeks to maintain a stable funding base through early customer payments, to optimize the cash flow from operations. As of 31 December 2016 the Group's current assets of kEUR 91,283 (2015: kEUR 137,494) exceeded current liabilities of kEUR 69,165 (2015: kEUR 60,808) by an amount of kEUR 22,118 (2015: kEUR 76,686). The Company has the ability to draw down an additional kEUR 25,000 on the loan from a shareholder, as discussed in Note 27. Furthermore, cash from external inventors such as venture capitalists is sought after to support growth. The most recent financing round was entered into on 19 December 2016 for additional funding of kEUR 85,700 from new and existing shareholders. Please refer to Note 32.

As of 31 December 2016, the Group's non-current financial liabilities, which are comprised of long-term debt, total kEUR 46,849 (2015: kEUR nil). As of 31 December 2016, the Group's current financial liabilities, consisting primarily of trade payables, amounted to kEUR 45,475 (2015: kEUR 45,742) and were due within 30 days for both periods.

The table below summarizes the maturity profile of the Group's financial liabilities based on contractual undiscounted payments:

Year ended 31 December 2016	Less than three months	1 to 5 years	Total
Trade payables	43,126	–	43,126
Other financial liabilities (current)	2,349	–	2,349
Loan from a shareholder	–	26,849	26,849
Term loan	–	20,000	20,000
Total	**45,475**	**46,849**	**92,324**

Year ended 31 December 2015	Less than three months	1 to 5 years	Total
Trade payables	45,534	–	45,534
Other financial liabilities (current)	208	–	208
Total	**45,742**	**–**	**45,742**

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's term loan with a floating interest rate.

The Group manages its interest rate risk by having a combination of fixed and variable interest rate loans. The Company does not enter into any derivative financial instruments to manage its interest rate risk.

An increase in interest rates of 50 basis points would have an impact on profit and loss of kEUR 36, whereas a decrease in interest rates would have no impact on profit and loss.

HelloFresh SE has complied with the financial covenants of its term loan during the year ended 31 December 2016.

26. Capital management

Concerning capital management, the Company's policy is to preserve a strong and sustainable capital base in order to maintain investor, business partner, and market confidence and to support future business development.

The equity ratio of the Company has developed as follows:

	31 December 2016	31 December 2015
	In thousands of EUR	
Total equity	**20,579**	**87,638**
Total liabilities	131,141	70,961
Total equity and liabilities	151,720	158,599
Equity ratio in %	**13.56%**	**55.26%**

27. Balances and transactions with related parties

Parties are considered to be related if the parties are under common control or if one party has the ability to control the other party or can exercise significant influence or joint control over the other party in making financial and operational decisions. In considering each possible related party relationship, attention is directed to the substance of the relationship, not merely the legal form. In addition, a related party is any executive officer, director (or nominee for director), including any of their immediate family members and any entity owned or controlled by such persons.

Rocket Internet SE, Berlin, Germany (Rocket Internet) is the single largest shareholder of the Company and exercises significant influence over HelloFresh SE.

Effective 20 April 2016, the Company entered into a kEUR 50,000 shareholder loan agreement with Rocket Internet, with terms equivalent to those prevailing at the time the loan was concluded. The loan facility can be drawn down as required in installments of kEUR 5,000. One loan utilization request was made on 25 April 2016 in the amount of kEUR 25,000. The loan must be repaid in full in one payment on 20 April 2019 but can be repaid at any time without penalty, subject to compliance with the Term Loan described in Note 12. The loan agreement does allow for the extension of the repayment date under certain conditions for up to 48 months. The loan amount will become immediately due and payable upon the occurrence of certain conditions, which are consistent with those applicable to the term loan. The loan bears interest at a fixed rate of 11% payable in arrears on the last day of each calendar year following the date of the agreement (subject to compliance with the terms of the Term Loan). The Company may request, at its sole discretion, to capitalize and add to the outstanding loan amount the interest accrued for the relevant interest period. The loan is unsecured and is subordinated. As of 31 December 2016, an amount of kEUR 26,849 has been included in long-term debt, which represents principal of kEUR 25,000 and capitalized interest in the amount of kEUR 1,849; such interest expense has been recorded within finance expense.

The Company and Rocket Internet have entered into an agreement whereby Rocket Internet charges the Company for the services of their personnel engaged in line or staff functions on a short term basis relating specifically to the operations of the Company (the "Management Services Agreement"). The charges, which are included in general and administrative expenses, were kEUR 515 (2015: kEUR 1,683). As of 31 December 2016, the outstanding balances payable were kEUR nil (2015: kEUR 279).

During the year ended 31 December 2016, the Group sublet office space to Rocket Internet subsidiaries for which it received payments of kEUR 150 (2015: kEUR 164). No amounts are outstanding as at 31 December 2016 (2015: kEUR nil).

Key management compensation

Key management includes the Chief Executive Officer, the Chief Operating Officer and, the Chief Financial Officer.

Compensation paid to key management of the Group for their services consists of contractual salary (short-term employee benefits) and equity participation in the form of shares or options (share-based payments). Total salaries of the key management personnel included in employee benefit expenses for the year ended 31 December 2016 amounted to kEUR 753 (2015: kEUR 404). Share-based payment expense for compensation of key management personnel for the year ended 31 December 2016 amounted to kEUR 1,652 (2015: kEUR 5,897).

Supervisory board compensation

Expenses incurred for the remuneration of the supervisory board in 2016 amounted to kEUR 82 (2015: kEUR 13).

28. Contingencies and commitments

The Group leases facilities and equipment under long-term operating leases. Key leasing agreements mainly concern leased buildings. The majority of these contracts can be renewed on a yearly or quarterly basis. Some of these agreements may be terminated prematurely.

Where the Company is the lessee, the future minimum lease payments under non-cancellable operating leases are as follows:

	2016	2015
	In thousands of EUR	
Not later than 1 year	17,248	7,082
Later than 1 year and not later than 5 years	59,865	30,266
After 5 years	44,562	6,893
Total operating lease commitments	**121,675**	**44,241**

For the year ended 31 December 2016, total expenses for operating leases amounted to kEUR 9,152 (2015: kEUR 4,463).

In addition to the above, the Company has in place service agreements with suppliers to assist with picking and packaging of inventories into meal kits. Future minimum payments for contracts specifying minimum quantities are as follows:

	2016	2015
	In thousands of EUR	
Not later than 1 year	16,853	789
Later than 1 year and not later than 5 years	–	19
Total commitments	**16,853**	**808**

The Group is subject to certain clauses included within its lease agreements, under which the lessor can require the restoration of leased warehouse and office space. Reference is made to Note 17 for provisions recognized in this regard. With respect to the lease agreements related to the distribution centers in Texas and New Jersey in the USA, management determined that it was not necessary to recognize a provision for restoration due to the limited extent of customization and the current and expected future levels of demand for refrigerated space, which rents at a premium as compared to regular warehouse space. To the extent the Company was required to remove its equipment and restore the premises to their original state, the current estimate for such costs on an undiscounted basis amounts to kEUR 3,082. Management will reassess the need to recognize a provision at each subsequent reporting date.

29. Principal subsidiaries

The Company held shares in the following subsidiaries at 31 December:

Entity name	Country of Incorporation	Nature of Business	Equity interest (%)	
			2016	2015
Bambino 93. V V UG (haftungsbeschraenkt)	Germany	Holding	100%	100%
HelloFresh France Holding UG (haftungsbeschraenkt)	Germany	Dormant	100%	100%
Bambino 93. V V UG (haftungsbeschraenkt) & Co. Zweite Verwaltungs KG	Germany	Holding	100%	100%
HelloFresh Deutschland SE & Co. KG	Germany	Operating	100%	100%
HelloFresh Deutschland Produktions SE & Co. KG	Germany	Operating	100%	100%
HelloFresh Deutschland Management GmbH	Germany	Holding	100%	100%
Juwel 230. V V UG (haftungsbeschränkt)	Germany	Dormant	100%	100%
HelloFresh Benelux B.V.(formerly Grocery Delivery E-Services the Netherlands B.V.)	Netherlands	Operating	100%	100%
Grocery Delivery E-Services UK Ltd.	United Kingdom	Operating	100%	100%
Grocery Delivery E-Services Australia Pty Ltd.	Australia	Operating	100%	100%
Grocery Delivery E-Services USA Inc.	United States	Operating	100%	100%
HelloFresh Canada Inc.	Canada	Operating	97.3%	n/a
HelloFresh Suisse AG	Switzerland	Operating	97.2%	n/a

The proportions of the voting rights in the subsidiaries are the same as the ownership interests presented in the table except for HelloFresh Canada Inc., where HelloFresh SE holds 100% of the voting rights.

The total non-controlling interests as of 31 December 2016 amount to a deficit of kEUR 30 (2015: kEUR nil) and relate to non-controlling interests in the Group's Canadian and Swiss subsidiaries. There were no dividends paid to non-controlling interests during the years ended 31 December 2016 and 2015.

The subsidiary Grocery Delivery E-Services UK Ltd. is taking advantage of the exemption from audit in accordance with section 479A of the UK Companies Act 2006.

The subsidiaries HelloFresh Deutschland SE & Co. KG and HelloFresh Deutschland Produktions SE & Co. KG are taking advantage of the exemption from the preparation of stand-alone financial statements and related audit in accordance with Sec. 264b of the German Commercial Code.

30. Number of employees

	2016	2015
Australia	77	30
Canada	9	–
Germany	273	122
Netherlands	83	32
Switzerland	9	–
United Kingdom	160	55
United States	720	286
Total	**1,331**	**525**

31. Auditors' fees

Principal auditors' fees recognized as an expense in the reporting period, are detailed in the table below:

	2016	2015
	In thousands of EUR	
Audit fees	313	385
Other assurance fees	101	703
Tax consultation fees	19	242
Other fees	71	105
Total	**504**	**1,435**

32. Events after the reporting period

On 19 December 2016, the Company entered into a new investment and shareholders' agreement for additional funding of kEUR 85,700 from new and existing shareholders. As of 31 December 2016, proceeds of kEUR 1,652 had been received and are included within financial liabilities. The remaining proceeds were received in January 2017 and the new shares were issued on 13 January 2017. Following this capital contribution the share capital of the Company was increased by kEUR 6,097 to kEUR 133,080.

Berlin, 30 March 2017

Dominik S. Richter
Chief Executive Officer

Thomas W. Griesel
Chief Operating Officer

Christian Gaertner
Chief Financial Officer

The following audit opinion (Bestätigungsvermerk) refers to the consolidated financial statements prepared on the basis of International Financial Reporting Standards as adopted by the EU, and the additional requirements of German commercial law pursuant to Sec. 315a HGB ("Handelsgesetzbuch": "German Commercial Code") as well as the combined management report prepared on the basis of German commercial law (HGB) of HelloFresh SE as of and for the year ended December 31, 2016 as a whole and not solely to the consolidated financial statements presented in this prospectus on the preceding pages. The above-mentioned audit opinion (Bestätigungsvermerk) and consolidated financial statements are both translations of the respective German-language documents.

Audit Opinion

We have audited the consolidated financial statements prepared by HelloFresh SE, Berlin, comprising the statement of financial position, the statement of comprehensive income, the statement of cash flows, the statement of changes in equity and the notes to the financial statements, together with the combined management report for the fiscal year from 1 January to 31 December 2016. The preparation of the consolidated financial statements and the combined management report in accordance with IFRSs as adopted by the EU and the additional requirements of German commercial law pursuant to Sec. 315a HGB ("Handelsgesetzbuch": German Commercial Code) is the responsibility of the Company's management. Our responsibility is to express an opinion on the consolidated financial statements and on the combined management report based on our audit.

We conducted our audit of the consolidated financial statements in accordance with Sec. 317 HGB and German generally accepted standards for the audit of financial statements promulgated by the Institut der Wirtschaftsprüfer (Institute of Public Auditors in Germany) (IDW). Those standards require that we plan and perform the audit such that misstatements materially affecting the presentation of the net assets, financial position and results of operations in the consolidated financial statements in accordance with (German) principles of proper accounting and in the combined management report are detected with reasonable assurance. Knowledge of the business activities and the economic and legal environment of the Group and expectations as to possible misstatements are taken into account in the determination of audit procedures. The effectiveness of the accounting-related internal control system and the evidence supporting the disclosures in the consolidated financial statements and the combined management report are examined primarily on a test basis within the framework of the audit. The audit includes assessing the annual financial statements of those entities included in consolidation, the determination of entities to be included in consolidation, the accounting and consolidation principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that our audit provides a reasonable basis for our opinion.

Our audit has not led to any reservations.

In our opinion, based on the findings of our audit, the consolidated financial statements comply with IFRSs as adopted by the EU and the additional requirements of German commercial law pursuant to Sec. 315a HGB and give a true and fair view of the net assets, financial position and results of operations of the Group in accordance with (German) principles of proper accounting. The combined management report is consistent with the consolidated financial statements, complies with the legal requirements and as a whole provides a suitable view of the group's position and suitably presents the opportunities and risks of future development.

Berlin, 30 March 2017

Ernst & Young GmbH
Wirtschaftsprüfungsgesellschaft

Canzler	von Michaelis
Wirtschaftsprüfer	Wirtschaftsprüfer
(German Public Auditor)	(German Public Auditor)

HelloFresh AG

Audited Consolidated Financial Statements as of and for the year ended December 31, 2015 (prepared in accordance with IFRS)

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HelloFresh AG
CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Assets	Note	31 December 2015	31 December 2014
		In thousands of EUR	
Non-current assets			
Property, plant and equipment	**8**	5,829	708
Intangible assets	**9**	66	5
Goodwill	**7**	4,608	–
Other financial assets	**13**	9,166	–
Other non-financial assets	**14**	1,002	–
Deferred income tax assets	**24**	434	434
Total non-current assets		**21,105**	**1,147**
Current assets			
Inventories	**10**	5,605	1,356
Trade receivables	**11,13,26**	11,493	2,650
Other financial assets	**13**	1,738	1,099
Other non-financial assets	**14**	9,423	2,040
Cash and cash equivalents	**12,13,26**	109,235	19,760
Total current assets		**137,494**	**26,905**
Total assets		**158,599**	**28,052**

Equity and Liabilities	Note	31 December 2015	31 December 2014
Equity			
Share capital	**16**	125,005	69
Treasury shares	**16,28**	(10,000)	–
Capital reserves	**16**	93,930	38,871
Other reserves		21,829	5,835
Accumulated losses		(142,395)	(28,634)
Other comprehensive loss		(731)	(498)
Equity attributable to the Company's shareholders		**87,638**	**15,643**
Non-controlling interests	**30**	–	(1,013)
Total equity		**87,638**	**14,630**
Non-current liabilities			
Share-based payment liabilities	**19**	8,957	270
Other non- financial liabilities	**15**	1,196	–
Total non-current liabilities		**10,153**	**270**
Current liabilities			
Trade payables	**17**	45,534	11,249
Other financial liabilities	**17**	208	71
Provisions	**18**	2,503	181
Other non-financial liabilities	**15**	12,529	1,617
Income tax liabilities	**24**	34	34
Total current liabilities		**60,808**	**13,152**
Total equity and liabilities		**158,599**	**28,052**

HelloFresh AG
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Note	Years ended 31 December 2015	2014
		In thousands of EUR	
Revenue	**5**	304,952	69,624
Cost of goods sold	**20,21**	(146,085)	(31,142)
Gross profit		**158,867**	**38,482**
Fulfilment expenses	**20,21**	(121,695)	(23,149)
Marketing expenses	**20,21**	(120,504)	(22,393)
General and administrative expenses	**20,21**	(30,756)	(7,543)
Other operating income	**22**	178	481
Other operating expenses	**22**	(1,596)	(1,654)
Operating loss		**(115,506)**	**(15,776)**
Finance income	**23**	138	13
Finance expense	**23**	(1,386)	(6)
Loss before income tax (expense) benefit		**(116,754)**	**(15,769)**
Income tax (expense) benefit	**24**	(3)	405
Loss for the year		**(116,757)**	**(15,364)**
attributable to:			
Owners of the Company		(113,761)	(14,557)
Non-controlling interests		(2,996)	(807)
Other comprehensive income:			
Items that may be subsequently reclassified to profit or loss			
Exchange differences on translation to presentation currency		(1,860)	(977)
Exchange differences on net investments in foreign operations		1,639	293
Other comprehensive loss for the year		**(221)**	**(684)**
Total comprehensive loss for the year		**(116,978)**	**(16,048)**
Total comprehensive loss attributable to:			
Owners of the Company		(113,971)	(15,184)
Non-controlling interests		(3,007)	(864)
Basic and diluted loss per share (in EUR)	**25**	**(0.98)**	**(0.17)**

HelloFresh AG
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Note	Attributable to owners of the Company							Attributable to non-controlling interests	Total
		Share capital	Treasury shares	Capital reserves	Other reserves	Accumulated losses	Other comprehensive (loss) income	Total		
		In thousands of EUR								
At 1 January 2014		**56**		**13,998**	**2,819**	**(14,077)**	**129**	**2,925**	**(212)**	**2,713**
Loss for the period						(14,557)		(14,557)	(807)	**(15,364)**
Currency translation							(627)	(627)	(57)	**(684)**
Total comprehensive loss for the period						**(14,557)**	**(627)**	**(15,184)**	**(864)**	**(16,048)**
Issue of share capital		13		24,873				24,886		**24,886**
Share-based payments					3,016			3,016	63	**3,079**
Balance at 31 December 2014		**69**		**38,871**	**5,835**	**(28,634)**	**(498)**	**15,643**	**(1,013)**	**14,630**
Loss for the period						(113,761)		(113,761)	(2,996)	**(116,757)**
Currency translation							(233)	(233)	12	**(221)**
Total comprehensive loss for the period						**(113,761)**	**(233)**	**(113,994)**	**(2,984)**	**(116,978)**
Issue of share capital		3,615		180,459				184,074		**184,074**
Capital increase in course of merger	**1,16**	119,921		(119,921)				–		**–**
Capital increase to acquire non-controlling interests	**16,30**	1,400		(5,479)	159			(3,920)	3,920	**–**
Repurchase of shares	**16,28**		(10,000)					(10,000)		**(10,000)**
Share-based payments	**19**				15,835			15,835	77	**15,912**
Balance at 31 December 2015		**125,005**	**(10,000)**	**93,930**	**21,829**	**(142,395)**	**(731)**	**87,638**	**–**	**87,638**

HelloFresh AG
CONSOLIDATED STATEMENT OF CASH FLOWS

	Years ended 31 December	
	2015	**2014**
	In thousands of EUR	
Cash flow used in operating activities		
Loss for the year	(116,757)	(15,364)
Adjustments for:		
Finance income	(138)	(13)
Finance expense	1,386	6
Income tax (benefit) expense	3	(405)
Depreciation of property, plant and equipment	628	65
Amortization of intangible assets	14	115
Share based payment expense (equity-settled)	16,659	3,079
Other non-cash transactions	(1,129)	(792)
Increase in provisions	2,322	181
Changes in working capital related to operating activities		
(Increase) in trade receivables and other assets	(15,477)	(4,688)
(Increase) in inventories	(4,249)	(1,245)
Increase in trade and other payables	31,124	9,124
(Increase) in non-current financial assets	(397)	–
(Decrease) Increase in financial liabilities	137	(29)
(Increase) in non-financial assets	(1,002)	–
Increase in non-financial liabilities	12,108	1,337
Increase in share-based payment liabilities	8,687	268
Interest received	138	13
Interest paid	–	(6)
Net cash used in operating activities	**(65,943)**	**(8,354)**
Cash flow used in investing activities		
Acquisition of subsidiary, net of cash acquired	(2,695)	–
Purchase of property, plant and equipment	(5,561)	(728)
Purchase of intangible assets	(75)	(3)
Transfer of cash into restricted cash accounts and long-term deposits	(8,988)	–
Net cash used in investing activities	**(17,319)**	**(731)**
Cash flow from financing activities		
Proceeds from the issuance of share capital	184,074	24,886
Repurchase of shares into treasury	(10,000)	–
Net cash from financing activities	**174,074**	**24,886**
Cash and cash equivalents at the beginning of the year	**19,760**	**3,840**
Effects of exchange rate and other value changes on cash and cash equivalents	(1,337)	119
Cash and cash equivalents at the end of the year	**109,235**	**19,760**

HelloFresh AG
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. Description of the business

The accompanying consolidated financial statements and notes present the operations of HelloFresh AG (the "Company"), formerly HelloFresh GmbH, and its subsidiaries (combined the "Group" or "HelloFresh").

Effective 30 September 2015, HelloFresh GmbH was legally merged with Brillant 2132. GmbH, a wholly-owned subsidiary, in order to allow for an increase in the share capital and consequently the number of outstanding shares. Brillant 2132. GmbH was then renamed to HelloFresh GmbH. As a result of this legal merger, the shareholders of the former HelloFresh GmbH received 1,424 shares in the new entity for every one share held. This legal merger, which resulted in a new legal parent of the Group, represents an intra-group transaction. Therefore, the consolidated financial statements of the new legal parent and its subsidiaries represent a continuation of the consolidated financial statements of the former legal parent. Consequently, there has been no change in the carrying values of assets and liabilities reported in the consolidated financial statements. Comparative information has not been restated, other than the weighted average number of ordinary shares in issue used in the calculation of the loss per share, in accordance with IAS 33 *Earnings per Share* (reference is made to Note 25). Furthermore, the legal merger resulted in a reclassification within equity from capital reserves to share capital. For further information on this capital reorganization reference is made to Note 16. Subsequent to this merger, effective 2 November 2015, HelloFresh changed its legal form to a German stock corporation (Aktiengesellschaft, "AG").

The Group's principal business activity is to deliver fresh, pre-portioned ingredients that enable subscribers to prepare home-cooked meals each week using HelloFresh's recipes. The business is run as an internet platform offering customers the choice between different kinds of meals and recipes to be delivered on selected weekdays. The Group's logistics capabilities allow it to offer subscribers fresh, high quality ingredients. HelloFresh works closely with its large network of suppliers throughout the design cycle, to ensure it can purchase the ingredients for its food boxes on a just-in-time basis in the exact quantities required. It therefore not only ensures that ingredients are fresh but also operates on a near zero-inventory basis avoiding food waste. HelloFresh picks and packs the ingredients for its subscribers in refrigerated fulfilment centers. From there, the ingredients are delivered using insulated packaging and, in certain markets, refrigerated vehicles, which enables the ingredients to be delivered within a 24- to 48-hour period with a very high level of freshness. Almost all deliveries are free of charge to subscribers.

The Company was incorporated a stock corporation under the laws of Germany and registered in the commercial register of Charlottenburg (Berlin) under HR B 171666 on 2 November 2015. The Company is domiciled in Germany and has its registered office at Saarbrücker Strasse 37a, 10405 Berlin. The Group has additional principal places of business in the following countries:

Netherlands:	Grocery Delivery E-Services the Netherlands B.V., H.J.E. Zuidpark - Spaklerweg 50-52, 1099 BC Amsterdam
United Kingdom:	Grocery Delivery E-Services UK Ltd., Oxford House 76 Oxford Street, 3rd Floor London W1D 1BS
United States of America:	Grocery Delivery E-Services USA Inc., 85 Broad Street, New York, NY 10014
Australia:	Grocery Delivery E-Services Australia Pty Ltd., Level 2, 5-13 Queen St, Chippendale NSW 2008

The subsidiaries mentioned above were established by the Company.

The Group also has operations in Austria, which are conducted through its subsidiary in Germany, and in Belgium, which are conducted through its subsidiary in the Netherlands.

The consolidated financial statements were approved by the Company's management and authorized for issue on 22 March 2016.

2. Summary of significant accounting policies

Basis of preparation

HelloFresh AG is the parent company of the HelloFresh Group. The Group's consolidated financial statements are prepared in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) as adopted by the European Union (EU).

The consolidated financial statements have been prepared on a historical cost basis, except for certain financial instruments and share-based payments that have been measured at fair value. The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all periods presented.

Presentation currency

The consolidated financial statements have been prepared in Euro (EUR), which represents the functional and reporting currency of HelloFresh AG. Unless otherwise indicated, all figures in the consolidated financial statements, and related notes, are rounded to the nearest thousand (kEUR). In the tables in the notes to the consolidated financial statements, therefore, rounding differences may occur.

Basis of Consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at 31 December 2015. Subsidiaries are entities controlled by the Company. Control is achieved when the Company is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns.

Generally, there is a presumption that a majority of voting rights results in control.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the statement of comprehensive income from the date the Company gains control until the date the Company ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income ("OCI") are attributed to the equity holders of the parent of the Company and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognizes the related assets (including goodwill), liabilities, non-controlling interests and other components of equity while any resultant gain or loss is recognized in profit or loss. Any investment retained is recognized at fair value.

The financial statements of the subsidiaries are prepared for the same reporting period as the parent company.

The composition of the group is described in Note 30.

Business combinations and goodwill

The acquisition method is used to account for business combinations. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured at their fair values at the acquisition date, irrespective of the extent of any non-controlling interest.

The Group measures non-controlling interest that represents present ownership interest and entitles the holder to a proportionate share of net assets in the event of liquidation on a transaction by transaction basis, at either (a) fair value, or (b) the non-controlling interest's proportionate share of the net assets of the acquiree. Non-controlling interests that are not present ownership interests are measured at fair value.

The consideration transferred for the acquiree is measured at the fair value of the assets given up, equity instruments issued and liabilities incurred or assumed, including the fair value of assets or liabilities from contingent consideration arrangements. Costs related to the acquisition such as advisory, legal, valuation and similar professional services are expensed as incurred. Transaction costs related to the acquisition and incurred for issuing equity instruments are deducted from equity; transaction costs incurred for issuing debt as part of the business combination are deducted from the carrying amount of the debt.

Goodwill is initially measured at cost by deducting the net assets of the acquiree from the aggregate of the consideration transferred for the acquiree, the amount of non-controlling interest in the acquiree and fair value of any interest in the acquiree held immediately before the acquisition date. Any negative amount ("negative goodwill, bargain purchase") is immediately recognized in profit or loss, after management reassesses whether it identified all the assets acquired and all liabilities and contingent liabilities assumed and reviews appropriateness of their measurement.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Where goodwill has been assigned to a cash-generating unit (CGU) and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

Foreign currency translation

The financial statements of each of the Group entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The Group financial statements are presented in Euro ("EUR"), which is the Company's presentation currency.

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the income statement. Foreign exchange gains and losses are presented in the income statement within other operating income / expenses or the finance result.

The results and financial position of all the Group entities that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

1) assets and liabilities are translated at the closing rate at the end of each reporting period,

2) income and expense items are translated at average exchange rates for each reporting period (unless the average rate is not a reasonable approximation of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions), and

3) all resulting exchange differences are recognized in other comprehensive income.

Exchange differences arising from intragroup balances that, in substance, form part of the Company's net investment in a foreign operation, are recognized in other comprehensive income and accumulated in a separate component of equity.

The foreign exchange rates used for translation into the Company's presentation currency (EUR) are as follows:

	2015	2014
US Dollar (USD)		
Closing Rate	1.08870	1.21410
Average Rate	1.10906	1.32884
Australian Dollar (AUD)		
Closing Rate	1.48970	1.48290
Average Rate	1.47408	1.47240
British Pound (GBP)		
Closing Rate	0.73395	0.77890
Average Rate	0.72598	0.80643

Current versus non-current presentation

The Group presents assets and liabilities in the statement of financial position based on a current/non-current classification.

An asset is classified as current when it is:

- Expected to be realized or intended to be sold or consumed within the normal operating cycle,
- Held primarily for the purpose of trading,
- Expected to be realized within twelve months after the end of the reporting period

Or

- A cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the end of the reporting period.

A liability is classified as current when:

- It is expected to be settled in the normal operating cycle,
- It is held primarily for the purpose of trading,
- It is due to be settled within twelve months after the end of the reporting period

Or

- There is no unconditional right to defer the settlement of the liability for at least twelve months after the end of the reporting period.

The Group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses, where required.

Costs of minor repairs and maintenance are expensed when incurred.

Gains and losses on disposal are determined by comparing proceeds with the carrying amount and are recognized in profit or loss for the year within other operating income or expenses.

Depreciation

Depreciation of property, plant and equipment is calculated using the straight-line method to allocate their cost less their residual values over the following estimated useful lives:

	Useful lives in years
Plant and Machinery	3-10
Furniture, Fixtures and other Equipment	3-10

Leasehold improvements are depreciated over the shorter of their estimated useful lives or the lease term.

The assets' residual values, methods of depreciation and useful lives are reviewed and adjusted prospectively if appropriate, at the end of each reporting period.

Operating leases

Where an entity within the Group is a lessee in a lease which does not transfer substantially all the risks and rewards incidental to ownership from the lessor to the entity, the total lease payments are charged to profit or loss on a straight-line basis over the lease term. The lease term is the non-cancellable period for which the lessee has contracted to lease the asset together with any further terms for which the lessee has the option to continue to lease the asset, with or without further payment, when at the inception of the lease it is reasonably certain that the lessee will exercise the option.

Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses, where required. The Company's intangible assets have definite useful lives and primarily include acquired computer software.

Intangible assets are amortized using the straight-line method over the following estimated useful lives:

	Useful lives in years
Internally developed software	2
Software and other licenses	3

Impairment of non-financial assets

The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or CGU's fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Group bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Group's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. A long-term growth rate is calculated and applied to project future cash flows after the fifth year.

Impairment losses are recognized in profit or loss in expense categories consistent with the function of the impaired asset.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognized impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in profit or loss.

Goodwill is tested for impairment annually as at 31 October and when circumstances indicate that the carrying value may be impaired.

Impairment is determined for goodwill by assessing the recoverable amount of each CGU (or group of CGUs) to which the goodwill relates. When the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognized. Impairment losses relating to goodwill cannot be reversed in future periods.

Cash and cash equivalents

Cash and cash equivalents include cash in hand and at banks and short-term deposits with original maturities of three months or less, for which the risk of changes in value is considered to be insignificant. Also recognized as cash equivalents are shares in money market funds and similar investments which undergo only minor value fluctuations and can be readily converted into known amounts of cash.

Classification of financial assets

The Company's financial assets are categorized as loans and receivables. Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. The Company's loans and receivables comprise trade receivables, other financial assets and cash and cash equivalents.

Trade receivables

Trade receivables are initially recognized at fair value which primarily represents the original invoice amount less any impairment loss or any allowance for uncollectible amounts. Allowance is made when there is objective evidence that the Company may not be able to collect the trade receivable. Balances are written off when recoverability is assessed as being remote. The write off is recognized in other operating expenses.

Inventories

Inventories are measured at the lower of cost and net realizable value. Cost is determined pursuant to the first-in first-out ("FIFO") method. The cost of inventory includes the purchase price and shipping and handling costs incurred to bring the inventories to their present location and condition.

Provisions

Provisions are liabilities of uncertain timing or amount. They are recognized when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation.

Trade payables and other financial liabilities

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade payables and other financial liabilities are initially recognized at fair value and are subsequently measured at amortized cost using the effective interest method.

Share capital

Ordinary shares with discretionary dividends are classified as equity. Any excess of the fair value of consideration received over the par value of the shares issued is recorded as share premium as capital reserves within equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds. Own equity instruments that are reacquired (treasury shares) are recognized at cost and deducted from equity. No gain or loss is recognized in profit or loss on the purchase, sale, issue or cancellation of the Group's own equity instruments.

Share-based compensation

The Group operates equity-settled share-based payment plans, under which Group companies receive services from directors, employees or others as consideration for equity instruments of the Company or one of its subsidiaries. Further, the Group has granted virtual share options that are linked to the price of individual shares but stipulate a cash payment, unless the grantor decides to settle in equity. It is the Group's policy to settle in equity unless factual and legal restrictions do not allow for such settlement.

For equity-settled transactions, the total amount to be expensed for services received is determined by reference to the grant date fair value of the share-based payment award. At each grant date, the Company analyses whether the exercise price, if any, by a participant is in line with the estimated market price of the underlying equity instruments at the grant date. If a positive difference exists between (i) the estimated market value of the equity instruments and (ii) the exercise price; such difference would be reported as a share-based payment expense over the vesting period. For share options and virtual options granted, the grant date fair value is determined using the Black-Scholes option valuation formula.

The fair value determined at the grant date is expensed on a straight-line basis over the vesting period, based on the Group's estimate of the number of shares that will eventually vest, with a corresponding credit to equity. Estimated forfeitures are revised if the number of awards expected to vest differs from previous estimates. Differences between estimated and actual forfeitures are accounted for in the period in which they occur.

For cash-settled share-based payments, a liability is recognized for services acquired, measured initially at the fair value of the liability and expensed over the period until the vesting date. At the end of each reporting period until the liability is settled, and at the date of settlement, the fair value of the liability is remeasured, with any changes in fair value recognized in profit or loss for the year.

For awards with graded-vesting features, each instalment of the award is treated as a separate grant. This means that each instalment is separately expensed over the related vesting period. Some instalments vest only upon the occurrence of a specified exit event, including an initial public offering ("IPO") or twelve months after such an event and the employee is still employed by the Company. These instalments are expensed over the expected time until the vesting event. Exit conditions linked with continued service are considered non-market vesting conditions; therefore share-based payment expense would be reversed if no such event occurs by the time the awards lapse.

The Group starts recognising compensation expense from the beginning of the service period, even when the grant date is subsequent to the service commencement date. During the period between the service commencement date and the grant date, the share-based payment expense recognized is based on the estimated grant date fair value of the award. Once the grant date has been established, the estimated fair value is revised so that the expense recognized is based on the actual grant date fair value of the equity instruments granted.

For awards changed during the period from equity settled to cash settled, the Company recognizes a liability based on the fair value of the cash-settled award as at that date and to the extent to which the vesting period has expired. The corresponding debit is taken to equity only to the extent that the fair value of the original equity-settled award had already been recognized within equity as at the date of the change. Any incremental fair value arising on the cash-settled award exceeding the amount that had already been

recognized within equity, is expensed immediately to the extent that the vesting period has expired. The remainder of any incremental value is expensed over the period from the date of the change to the end of the vesting period.

Revenue recognition

The Group generates revenue primarily from the sale of food ingredients along corresponding recipes (“meal kits”). Revenue is measured at the fair value of the consideration received or receivable, and represents amounts receivable for goods supplied, stated net of promotional discounts, rebates and value added taxes. Promotional discounts and rebates are primarily granted to first-time customers through the distribution of coupons. Further, the Group may participate in selling vouchers through external marketing providers at a discounted value.

The Group recognizes revenue when the amount of revenue can be reliably measured; when it is probable that future economic benefits will flow to the entity; and when the risks and rewards of the inventory have passed to the customer, which is when the goods have been delivered to the customer. The Group has concluded that it is the principal in all of its revenue arrangements since it is the primary obligor in all the revenue arrangements, has pricing latitude and is also exposed to inventory and credit risks. Revenue is presented gross of fees charged from agents such as marketing portals, which are recognized as marketing expenses.

Cost of goods sold

Cost of goods sold includes the purchase price of goods, inbound shipping charges, employee benefits and other attributable overhead expenses. Shipping charges to receive products from suppliers are included in inventory, and recognized as cost of goods sold upon the sale of products to customers.

Marketing

Marketing expenses represent costs associated with the promotion of goods and include online and offline marketing expenses, the production and distribution of gift cards, photo production, costs related to customer care activities and other costs associated with HelloFresh’s market presence.

Fulfilment

Fulfilment costs represent costs attributable to picking and packaging of inventories into meal kits, preparing customer orders for shipment, including packaging materials, as well as payment related costs. Fulfilment costs also include outbound shipping costs and amounts paid to third parties that assist in fulfilment operations.

General and administrative expenses

General and administrative expenses are costs not directly associated with the production and distribution of goods. They include management wages and benefits, accounting staff wages and benefits, consulting expenses, office rent, insurance, utilities, and other overhead costs.

Income taxes

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date in the jurisdictions where the Group operates and generates taxable income.

Current income tax relating to items recognized directly in equity is recognized directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognized for all taxable temporary differences, except:

- when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognized outside profit or loss is recognized outside profit or loss. Deferred tax items are recognized in correlation to the underlying transaction either in other comprehensive income or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability or, in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1—Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2—Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3—Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker. The Chief Operating Decision Maker, who is responsible for allocating

resources and assessing performance of the operating segments, has been defined as the Chief Executive Officer (“CEO”).

The business is managed on the basis of two geographical regions: Continental Europe and the Rest of the World. Continental Europe comprises the operations in Germany, Austria, the Netherlands and Belgium. The Rest of the World comprises the operations in the United States, United Kingdom and Australia. Centralized overhead functions are separately monitored.

Segment results that are reported include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

3. Significant accounting judgements, estimates and assumptions

The preparation of the Group’s consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amounts of assets or liabilities affected in future periods.

Disclosures relating to the Group’s exposure to risks and uncertainties includes:

- Financial Risk Management (Note 26)
- Contingencies and Commitments (Note 29)

Judgements

The following judgements made by management in the process of applying the Group’s accounting policies have the most significant impact on the amounts recognized in the consolidated financial statements:

Recognition of deferred tax assets

The Group has tax losses in the Netherlands that have the potential to reduce tax payments in future years. Deferred tax assets have been recognized to the extent that their recovery is probable taking into account the projected future taxable income of the related entity. Please refer to the accounting policies on income taxes in Note 2 and the income tax disclosures in Note 24.

Goodwill

The Group recognized goodwill from the acquisition of a logistics company in the Netherlands (please refer to Note 6). Goodwill is tested annually for impairment on 31 October. The value in use, i.e. the recoverable amount of the CGU that the goodwill is related to, is determined based on a discounted cash flow model, using inputs categorized as level 3 of the fair value hierarchy. Please refer to Note 7 for further information.

Share-based payments

When determining the fair values of the ordinary shares of the Company and subsidiaries as at each award grant date, three generally accepted approaches were considered: income approach, market approach and cost approach. In addition, the Company has considered the guidance provided by the American Institute of Certified Public Accountants’ (AICPA) Accounting and Valuation Guide, Valuation of Privately-Held-Company Equity Securities Issued as Compensation.

Management has employed the “prior sale of company stock” method, a form of the market approach, to estimate the aggregate enterprise value at the group level. The prior sale of company stock method considers any prior arm’s length sales of the company’s equity securities. As such, the value per share was benchmarked to the external transactions of Company’s shares and external financing rounds. Throughout 2014 and 2015, there were a number of financing rounds which resulted in the issuance of shares. The shares were transacted with existing and new investors, and therefore the pricing was considered a strong indicator of fair value.

For valuation purposes there are different classes of equity at the group level, resulting from arrangements between the shareholders. Therefore, the hybrid method was employed in order to allocate value to the different classes of equity. This method is a hybrid between the probability-weighted expected return method and the Option Pricing Method ("OPM"), which estimates the probability weighted value across certain exit scenarios, but uses the OPM to estimate the remaining unknown potential exit scenarios. Considerations factored into the analysis include: The type and amount of equity sold, the estimated volatility, the estimated time and probability of exit scenarios, the relationship of the parties involved and the risk-free rate.

The Company has applied the income approach to estimate the enterprise value of each subsidiary. The income approach is a technique by which fair value is estimated based on cash flows expected to be generated in the future. The principle behind this approach is that the value of the company is equal to its earnings potential. The future cash flows are discounted using a weighted average cost of capital that takes into consideration the stage of development of the business and the industry and locations in which the Group operates.

A discount for lack of marketability ("DLOM") was applied, corresponding to the time to exit under the various scenarios to reflect the increased risk arising from the inability to readily sell the shares. When applying the DLOM, the Black-Scholes option pricing model was used. Under this method, the cost of the put option, which can hedge the price change before the privately held shares can be sold, was considered as the basis to determine the DLOM.

Please also refer to the accounting policies on share-based compensation in Note 2 and the share-based compensation disclosures in Note 19.

4. New accounting pronouncements

The Group applied for the first time certain standards and amendments, which are effective for annual periods beginning on or after 1 January 2015. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

Although these new standards and amendments applied for the first time in 2015, they did not have a material impact on the annual consolidated financial statements of the Group. The nature and the impact of each new standard or amendment are described below:

Annual Improvements to IFRS (2011-2013 Cycle)

In the context of its annual improvements process, the IASB amends existing standards. These amendments are considered necessary, but do not substantially modify the respective guidance. In December 2013 the IASB published the annual improvements to IFRS (Cycle 2011-2013) which affect IFRS 1, IFRS 3, IFRS 13 and IAS 40. Application of the amendments is mandatory for fiscal years beginning on or after 1 January 2015 in the EU.

Annual Improvements to IFRS (2010-2012 Cycle)

In the context of its annual improvements process, the IASB amends existing standards. These amendments are considered necessary, but do not substantially modify the respective guidance. In December 2013, the IASB published the annual improvements to IFRS (Cycle 2010-2012) which affect IFRS 2, IFRS 3, IFRS 8, IFRS 13, IAS 7, IAS 16, IAS 24 and IAS 38. Application of the amendments is mandatory for fiscal years beginning on or after 1 February 2015 in the EU.

Annual Improvements to IFRS (2012-2014 Cycle)

In the context of its annual improvements process, the IASB amends existing standards. These amendments are considered necessary, but do not substantially modify the respective guidance. In September 2014, the IASB published the annual improvements to IFRS (Cycle 2012-2014) which affect IFRS 5, IFRS 7, IAS 19 and IAS 34. Application of the amendments is mandatory for fiscal years beginning on or after 1 January 2016 in the EU.

IFRS 9 Financial Instruments: Classification and Measurement

In July 2014, the IASB issued the final version of IFRS 9 *Financial Instruments* which reflects all phases of the financial instruments project and replaces IAS 39 *Financial Instruments: Recognition and Measurement* and all previous versions of IFRS 9. The standard introduces new requirements for classification and measurement, impairment, and hedge accounting. IFRS 9 is effective for annual periods beginning on or after 1 January 2018, with early application permitted. IFRS 9 is not yet endorsed by the EU. Retrospective application is required, but comparative information is not compulsory. The Group is currently assessing the impact of IFRS 9.

IFRS 15 Revenues from Contracts with Customers

The IASB issued IFRS 15 on 28 May 2014. The standard outlines a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. It supersedes current revenue recognition guidance including IAS 18 *Revenue*, IAS 11 *Construction Contracts* and related interpretations. The core principle is that an entity recognizes revenue to reflect the transfer of goods or services to customers at an amount that represents the consideration to which the entity expects to be entitled in exchange for those goods or services. IFRS 15 is effective for annual periods beginning on or after 1 January 2018. IFRS 15 is not yet endorsed by the EU. The Group is currently assessing the impacts of this new standard.

IFRS 16 Leases

The IASB issued IFRS 16 in January 2016. IFRS 16 replaces IAS 17 *Leases* and related interpretations. The standard provides a single lessee accounting model, requiring lessees to recognize assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value. Lessors continue to classify leases as operating or finance, with the IFRS 16 approach to lessor accounting largely unchanged from its predecessor, IAS 17. IFRS 16 is effective for fiscal years beginning on or after 1 January of 2019. Early adoption is permitted provided that IFRS 15, has been, or is applied at the same date as IFRS 16. IFRS 16 is not yet endorsed by the EU. The Group is currently assessing the impacts of this new standard.

Unless otherwise described above, the new standards and interpretations issued by the IASB and to be adopted for the first time in the future are not expected to significantly affect the Group's financial statements.

5. Segment information

The main activity of the Group is the delivery of meal kits to customers in various geographical regions. The segment reporting follows the internal management and reporting structures. Operating segments reflect the Group's management structure and the way financial information is regularly reviewed by the Chief Operating Decision Maker, which is defined as the CEO.

The Group comprises two operating segments, Continental Europe ("EU") and the Rest of the World ("RoW"). Continental Europe consists of operations in Germany, Austria, the Netherlands and Belgium. The Rest of the World comprises the operations in the United States, United Kingdom and Australia. The reportable operating segments are strategic business units that are managed separately. Intersegment charges are monitored separately and therefore distinctively presented in the tables below. Holding represents centralized overhead functions; the costs are charged out to the operating entities with the exception of special items and finance costs. The consolidation ("Conso") eliminates inter-segment transactions.

The accounting policies of the operating segments are the same as those described in the summary of significant accounting policies. The Group accounts for intersegment sales and transfers as if the sales or transfers were to third parties, i.e. at current market prices.

The Group evaluates performance primarily on the basis of Profit Contribution (Revenue less cost of goods sold net of share-based compensation and fulfilment expense net of share-based compensation, "PC2") and EBITDA adjusted for special items and holding fees, further on the basis of EBITDA and EBIT. EBITDA represents the results before interest, tax, depreciation and amortization. Special items

and holding fees include the surcharge for intercompany recharges, share-based compensation and non-recurring items. EBIT is measured as earnings before interest and tax.

External revenue includes income from the sale of meal kits to customers. Internal revenue results from intercompany recharges of services of the holding company to the operating entities of the Group.

	2015					
	EU	RoW	Total segments	Holding	Conso	Group
	In thousands of EUR					
Total revenue	126,141	178,811	304,952	28,615	(28,615)	304,952
Internal revenue	–	–	–	*28,615*	*(28,615)*	–
External revenue	*126,141*	*178,811*	*304,952*	–	–	*304,952*
PC2	**30,697**	**8,140**	**38,837**	**28,187**	**(28,044)**	**38,980**
Adjusted EBITDA	**(17,684)**	**(68,145)**	**(85,829)**	**(405)**	**–**	**(86,234)**
Special items and holding fees	(6,003)	(7,979)	(13,982)	(14,647)	–	(28,629)
EBITDA	**(23,687)**	**(76,124)**	**(99,811)**	**(15,052)**	**–**	**(114,863)**
Depreciation and amortization	(71)	(485)	(556)	(86)	–	(642)
EBIT	**(23,758)**	**(76,609)**	**(100,367)**	**(15,139)**	**–**	**(115,506)**
Finance income						138
Finance expense						(1,386)
Income tax expense						(3)
Loss for the year						**(116,757)**

	2014					
	EU	RoW	Total segments	Holding	Conso	Group
	In thousands of EUR					
Total revenue	38,878	30,746	69,624	–	–	69,624
Internal revenue	–	–	–	*4,859*	*(4,859)*	–
External revenue	*38,878*	*30,746*	*69,624*	–	–	*69,624*
PC2	**10,799**	**4,546**	**15,345**	**4,354**	**(4,259)**	**15,440**
Adjusted EBITDA	**(3,117)**	**(9,359)**	**(12,476)**	**–**	**227**	**(12,249)**
Special items and holding fees	(2,712)	(866)	(3,578)	231	–	(3,347)
EBITDA	**(5,829)**	**(10,225)**	**(16,054)**	**231**	**227**	**(15,596)**
Depreciation and amortization	(138)	(42)	(180)	–	–	(180)
EBIT	**(5,967)**	**(10,267)**	**(16,234)**	**231**	**227**	**(15,776)**
Finance income						13
Finance expense						(6)
Income tax benefit						405
Loss for the year						**(15,364)**

Special items include kEUR 24,599 (2014: kEUR 3,347) expenses for share based compensation and kEUR 4,031 (2014: kEUR nil) for non-recurring items.

External revenue generated within Germany amounted to kEUR 25,721 in the year ended 31 December 2015 (2014: kEUR 11,360). External revenue from all other countries amounted to kEUR 279,231 in the year ended 31 December 2015 (2014: kEUR 58,264), of which kEUR 103,837 related to the United States (2014: kEUR 10,908) and kEUR 79,069 (2014: kEUR 27,452) related to the Netherlands. Revenues are attributed to individual countries based on the place of delivery.

6. Business combinations

On 2 July 2015 HelloFresh completed the acquisition of 100% of the shares in Cool Delivery BV ("Cool Delivery"), a logistics company located in the Netherlands focused on refrigerated logistics services. This transaction enables the Group to fully insource last mile delivery in the Netherlands and Belgium and as a result offer a significantly better customer experience at a lower cost.

The fair values of the identifiable assets and liabilities as well as the purchase consideration transferred are as follows:

	Fair value recognized on acquisition
	In thousands of EUR
Identifiable net assets acquired	
Property, plant and equipment	61
Trade receivables	866
Other assets	390
Cash	3
Trade payables	(3,230)
Other liabilities	–
Total identifiable net assets at fair value	**(1,910)**
Purchase consideration transferred, net of pre-existing trade accounts receivable due from HelloFresh	
Cash	2,698
Total purchase consideration transferred, net of pre-existing trade accounts receivable due from HelloFresh	**2,698**
Goodwill arising on acquisition	**4,608**

According to the terms of the purchase agreement, the total consideration transferred in cash is kEUR 3,033 of which an amount of kEUR 335 relates to the settlement of pre-existing trade accounts receivable due from HelloFresh. The amounts were settled at their carrying value.

The fair value and the gross contractual amount of trade receivables is kEUR 866. On acquisition date, all amounts were expected to be collectible.

The purchase agreement requires HelloFresh to transfer additional consideration to the former owner of Cool Delivery under two arrangements. The payment of these additional amounts is dependent upon the former owner continuing his employment relationship with HelloFresh and as such, the amounts payable have been excluded from the determination of the consideration transferred with respect to the business combination.

The first arrangement requires HelloFresh to make additional payments to the former owner over the next four years upon the realization of profitability and operational performance targets within a specified range. Dependent upon the actual performance achieved, the payments can range between kEUR 600 and kEUR 2,500 (undiscounted). The obligation under this arrangement is accounted for in accordance with IAS 19 *Employee Benefits.* As of 31 December 2015, an expense of kEUR 200 has been recognized within fulfilment expenses and the related liability is included within current other non-financial liabilities.

The second arrangement involves compensation in the form of virtual share options to the former owner with a vesting period of 48 months. These virtual share options have been accounted for in accordance with IFRS 2 *Share-Based Payment*. For the year ended 31 December 2015, an amount of kEUR 768 has been recognized within fulfilment expenses and the related liability is included in share-based payment liabilities.

The goodwill represents cost savings on shipping expenses (i.e. the margin previously recognized by Cool Delivery) and further synergies from better customer service. The goodwill is not deductible for tax purposes.

Acquisition related costs of kEUR 88 have been charged to general and administrative expenses in the year ended 31 December 2015.

The revenue contributed by Cool Delivery and included in the consolidated statement of comprehensive income for the period from the acquisition date was kEUR 851. Cool Delivery reported a net loss of kEUR (1,075) over the same period, which is impacted by the development of additional transportation hubs in the Belgian market.

If the acquisition had taken place at the beginning of the year, the consolidated statement of comprehensive income for the year ended 31 December 2015 would show pro-forma revenue of kEUR 306,253 and a pro-forma net loss of kEUR (111,134).

7. Goodwill

	31 December 2015	31 December 2014
	In thousands of EUR	
At 1 January 2015	–	–
Acquisition of a subsidiary (Note 6)	4,608	–
At 31 December 2015	**4,608**	–

Goodwill in the amount of kEUR 4,608 acquired through the business combination described in Note 6 is allocated to the Netherlands (including Belgium) cash-generating unit for impairment testing.

The Group performed its annual goodwill impairment test on 31 October 2015. The recoverable amount of the Netherlands (and Belgium) cash-generating unit is determined based on value in use which uses cash flow projections based on financial budgets approved by directors covering a five-year period and a pre-tax nominal discount rate of 13.1%. The discount rate represents the current market assessment of the risks specific to the CGU taking into consideration the time value of money and individual risks of the underlying assets that have not been incorporated in the cash flow estimates. The discount rate calculation is derived from the Company's weighted average cost of capital (WACC), assuming a capital structure derived from a peer group of companies. The cost of debt is based on the borrowing costs of a peer group of companies with similar credit rating. The cost of equity is derived from the expected return on investment by the Group's investors. Cash flow projections during the budget period incorporate a planned increase in gross margins as the business matures and reaches a stable state which is projected to occur by the end of the fifth year. The cash flows beyond that five-year period have been extrapolated assuming a steady 1.94% per annum growth rate, which is the projected average long-term growth rate for the industry and is equal to the expected long-term inflation rate for the Netherlands and Belgium.

The fair value measurement described above is categorized in its entirety as level 3 within the fair value hierarchy. Group management believes that any reasonably possible change in the key assumptions on which the recoverable amount is based would not cause the aggregate carrying amount to exceed the aggregate recoverable amount of the cash-generating unit.

8. Property, plant and equipment

Movements in the carrying amount of property, plant and equipment were as follows:

	Plant and machinery	Furniture, fixtures and other equipment	Assets under construction	Total
	In thousands of EUR			
As at 1 January 2014				
Cost	12	67	–	79
Accumulated depreciation	(3)	(24)	–	(27)
Net book value	**9**	**43**	**–**	**52**
Year ended 31 December 2014				
Opening net book value	9	43	–	52
Additions	510	218	–	728
Disposals	(5)	(2)	–	(7)
Depreciation charge	(22)	(43)	–	(65)
Closing net book value	**492**	**216**	**–**	**708**
As at 31 December 2014				
Cost	514	296	–	810
Accumulated depreciation	(22)	(80)	–	(102)
Net book value	**492**	**216**	**–**	**708**
Year ended 31 December 2015				
Opening net book value	492	216	–	708
Exchange differences	90	10	27	127
Acquisition of subsidiary	61	–	–	61
Additions	2,752	1,386	1,423	5,561
Depreciation charge	(371)	(257)	–	(628)
Closing net book value	**3,024**	**1,355**	**1,450**	**5,829**
As at 31 December 2015				
Cost	3,432	1,663	1,450	6,545
Accumulated depreciation	(408)	(308)	–	(716)
Net book value	**3,024**	**1,355**	**1,450**	**5,829**

During the years ended 31 December 2015 and 2014, impairment of property, plant and equipment was not considered necessary by management.

No borrowing costs were capitalized during the reporting periods. There were neither restrictions on retention of title nor was any property, plant and equipment pledged as security for liabilities.

As at 31 December 2015, the company had a contractual commitment for the acquisition of property, plant and equipment in the amount of kEUR 5,145 (2014: kEUR nil).

9. Intangible assets

As of 31 December 2015 intangible assets comprise software developed by external parties in the amount of kEUR 59 (2014: kEUR 2) and software licenses in the amount of kEUR 7 (2014: kEUR 3).

Amortization is recognized on a straight-line basis and amounted to kEUR 14 during the year ended 31 December 2015 (2014: kEUR 115). During the years ended 31 December 2015 and 2014, impairment of intangible assets was not considered necessary by management.

10. Inventories

Inventories amounted to kEUR 5,605 as of 31 December 2015 (2014: kEUR 1,356). Inventories mainly comprise packaging material and ingredients. Due to just-in-time delivery, no reserves for obsolete inventory were required; inventories with a short shelf life ordered for the previous week's deliveries are directly written-off.

11. Trade receivables

As of 31 December 2015, trade receivables amounted to kEUR 11,493 (2014: kEUR 2,650).

As of 31 December 2015, the Group has recorded an allowance for uncollectible amounts of kEUR 717 (2014: kEUR nil). Bad debt expense for receivables written off of kEUR 1,356 was recognized within other operating expenses in the year ended 31 December 2015 (2014: kEUR 1,643). The receivables written off mainly relate to customers where payment collection failed. The Group engages an external collection agency to support the collection of these amounts. For further information reference is made to Note 26.

12. Cash and cash equivalents

Cash and cash equivalents are comprised as follows:

	31 December 2015	31 December 2014
	In thousands of EUR	
Cash at bank and in hand	72,399	19,760
Cash equivalents	36,836	–
Cash and cash equivalents	**109,235**	**19,760**

As of 31 December 2015, cash equivalents are invested in highly liquid funds rated A- or better.

As of 31 December 2015 and 2014, there were no overdraft positions. Cash balances that are restricted are included within other financial assets. For further information reference is made to Note 13.

13. Financial instruments

All financial assets held by the Group are categorized as loans and receivables; please refer to the accounting policies in Note 2. All financial assets are disclosed below:

	31 December 2015	31 December 2014
	In thousands of EUR	
Other financial assets (non-current)	9,166	–
Trade receivables	11,493	2,650
Other financial assets (current)	1,738	1,099
Cash and cash equivalents	109,235	19,760
Total	**131,632**	**23,509**

Restricted cash balances of kEUR 8,769 (31 December 2014: kEUR nil) and kEUR 219 (31 December 2014: kEUR nil) are included within non-current and current other financial assets, respectively. The restricted cash balances primarily comprise cash deposits for rental leases or letters of credit. Restricted cash is classified as loans and receivables and presented at face value. The remaining balances of other financial assets comprise deposits to payment service providers and marketing agencies.

All financial liabilities are measured at amortized cost and are disclosed below:

	31 December 2015	31 December 2014
	In thousands of EUR	
Trade payables	45,534	11,249
Other financial liabilities (current)	208	71
Total	**45,742**	**11,320**

Management assessed that the fair values of trade receivables, other financial assets, cash and cash equivalents, trade payables and other financial liabilities approximate their respective carrying amounts largely due to the short-term maturities of these instruments. Long term deposits and restricted cash approximate their respective carrying amounts as they bear interest at market rates.

14. Other non-financial assets

Current other non-financial assets amounted to kEUR 9,423 as of 31 December 2015 (2014: kEUR 2,040) and related primarily to VAT receivables (2015: kEUR 6,490; 2014: kEUR 1,399) and prepaid expenses.

15. Other non-financial liabilities

Current other non-financial liabilities amounted to kEUR 12,529 as of 31 December 2015 (2014: kEUR 1,617) and related primarily to deferred revenue (2015: kEUR 9,896; 2014: kEUR 1,160) and accruals for employee benefits (2015: kEUR 1,718; 2014: kEUR 286).

Non-current non-financial liabilities amounted to kEUR 1,196 (2014: kEUR nil) and related primarily to deferred lease incentives on operating leases.

16. Share capital and capital reserves

	Share capital		Capital reserves	
	Number of shares (in pcs)	**Nominal amount (in kEUR)**	**Additional capital paid in (in kEUR)**	**Transaction costs (in kEUR)**
At 1 January 2015	**69,415**	**69**	**39,202**	**(331)**
Issue of share capital (pre-merger)	14,861	15	109,987	(411)
Capital increase in course of merger	119,920,476	119,920	(119,921)	–
Issuance of shares (post-merger)	3,600,576	3,601	71,400	(517)
Capital increase to acquire non-controlling interests	1,399,792	1,400	(5,479)	–
At 31 December 2015	**125,005,120**	**125,005**	**95,189**	**(1,259)**

	Share capital		Capital reserves	
	Number of shares (in pcs)	**Nominal amount (in kEUR)**	**Additional capital paid in (in kEUR)**	**Transaction costs (in kEUR)**
At 1 January 2014	**56,184**	**56**	**14,217**	**(219)**
Issue of share capital	13,231	13	24,985	(112)
At 31 December 2014	**69,415**	**69**	**39,202**	**(331)**

As at 31 December 2015, the issued share capital is 125,005,120 shares of which 533,333 are held as treasury shares. The management board, with the consent of the supervisory board, is authorized to increase the registered share capital until 1 November 2020 by up to 49,109,840 shares (Authorized Capital 2015/I) and by up to 13,392,720 shares (Authorized Capital 2015/II). The share capital may be increased by a further 62,502,560 shares until 3 November 2020 in order to fulfil the granting of shares on the exercise of conversion or option rights or the fulfilment of conversion or option obligations to the holder or creditor of convertible bonds, warrant bonds, profit participation rights and/or income bonds (Conditional Capital 2015). As at 31 December 2015, the total authorized share capital, including the Conditional Capital, is 250,010,240 shares (2014: 69,415 shares).

As discussed in Note 1, effective 30 September 2015, HelloFresh GmbH was legally merged with Brillant 2132. GmbH, a wholly-owned subsidiary. As a result of this legal merger, the shareholders of the former HelloFresh GmbH received 1,424 shares in the new entity for every one share held. This merger resulted in a reclassification within equity from capital reserves to share capital in the amount of kEUR 119,920.

On 29 October 2015, certain subsidiaries were merged into the Company in order to eliminate non-controlling interests (the "roll-up"); all former shareholders of the respective subsidiaries received shares in HelloFresh AG in exchange. The roll-up consisted of two steps, first a capital contribution in kind of certain shares and second the actual merger of the subsidiaries into HelloFresh AG. Please refer to note 30 for further information on the respective transactions.

Transaction costs associated with capital increases are netted against the additional paid in capital within equity (i.e. capital reserves).

On 28 October 2015, the shareholders of the Company authorized the Company to repurchase, directly or indirectly, shares in the amount of up to kEUR 10,000 (533,333 shares) from managing directors of the

Company and certain subsidiaries. The respective share purchase agreements were notarized on 1 November 2015.

All issued and outstanding shares are fully paid in as of 31 December 2015 and 2014. The shares have no par value.

17. Current financial liabilities

	31 December 2015	31 December 2014
	In thousands of EUR	
Trade payables	45,534	11,249
Other financial liabilities	208	71
Current financial liabilities	**45,742**	**11,320**

Trade payables increased significantly in 2015 due to the continued strong growth of the group and primarily comprise balances payable to food suppliers, carriers and partners providing warehousing as well as packing services. Current other financial liabilities of kEUR 208 (31 December 2014: kEUR 71) relate to credit card liabilities.

18. Provisions

Provisions of kEUR 2,503 as of 31 December 2015 (2014: kEUR 181) relate primarily to onerous contracts. The provision for onerous contracts results from promotional discounts given to customers through external offerings of marketing portals and committed orders utilizing promotional discounts directly handed out by HelloFresh. These promotional discounts may result in attributable costs exceeding net selling prices, which are accrued for. The charge is recognized in profit or loss within cost of goods sold. The balance at 31 December 2015 is expected to be fully utilized in 2016.

19. Share-based compensation

The Group operates three share based compensation plans whereby eligible employees are granted the opportunity to invest, directly or indirectly, in equity instruments of the Company or its subsidiaries. Under the first plan, initiated in 2011, shares are awarded directly to the respective employees but are held by a trustee. Under the other plans, both initiated in 2013, share options are granted; however, whereas under one plan the beneficiary is awarded an option to purchase equity instruments, under the other plan eligible employees are granted virtual options that can be either settled in equity or cash.

The share-based payment awards generally have a vesting period of 36 or 48 months. The first tranche vests after 6 or 12 months, while the remaining awards vest in equal instalments on a quarterly basis over the remainder of the vesting period. A number of the share awards vest at the later of 36 or 48 months and the date of an exit event.

The difference between the estimated fair market value at grant date and the exercise price is recorded as share-based payment expense over the vesting period. Management has employed the "prior sale of company stock" method, a form of the market approach, to estimate the aggregate enterprise value at the group level, taking into account the Company's share price paid in prior arm's length sales of the Company's equity securities. A deduction is made for the lack of marketability of the related instruments. The fair values of the subsidiaries' shares have been estimated based on cash flows expected to be generated in the future. Due to different market conditions, maturity and size of the subsidiaries' operations, the fair value per award granted during a period differs significantly. No dilution effect from loans granted by the Company to subsidiaries has been considered in determining the fair value per share of the subsidiaries.

All share-based payment awards are classified as equity-settled awards, unless the plan or factual circumstances prevent the Company from settling in equity. Since 2 November 2015 the Company is subject to the requirements of the German stock corporation law ("Aktiengesetz") that set certain restrictions on capital increases, including restrictions on dilution shares and capital increases for the purpose of honouring share option awards. As a result, virtual options that allow for settlement in equity or cash were re-classified to cash-settled awards as of that date.

Further, as a result of the legal merger of HelloFresh GmbH with Brillant 2132. GmbH, described in Note 16, the existing share-based payment agreements were adjusted. Prior to the legal merger, eligible employees were granted options to acquire shares at an exercise price of EUR 1 per share. Following the legal merger the existing share-based payment agreements were replaced with new agreements to reflect the change in the Company's number of shares. This resulted in the eligible employees paying higher exercise prices for an equivalent proportionate interest in the Company. It was agreed that the Company will compensate the employees for this disadvantage on the date of exercise. As this change did not result in any additional benefit for the employees, no incremental share-based payment expense was recognized.

In the past share-based payment awards were also granted at subsidiary level by the Group's sub-holdings for country management and personnel. However, the roll-up of the Group's sub-holdings described in Note 16 resulted in an exchange of shares or options in the sub-holding into shares or options of the Company. This exchange did not trigger the recognition of incremental share-based payment expenses as this exchange did not result in any additional benefit for the employees; i.e. there is no incremental fair value to the new agreements. Virtual options that were not exchanged will be settled by the Company as the legal successor of the sub-holdings.

Share Awards

The table below illustrates the number of, and movements in, share-based payment awards related to shares in the Company and its subsidiaries:

	2015 Number of shares	**2014 Number of shares**
Number of unvested awards outstanding at the beginning of the period	**1,272**	**4,587**
Granted during the period (pre-merger)	–	250
Conversion of unvested share awards as a result of merger	461,072	–
Forfeited during the period	(8,333)	(746)
Vested during the period	(278,681)	(2,819)
Number of unvested awards outstanding at the end of the period	**175,330**	**1,272**

Due to the nature of the plan, under which shares were directly awarded to the respective employees, the weighted average exercise price ("WAEP") is nil.

The weighted average remaining contractual life for the awards outstanding as at 31 December 2015 was 1.1 years (2014: 2.3 years).

In the table above, share awards are presented as granted in the period that the service commencement and expense recognition have started.

Share-Option Awards

Since 2013, the Company has been granting share option awards to eligible employees under two plans. The first plan is wholly equity-settled. The second plan stipulates a choice for the Company between settling in cash and equity if a listing of the Company occurs. As the Company has no past settlement practice, these awards are accounted for as equity-settled based on the expectation that a listing will have occurred before the settlement date and the stated policy of settling in equity. However, following conversion of the legal form of the Company to a German stock corporation effective 2 November 2015, the Company is subject to limitations on capital increases from the exercise of share option awards. Therefore, awards issued under the second plan were reclassified as cash-settled awards as of that date.

The table below illustrates the number and weighted average exercise prices of, and movements in, share options related to shares in the Company. Share option awards are presented as granted in the period that

the service commencement and expense recognition have started. 2014 amounts include options in subsidiary shares that have been exchanged for share options in the Company in 2015.

	2015 Number of options	2015 WAEP (EUR)	2014 Number of options	2014 WAEP (EUR)
Number of awards outstanding at the beginning of the period	**2,258**	**1**	**25**	**1**
Granted during the period (pre-merger)	7,311	1,704.58	2,233	1
Conversion of share awards as a result of merger	12,467,519	0.91	–	–
Granted during the period (post-merger)	1,018,160	10.83	–	–
Forfeited during the period	(38,448)	5.40	–	–
Number of awards outstanding at the end of the period	**13,456,800**	**2.57**	**2,258**	**1**

The weighted average remaining contractual life for the options outstanding as at 31 December 2015 was 1.7 years (2014: 2.8 years).

Of the 13,456,800 options outstanding as of 31 December 2015 (2014: 2,258) that related to shares in the Company, 3,111,559 options (2014: 301) were exercisable.

The table below illustrates the number and weighted average exercise prices (WAEP) of, and movements in, virtual shares that were not exchanged for instruments issued by the Company in 2015. All virtual options are classified as cash settled as at 31 December 2015:

	2015 Number of options	2015 WAEP (EUR)	2014 Number of options	2014 WAEP (EUR)
Number of awards outstanding at the beginning of the period	**1,135**	**1**	**813**	**1**
Granted during the period	255	8,125.49	322	1
Forfeited during the period	(618)	1	–	–
Number of awards outstanding at the end of the period	**772**	**2,687.08**	**1,135**	**1**

The weighted average remaining contractual life for the options outstanding as at 31 December 2015 was 3.0 years (2014: 2.6 years). The total intrinsic value at the end of the reporting period for vested cash settled virtual options amounted to kEUR 8,870 (2014: kEUR 250).

Of the 772 options outstanding as of 31 December 2015 (2014: 1,135) that related to shares in subsidiaries of the Company, nil options (2014: nil) were exercisable as options are only exercisable after occurrence of a specified exit event, including an IPO.

Inputs into the model

	2015	2014
Grant date fair value (EUR)	19	4,994
Exercise price (EUR)	1-20.83	1
Expected volatility	45.9%	50.8%
Expected term (in years)	0.8	1.3
Expected dividend yield	Nil	Nil
Risk-free interest rate	0.00%	0.00%

Expected volatility was determined based on the historical volatility of a comparable peer group of companies, measured at the estimated grant date over a period consistent with the expected life at that date.

Share-based payment awards have been granted to employees with various service commencement dates in 2015. If agreements have not yet been signed and a grant date for accounting purposes has not been established as of 31 December 2015, the expense recognition is based on an estimated grant date of 31 December 2015. When the grant date has been established for IFRS 2 purposes, the grant date fair value will be finally determined and will remain unchanged for the life of the award. The expense recognition is based on the grant date fair value and the expectation of the number of awards ultimately vesting; changes to these expectations are reflected prospectively.

In 2015, the total share-based payment expense recognized as employee benefit expenses amounted to kEUR 24,599 (2014: kEUR 3,347), of which the expense for the equity-settled share-based payment awards amounted to kEUR 16,736 (2014: kEUR 3,079) and the expense for cash-settled share-based payment awards amounted to kEUR 7,863 (2014: kEUR 268). Further, as a result of the change of virtual options from equity settled to cash-settled, an amount of kEUR 824 was reclassified from other reserves to share-based payment liabilities and forms part of the carrying amount of kEUR 8,597 as of 31 December 2015.

20. Depreciation, amortisation and costs of inventories included in the consolidated statement of comprehensive income

	2015	2014
	In thousands of EUR	
Included in cost of goods sold:		
Depreciation and amortization	35	12
Cost of inventories recognized as an expense	141,166	30,403
Included in marketing expenses:		
Depreciation and amortization	190	76
Included in fulfilment expenses:		
Depreciation and amortization	290	25
Included in general and administrative expenses:		
Depreciation and amortization	127	68

21. Employee benefit expenses

	2015	2014
	In thousands of EUR	
Included in cost of goods sold:		
Wages and salaries	1,398	453
Social security costs	86	82
Share-based payment expense	362	103
Included in marketing expenses:		
Wages and salaries	8,356	2,039
Social security costs	541	390
Share-based payment expense	11,693	822
Included in fulfilment expenses:		
Wages and salaries	8,275	614
Social security costs	127	143
Share-based payment expense	1,446	5
Included in general and administrative expenses:		
Wages and salaries	4,753	1,344
Social security costs	545	235
Share-based payment expense	11,098	2,417
Total employee benefit expenses	**48,680**	**8,647**

22. Other operating income and expenses

Other operating income for the year is comprised of the following:

	2015	2014
	In thousands of EUR	
Foreign exchange gains	46	481
Other	132	–
Total	**178**	**481**

Other operating expenses for the year are comprised of the following:

	2015	2014
	In thousands of EUR	
Bad debt expense	1,519	1,643
Foreign exchange losses	–	11
Other	77	–
Total	**1,596**	**1,654**

23. Finance income and expense

For the year ended 31 December 2015 finance income of kEUR 138 (2014: kEUR 13) resulted primarily from current bank balances and proceeds from cash equivalents. Finances expense of kEUR 1,386 (2014: kEUR 6) mainly resulted from foreign exchange and other valuation losses on cash and cash equivalents.

24. Income taxes

Income tax benefit (expense) recorded in profit or loss is comprised as follows:

	2015	2014
	In thousands of EUR	
Current tax expense	(3)	(29)
Deferred tax expense	–	434
Income tax benefit (expense)	**(3)**	**405**

The income tax expense can be reconciled to the accounting loss as follows:

	2015	2014
	In thousands of EUR	
Loss before income tax	(116,754)	(15,769)
Tax calculated at domestic tax rates applicable to results in the respective jurisdictions	35,049	5,181
Expenses which are not deductible for tax purposes:		
- Share-based payments	(4,590)	(985)
- Other expenses	(1,750)	(116)
Unrecognized deferred tax asset on temporary differences	–	(65)
Unrecognized tax losses for the year	(38,811)	(3,927)
Recognized losses from prior years	–	319
Other	99	(1)
Income tax benefit (expense) for the year	**(3)**	**405**
Effective tax rate	***0%***	***3%***

The weighted average applicable tax rate for the year ended 31 December 2015 was 30% (2014: 33%) which was derived from the tax rate in each tax jurisdiction weighted by the relevant pre-tax loss.

Deferred Taxes

As of 31 December 2015, deferred tax assets amounted to kEUR 434 (2014: kEUR 434) and were related to unused tax loss carry forwards. Deferred income tax assets are recognized for tax loss carry forwards to the extent that the realization of the related tax benefit through future taxable profits is probable or deferred tax liabilities are recognized. The deferred tax asset recognized as of 31 December 2015 relates solely to the legal entity in the Netherlands.

Tax loss carry-forwards

As of 31 December 2015, the Company has unrecognized tax loss carry forwards of kEUR 127,352 (2014: kEUR 33,014).

The allowable time periods for the recovery of unrecognized tax losses are disclosed below:

	31 December 2015	31 December 2014
	In thousands of EUR	
Expiring within 9 years	(9,318)	(2,297)
Subject to minimum tax rules, expiring within 20 years	(69,518)	(17,268)
Subject to minimum tax rules, unlimited usability	(20,429)	(5,665)
Unlimited usability	(28,087)	(7,784)
Total unrecognized tax losses	**(127,352)**	**(33,014)**

In November 2015, the Company received approval from the New Jersey Economic Development Authority (NJEDA) in the United States of America for a 10-year tax benefit under the Grow New Jersey Assistance Program to relocate and expand its operations based in Newark, New Jersey. Receipt of the tax credits is dependent upon compliance with certain requirements related to capital investment as well as job creation and retention targets over a period of 15 years. These tax credits, which are limited to a maximum amount of USD 37 million, will be earned and recognized in the financial statements commencing in 2016 subject to the requirements being met and approval being granted by the NJEDA.

25. Loss per share

Loss per share is calculated as follows:

	2015	2014
Loss for the year (in kEUR)	(116,757)	(15,364)
Weighted average number of ordinary shares in issue (in thousands)	118,873	90,791
Basic and diluted loss per share	**(0.98)**	**(0.17)**

In accordance with IAS 33 *Earnings per share (IAS 33)*, the effects of anti-dilutive potential shares have not been included when calculating diluted loss per share for the years ended 31 December 2015 and 2014. As a result, the diluted loss per share is the same as the basic loss per share.

In accordance with IAS 33, the weighted average number of ordinary shares in issue used in the calculation of the loss per share for the year ended 31 December 2014 has been restated to take into account the effects of the merger discussed in Note 16 as the merger resulted in an increase in the number of shares outstanding without a corresponding increase in resources.

26. Financial risk management

The risk management function within the Company is carried out in respect of financial risks, operational risks and legal risks. Financial risk comprises market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk. The primary objectives of the financial risk management function are to establish risk limits, and ensure that exposure to risks stays within these limits. The operational and legal risk management functions are intended to ensure proper functioning of internal policies and procedures, in order to minimize operational and legal risks. Risk management is carried out by a central finance department under the control of management.

Credit Risk

The Group is exposed to credit risk, which is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. Exposure to credit risk arises as a result of the sales of products offering various payment methods and other transactions with counterparties giving rise to financial assets. On account of the type of business, exposure to credit risk with commercial counterparties is limited because cash is usually received at the time of the sale or delivery or up to 14 days after the order. However, depending on the type of payment, issues to collect the respective payments prior to delivery can occur which result in receivables from individual customers which are subject to a higher level of credit risk.

The Company's maximum exposure to credit risk by class of assets is as follows:

	31 December 2015	31 December 2014
	In thousands of EUR	
Trade receivables	11,493	2,650
Other financial assets (current)	1,738	1,099
Cash and cash equivalents	109,235	19,760
Other financial assets (non-current)	9,166	–
Total maximum exposure to credit risk	**131,632**	**23,509**

The Company structures the levels of credit risk it undertakes by placing limits on the amount of risk accepted in relation to counterparties or groups of counterparties. Limits on the level of credit risk are approved regularly by management. Such risks are monitored on a revolving basis and are subject to an annual, or more frequent, review.

Credit risk related to doubtful accounts subject to legal action or to overdue accounts is monitored centrally on a regular basis. An external collection agency is engaged to pursue outstanding amounts in all countries of operation.

Of the Company's bank deposits, kEUR 31,299 (2014: kEUR 17,831), included within cash and cash equivalents and kEUR 2,251 (2014: kEUR nil), included within other financial assets, are held with only one bank thus exposing the Company to a concentration of credit risk. The bank is rated BBB+ by Standard & Poors as of the date of these financial statements.

The composition of trade receivables by geographic location of amounts due from payment service providers ("PSP") and customers was as follows:

31 December 2015

	PSP	Customers	Total
	In thousands of EUR		
Trade receivables			
Germany (including Austria)	11	408	419
Netherlands (including Belgium)	4,155	1,546	5,701
United Kingdom	1,120	500	1,620
United States	2,845	354	3,199
Australia	35	519	554
Total trade receivables	**8,166**	**3,327**	**11,493**

31 December 2014

	PSP	Customers	Total
	In thousands of EUR		
Trade receivables			
Germany (including Austria)	108	55	163
Netherlands (including Belgium)	1,142	112	1,254
United Kingdom	431	9	440
United States	456	38	494
Australia	35	264	299
Total trade receivables	**2,172**	**478**	**2,650**

For the Group's payment service providers the credit risk is considered low and payments are expected within 15 business days. Receivables from customers relate to amounts outstanding from customers which were not collected from the respective payment service providers. These receivables are subject to higher credit risk and therefore monitored and pursued by an external collection agency. Management regularly reviews the aging structure of these receivables and decides on write-offs on an individual basis. During the year ended 31 December 2015 trade receivables of kEUR 1,356 (2014: kEUR 1,643) were written off in the ordinary course of business. As of 31 December 2015, an allowance for uncollectible amounts in the amount of kEUR 717 (2014: kEUR nil) was recognized for the outstanding trade receivables due from customers.

In the regular course of business, the Company makes deposits with various counterparties to commercial agreements. The maximum credit risk related to such deposits as of 31 December 2015 amounted to kEUR 1,415 (2014: kEUR 976) included within current other financial assets and kEUR 394 (2014: kEUR nil) included within non-current other financial assets in the statement of financial position.

Market Risk

The Company takes on exposure to market risks. Market risk is the risk that changes in market prices, such as the achievable selling prices for goods or the price level for food and other merchandise, will affect the Group's results of operations or the value of the financial instruments held. Market risks also arise from open positions in foreign currencies. Management sets limits on the value of risk that may be accepted, which are monitored on a regular basis. However, the use of this approach does not prevent losses outside of these limits in the event of more significant market movements.

Sensitivities to market risks included below are based on a change in a factor while holding all other factors constant. In practice this is unlikely to occur and changes in some of the factors may be correlated—for example, changes in interest rates and changes in foreign currency rates.

Currency Risk

Currency risk arises on financial instruments that are denominated in a currency other than the functional currency in which they are measured. The Company operates internationally through local operating subsidiaries. These subsidiaries predominantly execute their operating activities in their respective functional currencies. The table below demonstrates the sensitivity to a reasonably possible change in the closing exchange rate of the Euro against significant currencies, with all other variables held constant. The sensitivities are based on financial assets and financial liabilities held at the end of the reporting period, where balances are not denominated in the functional currency of the entity.

31 December 2015

	Change in rate	Effect on income
	In thousands of EUR	
Foreign currency sensitivity		
US Dollar	+10%	4,059
	−10%	(4,059)
British Pound	+10%	799
	−10%	(799)
Australian Dollar	+10%	230
	−10%	(230)

31 December 2014

	Change in rate	Effect on income
	In thousands of EUR	
Foreign currency sensitivity		
US Dollar	+10%	322
	−10%	(322)

Liquidity Risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Company conducts regular calls on its available cash resources. Liquidity risk is managed by the management of the Company. Management monitors cash balances on a weekly basis.

The Group seeks to maintain a stable funding base through early customer payments, resulting in a negative working capital balance and thus optimizing the cash flow from operations. As of 31 December 2015 the Group's current assets (kEUR 137,494) exceeded current liabilities (kEUR 60,808) by an amount

of kEUR 76,686. Further, cash from external inventors such as venture capitalists is acquired to support growth.

The Group's financial liabilities as of 31 December 2015 amounted to kEUR 45,742 (2014: kEUR 11,320) and consisted primarily of trade payables. All financial liabilities were due within 30 days for all periods. Hence, the undiscounted cash flows from these liabilities approximate the carrying amounts as of the balance sheet dates.

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Company does not have formal policies and procedures in place for management of interest rate risks as management considers this risk as insignificant to the Company's business.

27. Capital management

Concerning capital management, the Company's policy is to preserve a strong and sustainable capital base in order to maintain investor, business partner, and market confidence and to support future business development.

The equity ratio of the Company has developed as follows:

	31 December 2015	31 December 2014
	In thousands of EUR	
Total equity	**87,638**	**14,630**
Total liabilities	70,961	13,422
Total equity and liabilities	158,599	28,052
Equity ratio in %	**55,26%**	**52.15%**

28. Balances and transactions with related parties

Rocket Internet SE, Berlin, Germany (Rocket Internet) is the main shareholder with majority ownership in HelloFresh AG.

The Company and Rocket Internet have entered into an agreement whereby Rocket Internet charges the Company for the services of their personnel engaged in line or staff functions on a short term basis relating specifically to the operations of the Company (the "Management Services Agreement"). The charges, which are included in general and administrative expenses, were kEUR 1,683 (2014: kEUR 107). As of 31 December 2015, the outstanding balances payable were kEUR 279 (2014: kEUR 22).

During the year ended 31 December 2015, the Group sublet office space to Rocket Internet subsidiaries for which it received payments of kEUR 164. No amounts are outstanding as at 31 December 2015.

Transactions with other related parties

Parties are considered to be related if the parties are under common control or if one party has the ability to control the other party or can exercise significant influence or joint control over the other party in making financial and operational decisions. In considering each possible related party relationship, attention is directed to the substance of the relationship, not merely the legal form. In addition, a related party is any executive officer, director (or nominee for director), including any of their immediate family members and any entity owned or controlled by such persons.

There were no transactions with outstanding balances for services with other related parties during the financial years 2015 and 2014.

As of 31 December 2015 and 2014, the members of the management board of HelloFresh AG indirectly held 4.57% of shares in HelloFresh AG via Bambino 53. V V UG (haftungsbeschränkt), a company incorporated on 25 May 2010 and registered in the commercial register of Charlottenburg (Berlin) under HR B 126893. The company has its registered office at Johannisstrasse 20, 10117 Berlin.

With contract dated 1 November 2015, a total of 533,333 shares have been reacquired from key management and subsidiary management for a total consideration of EUR 10 million. The purchase price was set based on the share price paid during the most recent capital increase, adjusted for a lack of marketability discount.

Further, lines of credit have been agreed with four key management members of the Company's subsidiaries. The respective individuals held share based compensation awards in sub-holdings that were merged into HelloFresh AG in 2015 (please refer to Note 30 for further information). These share based compensation awards were exchanged for respective instruments in HelloFresh AG. This transaction had adverse effects on tax positions on such management personnel, resulting in tax payments on book gains ("dry income tax"). To address such adverse effects, the Company granted a line of credit to each individual, which is dependent on the obligation to make the payments to the relevant tax authorities. There were no outstanding balances at 31 December 2015.

Key management compensation

Key management includes the Chief Executive Officer, the Chief Operating Officer and, starting in 2015, the Chief Financial Officer.

Compensation paid to key management of the Group for their services consists of contractual salary (short-term employee benefits) and equity participation in the form of shares or options (share-based payments). Total salaries of the key management personnel included in employee benefit expenses for the year ended 31 December 2015 amounted to kEUR 404 (2014: kEUR 210). Share-based payment expense for compensation of key management personnel for the year ended 31 December 2015 amounted to kEUR 5,897 (2014: kEUR 109).

Supervisory board compensation

Expenses incurred for the remuneration of the supervisory board in 2015 amounted to kEUR 13 (2014: kEUR nil).

29. Contingencies and commitments

The Group leases facilities and equipment under long-term operating leases. Key leasing agreements mainly concern leased buildings. The majority of these contracts can be renewed on a yearly or quarterly basis. Some of these agreements may be terminated prematurely.

Where the Company is the lessee, the future minimum lease payments under non-cancellable operating leases are as follows.

	2015	2014
	In thousands of EUR	
Not later than 1 year	7,082	198
Later than 1 year and not later than 5 years	30,266	591
After 5 years	6,893	–
Total operating lease commitments	**44,241**	**789**

For the year ended 31 December 2015, total expenses for operating leases amounted to kEUR 4,463 (2014: kEUR 791).

In addition to the above, the Company has in place service agreements with suppliers to assist with picking and packaging of inventories into meal kits. Future minimum payments for contracts specifying minimum quantities are as follows:

	2015	2014
	In thousands of EUR	
Not later than 1 year	789	707
Later than 1 year and not later than 5 years	19	643
Total commitments	**808**	**1,350**

30. Principal subsidiaries

The Company held shares in the following subsidiaries at 31 December:

Entity name	Country of Incorporation	Nature of Business	consolidated since	date consolidation ceased	Equity interest (%)	
					2015	2014
Bambino 93. V V UG (haftungsbeschraenkt)	Germany	Holding	01 Jan 2012	n/a	100%	100%
HelloFresh Netherlands Holding UG (haftungsbeschraenkt)	Germany	Holding	01 Jan 2012	29 Oct 2015	n/a	95.6%
Bambino 86. V V UG (haftungsbeschraenkt)	Germany	Holding	01 Jan 2012	29 Oct 2015	n/a	95.4%
HelloFresh France Holding UG (haftungsbeschraenkt)	Germany		01 Jan 2012	n/a	100%	100%
Bambino 93. V V UG (haftungsbeschraenkt) & Co. Verwaltungs KG	Germany	Holding	01 Jan 2012	29 Oct 2015	n/a	96.0%
Bambino 93. V V UG (haftungsbeschraenkt) & Co. Zweite Verwaltungs KG	Germany	Holding	01 Jan 2012	n/a	100%	100%
Bambino 93. V V UG (haftungsbeschraenkt) & Co. Erste Verwaltungs KG	Germany	Holding	01 Jan 2012	29 Oct 2015	n/a	89,8%
HelloFresh Deutschland AG & Co. KG	Germany	Operating	10 Dec 2015	n/a	100%	n/a
HelloFresh Deutschland Produktions AG & Co. KG	Germany	Operating	14 Aug 2015	n/a	100%	n/a
HelloFresh Deutschland Management GmbH	Germany	Holding	27 Jul 2015	n/a	100%	n/a
Juwel 230. V V UG (haftungsbeschränkt)	Germany	Dormant	14 Aug 2015	n/a	100%	n/a
Grocery Delivery E-Services the Netherlands B.V.	Netherlands	Operating	01 Jan 2012	n/a	100%	95.6%
Grocery Delivery E-Services UK Ltd.	United Kingdom	Operating	01 Jan 2012	n/a	100%	95.4%
Grocery Delivery E-Services Australia Pty Ltd.	Australia	Operating	01 Jan 2012	n/a	100%	96.0%
Grocery Delivery E-Services USA Inc.	United States	Operating	01 Jan 2012	n/a	100%	89,8%
Grocery Delivery E-Services France	France	Operating	01 Jan 2012	03 Feb 2015	n/a	100%

The proportions of the voting rights in the subsidiaries are the same as the ownership interests presented in the table.

Grocery Delivery E-Services France ceased operations in 2013 and was liquidated on 3 February 2015. With contract dated 13 October 2015 shares in a nominal amount of EUR 125 and EUR 364 of Bambino 86. V V UG (haftungsbeschraenkt) and Bambino 93. V V UG (haftungsbeschraenkt) & Co. Erste Verwaltungs KG, respectively, have been merged into HelloFresh AG by means of a contribution in kind. Subsequently, HelloFresh Netherlands Holding UG (haftungsbeschraenkt), Bambino 93. V V UG (haftungsbeschraenkt) & Co. Verwaltungs KG, Bambino 93. V V UG (haftungsbeschraenkt) & Co. Erste Verwaltungs KG and Bambino 86. V V UG (haftungsbeschraenkt) were merged into HelloFresh AG with contract dated 28 October 2015 by means of a legal merger ("Verschmelzung") and have thus ceased to exist effective 2 November 2015. As of 31 December 2015, the Company holds 100%, directly or indirectly, of the equity interests in all of its subsidiaries.

As a result of these mergers, total non-controlling interests as of 31 December 2015 amounted to kEUR nil (2014: kEUR (1,013)). There were no dividends paid to non-controlling interests during the years ended 31 December 2015 and 2014.

The subsidiary Grocery Delivery E-Services UK Ltd. is taking advantage of the exemption from audit in accordance with section 479A of the UK Companies Act 2006.

31. Number of employees

	2015	2014
Germany (including Austria)	122	51
Netherlands (including Belgium)	32	20
United Kingdom	55	15
United States	286	20
Australia	30	12
Total	**525**	**118**

32. Auditors' fees

Principal auditors' fees, recognized as an expense in the reporting period, are detailed in the table below:

	2015	2014
	In thousands of EUR	
Audit fees	385	272
Other assurance fees	703	–
Tax consultation fees	242	40
Other fees	105	–
Total	**1,435**	**312**

33. Events after the reporting period

There were no events after the reporting period that had a significant impact on the situation of the company and would require disclosure in accordance with IAS 10.

Berlin, 22 March 2016

Dominik S. Richter
Chief Executive Officer

Thomas W. Griesel
Chief Operating Officer

Christian Gaertner
Chief Financial Officer

The following audit opinion (Bestätigungsvermerk) refers to the consolidated financial statements prepared on the basis of International Financial Reporting Standards as adopted by the EU, and the additional requirements of German commercial law pursuant to Sec. 315a HGB ("Handelsgesetzbuch": "German Commercial Code") as well as the combined management report prepared on the basis of German commercial law (HGB) of HelloFresh AG as of and for the year ended December 31, 2015 as a whole and not solely to the consolidated financial statements presented in this prospectus on the preceding pages. The above-mentioned audit opinion (Bestätigungsvermerk) and consolidated financial statements are both translations of the respective German-language documents.

Audit Opinion

We have audited the consolidated financial statements prepared by HelloFresh AG, Berlin, comprising the statement of financial position, the statement of comprehensive income, the statement of cash flows, the statement of changes in equity and the notes to the financial statements, together with the combined management report for the fiscal year from 1 January 2015 to 31 December 2015. The preparation of the consolidated financial statements and the combined management report in accordance with IFRSs as adopted by the EU and the additional requirements of German commercial law pursuant to Sec. 315a HGB ("Handelsgesetzbuch": German Commercial Code) is the responsibility of the Company's management. Our responsibility is to express an opinion on the consolidated financial statements and on the combined management report based on our audit.

We conducted our audit of the consolidated financial statements in accordance with Sec. 317 HGB and German generally accepted standards for the audit of financial statements promulgated by the Institut der Wirtschaftsprüfer (Institute of Public Auditors in Germany) (IDW). Those standards require that we plan and perform the audit such that misstatements materially affecting the presentation of the net assets, financial position and results of operations in the consolidated financial statements in accordance with (German) principles of proper accounting and in the combined management report are detected with reasonable assurance. Knowledge of the business activities and the economic and legal environment of the Group and expectations as to possible misstatements are taken into account in the determination of audit procedures. The effectiveness of the accounting-related internal control system and the evidence supporting the disclosures in the consolidated financial statements and the combined management report are examined primarily on a test basis within the framework of the audit. The audit includes assessing the annual financial statements of those entities included in consolidation, the determination of entities to be included in consolidation, the accounting and consolidation principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that our audit provides a reasonable basis for our opinion.

Our audit has not led to any reservations.

In our opinion, based on the findings of our audit, the consolidated financial statements comply with IFRSs as adopted by the EU and the additional requirements of German commercial law pursuant to Sec. 315a HGB and give a true and fair view of the net assets, financial position and results of operations of the Group in accordance with (German) principles of proper accounting. The combined management report is consistent with the consolidated financial statements and as a whole provides a suitable view of the Group's position and suitably presents the opportunities and risks of future development.

Berlin, 22 March 2016

Ernst & Young GmbH
Wirtschaftsprüfungsgesellschaft

Canzler	von Michaelis
Wirtschaftsprüfer	Wirtschaftsprüfer
(German Public Auditor)	(German Public Auditor)

HelloFresh GmbH

Audited Consolidated Financial Statements
as of and for the years ended December 31, 2014,
December 31, 2013 and December 31, 2012
(prepared in accordance with IFRS)

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HelloFresh GmbH
CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Assets	Note	31 December 2014	31 December 2013	31 December 2012	1 January 2012
		In thousands of EUR			
Non-current assets					
Property, plant and equipment	**7**	708	52	33	3
Intangible assets	**8**	5	117	242	–
Deferred income tax assets	**23**	434	–	–	–
Total non-current assets		**1,147**	**169**	**275**	**3**
Current assets					
Inventories	**9**	1,356	111	40	–
Trade receivables	**10,12**	2,650	342	107	–
Other financial assets	**12**	1,099	261	256	16
Other non-financial assets	**13**	2,040	498	299	1
Cash and cash equivalents	**11,12,25**	19,760	3,840	1,069	2,585
Total current assets		**26,905**	**5,052**	**1,771**	**2,602**
Total assets		**28,052**	**5,221**	**2,046**	**2,605**

Equity and Liabilities	Note	31 December 2014	31 December 2013	31 December 2012	1 January 2012
Equity					
Share capital	**15**	69	56	47	32
Capital reserves		38,871	13,998	6,425	2,493
Other reserves		5,835	2,819	1,656	128
Accumulated losses		(28,634)	(14,077)	(7,807)	(256)
Other comprehensive (loss) income		(498)	129	11	–
Equity attributable to the Company's shareholders		**15,643**	**2,925**	**332**	**2,397**
Non-controlling interests		(1,013)	(212)	(46)	–
Total equity		**14,630**	**2,713**	**286**	**2,397**
Non-current liabilities					
Share-based payment liabilities	**18**	270	2	–	–
Total non-current liabilities		**270**	**2**	**–**	**–**
Current liabilities					
Other financial liabilities	**16**	71	100	506	100
Trade and other payables	**16**	11,249	2,125	1,146	90
Provisions	**17**	181	–	–	–
Income tax liabilities	**23**	34	1	–	–
Other non-financial liabilities	**14**	1,617	280	108	18
Total current liabilities		**13,152**	**2,506**	**1,760**	**208**
Total equity and liabilities		**28,052**	**5,221**	**2,046**	**2,605**

HelloFresh GmbH
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Note	Years ended 31 December 2014	2013	2012
		In thousands of EUR		
Revenue		69,624	14,158	2,322
Cost of goods sold	**19,20**	(31,142)	(6,818)	(2,082)
Gross profit		**38,482**	**7,340**	**240**
Selling expenses				
Fulfilment expenses	**19,20**	(23,149)	(5,530)	(1,186)
Marketing expenses	**19,20**	(22,393)	(4,459)	(1,756)
General and administrative expenses	**19,20**	(7,543)	(3,825)	(4,311)
Other operating income	**21**	481	448	50
Other operating expenses	**21**	(1,654)	(436)	(647)
Operating loss		**(15,776)**	**(6,462)**	**(7,610)**
Finance income	**22**	13	4	10
Finance expense	**22**	(6)	(5)	(1)
Loss before income tax benefit (expense)		**(15,769)**	**(6,463)**	**(7,601)**
Income tax benefit (expense)	**23**	405	(1)	–
Loss for the year		**(15,364)**	**(6,464)**	**(7,601)**
attributable to:				
Owners of the Company		(14,557)	(6,270)	(7,551)
Non-controlling interests		(807)	(194)	(50)
Other comprehensive income:				
Items that may be subsequently reclassified to profit and loss				
Exchange differences on translation to presentation currency		(684)	123	11
Other comprehensive (loss) income for the year		(684)	123	11
Total comprehensive loss for the year		**(16,048)**	**(6,341)**	**(7,590)**
Total comprehensive loss attributable to:				
Owners of the Company		(15,184)	(6,152)	(7,540)
Non-controlling interests		(864)	(189)	(50)
Basic and diluted loss per share (in EUR)	**24**	(240.97)	(130.00)	(226.26)

HelloFresh GmbH
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Attributable to owners of the Company						Attributable to non-controlling interests	Total
	Share capital	Capital reserves	Other reserves	Accumulated losses	Other comprehensive (loss) income	Total		
	In thousands of EUR							
At 1 January 2012	**32**	**2,493**	**128**	**(256)**	**–**	**2,397**	**–**	**2,397**
Loss for the year				(7,551)		(7,551)	(50)	**(7,601)**
Currency translation					11	11	–	**11**
Total comprehensive loss for the year				(7,551)	11	(7,540)	(50)	**(7,590)**
Issue of share capital	14	3,932				3,947	4	**3,951**
Share-based payments			1,528			1,528		**1,528**
Balance at 31 December 2012	**47**	**6,425**	**1,656**	**(7,807)**	**11**	**332**	**(46)**	**286**
Loss for the year				(6,270)		(6,270)	(194)	**(6,464)**
Currency translation					118	118	5	**123**
Total comprehensive loss for the year				(6,270)	118	(6,152)	(189)	**(6,341)**
Issue of share capital	9	7,573				7,582	2	**7,584**
Share-based payments			1,163			1,163	21	**1,184**
Balance at 31 December 2013	**56**	**13,998**	**2,819**	**(14,077)**	**129**	**2,925**	**(212)**	**2,713**
Loss for the year				(14,557)		(14,557)	(807)	**(15,364)**
Currency translation					(627)	(627)	(57)	**(684)**
Total comprehensive loss for the year				(14,557)	(627)	(15,184)	(864)	**(16,048)**
Issue of share capital	13	24,873				24,886		**24,886**
Share-based payments			3,016			3,016	63	**3,079**
Balance at 31 December 2014	**69**	**38,871**	**5,835**	**(28,634)**	**(498)**	**15,643**	**(1,013)**	**14,630**

HelloFresh GmbH
CONSOLIDATED STATEMENT OF CASH FLOWS

	Years ended 31 December		
	2014	**2013**	**2012**
	In thousands of EUR		
Cash flow used in operating activities			
Loss for the year	(15,364)	(6,464)	(7,601)
Adjustments for:			
Finance income	(13)	(4)	(10)
Finance expense	6	5	1
Income tax (benefit) expense	(405)	1	–
Depreciation of property, plant and equipment	65	21	16
Amortisation of intangible assets	115	125	11
Share based payment expense (equity-settled)	3,079	1,184	1,528
Other non-cash transactions	(792)	138	11
Increase in provisions	181	–	–
Changes in working capital related to operating activities			
(Increase) in trade receivables and other assets	(4,688)	(439)	(645)
(Increase) in inventories	(1,245)	(71)	(40)
Increase in trade and other payables	9,124	979	1,056
(Decrease) Increase in financial liabilities	(29)	(406)	406
Increase in non-financial liabilities	1,337	172	90
Increase in share-based payment liabilities	268	2	–
Income taxes paid	–	(1)	–
Interest received	13	4	10
Interest paid	(6)	(5)	(1)
Net cash used in operating activities	**(8,354)**	**(4,759)**	**(5,168)**
Cash flow used in investing activities			
Purchase of property, plant and equipment	(728)	(40)	(46)
Software development expenditures	–	–	(253)
Purchase of intangible assets	(3)	–	–
Net cash used in investing activities	**(731)**	**(40)**	**(299)**
Cash flow from financing activities			
Proceeds from the issuance of share capital	24,886	7,584	3,951
Net cash from financing activities	**24,886**	**7,584**	**3,951**
Cash and cash equivalents at the beginning of the year	**3,840**	**1,069**	**2,585**
Effects of exchange rate changes on cash and cash equivalents	119	(14)	–
Cash and cash equivalents at the end of the year	**19,760**	**3,840**	**1,069**

HelloFresh GmbH
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. Description of the business

The accompanying consolidated financial statements and notes present the operations of HelloFresh GmbH (the "Company") and its subsidiaries (combined the "Group" or "HelloFresh").

The Group's principal business activity is to deliver fresh, pre-portioned ingredients that enable subscribers to prepare home-cooked meals each week using HelloFresh's recipes. The business is run as an internet platform offering customers the choice between different kinds of meals and recipes to be delivered on selected weekdays. The Group's logistics capabilities allow it to offer subscribers fresh, high quality ingredients. HelloFresh works closely with its large network of suppliers throughout the design cycle, to ensure it can purchase the ingredients for its food boxes on a just-in-time basis in the exact quantities required. It therefore not only ensures that ingredients are fresh but also operates on a near zero-inventory basis avoiding food waste. HelloFresh picks and packs the ingredients for its subscribers in refrigerated fulfilment centers. From there, the ingredients are delivered using insulated packaging and, in certain markets, refrigerated vehicles, which enables the ingredients to be delivered within a 24- to 48-hour period with a very high level of freshness. Almost all deliveries are free of charge to subscribers.

The Company was incorporated under the laws of Germany on 13 October 2011 and registered in the commercial register of Charlottenburg (Berlin) under HR B 137236. The Company is domiciled in Germany and has its registered office at Saarbruecker Strasse 37a, 10405 Berlin. The Group has additional principal places of business in the following countries:

Netherlands:	Grocery Delivery E-Services the Netherlands B.V., H.J.E. Wenckebachweg 53 J - K, 1096 AK Amsterdam
United Kingdom:	Grocery Delivery E-services UK Ltd, Oxford House 76 Oxford Street, 3rd Floor London W1D 1BS
United States of America:	Grocery Delivery E-services USA INC, 95 Morton St. No. 7N New York, NY 10014
Australia:	Grocery Delivery E-Services Australia Pty Ltd., Level 2, 5-13 Queen St, Chippendale NSW 2008

The respective subsidiaries mentioned above were established by the Company.

The Group also has operations in Austria, which are conducted through its office in Germany, and in Belgium, which are conducted through its office in the Netherlands.

The consolidated financial statements were approved by the Company's management and authorized for issue on 24 September 2015.

2. Summary of significant accounting policies

Basis of preparation

HelloFresh GmbH is the parent company of the HelloFresh Group. For the first time, as of 31 December 2014, the Company prepared consolidated financial statements in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) as adopted by the European Union (EU). Regarding further information on the first time adoption of IFRS, reference is made to Note 5.

The consolidated financial statements have been prepared on a historical cost basis. The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all periods presented.

Presentation currency

The consolidated financial statements have been prepared in Euros (EUR), which represents the functional and reporting currency of HelloFresh GmbH. Unless otherwise indicated, all figures in the

notes to the consolidated financial statements are rounded up or down to the nearest thousand (kEUR). In the tables in the notes to the consolidated financial statements, therefore, rounding differences may occur.

Basis of Consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at 31 December 2014. Subsidiaries are entities controlled by the Company. Control is achieved when the Company is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns.

Generally, there is a presumption that a majority of voting rights result in control.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the statement of comprehensive income from the date the Company gains control until the date the Company ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income ("OCI") are attributed to the equity holders of the parent of the Company and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, non-controlling interest and other components of equity while any resultant gain or loss is recognised in profit or loss. Any investment retained is recognised at fair value.

The financial statements of the subsidiaries are prepared for the same reporting period as the parent company.

The composition of the group is described in Note 29.

Business combinations

The acquisition method is used to account for business combinations. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured at their fair values at the acquisition date, irrespective of the extent of any non-controlling interest.

The Group measures non-controlling interest that represents present ownership interest and entitles the holder to a proportionate share of net assets in the event of liquidation on a transaction by transaction basis, at either (a) fair value, or (b) the non-controlling interest's proportionate share of the net assets of the acquiree. Non-controlling interests that are not present ownership interests are measured at fair value.

Goodwill is initially measured at cost by deducting the net assets of the acquiree from the aggregate of the consideration transferred for the acquiree, the amount of non-controlling interest in the acquiree and fair value of any interest in the acquiree held immediately before the acquisition date. Any negative amount ("negative goodwill, bargain purchase") is immediately recognized in profit or loss, after management reassesses whether it identified all the assets acquired and all liabilities and contingent liabilities assumed and reviews appropriateness of their measurement.

The consideration transferred for the acquiree is measured at the fair value of the assets given up, equity instruments issued and liabilities incurred or assumed, including the fair value of assets or liabilities from contingent consideration arrangements. Costs related to the acquisition such as advisory, legal, valuation and similar professional services are expensed as incurred. Transaction costs related to the acquisition and incurred for issuing equity instruments are deducted from equity; transaction costs incurred for issuing debt as part of the business combination are deducted from the carrying amount of the debt and all other transaction costs associated with the acquisition are expensed as incurred.

Foreign currency translation

The financial statements of each of the Group entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The Group financial statements are presented in Euro ("EUR"), which is the Company's presentation currency.

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement. Foreign exchange gains and losses are presented in the income statement within other operating income or expenses.

The results and financial position of all the Group entities that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

1) assets and liabilities are translated at the closing rate at the end of each reporting period;
2) income and expense items are translated at average exchange rates for each reporting period (unless the average rate is not a reasonable approximation of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions); and
3) all resulting exchange differences are recognized in other comprehensive income.

The foreign exchange rates used for translation into the Company's presentation currency (EUR) are as follows:

	2014	2013	2012
US Dollar			
Closing Rate	1.21410	1.37910	1.31940
Average Rate	1.32884	1.32814	1.28479
Australian Dollar			
Closing Rate	1.48290	1.54230	1.27120
Average Rate	1.47240	1.37702	1.24064
British Pound			
Closing Rate	0.77890	0.83370	0.81610
Average Rate	0.80643	0.84925	0.81076

Current versus non-current presentation

The Group presents assets and liabilities in the statement of financial position based on a current/ non-current classification.

An asset is classified as current when it is:

- Expected to be realised or intended to be sold or consumed within the normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realised within twelve months after the end of the reporting period;

Or

- A cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the end of the reporting period.

A liability is classified as current when:

- It is expected to be settled in the normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the end of the reporting period;

Or

- There is no unconditional right to defer the settlement of the liability for at least twelve months after the end of the reporting period

The Group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses, where required.

Costs of minor repairs and maintenance are expensed when incurred.

Gains and losses on disposal are determined by comparing proceeds with the carrying amount and are recognized in profit or loss for the year within other operating income or expenses.

Depreciation

Depreciation of property, plant and equipment is calculated using the straight-line method to allocate their cost less their residual values over the following estimated useful lives:

	Useful lives in years
Plant and Machinery	3-10
Furniture, Fixtures and other Equipment	3-10

Leasehold improvements are depreciated over the shorter of their estimated useful lives or the lease term.

The assets' residual values, methods of depreciation and useful lives are reviewed and adjusted prospectively if appropriate, at the end of each reporting period.

Operating leases

Where an entity within the Group is a lessee in a lease which does not transfer substantially all the risks and rewards incidental to ownership from the lessor to the entity, the total lease payments are charged to profit or loss for the year on a straight-line basis over the lease term. The lease term is the non-cancellable period for which the lessee has contracted to lease the asset together with any further terms for which the lessee has the option to continue to lease the asset, with or without further payment, when at the inception of the lease it is reasonably certain that the lessee will exercise the option.

Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses, where required. The Company's intangible assets have definite useful lives and primarily include acquired computer software and other licenses and internally developed software.

Costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Company are recognized as intangible assets when the following criteria are met:

- it is technically feasible to complete the software product so that it will be available for use;
- management intends to complete the software product and use or sell it;
- there is an ability to use or sell the software product;

- it can be demonstrated how the software product will generate probable future economic benefits;
- adequate technical, financial and other resources to complete the development; and
- the expenditure attributable to the software product during its development can be reliably measured.

Directly attributable costs that are capitalized as part of the software product include software development employee costs. Other development expenditures that do not meet these criteria are recognized as an expense as incurred. Development costs previously recognized as an expense are not recognized as an asset in a subsequent period.

Intangible assets are amortized using the straight-line method over the following estimated useful lives:

	Useful lives in years
Internally developed software	2
Software and other licenses	3

Impairment of non-financial assets (property, plant and equipment and intangible assets)

Intangible assets that are not ready to use are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation and depreciation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are largely independent cash inflows (cash-generating units). Prior impairments of non-financial assets are reviewed for possible reversal at each reporting date.

Cash and cash equivalents

Cash and cash equivalents include cash on hand and at banks and short-term deposits with original maturities of three months or less, for which the risk of changes in value is considered to be insignificant.

Classification of financial assets

The Company's financial assets relate solely to loans and receivables. Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. The Company's loans and receivables comprise trade receivables, other financial assets and cash and cash equivalents in the balance sheet.

Trade receivables

Trade receivables are initially recognized at fair value which primarily represents the original invoice amount less any impairment loss or any allowance for uncollectible amounts. Allowance is made when there is objective evidence that the Company may not be able to collect the trade receivable. Balances are written off when recoverability is assessed as being remote. The write off is recognized in other operating expenses.

Inventories

Inventories are measured at the lower of cost and net realizable value. Cost is determined pursuant to the first-in first-out ("FIFO") method. The cost of inventory includes the purchase price and shipping and handling costs incurred to bring the inventories to their present location and condition.

Provisions

Provisions are liabilities of uncertain timing or amount. They are recognized when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources

embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation.

Trade and other payables and other financial liabilities

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade payables and other financial liabilities are initially recognized at fair value and are subsequently measured at amortized cost using the effective interest method.

Share capital

Ordinary shares with discretionary dividends are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds. Any excess of the fair value of consideration received over the par value of the shares issued is recorded as share premium in equity.

Share-based compensation

The Group operates equity-settled share-based payment plans, under which Group companies receive services from directors and employees as consideration for equity instruments of the Company or one of its subsidiaries.

The total amount to be expensed for services received is determined by reference to the grant date fair value of the share-based payment award made. At each grant date, the Company analyses whether the price paid, if any, by a participant is in line with the estimated market price of the underlying equity instruments at the grant date. If a positive difference exists between (i) the estimated market value of the equity instruments and (ii) the purchase price; such difference would be reported as a share-based payment expense. For share options granted, the grant date fair value is determined using the Black Scholes option valuation formula.

The fair value determined at the grant date is expensed on a straight-line basis over the vesting period, based on the Group's estimate of the number of shares that will eventually vest, with a corresponding credit to equity. Estimated forfeitures are revised if the number of awards expected to vest differs from previous estimates. Differences between estimated and actual forfeitures are accounted for in the period in which they occur.

For awards with graded-vesting features, each instalment of the award is treated as a separate grant. This means that each instalment is separately expensed over the related vesting period. Some instalments vest only upon the occurrence of a specified exit event, including an initial public offering ("IPO") or twelve months after such an event and the employee is still employed by the Company. These instalments are expensed over the expected time until the vesting event. Exit conditions linked with continued service are considered non-market vesting conditions; therefore share-based expense would be reversed if no such event occurs by the time the awards lapse.

The Group starts recognising compensation expense on a straight-line basis from the beginning of the service period, even when the grant date is subsequent to the service commencement date. During the period between service commencement date and grant date, the share-based payment expense recognised is based on the estimated grant date fair value of the award. Once the grant date has been established, the estimated fair value is revised so that the expense recognised is based on the actual grant date fair value of the equity instruments granted.

Revenue recognition

The Company generates revenue primarily from the sale of recipes and corresponding food ingredients. Revenue is measured at the fair value of the consideration received or receivable, and represents amounts receivable for goods supplied, stated net of promotional discounts, rebates and value added taxes. Promotional discounts and rebates are primarily granted to first-time customers based on coupons. Further, the Group may participate in selling vouchers through external marketing providers at a discounted value.

The Company recognises revenue when the amount of revenue can be reliably measured; when it is probable that future economic benefits will flow to the entity; and when the risks and rewards of the inventory have passed to the customer, which is when the goods have been delivered to the customer. The Group has concluded that it is the principal in all of its revenue arrangements since it is the primary obligor in all the revenue arrangements, has pricing latitude and is also exposed to inventory and credit risks. Fees charged from agents such as marketing portals are recognised as marketing expenses.

Cost of goods sold

Cost of goods sold includes the purchase price of goods and inbound shipping charges and related employee benefit expenses. Shipping charges to receive products from suppliers are included in inventory, and recognized as cost of goods sold upon the sale of products to customers.

Marketing

Marketing expenses represent costs associated with the promotion of goods and include online and offline marketing expenses, the production and distribution of gift cards, photo production, costs related to customer care activities and other costs associated with HelloFresh's market presence.

Fulfilment

Fulfilment costs represent costs attributable to picking and packaging of inventories into meal kits, preparing customer orders for shipment, including packaging materials, as well as payment related costs. Fulfilment costs also include outbound shipping costs and amounts paid to third parties that assist in fulfilment and customer service operations.

General and administrative expenses

General and administrative expenses are costs not directly associated with the production of goods. They include management wages and benefits, accounting staff wages and benefits, consulting expenses, office rent, insurance, utilities, and other overhead costs.

Income taxes

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date in the jurisdictions where the Group operates and generates taxable income.

Current income tax relating to items recognised directly in equity is recognised directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss

- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Segment reporting

In accordance with IFRS 8 - Operating Segments, operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker ("CODM"). The CODM, who is responsible for allocating resources and assessing performance of the operating segments, has been defined as the Chief Executive Officer ("CEO").

Segment results that are reported include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly holding and other corporate expenses, tax benefits and expenses, and finance income and expenses.

The business is managed on the basis of two geographical regions: Continental Europe and the Rest of the World. Continental Europe comprises the operations in Germany, Austria, the Netherlands and Belgium, as well as France in 2013 and 2012. The Rest of the World comprises the operations in the United States, United Kingdom and Australia.

3. Significant accounting judgements, estimates and assumptions

The preparation of the Group's consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amounts of assets or liabilities affected in future periods.

Disclosures relating to the Group's exposure to risks and uncertainties includes:

- Financial Risk Management (Note 25)
- Contingencies and Commitments (Note 28)

Judgements

The following judgements made by management in the process of applying the Group's accounting policies have the most significant impact on the amounts recognised in the consolidated financial statements:

Recognition of deferred tax assets

The Group has tax losses in the Netherlands that have the potential to reduce tax payments in future years. Deferred tax assets have been recognised to the extent that their recovery is probable taking into account

the projected future taxable income of the related entity. Please refer to the accounting policies on income taxes (Note 2), and the income tax disclosures in Note 23.

Share-based payments

In determining the fair values of the ordinary shares of the Company and subsidiaries as at each award grant date, three generally accepted approaches were considered: income approach, market approach and cost approach. In addition, the Company has considered the guidance provided by the American Institute of Certified Public Accountants' (AICPA) Accounting and Valuation Guide, Valuation of Privately-Held-Company Equity Securities Issued as Compensation.

Management has employed the "prior sale of company stock" method, a form of the market approach, to estimate the aggregate enterprise value at the group level. The prior sale of company stock method considers any prior arm's length sales of the company's equity securities. As such, the value per share was benchmarked to the external transactions of Company's shares and external financing rounds. Throughout 2014, there were a number of financing rounds which resulted in the issuance of shares. The shares were transacted with numerous existing and new investors, and therefore the pricing was considered a strong indicator of fair value.

For valuation purposes there are different classes of equity at the group level, resulting from arrangements between the shareholders. Therefore, the hybrid method was employed in order to allocate value to the different classes of equity. This method is a hybrid between the probability-weighted expected return method and the Option Pricing Method ("OPM"), which estimates the probability weighted value across certain exit scenarios, but uses the OPM to estimate the remaining unknown potential exit scenarios. Considerations factored into the analysis include: the type and amount of equity sold, the estimated volatility, the estimated time and probability of exit scenarios, the relationship of the parties involved and the risk-free rate.

The Company has applied the income approach to estimate the enterprise value of each subsidiary. The income approach is a technique by which fair value is estimated based on cash flows expected to be generated in the future. The principle behind this approach is that the value of the company is equal to its earnings potential. The future cash flows are discounted using a weighted average cost of capital that takes into consideration the stage of development of the business and the industry and locations in which the Group operates.

A discount for lack of marketability ("DLOM") was applied, corresponding to the time to exit under the various scenarios to reflect the increased risk arising from the inability to readily sell the shares. When applying the DLOM, the Black-Scholes option pricing model was used. Under this method, the cost of the put option, which can hedge the price change before the privately held shares can be sold, was considered as the basis to determine the DLOM.

Please also refer to the accounting policies on share-based compensation (Note 2) and the share-based compensation disclosures in Note 18.

4. New accounting pronouncements

Certain new standards and interpretations have been issued that are mandatory for the annual periods beginning on or after 1 January 2015 or later. Those which are relevant for the Group are described below. The Group intends to adopt these standards when they become effective within the EU.

IFRS 9 "Financial Instruments: Classification and Measurement"

In July 2014, the IASB issued the final version of IFRS 9 Financial Instruments which reflects all phases of the financial instruments project and replaces IAS 39 Financial Instruments: Recognition and Measurement and all previous versions of IFRS 9. The standard introduces new requirements for classification and measurement, impairment, and hedge accounting. IFRS 9 is effective for annual periods beginning on or after 1 January 2018, with early application permitted. IFRS 9 is not yet endorsed by the EU. Retrospective application is required, but comparative information is not compulsory. The adoption of IFRS 9 is expected to have an effect on the classification and measurement of the Group's financial assets. The Group is currently assessing the impact of IFRS 9.

IFRS 15 "Revenues from Contracts with Customers"

(issued on 28 May 2014 and effective for annual periods beginning 1 January 2018). IFRS 15 is not yet endorsed by the EU. The standard outlines a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. It supersedes current revenue recognition guidance including IAS 18 "Revenue", IAS 11 "Construction Contracts" and related interpretations. The core principle is that an entity recognises revenue to reflect the transfer of goods or services to customers at an amount that represents the consideration to which the entity expects to be entitled in exchange for those goods or services. The Group is currently assessing the impacts of this new standard.

Annual Improvements to IFRS (Cycle 2010-2012).

In the context of its annual improvements process, the IASB amends existing standards. These amendments are considered necessary, but do not substantially modify the respective guidance. In December 2013, the IASB published the annual improvements to IFRS (Cycle 2010-2012) which affect IFRS 2, IFRS 3, IFRS 8, IFRS 13, IAS 7, IAS 16, IAS 24 and IAS 38. Application of the amendments is mandatory for fiscal years beginning on or after 1 February 2015 in the EU. Earlier application is permitted.

Annual Improvements to IFRS (Cycle 2011-2013).

In the context of its annual improvements process, the IASB amends existing standards. These amendments are considered necessary, but do not substantially modify the respective guidance. In December, 2013 the IASB published the annual improvements to IFRS (Cycle 2011-2013) which affect IFRS 1, IFRS 3, IFRS 13 and IAS 40. Application of the amendments is mandatory for fiscal years beginning on or after 1 January 2015 in the EU. Earlier application is permitted.

Annual Improvements to IFRS (Cycle 2012-2014).

In the context of its annual improvements process, the IASB amends existing standards. These amendments are considered necessary, but do not substantially modify the respective guidance. In September 2014 the IASB published the annual improvements to IFRS (Cycle 2012-2014) which affect IFRS 5, IFRS 7, IAS 19 and IAS 34. Application of the amendments is mandatory for fiscal years beginning on or after 1 January 2016. Earlier application is permitted. The Company intends to implement these amendments starting 1 January 2016, insofar an endorsement from the EU will have been passed in time and the effective date included in these amendments are confirmed by the EU.

Unless otherwise described above, the new standards and interpretations issued by the IASB and to be adopted for the first time in the future are not expected to significantly affect the Group's financial statements.

5. First-time adoption of IFRS

These financial statements are the Company's first annual financial statements that comply with IFRS. The Company's IFRS transition date is 1 January 2012. The Group prepared its consolidated financial statements as of 31 December 2013 in accordance with German generally accepted accounting principles (HGB), with the period ended 31 December 2012 being the only available comparative information. Subject to certain exceptions, IFRS 1 requires retrospective application of the versions of the standards and interpretations effective for the year ended 31 December 2014. These versions of the standards and interpretations were applied in preparing the opening IFRS statement of financial position at 1 January 2012 and in subsequent periods up to the end of the first IFRS reporting period. In preparing these financial statements, the Company has applied the mandatory exceptions. The Company has elected not to apply the optional exemptions from the general requirements of full retrospective application, other than the exemption for IFRS 2 on plans that vested before the transition date.

Exceptions from retrospective application, which are mandatory under IFRS 1 are:

a) ***Hedge accounting*** The Company does not apply hedge accounting.

b) ***Derecognition of financial instruments*** The Company has not derecognised any financial assets or financial liabilities under previous GAAP prior to the transition date.

c) *Use of estimates* Estimates under IFRS as at 1 January 2012, 31 December 2012 and 31 December 2013 should be consistent with estimates made for the same dates under previous GAAP, unless there is evidence that those estimates were in error.

The reconciliation of the net loss reported in accordance with previous GAAP (HGB) to the total comprehensive loss in accordance with IFRS for the year 2013 is as follows:

	2013	2012
	In thousands of EUR	
Net loss reported in accordance with previous GAAP	(5,396)	(6,048)
Share-based payment expense	(1,184)	(1,528)
Other comprehensive income (currency translation)	123	11
Transaction costs on issuance of shares	161	58
Inventory accounting policies	(178)	(37)
Other	133	(46)
Total comprehensive loss reported in accordance with IFRS	**(6,341)**	**(7,590)**

The reconciliation of equity reported in accordance with previous GAAP (HGB) to equity in accordance with IFRS is as follows:

	31 December 2013	31 December 2012	1 January 2012
	In thousands of EUR		
Equity reported in accordance with previous GAAP	2,891	323	2,397
Inventory accounting policies	(178)	(37)	–
Equity reported in accordance with IFRS	**2,713**	**286**	**2,397**

Share-based payment expense: The expense for equity-settled share-based payment awards in accordance with IFRS 2 was not recognised under previous GAAP.

Other comprehensive income: Since total comprehensive loss was not presented in the financial statements in accordance with previous GAAP, the table above presents a reconciliation of the net loss in accordance with previous GAAP and the total comprehensive loss in accordance with IFRS. As a result currency translation differences recognised through OCI in equity in accordance with IFRS appear as a reconciling item.

Transactions costs on issuance of shares: According to previous GAAP transaction costs incurred in the course of the issuance of shares were recognised as an expense; in accordance with IFRS such costs are directly recorded within equity.

Inventory accounting policies: Gift cards not yet distributed were measured at cost and included in inventories according to previous GAAP; in accordance with IFRS gift cards are recognised as marketing expenses.

As there are no material differences between the cash flow statements prepared in accordance with previous GAAP and IFRS, no reconciliation was prepared.

6. Segment information

The main activity of the Group consists of the delivery of recipes and corresponding food ingredients to customers in various geographical regions. The segment reporting follows the internal management and reporting structures. Operating segments reflect the Group's management structure and the way financial information is regularly reviewed by the Chief Operating Decision Maker, which is defined as the CEO.

The Group comprises two operating segments, Continental Europe ("EU") and the Rest of the World ("RoW"). Continental Europe consists of operations in Germany, Austria, the Netherlands and Belgium as well as France for 2012 and 2013. The Rest of the World comprises the operations in the United States, United Kingdom and Australia. The reportable operating segments are strategic business units that are managed separately. Intra-group charges are monitored separately and therefore distinctively presented in the tables below. The consolidation ("Conso") eliminates inter-segment transactions.

The accounting policies of the operating segments are the same as those described in the summary of significant accounting policies. The Group accounts for intersegment sales and transfers as if the sales or transfers were to third parties, i.e. at current market prices.

The Group evaluates performance on the basis of Profit Contribution (Revenue less cost of goods sold net of share based compensation and fulfilment expense net of share based compensation, "PC2"), EBITDA adjusted for special items and holding fees, EBITDA and EBIT. EBITDA represents the results before interest, tax, depreciation and amortisation. Special items and holding fees include the surcharge for intercompany recharges, share-based compensation as well as non-recurring items. EBIT is measured as earnings before interest and tax.

External revenue includes the sale of food boxes to customers. Internal revenue results from intercompany recharges of services of the holding company to the operating units of the group.

	2014					
	EU	**RoW**	**Total segments**	**Holding**	**Conso**	**Group**
			In thousands of EUR			
Total revenue	38,878	30,746	69,624	–	–	69,624
Internal revenue	–	–	–	*4,859*	*(4,859)*	–
External revenue	*38,878*	*30,746*	*69,624*	–	–	*69,624*
PC2	**10,799**	**4,546**	**15,345**	**4,354**	**(4,259)**	**15,440**
Adjusted EBITDA	**(3,117)**	**(9,359)**	**(12,476)**	**–**	**227**	**(12,249)**
Special items and holding fees	(2,712)	(866)	(3,578)	231	–	(3,347)
EBITDA	**(5,829)**	**(10,225)**	**(16,054)**	**231**	**227**	**(15,596)**
Depreciation and amortisation	(138)	(42)	(180)	–	–	(180)
EBIT	**(5,967)**	**(10,267)**	**(16,234)**	**231**	**227**	**(15,776)**
Finance income						13
Finance expense						(6)
Income tax benefit						405
Loss for the year						**(15,364)**

	2013					
	EU	**RoW**	**Total segments**	**Holding**	**Conso**	**Group**
			In thousands of EUR			
Total revenue	7,705	6,453	14,158	–	–	14,158
Internal revenue	–	–	–	*1,493*	*(1,493)*	–
External revenue	*7,705*	*6,453*	*14,158*	–	–	*14,158*
PC2	**1,522**	**260**	**1,782**	**1,197**	**(1,168)**	**1,811**
Adjusted EBITDA	**(2,482)**	**(2,990)**	**(5,472)**	**–**	**3**	**(5,469)**
Special items and holding fees	(603)	(315)	(918)	71	–	(847)
EBITDA	**(3,085)**	**(3,305)**	**(6,390)**	**71**	**3**	**(6,316)**
Depreciation and amortisation	(141)	(5)	(146)	–	–	(146)
EBIT	**(3,226)**	**(3,310)**	**(6,536)**	**71**	**3**	**(6,462)**
Finance income						4
Finance expense						(5)
Income tax (expense)						(1)
Loss for the year						**(6,464)**

	2012					
	EU	RoW	Total segments	Holding	Conso	Group
			In thousands of EUR			
Total revenue	1,530	792	2,322	–	–	2,322
Internal revenue	–	–	–	*1,688*	*(1,688)*	–
External revenue	*1,530*	*792*	*2,322*	–	–	*2,322*
PC2	**(275)**	**(675)**	**(950)**	**1,060**	**(1,060)**	**(950)**
Adjusted EBITDA	**(3,167)**	**(2,394)**	**(5,561)**	**45**	**(19)**	**(5,535)**
Special items and holding fees	(2,043)	(5)	(2,048)	–	–	(2,048)
EBITDA	**(5,210)**	**(2,399)**	**(7,609)**	**45**	**(19)**	**(7,583)**
Depreciation and amortisation	(25)	(2)	(27)	–	–	(27)
EBIT	**(5,235)**	**(2,401)**	**(7,636)**	**45**	**(19)**	**(7,610)**
Finance income						10
Finance expense						(1)
Loss for the year						**(7,601)**

Special items include no non-recurring items for the period ended 31 December 2014 (2013: kEUR 337; 2012: kEUR (520)).

Revenue generated within Germany amounted to kEUR 11,437 in 2014 (2013: kEUR 3,643; 2012: kEUR 761).

7. Property, plant and equipment

Movements in the carrying amount of property, plant and equipment were as follows:

	Plant and machinery	Furniture, fixtures and other equipment	Total
		In thousands of EUR	
As at 1 January 2012	**–**	**3**	**3**
Additions	1	45	46
Depreciation charge	–	(16)	(16)
As at 31 December 2012	**1**	**32**	**33**
Additions	8	32	40
Depreciation charge	–	(21)	(21)
As at 31 December 2013	**9**	**43**	**52**
Additions	510	218	728
Disposals	(5)	(2)	(7)
Depreciation charge	(22)	(43)	(65)
As at 31 December 2014	**492**	**216**	**708**

In the financial years 2014, 2013 and 2012 impairment of property, plant and equipment was not considered necessary by management.

No borrowing costs were capitalized during the reporting periods. There were neither restrictions on retention of title nor was any property, plant and equipment pledged as security for liabilities. There were no material contractual commitments for the purchase of property, plant and equipment as of the reporting dates.

8. Intangible assets

As of 31 December 2014 intangible assets comprise software developed internally in the amount of kEUR 2 (2013: kEUR 117; 2012: kEUR 242; 1 January 2012: nil) and software licenses in the amounts of kEUR 3 (2013, 2012 and 1 January 2012: nil).

Amortization is recognised on a straight-line basis (2014: kEUR 115; 2013: kEUR 125; 2012: kEUR 11). In the financial years 2014, 2013 and 2012 impairment of intangible assets was not considered necessary by management.

9. Inventories

Inventories amounted to kEUR 1,356 as of 31 December 2014 (2013: kEUR 111; 2012: kEUR 40; 1 January 2012: nil). Inventories mainly comprise packaging material and ingredients. Due to just-in-time delivery, no reserves for obsolete inventory were required; inventories with a short shelf life ordered for the previous week's deliveries are directly written-off.

10. Trade receivables

As of 31 December 2014, trade receivables amounted to kEUR 2,650 (2013: kEUR 342; 2012: kEUR 107; 1 January 2012: nil).

All receivables are due but not impaired. As of 31 December 2014, 2013 and 2012 and 1 January 2012, management determined that no provision for impairment was required for trade receivables. Bad debt expense for receivables written off of kEUR 1,643 was recognised within other operating expenses in the year ended 31 December 2014 (2013: kEUR 358; 2012: kEUR 72). The receivables written off mainly relate to customers where payment collection failed. The Group engaged an external collection agency to support the collection of these amounts. As of 31 December 2014, 2013 and 2012 and 1 January 2012, management determined that no further allowances for bad debts were required for trade receivables. For further information reference is made to Note 25.

11. Cash and cash equivalents

Cash and cash equivalents consist of cash on hand and at banks only. As of 31 December 2014, 2013 and 2012 and 1 January 2012, there were no overdraft positions nor any restrictions on use.

12. Financial instruments

All financial assets held by the Group are categorized as loans and receivables; please refer to the accounting policies in Note 2. All financial assets are disclosed below:

	31 December 2014	31 December 2013	31 December 2012	1 January 2012
		In thousands of EUR		
Trade receivables	2,650	342	107	–
Other financial assets	1,099	261	256	16
Cash and cash equivalents	19,760	3,840	1,069	2,585
Total	**23,509**	**4,443**	**1,432**	**2,601**

Other financial assets mainly comprise deposits to payment service providers and marketing agencies.

All financial liabilities are measured at amortised cost and are disclosed below:

	31 December 2014	31 December 2013	31 December 2012	1 January 2012
		In thousands of EUR		
Trade and other payables	11,249	2,125	1,146	90
Other financial liabilities	71	100	506	100
Total	**11,320**	**2,225**	**1,652**	**190**

Management assessed that the fair values of trade receivables, other financial assets, cash and cash equivalents, trade and other payables and other financial liabilities approximate their respective carrying amounts largely due to the short-term maturities of these instruments.

13. Other non-financial assets

Other non-financial assets amounted to kEUR 2,040 as of 31 December 2014 (2013: kEUR 498; 2012: kEUR 299; 1 January 2012: kEUR 1) and related primarily to VAT receivables (2014: kEUR 1,399; 2013: kEUR 280; 2012: kEUR 255; 1 January 2012: nil).

14. Other non-financial liabilities

Other non-financial liabilities amounted to kEUR 1,617 as of 31 December 2014 (2013: kEUR 280; 2012: kEUR 108; 1 January 2012: kEUR 18) and related primarily to deferred revenue (2014: kEUR 1,160; 2013: kEUR 57; 2012; kEUR 14; 1 January 2012: nil) and accruals for employee benefits such as accrued vacation days (2014: kEUR 286; 2013: kEUR 125; 2012: kEUR 56; 1 January 2012: kEUR 1).

15. Share capital

	Number of shares (in pcs)	Nominal amount (in kEUR)	Additional capital paid in (in kEUR)	Transaction costs (in kEUR)
At 1 January 2012	**32,457**	**32**	**2,493**	**0**
Issuance of shares	14,363	14	3,990	(58)
At 31 December 2012	**46,820**	**47**	**6,483**	**(58)**
Issuance of shares	9,364	9	7,734	(161)
At 31 December 2013	**56,184**	**56**	**14,217**	**(219)**
Issuance of shares	13,231	13	24,985	(112)
At 31 December 2014	**69,415**	**69**	**39,202**	**(331)**

Transaction costs associated to capital increases were netted against the additional paid in capital within equity (i.e. capital reserves).

All shares were fully paid in as of 31 December 2014, 31 December 2013, 31 December 2012 and 1 January 2012, respectively. The par value per share is EUR 1.00.

16. Current financial liabilities

	31 December 2014	31 December 2013	31 December 2012	1 January 2012
		In thousands of EUR		
Trade and other payables	11,249	2,125	1,146	90
Other financial liabilities	71	100	506	100
Current financial liabilities	**11,320**	**2,225**	**1,652**	**190**

Trade payables increased significantly in 2014 due to the strong growth of the group and primarily comprise balances payable to suppliers. Financial liabilities include accrued expenses and debtors with a credit balance.

17. Provisions

Provisions of kEUR 181 as of 31 December 2014 (2013, 2012 and 1 January 2012: nil) relate primarily to onerous contracts. The provision for onerous contracts results from promotional discounts given to customers through external offerings of marketing portals. Unlike discounts offered directly by the group, these promotional discounts may result in attributable costs exceeding net selling prices, which are accrued for. The charge is recognized in profit or loss within marketing expenses. The balance at 31 December 2014 is expected to be fully utilized in 2015.

18. Share-based compensation

From 2011 onwards, eligible employees of the Company and its subsidiaries have been provided with the opportunity to invest indirectly in equity instruments of the Company's subsidiaries. In addition, from 2013, the Company operates two share option programs.

The share-based payment awards generally have a vesting period of 36 or 48 months. The first tranche vests after 6 or 12 months, while the remaining awards vest in equal instalments on a quarterly basis over the remainder of the vesting period. A number of the share awards vest at the later of 36⁄48 months and the date of an exit event. The share option awards will vest if an exit event takes place during the vesting period (accelerated vesting).

These share-based payment awards are classified as equity-settled awards.

Share Awards

The table below provides an overview of the movements in share-based payment awards related to shares of the Company and its subsidiaries:

	2014	2013	2012
Number of unvested awards outstanding at the beginning of the period	**4,751**	**6,562**	**5,319**
Granted during the period	250	1,875	3,374
Forfeited during the period	742	929	83
Vested during the period	2,823	2,757	2,048
Number of unvested awards outstanding at the end of the period	**1,436**	**4,751**	**6,562**
Total number of vested awards outstanding at the end of the period	**7,628**	**4,805**	**2,048**

In the table above, share awards are presented as granted in the period that the service commencement and expense recognition have started.

Management has employed the "prior sale of company stock" method, a form of the market approach, to estimate the aggregate enterprise value at the group level, taking into account the Company's share price paid in transactions between shareholders. The fair values of the subsidiaries' shares have been estimated based on cash flows expected to be generated in the future.

Based on the estimated fair market value at grant date, the total price paid by the eligible employees (EUR 1.00) for the subsidiaries' equity instruments included a purchase discount, which is reported as a share-based payment expense over the vesting period. The fair value per share-based payment award related to equity instruments of a subsidiary depends on the underlying equity value of the applicable subsidiary. In addition, a deduction is made for the lack of marketability of the related instruments. Due to different market conditions, maturity and size of the subsidiaries' operations, the fair value per award granted during a period differs significantly.

For the share awards with a grant date for accounting purposes in 2014 related to the Company's subsidiaries, the fair value per share award was in the range EUR 265 - EUR 14,285 (2013: EUR 20 - EUR 5,138; 2012: EUR 1 - EUR 7). The wide range in fair values results from different expectations about the future prospects underlying the valuation of the respective businesses.

Share-Option Awards

In 2013, the Company also granted two categories of share option awards to eligible employees. The first category is wholly equity-settled. For the second category of share option awards, the Company has a choice between settling in cash and equity if a listing of the Company occurs. As the Company has no past settlement practice, these awards are accounted for as equity-settled based on the expectation that a listing will have occurred before the settlement date and the stated policy of settling in equity. However, the Company has agreed to settle in cash the amount that is required to pay employee tax when a share option award is exercised. The majority of these share option awards are therefore treated as equity-settled but the portion relating to tax is treated as a cash-settled share-based payment transaction.

	2014	2013	2012
Number of awards outstanding at the beginning of the period	**838**	**–**	**–**
Granted during the period	2,356	838	–
Forfeited during the period	–	–	–
Exercised during the period	–	–	–
Number of awards outstanding at the end of the period	**3,194**	**838**	**–**

In the table above, share option awards are presented as granted in the period that the service commencement and expense recognition have started. All the options granted have an exercise price of EUR 1.00 per option.

Of the 3,194 options outstanding as of 31 December 2014 (2013: 838; 2012 and 1 January 2012: nil), no options (2013, 2012 and 1 January 2012: nil) were exercisable as these will only vest upon the occurrence of

a specified exit event, including an IPO. For the portion of the share option awards relating to employee taxes, the liability recognized as of 31 December 2014 amounts to kEUR 270 (2013: kEUR 2; 2012 and 1 January 2012: nil).

For the share options granted and those with a service commencement date in 2014 related to the equity instruments of the Company, the parameters applied in the option valuation and the related estimated fair values per share option are as follows:

	2014	2013	2012
Share price (EUR)	4,994	393	237
Option exercise price (EUR)	1	1	1
Volatility	50.8%	44.8%	53.6%
Expected life (in years)	1,25	2,25	3,25
Dividend yield	Nil	Nil	Nil
Risk-free rate	0.00%	0.22%	0.02%

As the options vest upon a future exit event, including an IPO, the expected lives for the options are based on the expected date of a future exit event. Expected volatility was determined based on the historic volatility of a group of relevant comparable companies, measured at the estimated grant date over a period consistent with the expected life at that date.

Share-based payment awards related to equity instruments of subsidiaries of the Company have been granted to employees with various service commencement dates in 2014. If agreements have not yet been signed and a grant date for accounting purposes has not been established as of 31 December 2014, the expense recognition is based on an estimated grant date of 31 December 2014. When the grant date has been established for IFRS 2 purposes, the grant date fair value will be finally determined and will remain unchanged for the life of the award. The expense recognition is based on the grant date fair value and the expectation of the number of awards ultimately vesting; changes to these expectations are reflected prospectively.

In 2014, the total share-based payment expense recognized as employee benefit expenses amounted to kEUR 3,347 (2013: kEUR 1,184; 2012: kEUR 1,528), of which the expense for the equity-settled share-based payment awards amounted to kEUR 3,079 (2013: kEUR 1,184; 2012: kEUR 1,528) and the expense for cash-settled share-based payment awards amounted to kEUR 268 (2013: kEUR 2; 2012: kEUR nil).

19. Depreciation, amortisation and costs of inventories included in the consolidated statement of comprehensive income

	2014	2013	2012
	In thousands of EUR		
Included in cost of sales:			
Depreciation and amortisation	12	7	2
Costs of inventories recognised as an expense	30,403	6,437	1,740
Included in marketing expenses:			
Depreciation and amortisation	76	65	11
Included in fulfilment expenses:			
Depreciation and amortisation	25	9	2
Included in general and administrative expenses:			
Depreciation and amortisation	68	66	11

20. Employee benefit expenses

	2014	2013	2012
	In thousands of EUR		
Included in cost of sales:			
Wages and salaries	453	277	224
Social security costs	82	44	45
Share-based payment expense	103	3	–
Included in marketing expenses:			
Wages and salaries	2,039	1,254	947
Social security costs	390	228	158
Share-based payment expense	822	114	–
Included in fulfilment expenses:			
Wages and salaries	614	308	227
Social security costs	143	53	49
Share-based payment expense	5	3	–
Included in general and administrative expenses:			
Wages and salaries	1,344	843	586
Social security costs	235	146	116
Share-based payment expense	2,417	1,064	1,527
Total employee benefit expenses	8,647	4,337	3,879

21. Other operating income and expenses

Other operating income for the year is comprised of the following:

	2014	2013	2012
	In thousands of EUR		
Foreign exchange gains	481	2	–
Non-period income	–	373	–
Other	–	73	50
Total	**481**	**448**	**50**

Other operating expenses for the year are comprised of the following:

	2014	2013	2012
	In thousands of EUR		
Bad debt expense	1,643	358	72
Impairment of current assets	–	–	520
Foreign exchange losses (gains)	11	60	55
Other	–	18	–
Total	**1,654**	**436**	**647**

During the year ended 31 December 2012, an impairment of current assets in the amount of kEUR 520 was recorded related to the Company's operations in France as management determined that the amounts were not recoverable.

22. Finance income and expense

For the year ended 31 December 2014 finance income of kEUR 13 (2013: kEUR 4; 2012: kEUR 10) and finance expense of kEUR 6 (2013: kEUR 5; 2012: kEUR 1) resulted primarily from current bank balances.

23. Income taxes

Income tax benefit (expense) recorded in profit or loss is comprised as follows:

	2014	2013	2012
	In thousands of EUR		
Current tax expense	(29)	(1)	–
Deferred tax expense	434	–	–
Income tax benefit (expense)	**405**	**(1)**	**–**

The income tax expense can be reconciled to the accounting loss as follows:

	2014	2013	2012
	In thousands of EUR		
Loss before income tax	(15,769)	(6,463)	(7,601)
Tax calculated at domestic tax rates applicable to profits in the respective jurisdictions	5,181	1,907	2,229
Expenses which are not deductible for tax purposes:			
- Share-based payments	(985)	(351)	(445)
- Other expenses	(116)	(95)	(187)
Unrecognised deferred tax asset on temporary differences	(65)	–	–
Unrecognised tax losses for the year	(3,927)	(1,755)	(1,588)
Recognised losses from prior years	319	–	–
Other	(1)	293	(9)
Income tax benefit (expense) for the year	**405**	**(1)**	**–**
Effective tax rate	***3%***	***0%***	***0%***

The weighted average applicable tax rate was 33% (2013: 30%; 2012: 29%) which was derived from the tax rate in each tax jurisdiction weighted by the relevant pre-tax loss.

Deferred Taxes

Differences between IFRS and statutory taxation regulations give rise to temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and their tax bases. The tax effect of these temporary differences and unused tax loss carry forwards is detailed below:

	31 December 2014	31 December 2013	31 December 2012
	In thousands of EUR		
Tax loss carry-forwards	434	35	73
Software development costs	–	(35)	(73)
Net deferred tax assets	**434**	**–**	**–**

Deferred income tax assets are recognized for tax loss carry forwards to the extent that the realization of the related tax benefit through future taxable profits is probable or deferred tax liabilities are recognised. The deferred tax asset recognised as of 31 December 2014 relates solely to the operations in the Netherlands. As the previous losses were primarily due to start-up costs and Management expects the entity to generate taxable income starting in 2015, a deferred tax asset has been recognised.

Tax loss carry-forwards

Deferred tax liabilities on temporary differences relating to capitalized internally developed software of kEUR nil (2013: kEUR 35; 2012: kEUR 73) were offset with unused tax loss carry forwards.

The Company has unrecognized unused tax loss carry forwards of kEUR 21,922 (2013: kEUR 11,846; 2012: kEUR 5,704).

The allowable time periods for the recovery of unused tax losses are disclosed below:

	31 December 2014	31 December 2013	31 December 2012
	In thousands of EUR		
Unused tax losses	**(21,922)**	**(11,846)**	**(5,704)**
Thereof expiring within 9 years	(2,297)	(1,818)	(1,105)
Thereof subject to minimum tax rules, expiring within 20 years	(6,177)	(1,014)	(144)
Thereof subject to minimum tax rules, unlimited usability	(5,665)	(2,986)	(2,894)
Thereof with unlimited usability	(7,784)	(3,977)	(1,651)

24. Loss per share

Loss per share is calculated as follows:

	2014	2013	2012
	In thousands of EUR		
Loss for the year	(15,364)	(6,464)	(7,601)
Weighted average number of ordinary shares in issue (in thousands)	63,760	49,719	33,593
Basic and diluted loss per share	**(240.97)**	**(130.00)**	**(226.26)**

In accordance with IAS 33 "Earnings per share", the effects of anti-dilutive potential shares have not been included when calculating diluted loss per share for the years ended 31 December 2014, 2013 and 2012. As a result, the diluted loss per share is the same as the basic loss per share.

25. Financial risk management

The risk management function within the Company is carried out in respect of financial risks, operational risks and legal risks. Financial risk comprises market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk. The primary objectives of the financial risk management function are to establish risk limits, and ensure that exposure to risks stays within these limits. The operational and legal risk management functions are intended to ensure proper functioning of internal policies and procedures, in order to minimize operational and legal risks. Risk management is carried out by a central finance department under control of management.

Credit Risk

The Group is exposed to credit risk, which is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. Exposure to credit risk arises as a result of the sales of products offering various payment methods and other transactions with counterparties giving rise to financial assets. On account of the type of business, exposure to credit risk with commercial counterparties is limited because cash is usually received at the time of the sale or delivery or up to 14 days after the order. However, depending on the type of payment, issues to collect the respective payments prior to delivery can occur which result in receivables from individual customers which are subject to a high credit risk.

The Company's maximum exposure to credit risk by class of assets is as follows:

	31 December 2014	31 December 2013	31 December 2012	1 January 2012
	In thousands of EUR			
Trade receivables	2,650	342	107	–
Other financial assets	1,099	261	256	16
Cash and cash equivalents	19,760	3,840	1,069	2,585
Total maximum exposure to credit risk	**23,509**	**4,443**	**1,432**	**2,601**

The Company structures the levels of credit risk it undertakes by placing limits on the amount of risk accepted in relation to counterparties or groups of counterparties. Limits on the level of credit risk are approved regularly by management. Such risks are monitored on a revolving basis and are subject to an annual, or more frequent, review.

Credit risk related to doubtful accounts subject to legal action or to overdue accounts is monitored centrally on a regular basis. An external collection agency is engaged to pursue outstanding amounts.

Of the Company's bank deposits, kEUR 17,831 (2013: kEUR 3,447; 2012: kEUR 884; 1 January 2012: kEUR 2,557) is held with only one bank thus exposing the Company to a concentration of credit risk. The bank is rated BBB+ by Standard & Poors as of the date of these financial statements.

The composition of trade receivables by geographic location of amounts due from payment service providers ("PSP") and customers was as follows:

31 December 2014

	PSP	Customers	Total
	In thousands of EUR		
Trade receivables			
Germany (including Austria)	108	55	163
Netherlands (including Belgium)	1,142	112	1,254
United Kingdom	431	9	440
United States	456	38	494
Australia	35	264	299
Total trade receivables	**2,172**	**478**	**2,650**

31 December 2013

	PSP	Customers	Total
	In thousands of EUR		
Trade receivables			
Germany (including Austria)	11	28	39
Netherlands (including Belgium)	12	119	131
United Kingdom	8	82	90
United States	3	23	26
Australia	44	12	56
Total trade receivables	**78**	**264**	**342**

31 December 2012

	PSP	Customers	Total
	In thousands of EUR		
Trade receivables			
Germany (including Austria)	29	12	41
Netherlands (including Belgium)	3	2	5
United Kingdom	18	7	25
France	–	5	5
United States	5	9	14
Australia	13	4	17
Total trade receivables	**68**	**39**	**107**

No trade receivable balance existed in the opening statement of financial position as of 1 January 2012.

For the Group's payment service providers the credit risk is considered low and payments are expected within 15 business days. Receivables from customers relate to amounts outstanding from customers which were not collected from the respective payment service providers. These receivables are subject to higher credit risk and therefore monitored and pursued by an external collection agency. Management regularly reviews the aging structure of these receivables and decides on write-offs on an individual basis. During the year ended 31 December 2014 trade receivables of kEUR 1,643 (2013: kEUR 358; 2012: kEUR 72) were written off in the ordinary course of business. As of 31 December 2014, 2013, 2012 and 1 January 2012, no further allowance for bad debts were recognised for the outstanding trade receivables due from customers as the respective balances presented above had subsequently been paid by the respective customers.

The maximum credit risk related to rent deposits and deposits to payment service providers at the reporting date amounted to kEUR 976 (2013: kEUR 221; 2012: kEUR 166; 1 January 2012: nil). The amounts are included within other financial assets on the consolidated statement of financial position.

Market Risk

The Company takes on exposure to market risks. Market risk is the risk that changes in market prices, such as the achievable selling prices for goods or the price level for food and other merchandise, will affect the Group's results of operations or the value of the financial instruments held. Market risks also arise from open positions in foreign currencies. Management sets limits on the value of risk that may be accepted, which is monitored on a regular basis. However, the use of this approach does not prevent losses outside of these limits in the event of more significant market movements.

Sensitivities to market risks included below are based on a change in a factor while holding all other factors constant. In practice this is unlikely to occur and changes in some of the factors may be correlated—for example, changes in interest rates and changes in foreign currency rates.

Currency Risk

The Company operates internationally and is exposed to foreign exchange risk arising from currency exposures, primarily with respect to the US Dollar, British Pound and Australian Dollar. Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates.

The Company's exposure to US dollar currency exchange rate risk at the end of the reporting period from bank accounts amounts to kEUR 3,220 (2013: kEUR 56; 2012: kEUR 48). A strengthening of the US Dollar by 10% would have an impact on profit and loss of kEUR 322 (2013: kEUR 6; 2012: kEUR 5), whereas a weakening would have an impact kEUR (322) (2013: kEUR (6); 2012: kEUR (5)).

The Company's exposure to British Pounds currency exchange rate risk at the end of the reporting period from bank accounts amounts to kEUR 101 (2013: kEUR 67; 2012: kEUR 82). A strengthening of the British Pound by 10% would have an impact on profit and loss of kEUR 10 (2013: kEUR 7; 2012: kEUR 8), whereas a weakening would have an impact kEUR (10) (2013: kEUR (7); 2012: kEUR (8)).

The Company's exposure to Australian Dollar currency exchange rate risk at the end of the reporting period from bank accounts amounts to kEUR 222 (2013: kEUR 107; 2012: kEUR 30). A strengthening of the Australian Dollar by 10% would have an impact on profit and loss of kEUR 22 (2013: kEUR 11; 2012: kEUR 3), whereas a weakening would have an impact kEUR (22) (2013: kEUR (11); 2012: kEUR (3)).

Liquidity Risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Company is exposed to regular calls on its available cash resources. Liquidity risk is managed by the management of the Company. Management monitors monthly rolling forecasts of the Company's cash flows.

The Group seeks to maintain a stable funding base through early customer payments, resulting in a negative working capital balance and thus optimizing the cash flow from operations. As of 31 December 2014 the Group's current assets (kEUR 26,905) exceeded current liabilities (kEUR 13,152) by an amount of kEUR 13,753. Further, cash from external inventors such as venture capitalists is acquired to support growth.

The Group's financial liabilities as of 31 December 2014 amount to kEUR 11,320 (2013: kEUR 2,225; 2012: kEUR 1,652; 1 January 2012: kEUR 190) consist primarily of trade and other payables. All financial liabilities were due within 30 days for all periods. Hence, the undiscounted cash flows from these liabilities are similar to the carrying amounts as of the balance sheet dates.

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Company does not have formal policies and procedures in place for management of interest rate risks as management considers this risk as insignificant to the Company's business.

26. Capital management

Concerning capital management, the Company's policy is to preserve a strong and sustainable capital base in order to maintain investor, business partner, and market confidence and to support future business development.

The equity ratio of the Company has developed as follows:

	31 December 2014	31 December 2013	31 December 2012	1 January 2012
	In thousands of EUR			
Total equity	**14,630**	**2,713**	**286**	**2,397**
Total liabilities	13,422	2,508	1,760	208
Total equity and liabilities	28,052	5,221	2,046	2,605
Equity ratio in %	**52.15%**	**51.96%**	**13.98%**	**92.02%**

27. Balances and transactions with related parties

Rocket Internet AG, Berlin, Germany (Rocket Internet) is the main shareholder with majority ownership in HelloFresh GmbH.

The Company and Rocket Internet have entered into an agreement whereby Rocket Internet charges the Company for the services of their personnel engaged in line or staff functions on a short term basis relating specifically to the operations of the Company (the "Management Services Agreement"). The charges, which are included in general and administrative expenses, were kEUR 11 (2013: kEUR 218; 2012: kEUR 598). As of 31 December 2014, the outstanding balances payable were kEUR 1 (2013: kEUR 15; 2012: kEUR 550; 1 January 2012: kEUR 30).

In addition, the Group leases office space from Rocket Internet. The amounts, which are included in general and administrative expenses, were kEUR 96 as of 31 December 2014 (2013: kEUR 77; 2012: kEUR 76). As of 31 December 2014, the outstanding balances payable were kEUR 21 (2013: kEUR 7, 2012: kEUR 5; 1 January 2012: nil). Rent was charged on actual usage of office space and there was no minimum lease term.

Transactions with other related parties

Parties are considered to be related if the parties are under common control or if one party has the ability to control the other party or can exercise significant influence or joint control over the other party in making financial and operational decisions. In considering each possible related party relationship, attention is directed to the substance of the relationship, not merely the legal form. In addition, a related party is any executive officer, director (or nominee for director), including any of their immediate family members and any entity owned or controlled by such persons.

There were no transactions with outstanding balances for services with other related parties during the financial years 2014, 2013 and 2012 and as of 1 January 2012.

On 31 December 2014, the members of the management board, both of HelloFresh GmbH as well as the 4 local operating entities in the Netherlands, the United Kingdom, the United States and Australia, indirectly held 10.75% of shares in HelloFresh GmbH via Bambino 53. UG, a company incorporated on 25 May 2010 and registered in the commercial register of Charlottenburg (Berlin) under HR B 126893. The company has its registered office in Johannisstrasse 20, 10117 Berlin.

Key management compensation

Key management includes the Chief Executive Officer and the Chief Operating Officer.

Compensation paid to key management of the Group for their services consists of contractual salary and equity participation in the form of shares or options. Total salaries of the key management personnel included in employee benefit expenses for the year ended December 31, 2014 amounted to kEUR 210

(2013: kEUR 192, 2012: kEUR 192). Further, shares or options at the nominal amount of 1 EUR were granted under equity-settled share-based payment plans described in more detail in Note 18. The respective expenses recognized for compensation of key management personnel for the year ended December 31, 2014 amounted to kEUR 109 (2013: kEUR 385, 2012: kEUR 1,042).

28. Contingencies and commitments

Operating lease commitments.

The Group leases facilities and equipment under long-term operating leases. Key leasing agreements mainly concern leased buildings. The majority of these contracts can be renewed on a yearly or quarterly basis. Some of these agreements may be terminated prematurely.

Where the Company is the lessee, the future minimum lease payments under non-cancellable operating leases are as follows.

	2014	2013	2012
	In thousands of EUR		
Not later than 1 year	905	153	106
Later than 1 year and not later than 5 years	1,234	130	190
Total operating lease commitments	**2,139**	**283**	**296**

There were no future minimum lease payments due later than five years.

For the year ended 31 December 2014, total expenses for operating leases and rental contracts amounted to kEUR 791 (2013: kEUR 330; 2012: kEUR 189).

29. Principal subsidiaries

The Company has two wholly owned subsidiaries and five subsidiaries in which it holds the majority of shares. In addition, the Company indirectly holds the majority of shares in 4 operational entities abroad.

The Company held shares in the following subsidiaries at 31 December:

Entity name	Country of Incorporation	Nature of Business	consolidated since	Equity interest (%)		
				2014	2013	2012
Bambino 93. V V UG (haftungsbeschraenkt)	Germany	Holding	01 Jan 2012	100%	100%	100%
HelloFresh Netherlands Holding UG (haftungsbeschraenkt)	Germany	Operating	01 Jan 2012	95.6%	100%	100%
Bambino 86. V V UG (haftungsbeschraenkt)	Germany	Holding	01 Jan 2012	95.4%	95.4%	96.9%
HelloFresh France Holding UG (haftungsbeschraenkt)	Germany		01 Jan 2012	100%	100%	100%
Bambino 93. V V UG (haftungsbeschraenkt) & Co. Verwaltungs KG	Germany	Holding	01 Jan 2012	96.0%	96.0%	100%
Bambino 93. V V UG (haftungsbeschraenkt) & Co. zweite Verwaltungs KG	Germany	Holding	01 Jan 2012	100%	100%	100%
Bambino 93. V V UG (haftungsbeschraenkt) & Co. erste Verwaltungs KG	Germany	Holding	01 Jan 2012	89,8%	90.8%	98,3%
Grocery Delivery E-Services the Netherlands B.V.	Netherlands	Operating	01 Jan 2012	95.6%	100%	100%
Grocery Delivery E-Services UK Ltd.	United Kingdom	Operating	01 Jan 2012	95.4%	95,4%	96,9%
Grocery Delivery E-Services Australia Pty Ltd.	Australia	Operating	01 Jan 2012	96.0%	96.0%	100%
Grocery Delivery E-Services USA INC.	United States	Operating	01 Jan 2012	89,8%	90.8%	98,3%
Grocery Delivery E-Services France[(1)]	France	Operating	01 Jan 2012	100%	100%	100%

(1) This entity ceased operations in 2013 and was liquidated on 3 February 2015.

The proportions of the voting rights in the subsidiaries are the same as the ownership interests presented in the table.

The total non-controlling interests as of 31 December 2014 amount to kEUR (1,013) (2013: kEUR (212); 2012: kEUR (46); 1 January 2012: nil) and relates to non-controlling interests in the holding entities of the Group's foreign subsidiaries.

The subsidiary Grocery Delivery E-Services UK Ltd. is taking advantage of the exemption from audit in accordance with section 479A of the Companies Act 2006.

There were no dividends paid to non-controlling interests during the years ended 31 December 2014, 2013 and 2012.

30. Number of employees

	2014	2013	2012
Germany (including Austria)	51	41	31
Netherlands (including Belgium)	20	14	10
France	–	–	8
United Kingdom	15	18	13
United States	20	5	1
Australia	12	8	4
Total	118	86	67

31. Auditors' fees

	2014	2013	2012
	In thousands of EUR		
Audit fees	272	135	–
Tax consultation fees	40	–	–
Total	**312**	**135**	**–**

32. Events after the reporting period

In February 2015, the Company completed a financing round of over EUR 110 million from its existing shareholders, Rocket Internet and Insight Venture Partners. The Company plans to use the proceeds to further enhance the customer experience through key initiatives such as increasing flexibility for customers and integrating along the value chain.

On 2 July 2015 the Company completed the acquisition of 100% of the shares in Cool Delivery BV, a logistics company in the Netherlands focused on refrigerated logistics services. This transaction will enable the Company to fully insource last mile delivery in the Netherlands and Belgium and as a result offer a significantly better customer experience at a lower cost. The purchase price for Cool Delivery consists of EUR 3.0 million paid cash and cash settled share options with an estimated fair value of 0.7 million. In addition, there is an earn-out structure in place that might lead to an additional pay out ranging from EUR 0.6 to 2.5 million over the next four years. The Company is currently in the process of determining the purchase price allocation ("PPA"). Based on the unaudited figures, preliminary PPA is as follows:

In millions of EUR	
Consideration paid	
Cash	3.0
Options	0.7
Earn out	2.0
Total consideration paid	**5.7**
Trade receivables	0.7
Tangible fixed assets	0.4
Other assets	0.1
Trade payables	(0.3)
Net assets/liabilities assumed	**0.9**
Preliminary goodwill	**4.8**

The preliminary goodwill represents cost savings on shipping expenses (i.e. the margin previously recognized by Cool Delivery BV) and further synergies from better customer service. The Group is currently evaluating the acquiree's books and records and will adjust the final PPA, if necessary.

On 17 September 2015, the Company announced a capital contribution of EUR 75 million from the UK based investment manager Baillie Gifford.

Berlin, 24 September 2015

Dominik Richter
Chief Executive Officer

Thomas Griesel
Chief Operating Officer

Philipp Becker
Chief Financial Officer

Independent Auditor's Report

To the HelloFresh GmbH, Berlin

We have audited the accompanying consolidated financial statements of HelloFresh GmbH, Berlin, and its subsidiaries, which comprise the consolidated statement of financial position as at 31 December 2014, 31 December 2013 and 31 December 2012, the consolidated statement of profit and loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flow for the years then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the EU, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of consolidated financial statements that give a true and fair view 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 the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements give a true and fair view of the financial position of the company and its subsidiaries as at 31 December 2014, 31 December 2013 and 31 December 2012 and of their financial performance and cash flows for the years then ended in accordance with International Financial Reporting Standards as adopted by the EU.

Berlin, 24 September 2015

Ernst & Young GmbH
Wirtschaftsprüfungsgesellschaft

Canzler
Wirtschaftsprüfer
(German Public Auditor)

von Michaelis
Wirtschaftsprüfer
(German Public Auditor)

HelloFresh SE

Audited Unconsolidated Financial Statements
as of and for the year ended December 31, 2016
(prepared in accordance with the German Commercial Code (*Handelsgesetzbuch*))

HelloFresh SE, Berlin
BALANCE SHEET AS OF 31 DECEMBER 2016

		EUR	EUR	31 December 2015 EUR
Assets				
A.	**Fixed assets**			
I.	**Intangible assets**			
1.	Internally generated software	1,404,891.00		0.00
2.	Concessions, industrial property rights and similar rights and assets, and licenses in such rights and assets	227,903.00		64,975.25
			1,632,794.00	64,975.25
II.	**Property, plant and equipment**			
	Other equipment, furniture and fixtures	617,188.00		397,287.00
			617,188.00	397,287.00
III.	**Financial assets**			
1.	Shares in affiliates	3,274,752.42		59,284.04
2.	Loans to affiliates	226,792,103.77		107,626,122.05
			230,066,856.19	107,685,406.09
			232,316,838.19	108,147,668.34
B.	**Current assets**			
I.	**Receivables and other assets**			
1.	Receivables from affiliates	0.00		4,969,123.28
2.	Other assets	1,068,981.24		639,013.91
			1,068,981.24	5,608,137.19
II.	**Securities**			
	Other securities	2,559,372.77		36,835,579.19
			2,559,372.77	36,835,579.19
III.	**Cash on hand and bank balances**		36,662,075.28	64,479,021.09
			40,290,429.29	106,922,737.47
C.	**Prepaid expenses**		248,738.94	344,252.40
			272,856,006.42	215,414,658.21
Equity and liabilities				
A.	**Equity**			
I.	**Subscribed capital**	126,983,480.00		125,005,120.00
	less treasury shares	(692,109.00)		(533,333.00)
			126,291,371.00	124,471,787.00
II.	**Capital reserves**		107,777,236.97	88,024,027.21
III.	**Accumulated losses**		(21,289,191.99)	(15,229,011.25)
			212,779,415.98	197,266,802.96
B	**Contributions made for capital increases**	1,652,412.00		0.00
			1,652,412.00	0.00
C.	**Provisions**			
	Other provisions	9,843,824.75		12,275,840.93
			9,843,824.75	12,275,840.93
D.	**Liabilities**			
1.	Liabilities to banks	20,208,888.89		0.00
2.	Trade payables	805,029.62		1,699,179.74
3.	Liabilities to affiliates	360,757.59		3,833,737.77
4.	Liabilities to shareholders	26,848,611.11		0.00
5.	Other liabilities thereof for taxes EUR 185,864.75 (prior year: EUR 109,891.15) thereof for social security EUR 0.00 (prior year: EUR 37,348.26)	357,066.48		339,096.81
			48,580,353.69	5,872,014.32
			272,856,006.42	215,414,658.21

HelloFresh SE, Berlin
INCOME STATEMENT FOR THE FISCAL YEAR FROM 1 JANUARY TO 31 DECEMBER 2016

	EUR	EUR	22 June - 31 December 2015 EUR
1. Revenue	40,145,351.05		20,627,031.84
2. Cost of sales	39,101,463.96		17,402,453.82
3. Gross profit		1,043,887.09	3,224,578.02
4. General and administrative expenses	9,657,069.77		11,854,193.78
5. Other operating income	5,489,025.57		1,288,150.39
6. Other operating expenses thereof expenses from currency translation: EUR 2,365,530.85 (prior year: EUR 934,487.59)	2,559,557.75		7,962,886.94
		(5,683,714.86)	(15,304,352.31)
7. Other interest and similar income thereof from affiliates EUR 2,438,417.96 (prior year: 401,027.74)	2,502,503.05		530,987.62
8. Write-downs of financial assets and securities classified as current assets	0.00		451,274.63
9. Interest and similar expenses	2,878,844.93		1,023.87
		(376,341.88)	78,689.12
10. Income taxes		0.00	3,327.06
11. Result after taxes		(6,060,056.74)	(15,228,990.25)
12. Other taxes		124.00	21.00
13. Net loss for the year		(6,060,180.74)	(15,229,011.25)
14. Loss carry forward from prior year		(15,229,011.25)	0.00
15. Accumulated loss		(21,289,191.99)	(15,229,011.25)

HelloFresh SE, Berlin
NOTES TO THE FINANCIAL STATEMENTS FOR FISCAL YEAR 2016

General

With effect from 14 December 2016, HelloFresh SE (the "Company" or "HelloFresh") changed its legal form from a German stock corporation ("Aktiengesellschaft") to a European company (Societas Europaea or "SE"). The Company is entered in the commercial register of the Charlottenburg (Berlin) local court under HRB no. 182382 B. The Company's head office is in Saarbrücker Strasse 37a, 10405 Berlin.

HelloFresh SE is the legal successor of HelloFresh GmbH (formerly Brillant 2132. GmbH), a German limited liability company with its registered office in Berlin, entered in the commercial register of the Charlottenburg local court under HRB no. 168124 B ("HelloFresh GmbH"). HelloFresh GmbH concluded a merger agreement with the former HelloFresh (as defined below), a German limited liability company with its registered office in Berlin, entered in the commercial register of Berlin-Charlottenburg local court under HRB no. 137236 B ("former HelloFresh"). The former HelloFresh was merged with HelloFresh GmbH in a merger by acquisition (the merger). The merger took effect by entry in the commercial register on 30 September 2015. As a result of the merger, all rights and obligations were transferred from the former HelloFresh to HelloFresh GmbH. The share exchange ratio underlying the merger was fixed at 1:1,424, i.e., every shareholder of the former HelloFresh received 1,424 shares in HelloFresh GmbH for each share. After the merger, HelloFresh GmbH changed its legal form to a German stock corporation (AG) with effect from 2 November 2015.

Brillant 2132. GmbH, Berlin, was established by articles of incorporation and bylaws dated 19 May 2015 and entry in the commercial register on 22 June 2015; fiscal year 2015 was an abbreviated fiscal year from 22 June 2015 to 31 December 2015. Starting from 1 July 2015, the prior-year figures include the holding business for the abbreviated fiscal year. As a consequence fiscal year 2016 is not fully comparable to the prior year.

These financial statements were prepared in accordance with Sec. 242 et seq. and Sec. 264 et seq. HGB ("Handelsgesetzbuch": German Commercial Code) as well as in accordance with the relevant provisions of the AktG ("Aktiengesetz": German Stock Corporation Act) in connection with article 61 EU-VO 2157/2001. The Company is subject to the requirements for medium-sized corporations. The simplification rules have been applied to some extent. The income statement was prepared using the cost of sales method in accordance with Sec. 275 (3) HGB.

The financial statements were prepared in euros.

As the ultimate parent, HelloFresh SE prepares consolidated financial statements as of 31 December 2016 according to IFRSs as adopted by the European Union.

Applying Sec. 315 (3) HGB, the financial statements and the combined management report for fiscal year 2016 are published in the *Bundesanzeiger* (German Federal Gazette) together with the audit opinion.

Accounting and valuation methods

The following accounting and valuation methods were used to prepare the financial statements which remained unchanged compared to those of previous year.

Purchased and internally generated **intangible assets** are recognized at acquisition cost and are amortized over their useful lives if they have a limited life.

Property, plant and equipment are recognized at acquisition or production cost and are depreciated if they have a limited life. Property, plant and equipment are depreciated over their estimated useful lives. All assets are depreciated using the straight-line method. Low-value assets with an individual net value not exceeding EUR 410.00 are fully expensed in the year of acquisition with their immediate disposal being assumed. All other depreciation of additions to property, plant and equipment is charged pro rata temporis.

With regard to **financial assets**, equity investments are recognized at the lower of cost or net realizable value, while loans are disclosed at nominal value.

Receivables and other assets are stated at their nominal value. Specific bad debt allowances provide for all foreseeable valuation risks. The general credit risk is provided for by a general bad debt allowance.

Other securities classified as current assets were recognized at acquisition cost or, if applicable, at the lower listed or market prices on the reporting date in accordance with Sec. 253 (4) HGB.

The accounting par value of acquired **treasury shares** is deducted from subscribed capital on the face of the balance sheet. The difference between the accounting par value and the acquisition cost of treasury shares is offset against the freely available capital reserves. Acquisition-related costs are recognized as expenses for the fiscal year.

Contributions made for capital increases are cash contributions made before entry as a capital increase in the commercial register and are recognized when the entry has not yet been made on the balance sheet date.

Other provisions account for all uncertain liabilities and potential losses from pending transactions. They are recognized at the settlement value deemed necessary according to prudent business judgment (i.e., including future cost and price increases). Provisions with a residual term of more than one year were discounted.

The Company granted options to executives that entitle the beneficiaries to purchase shares in the Company after working for the Company for a certain period of time (equity-settled share-based compensation). Virtual options (cash-settled share-based compensation) were also granted. The HGB does not explicitly stipulate how to recognize these compensation activities over the vesting period. Personnel expenses attributable to the fiscal year for virtual share options are accounted for by recognizing other provisions. The equity-settled share-based compensation is not recorded in the balance sheet, as it only involves asset transfers at the shareholder level. For this reason, recognition of personnel expenses in accordance with IFRS 2 does not apply. The expense from the share-based payment award is calculated according to the frontloading model, resulting in a declining balance being expensed. Furthermore, the virtual options are valued at fair value, which is derived from shareholder contributions as part of capital increases.

To determine **deferred taxes** arising due to temporary or quasi-permanent differences between the carrying amounts of assets, liabilities, prepaid expenses and deferred income in the statutory accounts and their tax carrying amounts or due to tax loss carryforwards, these differences are valued using the company-specific tax rates at the time they reverse; the amounts of any resulting tax charge and benefit are not discounted. Deferred tax assets and liabilities are offset. The option not to recognize any resulting net deferred tax assets was exercised.

To determine temporary differences between the carrying amounts of assets, liabilities and provisions in the commercial balance sheets and the tax accounts, future tax benefits (deferred tax assets) and liabilities (deferred tax liabilities) are calculated. Deferred tax assets also account for future tax benefits arising from expected future use of any tax loss carryforwards. Deferred taxes are calculated on the basis of the tax rates which, according to the current legal situation, will or are expected to apply as of the realization date. If the balance of future tax benefits and liabilities results in net deferred tax assets, the Company makes use of the option afforded by Sec. 274 (1) Sentence 2 HGB not to recognize this amount.

Liabilities are recorded at the settlement value.

Foreign currency assets and liabilities were translated using the mean spot rate on the balance sheet date. If they had residual terms of more than one year, the realization principle (Sec. 252 (1) No. 4 Clause 2 HGB) and the historical cost principle (Sec. 253 (1) Sentence 1 HGB) were applied.

Notes to the balance sheet

Fixed assets

The development of the individual fixed asset items, including amortization, depreciation and write-downs for the fiscal year, is shown in the statement of changes in fixed assets (exhibit to the notes). The fiscal year 2016, the Company recognized own work in the form of personnel expenses for software development of EUR 1,866k as intangible assets.

Information on shareholdings

	Currency	Share in capital %	Equity in EUR k	Net income/ net loss in EUR k
Germany				
HelloFresh Deutschland Management GmbH, Berlin[1]	EUR	100.0	(20.0)	(41.7)
HelloFresh Deutschland SE & Co. KG, Berlin[1]	EUR	100.0	(15,117.0)	(15,118.0)
HelloFresh Deutschland Produktions SE & Co. KG., Berlin[1]	EUR	100.0	–	–
Juwel 230. V V UG (haftungsbeschränkt), Berlin[1]	EUR	100.0	–	–
Bambino 93. V V UG (haftungsbeschränkt), Berlin[1]	EUR	100.0	(9.3)	2.3
Bambino 93. V V UG (haftungsbeschränkt) & Co. Zweite Verwaltungs KG, Berlin[1]	EUR	90.0	(5.8)	(5.6)
HelloFresh France Holding UG (haftungsbeschränkt), Berlin[1]	EUR	90.0	(2.9)	(1.9)
Other countries				
HelloFresh Benelux B.V., Amsterdam, Netherlands	EUR	100.0	(5,593.7)	(3,653)
Grocery Delivery E-Services UK Ltd., London, UK	GBP	100.0	(14,636.2)	(10,264.6)
Grocery Delivery E-Services Australia Pty Ltd., Sydney, Australia	AUD	100.0	(10,018.2)	(14,369.0)
Grocery Delivery E-Services USA Inc., New York, USA[1]	USD	100.0	(54,645.3)	(53,621.8)
HelloFresh Swiss AG, Zurich, Switzerland[1]	CHF	97.2	–	–
HelloFresh Canada Inc., Toronto, Ontario, Canada[1]	CAD	97.3	–	–

1) No final accounts available

The disclosures on equity and the companies' net income/loss for the year are taken from the financial statements pursuant to the accounting regulations of the respective country as of 31 December 2015. Including the limited partnership interests held in trust, the Company holds 100% of the shares in HelloFresh Deutschland SE & Co. KG, Berlin, as well as HelloFresh Deutschland Produktions SE & Co. KG., Berlin.

The companies HelloFresh Swiss AG and HelloFresh Canada Inc. were newly founded in 2016.

Loans to affiliates are used to finance these affiliates. EUR 171,594k of these loans are loans to affiliates that are subject to an interest rate of 2.0% p.a. and have been subordinated. Trade receivables due from affiliates of EUR 55,198k are also included in loans. The services provided centrally by the parent company are allocated to the affiliates according to their origin and recognized under loans in fixed assets, as they are used to finance the subsidiaries in the long term.

Other assets mainly comprise money in transit (EUR 584k), receivables from other shareholders due in more than one year (EUR 301k) and security deposits (EUR 25k).

Shares in money market funds and similar funds (EUR 2,559k) that can be sold at any time are recorded under **other securities** classified as current assets.

Equity

As of 31 December 2016, paid-in capital stock amounted to 126,983,480 (2015: 125,005,120) shares, of which 692,109 (2015: 533,333) comprised treasury shares. The management board is authorized, subject to the approval of the supervisory board, to increase the capital stock by up to 49,627,676 shares (approved capital 2015/I) and up to 12,450,032 shares (approved capital 2015/II) until 1 November 2020. The Company's capital stock has been conditionally increased by up to 63,020,396 further shares to allow shares to be granted upon the exercise of convertible or warrant rights or to allow convertible or warrant obligations to be fulfilled in relation to the holders or creditors of convertible bonds, bonds, participating rights and/or income bonds (conditional capital 2015). As of 31 December 2016, issued and approved capital including conditional capital comprised 252,081,584 shares (2015: 250,010,240 shares).

Furthermore, by virtue of a resolution adopted by the annual general meeting on 19 December 2016, the management board is authorized to increase capital stock by up to EUR 54,090,136.00 until 18 December 2021 (authorized capital 2016/I) with the consent of the supervisory board. Authorized capital 2016/I was

entered in the commercial register on 17 January 2017. Authorized capital 2015/I resolved on 1 November 2015 and 21 April 2016 was canceled.

All issued and outstanding shares were fully paid in as of 31 December 2016 and 2015. The shares have no nominal value.

As of 31 December 2016, 12,234,333 subscription rights, including virtual options, had been granted to employees and members of management.

The **treasury shares** were deducted from subscribed capital on the face of the balance sheet. The difference between the accounting par value (nominal value) (EUR 692,109) and the acquisition cost of treasury shares (EUR 10,000,916) is offset against the freely available capital reserves. Acquisition-related costs are recognized as expenses for the fiscal year.

The EUR 19.8m change in **capital reserves** is attributable to a financing round of EUR 21.6m completed in April/May 2016, from which EUR 1.0m was allocated to the capital stock and EUR 20.5m to capital reserves. Furthermore, the exercise of options granted to a board member and an executive resulted in a reduction in the capital reserves, since they exercised compensation claims acquired under the corporate restructuring actions taken in 2015.

The **accumulated loss** is the result of the net loss for the fiscal year and the carryforward from the preceding abbreviated fiscal year.

As of 31 December, paid-in contributions of EUR 1,652k on shares not yet issued were recognized under **contributions made for capital increases**; see also the subsequent events section.

As of the balance sheet date, the total amount subject to the distribution restriction per Sec. 368 (8) HGB amounted to EUR 855k. This amount is calculated by deducting corresponding deferred taxes (EUR 550k) from the balance of self-generated intangible assets (EUR 1,405k). Deferred taxes were calculated applying a tax rate of 30.2%.

Other provisions of EUR 5,640k relate to provisions for virtual options to be settled in cash. The Company has granted its employees such options. Furthermore, the previous subsidiaries' obligations to general managers and employees at the national companies were transferred to HelloFresh SE as part of the restructuring described above.

In addition, other provisions mostly relate to marketing services that have not yet been invoiced (EUR 1,952k), other outstanding invoices (EUR 815k), personnel-related obligations for vacation not taken in 2016 and bonuses (EUR 591k), legal disputes (EUR 500k) and costs associated with preparing and auditing the separate and consolidated financial statements (EUR 340k).

Schedule of liabilities

	12/31/2016				12/31/2015			
	residual term				residual term			
	up to 1 year EUR	between 1 and 5 years EUR	over 5 years EUR	total EUR	up to 1 year EUR	between 1 and 5 years EUR	over 5 years EUR	total EUR
1. Liabilities to banks	208,889	20,000,000	0	20,208,889	0	0	0	0
2. Trade payables	805,030	0	0	805,030	1,699,180	0	0	1,699,180
3. Liabilities to affiliates	360,758	0	0	360,758	3,833,738	0	0	3,833,738
4. Liabilities to shareholders	0	26,848,611	0	26,848,611	0	0	0	0
5. Other liabilities	357,066	0	0	357,066	339,097	0	0	339,097
	1,731,743	46,848,611	0	48,580,354	5,872,014	0	0	5,872,014

The **liabilities to banks** are collateralized by the pledge or transfer by way of security, respectively, of industrial property rights and shares in subsidiaries.

Trade payables and provisions for outstanding invoices include **liabilities to shareholders** for purchased services of EUR 10k.

Contingent liabilities

The Company has issued a guarantee to Grocery Delivery E-Service UK Ltd. in order to exempt the latter from compulsory audit in accordance with Sec. 479c UK Companies Act 2006 with regard to the financial statements.

The Company is also liable for a letter of credit of USD 1,885k issued by Deutsche Bank AG in favor of Taf Dallas Industrial Portfolio, LP, Dallas, USA (previously in favor of Comerica Bank, Dallas, Texas, USA, and CHI/Post & Paddock, L.P., Dallas, Texas, USA). The letter was required to rent a property to Grocery Delivery E-Services USA Inc., which is used as a warehouse and fulfillment center. The full amount of the guarantee is held in cash deposited by HelloFresh AG with Deutsche Bank and as such is subject to restrictions on disposal.

The Company is the general partner of HelloFresh Deutschland SE & Co. KG and HelloFresh Deutschland Produktions SE & Co. KG. Pursuant to Sec. 133 (1) UmwG ("Umwandlungsgesetz": German Reorganization Act), the Company is also liable for the obligations of HelloFresh Deutschland SE & Co. KG incurred prior to the effective date of the spin-off.

On 28 December 2016, the Company issued a letter of comfort in favor of HelloFresh Deutschland SE & Co. KG with a limited term until 31 December 2017 and limited to an amount of EUR 4.5m.

On 14 August 2015, the Company cosigned an agreement on the lease of vehicles between Leaseperformance BV, Lijnden, Netherlands, and HelloFresh Benelux B.V., Amsterdam, Netherlands (formerly Grocery Delivery E-Services The Netherlands B.V.) as a guarantor. As of 31 December 2016, there were outstanding obligations of EUR 10.3m under the agreement.

On 9 August 2016, the Company cosigned an agreement on the lease of vehicles between Volkswagen Pon Financial Services, Amersfoort, Netherlands, and HelloFresh Benelux B.V. as a guarantor. As of 31 December 2016, there were outstanding obligations of EUR 3.0m under the agreement.

On 24 March 2016, the Company issued a guarantee for an amount of up to EUR 200k to Mettler Packaging GmbH, Morbach. The guarantee will remain effective until HelloFresh Benelux B.V. has fulfilled its obligations under agreements on the procurement of packaging materials to the beneficiary; if notice of termination is issued, the guarantee will remain effective until the obligations existing as of the date of termination are fulfilled.

On 21 October 2016, the Company issued a guarantee for an amount of up to EUR 200k to Mettler Packaging GmbH, Morbach. The guarantee will remain effective until Grocery Delivery E-Services UK Ltd., London, UK, has fulfilled its obligations under agreements on the procurement of packaging materials to the beneficiary; if notice of termination is issued, the guarantee will remain effective until the obligations existing as of the date of termination are fulfilled.

On 1 September 2016, the Company issued a guarantee for GroupM B.V., Amsterdam, Netherlands, in favor of HelloFresh Benelux B.V. for an amount of up to EUR 600k. The guarantee may be terminated at any time by giving seven days' notice.

On 27 April 2016, the Company cosigned an agreement on the delivery of ingredients between Rastelli Brothers, Inc. and Grocery Delivery E-Services USA Inc., New York, USA, as a guarantor. As of 31 December 2016, there were outstanding obligations of USD 215k under the agreement.

On 29 April 2016, the Company issued a guarantee for an amount of up to USD 1,500k to US Foods, Inc., Rosemont, USA. The guarantee will remain in force until Grocery Delivery E-Services USA Inc., New York, USA, has fulfilled its obligations towards the beneficiary.

On 28 October 2016, the Company issued a guarantee to UniCredit Bank AG, Munich, in favor of Grocery Delivery E-Services UK Ltd. for an amount of up to EUR 3.5m. After one year, the guarantee may be terminated at any time by giving three months' notice.

On 26 July 2016, the Company issued a guarantee for an amount of up to EUR 600k to DPDgroup UK Ltd., Bristol, UK. The guarantee will remain effective until Grocery Delivery E-Services UK Ltd., London, UK, has fulfilled its obligations to the beneficiary; if notice of termination is issued, the guarantee will remain effective until the obligations existing as of the date of termination are fulfilled.

On 28 November 2016, the Company issued a guarantee for an amount of up to EUR 1.2m to Van Meines Vers B.V., Zoetermeer, Netherlands. The guarantee will remain effective until HelloFresh Benelux B.V.

has fulfilled its obligations under agreements on the procurement of foodstuffs to the beneficiary; if notice of termination is issued, the guarantee will remain effective until the obligations existing as of the date of termination are fulfilled.

On 28 October 2016, the Company issued a guarantee to Moneris Solutions Corporation, Toronto, Canada, Royal Bank of Canada, Montreal, Canada, Bank of Montreal, Montreal, Canada, and Harris N.A., Chicago, USA, in favor of HelloFresh Canada Inc., Toronto, Canada, for an amount of up to EUR 3.5m. After one year, the guarantee may be terminated at any time by giving 30 days' notice.

The probability of the aforementioned contingent liabilities being claimed is currently deemed to be low, as it is assumed that the corresponding subsidiaries that are in a strong growth and investment phase (as is the entire HelloFresh Group) will be profitable in the medium term.

As the limited partners of HelloFresh Deutschland SE & Co. KG and HelloFresh Deutschland Produktions SE & Co. KG each hold their interests in trust for HelloFresh SE, these interests are fully allocated to HelloFresh SE. As a result, the aforementioned limited partnerships are transparent for tax purposes (trust model). Furthermore, there are no contingent liabilities as a result of the trustor role.

Other financial obligations

In addition to the contingent liabilities, there are other financial obligations from leases amounting to EUR 1,243k. The lease agreements expire between 2018 and 2020.

Related party transactions

The following significant transactions that do not involve transactions with or between directly or indirectly wholly owned companies included in the consolidated financial statements were concluded with related parties:

	Type of relationship		
Type of transaction	Shareholder EUR k	Subsidiaries EUR k	Key management personnel EUR k
Purchase of services	515	–	–
Conclusion of a loan facility	50,000	–	–
Outstanding on the loan facility	25,000	–	–
Contribution of equity to subsidiaries	–	3,216	–

Notes to individual items of the income statement

Revenue of EUR 40,145k relates to proceeds from services provided to affiliates. Thereof, EUR 3.9m relates to Germany, EUR 8.5m to other EU countries and EUR 27.8m to non-EU countries.

Cost of sales includes cost of materials of EUR 39,101k, which relates exclusively to purchased services. Personnel expenses amount to EUR 10,806k and comprise wages and salaries of EUR 9,169k and social security, pension and other benefit costs of EUR 1,637k. Income of EUR 3,316k was recorded in other operating income for share-based compensation, which is chiefly due to the revaluation of the related virtual options as of the balance sheet date.

Extraordinary income and expenses

From fiscal year 2016, expenses and income are no longer recognized in the extraordinary result due to the first-time application of Sec. 275 HGB as amended by the BilRUG ("Bilanzrichtlinie-Umsetzungsgesetz": German Act to Implement the EU Accounting Directive). In the prior year, other operating income included extraordinary income of EUR 1,260k arising from the spin-off of the German and Austrian business of the HelloFresh Group into HelloFresh Deutschland SE & Co. KG. The Company is general partner of the latter. In the prior year, other operating expenses also included extraordinary expenses of EUR 6,518k from the abovementioned merger of four subsidiaries into HelloFresh AG. The contribution of shares in two of the companies to be merged led to the disclosure of hidden reserves in the shares of EUR 5,409k. These were lost in the course of the merger and increased extraordinary expenses accordingly.

Other notes

As the ultimate parent company, the Company prepares **consolidated financial statements** for the largest and smallest group of companies. These consolidated financial statements are published in accordance with Sec. 325 (3) HGB and are available in the *Bundesanzeiger* (German Federal Gazette) under http://www.unternehmensregister.de.

The Company had an average of 150 employees in fiscal year 2016, of whom 103 employees were male and 47 female.

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

Rocket Internet SE, Berlin, informed us pursuant to Sec. 20 (1), (3) and (4) AktG that it directly holds more than one quarter of the shares and holds a majority interest in HelloFresh SE, Berlin.

Corporate bodies

Management board

Dominik Richter, CEO of the HelloFresh Group Chairman

Thomas W. Griesel, COO of the HelloFresh Group

Christian Gärtner, CFO of the HelloFresh Group

Supervisory board

Jeffrey Lieberman, managing director of Insight Venture Partners, Chairman

Oliver Samwer, CEO of Rocket Internet SE, Deputy Chairman

John H. Rittenhouse, CEO of Cavallino Capital, LLC

Derek Zissman, Chairman of the audit committee

Dmitry Falkovich, Founder Phenomen Ventures

Ursula Radeke-Pietsch, Head of Global Capital Markets at Siemens AG

Total remuneration of the management board and supervisory board

The total remuneration of the members of the management board of HelloFresh SE came to EUR 753k for fiscal year 2016. The management board was also granted a share-based compensation component. As this compensation is equity-settled, no corresponding expenses were recorded in the fiscal year. The supervisory board's remuneration amounted to EUR 82k.

Loans and advances granted to members of the management board and the supervisory board

No loans or advances were granted to members of the management board or supervisory board.

As of the balance sheet date, no contingent liabilities had been assumed on behalf of members of the supervisory board.

Subsequent events

On 29 December 2016, the Company concluded a new investment and shareholder agreement on additional financing of EUR 85.7m, of which EUR 1.7m had been paid in as of 31 December 2016 and recognized in the balance sheet as contributions made for capital increases. The remaining amount was paid in in January 2017 and the new shares were issued on 13 January 2017. As a result of this capital increase, the Company's subscribed capital increased by EUR 6.1m to EUR 133.1m.

Profit appropriation

In agreement with the supervisory board, the management board proposes carrying forward the accumulated loss for the year of EUR 21,289,192 to new account.

Berlin, 30 March 2017

The Management Board

HelloFresh SE

(Place)(date) signed Dominik S. Richter

(Place)(date) signed Thomas W. Griesel

(Place)(date) signed Christian Gärtner

STATEMENT OF CHANGES IN FIXED ASSETS FOR FISCAL YEAR 2016

	Acquisition and production cost			Accumulated amortization, depreciation and write-downs			Net book value	Net book value
	01 January 2016 EUR	Additions EUR	31 December 2016 EUR	01 January 2016 EUR	Additions EUR	31 December 2016 EUR	31 December 2016 EUR	31 December 2015 EUR
I. Intangible assets								
1. Internally generated software	0.00	1,865,514.68	1,865,514.68	0.00	460,623.68	460,623.68	1,404,891.00	0.00
2. Concessions, industrial property rights and similar rights and assets, and licenses in such rights and assets	79,466.25	229,735.95	309,202.20	14,491.00	66,808.20	81,299.20	227,903.00	64,975.25
	79,466.25	2,095,250.63	2,174,716.88	14,491.00	527,431.88	541,922.88	1,632,794.00	64,975.25
II. Property, plant and equipment								
Other equipment, furniture and fixtures	449,522.84	409,179.56	858,702.40	52,235.84	189,278.56	241,514.40	617,188.00	397,287.00
	449,522.84	409,179.56	858,702.40	52,235.84	189,278.56	241,514.40	617,188.00	397,287.00
III. Financial assets								
1. Shares in affiliates	59,284.04	3,215,468.38	3,274,752.42	0.00	0.00	0.00	3,274,752.42	59,284.04
2 Loans to affiliates	107,626,122.05	119,165,981.72	226,792,103.77	0.00	0.00	0.00	226,792,103.77	107,626,122.05
	107,685,406.09	122,381,450.10	230,066,856.19	0.00	0.00	0.00	230,066,856.19	107,685,406.09
	108,214,395.18	124,885,880.29	233,100,275.47	66,726.84	716,710.44	783,437.28	232,316,838.19	108,147,668.34

The following audit opinion (Bestätigungsvermerk) refers to the annual financial statements as well as the combined management report prepared on the basis of German commercial law (HGB) ("Handelsgesetzbuch": "German Commercial Code") of HelloFresh SE as of and for the year ended December 31, 2016 as a whole and not solely to the annual financial statements presented in this prospectus on the preceding pages. The above-mentioned audit opinion (Bestätigungsvermerk) and annual financial statements are both translations of the respective German-language documents.

Audit opinion

We have audited the annual financial statements comprising the balance sheet, the income statement and the notes to the financial statements, together with the bookkeeping system, and the combined management report of HelloFresh SE, Berlin, for the fiscal year from 1 January to 31 December 2016. The maintenance of the books and records and the preparation of the annual financial statements for the fiscal year and the combined management report in accordance with German commercial law are the responsibility of the Company's management. Our responsibility is to express an opinion on the annual financial statements for the fiscal year, together with the bookkeeping system, and the combined management report based on our audit.

We conducted our audit of the financial statements for the fiscal year in accordance with Sec. 317 HGB ("Handelsgesetzbuch": German Commercial Code) and German generally accepted standards for the audit of financial statements promulgated by the Institut der Wirtschaftsprüfer (Institute of Public Auditors in Germany) (IDW). Those standards require that we plan and perform the audit such that misstatements materially affecting the presentation of the net assets, financial position and results of operations in the annual financial statements for the fiscal year in accordance with (German) principles of proper accounting are detected with reasonable assurance. Knowledge of the business activities and the economic and legal environment of the Company and expectations as to possible misstatements are taken into account in the determination of audit procedures. The effectiveness of the accounting-related internal control system and the evidence supporting the disclosures in the books and records, the annual financial statements and the combined management report are examined primarily on a test basis within the framework of the audit. The audit includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the annual financial statements and combined management report. We believe that our audit provides a reasonable basis for our opinion.

Our audit has not led to any reservations.

In our opinion, based on the findings of our audit, the annual financial statements for the fiscal year comply with the legal requirements and give a true and fair view of the net assets, financial position and results of operations of the Company in accordance with (German) principles of proper accounting. The combined management report is consistent with the annual financial statements for the fiscal year, complies with the legal requirements and as a whole provides a suitable view of the Company's position and suitably presents the opportunities and risks of future development.

Berlin, 30 March 2017

Ernst & Young GmbH
Wirtschaftsprüfungsgesellschaft

Canzler	von Michaelis
Wirtschaftsprüfer	Wirtschaftsprüfer
(German Public Auditor)	(German Public Auditor)

22. GLOSSARY

Activations	Activations refer to customers who have received a box in a given quarter and have not been an active customer at any time before.
Active Customers	Number of uniquely identified customers who at any given time have received at least one box within the preceding 3 months (including first-time and trial customers, customers who received a free or discounted box and customers who ordered during the relevant period but discontinued their orders and registration with us before period end), counted from the end of the relevant quarter.
Adjusted EBITDA	Operating loss (EBIT) before depreciation and amortization and adjusted for special items and holding fees.
Articles of Association	The Issuer's articles of association.
BaFin	German Federal Financial Supervisory Authority (*Bundesanstalt für Finanzdienstleistungsaufsicht*).
Benelux	The geographic region consisting of the countries of Belgium, Luxembourg and the Netherlands.
Berenberg	Joh. Berenberg, Gossler & Co. KG, Hamburg, Germany. Berenberg is acting as one of the Joint Global Coordinators and Joint Bookrunners.
BNP PARIBAS	BNP Paribas, France, Paris, is acting as one of the Joint Global Coordinators and Joint Bookrunners.
Clearstream Banking AG	Clearstream Banking Aktiengesellschaft, Mergenthalerallee 61, 65760 Eschborn, Germany.
Co-Lead Manager	Rabobank.
Commercial Register	The commercial register (*Handelsregister*) of the local court (*Amtsgericht*) of Charlottenburg, Germany.
Compound annual growth rate	The mean annual growth rate of a measure over a particular period of time.
Consumer food expenditure	The total value of food products purchased by consumers within a particular timeframe. Includes food and non-alcoholic beverages, excludes alcoholic beverages and excludes value-added tax where applicable.

Contribution Margin . . . . Revenue less cost of goods sold, net of share-based compensation expense included in cost of goods sold, and fulfilment expenses, net of share-based compensation expense included in fulfilment expenses. The Contribution Margin is referred to as profit contribution or PC2 in the Issuer's unaudited condensed consolidated interim financial statements as of and for the six months ended June 30, 2017 and in the Issuer's audited consolidated financial statements as of and for the years ended December 31, 2016, 2015 and 2014. Share-based compensation expense is also referred to as share-based payment expense in the Issuer's audited consolidated financial statements as of and for the years ended December 31, 2016, 2015 and 2014.

Conversions . . . . Conversions are all customers that have set up an active registration in a given period and include customers who never had a registration with us before as well as customers who had cancelled their previous registration with us. Conversions of customers who had cancelled their previous registration with us are referred to as reactivations.

Customer acquisition cost . . . . Customer acquisition costs is a non-IFRS metric sourced from internal management reporting and defined as total marketing cost (including discounts) during a specific period divided by the number of new customers acquired during the same period.

Customer base . . . . Total number of people subscribed to the services and products.

Customer lifetime value . . . . Customer lifetime value is a non-IFRS metric sourced from internal management reporting and defined as the cumulated profit contribution before marketing expenses, general and administrative expenses and personnel, expenses, i.e., revenue (after discounts) less cost of goods sold and fulfilment costs, of all orders of that specific acquired customer cohort within a particular timeframe since customer acquisition.

D&O insurance . . . . Directors and officers insurance.

Designated sponsor . . . . Deutsche Bank.

Deutsche Bank . . . . Deutsche Bank Aktiengesellschaft, Frankfurt am Main, Germany. In this Offering, Deutsche Bank is acting as one of the Joint Global Coordinators and as one of the Joint Bookrunners.

E-commerce . . . . Electronic commerce, commonly known as e-commerce, is trading in products or services conducted via computer networks such as the Internet. Electronic commerce draws on technologies such as mobile commerce, electronic funds transfer, supply chain management, Internet marketing, online transaction processing, electronic data interchange (EDI), inventory management systems, and automated data collection systems. Modern electronic commerce typically uses the World Wide Web at least at one point in the transaction's life-cycle, although it may encompass a wider range of technologies such as e-mail, mobile devices, social media, and telephones as well.

EBIT . . . . Earnings before interest and taxes.

EBITDA . . . . Earnings before interest and taxes, depreciation and amortization.

EEA . . . . European Economic Area.

EU . . . . European Union.

EU Parent Subsidiary Directive . . . . EC Directive 2011/96/EU of November 20, 2011.

Free cash flow . . . . Net cash used in operating activities plus net cash used in investing activities.

Fresh food-at-home market . . . . The market for services that assemble and deliver fresh ingredients and meal components for consumers to prepare at home.

Greenshoe Option . . . . Option granted by the Issuer to the Underwriters, which allows them to acquire newly issued shares in the Issuer at the Offer Price less agreed fees and commissions.

Group or HelloFresh . . . . The Issuer together with its fully consolidated subsidiaries.

HelloFresh community . . . . Customers of HelloFresh are automatically registered as members of the HelloFresh community.

IFRS . . . . International Financial Reporting Standards as issued by the International Accounting Standards Board and as adopted by the European Union.

International . . . . The reporting segment International comprises HelloFresh's operations in Australia, Austria, Belgium, Canada, Germany, Luxembourg, the Netherlands, Switzerland and the United Kingdom.

IPO Capital Increase	A capital increase against cash contributions. Upon registration of the consummation of the IPO Capital Increase, the Issuer's outstanding share capital (i.e., issued share capital less treasury shares) will amount to up to EUR 159,436,643.00 and be divided into up to 159,436,643 ordinary bearer shares with no-par value.
Issuer	HelloFresh SE, a Germany-based stock corporation in the form of a European company (*Societas Europaea – SE*) with its registered office at Saarbrücker Straße 37a, 10405 Berlin, Germany, registered with the Commercial Register (*Handelsregister*) of the local court (*Amtsgericht*) of Charlottenburg, Germany and as such subject to specific provisions regarding the SE Regulation and the German Act on the SE-Implementation (*SE-Ausführungsgesetz*). However, to a large extent, the Issuer is treated as a German stock corporation and therefore governed by the general provisions of German corporate law (in particular, the German Stock Corporation Act – *Aktiengesetz*).
Joint Bookrunners	Deutsche Bank, J.P. Morgan, Morgan Stanley, Berenberg and BNP PARIBAS.
Joint Global Coordinators	Deutsche Bank, J.P. Morgan, Morgan Stanley, Berenberg and BNP PARIBAS.
J.P. Morgan	J.P. Morgan Securities plc, London, United Kingdom. In this Offering, J.P. Morgan is acting as one of the Joint Global Coordinators and as one of the Joint Bookrunners.
Lending Shareholder	Rocket Internet SE.
Major Shareholders	Shareholders of the Issuer, which, as of the date of this prospectus, directly or indirectly, have a notifiable interest in the Issuer's capital and voting rights in the meaning of Sections 21 et seqq. of the German Securities Trading Act. Includes Rocket Internet SE, Jeff Horing, Phenomen Ventures LP, Qatar Investment Authority and Vorwerk & Co. KG.
Majority Shareholder	A shareholder holding 95% of the share capital.
Management Board	The Issuer's management board.
Morgan Stanley	Morgan Stanley & Co. International plc, London, United Kingdom. In this Offering, Morgan Stanley is acting as one of the Joint Global Coordinators and as one of the Joint Bookrunners.

New Shares	Newly issued ordinary bearer shares with no-par value (*Stückaktien*) from a capital increase against contribution in cash to be resolved by an extraordinary shareholders' meeting of the Issuer on or about October 24, 2017.
New customers	Customers who received their first HelloFresh meal.
Over-Allotment Shares	Existing shares from the holdings of the Lending Shareholder in connection with a possible over-allotment.
Offer Period	The period commencing October 24, 2017 and ending on November 1, 2017, at 12:00 noon (Central European Time) for private investors (natural persons) and at 14:00 pm (Central European Time) for institutional investors.
Offer Price	The price of the Issuer's shares in the Offering.
Offer Shares	The Issuer's shares that are the subject of this prospectus, equal to the aggregate of New Shares and Over-Allotment Shares.
Paying agent	Deutsche Bank.
Price Range	The price range set for the Offering within which purchase orders may be placed. EUR 9.00 to EUR 11.50 per Offer Share.
Qualified Institution Buyers or QIBs	Qualified institution buyers, as defined in Rule 144A of the Securities Act.
Qualified Participation	If the Shareholder, or a legal predecessor in case of acquisition without consideration, has directly or indirectly held shares equal to at least 1% of the Issuer's share capital at any time during the previous five years.
Qualified Subsidiary	A Qualified Subsidiary means (a) a fully taxable Luxembourg resident company limited by share capital (*société de capitaux*), (b) a company covered by Article 2 of the amended EU Parent Subsidiary Directive or (c) a non-resident company limited by share capital (*société de capitaux*) liable to a tax corresponding to Luxembourg corporate income tax.
Rabobank	Coöperatieve Rabobank U.A. (Rabobank), Utrecht, The Netherlands. Rabobank is acting the Co-Lead Manager.

Referrals	Referrals relate to those customers, who have received a box in a given quarter and have not been an active customer at any time before and have signed up under our referral program.
Regulation S	Regulation S under the Securities Act.
Repeat customers	Customers that are receiving at least their second box.
Rocket Internet SE	Rocket Internet SE, Berlin, Germany.
Rule 144A	Rule 144A under the Securities Act.
Securities Act	United States Securities Act of 1933, as amended.
SEAG	German Act on the SE-Implementation (*SE-Ausführungsgesetz*)
SEBG	Law on Employee Participation in a European Company (*SE-Beteiligungsgesetz*)
SEO	Search engine optimization; the process of affecting the visibility of a website or a web page in a search engine's "natural" or unpaid ("organic") search results.
SE Regulation	Council Regulation (EC) No. 2157/2001 of October 8, 2001 on the Statute for a European company (*SE*), as amended.
Session	A session is a series of interactions between two communication end points that occur during the span of a single connection.
Stabilization Manager	Berenberg, acting for the account of the Underwriters, by way of a securities loan to cover potential over-allotments in connection with the Offering.
Stabilization Period	The span of 30 calendar days during which the Stabilization Manager may take stabilization measures, starting on the date the Issuer's shares are listed on the regulated market on the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*), and ending on December 1, 2017.
Supervisory Board	The Issuer's supervisory board.
Underwriters	Deutsche Bank, J.P. Morgan, Morgan Stanley, Berenberg, BNP PARIBAS and Rabobank.
Underwriting Agreement	The underwriting agreement entered into on October 23, 2017, among the Issuer, the Lending Shareholder and the Underwriters.

U.S. territories and possessions . . . . Includes Puerto Rico, U.S. Virgin Islands, Guam, American Samoa, Wake Island and the Northern Mariana Islands.

VAT . . . . Value-added tax (*Umsatzsteuer*).

23. RECENT DEVELOPMENTS AND OUTLOOK

23.1 Recent Developments

In September 2017, we expanded our operations to Luxembourg.

Active Customers increased from 0.84 million in the three months ended September 30, 2016 to 1.28 million Active Customers in the three months ended September 30, 2017, consisting of 0.79 million Active Customers in our USA segment and 0.49 million Active Customers in our International segment. Total orders in the three months ended September 30, 2017 were 4.6 million, consisting of 2.6 million orders in our USA segment and 2.0 million orders in our International segment. In the three months ended September 30, 2017, we delivered 33.7 million meals, with our USA segment contributing 17.9 million meals and our International segment contributing 15.8 million meals.

Based on preliminary numbers, revenue in the seasonally softer three months ended September 30, 2017 amounted to EUR 217 million representing an increase of 48% when compared with the three months ended September 30, 2016. Adjusting for the impact of foreign exchange rate developments, i.e., applying a constant currency approach pursuant to which revenue denominated in a currency other than the euro for a given month and the corresponding month in the prior year is translated into euro by using the average exchange rate for the respective month in the prior year for both periods, revenue increased by 53% in the three months ended September 30, 2017 when compared with the three months ended September 30, 2016. External revenue in our USA segment increased to EUR 131 million in the three months ended September 30, 2017, a 76% increase when compared with the three months ended September 30, 2016. On a constant currency basis, the increase was 86%. External revenue in our International segment increased to EUR 86 million in the three months ended September 30, 2017, a 18% increase when compared with the three months ended September 30, 2016. On a constant currency basis, the increase was 20%. The average order rate increased slightly in the three months ended September 30, 2017 when compared with the three months ended September 30, 2016 for the Group (3.63 compared to 3.58) and each of the USA (3.33 compared to 3.21) and the International segment (4.11 compared to 3.94). Based on preliminary numbers, our Adjusted EBITDA margin in the three months ended September 30, 2017 improved slightly when compared with the six months ended June 30, 2017.

Except as described above, between June 30, 2017 and the date of this prospectus, there have been no material changes to our financial position, financial performance or cash flows, or our trading position.

23.2 Outlook

Certain statements in this section constitute forward-looking statements. These forward-looking statements are not guarantees of future financial performance and the Issuer's actual results could differ materially from those expressed or implied by these forward-looking statements as a result of many factors, including, but not limited to, those described under "*1. Risk Factors*", "*2.3 Forward-looking Statements*" and "*11. Business Description*". In particular, the financial and operational targets discussed in this section are only targets and are not, and should not be, viewed as forecasts, projections or estimates of the Issuer's future performance. Investors are urged not to place undue reliance on any of the statements set forth below.

In the near to medium term, we expect that revenue will show similar absolute increases on a constant currency basis as the absolute increase in 2016 compared to 2015. We believe that our USA segment will contribute more strongly to this increase than our International segment.

Excluding share-based compensation expense, which we currently estimate to amount to about EUR 12 million in 2018 and about EUR 9 million to EUR 10 million in 2019, our cost items are expected to decrease as a percentage of revenue. Specifically, we expect that cost of goods sold and fulfilment expenses excluding share-based compensation expense, respectively, will decrease from 79% of revenue in the six months ended June 30, 2017 to 68% to 70% of revenue in the medium term due to a continued focus on increasing efficiency and automation, a further increase in direct grower relationships and better fix cost utilization through increasing scale. Marketing expenses are expected to continue to remain on a high absolute level. We believe, however, that marketing expenses excluding share-based compensation expense measured as a percentage of revenue will decrease from 28% in the six months ended June 30, 2017 to 13% to 15% in the medium term due to a higher share of existing customers in the overall customer mix and further optimization of marketing channels. The sum of general and administrative expenses excluding

share-based compensation expense, other operating income and other operating expense is expected to decrease from 5% of revenue in the six months ended June 30, 2017 to 4% in the medium term.

Our strategic goal is to continue our margin expansion and reach Adjusted EBITDA breakeven across our Group within the next 15 months. In the medium term, we believe that our Adjusted EBITDA as a percentage of revenue may increase to 12% to 15%. The outlook presented above is based on our current geographic footprint and does not take into account the impact of potential new business lines, changes in the competitive environment or potential exchange rate fluctuations.