Report of the Management Board on Agenda Item 9 (Resolution on the cancellation of the existing and granting of a new authorization to issue convertible bonds, bonds with warrants, profit participation rights and/or participating bonds (or combinations of these instruments) with the possibility of excluding subscription rights, on the cancellation of the existing Conditional Capital 2022/I, the creation of a new Conditional Capital 2024/I and on the corresponding amendment to Article 4 of the Articles of Association)

Under Agenda Item 9 of the Annual General Meeting on May 2, 2024, the Management Board and the Supervisory Board propose that the existing authorization to issue convertible bonds and/or bonds with warrants, profit participation rights and/or participating bonds (or combinations of these instruments) and the existing Conditional Capital 2022/I be cancelled and that a new authorization and a new Conditional Capital 2024/I be created. In accordance with Article 5 SE Regulation in conjunction with Section 221 para. 4 sentence 2 AktG in conjunction with Section 186 para. 4 sentence 2 AktG, the Management Board submits this report to the Annual General Meeting on the reasons for the authorization to exclude shareholders' subscription rights when issuing new convertible bonds and/or bonds with warrants, profit participation rights and/or participating bonds (or combinations of these instruments) (hereinafter jointly referred to as "**Bonds**"):

By resolution of the Company's Annual General Meeting on May 12, 2022, the Management Board was authorized, with the approval of the Supervisory Board, to issue bearer or registered convertible bonds, bonds with warrants, profit participation rights and/or participating bonds (or combinations of these instruments) (hereinafter collectively referred to as "**Bonds 2022**") on one or more occasions until May 11, 2025 with the possibility of excluding subscription rights of up to EUR 1,000,000,000.00 with or without a limited term and to grant the creditors or holders of Bonds 2022 conversion or option rights to shares in the Company with a pro rata amount of the share capital of up to EUR 17,394,227.00 in accordance with the respective option or convertible bond conditions or profit participation right conditions or participating bond conditions (hereinafter referred to as "A**uthorization 2022**"). Conditional Capital 2022/I of up to EUR 17,394,227.00 was created to service the Bonds 2022 issued under Authorization 2022 (Article 4 (5) of the Articles of Association). The Company's Management Board has not made use of the Authorization 2022.

Due to the issue of new shares with the exclusion of subscription rights in connection with the servicing of payment entitlements from (employee) participation programs, the Company no longer has the full option of issuing Bonds 2022 without subscription rights.

The Management Board and Supervisory Board therefore consider it expedient to cancel the Authorization 2022 to issue Bonds and the existing Conditional Capital 2022/I and to replace them with a new authorization and a new Conditional Capital 2024/I. Together with the existing Conditional Capital 2018/II, the Conditional Capital 2024/I would amount to 12.89% of the Company's share capital at the time of publication of this convening notice.

In order to be able to make appropriate use of the range of possible capital market instruments that securitize conversion or option rights, it appears appropriate to set the permissible issue volume in the authorization at EUR 500,000,000.00. The conditional capital, which serves to fulfill the conversion or option rights or conversion or option obligations, should amount to EUR 17,319,056.00. The number of shares required to service conversion or option rights, conversion or option obligations or to grant shares instead of the cash amount due from a Bond with a certain issue volume generally depends on the market price of the Company's share at the time the Bond is issued. A comprehensive assessment of the Conditional Capital 2024/I is intended to ensure that the authorization framework for the issue of Bonds can be used comprehensively if required.

Adequate capital resources are an essential basis for the Company's development. By issuing convertible bonds and bonds with warrants, the Company can take advantage of attractive financing opportunities, depending on the market situation, to provide the Company with capital at a low current interest rate. By issuing profit participation rights with conversion or option rights, the interest rate can also be based on the Company's current dividend, for example. The conversion and option premiums generated benefit the Company when they are issued. Practice shows that some financing instruments can only be placed by granting options or conversion rights.

Shareholders must generally be granted subscription rights when Bonds are issued (Article 5 SE Regulation in conjunction with Section 221 para. 4 AktG in conjunction with Section 186 para. 1 AktG). The Management Board may make use of the option to issue Bonds to one or more credit institutions with the obligation to offer the Bonds to shareholders in accordance with their subscription rights (so-called indirect subscription right pursuant to Article 5 SE Regulation in conjunction with Section 186 para. 5 AktG). This does not constitute a restriction of shareholders' subscription rights. The shareholders are ultimately granted the same subscription rights as in the case of a direct subscription. For processing reasons, only one or more credit institution(s) will be involved in the processing.

However, the Management Board is to be authorized, with the approval of the Supervisory Board, to exclude subscription rights in certain cases:

(i) With the approval of the Supervisory Board, the Management Board shall be able to exclude subscription rights for fractional amounts. The aim of this exclusion of subscription rights is to facilitate the handling of an issue with shareholders' subscription rights in principle, as this allows a technically feasible subscription ratio to be established. The value of the fractional amounts per shareholder is generally low, which is why the potential dilution effect is also considered to be low. In contrast, the cost of the issue is significantly higher without such an exclusion. The exclusion therefore serves the purpose of practicability and the easier implementation of an issue. For these reasons, the Management Board and Supervisory Board consider the possible exclusion of subscription rights to be objectively justified and, after considering the interests of the shareholders, also appropriate.

(ii) Furthermore, the Management Board is to be authorized, with the approval of the Supervisory Board, to exclude shareholders' subscription rights in order to grant the holders or creditors of Bonds subscription rights to the extent to which they would be entitled after exercising their conversion or option rights or after fulfilling their conversion or option obligations. This offers the possibility of granting the holders or creditors of Bonds already issued or still to be issued at this time a subscription right as protection against dilution instead of a reduction in the option or conversion price. It is market standard to provide Bonds with such dilution protection.

(iii) In accordance with Article 5 of the SE Regulation in conjunction with Section 186 para. 3 sentence 4 of the German Stock Corporation Act (AktG), the Management Board should also be authorized to exclude the subscription right with the approval of the Supervisory Board when issuing Bonds for cash if the issue price of the Bonds is not significantly lower than their market value. This may be expedient in order to quickly take advantage of favorable stock market situations and to be able to place a Bond quickly and flexibly on the market at attractive conditions. As the stock markets can be volatile, achieving the most advantageous issue result possible often depends to a greater extent on whether it is possible to react to market developments at short notice. Favorable conditions that are as close to market conditions as possible can generally only be set if the Company is not tied to them for too long. In the case of rights issues, a not inconsiderable haircut is generally required to ensure the issue's chances of success for the entire offer period. Article 5 of the SE Regulation in conjunction with Section 186 (2) of the German Stock Corporation Act (AktG) allows the subscription price (and thus, in the case of bonds with warrants and convertible bonds, the terms of these bonds) to be published by the third last day of the subscription period. In view of the volatility of the stock markets, however, there is still a market risk over several days, which leads to safety discounts when determining the bond conditions. The granting of a subscription right also makes alternative placement with third parties more difficult or would involve additional expense due to the uncertainty of the exercise (subscription behavior). Finally, if subscription rights are granted, the Company cannot react quickly to a change in market conditions due to the length of the subscription period, which may make it necessary to raise capital at a less favorable price for the Company.

The interests of the shareholders are protected by the fact that the Bonds may not be issued for significantly less than the market value. The market value is to be determined in accordance with recognized principles of financial mathematics. When setting the price, the Management Board will keep the discount on the market value as low as possible, taking into account the respective situation on the capital market. The arithmetical value of a subscription right will therefore be so low that the shareholders will not suffer any significant economic disadvantage as a result of the exclusion of subscription rights.

Setting the conditions in line with the market and thus avoiding a significant dilution of value can also be achieved by the Management Board carrying out a so-called bookbuilding process. In this procedure, investors are asked to submit purchase applications on the basis of preliminary Bond terms and conditions, specifying, for example, the interest rate and/or other economic components deemed to be in line with the market. After the end of the bookbuilding period, the conditions that are still open at that time (e.g. the interest rate) are determined in line with the market according to supply and demand on the basis of the purchase applications submitted by the investors. In this way, the total value of the Bonds is determined close to the market. By means of such a bookbuilding procedure, the Management Board can ensure that no significant dilution of the value of the shares occurs as a result of the exclusion of subscription rights.

Shareholders also have the opportunity to maintain their share in the Company's share capital on approximately the same terms by purchasing shares on the stock exchange. This ensures that their financial interests are adequately protected. The authorization to exclude subscription rights in accordance with Article 5 SE Regulation in conjunction with Section 221 para. 4 sentence 2 AktG in conjunction with Section 186 para. 3 sentence 4 AktG only applies to Bonds with rights to shares representing a proportionate amount of the share capital of no more than 10% of the share capital in total, neither at the time this authorization becomes effective nor at the time it is exercised.

The sale of treasury shares is to be counted towards the 10% limit if it takes place during the term of this authorization with the exclusion of subscription rights in accordance with Article 5 SE Regulation in conjunction with Section 71 para. 1 no. 8 sentence 5 clause 2 AktG in conjunction with Section 186 para. 3 sentence 4 AktG. Furthermore, shares issued during the term of this authorization from authorized capital with the exclusion of subscription rights in accordance with Article 5 SE Regulation in conjunction with Section 203 para. 2 sentence 1 AktG in conjunction with Section 186 para. 3 sentence 4 AktG are to be counted towards this limit. This offsetting takes into account the shareholders' interest in minimizing the dilution of their shareholding.

(iv) Bonds may also be issued against contributions in kind if this is in the interests of the Company. In this case, the Management Board is authorized, with the approval of the Supervisory Board, to exclude shareholders' subscription rights, provided that the value of the contribution in kind is in reasonable proportion to the market value of the Bonds. This opens up the possibility of being able to use Bonds as consideration for acquisitions in suitable individual cases (for example in connection with the acquisition of companies, shareholdings or other assets). It has been shown in practice that it is often necessary in negotiations not to offer money, but also or exclusively other forms of consideration. The ability to offer Bonds as consideration thus strengthens the Company's position in the competition for interesting acquisition targets and increases the scope for exploiting opportunities to acquire companies, interests in companies or other assets on a larger scale while preserving liquidity. Such an approach can also make sense from the point of view of an optimal financing structure. The Management Board will carefully examine in each individual case whether it will make use of the authorization to issue Bonds against contributions in kind with the exclusion of subscription rights. It will only do so if such a procedure is in the interests of the Company and therefore in the interests of the shareholders.

The authorizations to exclude subscription rights explained in the above paragraphs are limited in total to an amount that does not exceed 10% of the share capital, neither at the time this authorization becomes effective nor at the time this authorization is exercised. Treasury shares sold during the term of this authorization with the exclusion of subscription rights and shares issued during the term of this authorization from authorized capital with the exclusion of shareholders' subscription rights are to be counted towards the aforementioned 10% limit.

This restriction limits a possible dilution of the voting rights of shareholders excluded from subscription rights. Taking into account all of the aforementioned circumstances, the authorization to exclude subscription rights within the limits described is necessary, suitable, appropriate and in the interests of the Company.

Insofar as profit participation rights or participating bonds without conversion or option rights or conversion or option obligations are to be issued, the Management Board is to be authorized, with the approval of the Supervisory Board, to exclude shareholders' subscription rights altogether if these profit participation rights or participating bonds have bond-like features (i.e. if they do not establish any membership rights in the Company, do not grant any participation in liquidation proceeds and the amount of interest is not calculated on the basis of the amount of net income for the year, net retained profits or the dividend). It is also necessary that the interest rate and the issue amount of the profit participation rights or participating bonds correspond to the current market conditions for comparable borrowing at the time of issue. If the aforementioned requirements are met, the exclusion of subscription rights does not result in any disadvantages for the shareholders, as the profit participation rights or participating bonds do not establish any membership rights and do not grant any share in the liquidation proceeds or profits of the Company. It is possible to stipulate that the payment of interest depends on the existence of a net profit for the year, a balance sheet profit or a dividend. However, a provision according to which a higher net profit for the year, a higher balance sheet profit or a higher dividend would lead to an increase in interest would not be permissible. Therefore, the issue of profit participation rights or participating bonds does not change or dilute the shareholders' voting rights or participation in the Company and its profit. In addition, there is no significant subscription right value as a result of the issue conditions in line with the market, which are mandatory for this case of exclusion of subscription rights.

The proposed conditional capital serves to fulfill conversion or option rights or conversion or option obligations on shares of the Company from Bonds or to grant the creditors or holders of bonds shares in the Company instead of payment of the cash amount due in each case. It is also envisaged that the conversion or option rights or conversion or option obligations can alternatively be serviced by the delivery of treasury shares or shares from authorized capital or by other payments.

If the Management Board makes use of one of the above authorizations to exclude subscription rights in connection with the issue of bonds, it will report on this at the following Annual General Meeting.

Berlin, March 2024

HelloFresh SE

– The Management Board –