



Report of the Management Board on agenda item 10 (Resolution on the cancellation of the existing Authorized Capital 2020/I and the existing Authorized Capital 2017/II, the creation of a new Authorized Capital 2021/I with authorization to exclude subscription rights, and the corresponding amendment to Section 4 of the Articles of Association)

Under agenda item 10 of the General Meeting on May 26, 2021, the Management Board and the Supervisory Board propose to cancel the existing Authorized Capital 2020/I and the existing Authorized Capital 2017/II and to create a new Authorized Capital 2021/I (“**Authorized Capital 2021/I**”). In accordance with Article 5 of the SE Regulation in conjunction with Section 203 (2) sentence 2 AktG in conjunction with Section 186 (4) sentence 2 AktG, the Management Board gives this report to the General Meeting on agenda item 10 concerning the reasons for authorizing the exclusion of shareholders' subscription rights when issuing the new shares:

Making partial use of the Authorized Capital 2017/II, shares have been issued several times since its creation in connection with the servicing of call options exercised, among others, by active members of the Management Board as well as active and former employees of HelloFresh SE and the share capital has been increased several times. Due to the use of treasury shares, the Company no longer has the option to issue shares without subscription rights to the full extent. In addition, the structure of the Company's authorized capital is to be simplified.

In order to ensure that the Company continues to have flexibility in the future to strengthen its equity against cash and/or non-cash contributions, if required, the existing Authorized Capital 2020/I and the existing Authorized Capital 2017/II are to be cancelled and new authorized capital is to be created. The Authorized Capital 2021/I is intended to authorize the Management Board, with the approval of the Supervisory Board, to increase the share capital of the Company in the period until May 25, 2026 by up to EUR 13,619,298.00 on one or more occasions by issuing up to 13,619,298 new no-par value bearer shares against contributions in cash and/or in kind (Authorized Capital 2021/I). Including Authorized Capital 2017/I, the authorized capital of the Company, taking into account the cancellation of the Authorized Capital 2020/I and the Authorized Capital 2017/II also proposed under agenda item 10, will then reach a total proportionate amount of the share capital of 37.12 % of the share capital. (based on the Company's share capital at the time of publication of this convening notice).

The new Authorized Capital 2021/I is intended to enable the Company to raise at short notice and comprehensively the capital required for the further development of the Company on the capital markets by issuing new shares and to be able to take advantage flexibly and promptly of a favorable market environment to cover its future financing requirements, as well as to be able to respond quickly and successfully to advantageous offers or otherwise arising opportunities and to take advantage of opportunities for corporate expansion. Since decisions on meeting the Company's future capital requirements generally have to be made at short notice, it is important that the Company is not dependent in this respect on the rhythm of the annual General Meetings or on the long notice period for convening an extraordinary General Meeting. The legislator has taken these circumstances into account with the instrument of authorized capital.

When utilizing the new Authorized Capital 2021/I for the issuance of shares, the shareholders generally have a subscription right (Article 5 SE Regulation in conjunction with Section 203 (1) sentence 1 AktG in conjunction with Section 186 (1) AktG), whereby an indirect subscription right within the meaning of Section 186 (5) AktG is also sufficient. The issue of shares with the granting of such an indirect subscription right is already not to be regarded as an exclusion of subscription rights under the law. The shareholders are ultimately granted the same subscription rights as in the case of a direct subscription. For technical settlement reasons, only one or more credit institutions are involved in the settlement.

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

- (i) The Management Board shall be able to exclude subscription rights for fractional amounts with the approval of the Supervisory Board. The purpose of this exclusion of subscription rights is to facilitate the handling of an issue with shareholders' subscription rights in principle, because this allows a technically feasible subscription ratio to be presented. The value of the fractional amounts attributable to the individual shareholder is generally low, which is why the possible dilution effect is also to be regarded as low. In contrast, the cost of the issue without such an exclusion is significantly higher. The exclusion therefore serves the purpose of practicability and easier execution of an issue. The new shares excluded from shareholders' subscription rights as free fractions will be utilized in the best possible way for the Company either by sale on the stock exchange or in some other way. The Management Board and Supervisory Board consider the possible exclusion of subscription rights for these reasons to be objectively justified and, after weighing up the interests of the shareholders, also appropriate.
- (ii) It shall also be possible to exclude subscription rights in the case of cash capital increases if the shares are issued at an amount which is not significantly lower than the stock market price of the Company's share and such capital increase does not exceed 10 % of the share capital

(simplified exclusion of subscription rights pursuant to Article 5 SE Regulation in conjunction with Section 203 (1) sentence 1 AktG in conjunction with Section 186 (3) sentence 4 AktG). The authorization enables the Company to react flexibly to favorable capital market situations that arise and to be able to place the new shares also at very short notice (i.e. without the requirement of a subscription offer lasting at least two weeks). The exclusion of subscription rights makes it possible to act very quickly and place the shares close to the stock market price, thus avoiding the usual discount for subscription issues. This creates the basis for achieving the highest possible proceeds from the sale and the greatest possible strengthening of the Company's equity. The authorization to simplify the exclusion of subscription rights is justified not least by the fact that such a procedure can often generate a higher inflow of funds.

Such a capital increase may not exceed 10 % of the share capital, either at the time it becomes effective or – if this amount is lower – at the time this authorization is exercised. The proposed resolution also contains an offsetting clause. The maximum 10 % of the share capital to which this exclusion of subscription rights relates shall include shares issued to service convertible bonds, bonds with warrants, profit participation rights and/or participating bonds (or combinations of these instruments) with conversion or option rights or with conversion or option obligations (together “**Bonds**”) or which are to be issued on the basis of the conversion price valid at the time of the resolution of the Management Board on the utilization of the Authorized Capital 2021/I, provided that these Bonds are issued during the term of this authorization excluding subscription rights in accordance with Article 5 of the SE Regulation in conjunction with Section 221 (4) sentence 2 AktG in corresponding application of Section 186 (3) sentence 4 AktG. Furthermore, the sale of treasury shares shall be counted insofar as it takes place during the term of this authorization on the basis of an authorization pursuant to Article 5 SE Regulation in conjunction with Section 71 (1) no. 8 sentence 5 half-sentence 2 AktG in conjunction with Section 186 (3) sentence 4 AktG excluding subscription rights. In addition, those shares issued or sold during the term of this authorization on the basis of other capital measures excluding shareholders' subscription rights in direct or analogous application of Article 5 SE Regulation in conjunction with Section 186 (3) sentence 4 AktG shall be counted towards the maximum limit of 10 % of the share capital. This offsetting is done in the interest of the shareholders in keeping the dilution of their shareholding as low as possible.

The simplified exclusion of subscription rights is subject to the condition that the issue price of the new shares is not significantly lower than the stock market price. Any discount from the current stock market price or from the volume-weighted stock market price during a reasonable period before the final determination of the issue price is not expected to exceed around 5 % of the corresponding stock market price, subject to special circumstances in individual cases. This also takes into account the shareholders' need for protection to avoid as far as possible a

dilution of the value of their shareholding. By setting the issue price close to the stock market price of the Company's shares, it is ensured that the value that a subscription right would have for the new shares is practically very low. Shareholders also have the option of maintaining their relative shareholding by purchasing additional shares on the stock exchange.

- (iii) In addition, the Management Board shall be authorized, with the approval of the Supervisory Board, to exclude subscription rights to the extent necessary to grant new shares in the Company to holders or creditors of Bonds issued by the Company or by its subordinated group companies upon exercise of the conversion or option right or fulfillment of a conversion or option obligation, and to the extent necessary to grant holders or creditors of Bonds subscription rights to new shares to the extent they would have been entitled to after exercising their conversion or option rights. The purpose of this authorization is to grant new shares in the Company upon exercise of the conversion or option right or upon fulfillment of a conversion or option obligation and, to the extent necessary, to grant the holders or creditors of bonds subscription rights to new shares to the extent to which they would be entitled upon exercise of their conversion or option rights or upon fulfillment of their conversion or option obligations. Insofar as the granting of shares upon the exercise of the conversion or option right or the fulfillment of a conversion or option obligation is concerned, no subscription right of the existing shareholders is required, as they are generally to be granted a subscription right upon the issuance of the Bonds (Article 5 SE Regulation in conjunction with Section 221 (4) AktG in conjunction with Section 186 (1) AktG) and an exclusion of this subscription right would in turn require a separate authorization (see the proposed resolution on agenda item 11 on the authorization to issue convertible Bonds together with the authorization to exclude shareholders' subscription rights in certain cases, there in particular lit. b) bb), as well as the report of the Management Board on agenda item 11).

In addition, the Conditions of such Bonds regularly provide for protection against dilution, granting the holders or creditors subscription rights to new shares in the event of subsequent share issues and certain other measures. They are thus placed in the same position as if they were already shareholders. In order to provide the Bonds with such protection against dilution, the shareholders' subscription rights to these shares must be excluded. This serves to facilitate the placement of the Bonds and thus the interests of the shareholders in an optimal financial structure of the Company. In addition, the exclusion of subscription rights in favor of the holders or creditors of Bonds has the advantage that, if the authorization is exercised, the option or conversion price for the holders or creditors of existing Bonds does not need to be reduced in accordance with the respective Conditions of the Bonds.

- (iv) It shall also be possible to exclude subscription rights in the case of capital increases against contributions in kind. The Company shall continue to be able to acquire in particular companies, businesses, parts of companies, shareholdings, other assets or claims to the acquisition of assets, including receivables from the Company or its group companies, or to respond to offers for acquisitions or mergers in order to strengthen its competitiveness and maximize its earning power and enterprise value.

Practice shows that the shareholders of attractive companies sometimes have a strong interest in acquiring no-par value shares in the company as consideration (for example, to maintain a certain influence on the acquired company or the object of the contribution in kind). Another argument in favor of the possibility of providing the consideration not only in cash but also partly or solely in shares, from the point of view of an optimum financing structure, is that to the extent that new shares can be used as consideration in acquisitions, the Company's liquidity is conserved and borrowing is avoided, while the sellers participate in future share price opportunities. This leads to an improvement in the Company's competitive position in acquisitions.

The possibility of using shares in the Company as consideration in acquisitions gives the Company the necessary scope to seize such opportunities quickly and flexibly, and enables it to acquire even larger companies in return for shares. For both, it must be possible to exclude shareholders' subscription rights. As such acquisitions often have to be made at short notice, it is important that they are not approved by the General Meeting, which is held only once a year. Authorized capital is required, which the Management Board can access quickly with the approval of the Supervisory Board.

The same applies to the servicing of conversion or option rights or conversion or option obligations arising from Bonds which are also issued for the purpose of acquiring companies, businesses, parts of companies, interests in companies, other assets or claims to the acquisition of assets, including claims against the Company or its group companies, excluding shareholders' subscription rights. The new shares will be issued against contributions in kind, either in the form of the bond to be contributed or in the form of the contribution in kind made on the bond. This leads to an increase in the Company's flexibility in servicing the conversion or option rights or conversion or option obligations. The offer of bonds instead of or in addition to the granting of shares or cash payments can be an attractive alternative which, due to its additional flexibility, increases the Company's competitive opportunities in acquisitions.

If opportunities arise to merge with other companies or to acquire companies, businesses, parts of companies or interests in companies, other assets or claims to the acquisition of assets, including claims against the Company or its group companies, the Management Board will in

each case carefully examine whether it should make use of the authorization to increase capital by granting new shares. In particular, this will include examining the valuation relationship between the Company and the acquired shareholding or other assets and determining the issue price of the new shares and the further conditions of the share issue. The Management Board will only use the new Authorized Capital 2021/I if it is convinced that the respective merger or acquisition of the company, the business, the shareholding or the acquisition of equity interests, the acquisition of other assets or the acquisition of claims to the acquisition of assets including claims against the Company or its group companies in return for the granting of new shares is in the well-understood interests of the Company and its shareholders. The Supervisory Board will only give its required approval if it also comes to this conclusion.

- (v) Furthermore, the subscription right may be excluded in the case of stock dividends (also known as *scrip dividends*), in the context of which shares in the Company are used (also partially and/or optionally) to satisfy shareholders' dividend claims. This is intended to enable the Company to distribute a scrip dividend on optimal terms. In the case of a stock dividend, shareholders are offered the opportunity to contribute to the Company, in whole or in part, their entitlement to payment of the dividend arising from the resolution on the appropriation of profits adopted by the General Meeting as a contribution in kind in exchange for new shares in the Company. The distribution of a stock dividend may be effected as a rights issue in particular in compliance with the provisions of Article 5 SE Regulation in conjunction with Section 186 (1) AktG (minimum subscription period of two weeks) and Section 186 (2) AktG (announcement of the issue amount no later than three days prior to the expiry of the subscription period). In individual cases, however, depending on the capital market situation, it may be preferable to structure the distribution of a stock dividend in such a way that the Management Board, while offering all shareholders entitled to dividends new shares for subscription against contribution of their dividend entitlement in compliance with the general principle of equal treatment (Section 53a AktG), thus economically granting the shareholders a subscription right, legally excludes the shareholders' subscription right to new shares as a whole. Such exclusion of the subscription right enables the distribution of the stock dividend without the aforementioned restrictions of Article 5 SE Regulation in conjunction with Section 203 (1) AktG in conjunction with Section 186 (1) and (2) AktG and thus on more flexible terms. In view of the fact that all shareholders are offered the new shares and excess dividend amounts are settled by cash payment of the dividend, an exclusion of subscription rights in such a case appears to be justified and appropriate.

The authorizations explained in the above paragraphs to exclude subscription rights in the event of capital increases against contributions in cash and/or in kind cannot exceed an amount equal to 10 % of the share capital, neither at the time this authorization becomes effective nor at the time this authorization

is exercised. The following shall be counted towards the aforementioned 10 % limit: (i) shares issued from the Authorized Capital 2017/I during the term of this authorization under exclusion of shareholders' subscription rights, (ii) treasury shares sold during the term of this authorization under exclusion of subscription rights, and (iii) those shares used to service Bonds (including profit participation rights) with conversion or option rights or a conversion obligation (or a combination of these instruments) or are to be issued on the basis of the conversion price valid at the time of the resolution of the Management Board on the utilization of the Authorized Capital 2021/I, provided that the Bonds or profit participation rights were issued during the term of this authorization with the exclusion of shareholders' subscription rights.

This restriction also limits any dilution of the voting rights of shareholders excluded from the subscription right. When weighing up all these circumstances, the authorization to exclude subscription rights within the limits described is necessary, suitable, appropriate and in the interests of the Company.

If the Management Board makes use of one of the above authorizations to exclude subscription rights in connection with a capital increase from the new Authorized Capital 2021/I, it will report on this at the following General Meeting.

Berlin, April 2021

HelloFresh SE

The Management Board

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