



*Consolidated Financial Statements*  
*for the year ended*  
**31 December 2016**

## ***HelloFresh SE, Berlin***

### **Contents**

#### Consolidated Financial Statements

Consolidated Statement of Financial Position.....	1
Consolidated Statement of Comprehensive Income.....	2
Consolidated Statement of Changes in Equity.....	3
Consolidated Statement of Cash Flows.....	4
Segment Information.....	5

**HelloFresh SE**  
**Consolidated Financial Statements of Financial Position**

<i>In thousands of EUR</i>	Note	31 December 2016	31 December 2015
<b>Assets</b>			
<b>Non-current assets</b>			
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
<b>Total non-current assets</b>		<b>60,437</b>	<b>21,105</b>
<b>Current assets</b>			
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
<b>Total current assets</b>		<b>91,283</b>	<b>137,494</b>
<b>Total assets</b>		<b>151,720</b>	<b>158,599</b>
<b>Equity and Liabilities</b>			
<b>Equity</b>			
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)
<b>Equity attributable to the Company's shareholders</b>		<b>20,609</b>	<b>87,638</b>
Non-controlling interests	29	(30)	-
<b>Total equity</b>		<b>20,579</b>	<b>87,638</b>
<b>Non-current liabilities</b>			
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
<b>Total non-current liabilities</b>		<b>61,976</b>	<b>10,153</b>
<b>Current liabilities</b>			
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
<b>Total current liabilities</b>		<b>69,165</b>	<b>60,808</b>
<b>Total equity and liabilities</b>		<b>151,720</b>	<b>158,599</b>

**HelloFresh SE**  
**Consolidated Financial Statements of Comprehensive Income**

**Years ended 31 December**

<i>In thousands of EUR</i>	<b>Note</b>	<b>2016</b>	<b>2015</b>
Revenue	<b>5</b>	596,992	304,952
Cost of goods sold	<b>19,20</b>	(257,347)	(146,085)
<b>Gross Profit</b>		<b>339,645</b>	<b>158,867</b>
Fulfilment expenses	<b>19,20</b>	(238,419)	(121,695)
Marketing expenses	<b>19,20</b>	(157,414)	(120,504)
General and administrative expenses	<b>19,20</b>	(30,716)	(30,756)
Other operating income	<b>21</b>	928	178
Other operating expenses	<b>21</b>	(4,482)	(1,596)
<b>Operating loss</b>		<b>(90,458)</b>	<b>(115,506)</b>
Finance income	<b>22</b>	1,494	138
Finance expense	<b>22</b>	(5,162)	(1,386)
<b>Loss before income tax benefit (expense)</b>		<b>(94,126)</b>	<b>(116,754)</b>
Income tax benefit (expense)	<b>23</b>	270	(3)
<b>Loss for the year</b>		<b>(93,856)</b>	<b>(116,757)</b>
attributable to:			
Owners of the Company		(93,803)	(113,761)
Non-controlling interests		(53)	(2,996)
<b>Other comprehensive income:</b>			
<b>Items that may be subsequently reclassified to profit or loss</b>			
Exchange differences on translation to presentation currency		(1,431)	(1,860)
Exchange differences on net investments in foreign operations		1,467	1,639
<b>Other comprehensive income (loss) for the year</b>		<b>36</b>	<b>(221)</b>
<b>Total comprehensive loss for the year</b>		<b>(93,820)</b>	<b>(116,978)</b>
<b>Total comprehensive loss attributable to:</b>			
Owners of the Company		(93,767)	(113,971)
Non-controlling interests		(53)	(3,007)
<b>Basic and diluted loss per share (in EUR)</b>	<b>24</b>	<b>(0.75)</b>	<b>(0.98)</b>

HelloFresh SE  
 Consolidated Financial Statements of Changes in Equity

<u>Attributable to the owners of the Company</u>										
<i>In thousands of EUR</i>	<b>Note</b>	Share capital	Treasury shares	Capital reserves	Other reserves	Accumulated losses	Other comprehensive (loss) income	Total	<b>Attributable to non-controlling interests</b>	<b>Total</b>
<b>As at 1 January 2015</b>		<b>69</b>		<b>38,871</b>	<b>5,835</b>	<b>(28,634)</b>	<b>(498)</b>	<b>15,643</b>	<b>(1,013)</b>	<b>14,630</b>
Loss for the period						(113,761)		(113,761)	(2,996)	<b>(116,757)</b>
Currency translation							(233)	(233)	12	<b>(221)</b>
<b>Total comprehensive loss</b>						<b>(113,761)</b>	<b>(233)</b>	<b>(113,994)</b>	<b>(2,984)</b>	<b>(116,978)</b>
Issue of share capital		3,615		180,459				184,074		<b>184,074</b>
Capital increase in course of merger	<b>1,15</b>	119,921		(119,921)				-		-
Capital increase to acquire non-controlling interests	<b>15,29</b>	1,400		(5,479)	159			(3,920)	3,920	-
Repurchase of shares			(10,000)					(10,000)		<b>(10,000)</b>
Share-based payments	<b>18</b>				15,835			15,835	77	<b>15,912</b>
<b>Balance as at 31 December 2015</b>		<b>125,005</b>	<b>(10,000)</b>	<b>93,930</b>	<b>21,829</b>	<b>(142,395)</b>	<b>(731)</b>	<b>87,638</b>	-	<b>87,638</b>
Loss for the period						(93,803)		(93,803)	(53)	<b>(93,856)</b>
Currency translation							36	36		<b>36</b>
<b>Total comprehensive loss</b>						<b>(93,803)</b>	<b>36</b>	<b>(93,767)</b>	<b>(53)</b>	<b>(93,820)</b>
Issue of share capital		1,978		19,442				21,420		<b>21,420</b>
Repurchase of shares			(1)					(1)		<b>(1)</b>
Share-based payments	<b>18,27</b>				5,318			5,318		<b>5,318</b>
Initial consolidation of subsidiaries								-	23	<b>23</b>
<b>Balance as at 31 December 2016</b>		<b>126,983</b>	<b>(10,001)</b>	<b>113,372</b>	<b>27,147</b>	<b>(236,198)</b>	<b>(694)</b>	<b>20,609</b>	<b>(30)</b>	<b>20,579</b>

**HelloFresh SE**  
**Consolidated Financial Statements of Cash Flows**

**Years ended 31 December**

<i>In thousands of EUR</i>	<b>2016</b>	<b>2015</b>
<b>Cash flow used in operating activities</b>		
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)	-
<b>Net cash used in operating activities</b>	<b>(76,069)</b>	<b>(65,943)</b>
<b>Cash flow used in investing activities</b>		
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)
<b>Net cash used in investing activities</b>	<b>(42,568)</b>	<b>(17,319)</b>
<b>Cash flow from financing activities</b>		
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)
<b>Net cash from financing activities</b>	<b>67,474</b>	<b>174,074</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>109,235</b>	<b>19,760</b>
Effects of exchange rate and other value changes on cash and cash equivalents	(617)	(1,337)
<b>Cash and cash equivalents at the end of the year</b>	<b>57,455</b>	<b>109,235</b>

## 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.

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Notes to the Consolidated Financial Statements

2016						
<i>In thousands of EUR</i>	USA	Int'l	Total segments	Holding	Conso	Group
Total revenue	286,885	310,215	597,100	40,048	(40,156)	596,992
<i>Internal revenue</i>	-	108	108	40,048	(40,156)	-
<i>External revenue</i>	286,885	310,107	596,992	-	-	596,992
<b>PC2</b>	<b>33,887</b>	<b>69,317</b>	<b>103,204</b>	<b>37,643</b>	<b>(39,414)</b>	<b>101,434</b>
<b>Adjusted EBITDA</b>	<b>(47,915)</b>	<b>(27,521)</b>	<b>(75,436)</b>	<b>(7,160)</b>	-	<b>(82,596)</b>
Special items and holding fees	(842)	(369)	(1,211)	(2,345)	-	(3,556)
<b>EBITDA</b>	<b>(48,757)</b>	<b>(27,890)</b>	<b>(76,647)</b>	<b>(9,505)</b>	-	<b>(86,152)</b>
Depreciation and amortization	(2,466)	(1,124)	(3,590)	(716)	-	(4,306)
<b>EBIT</b>	<b>(51,223)</b>	<b>(29,014)</b>	<b>(80,237)</b>	<b>(10,221)</b>	-	<b>(90,458)</b>
Finance income						1,494
Finance expense						(5,162)
Income tax benefit						270
<b>Loss for the year</b>						<b>(93,856)</b>

2015						
<i>In thousands of EUR</i>	USA	Int'l	Total segments	Holding	Conso	Group
Total revenue	103,837	201,115	304,952	28,615	(28,615)	304,952
<i>Internal revenue</i>	-	-	-	28,615	(28,615)	-
<i>External revenue</i>	103,837	201,115	304,952	-	-	304,952
<b>PC2</b>	<b>(6,185)</b>	<b>45,023</b>	<b>38,838</b>	<b>28,187</b>	<b>(28,044)</b>	<b>38,980</b>
<b>Adjusted EBITDA</b>	<b>(48,180)</b>	<b>(37,649)</b>	<b>(85,829)</b>	<b>(405)</b>	-	<b>(86,234)</b>
Special items and holding fees	(6,654)	(7,328)	(13,928)	(14,647)	-	(28,629)
<b>EBITDA</b>	<b>(54,834)</b>	<b>(44,977)</b>	<b>(99,811)</b>	<b>(15,052)</b>	-	<b>(114,863)</b>
Depreciation and amortization	(382)	(174)	(556)	(87)	-	(642)
<b>EBIT</b>	<b>(55,216)</b>	<b>(45,151)</b>	<b>(100,367)</b>	<b>(15,139)</b>	-	<b>(115,506)</b>
Finance income						138
Finance expense						(1,386)
Income tax benefit						(3)
<b>Loss for the year</b>						<b>(116,757)</b>