

1<sup>st</sup> Supplement pursuant to Art. 16 (1) of Directive 2003/71/EC of the European Parliament and of the Council of 4 November 2003, as amended or superseded (the "**Prospectus Directive**") and Art. 13 (1) of the Luxembourg law on prospectuses for securities (*loi relative aux prospectus pour valeurs mobilières*) dated 10 July 2005 as amended (the "**Luxembourg Act**") which implements the Prospectus Directive into Luxembourg law, dated 1 April 2019 (the "**Supplement**") to the Base Prospectus dated 13 June 2018 (the "**Base Prospectus**") relating to issues of non-equity securities within the meaning of Art. 22 No. 6 (4) of Commission Regulation (EC) No. 809/2004 of 29 April 2004, as amended.

**otto group**

**OTTO (GMBH & CO KG)**

*(Hamburg, Federal Republic of Germany)*

## **€ 2,000,000,000 Debt Issuance Programme**

The Commission de Surveillance du Secteur Financier (the "**CSSF**") of the Grand Duchy of Luxembourg in its capacity as competent authority under the Prospectus Directive has approved this Supplement as a supplement within the meaning of Art. 16 (1) of the Prospectus Directive pursuant to article 13 (1) of the Luxembourg Prospectus Law. By approving this Supplement, CSSF gives no undertaking as to the economic and financial soundness of the operation or the quality or solvency of the Issuer.

The Issuer has requested the CSSF to provide the competent authorities in the Federal Republic of Germany ("**Germany**"), the Republic of Austria and The Netherlands with a certificate of approval attesting that this Supplement has been drawn up in accordance with the Luxembourg Prospectus Law. The Issuer may request the CSSF to provide competent authorities in additional host member states within the European Economic Area with such notification.

### **Right to withdraw**

**In accordance with Article 13 paragraph 2 of the Luxembourg Prospectus Law, investors who have already agreed to purchase or subscribe for securities before the Supplement is published have the right, exercisable within two working days after the publication of this Supplement, to withdraw their acceptances, provided that the new factor arose before the final closing of the offer to the public and the delivery of the securities. The final date for the right of withdrawal will be 3 April 2019.**

This Supplement together with the Base Prospectus and the documents incorporated by reference are also available for viewing at [www.bourse.lu](http://www.bourse.lu).

The purpose of this Supplement is to update the base prospectus with the financial information of the Issuer for the first three quarters of its fiscal year 2018/2019, to include the option to issue "Sustainable Bonds" under the Programme and to supplement the Base Prospectus with information on recent developments relevant to the Issuer.

This Supplement is supplemental to, and should be read in conjunction with the Base Prospectus. Terms defined in the Base Prospectus have the same meaning when used in this Supplement.

Otto (GmbH & Co KG) (the "**Issuer**" and, together with its subsidiaries and affiliates taken as a whole, the "**Otto Group**" or the "**Group**"), with its registered office in Hamburg, Germany accepts responsibility for the information given in this Supplement.

The Issuer hereby declares that, having taken all reasonable care to ensure that such is the case, the information contained in this Supplement for which it is responsible is, to the best of its knowledge, in accordance with the facts and contains no omission likely to affect its import.

The Arranger and the Dealers have not separately verified the information contained in this Supplement. Neither the Arranger nor any of the Dealers makes any representation, expressly or implied, or accepts any responsibility, with respect to the accuracy or completeness of any information contained in this Supplement.

Neither this Supplement nor any other financial statements are intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by the Issuer, the Arranger or the Dealers that any recipient of this Supplement or any other financial statements should purchase the Notes. Each potential purchaser of Notes should determine for itself the relevance of the information contained in this Supplement and its purchase of Notes should be based upon such investigation as it deems necessary. None of the Arranger or the Dealers undertakes to review the financial condition or affairs of the Issuer during the life of the arrangements contemplated by this Supplement nor to advise any investor or potential investor in the Notes of any information coming to the attention of any of the Dealers or the Arranger.

To the extent that there is any inconsistency between any statement included in this Supplement and any statement included or incorporated by reference in the Base Prospectus, the statements in this Supplement will prevail.

Save as disclosed on pages 2-23 of this Supplement, there has been no other significant new factor, material mistake or inaccuracy since the publication of the Base Prospectus.

### **1. PRIIPs / Important – EEA retail investors**

On pages 2 through 3 of the Base Prospectus, the paragraph entitled "*PRIIPs / Important EEA Retail Investors*", shall be deleted in its entirety and replaced as follows:

**"PRIIPs / IMPORTANT – EEA RETAIL INVESTORS** – If the Final Terms in respect of any Notes include a legend entitled "*Prohibition of Sales to EEA Retail Investors*", the Notes are not intended to be offered, sold or otherwise made available to and, with effect from such date, should not be offered, sold or otherwise made available to any retail investor in the EEA. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; (ii) a customer within the meaning of Directive 2016/97/EU (the "**Insurance Distribution Directive**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in the Prospectus Directive. Where such a Prohibition of Sales to EEA Retail Investors is included in the Final Terms, no key information document required by Regulation (EU) No 1286/2014 (the "**PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation."

### **2. Benchmark regulation statement in relation to administrator's registration**

On page 3 of the Base Prospectus, the second paragraph entitled "*Benchmark Regulation Statement in Relation to Administrator's Registration*", shall be deleted in its entirety and be replaced as follows:

**"BENCHMARK REGULATION STATEMENT IN RELATION TO ADMINISTRATOR'S REGISTRATION** – Interest amounts payable under floating rate Notes issued under the Programme are calculated by reference to (i) the Euro Interbank Offered Rate ("**EURIBOR**") which is provided by the European Money Markets Institute ("**EMMI**"), or (ii) the London Interbank Offered Rate ("**LIBOR**") which is provided by the ICE Benchmark Administration Limited ("**IBA**"). As at the date of this Prospectus, IBA appears on the register of administrators and benchmarks established and maintained by the European Securities and Markets Authority ("**ESMA**") pursuant to Article 36 of the Benchmark Regulation (Regulation (EU) 2016/1011) (the "**Benchmark Regulation**"). As at the date of this Prospectus, EMMI does not appear on the register of administrators and benchmarks established and maintained by the ESMA pursuant to Article 36 of the Benchmark Regulation. As far as the Issuer is aware, the transitional provisions in Article 51 of the Benchmark Regulation apply, such that EMMI is not currently required to obtain authorisation or registration (or, if located outside the European Union, recognition, endorsement or equivalence)."

### **3. Summary – Section B – Otto (GmbH & Co KG) – Element B.12**

On page 7 of the Base Prospectus, Element B.12 of the Summary, the content of the section "*Selected historical key financial information*" shall be deleted in its entirety and replaced as follows:

<b>B.12</b>	<b>Selected historical key financial information</b>																																																																										
	<p><b>Consolidated income statement and cash flow data</b></p> <table border="0"> <thead> <tr> <th></th> <th colspan="2"><b>Nine-month period ended 30 November</b></th> <th colspan="2"><b>Financial year ended 28 February</b></th> </tr> <tr> <th></th> <th><b><u>2018</u></b></th> <th><b><u>2017<sup>(1)</sup></u></b></th> <th><b><u>2018<sup>(1)</sup></u></b></th> <th><b><u>2017<sup>(2)</sup></u></b></th> </tr> <tr> <th></th> <th colspan="2"><i>(unaudited and unreviewed)</i></th> <th colspan="2"><i>(audited)</i></th> </tr> </thead> <tbody> <tr> <td>Revenue .....</td> <td>10,027</td> <td>9,870</td> <td>13,653</td> <td>12,512</td> </tr> <tr> <td>EBITDA .....</td> <td>370</td> <td>601</td> <td>750</td> <td>730</td> </tr> <tr> <td>EBIT .....</td> <td>170</td> <td>399</td> <td>405</td> <td>365</td> </tr> <tr> <td>EBT .....</td> <td>182</td> <td>235</td> <td>629</td> <td>262</td> </tr> <tr> <td>Profit for the period .....</td> <td>103</td> <td>133</td> <td>519</td> <td>41</td> </tr> <tr> <td>Free cash flow .....</td> <td>-73</td> <td>284</td> <td>243</td> <td>-126</td> </tr> </tbody> </table> <p><b>Consolidated balance sheet data</b></p> <table border="0"> <thead> <tr> <th></th> <th colspan="2"><b>As of 30 November</b></th> <th colspan="2"><b>As of 28 February</b></th> </tr> <tr> <th></th> <th><b><u>2018</u></b></th> <th></th> <th><b><u>2018<sup>(1)</sup></u></b></th> <th><b><u>2017<sup>(2)</sup></u></b></th> </tr> <tr> <th></th> <th colspan="2"><i>(unaudited and unreviewed)</i></th> <th colspan="2"><i>(audited)</i></th> </tr> </thead> <tbody> <tr> <td>Equity .....</td> <td>1,758</td> <td></td> <td>1,532</td> <td>1,308</td> </tr> <tr> <td>Total assets .....</td> <td>9,992</td> <td></td> <td>9,105</td> <td>8,466</td> </tr> <tr> <td>Net financial debt .....</td> <td>2,603</td> <td></td> <td>2,509</td> <td>2,300</td> </tr> </tbody> </table> <p>(1) Figures based on accounting principles as used in the 2017/18 consolidated financial statements. In the consolidated financial statements as of 28 February 2019, there will be a restatement of the comparative financial information resulting from the retrospective first-time adoption of IFRS 9 (Financial Instruments) for certain items and IFRS 15 (Revenue from Contracts with Customers). In the Issuer's opinion, the restatement will have no material effect on the overall assessment of the group's comparative financial information for 2017/18 or any period of 2017/18.</p> <p>(2) Figures based on accounting principles as used in the 2017/18 consolidated financial statements.</p>		<b>Nine-month period ended 30 November</b>		<b>Financial year ended 28 February</b>			<b><u>2018</u></b>	<b><u>2017<sup>(1)</sup></u></b>	<b><u>2018<sup>(1)</sup></u></b>	<b><u>2017<sup>(2)</sup></u></b>		<i>(unaudited and unreviewed)</i>		<i>(audited)</i>		Revenue .....	10,027	9,870	13,653	12,512	EBITDA .....	370	601	750	730	EBIT .....	170	399	405	365	EBT .....	182	235	629	262	Profit for the period .....	103	133	519	41	Free cash flow .....	-73	284	243	-126		<b>As of 30 November</b>		<b>As of 28 February</b>			<b><u>2018</u></b>		<b><u>2018<sup>(1)</sup></u></b>	<b><u>2017<sup>(2)</sup></u></b>		<i>(unaudited and unreviewed)</i>		<i>(audited)</i>		Equity .....	1,758		1,532	1,308	Total assets .....	9,992		9,105	8,466	Net financial debt .....	2,603		2,509
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	<p><b><u>Trend information</u></b></p> <p>There has been no material adverse change in the prospects of the Issuer since 28 February 2018.</p> <p><b><u>Significant change in the financial and trading position</u></b></p> <p>Except for the changes as described under "<i>Recent developments</i>" below, there has been no significant change in the financial or trading position of the Issuer or the Otto Group since 30 November 2018.</p>																																																																										

#### 4. Summary – Section B – Otto (GmbH & Co KG) – Element B.13

On page 7 of the Base Prospectus, in Element B.13 of the Summary, the content of the section "*Recent developments*", shall be deleted in its entirety and replaced by the following wording:

"On 17 July 2018, the Issuer issued undated resettable fixed rate subordinated notes with a nominal amount of EUR 300 million (the "**Hybrid Bond**"). The Hybrid Bond bears a coupon of 4.00% and is accounted for as equity in the Otto Group's IFRS consolidated financial statements.

On 19 July 2018, the Otto Group announced that Heartland A/S will be joining ABOUT YOU as a new investor. Following the transaction, the Otto Group remains ABOUT YOU's largest shareholder with a stake of approximately 50.3%. Given the structure of the agreements with ABOUT YOU's various shareholders, the Otto Group does not exercise control over ABOUT YOU and therefore recognises its interest in ABOUT YOU using the equity method in its consolidated financial statements.

At the end of 2018, the Otto Group mandated an investment bank for a potential cooperation with external investors regarding the parcel distribution activities of the Hermes Group. The rationale for such a potential transaction, which would likely take place in financial years 2019/2020 or 2020/2021, would be to further strengthen the strong growth path of the Hermes Group's parcel distribution activities and to join forces with external partners in order to address the upcoming investment requirements. As part of any potential transaction, it is intended that the Otto Group would retain a significant stake in all three main activities in Germany, United Kingdom as well as France. Hermes' activities outside of parcel distribution, such as fulfilment and 2-man-handling, are not within the scope of the investor process.

In addition, in financial year 2018/19, the Otto Group entered into an agreement to sell 51% of two of its e-venture fund investments, the completion of which is subject to the fulfilment of certain closing conditions. With regard to the previously announced sale of the EOS companies EOS Health AG and Zahnärztekasse AG, the sale of Zahnärztekasse has been closed as of the date of this Supplement, while the sale of EOS Health AG is expected to be closed within the coming weeks.

On 21 November 2018, the Otto Group announced that Sebastian Klauke, previously Chief Digital Officer at the Otto Group, will join the Otto Group Executive Board and take responsibility for E-Commerce as of 1st May 2019. He will succeed Dr Rainer Hillebrand, who had been a Member of the Executive Board since 1999 and has reached the maximum age for Board Members. Dr Rainer Hillebrand will continue to provide expertise to the Group as a Member of the Supervisory Board going forward.

In the first three quarters of financial year 2018/2019, the Otto Group did not fully achieve its planned revenue growth. Like-for-like revenue growth (adjusted for changes in the scope of consolidation) remained slightly below the Otto Group's target of 5% for financial year 2018/19. Revenue growth as reported was lower due to, among other factors, the deconsolidation of About You and Dispeo, as well as the partial withdrawal from the Russian market.

The Otto Group's operating profitability remained clearly below the previous year's level. The main factors behind the weaker operating performance were as follows:

- The extreme weather conditions in continental Europe in 2018, with a long winter and an extremely hot summer, presented a difficult trading environment for the Otto Group's major retailers, especially in the fashion sector.
- As previously announced, the Otto Group invested heavily in the transformation of otto.de into a platform business. As a result, and in line with expectations, the Group company OTTO showed strong growth, but recorded profitability significantly below the previous year's level.
- The Services segment achieved significant revenue growth, particularly in the United Kingdom. However, due to the high investments in infrastructure and wage pressures, the Services segment's profitability remained significantly below the previous year's level and negatively affected Group profitability.

On 28 March 2019, the Otto Group announced preliminary revenue figures for the full financial year 2018/2019, which ended on 28 February 2019 (the "**Preliminary Figures**"). The Preliminary Figures have neither been reviewed nor audited by external auditors and may differ from the audited financial statements for financial year 2018/2019, which are scheduled to be published on 22 May 2019. According to the Preliminary Figures, the Otto Group's revenues for financial year 2018/2019 grew slightly on a like-for-like basis (adjusted for changes in the scope of consolidation, the harmonisation of financial calendars at various subsidiaries as well as foreign exchange effects). Like-for-like growth remained below the previous year's growth figures and below the Otto Group's own ambitions. On a reported basis (without taking into account the effects listed above), revenues showed a slight decline. The lower growth dynamic also impacted earnings. The Otto Group remained profitable, but profitability remained below the previous year's level."

## 5. Summary – Section D – Risks – Element D.3

On page 14 of the Base Prospectus, in Element D.3 of the Summary, the content of the section "*Key information on the key risks that are specific to the securities*" shall be amended by including the following after the paragraph "*Risks associated with the reform of LIBOR, EURIBOR and other interest rate 'benchmarks'*":

"[Notes issued as Sustainable Bonds:

The Final Terms relating to the Notes provide, that it will be the Issuer's intention to apply the proceeds from the issue of the Notes specifically for projects and activities that promote social and environmental purposes ("**Sustainable Projects**"). The Issuer has established a "Sustainable Finance Framework" which further specifies the eligibility criteria for such Sustainable Projects. Prospective investors should have regard to the information set out in the Final Terms and in the Sustainable Finance Framework regarding such use of proceeds and must determine for themselves the relevance of such information for the purpose of any investment in such Notes together with any other investigation such investor deems necessary. In particular no assurance is given by the Issuer that the use of such proceeds for any Sustainable Projects will satisfy, whether in whole or in part, any present or future investor expectations or requirements as regards any investment criteria or guidelines with which such investor or its investments are required to comply.

A withdrawal of a second-party opinion issued by any sustainability rating agency or sustainability consulting firm regarding the suitability of the Notes as an investment in connection with certain environmental and sustainability projects may affect the value of such Notes and/or may have consequences for certain investors with portfolio mandates to invest in sustainable assets.]"

## 6. Summary – Section E – Offer of the Notes – Element E.2b

On page 16 of the Base Prospectus, in Element E.2b of the Summary, the content of the section "*Reasons for the offer and use of proceeds when different from making profit and/or hedging certain risks*" shall be replaced by the following:

"

<b>E.2b</b>	Reasons for the offer and use of proceeds when different from making profit and/or hedging certain risks	[The net proceeds from this issuance of Notes will be used for general corporate purposes of the Otto Group.] [The Issuer intends to use the net proceeds from this issuance of Notes for Sustainable Projects in line with the Sustainable Finance Framework established by the Issuer.] [•]
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## 7. German Translation of the Summary – Abschnitt B – Otto (GmbH & Co KG) – Punkt B.12

On page 18 through 19 of the Base Prospectus, Element B.12 of the Summary, the content of the section "*Ausgewählte wesentliche historische Finanzinformationen*" shall be deleted in its entirety and replaced as follows:

"

<b>B.12</b>	<b>Ausgewählte wesentliche historische Finanzinformationen</b>			
	<b>Informationen aus der Konzern-Gewinn- und Verlustrechnung sowie der Konzern-Kapitalflussrechnung</b>			
	<b>Neunmonatszeitraum zum 30. November</b>		<b>Geschäftsjahr endend 28. Februar</b>	
	<b><u>2018</u></b>	<b><u>2017<sup>(1)</sup></u></b>	<b><u>2018<sup>(1)</sup></u></b>	<b><u>2017<sup>(2)</sup></u></b>
	<i>(in EUR million)</i>			
	<i>(ungeprüft und nicht prüferisch durchgesehen)</i>		<i>(geprüft)</i>	
	Umsatzerlöse .....	10.027	9.870	13.653
	EBITDA .....	370	601	750
	EBIT .....	170	399	405
	EBT .....	182	235	629
	Periodenüberschuss .....	103	133	519
	Free Cash Flow .....	-73	284	243
				-126
	<b>Informationen aus der Konzern-Bilanz</b>			
		<b>Zum 30. November</b>	<b>Zum 28. Februar</b>	
		<b><u>2018</u></b>	<b><u>2018<sup>(1)</sup></u></b>	<b><u>2017<sup>(2)</sup></u></b>
		<i>(ungeprüft und nicht prüferisch durchgesehen)</i>		<i>(geprüft)</i>
	Eigenkapital.....	1.758	1.532	1.308
	Bilanzsumme .....	9.992	9.105	8.466
	Netto-Finanzverschuldung.....	2.603	2.509	2.300
	(1) Zahlen basieren auf den Rechnungslegungsstandards wie sie im Konzernabschluss 2017/18 angewandt wurden. Im Konzernabschluss per 28. Februar 2019 wird es eine Anpassung der Vergleichszahlen aufgrund der erstmaligen rückwirkenden Anwendung des IFRS 9 (Finanzinstrumente) für bestimmte Sachverhalte und IFRS 15 (Erlöse aus Verträgen mit Kunden) geben. Nach Einschätzung der Emittentin wird die rückwirkende Anwendung keinen wesentlichen Einfluss auf die Gesamtbewertung der Vergleichszahlen für 2017/18 und jede Periode in 2017/18 haben.			
	(2) Zahlen basieren auf den Rechnungslegungsstandards wie sie im Konzernabschluss 2017/18 angewandt wurden.			

	<p><b><u>Ausblick</u></b> Die Aussichten der Emittentin haben sich seit dem 28. Februar 2018 nicht wesentlich verschlechtert.</p> <p><b><u>Signifikante Veränderungen in der Finanz- bzw. Handelsposition</u></b> Mit Ausnahme der unter "<i>Letzte Entwicklungen</i>" beschriebenen Änderungen hat sich die Finanz- oder Handlungssituation der Emittentin oder der Otto Group seit dem 30. November 2018 nicht wesentlich verändert.</p>
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## 8. German Translation of the Summary – Abschnitt B – Otto (GmbH & Co KG) – Punkt B.13

On page 19 of the Base Prospectus, in Element B.13 of the Summary, the content of the section "*Letzte Entwicklungen*", shall be deleted in its entirety and replaced by the following wording:

"Am 17. Juli 2018 hat die Emittentin eine nachrangige Anleihe über 300 Millionen Euro mit unendlicher Laufzeit und zurücksetzbarem fixen Zinssatz (die "**Hybrid-Anleihe**") emittiert. Die Hybrid-Anleihe trägt einen Kupon i.H.v. 4,00% p.a. und wird im IFRS-Konzernabschluss der Otto Group als Eigenkapital ausgewiesen.

Am 19. Juli 2018 gab die Otto Group bekannt, dass Heartland A/S sich als neuer Investor bei ABOUT YOU beteiligen wird. Die Otto Group bleibt auch nach der Transaktion mit einem Anteil von 50,3% größter Anteilseigner. Durch die Vereinbarungen mit den verschiedenen Investoren von ABOUT YOU übt die Otto Group keine Kontrolle über ABOUT YOU aus und bezieht die Anteile an ABOUT YOU daher nach der Equity-Methode in den Konzernabschluss ein.

Ende 2018 mandatierte die Otto Group eine Investmentbank, um eine potenzielle Kooperation mit externen Investoren für die Paketzustellungsaktivitäten der Hermes Gruppe auszuloten. Ziel einer solchen potenziellen Transaktion, welche voraussichtlich im Geschäftsjahr 2019/20 oder 2020/21 stattfinden würde, wäre die Stärkung des Wachstumskurses der Paketzustellungsaktivitäten der Hermes Gruppe und die Kooperation mit externen Partnern, um gemeinsam den anstehenden Investitionsbedarf zu adressieren. Die Otto Group beabsichtigt auch nach einer Transaktion einen signifikanten Anteil an allen drei Hauptgeschäftsfeldern in Deutschland, dem Vereinigten Königreich und Frankreich zu halten. Die anderen Aktivitäten der Hermes Gruppe, wie z.B. Fulfilment und 2-Mann-Handling, sind nicht Teil des Investorenprozesses.

Darüber hinaus schloss die Otto Group im Laufe des Geschäftsjahres 2018/19 eine Vereinbarung zum Verkauf eines Anteils von 51% an zwei ihrer frühen e-venture Fonds Investments. Der Vollzug des Verkaufs ist von der Erfüllung bestimmter Auflagen abhängig. In Bezug auf den bereits angekündigten Verkauf zweier EOS-Gesellschaften, der EOS Health AG und der Zahnärztekasse AG, wurde der Verkauf der Zahnärztekasse AG zum Zeitpunkt dieses Nachtrags abgeschlossen, wohingegen der Abschluss des Verkaufes der EOS Health AG in den kommenden Wochen erwartet wird.

Am 21. November 2018 verkündete die Otto Gruppe die Berufung von Sebastian Klauke, ehemals Chief Digital Officer der Otto Group, in den Konzernvorstand. Sebastian Klauke wird den Vorstandsbereich E-Commerce ab dem 1. Mai 2019 verantworten. Er folgt auf Dr. Rainer Hillebrand, der seit 1999 Mitglied des Vorstands war und die für Vorstände geregelte Altersgrenze erreicht hat. Dr. Rainer Hillebrand wird seine Expertise zukünftig in der Funktion als Mitglied des Aufsichtsrates einbringen.

In den ersten neun Monaten des Geschäftsjahres 2018/19 verfehlte die Otto Gruppe ihre Umsatzwachstumsziele. Das Umsatzwachstum auf vergleichbarer Basis (bereinigt um Veränderungen im Konsolidierungskreis) blieb leicht unter dem Ziel von 5%, welches sich die Otto Group für das Geschäftsjahr 2017/18 gesetzt hatte. Das berichtete Umsatzwachstum war niedriger, unter anderem aufgrund der Entkonsolidierung von About You und Dispeo und aufgrund des Teilrückzugs aus dem russischen Markt.

Die operative Profitabilität der Otto Gruppe blieb deutlich unter dem Vorjahreswert. Die Hauptfaktoren für die schwächere operative Performance waren:

- Die extremen Wetterbedingungen in Kontinentaleuropa in 2018, insbesondere der lange Winter und der sehr heiße Sommer, erwiesen sich als herausfordernde Rahmenbedingungen für die Handelsunternehmen der Otto Gruppe, insbesondere im Bereich Mode.
- Wie bereits angekündigt, investierte die Otto Group stark in die Transformation von otto.de zum Plattformgeschäft. Dies hat erwartungsgemäß dazu geführt, dass die Konzerngesellschaft OTTO zwar ein hohes Wachstum erzielen konnte, aber die Profitabilität deutlicher unter dem Vorjahreswert blieb.
- Das Service-Segment konnte ein signifikantes Umsatzwachstum erzielen, insbesondere im Vereinigten Königreich. Allerdings blieb die Profitabilität des Segments signifikant hinter dem

Vorjahreswert zurück, was auf hohe Investitionen in die Infrastruktur und Lohndruck zurückzuführen ist, und wirkte sich negativ auf das Konzernergebnis aus.

Am 28. März 2019 veröffentlichte die Otto Group vorläufige Umsatzzahlen für das abgelaufene Geschäftsjahr 2018/19, welches am 28. Februar 2019 endete (die "**Vorläufige Zahlen**"). Die Vorläufigen Zahlen wurden von einem externen Wirtschaftsprüfer weder einer prüferischen Durchsicht unterzogen noch geprüft und können von den geprüften Zahlen für das Geschäftsjahr 2018/19 abweichen, welche voraussichtlich am 22. Mai 2019 veröffentlicht werden. Basierend auf den Vorläufigen Zahlen konnte die Otto Group ihre Umsätze auf vergleichbarer Basis (bereinigt um Veränderungen im Konsolidierungskreis, die Harmonisierung der Geschäftsjahre verschiedener Tochtergesellschaften, sowie um Währungskurseffekte) leicht steigern. Das Umsatzwachstum auf vergleichbarer Basis blieb hinter der Wachstumsrate des Vorjahres und den selbst gesteckten Zielen der Otto Group zurück. Die ausgewiesenen Umsätze (ohne Berücksichtigung der oben genannten Effekte) zeigten einen leichten Rückgang. Die geringere Wachstumsdynamik wirkte sich auch auf das Ergebnis aus. Die Otto Group blieb profitabel, verzeichnete aber einen Rückgang der Profitabilität unter das Niveau des Vorjahres."

### 9. German Translation of the Summary – Abschnitt D – Risiken – Punkt D.3

On page 27 of the Base Prospectus, in Element D.3 of the Summary, the content of the section "*Zentrale Angaben zu den zentralen Risiken, die den Wertpapieren eigen sind*" shall be amended by including the following after the paragraph "*Risiken im Zusammenhang mit der Reform des LIBOR, des EURIBOR und anderer Zinssatz-Benchmarks*":

"[Schuldverschreibungen, die als Nachhaltige Bonds emittiert werden

Die Endgültigen Bedingungen der Schuldverschreibungen sehen vor, dass die Emittentin die Absicht hat, die Erlöse aus der Begebung der Schuldverschreibungen speziell für Projekte und Tätigkeiten zu nutzen, welche soziale und Umweltzwecke ("**Nachhaltige Projekte**") fördern. Die Emittentin hat hierfür ein "Sustainable Finance Framework" aufgesetzt, welches nähere Auswahlkriterien für Nachhaltige Projekte definiert. Potenzielle Anleger sollten die in den Endgültigen Bedingungen sowie im "Sustainable Finance Framework" enthaltenen Informationen bezüglich einer solchen Verwendung der Erlöse beachten und müssen die Relevanz einer solchen Information für den Zweck einer jeden Investition in diese Schuldverschreibungen zusammen mit jeder anderen Untersuchung, die ein solcher Investor für nötig hält, für sich selbst bestimmen. Insbesondere wird keine Zusicherung von Seiten der Emittentin gegeben, dass die Nutzung solcher Erlöse für bestimmte Nachhaltige Projekte ganz oder teilweise die gegenwärtigen oder zukünftigen Erwartungen der Anleger oder Anforderungen bezüglich bestimmter Investitionskriterien oder Richtlinien, die der Investor oder seine Anlagen einhalten müssen, erfüllen wird.

Die Rücknahme eines von einer Nachhaltigkeits-Ratingagentur oder Nachhaltigkeits-Beratungsfirma abgegebenen Gutachtens bezüglich des nachhaltigen Charakters der Schuldverschreibungen als Investition in Verbindung mit bestimmten Umwelt- und Nachhaltigkeitsprojekten kann den Wert solcher Schuldverschreibungen beeinflussen und/oder könnte Konsequenzen für bestimmte Investoren haben, deren Portfolios darauf ausgerichtet sind, in nachhaltige Vermögensgegenstände zu investieren.]"

### 10. German Translation of the Summary – Abschnitt E – Angebot von Schuldverschreibungen – Punkt E.2b

On page 29 of the Base Prospectus, in Element E.2b of the Summary, the content of the section "*Gründe für das Angebot und Zweckbestimmung der Erlöse, sofern diese nicht in der Gewinnerzielung und/oder der Absicherung bestimmter Risiken liegen.*" shall be replaced by the following:

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<b>E.2b</b>	Gründe für das Angebot und Zweckbestimmung der Erlöse, sofern diese nicht in der Gewinnerzielung und/oder der Absicherung bestimmter Risiken liegen.	[Der Nettoerlös aus dieser Emission von Schuldverschreibungen wird für allgemeine Unternehmenszwecke der Otto Group eingesetzt.] [Die Emittentin beabsichtigt, den Nettoerlös aus dieser Emission von Schuldverschreibungen für Nachhaltige Projekte gemäß dem " <i>Sustainable Finance Framework</i> " der Emittentin zu verwenden.] [•]
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## 11. Risk Factors – Risk factors relating to the Issuer and the Otto Group

On page 33 of the Base Prospectus, the content of the section "*Tax risk*" shall be deleted in its entirety and be replaced by the following wording:

### "Tax risk

A final tax audit report and final tax assessments for the Issuer and for the relevant German subsidiaries have been issued by the competent tax authorities for the years until 2012. The tax statements for the years 2013-2016 are present and subject to the reservation of re-examination. The tax returns 2017 are prepared and will be filed immediately. The Issuer believes that the tax returns of the Issuer and its subsidiaries are prepared in accordance with the relevant fiscal regulations. If the relevant tax authorities come to a different conclusion with regards to particular issues, this could lead to additional tax claims, which could adversely affect the Otto Group's financial condition and results of operations."

## 12. Risk Factors – Risk Factors relating to the Notes

On page 39 of the Base Prospectus, the section "*Risk Factors relating to the Notes*" shall be amended by including the following after the sub-section "*Risks associated with the reform of LIBOR, EURIBOR and other interest rate benchmarks*":

### "Notes issued with a specific use of proceeds, such as a Sustainable Bond

The Final Terms relating to any specific Tranche of Notes may provide that it will be the Issuer's intention to apply the proceeds from an offer of those Notes specifically for projects and activities that promote social and environmental purposes ("**Sustainable Projects**"). The Issuer has established a "Sustainable Finance Framework" which further specifies the eligibility criteria for such Sustainable Projects.

Prospective investors should refer to the information set out in the relevant Final Terms and in the Sustainable Finance Framework regarding such use of proceeds and must determine for themselves the relevance of such information for the purpose of any investment in such Notes together with any other investigation such investor deems necessary. In particular no assurance is given by the Issuer that the use of such proceeds for any Sustainable Projects will satisfy, whether in whole or in part, any present or future investor expectations or requirements as regards any investment criteria or guidelines with which such investor or its investments are required to comply, whether by any present or future applicable law or regulations or by its own by-laws or other governing rules or investment portfolio mandates, in particular with regard to any direct or indirect environmental, sustainability or social impact of any projects or uses, the subject of or related to, any Sustainable Projects. Furthermore, it should be noted that there is currently no clearly defined definition (legal, regulatory or otherwise) of, nor market consensus as to what constitutes, a "green" or "sustainable" or an equivalently-labelled project or as to what precise attributes are required for a particular project to be defined as "green" or "sustainable" or such other equivalent label nor can any assurance be given that such a clear definition or consensus will develop over time. Accordingly, no assurance is or can be given to investors that any projects or uses the subject of, or related to, any Sustainable Projects will meet any or all investor expectations regarding such "green", "social", "sustainable" or other equivalently-labelled performance objectives or that any adverse environmental, social and/or other impacts will not occur during the implementation of any projects or uses the subject of, or related to, any Sustainable Projects.

No assurance or representation is given as to the suitability or reliability for any purpose whatsoever of any opinion or certification of any third party (whether or not solicited by the Issuer) which may be made available in connection with the issue of any Notes and in particular with any Sustainable Projects to fulfil any environmental, sustainability, social and/or other criteria. For the avoidance of doubt, any such opinion or certification is not, nor shall be deemed to be, incorporated in and/or form part of this Base Prospectus. Any such opinion or certification is not, nor should be deemed to be, a recommendation by the Issuer or any other person to buy, sell or hold any such Notes. Any such opinion or certification is only current as of the date that opinion was initially issued. Prospective investors must determine for themselves the relevance of any such opinion or certification and/or the information contained therein and/or the provider of such opinion or certification for the purpose of any investment in such Notes. Currently, the providers of such opinions and certifications are not subject to any specific regulatory or other regime or oversight.

In the event that any such Notes are listed or admitted to trading on any dedicated "green", "environmental", "sustainable" or other equivalently-labelled segment of any stock exchange or securities market (whether or not regulated), no representation or assurance is given by the Issuer or any other person that such listing or admission satisfies, whether in whole or in part, any present or future investor expectations or requirements as regards any investment criteria or guidelines with which such investor or its investments are required to comply, whether by any present or future applicable law or regulations or by its own by-laws or other

governing rules or investment portfolio mandates, in particular with regard to any direct or indirect environmental, sustainability or social impact of any projects or uses, the subject of or related to, any Sustainable Projects. Furthermore, it should be noted that the criteria for any such listings or admission to trading may vary from one stock exchange or securities market to another. Nor is any representation or assurance given or made by the Issuer or any other person that any such listing or admission to trading will be obtained in respect of any such Notes or, if obtained, that any such listing or admission to trading will be maintained during the life of the Notes.

While it is the intention of the Issuer to apply the proceeds of any Notes so specified for Sustainable Projects in, or substantially in, the manner described in the relevant Final Terms, there can be no assurance that the relevant project(s) or use(s) the subject of, or related to, any Sustainable Projects will be capable of being implemented in or substantially in such manner and/or accordance with any timing schedule and that accordingly such proceeds will be totally or partially disbursed for such Sustainable Projects. Nor can there be any assurance that such Sustainable Projects will be completed within any specified period or at all or with the results or outcome (whether or not related to the environment) as originally expected or anticipated by the Issuer. Any such event or failure by the Issuer will not give the Noteholder the right to early terminate the Notes.

Any such event or failure to apply the proceeds of any issue of Notes for any Sustainable Projects as aforesaid and/or withdrawal of any such opinion or certification or any such opinion or certification attesting that the Issuer is not complying in whole or in part with any matters for which such opinion or certification is opining or certifying on and/or any such Notes no longer being listed or admitted to trading on any stock exchange or securities market as aforesaid may have a material adverse effect on the value of such Notes and also potentially the value of any other Notes which are intended to finance Sustainable Projects and/or result in adverse consequences for certain investors with portfolio mandates to invest in securities to be used for a particular purpose."

### **13. Use of Proceeds**

On page 105 of the Base Prospectus, the content of the section "*Use of Proceeds*" shall be replaced in its entirety by the following:

"Unless otherwise specified in the applicable Final Terms, the net proceeds from the issuance of Notes under the Programme will be used for general corporate purposes of the Otto Group.

If so specified in the relevant Final Terms, the proceeds of any Tranche of Notes issued under the Programme may be used to finance and/or refinance specified Sustainable Projects in accordance with certain prescribed eligibility criteria set out in the Issuer's Sustainable Finance Framework. Additional information on the Sustainable Finance Framework are available on the website of the Issuer ([www.ottogroup.com](http://www.ottogroup.com))."

### **14. Description of Otto (GmbH & Co KG) – 3.2.13. ABOUT YOU**

On page 110 of the Base Prospectus, in the section "*Description of Otto (GmbH & Co KG) – 3. Business Overview – 3.2. The Multichannel Retail Segment*", at the end of the sub-section "*3.2.13 ABOUT YOU*", the last two paragraphs shall be replaced by the following:

"In 2017, the Otto Group announced its decision to include external investors and strategic partners at ABOUT YOU. The objective is to further promote ABOUT YOU's strong growth ambitions and international expansion plans with the support of external expertise and capital. As part of this strategy, GFH Gesellschaft für Handelsbeteiligungen m.b.H. ("**GFH**"), an entity outside of the Otto Group ultimately controlled by Benjamin Otto, as well as the Danish Heartland A/S, joined ABOUT YOU as investors. Given the structure of the agreements with ABOUT YOU's various shareholders, the Otto Group does not exercise control over ABOUT YOU and therefore recognises its interest in ABOUT YOU using the equity method in its consolidated financial statements.

Following the transactions mentioned above, the Otto Group's stake in ABOUT YOU amounts to approximately 50.3% as of the date of this Supplement."

## 15. Description of Otto (GmbH & Co KG) – 3.4 The Service Segment

On page 111 of the Base Prospectus, in the section "*Description of Otto (GmbH & Co KG) – 3. Business Overview*", the following paragraph shall be added at the end of the sub-section "*3.4. The Service Segment*"

"At the end of 2018, the Otto Group mandated an investment bank for a potential cooperation with external investors regarding the parcel distribution activities of the Hermes Group. The rationale for such a potential transaction, which would likely take place in financial years 2019/2020 or 2020/2021, would be to further strengthen the strong growth path of the Hermes Group's parcel distribution activities and to join forces with external partners in order to address the upcoming investment requirements. As part of any potential transaction, it is intended that the Otto Group would retain a significant stake in all three main activities in Germany, United Kingdom as well as France. Hermes' activities outside of parcel distribution, such as fulfilment and 2-man-handling, are not within the scope of the investor process."

## 16. Description of Otto (GmbH & Co KG) – 7.5. Supervisory Board

On pages 114 et seq. of the Base Prospectus, in the section "*Description of Otto (GmbH & Co KG)*", the content of the sub-section "*7.5. Supervisory Board*" shall be replaced in its entirety by the following:

### "7.5. SUPERVISORY BOARD

The members of the Supervisory Board of the General Partner are as follows:

Prof. Dr. Michael Otto, Hamburg  
Chairman of the Supervisory Board, Businessman

Alexander Otto, Hamburg  
Chairman of the Management Board ECE Projektmanagement G.m.b.H. & Co. KG

Benjamin Otto, Hamburg  
Businessman, Shareholder

Thomas Armbrust, Reinbek  
Managing Director Kommanditgesellschaft CURA Vermögensverwaltung G.m.b.H. & Co.

Frederic Arndts, Hamburg  
Businessmann

Anita Beermann, Ahrensburg  
Employee of Kommanditgesellschaft CURA Vermögensverwaltung G.m.b.H. & Co.

Horst Bergmann, Michelau\*  
Chairman of the Works' Council Baur Versand (GmbH & Co KG)

Olaf Brendel, Hamburg\*  
Chairman of the Works' Council Hermes Fulfilment GmbH

Petra Finnern, Jesteburg\*  
Chairwoman of the Works' Council EOS Region Germany

Torsten Furgol, Magdeburg\*  
Trade Union Secretary ver.di, Region Sachsen-Anhalt Nord

Michael Häberle, Karlsruhe\*  
Deputy Chairman of the Works' Council, Heinrich Heine GmbH

Heike Lattekamp, Hamburg\*  
Regional Specialist, ver.di Trade Union

Dr. Wolfgang Linder, Hamburg  
Managing Director (retired)

Heinrich Reisen, Grevenbroich\*  
Customer Service, Hermes Germany GmbH

Birgit Rössig, Hittbergen\*  
Group Works Council Chairwoman, Otto (GmbH & Co KG)

Lars-Uwe Rieck, Hamburg\*  
Regional Specialist, ver.di Trade Union

Hans-Otto Schrader, Hamburg  
Managing Director (retired)

Dr. Winfried Steeger, Hamburg  
Attorney

Sandra Widmaier-Gebauer, Hamburg\*  
Executive employee / Human Resources

Prof. Dr. Peer Witten, Hamburg  
Chairman of the Supervisory Board, GSV Aktiengesellschaft für Beteiligungen

\* Employee representative"

## **17. Description of Otto (GmbH & Co KG) – 8. Financial Information concerning the Issuer's Assets and Liabilities, Financial Position and Profits and Losses**

On pages 116 et seq. of the Base Prospectus, in the section "*Description of Otto (GmbH & Co KG)*", the content of sub-section "*8. Financial Information concerning the Issuer's Assets and Liabilities, Financial Position and Profits and Losses*" shall be replaced in its entirety by the following:

### **"8. FINANCIAL INFORMATION CONCERNING THE ISSUER'S ASSETS AND LIABILITIES, FINANCIAL POSITION AND PROFITS AND LOSSES**

#### **8.1. INCORPORATION BY REFERENCE**

The audited consolidated financial statements of the Issuer for the financial year ending 28 February 2018 prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU and the additional requirements of German law pursuant to § 315e (1) HGB (*Handelsgesetzbuch, German Commercial Code*) and the unqualified auditors' opinion (*Bestätigungsvermerk*) thereon, together contained in the Otto Group's Annual Report (*Geschäftsbericht*) 2017/2018, are incorporated by reference into this Prospectus.

The audited consolidated financial statements of the Issuer for the financial year ending 28 February 2017 prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU and the additional requirements of German law pursuant to § 315e (1) HGB (*Handelsgesetzbuch, German Commercial Code*) and the unqualified auditors' opinion (*Bestätigungsvermerk*) thereon, together contained in the Otto Group's Annual Report (*Geschäftsbericht*) 2016/2017, are incorporated by reference into this Prospectus.

#### **8.2. KEY FIGURES FROM THE CONSOLIDATED FINANCIAL STATEMENTS AND THE INTERIM FINANCIAL INFORMATION**

The following selected historical financial information for the Otto Group is based on the audited consolidated financial statements of the Otto Group for the financial year ended 28 February 2018 and on the unaudited condensed interim financial information for the nine-month period ended 30 November 2018 (the "**Interim Financial Information**").

The Interim Financial Information are set out in full in this Base Prospectus in the section "*Interim Financial Information Nine-Months 2018/2019 - Condensed Financial Information for the Nine-Month Period ended 30 November 2018*".

The Interim Financial Information set out in this Base Prospectus have neither been audited nor reviewed by external auditors. The Interim Financial Information does not constitute interim financial statements in accordance with IAS 34 as it does not include all components of such interim financial statements and deviates in certain presentations and disclosures from the requirements of IAS 34.

With regards to the first-time adoption of IFRS 9 in financial year 2018/19, the Otto Group uses the modified retrospective method with an adjustment in the opening balance as of 1 March 2018 except for the cost of hedging where the retrospective method was used and the comparative information for the year 2017/18 was adjusted. With respect to certain investments in the e-venture venture capital funds, the Otto Group elected on an investment-by-investments basis to record certain fair value developments directly in the income statement, which were previously recognized in other comprehensive income under IAS 39. The impact on earnings before taxes (EBT) of those fair value changes for the nine-month period ended 30 November 2018 amounted to EUR 101.6 million.

### 8.2.1. SELECTED ITEMS FROM THE CONSOLIDATED BALANCE SHEET

	As of 30 November		As of 28 February	
	<u>2018</u>		<u>2018<sup>(1)</sup></u>	<u>2017<sup>(2)</sup></u>
	<i>(unaudited and unreviewed)</i>		<i>(in EUR million)</i>	
			<i>(audited)</i>	
<i>Assets</i>				
Non-current assets	4,797		4,643	4,125
Deferred tax	139		135	118
Current assets	5,056		4,328	4,223
Total assets	9,992		9,105	8,466
<i>Equity and liabilities</i>				
Equity	1,758		1,532	1,308
Non-current provisions and liabilities	3,705		3,770	3,505
Deferred tax	83		83	85
Current provisions and liabilities	4,445		3,720	3,569
Total equity and liabilities	9,992		9,105	8,466
Net financial debt	2,603		2,509	2,300

(1) Figures based on accounting principles as used in the 2017/18 consolidated financial statements. In the consolidated financial statements as of 28 February 2019, there will be a restatement of the comparative financial information resulting from the retrospective first-time adoption of IFRS 9 (Financial Instruments) for certain items and IFRS 15 (Revenue from Contracts with Customers). In the Issuer's opinion, the restatement will have no material effect on the overall assessment of the group's comparative financial information for 2017/18 or any period of 2017/18.

(2) Figures based on accounting principles as used in the 2017/18 consolidated financial statements.

### 8.2.2. SELECTED ITEMS FROM THE CONSOLIDATED INCOME AND CONSOLIDATED CASH FLOW STATEMENTS

	Nine-month period ended 30 November		Financial year ended 28 February	
	<u>2018</u>	<u>2017<sup>(1)</sup></u>	<u>2018<sup>(1)</sup></u>	<u>2017<sup>(2)</sup></u>
	<i>(unaudited and unreviewed)</i>		<i>(in EUR million)</i>	
			<i>(audited)</i>	
Revenue	10,027	9,870	13,653	12,512
EBITDA	370	601	750	730
EBIT	170	399	405	365
EBT	182	235	629	262
Profit for the period	103	133	519	41
Cash flow from operating activities	73	162	168	184
Cash flow from investing activities	-147	123	75	-310
Free cash flow	-73	284	243	-126
Cash flow from financing activities	-28	-139	-96	266

(1) Figures based on accounting principles as used in the 2017/18 consolidated financial statements. In the consolidated financial statements as of 28 February 2019, there will be a restatement of the comparative financial information resulting from the retrospective first-time adoption of IFRS 9 (Financial Instruments) for certain items and IFRS 15 (Revenue from Contracts with Customers). In the Issuer's opinion, the restatement will have no material effect on the overall assessment of the group's comparative financial information for 2017/18 or any period of 2017/18.

(2) Figures based on accounting principles as used in the 2017/18 consolidated financial statements.

### 8.3. KEY FIGURES WITH THE FINANCIAL SERVICES SEGMENT ACCOUNTED FOR AT-EQUITY

The business undertaken by Otto Group companies in the Financial Services segment differs fundamentally from the Otto Group's Multichannel Retail and Services activities. In order to provide additional insight into the Otto Group's retail and service activities, the Otto Group prepares a second set of financial information (the "FS at equity view") in addition to the IFRS consolidated financial statements. In the Issuer's opinion, this adjusted financial information allows a more valid comparison with retail companies that do not have financial service activities.

The "FS at equity view" eliminates the assets, liabilities, expenses and income of the companies in the Financial Services segment from the consolidated financial statements, and instead reports the interests in Financial Services companies using the equity method. This reporting of interests in Group companies in Financial Services using the equity method is based on the overall percentage held at the level of the parent companies concerned which are not allocated to the Financial Services segment. Hence, non-controlling interests in the share of results or share of net assets of Group companies in the Financial Services segment are only reported if these interests are held by third-party shareholders of parent companies in other segments.

The procedure described here deviates from IFRS and does not represent IFRS figures in that it forgoes the full consolidation of companies in the Financial Services segment that would have to be consolidated pursuant to IAS 27 (and is reported in the IFRS consolidated financial statements), based on the Otto Group's ability to exercise control over such companies.

Information on the reconciliation of the FS at equity view to the IFRS consolidated financial statements can be found in the Otto Group's Annual Report 2017/2018 pages 202 – 212.

All other recognition and measurement methods are applied consistently with those used in the IFRS consolidated financial statements.

#### 8.3.1. SELECTED BALANCE SHEET ITEMS (FS AT EQUITY VIEW)

	As of 30 November	As of 28 February	
	<u>2018</u>	<u>2018<sup>(1)</sup></u>	<u>2017<sup>(2)</sup></u>
	<i>(unaudited and unreviewed)</i>	<i>(in EUR million)</i>	
		<i>(audited)</i>	
<i>Assets</i>			
Non-current assets	4,232	4,068	3,893
Deferred tax	151	148	130
Current assets	3,958	3,501	3,122
Total assets	8,341	7,716	7,145
<i>Equity and liabilities</i>			
Equity	1,704	1,471	1,249
Non-current provisions and liabilities	3,047	3,114	2,848
Deferred tax	62	61	64
Current provisions and liabilities	3,528	3,070	2,983
Total equity and liabilities	8,341	7,716	7,145
Net financial debt	1,542	1,594	1,432

(1) Figures based on accounting principles as used in the 2017/18 consolidated financial statements. In the consolidated financial statements as of 28 February 2019, there will be a restatement of the comparative financial information resulting from the retrospective first-time adoption of IFRS 9 (Financial Instruments) for certain items and IFRS 15 (Revenue from Contracts with Customers). In the Issuer's opinion, the restatement will have no material effect on the overall assessment of the group's comparative financial information for 2017/18 or any period of 2017/18.

(2) Figures based on accounting principles as used in the 2017/18 consolidated financial statements.

### 8.3.2. SELECTED INCOME STATEMENT AND CASH FLOW ITEMS (FS AT EQUITY VIEW)

	Nine-month period ended 30 November		Financial year ended 28 February	
	<u>2018</u>	<u>2017<sup>(1)</sup></u>	<u>2018<sup>(1)</sup></u>	<u>2017<sup>(2)</sup></u>
	<i>(in EUR million)</i>			
	<i>(unaudited and unreviewed)</i>		<i>(audited)</i>	
Revenue	9,424	9,289	12,813	11,780
EBITDA	318	578	705	719
EBIT	134	389	380	378
EBT	158	208	569	223
Profit for the period	95	124	506	31
Cash flow from operating activities	235	458	436	393
Cash flow from investing activities	-191	-206	-324	-434
Free cash flow	44	252	111	-41
Cash flow from financing activities	-152	-98	26	166

(1) Figures based on accounting principles as used in the 2017/18 consolidated financial statements. In the consolidated financial statements as of 28 February 2019, there will be a restatement of the comparative financial information resulting from the retrospective first-time adoption of IFRS 9 (Financial Instruments) for certain items and IFRS 15 (Revenue from Contracts with Customers). In the Issuer's opinion, the restatement will have no material effect on the overall assessment of the group's comparative financial information for 2017/18 or any period of 2017/18.

(2) Figures based on accounting principles as used in the 2017/18 consolidated financial statements.

### 8.3.3. KEY CREDIT RATIOS (FS AT EQUITY VIEW)

	Nine-month period ended 30 November	Fiscal year ended 28 February	
	<u>2018</u>	<u>2018<sup>(2)</sup></u>	<u>2017<sup>(3)</sup></u>
	<i>(unaudited and unreviewed)</i>		
Net financial debt (EUR million)	1,542	1,594	1,432
Net financial debt / EBITDA	n/a <sup>(1)</sup>	2.3x	2.0x
Net financial debt / Equity	0.9x	1.1x	1.1x
Equity / Total assets	20.4%	19.1%	17.5%

(1) Not meaningful based on figures for 9-month period.

(2) Figures based on accounting principles as used in the 2017/18 consolidated financial statements. In the consolidated financial statements as of 28 February 2019, there will be a restatement of the comparative financial information resulting from the retrospective first-time adoption of IFRS 9 (Financial Instruments) for certain items and IFRS 15 (Revenue from Contracts with Customers). In the Issuer's opinion, the restatement will have no material effect on the overall assessment of the group's comparative financial information for 2017/18 or any period of 2017/18.

(3) Figures based on accounting principles as used in the 2017/18 consolidated financial statements.

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## 18. Description of Otto (GmbH & Co KG) – 9. Recent Developments

On pages 119 et seqq. of the Base Prospectus, in the section "*Description of Otto (GmbH & Co KG)*", the content of section "9. Recent Developments" shall be replaced by the following:

### "9. RECENT DEVELOPMENTS

On 17 July 2018, the Issuer issued undated resettable fixed rate subordinated notes with a nominal amount of EUR 300 million (the "**Hybrid Bond**"). The Hybrid Bond bears a coupon of 4.00% and is accounted for as equity in the Otto Group's IFRS consolidated financial statements.

On 19 July 2018, the Otto Group announced that Heartland A/S will be joining ABOUT YOU as a new investor. Following the transaction, the Otto Group remains ABOUT YOU's largest shareholder with a stake of approximately 50.3%. Given the structure of the agreements with ABOUT YOU's various shareholders, the Otto Group does not exercise control over ABOUT YOU and therefore recognises its interest in ABOUT YOU using the equity method in its consolidated financial statements.

At the end of 2018, the Otto Group mandated an investment bank for a potential cooperation with external investors regarding the parcel distribution activities of the Hermes Group. The rationale for such a potential transaction, which would likely take place in financial years 2019/2020 or 2020/2021, would be to further strengthen the strong growth path of the Hermes Group's parcel distribution activities and to join forces with external partners in order to address the upcoming investment requirements. As part of any potential transaction, it is intended that the Otto Group would retain a significant stake in all three main activities in Germany, United Kingdom as well as France. Hermes' activities outside of parcel distribution, such as fulfilment and 2-man-handling, are not within the scope of the investor process.

In addition, in financial year 2018/19, the Otto Group entered into an agreement to sell 51% of two of its e-venture fund investments, the completion of which is subject to the fulfilment of certain closing conditions. With regard to the previously announced sale of the EOS companies EOS Health AG and Zahnärztekasse AG, the sale of Zahnärztekasse has been closed as of the date of this supplement, while the sale of EOS Health AG is expected to be closed within the coming weeks.

On 21 November 2018, the Otto Group announced that Sebastian Klauke, previously Chief Digital Officer at the Otto Group, will join the Otto Group Executive Board and take responsibility for E-Commerce as of 1st May 2019. He will succeed Dr Rainer Hillebrand, who had been a Member of the Executive Board since 1999 and has reached the maximum age for Board Members. Dr Rainer Hillebrand will continue to provide expertise to the Group as a Member of the Supervisory Board going forward.

In the first three quarters of financial year 2018/2019, the Otto Group did not fully achieve its planned revenue growth. Like-for-like revenue growth (adjusted for changes in the scope of consolidation) remained slightly below the Otto Group's target of 5% for financial year 2018/19. Revenue growth as reported was lower due to, among other factors, the deconsolidation of About You and Dispeo, as well as the partial withdrawal from the Russian market.

The Otto Group's operating profitability remained clearly below the previous year's record level. The main factors behind the weaker operating performance were as follows:

- The extreme weather conditions in continental Europe in 2018, with a long winter and an extremely hot summer, presented a difficult trading environment for the Otto Group's major retailers, especially in the fashion sector.
- As previously announced, the Otto Group invested heavily in the transformation of otto.de into a platform business. As a result, and in line with expectations, the Group company OTTO showed strong growth, but recorded profitability significantly below the previous year's level.
- The Services segment achieved significant revenue growth, particularly in the United Kingdom. However, due to the high investments in infrastructure and wage pressures, the Services segment's profitability remained significantly below the previous year's level and negatively affected Group profitability.

On 28 March 2019, the Otto Group announced preliminary revenue figures for the full financial year 2018/2019, which ended on 28 February 2019 (the "**Preliminary Figures**"). The Preliminary Figures have neither been reviewed nor audited by external auditors and may differ from the audited financial statements for financial year 2018/2019, which are scheduled to be published on 22 May 2019. According to the Preliminary Figures, the Otto Group's revenues for financial year 2018/2019 grew slightly on a like-for-like basis (adjusted for changes in the scope of consolidation, the harmonisation of financial calendars at various subsidiaries as well as foreign exchange effects). Like-for-like growth remained below the previous year's

growth figures and below the Otto Group's own ambitions. On a reported basis (without taking into account the effects listed above), revenues showed a slight decline. The lower growth dynamic also impacted earnings. The Otto Group remained profitable, but profitability remained below the previous year's level."

**19. Description of Otto (GmbH & Co KG) – 12. Significant Change in the financial or trading Position of (GmbH & Co KG)**

On page 121 of the Base Prospectus, in the section "*Description of Otto (GmbH & Co KG)*", the content of sub-section "*12. Significant Change in the financial or trading Position of (GmbH & Co KG)*" shall be replaced by the following:

**"12. SIGNIFICANT CHANGE IN THE FINANCIAL OR TRADING POSITIONS OF OTTO (GMBH & CO KG)**

Except for the changes as described under "*Recent developments*" above, there has been no significant change in the financial or trading position of the Issuer or the Otto Group since 30 November 2018."

**20. Form of Final Terms – Part II – Other Information / Teil II Andere Informationen**

On page 148 of the Base Prospectus, in the section "*Form of Final Terms - Part II – Other Information / Teil II Andere Informationen*", the content of sub-section "*Reasons for the offer, estimated net proceeds and total expenses / Gründe für das Angebot, geschätzter Nettoerlös und Gesamtkosten der Emission*" shall be replaced by the following:

"

Reasons for the offer / Use of proceeds: [The net proceeds from this issuance of Notes will be used for general corporate purposes of the Otto Group.] [The Issuer intends to use the net proceeds from this issuance of Notes for Sustainable Projects in line with the Sustainable Finance Framework established by the Issuer.]

[specify details]

*Gründe für das Angebot / Verwendung der Emissionserlöse:* [Der Nettoerlös aus dieser Emission von Schuldverschreibungen wird für allgemeine Unternehmenszwecke der Otto Group eingesetzt.] [Die Emittentin beabsichtigt den Nettoerlös aus dieser Emission von Schuldverschreibungen für Nachhaltige Projekte gemäß dem "Sustainable Finance Framework" der Emittentin zu verwenden.]

[Einzelheiten einfügen]

Estimated net proceeds: [●]

*Geschätzter Nettoerlös:* [●]

Estimated total expenses of the issue: [●]

*Geschätzte Gesamtkosten der Emission:* [●]

"

**21. New section: Interim Financial Information Nine-Months 2018/2019**

Following page 160 of the Base Prospectus, after the section "*Documents incorporated by reference*", a new section titled "*Interim Financial Information Nine-Months 2018/2019*" with the following content shall be inserted:

**"INTERIM FINANCIAL INFORMATION NINE-MONTHS 2018/2019**

**INTERIM FINANCIAL INFORMATION FOR THE NINE-MONTH PERIOD ENDED  
30 NOVEMBER 2018**

The following interim financial information of the Issuer for the nine-month period ended 30 November 2018 (the "**Interim Financial Information**") was prepared by the Issuer based on internal accounting data.

The Interim Financial Information have neither been audited nor reviewed by external auditors. The Interim Financial Information does not constitute interim financial statements in accordance with IAS 34 as it does not include all components of such interim financial statements and deviates in certain presentations and disclosures from the requirements of IAS 34.

## Consolidated Balance Sheet

	As of 30 November 2018	As of 28 February 2018 <sup>(1)</sup>
	(in EUR million)	
	(unaudited and unreviewed)	
<b>NON-CURRENT ASSETS</b>	<b>4,797</b>	<b>4,643</b>
Fixed assets	3,584	3,434
<i>Intangible assets</i>	739	708
<i>Property, plant and equipment</i>	1,417	1,368
<i>Investments in associated companies and joint ventures</i>	1,038	1,079
<i>Other financial investments</i>	390	278
Trade receivables	169	168
Receivables from financial services	913	879
Receivables from related parties	56	56
Other assets	75	106
<b>CURRENT ASSETS</b>	<b>5,056</b>	<b>4,328</b>
Inventories	1,689	1,617
Trade receivables	1,607	1,228
Receivables from financial services	572	420
Receivables from related parties	148	118
Income tax receivables and other assets	623	427
Cash, cash equivalents and securities	418	518
<b>Deferred tax</b>	<b>139</b>	<b>135</b>
<b>TOTAL ASSETS</b>	<b>9,992</b>	<b>9,105</b>
<b>EQUITY</b>	<b>1,758</b>	<b>1,532</b>
Equity attributable to the owners of Otto (GmbH & Co KG)	732	734
Non-controlling interests	610	681
Participation certificates	416	117
<b>NON-CURRENT PROVISIONS AND LIABILITIES</b>	<b>3,705</b>	<b>3,770</b>
Profit and loss participation rights	24	26
Provisions for pensions and similar obligations	1,426	1,417
Other provisions	146	144
Bonds and other notes payable	974	1,272
Bank liabilities	765	555
Other financing liabilities	41	48
Trade payables	34	33
Liabilities to related parties	0	0
Other liabilities	295	275
<b>CURRENT PROVISIONS AND LIABILITIES</b>	<b>4,445</b>	<b>3,720</b>
Profit and loss participation rights	2	2
Other provisions	149	152
Bonds and other notes payable	492	167
Bank liabilities	601	772
Other financing liabilities	148	213
Trade payables	1,936	1,427
Liabilities to related parties	24	25
Income tax liabilities and other liabilities	1,093	964
<b>Deferred tax</b>	<b>83</b>	<b>83</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>9,992</b>	<b>9,105</b>

(1) Figures based on accounting principles as used in the 2017/18 consolidated financial statements. In the consolidated financial statements as of 28 February 2019, there will be a restatement of the comparative financial information resulting from the retrospective first-time adoption of IFRS 9 (Financial Instruments) for certain items and IFRS 15 (Revenue from Contracts with Customers). In the Issuer's opinion, the restatement will have no material effect on the overall assessment of the group's comparative financial information for 2017/18 or any period of 2017/18.

## Consolidated Income Statement

	Nine-month period ended 30 November	
	<u>2018</u>	<u>2017<sup>(1)</sup></u>
	(in EUR million)	
	(unaudited and unreviewed)	
<b>Revenue and income from customer financing</b>	<b>10,158</b>	<b>9,870</b>
<i>Revenue</i>	10,027	9,870
<i>Income from customer financing</i>	132	0
Other operating income	389	545
<b>Revenue and other operating income</b>	<b>10,548</b>	<b>10,415</b>
Change in inventories and other internal costs capitalised	24	33
Purchased goods and services	-5,412	-5,185
Personnel expenses	-1,748	-1,688
Other operating expenses	-3,047	-3,038
Income from equity investments	5	64
<b>Earnings before interest, tax, depreciation and amortisation (EBITDA)</b>	<b>370</b>	<b>601</b>
Depreciation, amortisation and impairment losses	-200	-202
<b>Earnings before interest and tax (EBIT)</b>	<b>170</b>	<b>399</b>
Interest and similar income	16	24
Interest and similar expenses	-104	-100
Other net financial income (expense)	99	-88
<b>Earnings before tax (EBT)</b>	<b>182</b>	<b>235</b>
Income tax	-78	-102
<b>Profit for the period</b>	<b>103</b>	<b>133</b>

- (1) Figures based on accounting principles as used in the 2017/18 consolidated financial statements. In the consolidated financial statements as of 28 February 2019, there will be a restatement of the comparative financial information resulting from the retrospective first-time adoption of IFRS 9 (Financial Instruments) for certain items and IFRS 15 (Revenue from Contracts with Customers). In the Issuer's opinion, the restatement will have no material effect on the overall assessment of the group's comparative financial information for 2017/18 or any period of 2017/18.

## Consolidated Cash Flow Statement

	Nine-month period ended 30 November	
	<u>2018</u>	<u>2017<sup>(1)</sup></u>
	(in EUR million)	
	(unaudited and unreviewed)	
<b>Gross cash flow from operating activities</b>	<b>387</b>	<b>607</b>
Increase (-) / decrease (+) in working capital	-258	-399
<b>Net cash generated from operating activities</b>	<b>129</b>	<b>208</b>
Income tax paid	-67	-66
Interest received	10	14
Cash inflows/outflows from non-current financial assets and securities	2	5
<b>Cash flow from operating activities</b>	<b>73</b>	<b>162</b>
<b>Cash flow from investing activities</b>	<b>-147</b>	<b>123</b>
<b>Free cash flow</b>	<b>-73</b>	<b>284</b>
Dividends paid	-180	-202
Interest paid and bank charges	-133	-120
Proceeds from additions to equity	301	0
Payments of principal on finance lease and payments (net) for repurchases of profit and loss participation rights	-15	-20
Proceeds from assumption of other financial liabilities	254	448
Repayments of other financial liabilities	-255	-245
<b>Cash flow from financing activities</b>	<b>-28</b>	<b>-139</b>
Cash and cash equivalents at beginning of period	518	379
Net increase in cash and cash equivalents	-101	145
Changes in cash and cash equivalents due to foreign exchange rates	1	-10
<b>Cash and cash equivalents at end of period</b>	<b>418</b>	<b>514</b>

(1) Figures based on accounting principles as used in the 2017/18 consolidated financial statements. In the consolidated financial statements as of 28 February 2019, there will be a restatement of the comparative financial information resulting from the retrospective first-time adoption of IFRS 9 (Financial Instruments) for certain items and IFRS 15 (Revenue from Contracts with Customers). In the Issuer's opinion, the restatement will have no material effect on the overall assessment of the group's comparative financial information for 2017/18 or any period of 2017/18.

### INTERIM FINANCIAL INFORMATION FOR THE NINE-MONTH PERIOD ENDED 30 NOVEMBER 2018 WITH THE FINANCIAL SERVICE ACTIVITIES ACCOUNTED FOR AT EQUITY

The business undertaken by Otto Group companies in the Financial Services segment differs fundamentally from the Otto Group's Multichannel Retail and Services activities. In order to provide additional insight into the Otto Group's retail and service activities, the Otto Group prepares a second set of financial information (the "FS at equity view") in addition to the IFRS consolidated financial statements. In the Issuer's opinion, this adjusted financial information allows a more valid comparison with retail companies that do not have financial service activities.

The "FS at equity view" eliminates the assets, liabilities, expenses and income of the companies in the Financial Services segment from the consolidated financial statements, and instead reports the interests in Financial Services companies using the equity method. This reporting of interests in Group companies in Financial Services using the equity method is based on the overall percentage held at the level of the parent companies concerned which are not allocated to the Financial Services segment. Hence, minority interests in the share of results or share of net assets of Group companies in the Financial Services segment are only reported if these interests are held by third-party shareholders of parent companies in other segments.

The procedure described here deviates from IFRS and does not represent IFRS figures in that it forgoes the full consolidation of companies in the Financial Services segment that would have to be consolidated pursuant to IAS 27 (and is reported in the IFRS consolidated financial statements), based on the Otto Group's ability to exercise control over such companies.

All other recognition and measurement methods are applied consistently with those used in the IFRS consolidated financial statements.

## Consolidated Balance Sheet (FS at equity view)

	As of 30 November 2018	As of 28 February 2018 <sup>(1)</sup>
	(in EUR million)	
	(unaudited and unreviewed)	
<b>NON-CURRENT ASSETS</b>	<b>4,232</b>	<b>4,068</b>
Fixed assets	3,969	3,775
<i>Intangible assets</i>	560	533
<i>Property, plant and equipment</i>	1,391	1,343
<i>Investments in associated companies and joint ventures</i>	1,631	1,624
<i>Other financial investments</i>	387	275
Trade receivables	169	168
Receivables from financial services	0	0
Receivables from related parties	56	56
Other assets	39	69
<b>CURRENT ASSETS</b>	<b>3,958</b>	<b>3,501</b>
Inventories	1,549	1,497
Trade receivables	1,419	1,103
Receivables from financial services	0	0
Receivables from related parties	135	99
Income tax receivables and other assets	544	384
Cash, cash equivalents and securities	311	418
<b>Deferred tax</b>	<b>151</b>	<b>148</b>
<b>TOTAL ASSETS</b>	<b>8,341</b>	<b>7,716</b>
<b>EQUITY</b>	<b>1,704</b>	<b>1,471</b>
Equity attributable to the owners of Otto (GmbH & Co KG)	733	734
Non-controlling interests	601	666
Participation certificates	371	72
<b>NON-CURRENT PROVISIONS AND LIABILITIES</b>	<b>3,047</b>	<b>3,114</b>
Profit and loss participation rights	24	26
Provisions for pensions and similar obligations	1,351	1,345
Other provisions	142	140
Bonds and other notes payable	718	919
Bank liabilities	444	330
Other financing liabilities	41	48
Trade payables	34	33
Liabilities to related parties	0	0
Other liabilities	293	274
<b>CURRENT PROVISIONS AND LIABILITIES</b>	<b>3,528</b>	<b>3,070</b>
Profit and loss participation rights	2	2
Other provisions	118	117
Bonds and other notes payable	363	120
Bank liabilities	265	493
Other financing liabilities	23	103
Trade payables	1,754	1,347
Liabilities to related parties	20	24
Income tax liabilities and other liabilities	983	864
<b>Deferred tax</b>	<b>62</b>	<b>61</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>8,341</b>	<b>7,716</b>

(1) Figures based on accounting principles as used in the 2017/18 consolidated financial statements. In the consolidated financial statements as of 28 February 2019, there will be a restatement of the comparative financial information resulting from the retrospective first-time adoption of IFRS 9 (Financial Instruments) for certain items and IFRS 15 (Revenue from Contracts with Customers). In the Issuer's opinion, the restatement will have no material effect on the overall assessment of the group's comparative financial information for 2017/18 or any period of 2017/18

## Consolidated Income Statement (FS at equity view)

	Nine-month period ended 30 November	
	<u>2018</u>	<u>2017<sup>(1)</sup></u>
	(in EUR million)	
	(unaudited and unreviewed)	
<b>Revenue and income from customer financing</b>	<b>9,556</b>	<b>9,289</b>
<i>Revenue</i>	9,424	9,289
<i>Income from customer financing</i>	132	0
Other operating income	379	541
<b>Revenue and other operating income</b>	<b>9,936</b>	<b>9,830</b>
Change in inventories and other internal costs capitalised	15	24
Purchased goods and services	-5,412	-5,185
Personnel expenses	-1,539	-1,494
Other operating expenses	-2,826	-2,837
Income from equity investments	145	239
<b>Earnings before interest, tax, depreciation and amortisation (EBITDA)</b>	<b>318</b>	<b>578</b>
Depreciation, amortisation and impairment losses	-185	-189
<b>Earnings before interest and tax (EBIT)</b>	<b>134</b>	<b>389</b>
Interest and similar income	24	19
Interest and similar expenses	-99	-94
Other net financial income (expense)	100	-106
<b>Earnings before tax (EBT)</b>	<b>158</b>	<b>208</b>
Income tax	-63	-84
<b>Profit for the period</b>	<b>95</b>	<b>124</b>

- (1) Figures based on accounting principles as used in the 2017/18 consolidated financial statements. In the consolidated financial statements as of 28 February 2019, there will be a restatement of the comparative financial information resulting from the retrospective first-time adoption of IFRS 9 (Financial Instruments) for certain items and IFRS 15 (Revenue from Contracts with Customers). In the Issuer's opinion, the restatement will have no material effect on the overall assessment of the group's comparative financial information for 2017/18 or any period of 2017/18

## Consolidated Cash Flow Statement (FS at equity view)

	Nine-month period ended 30 November	
	<u>2018</u>	<u>2017<sup>(1)</sup></u>
	<i>(in EUR million)</i>	
	<i>(unaudited and unreviewed)</i>	
<b>Gross cash flow from operating activities</b>	<b>331</b>	<b>685</b>
Increase (-) / decrease (+) in working capital	-76	-200
<b>Net cash generated from operating activities</b>	<b>255</b>	<b>485</b>
Income tax paid	-39	-46
Interest received	17	12
Cash inflows/outflows from non-current financial assets and securities	2	5
<b>Cash flow from operating activities</b>	<b>235</b>	<b>458</b>
<b>Cash flow from investing activities</b>	<b>-191</b>	<b>-206</b>
<b>Free cash flow</b>	<b>44</b>	<b>252</b>
Dividends paid	-175	-193
Interest paid and bank charges	-129	-116
Proceeds from additions to equity	301	0
Payments of principal on finance lease and payments (net) for repurchases of profit and loss participation rights	-15	-20
Proceeds from assumption of other financial liabilities	244	446
Repayments of other financial liabilities	-378	-216
<b>Cash flow from financing activities</b>	<b>-152</b>	<b>-98</b>
Cash and cash equivalents at beginning of period	418	287
Net increase in cash and cash equivalents	-107	153
Changes in cash and cash equivalents due to foreign exchange rates	1	-8
<b>Cash and cash equivalents at end of period</b>	<b>311</b>	<b>431</b>

- (1) Figures based on accounting principles as used in the 2017/18 consolidated financial statements. In the consolidated financial statements as of 28 February 2019, there will be a restatement of the comparative financial information resulting from the retrospective first-time adoption of IFRS 9 (Financial Instruments) for certain items and IFRS 15 (Revenue from Contracts with Customers). In the Issuer's opinion, the restatement will have no material effect on the overall assessment of the group's comparative financial information for 2017/18 or any period of 2017/18.

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Registered Office of the Issuer

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