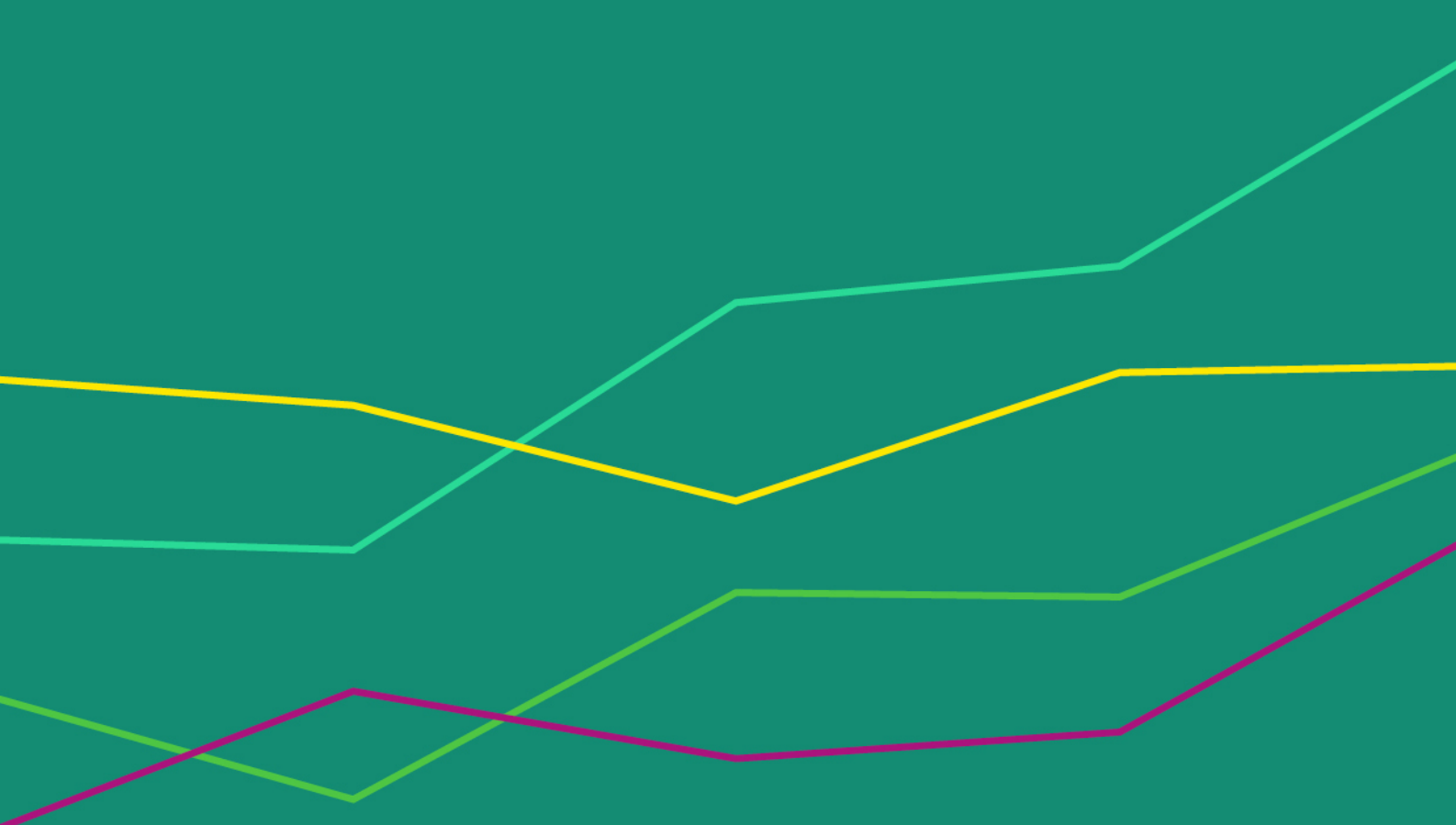


**HELLOFRESH**  
GROUP

# Half-Year Report 2023



## HelloFresh at a Glance

Key figures	3 months ended 30-Jun-23	3 months ended 30-Jun-22	YoY change	6 months ended 30-Jun-23	6 months ended 30-Jun-22	YoY change
<b>Key Performance Indicators</b>						
<b>Group</b>						
Active customers (in millions)	7.30	8.00	(8.7 %)			
Number of orders (in millions)	30.00	32.26	(7.0 %)	62.82	66.83	(6.0 %)
Orders per customer	4.11	4.03	2.0 %			
Meals (in millions)	253.6	269.8	(6.0 %)	532.1	557.1	(4.5 %)
Average order value (EUR) (excl. retail)	63.6	60.4	5.3 %	62.4	57.7	8.1%
Average order value constant currency (EUR) (excl. retail)	65.5	60.4	8.4 %	62.6	57.7	8.5%
<b>North America<sup>1</sup></b>						
Active customers (in millions)	4.12	4.55	(9.6 %)			
Number of orders (in millions)	17.09	18.50	(7.6 %)	36.00	38.13	(5.6 %)
Orders per customer	4.15	4.06	2.2 %			
Meals (in millions)	136.6	145.6	(6.2 %)	289.2	299.5	(3.4 %)
Average order value (EUR) (excl. retail)	74.0	69.3	6.8 %	72.2	65.6	10.1%
Average order value constant currency (EUR) (excl. retail)	76.0	69.3	9.7 %	71.7	65.6	9.3%
<b>International<sup>1</sup></b>						
Active customers (in millions)	3.18	3.44	(7.5 %)			
Number of orders (in millions)	12.91	13.76	(6.2 %)	26.81	28.70	(6.6 %)
Orders per customer	4.06	4.00	1.5 %			
Meals (in millions)	117.0	124.2	(5.8 %)	242.9	257.7	(5.8 %)
Average order value (EUR) (excl. retail)	49.9	48.4	3.2 %	49.1	47.2	4.0%
Average order value constant currency (EUR) (excl. retail)	51.5	48.4	6.5 %	50.4	47.2	6.8%

<sup>1</sup> The North America segment comprises our businesses in Canada (until 31 December 2022 included in the International segment) and the United States of America. Comparatives have been adjusted accordingly to reflect the new segment structure.

Key figures	3 months ended 30-Jun-23	3 months ended 30-Jun-22	YoY change	6 months ended 30-Jun-23	6 months ended 30-Jun-22	YoY change
<b>Results of operations</b>						
<b>Group</b>						
Revenue (in MEUR)	1,917.5	1,957.1	(2.0 %)	3,933.6	3,872.5	1.6 %
Revenue constant currency (in MEUR)	1,973.5	1,957.1	0.8 %	3,952.3	3,872.5	2.1 %
Contribution margin (in MEUR) <sup>1</sup>	545.5	500.2	9.1 %	1,076.4	982.9	9.5 %
Contribution margin (in % of revenue) <sup>1</sup>	28.4 %	25.6 %	2.9 pp	27.4 %	25.4 %	2.0 pp
AEBITDA (in MEUR)	191.9	145.9	31.5 %	258.0	245.2	5.3 %
AEBITDA (in % of Revenue)	10.0 %	7.5 %	2.5 pp	6.6 %	6.3 %	0.2 pp
<b>North America <sup>2</sup></b>						
Revenue <sup>3</sup> (in MEUR)	1,264.6	1,282.0	(1.4 %)	2,600.0	2,499.6	4.0 %
Revenue constant currency (in MEUR)	1,298.6	1,282.0	1.3 %	2,583.1	2,499.6	3.3 %
Contribution margin (in MEUR) <sup>1</sup>	399.4	349.2	14.4 %	784.6	679.1	15.5 %
Contribution margin (in % of revenue) <sup>1</sup>	31.4 %	27.1 %	4.2 pp	30.0 %	27.1 %	2.9 pp
AEBITDA (in MEUR)	167.2	126.9	31.7 %	243.2	212.5	14.4 %
AEBITDA (in % of Revenue)	13.1 %	9.9 %	3.3 pp	9.3 %	8.5 %	0.8 pp
<b>International</b>						
Revenue <sup>3</sup> (in MEUR)	652.9	675.1	(3.3 %)	1,333.6	1,372.7	(2.9 %)
Revenue constant currency (in MEUR)	674.9	675.1	0.0 %	1,369.2	1,372.7	(0.3 %)
Contribution margin (in MEUR) <sup>1</sup>	161.0	159.3	1.1 %	319.8	319.7	0.0 %
Contribution margin (in % of revenue) <sup>1</sup>	24.4 %	23.5 %	0.9 pp	23.8 %	23.2 %	0.6 pp
AEBITDA (in MEUR)	59.7	50.1	19.2 %	87.7	92.8	(5.5 %)
AEBITDA (in % of Revenue)	9.1 %	7.4 %	1.7 pp	6.5 %	6.7 %	(0.2 pp)
<b>Group Financial Position</b>						
Operating working capital (in MEUR)	(332.4)	(342.4)		(332.4)	(342.4)	
Cash flow from operating activities (in MEUR)	92.6	(21.0)		207.3	177.1	
Free cash flow (excl. repayment of lease liabilities) (in MEUR)	20.9	(140.8)		38.0	(9.6)	
Free cash flow per diluted share (in EUR)	0.12	(0.78)		0.21	(0.05)	
Cash and cash equivalents (in MEUR)	464.5	642.2		464.5	642.2	

<sup>1</sup> Excluding share-based compensation (SBC) expenses.

<sup>2</sup> The North America segment comprises our businesses in Canada (until 31 December 2022 included in the International segment) and the United States of America. Comparatives have been adjusted accordingly to reflect the new segment structure.

<sup>3</sup> External revenue from contracts with customers.

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# A Interim Group Management Report

of HelloFresh Group as of 30 June 2023

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## 1 Fundamentals of the Group

The statements made in the Annual Report 2022 regarding the business model, the Group structure, the performance measurement system, and research and development activities in the HelloFresh Group still substantially apply at the time this Interim Report was issued for publication. The only change in comparison to the Annual Report 2022 is that from 2023 onwards, the Canadian business is now reported and managed together with the former US segment in a new “North America” segment, and therefore is not anymore included in our International Segment.

## 2 Economic Position

### 2.1 General Economic Conditions

In January 2023<sup>1</sup>, the World Economic Outlook (‘WEO’) issued by the International Monetary Fund (‘IMF’) projected a global economic growth for 2023 of 2.9 %. In its latest update of July 2023<sup>2</sup>, the forecast for global economic growth was upgraded to 3.0 %, this represents a 0.1 pp upward revision. Global inflation has fallen since mid-2022 for most economies due to a fall in energy prices and food prices, but still remains at a high level due to the cumulative effects of the recent shocks over the past years, most notably the COVID-19 pandemic and Russia’s invasion of Ukraine. The World Health Organization announced in May that it no longer considers COVID-19 to be a “global health emergency”. Supply chains have largely recovered, and shipping costs and suppliers’ delivery times are back to pre-pandemic levels. But effects that hindered growth in 2022 still persist. The tightening of the monetary policy over the last 12 months, including continuous increases of interest rates by central banks, has helped to dampen inflation, but has also led to an increase in financial market volatility and dampened consumer sentiment.

Further discussion can be found in **Section 5.1** of this Interim Group Management Report.

### 2.2 Course of Business

In H1 2023 HelloFresh has continued to grow its revenue slightly to MEUR 3,933.6, which corresponds to an increase of 2.1 % in comparison with H1 2022 on a constant currency basis. Among other factors, the growth of the Group’s revenue was driven by a strong expansion of its average order value, driven by the impact of prior year price increases, more meals per order, higher take-up of add-ons and surcharge offerings on selected meals, and a higher share of ready-to-eat meals.

HelloFresh continues to improve its contribution margin due to continued efficiencies across several fulfilment cost line items, including production, despite still meaningful year-on-year inflationary trends across several ingredient categories. As a result, the Group’s AEBITDA increased to MEUR 258.0 in H1 2023, corresponding to a margin of 6.6%.

### 2.3 HelloFresh Share and Share Capital Structure

The HelloFresh shares are listed at the Frankfurt Stock Exchange (Prime Standard). During the first half of 2023, the share price of HelloFresh SE increased by 10 %, from EUR 20.53 as of 31 December 2022 to EUR 22.60 as of 30 June 2023. HelloFresh is included in the MDAX Index. Additionally, HelloFresh has also been included in the STOXX 600 Europe Index since 23 December 2019, and a number of indices in the MSCI family including MSCI Europe IMI and MSCI Europe ESG Leaders.

Since May 2020, HelloFresh has a MEUR 175.0 convertible bond outstanding, with a maturity as of 13 May 2025, and allowing the holder to convert into shares at a conversion price of EUR 50.76, which at full conversion would result in issue of 3.5 million shares.

Further details regarding the share capital structure is included in **NOTE 10** of the Interim Condensed Consolidated Financial Statements.

<sup>1</sup> <https://www.imf.org/en/Publications/WEO/Issues/2023/01/31/world-economic-outlook-update-january-2023>

<sup>2</sup> <https://www.imf.org/en/Publications/WEO/Issues/2023/07/10/world-economic-outlook-update-july-2023>

### 3 Position of the Group

The interim consolidated financial statements of HelloFresh were prepared in accordance with IFRS, as adopted by the European Union.

#### 3.1 Earnings Position of the Group

In MEUR	3 months ended			6 months ended		
	30-Jun-23	30-Jun-22 <sup>1</sup>	YoY	30-Jun-23	30-Jun-22 <sup>1</sup>	YoY
Revenue	1,917.5	1,957.1	(2.0 %)	3,933.6	3,872.5	1.6 %
Procurement expenses	(648.4)	(672.3)	(3.6 %)	(1,371.2)	(1,333.6)	2.8 %
% of revenue	(33.8 %)	(34.4 %)	0.6 pp	(34.9 %)	(34.4 %)	(0.5 pp)
Fulfilment expenses	(732.7)	(792.0)	(7.5 %)	(1,503.2)	(1,569.6)	(4.2 %)
% of revenue	(38.2 %)	(40.5 %)	2.3 pp	(38.2 %)	(40.5 %)	2.3 pp
Contribution margin	536.5	492.8	8.9 %	1,059.3	969.3	9.3 %
% of revenue	28.0 %	25.2 %	2.8 pp	26.9 %	25.0 %	1.9 pp
Contribution margin (excl. SBC)	545.5	500.2	9.1 %	1,076.4	982.9	9.5 %
% of revenue	28.4 %	25.6 %	2.8 pp	27.4 %	25.4 %	2.0 pp
Marketing expenses	(316.0)	(307.8)	2.7 %	(731.4)	(646.8)	13.1 %
% of revenue	(16.5 %)	(15.7 %)	(0.8 pp)	(18.6 %)	(16.7 %)	(1.9 pp)
Marketing expenses (excl. SBC)	(312.9)	(305.0)	2.6 %	(725.1)	(641.6)	13.0 %
% of revenue	(16.3 %)	(15.6 %)	(0.7 pp)	(18.4 %)	(16.6 %)	(1.8 pp)
General and administrative expenses, other operating income and expenses	(119.9)	(96.7)	24.0 %	(236.2)	(178.5)	32.3 %
% of revenue	(6.3 %)	(4.9 %)	(1.4 pp)	(6.0 %)	(4.6 %)	(1.4 pp)
General and administrative expenses, other operating income and expenses (excl. SBC)	(107.0)	(89.8)	19.2 %	(214.7)	(173.7)	23.6 %
% of revenue	(5.6 %)	(4.6 %)	(1.0 pp)	(5.5 %)	(4.5 %)	(1.0 pp)
EBIT	100.6	88.3	13.9 %	91.6	144.0	(36.4 %)
% of revenue	5.2 %	4.5 %	0.7 pp	2.3 %	3.7 %	(1.4 pp)
Depreciation and amortization	51.4	36.4	41.2 %	101.8	68.5	48.6 %
EBITDA	152.0	124.7	21.9 %	193.4	212.5	(9.0 %)
% of revenue	7.9 %	6.4 %	1.5 pp	4.9 %	5.5 %	(0.6 pp)
Special items	14.9	4.2	254.8 %	19.7	9.2	114.1 %
Share-based compensation expenses	24.9	17.0	46.5 %	45.0	23.5	91.5 %
AEBITDA	191.9	146.0	31.4 %	258.0	245.2	5.2 %
% of revenue	10.0 %	7.5 %	2.5 pp	6.6 %	6.3 %	0.3 pp
AEBIT	140.5	109.6	28.2 %	156.3	176.7	(11.5 %)
% of revenue	7.3 %	5.6 %	1.7 pp	4.0 %	4.6 %	(0.6 pp)

<sup>1</sup> Adjusted, refer to **Note 4** (Cash-settled share based compensation).

During the first half of 2023 HelloFresh delivered slightly positive revenue growth, given the comparative period still had some COVID-19 effects and given a currently relatively soft macroeconomic consumer environment. Revenue increased by 1.6 % on euro basis, and by 2.1 % on a constant currency basis compared with the same period in 2022. In absolute terms, the Group revenue increased from MEUR 3,872.5 in H1 2022 to MEUR 3,933.6 in H1 2023. The revenue growth was primarily driven by an increase in the average order value driven by the impact of prior year price increases, more meals per order, higher take-up of add-ons and surcharge offerings on selected meals, and a higher share of ready-to-eat meals. Active customers amounted to 7.30 m in Q2 2023 (of which an estimated 0.15 m are customers of more than one brand of the Hello Fresh GroupF counting each as two or more active customers) compared to 8.00 m in the same period 2022 (of which an estimated 0.15 m were customers of more than one brand of the Hello Fresh Group counting each as two or more active customers).

Contribution margin (excluding share-based compensation expenses) as a percentage of revenue increased to 27.4 % in H1 2023 compared to 25.4 % in the same period 2022. Procurement expenses as percentage of revenue increased slightly for the Group to 34.9 % in H1 2023, compared to 34.4 % in H1 2022, due to (i) ongoing ingredient price inflation across most categories, and (ii) a higher share of ready-to-eat, which includes meal production cost in procurement

expenses that are not incurred for meal-kit production. Fulfilment expenses as percentage of revenue decreased by 2.3 pp from H1 2022 to H1 2023, which is primarily driven by improved productivity in the company's fulfilment centers.

Marketing expenses (excluding share-based compensation expenses) as a percentage of revenues increased by 1.8 pp to 18.4 % in H1 2023, compared to 16.6 % in previous year's period. The increase in marketing spend is a result of a return to normal higher seasonal marketing activity in Q1 2023, as Q1 2022 was still affected by COVID-19 trends; marketing activity in the second quarter 2023 was somewhat reduced due to an overall relatively soft consumer environment in a number of key markets.

General and administrative expenses, other operating income and expenses (including share-based compensation expenses) as a percentage of revenue increased from 4.6 % in H1 2022 to 6.0 % in the H1 2023. In absolute terms, these expenses increased from MEUR 178.5 in the H1 2022 to MEUR 236.2 in the current period. General and administrative expenses, other operating income and expenses (excluding share-based compensation expenses) as percentage of revenue also increased from 4.5 % in H1 2022 to 5.5 % in the H1 2023. Key driver for the variance is the full run-rate effect of further built out of key functions in 2022, especially our tech and data teams, which are now largely concluded.

The Group reported EBIT of MEUR 91.6 in H1 2023, a positive margin of 2.3 %, compared to a positive margin in H1 2022 of 3.7 %. This is a result of the factors described above.

Special items for H1 2023 mainly relate to reorganization initiatives in the US and UK relating to the rationalization of certain older or interim fulfilment centers (MEUR 14.5), and acquisition related management earn-out programs that are in place for Factor (MEUR 2.9).

Share-based compensation expenses amount to MEUR 45.0 in H1 2023, compared to MEUR 23.5<sup>1</sup> in the same period 2022, mainly driven by an overall increase in the number of participants to the programs and also by the positive revaluation impact of cash-settled plans in the comparative period H1 2022.

AEBITDA amounts to MEUR 258.0, a positive margin of 6.6 %, compared to MEUR 245.2 in the first half of 2022.

AEBIT amounts to MEUR 156.3, a positive margin of 4.0 %, compared to MEUR 176.7 in the H1 2022.

### EBIT to AEBITDA

In MEUR	6 months ended 30-Jun-23	6 months ended 30-Jun-22 <sup>1</sup>	YoY
<b>EBIT</b>	<b>91.6</b>	<b>144.0</b>	<b>(36.4 %)</b>
Depreciation and amortization	101.8	68.5	48.6 %
<b>EBITDA</b>	<b>193.4</b>	<b>212.5</b>	<b>(9.0 %)</b>
Special items	19.7	9.2	114.1 %
Share-based compensation	45.0	23.5	91.5 %
<b>AEBITDA</b>	<b>258.0</b>	<b>245.2</b>	<b>5.2 %</b>
<b>AEBITDA margin</b>	<b>6.6 %</b>	<b>6.3 %</b>	<b>0.3pp</b>
<b>AEBIT</b>	<b>156.3</b>	<b>176.7</b>	<b>(11.5 %)</b>
<b>AEBIT margin</b>	<b>4.0 %</b>	<b>4.6 %</b>	<b>(0.6pp)</b>

<sup>1</sup> Adjusted, refer to [Note 4](#) (Cash-settled share based compensation).

## 3.2 Financial Position of the Group

The cash flow from operating activities in H1 2023 slightly increased to MEUR 207.3 in comparison to MEUR 177.1 in H1 2022. The cash flow used in investing activities amounted to MEUR 203.3 in the first half of 2023, already below the MEUR 214.5 for the same period in 2022. The outflow in H1 2023 was mostly impacted by the last tranche of the earn-out payment for the Factor acquisition (MEUR 34.5) and the capital expenditure (MEUR 169.3) related to the purchase of property, plant and equipment, intangible assets, and software development. Key capital expenditure projects relate to the build-out of our new ready-to-eat facility in Arizona (USA), as well as further progress on the build-out of more automated facilities in the UK and Germany. This multi-year investment program is expected to have largely progressed by Q3 2023, from which onwards Capex is expected to be lower going forward.

The cash outflow in financing activities amounted to MEUR 39.0 in H1 2023, and was mainly driven by the lease payments (in accordance with IFRS 16) amounting MEUR 38.2 in the H1 2023.



In MEUR	30-Jun-23	30-Jun-22
<b>Cash and cash equivalents at the beginning of the period</b>	<b>504.0</b>	<b>827.1</b>
Net Cash flows from operating activities	207.3	177.1
Net Cash flows from investing activities	(203.3)	(214.5)
Thereof related to acquisition of companies	(34.5)	(24.8)
Net Cash flows from financing activities	(39.0)	(168.2)
Effects of exchange rate changes and other changes on cash and cash equivalents	(4.5)	20.7
<b>Cash and cash equivalents at the end of the period</b>	<b>464.5</b>	<b>642.2</b>

The Group's free cash flow position is as below:

In MEUR	30-Jun-23	30-Jun-22
Cash flow from operating activities	207.3	177.1
Net capital expenditure	(169.3)	(186.7)
<b>Free Cash Flow for the period</b> (excl. repayment of lease liabilities)	<b>38.0</b>	<b>(9.6)</b>
Repayment of lease liability (excl. interest)	(38.2)	(24.8)
<b>Free Cash Flow for the period</b> (incl. repayment of lease liabilities)	<b>(0.2)</b>	<b>(34.4)</b>

HelloFresh maintained a strong cash level to MEUR 464.5. In addition, the Company has a revolving credit facility of MEUR 400.0 of which MEUR 364.9 were not utilized, and were available at the end of the H1 2023.

### 3.3 Asset Position of the Group

The asset position of property, plant and equipment, net of depreciation, increased by MEUR 107.8 up to MEUR 1,273.6 in the first half of 2023 compared with MEUR 1,165.8 at the year end in 2022. As of 30 June 2023, property, plant and equipment, net of depreciation, includes: i) MEUR 514.8 of IFRS16 related to right-of-use assets (31 Dec 2022: MEUR 472.1), primarily composed of our fulfilment centers across our markets, and ii) MEUR 758.8 of other tangible fixed assets (31 Dec 2022: MEUR 693.7), primarily composed of equipment and machinery used in our fulfilment centers to produce our meal boxes and refrigeration facilities. Intangible assets increased in the first half of 2023 to MEUR 111.3 from MEUR 100.2 as of 31 December 2022, which was mainly driven by capitalization of internally developed software. Goodwill remained broadly stable at MEUR 279.2 as compared to MEUR 284.7 as of 31 December 2022 where the change in goodwill in H1 2023 is exclusively reflecting foreign currency fluctuations.

In MEUR	As at 30-Jun-23	As at 31-Dec-22
<b>Assets</b>		
Non-current assets	1,737.9	1,623.0
Cash and cash equivalents	464.5	504.0
Other current assets	357.6	408.2
<b>Total assets</b>	<b>2,560.0</b>	<b>2,535.2</b>
<b>Equity and liabilities</b>		
Equity	1,037.4	959.6
Non-current liabilities	661.8	605.1
Current liabilities	860.8	970.5
<b>Total equity and liabilities</b>	<b>2,560.0</b>	<b>2,535.2</b>

The Group's current assets and liabilities as of 30 June 2023 mainly consist of cash and cash equivalents (MEUR 464.5; 31 Dec 2022: MEUR 504.0) and of working capital. The latter consists of trade receivables of MEUR 18.9 (31 Dec 2022: MEUR 21.0), inventory of primarily ingredients and packaging material of MEUR 224.5 (31 Dec 2022: MEUR 266.7), trade payables (excluding Capex payables) of MEUR 474.1 (31 Dec 2022: MEUR 508.4), deferred revenue of MEUR 115.0 (31 Dec 2022: MEUR 103.2), and other components of operating working capital of MEUR (15.9) (31 Dec 2022: MEUR 3.2). In 2023, the Group reports its operating working capital more narrowly to focus on underlying changes in the core operating activities, which in comparison to the previously reported net working capital, excludes payables related to Capex, and includes prepayments and payroll liabilities.

Non-current liabilities are primarily composed of: (i) lease liabilities under IFRS 16 for MEUR 459.1 (31 Dec 2022: MEUR 415.7), and (ii) debt part of our convertible bonds of MEUR 163.6 (31 Dec 2022: MEUR 160.6).

### 3.4 Financial Performance of the Reportable Segments

HelloFresh's business is managed based on two major geographical regions: the North America and International ("International" or "Int'l"). The International segment consists of our operations in Australia, Austria, Belgium, Denmark, France, Germany, Ireland, Italy, Japan (until June 2023), Luxembourg, the Netherlands, New Zealand, Norway, Spain, Sweden, Switzerland and the United Kingdom ("UK"). From 2023 the Canadian business is included together with the former United States of America ("USA" or "US") segment in a new "North America" segment; the comparative 2022 period has been adjusted accordingly in this report. Each reportable operating segment represents a strategic business unit, which is managed separately. The segment structure reflects the geographical significance of the areas to the Group.

As the Company operates in locations with local currency other than the reporting currency (EUR), the Group financial performance is affected by the fluctuation of foreign exchange rates. Nonetheless, since goods and services to a large extent are procured in the same geographical area to where the corresponding revenue is generated, the effect of foreign exchange rate fluctuations on our profit margins is partly mitigated.

#### 3.4.1 Financial Performance of the North America Segment<sup>1</sup>

In MEUR	3 months ended			6 months ended		
	30-Jun-23	30-Jun-22 <sup>2</sup>	YoY	30-Jun-23	30-Jun-22 <sup>2</sup>	YoY
Revenue (total)	1,273.3	1,287.5	(1.1 %)	2,617.3	2,510.0	4.3 %
Revenue (external)	1,264.6	1,282.0	(1.4 %)	2,600.0	2,499.6	4.0 %
Procurement expenses	(396.1)	(404.7)	(2.1 %)	(847.7)	(788.3)	7.5 %
% of revenue	(31.1 %)	(31.4 %)	0.3 pp	(32.4 %)	(31.4 %)	(1.0 pp)
Fulfilment expenses	(485.1)	(539.4)	(10.1 %)	(998.9)	(1,053.4)	(5.2 %)
% of revenue	(38.1 %)	(41.9 %)	3.8 pp	(38.2 %)	(42.0 %)	3.8 pp
Contribution margin	392.2	343.3	14.2 %	770.6	668.3	15.3 %
% of revenue	30.8 %	26.7 %	4.1 pp	29.4 %	26.6 %	2.8 pp
Contribution margin (excl. SBC)	399.4	349.2	14.4 %	784.6	679.1	15.5 %
% of revenue	31.4 %	27.1 %	4.3 pp	30.0 %	27.1 %	2.9 pp
Marketing expenses	(217.9)	(207.8)	4.9 %	(509.6)	(436.8)	16.7 %
% of revenue	(17.1 %)	(16.1 %)	(1.0 pp)	(19.5 %)	(17.4 %)	(2.1 pp)
Marketing expenses (excl. SBC)	(216.0)	(206.1)	4.8 %	(505.4)	(433.8)	16.5 %
% of revenue	(17.0 %)	(16.0 %)	(1.0 pp)	(19.3 %)	(17.3 %)	(2.0 pp)
General and administrative expenses, other operating income and expenses	(121.2)	(83.8)	44.6 %	(181.0)	(160.8)	12.6 %
% of revenue	(9.5 %)	(6.5 %)	(3.0 pp)	(6.9 %)	(6.4 %)	(0.5 pp)
Thereof holding fee	(68.7)	(45.3)	51.7 %	(81.3)	(85.0)	(4.4 %)
General and administrative expenses, other operating income and expenses (excl. SBC and holding fee)	(47.7)	(36.2)	31.8 %	(90.9)	(72.7)	25.0 %
% of revenue	(3.7 %)	(2.8 %)	(0.9 pp)	(3.5 %)	(2.9 %)	(0.6 pp)
EBIT	53.1	51.7	2.7 %	80.0	70.7	13.2 %
% of revenue	4.2 %	4.0 %	0.2 pp	3.1 %	2.8 %	0.3 pp
EBIT (excl. holding fee)	121.8	97.0	25.6 %	161.3	155.6	3.7 %
% of revenue	9.6 %	7.5 %	2.1 pp	6.2 %	6.2 %	— pp
Depreciation and amortization	22.6	18.2	24.2 %	44.6	34.0	31.2 %
EBITDA (excl. holding fee)	144.4	115.2	25.3 %	206.0	189.6	8.6 %
% of revenue	11.3 %	8.9 %	2.4 pp	7.9 %	7.6 %	0.3 pp
Special items	8.8	1.8	388.9 %	10.3	5.9	74.6 %
Share-based compensation expenses	14.0	9.9	41.4 %	27.0	17.0	58.8 %
AEBITDA	167.2	126.9	31.8 %	243.2	212.5	14.4 %
% of revenue	13.1 %	9.9 %	3.2 pp	9.3 %	8.5 %	0.8 pp
AEBIT	144.6	108.7	33.0 %	198.6	178.6	11.2 %
% of revenue	11.4 %	8.4 %	3.0 pp	7.6 %	7.1 %	0.5 pp

<sup>1</sup> Numbers reflect the new segment composition, with Canada as part of the North America segment.

<sup>2</sup> Adjusted, refer to [Note 4](#) (Cash-settled share based compensation).

External revenue of the North America segment, which as of the beginning of 2023 includes HelloFresh's Canadian operations (previously included in the International segment; comparative period adjusted accordingly, see **NOTE 5** for additional information), increased by 4.0 % from MEUR 2,499.6 in the first half of 2022 to MEUR 2,600.0 in the first half of 2023. On a constant currency basis, this represents a 3.3 % growth rate. In line with the trend described for the Group, the increase is driven mainly by an increase in average order value in H1 2023 compared to the same period in the previous year, partially offset by a decrease in total orders. Active customers saw a decrease by 9.6% reaching 4.12 m in the second quarter of 2023 from 4.55 m in the second quarter of 2022.

The contribution margin (excluding share-based compensation expenses) as a percentage of revenue increased strongly by 2.9 pp to 30.0 % in the first half of 2023, compared to 27.1% in H1 2022. Procurement expenses as a percentage of revenue increased by 1.0pp (from 31.4% in H1 2022 to 32.4% in H1 2023) due to factors described at the Group level. Fulfilment expenses decreased by 3.8pp to 38.2% in H1 2023 from 42.0% in the first half of 2022, driven by improvements on several key cost line items, including production in our fulfilment centers.

In line with the trend on Group level, marketing expenses (excluding share-based compensation expenses) as a percentage of revenue increased from 17.3 % in first half of 2022 to 19.3 % in H1 2023, reflecting an increase of 2.0 pp. The increase in marketing spend of the North America segment is a result of the same factors described on the Group level in **Section 3.1**.

General and administrative expenses, other operating income and expenses (excluding share-based compensation expenses) as a percentage of revenue increased slightly to 3.5 % compared to 2.9 % in first half of 2022.

Reported EBIT (excluding holding fee) increased to MEUR 161.3 in H1 2023, a positive margin of 6.2 %, compared to MEUR 155.6 the first half of 2022, corresponding to a margin of 6.2 %. This is a result of the factors described above.

AEBITDA increased to MEUR 243.2, a positive margin of 9.3 %, compared to MEUR 212.5 in the first half of 2022, corresponding to a margin of 8.5 %.

AEBIT increased to MEUR 198.6, a positive margin of 7.6 %, compared to MEUR 178.6 in the first half of 2022, corresponding to a margin of 7.1 %.

3.4.2 Financial Performance of the International Segment<sup>1</sup>

In MEUR	3 months ended			6 months ended		
	30-Jun-23	30-Jun-22 <sup>2</sup>	YoY	30-Jun-23	30-Jun-22 <sup>2</sup>	YoY
Revenue (total)	659.7	679.0	(2.8 %)	1,346.0	1,379.4	(2.4 %)
Revenue (external)	652.9	675.1	(3.3 %)	1,333.6	1,372.7	(2.8 %)
Procurement expenses	(251.3)	(267.6)	(6.1 %)	(522.5)	(545.3)	(4.2 %)
% of revenue	(38.1 %)	(39.4 %)	1.3 pp	(38.8 %)	(39.5 %)	0.7 pp
Fulfilment expenses	(248.3)	(253.1)	(1.9 %)	(505.3)	(516.8)	(2.2 %)
% of revenue	(37.6 %)	(37.3 %)	(0.3 pp)	(37.5 %)	(37.5 %)	— pp
Contribution margin	160.1	158.3	1.1 %	318.2	317.9	0.1 %
% of revenue	24.3 %	23.3 %	1.0 pp	23.6 %	23.0 %	0.6 pp
Contribution margin (excl. SBC)	161.0	159.3	1.1 %	319.8	319.7	0.0 %
% of revenue	24.4 %	23.5 %	0.9 pp	23.8 %	23.2 %	0.6 pp
Marketing expenses	(94.8)	(96.8)	(2.1 %)	(214.4)	(204.0)	5.1 %
% of revenue	(14.4 %)	(14.3 %)	(0.1 pp)	(15.9 %)	(14.8 %)	(1.1 pp)
Marketing expenses (excl. SBC)	(94.3)	(96.3)	(2.1 %)	(213.5)	(203.1)	5.1 %
% of revenue	(14.3 %)	(14.2 %)	(0.1 pp)	(15.9 %)	(14.7 %)	(1.2 pp)
General and administrative expenses, other operating income and expenses	(50.1)	(48.1)	4.2%	(97.4)	(87.0)	12.0 %
% of revenue	(7.6 %)	(7.1 %)	(0.5 pp)	(7.2 %)	(6.3 %)	(0.9 pp)
Thereof holding fee	(16.3)	(20.3)	(19.7 %)	(30.0)	(41.9)	(28.4 %)
General and administrative expenses, other operating income and expenses (excl. SBC and holding fee)	(32.0)	(28.8)	11.1 %	(65.6)	(54.1)	21.3%
% of revenue	(4.9 %)	(4.2 %)	(0.7 pp)	(4.9 %)	(3.9 %)	(1.0 pp)
EBIT	15.2	13.3	14.3 %	6.4	26.9	(76.2 %)
% of revenue	2.3 %	2.0 %	0.3 pp	0.5 %	1.9 %	(1.4 pp)
EBIT (excl. holding fee)	31.5	33.6	(6.3 %)	36.4	68.8	(47.1 %)
% of revenue	4.8 %	5.0 %	(0.2 pp)	2.7 %	5.0 %	(2.3 pp)
Depreciation and amortization	20.3	14.7	38.1 %	39.6	28.1	40.9 %
EBITDA (excl. holding fee)	51.8	48.4	7.0 %	75.9	96.9	(21.7 %)
% of revenue	7.8 %	7.1 %	0.7 pp	5.6 %	7.0 %	(1.4 pp)
Special items	4.8	1.3	269.2 %	7.4	2.2	236.4 %
Share-based compensation expenses	3.2	0.5	540.0%	4.3	(6.3)	168.3 %
AEBITDA	59.7	50.1	19.2 %	87.7	92.8	(5.5 %)
% of revenue	9.1 %	7.4 %	1.7 pp	6.5 %	6.7 %	(0.2 pp)
AEBIT	39.4	35.4	11.3 %	48.1	64.7	(25.7 %)
% of revenue	6.0 %	5.2 %	0.8 pp	3.6 %	4.7 %	(1.1 pp)

<sup>1</sup> Numbers reflect the new segment composition, with Canada as part of the North America segment.

<sup>2</sup> Adjusted, refer to [Note 4](#) (Cash-settled share based compensation).

External revenue of the International Segment decreased by 2.8 % from MEUR 1,372.7 in the first half of 2022 to MEUR 1,333.6 in the first half of 2023. On a constant currency basis, revenues remained broadly stable with a slight decrease of 0.3 %. In line with the trend described for the Group in [Section 3.1](#), while there was a decrease in active customers, the International Segment also recorded an increase in the average order value due to (i) selected price increases in H2 2022, (ii) more meals per order, (iii) increased take-up of add-ons via HelloFresh Market and surcharge offerings.

Contribution margin (excluding share-based compensation expenses) as a percentage of revenue increased by 0.6 pp from 23.2 % in H1 2022 to 23.8 % in H1 2023. This was primarily driven by the trends described earlier for the Group. Procurement expenses as a percentage of revenue decreased by 0.7 pp in H1 2023, in comparison with the same period 2022, despite continuous inflationary trends in food pricing. Fulfilment expenses as a percentage of revenue stayed flat in H1 2023 compared with the same period 2022.

Marketing expenses (excluding share-based compensation expenses) as a percentage of revenue increased from 14.7 % in the first half of 2022 to 15.9 % in the first half of 2023, driven by the factors described on Group level.

As described on Group level, general and administrative expenses, and other operating income and expenses (excluding share-based compensation expenses and holding fee) as a percentage of revenue increased to 4.9 % in H1 2023 compared to 3.9 % in first half of 2022.

Reported EBIT (excluding holding fee) amounts to MEUR 36.4 in H1 2023, reflecting a margin of 2.7 % compared to 5.0 % in the first half of 2022. This is a result of the factors described above.

AEBITDA amounts to MEUR 87.7, reflecting a margin of 6.5 %, compared to MEUR 92.8 in the first half of 2022 corresponding to a margin of 6.7 %.

AEBIT amounts to MEUR 48.1, reflecting a positive margin of 3.6 %, compared to MEUR 64.7 in the first half of 2022 corresponding to a margin of 4.7 %.

### **Overall Statement Regarding the Earnings, Financial and Asset Position of the Group**

The H1 2023 reporting period was characterized by moderate year-on-year revenue growth, against an overall relatively soft consumer environment and the comparative period still being influenced by certain COVID-19 effects. The North America Segment grew slightly faster in comparison to the International Segment in the reporting period partially driven by our ready-to-eat business in the US. Over the same period we have meaningfully expanded our contribution margin, which enabled us to deliver an H1 2023 AEBITDA of MEUR 258.0, representing an increase from last year and corresponding to a margin of 6.6 % in H1 2023. We have maintained a strong, largely unlevered balance sheet with a cash position of MEUR 464.5 through modestly positive free cash flow, despite ongoing key investments.

Overall, we are satisfied with the good result for H1 2023. Despite the current macroeconomic situation with lingering inflation and a rather conservative consumer behavior, we are proud to have enabled 7.30 million customers to receive 532.1 million meals from HelloFresh during H1 2023.

## 4 Risk and Opportunity Report

The risks and opportunities presented in the Annual Report 2022 remain valid in the current reporting period. No additional risks have been assessed as material or critical. Currently, we are unaware of any individual or aggregated risks that could jeopardize the continued existence of HelloFresh Group.

Due to a projected decline in headline inflation attributed to decreasing energy prices and the stabilization of food prices, the net risk rating of the operational risk related to increasing inflation in ingredient prices, wages and diesel prices has changed from a high risk in the Group Annual Report 2022 to a moderate risk in the H1 2023 assessment.

## 5 Outlook

### 5.1 Economic Conditions

In January 2023, the World Economic Outlook ('WEO')<sup>1</sup> issued by the International Monetary Fund ('IMF') projected a global economic growth for 2023 of 2.9 %. Subsequently, on its latest update of July 2023<sup>2</sup>, the IMF increased its 2023 forecast for global economic growth to 3.0 %, with an equal estimation for 2024. Tentative signs in early 2023 that the world economy could achieve a soft landing—with inflation coming down and growth steady—have receded amid stubbornly high inflation and recent financial sector turmoil. Although inflation has declined as central banks have raised interest rates and food and energy prices have come down, underlying price pressures are proving sticky, with labor markets tight in a number of economies. Side effects from the fast rise in policy rates are becoming apparent, as banking sector vulnerabilities have come into focus and fears of contagion have risen across the broader financial sector, including non-bank financial institutions. Core inflation (inflation on all commodities, services and goods excluding food and fuel) has declined more gradually but remains high. A combination of high inflation and modest wage increases led to falling real wages in 2022. Rising interest rates and the war in Ukraine continue to weigh on economic activity.

In January 2023 WEO<sup>1</sup>, inflation was expected to slide down from 8.8 % in 2022 to 6.6 % in 2023 (and in the update of July<sup>2</sup> it was downgraded even more to be 6.8 % in 2023 and 5.2 % in 2024) on the back of lower commodity prices but underlying (core) inflation is likely to decline more slowly. As the energy shock unwinds and supply chains normalize, domestic demand, and wage growth in particular, has become the dominant factor driving recent inflation developments, and is expected to remain so over the course of 2023.

The IMF predicts for the USA a growth of 1.8 % for 2023, and 1.0 % for 2024<sup>2</sup>, at the same time the Canadian economy is expected to grow by 1.7 % for 2023, and 1.4 % for 2024<sup>2</sup>.

For the Euro area, GDP growth is expected to be 0.9 % in 2023, and 1.5 % in 2024. Inflation in June 2023 was at 5.5 % , which was down from 6.1% in May<sup>3</sup>, largely reflecting the sharp drop in energy prices. For the United Kingdom, the IMF estimates GDP growth of 0.4 % in 2023, and 1.0 % in 2024<sup>2</sup>, reflecting stronger-than-expected consumption and investment from the confidence effects of falling energy prices, lower post-Brexit uncertainty, and a resilient financial sector.

In concern to our other markets, the Australian economy is expected to grow by 1.6 % for 2023, and 1.7 % in 2024.

### 5.2 Outlook

Based on its strong performance in the first half of the fiscal year 2023, HelloFresh narrows the outlook provided in its Annual Report in early March for the full year 2023: constant currency revenue growth of c. 2% to 8% from previously stated 2% to 10% and AEBITDA between MEUR 470 and MEUR 540 from previously stated MEUR 460 and MEUR 540. This guidance is based on FX rates for relevant currencies prevalent at the time when the narrowed outlook was first provided on 19 July 2023. A strengthening of the EUR would decrease HelloFresh's reported Group AEBITDA and vice versa.

<sup>1</sup> <https://www.imf.org/en/Publications/WEO/Issues/2023/01/31/world-economic-outlook-update-january-2023>

<sup>2</sup> <https://www.imf.org/en/Publications/WEO/Issues/2023/07/10/world-economic-outlook-update-july-2023>

<sup>3</sup> <https://ec.europa.eu/eurostat/documents/2995521/17179282/2-19072023-AP-EN.pdf/bf200c74-48a4-e485-3372-c1fd1083c169#:~:text=The%20euro%20area%20annual%20inflation,%2C%20the%20rate%20was%209.6%25.>

## B Interim Condensed Consolidated Financial Statements

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## Interim Condensed Consolidated Statement of Financial Position

as of 30 June 2023

In MEUR	Notes	As at 30-Jun-23	As at 31-Dec 2022
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	8	1,273.6	1,165.8
Intangible assets		111.3	100.2
Goodwill		279.2	284.7
Other financial assets	9	20.7	20.4
Other non-financial assets		0.4	0.4
Deferred income tax assets	12	52.7	51.5
<b>Total non-current assets</b>		<b>1,737.9</b>	<b>1,623.0</b>
<b>Current assets</b>			
Inventories		224.5	266.7
Trade receivables	9	18.9	21.0
Other financial assets	9	15.2	12.3
Other non-financial assets		99.0	108.2
Cash and cash equivalents	9	464.5	504.0
<b>Total current assets</b>		<b>822.1</b>	<b>912.2</b>
<b>Total assets</b>		<b>2,560.0</b>	<b>2,535.2</b>

## Interim Condensed Consolidated Statement of Financial Position (continued)

as of 30 June 2023

In MEUR	Note	As at 30-Jun-23	As at 31-Dec 2022
<b>Equity and liabilities</b>			
<b>Equity</b>			
Share capital	10	172.4	171.9
Treasury shares		(1.3)	(1.3)
Capital reserves	10	356.2	356.1
Other reserves		183.6	138.4
Retained earnings		335.7	294.4
Other comprehensive (loss) / income		(6.7)	2.2
<b>Equity attributable to the Company's shareholders</b>		<b>1,039.9</b>	<b>961.7</b>
Non-controlling interests		(2.5)	(2.1)
<b>Total equity</b>		<b>1,037.4</b>	<b>959.6</b>
<b>Non-current liabilities</b>			
Other financial liabilities	9	460.1	416.8
Deferred income tax liability	12	7.5	4.2
Long-term debt	9	163.7	160.8
Provisions		30.5	23.2
Other non-financial liabilities		—	0.1
<b>Total non-current liabilities</b>		<b>661.8</b>	<b>605.1</b>
<b>Current liabilities</b>			
Trade payables (incl. Capex payables)	9	503.3	557.6
Other financial liabilities	9	99.1	130.9
Provisions		21.1	30.3
Deferred revenue		115.0	103.2
Income tax liabilities		20.8	49.3
Other non-financial liabilities		101.5	99.2
<b>Total current liabilities</b>		<b>860.8</b>	<b>970.5</b>
<b>Total equity and liabilities</b>		<b>2,560.0</b>	<b>2,535.2</b>

## Interim Condensed Consolidated Statement of Comprehensive Income

for the period ended as of 30 June 23

In MEUR	Notes	3 months ended		6 months ended	
		30 Jun 2023	30 Jun 2022 <sup>1</sup>	30 Jun 2023	30 Jun 2022 <sup>1</sup>
Revenue	7	1,917.5	1,957.1	3,933.6	3,872.5
Procurement expenses		(648.4)	(672.3)	(1,371.2)	(1,333.6)
Fulfilment expenses		(732.7)	(792.0)	(1,503.2)	(1,569.6)
Marketing expenses		(316.0)	(307.8)	(731.4)	(646.8)
General and administrative expenses		(106.5)	(87.7)	(208.4)	(160.2)
Other operating income		2.8	4.0	5.6	7.5
Other operating expenses		(4.8)	(3.8)	(9.0)	(6.9)
Impairment losses on trade receivables		(11.3)	(9.2)	(24.4)	(18.9)
<b>Operating profit</b>		<b>100.6</b>	<b>88.3</b>	<b>91.6</b>	<b>144.0</b>
Interest income		1.3	0.3	3.1	0.4
Interest expense		(8.6)	(5.3)	(17.5)	(10.5)
Other finance income		4.0	18.8	5.7	30.8
Other finance expense		0.0	(2.3)	(11.0)	(4.7)
<b>Profit before income tax expense</b>		<b>97.3</b>	<b>99.8</b>	<b>71.9</b>	<b>160.0</b>
Income tax expense	12	(31.0)	(34.7)	(31.0)	(57.0)
<b>Profit for the period</b>		<b>66.3</b>	<b>65.1</b>	<b>40.9</b>	<b>103.0</b>
attributable to:					
Owners of the Company		66.5	65.5	41.3	103.7
Non-controlling interests		(0.2)	(0.4)	(0.4)	(0.7)
<b>Other comprehensive income (loss):</b>					
<b>Items that will be subsequently reclassified to profit or loss when specific conditions are met</b>					
Exchange differences on translation to presentation currency, net of tax		0.2	11.3	(8.7)	18.7
Fair value remeasurement of financial instrument, net of tax		(0.6)	—	(0.2)	—
<b>Other comprehensive income (loss) for the period</b>		<b>(0.4)</b>	<b>11.3</b>	<b>(8.9)</b>	<b>18.7</b>
<b>Total comprehensive income (loss) for the period</b>		<b>65.9</b>	<b>76.4</b>	<b>32.0</b>	<b>121.7</b>
<b>Total comprehensive income (loss) attributable to:</b>					
Owners of the Company		66.1	76.8	32.4	122.4
Non-controlling interests		(0.2)	(0.4)	(0.4)	(0.7)
<b>Basic earning per share</b> (in EUR)	13	<b>0.39</b>	<b>0.38</b>	<b>0.24</b>	<b>0.60</b>
<b>Diluted earning per share</b> (in EUR)	13	<b>0.38</b>	<b>0.37</b>	<b>0.23</b>	<b>0.58</b>

<sup>1</sup>Adjusted, refer to [Note 4](#) (Cash-settled share based compensation).

## Interim Condensed Consolidated Statement of Changes in Equity

for the period ended as of 30 June 23

In MEUR	Attributable to the owners of the Company							Attributable to non-controlling interests	Total
	Share capital	Treasury shares	Capital reserves	Other reserves	Retained earnings	Other comprehensive income (loss)	Total		
<b>As at 1 January 2022</b>	<b>173.9</b>	<b>(1.3)</b>	<b>479.4</b>	<b>82.1</b>	<b>167.4</b>	<b>(1.6)</b>	<b>899.9</b>	<b>(0.2)</b>	<b>899.7</b>
Profit (loss) for the period	—	—	—	—	103.7	—	103.7	(0.7)	103.0
Currency translation	—	—	—	—	—	18.7	18.7	—	18.7
<b>Total comprehensive income (loss)</b>							<b>122.4</b>	<b>(0.7)</b>	<b>121.7</b>
Transfer of treasury shares	—	(125.0)	(0.1)	—	—	—	(125.1)	—	(125.1)
Cash payout of share based compensation	—	—	—	(15.9)	—	—	(15.9)	—	(15.9)
Share-based compensation expenses (equity-settled)	—	—	—	37.0	—	—	37.0	—	37.0
<b>Balance as at 30 June 2022<sup>1</sup></b>	<b>173.9</b>	<b>(126.3)</b>	<b>479.3</b>	<b>103.2</b>	<b>271.1</b>	<b>17.1</b>	<b>918.3</b>	<b>(0.9)</b>	<b>917.4</b>
<b>Total equity as at 1 January 2023 /31 December 2022</b>	<b>171.9</b>	<b>(1.3)</b>	<b>356.1</b>	<b>138.4</b>	<b>294.4</b>	<b>2.2</b>	<b>961.7</b>	<b>(2.1)</b>	<b>959.6</b>
Profit (loss) for the period	—	—	—	—	41.3	—	41.3	(0.4)	40.9
Currency translation	—	—	—	—	—	(8.7)	(8.7)	—	(8.7)
Fair value remeasurement of financial instruments	—	—	—	—	—	(0.2)	(0.2)	—	(0.2)
<b>Total comprehensive income (loss)</b>							<b>32.4</b>	<b>(0.4)</b>	<b>32.0</b>
Issue of share capital	0.5	—	0.1	—	—	—	0.6	—	0.6
Cash payout of share based compensation	—	—	—	(1.4)	—	—	(1.4)	—	(1.4)
Share-based compensation expenses (equity-settled)	—	—	—	46.6	—	—	46.6	—	46.6
<b>Balance as at 30 June 2023<sup>1</sup></b>	<b>172.4</b>	<b>(1.3)</b>	<b>356.2</b>	<b>183.6</b>	<b>335.7</b>	<b>(6.7)</b>	<b>1,039.9</b>	<b>(2.5)</b>	<b>1,037.4</b>

<sup>1</sup> Adjusted, refer to [Note 4](#) (Cash-settled share based compensation).

## Interim Condensed Consolidated Statement of Cash Flows

for the period ended as of 30 June 23

In MEUR	30-Jun-23	30-Jun-22 <sup>1</sup>
<b>Cash flow from operating activities</b>		
Profit for the period	40.9	103.0
Adjustments for:		
Interest expense	17.5	10.5
Interest income	(3.1)	(0.4)
Other finance income	(5.7)	(30.8)
Other finance expense	11.0	4.7
Income tax	31.0	57.0
Income tax paid	(69.4)	(105.6)
Depreciation of property, plant and equipment	39.1	29.2
Depreciation of right-of-use assets	46.8	29.9
Amortization of intangible assets	15.9	9.5
Loss on disposal of fixed assets	2.3	(0.1)
Share-based compensation expenses	45.0	23.5
Other non-cash transactions	3.1	0.7
(Decrease) / increase in provisions	(1.0)	2.2
Changes in working capital related to operating activities		
(Increase) / decrease in trade receivables	1.6	1.5
(Increase) / decrease in inventories	38.2	(22.1)
Increase / (decrease) in trade and other payables	(26.6)	69.3
Increase / (decrease) in deferred revenue	13.7	(0.3)
Net change in other components of operating working capital	20.1	3.2
(Increase) / decrease in other financial assets	(4.2)	1.9
(Increase) / decrease in other non-financial assets	(0.7)	(7.5)
Increase / (decrease) in other financial liabilities	(1.7)	(0.7)
Increase / (decrease) in other non-financial liabilities	5.3	5.3
Interest received	3.1	0.4
Interest received (IFRS 16)	0.1	—
Interest paid	(1.4)	(2.6)
Interest paid (IFRS 16)	(13.6)	(4.6)
<b>Net cash from (used in) operating activities</b>	<b>207.3</b>	<b>177.1</b>
<b>Cash flow from investing activities</b>		
Payment of contingent purchase price liability	(34.5)	(24.8)
Purchase of property, plant and equipment	(140.8)	(164.4)
Software development expenditure	(19.3)	(16.6)
Purchase of intangible assets	(9.2)	(5.7)
Lease payments received from finance leases (IFRS 16)	0.8	0.8
Transfer of cash into restricted cash accounts and deposits	(0.8)	(4.9)
Withdrawal of cash from restricted cash accounts and deposits	0.5	1.1
<b>Net cash from (used in) investing activities</b>	<b>(203.3)</b>	<b>(214.5)</b>

<sup>1</sup> Adjusted, refer to [Note 4](#) (Cash-settled share based compensation).

## Interim Condensed Consolidated Statement of Cash Flows

In MEUR	30-Jun-23	30-Jun-22
<b>Cash flow from financing activities</b>		
Repurchase under share buyback program	—	(125.1)
Proceed from the issuance of share capital	0.6	—
Repurchase of equity instruments due to share-based compensation	(1.4)	(15.9)
Repurchase of shares in subsidiaries	—	(2.4)
Repayment of principal under IFRS 16	(38.2)	(24.8)
<b>Net cash from (used in) financing activities</b>	<b>(39.0)</b>	<b>(168.2)</b>
Effects of exchange rate changes and other changes on cash and cash equivalents	(4.5)	20.7
<b>Cash and cash equivalents at the beginning of the period</b>	<b>504.0</b>	<b>827.1</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>464.5</b>	<b>642.2</b>

## Explanatory Notes to the Interim Condensed Consolidated Financial Statements

### 1 Corporate Information

The accompanying interim consolidated financial statements and notes present the operations of HelloFresh SE (the “Company” or “Parent”), and its subsidiaries (combined the “Group” or “HelloFresh”). HelloFresh SE is a European company (Societas Europaea or SE) incorporated in Germany and governed by European and German Law. The Company’s registered office and headquarters are located in Prinzenstraße 89, 10969 Berlin, Germany. The Company is registered in the commercial register of Charlottenburg (Berlin) under HRB 182382 B.

The Group’s principal business activity is to provide food solutions to customers. This includes meal kits, add-on products, and ready-to-eat meals.

### 2 Basis of Accounting

The Group’s interim consolidated financial statements are prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB), and adopted by the European Union (EU). The interpretations of the International Financial Reporting Interpretations Committee (IFRIC) that were applicable in the reporting period under review have also been implemented.

The interim consolidated financial statements are prepared in Euro (EUR), which is the functional currency of HelloFresh SE. All amounts have been rounded to the nearest million with a fractional digit (MEUR), unless otherwise indicated. Consequently, rounding differences may occur within the tables included in the notes to the consolidated financial statements. The percentages have been calculated on the basis of the non-rounded euro amounts.

These interim financial statements have been prepared in accordance with IAS 34 Interim Financial Reporting as adopted by the EU and should be read in conjunction with the Group’s previous annual consolidated financial statements for the year ended 31 December 2022. They do not include all of the information required for a complete set of financial statements prepared in accordance with IFRS Standards.

Standards and interpretations that became effective beginning on or after 1 January 2023 did not lead to any changes in accounting policies. All IASs or IFRSs as well as interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC), formerly the Standing Interpretations Committee (SIC), that were effective as of 30 June 2023 were adopted.

Selected explanatory notes are included to explain events and transactions which are significant to understand the changes in the Group’s financial position and performance since the previous annual financial statements.

These interim financial statements are unaudited and were authorized for issue by the Company’s board as of 9 August 2023.

### 3 Significant Accounting Judgements, Estimates and Assumptions

During the preparation of these interim financial statements, the management has made judgements and estimates that affect the application of accounting policies and the reported amounts of assets and liabilities, and income and expense. Actual results may differ from these estimates. Except for the change in assumptions stated below, the significant judgements and assumptions made by management in applying the Group’s accounting policies and the key sources of estimation of uncertainty correspond to those described in the Group’s consolidated financial statements as of the year ended 31 December 2022. In H1 2023, the assumed share price volatility to calculate the fair value of options granted under the company’s equity-based compensation plans has been changed from the share price volatility implied by extant call options to the longer term average historical 12-month volatility of its share price as the extant call options typically only show limited trading liquidity. There is no impact on IFRS 2 expenses as the number of VSOPs granted have been adjusted. If the implied volatility of extant call options had been used, c. 0.1m less VSOPs would have been issued.

#### 4 Summary of Significant Accounting Policies

The accounting policies applied in these interim financial statements are the same as those applied in the Group's consolidated financial statements as of the year ended 31 December 2022.

##### Cash-settled share based compensation

Regarding the adjustment of the cash-settled share based compensation expense, we refer to the disclosures included in the Annual Report **Note 3** cash-settled share based compensation expense. As a result of the adjustment, the amounts for the 6-months ended 30 June 2022 have been adjusted. For the statement of changes in equity as of 30 June 2022, the following amounts have changed: The Capital reserves have increased from MEUR 470.3 to MEUR 479.3. Retained Earnings have decreased from MEUR 289.3 to MEUR 271.1. Other comprehensive income ('OCI') has increased from MEUR 7.1 to MEUR 17.1. Non-controlling interests have decreased from MEUR 0.2 to MEUR (0.9). Total equity has therefore decreased by MEUR 0.3. General and administrative expenses for H1 2022 have decreased from MEUR 173.7 to MEUR 160.2. As a result profit for the 6 months ended 30 June 2022 changed from MEUR 89.5 to MEUR 103.0, and profit before income tax expense changed from MEUR 146.5 to MEUR 160.0. The movement in profit affected the International segment with MEUR 11.3, and the North America segment with MEUR 2.2. Other comprehensive income for H1 2022 changed from MEUR 38.0 to MEUR 18.7. Moreover, total comprehensive income for H1 2022 changed from MEUR 127.5 to MEUR 121.7. There is no effect on income tax expense for the H1 2022, but the effective tax rate changed from 38.9% to 35.6%. Earnings per share for H1 2022 changed from EUR 0.52 to EUR 0.60, and diluted earnings per share changed from EUR 0.51 to EUR 0.58.

For the 3 months ended 30 June 2022, General and administrative expenses have decreased from MEUR 90.3 to MEUR 87.7. Profit for the 3 months ended 30 June 2022 changed from MEUR 62.5 to MEUR 65.1, and profit before income tax expense changed from MEUR 97.2 to MEUR 99.8. The movement in profit affected the International segment with MEUR 2.2 and the North America segment with MEUR 0.4. OCI for Q2 2022 changed from MEUR 16.6 to MEUR 11.3. Moreover, total comprehensive income for Q2 2022 changed from MEUR 79.1 to MEUR 76.4.

#### 5 Segment Information

The principal activity of HelloFresh is the provision of meal kits, add-on products and ready-to-eat meals to customers in various geographical regions. From 2023, the Group has changed its internal organization and the composition of its operation segments which resulted in a change in reportable segments. As a result, the Canadian business is included together with the former United States of America ("USA" or "US") segment in a new "North America" segment; the comparative 2022 period has been adjusted in accordance with IFRS 8.29 in this report. The business is managed based on two major geographical regions: the North America ("NA", which comprises the United States of America ("USA" or "US") and Canada) and International ("International" or "Int'l"). The International segment comprises Australia, Austria, Belgium, Denmark, France, Germany, Ireland, Italy, Japan (until June 2023), Luxembourg, the Netherlands, New Zealand, Norway, Spain, Sweden, Switzerland and the United Kingdom ("UK"). Furthermore, the HelloFresh Group has established a fully owned Customer Care Service Center HelloConnect Inc. situated in the Philippines, which is part of the International segment.



The segment information for the six-month period ended 30 June 2023 is set out below:

In MEUR	6-months ended 30 June 2023					
	North America <sup>1</sup>	Int'l <sup>1</sup>	Total segments	Holding	Conso	Group
<b>Total revenue</b>	<b>2,617.3</b>	<b>1,346.0</b>	<b>3,963.3</b>	<b>298.9</b>	<b>(328.6)</b>	<b>3,933.6</b>
Internal revenue	17.3	12.4	29.7	298.9	(328.6)	—
External revenue	2,600.0	1,333.6	3,933.6	—	—	3,933.6
<b>Contribution margin</b> (excl. SBC)	<b>784.6</b>	<b>319.8</b>	<b>1,104.4</b>	<b>279.0</b>	<b>(307.0)</b>	<b>1,076.4</b>
<b>Adjusted EBITDA</b>	<b>243.2</b>	<b>87.7</b>	<b>330.9</b>	<b>(72.9)</b>	<b>—</b>	<b>258.0</b>
Special items <sup>2</sup>	(10.3)	(7.4)	(17.7)	(2.0)	—	(19.7)
Share-based compensation expenses	(27.0)	(4.3)	(31.3)	(13.7)	—	(45.0)
<b>EBITDA</b> (excl. holding fee)	<b>206.0</b>	<b>75.9</b>	<b>281.9</b>	<b>(88.5)</b>	<b>—</b>	<b>193.4</b>
Depreciation and amortization	(44.6)	(39.6)	(84.2)	(17.6)	—	(101.8)
<b>EBIT</b> (excl. holding fee)	<b>161.3</b>	<b>36.4</b>	<b>197.7</b>	<b>(106.1)</b>	<b>—</b>	<b>91.6</b>
Holding fee	(81.3)	(30.0)	(111.3)	111.3	—	—
<b>EBIT</b>	<b>80.0</b>	<b>6.4</b>	<b>86.4</b>	<b>5.2</b>	<b>—</b>	<b>91.6</b>
Interest income	1.4	0.9	2.3	8.4	(7.6)	3.1
Interest expense	(9.5)	(8.6)	(18.2)	(6.9)	7.6	(17.5)
Other finance income (excl. intercompany dividends)	0.3	4.5	4.8	0.8	0.1	5.7
Other finance expense	(4.9)	(4.9)	(9.8)	(1.1)	(0.1)	(11.0)
<b>Profit (loss) before income tax expense</b>	<b>67.3</b>	<b>(1.7)</b>	<b>65.5</b>	<b>6.4</b>	<b>—</b>	<b>71.9</b>
Income tax expense	(21.7)	(2.3)	(23.9)	(7.1)	—	(31.0)
<b>Profit (loss) for the period</b>	<b>45.7</b>	<b>(4.0)</b>	<b>41.6</b>	<b>(0.7)</b>	<b>—</b>	<b>40.9</b>

<sup>1</sup> Numbers reflect the new segment composition, with Canada as part of the North America segment.

<sup>2</sup> Special items (excl. share-based compensation expenses) for H1 2023 mainly relate to reorganization initiatives in the US and UK (MEUR 14.5) and acquisition related management earn-out programs that are in place for Factor (MEUR 2.9).

In MEUR	6-months ended 30 June 2022 <sup>1</sup>					
	North America <sup>2</sup>	Int'l <sup>2</sup>	Total segments	Holding	Conso	Group
<b>Total revenue</b>	<b>2,510.0</b>	<b>1,379.4</b>	<b>3,889.4</b>	<b>270.8</b>	<b>(287.7)</b>	<b>3,872.5</b>
Internal revenue	10.4	6.7	17.1	270.6	(287.7)	—
External revenue	2,499.6	1,372.7	3,872.3	0.2	—	3,872.5
<b>Contribution margin</b> (excl. SBC)	<b>679.1</b>	<b>319.7</b>	<b>998.8</b>	<b>262.0</b>	<b>(277.9)</b>	<b>982.9</b>
<b>Adjusted EBITDA</b>	<b>212.5</b>	<b>92.8</b>	<b>305.3</b>	<b>(60.1)</b>	<b>—</b>	<b>245.2</b>
Special items <sup>3</sup>	(5.9)	(2.2)	(8.1)	(1.1)	—	(9.2)
Share-based compensation expenses	(17.0)	6.3	(10.7)	(12.8)	—	(23.5)
<b>EBITDA</b> (excl. holding fee)	<b>189.6</b>	<b>96.9</b>	<b>286.5</b>	<b>(74.0)</b>	<b>—</b>	<b>212.5</b>
Depreciation and amortization	(34.0)	(28.1)	(62.1)	(6.4)	—	(68.5)
<b>EBIT</b> (excl. holding fee)	<b>155.6</b>	<b>68.8</b>	<b>224.4</b>	<b>(80.4)</b>	<b>—</b>	<b>144.0</b>
Holding fee	(85.0)	(41.9)	(126.9)	127.6	(0.7)	—
<b>EBIT</b>	<b>70.7</b>	<b>26.9</b>	<b>97.6</b>	<b>47.2</b>	<b>(0.7)</b>	<b>144.0</b>
Interest income	0.3	—	0.3	3.5	(3.4)	0.4
Interest expense	(6.0)	(3.5)	(9.5)	(4.3)	3.3	(10.5)
Other finance income (excl. intercompany dividends)	21.7	2.5	24.2	5.9	0.6	30.7
Other finance expense	(0.6)	(2.5)	(3.1)	(1.7)	0.2	(4.6)
<b>Profit before income tax expense</b>	<b>86.1</b>	<b>23.4</b>	<b>109.5</b>	<b>50.5</b>	<b>—</b>	<b>160.0</b>
Income tax expense	(25.4)	(11.5)	(36.9)	(20.1)	—	(57.0)
<b>Profit for the period</b>	<b>60.7</b>	<b>11.8</b>	<b>72.5</b>	<b>30.5</b>	<b>—</b>	<b>103.0</b>

<sup>1</sup> Adjusted, refer to [Note 4](#) (Cash-settled share based compensation).

<sup>2</sup> Numbers reflect the new segment composition, with Canada as part of the North America segment.

<sup>3</sup> Special items (excl. share-based compensation expenses) for H1 2022 mainly relate to a write down of a tax credit, and the management incentive programs that are in place for Factor and YouFoodz.

## 6 Seasonality of the Operations

The Group's operations are subject to seasonality, driven by weather conditions and holiday patterns. We typically foresee lower customer ordering activity, and lower new customer acquisitions during the summer period. Furthermore, orders are usually lower during weeks with local holidays, which is mostly due to short-trips, or traditional family meals.

Overall, comparing quarterly revenue adjusted for the underlying growth, we note that customer engagement in the first quarter is typically higher than in the rest of the year. Seasonal trends also influence our marketing and operating expenses. We adapt our marketing expenses to the business seasonality by having a stronger marketing investment during the first quarter, and less spending activity for marketing activities during the second, and parts of the third quarter. Concerning operating expenses, fixed cost utilization is typically lower in the summer months leading to relatively higher fulfilment expenses. In addition, in most of our countries of operation, temperatures are typically higher in the third quarter than in the rest of the year. Since only a fraction of our deliveries is made with refrigerated vehicles, we have therefore a higher expenditure on insulation and cooling materials during the third quarter. These extra expenses will typically lead to higher fulfilment expenses as a percentage of revenue during the third quarter of each year.

## 7 Revenue

### Revenue Streams

The Group generates revenue primarily from the provision of food solutions to direct consumers, which comprise: (i) ingredients along with corresponding recipes ("meal kits"); (ii) add-on products, such as soups, desserts, bakery products, salads and surcharge products, (iii) ready-to-eat meals and (iv) premium meat and seafood. In addition to the primary source of revenue, the Group also generates revenues from some other sources, including revenue from retail, revenue from marketing partners and revenue from logistics services.

### Disaggregation of revenue from contracts with customers for the 6 months ended 30 June 2023

In MEUR	North America		International		Total	
	6 months ended 30-Jun-23	6 months ended 30-Jun-22	6 months ended 30-Jun-23	6 months ended 30-Jun-22	6 months ended 30-Jun-23	6 months ended 30-Jun-22
Revenue from direct-to-consumer sales	2,588.1	2,488.0	1,312.1	1,343.7	3,900.1	3,831.8
Other revenue <sup>1</sup>	11.9	11.6	21.5	29.0	33.5	40.7
<b>Total Revenue</b>	<b>2,600.0</b>	<b>2,499.6</b>	<b>1,333.6</b>	<b>1,372.7</b>	<b>3,933.6</b>	<b>3,872.5</b>

<sup>1</sup> As of 30 June 23, total other revenue is including external revenue of MEUR 0.0 related to Holding (30-June 22: MEUR 0.1)

### Disaggregation of revenue from contracts with customers for the 3 months ended 30 June 2023

In MEUR	North America		International		Total	
	3 months ended 30-Jun-23	3 months ended 30-Jun-22	3 months ended 30-Jun-23	3 months ended 30-Jun-22	3 months ended 30-Jun-23	3 months ended 30-Jun-22
Revenue from direct-to-consumer sales	1,259.9	1,274.5	641.4	659.8	1,901.3	1,934.2
Other revenue <sup>1</sup>	4.7	7.5	11.5	15.3	16.2	22.9
<b>Total Revenue</b>	<b>1,264.6</b>	<b>1,282.0</b>	<b>652.9</b>	<b>675.1</b>	<b>1,917.5</b>	<b>1,957.1</b>

<sup>1</sup> As of 30 June 23, total other revenue is including external revenue of MEUR 0.0 related to Holding (30-June 22: MEUR 0.1)

During the period, the Group was in the process of installing complex machinery at its fulfilment centers, which required a significant amount of testing. Revenue from direct- to-consumer sales includes sales during testing of property, plant and equipment amounting to MEUR 105.7. The corresponding cost of sales included within procurement and fulfilment costs for the first half year 2023 amount to MEUR 63.6.

## Contract Balances

In MEUR	As at 30 Jun 2023	As at 31 Dec 2022
Trade receivables	18.9	21.0
Contract liabilities	123.3	109.7

The contract liabilities primarily relate to advance payments received from customers amounting to MEUR 115.0 (31 Dec 2022: MEUR 103.2). The payment terms differ from country to country, but a significant amount of revenue is paid upfront. Hence, the pending services are recognized as contract liabilities, for which revenue is recognized when the performance obligation is satisfied. The Group makes use of the exemption according to IFRS 15.122 regarding the disclosure of the expected revenues for outstanding performance obligations as of 30 June 2023, as substantially all revenues will be recognized within one year.

## 8. Property, plant and equipment

During the 6 months ended 30 June 2023, the Group acquired assets with a cost of MEUR 119.5 (6 months ended 30 June 22: MEUR 170.4). The additions mainly relate to the equipment purchased for the fulfillment centers as well as leasehold improvements for office premises. Assets with a carrying amount of MEUR 1.1 were disposed of during 6 months ended 30 June 2023 (6 months ended 30 June 22: MEUR 0.1).

During the 6 months ended 30 June 2023, the Group entered into several new lease agreements, mainly for new fulfillment centers and office spaces in the UK, Sweden and Australia, as well as movable assets such as vans and cars. On commencement of the leases, the Group recognized MEUR 104.3 of right-of-use assets and lease liabilities (6 months ended 30 June 22: MEUR 77.6).

As of 30 June 2023, the Group has Capex commitments of MEUR 32.0 (31 Dec 2022: MEUR 97.2) and leasing commitments amounting to MEUR 83.3 (31 Dec 2022: MEUR 40.6).

## 9. Financial Instruments

With the exception of derivative financial instruments which are accounted for as fair value through profit or loss (Level 2 of fair value hierarchy) and two financial assets, included within other financial assets (non-current) (Level 3 of fair value hierarchy), the majority of financial assets held by the Group are measured at amortized cost according to IFRS 9. The fair value of trade receivables, other financial assets, cash and cash equivalents, trade payables and other financial liabilities approximate their respective carrying amounts largely due to short-term maturities of these instruments. The fair value of long-term deposits and restricted cash approximate their carrying amounts as they bear interest at market rates.

All financial assets are disclosed below:

In MEUR	As at 30 Jun 2023	As at 31 Dec 2022
Other financial assets (non-current)	20.7	20.4
Trade receivables	18.9	21.0
Other financial assets (current)	15.2	12.3
Cash and cash equivalents	464.5	504.0
<b>Total</b>	<b>519.3</b>	<b>557.7</b>

Other financial assets (non-current) consist of (i) security deposits for long-term lease contracts, (ii) future lease payment receivables of MEUR 4.6 (31 Dec 2022: MEUR 5.2) from sub-leases where HelloFresh is the sub-lessor, (iii) receivables of MEUR 5.5 (31 Dec 2022: MEUR 4.4) from the sale of tax credits to a third party (measured at fair value through profit and loss, level 3 of the fair value hierarchy) and the remaining balance mainly consists of restricted cash balances. Restricted cash balances are mainly comprised of cash deposits with respect to lease agreements. Other financial assets (current) primarily include short-term restricted cash balances and short-term deposits to business partners such as marketing agencies.

Cash and cash equivalents decreased to MEUR 464.5 (31 Dec 2022: MEUR 504.0) mainly due to ongoing investing activities of the Group.

All financial liabilities are measured at amortized cost except derivative financial liabilities (Level 2 of fair value hierarchy), as well as the financial liability for cash-settled share-based compensation which is measured at fair value according to IFRS 2.

All financial liabilities are disclosed below:

In MEUR	As at 30 Jun 2023	As at 31 Dec 2022
Other financial liabilities (non-current)	460.1	416.8
Trade payables	503.3	557.6
Other financial liabilities (current)	99.1	130.9
Long term debt	0.1	0.2
Convertible bond	163.6	160.6
<b>Total</b>	<b>1,226.2</b>	<b>1,266.1</b>

Other financial liabilities (non-current) have increased in comparison to the previous year. The majority of the amount includes leasing liabilities in accordance with IFRS 16 amounting to MEUR 459.1 (31 Dec 2022: MEUR 415.7) for more than 1 year. On the other hand, the current portion of the other financial liabilities decreased in comparison to 31 December 2022, mainly due to the payout of contingent purchase price liability for the acquisition of Factor (MEUR 0.0 compared to 31 Dec 2022: MEUR 35.2, measured at fair value through profit and loss, level 3 of the fair value hierarchy). Current lease liabilities recognized in accordance with IFRS 16 increased from MEUR 89.7 at the year-end 2022 to MEUR 94.1 as at 30 June 2023. Other financial liabilities also include MEUR 4.5 (31 Dec 2022: MEUR 6.1) as liability for cash-settled share-based compensation.

Trade payables decreased to MEUR 503.3 (31 Dec 2022: MEUR 557.6) and primarily comprise balances payable to ingredient suppliers, carriers, partners providing warehousing, packaging and marketing services.

The present value of the future cash flows for the fixed income component of the convertible bond as of 30 June 2023 was MEUR 163.6 (31 Dec 2022: MEUR 160.6).

There was no default in the payment of any of the financial liabilities.

There have been no changes to the Group's financial risk management objectives and policies in comparison to those mentioned in the annual consolidated financial statements for the year ended 31 December 2022. There have also been no changes in the nature and extent of risks arising from financial instruments during the interim period.

## 10. Share Capital and Capital Reserves

	Ordinary share capital		Capital reserves		
	Number of shares (in pcs)	Nominal amount (in MEUR)	Change in capital paid in (in MEUR)	Transaction costs (in MEUR)	Total (in MEUR)
As of 1 January 2023	171,928,379	171.9	366.0	(10.0)	356.1
Issue of ordinary share capital	475,081	0.5	0.1	—	0.1
<b>As of 30 June 2023</b>	<b>172,403,460</b>	<b>172.4</b>	<b>366.1</b>	<b>(10.0)</b>	<b>356.2</b>

## 11. Share-Based Compensation

The Group operates equity-settled share-based compensation plans, under which directors and employees receive equity instruments as part of their compensation. HelloFresh has classified its share based compensation scheme as equity-settled. During the first half of 2023, the group granted 3.2 million options, with a grant price between EUR 21.27 and EUR 22.18 and 3.1 million restricted stock unit (RSU). Also the Group exercised the option of settling the vested grants in cash amounting to MEUR 1.4. The remaining grants and options will still be accounted as equity-settled. Additionally, the Group operates cash-settled compensation plans for local senior management of newly launched businesses.

All program details are in line with the earlier plans, we refer to [Note 20](#) in our Annual Report 2022 for further details.

The share-based payment expense for the resulting from the two programs was recorded as follows:

in MEUR	3 months ended 30-Jun-23	3 months ended 30-Jun-22 <sup>1</sup>	6 months ended 30-Jun-23	6 months ended 30-Jun-22 <sup>1</sup>
Equity-settled plans	24.7	19.7	46.6	37.0
Cash-settled plans	0.2	(2.7)	(1.6)	(13.5)
<b>Total</b>	<b>24.9</b>	<b>17.0</b>	<b>45.0</b>	<b>23.5</b>

The Segment expense is summarized below:

In MEUR	3 months ended 30-Jun-23	3 months ended 30-Jun-22 <sup>1</sup>	6 months ended 30-Jun-23	6 months ended 30-Jun-22 <sup>1</sup>
North America	14.0	9.9	27.0	17.0
International	3.2	0.5	4.3	(6.3)
Holding	7.7	6.6	13.7	12.8
<b>Total</b>	<b>24.9</b>	<b>17.0</b>	<b>45.0</b>	<b>23.5</b>

Share-based compensation expenses have increased significantly year-on-year in comparison to the first half of 2022, mainly driven an overall increase in the number of participants to the program and also by the positive revaluation impact of cash-settled plans in the comparative period H1 2022.

A breakdown of the vested and unvested share awards is shown in the table below:

Employee Incentive Plan	Options	RSU	Total
Vested (in mn)	8.2	0.3	8.5
WAEP (in EUR) – vested instruments	18.65	–	18.02
Unvested (in mn)	4.5	3.6	8.1
WAEP (in EUR) – unvested instruments	31.08	–	17.31
Outstanding (in mn)	12.7	3.9	16.5
WAEP (in EUR)	23.06	–	17.68

## 12. Income Taxes

The Group calculates the period income tax expense using the tax rate that would be applicable on the expected total annual earnings. This effective tax rate for half year ended 30 June 2023 is 43.1 % (H1 2022: 35.6 % <sup>1</sup>). The significantly higher tax rate in H1 2023 is mainly caused by a higher negative contribution of relatively recently launched, still loss making Group companies to the Group's profit before income tax. For these Group companies, no deferred tax assets were recognized. The decrease of the absolute tax expense in the amount of MEUR 26.0 to MEUR 31.0 results from a lower profit before income tax compared to H1 2022.

## 13. Earning per Share

The Group reports basic and diluted earnings per share.

Basic earnings per share is calculated as follows:

	3 months ended 30-Jun-23	3 months ended 30-Jun-22 <sup>1</sup>	6 months ended 30-Jun-23	6 months ended 30-Jun-22 <sup>1</sup>
Net income for the period attributable to the shareholders of HelloFresh SE (in MEUR)	66.5	65.5	41.3	103.7
Basic weighted average number of ordinary shares (in millions)	172.1	171.5	171.9	171.8
<b>Basic earning per share</b> (in EUR)	<b>0.39</b>	<b>0.38</b>	<b>0.24</b>	<b>0.60</b>

<sup>1</sup> Adjusted, refer to [Note 4](#) (Cash-settled share based compensation).

Diluted earnings per share is calculated as follows:

	3 months ended 30-Jun-23	3 months ended 30-Jun-22 <sup>1</sup>	6 months ended 30-Jun-23	6 months ended 30-Jun-22 <sup>1</sup>
Net income after dilution for the period attributable to the shareholders of HelloFresh SE (in MEUR)	67.9	66.1	42.1	104.7
Weighted average number of diluted shares (in millions)	180.6	180.2	180.5	180.4
<b>Diluted earning per share</b> (in EUR)	<b>0.38</b>	<b>0.37</b>	<b>0.23</b>	<b>0.58</b>

<sup>1</sup> Adjusted, refer to **Note 4** (Cash-settled share based compensation).

#### 14. Related Party Transactions

The Group did not have any transactions with the management board or supervisory board during the year apart from the fixed compensation and share based compensation, based on the management board contracts and as disclosed in the Company's annual compensation report.

#### 15. Events after the Reporting Period

No events of special significance occurred after the end of the reporting period.

Berlin, 9 August 2023

**Dominik Richter**  
Chief Executive  
Officer

**Thomas Griesel**  
Chief Executive  
Officer International

**Christian Gärtner**  
Chief Financial  
Officer

**Edward Boyes**  
Chief Commercial  
Officer

## C Further Information

### Responsibility Statement by the Management Board

To the best of our knowledge, and in accordance with the applicable reporting principles for interim financial reporting, the interim consolidated financial statements give a true and fair view of the assets, liabilities, financial position, and profit and loss of the Group, and the interim Group management report includes a fair review of the development and performance of the business and the position of the Group, together with a description of the material opportunities and risks associated with the expected development of the Group for the remaining months of the financial year.

Berlin, 9 August 2023

**Dominik Richter**  
Chief Executive  
Officer

**Thomas Griesel**  
Chief Executive  
Officer  
International

**Christian Gärtner**  
Chief Financial  
Officer

**Edward Boyes**  
Chief Commercial  
Officer

## Auditor Review Report

To HelloFresh SE, Berlin

We have reviewed the Interim Condensed Consolidated Financial Statements of HelloFresh SE, Berlin, – comprising Interim Condensed Consolidated Statement of Financial Position, Interim Condensed Consolidated Statement of Comprehensive Income, Interim Condensed Consolidated Statement of Changes in Equity, Interim Condensed Consolidated Statement of Cash Flows and Explanatory Notes to the Interim Condensed Consolidated Financial Statements – together with the Interim Group Management Report of HelloFresh SE, Berlin, for the period from 1 January 2023 to 30 June 2023 that are part of the semi annual financial report according to Section 115 WpHG [“Wertpapierhandelsgesetz“: “German Securities Trading Act”]. The preparation of the Interim Condensed Consolidated Financial Statements in accordance with International Accounting Standard IAS 34 “Interim Financial Reporting” as adopted by the EU, and of the Interim Group Management Report in accordance with the requirements of the WpHG applicable to interim group management reports, is the responsibility of the Company’s management. Our responsibility is to issue a report on the condensed interim consolidated financial statements and on the interim group management report based on our review.

We performed our review of the Interim Condensed Consolidated Financial Statements and the Interim Group Management Report in accordance with the German generally accepted standards for the review of financial statements promulgated by the Institut der Wirtschaftsprüfer (IDW) [Institute of Public Accountants in Germany Incorporated Association]. Those standards require that we plan and perform the review so that we can preclude through critical evaluation, with a certain level of assurance, that the Interim Condensed Consolidated Financial Statements have not been prepared, in material respects, in accordance with IAS 34, “Interim Financial Reporting” as adopted by the EU, and that the Interim Group Management Report has not been prepared, in material respects, in accordance with the requirements of the WpHG applicable to interim group management reports. A review is limited primarily to inquiries of company employees and analytical assessments and therefore does not provide the assurance attainable in a financial statement audit. Since, in accordance with our engagement, we have not performed a financial statement audit, we cannot issue an auditor’s report.

Based on our review, no matters have come to our attention that cause us to presume that the Interim Condensed Consolidated Financial Statements have not been prepared, in material respects, in accordance with IAS 34, “Interim Financial Reporting” as adopted by the EU, or that the Interim Group Management Report has not been prepared, in material respects, in accordance with the requirements of the WpHG applicable to interim group management reports.

Berlin, 9 August 2023

KPMG AG  
Wirtschaftsprüfungsgesellschaft  
[Original German version signed by:]

Waubke  
Wirtschaftsprüfer  
[German Public Auditor]

Marschner  
Wirtschaftsprüferin  
[German Public Auditor]



## Glossary

### Active customers

Active customers refer to the number of uniquely identified customers per brand, who received at least one box within the preceding three months (including first-timers and trial customers, customers who received a discounted box and customers who ordered during the relevant period but discontinued their orders and registration with us before period end) counted from the end of the relevant period. In case a household has ordered from two separate HelloFresh brands in the same three-month period, this household would count as two active customers.

### Adjusted EBIT

We define adjusted EBIT as EBIT before share-based compensation expense, holding fees, and other non-operating one-time effects („special items”).

### Adjusted EBITDA

We define adjusted EBITDA as EBITDA before share-based compensation expenses, holding fees, and other non-operating one-time effects („special items”).

### Average Order Value

Average order value is calculated as the total revenue (excluding retail revenue) divided by the number of orders in the corresponding period.

### Constant Currency

Revenue denominated in a currency other than euro for a given month and the corresponding month in the prior year, which is translated into euro by using the average exchange rate for the respective month in the prior year for each period.

### Contribution Margin

Contribution Margin is defined as revenue less procurement expenses, and fulfilment costs.

### Corporate Responsibility

Corporate Responsibility (CR) is a business approach that takes responsibility for social and environmental impacts resulting of a company activity. The goal is to create long-term value for shareholders, other stakeholders, and communities by embracing the opportunities associated with economic, environmental and social developments.

### EBIT

EBIT is short for earnings before interest and taxes.

### EBIT Margin

EBIT Margin is EBIT as a percentage of revenue.

### EBITDA

EBITDA is short for EBIT before depreciation of property, plant and equipment, and amortization of intangible assets.

### EBITDA Margin

EBITDA Margin is EBITDA as a percentage of revenue.

### Free Cash Flow

Cash flow from operating activities reduced by net capital expenditure (excluding investments in subsidiaries, time deposits, and restricted cash) and repayment of lease liabilities (IFRS 16) (excluding interest).

### **Free Cash Flow per diluted share**

Free cash flow divided by weighted average number of diluted shares.

### **Holding fees**

Holding fees represent a remuneration for high value-adding services performed by the holding, and for using the HelloFresh intellectual property rights.

### **Net working Capital**

We calculate net working capital as the sum of inventories, trade receivables, VAT receivables, and similar taxes, less trade payables, deferred revenue, VAT payables, and similar taxes.

### **Number of Meals (Meals delivered)**

Number of meals is defined as the number of individual serve/portion that have been delivered within the corresponding period.

### **Operating working capital**

We calculate operating working capital as the sum of inventories, trade receivables, VAT receivables and similar taxes, less trade payables (excluding Capex payables and Capex accruals), deferred revenue, VAT payables and similar taxes, and prepaid expenses and payroll liabilities.

### **Orders per Customer (Average order rate)**

Orders per customer is calculated as the number of orders divided by the active customers in the corresponding period.

### **Procurement Expenses**

Procurement Expenses consist of purchase price paid to suppliers for ingredients, salaries, ingredients procurement, personnel and inbound shipping charges.

### **Special Items**

Special items consist of items of a nonrecurring nature, which include expenses related to legal and other services incurred in connection with M&A-transactions, one-off costs related to reorganizations and restructurings and prior period related effects.

## Financial Calendar 2023

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Publication of Quarterly Financial Statements Q3 2023 and Earnings Call

26 October 2023

## Imprint

### Editorial Team and Contact

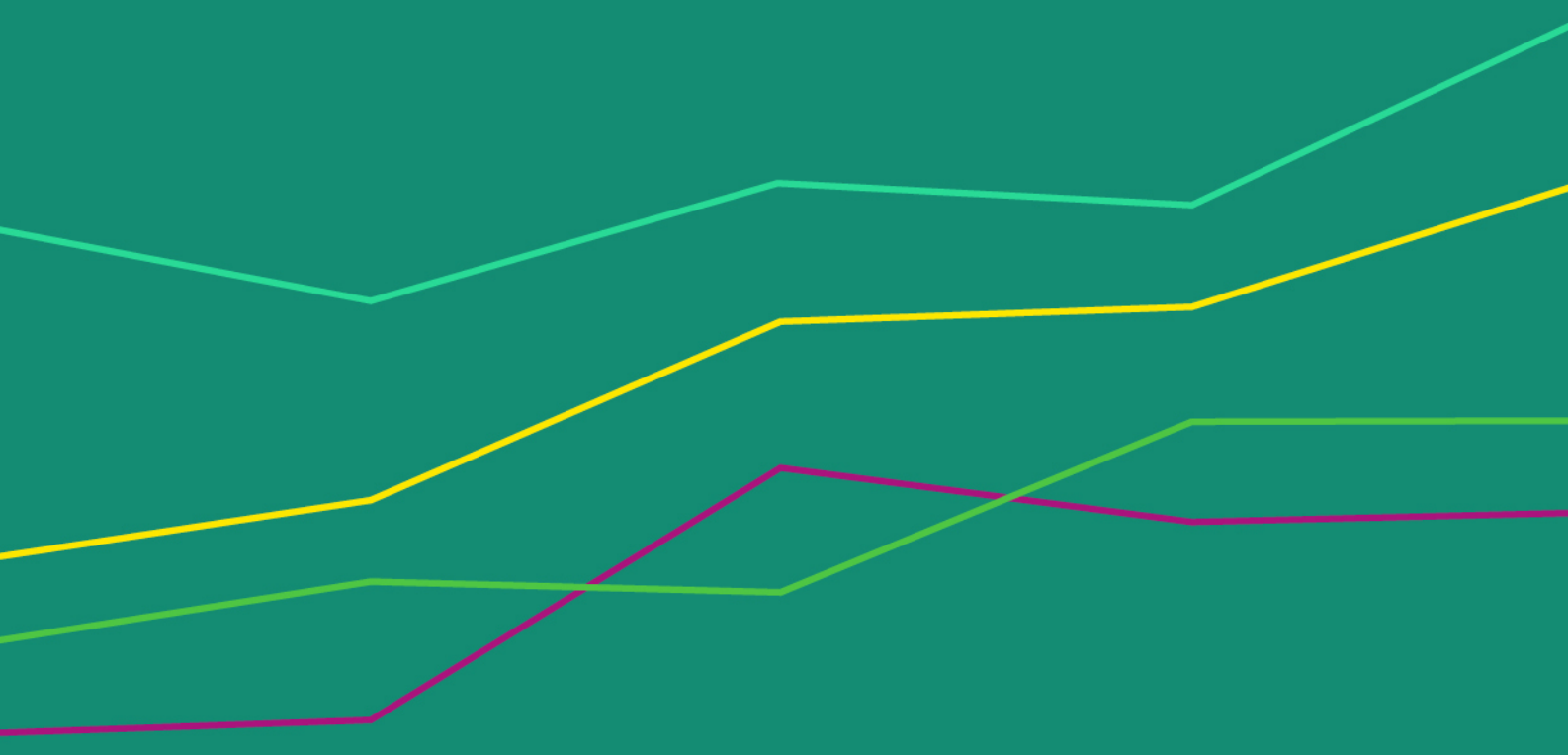
HelloFresh SE  
Prinzenstraße 89  
10969 Berlin  
[www.hellofreshgroup.com](http://www.hellofreshgroup.com)

### Investor Relations

Daniel Alvarez / Head of IR  
[ir@hellofresh.com](mailto:ir@hellofresh.com)

### Corporate Communications

Saskia Leisewitz / Director of Global Corporate Communications  
[pr@hellofresh.com](mailto:pr@hellofresh.com)



**HELLOFRESH**  
GROUP

HelloFresh SE  
Prinzenstrasse 89  
10969 Berlin